



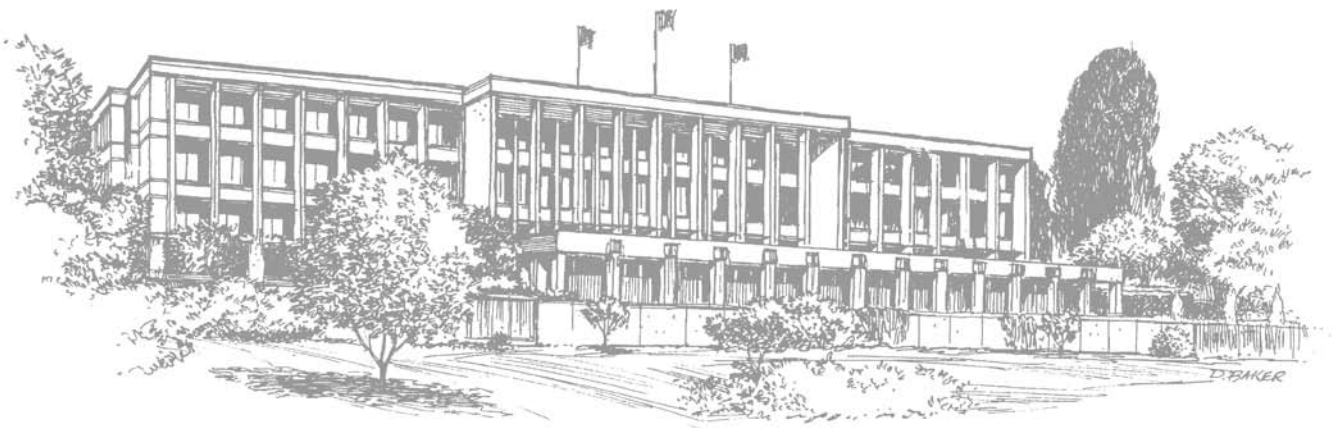
2008-09 BUDGET

BUDGET STATEMENTS

Budget Paper No. 2

Volume 1

**PRESENTED TO THE LEGISLATIVE ASSEMBLY
ON 8 MAY 2008**



2008–09 Budget Statements

(Budget Paper No. 2 Volume 1)

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BUDGET 2008-09

BUDGET STATEMENTS

TABLE OF CONTENTS

	Volume	Page
Chapter 1: Consolidated Account Expenditure Estimates	1	2
Chapter 2: Net Appropriation Determinations	1	30
Chapter 3: Agency Information in Support of the Estimates	1	45
PART 1 - PARLIAMENT		
Parliament	1	47
Parliamentary Commissioner for Administrative Investigations	1	72
PART 2 - PREMIER; MINISTER FOR FEDERAL-STATE RELATIONS; TRADE; INNOVATION; SCIENCE; PUBLIC SECTOR MANAGEMENT		
Premier and Cabinet.....	1	83
Governor's Establishment	1	110
Office of the Public Sector Standards Commissioner	1	118
Salaries and Allowances Tribunal.....	1	130
PART 3 - DEPUTY PREMIER; TREASURER; MINISTER FOR STATE DEVELOPMENT		
Treasury and Finance	1	141
Office of Native Title.....	1	180
Office of the Auditor General	1	188
Economic Regulation Authority	1	199
Western Australian Treasury Corporation	1	211
State Supply Commission	1	212
Industry and Resources	1	221
PART 4 - MINISTER FOR AGRICULTURE AND FOOD; FORESTRY; THE MID WEST AND WHEATBELT; GREAT SOUTHERN		
Agriculture and Food	1	249
Agriculture Protection Board of Western Australia	1	272
Western Australian Meat Industry Authority	1	279
Perth Market Authority	1	280
Rural Business Development Corporation	1	281
Forest Products Commission.....	1	287
Mid West Development Commission	1	288
Wheatbelt Development Commission.....	1	302
Great Southern Development Commission.....	1	312

	Volume	Page
PART 5 - MINISTER FOR LOCAL GOVERNMENT; RACING AND GAMING; MULTICULTURAL INTERESTS AND CITIZENSHIP; GOVERNMENT ENTERPRISES; MINISTER ASSISTING THE MINISTER FOR PLANNING AND INFRASTRUCTURE; GOLDFIELDS-ESPERANCE; YOUTH		
Local Government and Regional Development	1	325
Metropolitan Cemeteries Board	1	340
Racing, Gaming and Liquor	1	341
Racing and Wagering Western Australia	1	354
Western Australian Greyhound Racing Authority	1	355
Insurance Commission of Western Australia	1	356
Lotteries Commission	1	357
Gold Corporation	1	358
Goldfields-Esperance Development Commission.....	1	359
PART 6 - MINISTER FOR POLICE AND EMERGENCY SERVICES; COMMUNITY SAFETY; WATER RESOURCES; SPORT AND RECREATION		
Western Australia Police.....	2	375
Fire and Emergency Services Authority of Western Australia	2	400
Water.....	2	415
Water Corporation.....	2	434
Bunbury Water Board	2	437
Busselton Water Board	2	438
Sport and Recreation	2	439
Western Australian Sports Centre Trust.....	2	455
PART 7 - ATTORNEY GENERAL; MINISTER FOR HEALTH; ELECTORAL AFFAIRS		
Attorney General.....	2	467
Commissioner for Equal Opportunity	2	489
Corruption and Crime Commission	2	500
Parliamentary Inspector of the Corruption and Crime Commission	2	512
Law Reform Commission of Western Australia	2	520
Office of the Director of Public Prosecutions	2	529
Commissioner for Children and Young People	2	540
Office of the Information Commissioner	2	546
WA Health	2	554
Western Australian Electoral Commission	2	610
PART 8 – MINISTER FOR HOUSING AND WORKS; INDIGENOUS AFFAIRS; HERITAGE; LAND INFORMATION		
Housing and Works.....	2	621
Housing Authority.....	2	632
Country Housing Authority.....	2	646
Indigenous Affairs.....	2	647
Heritage Council of Western Australia	2	658
National Trust of Australia (WA)	2	667
Western Australian Land Information Authority	2	676

	Volume	Page
PART 9 - MINISTER FOR PLANNING AND INFRASTRUCTURE		
Planning and Infrastructure	2	691
Commissioner of Main Roads.....	2	720
Public Transport Authority of Western Australia	2	746
Armadale Redevelopment Authority	2	764
East Perth Redevelopment Authority.....	2	766
Midland Redevelopment Authority.....	2	767
Subiaco Redevelopment Authority	2	768
Albany Port Authority.....	2	769
Broome Port Authority.....	2	770
Bunbury Port Authority.....	2	771
Dampier Port Authority.....	2	772
Esperance Port Authority	2	773
Fremantle Port Authority	2	774
Geraldton Port Authority.....	2	777
Port Hedland Port Authority	2	778
Western Australian Land Authority	2	779
Eastern Goldfields Transport Board.....	2	781
Western Australian Planning Commission.....	2	782
 PART 10 - MINISTER FOR DISABILITY SERVICES; TOURISM; CULTURE AND THE ARTS; CONSUMER PROTECTION		
Disability Services Commission	3	801
Western Australian Tourism Commission	3	815
Rottnest Island Authority	3	828
Culture and the Arts	3	829
 PART 11 - MINISTER FOR EDUCATION AND TRAINING; SOUTH WEST		
Education and Training	3	853
Country High School Hostels Authority	3	872
Curriculum Council.....	3	880
Education Services	3	893
South West Development Commission.....	3	907
 PART 12 - MINISTER FOR ENERGY; RESOURCES; INDUSTRY AND ENTERPRISE		
Office of Energy.....	3	919
Independent Market Operator	3	933
Horizon Power	3	934
Synergy	3	936
Verve Energy	3	937
Western Power	3	938
Chemistry Centre (WA).....	3	940
 PART 13 - MINISTER FOR EMPLOYMENT PROTECTION; REGIONAL DEVELOPMENT; FISHERIES; THE KIMBERLEY, PILBARA AND GASCOYNE		
Consumer and Employment Protection.....	3	951
Registrar, Western Australia Industrial Relations Commission.....	3	971
Fisheries	3	978
Kimberley Development Commission	3	993
Pilbara Development Commission.....	3	1004
Gascoyne Development Commission	3	1014

	Volume	Page
PART 14 - MINISTER FOR CORRECTIVE SERVICES; SMALL BUSINESS		
Corrective Services	3	1025
Office of the Inspector of Custodial Services	3	1039
Small Business Development Corporation.....	3	1046
PART 15 - MINISTER FOR THE ENVIRONMENT; CLIMATE CHANGE; PEEL		
Environment and Conservation	3	1059
Botanic Gardens and Parks Authority	3	1082
Swan River Trust	3	1094
Zoological Parks Authority	3	1108
Peel Development Commission	3	1120
PART 16 - MINISTER FOR CHILD PROTECTION; COMMUNITIES; WOMEN'S INTEREST; SENIORS AND VOLUNTEERING		
Child Protection	3	1133
Communities	3	1150

CHAPTER 1

**CONSOLIDATED ACCOUNT EXPENDITURE
ESTIMATES**

CONSOLIDATED ACCOUNT EXPENDITURE ESTIMATES ^(a)

Vol	Division	Item	Details
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PART 1 - PARLIAMENT

V1	1		Parliament
			– Legislative Council
		1	– Net Amount Appropriated to Deliver Services
			– Capital Contribution
			– Salaries and Allowances Act 1975.....
			– Legislative Assembly
	1	2	– Net Amount Appropriated to Deliver Services
			– Salaries and Allowances Act 1975.....
			– Parliamentary Services
		3	– Net Amount Appropriated to Deliver Services
	118		– Capital Contribution
			Total
V1	2		Parliamentary Commissioner for Administrative Investigations
		4	– Net Amount Appropriated to Deliver Services
		119	– Capital Contribution.....
			– Parliamentary Commissioner Act 1971.....
			Total

TOTAL - PART 1

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

V1	3		Premier and Cabinet
		5	– Net Amount Appropriated to Deliver Services
			– Capital Contribution.....
			– Salaries and Allowances Act 1975.....
			Total
V1	4		Governor's Establishment
		6	– Net Amount Appropriated to Deliver Services
			– Governor's Establishment Act 1992
			– Salaries and Allowances Act 1975.....
			Total
V1	5		Office of the Public Sector Standards Commissioner
		7	– Net Amount Appropriated to Deliver Services
			– Salaries and Allowances Act 1975.....
			Total
V1	6		Salaries and Allowances Tribunal
		8	– Net Amount Appropriated to Deliver Services
			Total

TOTAL - PART 2

2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
3,067	3,446	3,472	3,556	3,633	3,725	3,859
-	1,000	1,907	-	-	-	-
7,614	7,824	7,989	8,068	8,296	8,533	8,789
3,756	4,324	4,324	4,393	4,501	4,612	4,746
12,223	12,578	13,382	12,971	13,349	13,738	14,150
11,154	11,438	11,546	11,704	12,022	12,344	12,636
3,040	500	907	650	500	500	500
40,854	41,110	43,527	41,342	42,301	43,452	44,680
2,536	2,933	3,251	3,743	3,930	3,914	3,897
-	-	-	198	-	-	-
407	407	475	493	532	547	562
2,943	3,340	3,726	4,434	4,462	4,461	4,459
43,797	44,450	47,253	45,776	46,763	47,913	49,139
116,099	114,958	125,986	121,916	129,415	122,861	126,641
2,200	655	655	-	-	-	-
860	560	1,519	1,717	1,778	1,842	1,909
119,159	116,173	128,160	123,633	131,193	124,703	128,550
1,158	1,178	1,573	1,589	1,610	1,633	1,667
1,412	1,523	1,523	1,568	1,612	1,654	1,704
334	351	351	361	371	381	392
2,904	3,052	3,447	3,518	3,593	3,668	3,763
3,786	3,988	3,979	4,171	4,382	4,503	4,593
406	335	297	305	313	322	340
4,192	4,323	4,276	4,476	4,695	4,825	4,933
325	488	583	585	571	585	601
325	488	583	585	571	585	601
126,580	124,036	136,466	132,212	140,052	133,781	137,847

CONSOLIDATED ACCOUNT EXPENDITURE ESTIMATES – continued ^(a)

Vol Division Item Details

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

VI	7	Treasury and Finance	
	9	– Net Amount Appropriated to Deliver Services	
	10	– Electricity Retail Corporation (Synergy).....	
	11	– Forest Products Commission.....	
	12	– Regional Power Corporation (Horizon Power)	
	13	– Water Corporation of Western Australia.....	
	14	– Western Australian Land Authority	
	15	– Aerial Shark Surveillance Program.....	
	16	– Armadale Redevelopment Authority.....	
	17	– Broome Port Authority.....	
	18	– Department for Child Protection	
	19	– Department for Communities.....	
	20	– Department of Indigenous Affairs.....	
	21	– Electricity Generation Corporation (Verve Energy) – Part Reimbursement of Land Sales.....	
	22	– First Home Owners' Assistance.....	
	23	– Goods and Services Tax (GST) Administration Costs	
	24	– HIH Insurance Rescue Package	
	25	– Office of Health Review	
	26	– Pensioners Concessions – Emergency Services Levy	
	27	– Pensioners Concessions – Local Government and Water Rates.....	
	28	– Provision for the Outcome of CSA EBA Negotiations	
	29	– Provision for Unfunded Liabilities in the Government Insurance Fund.....	
	30	– Refund of Past Years Revenue Collections – Public Corporations	
	31	– Refund of Past Years Revenue Collections – All Other	
	32	– Rottneet Island Authority	
	33	– State Property – Emergency Services Levy	
	34	– Water Corporation of Western Australia – State Water Strategy Rebate Scheme.....	
	35	– Water Corporation of Western Australia – Part Reimbursement of Land Sales.....	
	36	– Western Australian Building Management Authority – Interest	
	37	– Wine Equalisation Tax Rebate.....	
	38	– All Other Grants, Subsidies and Transfer Payments	
		<i>Comprising:</i>	
		– Acts of Grace	
		– ANZAC Day Trust.....	
		– Consumer Utilities Program – Western Australian Council of Social Service.....	
		– Incidentals	
		– Interest on Public Moneys held in Participating Trust Fund Accounts	
		– Life Support Equipment Electricity Subsidy Scheme	
		– On-Road Diesel Subsidies.....	
		– Public Swimming Pools – Operating Costs Subsidy	
		– Stamp Duty Concessions on Farming Properties	
		– Stamp Duty Rebate Scheme	
		– Thermoregulatory Dysfunction Energy Subsidy Scheme.....	
	120	– Capital Contribution.....	
	121	– Armadale Redevelopment Authority.....	
	122	– Broome Port Authority.....	
	123	– WA Health	

2006-07 Actual	2007-08 Budget	2007-08 Estimated Actual	2008-09 Budget Estimate	2009-10 Forward Estimate	2010-11 Forward Estimate	2011-12 Forward Estimate
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
90,428	108,059	124,529	148,032	155,139	147,562	143,705
30,969	31,504	31,504	31,336	285,034	340,336	275,071
2,370	2,370	2,370	3,370	3,370	3,370	3,370
16,185	23,900	23,991	37,108	39,777	41,620	43,788
359,953	385,110	399,363	445,784	469,412	471,522	489,482
24,330	33,982	39,482	25,846	27,092	27,112	26,952
162	177	177	185	194	204	214
2,750	1,200	1,450	1,720	1,792	1,812	1,832
1,293	420	420	405	405	405	405
-	7,550	5,788	15,300	14,200	28,300	-
-	1,150	981	401	421	441	-
-	-	-	4,928	3,274	2,862	3,106
-	158	158	1	-	-	-
87,338	114,500	118,500	111,000	108,000	112,000	115,000
61,760	65,300	61,700	65,300	64,700	65,800	67,100
16	433	220	220	-	-	-
1,430	1,437	1,613	1,642	1,624	1,646	1,699
7,664	10,114	10,114	10,809	11,100	11,391	11,391
48,303	55,640	55,640	59,430	63,350	67,151	71,180
-	-	11,384	52,025	75,988	90,171	92,968
2,042	2,274	6,000	6,180	6,365	6,556	6,752
10,390	500	4,284	5,000	5,000	5,000	5,000
51,465	34,000	47,000	39,800	33,000	34,000	35,300
2,583	2,200	2,200	2,200	2,200	2,200	2,200
8,931	9,000	11,952	12,000	12,000	14,000	14,000
7,486	9,000	9,000	9,000	-	-	-
47	700	700	800	900	1,000	1,025
4,700	4,000	4,400	312	-	-	-
-	7,000	-	9,700	2,800	2,900	3,000
15,573	15,482	14,366	14,417	14,163	14,121	14,283
-	1	2	2	2	2	2
300	300	300	300	300	300	300
170	170	170	170	-	-	-
-	1	38	38	38	38	38
2,940	4,500	3,346	3,327	3,027	2,875	2,924
401	560	560	560	616	616	616
8,403	8,900	8,900	9,120	9,330	9,440	9,553
310	300	300	300	300	300	300
13	250	250	100	-	-	-
2,966	-	-	-	-	-	-
70	500	500	500	550	550	550
26,127	17,741	19,561	51,804	38,994	19,127	11,091
10,600	2,000	4,000	10,500	6,000	2,000	-
784	-	1,249	350	-	-	-
63,885	140,846	96,446	242,137	238,902	221,957	287,304

CONSOLIDATED ACCOUNT EXPENDITURE ESTIMATES – continued ^(a)

Vol	Division	Item	Details
			PART 3 - DEPUTY PREMIER; TREASURER; MINISTER FOR STATE DEVELOPMENT - continued
		124	– Department of Indigenous Affairs.....
		125	– Electricity Networks Corporation (Western Power).....
		126	– Forest Products Commission.....
		127	– Fremantle Port Authority
		128	– Regional Power Corporation (Horizon Power)
		129	– Rottnest Island Authority
		130	– Verve Energy
		131	– Water Corporation of Western Australia.....
		132	– Western Australian Building Management Authority
		133	– Western Australian Land Authority
		134	– Western Australian Meat Industry Authority
		135	– Perry Lakes Trust Account.....
		136	– Fiona Stanley Hospital Construction Account
			– Salaries and Allowances Act 1975.....
			– City of Subiaco
			– HIH Insurance – Assistance to Local Government
			– Matrix Fleet Leasing – Tax Settlement
			– Gold Corporation Act 1987.....
			– Judges’ Salaries and Pensions Act 1950
			– Parliamentary Superannuation Act 1970.....
			– Salaries Provision – Special Division and Prescribed Office Holders.....
			– State Superannuation Act 2000
			– Tobacco Products Control Act 2006
			– Unclaimed Money Act 1990
			– Unclaimed Money (Superannuation and RSA Providers) Act 2003
			– Western Australian Treasury Corporation Act 1986 – Interest
			– Albany Port Authority.....
			– Department for Child Protection
			– Department for Communities.....
			– Midland Redevelopment Authority
			– Western Australian Coastal Shipping Commission.....
			– Loans (Cooperative Companies) Act 2004
			– Western Australian Treasury Corporation Act 1986 – Capital Repayments
			Total.....
V1	8		Office of Native Title
		39	– Net Amount Appropriated to Deliver Services
			Total.....
V1	9		Office of the Auditor General
		40	– Net Amount Appropriated to Deliver Services
		137	– Capital Contribution.....
			– Financial Administration and Audit Act 1985
			– Salaries and Allowances Act 1975.....
			Total.....

2006-07 Actual	2007-08 Budget	2007-08 Estimated Actual	2008-09 Budget Estimate	2009-10 Forward Estimate	2010-11 Forward Estimate	2011-12 Forward Estimate
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
-	-	-	1,830	-	-	-
6,000	6,000	7,637	6,651	809	636	-
2,270	2,200	2,200	1,200	1,200	1,200	1,200
215	5,214	3,214	212	2,211	105	-
12,025	9,800	17,809	19,976	-	-	-
6,456	1,689	3,892	8,458	22	20	-
-	-	-	11,210	23,910	13,813	1,067
-	-	-	7,210	7,730	8,280	8,860
7,900	8,200	8,200	62,724	-	-	-
19,534	77,700	77,700	49,922	-	-	-
-	-	-	5,000	-	-	-
3,307	60,678	24,571	70,937	23,869	1,166	-
-	1,088,585	1,088,585	221,000	-	-	-
1,010	1,037	1,037	1,065	1,094	1,127	1,161
6,100	-	-	-	-	-	-
200	100	100	-	-	-	-
-	-	14,000	-	-	-	-
21	30	30	30	30	30	30
6,316	6,480	6,480	6,780	7,090	7,420	7,902
7,059	5,720	5,720	15,420	11,300	7,650	8,150
-	924	214	882	930	954	978
456,144	613,976	613,976	658,376	535,476	561,376	557,073
18,179	18,635	18,635	19,110	19,547	20,020	20,020
956	750	750	750	750	750	750
176	100	350	50	40	20	-
1,046	-	-	-	-	-	-
-	3,785	3,785	-	-	-	-
-	200	200	-	-	-	-
-	200	200	-	-	-	-
16,448	6,216	6,216	-	-	-	-
-	17,500	17,500	-	-	-	-
4,293	-	3,000	-	-	-	-
49,318	-	-	-	-	-	-
1,564,537	3,023,466	3,036,543	2,587,835	2,321,204	2,361,133	2,334,409
9,365	30,785	13,070	30,199	16,439	8,738	8,757
9,365	30,785	13,070	30,199	16,439	8,738	8,757
14,836	14,244	15,770	16,668	16,960	17,602	18,209
-	108	108	145	255	269	-
150	-	-	-	-	-	-
327	452	483	497	512	527	543
15,313	14,804	16,361	17,310	17,727	18,398	18,752

CONSOLIDATED ACCOUNT EXPENDITURE ESTIMATES – continued ^(a)

Vol	Division	Item	Details
			PART 3 - DEPUTY PREMIER; TREASURER; MINISTER FOR STATE DEVELOPMENT - continued
V1	10		Economic Regulation Authority
		41	Net Amount Appropriated to Deliver Services
			Total
V1	11		State Supply Commission
		42	– Net Amount Appropriated to Deliver Services
			– Salaries and Allowances Act 1975
			Total
V1	12		Industry and Resources
		43	– Net Amount Appropriated to Deliver Services
		44	– Administered Grants, Subsidies and Other Transfer Payments
		138	– Capital Contribution
			– Petroleum (Submerged Lands) Act 1982
			– Salaries and Allowances Act 1975
		139	– Administered Capital Contribution
			Total
			TOTAL – PART 3
			PART 4 - MINISTER FOR AGRICULTURE AND FOOD; FORESTRY; THE MID WEST AND WHEATBELT; GREAT SOUTHERN
V1	13		Agriculture and Food
		45	– Net Amount Appropriated to Deliver Services
		140	– Capital Contribution
			– Salaries and Allowances Act 1975
			Total
V1	14		Agriculture Protection Board of Western Australia
		46	– Net Amount Appropriated to Deliver Services
			– Agriculture and Related Resources Protection Act 1976
			Total
V1	15		Rural Business Development Corporation
		47	– Net Amount Appropriated to Deliver Services
			Total
V1	16		Mid West Development Commission
		48	– Net Amount Appropriated to Deliver Services
			– Capital Contribution
			Total
V1	17		Wheatbelt Development Commission
		49	– Net Amount Appropriated to Deliver Services
			Total

2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	20010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
5,148	4,765	6,977	6,568	6,609	6,674	6,864
5,148	4,765	6,977	6,568	6,609	6,674	6,864
1,469	1,523	1,520	1,703	1,736	1,785	1,845
144	147	150	155	160	165	170
1,613	1,670	1,670	1,858	1,896	1,950	2,015
134,751	165,028	157,775	160,696	165,027	146,265	137,017
57,228	54,929	53,158	48,488	33,526	25,848	24,829
1,450	14,818	12,005	2,605	10	15	-
14,573	12,645	14,289	12,042	10,655	9,553	8,585
636	653	662	692	722	756	779
1,000	2,700	3,900	3,640	-	-	-
209,638	250,773	241,789	228,163	209,940	182,437	171,210
1,805,614	3,326,263	3,316,410	2,871,933	2,573,815	2,579,330	2,542,007
149,317	174,638	176,653	153,684	148,940	148,422	153,958
4,050	560	562	3,724	26,178	65,991	64,732
265	268	281	287	293	302	311
153,632	175,466	177,496	157,695	175,411	214,715	219,001
765	309	309	310	311	312	313
991	1,021	1,021	1,052	1,052	1,052	1,052
1,756	1,330	1,330	1,362	1,363	1,364	1,365
4,262	2,940	16,080	1,694	196	200	206
4,262	2,940	16,080	1,694	196	200	206
3,522	3,452	5,452	4,269	1,473	1,512	1,555
229	-	-	-	-	-	-
3,751	3,452	5,452	4,269	1,473	1,512	1,555
1,438	1,582	1,702	1,535	1,570	1,609	1,651
1,438	1,582	1,702	1,535	1,570	1,609	1,651

CONSOLIDATED ACCOUNT EXPENDITURE ESTIMATES – continued ^(a)

Vol	Division	Item	Details
			PART 4 - MINISTER FOR AGRICULTURE AND FOOD; FORESTRY; THE MID WEST AND WHEATBELT; GREAT SOUTHERN - continued
V1	18		Great Southern Development Commission
		50	– Net Amount Appropriated to Deliver Services
		141	– Capital Contribution.....
			Total.....
			TOTAL – PART 4.....
			PART 5 - MINISTER FOR LOCAL GOVERNMENT; RACING AND GAMING; MULTICULTURAL INTERESTS AND CITIZENSHIP; GOVERNMENT ENTERPRISES; MINISTER ASSISTING THE MINISTER FOR PLANNING AND INFRASTRUCTURE; GOLDFIELDS-ESPERANCE; YOUTH
V1	19		Local Government and Regional Development
		51	– Net Amount Appropriated to Deliver Services
		52	– Administered Grants, Subsidies and Other Transfer Payments.....
			– Capital Contribution.....
			– Salaries and Allowances Act 1975.....
			Total.....
V1	20		Racing, Gaming and Liquor
		53	– Net Amount Appropriated to Deliver Services
		54	– Administered Grants, Subsidies and Other Transfer Payments.....
			– Liquor Control Act 1988.....
			– Salaries and Allowances Act 1975.....
			Total.....
V1	21		Goldfields-Esperance Development Commission
		55	– Net Amount Appropriated to Deliver Services
			– Capital Contribution.....
			Total.....
			TOTAL - PART 5
			PART 6 - MINISTER FOR POLICE AND EMERGENCY SERVICES; COMMUNITY SAFETY; WATER RESOURCES; SPORT AND RECREATION
V2	22		Western Australia Police
		56	– Net Amount Appropriated to Deliver Services
		142	– Capital Contribution.....
			– Salaries and Allowances Act 1975.....
			Total.....
V2	23		Fire and Emergency Services Authority of Western Australia
		57	– Net Amount Appropriated to Deliver Services
			– Administered Grants, Subsidies and Other Transfer Payments.....
		143	– Capital Contribution.....
			Total.....

2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
944	1,574	1,574	1,500	1,558	1,598	1,643
223	2,679	2,565	23,609	15,720	4,360	-
1,167	4,253	4,139	25,109	17,278	5,958	1,643
166,006	189,023	206,199	191,664	197,291	225,358	225,421
28,025	43,370	43,443	41,044	39,129	17,366	17,639
1,316	2,114	2,114	250	250	250	250
94	-	-	-	-	-	-
196	202	205	211	217	223	229
29,631	45,686	45,762	41,505	39,596	17,839	18,118
4,474	3,442	3,740	3,552	3,533	3,477	3,573
106,074	65,542	74,193	72,084	74,804	77,601	80,360
1,889	3,900	3,900	4,500	5,000	5,000	5,000
162	165	167	172	178	183	188
112,599	73,049	82,000	80,308	83,515	86,261	89,121
1,489	1,631	2,131	1,530	1,549	1,589	1,633
-	9	9	-	-	-	-
1,489	1,640	2,140	1,530	1,549	1,589	1,633
143,719	120,375	129,902	123,343	124,660	105,689	108,872
696,523	777,821	789,898	884,995	875,760	897,664	914,514
38,415	85,300	51,180	40,144	38,666	34,508	21,264
2,918	2,837	2,903	2,924	3,002	3,092	3,185
737,856	865,958	843,981	928,063	917,428	935,264	938,963
56,404	30,632	28,236	27,997	27,057	26,286	26,674
1	1	-	-	-	-	-
250	1,210	1,210	32,910	-	-	-
56,655	31,843	29,446	60,907	27,057	26,286	26,674

CONSOLIDATED ACCOUNT EXPENDITURE ESTIMATES – continued ^(a)

Vol	Division	Item	Details
			PART 6 - MINISTER FOR POLICE AND EMERGENCY SERVICES; COMMUNITY SAFETY; WATER RESOURCES; SPORT AND RECREATION - continued
V2	24		Water
		58	– Net Amount Appropriated to Deliver Services
		59	– Administered Grants, Subsidies and Other Transfer Payments
		144	– Capital Contribution.....
			– Salaries and Allowances Act 1975.....
			Total.....
V2	25		Sport and Recreation
		60	– Net Amount Appropriated to Deliver Services
		61	– Contribution to Community Sporting and Recreation Facilities Fund
		145	– Capital Contribution.....
			– Lotteries Commission Act 1990.....
			– Salaries and Allowances Act 1975.....
			Total.....
V2	26		Western Australian Sports Centre Trust
		62	– Net Amount Appropriated to Deliver Services
		146	– Capital Contribution.....
			Total.....
<hr/>			
TOTAL - PART 6			
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PART 7 - ATTORNEY GENERAL; MINISTER FOR HEALTH; ELECTORAL AFFAIRS			
V2	27		Attorney General
		63	– Net Amount Appropriated to Deliver Services
		147	– Capital Contribution.....
			– Children's Court of Western Australia Act 1988.....
			– Criminal Injuries Compensation Act 2003.....
			– District Court of Western Australia Act 1969.....
			– Judges' Salaries and Pensions Act 1950.....
			– Solicitor General Act 1969.....
			– Suitor's Fund Act 1964.....
			– State Administrative Tribunal Act 2004.....
			– Salaries and Allowances Act 1975.....
			Total.....
V2	28		Commissioner for Equal Opportunity
		64	– Net Amount Appropriated to Deliver Services
		148	– Capital Contribution.....
			– Salaries and Allowances Act 1975.....
			Total.....
V2	29		Corruption and Crime Commission
		65	– Net Amount Appropriated to Deliver Services
		149	– Capital Contribution.....
			– Corruption and Crime Commission Act 2003.....
			Total.....

2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
64,085	60,387	65,227	81,157	70,081	66,619	67,486
2,681	2,570	2,570	2,151	1,817	1,356	810
6,203	4,286	4,286	5,010	3,351	6,178	5,285
192	198	200	206	212	219	226
73,161	67,441	72,283	88,524	75,461	74,372	73,807
26,582	33,440	27,370	36,713	23,159	23,648	23,795
5,200	16,200	9,700	17,251	9,151	9,151	9,151
6,140	100	2,000	76,897	15,749	9,550	232,800
12,000	11,112	11,112	11,424	11,742	12,070	12,287
189	194	197	203	209	215	221
50,111	61,046	50,379	142,488	60,010	54,634	278,254
7,139	8,681	8,681	7,845	7,003	8,076	8,215
-	85	85	100	100	260	260
7,139	8,766	8,766	7,945	7,103	8,336	8,475
924,922	1,035,054	1,004,855	1,227,927	1,087,059	1,098,892	1,326,173
170,442	185,211	185,001	212,865	214,781	223,328	221,730
8,437	24,485	25,222	54,156	46,694	3,991	3,478
319	316	318	329	340	350	360
20,142	19,487	19,487	19,487	19,487	19,487	19,487
8,827	8,882	8,927	9,228	9,504	9,790	10,084
7,728	7,490	7,531	8,035	8,374	8,616	8,863
361	329	335	346	357	367	378
30	30	30	30	30	30	30
3,130	2,905	4,023	4,440	4,570	4,704	4,845
19,705	21,005	21,629	23,091	23,749	24,443	25,170
239,121	270,140	272,503	332,007	327,886	295,106	294,425
2,614	2,762	2,780	2,864	2,917	2,994	3,113
23	71	71	56	39	2	-
184	199	199	207	214	220	227
2,821	3,032	3,050	3,127	3,170	3,216	3,340
25,186	26,556	26,537	27,039	27,140	29,641	31,733
-	-	-	1,200	1,248	2,985	300
153	155	343	364	386	409	435
25,339	26,711	26,880	28,603	28,774	33,035	32,468

CONSOLIDATED ACCOUNT EXPENDITURE ESTIMATES – continued ^(a)

Vol	Division	Item	Details
			PART 7 - ATTORNEY GENERAL; MINISTER FOR HEALTH; ELECTORAL AFFAIRS - continued
V2	30	66	Parliamentary Inspector of the Corruption and Crime Commission – Net Amount Appropriated to Deliver Services – Corruption and Crime Commission Act 2003 Total
V2	31	67	Law Reform Commission of Western Australia – Net Amount Appropriated to Deliver Services – Capital Contribution..... Total
V2	32	68	Office of the Director of Public Prosecutions – Net Amount Appropriated to Deliver Services – Capital Contribution..... – Salaries and Allowances Act 1975..... Total
V2	33	69 150	Commissioner for Children and Young People – Net Amount Appropriated to Deliver Services – Capital Contribution..... – Salaries and Allowances Act 1975..... Total
V2	34	70 151	Office of the Information Commissioner – Net Amount Appropriated to Deliver Services – Capital Contribution..... – Freedom of Information Act 1992..... Total
V2	35	71 72 152	WA Health – Net Amount Appropriated to Deliver Services – Contribution to Hospital Fund..... – Capital Contribution..... – Lotteries Commission Act 1990..... – Salaries and Allowances Act 1975..... Total
V2	36	73 153	Western Australian Electoral Commission – Net Amount Appropriated to Deliver Services – Capital Contribution..... – Electoral Act 1907 – Industrial Relations Act 1979..... – Salaries and Allowances Act 1975..... Total
			TOTAL - PART 7

2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	20010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
404	414	10	118	424	432	444
109	127	127	131	134	138	142
513	541	137	249	558	570	586
875	901	901	918	933	957	983
-	6	6	-	-	-	-
875	907	907	918	933	957	983
20,752	22,882	23,803	24,226	24,696	25,204	25,664
3,405	658	658	-	-	-	-
1,814	2,003	2,202	2,268	2,336	2,406	2,478
25,971	25,543	26,663	26,494	27,032	27,610	28,142
-	-	1,272	2,442	2,496	2,529	2,564
-	-	-	420	-	-	-
-	-	93	172	172	172	172
-	-	1,365	3,034	2,668	2,701	2,736
1,082	980	1,197	1,213	1,275	1,305	1,342
-	2	2	5	5	-	-
164	169	171	176	182	186	192
1,246	1,151	1,370	1,394	1,462	1,491	1,534
472,897	680,366	704,026	754,969	815,498	854,433	912,130
2,678,722	2,661,970	2,804,451	3,027,043	3,194,059	3,375,903	3,569,821
77,165	168,698	157,730	214,608	150,905	127,087	63,519
89,687	88,900	88,900	91,381	93,933	96,558	99,626
503	531	531	560	591	591	591
3,318,974	3,600,465	3,755,638	4,088,561	4,254,986	4,454,572	4,645,687
5,284	6,119	6,299	22,049	5,788	5,218	5,962
23	150	150	136	172	-	-
467	858	1,079	-	2,980	540	1,080
56	56	56	116	116	116	116
261	305	305	314	324	333	343
6,091	7,488	7,889	22,615	9,380	6,207	7,501
3,620,951	3,935,978	4,096,402	4,507,002	4,656,849	4,825,465	5,017,402

CONSOLIDATED ACCOUNT EXPENDITURE ESTIMATES – continued ^(a)

Vol	Division	Item	Details
PART 8 - MINISTER FOR HOUSING AND WORKS; INDIGENOUS AFFAIRS; HERITAGE; LAND INFORMATION			
V2	37		Housing and Works
		74	– Net Amount Appropriated to Deliver Services
		154	– Capital Contribution.....
			Total.....
V2	38		Housing Authority
		75	– Net Amount Appropriated to Deliver Services
		155	– Capital Contribution.....
			Total.....
V2	39		Indigenous Affairs
		76	– Net Amount Appropriated to Deliver Services
			– Capital Contribution.....
			– Salaries and Allowances Act 1975.....
			Total.....
V2	40		Heritage Council of Western Australia
		77	– Net Amount Appropriated to Deliver Services
			Total.....
V2	41		National Trust of Australia (WA)
		78	– Net Amount Appropriated to Deliver Services
		156	– Capital Contribution.....
			Total.....
V2	42		Western Australian Land Information Authority
		79	– Net Amount Appropriated to Deliver Services
			– Salaries and Allowances Act 1975.....
			Total.....
TOTAL - PART 8			
PART 9 - MINISTER FOR PLANNING AND INFRASTRUCTURE			
V2	43		Planning and Infrastructure
		80	– Net Amount Appropriated to Deliver Services
		81	– Western Australian Coastal Shipping Commission.....
			– Administered Grants, Subsidies and Other Transfer Payments.....
		157	– Capital Contribution.....
			– Salaries and Allowances Act 1975.....
			Total.....
V2	44		Commissioner of Main Roads
		82	– Net Amount Appropriated to Deliver Services
		158	– Capital Contribution.....
			– Road Traffic Act 1974
			– Salaries and Allowances Act 1975.....
			– Road Traffic Act 1974
			Total.....

2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
20,434	19,489	23,406	27,392	31,750	37,070	72,834
21,000	95,524	78,010	150,514	95,000	4,000	-
41,434	115,013	101,416	177,906	126,750	41,070	72,834
32,578	80,984	81,184	133,252	114,798	93,405	23,908
15,000	64,700	108,000	110,860	31,720	55,990	15,000
47,578	145,684	189,184	244,112	146,518	149,395	38,908
26,020	21,971	24,503	22,826	21,991	22,296	22,743
-	12	12	-	170	-	-
164	164	173	178	183	187	191
26,184	22,147	24,688	23,004	22,344	22,483	22,934
6,872	4,936	6,171	6,287	5,045	5,148	5,264
6,872	4,936	6,171	6,287	5,045	5,148	5,264
2,304	2,326	2,326	2,340	2,362	2,366	2,409
618	531	531	435	435	435	435
2,922	2,857	2,857	2,775	2,797	2,801	2,844
27,058	21,808	22,925	26,589	26,954	23,957	27,804
384	391	397	409	420	420	424
27,442	22,199	23,322	26,998	27,374	24,377	28,228
152,432	312,836	347,638	481,082	330,828	245,274	171,012
162,006	169,239	169,036	188,615	186,156	176,494	174,364
4,190	400	400	437	329	329	329
-	-	-	-	-	-	12,701
8,178	42,727	33,658	28,826	22,572	24,561	14,930
390	399	588	423	444	465	487
174,764	212,765	203,682	218,301	209,501	201,849	202,811
123,120	166,433	177,586	169,045	175,240	194,161	204,521
210,641	322,878	342,265	344,839	176,615	165,191	119,822
301,096	321,176	277,165	328,990	380,605	390,151	423,054
-	-	319	328	337	347	357
73,048	83,284	137,872	107,046	77,991	91,737	82,126
707,905	893,771	935,207	950,248	810,788	841,587	829,880

CONSOLIDATED ACCOUNT EXPENDITURE ESTIMATES – continued ^(a)

Vol	Division	Item	Details
PART 9 - MINISTER FOR PLANNING AND INFRASTRUCTURE - continued			
V2	45		Public Transport Authority of Western Australia
		83	– Net Amount Appropriated to Deliver Services
		159	– Capital Contribution.....
			– Salaries and Allowances Act 1975
			Total.....
V2	46		Western Australian Planning Commission
		84	– Net Amount Appropriated to Deliver Services
		160	– Capital Contribution.....
			– Metropolitan Region Improvement Tax Act 1959
			Total.....
TOTAL – PART 9.....			
PART 10 - MINISTER FOR DISABILITY SERVICES; TOURISM; CULTURE AND THE ARTS; CONSUMER PROTECTION			
V3	47		Disability Services Commission
		85	– Net Amount Appropriated to Deliver Services
		161	– Capital Contribution.....
			– Salaries and Allowances Act 1975
			Total.....
V3	48		Western Australian Tourism Commission
		86	– Net Amount Appropriated to Deliver Services
		162	– Capital Contribution.....
			– Salaries and Allowances Act 1975
			Total.....
V3	49		Culture and the Arts
		87	– Net Amount Appropriated to Deliver Services
		88	– Art Gallery of Western Australia
		89	– Library Board of Western Australia
		90	– Perth Theatre Trust.....
		91	– Western Australian Museum
		163	– Capital Contribution.....
		164	– Art Gallery of Western Australia
		165	– Library Board of Western Australia
		166	– Perth Theatre Trust.....
		167	– Western Australian Museum
			– Lotteries Commission Act 1990.....
			– Salaries and Allowances Act 1975
			Total.....
TOTAL - PART 10.....			

2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
518,545	572,840	604,185	633,157	658,450	693,674	742,690
1,316,946	74,647	124,944	56,677	55,374	56,285	50,720
353	369	374	384	395	407	419
1,835,844	647,856	729,503	690,218	714,219	750,366	793,829
3,102	3,362	3,362	3,363	3,097	3,262	3,284
2,900	5,400	5,400	5,400	5,400	5,400	5,400
65,044	78,100	78,000	85,800	94,300	103,800	114,200
71,046	86,862	86,762	94,563	102,797	112,462	122,884
2,789,559	1,841,254	1,955,154	1,953,330	1,837,305	1,906,264	1,949,404
271,825	293,492	305,594	325,180	352,455	380,648	405,834
811	7,441	7,441	30	463	965	2,072
225	248	230	237	244	251	259
272,861	301,181	313,265	325,447	353,162	381,864	408,165
52,184	51,207	52,077	54,698	50,498	52,533	48,885
2,073	1,222	1,417	787	272	-	-
342	351	356	367	378	389	401
54,599	52,780	53,850	55,852	51,148	52,922	49,286
61,144	53,536	55,043	77,242	96,756	102,343	102,061
3,626	3,569	3,627	3,771	-	-	-
13,520	12,115	12,199	11,234	-	-	-
1,958	2,308	2,627	3,065	-	-	-
6,645	6,317	6,284	4,550	-	-	-
8,182	54,626	41,306	36,240	11,330	16,930	38,230
295	1,053	1,266	10,606	-	-	-
4,515	21,357	21,337	3,723	-	-	-
85	1,059	1,057	3,596	-	-	-
70	981	1,788	3,565	-	-	-
10,966	11,112	11,112	11,424	11,742	12,070	12,287
635	654	674	693	713	733	776
111,641	168,687	158,320	169,709	120,541	132,076	153,354
439,101	522,648	525,435	551,008	524,851	566,862	610,805

CONSOLIDATED ACCOUNT EXPENDITURE ESTIMATES – continued ^(a)

Vol	Division	Item	Details
PART 11 - MINISTER FOR EDUCATION AND TRAINING; SOUTH WEST			
V3	50		Education and Training
		92	– Net Amount Appropriated to Deliver Services
		168	– Capital Contribution.....
			– Salaries and Allowances Act 1975.....
			Total.....
V3	51		Country High School Hostels Authority
		93	– Net Amount Appropriated to Deliver Services
		169	– Capital Contribution.....
			Total.....
V3	52		Curriculum Council
		94	– Net Amount Appropriated to Deliver Services
		170	– Capital Contribution.....
			– Salaries and Allowances Act 1975.....
			Total.....
V3	53		Education Services
		95	– Net Amount Appropriated to Deliver Services
		96	– Administered Grants, Subsidies and Other Transfer Payments.....
			– Salaries and Allowances Act 1975.....
			Total.....
V3	54		South West Development Commission
		97	– Net Amount Appropriated to Deliver Services
		171	– Capital Contribution.....
			Total.....
TOTAL – PART 11.....			
PART 12 - MINISTER FOR ENERGY; RESOURCES; INDUSTRY AND ENTERPRISE			
V3	55		Office of Energy
		98	– Net Amount Appropriated to Deliver Services
			– Salaries and Allowances Act 1975.....
			Total.....
V3	56		Chemistry Centre (WA)
		99	– Net Amount Appropriated to Deliver Services
		172	– Capital Contribution.....
			– Salaries and Allowances Act 1975.....
			Total.....
TOTAL - PART 12			

2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
2,548,328	2,766,492	2,806,425	3,050,615	3,099,168	3,188,518	3,291,900
237,210	226,963	257,686	274,618	220,907	201,327	162,320
1,350	823	961	1,002	1,033	1,063	1,095
2,786,888	2,994,278	3,065,072	3,326,235	3,321,108	3,390,908	3,455,315
4,771	5,328	5,400	5,804	5,297	5,405	5,508
6,570	3,070	3,070	1,932	6,654	910	910
11,341	8,398	8,470	7,736	11,951	6,315	6,418
19,484	23,955	24,182	21,572	17,629	18,347	17,190
1,634	229	229	725	68	-	-
202	214	217	228	242	242	245
21,320	24,398	24,628	22,525	17,939	18,589	17,435
13,514	18,425	18,418	19,272	19,137	19,133	19,472
233,729	257,721	258,921	281,075	307,021	334,356	364,256
187	193	193	199	211	211	211
247,430	276,339	277,532	300,546	326,369	353,700	383,939
8,677	8,943	8,909	6,485	4,037	4,145	4,261
876	905	905	935	967	952	802
9,553	9,848	9,814	7,420	5,004	5,097	5,063
3,076,532	3,313,261	3,385,516	3,664,462	3,682,371	3,774,609	3,868,170
17,530	19,096	17,936	32,243	25,217	23,740	23,992
226	233	237	244	251	259	272
17,756	19,329	18,173	32,487	25,468	23,999	24,264
4,228	2,985	3,295	5,959	6,897	6,892	6,886
495	495	495	195	195	195	195
-	-	180	180	184	189	195
4,723	3,480	3,970	6,334	7,276	7,276	7,276
22,479	22,809	22,143	38,821	32,744	31,275	31,540

CONSOLIDATED ACCOUNT EXPENDITURE ESTIMATES – continued ^(a)

Vol	Division	Item	Details
PART 13 - MINISTER FOR EMPLOYMENT PROTECTION; REGIONAL DEVELOPMENT; FISHERIES; THE KIMBERLEY, PILBARA AND GASCOYNE			
V3	57		Consumer and Employment Protection
		100	– Net Amount Appropriated to Deliver Services
			– Administered Grants, Subsidies and Other Transfer Payments
		173	– Capital Contribution
			– Salaries and Allowances Act 1975
			Total
V3	58		Registrar, Western Australian Industrial Relations Commission
		101	– Net Amount Appropriated to Deliver Services
			– Salaries and Allowances Act 1975
			Total
V3	59		Fisheries
		102	– Net Amount Appropriated to Deliver Services
		174	– Capital Contribution
			– Salaries and Allowances Act 1975
			Total
V3	60		Kimberley Development Commission
		103	– Net Amount Appropriated to Deliver Services
			Total
V3	61		Pilbara Development Commission
		104	– Net Amount Appropriated to Deliver Services
			– Capital Contribution
			Total
V3	62		Gascoyne Development Commission
		105	– Net Amount Appropriated to Deliver Services
			Total
TOTAL - PART 13.....			
PART 14 - MINISTER FOR CORRECTIVE SERVICES; SMALL BUSINESS			
V3	63		Corrective Services
		106	– Net Amount Appropriated to Deliver Services
		175	– Capital Contribution
			– Salaries and Allowances Act 1975
			Total
V3	64		Office of the Inspector of Custodial Services
		107	– Net Amount Appropriated to Deliver Services
		176	– Capital Contribution
			– Salaries and Allowances Act 1975
			Total

2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
65,601	66,316	70,624	73,464	78,561	80,362	81,582
30,000	-	-	-	-	-	-
2,950	4,753	7,043	2,770	1,631	325	1,788
263	273	747	683	702	721	743
98,814	71,342	78,414	76,917	80,894	81,408	84,113
8,307	8,822	6,837	8,563	8,822	9,024	9,248
2,437	2,258	2,085	2,177	2,242	2,308	2,377
10,744	11,080	8,922	10,740	11,064	11,332	11,625
25,626	28,568	31,619	28,836	28,634	28,184	28,610
1,829	8,481	8,497	400	400	10	10
184	190	190	195	201	201	201
27,639	37,239	40,306	29,431	29,235	28,395	28,821
1,492	1,626	4,791	4,117	3,931	1,604	1,646
1,492	1,626	4,791	4,117	3,931	1,604	1,646
2,259	2,180	2,240	1,652	1,668	1,711	1,759
85	-	-	-	5	30	30
2,344	2,180	2,240	1,652	1,673	1,741	1,789
1,425	1,619	1,594	1,461	1,480	1,535	1,578
1,425	1,619	1,594	1,461	1,480	1,535	1,578
142,458	125,086	136,267	124,318	128,277	126,015	129,572
408,940	417,170	452,459	508,131	512,542	519,007	543,095
18,711	54,642	43,642	46,129	62,000	33,250	4,738
704	723	732	752	772	798	822
428,355	472,535	496,833	555,012	575,314	553,055	548,655
1,820	1,989	2,025	2,015	2,012	2,061	2,120
-	79	79	20	22	61	52
191	197	211	402	223	230	237
2,011	2,265	2,315	2,437	2,257	2,352	2,409

CONSOLIDATED ACCOUNT EXPENDITURE ESTIMATES – continued ^(a)

Vol	Division	Item	Details
PART 14 - MINISTER FOR CORRECTIVE SERVICES; SMALL BUSINESS - continued			
V3	65		Small Business Development Corporation
		108	– Net Amount Appropriated to Deliver Services
		177	– Capital Contribution.....
			– Salaries and Allowances Act 1975.....
			Total.....
TOTAL - PART 14			
PART 15 - MINISTER FOR THE ENVIRONMENT; CLIMATE CHANGE; PEEL			
V3	66		Environment and Conservation
		109	– Net Amount Appropriated to Deliver Services
		110	– Services Provided to the Environmental Protection Authority.....
		178	– Capital Contribution.....
			– Salaries and Allowances Act 1975.....
			Total.....
V3	67		Botanic Gardens and Parks Authority
		111	– Net Amount Appropriated to Deliver Services
		179	– Capital Contribution.....
			– Salaries and Allowances Act 1975.....
			Total.....
V3	68		Swan River Trust
		112	– Net Amount Appropriated to Deliver Services
			– Capital Contribution.....
			Total.....
V3	69		Zoological Parks Authority
		113	– Net Amount Appropriated to Deliver Services
		180	– Capital Contribution.....
			– Salaries and Allowances Act 1975.....
			Total.....
V3	70		Peel Development Commission
		114	– Net Amount Appropriated to Deliver Services
			Total.....
TOTAL – PART 15.....			
PART 16 - MINISTER FOR CHILD PROTECTION; COMMUNITIES; WOMEN'S INTERESTS; SENIORS AND VOLUNTEERING			
V3	71		Child Protection
		115	– Net Amount Appropriated to Deliver Services
		181	– Capital Contribution.....
			– Salaries and Allowances Act 1975.....
			Total.....

2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
9,777	10,683	11,574	12,765	11,042	11,456	10,038
134	313	128	134	137	131	137
182	169	190	196	202	208	214
10,093	11,165	11,892	13,095	11,381	11,795	10,389
440,459	485,965	511,040	570,544	588,952	567,202	561,453
182,710	182,922	173,894	202,044	190,779	192,780	193,109
13,010	13,166	13,166	13,320	13,500	13,500	13,500
17,406	20,212	12,862	22,582	3,948	1,189	789
562	466	580	603	627	653	673
213,688	216,766	200,502	238,549	208,854	208,122	208,071
11,441	12,286	12,443	12,448	13,112	12,990	12,791
500	1,985	1,955	3,879	585	2,932	685
154	158	160	165	170	176	179
12,095	14,429	14,558	16,492	13,867	16,098	13,655
10,755	11,953	12,616	7,892	10,861	10,653	11,134
-	119	119	-	-	-	-
10,755	12,072	12,735	7,892	10,861	10,653	11,134
8,492	8,566	8,662	9,206	9,666	10,007	10,306
530	2,796	2,796	735	735	735	735
161	165	165	170	175	180	185
9,183	11,527	11,623	10,111	10,576	10,922	11,226
2,252	2,817	4,917	4,639	1,426	1,463	1,504
2,252	2,817	4,917	4,639	1,426	1,463	1,504
247,973	257,611	244,335	277,683	245,584	247,258	245,590
211,830	237,513	260,395	298,963	316,782	328,117	367,787
4,428	23,276	23,276	6,733	324	1,560	14,413
285	285	304	304	304	304	313
216,543	261,074	283,975	306,000	317,410	329,981	382,513

CONSOLIDATED ACCOUNT EXPENDITURE ESTIMATES – continued ^(a)

Vol	Division	Item	Details
			PART 16 - MINISTER FOR CHILD PROTECTION; COMMUNITIES; WOMEN'S INTERESTS; SENIORS AND VOLUNTEERING - continued
V3	72		Communities
		116	– Net Amount Appropriated to Deliver Services
		117	– Contribution to the Western Australian Family Foundation Trust Account.....
			– Capital Contribution.....
			– Salaries and Allowances Act 1975.....
			Total
			TOTAL - PART 16
			GRAND TOTAL
			Total Appropriation Bill No.1 – Recurrent Services.....
			Total Appropriation Bill No.2 – Capital Purposes
			Authorised by Other Statutes
			– Recurrent Services
			– Capital Purposes
			– Financing
			Total Authorised by Other Statutes
			GRAND TOTAL

(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 2006-07 Actuals.

2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
32,457	33,820	37,436	40,340	124,085	52,322	36,542
560	560	560	560	560	560	560
-	-	-	-	-	-	1,690
-	-	169	169	169	169	174
33,017	34,380	38,165	41,069	124,814	53,051	38,966
249,560	295,454	322,140	347,069	442,224	383,032	421,479
14,392,142	15,952,103	16,387,155	17,108,174	16,639,625	16,864,219	17,395,886
10,963,791	11,791,627	12,225,593	13,292,021	13,918,756	14,328,809	14,783,901
2,212,570	2,799,110	2,779,397	2,349,219	1,341,168	1,097,364	1,137,563
1,089,122	1,278,082	1,241,293	1,359,888	1,301,710	1,346,309	1,392,296
73,048	83,284	137,872	107,046	77,991	91,737	82,126
53,611	-	3,000	-	-	-	-
1,215,781	1,361,366	1,382,165	1,466,934	1,379,701	1,438,046	1,474,422
14,392,142	15,952,103	16,387,155	17,108,174	16,639,625	16,864,219	17,395,886

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CHAPTER 2

NET APPROPRIATION DETERMINATIONS

NET APPROPRIATION DETERMINATIONS

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
PART 1 - PARLIAMENT							
LEGISLATIVE COUNCIL							
GST Input Credits.....	69	61	61	61	61	61	61
Total.....	69	61	61	61	61	61	61
LEGISLATIVE ASSEMBLY							
GST Input Credits.....	156	115	115	115	115	115	115
Sale of Publications and Other Revenue...	52	-	-	-	-	-	-
Total.....	208	115	115	115	115	115	115
PARLIAMENTARY SERVICES							
GST Input Credits.....	606	475	475	475	475	475	475
Other Receipts	1	3	3	-	-	-	-
Total.....	607	478	478	475	475	475	475
PARLIAMENTARY COMMISSIONER FOR ADMINISTRATIVE INVESTIGATIONS							
GST Input Credits.....	133	56	56	56	56	56	56
Ombudsman Services for Commonwealth Territories.....	15	18	18	18	18	18	18
User Charges and Fees.....	550	500	500	500	500	500	500
Total.....	698	574	574	574	574	574	574
TOTAL – PART 1.....	1,582	1,228	1,228	1,225	1,225	1,225	1,225
PART 2 – PREMIER; MINISTER FOR FEDERAL-STATE RELATIONS; TRADE; INNOVATION; SCIENCE; PUBLIC SECTOR MANAGEMENT							
PREMIER AND CABINET							
GST Input Credits.....	4,697	5,448	6,224	5,696	5,356	5,220	5,148
GST Receipts on Sales.....	503	460	523	475	454	457	457
Other Receipts	4,099	2,590	2,542	1,854	1,508	1,387	1,386
State Law Publisher	2,697	2,635	2,683	2,894	3,033	3,180	3,180
Total.....	11,996	11,133	11,972	10,919	10,351	10,244	10,171
GOVERNOR'S ESTABLISHMENT							
Ballroom Hire	-	30	30	30	30	30	30
GST Input Credits.....	95	63	63	63	63	63	63
Other Receipts	27	-	25	25	25	25	25
Total.....	122	93	118	118	118	118	118
OFFICE OF THE PUBLIC SECTOR STANDARDS COMMISSIONER							
GST Input Credits.....	146	158	130	130	130	130	130
Other Receipts	280	470	327	335	343	352	360
Total.....	426	628	457	465	473	482	490

NET APPROPRIATION DETERMINATIONS

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
SALARIES AND ALLOWANCES							
TRIBUNAL							
GST Input Credits.....	19	21	21	22	24	22	22
Other Receipts	2	3	3	3	3	3	3
Total.....	21	24	24	25	27	25	25
TOTAL – PART 2.....	12,565	11,878	12,571	11,527	10,969	10,869	10,804
PART 3 – DEPUTY PREMIER; TREASURER; MINISTER FOR STATE DEVELOPMENT							
TREASURY AND FINANCE							
Corporate Services to Office of Energy and Economic Regulation Authority	315	300	200	-	-	-	-
GST Input Credits.....	2,839	3,700	4,999	6,202	5,199	5,200	5,200
GST Receipts on Sales.....	2,735	482	485	15,425	15,692	15,963	15,963
Land Tax Liability Enquiry Fee.....	2,738	2,750	2,300	2,500	3,000	3,000	3,000
Other Receipts	1,940	80	1,687	3,373	997	1,000	1,000
Procurement Services	2,958	3,200	3,163	2,827	3,200	3,600	3,600
Revenues From the Executive Vehicle Scheme	-	70	98	100	100	100	100
Shared Services Rendered.....	636	18,590	4,106	7,121	7,500	8,000	8,500
State Fleet Revenues	-	700	630	84,856	93,720	112,795	129,961
Total.....	14,161	29,872	17,668	122,404	129,408	149,658	167,324
OFFICE OF NATIVE TITLE							
Executive Vehicle Scheme	9	7	7	7	7	5	5
GST Input Credits.....	-	2,181	1,692	1,681	513	513	513
Total.....	9	2,188	1,699	1,688	520	518	518
OFFICE OF THE AUDITOR GENERAL							
GST Input Credits.....	771	110	110	110	110	110	110
GST Receipts on Sales.....	26	302	110	302	302	302	302
Other Revenue	23	20	20	20	20	20	20
Total.....	820	432	240	432	432	432	432
ECONOMIC REGULATION AUTHORITY							
GST Input Credits.....	388	253	253	253	253	253	253
Other Receipts	190	84	106	80	80	50	50
Recoups from Industry.....	1,475	1,394	1,615	2,653	3,080	3,111	3,111
Revenue from the Executive Vehicle Scheme	12	25	15	16	16	17	17
Total.....	2,065	1,756	1,989	3,002	3,429	3,431	3,431
STATE SUPPLY COMMISSION							
GST Input Credits.....	61	64	73	80	81	82	82
GST Receipts on Sales.....	1	-	-	-	-	-	-
User Charges and Fees.....	97	3	70	3	3	3	3
Total.....	159	67	143	83	84	85	85

NET APPROPRIATION DETERMINATIONS

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
RACING, GAMING AND LIQUOR							
GST Input Credits.....	706	155	155	155	155	155	155
GST Receipts on Sales.....	8	25	25	25	25	25	25
Liquor Fees Receipts	2,097	1,730	1,800	1,850	1,900	1,900	1,900
Other Receipts	-	7	7	7	7	7	7
Provision of Services to the Commonwealth in Respect of Indian Ocean Territories.....	81	81	81	81	81	81	81
Provision of Services to the Racing and Gaming Industries	2,501	3,285	3,285	3,399	3,509	3,509	3,509
Total.....	5,393	5,283	5,353	5,517	5,677	5,677	5,677
TOTAL - PART 5	10,989	8,916	8,986	9,150	9,310	9,310	9,310
PART 6 – MINISTER FOR POLICE AND EMERGENCY SERVICES; COMMUNITY SAFETY; WATER RESOURCES; SPORT AND RECREATION							
WESTERN AUSTRALIA POLICE							
Commonwealth - National Campaign Against Drug Abuse	325	146	146	146	146	146	146
Commonwealth - Police Recruit Training Program	519	490	490	490	490	490	490
Departmental Fees, Charges and Recoups	20,097	14,810	25,216	29,191	16,620	16,799	16,799
GST Input Credits.....	21,477	18,523	18,523	18,523	18,523	18,523	18,523
GST Receipts on Sales.....	1,445	1,388	1,388	1,388	1,388	1,388	1,388
Licences.....	5,420	5,466	5,466	5,603	5,880	6,056	6,056
Other.....	1,039	1,275	1,275	1,550	633	633	633
Total.....	50,322	42,098	52,504	56,891	43,680	44,035	44,035
WATER							
Commonwealth Grants and Contributions.....	9,649	33,527	31,324	27,843	7,528	4,694	4,694
GST Receipts on Sales.....	4,763	1,936	1,936	1,936	1,936	1,936	1,936
Lease of Commercial Land and Buildings	228	150	150	160	170	170	170
Other Receipts	7,514	5,430	5,430	5,430	5,434	5,434	5,434
User Charges.....	76	106	-	-	-	-	-
Water Licence Fees.....	-	5,799	1,300	2,999	2,999	2,999	2,999
Total.....	22,230	46,948	40,140	38,368	18,067	15,233	15,233
SPORT AND RECREATION							
GST Input Credits.....	3,640	1,906	1,839	1,584	1,584	1,584	1,584
GST Receipts on Sales.....	544	458	525	490	490	490	490
Other.....	2,942	75	75	75	75	75	75
Proceeds from the Provision of Sport Development Services to Industry Bodies.....	710	402	10,878	278	278	278	278

NET APPROPRIATION DETERMINATIONS

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
SPORT AND RECREATION							
- continued							
Proceeds from the Provision of Sport Participation Services to the Commonwealth	977	806	1,000	800	800	800	800
Revenue Received for Provision of Accommodation and Recreation Programs	2,259	2,207	2,370	2,615	2,719	2,774	2,858
Total.....	11,072	5,854	16,687	5,842	5,946	6,001	6,085
TOTAL - PART 6.....	83,624	94,900	109,331	101,101	67,693	65,269	65,353
PART 7 – ATTORNEY GENERAL; MINISTER FOR HEALTH; ELECTORAL AFFAIRS							
ATTORNEY GENERAL							
Family Court Grant Received from the Commonwealth	12,575	12,760	13,119	13,360	13,404	13,390	13,658
GST Receipts from Australian Taxation Office	11,602	21,000	21,000	21,000	21,000	21,000	21,000
GST Receipts on Sales.....	951	1,300	1,300	1,300	1,300	1,300	1,300
Indian Ocean Territories Grant Received from the Commonwealth	140	249	220	230	238	247	256
Other Grants Received.....	57	65	65	67	69	71	71
Proceeds from District Court Fees	2,684	2,800	2,853	2,987	3,101	3,219	3,341
Proceeds from Family Court Fees.....	2,057	1,888	2,217	2,335	2,386	2,513	2,568
Proceeds from Fines Enforcement Registry Fees.....	14,376	16,415	15,268	14,928	15,032	15,137	15,245
Proceeds from Magistrates' Court Fees.....	7,438	7,737	7,501	7,869	8,168	8,478	8,801
Proceeds from Other Boards and Tribunals Fees	72	16	32	34	35	37	38
Proceeds from Other Departmental Revenue.....	171	162	152	152	152	152	152
Proceeds from Public Trustee Common Fund Management Fees.....	1,064	1,738	1,738	1,738	1,738	1,738	1,738
Proceeds from Public Trustee Estate Fees	8,808	8,200	8,200	8,446	8,699	8,960	8,960
Proceeds from Recoup of Criminal Injury Awards.....	1,201	1,217	1,217	1,347	1,399	1,452	1,507
Proceeds from Recoup of Legal Costs	700	700	700	700	700	700	700
Proceeds from Recoup of Other Costs	51	290	10,067	9,926	10,271	10,515	11,169
Proceeds from Recoup of Residential Tenancy Payments.....	1,200	1,273	2,343	2,438	2,530	2,626	2,726
Proceeds from Recoup of Salary Costs.....	800	861	861	861	861	861	861
Proceeds from Recoup of Workers Compensation Payments	121	150	150	204	204	204	204
Proceeds from Registry of Births, Deaths and Marriages Fees.....	6,538	6,380	6,380	6,705	6,789	6,910	6,964
Proceeds from Sheriff's Office Fees.....	155	157	150	157	163	169	175
Proceeds from State Administrative Tribunal Fees.....	363	474	485	508	527	547	568
Proceeds from State Solicitor's Fees	2,767	3,050	3,050	3,150	3,238	3,329	3,422
Proceeds from Supreme Court Fees.....	6,015	6,416	6,539	6,846	7,104	7,374	7,654
Total.....	81,906	95,298	105,607	107,288	109,108	110,929	113,078

NET APPROPRIATION DETERMINATIONS

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
COMMISSIONER FOR EQUAL OPPORTUNITY							
GST Input Credits.....	75	61	61	61	61	61	61
GST Receipts on Sales.....	39	17	17	17	17	17	17
Other Grants Received.....	164	248	248	256	270	-	-
Proceeds from the Provision of Community Education Services	220	162	162	169	160	200	255
Proceeds from the Provision of Services to the Indian Ocean Territories.....	36	35	35	35	35	35	35
Total.....	534	523	523	538	543	313	368
OFFICE OF THE DIRECTOR OF PUBLIC PROSECUTIONS							
Contribution from the Confiscation Account							
Account	1,619	1,498	1,498	1,535	1,535	1,535	1,535
Employee Contributions to the Executive Vehicle Scheme							
Executive Vehicle Scheme	-	28	-	-	-	-	-
GST Input Credits.....	717	601	604	619	627	627	627
GST Receipts on Sales.....	33	5	2	2	2	2	2
Miscellaneous Legal Revenue	118	191	219	225	225	225	225
Total.....	2,487	2,323	2,323	2,381	2,389	2,389	2,389
OFFICE OF THE INFORMATION COMMISSIONER							
GST Input Credits.....	24	12	12	12	12	12	12
Other Revenue	2	2	2	2	2	2	2
Revenues from the Executive Vehicle Scheme							
Executive Vehicle Scheme	2	2	2	2	2	2	2
Total.....	28	16	16	16	16	16	16
WA HEALTH							
Australian Immunisation Agreement	27,345	12,243	47,861	26,961	21,876	21,891	21,891
CanNET.....	55	-	510	435	-	-	-
Civilian Disaster Medical Assistance Program							
Civilian Disaster Medical Assistance Program	4	-	-	-	-	-	-
Clinical Handover Program	-	-	235	-	-	-	-
Clinical Preceptor Program.....	59	59	59	-	-	-	-
Council of Australian Governments (COAG) Commonwealth Funded Initiatives and Programs Relating to Western Australian Drug Abuse Strategy Office							
Western Australian Drug Abuse Strategy Office	5,663	5,993	5,465	5,487	-	-	-
Drug and Alcohol Office (DAO) - COAG - Child And Domestic Violence Program.....							
Child And Domestic Violence Program.....	906	-	1,200	-	-	-	-
DAO- Tough On Drugs Program.....	1,270	888	887	-	-	-	-
GST Input Credits.....	54,208	60,518	58,148	57,878	59,893	61,908	63,923
GST Receipts on Sales.....	474	2,154	725	733	651	569	487
HealthConnect	-	-	865	1,215	-	-	-
Home and Community Care	87,673	95,230	95,204	103,181	111,893	121,190	131,491
Home and Community Care - COAG - Access Point Funding.....							
Access Point Funding.....	-	-	660	-	-	-	-
Home and Community Care - Community Development Employment Program.....							
Community Development Employment Program.....	-	-	81	-	-	-	-
Home and Community Care - Veterans Home Care							
Veterans Home Care	1,305	1,342	1,333	1,364	1,396	1,428	1,461

NET APPROPRIATION DETERMINATIONS

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
WA HEALTH (continued)							
Mental Health - National Benchmarking Program	390	-	-	-	-	-	-
Mental Health - Quality Through Outcome	50	-	600	-	-	-	-
Office of Aboriginal Health (OAH) - Building Solid Families	819	803	-	-	-	-	-
OAH – Western Australian Indigenous Family Healing Program	150	68	68	-	-	-	-
OAH – Primary Health Care Access Plan - Kutjunga Nursing Funding	206	-	211	207	207	207	207
Other Commonwealth Programs	-	500	-	500	500	500	500
Palliative Home Care - Phase 1	96	-	-	-	-	-	-
Proceeds from Services Provided by Community Support Services	2,936	3,134	3,322	3,213	3,293	3,376	3,460
Proceeds from Services Provided by Drug Abuse Strategy Services	180	100	200	200	200	200	200
Proceeds from Services Provided by Environmental Health Services	1,674	1,723	1,969	1,948	2,175	2,244	2,315
Proceeds from Services Provided by Health Promotion Services	42	-	60	60	60	60	60
Proceeds from Services Provided by Health Statistics Branch	3	1	1	1	1	1	1
Proceeds from Services Provided by Miscellaneous Services	6,496	1,752	6,189	6,229	6,255	6,282	6,310
Public Health - Border Training - Nurses and Other Workers	32	-	31	-	-	-	-
Public Health - Breast Cancer Counselling	116	-	-	-	-	-	-
Public Health - COAG Needle and Syringe Program	1,029	1,068	1,068	-	-	-	-
Public Health - Foodborne Disease Sentinel Site (Ozfood Net)	65	130	130	33	-	-	-
Public Health - Hep C - Education and Prevention	260	266	265	270	275	280	285
Public Health - Hep C - Surveillance Program	27	-	58	72	-	-	-
Public Health - Human Quarantine Program	19	20	19	21	22	23	24
Public Health – Information and Collection Management (ICAM) - Data Linkage	123	123	123	-	-	-	-
Public Health – ICAM - Gem Rehabilitation Program	38	-	38	-	-	-	-
Public Health - ICAM - Termset Pilot Program	-	-	169	-	-	-	-
Public Health – ICAM - Identifying Indigenous Hospital Patients	32	-	-	-	-	-	-
Public Health - National Indigenous Immunisation	-	474	-	-	-	-	-
Public Health - Outcome Funding Agreement	7,153	7,439	7,234	7,400	7,570	7,745	7,923
Public Health - Pandemic Influenza Program	200	-	-	-	-	-	-
Public Health - Trachoma Surveillance Program	50	-	70	30	-	-	-
Public Health - Vaccine Preventative Disease	73	136	71	72	-	-	-
Strengthening Cancer Care - Rural Programs	257	56	56	-	-	-	-
Total	201,478	196,220	235,185	217,510	216,267	227,904	240,538

NET APPROPRIATION DETERMINATIONS

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
WESTERN AUSTRALIAN ELECTORAL COMMISSION							
Extraneous Election Recoups.....	207	20	20	20	20	20	20
GST Input Credits.....	25	80	80	80	80	90	90
Local Government Ordinary Election							
Recoups.....	343	2,500	2,500	-	2,500	-	2,500
Sale of Rolls and Maps.....	23	20	20	20	20	20	20
Sundries.....	245	3	3	3	3	3	3
Total.....	843	2,623	2,623	123	2,623	133	2,633
TOTAL – PART 7.....	287,276	297,003	346,277	327,856	330,946	341,684	359,022
PART 8 - MINISTER FOR HOUSING AND WORKS; INDIGENOUS AFFAIRS; HERITAGE; LAND INFORMATION							
HOUSING AND WORKS							
Executive Vehicle Scheme.....	22	28	28	29	30	31	32
Fremantle Prison.....	3,197	3,586	3,402	3,635	3,865	4,115	4,225
Goods and Services Tax.....	82,131	78,000	85,000	94,000	106,000	108,000	108,000
Provision of Contract Services.....	708,826	807,832	884,009	975,222	1,098,659	1,118,351	1,119,057
Total.....	794,176	889,446	972,439	1,072,886	1,208,554	1,230,497	1,231,314
INDIGENOUS AFFAIRS							
Grants and Subsidies.....	346	-	-	-	-	-	-
GST Input Credits.....	1,236	840	2,026	1,176	1,124	1,075	1,075
Other Receipts.....	591	350	1,220	900	970	970	970
User Charges and Fees.....	-	152	-	454	454	454	454
Total.....	2,173	1,342	3,246	2,530	2,548	2,499	2,499
NATIONAL TRUST OF AUSTRALIA (WA)							
Goods and Services Tax.....	674	260	260	260	260	270	270
Grants and Subsidies.....	633	370	370	350	360	375	375
Interest Received.....	178	80	80	180	185	190	195
Other Receipts.....	2,187	330	330	350	350	375	390
User Charges and Fees.....	518	433	433	500	510	520	530
Donations Receipts.....	56	-	-	-	-	-	-
Total.....	4,246	1,473	1,473	1,640	1,665	1,730	1,760
TOTAL – PART 8.....	800,595	892,261	977,158	1,077,056	1,234,767	1,234,726	1,235,573
PART 9 – MINISTER FOR PLANNING AND INFRASTRUCTURE							
PLANNING AND INFRASTRUCTURE							
Boat Registration Fees.....	8,008	7,787	8,387	8,842	9,389	9,970	10,588
GST Input Credits.....	5,492	2,317	2,317	2,317	2,317	2,317	2,317
GST Receipts on Sales.....	9,172	10,982	10,982	10,982	10,982	10,982	10,982
Indian Ocean Territories.....	188	81	81	81	81	81	81
Jetty Licences.....	428	450	450	444	459	474	490
Marine Examinations.....	139	141	141	175	181	188	194
Motor Drivers.....	9,489	14,407	13,406	14,986	15,495	16,022	16,567

NET APPROPRIATION DETERMINATIONS

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
PLANNING AND INFRASTRUCTURE - continued							
Motor Vehicles	13,168	18,729	18,904	21,538	22,270	23,027	23,810
Other Receipts	368	616	616	446	462	476	491
Pastoral Leases.....	1,537	1,464	1,464	1,464	1,464	1,464	1,464
Plate Fees.....	12,305	9,226	8,901	11,473	11,863	12,266	12,683
Proceeds From Rental Properties.....	1,915	1,867	2,231	2,213	2,049	2,049	2,049
Proof of Age Card.....	224	250	250	243	251	260	269
Recoups for Services Provided	8,036	8,795	11,255	13,789	14,258	14,743	15,244
Services Provided to Western Australian Planning Commission	17,305	17,948	17,948	18,804	19,919	20,942	22,286
Temporary Permits	483	353	353	451	466	482	499
Total.....	88,257	95,413	97,686	108,248	111,906	115,743	120,014
TOTAL - PART 9.....	88,257	95,413	97,686	108,248	111,906	115,743	120,014
PART 10 - MINISTER FOR DISABILITY SERVICES; TOURISM; CULTURE AND THE ARTS; CONSUMER PROTECTION							
CULTURE AND THE ARTS							
GST Input Credits.....	5,354	4,964	4,964	4,964	4,964	4,964	4,964
GST Receipts on Sales.....	1,576	1,424	1,424	1,424	1,424	1,424	1,424
Rental Income from the King Street Arts Centre	60	50	58	58	58	58	58
Total.....	6,990	6,438	6,446	6,446	6,446	6,446	6,446
TOTAL - PART 10	6,990	6,438	6,446	6,446	6,446	6,446	6,446
PART 11 - MINISTER FOR EDUCATION AND TRAINING; SOUTH WEST							
EDUCATION AND TRAINING							
Departmental:							
Farm School Receipts.....	747	800	800	800	800	800	800
Fees - Agricultural Colleges.....	3,077	3,147	3,557	3,280	3,336	3,392	3,450
Fees - Other.....	1,039	6,830	6,500	6,690	6,888	7,100	5,612
Fees - Senior Colleges.....	4,252	3,037	3,349	3,789	3,917	4,051	4,188
Fees - Swimming Classes.....	529	521	535	544	544	544	544
Physical Education Camp Schools Receipts	1,681	1,742	1,707	1,761	1,791	1,822	1,853
Proceeds From Commercial Activities of Institutions	20,286	16,542	18,600	19,100	19,500	19,900	20,400
Recoveries And Refunds - Teachers Salaries and Other	8,828	10,650	10,218	9,971	10,005	10,039	10,073
Refunds - Workers Compensation.....	7,387	5,000	6,800	6,800	6,800	6,800	6,800
Revenue - Other	13,690	7,397	14,855	13,143	12,844	12,804	13,005
Revenue - Other Capital	17,820	-	6,096	-	-	-	-
Commonwealth:							
GST Input Credits	84,649	70,354	89,040	89,128	90,019	90,918	91,828
GST Receipts on Sales	6,495	8,509	6,560	6,625	6,691	6,758	6,825
Indian Ocean Territories.....	8,958	9,038	9,281	9,615	9,961	10,319	10,691
Indigenous Education Program.....	23,292	22,209	22,917	22,338	22,719	23,287	23,869
Schools Assistance	212,978	220,837	222,543	232,623	244,064	255,969	269,608

NET APPROPRIATION DETERMINATIONS

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
EDUCATION AND TRAINING							
- continued							
Schools Capital Program	30,517	34,704	32,054	32,774	33,490	33,490	33,490
Schools Special Projects.....	39,346	14,765	22,284	4,530	4,577	4,629	4,677
Skilling Australia's Workforce	95,674	100,368	103,202	102,672	104,722	106,777	108,872
Skilling Australia's Workforce - Capital Program	15,311	13,350	19,280	16,300	16,300	16,300	16,300
Training Special Projects.....	4,814	3,653	4,472	4,479	4,486	4,487	4,495
Total.....	601,370	553,453	604,650	586,962	603,454	620,186	637,380
EDUCATION SERVICES							
Commonwealth Specific Purpose Program - Aboriginal Education And Training Council							
	525	325	325	327	325	325	325
GST Input Credits.....	23,152	25,480	25,480	27,040	28,372	30,659	33,255
GST Receipts	72	24	24	20	20	20	20
Miscellaneous Revenue	58	290	290	280	290	290	290
Registration Fees	654	455	455	629	490	421	468
Total.....	24,461	26,574	26,574	28,296	29,497	31,715	34,358
TOTAL - PART 11	625,831	580,027	631,224	615,258	632,951	651,901	671,738
PART 12 - MINISTER FOR ENERGY; RESOURCES; INDUSTRY AND ENTERPRISE							
OFFICE OF ENERGY							
Australian Greenhouse Building Rating Scheme							
	8	8	5	-	-	-	-
Contribution to Government Vehicle Scheme	11	17	14	15	15	15	15
First Rate Software Assessor Registration	10	-	-	-	-	-	-
Grants from Commonwealth Renewable Remote Power Generation Program and Photovoltaic Rebate Program	9,086	5,000	10,000	10,000	10,000	10,000	10,000
GST Input Credits.....	722	388	388	356	358	358	358
Other Revenue	43	100	76	100	100	100	100
Recoup of Program Costs	324	500	180	230	230	230	230
Total.....	10,204	6,013	10,663	10,701	10,703	10,703	10,703
TOTAL - PART 12	10,204	6,013	10,663	10,701	10,703	10,703	10,703

NET APPROPRIATION DETERMINATIONS

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
PART 13 - MINISTER FOR EMPLOYMENT PROTECTION; REGIONAL DEVELOPMENT; FISHERIES; THE KIMBERLEY, PILBARA AND GASCOYNE							
CONSUMER AND EMPLOYMENT PROTECTION							
Bill of Sale.....	25	25	25	30	30	35	35
Business Names Certificates.....	40	60	40	65	60	65	65
Business Names Searches.....	659	700	650	720	725	735	735
Corporate Fees.....	108	115	115	120	125	130	130
Departmental - Miscellaneous.....	2,363	2,204	2,089	1,982	1,646	1,886	1,686
GST Input Credits.....	1,752	1,486	1,758	1,800	1,850	1,900	1,900
GST Receipts on Sales.....	640	212	640	650	660	670	670
Licences and Other Regulatory Fees.....	16,313	15,307	18,692	20,145	21,330	21,420	23,155
Proceeds from Services Provided to the Commonwealth in Respect of Indian Ocean Territories.....	469	350	440	500	510	520	520
Recoups from the Rental Accommodation Fund.....	1,949	1,949	1,285	3,016	2,701	2,900	3,100
Register of Encumbered Vehicles.....	1,362	1,200	1,360	1,400	1,450	1,500	1,500
Reimbursement from the Real Estate and Business Agents Supervisory Board and the Settlement Agents Supervisory Board.....	7,047	7,200	7,405	7,480	7,780	8,090	8,090
Trade Measurement.....	308	350	350	380	400	420	420
Total.....	33,035	31,158	34,849	38,288	39,267	40,271	42,006
REGISTRAR, WESTERN AUSTRALIAN INDUSTRIAL RELATIONS COMMISSION							
Fee for Service - Australian Industrial Registry.....	139	-	-	-	-	-	-
GST Input Credits.....	291	311	311	311	311	311	311
GST Receipts on Sales.....	23	3	3	3	3	3	3
Service Charges, Transcript and Award Sales and Other Receipts.....	139	80	80	80	80	80	80
Total.....	592	394	394	394	394	394	394
FISHERIES							
GST Input Credits.....	1,880	2,000	2,000	2,000	2,000	2,000	2,000
GST Receipts on Sales.....	531	328	328	328	328	328	328
Total.....	2,411	2,328	2,328	2,328	2,328	2,328	2,328
TOTAL - PART 13.....	36,038	33,880	37,571	41,010	41,989	42,993	44,728
PART 14 - MINISTER FOR CORRECTIVE SERVICES; SMALL BUSINESS							
CORRECTIVE SERVICES							
GST Receipts and Input credits.....	18,682	-	-	-	-	-	-
Other Grants Received.....	740	-	-	631	384	394	394
Proceeds from Prison Canteen Sales.....	4,954	5,245	5,453	5,921	6,172	6,543	6,234
Proceeds from Recoup of other Costs.....	1,579	138	122	2,341	2,467	2,640	2,643

NET APPROPRIATION DETERMINATIONS

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
CORRECTIVE SERVICES							
- continued							
Proceeds from Recoup of Prisoner Telephone Calls.....	1,687	1,787	957	2,293	2,391	2,537	2,687
Proceeds from Recoup of Salary Costs.....	522	240	569	285	287	288	289
Proceeds from Recoup of Workers Compensation Payments	3,791	2,851	2,980	2,947	3,021	3,098	3,177
Proceeds from Sale of Industry Goods.....	2,212	2,282	2,307	2,383	2,455	2,528	2,604
Schools Assistance Grant Received from the Commonwealth.....	57	116	116	116	116	116	116
Total.....	34,224	12,659	12,504	16,917	17,293	18,144	18,144
OFFICE OF THE INSPECTOR OF CUSTODIAL SERVICES							
Goods and Services Tax.....	117	42	42	42	42	42	42
Other Receipts	425	2	51	2	2	2	2
Total.....	542	44	93	44	44	44	44
TOTAL - PART 14	34,766	12,703	12,597	16,961	17,337	18,188	18,188
PART 15 - MINISTER FOR THE ENVIRONMENT; CLIMATE CHANGE; PEEL							
ENVIRONMENT AND CONSERVATION							
Grants and Subsidies.....	16,743	10,500	14,500	13,500	13,500	13,500	13,500
GST Input Credits.....	7,759	5,200	6,700	6,700	6,700	6,700	6,700
GST Receipts on Sales.....	3,751	3,000	4,000	4,000	4,000	4,000	4,000
Interest Received	2,810	1,702	2,702	2,698	2,708	2,708	2,708
Other Receipts	24,224	31,881	30,081	30,772	32,041	31,285	35,169
Proceeds from the Sale of Real Property .. Receipts from Sale of Goods and Services	1,934	654	654	644	878	878	644
Regulatory Fees	24,700	13,307	21,307	21,857	22,173	23,086	23,586
Total.....	7,869	13,080	13,230	15,084	15,567	15,567	15,567
Total.....	89,790	79,324	93,174	95,255	97,567	97,724	101,874
TOTAL - PART 15	89,790	79,324	93,174	95,255	97,567	97,724	101,874
PART 16 - MINISTER FOR CHILD PROTECTION; COMMUNITIES; WOMEN'S INTERESTS; SENIORS AND VOLUNTEERING							
CHILD PROTECTION							
Christmas/Cocos Island	329	408	402	418	435	452	470
Departmental Services	4,059	2,175	6,264	3,912	4,240	4,409	4,567
GST Input Credits.....	155	19	105	34	34	35	35
GST Receipts on Sales.....	12,209	12,382	14,167	16,780	17,211	17,970	19,104
Supported Accommodation Assistance Program.....	17,960	18,211	18,211	18,593	18,965	19,364	19,771
Unattached Refugee Children	2	2	5	5	5	5	5
Total.....	34,714	33,197	39,154	39,742	40,890	42,235	43,952
COMMUNITIES							
Children's Services.....	320	359	362	368	375	382	389
Departmental Services	602	239	171	243	171	148	186
GST Input Credits.....	-	10	5	7	5	4	6

NET APPROPRIATION DETERMINATIONS

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
COMMUNITIES - continued							
GST Receipts on Sales.....	1,243	1,325	2,349	2,312	3,062	2,168	1,962
National Youth Week	23	23	27	27	27	27	27
Total.....	2,188	1,956	2,914	2,957	3,640	2,729	2,570
TOTAL - PART 16	36,902	35,153	42,068	42,699	44,530	44,964	46,522
GRAND TOTAL	2,336,681	2,375,542	2,605,532	2,748,201	2,882,618	2,958,640	3,026,433

CHAPTER 3

AGENCY INFORMATION IN SUPPORT OF THE ESTIMATES

Part 1 – Part 5

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Part 1 Parliament

SUMMARY OF PORTFOLIO APPROPRIATIONS

Page	Agency	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000
48	Legislative Council			
	– Delivery of Services.....	11,270	11,461	11,624
	– Capital Contribution	1,000	1,907	-
	Total	12,270	13,368	11,624
56	Legislative Assembly			
	– Delivery of Services.....	16,902	17,706	17,364
	Total	16,902	17,706	17,364
63	Parliamentary Services			
	– Delivery of Services.....	11,438	11,546	11,704
	– Capital Contribution	500	907	650
	Total	11,938	12,453	12,354
72	Parliamentary Commissioner for Administrative Investigations			
	– Delivery of Services.....	3,340	3,726	4,236
	– Capital Contribution	-	-	198
	Total	3,340	3,726	4,434
	GRAND TOTAL			
	– Delivery of Services.....	42,950	44,439	44,928
	– Capital Contribution	1,500	2,814	848
	Total.....	44,450	47,253	45,776

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PARLIAMENT

PART 1 - PARLIAMENT

DIVISION 1

APPROPRIATION AND FORWARD ESTIMATES

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
DELIVERY OF SERVICES							
Legislative Council							
Item 1 Net amount appropriated to deliver services	3,067	3,446	3,472	3,556	3,633	3,725	3,859
Amount Authorised by Other Statutes - Salaries and Allowances Act 1975 ^(a)	7,614	7,824	7,989	8,068	8,296	8,533	8,789
Total appropriations provided to deliver services	10,681	11,270	11,461	11,624	11,929	12,258	12,648
Legislative Assembly							
Item 2 Net amount appropriated to deliver services	3,756	4,324	4,324	4,393	4,501	4,612	4,746
Amount Authorised by Other Statutes - Salaries and Allowances Act 1975 ^(a)	12,223	12,578	13,382	12,971	13,349	13,738	14,150
Total appropriations provided to deliver services	15,979	16,902	17,706	17,364	17,850	18,350	18,896
Parliamentary Services							
Item 3 Net amount appropriated to deliver services	11,154	11,438	11,546	11,704	12,022	12,344	12,636
Total appropriations provided to deliver services	11,154	11,438	11,546	11,704	12,022	12,344	12,636
Total Delivery of Services	37,814	39,610	40,713	40,692	41,801	42,952	44,180
CAPITAL							
Legislative Council							
Capital Contribution	-	1,000	1,907	-	-	-	-
Parliamentary Services Department							
Item 118 Capital Contribution	3,040	500	907	650	500	500	500
Total Capital Contribution	3,040	1,500	2,814	650	500	500	500
GRAND TOTAL	40,854	41,110	43,527	41,342	42,301	43,452	44,680

LEGISLATIVE COUNCIL

PART 1 - PARLIAMENT

DIVISION 1

APPROPRIATION AND FORWARD ESTIMATES

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
DELIVERY OF SERVICES							
Item 1 Net amount appropriated to deliver services	3,067	3,446	3,472	3,556	3,633	3,725	3,859
Amount Authorised by Other Statutes - Salaries and Allowances Act 1975 ^(a)	7,614	7,824	7,989	8,068	8,296	8,533	8,789
Total appropriations provided to deliver services	10,681	11,270	11,461	11,624	11,929	12,258	12,648
CAPITAL							
Capital Contribution	-	1,000	1,907	-	-	-	-
GRAND TOTAL	10,681	12,270	13,368	11,624	11,929	12,258	12,648

- (a) The recommendation by the Salaries and Allowances Tribunal of 4 April 2008 in relation to the Clerk's and Deputy Clerk's 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 2008-09 Budget.

MISSION

To pursue excellence in supporting the Legislative Council.

SIGNIFICANT ISSUES AND TRENDS

- Two additional members of the Legislative Council will be appointed following the next election as a consequence of changes to electoral arrangements in Western Australia.
- The committees of the Legislative Council produced 47 reports in 2007, reflecting the overall trend of increasing committee activity over the past five years. This is approximately double the number of reports produced in 2003.
- Delegated legislation is occupying a greater part of the Legislative Council's attention than previously, reflected in the growing proportion of papers tabled in the Council. Subsidiary legislation represented 32.4 per cent of tabled papers in 2007, up from 24.8 per cent in 2002.
- The proportion of Bills amended by the Legislative Council since 2005 has declined from around 43 per cent to about 34 per cent in 2007. However, the number of amendments moved over the same period has fluctuated significantly, with 184 moved in 2004, 513 moved in 2006 and 313 moved in 2007.
- The Legislative Council has conducted a functional review of its operational arrangements with a view to improving its efficiency and effectiveness.

SERVICE AND APPROPRIATION SUMMARY

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
SERVICES							
<i>Service 1:</i>							
Support the Chamber Operations of the Legislative Council	616	702	640	656			
<i>Service 2:</i>							
Support the Committees of the Legislative Council	1,625	1,983	2,214	2,268			
Other Services ^(a)	5,698	6,385	5,363	5,531			
Total Cost of Services	7,939	9,070	8,217	8,455	8,710	8,909	9,144
<i>Less Income</i>	-	-	-	-	-	-	-
Net Cost of Services	7,939	9,070	8,217	8,455	8,710	8,909	9,144
Adjustments ^(b)	(4,872)	(5,624)	(4,745)	(4,899)	(5,077)	(5,184)	(5,285)
Appropriation Provided to Deliver Services	3,067	3,446	3,472	3,556	3,633	3,725	3,859
Salaries and Allowances Act 1975 ^(c)	7,614	7,824	7,989	8,068	8,296	8,533	8,789
CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS							
Appropriation for Capital Contribution to meet equity needs ^(d)	-	1,000	1,907	-	-	-	-
TOTAL CONSOLIDATED ACCOUNT APPROPRIATIONS.....	10,681	12,270	13,368	11,624	11,929	12,258	12,648

- (a) Provides details of the administration costs of the offices of the President, Chairman of Committees and Clerk, and costs allocated by the Parliamentary Services Department.
- (b) Adjustments are related to movements in cash balances and other accrual items such as resources received free of charge, receivables, payables and superannuation.
- (c) Provides details of salaries and allowances not applicable to operational service delivery.
- (d) Supporting details are disclosed in the Capital Contribution Statement.

OUTCOMES, SERVICES AND PERFORMANCE INFORMATION

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

The Legislative Council services the needs of Members of Parliament, irrespective of their political affiliation through two specific service roles that are undertaken to meet its single desired outcome.

Desired Outcome	Services
The Legislative Council Members' requirements are met.	1. Support the Chamber Operations of the Legislative Council 2. Support the Committees of the Legislative Council

Outcomes and Key Effectiveness Indicators ^(a)

	2006-07 Actual	2007-08 Budget	2007-08 Estimated	2008-09 Target	Reason for Significant Variation between 2007-08 Estimated and 2008-09 Target
Outcome: The Legislative Council Members' requirements are met.					
Average member rating for procedural advice - House	90%	85%	85%	85%	
Average member rating for procedural advice - Committees	86%	85%	85%	85%	
Average member rating for administrative support.....	84%	85%	85%	85%	
Proportion of Parliamentary documents produced and delivered within agreed timeframes established by the House	98%	100%	100%	100%	

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

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

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service.....	616	702	640	656	
<i>Less Income.....</i>	-	-	-	-	
Net Cost of Service	616	702	640	656	
Adjustments	-	-	-	-	
Appropriation for Delivery of Service.....	616	702	640	656	

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

Key Efficiency Indicators ^(a)

	2006-07 Actual	2007-08 Budget	2007-08 Estimated	2008-09 Target	Reason for Significant Variation between 2007-08 Estimated and 2008-09 Target
Average cost per Legislative Council Member per sitting ^(b)	307	333	277	311	
Full Time Equivalents (FTEs)	8	12	8	8	

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

(b) In 2007-08 there were 68 sitting days. For comparative purposes, costs have been calculated on an estimate of 62 sitting days per annum based on the average number of sitting days over the past three years. It is acknowledged that the House establishes the sitting patterns and the Legislative Council incurs a fixed cost irrespective of the number of sitting days.

Major Achievements For 2007-08

- Strategic and business plans were developed for the Legislative Council.
- Appointment of a Media and Public Relations Officer to develop the public awareness program and improve public understanding of the work of the Legislative Council.
- Review of arrangements for members' education and professional development.
- Review of the Record Keeping Plan for the Legislative Council, in accordance with the requirements of the *State Records Act 2000*.
- Implementation of Internet broadcasting of Chamber proceedings.
- Successful hosting of the 17th Commonwealth Parliamentary Association in October 2007.
- 175th Anniversary events to celebrate the establishment of the Legislative Council.
- Implemented outcomes of the Functional Review of the Legislative Council.

Major Initiatives For 2008-09

- Examine options to refurbish the Legislative Council Chamber to accommodate additional members.
- Touch screen information kiosks for visitors.
- Expansion of public awareness and information campaign.
- Implement revised induction program for new members.
- Establish and facilitate a regular forum for the deputy chairs of the Committee of the Whole House.

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

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service.....	1,625	1,983	2,214	2,268	
<i>Less Income.....</i>	-	-	-	-	
Net Cost of Service.....	1,625	1,983	2,214	2,268	
Adjustments	-	-	-	-	
Appropriation for Delivery of Service.....	1,625	1,983	2,214	2,268	

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

Key Efficiency Indicators ^(a)

	2006-07 Actual	2007-08 Budget	2007-08 Estimated	2008-09 Target	Reason for Significant Variation between 2007-08 Estimated and 2008-09 Target
Average cost of providing procedural and administrative support to each Committee	163	248	185	284	
Full Time Equivalents (FTEs)	17	17	17	17	

(a) The number of committees for 2006-07 Actual, 2007-08 Budget, 2007-08 Estimated and 2008-09 Target are ten, eight, 12 and eight respectively. It is acknowledged that the House establishes the number of committees and the Legislative Council incurs a fixed cost irrespective of the number of committees.

Major Achievements For 2007-08

- Implemented outcomes of Functional Review of the Legislative Council Committee Office.
- New Committee rooms and office accommodation designed, developed and built. The Committee Office successfully transferred its operations to the new premises in March 2008.
- Major reports by select committees dealing with matters of Parliamentary Privilege and Public Obstetric Services were drafted and tabled.

Major Initiatives For 2008-09

- Revise and update committee members' education and induction program
- Publish a comprehensive guide for members of Legislative Council committees.
- Develop a professional education program for the public sector on the functions and arrangements of committee inquiries.
- Establish and facilitate a regular forum for the chairs of committees.

CAPITAL WORKS PROGRAM

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-08 \$'000	Estimated Expenditure 2007-08 \$'000	Estimated Expenditure 2008-09 \$'000
COMPLETED WORKS				
Buildings, Refurbishments, Upgrades				
Committee Office Accommodation.....	1,993	1,993	1,907	-
	1,993	1,993	1,907	-

CAPITAL CONTRIBUTION

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS							
Total Cost of Capital Works Program	86	1,000	1,907	-	-	-	-
	86	1,000	1,907	-	-	-	-
LESS							
Internal Funds and Balances	86	-	-	-	-	-	-
Capital Contribution	-	1,000	1,907	-	-	-	-

FINANCIAL STATEMENTS**INCOME STATEMENT
(Controlled)**

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
COST OF SERVICES							
Expenses							
Employee benefits expenses ^(a)	6,653	7,002	7,176	7,352	7,934	8,248	8,572
Superannuation	954	1,013	1,030	1,047	1,067	1,088	1,120
Supplies and services	7,669	8,191	7,312	7,436	7,317	7,418	7,553
Accommodation	246	650	650	650	650	650	650
Depreciation and amortisation	2	3	3	3	3	3	3
Other expenses	29	35	35	35	35	35	35
TOTAL COST OF SERVICES	15,553	16,894	16,206	16,523	17,006	17,442	17,933
NET COST OF SERVICES	15,553	16,894	16,206	16,523	17,006	17,442	17,933
INCOME FROM STATE GOVERNMENT							
Service appropriations	10,681	11,270	11,461	11,624	11,929	12,258	12,648
Resources received free of charge	4,755	5,073	4,194	4,369	4,547	4,654	4,755
Liabilities assumed by the Treasurer	531	530	530	530	530	530	530
TOTAL INCOME FROM STATE GOVERNMENT	15,967	16,873	16,185	16,523	17,006	17,442	17,933
SURPLUS/(DEFICIENCY) FOR THE PERIOD	414	(21)	(21)	-	-	-	-
CHANGE IN SURPLUS/(DEFICIENCY) FOR THE PERIOD AFTER EXTRAORDINARY ITEMS	414	(21)	(21)	-	-	-	-

(a) The Full Time Equivalents (FTEs) for 2006-07 Actual, 2007-08 Estimated Actual and 2008-09 Budget Estimate are 31, 31 and 31 respectively.

**BALANCE SHEET
(Controlled)**

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
CURRENT ASSETS							
Cash and cash equivalents	354	29	334	334	334	334	334
Restricted cash	-	10	-	-	-	-	-
Receivables	25	10	25	25	25	25	25
Prepayments	200	46	-	-	-	-	-
Total current assets	579	95	359	359	359	359	359
NON-CURRENT ASSETS							
Amounts receivable for services	148	151	151	154	157	160	163
Plant and equipment	33	-	33	33	33	33	33
Restricted cash	14	7	22	31	41	52	64
Other	203	1,146	2,107	2,104	2,101	2,098	2,095
Total non-current assets	398	1,304	2,313	2,322	2,332	2,343	2,355
TOTAL ASSETS	977	1,399	2,672	2,681	2,691	2,702	2,714
CURRENT LIABILITIES							
Payables	234	75	34	34	34	34	34
Provision for employee entitlements	308	299	308	308	308	308	308
Accrued salaries	8	11	17	26	36	47	59
Other	3	-	3	3	3	3	3
Total current liabilities	553	385	362	371	381	392	404
NON-CURRENT LIABILITIES							
Provision for employee entitlements	140	143	140	140	140	140	140
Other	2	-	2	2	2	2	2
Total non-current liabilities	142	143	142	142	142	142	142
TOTAL LIABILITIES	695	528	504	513	523	534	546
EQUITY							
Contributed equity	-	1,000	1,907	1,907	1,907	1,907	1,907
Accumulated surplus/(deficit)	262	(149)	241	241	241	241	241
Reserves	20	20	20	20	20	20	20
Total equity	282	871	2,168	2,168	2,168	2,168	2,168
TOTAL LIABILITIES AND EQUITY	977	1,399	2,672	2,681	2,691	2,702	2,714

**CASHFLOW STATEMENT
(Controlled)**

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
CASHFLOWS FROM STATE GOVERNMENT							
Service appropriations	10,678	11,267	11,458	11,621	11,926	12,255	12,645
Capital contribution	-	1,000	1,907	-	-	-	-
Net cash provided by State Government.....	10,678	12,267	13,365	11,621	11,926	12,255	12,645
CASHFLOWS FROM OPERATING ACTIVITIES							
Payments							
Employee benefits.....	(6,707)	(6,961)	(7,132)	(7,308)	(7,889)	(8,202)	(8,525)
Superannuation	(446)	(485)	(502)	(517)	(537)	(558)	(590)
Supplies and services	(2,849)	(3,186)	(3,186)	(3,137)	(2,840)	(2,834)	(2,868)
Accommodation.....	(246)	(620)	(620)	(620)	(620)	(620)	(620)
Goods and services tax	(77)	(61)	(61)	(61)	(61)	(61)	(61)
Other.....	(29)	(30)	(30)	(30)	(30)	(30)	(30)
Receipts							
Goods and services tax	69	61	61	61	61	61	61
Net cash from operating activities.....	(10,285)	(11,282)	(11,470)	(11,612)	(11,916)	(12,244)	(12,633)
CASHFLOWS FROM INVESTING ACTIVITIES							
Purchase of non-current assets.....	(86)	(1,000)	(1,907)	-	-	-	-
Net cash from investing activities.....	(86)	(1,000)	(1,907)	-	-	-	-
NET INCREASE/(DECREASE) IN CASH HELD	307	(15)	(12)	9	10	11	12
Cash assets at the beginning of the reporting period	61	61	368	356	365	375	386
Cash assets at the end of the reporting period.....	368	46	356	365	375	386	398

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 Legislative Council:

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000
GST Input Credits.....	69	61	61	61
TOTAL	69	61	61	61

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

LEGISLATIVE ASSEMBLY

PART 1 - PARLIAMENT

DIVISION 1

APPROPRIATION AND FORWARD ESTIMATES

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
DELIVERY OF SERVICES							
Item 2 Net amount appropriated to deliver services	3,756	4,324	4,324	4,393	4,501	4,612	4,746
Amount Authorised by Other Statutes - Salaries and Allowances Act 1975 ^(a)	12,223	12,578	13,382	12,971	13,349	13,738	14,150
Total appropriations provided to deliver services	15,979	16,902	17,706	17,364	17,850	18,350	18,896
GRAND TOTAL	15,979	16,902	17,706	17,364	17,850	18,350	18,896

- (a) The recommendation by the Salaries and Allowances Tribunal of 4 April 2008 in relation to the Clerk's and Deputy Clerk's 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 2008-09 Budget.

MISSION

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

SIGNIFICANT ISSUES AND TRENDS

- There is continuing pressure on Parliamentary Committees resulting in increased competition for existing committee resources and available members' time.
- There continues to be a need to increase the level of understanding of the operation of the law of parliamentary privilege amongst the public, government bodies and the legal fraternity.
- Accommodation for members and staff, including meeting and reception facilities, continues to need improvement.

SERVICE AND APPROPRIATION SUMMARY

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
SERVICES							
<i>Service 1:</i>							
Support the Operations of the Legislative Assembly	3,156	3,354	3,354	3,421			
<i>Service 2:</i>							
Promote Public Knowledge and Awareness of the Parliament	224	256	256	261			
Other Services ^(a)	9,631	10,035	8,560	8,826			
Total Cost of Services	13,011	13,645	12,170	12,508	12,796	13,049	13,339
<i>Less Income</i>	52	-	-	-	-	-	-
Net Cost of Services	12,959	13,645	12,170	12,508	12,796	13,049	13,339
Adjustments ^(b)	(9,203)	(9,321)	(7,846)	(8,115)	(8,295)	(8,437)	(8,593)
Appropriation Provided to Deliver Services	3,756	4,324	4,324	4,393	4,501	4,612	4,746
Salaries and Allowances Act 1975 ^(c)	12,223	12,578	13,382	12,971	13,349	13,738	14,150
TOTAL CONSOLIDATED ACCOUNT APPROPRIATIONS	15,979	16,902	17,706	17,364	17,850	18,350	18,896

- (a) Provides details of costs allocated by the Parliamentary Services Department, equipment purchases and costs relating to other services.
(b) Adjustments are related to movements in cash balances and other accrual items such as resources received free of charge, receivables, payables and superannuation.
(c) Provides details of salaries and allowances not applicable to operational service delivery.

OUTCOMES, SERVICES AND PERFORMANCE INFORMATION

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

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

Desired Outcome	Services
Legislative Assembly Members' requirements are met.	1. Support the Operations of the Legislative Assembly 2. Promote Public Knowledge and Awareness of the Parliament

Outcomes and Key Effectiveness Indicators ^(a)

	2006-07 Actual ^(b)	2007-08 Budget ^(b)	2007-08 Estimated	2008-09 Target	Reason for Significant Variation between 2007-08 Estimated and 2008-09 Target
Outcome: Legislative Assembly Members' requirements are met.					
Average members' rating for advice.....	n/a	n/a	90%	90%	
Average members' rating for administrative support.....	n/a	n/a	90%	90%	
Average level of customer satisfaction with education services.....	n/a	n/a	90%	90%	

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

(b) New indicators for 2007-08. Comparative data are available from the 2006-07 annual report. Estimates are based on an internal survey conducted in 2007.

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

	2006-07 Actual	2007-08 Budget	2007-08 Estimated Actual	2008-09 Budget Estimate	Reason for Significant Variation
	\$'000	\$'000	\$'000	\$'000	
Total Cost of Service.....	3,156	3,354	3,354	3,421	
<i>Less Income.....</i>	52	-	-	-	
Net Cost of Service.....	3,104	3,354	3,354	3,421	
Adjustments.....	-	-	-	-	
Appropriation for Delivery of Service.....	3,104	3,354	3,354	3,421	

(a) This table excludes amounts provided under the *Salaries and Allowances Act 1975*, equipment purchases and costs allocated by the Parliamentary Services Department.

Key Efficiency Indicators ^(a)

	2006-07 Actual	2007-08 Budget	2007-08 Estimated	2008-09 Target	Reason for Significant Variation between 2007-08 Estimated and 2008-09 Target
Average cost per member of the Legislative Assembly ^(b)	\$55,362	n/a	\$58,842	\$58,984	
Full Time Equivalents (FTEs)	24	n/a	25	25	

(a) New indicator for 2007-08. Comparative data have been provided for information only, based on the 2006-07 financial statements as published in the Department's annual report.

(b) For 2008-09, the calculation is based on 58 members due to the increase of members from 57 to 59 mid-financial year, following the general election.

Major Achievements For 2007-08

- Increased procedural development for Chamber operations.
- Increased training and development of staff to service the House and its committees.
- Provided input into the development of an Australia-wide conference of Parliamentarians.

- Refined plans for regional sittings of the Legislative Assembly and the induction of new members after the next general election.

Major Initiatives For 2008-09

- Planning and implementation of the Bunbury Regional Parliament.
- Continue refining plans for the induction of new members after the next general election.
- Planning and implementation of broadcasting facilities for public hearings of Legislative Assembly Committees.
- Resumption of Commonwealth Parliamentary Association responsibilities.
- Increased committee procedural development.

Service 2: Promote Public Knowledge and Awareness of the Parliament ^(a)

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service.....	224	256	256	261	
<i>Less Income.....</i>	-	-	-	-	
Net Cost of Service.....	224	256	256	261	
Adjustments	-	-	-	-	
Appropriation for Delivery of Service.....	224	256	256	261	

(a) This table excludes amounts provided under the *Salaries and Allowances Act 1975*, equipment purchases and costs allocated by the Parliamentary Services Department.

Key Efficiency Indicators ^(a)

	2006-07 Actual	2007-08 Budget	2007-08 Estimated	2008-09 Target	Reason for Significant Variation between 2007-08 Estimated and 2008-09 Target
Average cost per student/member of the public to promote knowledge and awareness of the work of the Parliament.....	n/a	n/a	\$15	\$14	
Full Time Equivalents (FTEs)	4	n/a	4	4	

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

Major Achievements For 2007-08

- Provided further education on the role of the Parliament.

Major Initiatives For 2008-09

- Continue refining provision of further education on the role of the Parliament.

FINANCIAL STATEMENTS

INCOME STATEMENT
(Controlled)

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
COST OF SERVICES							
Expenses							
Employee benefits expenses ^(a)	10,546	11,183	11,914	11,592	12,115	12,535	13,001
Superannuation	1,728	1,613	1,686	1,615	1,615	1,618	1,664
Supplies and services	12,556	12,770	11,295	11,615	11,758	11,977	12,167
Accommodation	337	600	600	600	600	600	600
Depreciation and amortisation	39	32	32	32	32	32	32
Loss on disposal of non-current assets	4	-	-	-	-	-	-
Other expenses	24	25	25	25	25	25	25
TOTAL COST OF SERVICES.....	25,234	26,223	25,552	25,479	26,145	26,787	27,489
Income							
Other revenue	52	-	-	-	-	-	-
Total Income.....	52	-	-	-	-	-	-
NET COST OF SERVICES.....	25,182	26,223	25,552	25,479	26,145	26,787	27,489
INCOME FROM STATE GOVERNMENT							
Service appropriations	15,979	16,902	17,706	17,364	17,850	18,350	18,896
Resources received free of charge	7,972	8,505	7,030	7,295	7,451	7,627	7,793
Liabilities assumed by the Treasurer	931	800	800	800	800	800	800
TOTAL INCOME FROM STATE GOVERNMENT.....	24,882	26,207	25,536	25,459	26,101	26,777	27,489
SURPLUS/(DEFICIENCY) FOR THE PERIOD.....	(300)	(16)	(16)	(20)	(44)	(10)	-
CHANGE IN SURPLUS/(DEFICIENCY) FOR THE PERIOD AFTER EXTRAORDINARY ITEMS	(300)	(16)	(16)	(20)	(44)	(10)	-

(a) The Full Time Equivalents (FTEs) for 2006-07 Actual, 2007-08 Estimated Actual and 2008-09 Budget Estimate are 30, 31 and 31 respectively.

BALANCE SHEET
(Controlled)

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
CURRENT ASSETS							
Cash and cash equivalents	124	259	96	58	24	24	24
Restricted cash	-	8	-	-	-	-	-
Receivables	93	49	93	93	93	93	93
Inventories.....	-	30	20	40	60	60	60
Prepayments.....	27	17	35	43	51	51	51
Total current assets	244	363	244	234	228	228	228
NON-CURRENT ASSETS							
Amounts receivable for services.....	252	284	284	316	348	380	412
Plant and equipment.....	83	65	51	19	(13)	(45)	(77)
Restricted cash	14	6	23	33	44	56	69
Other.....	173	145	173	173	173	173	173
Total non-current assets	522	500	531	541	552	564	577
TOTAL ASSETS.....	766	863	775	775	780	792	805
CURRENT LIABILITIES							
Payables	413	251	428	442	480	490	490
Provision for employee entitlements	457	373	458	454	454	454	454
Accrued salaries	8	15	17	27	38	50	63
Other.....	6	-	6	6	6	6	6
Total current liabilities.....	884	639	909	929	978	1,000	1,013
NON-CURRENT LIABILITIES							
Provision for employee entitlements	50	155	50	50	50	50	50
Total non-current liabilities	50	155	50	50	50	50	50
TOTAL LIABILITIES.....	934	794	959	979	1,028	1,050	1,063
EQUITY							
Accumulated surplus/(deficit)	(209)	28	(225)	(245)	(289)	(299)	(299)
Reserves	41	41	41	41	41	41	41
Total equity.....	(168)	69	(184)	(204)	(248)	(258)	(258)
TOTAL LIABILITIES AND EQUITY.....	766	863	775	775	780	792	805

**CASHFLOW STATEMENT
(Controlled)**

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
CASHFLOWS FROM STATE GOVERNMENT							
Service appropriations	15,947	16,870	17,674	17,332	17,818	18,318	18,864
Net cash provided by State Government.....	15,947	16,870	17,674	17,332	17,818	18,318	18,864
CASHFLOWS FROM OPERATING ACTIVITIES							
Payments							
Employee benefits.....	(10,593)	(11,183)	(11,909)	(11,586)	(12,104)	(12,523)	(12,988)
Superannuation	(843)	(813)	(886)	(815)	(815)	(818)	(864)
Supplies and services	(4,345)	(4,278)	(4,278)	(4,339)	(4,302)	(4,345)	(4,379)
Accommodation.....	(337)	(600)	(600)	(600)	(600)	(600)	(600)
Goods and services tax	(147)	(115)	(115)	(115)	(115)	(115)	(115)
Other.....	(24)	(20)	(20)	(20)	(20)	(20)	(20)
Receipts							
Goods and services tax	156	115	115	115	115	115	115
Other receipts	52	-	-	-	-	-	-
Net cash from operating activities.....	(16,081)	(16,894)	(17,693)	(17,360)	(17,841)	(18,306)	(18,851)
CASHFLOWS FROM INVESTING ACTIVITIES							
Purchase of non-current assets.....	(28)	-	-	-	-	-	-
Proceeds from sale of non-current assets	3	-	-	-	-	-	-
Net cash from investing activities.....	(25)	-	-	-	-	-	-
CASHFLOWS FROM FINANCING ACTIVITIES							
Net cash from financing activities	-	-	-	-	-	-	-
NET INCREASE/(DECREASE) IN CASH HELD	(159)	(24)	(19)	(28)	(23)	12	13
Cash assets at the beginning of the reporting period	297	297	138	119	91	68	80
Cash assets at the end of the reporting period.....	138	273	119	91	68	80	93

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 Legislative Assembly:

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000
GST Input Credits	156	115	115	115
Sale of Publications and Other Revenue	52	-	-	-
TOTAL.....	208	115	115	115

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

PARLIAMENTARY SERVICES

PART 1 - PARLIAMENT

DIVISION 1

APPROPRIATION AND FORWARD ESTIMATES

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
DELIVERY OF SERVICES							
Item 3 Net amount appropriated to deliver services^(a)	11,154	11,438	11,546	11,704	12,022	12,344	12,636
Total appropriations provided to deliver services	11,154	11,438	11,546	11,704	12,022	12,344	12,636
CAPITAL							
Item 118 Capital Contribution	3,040	500	907	650	500	500	500
GRAND TOTAL	14,194	11,938	12,453	12,354	12,522	12,844	13,136

(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 2006-07 Actuals. A reconciliation identifying the impact of this adjustment has been inserted after the financial statements.

MISSION

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

SIGNIFICANT ISSUES AND TRENDS

- Building maintenance backlog, refurbishment and infrastructure renewal for Parliament House, the Parliamentary Reserve and annexes remain outstanding. The tight construction market is also presenting challenges.
- Impending changes to electoral arrangements will add to the pressure for member and staff accommodation requirements, chamber reconfiguration and adequate meeting and function facilities for members.
- Increased expectations and utilisation of all parliamentary support services and managed facilities.
- Attraction and retention of staff is difficult in the current economic climate.

SERVICE AND APPROPRIATION SUMMARY

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
SERVICES							
<i>Service 1:</i>							
Provision of Infrastructure and Facilities	3,395	3,872	3,916	3,989			
<i>Service 2:</i>							
Provision of Information and Services	7,044	7,583	7,447	7,769			
Total Cost of Services ^(a)	10,439	11,455	11,363	11,758	12,076	12,359	12,626
<i>Less Income</i>	1	5	5	-	-	-	-
Net Cost of Services ^(a)	10,438	11,450	11,358	11,758	12,076	12,359	12,626
Adjustments ^(b)	716	(12)	188	(54)	(54)	(15)	10
Appropriation Provided to Deliver Services ^(a)	11,154	11,438	11,546	11,704	12,022	12,344	12,636
CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS							
Appropriation for Capital Contribution to meet equity needs ^(c)	3,040	500	907	650	500	500	500
TOTAL CONSOLIDATED ACCOUNT APPROPRIATIONS	14,194	11,938	12,453	12,354	12,522	12,844	13,136

- (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 2006-07 Actuals. A reconciliation identifying the impact of this adjustment has been inserted after the financial statements.
- (b) Adjustments are related to movements in cash balances and other accrual items such as resources received free of charge, receivables, payables and superannuation.
- (c) Supporting details are disclosed in the Capital Contribution Statement.

OUTCOMES, SERVICES AND PERFORMANCE INFORMATION

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

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

Desired Outcome	Services
Infrastructure, facilities, information and services that meet the needs of stakeholders.	1. Provision of Infrastructure and Facilities 2. Provision of Information and Services

Outcomes and Key Effectiveness Indicators ^(a)

	2006-07 Actual ^(b)	2007-08 Budget	2007-08 Estimated	2008-09 Target	Reason for Significant Variation between 2007-08 Estimated and 2008-09 Target
Outcome: Infrastructure, facilities, information and services that meet the needs of stakeholders.					
Average Member rating of Infrastructure and Facilities	100%	90%	90%	90%	
Availability of Infrastructure and Facilities	n/a	95%	95%	95%	
Average Member rating of Information and Services	99%	90%	90%	90%	
Availability of Information and Services	n/a	95%	95%	95%	
Average Presiding Officer and Staff rating for Infrastructure, Facilities, Information and Services	99%	95%	95%	95%	

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

(b) New indicators for 2007-08. Comparatives have been provided where available based on a survey conducted in June 2007 and published in the Department's 2006-07 annual report.

Service 1: Provision of Infrastructure and Facilities

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service ^(a)	3,395	3,872	3,916	3,989	
<i>Less Income</i>	-	-	-	-	
Net Cost of Service ^(a)	3,395	3,872	3,916	3,989	
Adjustments ^(b)	-	-	-	-	
Appropriation for Delivery of Service ^(a)	3,395	3,872	3,916	3,989	

(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 2006-07 Actuals. 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

	2006-07 Actual ^(a)	2007-08 Budget	2007-08 Estimated	2008-09 Target	Reason for Significant Variation between 2007-08 Estimated and 2008-09 Target
Average cost per Member of Parliament and Chamber Departments' employee for providing Infrastructure and Facilities.....	\$22,000	\$25,000	\$26,000	\$26,000	
Percentage of variable costs expended to maintain Parliament House building and grounds ^(b)	13%	20%	20%	21%	
Full Time Equivalents (FTEs)	20	20	20	20	

(a) New indicators for 2007-08. Comparative data have been provided for information only, based on the 2006-07 financial statements.

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

Major Achievements For 2007-08

- Assisted the Legislative Council with fit-out and relocation of its Committee Office accommodation.
- Continued upgrading of Parliament House infrastructure and facilities.

Major Initiatives For 2008-09

- Implementation of infrastructure upgrades.
- Consolidation of building and infrastructure maintenance programs into period contracts.

Service 2: Provision of Information and Services

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service ^(a)	7,044	7,583	7,447	7,769	
<i>Less Income</i>	1	5	5	-	
Net Cost of Service ^(a)	7,043	7,578	7,442	7,769	
Adjustments ^(b)	716	(12)	188	(54)	
Appropriation for Delivery of Service ^(a)	7,759	7,566	7,630	7,715	

(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 2006-07 Actuals. 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

	2006-07 Actual ^(a)	2007-08 Budget	2007-08 Estimated	2008-09 Target	Reason for Significant Variation between 2007-08 Estimated and 2008-09 Target
Average cost per Member of Parliament and Chamber Departments' employee for providing Information and Services	\$46,000	\$49,000	\$49,000	\$50,000	
Average cost of services per sitting day	\$45,000	\$49,000	\$49,000	\$50,000	
Full Time Equivalents (FTEs)	81	81	81	81	

(a) New indicators for 2007-08. Comparative data have been provided for information only, based on the 2006-07 financial statements.

Major Achievements For 2007-08

- Significant upgrades of information systems undertaken.
- Continued high level of satisfaction from users.

Major Initiatives For 2008-09

- Planned enhancements to services provided to members, chamber departments, staff and visitors.
- Further development of a skilled and diverse workforce to support service provision.

CAPITAL WORKS PROGRAM

The Department's capital works program for 2008-09 is \$0.65 million which will be utilised for the replacement of all lifts electronics and motors and the continuation of capital upgrades, maintenance and replacement.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-08 \$'000	Estimated Expenditure 2007-08 \$'000	Estimated Expenditure 2008-09 \$'000
WORKS IN PROGRESS				
Buildings, Refurbishments, Upgrades - Capital Upgrades and Maintenance.....	2,407	1,407	907	500
COMPLETED WORKS				
Buildings, Refurbishments, Upgrades				
Building Maintenance Backlog	987	987	127	-
Replacement of all Lifts Electronics and Motors	390	390	390	-
Furniture and Equipment - Furniture Replacement Program.....	284	284	50	-
Information and Communication Systems - Asset Replacement - Information Tchnology and Equipment	541	541	78	-
NEW WORKS				
Buildings, Refurbishments, Upgrades - Parliament House Service Lifts	150	-	-	150
	4,759	3,609	1,552	650

CAPITAL CONTRIBUTION

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS							
Total Cost of Capital Works Program	3,344	1,145	1,552	650	500	500	500
	3,344	1,145	1,552	650	500	500	500
LESS							
Drawdowns from the Holding Account	150	540	540	-	-	-	-
Other.....	154	105	105	-	-	-	-
Capital Contribution	3,040	500	907	650	500	500	500

FINANCIAL STATEMENTS

INCOME STATEMENT
(Controlled)

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
COST OF SERVICES							
Expenses							
Employee benefits expenses ^(a)	6,060	6,553	6,597	6,788	7,005	7,261	7,467
Superannuation	467	629	633	634	634	634	654
Supplies and services	2,640	2,406	2,313	2,528	2,654	2,670	2,685
Accommodation	798	1,147	1,100	1,063	1,013	999	1,025
Capital user charge ^(b)	2,320	-	-	-	-	-	-
Depreciation and amortisation	435	675	675	700	725	750	750
Other expenses	39	45	45	45	45	45	45
TOTAL COST OF SERVICES	12,759	11,455	11,363	11,758	12,076	12,359	12,626
Income							
Other revenue	1	5	5	-	-	-	-
Total Income	1	5	5	-	-	-	-
NET COST OF SERVICES ^(b)	12,758	11,450	11,358	11,758	12,076	12,359	12,626
INCOME FROM STATE GOVERNMENT							
Service appropriations ^(b)	13,461	11,438	11,546	11,704	12,022	12,344	12,636
Liabilities assumed by the Treasurer	12	15	15	15	15	15	15
TOTAL INCOME FROM STATE GOVERNMENT	13,473	11,453	11,561	11,719	12,037	12,359	12,651
SURPLUS/(DEFICIENCY) FOR THE PERIOD	715	3	203	(39)	(39)	-	25
CHANGE IN SURPLUS/(DEFICIENCY) FOR THE PERIOD AFTER EXTRAORDINARY ITEMS	715	3	203	(39)	(39)	-	25

(a) The Full Time Equivalents (FTEs) for 2006-07 Actual, 2007-08 Estimated Actual and 2008-09 Budget Estimate are 101, 101 and 101 respectively.

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

**BALANCE SHEET
(Controlled)**

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
CURRENT ASSETS							
Cash and cash equivalents	1,778	591	1,656	1,635	1,574	1,551	1,502
Restricted cash	-	28	-	-	-	-	-
Receivables	332	61	332	332	332	332	332
Amounts receivable for services	540	-	-	-	-	-	-
Prepayments	126	50	116	104	104	104	104
Total current assets	2,776	730	2,104	2,071	2,010	1,987	1,938
NON-CURRENT ASSETS							
Amounts receivable for services	804	1,479	1,479	2,179	2,904	3,654	4,404
Land and buildings	35,125	28,061	35,739	35,127	34,515	34,403	34,403
Plant and equipment	318	5,244	581	1,143	1,530	1,392	1,143
Intangibles	1	26	1	1	1	1	-
Restricted cash	39	19	59	80	102	125	149
Other	758	685	758	758	758	758	758
Total non-current assets	37,045	35,514	38,617	39,288	39,810	40,333	40,857
TOTAL ASSETS	39,821	36,244	40,721	41,359	41,820	42,320	42,795
CURRENT LIABILITIES							
Payables ^(a)	417	357	403	427	427	427	377
Provision for employee entitlements	955	868	955	955	955	955	955
Accrued salaries	20	99	24	27	27	27	27
Other	200	-	-	-	-	-	-
Total current liabilities	1,592	1,324	1,382	1,409	1,409	1,409	1,359
NON-CURRENT LIABILITIES							
Provision for employee entitlements	262	390	262	262	262	262	262
Total non-current liabilities	262	390	262	262	262	262	262
TOTAL LIABILITIES	1,854	1,714	1,644	1,671	1,671	1,671	1,621
EQUITY							
Contributed equity	9,047	9,547	9,954	10,604	11,104	11,604	12,104
Accumulated surplus/(deficit)	5,572	4,830	5,775	5,736	5,697	5,697	5,722
Reserves	23,348	20,153	23,348	23,348	23,348	23,348	23,348
Total equity	37,967	34,530	39,077	39,688	40,149	40,649	41,174
TOTAL LIABILITIES AND EQUITY	39,821	36,244	40,721	41,359	41,820	42,320	42,795

(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)**

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
CASHFLOWS FROM STATE GOVERNMENT							
Service appropriations	12,811	10,763	10,871	11,004	11,297	11,594	11,886
Capital contribution	3,040	500	907	650	500	500	500
Holding account drawdowns	150	540	540	-	-	-	-
Net cash provided by State Government.....	16,001	11,803	12,318	11,654	11,797	12,094	12,386
CASHFLOWS FROM OPERATING ACTIVITIES							
Payments							
Employee benefits.....	(6,179)	(6,549)	(6,593)	(6,785)	(7,005)	(7,261)	(7,467)
Superannuation	(467)	(614)	(618)	(619)	(619)	(619)	(639)
Supplies and services	(2,778)	(2,390)	(2,497)	(2,487)	(2,588)	(2,579)	(2,654)
Accommodation.....	(652)	(1,180)	(1,133)	(1,083)	(1,094)	(1,105)	(1,131)
Capital user charge ^(a)	(2,320)	-	-	-	-	-	-
Goods and services tax	(632)	(475)	(475)	(475)	(475)	(475)	(475)
Other.....	(39)	(30)	(30)	(30)	(30)	(30)	(20)
Receipts							
Goods and services tax	606	475	475	475	475	475	475
Other receipts	1	3	3	-	-	-	-
Net cash from operating activities.....	(12,460)	(10,760)	(10,868)	(11,004)	(11,336)	(11,594)	(11,911)
CASHFLOWS FROM INVESTING ACTIVITIES							
Purchase of non-current assets.....	(2,589)	(1,145)	(1,552)	(650)	(500)	(500)	(500)
Net cash from investing activities.....	(2,589)	(1,145)	(1,552)	(650)	(500)	(500)	(500)
CASHFLOWS FROM FINANCING ACTIVITIES							
Net cash from financing activities	-	-	-	-	-	-	-
NET INCREASE/(DECREASE) IN CASH HELD	952	(102)	(102)	-	(39)	-	(25)
Cash assets at the beginning of the reporting period	865	740	1,817	1,715	1,715	1,676	1,676
Cash assets at the end of the reporting period.....	1,817	638	1,715	1,715	1,676	1,676	1,651

(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

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
EXPENSES							
Total Cost of Services as per Income Statement.....	12,759	11,455	11,363	11,758	12,076	12,359	12,626
Less Capital User Charge.....	2,320	-	-	-	-	-	-
Adjusted Total Cost of Services	10,439	11,455	11,363	11,758	12,076	12,359	12,626
APPROPRIATIONS							
Net Amount Appropriated to Deliver Services	13,461	11,438	11,546	11,704	12,022	12,344	12,636
Less Appropriation Capital User Charge	2,307	-	-	-	-	-	-
Adjusted Net Amount Appropriated to Deliver Services	11,154	11,438	11,546	11,704	12,022	12,344	12,636

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:

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000
GST Input Credits.....	606	475	475	475
Other Receipts.....	1	3	3	-
TOTAL.....	607	478	478	475

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

PARLIAMENTARY COMMISSIONER FOR ADMINISTRATIVE INVESTIGATIONS

PART 1 - PARLIAMENT

DIVISION 2

APPROPRIATION AND FORWARD ESTIMATES

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
DELIVERY OF SERVICES							
Item 4 Net amount appropriated to deliver services ^(a)	2,536	2,933	3,251	3,743	3,930	3,914	3,897
Amount Authorised by Other Statutes - Parliamentary Commissioner Act 1971 ^(b)	407	407	475	493	532	547	562
Total appropriations provided to deliver services	2,943	3,340	3,726	4,236	4,462	4,461	4,459
CAPITAL							
Item 119 Capital Contribution	-	-	-	198	-	-	-
GRAND TOTAL	2,943	3,340	3,726	4,434	4,462	4,461	4,459

- (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 2006-07 Actuals. 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 2008 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 2008-09 Budget.

MISSION

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

SIGNIFICANT ISSUES AND TRENDS

- The Office has changed its business practices to provide for an increased focus on informal resolution where appropriate, including resolving matters through telephone enquiries.
- Recent years have seen a marked increase in the complexity of the matters under investigation by the Office. This is expected to continue in 2008-09.
- The Ombudsman will continue to take a proactive role in addressing systemic problems and promoting good administrative practices, consistent with a strong focus on integrity, transparency and accountability across the public sector.
- There is a continuing need to improve the access to the Ombudsman of Indigenous people and people in regional areas.

SERVICE AND APPROPRIATION SUMMARY

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
SERVICES							
<i>Service 1:</i>							
Investigation of Complaints About Administrative Actions of Public Sector Organisations	4,672	3,847	4,412	4,743			
<i>Service 2:</i>							
Inspection of Eligible Authorities to Ensure Compliance with Statutory Provisions When They Intercept Telecommunications	40	54	52	54			
Total Cost of Services ^(a)	4,712	3,901	4,464	4,797	5,023	5,022	5,020
<i>Less Income</i>	740	518	518	518	518	518	518
Net Cost of Services ^(a)	3,972	3,383	3,946	4,279	4,505	4,504	4,502
Adjustments ^(b)	(1,029)	(43)	(220)	(43)	(43)	(43)	(43)
Appropriation Provided to Deliver Services ^(a)	2,943	3,340	3,726	4,236	4,462	4,461	4,459
CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS							
Appropriation for Capital Contribution to meet equity needs ^(c)	-	-	-	198	-	-	-
TOTAL CONSOLIDATED ACCOUNT APPROPRIATIONS	2,943	3,340	3,726	4,434	4,462	4,461	4,459

- (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 2006-07 Actuals. A reconciliation identifying the impact of this adjustment has been inserted after the financial statements.
- (b) Adjustments are related to movements in cash balances and other accrual items such as resources received free of charge, receivables, payables and superannuation.
- (c) Supporting details are disclosed in the Capital Contribution Statement.

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

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

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

Outcomes and Key Effectiveness Indicators ^(a)

	2006-07 Actual	2007-08 Budget	2007-08 Estimated	2008-09 Target	Reason for Significant Variation between 2007-08 Estimated and 2008-09 Target
Outcome: The public sector of Western Australia is accountable for, and is improving the standard of, administrative decision-making, practices and conduct.					
Of allegations where the Office made recommendations, percentage of recommendations accepted by agencies	94%	95%	95%	95%	
Number of improvements to practices and procedures of agencies as a result of the Office's action	50	80	21	25	

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

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

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

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service ^(a)	4,672	3,847	4,412	4,743	
<i>Less Income</i>	740	518	518	518	
Net Cost of Service ^(a)	3,932	3,329	3,894	4,225	
Adjustments ^(b)	(1,029)	(43)	(220)	(43)	
Appropriation for Delivery of Service ^(a)	2,903	3,286	3,674	4,182	

(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 2006-07 Actuals. 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

	2006-07 Actual	2007-08 Budget	2007-08 Estimated	2008-09 Target	Reason for Significant Variation between 2007-08 Estimated and 2008-09 Target
Percentage of allegations finalised within three months	69%	70%	75%	75%	
Percentage of allegations finalised within 12 months	89%	95%	94%	95%	
Percentage of allegations on hand less than three months old	33%	40%	50%	50%	
Percentage of allegations on hand less than 12 months old	78%	85%	86%	86%	
Average cost per allegation finalised	\$2,579	\$2,219	\$2,995	\$3,095	
Full Time Equivalents (FTEs)	32	31	36	47	

Major Achievements For 2007-08

- Made significant progress in implementing relevant recommendations of the review of the former Department for Community Development, which will see the Ombudsman take on new responsibilities for the review of notifiable deaths of children.
- Made significant progress in implementing a new case management system to continue to improve operational effectiveness in relation to the investigation of complaints.
- Participated in a national Ombudsmen's trial of strategies for managing challenging complainants and developed tools and guidelines for public sector agencies.
- Completed an investigation into the complaints system for Indigenous prisoners in Broome Prison.
- Provided advice to the Department of Corrective Services, the Department for Child Protection and the Department of Education and Training on development of internal complaint systems.
- Partnered with the Commonwealth and New South Wales Ombudsmen in the second year of an AusAID project to strengthen the capacity of Ombudsmen in Indonesia. The Office provided expert advice to Indonesian Ombudsman staff to improve their investigative and complaint handling skills through placement programs in Indonesia and Australia.
- Significantly reduced the number of older cases on hand through enhanced case management and staff training and development.
- It is expected that the Ombudsman will handle around 1,300 allegations relating to public sector organisations, and over 4,500 telephone enquiries from members of the public.

Major Initiatives For 2008-09

- Facilitate the drafting of legislative change to the *Parliamentary Commissioner Act 1971* to enable the Ombudsman to undertake child deaths reviews and, subject to this being passed, establish a new specialist unit to take on the responsibilities for the review of notifiable deaths of children.
- Work with educational institutions on the resolution of complaints and the development of complaint handling procedures under the new national code for registered providers of education services to overseas students.
- Improve the capacity to identify and address key systemic issues through the establishment of a unit in the office with a specific focus on improved public administration.
- Continue to make further improvements to the timeliness, consistency and quality of investigations through a range of strategies, including through the implementation of a new case management system.
- Continue to raise the profile of the Ombudsman amongst stakeholder groups and promote accessibility to the Ombudsman through development and implementation of a communications strategy.
- Partner with the Commonwealth and New South Wales Ombudsmen in the third year of an AusAID project to strengthen the capacity of Ombudsmen in Indonesia through ongoing provision of expert advice and participation in placement activities in Indonesia and Australia.

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

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

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service ^(a)	40	54	52	54	
<i>Less Income</i>	-	-	-	-	
Net Cost of Service ^(a)	40	54	52	54	
Adjustments ^(b)	-	-	-	-	
Appropriation for Delivery of Service ^(a)	40	54	52	54	

- (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 2006-07 Actuals. 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

	2006-07 Actual	2007-08 Budget	2007-08 Estimated	2008-09 Target	Reason for Significant Variation between 2007-08 Estimated and 2008-09 Target
Average cost per inspection.....	\$2,341	\$3,375	\$4,727	\$4,909	
Full Time Equivalent (FTEs)	1	1	1	1	

Major Achievements For 2007-08

- Successful continuation of inspection program and reporting to Ministers.

Major Initiatives For 2008-09

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

CAPITAL WORKS PROGRAM

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-08 \$'000	Estimated Expenditure 2007-08 \$'000	Estimated Expenditure 2008-09 \$'000
COMPLETED WORKS				
Complaints Management System	260	260	169	-
Computer Hardware and Software - 2007-08 Program	34	34	34	-
Furniture and Equipment - 2007-08 Program	72	72	72	-
Office Establishment				
Fit-Out of Office for Co-location with Information Commissioner	205	205	205	-
Office Fit-Out.....	200	200	200	-
NEW WORKS				
Child Death Review Function				
Case Management System	150	-	-	150
Computer and Office Equipment.....	48	-	-	48
Computer Hardware and Software - 2008-09 Program	114	-	-	114
Furniture and Equipment - 2008-09 Program	29	-	-	29
	1,112	772	680	341

CAPITAL CONTRIBUTION

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS							
Total Cost of Capital Works Program	216	106	680	341	127	104	80
	216	106	680	341	127	104	80
LESS							
Drawdowns from the Holding Account	107	106	403	143	127	104	80
Internal Funds and Balances	109	-	277	-	-	-	-
Other	-	-	-	-	-	-	-
Capital Contribution	-	-	-	198	-	-	-

FINANCIAL STATEMENTS**INCOME STATEMENT
(Controlled)**

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
COST OF SERVICES							
Expenses							
Employee benefits expenses ^(a)	2,652	2,809	3,000	3,286	3,440	3,538	3,544
Superannuation	1,127	210	232	287	303	304	301
Supplies and services	477	321	362	408	380	366	346
Accommodation	266	290	599	599	718	718	733
Capital user charge ^(b)	46	-	-	-	-	-	-
Depreciation and amortisation	167	246	246	142	107	21	21
Other expenses	23	25	25	75	75	75	75
TOTAL COST OF SERVICES	4,758	3,901	4,464	4,797	5,023	5,022	5,020
Income							
Grants and subsidies	15	18	18	18	18	18	18
Other revenue	725	500	500	500	500	500	500
Total Income	740	518	518	518	518	518	518
NET COST OF SERVICES ^(b)	4,018	3,383	3,946	4,279	4,505	4,504	4,502
INCOME FROM STATE GOVERNMENT							
Service appropriations ^(b)	2,988	3,340	3,726	4,236	4,462	4,461	4,459
Resources received free of charge	76	26	26	26	26	26	26
Liabilities assumed by the Treasurer	923	17	17	17	17	17	17
TOTAL INCOME FROM STATE GOVERNMENT	3,987	3,383	3,769	4,279	4,505	4,504	4,502
SURPLUS/(DEFICIENCY) FOR THE PERIOD	(31)	-	(177)	-	-	-	-

(a) The Full Time Equivalents (FTEs) for 2006-07 Actual, 2007-08 Estimated Actual and 2008-09 Estimate are 33, 37 and 48 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)**

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
CURRENT ASSETS							
Cash and cash equivalents	526	671	121	110	265	265	265
Restricted cash	-	27	10	20	30	40	50
Receivables	232	-	232	232	232	232	222
Amounts receivable for services.....	106	143	143	127	104	80	80
Prepayments	-	26	-	-	-	-	-
Total current assets	864	867	506	489	631	617	617
NON-CURRENT ASSETS							
Amounts receivable for services.....	659	897	600	753	894	973	973
Plant and equipment.....	114	296	22	220	220	220	220
Intangibles.....	92	173	229	143	56	-	-
Restricted cash	17	-	17	17	17	17	17
Other.....	227	55	502	609	571	710	710
Total non-current assets	1,109	1,421	1,370	1,742	1,758	1,920	1,920
TOTAL ASSETS.....	1,973	2,288	1,876	2,231	2,389	2,537	2,537
CURRENT LIABILITIES							
Payables ^(a)	80	91	78	82	82	82	82
Provision for employee entitlements	570	669	639	706	776	776	776
Accrued salaries	9	17	26	37	47	57	57
Other.....	-	17	-	-	-	-	-
Total current liabilities.....	659	794	743	825	905	915	915
NON-CURRENT LIABILITIES							
Provision for employee entitlements	139	330	214	289	367	505	505
Other.....	1	1	1	1	1	1	1
Total non-current liabilities	140	331	215	290	368	506	506
TOTAL LIABILITIES.....	799	1,125	958	1,115	1,273	1,421	1,421
EQUITY							
Contributed equity	732	732	732	930	930	930	930
Accumulated surplus/(deficit)	437	426	181	181	181	181	181
Reserves	5	5	5	5	5	5	5
Total equity.....	1,174	1,163	918	1,116	1,116	1,116	1,116
TOTAL LIABILITIES AND EQUITY.....	1,973	2,288	1,876	2,231	2,389	2,537	2,537

(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)**

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
CASHFLOWS FROM STATE GOVERNMENT							
Service appropriations	2,702	2,959	3,345	3,956	4,217	4,302	4,300
Capital Contribution.....	-	-	-	198	-	-	-
Holding account drawdowns	107	106	403	143	127	104	80
Net cash provided by State Government.....	2,809	3,065	3,748	4,297	4,344	4,406	4,380
CASHFLOWS FROM OPERATING ACTIVITIES							
Payments							
Employee benefits.....	(2,698)	(2,665)	(2,856)	(3,150)	(3,209)	(3,397)	(3,403)
Superannuation	(208)	(193)	(215)	(270)	(286)	(287)	(284)
Supplies and services	(399)	(255)	(296)	(391)	(292)	(343)	(324)
Accommodation.....	(266)	(290)	(599)	(599)	(718)	(718)	(732)
Capital user charge ^(a)	(46)	-	-	-	-	-	-
Goods and services tax	(156)	(56)	(56)	(56)	(56)	(56)	(56)
Other.....	(19)	(15)	(15)	(65)	(65)	(65)	(65)
Receipts							
Grants and subsidies	15	18	18	18	18	18	18
Goods and services tax	133	56	56	56	56	56	56
Other receipts	550	500	500	500	500	500	500
Net cash from operating activities.....	(3,094)	(2,900)	(3,463)	(3,957)	(4,052)	(4,292)	(4,290)
CASHFLOWS FROM INVESTING ACTIVITIES							
Purchase of non-current assets.....	(216)	(106)	(680)	(341)	(127)	(104)	(80)
Net cash from investing activities.....	(216)	(106)	(680)	(341)	(127)	(104)	(80)
NET INCREASE/(DECREASE) IN CASH HELD							
	(501)	59	(395)	(1)	165	10	10
Cash assets at the beginning of the reporting period	1,044	639	543	148	147	312	322
Cash assets at the end of the reporting period.....	543	698	148	147	312	322	332

(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

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
EXPENSES							
Total Cost of Services as per Income Statement.....	4,758	3,901	4,464	4,797	5,023	5,022	5,020
<i>Less Capital User Charge.....</i>	46	-	-	-	-	-	-
Adjusted Total Cost of Services	4,712	3,901	4,464	4,797	5,023	5,022	5,020
APPROPRIATIONS							
Net Amount Appropriated to Deliver Services	2,988	3,340	3,726	4,236	4,462	4,461	4,459
<i>Less Appropriation Capital User Charge</i>	45	-	-	-	-	-	-
Adjusted Net Amount Appropriated to Deliver Services	2,943	3,340	3,726	4,236	4,462	4,461	4,459

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:

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000
Good and Services Tax Input Credits.....	133	56	56	56
Ombudsman Services for Commonwealth Territories	15	18	18	18
User Charges and Fees.....	550	500	500	500
TOTAL.....	698	574	574	574

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

Part 2

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

SUMMARY OF PORTFOLIO APPROPRIATIONS

Page	Agency	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000
83	Premier and Cabinet			
	– Delivery of Services.....	115,518	127,505	123,633
	– Capital Contribution.....	655	655	-
	Total	116,173	128,160	123,633
110	Governor's Establishment			
	– Delivery of Services.....	3,052	3,447	3,518
	Total	3,052	3,447	3,518
118	Office of the Public Sector Standards Commissioner			
	– Delivery of Services.....	4,323	4,276	4,476
	Total	4,323	4,276	4,476
130	Salaries and Allowances Tribunal			
	– Delivery of Services.....	488	583	585
	Total	488	583	585
	GRAND TOTAL			
	– Delivery of Services.....	123,381	135,811	132,212
	– Capital Contribution.....	655	655	-
	Total.....	124,036	136,466	132,212

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PREMIER AND CABINET

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

DIVISION 3

APPROPRIATION AND FORWARD ESTIMATES

	2006-07 Actual ^(a)	2007-08 Budget	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
DELIVERY OF SERVICES							
Item 5 Net amount appropriated to deliver services ^(b)	116,099	114,958	125,986	121,916	129,415	122,861	126,641
Amount Authorised by Other Statutes - Salaries and Allowances Act 1975 ^(c)	860	560	1,519	1,717	1,778	1,842	1,909
Total appropriations provided to deliver services	116,959	115,518	127,505	123,633	131,193	124,703	128,550
CAPITAL							
Capital Contribution	2,200	655	655	-	-	-	-
GRAND TOTAL	119,159	116,173	128,160	123,633	131,193	124,703	128,550

- (a) 2006-07 Actuals have been amended for comparability purposes to exclude funding associated with the Office of Multicultural Interests which was transferred to the Department for Communities as at 1 July 2007.
- (b) Following the enactment of the *Financial Management Act 2006*, agencies are no longer required to pay the Capital User Charge. In order to make the above table meaningful for comparative purposes, the impact of the Capital User Charge has been removed from the 2006-07 Actuals. A reconciliation identifying the impact of this adjustment has been inserted after the financial statements.
- (c) The recommendation by the Salaries and Allowances Tribunal of 4 April 2008 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 2008-09 Budget.

MISSION

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

SIGNIFICANT ISSUES AND TRENDS

- The election of a new Commonwealth Government has heralded a significant period of federalism reform. As a key to delivering better services to the community and enhanced economic performance, the Prime Minister has committed government to reform of both the architecture and operations of Federal-State relations. Co-operation will be the cornerstone of reform, with arrangements based on genuine partnership between the Commonwealth and the States. The first 'new era' Council of Australian Governments (COAG) meeting on 20 December 2007 foreshadowed new policy settings for the financial and cooperative underpinnings of the Federal compact, and launched an ambitious agenda for reform. The COAG agreed to meet an unprecedented four times in 2008.
- An increased emphasis on accountability and ethical issues in the public sector has led to the need for greater awareness and understanding of accountability requirements through the provision of training and support to Directors General and Chief Executive Officers (CEO) and public sector employees.
- The tight labour market will ensure workforce planning, attraction and retention and professional development continue to be priorities for 2008-09 and beyond. Access to flexible employment arrangements remains a major retention issue for both older and younger generations of public sector workers.

- The importance of effective counter-terrorism, emergency management and human influenza pandemic planning and preparedness continues to be reinforced by events in Australia and overseas. The Department coordinates the provision of advice and support to the Premier on these issues.
- Citizens and industry will increasingly expect government to offer similar levels of convenience in service delivery as the private sector by providing choices in service delivery channels. They also expect these services will be accessible anywhere and anytime, tailored to suit their needs and diminish unnecessary interaction with multiple agencies. Such approaches will require greater consistency across government in the presentation of its information and services and an increased emphasis on collaboration between agencies.

MAJOR POLICY DECISIONS

Details of major policy decisions impacting on the Department's Income Statement since publication of the 2007-08 Budget to Parliament on 10 May 2007 are outlined below.

	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
Parliamentary Electorate Offices.....	700	1,060	1,060	1,060
Policy Management - Federalism Reform Agenda	583	583	583	583

SERVICE AND APPROPRIATION SUMMARY

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
SERVICES							
<i>Service 1:</i>							
Support for the Premier as Head of Government.....	11,683	11,813	11,935	12,706			
<i>Service 2:</i>							
Management of Matters of State ^(a)	74,837	73,752	77,787	82,090			
<i>Service 3:</i>							
Management of Policy ^(a)	9,333	11,453	12,606	12,285			
<i>Service 4:</i>							
Support for the Premier as Minister for Public Sector Management	10,489	13,133	14,770	11,124			
<i>Service 5:</i>							
Parliamentary, statutory and legislative publishing service	2,373	2,653	2,908	3,025			
<i>Service 6:</i>							
Management of the Constitutional Centre programs.....	1,428	1,377	1,388	1,087			
<i>Service 7:</i>							
Support for the implementation of the State's road safety initiatives	18,198	26,155	34,635	26,599			
<i>Service 8:</i>							
E-government policy and coordination	4,303	4,318	4,452	4,726			
Total Cost of Services ^(b)	132,644	144,654	160,481	153,642	161,296	148,041	151,962
<i>Less Income</i>	16,527	29,410	25,460	28,780	28,449	28,537	26,958
Net Cost of Services ^(b)	116,117	115,244	135,021	124,862	132,847	119,504	125,004

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
Adjustments ^(c)	842	274	(7,516)	(1,229)	(1,654)	5,199	3,546
Appropriation Provided to Deliver Services ^(d)	116,959	115,518	127,505	123,633	131,193	124,703	128,550
CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS							
Appropriation for Capital Contribution to meet equity needs ^(d)	2,200	655	655	-	-	-	-
TOTAL CONSOLIDATED ACCOUNT APPROPRIATIONS.....	119,159	116,173	128,160	123,633	131,193	124,703	128,550

- (a) During 2007-08, the Cabinet and Parliamentary Services functions were transferred from Service 2, Management of Matters of State to Service 3, Management of Policy. The 2007-08 Budget figures have been recast for comparison purposes.
- (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 2006-07 Actuals. A reconciliation identifying the impact of this adjustment has been inserted after the financial statements.
- (c) Adjustments are related to movements in cash balances and other accrual items such as resources received free of charge, receivables, payables and superannuation.
- (d) Supporting details are disclosed in the Capital Contribution Statement.

RESOURCE AGREEMENT

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

Responsible Minister	Service
Premier; Minister for Federal-State Relations; Trade; Innovation; Science; Public Sector Management.	1. Support for the Premier as Head of Government 2. Management of Matters of State 3. Management of Policy 4. Support for the Premier as Minister for Public Sector Management 5. Parliamentary, Statutory and Legislative Publishing Service 6. Management of the Constitutional Centre Programs 8. E-government Policy and Coordination
Minister for Police and Emergency Services; Community Safety; Water Resources; Sport and Recreation.	7. Support for the Implementation of the State's Road Safety Initiatives

OUTCOMES, SERVICES AND PERFORMANCE INFORMATION

Relationship to Government Goals

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

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

Outcomes and Key Effectiveness Indicators ^(a)

	2006-07 Actual	2007-08 Budget	2007-08 Estimated	2008-09 Target	Reason for Significant Variation between 2007-08 Estimated and 2008-09 Target
Outcome: The Premier's requirements and those of Cabinet are met.					
The extent to which the needs of the Premier and Cabinet are met by services provided by the Department of the Premier and Cabinet ^(b)	3.2	3.2	3.2	3.2	
The level of state preparedness for terrorism and other significant emergencies ^(c)	n/a	n/a	100%	100%	
The extent of the community's preparedness to cope with the consequences of a terrorism attack or other significant emergency ^{(c)(d)}	n/a	n/a	n/a	n/a	
Outcome: The Premier's obligations as Minister for Public Sector Management are met.					
Proportion of leadership development participants who indicated that they would be able to apply their learning in their workplace for the benefit of their agency, or within the public sector generally	n/a	80%	90%	95%	
Proportion of clients who indicate that the provision of employment and organisational management services were appropriate, timely and met their requirements	n/a	75%	85%	90%	
Proportion of workforce development participants who indicated that they would be able to apply their learning in their workplace for the benefit of their agency, or within the public sector generally	n/a	80%	90%	95%	
Proportion of responses to requests for Human Resources Minimum Obligatory Information Requirements (HR MOIR) data that are provided within agreed timeframes ^(e)	n/a	n/a	80%	80%	
Outcome: A secure, confidential and time critical printing and publishing service for Parliament and Government.					
Proportion of Parliamentary documents produced and delivered within agreed timeframes established by each House of Parliament	100%	100%	100%	100%	
Proportion of documents produced and released in accordance with security and confidentiality requirements	100%	100%	100%	100%	
Outcome: Increased level of community awareness of the Western Australian and Commonwealth Constitutions, and the Australian Federal system of government.					
Percentage growth in Constitutional Centre customer numbers compared with previous year	-2%	0%	-1%	7%	See note (f).
Percentage increase in use of electronic information provided on the Constitutional Centre web page	58%	0%	-9%	0%	See note (g).
Level of regional demand/support for travelling or outreach programs	-13%	0%	-1%	25%	See note (f).

	2006-07 Actual	2007-08 Budget	2007-08 Estimated	2008-09 Target	Reason for Significant Variation between 2007-08 Estimated and 2008-09 Target
Outcome: Reducing the number of fatalities in Western Australia through the implementation of Road Safety programs.					
Deaths from road crashes per 100,000 estimated residential population ^(h)	9.8	8.5	9.6	9.6	
Police reported hospital admissions due to road crashes per 100,000 population ^(h)	134	142	134	134	
Hospital admissions due to road crashes per 100,000 population ^(h)	157	146	153	173	See note (i).
Outcome: The strategic transformation of the operations of Government, using technology as a tool to improve internal efficiency, service delivery to citizens and community participation.					
Proportion of Departments that adopt and implement policies, standards and guidelines developed by the Office of e-Government ^(j)	95%	75%	78%	78%	
Strategic Management Council e-Government Sub-Committee's satisfaction with quality of advice and support provided ^(b)	3.4	3.4	3.4	3.4	
Premier's Office satisfaction with advice and support provided ^(b)	4.0	3.0	3.0	3.0	

- (a) More details of effectiveness indicators are provided in the annual report.
- (b) Value point along a continuum that ranges from one indicating 'well below expectations' to five indicating 'well above expectations'.
- (c) New key effectiveness indicators have been developed for the State Security and Emergency Coordination function and are reported for the first time in 2007-08. This indicator refers to the extent to which objectives for exercises coordinated by the Department were fully or partially satisfied. No comparative data is available for previous periods.
- (d) Data for this lagging indicator is to be provided by the Australian Bureau of Statistics who anticipate releasing this information in May 2008.
- (e) New key effectiveness indicators developed for 2007-08 have been enhanced by the addition of a fourth indicator relating to the use of human resource data provided through the HR MOIR system that is reported for the first time. No comparative data is available for this indicator for previous periods.
- (f) A small increase in the number of visitors to the Constitutional Centre and a more significant increase in the number of participants in travelling/outreach programs are projected for 2008-09. Lower than projected visitor numbers to the Centre, and ongoing difficulties in recruiting experienced presenters to deliver regional programs have adversely affected the estimated outturn for 2007-08. It has also been necessary to revise the indicator values reported in the Department's 2006-07 Annual Report as errors in both visitor and participant data resulted in the overstatement of growth.
- (g) The number of visits to the website during which information is downloaded substantially exceeded forecasts in 2006-07, and consequently the estimated outturn for 2007-08 reveals a reduction in usage. The projected usage for 2008-09 is expected to return to the target of 750,000 visits previously forecast for 2006-07 and 2007-08.
- (h) The Road Safety Strategy presently under development by the Road Safety Council for presentation to Government in 2008-09 will provide strategies designed to reduce deaths and injuries caused by road crashes.
- (i) WA Health supply data for this indicator, and 2007-08 Estimated Actual and 2008-09 Target data are projected from past results. The movement between 2007-08 and 2008-09 may be overestimated as it is based on a trend from a restricted dataset (six years) since similar trends (based on a ten year period) for fatalities and police reported hospitalisations show no significant change. Further investigations are taking place to determine reasons for the variance between the data sets.
- (j) This indicator refers to the 23 departments of Government. In 2006-07, 18 departments advised of adoption/implementation of more than 50 per cent of the three policies and guidelines released. It is estimated that three policies and guidelines will be released during 2008-09, and that 18 of the 23 departments of Government will adopt/implement more than 50 per cent of those released.

Service 1: Support for the Premier as Head of Government

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

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service ^(a)	11,683	11,813	11,935	12,706	
<i>Less Income</i>	354	19	24	19	
Net Cost of Service ^(a)	11,329	11,794	11,911	12,687	
Adjustments ^(b)	492	(320)	(909)	(453)	
Appropriation for Delivery of Service ^(a)	11,821	11,474	11,002	12,234	

(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 2006-07 Actuals. 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

	2006-07 Actual	2007-08 Budget	2007-08 Estimated	2008-09 Target	Reason for Significant Variation between 2007-08 Estimated and 2008-09 Target
Cost of services provided to support the Premier	\$3,478,719	\$3,736,950	\$3,890,607	\$4,096,963	See note (a).
Average cost of representing Western Australian interests overseas (per region)	\$1,649,705	\$1,559,933	\$1,582,621	\$1,647,435	
Average cost of media and communication services provided to each Minister (including the Premier)	\$203,186	\$226,438	\$219,795	\$244,471	See note (a).
End-of-contract payments excluded ^(b)	\$4,961	-	-	-	
Full Time Equivalents (FTEs)	69	70	70	71	

(a) The movement between 2007-08 Estimated and 2008-09 Target is principally due to a significant increase in projected rent and outgoings for accommodation at Governor Stirling Tower.

(b) Ministerial officers are engaged to assist the Minister for Public Sector Management as the political office holder. Ministerial officer contracts include an entitlement to an end of contract payment when the contract ceases. This takes place when the political office holder ceases to hold office, or on the day fixed for the return of the writ for the general election for the Legislative Assembly, or when a major reconstitution of the ministry takes place and ministerial officers with an expectation of employment to the next election become surplus.

Major Achievements For 2007-08

- The European Office:
 - promoted Western Australia as a destination for oil, gas and mineral investment and assisted a Ministerial-led business delegation to the Offshore Europe 2007 exhibition in Aberdeen, Scotland, Europe's largest oil and gas event of the year;
 - represented major universities and TAFE colleges at 14 events in Europe to promote educational programs and recruit students to study in Western Australia;
 - promoted Western Australia at significant skilled and business migration events in European countries and assisted Western Australian government agencies, including Western Australia Police, Department of Education and Training (DET) and WA Health in specialised skilled recruitment;
 - in conjunction with the United Kingdom Department of Food and Rural Affairs, achieved changes in the European Union Rock Lobster processing regulations which, in conjunction with the previous tariff reductions, enable simpler access to the European Union market for Western Australia's Western Rock Lobster industry;
 - assisted the Perth Convention Bureau to participate in the bidding process for three major congresses;
 - assisted Western Australian food, beverage and biotechnology companies to access the European market;

- supported Department of Treasury and Finance (DTF) initiatives to encourage major infrastructure providers to establish operations in Western Australia to increase competition and diversity in the industry;
 - supported formation of joint ventures between Perth-based and Manchester-based digital media companies, and the establishment of closer relations between the State and the City of Manchester in technology development;
 - exposed Western Australian businesses to the burgeoning Russian economy and its opportunities for trade, investment and collaboration across many sectors, culminating with the Premier's visit in April 2008; and
 - assisted in planning, programming and supporting Ministerial, Parliamentary, Departmental and Agency visits to Europe, and the Government sponsored 2008 Premier's ANZAC Student Tour.
- The North Asia Office:
 - promoted Western Australia at food and beverage promotions including the Foodex 2008 trade show, specifically targeting Japanese importers and food processing equity investors, and supported exhibitors including importers of Western Australian products;
 - promoted education services in Western Australia at education exhibitions and conferences held throughout Japan;
 - supported visits to Japan by the Deputy Premier, a parliamentary delegation led by the President of the Legislative Council, and the Leader of the Opposition;
 - assisted Western Australian companies with market research, business matching and other general enquiries;
 - assisted Japanese investors in Western Australia's resources sector to identify opportunities in related sectors such as rare earths and metals, and identified potential investment opportunities in the biofuels sector for Japanese investors;
 - supported Western Australian companies attending biotechnology and nanotechnology events in developing their networks and knowledge bases, and in attracting investment and establishing business partnerships; and
 - promoted Western Australia as the most desirable location for the Square Kilometre Array project to Japanese organisations and stakeholders.
 - The Middle East Office:
 - planned and organised the first Saudi Ministerial delegation to Western Australia;
 - planned and organised the Minister for Agriculture and Food's visit to Saudi Arabia, United Arab Emirates, Qatar, Yemen and Libya;
 - in conjunction with the Department of Industry and Resources (DOIR), organised the visit to Qatar and the United Arab Emirates for the Minister for Energy, Resources, Industry and Enterprise, and supported the Western Australian building material/construction industries participation in the region's biggest construction exhibition (BIG-5), providing market briefing and business matching services to 12 Western Australian companies;
 - coordinated the visit of the Qatari Minister of Municipal Affairs and Agriculture and an accompanying delegation to Western Australia;
 - in conjunction with the Department of Agriculture and Food, facilitated and supported Western Australian food industry participation in the Gulf Food Exhibition 2008, identified and facilitated a contract for Agwest International to undertake a bio-safety scoping study contract for Abu-Dhabi Government and supported Agwest International in winning a contract to undertake a preliminary study into Rangeland Management in Libya;
 - finalised a Marine industry report, focusing on Western Australian marine industry strengths in the water transport and leisure sector;
 - represented Tourism Western Australian at the Arabian Hotel Investment conference in Dubai to attract Arabian investment into the Western Australian tourism sector, promoted Western Australian tourism stories in Gulf print media, and facilitated the visit of an Arabian tourism journalist to Perth;
 - in conjunction with the Small Business Development Corporation, organised the first business and skilled migration seminar in Dubai;
 - identified trading and investment partners in the Construction, Agriculture, Food, Oil and Gas, Health, Education and Marine sectors in United Arab Emirates, Qatar, Saudi Arabia, Libya, Egypt and Jordan;
 - established a fully equipped office desk facility in the Dubai office for Western Australian companies visiting the region;
 - supported visits by several Western Australian universities and educational institutes and the opening of a Dubai campus for Murdoch University, recognising the growing demand for Australian education services in the Middle East in the region; and
 - identified Saudi Arabia as the key growth market for Western Australian products and services in the Middle East region, and the Middle East Office has finalised the Memorandum of Understanding with Jeddah Chamber of Commerce to support trade relations between Western Australia and Saudi Arabia.

Major Initiatives For 2008-09

- The European Office will:
 - promote Western Australia as a location for oil and gas exploration activity, Liquefied Natural Gas production and minerals exploration and processing, including initiatives designed to have Western Australia recognised as a world regional centre for oil and gas excellence;
 - continue to promote Western Australia to major infrastructure groups to increase competition and diversity of suppliers in the marketplace;
 - continue to provide assistance to Western Australian companies and institutions with market intelligence, coordination of visit programs, accommodation and general advice;
 - promote Western Australia as an attractive investment location to the important London capital markets, Europe and Russia, and will cooperate with the Perth universities, TAFE colleges and English language colleges to attract United Kingdom and European students to study in Western Australia; and
 - conduct market research and provide information about new and emerging markets including Russia and the Balkan States to Western Australian institutions.

- The North Asia Office will:
 - promote Western Australia as a desirable and diverse investment environment to existing and new Japanese investors and support Western Australian companies exhibiting at Foodex 2009, Asia's largest food and beverage trade show;
 - coordinate completion of the signing of a trilateral research agreement between the University of Western Australia, Kobe University and Zhejiang University;
 - conduct a resources opportunities seminar, providing information on investment opportunities in developing and under-developed projects; and
 - promote Western Australia in the Japanese growth industries of aged-care, scientific research and wine tourism.

- The Middle East Office will:
 - support Western Australian industry participation at the United Arab Emirates Construction and Food exhibition, and promote Western Australia as a desirable destination for investments in the resource, tourism infrastructure and agribusiness sectors;
 - initiate Oil and Gas industry focus trade missions to the United Arab Emirates and Qatar to facilitate Western Australian company entry into the growing market; and
 - renew its contract with Austrade for the year 2008-09 to ensure access to the network of Austrade offices in Saudi Arabia, Jordan, Egypt and Libya.

Service 2: Management of Matters of State

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

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

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

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service ^(a)	74,837	73,752	77,787	82,090	
<i>Less Income</i>	1,274	1,294	1,294	681	
Net Cost of Service ^(a)	73,563	72,458	76,493	81,409	
Adjustments ^(b)	1,528	390	(1,445)	(565)	
Appropriation for Delivery of Service ^(a)	75,091	72,848	75,048	80,844	

- (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 2006-07 Actuals. 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 ^(a)

	2006-07 Actual	2007-08 Budget	2007-08 Estimated	2008-09 Target	Reason for Significant Variation between 2007-08 Estimated and 2008-09 Target
Average operating cost per Ministerial Office (including the Leaders of the Opposition)	\$1,647,208	\$1,816,548	\$1,850,087	\$1,998,491	See note (b).
Average cost of administration provided for each Ministerial Office (including the Leaders of the Opposition)	\$564,978	\$527,893	\$595,685	\$603,798	See note (c).
Average entitlement cost per Member of Parliament	\$287,932	\$286,337	\$312,181	\$314,513	
Average cost of administration per Member of Parliament	\$9,463	\$12,942	\$13,010	\$15,518	See note (d).
Average cost of providing an Executive Government Service	\$18,392	\$20,250	\$18,435	\$21,722	See note (b).
Average cost per Indian Ocean Territory Service Delivery Arrangement coordinated ..	\$8,086	\$9,479	\$8,302	\$6,915	See note (e).
Average cost of initiative and program undertaken to address terrorism and other significant emergencies ^(f)	\$85,243	\$155,190	\$149,361	\$166,852	See note (g).
End of contract payments excluded from efficiency indicators ^(h)	\$296,257	-	-	-	
Support provided to Inquiries and Community Service Obligations	\$3,259,157	\$2,765,424	\$2,193,668	\$3,435,757	
Severances excluded	\$177,017	-	-	-	
Community Service grants and donations excluded	\$1,817,586	\$1,059,000	\$1,616,541	\$934,000	
Corporate Services provided to external agencies	\$502,997	\$408,615	\$486,440	\$276,091	See note (i).
Full Time Equivalents (FTEs)	541	498	511	538	See note (j).

- (a) During 2007-08, the Cabinet and Parliamentary Services functions were transferred from this service to Management of Policy, Service 3. The indicator values shown for 2006-07 Actual and 2007-08 Budget have been recast from historic data for comparison purposes.
- (b) The movement between 2007-08 Estimated and 2008-09 Target is principally due to a significant increase in projected rent and outgoings for accommodation at Dumas House and Governor Stirling Tower.
- (c) The movement between 2007-08 Estimated and 2008-09 Target is principally due to the significant increase in projected rent and outgoings for accommodation at Dumas House and Governor Stirling Tower and an increase in ministerial air charter expense.
- (d) The movement between 2007-08 Estimated and 2008-09 Target is principally due to the increased appropriation provided in 2008-09 to relocate/establish new electorate offices.
- (e) The movement between 2007-08 Estimated and 2008-09 Target is the outcome of a marginal increase in the number of Service Delivery Arrangements coordinated and one-off additional funding provided in 2007-08.
- (f) This key efficiency indicator was reviewed in 2007-08 and now more accurately reflects activities undertaken by the State Security and Emergency Coordination function. Past period data reported is fully comparable.
- (g) The movement between 2007-08 Estimated and 2008-09 Target is principally due to the substantial increase in the accrual provision for depreciation in 2008-09, and a significant increase in projected rent and outgoings.
- (h) Ministerial officers are engaged to assist the Minister for Public Sector Management as the political office holder. Ministerial officer contracts include an entitlement to an end of contract payment when the contract ceases. This takes place when the political office holder ceases to hold office, or on the day fixed for the return of the writ for the general election for the Legislative Assembly, or when a major reconstitution of the ministry takes place and ministerial officers with an expectation of employment to the next election become surplus.

- (i) The movement between 2007-08 Estimated and 2008-09 Target is the outcome of the roll in of the Department's financial systems to the DTF Shared Services in December 2007 and a consequent reduction in services provided to external agencies.
- (j) The movement in FTEs between 2007-08 Estimated and 2008-09 Target is principally due to a projected increase in the number of Electorate Officers to support the additional four Members of Parliament following the next general election, staffing for the Accountability Support Unit, an increase in the Department's Graduate Recruitment Program, and lower ministerial office FTE levels during 2007-08 projected to increase to approved establishment levels in 2008-09.

Major Achievements For 2007-08

- Coordinated arrangements for the State Memorial Service for the former Premier of Western Australia, the Honourable Sir Charles Court AK KCMG OBE held on 4 January 2008 at Winthrop Hall, the University of Western Australia.
- Coordinated arrangements for the State visit in September 2007 by His Excellency Mr Hu Jintao, President of the People's Republic of China, including a State dinner hosted by the Premier.
- Supported arrangements for the visit in November 2007 by His Excellency Mr Zhao Hongzhu, Secretary of the Zhejiang Provincial Committee of the Communist Party of China.
- Conducted a review of the Western Australian Government Human Influenza Pandemic Plan to ensure that the key prevention, preparedness, response and recovery messages continue to be relevant as pandemic planning processes are refined. Pandemic-related education and training materials were developed and made available for government and non-government organisations, the business sector and the community.
- Planning commenced for the major counter-terrorism exercise to be held in Western Australia in October 2008 involving the Commonwealth and State Governments, Police Services, Emergency Services, other Government agencies and infrastructure owners and operators.
- Relocated electorate offices for four Members of Parliament.
- Provided approvals coordination services to proposed developments with a total capital value exceeding \$25 billion, approvals system advice to proponents, and supported key agencies in programs to streamline approvals processes.
- The State and the Commonwealth jointly conducted reviews and renegotiated renewals/extensions of 19 Service Delivery Arrangements in 2007, and reviews of a further eight Service Delivery Arrangements.
- In conjunction with the Department of Local Government and Regional Development, the Department co-designed and ran the Indian Ocean Territories Local Government Development Program for the Shires of Christmas Island and the Cocos (Keeling) Islands in August 2007 to encourage relationship building between the Shires and the State agencies delivering services in the Territories.
- An enhanced level of support to public sector CEOs, Directors General and employees in understanding and meeting accountability requirements, and making ethical and accountable decisions is being provided through the establishment of an Accountability Support Unit within the Department.
- A comprehensive training program for public sector CEOs and Directors Generals has been developed to enhance accountable and ethical decision-making in the sector. Training commenced in April 2008. A similar training program and related materials for all public sector employees was developed and is to be delivered by individual agencies.
- The Special Advisor on Indigenous Affairs assisted in planning and follow-up of the Premier's Indigenous Jobs Forum.
- Support was provided for initiatives designed to heighten the awareness of Indigenous culture as a strategic factor in the long-term development of Indigenous communities and the State of Western Australia.

Major Initiatives For 2008-09

- The Department will advise the Premier on the guidelines applying in Western Australia during the State General Election Period (Caretaker Conventions).
- In conjunction with the City of Perth, the Department will coordinate welcome home events for the Western Australian participants in the 2008 Beijing Olympic and Paralympic Games.
- The Department will provide electorate offices for new members of Parliament following the general election, and relocate electorate offices for Members affected by the redistribution of electoral boundaries.
- The Department will lead preparations for a major counter-terrorism exercise to be conducted in Western Australia during October 2008 designed to evaluate the State's whole-of-government crisis and consequent management procedures and processes.
- The Department continues to have a lead role in coordinating the State's key pandemic influenza plans and is working with agencies to undertake exercises to evaluate and further develop aspects of those plans.
- The Department will develop an Indian Ocean Territories' industrial relations and on-island employment policy, and review four expiring Service Delivery Arrangements.
- The Department will deliver training and provide support to public sector CEOs, Directors General and senior executives on issues relating to accountability and ethical decision-making, and will facilitate the delivery of similar training to all public sector employees by agencies.

Service 3: Management of Policy

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

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service ^(a)	9,333	11,453	12,606	12,285	
<i>Less Income</i>	668	413	407	267	
Net Cost of Service ^(a)	8,665	11,040	12,199	12,018	
Adjustments ^(b)	267	(20)	(365)	(1,042)	
Appropriation for Delivery of Service ^(a)	8,932	11,020	11,834	10,976	

(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 2006-07 Actuals. 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

	2006-07 Actual	2007-08 Budget	2007-08 Estimated	2008-09 Target	Reason for Significant Variation between 2007-08 Estimated and 2008-09 Target
Average cost per hour of policy advice, development and co-ordination	\$93	\$130	\$187	\$181	
Average cost of providing an Executive Government Service ^(a)	\$12,646	\$13,406	\$13,859	\$13,524	
Grants excluded	\$591,554	\$285,000	\$106,424	\$168,000	
Full Time Equivalents (FTEs)	74	78	68	73	See note (b).

- (a) During 2007-08, the Cabinet and Parliamentary Services functions were transferred to this service from Management of Matters of State, Service 2. The indicator values for 2006-07 Actual and 2007-08 Budget have been derived from historic data for comparison purposes. This indicator reports the average cost of supporting a Cabinet meeting or a Parliamentary Sitting Day.
- (b) The movement in FTEs between 2007-08 Estimated and 2008-09 Target is principally due to the projected increase in the allocation of graduate officer FTEs to this service in 2008-09, and an increase in Policy Office average FTEs within approved establishment.

Major Achievements For 2007-08

- Developed a whole-of-government policy framework for Early Childhood and transferred responsibility to the Department for Communities in 2008.
- Assisted in the establishment of the new Department for Communities.
- In collaboration with the DTF, the Department undertook a project to improve the management and the policy framework for State Government concessions.
- Coordinated a major water recycling and reuse strategy.
- Coordinated the Premier's Indigenous Jobs Forum.
- Coordinated the Building Western Australian program.
- In conjunction with the Western Australia Police, WA Health and the Drug and Alcohol Office, the Department coordinated the Illicit Amphetamine Summit in July 2007.
- Provided secretariat and policy support to the Cabinet Standing Committee on Law and Order, and coordinated a series of policy responses flowing from the committee's activities.
- Provided support to the Premier for meetings of the COAG and the CAF.
- Coordinated the State's input into the specific reform proposals under the COAG National Reform Agenda.
- Coordinated the State's input into the substantial work undertaken by the CAF in 2007-2008, including economic modelling for a National Emissions Trading Scheme, improving the delivery of high quality schooling, and reducing red tape for business.
- Coordinated the State's input into the second stage of the COAG project to implement full and effective mutual recognition of skills-based trades. A ministerial declaration for motor vehicle trades licences was signed under the State's *Mutual Recognition Act 2001*.
- Provided support to the Premier during the passage of the *Trans-Tasman Mutual Recognition Act 2007*, and to agencies to facilitate its implementation.
- Coordinated Western Australia's input to Commonwealth Government consultation on a number of international instruments, including the 'United Nations Convention on the Rights of Persons With Disabilities', 'the Association of Southeast Asian Nations - Australia - New Zealand Free Trade Agreement', and 'the United Nations Convention on the Rights of the Child'.

- Supported Western Australia's efforts with the Commonwealth Government, as one of the two remaining international contenders for the Square Kilometre Array Radio Astronomy Project in the State's Mid West.

Major Initiatives For 2008-09

- The Department will undertake research to assist in the development of an industry approach to the needs of non-government human services sector.
- The Department will develop partnership opportunities with the Commonwealth Government in relation to Early Childhood services in Western Australia.
- In collaboration with the Department of Indigenous Affairs, the Department will develop a State policy framework with a new focus on Indigenous employment and economic enterprise.
- The Department will lead a sustained, coordinated and strategic effort across government to maximise the unique opportunity afforded by the new cooperative partnership with the Commonwealth government. The COAG work plan covers eight major reform areas - health and ageing; productivity (early childhood, schooling, skills); climate change and water; infrastructure; business regulation and competition; housing; indigenous reform; and the reform of Special Purpose Payments, with national working groups and sub-groups in each.
- The Department will coordinate Western Australia's input into harmonisation projects sponsored by the CAF, synchronise State initiatives to assist East Timor and assist with a range of activities promoting public debate on the benefits of Federalism.
- The Department is coordinating the Ord Expansion Project. The Project aims to establish a process by which approximately 12,000 hectares of land can be opened up in the short to medium term for the cultivation of a variety of horticultural products.

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

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

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

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service ^(a)	10,489	13,133	14,770	11,124	
<i>Less Income</i>	1,008	852	799	808	
Net Cost of Service ^(a)	9,481	12,281	13,971	10,316	
Adjustments ^(b)	(922)	141	(371)	954	
Appropriation for Delivery of Service ^(a)	8,559	12,422	13,600	11,270	

(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 2006-07 Actuals. 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

	2006-07 Actual	2007-08 Budget	2007-08 Estimated	2008-09 Target	Reason for Significant Variation between 2007-08 Estimated and 2008-09 Target
Average cost per leadership development participant ^(a)	n/a	\$2,546	\$1,137	\$859	See note (b).
Average cost per client to whom public sector management advice is provided ^{(a)(c)}	n/a	\$45,069	\$83,330	\$81,519	
Average cost per workforce development participant ^(a)	n/a	\$1,905	\$1,136	\$921	See note (d).
Copyright administered on behalf of Government	\$35,352	\$35,000	\$2,350,179	\$50,194	See note (e).
Grants excluded	\$84,200	\$1,276,000	\$677,000	\$237,000	
Full Time Equivalents (FTEs)	67	63	61	61	

- (a) The new key efficiency indicators developed were not reported in 2006-07 and accordingly no comparative data is available.
- (b) The movement between 2007-08 Estimated and 2008-09 Target is principally due to the effect of repositioning from 2006-07 to 2007-08, a reduction in budget in 2008-09 and a small increase in the number of leadership development participants in 2008-09.
- (c) For the purposes of this indicator, a client to whom public sector management advice is provided is a government department, agency or instrumentality. The services provided include advice on a wide range of Senior Executive Service and non-Senior Executive Service employment matters, recruitment, redeployment; and organisational policy development, support for functional reviews, and management of the Premier's Awards program.
- (d) The movement between 2007-08 Estimated and 2008-09 Target is principally due to the effect of repositioning from 2006-07 to 2007-08, a reduction in budget in 2008-09 and a small increase in the number of workforce development participants in 2008-09.
- (e) Copyright fees charged by Copyright Agency Ltd to the Government of Western Australia are negotiated retrospectively, and the payment of \$2.3 million made in 2007-08 was for the period 1 July 2002 to 30 June 2006. The next agreement is currently under negotiation and will apply to the period 1 July 2006 to 30 June 2011. The remaining \$50,000 is the annual charge for the Australasian Performing Right Association agreement.

Major Achievements For 2007-08

- Developed and implemented a revised human resource data collection system utilising the Workforce Analysis and Comparison Application software.
- The Women in Leadership Strategy was launched with a series of initiatives to be implemented over four years. These initiatives have been designed to attract, develop and retain women for senior management roles in the public sector.
- A Foundations of Leadership Program for mid-management officers was launched. Two intakes comprising a total of 50 participants from across the public sector have commenced.
- A number of enhancements to improve access and use were made to the State Government's Recruitment and Advertising Management System which is an online e-recruitment system allowing public sector agencies to advertise vacancies, as well as streamlining the entry level recruitment and the redeployment processes. A tender process was facilitated in order to award a new contract.
- An evaluation of the Senior Executive Leadership Development Strategy was undertaken and recommendations made to enhance the implementation and application of the strategy across the public sector.
- A review of the pilot Mobility Program was undertaken.
- The review of the Public Sector Annual Reporting Requirements was conducted in conjunction with the DTF.
- The recommended changes arising from the review of the system and processes for CEO performance agreements and assessments were implemented.
- Identified a range of initiatives in the 'Rethinking Recruitment Discussion Paper' that will be implemented to streamline recruitment and attract people into the public sector workforce.

- The Department supported an across-government working party that reviewed the disciplinary provisions of the *Public Sector Management Act 1994*, which formed a part of the whole-of-government response to recommendations of the Ombudsman's Report on Allegations Concerning the Treatment of Children and Young People in Residential Care.
- Supported functional reviews of the DET and the DOIR.

Major Initiatives For 2008-09

- The Department will implement the second stage of a comprehensive Workforce Planning strategy, which includes tools and resources to implement effective workforce planning.
- The Department will lead the implementation of initiatives emanating from the 'Rethinking Recruitment Discussion Paper' aimed at streamlining recruitment practices and promoting innovative ways to attract people to the West Australian public sector.
- The Department will review the redeployment process applicable to the public sector.
- The Department will review the processes and services provided to the public sector in regard to entry-level employment.
- Recommendations to support good corporate governance for public sector boards and committees will be implemented.
- A framework for public sector graduate programs for specific occupational groups will be developed.
- The Department will review and upgrade the Western Australian Government's Job Board design to enhance its usability, flexibility and look and feel for targets in the sector's key skill shortage areas. An associated online advertising campaign will be developed by the Department to drive traffic to the revitalised Job Board, and help build a preferred employer position in the minds of jobseekers.

Service 5: Parliamentary, Statutory and Legislative Publishing Service

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

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service ^(a)	2,373	2,653	2,908	3,025	
<i>Less Income</i>	2,641	2,638	2,684	2,897	
Net Cost of Service ^(a)	(268)	15	224	128	
Adjustments ^(b)	306	(15)	(192)	37	
Appropriation for Delivery of Service ^(a)	38	-	32	165	

(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 2006-07 Actuals. 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

	2006-07 Actual	2007-08 Budget	2007-08 Estimated	2008-09 Target	Reason for Significant Variation between 2007-08 Estimated and 2008-09 Target
Average cost per printing image produced.....	\$0.09	\$0.11	\$0.11	\$0.11	
Average cost of publications sold.....	\$8.60	\$8.36	\$10.90	\$12.10	
Average sale value	\$17.11	\$18.00	\$20.00	\$22.00	
Full Time Equivalents (FTEs)	20	19	20	19	

Major Achievements For 2007-08

- The reprints program undertaken jointly with the Parliamentary Counsel's Office resulted in 112 titles of legislation being consolidated and reprinted for the financial year to February 2008.
- Commenced the electronic capture of previously published copies of the Western Australian Government Gazette. Gazettes covering 20 years, containing in excess of 120,000 pages were scanned and are now available in a text searchable format on the State Law Publisher website free of charge.
- Implemented updated 'point of sale' software to facilitate the roll in to the DTF Shared Services.

Major Initiatives For 2008-09

- The electronic capture of a further ten years of previously published copies of the Western Australian Government Gazette will be undertaken that will be made available in a text searchable format on the State Law Publisher website free of charge.

Service 6: Management of the Constitutional Centre Programs

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

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service ^(a)	1,428	1,377	1,388	1,087	
<i>Less Income</i>	86	45	48	45	
Net Cost of Service ^(a)	1,342	1,332	1,340	1,042	
Adjustments ^(b)	(82)	(4)	6	(3)	
Appropriation for Delivery of Service ^(a)	1,260	1,328	1,346	1,039	

(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 2006-07 Actuals. 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

	2006-07 Actual	2007-08 Budget	2007-08 Estimated	2008-09 Target	Reason for Significant Variation between 2007-08 Estimated and 2008-09 Target
Average cost per customer of the Constitutional Centre	\$13.38 ^(a)	\$12.59	\$13.58	\$12.96	See note (b).
Grants excluded	\$410,000	\$370,000	\$370,000	\$50,000	
Full Time Equivalents (FTEs)	8	9	8	9	

(a) It has been necessary to revise the value reported in the Department's 2006-07 Annual Report as errors in the visitor data resulted in understatement of the average cost per customer.

(b) Funding for grants administered by the Constitutional Centre has been transferred to the Department for Communities in 2008-09.

Major Achievements For 2007-08

- The research and writing of the information for the online history of Western Australia resource was completed and is currently awaiting online publication
- Two versions of the new education program The Constitutional Challenge (for primary and secondary students respectively) were implemented in both metropolitan and regional schools.
- The Department made loan materials for regional and remote schools, jointly developed with the Parliamentary Education Office and the Electoral Education Office, available for schools in the second term of 2008.
- To mark the tenth anniversary of the Constitutional Centre a conference 'Law Making for a Small Federation - National Infrastructure and Regulation', was held in conjunction with John Curtin Institute of Public Policy and the Australian Association for Constitutional Law.

Major Initiatives For 2008-09

- New loan materials and resources for regional and remote schools will be developed to enable all students to access centre programs, in addition to online education modules for teachers to assist in the delivery of professional civics education.
- Online student modules will be developed for secondary students to enable revision of political and legal studies units.
- A simple guide to government in Australia will be made available in both printed and electronic formats.

Service 7: Support for the Implementation of the State's Road Safety Initiatives**(Minister for Police and Emergency Services; Community Safety; Water Resources; Sport and Recreation)**

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

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service ^(a)	18,198	26,155	34,635	26,599	
<i>Less Income</i>	10,473	24,144	20,197	24,058	
Net Cost of Service ^(a)	7,725	2,011	14,438	2,541	
Adjustments ^(b)	(597)	117	(3,942)	(169)	
Appropriation for Delivery of Service ^(a)	7,128	2,128	10,496	2,372	

(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 2006-07 Actuals. 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

	2006-07 Actual	2007-08 Budget	2007-08 Estimated	2008-09 Target	Reason for Significant Variation between 2007-08 Estimated and 2008-09 Target
Average cost of awareness-raising Campaigns	\$589,378	\$477,873	\$706,290	\$410,361	See note (a).
Average cost of road safety initiatives	\$948,738	\$756,409	\$1,152,163	\$751,102	See note (a).
Average cost per FTE for support services to the Road Safety Council	\$350,515	\$202,045	\$172,935	\$154,419	See note (a).
Grants excluded	\$4,748,893	\$15,540,000	\$14,281,000	\$14,000,000	
Full Time Equivalents (FTEs)	23	26	22	25	

(a) The movement between 2007-08 Estimated and 2008-09 Target is the result of allocation of additional Road Trauma Trust funding to awareness raising campaigns, road safety initiatives and support services in 2007-08.

Major Achievements For 2007-08

- In developing the new road safety strategy for Western Australia 2008-20, the Department commissioned an independent expert to identify, describe and recommend proven road safety countermeasures for stakeholder and community consideration.
- Extensive consultation involving Members of Parliament, the community, stakeholders and community leaders was undertaken on the options for the new road safety strategy.
- Legislative amendments to the *Road Traffic Act 1974* to provide for the implementation of initiatives to further improve novice driver safety were passed by Parliament.
- New laws for drug driving, including random roadside testing of drivers for illicit drugs using oral fluid were developed and introduced. Roadside drug and alcohol testing from a newly equipped drug bus commenced in October 2007. Enhanced laws for more serious offences of drug-impaired driving have also been implemented.
- A major demonstration of advisory Intelligent Speed Adaptation technology to showcase the utility of this technology in helping drivers choose legal speeds has commenced.
- A cross-agency Steering Committee has been established to develop a best practice in speed enforcement business case and make recommendations to Government.

- Contractual negotiations commenced to establish a Western Australian Road Safety Research Centre.
- Implemented major state-wide community education programs, focusing on safer vehicles and the high risk behaviours of speeding, drink driving, fatigue and non-restraint use, supported by local and regional community education and coordinated enforcement activity by Western Australia Police.
- Educational materials to encourage learner drivers to take 120 hours of supervised driving were introduced in April 2008.
- A comprehensive road safety communication strategy for international visitors to Western Australia was introduced and consists of a website in eight languages and educational material placed strategically on flights into Perth and in hire vehicles at airports.

Major Initiatives For 2008-09

- On behalf of the Road Safety Council, the Department will present the road safety strategy for Western Australia 2008-20 and the road safety action plan 2009-11 to government for consideration.
- Following proclamation of the *Road Traffic Act (No. 2) 2007*, new initiatives to improve novice driver safety will be implemented. A community education campaign will ensure that those likely to be affected are aware of the changes and their impact.
- Amendments to provide for vehicle sanctions targeting unlicensed drivers and repeat drink drivers will be introduced.
- Legislative changes to the *Road Traffic Act 1974* will be drafted to require repeat drink drivers to undergo alcohol assessment and treatment programs, and to install alcohol interlock devices.
- Through a State grant, a local Road Safety Research Centre will commence providing a permanent, independent road safety research presence in Western Australia.
- Major state-wide community education programs, focusing on safer vehicles, speeding, drink driving, fatigue and non-restraint use supported by local and regional community education and enforcement and supporting campaigns addressing rail level crossing safety and international visitors will continue.
- A major new campaign on warning drivers about the dangers of distraction will be implemented.

Service 8: E-government Policy and Coordination

The Department will:

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

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service ^(a)	4,303	4,318	4,452	4,726	
<i>Less Income</i>	23	5	7	5	
Net Cost of Service ^(a)	4,280	4,313	4,445	4,721	
Adjustments ^(b)	(150)	(15)	(298)	12	
Appropriation for Delivery of Service ^(a)	4,130	4,298	4,147	4,733	

(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 2006-07 Actuals. 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

	2006-07 Actual	2007-08 Budget	2007-08 Estimated	2008-09 Target	Reason for Significant Variation between 2007-08 Estimated and 2008-09 Target
Average cost per Department that adopts and implements policies, standards and guidelines	\$38,216	\$52,177	\$76,431	\$78,456	
Average cost per significant e-government initiative in which the Office is involved	\$218,730	\$187,685	\$170,900	\$331,368	See note (a).
Full Time Equivalents (FTEs)	29	33	29	30	

(a) The movement between 2007-08 Estimated and 2008-09 Target is the outcome of a substantial reduction in the number of initiatives projected for 2008-09, primarily due to the increase in the size and scope of the initiatives compared with those undertaken in 2007-08, and the significant increase in projected rent and outgoings for Dumas House.

Major Achievements For 2007-08

- Worked on the redevelopment of the Western Australian Government's 'Single Entry Point' and the implementation of 'Citizen Centric Government: The Electronic Service Delivery Strategy', which includes further rationalisation of websites.
- Development commenced of an m-Government Best Practice Guide to address how Western Australian Government agencies might use emerging mobile technologies securely and cost-effectively to deliver services to the community, and to increase efficiencies within agencies.
- Commenced development with Emergency Service Organisations of the implementation plan for the Emergency Services Communications Strategy in January 2008 utilising Commonwealth funding.

- A prototype e-government web-based Standards Repository was completed. The Repository contains e-government standards for Western Australia, other jurisdictions, standards and bodies, and will be used by agencies to identify current policy positions for current and future e-government projects.
- In conjunction with the DTF Shared Services, the Department has developed a single employee identity number system, the Western Australian Government Division Number, that is currently being tested. Agencies will begin utilising the Western Australian Government Number as they roll-in to Shared Services. The Department has also worked with WA Health to plan the extension of the Western Australian Government Number to WA Health employees.
- The draft Secure Government Strategy for the Western Australian Public Sector will be presented to the e-Government Sub-Committee in June 2008. The Strategy outlines the steps agencies will need to take to achieve a secure and trusted electronic service delivery environment.
- In conjunction with the DOIR and the DTF, the Department developed the technical specifications for the proposed state-wide Broadband Network, which will feed into the DTF Procurement Plan.
- The Western Australian 2007 Public Sector Communications Audit was completed in December 2007 and the data collected is being used in planning for the proposed state-wide Broadband Network.
- Reviewed significant agency Information Communication Technology budget bids, with an estimated total value of \$596 million, to ensure better alignment with the goals and principles of the e-Government Strategy for the Western Australian Public Sector.
- Created a Framework for Information Communication Technology Project Management and is aligning its assessment of Information Communication Technology budget bids with the DTF Strategic Asset Management Framework to streamline the process.
- Provided governance, oversight and risk management advice to significant agency Information Communication Technology projects such as WA Health Information Communication Technology initiative and the Electronic Land Development Project.
- Worked with the State Records Office to develop responses to issues raised in the Auditor General's Public Sector Performance Report 2008 in relation to the disposal of government hard drives and, on agency's archival processes and the retention of email communications identified in a Crime and Corruption Commission Report.

Major Initiatives For 2008-09

- The Department will implement the Website Governance Framework for the Western Australian Government. The objective of the Framework is to provide government agencies with a consistent approach to the management and delivery of information and services to citizens and business in the online environment.
- The Department will commence facilitation of the implementation of the Emergency Services Communications Strategy across Emergency Service Organisations.
- The Department will work with agencies and the DTF Procurement division on the most cost-effective management of public sector telecommunications.
- The Department will work with agencies and the DTF on implementing the revised Information Communication Technology budget bid process and to ensure that agency budget bids for Information Communication Technology provide better alignment with the goals and principles of e-government strategies and represent a sound investment for government.
- The Department will provide governance, oversight and risk management advice to significant agency Information Communication Technology projects where required.

CAPITAL WORKS PROGRAM

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-08 \$'000	Estimated Expenditure 2007-08 \$'000	Estimated Expenditure 2008-09 \$'000
WORKS IN PROGRESS				
Electorate Offices Equipment Upgrade - 2007-08 Program	1,575	109	109	439
Parliamentary Electorate Office Fit-Out	755	386	386	100
COMPLETED WORKS				
Electorate Offices Equipment Upgrade - 2005-06 Program	220	220	220	-
Ministerial Offices	2,600	2,600	1,042	-
Office Equipment	3,105	3,105	1,649	-
Parliamentary Electorate Office Fit-Outs - Electoral Redistribution	1,775	1,775	614	-
Computer Hardware and Software				
2006-07 Program	600	600	13	-
2007-08 Program	600	600	600	-
Electorate Offices Equipment Upgrade				
2004-05 Program	1,285	1,285	201	-
2006-07 Program	220	220	220	-
NEW WORKS				
Computer Hardware and Software - 2008-09 Program	614	-	-	300
Electorate Offices - Redistribution - 2008-09 One Vote - One Value				
Fit-Outs - Part A	550	-	-	550
Partitioning and Accommodation - 2008-09 Program	300	-	-	300
State Law Publisher - 2007-08 Program - Docutech Printers	1,450	-	-	1,450
	15,649	10,900	5,054	3,139

CAPITAL CONTRIBUTION

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS							
Total Cost of Capital Works Program	4,042	5,054	5,054	3,139	1,225	2,516	1,322
	4,042	5,054	5,054	3,139	1,225	2,516	1,322
LESS							
Drawdowns from the Holding Account	614	2,920	2,920	3,139	1,225	2,092	1,322
Funding Included in Service Appropriations ^(a)	-	1,299	-	-	-	-	-
Internal Funds and Balances	1,228	180	1,479	-	-	424	-
Capital Contribution	2,200	655	655	-	-	-	-

(a) Capital works expensed through the Income Statement.

FINANCIAL STATEMENTS

INCOME STATEMENT
(Controlled)

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
COST OF SERVICES							
Expenses							
Employee benefits expenses ^(a)	58,628	57,665	62,903	60,934	62,365	63,338	63,135
Superannuation	5,483	4,984	5,052	5,042	5,042	5,042	5,042
Grants and subsidies ^(b)	8,367	18,530	17,051	15,389	16,145	15,919	16,419
Supplies and services	49,052	48,204	57,836	51,139	56,072	41,948	45,854
Accommodation	13,131	11,405	14,086	18,067	18,416	18,880	18,925
Capital user charge ^(c)	1,495	-	-	-	-	-	-
Depreciation and amortisation	1,565	3,754	3,443	2,961	3,144	2,802	2,475
Loss on disposal of non-current assets	142	-	-	-	-	-	-
Other expenses	291	112	110	110	112	112	112
TOTAL COST OF SERVICES	138,154	144,654	160,481	153,642	161,296	148,041	151,962
Income							
User charges and fees	2,630	3,441	4,075	3,715	3,854	4,001	4,001
Regulatory fees and fines	7,252	20,150	16,200	19,750	19,750	19,750	18,201
Grants and subsidies	1,383	1,400	1,150	536	434	434	434
Interest revenue	449	200	200	200	200	200	200
Other revenue	5,013	4,219	3,835	4,579	4,211	4,152	4,122
Total Income	16,727	29,410	25,460	28,780	28,449	28,537	26,958
NET COST OF SERVICES ^(c)	121,427	115,244	135,021	124,862	132,847	119,504	125,004
INCOME FROM STATE GOVERNMENT							
Service appropriations ^(c)	121,866	115,518	127,505	123,633	131,193	124,703	128,550
Resources received free of charge	834	582	582	562	562	562	562
Liabilities assumed by the Treasurer	659	340	340	340	340	340	340
TOTAL INCOME FROM STATE GOVERNMENT	123,359	116,440	128,427	124,535	132,095	125,605	129,452
SURPLUS/(DEFICIENCY) FOR THE PERIOD	1,932	1,196	(6,594)	(327)	(752)	6,101	4,448
CHANGE IN SURPLUS/(DEFICIENCY) FOR THE PERIOD AFTER EXTRAORDINARY ITEMS	1,932	1,196	(6,594)	(327)	(752)	6,101	4,448

(a) The Full Time Equivalents (FTEs) for 2006-07 Actual, 2007-08 Estimated Actual and 2008-09 Estimate are 831, 789 and 826 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)**

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
CURRENT ASSETS							
Cash and cash equivalents	12,598	4,077	5,514	5,288	5,065	4,825	8,420
Restricted cash	7,773	1,563	4,524	4,214	3,856	10,330	10,591
Receivables	3,240	4,631	2,809	2,873	2,859	2,756	2,776
Inventories.....	95	205	95	150	150	150	150
Amounts receivable for services.....	2,920	3,139	3,139	1,225	2,092	1,322	-
Prepayments	1,176	2,083	1,117	1,147	1,132	1,139	1,136
Total current assets	27,802	15,698	17,198	14,897	15,154	20,522	23,073
NON-CURRENT ASSETS							
Amounts receivable for services.....	15,275	16,824	17,268	21,382	25,054	28,589	33,897
Plant and equipment.....	1,164	5,621	2,545	4,194	4,449	3,836	3,321
Intangibles.....	60	55	54	48	42	36	30
Restricted cash	415	750	750	1,000	1,250	1,500	1,750
Other.....	4,550	5,264	4,786	3,321	1,153	1,061	429
Total non-current assets.....	21,464	28,514	25,403	29,945	31,948	35,022	39,427
TOTAL ASSETS.....	49,266	44,212	42,601	44,842	47,102	55,544	62,500
CURRENT LIABILITIES							
Payables ^(a)	2,941	4,316	3,758	5,075	6,368	6,953	7,660
Provision for employee entitlements	12,234	11,030	12,140	12,780	13,769	14,791	15,840
Accrued salaries	207	443	421	653	892	1,122	1,352
Other.....	3,237	8	8	8	8	8	8
Total current liabilities.....	18,619	15,797	16,327	18,516	21,037	22,874	24,860
NON-CURRENT LIABILITIES							
Provision for employee entitlements	3,845	4,673	4,909	5,286	5,775	6,277	6,796
Other.....	18	23	23	25	27	29	32
Total non-current liabilities	3,863	4,696	4,932	5,311	5,802	6,306	6,828
TOTAL LIABILITIES.....	22,482	20,493	21,259	23,827	26,839	29,180	31,688
EQUITY							
Contributed equity	2,200	496	2,993	2,993	2,993	2,993	2,993
Accumulated surplus/(deficit)	52,962	44,487	46,368	46,041	45,289	51,390	55,838
Transfer negative contributed equity to Accum Surplus	(25,400)	(21,264)	(25,400)	(25,400)	(25,400)	(25,400)	(25,400)
Reserves	(2,978)	-	(2,619)	(2,619)	(2,619)	(2,619)	(2,619)
Total equity.....	26,784	23,719	21,342	21,015	20,263	26,364	30,812
TOTAL LIABILITIES AND EQUITY	49,266	44,212	42,601	44,842	47,102	55,544	62,500

(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)

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
CASHFLOWS FROM STATE GOVERNMENT							
Service appropriations	118,200	110,386	122,373	118,294	125,429	119,846	123,242
Capital contribution	2,200	655	655	-	-	-	-
Holding account drawdowns	614	2,920	2,920	3,139	1,225	2,092	1,322
Net cash provided by State Government.....	121,014	113,961	125,948	121,433	126,654	121,938	124,564
CASHFLOWS FROM OPERATING ACTIVITIES							
Payments							
Employee benefits.....	(56,490)	(56,015)	(61,355)	(59,688)	(60,652)	(61,590)	(61,340)
Superannuation	(4,911)	(4,645)	(4,713)	(4,702)	(4,702)	(4,702)	(4,702)
Grants and subsidies	(8,971)	(18,530)	(17,189)	(15,389)	(16,145)	(15,919)	(16,419)
Supplies and services	(50,074)	(47,287)	(56,378)	(49,432)	(54,199)	(40,808)	(44,579)
Accommodation.....	(13,227)	(11,405)	(14,076)	(17,977)	(18,416)	(18,880)	(18,926)
Capital user charge ^(a)	(1,495)	-	-	-	-	-	-
Goods and services tax	(7,312)	(8,638)	(9,221)	(8,971)	(9,309)	(7,825)	(8,210)
Other.....	(160)	(105)	(105)	(105)	(105)	(105)	(105)
Receipts							
User charges and fees.....	2,697	3,441	2,683	2,894	3,033	3,180	3,180
Regulatory fees and fines.....	7,252	20,150	16,200	19,750	19,750	19,750	18,201
Grants and subsidies	1,383	1,400	1,150	536	434	434	434
Interest received.....	459	200	200	200	200	200	200
Goods and services tax	7,060	8,573	9,562	8,986	9,277	7,950	8,178
Other receipts	6,471	4,384	5,392	5,318	5,074	4,953	4,952
Net cash from operating activities.....	(117,318)	(108,477)	(127,850)	(118,580)	(125,760)	(113,362)	(119,136)
CASHFLOWS FROM INVESTING ACTIVITIES							
Purchase of non-current assets.....	(3,256)	(5,054)	(5,054)	(3,139)	(1,225)	(2,092)	(1,322)
Net cash from investing activities.....	(3,256)	(5,054)	(5,054)	(3,139)	(1,225)	(2,092)	(1,322)
CASHFLOWS FROM FINANCING ACTIVITIES							
Repayment of borrowings.....	(6,057)	-	-	-	-	-	-
Other payments for financing activities.....	-	-	(2,870)	-	-	-	-
Other proceeds from financing activities.....	6,057	-	-	-	-	-	-
Net cash from financing activities	-	-	(2,870)	-	-	-	-
NET INCREASE/(DECREASE) IN CASH HELD	440	430	(9,826)	(286)	(331)	6,484	4,106
Cash assets at the beginning of the reporting period	20,346	5,960	20,786	10,788	10,502	10,171	16,655
Net cash transferred to/from other agencies.....	-	-	(172)	-	-	-	-
Cash assets at the end of the reporting period.....	20,786	6,390	10,788	10,502	10,171	16,655	20,761

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

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

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
EXPENSES							
Total Cost of Services as per Income Statement.....	138,154	144,654	160,481	153,642	161,296	148,041	151,962
Less Capital User Charge.....	1,495						
Less Transfer of the Office of Multicultural Interests	4,015	-	-	-	-	-	-
Adjusted Total Cost of Services	132,644	144,654	160,481	153,642	161,296	148,041	151,962
APPROPRIATIONS							
Net Amount Appropriated to Deliver Services	121,866	115,518	127,505	123,633	131,193	124,703	128,550
Less Appropriation Capital User Charge	1,495						
Less Transfer of the Office of Multicultural Interests	3,412	-	-	-	-	-	-
Adjusted Net Amount Appropriated to Deliver Services	116,959	115,518	127,505	123,633	131,193	124,703	128,550

DETAILS OF CONTROLLED GRANTS AND SUBSIDIES

	2006-07 Actual ^(a) \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
Community Grants.....	1,858	1,059	1,616	934	684	684	684
Constitutional Centre	410	370	370	50	50	50	50
Office of Road Safety	4,749	15,540	14,281	14,000	14,500	15,000	15,500
Policy Office	592	285	107	168	168	168	168
Public Sector Management	84	1,276	677	237	743	17	17
TOTAL.....	7,693	18,530	17,051	15,389	16,145	15,919	16,419

(a) Grants for the Office of Multicultural Interests have been excluded due to its transfer to the Department for Communities as at 1 July 2007.

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:

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000
GST Input Credits.....	4,697	5,448	6,224	5,696
GST Receipts on Sales.....	503	460	523	475
Other Receipts.....	4,099	2,590	2,542	1,854
State Law Publisher	2,697	2,635	2,683	2,894
TOTAL.....	11,996	11,133	11,972	10,919

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

GOVERNOR'S ESTABLISHMENT

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

DIVISION 4

APPROPRIATION AND FORWARD ESTIMATES

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
DELIVERY OF SERVICES							
Item 6 Net amount appropriated to deliver services	1,158	1,178	1,573	1,589	1,610	1,633	1,667
Amount Authorised by Other Statutes							
- Governor's Establishment Act 1992.....	1,412	1,523	1,523	1,568	1,612	1,654	1,704
- Salaries and Allowances Act 1975 ^(a)	334	351	351	361	371	381	392
Total appropriations provided to deliver services.....	2,904	3,052	3,447	3,518	3,593	3,668	3,763
GRAND TOTAL	2,904	3,052	3,447	3,518	3,593	3,668	3,763

- (a) The recommendation by the Salaries and Allowances Tribunal of 4 April 2008 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 2008-09 Budget.

MISSION

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

SIGNIFICANT ISSUES AND TRENDS

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

SERVICE AND APPROPRIATION SUMMARY

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
SERVICES							
<i>Service 1:</i>							
Effective Support to the Governor.....	1,412	1,523	1,523	1,568			
<i>Service 2:</i>							
Management of the Governor's Establishment.	2,081	1,590	2,018	2,043			
Total Cost of Services	3,493	3,113	3,541	3,611	3,687	3,757	3,858
<i>Less Income.....</i>	<i>22</i>	<i>30</i>	<i>55</i>	<i>55</i>	<i>55</i>	<i>55</i>	<i>55</i>
Net Cost of Services	3,471	3,083	3,486	3,556	3,632	3,702	3,803
Adjustments ^(a)	(567)	(31)	(39)	(38)	(39)	(34)	(40)
Appropriation Provided to Deliver Services	2,904	3,052	3,447	3,518	3,593	3,668	3,763
TOTAL CONSOLIDATED ACCOUNT APPROPRIATIONS.....	2,904	3,052	3,447	3,518	3,593	3,668	3,763

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

OUTCOMES, SERVICES AND PERFORMANCE INFORMATION

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

Service 1: Effective support to the Governor

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

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service	1,412	1,523	1,523	1,568	
<i>Less Income.....</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	
Net Cost of Service	1,412	1,523	1,523	1,568	
Adjustments ^(a)	-	-	-	-	
Appropriation for Delivery of Service	1,412	1,523	1,523	1,568	

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

Major Achievements For 2007-08

- The Governor has undertaken regional tours of the Southern Wheatbelt, Southern Goldfields-Esperance and the Pilbara.
- Provision of a program of official hospitality for visiting dignitaries and other guests, including patronage and community organisations.

Major Initiatives For 2008-09

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

Service 2: Management of the Governor's Establishment

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

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service	2,081	1,590	2,018	2,043	
<i>Less Income.....</i>	22	30	55	55	
Net Cost of Service	2,059	1,560	1,963	1,988	
Adjustments ^(a)	(567)	(31)	(39)	(38)	
Appropriation for Delivery of Service ^(b)	1,492	1,529	1,924	1,950	

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

Major Achievements For 2007-08

- Continued with the maintenance program for the House and grounds.
- Continued progress on works in accordance with the Grounds Master Plan.
- Completed and implemented the review of organisational structure which now reflects appropriate staffing and skills mix.
- Completion of the security system upgrade.

Major Initiatives For 2008-09

- Continue ongoing maintenance and upgrade of Government House.
- Examination of heritage issues by Conservation Architect to ensure ongoing preservation of the House and Domain.
- Commence the 14 year Maintenance Painting Program for Government House exterior to provide long-term preservation and protection.

CAPITAL WORKS PROGRAM

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-08 \$'000	Estimated Expenditure 2007-08 \$'000	Estimated Expenditure 2008-09 \$'000
COMPLETED WORKS				
Security System Upgrade	400	400	205	-
	400	400	205	-

CAPITAL CONTRIBUTION

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS							
Total Cost of Capital Works Program	195	-	205	-	-	-	-
	195	-	205	-	-	-	-
LESS							
Drawdowns from the Holding Account	195	-	-	-	-	-	-
Internal Funds and Balances	-	-	205	-	-	-	-
Capital Contribution	-	-	-	-	-	-	-

FINANCIAL STATEMENTS

INCOME STATEMENT
(Controlled)

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
COST OF SERVICES							
Expenses							
Employee benefits expenses ^(a)	1,677	1,912	1,871	1,919	1,962	2,016	2,109
Superannuation.....	141	144	142	147	153	159	166
Supplies and services	950	853	782	798	819	829	823
Accommodation.....	145	-	144	144	144	144	145
Depreciation and amortisation.....	570	195	590	590	595	595	600
Other expenses	10	9	12	13	14	14	15
TOTAL COST OF SERVICES.....	3,493	3,113	3,541	3,611	3,687	3,757	3,858
Income							
User charges and fees.....	-	30	30	30	30	30	30
Other revenue.....	22	-	25	25	25	25	25
Total Income.....	22	30	55	55	55	55	55
NET COST OF SERVICES	3,471	3,083	3,486	3,556	3,632	3,702	3,803
INCOME FROM STATE GOVERNMENT							
Service appropriations	2,904	3,052	3,447	3,518	3,593	3,668	3,763
Resources received free of charge	31	31	31	30	30	30	30
Liabilities assumed by the Treasurer	8	-	8	8	9	9	10
TOTAL INCOME FROM STATE GOVERNMENT.....	2,943	3,083	3,486	3,556	3,632	3,707	3,803
SURPLUS/(DEFICIENCY) FOR THE PERIOD.....	(528)	-	-	-	-	5	-
CHANGE IN SURPLUS/(DEFICIENCY) FOR THE PERIOD AFTER EXTRAORDINARY ITEMS	(528)	-	-	-	-	5	-

(a) The Full Time Equivalents for 2006-07 Actual, 2007-08 Estimated Actual and 2008-09 Estimate are 23, 26 and 26 respectively.

**BALANCE SHEET
(Controlled)**

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
CURRENT ASSETS							
Cash and cash equivalents	501	361	325	325	325	325	325
Restricted cash	-	10	-	-	-	-	-
Receivables	4	5	4	4	4	9	9
Prepayments	3	4	3	3	3	3	3
Total current assets	508	380	332	332	332	337	337
NON-CURRENT ASSETS							
Amounts receivable for services.....	421	616	1,011	1,601	2,196	2,791	3,391
Land and buildings.....	15,866	16,322	15,471	15,078	14,654	14,230	13,805
Plant and equipment.....	139	129	114	89	62	35	6
Restricted cash	12	6	19	27	36	46	57
Other.....	849	701	884	712	568	424	278
Total non-current assets.....	17,287	17,774	17,499	17,507	17,516	17,526	17,537
TOTAL ASSETS.....	17,795	18,154	17,831	17,839	17,848	17,863	17,874
CURRENT LIABILITIES							
Payables	31	62	30	30	30	30	30
Provision for employee entitlements	251	274	251	251	251	251	251
Accrued salaries	99	16	161	169	178	188	199
Other.....	2	100	2	2	2	2	2
Total current liabilities.....	383	452	444	452	461	471	482
NON-CURRENT LIABILITIES							
Provision for employee entitlements	142	41	117	117	117	117	117
Other.....	1	-	1	1	1	1	1
Total non-current liabilities	143	41	118	118	118	118	118
TOTAL LIABILITIES.....	526	493	562	570	579	589	600
EQUITY							
Contributed equity	2,635	2,635	2,635	2,635	2,635	2,635	2,635
Accumulated surplus/(deficit).....	(1,104)	(576)	(1,104)	(1,104)	(1,104)	(1,099)	(1,099)
Reserves	15,738	15,602	15,738	15,738	15,738	15,738	15,738
Total equity.....	17,269	17,661	17,269	17,269	17,269	17,274	17,274
TOTAL LIABILITIES AND EQUITY	17,795	18,154	17,831	17,839	17,848	17,863	17,874

CASHFLOW STATEMENT
(Controlled)

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
CASHFLOWS FROM STATE GOVERNMENT							
Service appropriations	2,914	2,857	2,857	2,928	2,998	3,073	3,163
Holding account drawdowns	195	-	-	-	-	-	-
Net cash provided by State Government.....	3,109	2,857	2,857	2,928	2,998	3,073	3,163
CASHFLOWS FROM OPERATING ACTIVITIES							
Payments							
Employee benefits.....	(1,531)	(1,885)	(1,864)	(1,909)	(1,956)	(2,011)	(2,090)
Superannuation.....	(223)	(145)	(145)	(149)	(152)	(158)	(164)
Supplies and services	(907)	(794)	(783)	(827)	(846)	(859)	(863)
Accommodation	(146)	-	(55)	(55)	(55)	(55)	(55)
Goods and services tax.....	(99)	(83)	(83)	(88)	(88)	(88)	(88)
Other.....	(10)	(9)	(9)	(10)	(10)	(10)	(10)
Receipts							
User charges and fees.....	-	30	30	30	30	30	30
Goods and services tax.....	95	63	63	63	63	63	63
Other receipts	27	-	25	25	25	25	25
Net cash from operating activities.....	(2,794)	(2,823)	(2,821)	(2,920)	(2,989)	(3,063)	(3,152)
CASHFLOWS FROM INVESTING ACTIVITIES							
Purchase of non-current assets.....	(145)	-	(205)	-	-	-	-
Net cash from investing activities.....	(145)	-	-	-	-	-	-
NET INCREASE/(DECREASE) IN CASH HELD							
	170	34	(169)	8	9	10	11
Cash assets at the beginning of the reporting period.....	343	343	513	344	352	361	371
Cash assets at the end of the reporting period.....	513	377	344	352	361	371	382

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 Establishment:

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000
Ballroom Hire	-	30	30	30
GST Input Credits.....	95	63	63	63
Other Receipts.....	27	-	25	25
TOTAL	122	93	118	118

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

OFFICE OF THE PUBLIC SECTOR STANDARDS COMMISSIONER

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

DIVISION 5

APPROPRIATION AND FORWARD ESTIMATES

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
DELIVERY OF SERVICES							
Item 7 Net amount appropriated to deliver services^(a)	3,786	3,988	3,979	4,171	4,382	4,503	4,593
Amount Authorised by Other Statutes - Salaries and Allowances Act 1975^(b)	406	335	297	305	313	322	340
Total appropriations provided to deliver services	4,192	4,323	4,276	4,476	4,695	4,825	4,933
GRAND TOTAL	4,192	4,323	4,276	4,476	4,695	4,825	4,933

- (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 2006-07 Actuals. 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 2008 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 2008-09 Budget.

MISSION

To achieve best practice within public authorities that is consistent with principles of official conduct and human resources standards through education, capacity building and independent oversight.

SIGNIFICANT ISSUES AND TRENDS

- Pressures on public sector bodies to meet community demands on services, while ensuring they are operating within appropriate ethical and regulatory parameters, means there is an increasing need to build sector-wide capacity to meet accountability requirements while at the same time providing practical and flexible support and assistance strategies.
- Difficulties which continue to be experienced by agencies in attracting and retaining staff in a competitive employment environment provide an opportunity to improve workforce diversity through targeted attraction strategies, by addressing structural and process barriers and by using innovative recruitment methods.
- Maintaining confidence in the integrity of the recruitment and selection process for public sector Chief Executive Officers (CEO) needs to take into account the increased demand on such appointees in all areas and the importance of attracting quality candidates into public sector CEO positions.
- A new output-based management structure for the Office will sharpen the focus of the Office in meeting obligations and responsibilities under the *Public Sector Management Act 1994*.
- A greater focus on integrity in governance has resulted in an increased relevance for the Office.

SERVICE AND APPROPRIATION SUMMARY

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
SERVICES							
<i>Service 1:</i>							
Development and Monitoring of Human Resource Standards, Ethical Codes and Public Interest Disclosure Guidelines.....	2,756	2,976	2,747	2,876			
<i>Service 2:</i>							
Advice and Evaluation of Equity and Diversity in Public Employment	1,028	1,123	1,036	1,084			
<i>Service 3:</i>							
Independent Chief Executive Officer selection and recruitment advice.....	591	802	720	754			
Total Cost of Services ^(a)	4,375	4,901	4,503	4,714	5,059	5,178	5,315
<i>Less Income.....</i>	<i>264</i>	<i>485</i>	<i>207</i>	<i>218</i>	<i>343</i>	<i>332</i>	<i>360</i>
Net Cost of Services ^(a)	4,111	4,416	4,296	4,496	4,716	4,846	4,955
Adjustments ^(b)	81	(93)	(20)	(20)	(21)	(21)	(22)
Appropriation Provided to Deliver Services ^(a)	4,192	4,323	4,276	4,476	4,695	4,825	4,933
TOTAL CONSOLIDATED ACCOUNT APPROPRIATIONS.....	4,192	4,323	4,276	4,476	4,695	4,825	4,933

- (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 2006-07 Actuals. A reconciliation identifying the impact of this adjustment has been inserted after the financial statements.
- (b) Adjustments are related to movements in cash balances and other accrual items such as resources received free of charge, receivables, payables and superannuation.

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

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

Government Goal	Desired Outcome	Services
Developing and maintaining a skilled, diverse and ethical public sector serving the government with consideration of the public interest.	The principles of merit, equity, probity and integrity underpin official conduct and human resource management of public authorities in Western Australia.	1. Development and Monitoring of Human Resource Standards, Ethical Codes and Public Interest Disclosure Guidelines 2. Advice and Evaluation of Equity and Diversity in Public Employment 3. Independent Chief Executive Officer selection and recruitment advice

Outcomes and Key Effectiveness Indicators ^(a)

	2006-07 Actual	2007-08 Budget	2007-08 Estimated	2008-09 Target	Reason for Significant Variation between 2007-08 Estimated and 2008-09 Target
Outcome: The principles of merit, equity, probity and integrity underpin official conduct and human resource management of public authorities in Western Australia.					
Percentage of public authorities who have provided all reports as required by legislation ^(b)	95%	100%	100%	100%	
Percentage of public authorities who have met the minimum requirements ^(b)	100%	100%	100%	95%	
Percentage of public authorities provided with assistance on the principles of merit, equity, probity and integrity in official conduct and human resource management during the year ^(c)	-	-	-	90%	
Percentage of public authorities who agree that feedback through the Office survey process has increased their understanding of the principles of merit, equity, probity and integrity in official conduct and human resource management ^(d)	-	-	-	95%	
Percentage of breach of standard claims and matters referred to the Office that are handled within specified timeframes ^(e)	-	-	-	90%	
Percentage of CEO appointment recommendations where the Minister for Public Sector Management has indicated he/she is satisfied with the process ^(f)	-	-	-	100%	

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

(b) This indicator refers to mandatory reporting to the Office by public sector agencies and authorities under Section 31 of the *Public Sector Management Act 1994*; the *Public Interest Disclosure Act 2003*; and Part IX, Section 146 of the *Equal Opportunity Act 1984*. Reports received are also assessed to determine the proportion of agencies and authorities that have met minimum requirements of ensuring and monitoring that the principles of merit, equity, probity and integrity in official conduct and human resource management have been met. Reported as percentage of agencies that have submitted a report as well as the percentage of reports submitted that meet the minimum requirements.

(c) This indicator measures how much the Office has penetrated public authorities through direct awareness raising activities focusing on the principles of merit, equity, probity and integrity in official conduct and human resource management, as specified in the *Public Sector Management Act 1994*; the *Public Interest Disclosure Act 2003* and Part IX, Section 146 of the *Equal Opportunity Act 1984*. It refers to direct assistance (including newsletters and email updates) and consultancy services, customised agency presentations and general public sector presentations. A number of new initiatives will be implemented in 2008-09; therefore this indicator cannot be calculated retrospectively.

(d) This indicator refers to increased understanding of issues related to compliance with Section 31 of the *Public Sector Management Act 1994*; the *Public Interest Disclosure Act 2003*; and Part IX, Section 146 of the *Equal Opportunity Act 1984*, measured using client satisfaction surveys. This includes surveys of Chief Executive Officers/Director Generals as well as public sector employees. A range of new survey tools are currently being prepared for implementation in 2008-09, therefore this indicator cannot be calculated retrospectively.

(e) This indicator measures the Office's effectiveness in assessing breach claims. This was chosen in preference to the proportion of breach claims upheld, as the latter figure could be significantly influenced by how much the Office penetrates the sector (refer to indicator 2). For example, increased assistance and education activities by the office may increase the number of claims lodged. Alternatively, low breach claim activity could also indicate that the sector is meeting the principles of merit, equity, probity and integrity in official conduct and human resource management, when in reality it may simply reflect a lack of awareness of the principles and/or the claim process. Data on the number of breach claims lodged and the proportion upheld is included within the Annual Report. Under the new Strategic Plan for the Office the number of Human Resource Management standards will be reviewed. This may result in a change in how breach claims are categorised and managed. It is therefore not appropriate to calculate this performance indicator retrospectively.

(f) This indicator is measured from a direct survey of the Minister for Public Sector Management. This new survey tool is currently being piloted in readiness for implementation in 2008-09. This indicator cannot be calculated retrospectively.

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

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

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service ^(a)	2,756	2,976	2,747	2,876	
<i>Less Income</i>	27	17	8	8	
Net Cost of Service ^(a)	2,729	2,959	2,739	2,868	
Adjustments ^(b)	54	(62)	(13)	(13)	
Appropriation for Delivery of Service ^(a)	2,783	2,897	2,726	2,855	

- (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 2006-07 Actuals. 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

	2006-07 Actual	2007-08 Budget	2007-08 Estimated	2008-09 Target	Reason for Significant Variation between 2007-08 Estimated and 2008-09 Target
Cost of assistance and monitoring per public sector agency for the Public Sector Management Act 1994 and for the Public Interest Disclosure Act 2003 Act.....	\$10,508	\$11,188	\$10,327	\$10,812	
Full Time Equivalents (FTEs)	21	24	20	26	

Major Achievements For 2007-08

- Designed and implemented an online grievance tool for use by agencies, which drew on the observations and recommendations of a thematic review.
- Developed and gazetted a Western Australia Code of Ethics and Conduct Guide and a number of assistance tools in relation to human resource standards.
- Conducted a review of exemptions from the whole or any part of the human resource standards granted by the Commissioner, and compiled a data base of all previous exemptions granted to allow monitoring and reporting, and to ensure full transparency of all such processes. Guidelines have been developed to assist agencies with the exemption process.
- Provided targeted assistance through e-bulletins, broadcast emails, satellite and video broadcasts to regional Western Australia. New products and resources developed in conjunction with CEOs and human resource practitioners for public sector agencies involved in the code of ethics, the conduct guide, an updated version of taking action on integrity (Integrity Coordinating Group), referee template, advice to breach of standards claims complainants (Knowing your rights in a breach claim brochure), Public Interest Disclosure, launch In Principle a new sector-wide newsletter, and website redevelopment (first stage).
- Introduction of new approaches to monitoring which included a principle centred assessment process for breach of standards claims and matters of referral, a different definition of reporting for matters of referral which deems all issues within scope to be either compliant or non-compliant with the principles of *Public Sector Management Act 1994* Section 8(1)(a)(b) and (c) (which relates to the general principles of human resource management) and Section 9 (which relates to the general principles of official conduct), development of a document checklist to facilitate lodgement

of breach of standards claims with the Office, and updated website information to provide greater clarity regarding breach of standards claims process for claimants.

- Introduction of the Parliamentary Series, a new reporting process to address the functions of the Commissioner as outlined in the *Public Sector Management Act 1994* section 21 (1)(h).
- Convened the national inter-jurisdictional forum on appeals process.
- Distributed approximately 20,000 employee perceptions surveys across the public sector (with an anticipated average response rate of 34%) to assess levels of awareness and general perceptions about their agency's promotion of and compliance with codes of conduct, human resource standards, public interest disclosure guidelines and Equal Employment Opportunity legislation. The survey program also included the development and implementation of a customised online survey targeting bullying and harassment in the workplace.
- Conducted an extensive external/internal environmental scan including input from members of Parliament and CEOs regarding future directions for the office, culminating in a new strategic direction with a focus on quality frameworks, leadership across the sector, customer service and internal agency processes.

Major Initiatives For 2008-09

- Develop a quality framework for the public sector that promotes continuous improvement in official conduct, human resource standards and public interest disclosures and which enhances the relevance, capacity and reputation of the public sector and the people who work in it, including a review of the content and administration of the climate survey.
- Undertake a review of the public sector standards to streamline recruitment processes to enable more efficient and effective recruitment.
- Raise awareness of the new Code of Ethics and Conduct Guide, and following the 12 month pilot for the Conduct Guide, produce the final guide and assistance materials. Ensure that all such work is consistent with across government initiatives in this regard, especially integrity training being developed by the Department of the Premier and Cabinet (DPC).
- Develop guidelines to assist CEOs determine what otherwise confidential or restricted information should be released in the public interest.
- Expand the newly developed parliamentary reporting series to include matters beyond compliance reporting and consistent with *Public Sector Management Act 1994* section 21 (1)(h).
- Develop further the existing assistance tools of the Office, including Public Interest Disclosure products, a question and answer brochure on the human resource standards and guidelines on management of exceptional circumstances relating to human resource standards (as referred in Parliamentary Series One of 2008).
- Review and further develop training provided by the Office, including the development of a new approach to Public Interest Disclosure awareness to better meet customer needs in response to feedback from trainees in 2007-08.
- Develop and implement a revised survey program as part of the development of a quality framework for the work of the Office within the public sector. The revised survey program will be directed at both executive management within public sector agencies and authorities about agency policies and processes in relation to the *Public Sector Management Act 1994*, *Public Interest Disclosure Act 2003*, and the *Equal Opportunity Act 1984*. The revised survey program will also assess employee perceptions regarding how these policies, practices and processes were managed within their agencies or authorities, and allow a comparison between the two.

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

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

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service ^(a)	1,028	1,123	1,036	1,084	
<i>Less Income</i>	21	18	9	10	
Net Cost of Service ^(a)	1,007	1,105	1,027	1,074	
Adjustments ^(b)	20	(23)	(5)	(5)	
Appropriation for Delivery of Service ^(a)	1,027	1,082	1,022	1,069	

(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 2006 07 Actuals. 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

	2006-07 Actual	2007-08 Budget	2007-08 Estimated	2008-09 Target	Reason for Significant Variation between 2007-08 Estimated and 2008-09 Target
Cost of assistance and monitoring per public sector agency and authority for Part IX of the Equal Opportunity Act 1984 Act	\$3,859	\$4,190	\$3,895	\$4,075	
Full Time Equivalent (FTEs)	8	10	7	9	

Major Achievements For 2007-08

- Worked with local governments to promote the effective use of Equal Employment Opportunity Management Plans across the Local Government sector as strategic tools that can enhance workforce capability and business effectiveness.
- Evaluated existing strategies designed to improve the representation of women in senior management and liaised with stakeholder groups about the most appropriate ways to enhance assistance provided to the public sector in this area.
- Reviewed current programs and identified targeted strategies to address areas where there is under achievement against government objectives in the Equity and Diversity Plan for the Public Sector Workforce 2006-09. This led to the production of the 'showing the way' publication.
- Prepared a joint response with the DPC and the Department of Indigenous Affairs on the Education and Health Standing Committee's report 'An Examination of Indigenous Employment by the State'. This led to arranging a Diversity Forum on Indigenous Employment Strategy. The forum focused on raising awareness of what public sector agencies are doing to improve employment outcomes for Indigenous Australians.
- Worked with agencies involved in the transition of sector-wide human resource and workforce information systems from the existing state-based Minimum Obligatory Information Requirements system to the national Workforce Analysis Comparison Application system in order to ensure that appropriate equity and diversity information and data can be collected, maintained and reported on for public authorities in Western Australia.

Major Initiatives For 2008-09

- Implement and promote an Equal Employment Opportunity management planning tool to optimise Local Government compliance with the requirements under the *Equal Opportunity Act 1984*.

- Evaluate existing strategies designed to improve the representation of people with disabilities and liaise with stakeholder groups as to the most appropriate ways to enhance assistance provided to the public sector in this area.
- Review current programs, monitor progress and identify targeted strategies to address areas where there is under achievement against government objectives in the Equity and Diversity Plan for the Public Sector Workforce 2006-2009.
- Continue to work with agencies involved in the transition of sector-wide human resource and workforce information systems from the existing state-based Minimum Obligatory Information requirements system to the national Workforce Analysis Application system to ensure that appropriate equity and diversity information and data can be collected, maintained and reported on for public authorities in Western Australia.

Service 3: Independent Chief Executive Officer selection and recruitment advice

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

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service ^(a)	591	802	720	754	Variance is in part due to the 2007-08 Budget figure being inflated under the assumption that different consultants would be engaged.
<i>Less Income</i>	216	450	190	200	
Net Cost of Service ^(a)	375	352	530	554	
Adjustments ^(b)	7	(8)	(2)	(2)	
Appropriation for Delivery of Service ^(a)	382	344	528	552	

- (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 2006-07 Actuals. 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

	2006-07 Actual	2007-08 Budget	2007-08 Estimated	2008-09 Target	Reason for Significant Variation between 2007-08 Estimated and 2008-09 Target
Cost per CEO selection.....	\$54,663	\$61,692	\$32,727	\$62,833	Unprecedented number of CEO selection processes undertaken during 2007-08.
Full Time Equivalents (FTEs)	2	3	4	3	

Major Achievements For 2007-08

- Developed a new approach to selection panel composition to assist the Commissioner in CEO selection.
- Implemented changes to timelines for short listing and interviews to achieve more timely progress for positions.
- Published key dates from the time the advertisements are placed through to the date that the Minister for Public Sector Management announces an appointment on the Office's website.
- Provided highly responsive and efficient coordination of the CEO selection process in a period of unprecedented activity.

- Managed the selection process and provided nominations for 22 CEO positions to the Minister for Public Sector Management

Major Initiatives For 2008-09

- Examine the information provided to applicants to present more comprehensive information in a more user-friendly manner.
- Continue development of alternative methods to attract broader range of applicants.
- Develop a step-by-step coordinating tool which integrates the many elements of the CEO search, selection and recruitment to streamline a complex process and specify all timelines and processes at the outset of each position so that all stakeholders are clear about what will follow.
- Develop guidelines for panel chairs which will include managing interests.

CAPITAL WORKS PROGRAM

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-08 \$'000	Estimated Expenditure 2007-08 \$'000	Estimated Expenditure 2008-09 \$'000
COMPLETED WORKS				
Furniture and Office Equipment				
2005-06 Program	45	45	6	-
2007-08 Program	46	46	46	-
Replacement of Computing Equipment				
2006-07 Program	75	75	42	-
2007-08 Program	74	74	74	-
NEW WORKS				
Furniture and Office Equipment - 2008-09 Program	41	-	-	41
Replacement of Computing Equipment - 2008-09 Program	70	-	-	70
	351	240	168	111

CAPITAL CONTRIBUTION

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS							
Total Cost of Capital Works Program	106	121	168	111	121	143	92
	106	121	168	111	121	143	92
LESS							
Drawdowns from the Holding Account	150	120	120	111	121	143	92
Internal Funds and Balances	(44)	1	48	-	-	-	-
Capital Contribution	-	-	-	-	-	-	-

FINANCIAL STATEMENTS

INCOME STATEMENT
(Controlled)

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
COST OF SERVICES							
Expenses							
Employee benefits expenses ^(a)	2,791	3,034	2,794	2,990	3,239	3,301	3,481
Superannuation	245	261	252	260	265	270	282
Grants and subsidies ^(b)	4	-	-	-	-	-	-
Supplies and services	903	1,133	834	934	912	940	1,091
Accommodation	263	267	425	425	510	510	287
Capital user charge ^(c)	59	-	-	-	-	-	-
Depreciation and amortisation	133	178	177	83	111	134	150
Loss on disposal of non-current assets	17	-	-	-	-	-	-
Other expenses	19	28	21	22	22	23	24
TOTAL COST OF SERVICES	4,434	4,901	4,503	4,714	5,059	5,178	5,315
Income							
Other revenue	264	485	207	218	343	332	360
Total Income	264	485	207	218	343	332	360
NET COST OF SERVICES ^(c)	4,170	4,416	4,296	4,496	4,716	4,846	4,955
INCOME FROM STATE GOVERNMENT							
Service appropriations ^(c)	4,247	4,323	4,276	4,476	4,695	4,825	4,933
Resources received free of charge	19	94	20	20	21	21	22
Liabilities assumed by the Treasurer	1	-	-	-	-	-	-
TOTAL INCOME FROM STATE GOVERNMENT	4,267	4,417	4,296	4,496	4,716	4,846	4,955
SURPLUS/(DEFICIENCY) FOR THE PERIOD	97	1	-	-	-	-	-
CHANGE IN SURPLUS/(DEFICIENCY) FOR THE PERIOD AFTER EXTRAORDINARY ITEMS	97	1	-	-	-	-	-

(a) The Full Time Equivalents (FTEs) for 2006-07 Actual, 2007-08 Estimated Actual and 2008-09 Estimate are 31, 31 and 38 respectively.

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

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

**BALANCE SHEET
(Controlled)**

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
CURRENT ASSETS							
Cash and cash equivalents	329	294	330	319	309	298	286
Restricted cash	361	379	350	350	350	350	350
Receivables	221	189	220	220	220	220	220
Amounts receivable for services.....	72	141	111	121	143	92	112
Total current assets	983	1,003	1,011	1,010	1,022	960	968
NON-CURRENT ASSETS							
Amounts receivable for services.....	899	1,072	887	967	1,063	1,255	1,394
Plant and equipment.....	200	154	165	218	247	273	257
Intangibles.....	-	7	-	-	-	-	-
Restricted cash	19	-	29	40	50	61	73
Other.....	254	296	232	207	188	171	129
Total non-current assets.....	1,372	1,529	1,313	1,432	1,548	1,760	1,853
TOTAL ASSETS.....	2,355	2,532	2,324	2,442	2,570	2,720	2,821
CURRENT LIABILITIES							
Payables ^(a)	83	100	85	85	85	85	85
Provision for employee entitlements	463	514	349	343	496	618	739
Accrued salaries	10	6	10	10	11	11	11
Amounts due to the Treasurer.....	500	500	500	500	500	500	500
Other.....	2	56	214	331	299	319	292
Total current liabilities.....	1,058	1,176	1,158	1,269	1,391	1,533	1,627
NON-CURRENT LIABILITIES							
Provision for employee entitlements	211	302	217	224	230	238	245
Other.....	1	1	1	1	1	1	1
Total non-current liabilities	212	303	218	225	231	239	246
TOTAL LIABILITIES.....	1,270	1,479	1,376	1,494	1,622	1,772	1,873
EQUITY							
Contributed equity	615	615	615	615	615	615	615
Accumulated surplus/(deficit)	470	438	333	333	333	333	333
Total equity.....	1,085	1,053	948	948	948	948	948
TOTAL LIABILITIES AND EQUITY	2,355	2,532	2,324	2,442	2,570	2,720	2,821

(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)

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
CASHFLOWS FROM STATE GOVERNMENT							
Service appropriations	3,939	4,009	4,129	4,275	4,456	4,541	4,682
Holding account drawdowns	150	120	120	111	121	143	92
Net cash provided by State Government.....	4,089	4,129	4,249	4,386	4,577	4,684	4,774
CASHFLOWS FROM OPERATING ACTIVITIES							
Payments							
Employee benefits.....	(2,754)	(2,892)	(2,902)	(2,989)	(3,079)	(3,171)	(3,353)
Superannuation	(251)	(261)	(252)	(260)	(265)	(270)	(282)
Grants and subsidies	(4)	-	-	-	-	-	-
Supplies and services	(888)	(1,030)	(856)	(914)	(923)	(919)	(1,096)
Accommodation.....	(269)	(267)	(425)	(425)	(510)	(510)	(287)
Capital user charge ^(a)	(59)	-	-	-	-	-	-
Goods and services tax	(128)	(158)	(130)	(130)	(130)	(130)	(130)
Other.....	(19)	(28)	(21)	(22)	(22)	(23)	(24)
Receipts							
Goods and services tax	146	158	130	130	130	130	130
Other receipts	280	470	327	335	343	352	360
Net cash from operating activities.....	(3,946)	(4,008)	(4,129)	(4,275)	(4,456)	(4,541)	(4,682)
CASHFLOWS FROM INVESTING ACTIVITIES							
Purchase of non-current assets.....	(107)	(121)	(120)	(111)	(121)	(143)	(92)
Net cash from investing activities.....	(107)	(121)	(120)	(111)	(121)	(143)	(92)
NET INCREASE/(DECREASE) IN CASH HELD	36	-	-	-	-	-	-
Cash assets at the beginning of the reporting period	673	673	709	709	709	709	709
Cash assets at the end of the reporting period.....	709	673	709	709	709	709	709

(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

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
EXPENSES							
Total Cost of Services as per Income Statement.....	4,434	4,901	4,503	4,714	5,059	5,178	5,315
Less Capital User Charge.....	59	-	-	-	-	-	-
Adjusted Total Cost of Services	4,375	4,901	4,503	4,714	5,059	5,178	5,315
APPROPRIATIONS							
Net Amount Appropriated to Deliver Services	4,247	4,323	4,276	4,476	4,695	4,825	4,933
Less Appropriation Capital User Charge	55	-	-	-	-	-	-
Adjusted Net Amount Appropriated to Deliver Services	4,192	4,323	4,276	4,476	4,695	4,825	4,933

DETAILS OF CONTROLLED GRANTS AND SUBSIDIES

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
Institute of Public Administration Australia Sponsorship.....	4	-	-	-	-	-	-
TOTAL.....	4	-	-	-	-	-	-

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:

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000
GST Input Credits.....	146	158	130	130
Other Receipts.....	280	470	327	335
TOTAL.....	426	628	457	465

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

SALARIES AND ALLOWANCES TRIBUNAL

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

DIVISION 6

APPROPRIATION AND FORWARD ESTIMATES

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
DELIVERY OF SERVICES							
Item 8 Net amount appropriated to deliver services^(a)	325	488	583	585	571	585	601
Total appropriations provided to deliver services	325	488	583	585	571	585	601
GRAND TOTAL	325	488	583	585	571	585	601

(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 2006-07 Actuals. A reconciliation identifying the impact of this adjustment has been inserted after the financial statements.

MISSION

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

SIGNIFICANT ISSUES AND TRENDS

- Western Australia's period of sustained economic growth has created a challenging context for the Tribunal to make determinations for remuneration of office holders within its jurisdiction. The Tribunal has noted continued pressures in the economic indices in this State.
- In March 2008, the Chief Justice delivered a judgement in the Supreme Court that determined the status of the Tribunal for the purposes of the *Freedom of Information Act 1992*. The judgement made it clear that documents of the Tribunal are subject to the rights of access under the Act.

SERVICE AND APPROPRIATION SUMMARY

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
SERVICES							
<i>Service 1:</i>							
Support Services to the Tribunal	322	558	780	654			
Total Cost of Services ^(a)	322	558	780	654	636	651	664
<i>Less Income</i>	2	3	3	3	3	3	3
Net Cost of Services ^(a)	320	555	777	651	633	648	661
Adjustments ^(b)	5	(67)	(194)	(66)	(62)	(63)	(60)
Appropriation Provided to Deliver Services ^(a)	325	488	583	585	571	585	601
TOTAL CONSOLIDATED ACCOUNT APPROPRIATIONS	325	488	583	585	571	585	601

- (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 2006-07 Actuals. 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, Chairperson, Executive Officer and Treasurer under Part 3, Division 5 of the *Financial Management Act 2006*.

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

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

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

Outcomes and Key Effectiveness Indicators

	2006-07 Actual	2007-08 Budget	2007-08 Estimated	2008-09 Target	Reason for Significant Variation between 2007-08 Estimated and 2008-09 Target
Outcome: A fair and equitable system of remuneration for the Governor, Members of Parliament, Senior Government Officers, Judicial and Magisterial Officers and superannuation benefits for Members of Parliament.					
Quantity - Determinations/Reports.....	24	11	22	15	The number of ad hoc determinations on Special Division positions was higher than anticipated due to machinery of government change and other issues. Workload from this source is expected to moderate in 2008-09.
Quality - Tribunal satisfaction with the quality of service provided.....	100%	100%	100%	100%	
Timeliness - Tribunal satisfaction with timeliness of service provided.	100%	100%	100%	100%	
The extent to which the Tribunal is satisfied with the support services provided.	100%	100%	100%	100%	

Service 1: Support Services to the Salaries and Allowances Tribunal

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

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service ^(a)	322	558	780	654	The cost of salaries will decrease after the retirement of the former Executive Officer in 2009.
<i>Less Income</i>	2	3	3	3	
Net Cost of Service ^(a)	320	555	777	651	
Adjustments ^(b)	5	(67)	(194)	(66)	
Appropriation for Delivery of Service ^(a)	325	488	583	585	

- (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 2006-07 Actuals. 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

	2006-07 Actual	2007-08 Budget	2007-08 Estimated	2008-09 Target	Reason for Significant Variation between 2007-08 Estimated and 2008-09 Target
Cost (Efficiency) - Average cost per determination report.....	\$13,417	\$50,700	\$35,455	\$43,600	
Full Time Equivalents (FTEs)	1	2	2	2	

Major Achievements For 2007-08

- An interim determination for the remuneration of full-time members of the State Administrative Tribunal was issued in February 2007 shortly after those full-time members were included under the jurisdiction of the Salaries and Allowances Tribunal. A second determination was made for State Administrative Tribunal members in December 2007 to align the timing of the determination more closely with the report on remuneration of the judiciary.
- The Tribunal completed all its determinations and reports in accordance with the *Salaries and Allowances Act 1975*.

Major Initiatives For 2008-09

- As a result of electoral reform and the redistribution of electoral boundaries to reflect one-vote one-value, the Tribunal proposes to review its determination on the remuneration of Members of Parliament.

CAPITAL WORKS PROGRAM

The Tribunal will continue its program of office equipment replacement.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-08 \$'000	Estimated Expenditure 2007-08 \$'000	Estimated Expenditure 2008-09 \$'000
COMPLETED WORKS				
Asset Replacement Program - 2007-08 Program	6	6	6	-
NEW WORKS				
Asset Replacement Program - 2008-09 Program	6	-	-	6
	12	6	6	6

CAPITAL CONTRIBUTION

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS							
Total Cost of Capital Works Program	7	6	6	6	7	7	7
	7	6	6	6	7	7	7
LESS							
Drawdowns from the Holding Account	6	6	6	6	6	6	6
Internal Funds and Balances	1	-	-	-	1	1	1
Capital Contribution	-	-	-	-	-	-	-

FINANCIAL STATEMENTS

INCOME STATEMENT
(Controlled)

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
COST OF SERVICES							
Expenses							
Employee benefits expenses ^(a)	90	188	332	230	186	197	203
Superannuation	7	22	25	25	26	26	26
Supplies and services	189	301	355	342	366	362	371
Accommodation	33	41	62	51	52	53	54
Capital user charge ^(b)	12	-	-	-	-	-	-
Depreciation and amortisation	3	6	6	6	6	6	6
Other expenses	-	-	-	-	-	7	4
TOTAL COST OF SERVICES	334	558	780	654	636	651	664
Income							
Other revenue	2	3	3	3	3	3	3
Total Income	2	3	3	3	3	3	3
NET COST OF SERVICES ^(b)	332	555	777	651	633	648	661
INCOME FROM STATE GOVERNMENT							
Service appropriations ^(b)	340	488	583	585	571	585	601
Resources received free of charge	-	54	54	56	58	60	60
Liabilities assumed by the Treasurer	26	-	-	-	-	-	-
TOTAL INCOME FROM STATE GOVERNMENT	366	542	637	641	629	645	661
SURPLUS/(DEFICIENCY) FOR THE PERIOD	34	(13)	(140)	(10)	(4)	(3)	-
CHANGE IN SURPLUS/(DEFICIENCY) FOR THE PERIOD AFTER EXTRAORDINARY ITEMS	34	(13)	(140)	(10)	(4)	(3)	-

(a) The Full Time Equivalents (FTEs) for 2006-07 Actual, 2007-08 Estimated Actual and 2008-09 Estimate are 1, 2 and 2 respectively.

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

**BALANCE SHEET
(Controlled)**

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
CURRENT ASSETS							
Cash and cash equivalents	308	113	114	104	100	97	97
Restricted cash	-	1	-	1	2	2	2
Receivables	1	6	1	1	1	1	1
Amounts receivable for services	25	6	12	18	24	30	36
Total current assets	334	126	127	124	127	130	136
NON-CURRENT ASSETS							
Amounts receivable for services	-	6	-	-	-	-	-
Plant and equipment	15	12	15	15	16	17	11
Total non-current assets	15	18	15	15	16	17	11
TOTAL ASSETS	349	144	142	139	143	147	147
CURRENT LIABILITIES							
Payables ^(a)	21	26	15	15	15	15	15
Provision for employee entitlements	59	-	-	-	-	-	-
Interest payable	1	-	1	1	1	1	1
Accrued salaries	-	2	1	1	2	2	2
Total current liabilities	81	28	17	17	18	18	18
NON-CURRENT LIABILITIES							
Provision for employee entitlements	7	7	4	11	18	25	25
Total non-current liabilities	7	7	4	11	18	25	25
TOTAL LIABILITIES	88	35	21	28	36	43	43
EQUITY							
Contributed equity	6	6	6	6	6	6	6
Accumulated surplus/(deficit)	255	103	115	105	101	98	98
Total equity	261	109	121	111	107	104	104
TOTAL LIABILITIES AND EQUITY	349	144	142	139	143	147	147

(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)

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
CASHFLOWS FROM STATE GOVERNMENT							
Service appropriations	327	476	571	573	559	573	589
Holding account drawdowns	6	6	25	6	6	6	6
Net cash provided by State Government.....	333	482	596	579	565	579	595
CASHFLOWS FROM OPERATING ACTIVITIES							
Payments							
Employee benefits	(108)	(247)	(391)	(223)	(178)	(190)	(196)
Superannuation	(7)	(30)	(33)	(25)	(26)	(26)	(26)
Supplies and services	(187)	(246)	(301)	(286)	(308)	(302)	(311)
Accommodation.....	(34)	(41)	(62)	(51)	(52)	(53)	(54)
Capital user charge ^(a)	(12)	-	-	-	-	-	-
Goods and services tax	(19)	(21)	(21)	(22)	(24)	(22)	(22)
Other	-	-	-	-	-	(7)	(4)
Receipts							
Goods and services tax	19	21	21	22	24	22	22
Other receipts	2	3	3	3	3	3	3
Net cash from operating activities.....	(346)	(561)	(784)	(582)	(561)	(575)	(588)
CASHFLOWS FROM INVESTING ACTIVITIES							
Purchase of non-current assets.....	(5)	(6)	(6)	(6)	(7)	(7)	(7)
Net cash from investing activities.....	(5)	(6)	(6)	(6)	(7)	(7)	(7)
NET INCREASE/(DECREASE) IN CASH HELD	(18)	(85)	(194)	(9)	(3)	(3)	-
Cash assets at the beginning of the reporting period	326	181	308	114	105	102	99
Cash assets at the end of the reporting period.....	308	96	114	105	102	99	99

(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

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
EXPENSES							
Total Cost of Services as per Income Statement.....	334	558	780	654	636	651	664
Less Capital User Charge.....	12	-	-	-	-	-	-
Adjusted Total Cost of Services	322	558	780	654	636	651	664
APPROPRIATIONS							
Net Amount Appropriated to Deliver Services	340	488	583	585	571	585	601
Less Appropriation Capital User Charge	15	-	-	-	-	-	-
Adjusted Net Amount Appropriated to Deliver Services.....	325	488	583	585	571	585	601

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 Tribunal:

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000
GST Input Credits.....	19	21	21	22
Other Receipts.....	2	3	3	3
TOTAL.....	21	24	24	25

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

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Part 3

Deputy Premier; Treasurer; Minister for State Development

SUMMARY OF PORTFOLIO APPROPRIATIONS

Page	Agency	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000
141	Treasury and Finance			
	– Delivery of Services.....	109,096	125,566	149,097
	– Administered Grants, Subsidies and Other Transfer Payments	1,465,816	1,525,012	1,667,617
	– Capital Contribution.....	17,741	19,561	51,804
	– Administered Capital Contribution	1,430,813	1,363,404	719,317
	Total	3,023,466	3,033,543	2,587,835
180	Office of Native Title			
	– Delivery of Services.....	30,785	13,070	30,199
	Total	30,785	13,070	30,199
188	Office of the Auditor General			
	– Delivery of Services.....	14,696	16,253	17,165
	– Capital Contribution.....	108	108	145
	Total	14,804	16,361	17,310
199	Economic Regulation Authority			
	– Delivery of Services.....	4,765	6,977	6,568
	Total	4,765	6,977	6,568
211	Western Australian Treasury Corporation	-	-	-
212	State Supply Commission			
	– Delivery of Services.....	1,670	1,670	1,858
	Total	1,670	1,670	1,858

Part 3

Deputy Premier; Treasurer; Minister for State Development

SUMMARY OF PORTFOLIO APPROPRIATIONS

Page	Agency	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000
221	Industry and Resources			
	– Delivery of Services.....	165,681	158,437	161,388
	– Administered Grants, Subsidies and Other Transfer Payments	67,574	67,447	60,530
	– Capital Contribution.....	14,818	12,005	2,605
	– Administered Capital Contribution.....	2,700	3,900	3,640
	Total	250,773	241,789	228,163
	GRAND TOTAL			
	– Delivery of Services.....	326,693	321,973	366,275
	– Administered Grants, Subsidies and Other Transfer Payments	1,533,390	1,592,459	1,728,147
	– Capital Contribution.....	32,667	31,674	54,554
	– Administered Capital Contribution.....	1,433,513	1,367,304	722,957
	Total.....	3,326,263	3,313,410	2,871,933

TREASURY AND FINANCE

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

DIVISION 7

APPROPRIATION AND FORWARD ESTIMATES

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
DELIVERY OF SERVICES							
Item 9 Net amount appropriated to deliver services ^(a)	90,428	108,059	124,529	148,032	155,139	147,562	143,705
Amount Authorised by Other Statutes - Salaries and Allowances Act 1975 ^(b)	1,010	1,037	1,037	1,065	1,094	1,127	1,161
Total appropriations provided to deliver services	91,438	109,096	125,566	149,097	156,233	148,689	144,866
ADMINISTERED TRANSACTIONS							
<i>Community Service Obligation Payments</i>							
Item 10 - Electricity Retail Corporation (Synergy)							
	30,969	31,504	31,504	31,336	285,034	340,336	275,071
Item 11 - Forest Products Commission	2,370	2,370	2,370	3,370	3,370	3,370	3,370
Item 12 - Regional Power Corporation (Horizon Power)	16,185	23,900	23,991	37,108	39,777	41,620	43,788
Item 13 - Water Corporation of Western Australia	359,953	385,110	399,363	445,784	469,412	471,522	489,482
Item 14 - Western Australian Land Authority	24,330	33,982	39,482	25,846	27,092	27,112	26,952
<i>Grants, Subsidies and Transfer Payments</i>							
Item 15 - Aerial Shark Surveillance Program	162	177	177	185	194	204	214
Item 16 - Armadale Redevelopment Authority	2,750	1,200	1,450	1,720	1,792	1,812	1,832
Item 17 - Broome Port Authority	1,293	420	420	405	405	405	405
Item 18 - Department for Child Protection ^(c)	-	7,550	5,788	15,300	14,200	28,300	-
Item 19 - Department for Communities ^(c) ...	-	1,150	981	401	421	441	-
Item 20 - Department of Indigenous Affairs ^(d)	-	-	-	4,928	3,274	2,862	3,106
Item 21 - Electricity Generation Corporation (Verve Energy) - Part Reimbursement of Land Sales	-	158	158	1	-	-	-
Item 22 - First Home Owners' Assistance ...	87,338	114,500	118,500	111,000	108,000	112,000	115,000
Item 23 - Goods and Services Tax (GST) Administration Costs	61,760	65,300	61,700	65,300	64,700	65,800	67,100
Item 24 - HIH Insurance Rescue Package ...	16	433	220	220	-	-	-
Item 25 - Office of Health Review	1,430	1,437	1,613	1,642	1,624	1,646	1,699
Item 26 - Pensioners Concessions - Emergency Services Levy	7,664	10,114	10,114	10,809	11,100	11,391	11,391
Item 27 - Pensioners Concessions - Local Government and Water Rates	48,303	55,640	55,640	59,430	63,350	67,151	71,180
Item 28 - Provision for the Outcome of CSA EBA Negotiations ^(e)	-	-	11,384	52,025	75,988	90,171	92,968
Item 29 - Provision for Unfunded Liabilities in the Government Insurance Fund	2,042	2,274	6,000	6,180	6,365	6,556	6,752
Item 30 - Refund of Past Years Revenue Collections - Public Corporations	10,390	500	4,284	5,000	5,000	5,000	5,000
Item 31 - Refund of Past Years Revenue Collections - All Other	51,465	34,000	47,000	39,800	33,000	34,000	35,300
Item 32 - Rottnest Island Authority	2,583	2,200	2,200	2,200	2,200	2,200	2,200
Item 33 - State Property - Emergency Services Levy	8,931	9,000	11,952	12,000	12,000	14,000	14,000
Item 34 - Water Corporation of Western Australia - State Water Strategy Rebate Scheme	7,486	9,000	9,000	9,000	-	-	-

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
Item 35 - Water Corporation of Western Australia - Part Reimbursement of Land Sales	47	700	700	800	900	1,000	1,025
Item 36 - Western Australian Building Management Authority – Interest ^(d)	4,700	4,000	4,400	312	-	-	-
Item 37 - Wine Equalisation Tax Rebate	-	7,000	-	9,700	2,800	2,900	3,000
Item 38 - All Other Grants, Subsidies and Transfer Payments ^(f)	15,573	15,482	14,366	14,417	14,163	14,121	14,283
<i>Comprising:</i>							
Acts of Grace	-	1	2	2	2	2	2
ANZAC Day Trust	300	300	300	300	300	300	300
Consumer Utilities Program - Western Australian Council of Social Service	170	170	170	170	-	-	-
Incidentals	-	1	38	38	38	38	38
Interest on Public Moneys held in Participating Trust Fund Accounts	2,940	4,500	3,346	3,327	3,027	2,875	2,924
Life Support Equipment Electricity Subsidy Scheme	401	560	560	560	616	616	616
On-Road Diesel Subsidies	8,403	8,900	8,900	9,120	9,330	9,440	9,553
Public Swimming Pools – Operating Costs Subsidy	310	300	300	300	300	300	300
Stamp Duty Concessions on Farming Properties	13	250	250	100	-	-	-
Stamp Duty Rebate Scheme	2,966	-	-	-	-	-	-
Thermoregulatory Dysfunction Energy Subsidy Scheme	70	500	500	500	550	550	550
City of Subiaco	6,100	-	-	-	-	-	-
HIH Insurance - Assistance to Local Government	200	100	100	-	-	-	-
Matrix Fleet Leasing – Tax Settlement	-	-	14,000	-	-	-	-
Authorised by Other Statutes							
Gold Corporation Act 1987	21	30	30	30	30	30	30
Judges' Salaries and Pensions Act 1950	6,316	6,480	6,480	6,780	7,090	7,420	7,902
Parliamentary Superannuation Act 1970	7,059	5,720	5,720	15,420	11,300	7,650	8,150
Salaries Provision - Special Division and Prescribed Office Holders ^(g)	-	924	214	882	930	954	978
State Superannuation Act 2000	456,144	613,976	613,976	658,376	535,476	561,376	557,073
Tobacco Products Control Act 2006	18,179	18,635	18,635	19,110	19,547	20,020	20,020
Unclaimed Money Act 1990	956	750	750	750	750	750	750
Unclaimed Money (Superannuation and RSA Providers) Act 2003	176	100	350	50	40	20	-
Western Australian Treasury Corporation Act 1986 – Interest	1,046	-	-	-	-	-	-
Total Administered	1,243,937	1,465,816	1,525,012	1,667,617	1,821,324	1,944,140	1,880,021
CAPITAL							
Item 120 Capital Contribution	26,127	17,741	19,561	51,804	38,994	19,127	11,091
<i>Government Equity Contributions</i>							
Item 121 - Armadale Redevelopment Authority	10,600	2,000	4,000	10,500	6,000	2,000	-
Item 122 - Broome Port Authority	784	-	1,249	350	-	-	-
Item 123 - WA Health ^(h)	63,885	140,846	96,446	242,137	238,902	221,957	287,304
Item 124 - Department of Indigenous Affairs ^(d)	-	-	-	1,830	-	-	-
Item 125 - Electricity Networks Corporation (Western Power)	6,000	6,000	7,637	6,651	809	636	-
Item 126 - Forest Products Commission	2,270	2,200	2,200	1,200	1,200	1,200	1,200
Item 127 - Fremantle Port Authority	215	5,214	3,214	212	2,211	105	-
Item 128 - Regional Power Corporation (Horizon Power)	12,025	9,800	17,809	19,976	-	-	-
Item 129 - Rottnest Island Authority	6,456	1,689	3,892	8,458	22	20	-
Item 130 - Verve Energy	-	-	-	11,210	23,910	13,813	1,067

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
Item 131 - Water Corporation of Western Australia.....	-	-	-	7,210	7,730	8,280	8,860
Item 132 - Western Australian Building Management Authority ^(f).....	7,900	8,200	8,200	62,724	-	-	-
Item 133 - Western Australian Land Authority.....	19,534	77,700	77,700	49,922	-	-	-
Item 134 - Western Australian Meat Industry Authority.....	-	-	-	5,000	-	-	-
Albany Port Authority	-	3,785	3,785	-	-	-	-
Department for Child Protection ^(c)	-	200	200	-	-	-	-
Department for Communities ^(c)	-	200	200	-	-	-	-
Midland Redevelopment Authority	16,448	6,216	6,216	-	-	-	-
Western Australian Coastal Shipping Commission	-	17,500	17,500	-	-	-	-
<i>Other</i>							
Item 135 - Perry Lakes Trust Account.....	3,307	60,678	24,571	70,937	23,869	1,166	-
Item 136 - Fiona Stanley Hospital Construction Account.....	-	1,088,585	1,088,585	221,000	-	-	-
<i>Authorised by Other Statutes</i>							
Loans (Co-operative Companies) Act 2004... Western Australian Treasury Corporation Act 1986 - Capital Repayments	4,293	-	3,000	-	-	-	-
	49,318	-	-	-	-	-	-
Total Administered Capital Contribution ...	203,035	1,430,813	1,366,404	719,317	304,653	249,177	298,431
GRAND TOTAL	1,564,537	3,023,466	3,036,543	2,587,835	2,321,204	2,361,133	2,334,409

- (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 2006-07 Actuals. 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 2008 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 2008-09 Budget.
- (c) Reflects global funding that was applied to the Ford Review recommendations as part of the Government's response to child protection operations. The Department for Child Protection and the Department for Communities were required to submit business cases for Government approval to access these funds.
- (d) Reflects global funding applied for the restructure of the Department of Indigenous Affairs (DIA). The DIA will be able to access these funds subject to the approval of Government.
- (e) Represents the Government's offer to the Civil Service Association as at the cut-off date, which will subsequently be reflected in agency estimates when finalised.
- (f) Includes all Administered Grants, Subsidies and Transfers not covered elsewhere by individual Acts.
- (g) Reflects the Salaries and Allowances decision of 4 April 2008 to increase the annual remuneration of officers in this division. These increases were received after the finalisation of the estimates of affected divisions elsewhere in Budget Paper No. 2.
- (h) Reflects global funding to be applied to broader health reforms and related broader health initiatives as part of WA Health's Capital Works Program. WA Health is required to submit business cases and planning details for Government approval to access these funds.
- (i) The functions of the Western Australian Building Management Authority (WABMA) were transferred to the Department of Housing and Works (DHW) as part of the Machinery of Government changes in 2002-03. For legal reasons, loans held by the WABMA cannot be transferred to the DHW. The Consolidated Account provides appropriation support for the interest and capital repayments associated with this debt.

MISSION

To provide quality economic and financial advice, financial management, fair and efficient revenue laws administration, effective government procurement and efficient shared corporate services.

SIGNIFICANT ISSUES AND TRENDS

Financial Management

- The Government remains committed to retaining the State's triple-A credit rating, and continues to strive for sound financial management outcomes in line with this commitment. The Department's financial management advice supports the Government in pursuit of these outcomes and will remain cognisant of the challenges and opportunities presented by the current economic and budgetary environment. In the context of a record Capital Works Program, the cost pressures of a fast-growing population and economy, and the State's declining share of national Goods and Services Tax (GST) revenue, debt management and Commonwealth-State financial relations will be major areas of focus.
- Through the work of the Outcome Structure Review Group, the Department is continuing to drive improvements in the quality and usefulness of agencies' performance information and reporting, and more closely linking resource allocation and strategic planning processes to the achievement of Government desired outcomes.
- A new accounting standard on whole-of-government financial reporting was issued in November 2007 and comes into effect from the 2008-09 reporting year. It is designed to harmonise Government Finance Statistics and Australian Generally Accepted Accounting Principles in a single consolidated public sector financial statements report. The 2008-09 Budget incorporates the new standard in accordance with the recently revised Uniform Presentation Framework (UPF) format agreed by all State, Territory and Commonwealth Governments in March 2008. All general Government monthly reports, Quarterly Financial Results Reports and the Annual Report on State Finances for 2008-09 will also be prepared in accordance with the new standard.
- The Government has a significant number of capital projects underway with material economic and financial implications. The Department has a key role in providing independent advice to the Government on the progress of these projects, which include health, water and power infrastructure, as well as once-off projects such as the Perth Arena, New Museum and Major Outdoor Stadium. The Department also provides advice to the Government on the business cases supporting other new projects.
- The implementation of the Council of Australian Governments (COAG) reforms presents both a unique opportunity for coordinated State and Commonwealth Government reform but at the same time a number of key challenges to the State that must be managed. The COAG reform process is addressing a range of issues, including reform of Specific Purpose Payment (SPP) arrangements. The SPP reforms will potentially lead to increased flexibility for States to allocate resources to areas of greatest need, greater funding certainty and reduced administration overheads.
- The current tight labour market in Western Australia is placing the Government under increasing wages demands. This presents a challenge to the Government in terms of balancing the needs of service delivery and attraction and retention issues against the fiscal and economic parameters of operating within budget capacity and the impact on economic policy including inflation pressures. The Department plays a key role in providing robust analysis and advice to enable the Government to make informed decisions on industrial relations issues as they arise.
- It is anticipated that a State Election will be held sometime during 2008-09 that requires the publication of a Pre-Election Financial Projections Statement in accordance with the *Government Financial Responsibility Act 2000*.
- The Office of Strategic Projects has been established to assist in the delivery of major infrastructure projects. The Department will need to establish a close working relationship with the Office as it develops and maintains specialised project management processes and procedures for complex, high-risk public sector projects.

Economic Policy

- Strong economic conditions have generally benefited the community, but have also created challenges for the Government in delivering services and infrastructure. Issues such as housing affordability (particularly for first home buyers and renters), price and wage pressures and skills shortages reflect stresses symptomatic of an economy operating with little or no spare capacity.
- Commodity prices are highly cyclical, and will ease at some stage, while recent global financial market instability and credit market tightening are key risks to the economic outlook for the State. Any slowdown in global demand or commodity prices would have flow-on implications for tax and mining royalty revenue, and for economic conditions in the State more generally.

- Climate change is a high priority for both the State and Commonwealth Governments. The challenge for the Department is to undertake analysis, consultation and provide advice to Government that enables Western Australia to contribute to national efforts to reduce greenhouse gas emissions while minimising adverse impacts on the Western Australian economy.
- The current strength of Western Australia's tax and royalties income is also expected to be at the expense of a future reduction in the State's GST share. This share is expected to fall significantly over the budget period. The Grants Commission continues to reduce the State's GST share on account of its strong revenue growth, but it is not adequately recognising the increasing cost pressures on the State to provide services and infrastructure. The Grants Commission is progressing its latest five yearly review of the methods it uses to distribute GST revenues among the states (due to report in February 2010). The review poses risks to Western Australia's long-term GST share, but also opportunities for certain shortcomings such as the treatment of infrastructure financing costs to be corrected.
- To alleviate the impact of capacity constraints continued attention needs to be paid to ensuring the economy is operating efficiently. Future economic reform needs to be pursued to help sustain a vibrant economy.
- Removing barriers to business through the harmonisation of laws and the removal of unnecessary regulation that restricts competition can provide an enduring benefit to the economy. Western Australia's participation in the COAG business regulation and competition reforms will contribute to the ongoing growth of the Western Australian economy.
- The export of commodities, particularly iron ore, plays a fundamental role in Western Australia's and Australia's economic prosperity. In order to avoid uneconomic duplication of infrastructure, the establishment of new economic infrastructure, such as ports and railways, will be closely monitored to ensure that infrastructure access services are effective and balance the interests of access provider and access seeker.
- The increasing cost, capital constraints and relative scarcity of water supports the need for continuing reform of the water industry. Key areas of reform include water pricing, water trading and competition in the industry. Such reforms will lead to efficient water allocation and enable security of water supplies at least cost.
- Western Australia's energy industry is currently in a period of transition. Western Australia's strong growth, together with strong international demand for energy, energy infrastructure and commodities, have led to significant increases in demand for, and cost of energy. At the same time, climate change initiatives including renewable energy targets and a future emissions trading scheme have created additional challenges. All of these factors have created challenges for:
 - the supply of fuel;
 - the provision of generation, transmission and distribution infrastructure;
 - increasing energy efficiency; and
 - for dealing with the increased costs throughout the production chain.

Revenue Laws Administration

- Economic activity, particularly in relation to the labour force and increasing merger and acquisition activity in the resources sector, will continue to impact on demand for services.
- The introduction of the *Duties Act 2008* will have a significant impact on both taxpayers and the Department while this new legislation is bedded down.
- There is a continuing need to focus on customer education to ensure taxpayers and their agents are well informed of their rights and obligations.
- The redevelopment of the Department's core revenue computing systems will provide a number of challenges in managing the day-to-day revenue law administration.
- The need to reduce red tape and compliance costs for the community will continue to drive efforts in developing better service delivery mechanisms and reducing unnecessary differences between the taxing regimes of the States and Territories.
- Expansion of electronic systems and procedures for interaction with customers and the supply of information and data with other agencies will continue.
- Any changes by the Commonwealth to benefit recipient identification arrangements will need to be considered for their impact on State grant and subsidy schemes.

Government Procurement

- The Government's Procurement Reform program was based on a five year plan that commenced in 2003-04 and entailed whole-of-government savings targets for the period 2004-05 to 2007-08. While the period covered by the original plan concludes as at 30 June 2008, various procurement reforms are ongoing and scope remains for further improvement in a number of areas of Government procurement. In 2008-09 the Department will continue to take a lead role in whole-of-government procurement reform initiatives.
- Development of procurement expertise across the public sector remains a priority, with considerable effort being directed at delivering a range of training and procurement awareness programs. The aim is to ensure that those in procurement decision-making positions are able to pursue innovative and effective solutions to procurement problems and emerging issues.
- The role of purchasing cards as an efficient and effective means of undertaking low value procurement is widely recognised. The use of these cards is being actively encouraged across Government as a means of reducing transaction costs and increasing accountability for the expenditure of public moneys.
- Transitioning Government agencies to the Shared Services i-Procurement modules remains a key focus, as does the roll-out of major upgrades to the online Tendering System (Gem Tendering) and the Contract Development and Management System.
- The Centre for Excellence and Innovation in Infrastructure Delivery reform program will focus on the adoption of more consistent systems, processes and management practices across the works agencies, leading to better planning and project management of Government infrastructure projects.

Shared Services

- The Government's Shared Services Reform project commenced in January 2004 and has a whole-of-government savings target of \$55 million per annum when all agencies have rolled into shared service arrangements.
- Three Shared Service Centres have been established. The Health Corporate Network and the Education and Training Shared Service Centre commenced their operations in 2005-06 utilising existing systems, and the Department of Treasury and Finance Shared Service Centre commenced providing finance and procurement services from the Oracle System to the first group of agencies in 2006-07.
- The Shared Services Reform project has experienced delays and cost overruns mainly associated with the completion of the Oracle Human Resources (HR)/Payroll System. Given these issues, a thorough examination of the project was undertaken during 2007-08 and a number of options were considered. The Government endorsed continuation with the full Oracle implementation as this option has the best financial outcomes and represents the best option to deliver the original business case benefits. It also has the lowest implementation risks with the integrated Oracle HR/Payroll System now up and running.
- In November 2007 the Shared Service Centre went live on the Oracle HR/Payroll System. This outcome is a key milestone and for the first time demonstrated the practical feasibility of a fully integrated Oracle System.
- In March 2008 the Department of Local Government and Regional Development went live on the fully integrated Enterprise Resources Planning Oracle System.
- 23 agencies are now receiving services from the Shared Services Centre with the following nine agencies going live during 2007-08 (mainly finance and procurement services):
 - Department of Treasury and Finance;
 - Department of the Premier and Cabinet;
 - Department of Corrective Services (procurement services only);
 - Commissioner for Children and Young People (Integrated Oracle System);
 - Department of Local Government and Regional Development (Integrated Oracle System);
 - Parliamentary Commissioner for Administrative Investigations;
 - Office of the Public Sector Standards Commissioner;
 - Western Australian Health Promotion Foundation; and
 - Swan Bells Foundation.

Since July 2007 to March 2008 Shared Services Centre processed approximately 62,000 expenditure and revenue transaction totalling \$395 million.

MAJOR POLICY DECISIONS

Details of major policy decisions impacting on the Department's Income Statement since publication of the 2007-08 Budget to Parliament on 10 May 2007 are outlined below.

	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
Strengthen Regulatory Gatekeeping.....	750	1,000	1,000	1,000
Duties Bill 2007 and the Duties Legislation Amendment Bill 2007	475	500	500	525
Conveyance Duty - Introduce Concessional Scale for Residential Property.....	200	142	149	149
Payroll Tax - Harmonise Grouping Provisions	-	800	500	500
Pilbara Housing Review	150	-	-	-

SERVICE AND APPROPRIATION SUMMARY

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
SERVICES							
<i>Service 1:</i>							
Financial Management and Reporting.....	6,938	6,790	7,039	6,871			
<i>Service 2:</i>							
Financing and Managing the State Fleet Service ^(d)	68,312	74,774	74,876	79,838			
<i>Service 3:</i>							
Development of Economic and Revenue Policies	6,594	6,365	7,548	8,522			
<i>Service 4:</i>							
Management of the State Budget's Expenditure Aspects	8,416	8,135	9,664	10,347			
<i>Service 5:</i>							
Revenue Assessment and Collection.....	39,652	37,292	39,793	39,649			
<i>Service 6:</i>							
Grants and Subsidies Administration	2,023	2,799	2,834	2,846			
<i>Service 7:</i>							
Facilitate the Development and Management of Agency Specific Contracts.....	20,204	16,840	18,168	18,998			
<i>Service 8:</i>							
Development and Management of Whole-Of-Government Common Use Contract Arrangements	10,354	9,679	8,934	9,141			
<i>Service 9:</i>							
Development and Management of Whole-Of-Government Procurement Systems and Standards	6,351	5,110	5,106	5,025			
<i>Service 10:</i>							
Facilitate the Centre for Excellence and Innovation in Infrastructure Delivery (CEIID)	-	3,391	2,146	4,163			
<i>Service 11:</i>							
Project Management, Coordination and Implementation of the Whole-Of-Government Shared Corporate Services Reform	255	3,940	9,417	15,366			
<i>Service 12:</i>							
Provision of Financial, Human Resources Services and Online Services.....	24,303	47,614	41,034	58,055			
Total Cost of Services ^(a)	193,402	222,729	226,559	258,821	269,733	276,111	291,424
<i>Less Income.....</i>	<i>87,341</i>	<i>106,183</i>	<i>96,254</i>	<i>101,140</i>	<i>108,880</i>	<i>123,336</i>	<i>141,002</i>
Net Cost of Services ^(a)	106,061	116,546	130,305	157,681	160,853	152,775	150,422
Adjustments ^(b)	(14,623)	(7,450)	(4,739)	(8,584)	(4,620)	(4,086)	(5,556)
Appropriation Provided to Deliver Services ^(a)	91,438	109,096	125,566	149,097	156,233	148,689	144,866

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
ADMINISTERED TRANSACTIONS							
Appropriation for Administered Grants, Subsidies and Transfer Payments	1,446,972	2,896,629	2,891,416	2,386,934	2,125,977	2,193,317	2,178,452
CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS							
Appropriation for Capital Contribution to meet equity needs ^(c)	26,127	17,741	19,561	51,804	38,994	19,127	11,091
TOTAL CONSOLIDATED ACCOUNT APPROPRIATIONS.....	1,564,537	3,023,466	3,036,543	2,587,835	2,321,204	2,361,133	2,334,409

- (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 2006-07 Actuals. A reconciliation identifying the impact of this adjustment has been inserted after the financial statements.
- (b) Adjustments are related to movements in cash balances and other accrual items such as resources received free of charge, receivables, payables and superannuation.
- (c) Supporting details are disclosed in the Capital Contribution Statement.
- (d) Financial data for State Fleet included for comparative purposes.

RESOURCE AGREEMENT

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

OUTCOMES, SERVICES AND PERFORMANCE INFORMATION

Relationship to Government Goals

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

Government Goals	Desired Outcomes	Services
Creating conditions that foster a strong economy delivering more jobs, opportunities and greater wealth for all Western Australians.	Sustainable and transparent public sector finances.	1. Financial Management and Reporting 2. Financing and Managing the State Fleet Service
	A strong and competitive State economy.	3. Development of Economic and Revenue Policies
	Financial resources are allocated consistent with the Government's priorities.	4. Management of the State Budget's Expenditure Aspects
	Due and payable revenue is collected and eligible grants, subsidies and rebates paid.	5. Revenue Assessment and Collection 6. Grants and Subsidies Administration
Developing and maintaining a skilled, diverse and ethical public sector serving the Government with consideration of the public interest.	Value for money from public sector procurement.	7. Facilitate the Development and Management of Agency Specific Contracts 8. Development and Management of Whole-Of-Government Common Use Contract Arrangements 9. Development and Management of Whole-Of-Government Procurement Systems and Standards 10. Facilitate the Centre for Excellence and Innovation in Infrastructure Delivery (CEIID)
	Value for money from shared corporate services.	11. Project Management, Coordination and Implementation of the Whole-Of-Government Shared Corporate Services Reform 12. Provision of Financial, Human Resources Services and Online Services

Outcomes and Key Effectiveness Indicators ^(a)

	2006-07 Actual	2007-08 Budget	2007-08 Estimated	2008-09 Target	Reason for Significant Variation between 2007-08 Estimated and 2008-09 Target
Outcome: Sustainable and transparent public sector finances.					
Maintenance of the State's credit rating.....	Triple-A	Triple-A	Triple-A	Triple-A	
Unqualified audit opinion on the Annual Report on State Finances ^(b)	Yes	n/a	Yes	Yes	
Provision of vehicles for the State's light vehicle fleet is financially sustainable (profit in \$'000) ^(c)	\$8,994	\$5,480	\$8,613	\$6,318	
Outcome: A strong and competitive State economy.					
State's Tax competitiveness:					
- Western Australian taxation revenue as a percentage of Gross State Product (GSP) ^(d)	4.04	3.82	3.94	3.51	
- weighted average of other States taxation revenue as a percentage of GSP.....	4.82	4.56	4.86	4.78	
- Western Australian taxation revenue as a percentage of GSP minus weighted average of other States.....	-0.78	-0.74	-0.93	-1.27	
- five year average GSP growth compared with average of other States (percentage point difference).....	2.1	>=0.0	>=0.0 ^(e)	>=0.0	
Outcome: Financial resources are allocated consistent with the Government's priorities.					
Percentage of the Department's resource allocation recommendations accepted by the Expenditure Review Committee.....	89%	80%	94%	80%	
Share of general government expenses allocated to priority areas.....	57%	55%	56%	55%	
Outcome: Due and payable revenue is collected and eligible grants, subsidies and rebates paid.					
Extent to which due revenue is collected	87%	88%	89%	89%	
Extent to which correct grants, subsidies and rebates are claimed.....	99%	99%	99%	99%	
Outcome: Value for money from public sector procurement.					
Extent to which client agencies agree that common use contract arrangements achieved value for money.	86%	85%	87%	85%	
Extent to which client agencies agree that their contract arrangements achieved value for money.....	83%	85%	86%	85%	
Extent to which client agencies agree that the Department's procurement reports and education programs have facilitated improved value for money ^(f)	n/a	n/a	n/a	85%	
Extent to which client agencies agree that the CEIID program has resulted in improved value for money outcomes in infrastructure delivery ^(f)	n/a	n/a	n/a	85%	

	2006-07 Actual	2007-08 Budget	2007-08 Estimated	2008-09 Target	Reason for Significant Variation between 2007-08 Estimated and 2008-09 Target
Outcome: Value for money from shared corporate services.					
Progress with the reform of the Western Australian public sector for shared services by achievement of the following milestones:					
- first agencies to go live.....	July 2006	n/a	n/a	n/a	
- number of agencies rolling in by financial quarter	Qtr 1-1 Qtr 2-3 Qtr 3-3 Qtr 4-8	Qtr 1-4 Qtr 2-6 Qtr 3-4 Qtr 4-2	Qtr 1-1 Qtr 2-6 Qtr 3-2 Qtr 4-0	Qtr 1-3 Qtr 2-2 Qtr 3-3 Qtr 4-0	
Percentage of services provided within established timeframes.....	94%	90%	90%	90%	
Accuracy of services provided	100%	>90%	100%	100%	
Average resolution rate of enquiries.....	76%	99%	75%	99%	

- (a) More details of effectiveness indicators are provided in the annual report.
- (b) The Auditor General's opinion on the Annual Report on State Finances is issued in accordance with section 14B of the *Government Financial Responsibility Act 2000*. This Act establishes a framework for government financial planning and reporting, and facilitates public scrutiny of government financial policy and performance. In support of his opinion, the Auditor General discloses the procedures adopted for the conduct of his audit.
- (c) The benchmark for financial sustainability is for State Fleet to make an annual loss no more than once in any five years.
- (d) Economic growth is measured independently with reference to GSP.
- (e) Future outcomes will depend on the growth in the national economy, which is not forecast by the Department. Note that, while the State Government may have some influence over the economic growth, factors such as interest rates and the international environment affect the State's economy but are beyond the power to influence.
- (f) No data for 2006-07 Actual and 2007-08 Budget and Estimated, due to new indicators following the introduction of Services 9 and 10.

Service 1: Financial Management and Reporting

This service includes the provision of advice on the Government's fiscal strategy, advice on the legislative framework underpinning financial management and accountability in the Western Australian public sector, the preparation and publication of regular reports on the State's finances, and maintenance of the Public Ledger.

	2006-07 Actual	2007-08 Budget	2007-08 Estimated Actual	2008-09 Budget Estimate	Reason for Significant Variation
	\$'000	\$'000	\$'000	\$'000	
Total Cost of Service ^(a)	6,938	6,790	7,039	6,871	
<i>Less Income</i>	295	523	285	280	
Net Cost of Service ^(a)	6,643	6,267	6,754	6,591	
Adjustments ^(b)	783	(657)	858	1,057	
Appropriation for Delivery of Service ^(a)	7,426	5,610	7,612	7,648	

- (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 2006-07 Actuals. 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

	2006-07 Actual	2007-08 Budget	2007-08 Estimated	2008-09 Target	Reason for Significant Variation between 2007-08 Estimated and 2008-09 Target
Cost of financial management and reporting per million dollars general government sector expenses.....	\$453	\$312	\$421	\$381	
Percentage of financial reports released as per agreed timeframes.....	67%	100%	67%	100%	
Full Time Equivalents (FTEs)	61	71	56	59	

Major Achievements For 2007-08

- The State's triple-A credit rating was reaffirmed in 2007-08 by the international credit rating agencies Moody's and Standard and Poor's. The Department provided comprehensive and detailed submissions and presentations to the credit rating agencies which, combined with its financial management advice to the Government, contributed to this outcome.
- Established the Fiona Stanley Hospital Construction Account, following passage of the *Fiona Stanley Hospital Construction Account Act 2007* in October 2007. This Account has been established to fund the debt-free construction of the new \$1.76 billion Fiona Stanley Hospital using the proceeds of the 2006-07 and 2007-08 Consolidated Account cash surpluses.
- Developed a Cash Management Policy that will apply to all appropriation-supported agencies in the general government sector from the 2008-09 Budget. The objective of the policy is to encourage a more proactive approach to the management of appropriation drawdowns and agencies' cash balances.
- Completed a new tender for the Government's banking business for a period of up to seven years.
- Implemented a new investment policy for the Public Bank Account including, for the first time, quarterly public reporting (on the Department's website) of investment holdings.
- Successfully tabled the 2006-07 Annual Report on State Finances in Parliament within 90 days of year-end as prescribed by the *Government Financial Responsibility Act 2000*. For the first time, the report included information on the Public Ledger established by Section 7 of the *Financial Management Act 2006*.

Major Initiatives For 2008-09

- Continue to provide timely and comprehensive budget updates and other financial management advice throughout the year, to ensure that Government decision-making is based on a full understanding of the economic and budgetary environment and is consistent with the financial targets framework.
- Following input from key stakeholders (including the Public Accounts Committee and the Estimates and Financial Operations Committee), complete a review of the Budget Statements (Budget Paper No. 2) in time for implementation in the 2009-10 Budget. The broad aim of the review is to provide better and more streamlined information for the purposes of Parliamentary scrutiny and strategic management at a whole-of-government and agency level.
- Implement revised Uniform Presentation Framework (UPF)-based reporting disclosures consistent with Australian Accounting Standard AASB 1049: Whole-Of-Government and General Government Sector Financial Reporting, which was released in November 2007 and is applicable for all general government and whole-of-government financial reporting from 1 July 2008.

Service 2: Financing and Managing the State Fleet Service

This service entails the financing and leasing of some 11,000 passenger and light commercial vehicles to State Government agencies and the management of Government vehicle fleet policy.

	2006-07 Actual ^(c) \$'000	2007-08 Budget ^(c) \$'000	2007-08 Estimated Actual ^(c) \$'000	2008-09 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service ^(a)	68,312	74,774	74,876	79,838	
<i>Less Income</i>	77,306	80,254	82,529	84,856	
Net Cost of Service ^(a)	(8,994)	(5,480)	(7,653)	(5,018)	
Adjustments ^(b)	8,994	5,480	7,653	5,018	
Appropriation for Delivery of Service ^(a)	-	-	-	-	

- (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 2006-07 Actuals. A reconciliation identifying the impact of this adjustment has been inserted after the financial statements.
- (b) Adjustments are related to movements in cash balances and other accrual items such as resources received free of charge, receivables, payables and superannuation.
- (c) The State Fleet Services will transfer from the State Supply Commission to the Department with effect from 1 July 2008. The financial data for 2006-07 Actual and 2007-08 Budget and Estimated Actual have been included for comparative purposes.

Key Efficiency Indicators

	2006-07 Actual	2007-08 Budget	2007-08 Estimated	2008-09 Target	Reason for Significant Variation between 2007-08 Estimated and 2008-09 Target
Average cost per vehicle of financing and managing the State Fleet Service.....	\$156	\$165	\$165	\$120	
Full Time Equivalents (FTEs)	6	9	9	13	

Major Achievements For 2007-08

- Initiated the drafting, and supported the passage by Parliament, of the *State Supply Commission Amendment Act 2008*. This Act will enable the formal transfer of State Fleet from the State Supply Commission to the Department - better reflecting actual practice, producing operating efficiencies, and clarifying accountability.
- Further progressed the 'greening' of the Government's light vehicle fleet, with 60 per cent of the fleet now having four-cylinder engines, compared with 30 per cent in 2002. While the average size of the fleet is estimated to grow by 4.5 per cent compared to the previous financial year (from 10,356 to 10,823 vehicles), total emissions of the fleet are expected to increase by little more than half that amount at 2.5 per cent (from 71,972 tonnes of Carbon Dioxide equivalent to 73,807 tonnes). The above figures include light commercial vehicles (which make up 40 per cent of the fleet) as well as passenger cars. The emissions of the fleet continue to be offset by the State Fleet emissions offset program.

Major Initiatives For 2008-09

- Implement the formal transfer of State Fleet from the State Supply Commission to the Department following proclamation of the *State Supply Commission Amendment Act 2008*.
- Complete development of a revised fleet environmental policy aimed at further improving the fuel-efficiency of the light vehicle fleet in line with the commitment given in the Premier's Climate Change Action Statement issued in May 2007.

Service 3: Development of Economic and Revenue Policies

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

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service ^(a)	6,594	6,365	7,548	8,522	
<i>Less Income</i>	14	489	305	341	
Net Cost of Service ^(a)	6,580	5,876	7,243	8,181	
Adjustments ^(b)	(271)	(614)	(59)	(119)	
Appropriation for Delivery of Service ^(a)	6,309	5,262	7,184	8,062	

- (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 2006-07 Actuals. 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

	2006-07 Actual	2007-08 Budget	2007-08 Estimated	2008-09 Target	Reason for Significant Variation between 2007-08 Estimated and 2008-09 Target
Accuracy of key economic and general government revenue forecast: ^(a)					
- tax and mining revenue (percentage difference in how much actually received by state compared to forecast) ^(b)	7.5%	+/-5%	10.3%	+/-5%	
- GST revenue grants (percentage difference in how much actually received by state compared to forecast)	1.0%	+/-3%	2.3%	+/-3%	
- economic growth (percentage point difference) ^(c)		+/-1.0	3.0	+/-1.0	
- Consumer Price Index growth (percentage point difference)	-0.3	+/-0.5	0.25	+/-0.5	
- employment growth (percentage point difference) ^(d)	-0.23	+/-0.5	1.75	+/-0.5	
Percentage of briefing requests and other ministerial responded to within agreed timeframes	97%	80%	94%	80%	
Full Time Equivalents (FTEs)	57	59	63	65	

- (a) The indicators show the accuracy of forecasts by showing the extent to which variations between budget forecasts and actual results are within acceptable limits. Where actual data are not available for all of 2007-08, estimated revenues and economic parameters on which the efficiency indicators are based are each reported in Budget Paper No. 3, Chapter 2 subheading 'Statement of Risks' and Chapter 3 (revenue forecasts).
- (b) Tax revenues have exceeded expectations for both 2006-07 and 2007-08, reflecting the stronger than expected strength of the State economy, particularly the property and labour markets.
- (c) The household consumption, business investment and dwelling investment components of Gross State Product for 2007-08 are now expected to grow more strongly than anticipated at the 2007-08 Budget. High wages and employment growth, strong consumer sentiment and high population growth have contributed to stronger than expected growth in household consumption and dwelling investment. The continued strength of global demand for raw commodities and high commodity prices have led to business investment growth exceeding forecasts.
- (d) Strong population growth and a historically high labour force participation rate meant labour supply has not been as significant a constraint to employment growth as expected at the 2007-08 Budget.

Major Achievements For 2007-08

- The Department monitored and provided briefings on major trends in the State's economic environment, such as the global 'credit crunch', housing affordability, the State's labour market, and other key economic policy issues.
- Regular assessments of trends in the Western Australian economy were published, including the quarterly Western Australia Economic Summary, and Economic Notes published shortly after data are released. The readership of the Economic Summary has risen.
- The Department also worked with other government agencies on the State Wage Case, the State Infrastructure Strategy, economic information for Western Australia Treasury Corporation financial products, the determination of State economic statistical priorities, and many others.
- Coordinated submissions to, and visits from the two credit rating agencies that provide annual assessments of the State's financial circumstances.
- Established the Emissions Trading Unit and commenced a consultation process with business and industry on emissions trading policy issues.
- Assisted the Government in responding in a financially responsible manner to community priorities for taxation relief and reform identified in the Final Report of the State Tax Review.
- Improved forecasting capability following completion and implementation of the forecasting review, including the development of new quantitative models of the housing market and payroll tax, and increased consultation with industry.
- Participated in the Commonwealth Grants Commission's review of its methods for distributing the GST revenue among the States, including organising a week-long visit by Commissioners to Western Australia to talk to State service providers in a range of locations (to be held in June 2008). The Commission will be able to see first hand the major issues in service delivery in regional Western Australia.
- Contributed to the COAG reform process, and particularly the reform of SPP arrangements. The SPP reforms have been heavily influenced by the work undertaken by the SPP Working Group of Treasuries (chaired by Western Australia) over recent years.
- Advised the Treasurer and Government on the State superannuation reform agenda and oversaw the implementation of recommendations arising out of the State Response to Choice Review, including the passage of legislation.
- Contributed to the implementation of the electricity access arrangements and the new electricity market arrangements. Provided advice on budget submissions from commercial agencies, as well as their Strategic Development Plans and Statements of Corporate Intent.
- Made submissions to the Economic Regulation Authority and Office of Energy on:
 - electricity retail market review;
 - gas regulations tariff review;
 - gas tariff review; and
 - inquiry into competition in the water and wastewater services sector.
- Chaired the Pilbara Rail Access Interdepartmental Committee and, in consultation with industry stakeholders and the wider community, progressed the development of a state-based rail haulage regime for iron ore in the Pilbara. Prepared State submissions to access declarations for Pilbara iron ore railways by third parties.
- In partnership with key stakeholders worked to progress water reforms. This included participation on a number of water related committees, including the State Water Council and the Water Law Reform Committee. Participated in the committee established to examine water issues in the Collie-Wellington basin.
- Coordinated, on behalf of the Treasurer, the development of the terms of reference for the Economic Regulation Authority's Review of the *Grain Marketing Act 2002*.
- Contributed to the Review of Ports, being conducted in accordance with the Competition and Infrastructure Reform Agreement (CIRA), which is being chaired by the Department for Planning and Infrastructure.

- The Department has had a role in assessing housing related data and supporting Government review processes, examining, inter alia, the application of first home owners grants, housing related tax policy, regulatory reform, the role of Local Government and options for private sector participation in social housing delivery.
- Supported the Economic Review of Land and Housing Markets in Western Australia, chaired by the Department of the Premier and Cabinet, by undertaking a comprehensive survey of major urban land developers examining the cost and time of land development approvals processes.

Major Initiatives For 2008-09

- Further enhancement of the robustness of the Department's economic forecasting, including by:
 - publishing a research paper on Housing Market Forecasting;
 - calculating and publishing quarterly Gross State Product estimates for 1984-85 to 2007-08; and
 - further raising the profile, standard and usefulness of the Department's economic publications and analysis.
- Consult with business and industry on the practical implications of the national emissions trading scheme for operation in Western Australia, including examining the draft Commonwealth emissions trading scheme legislation in terms of its implications for State legislation and operation within Western Australia.
- Work with State agencies and the Australian Bureau of Statistics to develop strategies to enhance the sharing and use of statistics within Government to better inform decision-making.
- Further develop and improve the Department's revenue forecasting capability including through:
 - further development of statistical models linking taxation and economic variables; and
 - building knowledge and understanding of key commodity markets such as iron ore.
- Assist in the implementation of the payroll tax consistency measures, including the recommendations of a multilateral project with other States (led by Western Australia) that were incorporated into the COAG business reform agenda.
- Participate in the Commonwealth Grants Commission's review of its methods for distributing the GST revenue among the States, as it approaches its February 2010 reporting date.
- Participate in the COAG reform processes, particularly reform of SPP arrangements, with the aim of implementing the reformed SPP arrangements by 1 January 2009.
- Finalise the implementation of the recommendations arising out of the State's superannuation reform agenda and the State response to Choice review, including establishment within the Department of the State Superannuation Board to administer the remaining defined benefit schemes (including service agreements with the new, fully member controlled GESB).
- Make final recommendations to Government on the feasibility of a state-based rail haulage regime to provide more effective access for third parties more quickly.
- Work with stakeholders on major port and rail developments in the Mid West and Pilbara to ensure that appropriate access arrangements are put in place to achieve efficient and competitive infrastructure outcomes.
- In partnership with key stakeholders, advice Government on water reform progress and respond to the Economic Regulation Authority's recommendations with respect to competition in the water and wastewater industry. This includes participation on a number of water related committees, including the State Water Council and the Water Law Reform Committee.
- Develop proposals to fully implement the new regulatory gate keeping process, including the development of transparent and rigorous processes of review of new regulatory proposals and the implementation of targeted reviews of economically important restrictions on competition.
- Update the State's Competitive Neutrality Policy Statement, which was first published in 1996 and has not subsequently been amended.

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

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

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service ^(a)	8,416	8,135	9,664	10,347	
<i>Less Income</i>	17	610	391	421	
Net Cost of Service ^(a)	8,399	7,525	9,273	9,926	
Adjustments ^(b)	296	(766)	(86)	(179)	
Appropriation for Delivery of Service ^(a)	8,695	6,759	9,187	9,747	

- (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 2006-07 Actuals. 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

	2006-07 Actual	2007-08 Budget	2007-08 Estimated	2008-09 Target	Reason for Significant Variation between 2007-08 Estimated and 2008-09 Target
Cost of expenditure budget management per \$million general government sector expenses	\$560	\$504	\$577	\$574	
Percentage of briefing requests and other Ministerials responded to within agreed timeframes	95%	90%	99%	90%	
Full Time Equivalents (FTEs)	76	92	86	91	

Major Achievements For 2007-08

- Further developed relationships with agencies and continued to build knowledge and understanding of issues impacting the business and performance of agencies, including provision of advice on whole-of-government issues, involvement in agency strategic planning and policy development and undertaking on-site visits. Key on-site visits included, hospitals, prisons, police stations, Indigenous communities, schools and national parks.
- Provided agencies and Government with policy, financial and economic advice on a range of issues as well as the coordination and management of the Expenditure Review Committee.
- Contributed to the development of a revised public sector wages policy, as well as providing ongoing advice on major public sector wage agreement negotiations including Enterprise Bargaining Agreements for prison officers, nurses, medical practitioners, TAFE lecturers, teachers, Community and Public Sector Union covered public servants and specified calling positions.
- Continued to invest significant time during the year to better understand Indigenous issues, disadvantages and policy formulation. Provided substantial input into the functional review of the Department of Indigenous Affairs.
- Continued the development of the State Infrastructure Strategy, with the White Paper scheduled for release in mid-2008.
- Provided high quality advice to Government on health reform issues, as well as the progress of key health infrastructure developments such as the Fiona Stanley Hospital.
- Assisted agencies in utilising the Strategic Asset Management Framework effectively.

Major Initiatives For 2008-09

- Continue to strive for comprehensive and detailed understanding of the business, services and associated issues impacting agencies and enhance relationships with agencies through information sharing, the provision of guidelines and on-site visits to improve decision-making processes and service delivery outcomes.
- Depending on the implementation milestones of COAG reforms, the Department will be a key advisor to Government in assessing the impact on the State.
- Provide advice and support to the COAG Infrastructure Working Group, including the provision of information to Infrastructure Australia for the national infrastructure audit.
- Continue to provide high quality advice to Government on strategic health issues, including the development of the resource allocation model, progress on transition planning for the substantial reconfiguration of the health facilities and financial sustainability implications as informed by the whole of health cost model.
- Provide agencies and Government with policy, financial and economic advice on a range of issues.
- Provide ongoing advice on major public sector wage agreement negotiations including Enterprise Bargaining Agreements that expire throughout the year, such as those for firefighters, hospital salaried officers and police officers, as well as contributing to public sector-wide industrial relations issues as they arise.

Service 5: Revenue Assessment and Collection

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

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service ^(a)	39,652	37,292	39,793	39,649	
<i>Less Income</i>	935	2,828	3,111	3,692	
Net Cost of Service ^(a)	38,717	34,464	36,682	35,957	
Adjustments ^(b)	(11,955)	(4,282)	(11,885)	(12,807)	
Appropriation for Delivery of Service ^(a)	26,762	30,182	24,797	23,150	

(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 2006-07 Actuals. 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

	2006-07 Actual	2007-08 Budget	2007-08 Estimated	2008-09 Target	Reason for Significant Variation between 2007-08 Estimated and 2008-09 Target
Average cost per land item assessed	\$8.79	\$9.97	\$11.80	\$11.18	
Average cost per stamp duty return issued ^(a) ...	\$103.52	\$186.95	\$187.46	\$183.75	
Average cost per payroll tax return issued	\$123.03	\$117.58	\$72.65	\$70.73	
Average cost per instrument assessed	\$15.54	\$17.73	\$15.81	\$63.68	Increase reflects significant reduction in instrument numbers due to mortgage duty abolition and changes arising from the <i>Duties Act 2008</i> .
Full Time Equivalents (FTEs)	287	297	302	283	

(a) Cost per stamp duty return assessed – stamp duty insurance returns only 2007-08 onwards.

Major Achievements For 2007-08

- The drafting of the Duties Bill was completed and the legislation made available to the Government. Systems and processes have been modified, and planning for the training and education to implement the new legislation is complete.
- Government decisions in response to the recommendations of the State Tax Review have been implemented as required.
- Ongoing emphasis on voluntary compliance continued, with the growing demand from industry and representative bodies for customer education services being largely met.
- National agreement was achieved for a standard curriculum for training revenue personnel across Australia (Certificate IV Government: Revenue Administration).
- Significant improvements were made to the land-related data maintained by the Office of State Revenue (OSR).
- The planning, scoping and procurement of services to support the replacement of the OSR's computerised systems has commenced.
- Focus was given to measures to improve land data quality, in line with Office of Auditor General (OAG) recommendations.
- Developed and introduced a framework to capture, analyse, recognise and reward innovation.
- Continued to promote flexible working arrangements, with an increase in the number of officers working from home, including interstate and overseas.
- Developed a succession-planning framework to provide for OSR's ongoing resourcing requirements.
- Continued improvement of revenue administration by:
 - developing and implementing Australia's first online insurance duty system;
 - implementing a number of enhancements to the suite of payroll tax and online stamping services, including facilities for the online registration for payroll tax and insurance duty;
 - reviewing existing Australian Business Numbers to ensure accuracy of customer records;
 - undertaking discussion with the Western Australian conveyancing industry to find solutions to a range of issues associated with stamp duty;
 - simplifying the payroll lodgement process for the monthly return, annual return and cut-off date for the lodgement of wage variations. The adoption of a single due date will remove a level of confusion that exists when returns are required to be lodged;
 - completing the roll-out of Revenue Online to the Magistrates' Courts in regional Western Australia; and
 - participating with the Commonwealth Government in exploring the business models to support the potential-introduction of Standard Business Reporting which incorporates certain payroll tax elements.

Major Initiatives For 2008-09

- Ensuring the smooth implementation of the *Duties Act 2008* within the OSR and the broader taxpaying community, including the delivery of customer education services to meet the demands of industry.
- Continuing to review and implement, as appropriate, standard payment and service channels to best meet the needs of customers and the Government for revenue collection and grants administration.
- Continuing to examine and evaluate options for land tax customer self-service.
- Continuing to improve the land-related data maintained by the OSR in line with the OAG recommendations.
- Commencing development work to replace the Department's core revenue computer systems.
- Monitoring the development of the proposed national electronic conveyancing system and providing input regarding the integration with revenue systems.

- Developing a more 'customer friendly' OSR website.
- Developing and introducing an online duties document lodgement and assessment service with a broadened use of A4 duty certificates to all transactions.
- Continuing collaboration with other jurisdictions and the Commonwealth on a range of measures designed to improve consistency and reduce red tape, including the proposed Standard Business Reporting initiative.
- Developing more creative and attractive recruitment and retention strategies in respect of workforce planning.

Service 6: Grants and Subsidies Administration

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

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service ^(a)	2,023	2,799	2,834	2,846	
<i>Less Income</i>	207	220	115	116	
Net Cost of Service ^(a)	1,816	2,579	2,719	2,730	
Adjustments ^(b)	205	(276)	(12)	317	
Appropriation for Delivery of Service ^(a)	2,021	2,303	2,707	3,047	

- (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 2006-07 Actuals. 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

	2006-07 Actual	2007-08 Budget	2007-08 Estimated	2008-09 Target	Reason for Significant Variation between 2007-08 Estimated and 2008-09 Target
Average cost per application/claim processed ^(a)	\$5.56	\$7.52	\$7.22	\$7.06	
Full Time Equivalents (FTEs)	27	32	28	28	

- (a) Costs of all grants and subsidy schemes amalgamated.

Major Achievements For 2007-08

- Continued to explore opportunities to maximise the use of the Department's infrastructure to realise efficiencies across the whole-of-government.
- Continued to liaise with the Commonwealth and other jurisdictions, as appropriate, regarding the administration of the FHOG scheme, including accessing information held by certain Commonwealth agencies to improve compliance.
- Liaised with the Commonwealth on the administrative implications of the proposed First Home Saver Account on the FHOG scheme.
- Completed a tender exercise and awarding of a new contract for the provision of maintenance, support and web-hosting services with respect to the FHOG national database.
- Assisted the Department of the Premier and Cabinet with a review and reporting on the administration and management of State Government concessions.

Major Initiatives For 2008-09

- Continuing to explore opportunities to leverage revenue collection and grant payment processes to maximise the use of the Department's infrastructure to realise efficiencies across the whole-of-government.
- Continuing to liaise with the Commonwealth and other jurisdictions regarding the administration of the FHOG scheme, including accessing information held by certain Commonwealth agencies to improve compliance.
- Investigating alternative channels for non-financial institution FHOG application lodgement and identity verification processes.
- Continuing to liaise with the Commonwealth on the administrative implications of the proposed First Home Saver Account on the FHOG scheme.

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

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

	2006-07 Actual \$'000	2007-08 Budget ^(c) \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service ^(a)	20,204	16,840	18,168	18,998	
<i>Less Income</i>	3,306	1,284	1,822	2,162	
Net Cost of Service ^(a)	16,898	15,556	16,346	16,836	
Adjustments ^(b)	(5,627)	(3,054)	58	668	
Appropriation for Delivery of Service ^(a)	11,271	12,502	16,404	17,504	

- (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 2006-07 Actuals. 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) 2007-08 Budget has been recast for comparatives to the service.

Key Efficiency Indicators

	2006-07 Actual	2007-08 Budget	2007-08 Estimated	2008-09 Target	Reason for Significant Variation between 2007-08 Estimated and 2008-09 Target
Client satisfaction with the timeliness of agency specific contract development	85%	85%	85%	85%	
Cost of facilitating the development and management of agency specific contracts as a percentage of the contract award value ^(a)	2.4%	1.7%	1.8%	1.6%	
Full Time Equivalent (FTEs)	176	193	173	183	

- (a) 2007-08 Budget has been recast for comparatives to the service.

Major Achievements For 2007-08

- Independently conducted surveys continue to show high levels of agency satisfaction with the Department's procurement services.
- Updated procurement services memoranda of understanding (outlining roles, responsibilities and operational arrangements) were reviewed with the 21 major buying agencies in which the Department has agency-based procurement officers.
- Regional Buying Centres (RBC) have continued to raise the profile and volume of Government buying in the regions. A fourth RBC was opened in the Great Southern region at Albany.

Major Initiatives For 2008-09

- Continue to enhance the Department's procurement services to agencies.
- Work with agencies to enhance the planning, scheduling and resourcing of agency procurement programs, and reporting on program outcome.
- Grow the role of RBC and promote a more affirmative approach by agencies towards implementing the Buy Local policy in the regions.

Service 8: Development and Management of Whole-Of-Government Common Use Contract Arrangements

Leads a whole-of-government approach to procurement that efficiently meets the business needs of Government agencies, manages risk and delivers value for money.

	2006-07 Actual \$'000	2007-08 Budget ^(c) \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service ^(a)	10,354	9,679	8,934	9,141	
<i>Less Income</i>	1,694	738	361	372	
Net Cost of Service ^(a)	8,660	8,941	8,573	8,769	
Adjustments ^(b)	(2,125)	(1,756)	(1,268)	(896)	
Appropriation for Delivery of Service ^(a)	6,535	7,185	7,305	7,873	

- (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 2006-07 Actuals. 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) 2007-08 Budget has been recast for comparatives to the service.

Key Efficiency Indicators

	2006-07 Actual	2007-08 Budget	2007-08 Estimated	2008-09 Target	Reason for Significant Variation between 2007-08 Estimated and 2008-09 Target
Percentage of retendered/redesigned common use contract arrangements developed and awarded prior to the expiry of the previous arrangement.....	92%	90%	90%	90%	
Cost of developing and managing whole-of-government common use contract arrangements as a percentage of the total annual value of purchases through the arrangements ^(a)	1.1%	1.1%	1.1%	1.0%	
Full Time Equivalents (FTEs)	87	101	74	78	

- (a) 2007-08 Budget has been recast for comparatives to the service.

Major Achievements For 2007-08

- Estimated direct savings from Common Use Contract Arrangements (CUAs) for the 2007-08 year will be broadly in line with the \$83.8 million in direct savings achieved in 2006-07. This is well in excess of the targeted savings range of \$60-\$75 million by 2007-08 predicted in the 2003 Procurement Reform business case.
- During the year a total of nine new or redesigned CUAs were either commenced or awarded. A number of major CUAs were retendered resulting in sound outcomes for the public sector as a whole. A new CUA covering Debt Recovery Services was established and a CUA covering Audit Services and Financial Advice was tendered.

- Provided the larger buying agencies with monthly Buying Behaviour Reports covering their expenditure under the various CUAs. A survey conducted in late 2007 indicated that agencies valued this reporting program highly and believe it has been effective in assisting them to achieve best value outcomes from CUAs.
- Developed and implemented a new standard contractual base for all contracting under the *State Supply Commission Act 1991*. This was supported by a range of process and system changes to reflect new State Supply Commission (SSC) policies and other procurement reforms.

Major Initiatives For 2008-09

- Commence a small number of new CUAs including Geographic Information Systems and Data Storage, and Audit Services and Financial Advice. A number of existing CUAs will be either rebid or have their supplier panels refreshed.
- Strengthen relationships and build on partnerships with key agencies to maximise the procurement outcomes achieved from existing and new CUAs. Establishing whole-of-government standards and more efficient procurement frameworks will be pursued in collaboration with the Office of e-Government.
- Undertake additional work with agencies to ensure that CUA information, awareness programs, buyer events and sourcing tools are appropriately designed and pitched to ensure agency buyers can efficiently source their requirements and achieve optimal value for money outcomes from these whole-of-government contracts.
- The implementation of an updated framework for CUA contract management will be completed. This will include enhancing the Department's capture and analysis of CUA spend data, and the provision of more user-friendly procurement reports to agency buyers and other stakeholders.

Service 9: Development and Management of Whole-Of-Government Procurement Systems and Standards

Delivers, maintains and deploys whole-of-government procurement systems, provides reporting and information services, manages standardised contract documentation and procurement education services that efficiently meet the business needs of Government agencies, manage risk and deliver value for money.

	2006-07 Actual \$'000	2007-08 Budget ^(c) \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service ^(a)	6,351	5,110	5,106	5,025	
<i>Less Income</i>	1,039	389	206	204	
Net Cost of Service ^(a)	5,312	4,721	4,900	4,821	
Adjustments ^(b)	(801)	(927)	(138)	314	
Appropriation for Delivery of Service ^(a)	4,511	3,794	4,762	5,135	

- (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 2006-07 Actuals. 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) New service with recasting to previous years to show comparatives.

Key Efficiency Indicators

	2006-07 Actual	2007-08 Budget	2007-08 Estimated	2008-09 Target	Reason for Significant Variation between 2007-08 Estimated and 2008-09 Target
Cost of deploying and managing procurement systems and standards as a percentage of agency specific contract award values and the annual throughput of CUAs ^(a)	0.3%	0.3%	0.3%	0.2%	
Full Time Equivalents (FTEs)	43	49	47	49	

- (a) New service with recasting to previous years to show comparatives.

Major Achievements For 2007-08

- In partnership with the SSC, the procurement practices and process followed by Government Procurement were reviewed and updated to reflect the new SSC policy set. Copies of the revised guides and documents were made available to public authorities via the Department's website, and awareness sessions held for government buyers.
- Procurement Systems and Standards have taken over the role of producing the Who Buys What and Buy Local reports for the SSC. The new approach to the reports has made available a greater level of detail and improved reporting on general government agency spend.
- Successfully delivered procurement training and information sessions to public authorities. Over 340 officers from 66 different agencies attended the half-day Better Buying Awareness Sessions. The Professional Advisory Services program attracted 359 senior level staff from over 40 different agencies. Both achieved an average satisfaction rating of over 85 per cent.
- The introduction of the e-Decision Aids for the computers and mobile phones CUAs culminated in the project receiving national recognition by winning an award for Best Process Improvement Initiative from the Chartered Institute of Purchasing and Supply Australia.
- After more than six years of operation the Gem Purchasing system was decommissioned in December 2007. The Department of Corrective Services (DCS) was the major user of the Gem Purchasing system and has now successfully rolled-in to Shared Services for its online purchasing.
- Supported the Shared Services Centre with the successful deployment of the Oracle procurement modules to a number of agencies including the DCS, Department of the Premier and Cabinet and the Department of Local Government and Regional Development.

Major Initiatives For 2008-09

- Launching a new tendering system to replace the current Gem Tendering website. The new system will continue to provide a central source of information for business and public authorities, and will deliver greater functionality. It will achieve new process efficiencies through automated interfaces with the Contract Development and Management System (CDMS) and newspaper advertising systems.
- Introducing a new Procurement Vocational Training framework that will focus on improving Government's procurement capability, targeting the people who are not full time procurement practitioners but who still need to understand the fundamentals to do their job well.
- The implementation of the Catalogue Management System will assist in the management of CUA product catalogues. This will enable easy product and price update reporting as well as price compliance checking. This will facilitate the rollout of CUA Catalogues to Western Australia Police and Department of Education and Training.
- An improved e-Decision Aid system will enable the faster creation of these useful guides for specific CUAs.
- There will be a significant upgrade to the CDMS. This will include a major technical improvement as well as an application upgrade that will address many of the outstanding issues identified by the CDMS User Groups.

Service 10: Facilitate the Centre for Excellence and Innovation in Infrastructure Delivery (CEIID)

Provides strategic leadership and facilitation to CEIID to support it in its development of improved approaches to the delivery of infrastructure across Government.

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service	-	3,391	2,146	4,163	
<i>Less Income.....</i>	-	258	87	168	
Net Cost of Service	-	3,133	2,059	3,995	
Adjustments ^(a)	-	(615)	169	(1,593)	
Appropriation for Delivery of Service	-	2,518	2,228	2,402	

(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

	2006-07 Actual	2007-08 Budget	2007-08 Estimated	2008-09 Target	Reason for Significant Variation between 2007-08 Estimated and 2008-09 Target
Client satisfaction with the timeliness of the Department's facilitation of CEIID initiatives	n/a	n/a	n/a	85%	
Full Time Equivalents (FTEs)	0	0	22	26	

Major Achievements For 2007-08

- The establishment of an effective Governance framework for CEIID, including a CEO Group (as the Board of Management), and a Steering Group chaired by the Department. The CEIID membership was extended to the following nine agencies:
 - Department of Housing and Works;
 - Department for Planning and Infrastructure;
 - Department of Treasury and Finance;
 - Main Road Western Australia;
 - Public Transport Authority of Western Australia;
 - Department of the Attorney General/State Solicitors Office;
 - Fremantle Port Authority;
 - Water Corporation; and
 - Office of Strategic Projects.
- A Program Management Office was established in the Department to provide a leadership and facilitation role in the CEIID reform initiatives. 26 reform initiatives were identified.
- Monthly Knowledge Network forums were established and hosted by the various CEIID members.
- The Gateway Review Process was piloted and an implementation plan developed.

Major Initiatives For 2008-09

- The Program Management Office will continue to provide strategic leadership and facilitation to support CEIID in its development of improved approaches to the delivery of infrastructure across Government.
- The Department will work with CEIID member agencies to develop a comprehensive approach to industry liaison that will result in more collaboration, planning and sharing of issues and strategies.
- A Guide will be developed to assist the works agencies select the most appropriate project delivery model for specific infrastructure projects.

- A best practice approach for infrastructure project cost estimating, and a standardised framework for project management methodologies, will be developed. This will support a common approach to the announcement of infrastructure projects, and improve the accuracy of information relating to a project's development.
- Value management studies will be promoted.
- The CEIID graduate program will be further developed, to supplement the existing programs now run in individual agencies.
- More interactive knowledge sharing approaches will be developed, to help enable the sharing of ideas and experience relating to infrastructure delivery, and to build professional networks. This approach will include the implementation of a web-based knowledge sharing application, as well as ongoing monthly Knowledge Network forums.
- The Gateway Review Process will be implemented for major infrastructure projects.

Service 11: Project Management, Coordination and Implementation of the Whole-Of-Government Shared Corporate Services Reform

The Department's Shared Services is responsible for building the Oracle Business System, which will support the provision of shared corporate services to general government agencies. The initial release of the integrated Finance and Human Resources (HR)/Payroll System has been completed and work is continuing on building further finance functionality and payroll awards to enable further agencies to roll-in to shared services.

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service ^{(a)(c)}	255	3,940	9,417	15,366	
<i>Less Income</i>	-	-	381	625	
Net Cost of Service ^(a)	255	3,940	9,036	14,741	
Adjustments ^(b)	(255)	17	(1,297)	(1,231)	
Appropriation for Delivery of Service ^(a)	-	3,957	7,739	13,510	

- (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 2006-07 Actuals. A reconciliation identifying the impact of this adjustment has been inserted after the financial statements.
- (b) Adjustments are related to movements in cash balances and other accrual items such as resources received free of charge, receivables, payables and superannuation.
- (c) The growth in this service is mainly the result of the increased Asia Pacific Group Pty costs applicable to the shared services reform project.

Key Efficiency Indicators

	2006-07 Actual	2007-08 Budget	2007-08 Estimated	2008-09 Target	Reason for Significant Variation between 2007-08 Estimated and 2008-09 Target
Progress with the reform of the Western Australian public sector for shared corporate services within budget: Delivery of project within budgeted target ^(a)	\$22,849	\$20,937	\$33,008	\$56,699	
Full Time Equivalents (FTEs)	78	45	78	88	

- (a) During 2007-08 Government approved a request for additional funding to complete the project. This approval has a flow-on effect to the outyears, thus a substantial growth in the target compared to the current year out-turn. It should be noted that the costs include the capital contribution and this results in a variance to the cost allocation.

Major Achievements For 2007-08

- Finalised the completion of an integrated project master plan to coordinate project activities and drive the agency roll-in schedule in a sustainable and realistic timeframe.
- Finalised the initial release of the Oracle HR/Payroll System for the Shared Services Centre itself, paying in excess of 250 staff. This for the first time demonstrated the feasibility of a fully integrated Oracle System.
- Completed the roll-in of a further seven client agencies for finance and procurement services, with a further two agencies going live on the fully integrated Oracle Finance and HR/Payroll System.
- Progressed the build of further Oracle finance modules, which will be implemented for future major agency roll-ins.
- Conducted 12 industry and supplier briefings sessions during the year with some 370 attendees.

Major Initiatives For 2008-09

- Commence transition project planning with a further five agencies to assist them to roll-in to shared services.
- Continue to undertake and finalise a range of projects to improve the integrity and reliability of the computing platforms to accept the roll-in of agencies.
- Finalise the build of further finance functionality required for future large infrastructure agencies.
- Work with the Department of Consumer and Employment Protection on award standardisation and rationalisation and progress the build of further payroll awards to enable the progressive roll-in of agencies.
- Continue to engage with industry and suppliers to ensure that the impact of changed payment arrangements under shared service arrangements is understood by this large stakeholder group.

Service 12: Provision of Financial, Human Resources Services and Online Services

The Department's Shared Services Centre is responsible for providing shared services to general government agencies across the sector in finance, procurement, human resource, payroll services and online services.

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service ^{(a)(c)}	24,303	47,614	41,034	58,055	
<i>Less Income</i>	2,528	18,590	6,661	7,903	
Net Cost of Service ^(a)	21,775	29,024	34,373	50,152	
Adjustments ^(b)	(3,867)	-	1,268	867	
Appropriation for Delivery of Service ^(a)	17,908	29,024	35,641	51,019	

(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 2006-07 Actuals. A reconciliation identifying the impact of this adjustment has been inserted after the financial statements.

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

(c) The full year impact of Oracle Payroll will result in an increase in costs applicable to this service.

Key Efficiency Indicators

	2006-07 Actual	2007-08 Budget	2007-08 Estimated	2008-09 Target	Reason for Significant Variation between 2007-08 Estimated and 2008-09 Target
Cost of Financial Services per client agency (\$million) ^(a)	\$1.42	\$23.81	\$1.33	\$1.32	
Cost of Human Resources Services per client agency (\$million) ^(b)	\$0.76	\$20.23	\$1.04	\$1.17	
Cost of Online Services per client agency.....	\$42,929	\$43,431	\$43,431	\$40,610	
Full Time Equivalents (FTEs)	203	300	215	246	

(a) This key efficiency indicator has changed to reflect the cost per client agency per service compared to the cost per service.

(b) The full year impact of the depreciation in relation to the Human Resources module has impacted on the charge out rate, as the module became operational in November 2007, thus only a part year impact in 2007-08. It should be noted that during 2006-07 Shared Services did not have any agencies receiving Oracle payroll services. Therefore, staffing and costs applicable did not start to be incurred until 2007-08.

Major Achievements For 2007-08

- Expanded business operations and the delivery of financial services to 23 agencies. These services include accounts payable, accounts receivable, asset management, cash management budgeting and forecasting, general ledger, procurement, and taxation.
- Commenced provision of fully integrated service delivery to two client agencies. This achievement demonstrates the successful implementation of an integrated finance, procurement, human resource and payroll services under the Oracle e-Business System.
- Expanded the delivery of human resource services to ten agencies, including payroll services (using existing agency payroll systems) and organisational data management.
- Continued to develop the Customer Service Centre as the primary contact point for all customer service requests, enquiries and e-Business issues. This includes establishment of a centre knowledge reference group focusing on customer facing issues, solutions and improvement strategies.
- Refined performance measurement and reporting process for the Department's Shared Services Centre.
- Continued to grow its client agency base in providing aggregated services in video-conferencing, Internet and networking and online web application services.

Major Initiatives For 2008-09

- Expand business operations through the delivery of fully integrated finance, human resource and payroll services to a growing number of client agencies.
- Engage with agencies as they prepare for their roll-in to the e-Business System. This continues to be a significant process involving close partnerships between agencies and the Department's Shared Service Centre. The roll-in process involves the integration of business process, policies, technology, data, training and people components.
- Commence a National benchmarking exercise for shared services through the Australian Shared Services Benchmarking Association and cross-jurisdictional benchmarking in cooperation with the New South Wales Department of Commerce.
- Continue to facilitate and deliver Internet, networking, conferencing and online services to Government, including transitioning client agencies not already connected to ServiceNet, merging services with State broadband, promote and grow Video over Internet Protocol services.

CAPITAL WORKS PROGRAM

The Department's planned capital works program for 2008-09 is \$208.0 million comprising of \$56.3 million for works in progress and \$151.7 million for new works. The key projects include:

- \$49 million for the ongoing development of the Oracle Business Systems. The expenditure during the year will include continued development and implementation of financial, human resource and corporate services modules and transition costs associated with agency roll-in to the shared service environment;
- \$2 million for redevelopment and enhancement of the Strategic Information Management System to provide crucial business tools to generate the information necessary to facilitate whole-of-government budget management and financial reporting;
- \$4.9 million to facilitate the replacement of the Revenue Collection Information System, which is the core revenue information system and supports the administration of the State's core revenue base; and
- \$148.9 million to facilitate the ongoing State Fleet vehicle replacement and acquisition program.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-08 \$'000	Estimated Expenditure 2007-08 \$'000	Estimated Expenditure 2008-09 \$'000
WORKS IN PROGRESS				
Computing and Office Equipment Replacement				
2004-05 to 2014-15 Online Technologies	3,644	1,352	832	55
Shared Services Establishment	199,015	84,962	22,231	49,337
Software Development				
Revenue Collection Information System Replacement.....	20,677	384	384	4,962
Strategic Information Management System	4,945	1,031	911	2,001
COMPLETED WORKS				
Computing and Office Equipment Replacement				
2006-07 Program	1,565	1,565	128	-
2007-08 Program	470	470	470	-
Information Technology 2007-08 PC Replacement Program	350	350	350	-
Confer West Stage 3	350	350	350	-
Gem Procurement	3,300	3,300	150	-
Procurement Reforms Project.....	26,988	26,988	5,171	-
Procurement Systems Replacement - 2008-09 Program.....	450	450	450	-
Software Development - Treasury Information Management System	2,880	2,880	646	-
NEW WORKS				
Computing and Office Equipment Replacement - 2008-09 Program.....	445	-	-	445
Information Technology 2008-09 PC Replacement Program	400	-	-	400
Procurement Systems Replacement - 2008-09 Program.....	450	-	-	450
Vehicle Acquisitions - 2008-09 Program.....	148,864	-	-	148,864
Works Centre of Expertise.....	4,000	-	-	1,500
	418,793	124,082	32,073	208,014

CAPITAL CONTRIBUTION

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS							
Total Cost of Capital Works Program	33,053	24,693	32,073	208,014	198,036	181,826	165,666
Working capital requirement							
Loan and Other Repayments	-	-	-	3,728	4,499	4,613	12,290
	33,053	24,693	32,073	211,742	202,535	186,439	177,956
LESS							
Asset Sales	-	-	-	85,059	84,635	84,108	84,109
Drawdowns from the Holding Account	2,241	4,077	3,807	6,291	5,895	5,953	3,732
Funding Included in Service Appropriations ^(a)	8,583	2,875	2,875	1,055	1,081	1,110	-
Internal Funds and Balances	(3,898)	-	5,830	67,533	71,930	76,141	79,024
Capital Contribution	26,127	17,741	19,561	51,804	38,994	19,127	11,091

(a) Capital works expensed through the Income Statement.

FINANCIAL STATEMENTS

INCOME STATEMENT
(Controlled)

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
COST OF SERVICES							
Expenses							
Employee benefits expenses ^(a)	59,042	68,843	64,848	78,695	82,823	84,599	94,363
Superannuation	7,000	4,874	4,912	5,003	5,014	5,018	5,020
Supplies and services	37,129	49,467	56,750	62,100	61,096	58,101	56,462
Accommodation	8,513	7,284	11,484	13,889	14,484	15,088	15,738
Finance costs	-	-	-	15,755	16,105	16,455	16,805
Capital user charge ^(b)	5,528	-	-	-	-	-	-
Depreciation and amortisation	10,392	10,050	11,102	78,516	84,584	90,375	95,567
Loss on disposal of non-current assets	12	-	-	-	-	-	-
Service delivery agreement	-	-	-	400	400	400	400
Other expenses	3,002	7,437	3,547	4,463	5,227	6,075	7,069
TOTAL COST OF SERVICES	130,618	147,955	152,643	258,821	269,733	276,111	291,424
Income							
User charges and fees	7,800	21,478	8,594	94,924	102,849	117,380	135,033
Interest revenue	-	-	-	316	311	309	306
Other revenue	2,235	4,451	5,131	5,900	5,720	5,647	5,663
Total Income	10,035	25,929	13,725	101,140	108,880	123,336	141,002
NET COST OF SERVICES ^(b)	120,583	122,026	138,918	157,681	160,853	152,775	150,422
INCOME FROM STATE GOVERNMENT							
Service appropriations ^(b)	96,966	109,096	125,566	149,097	156,233	148,689	144,866
Resources received free of charge	11,298	12,024	12,024	12,617	13,245	13,284	13,284
Liabilities assumed by the Treasurer	1,061	720	720	720	720	720	720
TOTAL INCOME FROM STATE GOVERNMENT	109,325	121,840	138,310	162,434	170,198	162,693	158,870
SURPLUS/(DEFICIENCY) FOR THE PERIOD	(11,258)	(186)	(608)	4,753	9,345	9,918	8,448
CHANGE IN SURPLUS/(DEFICIENCY) FOR THE PERIOD AFTER EXTRAORDINARY ITEMS	(11,258)	(186)	(608)	4,753	9,345	9,918	8,448

(a) The Full Time Equivalents (FTEs) for 2006-07 Actual, 2007-08 Estimated Actual and 2008-09 Estimate are 1,101, 1,153 and 1,209 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)**

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
CURRENT ASSETS							
Cash and cash equivalents	16,226	17,284	8,984	19,625	19,889	20,285	19,533
Restricted cash	655	-	874	1,135	1,422	1,720	2,056
Receivables	14,365	3,948	15,200	22,644	21,332	21,229	21,045
Interest receivable	-	-	-	103	103	103	103
Amounts receivable for services.....	1,214	1,801	1,793	9,434	19,332	32,644	50,688
Prepayments	-	498	7	176	176	176	176
Total current assets	32,460	23,531	26,858	53,117	62,254	76,157	93,601
NON-CURRENT ASSETS							
Amounts receivable for services.....	16,819	29,428	24,535	21,756	27,678	32,735	32,865
Receivables	-	-	-	1,317	937	732	507
Plant and equipment.....	3,537	32,349	9,272	288,651	286,354	287,126	280,647
Intangibles	70,986	53,240	66,419	58,966	48,251	32,340	17,758
Other.....	1,702	7,696	16,336	59,646	100,057	122,163	133,041
Total non-current assets.....	93,044	122,713	116,562	430,336	463,277	475,096	464,818
TOTAL ASSETS.....	125,504	146,244	143,420	483,453	525,531	551,253	558,419
CURRENT LIABILITIES							
Payables ^(a)	2,908	3,749	1,638	13,644	13,889	14,234	14,234
Provision for employee entitlements	18,096	16,955	18,818	18,956	18,956	18,956	18,956
Borrowings.....	-	-	-	67,995	65,995	63,995	63,995
Interest payable	-	-	-	632	632	632	632
Accrued salaries	194	786	332	424	423	561	561
Other.....	5,403	1,496	6,173	7,781	5,878	6,685	6,685
Total current liabilities.....	26,601	22,986	26,961	109,432	105,773	105,063	105,063
NON-CURRENT LIABILITIES							
Provision for employee entitlements	3,397	6,634	4,767	4,637	4,534	4,534	4,534
Borrowings.....	-	-	-	158,488	155,989	153,376	141,086
Other.....	1,919	-	1,919	1,919	1,919	1,919	1,919
Total non-current liabilities	5,316	6,634	6,686	165,044	162,442	159,829	147,539
TOTAL LIABILITIES.....	31,917	29,620	33,647	274,476	268,215	264,892	252,602
EQUITY							
Contributed equity	107,768	125,909	124,562	219,013	258,007	277,134	288,142
Accumulated surplus/(deficit)	(14,181)	(9,285)	(14,789)	(10,036)	(691)	9,227	17,675
Total equity.....	93,587	116,624	109,773	208,977	257,316	286,361	305,817
TOTAL LIABILITIES AND EQUITY	125,504	146,244	143,420	483,453	525,531	551,253	558,419

(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)

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
CASHFLOWS FROM STATE GOVERNMENT							
Service appropriations	90,808	99,046	113,964	131,344	134,918	124,767	118,899
Capital contribution	26,127	17,741	19,561	51,804	38,994	19,127	11,091
Holding account drawdowns	2,241	4,077	3,807	6,291	5,895	5,953	3,732
Net cash provided by State Government.....	119,176	120,864	137,332	189,439	179,807	149,847	133,722
CASHFLOWS FROM OPERATING ACTIVITIES							
Payments							
Employee benefits.....	(51,019)	(66,613)	(61,618)	(72,541)	(80,977)	(84,711)	(94,575)
Superannuation	(5,795)	(4,154)	(4,192)	(4,287)	(4,294)	(4,298)	(4,300)
Consultancies payments.....	(1,065)	-	-	-	-	-	-
Supplies and services	(40,262)	(38,028)	(48,078)	(51,946)	(50,667)	(51,571)	(49,932)
Accommodation.....	(8,878)	(7,284)	(11,484)	(13,514)	(14,019)	(14,773)	(15,423)
Finance costs	-	-	-	(15,755)	(16,105)	(16,455)	(16,805)
Capital user charge ^(a)	(6,609)	-	-	-	-	-	-
Goods and services tax	(5,932)	(5,484)	(5,484)	(21,627)	(20,891)	(21,038)	(21,038)
Service delivery agreement.....	-	-	-	(400)	(400)	(400)	(400)
Other.....	(2,647)	(6,503)	(3,113)	(3,969)	(4,646)	(5,391)	(6,285)
Receipts							
User charges and fees.....	8,587	19,337	6,453	93,961	101,886	117,280	134,933
Interest received	-	-	-	316	311	309	306
Goods and services tax	5,574	5,484	5,484	21,627	20,891	21,163	21,163
Other receipts	-	5,051	5,731	6,500	6,320	10,906	10,922
Net cash from operating activities.....	(108,046)	(98,194)	(116,301)	(61,635)	(62,591)	(48,979)	(41,434)
CASHFLOWS FROM INVESTING ACTIVITIES							
Purchase of non-current assets.....	(9,031)	(20,021)	(28,054)	(206,959)	(196,855)	(179,691)	(164,566)
Purchase of investments.....	-	(150)	-	-	-	-	-
Proceeds from sale of non-current assets	-	-	-	85,059	84,635	84,108	84,109
Net cash from investing activities.....	(9,031)	(20,171)	(28,054)	(121,900)	(112,220)	(95,583)	(80,457)
CASHFLOWS FROM FINANCING ACTIVITIES							
Repayment of borrowings.....	-	-	-	(3,728)	(4,499)	(4,613)	(12,290)
Other proceeds from financing activities.....	-	-	-	52	54	22	43
Net cash from financing activities	-	-	-	(3,676)	(4,445)	(4,591)	(12,247)
NET INCREASE/(DECREASE) IN CASH HELD	2,099	2,499	(7,023)	2,228	551	694	(416)
Cash assets at the beginning of the reporting period	51,304	13,127	16,881	9,858	20,760	21,311	22,005
Net cash transferred to/from other agencies.....	(36,522)	(2,767)	-	8,674	-	-	-
Cash assets at the end of the reporting period.....	16,881	12,859	9,858	20,760	21,311	22,005	21,589

(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

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
EXPENSES							
Total Cost of Services as per Income Statement	130,618	147,955	152,643	258,821	269,733	276,111	291,424
Less Capital User Charge.....	5,528	-	-	-	-	-	-
Adjusted Total Cost of Services	125,090	147,955	152,643	258,821	269,733	276,111	291,424
APPROPRIATIONS							
Net Amount Appropriated to Deliver Services	96,966	109,096	125,566	149,097	156,233	148,689	144,866
Less Appropriation Capital User Charge	5,528	-	-	-	-	-	-
Adjusted Net Amount Appropriated to Deliver Services	91,438	109,096	125,566	149,097	156,233	148,689	144,866

SCHEDULE OF ADMINISTERED EXPENSES AND INCOME

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
EXPENSES							
Superannuation	508,099	489,907	489,907	429,146	437,055	443,055	449,055
Interest.....	70,909	76,449	79,446	81,627	76,727	72,775	78,424
Appropriations	12,385,593	12,005,199	12,370,928	13,578,556	14,331,638	14,706,260	15,224,072
Grants, subsidies and transfers	1,113,815	1,142,794	1,154,900	1,202,497	1,225,451	1,308,366	1,349,699
Other expenses	71,149	43,205	27,142	14,305	15,104	15,942	16,631
TOTAL ADMINISTERED EXPENSES (a)	14,149,565	13,757,554	14,122,323	15,306,131	16,085,975	16,546,398	17,117,881
INCOME							
Sales of goods and services	42,397	37,790	21,264	7,985	8,184	8,389	8,389
Taxation	5,062,745	4,785,278	5,655,159	5,674,681	6,026,084	6,356,343	6,894,829
Commonwealth grants	4,811,265	4,796,659	4,875,559	4,839,196	4,754,102	4,493,344	4,335,191
Government Enterprises:							
- dividends.....	421,355	441,148	490,967	476,349	536,046	542,993	573,847
- income tax - Tax Equivalent Regime.....	317,151	314,706	320,936	323,068	356,103	352,823	393,352
- Local Government Rates Equivalent Regime	6,071	13,196	12,096	13,044	13,863	14,098	14,874
Net assets transferred in.....	6,100	-	-	-	-	-	-
Other revenue	5,357,223	4,610,118	4,532,913	5,583,366	5,891,436	5,889,833	5,411,556
TOTAL ADMINISTERED INCOME (b)	16,024,307	14,998,895	15,908,894	16,917,689	17,585,818	17,657,823	17,632,038

(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

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
ADMINISTERED CURRENT ASSETS							
Cash resources.....	2,765,723	2,314,492	2,778,862	2,441,893	2,838,723	3,316,302	2,675,215
Investments	112,996	70,154	112,102	111,159	110,162	109,110	108,107
Treasurer's Advance	6,312	12,534	5,227	4,959	4,170	4,392	4,019
Interest receivable	23,899	41,082	26,579	29,512	32,502	35,431	38,344
Pension recoups receivable.....	1,352	1,238	1,300	1,300	1,300	1,301	1,301
Government enterprises:							
- dividends receivable	1,502	7,473	3,157	5,679	7,249	7,402	8,976
- tax equivalents receivable.....	109,974	72,737	143,255	101,564	115,279	106,311	154,588
Revenue received from agencies receivable..	10,252	4,152	4,152	4,152	4,152	4,152	4,152
Capital ledgers.....	10,950	11,259	10,284	29,024	110,132	5,537	4,796
Other receivables	403,463	282,565	403,463	403,463	403,463	403,463	403,463
Total Administered Current Assets	3,446,423	2,817,686	3,488,381	3,132,705	3,627,132	3,993,401	3,402,961
ADMINISTERED NON-CURRENT ASSETS							
Investments	202,360	271,108	202,360	202,360	202,360	202,360	202,360
Capital ledgers and other repayable borrowings.....	96,387	135,595	109,814	150,867	63,760	57,371	52,351
Equity in agencies	6,066,456	7,906,426	7,857,619	10,106,254	11,686,395	13,117,578	14,881,200
Total Administered Non-Current Assets	6,365,203	8,313,129	8,169,793	10,459,481	11,952,515	13,377,309	15,135,911
TOTAL ADMINISTERED ASSETS.....	9,811,626	11,130,815	11,658,174	13,592,186	15,579,647	17,370,710	18,538,872
ADMINISTERED CURRENT LIABILITIES							
Borrowings	-	-	-	-	-	-	-
Superannuation.....	33,417	32,834	33,417	33,417	33,417	33,417	33,417
Interest payable	16,759	26,892	25,220	23,898	29,563	44,427	54,117
Appropriations payable.....	160,454	124,864	131,266	144,505	171,203	169,706	155,180
Trust account liabilities.....	1,726,005	1,260,995	1,373,263	1,241,033	1,075,115	1,058,427	1,035,377
Other payables.....	85,351	14,508	85,353	84,791	84,205	83,714	83,233
Total Administered Current Liabilities.....	2,021,986	1,460,093	1,648,519	1,527,644	1,393,503	1,389,691	1,361,324
ADMINISTERED NON-CURRENT LIABILITIES							
Borrowings.....	-	100,000	-	-	-	-	-
Superannuation.....	5,457,844	5,334,692	5,321,575	5,070,145	4,953,334	4,819,943	4,695,873
Appropriations payable.....	2,497,709	3,132,773	3,150,205	3,814,458	4,511,040	5,244,694	6,025,657
Trust account liabilities.....	63,829	31,305	36,153	48,646	61,792	75,929	91,740
Other liabilities.....	33,868	43,301	33,884	29,646	25,230	21,522	17,903
Total Administered Non-Current Liabilities	8,053,250	8,642,071	8,541,817	8,962,895	9,551,396	10,162,088	10,831,173
TOTAL ADMINISTERED LIABILITIES	10,075,236	10,102,164	10,190,336	10,490,539	10,944,899	11,551,779	12,192,497

SCHEDULE OF ADMINISTERED PAYMENTS AND RECEIPTS

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
CASH OUTFLOWS FROM ADMINISTERED TRANSACTIONS							
Operating Activities							
Appropriations	(11,723,778)	(11,241,596)	(11,559,471)	(12,747,030)	(13,422,992)	(13,802,482)	(14,301,987)
Grants, subsidies and transfers	(1,115,873)	(1,131,503)	(1,148,408)	(1,195,961)	(1,243,058)	(1,315,188)	(1,356,741)
Superannuation	(469,519)	(626,176)	(626,176)	(680,576)	(553,866)	(576,446)	(573,125)
Interest.....	(63,792)	(68,969)	(81,376)	(71,117)	(58,867)	(56,215)	(57,494)
Other payments	(43,738)	(43,170)	(26,248)	(13,362)	(14,107)	(14,890)	(15,628)
Financing Activities							
Net change in Treasurer's Advance.....	10,153	2,297	1,045	268	789	(222)	373
Repayment of borrowings.....	(49,318)	-	-	-	-	-	-
Accrual appropriations receivable paid to agencies	(177,445)	(163,455)	(166,343)	(136,048)	(141,483)	(158,670)	(142,833)
Other payments	(7,600)	(60,678)	(27,571)	(70,937)	(23,869)	(1,166)	-
Net movement in trust account balances and other financing transactions	3,341	(91,784)	(380,418)	(119,737)	(152,772)	(2,551)	(7,239)
Investing Activities							
Equity/capital contribution payments.....	(2,282,311)	(1,748,281)	(1,816,230)	(2,248,633)	(1,580,141)	(1,431,163)	(1,763,900)
TOTAL ADMINISTERED CASH OUTFLOWS	(15,919,880)	(15,173,315)	(15,831,196)	(17,283,133)	(17,190,366)	(17,358,993)	(18,218,574)
CASH INFLOWS FROM ADMINISTERED TRANSACTIONS							
Operating Activities							
Sale of goods and services	42,397	37,790	21,264	7,985	8,184	8,389	8,389
Taxation.....	4,972,327	4,785,278	5,655,159	5,674,681	6,026,084	6,356,343	6,894,829
Commonwealth grants	4,811,265	4,783,959	4,862,859	4,825,596	4,764,412	4,492,654	4,334,501
Government enterprises							
- dividends.....	425,673	440,229	489,850	473,555	533,475	539,767	571,408
- income tax - Tax Equivalent Regime	285,000	336,859	284,847	370,397	353,449	360,221	346,921
- Local Government Rates Tax Equivalent Regime	5,918	13,198	12,096	13,044	13,863	14,098	14,874
Consolidated Account revenue received from agencies	3,851,047	4,275,597	4,154,364	5,204,918	5,503,218	5,492,640	5,044,484
Capital user charge.....	1,150,264	-	-	-	-	-	-
Interest.....	172,586	152,252	205,395	183,439	175,423	203,519	160,843
Loan guarantee fees	15,214	17,218	17,749	20,422	22,244	23,546	24,220
Pension recoups.....	14,542	13,385	14,370	14,176	14,481	14,842	15,208
Other operating receipts.....	147,143	143,769	149,832	148,910	148,164	147,474	155,881
Financing Activities							
Proceeds from borrowings.....	-	100,000	-	-	-	-	-
Capital ledgers repaid by agencies	12,946	11,806	11,810	11,144	9,935	8,234	5,761
Other receipts	109,680	9,530	6,100	-	19,934	103,916	-
TOTAL ADMINISTERED CASH INFLOWS.....	16,016,002	15,120,870	15,885,695	16,948,267	17,592,866	17,765,643	17,577,319
NET CASH INFLOWS/(OUTFLOWS) FROM ADMINISTERED TRANSACTIONS.....	96,122	(52,445)	54,499	(334,866)	402,500	406,650	(641,255)

DETAILS OF THE ADMINISTERED TRANSACTIONS EXPENSES

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
Superannuation	508,099	489,907	489,907	429,146	437,055	443,055	449,055
Interest	70,909	76,449	79,446	81,627	76,727	72,775	78,424
Appropriations for:							
Outputs	10,915,282	10,508,312	10,885,910	11,973,497	12,330,996	12,633,518	13,108,425
Salaries and allowances	59,255	61,366	64,920	67,678	69,494	71,462	73,592
Community Services Obligations:							
Electricity Retail Corporation (Synergy).....	36,590	36,004	36,004	31,400	317,744	341,889	271,168
Forest Products Commission	2,370	2,370	2,370	3,370	3,370	3,370	3,370
Regional Power Corporation (Horizon Power)	15,422	23,900	23,991	37,108	39,777	41,620	43,788
Water Corporation	359,953	385,110	399,363	445,784	469,412	471,522	489,482
Western Australian Land Authority.....	24,330	33,982	39,482	25,846	27,092	27,112	26,952
Total community service obligations	438,665	481,366	501,210	543,508	857,395	885,513	834,760
Other appropriations	972,391	954,155	918,888	993,873	1,073,753	1,115,767	1,207,295
Total appropriations	12,385,593	12,005,199	12,370,928	13,578,556	14,331,638	14,706,260	15,224,072
Grants, subsidies and transfers							
Acts of Grace Payments.....	-	1	2	2	2	2	2
Aerial Shark Surveillance Program	162	177	177	185	194	204	214
ANZAC Day Trust.....	300	300	300	300	300	300	300
Armadale Redevelopment Authority.....	2,750	1,200	1,450	1,720	1,790	1,810	1,830
Broome Port Authority	1,293	420	420	405	405	405	405
City of Subiaco	6,100	-	-	-	-	-	-
Commonwealth grants on-passed.....	1	690	690	690	690	690	690
Consumer Utilities Program (WACOSS).....	170	170	170	170	-	-	-
Department for Child Protection	-	7,550	5,788	15,300	14,200	28,300	-
Department for Communities	-	1,150	981	401	421	441	-
Department of Indigenous Affairs	-	-	-	4,928	3,274	2,862	3,106
Electricity Generation Corporation (Verve Energy) - Part Reimbursement of Land Sales	-	158	158	1	-	-	-
First Home Owners Scheme	87,338	114,500	118,500	111,000	108,000	112,000	115,000
Gold Corporation Act 1987	21	30	30	30	30	30	30
GST administration.....	61,760	65,300	61,700	65,300	64,700	65,800	67,100
HIH Insurance - Assistance to Local Government.....	200	100	100	-	-	-	-
HIH Insurance Rescue Package.....	-	433	220	220	-	-	-
Incidentals	-	1	38	38	38	38	38
Life Support Equipment Electricity Subsidy Scheme	401	560	560	560	616	616	616
Local Government Financial Assistance							
Grants	115,706	121,813	122,213	128,290	133,200	138,500	143,900
Local Government Road Funding	79,230	83,004	83,104	86,489	89,900	93,400	97,100
Matrix Fleet Leasing – Tax Settlement	-	-	14,000	-	-	-	-
Non-government schools	584,311	582,205	567,705	605,847	645,200	692,600	743,400
Office of Health Review	1,430	1,443	1,619	1,640	1,624	1,646	1,699
On-road diesel subsidies	8,403	8,900	8,900	9,120	9,330	9,440	9,553
Pensioner Concessions - Emergency Services Levy.....	7,664	10,114	10,114	10,809	11,100	11,391	11,391
Pensioner Concessions - Local government and water rates	48,303	55,640	55,640	59,430	63,350	67,151	71,180
Public swimming pools - operating costs subsidy.....	310	300	300	300	300	300	300
Refund of past years revenue - all other	51,465	34,000	47,000	39,800	33,000	34,000	35,300
Refund of past years revenue collections - public corporations.....	10,390	500	4,284	5,000	5,000	5,000	5,000
Rottne Island Authority	2,583	2,200	2,200	2,200	2,200	2,200	2,200
Stamp duty concessions on farming properties	13	250	250	100	-	-	-
Stamp Duty Rebate Scheme	2,966	-	-	-	-	-	-
State Property - Emergency Services Levy	8,931	9,000	11,952	12,000	12,000	14,000	14,000
Thermoregulatory Dysfunction Energy Subsidy Scheme	70	500	500	500	550	550	550
Tobacco Control Act 1990.....	18,179	18,635	18,635	19,110	19,547	20,020	20,020

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
Unclaimed Money Act 1990.....	956	750	750	750	750	750	750
Unclaimed Money (Superannuation and RSA Providers) Act 2003.....	176	100	350	50	40	20	-
Water Corporation of Western Australia - Part Reimbursement of Land Sales.....	47	700	700	800	900	1,000	1,025
Water Corporation of Western Australia - State Water Strategy Rebate Scheme.....	7,486	9,000	9,000	9,000	-	-	-
Western Australian Building Management Authority - Interest.....	4,700	4,000	4,400	312	-	-	-
Wine Equalisation Tax Rebate.....	-	7,000	-	9,700	2,800	2,900	3,000
Total grants, subsidies and transfers.....	1,113,815	1,142,794	1,154,900	1,202,497	1,225,451	1,308,366	1,349,699
Other expenses							
Services and contracts.....	31,799	30,000	13,474	-	-	-	-
Other.....	39,350	13,205	13,668	14,305	15,104	15,942	16,631
Total other expenses.....	71,149	43,205	27,142	14,305	15,104	15,942	16,631
TOTAL.....	14,149,565	13,757,554	14,122,323	15,306,131	16,085,975	16,546,398	17,117,881

DETAILS OF THE ADMINISTERED TRANSACTIONS INCOME

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
Sales of goods and services.....	42,397	37,790	21,264	7,985	8,184	8,389	8,389
Taxation							
Betting tax.....	69,750	29,278	31,559	34,581	37,284	40,143	43,029
Land tax.....	393,427	434,100	425,000	561,500	614,300	676,700	743,200
Metropolitan Region Improvement tax.....	64,995	78,100	78,000	85,800	94,300	103,800	114,200
Payroll tax.....	1,607,590	1,724,200	1,961,300	2,126,500	2,263,200	2,459,400	2,665,700
Transfer duty.....	2,078,394	1,718,200	2,292,600	1,947,000	2,023,400	1,994,600	2,138,700
Landholder duty.....	-	-	-	143,900	150,300	160,500	171,700
Total duty on transfers.....	2,078,394	1,718,200	2,292,600	2,090,900	2,173,700	2,155,100	2,310,400
Insurance duty.....	308,838	324,800	353,000	388,000	427,000	470,000	517,000
Vehicle License duty.....	392,613	366,800	395,600	376,300	415,000	450,200	499,900
Stamp duty - mortgages.....	120,635	108,100	116,400	9,700	-	-	-
Stamp duty - rental business.....	23,722	300	400	-	-	-	-
Stamp duty - other.....	2,781	1,400	1,300	1,400	1,300	1,000	1,400
Total taxation.....	5,062,745	4,785,278	5,655,159	5,674,681	6,026,084	6,356,343	6,894,829
Commonwealth grants							
Commonwealth mirror taxes.....	20,982	22,476	22,476	23,970	25,512	27,154	28,901
Compensation (companies regulation).....	17,148	17,671	17,371	17,910	18,300	18,800	19,300
Competition reform.....	-	-	4,000	-	-	-	-
GST grants.....	3,968,065	3,950,800	4,040,000	3,956,800	3,821,600	3,501,800	3,280,800
Local Government (financial assistance grants).....	115,706	121,813	122,213	128,290	133,200	138,500	143,900
Local Government (road funding).....	79,230	83,004	83,104	86,489	89,900	93,400	97,100
Non-Government schools.....	584,311	582,205	567,705	605,847	645,200	692,600	743,400
Pensioner concession assistance.....	17,644	18,000	18,000	19,200	19,700	20,400	21,100
Other.....	8,179	690	690	690	690	690	690
Total Commonwealth grants.....	4,811,265	4,796,659	4,875,559	4,839,196	4,754,102	4,493,344	4,335,191
GOVERNMENT ENTERPRISES							
Dividends							
Albany Port Authority.....	-	555	555	397	834	1,096	1,192
Broome Port Authority.....	-	772	772	692	604	604	604
Bunbury Port Authority.....	-	2,037	2,037	2,724	3,345	3,236	3,236
Dampier Port Authority.....	478	279	1,160	1,630	1,789	1,804	1,794
Electricity Generation Corporation (Verve Energy).....	-	-	-	-	2,273	23,767	51,677

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
Electricity Networks Corporation (Western Power)	25,664	47,703	33,809	26,330	33,226	48,489	71,991
Electricity Retail Corporation (Synergy).....	1,034	6,711	21,578	16,922	18,132	18,829	22,091
Esperance Port Authority.....	1,504	2,148	2,148	3,279	3,094	2,827	4,737
Forest Products Commission	2,700	666	666	883	1,206	1,267	2,005
Fremantle Port Authority.....	4,891	3,907	6,030	5,330	4,862	5,629	1,988
Geraldton Port Authority	733	375	375	2,799	6,752	10,642	10,642
Gold Corporation	2,904	2,505	4,233	2,886	2,361	3,139	4,132
Port Hedland Port Authority	1,605	2,369	2,369	5,172	5,227	5,227	5,227
Regional Power Corporation (Horizon Power)	-	-	-	-	-	9,770	11,125
Subiaco Redevelopment Authority.....	-	7,000	-	-	14,000	-	-
Water Corporation of Western Australia.....	355,940	343,226	386,976	386,579	409,570	377,962	353,308
Western Australian Land Authority	18,751	17,751	23,291	17,751	26,118	26,118	25,118
Western Australian Treasury Corporation	5,151	3,144	4,968	2,975	2,653	2,587	2,980
Total dividends	421,355	441,148	490,967	476,349	536,046	542,993	573,847
Income Tax Equivalent Regime							
Albany Port Authority	1,025	427	427	894	1,176	1,315	1,283
Broome Port Authority	498	458	458	469	481	481	481
Bunbury Port Authority	2,266	2,006	2,006	2,683	3,295	2,774	2,774
Bunbury Water Board.....	835	511	538	193	273	246	282
Busselton Water Board.....	918	301	792	819	986	1,006	1,006
Dampier Port Authority	1,101	239	995	1,397	1,533	1,546	1,538
Electricity Generation Corporation (Verve Energy).....	7,228	-	-	-	-	-	-
Electricity Networks Corporation (Western Power)	9,609	38,642	41,986	21,276	34,460	40,060	74,610
Electricity Retail Corporation (Synergy).....	22,447	5,753	6,400	19,801	22,234	23,124	24,470
Esperance Port Authority.....	462	1,841	1,841	2,810	2,652	2,423	4,060
Forest Products Commission	595	-	-	-	-	-	-
Fremantle Port Authority	5,298	5,062	5,062	4,732	5,436	2,176	3,103
Geraldton Port Authority	(3,866)	2,399	2,399	5,787	9,121	9,190	9,190
Gold Corporation	2,859	2,022	2,061	1,687	2,242	2,714	2,952
Insurance Commission of Western Australia...	19,301	23,287	16,959	19,790	12,144	11,736	10,586
Land Information Authority	1,061	1,215	1,215	2,042	2,965	4,268	4,709
Port Hedland Port Authority	1,089	2,030	2,030	2,976	4,481	4,481	4,481
Regional Power Corporation (Horizon Power)	1,075	-	-	-	-	-	-
Water Corporation of Western Australia.....	203,357	195,950	192,214	203,688	206,522	182,952	189,021
Western Australian Land Authority	35,736	30,204	41,003	29,750	43,884	59,777	56,166
Western Australian Treasury Corporation	4,257	2,359	2,550	2,274	2,218	2,554	2,640
Total Income Tax Equivalent Regime	317,151	314,706	320,936	323,068	356,103	352,823	393,352
Local Government Rates Equivalent							
Albany Port Authority	187	95	95	97	100	104	108
Broome Port Authority	6	5	5	5	5	5	5
Bunbury Port Authority	189	186	186	191	210	220	220
Dampier Port Authority	13	14	16	17	17	18	19
Electricity Generation Corporation (Verve Energy)	165	589	165	165	165	165	165
Electricity Networks Corporation (Western Power)	-	4,532	4,538	4,663	4,779	4,899	5,036
Esperance Port Authority.....	263	90	90	90	95	100	275
Fremantle Port Authority	182	274	274	248	260	273	287
Geraldton Port Authority	172	160	160	160	160	160	160
Gold Corporation	438	110	110	110	110	110	110
Perth Market Authority.....	80	165	165	170	175	180	195
Port Hedland Port Authority.....	267	233	233	242	252	252	252
Water Corporation of Western of Australia	3,054	3,200	3,200	3,312	3,428	3,514	3,601
Western Australian Land Authority	1,055	3,543	2,859	3,574	4,107	4,098	4,441
Total Local Government Rates Equivalent	6,071	13,196	12,096	13,044	13,863	14,098	14,874
Total Government Enterprises	744,577	769,050	823,999	812,461	906,012	909,914	982,073
Other revenue							
Consolidated Fund revenue received from agencies	3,849,416	4,275,576	4,154,343	5,204,899	5,503,218	5,491,564	5,043,434
Capital user charge.....	1,144,728	-	-	-	-	-	-
Interest.....	174,977	162,052	198,454	196,887	205,305	214,481	174,996

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
Pension recoups	14,447	11,503	12,535	12,248	12,505	12,768	13,025
Loan guarantee fees	16,999	17,218	17,749	20,422	22,244	23,546	24,220
Gold State superannuation reimbursement.....	123,640	122,458	122,458	120,948	119,457	117,984	125,653
Other revenue.....	33,016	21,311	27,374	27,962	28,707	29,490	30,228
Total other revenue	5,357,223	4,610,118	4,532,913	5,583,366	5,891,436	5,889,833	5,411,556
Net assets transferred in							
Net assets transferred in - Subiaco Redevelopment Authority.....	6,100	-	-	-	-	-	-
Total net assets transferred in.....	6,100	-	-	-	-	-	-
TOTAL.....	16,024,307	14,998,895	15,908,894	16,917,689	17,585,818	17,657,823	17,632,038

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:

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000
Corporate Services to Office of Energy and Economic Regulation Authority.....	315	300	200	-
GST Input Credits.....	2,839	3,700	4,999	6,202
GST Receipts on Sales.....	2,735	482	485	15,425
Land Tax Liability Enquiry Fee	2,738	2,750	2,300	2,500
Other Receipts.....	1,940	80	1,687	3,373
Procurement Services	2,958	3,200	3,163	2,827
Revenues from the Executive Vehicle Scheme.....	-	70	98	100
Shared Services Rendered	636	18,590	4,106	7,121
State Fleet Revenues.....	-	700	630	84,856
TOTAL.....	14,161	29,872	17,668	122,404

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

OFFICE OF NATIVE TITLE

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

DIVISION 8

APPROPRIATION AND FORWARD ESTIMATES

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
DELIVERY OF SERVICES							
Item 39 Net amount appropriated to deliver services ^(a)	9,365	30,785	13,070	30,199	16,439	8,738	8,757
Total appropriations provided to deliver services	9,365	30,785	13,070	30,199	16,439	8,738	8,757
GRAND TOTAL	9,365	30,785	13,070	30,199	16,439	8,738	8,757

(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 2006-07 Actuals. A reconciliation identifying the impact of this adjustment has been inserted after the financial statements.

MISSION

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

SIGNIFICANT ISSUES AND TRENDS

- The new Commonwealth Government has signalled its intention to review existing approaches to Native Title.
- There is significant motivation at the State and national levels to resolve Native Title matters by agreement rather than litigation and a preparedness to explore new ways to achieve this.
- Developing alternative strategies for the resolution of Native Title Determination Applications (NTDA) continues to be a key focus for the State.
- Native Title case law continues to impact upon the negotiation of NTDA. The finalisation of three Full Federal Court Decisions in Western Australia will provide greater clarity for the interpretation of High Court principles.
- The resources boom has contributed to increasing demand for access to land for the purpose of exploration and mining.
- The rights and interests of Native Title holders under State Government policies and practices is an issue that warrants clarification.

MAJOR POLICY DECISIONS

Details of major policy decisions impacting on the Office's Income Statement since publication of the 2007-08 Budget to Parliament on 10 May 2007 are outlined below.

	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
South West Area Management Strategy	2,500	2,500	-	-

SERVICE AND APPROPRIATION SUMMARY

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
SERVICES							
<i>Service 1:</i>							
Native Title Policy Development, Implementation and Negotiation	17,766	43,145	14,434	40,008			
Total Cost of Services ^(a)	17,766	43,145	14,434	40,008	29,007	9,490	9,509
<i>Less Income</i>	8	7	7	7	7	5	5
Net Cost of Services ^(a)	17,758	43,138	14,427	40,001	29,000	9,485	9,504
Adjustments ^(b)	(8,393)	(12,353)	(1,357)	(9,802)	(12,561)	(747)	(747)
Appropriation Provided to Deliver Services ^(a)	9,365	30,785	13,070	30,199	16,439	8,738	8,757
TOTAL CONSOLIDATED ACCOUNT APPROPRIATIONS	9,365	30,785	13,070	30,199	16,439	8,738	8,757

- (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 2006-07 Actuals. 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 Treasurer under Part 3, Division 5 of the *Financial Management Act 2006*.

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

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

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

Outcomes and Key Effectiveness Indicators ^(a)

	2006-07 Actual	2007-08 Budget	2007-08 Estimated	2008-09 Target	Reason for Significant Variation between 2007-08 Estimated and 2008-09 Target
Outcome: Resolution of Native Title matters in accordance with Government Policy.					
Percentage change in number of outstanding claims awaiting resolution	-6.61%	-7.02%	-5.31%	-7.34%	Variance due to impact of estimated number of claims to be resolved in 2007-08 against the impact of the 2008-09 target.
Ratio of consent determinations to litigated determinations.....	13:6	21:6	19:6	27:6	

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

Service 1: Native Title Policy Development, Implementation and Negotiation

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

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

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service ^(a)	17,766	43,145	14,434	40,008	Variation due to the reposition of grants and subsidies from prior years to 2008-09.
<i>Less Income.....</i>	8	7	7	7	
Net Cost of Service ^(a)	17,758	43,138	14,427	40,001	
Adjustments ^(b)	(8,393)	(12,353)	(1,357)	(9,802)	
Appropriation for Delivery of Service ^(a)	9,365	30,785	13,070	30,199	

(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 2006-07 Actuals. 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

	2006-07 Actual	2007-08 Budget	2007-08 Estimated	2008-09 Target	Reason for Significant Variation between 2007-08 Estimated and 2008-09 Target
Average cost per Native Title determination ...	\$198,633	\$198,843	\$322,455	\$300,528	
Average cost per Native Title application managed	\$160,536	\$213,509	\$55,046	\$51,284	
Average time taken to achieve resolution of prioritised Native Title applications	3yrs	2.77yrs	2.77yrs	2.77yrs	
Full Time Equivalents	32	38	38	40	

Major Achievements For 2007-08

- Finalised consent determinations of Native Title in the Ngurrurpa, Ngurrara A, Nyangumarta, Birriburu, Thalanyji and Ngaanyatjarra Lands B Native Title Determination Applications.
- Negotiated a Memorandum of Understanding with the South West Aboriginal Land and Sea Council to progress the resolution of Native Title matters in the South West.
- Signed Statements of Intent with the Ngadju/Narnoobinya people (Goldfields) and the Gnaala Karla Boodja people (South West), to progress the resolution of Native Title matters in their claim areas.
- Major milestones reached in the implementation of the Ord Final Agreement are:
 - transfer of 50,000 hectares of land known as Yardungarrl, to the Mirriuwung Gajerrong people; and
 - publication of Lessons Learned: An Evaluation of the Framework of the Negotiations for the Ord Final Agreement.
- Major milestones in the implementation of the Burrup and Maitland Industrial Estates Agreements include the contracting of an Employment Service Provider.
- Developed a strategy, in collaboration with the Goldfields Land and Sea Council and Central Desert Native Title Services, to manage future acts and the filing of new claims in the former Wongatha area, which is located in the Goldfields and Central Desert regions.

Major Initiatives For 2008-09

- Continue to pursue opportunities for the determination of Native Title in accordance with government policy favouring negotiation rather than litigation, where possible.
- Finalise the negotiations to settle compensation and facilitate future development in the Broome area.
- Participate in the Northern Development Taskforce's activities to select a site, or sites, for a common-user hub in the Kimberley.
- Lead the Native Title negotiations to establish a radio telescope park site in the Murchison region, in support of Australia's bid for the Square Kilometre Array project.
- Continue to lead the implementation of the Ord Final Agreement and the Burrup and Maitland Industrial Estates Agreement.
- Establish efficient future act processes that recognise the rights and interests of Native Title holders in the post-determination environment.

FINANCIAL STATEMENTS

INCOME STATEMENT
(Controlled)

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
COST OF SERVICES							
Expenses							
Employee benefits expenses ^(a)	2,335	2,809	2,809	3,002	2,902	2,845	2,857
Superannuation	249	254	254	274	254	253	253
Grants and subsidies ^(b)	12,620	35,569	8,407	33,445	22,736	3,908	3,759
Consultancies expense	205	-	-	590	590	-	-
Supplies and services	1,903	2,285	2,109	2,023	1,852	1,761	1,878
Accommodation	369	470	470	446	464	489	489
Depreciation and amortisation	34	64	39	39	39	40	40
Other expenses	51	1,694	346	189	170	194	233
TOTAL COST OF SERVICES	17,766	43,145	14,434	40,008	29,007	9,490	9,509
Income							
Gain on disposal of non-current assets	(1)	-	-	-	-	-	-
Other revenue	9	7	7	7	7	5	5
Total Income	8	7	7	7	7	5	5
NET COST OF SERVICES ^(c)	17,758	43,138	14,427	40,001	29,000	9,485	9,504
INCOME FROM STATE GOVERNMENT							
Service appropriations ^(c)	9,379	30,785	13,070	30,199	16,439	8,738	8,757
Resources received free of charge	453	722	722	722	722	722	722
Liabilities assumed by the Treasurer	36	25	25	25	25	25	25
TOTAL INCOME FROM STATE GOVERNMENT	9,868	31,532	13,817	30,946	17,186	9,485	9,504
SURPLUS/(DEFICIENCY) FOR THE PERIOD	(7,890)	(11,606)	(610)	(9,055)	(11,814)	-	-
CHANGE IN SURPLUS/(DEFICIENCY) FOR THE PERIOD AFTER EXTRAORDINARY ITEMS	(7,890)	(11,606)	(610)	(9,055)	(11,814)	-	-

(a) The Full Time Equivalents (FTEs) for 2006-07 Actual, 2007-08 Estimated Actual and 2008-09 Estimate are 32, 38 and 40 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)**

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
CURRENT ASSETS							
Cash and cash equivalents	24,844	12,073	24,543	15,529	3,857	3,897	3,872
Receivables	672	159	402	400	297	297	297
Total current assets	25,516	12,232	24,945	15,929	4,154	4,194	4,169
NON-CURRENT ASSETS							
Amounts receivable for services	182	-	182	182	182	182	182
Receivables	21	-	21	21	21	21	21
Plant and equipment	33	111	16	16	16	6	6
Other	157	163	135	96	57	27	52
Total non-current assets	393	274	354	315	276	236	261
TOTAL ASSETS	25,909	12,506	25,299	16,244	4,430	4,430	4,430
CURRENT LIABILITIES							
Payables ^(a)	989	-	989	989	989	989	989
Provision for employee entitlements	360	262	360	360	360	360	360
Accrued salaries	10	18	10	10	10	10	10
Other	26	-	26	26	26	26	26
Total current liabilities	1,385	280	1,385	1,385	1,385	1,385	1,385
NON-CURRENT LIABILITIES							
Provision for employee entitlements	205	186	205	205	205	205	205
Other	3	2,670	3	3	3	3	3
Total non-current liabilities	208	2,856	208	208	208	208	208
TOTAL LIABILITIES	1,593	3,136	1,593	1,593	1,593	1,593	1,593
EQUITY							
Contributed equity	32,206	31,062	32,206	32,206	32,206	32,206	32,206
Accumulated surplus/(deficit)	(7,890)	(21,692)	(8,500)	(17,555)	(29,369)	(29,369)	(29,369)
Total equity	24,316	9,370	23,706	14,651	2,837	2,837	2,837
TOTAL LIABILITIES AND EQUITY	25,909	12,506	25,299	16,244	4,430	4,430	4,430

(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)**

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
CASHFLOWS FROM STATE GOVERNMENT							
Service appropriations	9,324	30,799	13,031	30,160	16,439	8,738	8,757
Net cash provided by State Government.....	9,324	30,799	13,031	30,160	16,439	8,738	8,757
CASHFLOWS FROM OPERATING ACTIVITIES							
Payments							
Employee benefits.....	(2,213)	(2,917)	(2,809)	(3,002)	(2,913)	(2,845)	(2,857)
Superannuation.....	(212)	(238)	(230)	(266)	(191)	(228)	(228)
Grants and subsidies	(11,692)	(35,569)	(8,344)	(33,445)	(21,981)	(3,908)	(3,759)
Consultancies payments.....	(290)	-	-	(590)	(590)	-	-
Supplies and services	(1,297)	(681)	(1,183)	(1,449)	(1,758)	(1,039)	(1,182)
Accommodation.....	(374)	(1,123)	(775)	(406)	(508)	(489)	(489)
Goods and services tax.....	(672)	(1,911)	(1,639)	(1,626)	(410)	(513)	(513)
Other.....	(51)	(271)	(51)	(78)	(280)	(194)	(272)
Receipts							
Goods and services tax	-	2,181	1,692	1,681	513	513	513
Other receipts	9	7	7	7	7	5	5
Net cash from operating activities.....	(16,792)	(40,522)	(13,332)	(39,174)	(28,111)	(8,698)	(8,782)
CASHFLOWS FROM INVESTING ACTIVITIES							
Purchase of non-current assets.....	(18)	-	-	-	-	-	-
Purchase of investments.....	-	(3,250)	-	-	-	-	-
Net cash from investing activities.....	(18)	(3,250)	-	-	-	-	-
CASHFLOWS FROM FINANCING ACTIVITIES							
Net cash from financing activities	-	-	-	-	-	-	-
NET INCREASE/(DECREASE) IN CASH HELD	(7,486)	(12,973)	(301)	(9,014)	(11,672)	40	(25)
Cash assets at the beginning of the reporting period	-	25,046	24,844	24,543	15,529	3,857	3,897
Net cash transferred to/from other agencies	32,330	-	-	-	-	-	-
Cash assets at the end of the reporting period.....	24,844	12,073	24,543	15,529	3,857	3,897	3,872

RECONCILIATION RELATING TO REMOVAL OF CAPITAL USER CHARGE

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
EXPENSES							
Total Cost of Services as per Income Statement.....	17,766	43,145	14,434	40,008	29,007	9,490	9,509
Less Capital User Charge.....	-	-	-	-	-	-	-
Adjusted Total Cost of Services	17,766	43,145	14,434	40,008	29,007	9,490	9,509
APPROPRIATIONS							
Net Amount Appropriated to Deliver Services	9,379	30,785	13,070	30,199	16,439	8,738	8,757
Less Appropriation Capital User Charge	14	-	-	-	-	-	-
Adjusted Net Amount Appropriated to Deliver Services	9,365	30,785	13,070	30,199	16,439	8,738	8,757

DETAILS OF CONTROLLED GRANTS AND SUBSIDIES

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
Native Title Agreements.....	12,620	35,569	8,407	33,445	22,736	3,908	3,759
TOTAL.....	12,620	35,569	8,407	33,445	22,736	3,908	3,759

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:

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000
Executive Vehicle Scheme	9	7	7	7
GST Input Credits.....	-	2,181	1,692	1,681
TOTAL.....	9	2,188	1,699	1,688

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

OFFICE OF THE AUDITOR GENERAL

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

DIVISION 9

APPROPRIATION AND FORWARD ESTIMATES

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
DELIVERY OF SERVICES							
Item 40 Net amount appropriated to deliver services ^(a)	14,836	14,244	15,770	16,668	16,960	17,602	18,209
Amount Authorised by Other Statutes							
- Salaries and Allowances Act 1975 ^(b)	327	452	483	497	512	527	543
- Financial Administration and Audit Act 1985	150	-	-	-	-	-	-
Total appropriations provided to deliver services	15,313	14,696	16,253	17,165	17,472	18,129	18,752
CAPITAL							
Item 137 Capital Contribution	-	108	108	145	255	269	-
GRAND TOTAL	15,313	14,804	16,361	17,310	17,727	18,398	18,752

- (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 2006-07 Actuals. 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 2008 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 2008-09 Budget.

MISSION

To serve the public interest by providing Parliament with independent and impartial information regarding public sector accountability and performance.

SIGNIFICANT ISSUES AND TRENDS

- The Western Australia-wide skills shortage has made it difficult to attract and retain qualified audit professionals. This is having a particular impact on the ability of the Office to deliver its assurance audit function. We are addressing this issue through a sustained investment in professional development, knowledge management and more flexible employment practices.
- In addition to staffing, a range of other factors continue to place pressure on the assurance audit function. These factors include changes to accounting and auditing standards and, most significantly, achieving accelerated financial reporting timeframes. Although last year the Office issued 99 per cent of its opinions by the deadline, the quality of financial statements and supporting evidence submitted by many agencies still needs to improve significantly. In many cases the submission of financial statements for audit needs to be more timely.
- The implementation of the Shared Services reform (with the consolidation of agency corporate functions) has the potential for eventual savings in audit costs. However, in the initial years the changes to the structure and function of the public sector creates new risks for the sector and cost implications for audit. The reform has meant that we can no longer rely on much of our previous audit work in the affected agencies. Substantial audit effort is involved in evaluating the controls (both in the centres and at individual agencies) to establish appropriate levels of assurance about these new systems and in evaluating the accuracy of financial, human resource and payroll data of agencies that are rolling into the Shared Service arrangements.

- The Office has occupied space on two levels of Dumas House since 1990. Due to an increase in lease costs and the desire to improve the working environment for staff and to make better use of available floor space, the Office is currently exploring options including relocation and refurbishment of current accommodation.
- Changes to operational aspects of the Government Employees' Superannuation Board will have a short-term impact on the Office (in a similar vein to the disaggregation of Western Power), due to specific audit procedures required to facilitate the change.

SERVICE AND APPROPRIATION SUMMARY

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
SERVICES							
<i>Service 1:</i>							
Performance Auditing.....	15,501	14,587	16,144	17,072			
Total Cost of Services ^(a)	15,501	14,587	16,144	17,072	17,270	17,927	18,737
<i>Less Income.....</i>	23	20	20	20	20	70	20
Net Cost of Services ^(a)	15,478	14,567	16,124	17,052	17,250	17,857	18,717
Adjustments ^(b)	(165)	129	129	113	222	272	35
Appropriation Provided to Deliver Services ^(a)	15,313	14,696	16,253	17,165	17,472	18,129	18,752
CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS							
Appropriation for Capital Contribution to meet equity needs ^(c)	-	108	108	145	255	269	-
TOTAL CONSOLIDATED ACCOUNT APPROPRIATIONS.....	15,313	14,804	16,361	17,310	17,727	18,398	18,752

- (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 2006-07 Actuals. A reconciliation identifying the impact of this adjustment has been inserted after the financial statements.
- (b) Adjustments are related to movements in cash balances and other accrual items such as resources received free of charge, receivables, payables and superannuation.
- (c) Supporting details are disclosed in the Capital Contribution Statement.

OUTCOMES, SERVICES AND PERFORMANCE INFORMATION

Relationship to Government Goals

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

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

Outcomes and Key Effectiveness Indicators ^(a)

	2006-07 Actual	2007-08 Budget	2007-08 Estimated	2008-09 Target	Reason for Significant Variation between 2007-08 Estimated and 2008-09 Target
Outcome: An informed Parliament on public sector accountability and performance.					
Agreement in Parliamentary census that the Office is effective in achieving its desired outcome of informing Parliament on public sector accountability and performance of the public sector	78%	85%	80%	80%	
Agreement in Parliamentary census that reports dealt with matters of significance to Parliament	89%	90%	90%	90%	
Agreement in Parliamentary census that services and reports of the Office are useful to Parliament	89%	80%	90%	90%	

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

Service 1: Performance Auditing

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

	2006-07 Actual	2007-08 Budget	2007-08 Estimated Actual	2008-09 Budget Estimate	Reason for Significant Variation
	\$'000	\$'000	\$'000	\$'000	
Total Cost of Service ^(a)	15,501	14,587	16,144	17,072	
<i>Less Income</i>	23	20	20	20	
Net Cost of Service ^(a)	15,478	14,567	16,124	17,052	
Adjustments ^(b)	(165)	129	129	113	
Appropriation for Delivery of Service ^(a)	15,313	14,696	16,253	17,165	

(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 2006-07 Actuals. 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

	2006-07 Actual	2007-08 Budget	2007-08 Estimated	2008-09 Target	Reason for Significant Variation between 2007-08 Estimated and 2008-09 Target
Average cost per matter of significance ^(a)	\$35,522	\$32,778	\$49,508	\$51,665	
Average cost per major audit	\$137,039	\$142,967	\$154,235	\$163,101	
Average cost per other audit	\$25,646	\$25,216	\$26,466	\$27,987	
Full Time Equivalents (FTEs)	105	106	103	103	

(a) The variance between 2007-08 Budget and 2007-08 Estimated for average cost per matter of significance is due to an increase in the complexity of reports provided to Parliament. This both reduced the number of matters of significance and increased the amount of work required to produce each report.

Major Achievements For 2007-08

- Tabled in Parliament three single topic reports in the period 1 July 2007 to 26 March 2008 covering:
 - renewable energy: knowing what we are getting;
 - first do no harm: reducing adverse events in public hospitals; and
 - management of native vegetation clearing.
- Four further single topic reports are scheduled for tabling before 30 June 2008 covering:
 - resource project approvals;
 - juvenile justice;
 - vocational education and training; and
 - State services for humanitarian entrants.
- Tabled two public sector performance reports in period 1 July 2007 to 26 March 2008, incorporating the results of examinations on:
 - regulation of security workers;
 - information security: disposal of government hard drives;
 - management of asbestos-related risks by government agencies;
 - tracking timber logged from South West native forests; and
 - establishing contractual arrangements with private business.
- One further public sector performance report is scheduled for tabling by 30 June 2008, incorporating the results of three further audits.
- Issued 206 audit opinions for the financial statements, controls and, where applicable, the performance indicators of:
 - 36 government departments;
 - 104 statutory authorities and 15 corporatised bodies;
 - four universities, nine of their subsidiaries and ten TAFE colleges;
 - nine entities as requested by Government, 11 agency subsidiaries and seven cemetery boards; and
 - the Annual Report on State Finances for whole-of-government with reporting date of 30 June 2007.
- Provided qualified opinions on the financial statements, controls or performance indicators of two departments, one university and two statutory authorities.
- Of the 154 opinions issued under the *Financial Management Act 2006*, 149 opinions were provided in time for the Minister to comply with the 90 day annual reporting requirement. The remaining five opinions were issued on 26 and 27 September 2007, with 27 September 2007 being the last sitting day of Parliament within the 90 day requirement.
- Tabled a report on attest audit results on 28 November 2007. The report primarily summarised the results of financial statements, controls and performance indicator audits for departments, statutory authorities and other bodies under the *Financial Management Act 2006* with 30 June and 31 July 2007 reporting dates. The report highlighted 40 agencies that demonstrated better practice in the timeliness and quality of their financial statements, performance indicators and the supporting working papers. 20 of these agencies had also been highlighted in the previous year.
- Planned tabling of a report in May 2008 on the attest audit results for universities and TAFE colleges, focusing on 14 tertiary education entities with 31 December 2007 reporting dates and residual agencies with 30 June 2007 reporting dates.
- Three special investigations were completed between 1 July 2007 and 31 March 2008. Registered and completed one Public Interest Disclosure (PID) in the same timeframe. Another PID, registered in July 2006, continued to be progressed during 2007-08.
- In the period 1 July 2007 to 25 March 2008, responded to 63 complaints or enquiries about the public sector from members of the public. 23 of these required investigation. The Office also responded to 11 complaints or enquiries from Members of Parliament, relating to ten government departments or agencies.

- Continued independent survey of all agencies subject to attest and performance examination audits and all Members of Parliament, and benchmarking these results with other Australian public sector audit offices, to monitor office performance.
- Continued independent survey of staff satisfaction, benchmarking results with other Australian public sector audit offices and data collected by the Australian Public Service Commission.
- Continued to respond to attrition in audit staff and a highly competitive labour market in financial services by implementing a range of attraction and retention measures.

Major Initiatives For 2008-09

- Table in Parliament six single topic reports on various compliance and performance examinations that have identified matters of significance in various areas of public sector performance and accountability.
- Table in Parliament three public sector performance reports during the year. These reports will contain the results of smaller examinations that address compliance and performance issues.
- Table in Parliament two reports on the results of financial statement, controls and performance indicator audits undertaken during the year. The first volume will focus on agencies with a 30 June reporting date, while the second will focus on agencies from the tertiary education sector which have a 31 December reporting date.
- Maintaining shortened timeframes, audit the financial statements, controls and performance indicators of:
 - 36 government departments;
 - 105 statutory authorities and 15 corporate bodies;
 - four universities, their ten subsidiaries and ten TAFE colleges;
 - nine entities as requested by Government, 11 agency subsidiaries and seven cemetery boards; and
 - the Annual Report on State Finances for whole-of-government with reporting date of 30 June 2008.
- Continue to work closely with agencies to enable tabling of annual reports within 90 days of their year-end.
- Focus on agency support to improving the quality of financial statements and working papers to the audit process.
- Continue to address the attrition of audit staff through a sustained investment in professional development, knowledge management and more flexible employment practices.
- Continue to implement audit practice changes flowing from new Financial Management and Auditor General legislation and undertake communications and education program for key stakeholders in sector.

CAPITAL WORKS PROGRAM

The 2008-09 capital works program provides for the cyclical replacement of computers and ancillary equipment, acquisition and implementation of essential information systems and ongoing enhancements to the data communications network. The Office's capital works program is serviced at a level appropriate to the technology currently in use in the public sector.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-08 \$'000	Estimated Expenditure 2007-08 \$'000	Estimated Expenditure 2008-09 \$'000
COMPLETED WORKS				
Computer Hardware and Software 2006-07 Program	479	479	147	-
2007-08 Program	471	471	471	-
NEW WORKS				
Computer Hardware and Software - 2008-09 Program.....	497	-	-	497
	1,447	950	618	497

CAPITAL CONTRIBUTION

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS							
Total Cost of Capital Works Program	622	471	618	497	548	519	482
	622	471	618	497	548	519	482
LESS							
Asset Sales	-	-	-	50	-	50	-
Drawdowns from the Holding Account	429	363	363	302	293	200	482
Internal Funds and Balances	193	-	147	-	-	-	-
Capital Contribution	-	108	108	145	255	269	-

FINANCIAL STATEMENTS**INCOME STATEMENT
(Controlled)**

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
COST OF SERVICES							
Expenses							
Employee benefits expenses ^(a)	7,909	7,582	7,683	7,840	8,029	8,210	8,511
Superannuation	805	799	799	813	822	843	864
Supplies and services	5,503	4,675	6,160	6,364	6,439	6,878	7,141
Accommodation	822	828	799	1,357	1,391	1,437	1,646
Capital user charge ^(b)	153	-	-	-	-	-	-
Depreciation and amortisation	417	586	586	573	573	543	557
Loss on disposal of non-current assets	32	101	101	109	-	-	-
Other expenses	13	16	16	16	16	16	18
TOTAL COST OF SERVICES	15,654	14,587	16,144	17,072	17,270	17,927	18,737
Income							
Other revenue	23	20	20	20	20	70	20
Total Income	23	20	20	20	20	70	20
NET COST OF SERVICES ^(b)	15,631	14,567	16,124	17,052	17,250	17,857	18,717
INCOME FROM STATE GOVERNMENT							
Service appropriations ^(b)	15,389	14,696	16,253	17,165	17,472	18,129	18,752
Resources received free of charge	15	16	16	16	16	16	16
Liabilities assumed by the Treasurer	82	-	-	-	-	-	-
TOTAL INCOME FROM STATE GOVERNMENT	15,486	14,712	16,269	17,181	17,488	18,145	18,768
SURPLUS/(DEFICIENCY) FOR THE PERIOD	(145)	145	145	129	238	288	51
CHANGE IN SURPLUS/(DEFICIENCY) FOR THE PERIOD AFTER EXTRAORDINARY ITEMS	(145)	145	145	129	238	288	51

(a) The Full Time Equivalents (FTEs) for 2006-07 Actual, 2007-08 Estimated Actual and 2008-09 Estimate are 105, 103 and 103 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)**

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
CURRENT ASSETS							
Cash and cash equivalents	957	2,338	1,052	1,286	1,520	1,754	1,865
Restricted cash	-	25	-	-	-	-	-
Receivables	510	303	510	512	514	514	514
Amounts receivable for services	513	302	-	-	-	-	-
Prepayments	139	196	139	139	139	139	139
Total current assets	2,119	3,164	1,701	1,937	2,173	2,407	2,518
NON-CURRENT ASSETS							
Amounts receivable for services	-	434	736	1,007	1,287	1,630	1,705
Plant and equipment	672	314	623	388	363	339	264
Intangibles	111	62	111	111	111	111	111
Restricted cash	61	-	86	111	136	161	161
Other	224	187	204	204	204	204	204
Total non-current assets	1,068	997	1,760	1,821	2,101	2,445	2,445
TOTAL ASSETS	3,187	4,161	3,461	3,758	4,274	4,852	4,963
CURRENT LIABILITIES							
Payables ^(a)	588	1,136	588	588	588	588	588
Provision for employee entitlements	1,246	1,308	1,246	1,246	1,264	1,264	1,274
Accrued salaries	32	120	53	76	76	97	97
Total current liabilities	1,866	2,564	1,887	1,910	1,928	1,949	1,959
NON-CURRENT LIABILITIES							
Provision for employee entitlements	382	332	382	382	387	387	437
Total non-current liabilities	382	332	382	382	387	387	437
TOTAL LIABILITIES	2,248	2,896	2,269	2,292	2,315	2,336	2,396
EQUITY							
Contributed equity	629	737	737	882	1,137	1,406	1,406
Accumulated surplus/(deficit)	310	528	455	584	822	1,110	1,161
Total equity	939	1,265	1,192	1,466	1,959	2,516	2,567
TOTAL LIABILITIES AND EQUITY	3,187	4,161	3,461	3,758	4,274	4,852	4,963

(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)**

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
CASHFLOWS FROM STATE GOVERNMENT							
Service appropriations	14,893	14,110	15,667	16,592	16,899	17,586	18,195
Capital contribution	-	108	108	145	255	269	-
Holding account drawdowns	429	363	363	302	293	200	482
Net cash provided by State Government.....	15,322	14,581	16,138	17,039	17,447	18,055	18,677
CASHFLOWS FROM OPERATING ACTIVITIES							
Payments							
Employee benefits.....	(7,778)	(7,559)	(7,660)	(7,817)	(8,006)	(8,187)	(8,451)
Superannuation	(716)	(799)	(799)	(813)	(822)	(843)	(864)
Supplies and services	(6,128)	(4,650)	(6,135)	(6,339)	(6,414)	(6,853)	(7,125)
Accommodation.....	(819)	(836)	(807)	(1,365)	(1,399)	(1,445)	(1,646)
Capital user charge ^(a)	(120)	-	-	-	-	-	-
Goods and services tax	(1,047)	(414)	(414)	(414)	(414)	(414)	(413)
Other.....	(13)	(17)	(17)	(17)	(17)	(17)	(17)
Receipts							
Goods and services tax	797	412	412	412	412	412	412
Other receipts	23	20	20	20	20	20	20
Net cash from operating activities.....	(15,801)	(13,843)	(15,400)	(16,333)	(16,640)	(17,327)	(18,084)
CASHFLOWS FROM INVESTING ACTIVITIES							
Purchase of non-current assets.....	(622)	(471)	(618)	(497)	(548)	(519)	(482)
Proceeds from sale of non-current assets	-	-	-	50	-	50	-
Net cash from investing activities.....	(622)	(471)	(618)	(447)	(548)	(469)	(482)
NET INCREASE/(DECREASE) IN CASH HELD							
	(1,101)	267	120	259	259	259	111
Cash assets at the beginning of the reporting period	2,119	2,096	1,018	1,138	1,397	1,656	1,915
Cash assets at the end of the reporting period.....	1,018	2,363	1,138	1,397	1,656	1,915	2,026

(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

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
EXPENSES							
Total Cost of Services as per Income Statement.....	15,654	14,587	16,144	17,072	17,270	17,927	18,737
Less Capital User Charge.....	153	-	-	-	-	-	-
Adjusted Total Cost of Services	15,501	14,587	16,144	17,072	17,270	17,927	18,737
APPROPRIATIONS							
Net Amount Appropriated to Deliver Services	15,389	14,696	16,253	17,165	17,472	18,129	18,752
Less Appropriation Capital User Charge	76	-	-	-	-	-	-
Adjusted Net Amount Appropriated to Deliver Services	15,313	14,696	16,253	17,165	17,472	18,129	18,752

SCHEDULE OF ADMINISTERED EXPENSES AND INCOME

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
EXPENSES							
Receipts paid into Consolidated Account.....	12,569	10,717	12,243	12,903	13,234	13,573	13,921
TOTAL ADMINISTERED EXPENSES ^(a)	12,569	10,717	12,243	12,903	13,234	13,573	13,921
INCOME							
User charges and fees.....	11,772	10,717	12,243	12,903	13,234	13,573	13,921
TOTAL ADMINISTERED INCOME ^(b).....	11,772	10,717	12,243	12,903	13,234	13,573	13,921

(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'.

DETAILS OF THE ADMINISTERED TRANSACTIONS EXPENSES

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
OTHER STATE SERVICES							
Receipts paid into Consolidated Account.....	12,569	10,717	12,243	12,903	13,234	13,573	13,921
TOTAL.....	12,569	10,717	12,243	12,903	13,234	13,573	13,921

DETAILS OF THE ADMINISTERED TRANSACTIONS INCOME

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
OTHER							
User Charges and Fees - Audit Fees.....	11,772	10,717	12,243	12,903	13,234	13,573	13,921
TOTAL.....	11,772	10,717	12,243	12,903	13,234	13,573	13,921

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:

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000
GST Input Credits.....	771	110	110	110
GST Receipts on Sales.....	26	302	302	302
Other Revenue	23	20	20	20
TOTAL.....	820	432	432	432

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

ECONOMIC REGULATION AUTHORITY

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

DIVISION 10

APPROPRIATION AND FORWARD ESTIMATES

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
DELIVERY OF SERVICES							
Item 41 Net amount appropriated to deliver services^(a)	5,148	4,765	6,977	6,568	6,609	6,674	6,864
Total appropriations provided to deliver services	5,148	4,765	6,977	6,568	6,609	6,674	6,864
GRAND TOTAL	5,148	4,765	6,977	6,568	6,609	6,674	6,864

(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 2006-07 Actuals. A reconciliation identifying the impact of this adjustment has been inserted after the financial statements.

MISSION

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

SIGNIFICANT ISSUES AND TRENDS

- On 16 August 2007, the State Government moved a motion in the Legislative Assembly for the Joint Committee on Audit to undertake a review of *Economic Regulation Authority Act 2003*.
- The Authority will be undertaking a review of Western Power's revisions to its Access Arrangement from October 2008. The approved revisions are scheduled to commence on 1 July 2009. The Authority also expects to assess a number of proposals from Western Power for major network augmentations to ensure the proposed network augmentation maximises the net benefit to those who generate, transport and use electricity.
- The introduction of the new national gas legislation anticipated in mid 2008 will result in the Authority undertaking a detailed evaluation of the new requirements and obligations to ensure that it is fully informed on how gas pipeline Access Arrangements are to be assessed in the future.
- The Wholesale Electricity Market, which commenced operations on 21 September 2006, continues to evolve and the Authority will issue its second Annual Report to the Minister for Energy on the effectiveness of the market in meeting the Wholesale Electricity Market objectives in the latter part of 2008.
- A forward work program of future references has been approved by the Department of Treasury and Finance (DTF). The forward work program indicates a significant workload for the Authority in this area.

- The Authority has acquired responsibility for the issuing of electricity and water licences in the Christmas and Cocos Islands under a Service Delivery Arrangement signed between the State and Commonwealth Governments. The Authority is awaiting licence applications from the Commonwealth Department of Territories and Regional Services. The Commonwealth Department of Infrastructure, Transport, Regional Development and Local Government has contracted the Water Corporation to prepare licence applications for Christmas and Cocos Islands' water and sewerage services. The Authority continues to meet with the Water Corporation on the matter.

SERVICE AND APPROPRIATION SUMMARY

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
SERVICES							
<i>Service I:</i>							
Submissions to the Authority's Governing Body	7,508	6,264	8,697	9,301			
Total Cost of Services ^(a)	7,508	6,264	8,697	9,301	9,766	9,700	9,890
<i>Less Income</i>	1,717	1,503	1,736	2,749	3,176	3,178	3,178
Net Cost of Services ^(a)	5,791	4,761	6,961	6,552	6,590	6,522	6,712
Adjustments ^(b)	(643)	4	16	16	19	152	152
Appropriation Provided to Deliver Services ^(a)	5,148	4,765	6,977	6,568	6,609	6,674	6,864
TOTAL CONSOLIDATED ACCOUNT APPROPRIATIONS	5,148	4,765	6,977	6,568	6,609	6,674	6,864

- (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 2006-07 Actuals. 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 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.	The efficient, safe and equitable provision of utility services in Western Australia.	1. Submissions to the Authority's Governing Body

Outcomes and Key Effectiveness Indicators ^(a)

	2006-07 Actual	2007-08 Budget	2007-08 Estimated	2008-09 Target	Reason for Significant Variation between 2007-08 Estimated and 2008-09 Target
Outcome: The efficient, safe and equitable provision of utility services in Western Australia.					
Number of submissions made to the Authority's Governing Body.....	198	210	235	240	
Rating by the Authority's Governing Body as to the content, accuracy and presentation of these submissions ^(b)	4.2	4.0	4.2	4.0	
Number (percentage) of submissions provided by the required deadline.....	77%	85%	85%	85%	
Rating by the Authority's Governing Body as to their perception of the timeliness of submissions ^(b)	3.9	4.2	4.1	4.2	

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

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

Service 1: Submissions to the Authority's Governing Body

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

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

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service ^(a)	7,508	6,264	8,697	9,301	The additional cost reflects the significant growth in the functions of the Authority.
<i>Less Income</i>	1,717	1,503	1,736	2,749	
Net Cost of Service ^(a)	5,791	4,761	6,961	6,552	
Adjustments ^(b)	(643)	4	16	16	
Appropriation for Delivery of Service ^(a)	5,148	4,765	6,977	6,568	

(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 2006-07 Actuals. 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

	2006-07 Actual	2007-08 Budget	2007-08 Estimated	2008-09 Target	Reason for Significant Variation between 2007-08 Estimated and 2008-09 Target
Cost per submission made to the Authority's Governing Body.....	38,176	29,828	37,009	38,754	The 2007-08 estimate is impacted by an increase in the Authority's budget in response to the growth in its functions.
Full Time Equivalents (FTEs)	43	41	45	48	

Major Achievements For 2007-08

- Summary of achievements for 2007-08 (forecast to 30 June 2008):
 - nine corporate publications published;
 - 21 decisions made;
 - 144 notices issued;
 - 12 papers published;
 - 160 public submissions received;
 - ten regulatory guidelines issued;
 - 14 reports published;
 - 140 weeks of public consultation undertaken; and
 - six inquiries finalised.
- One of the Authority's principal functions is to regulate third party access to natural monopoly assets such as natural gas pipelines, electricity transmission and distribution networks and railway lines. This involves the assessment of access arrangements (namely terms and conditions of access, including tariffs) proposed by the owners of regulated assets. In the case of rail, the Authority determines floor and ceiling costs for relevant lines. The following major achievements were accomplished in the area of third party access to regulated infrastructure:
 - assessed a major augmentation proposal submitted by Western Power for a 330kV transmission line and associated works in the Mid West region of Western Australia;
 - prepared and released for public comment regulatory test guidelines in November 2007 and a subsequent revision was published in February 2008;
 - approved dispute resolution processes under the Electricity Industry Metering Code 2005 and Electricity Industry Customer Transfer Code 2004;
 - published a paper on Gas Exchangeability in Western Australia - Gas Quality Specifications of Interconnected Pipeline Systems on 20 December 2007;
 - published a draft report on the Review of the Retail Energy Market Company (REMC) retail market scheme on 2 January 2008;
 - completed an audit of ring fencing obligations on the owner of the Dampier to Bunbury Natural Gas Pipeline under the National Third Party Access Code for Natural Gas Pipeline Systems that verified that these obligations were met;
 - approved tariff variations for the Dampier to Bunbury Natural Gas Pipeline, the Mid West and South West Gas Distribution Systems and the Goldfields Gas Pipeline;
 - made a submission to the Ministerial Council on Energy on the report by the Joint Working Group on Natural Gas Supply in November 2007;
 - published the Final Determination for WestNet Rail's proposed floor and ceiling costs for certain rail lines on 31 July 2007; and
 - reviewed the Weighted Average Cost of Capital (WACC) for the railway infrastructure associated with the urban and freight rail networks.

- The Authority has several functions relating to the Western Australian Wholesale Electricity Market, including, with the assistance of the Independent Market Operator (IMO), the monitoring of the effectiveness of the market. Other functions include the determination of the allowable revenue for the IMO and Western Power's System Management and the annual approval of price limits for reserve capacity and energy. The following major achievements were accomplished in this area:
 - delivered an annual report to the Minister for Energy on the effectiveness of the Wholesale Electricity Market in meeting the wholesale market objectives on 28 September 2007;
 - made a decision on energy price limits submitted by the IMO on 24 October 2007;
 - made a decision on the maximum reserve capacity price for 2010-11 on 16 January 2008; and
 - published a discussion paper and technical paper to assist market participants in the understanding of short run marginal cost on 11 January 2008.
- A function of the Authority is to administer the licensing regimes for each of the electricity, gas and water industries and monitor compliance in the rail industry. The Authority also has functions to safeguard the interests of small use customers in the electricity and gas transmission and distribution industries. The following major achievements were accomplished in the areas of licensing, monitoring and customer protection:
 - assessed five new electricity, gas and water licence applications by 30 June 2008;
 - assessed 21 electricity, gas and water licences for amendment by 30 June 2008;
 - undertook 21 electricity, gas and water licence audit and asset management reviews by 30 June 2008;
 - reviewed current water licences to align with the electricity and gas licences, scheduled to be completed by 30 June 2008;
 - reviewed, standardised and reissued gas trading and distribution licences;
 - completed the review of the Code of Conduct for the supply of electricity to small use customers;
 - published the annual performance reports for electricity retail and distribution licensees;
 - developed and published the Water Compliance Reporting Manual for the water industry;
 - developed and published the Gas Compliance Reporting Manual for the gas industry;
 - developed a compliance policy, which outlines possible enforcement procedures should licensees fail to comply with licence requirements;
 - developed a post audit compliance monitoring program for electricity, gas and water licensees;
 - developed an incident reporting monitoring program for electricity, gas and water licensees;
 - as a member of the National Water Commission Round Table Group, reviewed performance indicators for the water industry and oversight of development and release of the National Performance Report on the water industry; and
 - conducted a Utility Consumer Dispute Resolution seminar in conjunction with the Energy Ombudsman and Department of Consumer and Employment Protection.
- The Authority has a function to undertake inquiries referred to it by Government. The following major achievements were accomplished in the area of references:
 - delivered the final report for the Inquiry on School Bus Operators' Charter Bus Operations to the State Government on 5 July 2007, which was subsequently tabled in Parliament on 14 August 2007;
 - published a draft report on the Inquiry into Competition in the Water and Wastewater Services Sector for public consultation on 3 December 2007 (the Authority is to provide its final recommendations to the Treasurer by 30 June 2008);
 - published a draft report on the Inquiry into Developers' Contributions to the Water Corporation for public consultation on 14 April 2008 (the Final Report for the inquiry is scheduled to be delivered to the State Government by 30 June 2008);
 - published a draft report for the Review of the *Grain Marketing Act 2002* for public consultation on 7 April 2008 for public consultation (the final report for the review will be delivered to the State Government by 27 June 2008);
 - delivered the final report for the annual Inquiry on Water Corporation's tariffs to the State Government on 24 December 2007, which was subsequently tabled in Parliament on 17 January 2008; and
 - delivered the final report for the annual Inquiry into Tariffs of Bunbury and Busselton Water Boards to the State Government on 8 February 2008, which was subsequently tabled in Parliament on 7 March 2008.
- The following major achievements were accomplished in the finance and administration area:
 - maintained risk management strategies and planned and managed internal and external audits throughout the year;
 - maintained compliance with the Authority's Record Keeping Plan and State Records Office; and
 - developed management reports to suit the Authority's project management environment following the transition to the Office of Shared Services.

- The following achievements were accomplished in the planning and executive support area:
 - reviewed the Authority’s existing Corporate Plan and developed a new plan for the three year period commencing on 1 July 2008;
 - commenced a review of the Authority’s internal Key Performance Indicators as part of the Corporate Plan review process;
 - managed the publication and implementation of the Authority’s Disability Access and Inclusion Plan 2007-11;
 - prepared and coordinated the publication of the Authority’s and the Western Australian Gas Disputes Arbitrator’s 2006-07 Annual Reports, which were presented to the relevant Ministers in September 2007 for tabling in Parliament; and
 - prepared the Authority’s 2007-08 Business Plan and Work Program.
- The Authority chaired the Economic Regulation Authority Consumer Consultative Committee, which was established by the Authority in 2005 to facilitate the exchange of information between the Authority and consumers on regulatory issues in the electricity, gas, rail and water industries.
- The Authority provided administrative support to the Western Australian Gas Disputes Arbitrator.

Major Initiatives For 2008-09

- Major initiatives in the area of third party access to electricity infrastructure include:
 - revising Western Power’s Access Arrangement, which is due to commence in October 2008;
 - assessing major augmentation proposals (transmission projects exceeding \$15 million or distribution projects exceeding \$5 million, plus CPI adjustment from 2004) submitted by Western Power to determine whether the proposed major augmentation maximises the net benefit to those who generate, transport and consume electricity in the network or interconnected system after considering alternative options;
 - assessing applications received from Western Power for pre-approval of new facilities investment;
 - assessing and approving the price list (schedule of charges for access to Western Power’s transmission and distribution systems) proposed by Western Power for the 2009-10 financial year;
 - revising the Technical Rules that Western Power is required to submit in October 2008;
 - developing regulatory accounting guidelines to support the cost of service approach used in determining transmission and distribution charges on Western Power’s South West Interconnected Network; and
 - approving the Technical Rules submitted by non-covered networks, as required under the Electricity Networks Access Code 2004.
- Major initiatives in the area of third party access to gas infrastructure include:
 - undertaking pre-lodgement consultation for revisions to the access arrangements for the Mid West and South West Gas Distribution Systems and Goldfields Gas Pipeline with gas pipeline service providers;
 - commencing the undertaking of the Access Arrangement revisions assessment for the Mid West and South West Gas Distribution Systems;
 - commencing the undertaking of the Access Arrangement revisions assessment for the Goldfields Gas Pipeline;
 - following the implementation of the new national gas legislation, assess the associate contract provisions with respect to the Dampier to Bunbury Natural Gas Pipeline, the Goldfields Gas Pipeline and the Mid West and South West Gas Distribution Systems, including an assessment of the relevant pipeline ownership arrangements;
 - assessing the appropriate approach for dealing with the potential Kambalda Pipeline Access Arrangement obligations under the new national gas legislation;
 - considering a number of rule changes, and constitution amendments, to the REMCo Retail Market Scheme; and
 - liaising with the Office of Energy on the COAG proposal for the transfer of Retail Energy Market Company’s functions to a national energy market operator.

- Major initiatives in the area of third party access to rail infrastructure include:
 - assessing revised floor and ceiling costs submitted by WestNet Rail through a two stage public consultation process, resulting in the Authority's determination of the approved revised floor and ceiling costs;
 - assessing the floor and ceiling costs submitted by The Pilbara Infrastructure Pty Ltd (TPI) through a two stage public consultation process, resulting in the Authority's determination of approved floor and ceiling costs;
 - assessing four part 5 instruments submitted by TPI through a two stage public consultation process, resulting in the Authority's determination of the approved instruments;
 - assessing the segregation arrangements submitted by TPI through a public consultation process, resulting in the Authority's determination of the approved segregation arrangements; and
 - assessing the WACC for TPI's new railway through a two stage public consultation process, resulting in the Authority's determination of the approved WACC.
- Major initiatives in relation to the Western Australian Wholesale Electricity Market include:
 - providing a report to the Minister for Energy on the effectiveness of the Wholesale Electricity Market in meeting the wholesale market objectives;
 - assessing and approving the revised value for the reserve capacity price for 2011-12, if the IMO proposes a revised value for the reserve capacity price;
 - assessing and approving energy price limits, if the IMO proposes one or more energy price limits;
 - enhancing the Authority's analytical and reporting capabilities, through the development of more flexible analytical and reporting tools, interrogating a suitable database solution;
 - in collaboration with the IMO, developing and implementing new market behaviour monitoring strategies based on observations of market behaviour to date;
 - continuing the Authority's role in observing the rule change process and contributing with specific research and studies into issues that are identified as part of the Authority's role of determining the effectiveness of the Wholesale Electricity Market;
 - issuing of discussion papers to assist market participants better understand their obligations under the market rules; and
 - participating as a joint member with the IMO of the Electricity Intermarket Surveillance Group to monitor developments in world best practice electricity market monitoring, with a view to improving the monitoring of the Western Australian Wholesale Electricity Market.
- Major initiatives in the licensing, monitoring and customer protection area include:
 - undertaking a review of code standards applying to Horizon Power in accordance with section 39A of the *Electricity Industry Act 2004*;
 - preparing and releasing performance reports on the gas, electricity and water industries within Western Australia;
 - following the review of water licences in the 2007-08 financial year, issue new water licences;
 - undertaking performance audits and asset management reviews within the gas, electricity and water industries;
 - reviewing Audit Guidelines;
 - reviewing the Code of Conduct for the supply of electricity to small use customers;
 - developing a gas customer code parallel to the Code of Conduct for the supply of electricity to small use customers to effectively create a single energy code;
 - developing consumer education materials that assists consumers to understand their options, compare providers and make choices;
 - commissioning independent research regarding the current and possible future operation and regulation of pre-payment meters in Western Australia; and
 - liaising with the Water Corporation regarding the licence applications that are being developed for the Christmas and Cocos Islands water and sewerage services.
- Major initiatives in the references and research area include:
 - undertaking a major review of the Water Corporation's and Water Board's tariffs. The Government has indicated that this review is to be undertaken on a tri-annual basis;
 - undertaking a review of Water Resources administration licensing fees;
 - undertaking other inquiries to be referred to the Authority by the Treasurer for the 2008-09 financial year; and
 - the Authority will continue to use its operational experience in regulation to further the debate on economic regulation nationally.

- Major initiatives in the finance and administration area include:
 - reviewing and upgrading the Authority’s record keeping plan to be compliant with State Records Office Policies;
 - reviewing the Authority’s risk management strategies and plan and manage internal and external audit arrangements;
 - undertaking charging arrangements in accordance with the Economic Regulation Authority (Gas Pipelines Access Funding) Regulations 2003 to ensure all costs payable by the gas industry in relation to the functions of the Authority under the National Third Party Access Code for Natural Gas Pipeline Systems are fully recovered;
 - undertaking procurement processes in accordance with State Supply Commission policies; and
 - facilitating the roll-in of human resource and payroll data to the DTF shared services.
- Major initiatives in the planning and executive support area include:
 - conducting a review of the Authority’s governance systems, including the Corporate Governance Manual, the Delegations Manual and related policies;
 - reviewing the Authority’s Communication and Media Policy;
 - preparing and coordinating the publication of the Western Australian Gas Disputes Arbitrator’s 2007-08 annual report; and
 - preparing the Authority’s 2008-09 Business Plan and Work Program.

CAPITAL WORKS PROGRAM

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-08 \$'000	Estimated Expenditure 2007-08 \$'000	Estimated Expenditure 2008-09 \$'000
COMPLETED WORKS				
Computer Hardware and Software Replacement - 2007-08 Program	71	71	71	-
NEW WORKS				
Computer Hardware and Software Replacement - 2008-09 Program	27	-	-	27
Office Equipment Replacement - 2008-09 Program.....	54	-	-	54
	152	71	71	81

CAPITAL CONTRIBUTION

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS							
Total Cost of Capital Works Program	40	71	71	81	46	127	64
	40	71	71	81	46	127	64
LESS							
Drawdowns from the Holding Account	28	59	59	69	34	115	64
Internal Funds and Balances	12	12	12	12	12	12	-
Capital Contribution	-	-	-	-	-	-	-

FINANCIAL STATEMENTS**INCOME STATEMENT
(Controlled)**

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
COST OF SERVICES							
Expenses							
Employee benefits expenses ^(a)	3,312	3,905	4,244	4,373	4,502	4,637	4,745
Superannuation.....	300	350	361	373	384	395	398
Consultancies expense	-	504	2,039	2,495	2,755	2,455	2,510
Supplies and services	3,269	502	1,255	1,284	1,331	1,361	1,376
Accommodation.....	378	373	531	513	528	544	548
Capital user charge ^(b)	51	-	-	-	-	-	-
Depreciation and amortisation.....	88	108	96	99	99	92	92
Other expenses	161	522	171	164	167	216	221
TOTAL COST OF SERVICES.....	7,559	6,264	8,697	9,301	9,766	9,700	9,890
Income							
User charges and fees.....	1,524	1,400	1,388	1,803	1,815	1,912	1,912
Regulatory fees and fines.....	4	-	233	856	1,271	1,199	1,199
Interest revenue	126	36	100	74	74	50	50
Other revenue	63	67	15	16	16	17	17
Total Income.....	1,717	1,503	1,736	2,749	3,176	3,178	3,178
NET COST OF SERVICES ^(b)	5,842	4,761	6,961	6,552	6,590	6,522	6,712
INCOME FROM STATE GOVERNMENT							
Service appropriations ^(b)	5,249	4,765	6,977	6,568	6,609	6,674	6,864
Liabilities assumed by the Treasurer	2	-	-	-	-	-	-
TOTAL INCOME FROM STATE GOVERNMENT.....	5,251	4,765	6,977	6,568	6,609	6,674	6,864
SURPLUS/(DEFICIENCY) FOR THE PERIOD.....	(591)	4	16	16	19	152	152
CHANGE IN SURPLUS/(DEFICIENCY) FOR THE PERIOD AFTER EXTRAORDINARY ITEMS	(591)	4	16	16	19	152	152

(a) The Full Time Equivalents (FTEs) for 2006-07 Actual, 2007-08 Estimated Actual and 2008-09 Estimate are 43, 45 and 48 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)**

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
CURRENT ASSETS							
Cash and cash equivalents	1,907	2,044	1,929	1,966	1,976	2,135	2,309
Restricted cash	-	11	-	-	-	-	-
Receivables	493	554	490	489	488	487	486
Amounts receivable for services.....	59	97	97	90	199	64	-
Prepayments	13	19	13	13	13	13	13
Total current assets	2,472	2,725	2,529	2,558	2,676	2,699	2,808
NON-CURRENT ASSETS							
Amounts receivable for services.....	108	107	107	144	100	212	301
Plant and equipment.....	493	116	468	396	332	318	260
Intangibles	10	-	10	10	10	10	10
Restricted cash	22	-	22	22	22	22	22
Other.....	-	444	-	54	65	114	144
Total non-current assets.....	633	667	607	626	529	676	737
TOTAL ASSETS.....	3,105	3,392	3,136	3,184	3,205	3,375	3,545
CURRENT LIABILITIES							
Payables ^(a)	161	102	176	206	206	206	206
Provision for employee entitlements	660	551	660	660	660	676	692
Accrued salaries	8	40	8	10	12	14	16
Other.....	301	21	301	301	301	301	301
Total current liabilities.....	1,130	714	1,145	1,177	1,179	1,197	1,215
NON-CURRENT LIABILITIES							
Provision for employee entitlements	192	151	192	192	192	192	192
Other.....	3	1	3	3	3	3	3
Total non-current liabilities	195	152	195	195	195	195	195
TOTAL LIABILITIES.....	1,325	866	1,340	1,372	1,374	1,392	1,410
EQUITY							
Contributed equity	773	773	773	773	773	773	773
Accumulated surplus/(deficit)	1,007	1,753	1,023	1,039	1,058	1,210	1,362
Total equity.....	1,780	2,526	1,796	1,812	1,831	1,983	2,135
TOTAL LIABILITIES AND EQUITY.....	3,105	3,392	3,136	3,184	3,205	3,375	3,545

(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)

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
CASHFLOWS FROM STATE GOVERNMENT							
Service appropriations	5,156	4,669	6,881	6,469	6,510	6,582	6,772
Holding account drawdowns	28	59	59	69	34	115	64
Net cash provided by State Government.....	5,184	4,728	6,940	6,538	6,544	6,697	6,836
CASHFLOWS FROM OPERATING ACTIVITIES							
Payments							
Employee benefits.....	(3,323)	(3,903)	(4,242)	(4,371)	(4,500)	(4,619)	(4,727)
Superannuation	(164)	(349)	(360)	(372)	(383)	(395)	(398)
Consultancies payments.....	(427)	(504)	(2,039)	(2,495)	(2,755)	(2,455)	(2,510)
Supplies and services	(2,393)	(519)	(1,272)	(1,301)	(1,348)	(1,361)	(1,376)
Accommodation.....	(369)	(373)	(531)	(513)	(528)	(544)	(548)
Capital user charge ^(a)	(51)	-	-	-	-	-	-
Goods and services tax	(342)	(252)	(252)	(252)	(252)	(252)	(252)
Other.....	(308)	(491)	(140)	(118)	(151)	(216)	(221)
Receipts							
User charges and fees.....	1,419	1,284	1,272	1,297	1,309	1,412	1,412
Regulatory fees and fines.....	56	110	343	1,356	1,771	1,699	1,699
Interest received	121	37	101	75	75	50	50
Goods and services tax	388	253	253	253	253	253	253
Other receipts	81	72	20	21	21	17	17
Net cash from operating activities.....	(5,312)	(4,635)	(6,847)	(6,420)	(6,488)	(6,411)	(6,601)
CASHFLOWS FROM INVESTING ACTIVITIES							
Purchase of non-current assets.....	(26)	(71)	(71)	(81)	(46)	(127)	(64)
Net cash from investing activities.....	(26)	(71)	(71)	(81)	(46)	(127)	(64)
NET INCREASE/(DECREASE) IN CASH HELD	(154)	22	22	37	10	159	171
Cash assets at the beginning of the reporting period	2,083	2,033	1,929	1,951	1,988	1,998	2,157
Cash assets at the end of the reporting period.....	1,929	2,055	1,951	1,988	1,998	2,157	2,328

(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

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
EXPENSES							
Total Cost of Services as per Income Statement.....	7,559	6,264	8,697	9,301	9,766	9,700	9,890
Less Capital User Charge.....	51	-	-	-	-	-	-
Adjusted Total Cost of Services	7,508	6,264	8,697	9,301	9,766	9,700	9,890
APPROPRIATIONS							
Net Amount Appropriated to Deliver Services ..	5,249	4,765	6,977	6,568	6,609	6,674	6,864
Less Appropriation Capital User Charge	101	-	-	-	-	-	-
Adjusted Net Amount Appropriated to Deliver Services	5,148	4,765	6,977	6,568	6,609	6,674	6,864

NET APPROPRIATION DETERMINATION

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

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000
GST Input Credits	388	253	253	253
Other Receipts.....	190	84	106	80
Recoups from Industry	1,475	1,394	1,615	2,653
Revenue from the Executive Vehicle Scheme	12	25	15	16
TOTAL.....	2,065	1,756	1,989	3,002

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

STATE SUPPLY COMMISSION

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

DIVISION 11

APPROPRIATION AND FORWARD ESTIMATES

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
DELIVERY OF SERVICES							
Item 42 Net amount appropriated to deliver services ^(a)	1,469	1,523	1,520	1,703	1,736	1,785	1,845
Amounts Authorised by Other Statutes - Salaries and Allowances Act 1975 ^(b)	144	147	150	155	160	165	170
Total appropriations provided to deliver services	1,613	1,670	1,670	1,858	1,896	1,950	2,015
GRAND TOTAL	1,613	1,670	1,670	1,858	1,896	1,950	2,015

- (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 2006-07 Actuals. 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 2008 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 2008-09 Budget.

MISSION

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

SIGNIFICANT ISSUES AND TRENDS

- The public sector is facing an emerging difficulty in attracting and retaining people with strong procurement skills.
- Promoting climate change initiatives through government purchasing is expected to become an area of high priority.
- Agencies have been given significantly increased responsibilities for managing their own procurement activities and will need sound mechanisms in place to ensure that risks are adequately managed.
- An amendment to the *State Supply Commission Act 1991* will enable accountability for State Fleet to be transferred from the Commission to the Department of Treasury and Finance (DTF).

SERVICE AND APPROPRIATION SUMMARY

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
SERVICES							
<i>Service 1:</i>							
Administration of Goods and Services							
Procurement Policies for Public Authorities .	1,822	1,709	1,815	1,866			
Total Cost of Services ^{(a) (b)}	1,822	1,709	1,815	1,866	1,904	1,958	2,023
<i>Less Income</i>	20	3	4	3	3	3	3
Net Cost of Services ^{(a) (b)}	1,802	1,706	1,811	1,863	1,901	1,955	2,020
Adjustments ^(c)	(189)	(36)	(141)	(5)	(5)	(5)	(5)
Appropriation Provided to Deliver Services ^(a)	1,613	1,670	1,670	1,858	1,896	1,950	2,015
TOTAL CONSOLIDATED ACCOUNT APPROPRIATIONS	1,613	1,670	1,670	1,858	1,896	1,950	2,015

- (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 2006-07 Actuals. A reconciliation identifying the impact of this adjustment has been inserted after the financial statements.
- (b) Responsibility for the management of the State Fleet will be transferred from the Commission to the Department of Treasury and Finance (DTF) from 1 July 2008. A reconciliation identifying the impact of the transfer has been inserted after the financial statements. State Fleet costs have been excluded from this table, rendering figures in 2006-07 and 2007-08 incomparable to previously published information.
- (c) Adjustments are related to movements in cash balances and other accrual items such as resources received free of charge, receivables, payables and superannuation.

RESOURCE AGREEMENT

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

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

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

Government Goal	Desired Outcome	Service
Developing and maintaining a skilled, diverse and ethical public sector serving the government with consideration of the public interest.	All public authorities use Commission procurement and disposal processes.	1. Administration of Goods and Services Procurement Policies for Public Authorities

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

	2006-07 Actual	2007-08 Budget	2007-08 Estimated	2008-09 Target	Reason for Significant Variation between 2007-08 Estimated and 2008-09 Target
Outcome: All public authorities use State Supply Commission procurement and disposal processes.					
All public authorities use State Supply Commission procurement and disposal processes	97%	90%	90%	90%	

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

(b) Responsibility for the management of the State Fleet will be transferred from the Commission to the DTF from 1 July 2008. A reconciliation identifying the impact of the transfer has been inserted after the financial statements. The outcome relating to State Fleet has been excluded from this table.

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

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

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service ^(a)	1,822	1,709	1,815	1,866	
<i>Less Income</i>	20	3	4	3	
Net Cost of Service ^(a)	1,802	1,706	1,811	1,863	
Adjustments ^(b)	(189)	(36)	(141)	(5)	
Appropriation for Delivery of Service ^(a)	1,613	1,670	1,670	1,858	

(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 2006-07 Actuals. 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

	2006-07 Actual	2007-08 Budget	2007-08 Estimated	2008-09 Target	Reason for Significant Variation between 2007-08 Estimated and 2008-09 Target
Public Authorities' satisfaction with the State Supply Commission's timeliness in responding to their requests ^(a)	84%	90%	90%	90%	
Full Time Equivalents (FTEs)	13	13	13	13	

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

Major Achievements For 2007-08

- In consultation with agencies, developed a new suite of supply policies that gave agencies increased responsibility and consolidated the Commission's regulatory and review role. The new policies were effective as from 1 January 2008.
- Provided guidance to agencies on implementation of the Australia-United States Free Trade Agreement and provided input to the Federal Government on the development of the Australia-Chile Free Trade Agreement.
- Undertook 11 procurement reviews and introduced a new review framework focusing on agency performance.
- Advised agencies on common issues arising from procurement reviews and identified policy and process improvements that were incorporated into the new policy suite.
- Provided executive support to the State Tenders Committee until 31 December 2007, after which responsibility was transferred to the DTF.
- Completed a review of the regional purchasing aspects of the Buy Local Policy.
- Undertook a major survey of suppliers to gauge their experience in dealing with government.

Major Initiatives For 2008-09

- Consolidate the new procurement review framework based on assessing agency capability and performance.
- Undertake major reviews of contract management in at least three of the leading agencies.
- Undertake a review of the Common Use Arrangements framework established and managed by the DTF.
- Monitor the performance of agency-based internal audit units in monitoring compliance with Commission requirements.

CAPITAL WORKS PROGRAM

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-08 \$'000	Estimated Expenditure 2007-08 \$'000	Estimated Expenditure 2008-09 \$'000
COMPLETED WORKS ^(a)				
Office Equipment - 2007-08 Program	18	18	18	-
State Fleet - Vehicle Acquisition - 2007-08 Program	155,083	155,083	155,083	-
NEW WORKS				
Computer Hardware and Software - 2008-09 Program	36	-	-	36
Office Equipment - 2008-09 Program	21	-	-	21
	155,158	155,101	155,101	57

- (a) Responsibility for the management of the State Fleet will be transferred from the Commission to the DTF from 1 July 2008. A reconciliation identifying the impact of the transfer has been inserted after the financial statements. The State Fleet Capital Works program for 2008-09 onwards has been transferred to DTF.

CAPITAL CONTRIBUTION

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS							
Total Cost of Capital Works Program ^(a)	128,800	146,807	155,101	57	-	16	56
	128,800	146,807	155,101	57	-	16	56
LESS							
Drawdowns from the Holding Account	-	18	18	57	-	16	56
Asset Sales	66,534	85,388	85,388	-	-	-	-
Internal Funds and Balances	62,266	61,401	69,695	-	-	-	-
Capital Contribution	-	-	-	-	-	-	-

- (a) Responsibility for the management of the State Fleet will be transferred from the Commission to the DTF from 1 July 2008. A reconciliation identifying the impact of the transfer has been inserted after the financial statements. The State Fleet Capital Works program for 2008-09 onwards has been transferred to DTF.

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

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
COST OF SERVICES							
Expenses							
Employee benefits expenses ^(b)	1,206	1,090	1,155	1,115	1,120	1,206	1,197
Superannuation	96	99	95	101	105	112	112
Consultancies expense	992	69	43	47	55	65	65
Supplies and services	1,757	1,392	1,378	165	172	180	180
Accommodation	164	139	166	289	300	312	325
Finance Costs	13,889	15,405	15,072				
Capital user charge ^(c)	28	-	-	-	-	-	-
Depreciation and amortisation	51,606	57,760	57,229	20	20	23	23
Other expenses	424	529	593	129	132	60	121
TOTAL COST OF SERVICES	70,162	76,483	75,731	1,866	1,904	1,958	2,023
Income							
User charges and fees	75,929	79,517	81,771	3	3	3	3
Interest revenue	406	300	322	-	-	-	-
Other revenue	991	440	440	-	-	-	-
Total Income	77,326	80,257	82,533	3	3	3	3
NET COST OF SERVICES ^(c)	(7,164)	(3,774)	(6,802)	1,863	1,901	1,955	2,020
INCOME FROM STATE GOVERNMENT							
Service appropriations ^(c)	1,642	1,670	1,670	1,858	1,896	1,950	2,015
Resources received free of charge	16	48	5	5	5	5	5
TOTAL INCOME FROM STATE GOVERNMENT	1,658	1,718	1,675	1,863	1,901	1,955	2,020
SURPLUS/(DEFICIENCY) FOR THE PERIOD	8,822	5,492	8,477	-	-	-	-
CHANGE IN SURPLUS/(DEFICIENCY) FOR THE PERIOD AFTER EXTRAORDINARY ITEMS	8,822	5,492	8,477	-	-	-	-

(a) Responsibility for the management of the State Fleet will be transferred from the Commission to the DTF from 1 July 2008. A reconciliation identifying the impact of the transfer has been inserted after the financial statements.

(b) The Full Time Equivalents for 2006-07 Actual, 2007-08 Estimated Actual and 2008-09 Estimate are 13, 13 and 13 respectively.

(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 ^(a)
(Controlled)

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
CURRENT ASSETS							
Cash and cash equivalents	9,094	10,101	8,964	288	286	287	287
Receivables	5,406	2,764	6,816	17	17	17	17
Interest receivable	103	26	103	-	-	-	-
GST receivable	43	25	43	-	-	-	-
Amounts receivable for services.....	64	68	68	-	16	56	17
Prepayments	192	26	169	-	-	-	-
Total current assets	14,902	13,010	16,163	305	319	360	321
NON-CURRENT ASSETS							
Amounts receivable for services.....	-	-	1,804	33	39	5	22
Plant and equipment.....	262,376	247,080	271,494	80	82	75	97
Total non-current assets	262,376	247,080	273,298	113	121	80	119
TOTAL ASSETS.....	277,278	260,090	289,461	418	440	440	440
CURRENT LIABILITIES							
Interest payable	632	436	632	-	-	-	-
Borrowings	85,194	99,376	69,995	-	-	-	-
Payables ^(b)	12,430	1,387	12,365	109	131	131	131
Other	3,297	2,918	3,297	-	-	-	-
Provision for employee entitlements	243	259	243	243	243	243	243
Total current liabilities.....	101,796	104,376	86,532	352	374	374	374
NON-CURRENT LIABILITIES							
Borrowings	141,246	121,459	160,216	-	-	-	-
Provision for employee entitlements	56	56	56	56	56	56	56
Total non-current liabilities	141,302	121,515	160,272	56	56	56	56
TOTAL LIABILITIES.....	243,098	225,891	246,804	408	430	430	430
EQUITY							
Contributed equity	20,130	20,130	20,130	20,130	130	130	130
Equity transferred to/from other agencies				-20,000			
Accumulated surplus/(deficit)	14,050	14,069	22,527	(120)	(120)	(120)	(120)
Total equity.....	34,180	34,199	42,657	10	10	10	10
TOTAL LIABILITIES AND EQUITY	277,278	260,090	289,461	418	440	440	440

- (a) Responsibility for the management of the State Fleet will be transferred from the Commission to the DTF from 1 July 2008. A reconciliation identifying the impact of the transfer has been inserted after the financial statements.
- (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 ^(a)
(Controlled)

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
CASHFLOWS FROM STATE GOVERNMENT							
Service appropriations	1,620	1,648	1,648	1,836	1,874	1,928	1,993
Holding account drawdowns	-	18	18	57	-	16	56
Net cash provided by State Government.....	1,620	1,666	1,666	1,893	1,874	1,944	2,049
CASHFLOWS FROM OPERATING ACTIVITIES							
Payments							
Employee benefits.....	(1,350)	(1,090)	(1,155)	(1,115)	(1,120)	(1,206)	(1,197)
Superannuation	(96)	(105)	(101)	(107)	(111)	(118)	(118)
Consultancies payments.....	(992)	(69)	(43)	(47)	(39)	(29)	(29)
Supplies and services	(1,810)	(1,395)	(1,381)	(168)	(175)	(174)	(174)
Finance costs	(13,694)	(15,405)	(15,072)	-	-	-	-
Accommodation.....	(164)	(139)	(166)	(289)	(300)	(312)	(325)
Capital user charge ^(b)	(28)	-	-	-	-	-	-
Goods and services tax	(14,541)	(12,064)	(14,952)	(80)	(81)	(82)	(82)
Other.....	(482)	(478)	(622)	(115)	(134)	(91)	(153)
Receipts							
User charges and fees.....	75,200	79,517	81,837	3	3	3	3
Interest received	394	300	322	-	-	-	-
Other receipts	393	440	440	-	-	-	-
Goods and services tax	14,465	12,064	14,952	80	81	82	82
Net cash from operating activities.....	57,295	61,576	64,059	(1,838)	(1,876)	(1,927)	(1,993)
CASHFLOWS FROM INVESTING ACTIVITIES							
Purchase from sale of non-current assets	21	-	-	-	-	-	-
Proceeds from sale of investments	66,513	85,388	85,388	-	-	-	-
Purchase of non-current assets.....	(128,800)	(146,807)	(155,101)	(57)	-	(16)	(56)
Net cash from investing activities.....	(62,266)	(61,419)	(69,713)	(57)	-	(16)	(56)
CASHFLOWS FROM FINANCING ACTIVITIES							
Repayment of borrowings	(4,736)	(1,828)	-	-	-	-	-
Proceeds from borrowings	7,070	-	3,858	-	-	-	-
Net cash from financing activities	2,334	(1,828)	3,858	-	-	-	-
NET INCREASE/(DECREASE) IN CASH HELD	(1,017)	(5)	(130)	(2)	(2)	1	-
Cash assets at the beginning of the reporting period	10,111	10,106	9,094	8,964	288	286	287
Net cash transferred to/from other agencies	-	-	-	(8,674)	-	-	-
Cash assets at the end of the reporting period.....	9,094	10,101	8,964	288	286	287	287

(a) Responsibility for the management of the State Fleet will be transferred from the Commission to the DTF from 1 July 2008. A reconciliation identifying the impact of the transfer has been inserted after the financial statements.

(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**

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
EXPENSES							
Total Cost of Services as per Income Statement.....	70,162	76,483	75,731	1,866	1,904	1,958	2,023
<i>Less Capital User Charge.....</i>	28	-	-	-	-	-	-
<i>Less Transfer of the State Fleet</i>	68,312	74,774	73,916				
Adjusted Total Cost of Services	1,822	1,709	1,815	1,866	1,904	1,958	2,023
APPROPRIATIONS							
Net Amount Appropriated to Deliver Services	1,642	1,670	1,670	1,858	1,896	1,950	2,015
<i>Less Appropriation Capital User Charge</i>	29	-	-	-	-	-	-
Adjusted Net Amount Appropriated to Deliver Services	1,613	1,670	1,670	1,858	1,896	1,950	2,015

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 Commission:

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000
GST Input Credits.....	61	64	73	80
GST Receipts On Sales.....	1	-	-	-
User Fees and Charges.....	97	3	70	3
TOTAL.....	159	67	143	83

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

INDUSTRY AND RESOURCES

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

DIVISION 12

APPROPRIATION AND FORWARD ESTIMATES

	2006-07 Actual ^(a)	2007-08 Budget ^(a)	2007-08 Estimated Actual ^(a)	2008-09 Budget Estimate	2009-10 Forward Estimate	2010-11 Forward Estimate	2011-12 Forward Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
DELIVERY OF SERVICES							
Item 43 Net amount appropriated to deliver services ^(b)	134,751	165,028	157,775	160,696	165,027	146,265	137,017
Amount Authorised by Other Statutes - Salaries and Allowances Act 1975 ^(c)	636	653	662	692	722	756	779
Total appropriations provided to deliver services	135,387	165,681	158,437	161,388	165,749	147,021	137,796
ADMINISTERED TRANSACTIONS							
Item 44 Amount provided for Administered Grants, Subsidies and Other Transfer Payments	57,228	54,929	53,158	48,488	33,526	25,848	24,829
Amount Authorised by Other Statutes Petroleum (Submerged Lands) Act 1982	14,573	12,645	14,289	12,042	10,655	9,553	8,585
CAPITAL							
Item 138 Capital Contribution	1,450	14,818	12,005	2,605	10	15	-
Item 139 Administered Capital Contribution	1,000	2,700	3,900	3,640	-	-	-
GRAND TOTAL	209,638	250,773	241,789	228,163	209,940	182,437	171,210

- (a) Figures have been adjusted due to the establishment of the Chemistry Centre (WA) as a Statutory Authority on 1 August 2007 and may not be directly comparable to previously published information.
- (b) Following the enactment of the *Financial Management Act 2006*, agencies are no longer required to pay the Capital User Charge. In order to make the above table meaningful for comparative purposes, the impact of the Capital User Charge has been removed from the 2006-07 Actuals. A reconciliation identifying the impact of this adjustment has been inserted after the financial statements.
- (c) The recommendation by the Salaries and Allowances Tribunal of 4 April 2008 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 2008-09 Budget.

MISSION

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

SIGNIFICANT ISSUES AND TRENDS

- The Western Australian economy has continued to grow strongly on the back of a robust resources sector buoyed by strong commodity prices. The world economy has shown resilience and is still a major factor driving manufacturing growth in China, which has resulted in a strong demand for Western Australia's resource commodities. In addition, the massive push to urbanise the Chinese populace is resulting in high levels of infrastructure spending that could offset any decrease in demand from the United States of America's economy resulting from the sub-prime crisis and the subsequent tightening of global financial markets.
- It is expected that the strong demand for Western Australia's commodities by the State's trading partners will continue beyond 2008, due to the prominence of China as a major export destination and its continuing economic prosperity.

- This strong economic activity has led to significant pressures within the State regarding the provision of infrastructure, labour market shortages, domestic energy security, the provision of water and the provision of social infrastructure to the regions. Further, strong activity in the resources sector has led to a significant appreciation of the Australian dollar, making it difficult for price sensitive Western Australian manufacturing industries to compete on international markets or to compete with imported goods in the local market. In addition, heritage, climate change and other environmental issues have created challenges as well as opportunities for the future development of the State.
- Western Australia's merchandise exports have continued to grow strongly from \$55.0 billion in 2006 to \$61.3 billion in 2007. Merchandise imports also grew over the same period, but to a lesser extent, from \$21.7 billion to \$24.1 billion.
- The resources sector posted another record year, growing to \$53.1 billion in 2007, up 7.3 per cent from 2006.
- The average 11.3 per cent appreciation in the Australian dollar against the United States dollar meant changes in the value of commodities were not as substantial as previously predicted.
- Mineral exploration expenditure in Western Australia exceeded \$1.0 billion in 2007, climbing 51 per cent compared to 2006, and has risen to a little over half of the Australian total.
- A significant issue for the Department is how to facilitate the expansion of the production capacity of the State while ensuring sustainable outcomes. In order to meet this challenge the Department continues to work closely with government agencies at the Commonwealth, State and Local levels. The Department has been an active participant in the development of a number of cross-agency initiatives such as the Northern Development Taskforce.
- Meeting Western Australia's energy requirements and specifically domestic gas availability, is of critical importance. Western Australia still faces the prospect of a shortfall in gas supply in relation to projected demand so the Government's Domestic Gas Reservation Policy is being implemented and a range of solutions are being explored.
- As the viability of gas fields has significantly improved, it is expected that the granting and renewal of retention leases will come under increasing scrutiny and require extensive analysis.
- Some conflict can be expected in the development of industrial land, corridors and ports with community expectations about the scale and location of industrial activity. It is important that economic interests are balanced with the need to protect areas nominated for National Heritage listing.
- A further challenge currently facing the State's economy is gaining greater benefit from the resource endowment including local content participation as changes in project construction, technology and the outsourcing of project design procurement and contract management have led to significant work components being sourced globally. The Department is undertaking a review of the Industry Capability Network and also engaging with the Oil and Gas Coordinating Council as part of its activities to facilitate greater local content in major projects.
- The Department has responded to the Government's goal of creating a strong and diversified economic base through a greater focus on innovation. This focus is reflected in the increased support for knowledge intensive industry sectors which build on and complement the underlying competitive strengths of the State's economy and using these strengths as a platform for further growth.
- The challenge of providing modern infrastructure for Western Australia in the form of high-speed broadband telecommunications across Western Australia is being addressed in a state-wide broadband network strategy. The strategy is expected to complement the Commonwealth Government's intention to provide a national broadband network to 98 per cent of Australians.
- An ongoing issue faced by the Department is the reduction of the mining tenement application backlog. Although the Department determined 6,600 applications (a reduction in the backlog of 35 per cent) between 10 February 2007 and the end of February 2008, the number of pending mining tenement applications was 16,571 (a reduction of 11.4 per cent). The difference in the two numbers is explained by the high level of new title applications being received as a result of the continuing commodity boom.

- While climate change and the signing of the Kyoto Protocol present a range of policy challenges, they also provide opportunities to foster innovation to provide international markets with greenhouse gas abatement and renewable energy technologies and products. In response to climate change, the Department is working collaboratively with other State government agencies and through the Council of Australian Governments (COAG) process, to assess and provide advice to Government on the likely impacts of climate change on the Western Australian economy. The Department is also providing input into measures to remediate the adverse impacts of climate change initiatives on the viability of the State's industries.
- The demand for, and cost of, social infrastructure as it relates to the development of new projects continues to be a major issue for the State. Issues of workforce housing, water, power and roads are some of the factors that must be considered by proponents in the development of new projects.

MAJOR POLICY DECISIONS

Details of major policy decisions impacting on the Department's Income Statement since publication of the 2007-08 Budget to Parliament on 10 May 2007 are outlined below.

	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
Brilliant West Week.....	500	-	-	-
Burrup and Maitland Agreement.....	2,000	-	-	-
Goolarri Media Enterprises - Financial Support	667	445	-	-
Indigenous Economic Development Strategy	2,500	-	-	-
Mining Tenement Backlog	1,000	1,000	500	500
Ord River Expansion Project.....	-	15,000	-	-
Scitech - 2008-13 Operational Plan.....	7,713	8,140	8,124	8,618
Zhejiang Province - Sister State	639	659	679	701

SERVICE AND APPROPRIATION SUMMARY

	2006-07 Actual ^(a) \$'000	2007-08 Budget ^(a) \$'000	2007-08 Estimated Actual ^(a) \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
SERVICES							
<i>Service 1:</i>							
Resources Regulation	32,903	38,552	40,963	41,469			
<i>Service 2:</i>							
Geoscience Information and Advice	25,048	25,403	26,207	26,504			
<i>Service 3:</i>							
Industry Development and Investment Facilitation	47,090	44,512	54,358	50,290			
<i>Service 4:</i>							
Aboriginal Economic Development	5,081	4,438	6,571	9,944			
<i>Service 5:</i>							
Science and Innovation	36,011	72,223	48,792	62,298			
<i>Service 6:</i>							
State Economic Development Policy	5,096	6,289	6,472	6,516			
Total Cost of Services ^(b)	151,229	191,417	183,363	197,021	193,811	179,346	164,365
<i>Less Income</i>	19,626	16,528	16,528	19,676	19,681	18,196	18,538
Net Cost of Services ^(b)	131,603	174,889	166,835	177,345	174,130	161,150	145,827
Adjustments ^(c)	3,784	(9,208)	(8,398)	(15,957)	(8,381)	(14,129)	(8,031)
Appropriation Provided to Deliver Services ^(b)	135,387	165,681	158,437	161,388	165,749	147,021	137,796
ADMINISTERED TRANSACTIONS							
Appropriation for Administered Grants, Subsidies and Transfer Payments	71,801	67,574	67,447	60,530	44,181	35,401	33,414
CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS							
Administered Capital Contribution	1,000	2,700	3,900	3,640	-	-	-
Appropriation for Capital Contribution to meet equity needs ^(d)	1,450	14,818	12,005	2,605	10	15	-
TOTAL CONSOLIDATED ACCOUNT APPROPRIATIONS	209,638	250,773	241,789	228,163	209,940	182,437	171,210

- (a) Figures have been adjusted due to the establishment of the Chemistry Centre (WA) as a Statutory Authority on 1 August 2007 and may not be directly comparable to previously published information.
- (b) Following the enactment of the *Financial Management Act 2006*, agencies are no longer required to pay the Capital User Charge. In order to make the above table meaningful for comparative purposes, the impact of the Capital User Charge has been removed from the 2006-07 Actuals. A reconciliation identifying the impact of this adjustment has been inserted after the financial statements.
- (c) Adjustments are related to movements in cash balances and other accrual items such as resources received free of charge, receivables, payables and superannuation.
- (d) Supporting details are disclosed in the Capital Contribution Statement.

RESOURCE AGREEMENT

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

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

Service		Minister Responsible
1. Resource Regulation	- Mineral and Title Services - Petroleum and Royalties - Environment - Investigation Services	Minister for Resources; Industry and Enterprise
2. Geoscience Information and Advice	- Geological Survey	Minister for Resources; Industry and Enterprise
3. Industry Development and Investment Facilitation	- Investment Facilitation - Infrastructure Development - International Market Development - Industry and Enterprise	Minister for State Development Minister for Trade; Innovation, Science Minister for Resources; Industry and Enterprise
4. Aboriginal Economic Development	- Aboriginal Economic Development	Minister for State Development
5. Science and Innovation	- Science and Innovation	Minister for Trade; Innovation, Science
6. State Economic Development Policy	- Strategic Policy	Minister for State Development

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.	Responsible development of mineral and petroleum resources. ^(a)	1. Resources Regulation
	Encouragement of exploration and discovery of mineral and petroleum deposits and informed land use planning.	2. Geoscience Information and Advice
	Industry, communities and prospective investors have access to diverse investment opportunities. ^(b)	3. Industry Development and Investment Facilitation 4. Aboriginal Economic Development
	Enhancement of the State's economic sustainability and prosperity.	5. Science and Innovation
	Strategic policy frameworks that strengthen sustainable economic development.	6. State Economic Development Policy

(a) The Department contributes to responsible development through effective regulation of the resources sector, which includes timely processing of applications.

(b) A priority of Government is access to opportunities for Indigenous communities.

Outcomes and Key Effectiveness Indicators ^(a)

	2006-07 Actual	2007-08 Budget	2007-08 Estimated	2008-09 Target	Reason for Significant Variation between 2007-08 Estimated and 2008-09 Target
Outcome: Responsible development of mineral and petroleum resources. ^(b)					
Percentage of compliance identified in completed regulatory activities ^(c)	n/a	70%	70%	70%	
Percentage of approvals completed within agreed timeframes ^(d)	80%	82%	80%	84%	
Percentage of reduction in Mineral Title applications backlog ^(e)	n/a	26%	20%	45%	In 2007-08 the Department has worked to improve staff resources to address the backlog. Staff resources are expected to be at full capacity in 2008-09, resulting in the higher target for 2008-09.
Outcome: Encouragement of exploration and discovery of mineral and petroleum deposits and informed land use planning. ^(b)					
Extent to which stakeholders agree the Department's geoscience information encourages exploration and discovery and informs land use planning.....	3.91	4.05	4.03	3.98	
Outcome: Industry, communities and prospective investors have access to diverse investment opportunities. ^(f)					
Stakeholder rating of access to diverse investment opportunities and markets ^(g)	89%	86%	86%	85%	
Stakeholder rating of facilitation assistance in terms of major project management and development ^(h)	60%	67%	80%	80%	
Number of employment and business opportunities facilitated for Indigenous communities ⁽ⁱ⁾	256	689	694	885	The increase between 2007-08 Estimated and 2008-09 Target is due to an increased focus on partnerships with large employers to create Indigenous employment opportunities.
Outcome: Enhancement of the State's economic sustainability and prosperity. ^(j)					
Index of funding leverage obtained for Western Australia from science and innovation research grants ^(k)	6.1:1	6.1:1	6:1	5:1	
Outcome: Strategic policy frameworks that strengthen sustainable economic development. ^(f)					
Extent to which Ministers and other key stakeholders agree that the Department's policy advice and frameworks contribute to sustainable economic development ^(l)	67%	75%	75%	75%	

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

(b) The Minister responsible for this outcome is the Minister for Energy; Resources; Industry and Enterprise.

(c) Compliance Indicator: regulatory activities relate specifically to environmental compliance investigations. The Department's activities in this area have shifted to an environmental compliance focus, which requires a greater number of inspections. Additionally, in 2008-09 the Department will be focusing on both exploration and established mine site activities. As these shifts are substantial, comparative data for this Effectiveness Measure is not available for 2006-07.

- (d) Approvals Indicator: failure to address approvals in a timely manner translates to a failure to responsibly develop mineral and petroleum resources. This measure is comprised of results against the following individual timeliness measures; percentage of mining titles (*Mining Act 1987* Complied) completed within seven months of lodgement, percentage of mining environment proposals approved within 30 business days, percentage of petroleum environment proposals approved within 30 business days, and percentage of petroleum approvals processed within agreed timeframes.
- (e) Mineral Titles Indicator: the reduction in the Mineral Titles application backlog was an initiative commenced in 2007-08 to address the backlog of 18,700 applicants. Hence, a reduction target was not established for the 2006-07 year.
- (f) The Minister responsible for this outcome is the Minister for State Development.
- (g) Investment Opportunities Indicator: the 2006-07 and 2007-08 figures are based on results of previous stakeholder surveys in this area, which focused largely on business development. This was considered to encompass investment opportunities. The survey tool to be introduced in 2008-09 will specifically address investment opportunities, markets and State development as separate components. The target of 85 per cent for 2008-09 is consistent with this approach and previous year's data.
- (h) Facilitation Services Indicator: the 2006-07 and 2007-08 figures are based on results of previous stakeholder surveys in this area. The previous survey focused on facilitation services, particularly with respect to project coordination and management. Hence the results are consistent with the new Key Performance Indicator being introduced. In 2008-09 the survey will be extended to survey all relevant stakeholders rather than investors only and is therefore expected to achieve more comprehensive results. The target of 80 per cent for 2008-09 is consistent with this approach and previous year's data.
- (i) Indigenous Employment Opportunities Indicator: for the purposes of the effectiveness indicator, employment and business opportunities are specifically defined as employment opportunities, business start-ups, business development and expansion opportunities facilitated for Indigenous communities.
- (j) The Minister responsible for this outcome is the Minister for Trade; Innovation; Science.
- (k) Leveraging Indicator: leveraging additional research funding aims to assist industry to become more competitive. In this way, the Department contributes to enhancement of the State's economic sustainability and prosperity.
- (l) Policy Indicator: for the purposes of the effectiveness indicator, advice and frameworks relates specifically to areas of strategic priority as agreed between the Department and the Ministers. The 2006-07 and 2007-08 figures are based on results of previous surveys of the Department's Ministers of satisfaction with the Department's policy contribution towards responsible development of the State's resources. In 2008-09 the survey will be extended to survey all relevant stakeholders rather than these Ministers only and is therefore expected to achieve more comprehensive results and the target of 75 per cent is consistent with this approach.

Service 1: Resources Regulation

The Department is charged with ensuring that the resources industry conducts its business in a responsible manner and that the community receives a fair return for its resources. The Department contributes to responsible development through effective regulation of the resources sector, including the timely processing of applications. It also facilitates and manages access to land and offshore areas for the exploration and development of mineral and energy deposits.

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service ^(a)	32,903	38,552	40,963	41,469	
<i>Less Income</i>	14,546	13,314	13,314	13,860	
Net Cost of Service ^(a)	18,357	25,238	27,649	27,609	
Adjustments ^(b)	1,502	(3,655)	(3,333)	(6,334)	
Appropriation for Delivery of Service ^(a)	19,859	21,583	24,316	21,275	

- (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 2006-07 Actuals. 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

	2006-07 Actual	2007-08 Budget	2007-08 Estimated	2008-09 Target	Reason for Significant Variation between 2007-08 Estimated and 2008-09 Target
Cost per Resources Regulation Service ^(a)	\$748	\$990	\$911	\$944	
Full Time Equivalents (FTEs)	316	332	332	338	

- (a) Cost per Resources Regulation Service is calculated using the average cost per mineral title service, average cost per petroleum title service, average cost per royalty service, and the average cost per environment regulation service.

Major Achievements For 2007-08

- The Government committed \$3.5 million over three years (with \$0.5 million ongoing funding) to reduce the backlog of Mining Tenement applications that stood at 18,700 in February 2007 to a manageable level of 5,000 by June 2010. The Department processed 6,600 applications between 10 February 2007 and the end of February 2008, which represents 35 per cent of the backlog. However, as the Department continues to receive numerous new tenement applications as a result of the resources boom, the total of pending mineral title applications at the end of February 2008 was 16,571, which represents a reduction of 11.4 per cent.
- Changes associated with the finalisation of petroleum legislation (including the change to allow the exploration and production of geothermal energy) and associated regulations were implemented. This included drafting and consultation for the Petroleum Amendment Bill 2007, as well as the Onshore Safety Regulations, Petroleum Pipelines and the Occupational Safety and Health amendments.
- The first stage of upgrading the Electronic Petroleum Register commenced with a new web-based enquiry system and an expansion of the system to include geothermal title processing. The Register enables the Department to maintain and maximise oil and gas production and encourage onshore exploration.
- An initiative has been developed to promote the profile of alternative energy resources such as hot rocks, shale, tight gas and coal seam methane as part of the Department's Domestic Gas (Domgas) upstream security strategy.
- On 8 April 2007, the Clearing of Native Vegetation Regulations under the *Environmental Protection Act 1986* were amended to provide ongoing exemption for mineral and petroleum exploration outside of environmentally sensitive areas in Western Australia. A Regulatory Reform Reference Group was also formed to consider potential future amendments.
- The Environment Division has now received ISO 9000 Accreditation for its mineral and native vegetation assessment processes and the provision of policy advice. This accreditation recognises quality management systems in accordance with ASNZS ISO 9001:2000.
- The review of mining securities was completed. While key policy changes were recommended, the unconditional performance bond will remain as the principal financial instrument for mining securities.

Major Initiatives For 2008-09

- Continue to reduce the backlog of Mining Tenement applications. The second year target of this program is a reduction of the backlog to 8,200 by June 2009.
- Increase the resources for Native Title negotiation to accommodate the new geothermal title applications.
- Finalise the replacement of the Electronic Petroleum Register with the Petroleum Geothermal Titles system, which will include better reporting, approvals tracking and electronic lodgement of fees.
- Implement the Domgas Upstream Security initiatives and increase the profile of alternate energy resources within Western Australia.
- The Environmental Approvals Regulatory System program initiated in 2005-06 will be fully implemented in 2008-09. This is a web-based system that provides a central database for environmental approvals and represents a significant improvement in the control and management of approvals processes. This system will provide the framework for future online lodgement of exploration and mining proposal applications.
- Environmental inspections and compliance auditing will be refocused to target 100 per cent of higher risk exploration 'Programs of Work' and 100 per cent of approved higher risk mining proposals.

Service 2: Geoscience Information and Advice

Benefits the Western Australian community through the provision of public geological information to encourage exploration and, therefore, sustain investment in the industry for future generations. The Department maintains an up-to-date geological framework and archive of the State and its mineral and petroleum resources, with products and services including:

- publishing maps, reports and data sets;
- providing access to a developing archive of geoscientific and resource exploration documents, samples and data;
- assessment of mineral and petroleum resources and resource potential as a basis for decision making by Government; and
- assistance and advice on land use matters.

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service ^(a)	25,048	25,403	26,207	26,504	
<i>Less Income</i>	973	612	612	627	
Net Cost of Service ^(a)	24,075	24,791	25,595	25,877	
Adjustments ^(b)	854	(2,079)	(1,896)	(3,603)	
Appropriation for Delivery of Service ^(a)	24,929	22,712	23,699	22,274	

(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 2006-07 Actuals. 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

	2006-07 Actual	2007-08 Budget	2007-08 Estimated	2008-09 Target	Reason for Significant Variation between 2007-08 Estimated and 2008-09 Target
Average weighted cost per total published product.....	\$21,641	\$21,593	\$21,752	\$22,263	
Full Time Equivalents (FTEs)	176	191	191	195	

Major Achievements For 2007-08

- Soil geochemistry data over the West Arunta area was collected and released. Data from aerial geophysical surveys over the southern Kimberley region, North West Yilgarn and South West Yilgarn, and a ground gravity survey over the West Musgrave region was collected and released.
- Data releases were made from geoscience field mapping programs in the Central Yilgarn, Murchison, West Musgrave, West Tanami, Bangemall and Gascoyne, East Pilbara and West Arunta regions.
- More than 9,000 previously confidential reports from exploration companies were released resulting in over 19,000 reports that have been released over the last two years.
- The major upgrade of the Mines and Mineral Deposits database and associated Internet front-end application was completed.

Major Initiatives For 2008-09

- Further collection and release of data from aerial geophysical surveys over the southern Kimberley region and South East Yilgarn margin, a ground gravity survey in the southern Murchison and a soil geochemistry survey in the south eastern Yilgarn.

- Major programs of geoscience field mapping and corresponding data releases in the Murchison, East Yilgarn, West Musgrave, and Bangemall and Gascoyne regions will be continued.

Service 3: Industry Development and Investment Facilitation

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

Products and services include:

- delivering resource sector investment attraction programs;
- facilitating industry infrastructure, resource development and major resource projects; and
- facilitating major trade programs.

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service ^(a)	47,090	44,512	54,358	50,290	
<i>Less Income</i>	2,514	2,532	2,532	2,936	
Net Cost of Service ^(a)	44,576	41,980	51,826	47,354	
Adjustments ^(b)	922	(2,244)	(2,046)	(3,888)	
Appropriation for Delivery of Service ^(a)	45,498	39,736	49,780	43,466	

- (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 2006-07 Actuals. 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

	2006-07 Actual	2007-08 Budget	2007-08 Estimated	2008-09 Target	Reason for Significant Variation between 2007-08 Estimated and 2008-09 Target
Average cost per project facilitated ^(a)	\$238,690	\$220,199	\$274,760	\$243,551	
Average cost per resource sector investment program delivered ^(b)	\$426,220	\$416,837	\$509,606	\$471,469	
Full Time Equivalents (FTEs)	196	226	226	237	

- (a) This indicator falls under the joint responsibility of the Minister for State Development and the Minister for Trade; Innovation; Science. Average cost per project facilitated is calculated using; Average cost per industry infrastructure project, Average cost per resource development project, Average cost per major resource project, and Average cost per major trade program facilitated.
- (b) This indicator falls under the responsibility of the Minister for Resources; Industry and Enterprise.

Major Achievements For 2007-08

- Approvals were granted under the respective State Agreements for major expansions of Rio Tinto and BHP Billiton iron ore mines and associated infrastructure in the Pilbara. Approvals were also progressed for expansion of Alcoa's Wagerup alumina refinery.
- Environmental approvals were granted for the Coburn heavy mineral sands project near Hamelin Bay, an increase in the production capacity of Worsley Alumina's refinery and the approval was given for Woodside Energy's Pluto Liquefied Natural Gas (LNG) Project on the Burrup Peninsula.
- Approvals were progressed for the Ochre Networks project, which will develop a new international submarine fibre optic cable from Perth to Jakarta and Singapore with branches into Dampier and Geraldton to meet growing regional and international communication needs.

- The inter-departmental strategic review of the Mid West and Yilgarn banded iron formations was completed, providing a greater level of certainty to exploration and mining proponents.
- The Kemerton Industrial Park Draft Strategy Plan was released for public comment in November 2007 and the Kemerton Industrial Park Technical Advisory Group was established to address issues raised during the consultation process.
- The Department coordinated and supported a range of inbound and outbound trade missions. These included the historic first visit of the President of the People's Republic of China, Mr Hu Jin Tao and the Indonesian guest nation appearance at the Perth Royal Show.
- The Department's overseas offices provided support for local businesses exploring export and international market opportunities and assisted overseas companies seeking to invest in Western Australia. Trade activities undertaken in this area included facilitation of a \$45 billion gas deal between Woodside and CPC Corporation and coordination of Western Australia's representation at the 2008 'G'Day USA' events.
- Management services were provided under Western Australia's four Sister State Agreements with Hyogo (Japan), Zhejiang (China), Tuscany (Italy), and East Java (Indonesia) which were enhanced through a range of commercial and cultural exchange initiatives. Activities undertaken in 2008 included re-signing the Western Australia – East Java sister State Agreement for a further five years, coordinating visits by the President of Tuscany and the Hyogo Vice Governor and coordinating functions to mark the 20th Anniversary of the Zhejiang sister state relationship.
- The Department facilitated the establishment of new ventures and businesses in Western Australia, such as a titanium metal pilot plant and a new world class materials handling manufacturing facility. The Department also encouraged international companies in the mining, film scoring, sound recording and digital media and games industries to establish regional offices and business interests in Perth.
- Funding of \$4.2 million over three years was approved by Government to underpin the implementation of the Western Australian Biotechnology Industry Development Strategy. As part of this strategy, Western Australia will compete in the international BioGENEius Challenge and will be the first competitor outside North America to participate.
- The 2007 'Western Australian Inventor of the Year' attracted 120 business entries across three categories which included Early Stage, Development Category, and Ready for Market Category.
- An infrastructure upgrade at the Australian Marine Complex (AMC) Common User Facility included an extension of the Eastern Wharf, development of the transfer system, dredging of the harbour in preparation for the floating dock and an enhancement of electrical capacity. Construction of Phase One of the AMC Technology Precinct's Central Services Facility was substantially completed.
- A report was completed on the potential for Collie coal gasification, which rates Collie coal among Australia's most suitable quality coals for this process.

Major Initiatives For 2008-09

- Finalise variations to State Agreements to support significant iron ore expansions in the Pilbara.
- Develop options for expanded port facilities in the Pilbara.
- Secure environmental and State Agreement approvals for commencement of preliminary site works and construction of the Harriet Point iron ore export facilities of BHP Billiton and an approved plan for a new outer harbour development at Finucane Island.
- Facilitate approvals under the *Iron Ore (FMG Chichester Pty Ltd) Agreement Act 2006* for optimisation of the Cloud Break mine and development of the new mine at Christmas Creek.
- Finalise the implementation of the community multi-user infrastructure packages for Ravensthorpe and Boddington.
- Facilitate the development of the Gorgon Joint Venture.

- Facilitate North West Chemicals and Fertilisers Pty Ltd's proposed \$2.2 billion coal-to-urea production and export project at Collie.
- Use the Western Australian Government Overseas Network to support Western Australian companies to develop export markets.
- Facilitate the Australia Japan Joint Business Conference in Perth that will bring key decision makers of Australian and Japanese companies to Perth. This will provide an opportunity to promote Western Australian capabilities to potential Japanese clients.
- Finalise the arrangements for construction of the \$11.2 billion Pluto project.
- Promote further investment in and development of specific industries in Western Australia, including the digital media, information and communication technology, biotechnology and titanium industry.
- Implement the Brilliant West initiative to support and showcase innovative activities in Western Australia.
- The Department will continue to progress the development of the State's broadband infrastructure.
- The Dampier Archipelago rock art will continue to be monitored consistent with the recommendations of the Burrup Rock Art Monitoring Management Committee.
- Identification by the Northern Development Taskforce of a suitable site for a common user LNG hub in the West Kimberley.
- The Department will continue to implement the State's commitments under the Burrup and Maitland Industrial Estates Agreement Additional Deed, which are to ensure heritage surveys are completed on land zoned for future industrial development in the Dampier Archipelago.

Service 4: Aboriginal Economic Development

The Department aims to improve Indigenous prosperity through leadership and innovation in Indigenous economic development. This is done through creating business and employment opportunities for Indigenous people, organisations and communities. The Department partners government agencies and industry on emerging and challenging initiatives to provide a range of planning, enterprise and employment development services.

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service ^(a)	5,081	4,438	6,571	9,944	Funding for Strategic Intervention Package through the Department of Indigenous Affairs.
<i>Less Income</i>	1,593	70	70	2,253	
Net Cost of Service ^(a)	3,488	4,368	6,501	7,691	
Adjustments ^(b)	122	(296)	(270)	(512)	
Appropriation for Delivery of Service ^(a)	3,610	4,072	6,231	7,179	

(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 2006-07 Actuals. 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

	2006-07 Actual	2007-08 Budget	2007-08 Estimated	2008-09 Target	Reason for Significant Variation between 2007-08 Estimated and 2008-09 Target
Average cost per employment opportunity facilitated ^(a)	\$23,967	\$7,112	\$10,463	\$12,024	
Full Time Equivalents (FTEs)	26	26	26	27	

(a) The level of funding contribution by the Department on Aboriginal Economic Development initiatives varies with each project, depending on the arrangement with project partners. Much depends on the extent to which the Department can leverage the contribution by other government agencies and industry partners to progress these initiatives. This creates difficulty in longer term planning of these initiatives. Additionally, as the Department is one agency seeking to facilitate employment opportunities for Indigenous communities, the efficiency results reflect the costs to the Department only. They do not reflect the inputs from other agencies and partners.

Major Achievements For 2007-08

- Employment projects assisted in 2007-08 resulted in 34 Indigenous plant operator training participants graduating in the Pilbara and Mid West with a further 44 prospects expected to participate before the end of the financial year.
- The 'Pathway to Employment' project in Port Hedland delivered 125 Indigenous placements in 2007-08.
- Djaringo Aboriginal Corporation was assisted with negotiating agreement with Rio Tinto to employ Indigenous workers for up to 200 positions on a fly-in/fly-out basis from Broome.
- A Kimberley Arts Marketing Strategy was developed and implemented to increase sales of Indigenous art internationally. The Strategy covers four Indigenous art centres in the Kimberley: Balgo, Warmun, Waringarri and Mangkaja.
- The Department assisted Ngaanyatjarra Council to develop a capacity building strategy for regional participation in the Ngaanyatjarra Lands nickel mining province.
- In partnership with Indigenous Business Australia, assisted Goolari Media in the Kimberley to develop into a sustainable business with a diversified product base through using information technology.
- Contributed to the delivery of the Australian Indigenous Tourism Conference in Broome in October 2007 to promote the Indigenous Tourism market, build business capacity of Indigenous Tourism Operators in Western Australia and integrate Indigenous tourism with the broader Western Australian tourism industry.

Major Initiatives For 2008-09

- Contribute to the Pre-Employment Training program, a joint State/Commonwealth collaboration, targeted at improving the quality and approach to training to ensure improved movement of Indigenous participants into jobs. This initiative involves collaboration between the Commonwealth Department of Education, Employment and Workplace Relations and Western Australia's Department of Education and Training. The target is to place 600 Indigenous participants into jobs over two years, including 300 placements by Rio Tinto under its Memorandum of Understanding with the Department.
- An Indigenous apprenticeship housing program will be piloted in three locations of strategic importance – Geraldton, Albany and the Perth Metropolitan area in 2008-09. This program has been developed to address the lack of adequate Indigenous apprenticeship housing, which has been identified as a significant barrier to Indigenous employment.
- The Department will assist Native Title groups in Ngaanyatjarra Lands and the Goldfields-Esperance region to optimise delivery of sustainable economic benefits from land use agreements.
- To create a 'seamless' continuum of business support to Indigenous organisations, the Department will work proactively and collaboratively with the State's Small Business Development Corporation. This initiative is consistent with the service charters of both organisations.

- A state-wide Indigenous Arts Commercialisation Strategy will be implemented in partnership with the Commonwealth Department of Environment, Water, Heritage and the Arts and Western Australia's Department of Culture and the Arts. The target outcome is art centre self sufficiency achieved through managing the balance between commercialisation of established artists and the developmental needs of emerging artists, together with increasing art marketing and promotional activities, both locally and internationally, including assisting remote communities to establish community Artbanks.

Service 5: Science and Innovation

Enhances the State's economic sustainability and prosperity by promoting science and innovation. Services include:

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

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service ^(a)	36,011	72,223	48,792	62,298	Due to increased grant expenditure, as detailed in the 'Controlled Grants and Subsidies' table.
<i>Less Income</i>	-	-	-	-	
Net Cost of Service ^(a)	36,011	72,223	48,792	62,298	
Adjustments ^(b)	190	(462)	(421)	(801)	
Appropriation for Delivery of Service ^(a)	36,201	71,761	48,371	61,497	

(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 2006-07 Actuals. 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

	2006-07 Actual	2007-08 Budget	2007-08 Estimated	2008-09 Target	Reason for Significant Variation between 2007-08 Estimated and 2008-09 Target
Average cost per science and innovation project managed	\$47,627	\$51,830	\$44,031	\$57,848	Due to increased grant expenditure, as detailed in the 'Controlled Grants and Subsidies' table.
Full Time Equivalents (FTEs)	37	39	39	40	

Major Achievements For 2007-08

- The Science and Innovation Council was established with executive and policy services provided by the Department. The Council provides advice to the Premier, based on science priorities.
- The Government has approved funding of \$41.6 million over five years to Scitech, which focuses on effective science communications. Scitech's performance is measured against their programs, strategies and outcomes.
- Funding of \$1.5 million has been allocated to support the Centre for Food and Genomic Medicine that will address the twin epidemics of obesity and diabetes.
- The Premier's Science Awards Program, including the establishment of the Western Australian Science Hall of Fame has been funded and is now the richest state-based program in Australia.

Major Initiatives For 2008-09

- The Government approved \$20 million to develop the International Radio Astronomy Research Centre in Western Australia which will involve the University of Western Australia, Curtin University of Technology, Edith Cowan University, CSIRO and industry. This allocation has been made on the basis of the Premier's science priorities and will be facilitated by the Department.
- There has been an approval of funding for the development of five new Centres of Excellence, which include; Geothermal Energy; Woodland and Forest Health; Ecohydrology; 3D Mineral Mapping and Radio Astronomy.

Service 6: State Economic Development Policy

Benefits the Western Australian community by providing policy leadership and frameworks for the economic development and sustainability of the State. In addition to ensuring the State's sustainability beyond the current resources boom, policy priorities include climate change, renewable energy and water conservation.

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service ^(a)	5,096	6,289	6,472	6,516	
<i>Less Income</i>	-	-	-	-	
Net Cost of Service ^(a)	5,096	6,289	6,472	6,516	
Adjustments ^(b)	194	(472)	(432)	(819)	
Appropriation for Delivery of Service ^(a)	5,290	5,817	6,040	5,697	

(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 2006-07 Actuals. 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

	2006-07 Actual	2007-08 Budget	2007-08 Estimated	2008-09 Target	Reason for Significant Variation between 2007-08 Estimated and 2008-09 Target
Average cost per hour of targeted strategic policy advice	\$78,400	\$89,843	\$85,158	\$85,737	
Full Time Equivalents (FTEs)	42	41	41	43	

Major Achievements For 2007-08

- The Department chaired and provided the secretariat for the national Joint Working Group on Natural Gas, which was established to examine the issues relating to domestic gas availability and the growth of the LNG industry. The working group's report and recommendations were submitted to the Ministerial Council on Energy and the Ministerial Council on Minerals and Petroleum Resources in December 2007. The recommendations of the Joint Working Group were largely endorsed by the Commonwealth and other jurisdictions and have led to further work in the area of retention leases, joint marketing, flow-through share schemes and gas market development.
- A full audit of activities in the energy sector and an energy policy were completed as part of the process of developing an energy framework. Commenced government and private stakeholder consultation on energy policy issues in order to form a strategic view on issues relating to energy security and climate change as they relate to a broader energy policy.

- The Department contributed to the Government's Biofuels Taskforce and implemented key recommendations from the Taskforce to accelerate the growth of the industry and the contribution that alternative energy sources can make to meet the State's energy needs.
- Measures to remediate adverse impacts of climate change initiatives on the viability of Western Australian industry were developed.
- An economy-wide scenario planning exercise was undertaken to better understand the key challenges to the long-term development of the Western Australian economy.
- The design and development of an integrated development framework was commenced to progress the Government's long-term economic vision for the State.
- The Department collaborated with the Departments of Treasury and Finance (DTF), Planning and Infrastructure and Premier and Cabinet to develop a rail haulage regime for the Pilbara iron ore industry. A draft regime was presented to key stakeholders.
- A 20 year forward plan for State's infrastructure needs to support industry was prepared. The projections were submitted to the DTF as part of the State Infrastructure Strategy.

Major Initiatives For 2008-09

- A paper on energy policy issues will be developed in partnership with other relevant Government departments. It will result in a coherent internal policy and position on energy and its impact on state development.
- Finalise a renewable Energy Industry Development Strategy to accelerate the growth of the industry and the contribution that alternative energy sources including wind, wave, solar, biomass and geothermal can make to meet the State's energy needs.
- Further develop the scenario-based State Development framework focused on implementing the Government's vision for sustainable development of the State's economy.
- Finalise policy input and a strategy for implementation of the Pilbara Rail Access Inter-Departmental Committee. A draft haulage regime will be submitted for public review.
- Assess and develop policies in relation to an audit of the State's industrial infrastructure needs for the COAG Infrastructure Taskforce.
- Finalise the legislative packages associated with the Petroleum Amendment Bill 2007, and the Onshore Safety Regulations, Petroleum Pipelines and Occupational Safety and Health.
- Develop a comprehensive Investment Attraction Strategy in consultation with major stakeholders. The strategy will identify priority industry sectors and opportunities where Western Australia has a sustainable competitive advantage.

CAPITAL WORKS PROGRAM

The Department's planned capital works program for 2008-09 is \$15.8 million, comprising of \$14.0 million for works in progress and \$1.7 million for new works.

	Estimated Total Cost ^(a) \$'000	Estimated Expenditure to 30-6-08 ^(a) \$'000	Estimated Expenditure 2007-08 ^(a) \$'000	Estimated Expenditure 2008-09 \$'000
WORKS IN PROGRESS				
Australian Marine Complex - Southern Precinct	127,300	125,311	100	1,689
Electronic Records Archive	1,294	1,264	1,264	5
Kalgoorlie Complex - Stage 2 - Planning and Construction	6,225	5,840	5,603	385
Office of Science - Innovate WA	12,012	7,112	2,930	4,900
Ord River Irrigation	32,138	12,082	2,164	4,281
Technology Precinct Bentley - Stage 1 Implementation	8,550	5,771	5,050	2,779
COMPLETED WORKS				
Asset Replacement Program				
Computer Hardware and Software - 2007-08 Program	1,346	1,346	1,346	-
Furniture and Equipment - 2007-08 Program	100	100	100	-
Australian Marine Complex				
Marine Industry Technology Park	25,350	25,350	7,400	-
Integrated Customer E-Commerce Infrastructure	3,200	3,200	1,030	-
Native Vegetation Clearing Regulations - IT Systems				
Land Clearing Permit System	1,500	1,500	378	-
New Computer and Office Equipment - 2007-08 Program	212	212	212	-
NEW WORKS				
Asset Acquisition Program				
New Computer and Office Equipment - 2008-09 Program	217	-	-	217
Asset Replacement Program				
Computer Hardware and Software - 2008-09 Program	1,383	-	-	1,383
Furniture and Equipment - 2008-09 Program	112	-	-	112
	220,939	189,088	27,577	15,751

(a) Figures have been adjusted due to the establishment of the Chemistry Centre (WA) as a Statutory Authority on 1 August 2007 and may not be directly comparable to previously published information.

CAPITAL CONTRIBUTION

	2006-07 Actual ^(a) \$'000	2007-08 Budget ^(a) \$'000	2007-08 Estimated Actual ^(a) \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS							
Total Cost of Capital Works Program	13,703	27,483	27,577	15,751	17,655	1,941	1,938
Working capital requirement							
Loan and Other Repayments	550	4,204	3,791	100	-	-	-
	14,253	31,687	31,368	15,851	17,655	1,941	1,938
LESS							
Drawdowns from the Holding Account	1,446	1,446	1,446	1,495	1,547	1,597	1,604
Funding Included in Service Appropriations ^(b)	1,372	3,151	3,176	217	15,998	229	234
Administered Funds	5,182	3,730	3,730	4,900	-	-	-
Internal Funds and Balances	4,281	8,542	10,633	6,634	100	100	100
Other	522	-	378	-	-	-	-
Capital Contribution	1,450	14,818	12,005	2,605	10	15	-

(a) Figures have been adjusted due to the establishment of the Chemistry Centre (WA) as a Statutory Authority on 1 August 2007 and may not be directly comparable to previously published information.

(b) Capital works expensed through the Income Statement.

FINANCIAL STATEMENTS

INCOME STATEMENT
(Controlled)

	2006-07 Actual ^(a) \$'000	2007-08 Budget ^(a) \$'000	2007-08 Estimated Actual ^(a) \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
COST OF SERVICES							
Expenses							
Employee benefits expenses ^(b)	55,211	54,114	58,679	59,727	60,710	60,210	60,639
Superannuation	11,312	5,463	10,660	10,665	10,886	10,841	10,843
Cost of goods sold.....	-	200	200	200	200	200	200
Grants and subsidies ^(c)	40,460	67,402	57,745	68,074	53,559	48,970	37,864
Consultancies expense	1,665	808	808	808	808	808	808
Supplies and services	32,878	47,878	45,529	47,463	57,515	42,364	43,857
Accommodation.....	6,666	6,150	6,150	6,150	6,150	6,150	6,150
Finance costs.....	337	76	76	114	179	179	179
Capital user charge ^(d)	7,093	-	-	-	-	-	-
Depreciation and amortisation	2,512	2,021	2,021	2,330	2,339	2,349	2,355
Other expenses	188	1,495	1,495	1,490	1,465	1,465	1,470
Receipts paid into Consolidated Account.....	-	5,810	-	-	-	5,810	-
TOTAL COST OF SERVICES.....	158,322	191,417	183,363	197,021	193,811	179,346	164,365
Income							
User charges and fees.....	1,627	2,675	2,675	2,747	2,750	2,752	2,755
Regulatory fees and fines.....	13,005	12,407	12,407	12,926	13,249	13,580	13,919
Gain on disposal of non-current assets	188	-	-	-	-	-	-
Grants and subsidies	2,598	1,375	1,375	3,932	3,568	1,750	1,750
Interest revenue	-	-	-	-	43	43	43
Other revenue	2,208	71	71	71	71	71	71
Total Income.....	19,626	16,528	16,528	19,676	19,681	18,196	18,538
NET COST OF SERVICES ^(d)	138,696	174,889	166,835	177,345	174,130	161,150	145,827
INCOME FROM STATE GOVERNMENT							
Service appropriations ^(d)	142,480	165,681	158,437	161,388	165,749	147,021	137,796
Resources received free of charge	1,801	1,817	1,817	1,817	1,817	1,817	1,817
Liabilities assumed by the Treasurer	5,947	814	5,814	5,814	5,814	5,814	5,814
TOTAL INCOME FROM STATE GOVERNMENT.....	150,228	168,312	166,068	169,019	173,380	154,652	145,427
SURPLUS/(DEFICIENCY) FOR THE PERIOD	11,532	(6,577)	(767)	(8,326)	(750)	(6,498)	(400)
CHANGE IN SURPLUS/(DEFICIENCY) FOR THE PERIOD AFTER EXTRAORDINARY ITEMS	11,532	(6,577)	(767)	(8,326)	(750)	(6,498)	(400)

(a) Figures have been adjusted due to the establishment of the Chemistry Centre (WA) as a Statutory Authority on 1 August 2007 and may not be directly comparable to previously published information.

(b) The Full Time Equivalents (FTEs) for 2006-07 Actual, 2007-08 Estimated Actual and 2008-09 Estimate are 793, 855 and 880 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)

	2006-07 Actual ^(a)	2007-08 Budget ^(a)	2007-08 Estimated Actual ^(a)	2008-09 Budget Estimate	2009-10 Forward Estimate	2010-11 Forward Estimate	2011-12 Forward Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
CURRENT ASSETS							
Cash and cash equivalents	23,507	4,587	17,974	8,882	7,930	7,047	6,452
Investments	138	182	138	138	138	138	138
Receivables	2,644	3,418	2,383	2,390	2,397	2,397	2,397
Inventories.....	9	-	-	-	-	-	-
Amounts receivable for services.....	1,446	1,495	1,495	1,547	1,597	1,604	-
Prepayments	1,013	820	1,010	1,010	1,010	1,010	1,010
Non-current assets held for sale.....	10,306	-	10,306	10,306	10,306	10,306	10,306
Other.....	65	151	65	65	65	65	65
Total current assets	39,128	10,653	33,371	24,338	23,443	22,567	20,368
NON-CURRENT ASSETS							
Amounts receivable for services.....	8,158	8,879	8,879	9,857	10,794	11,734	14,284
Land and buildings.....	65,360	72,487	59,259	61,759	61,759	55,291	55,291
Plant and equipment.....	2,793	4,173	3,969	3,255	2,342	2,591	1,869
Intangibles.....	-	138	67	111	111	111	111
Loans and advances	13,009	12,325	13,009	13,009	13,009	13,009	13,009
Restricted cash	450	196	450	450	450	450	450
Other.....	9,142	11,907	15,845	16,349	16,480	16,152	15,928
Total non-current assets.....	98,912	110,105	101,478	104,790	104,945	99,338	100,942
TOTAL ASSETS.....	138,040	120,758	134,849	129,128	128,388	121,905	121,310
CURRENT LIABILITIES							
Payables ^(b)	3,798	5,825	3,908	3,908	3,908	3,908	3,908
Provision for employee entitlements	10,782	10,069	10,663	10,663	10,663	10,663	10,663
Borrowings.....	4,811	771	771	771	771	771	771
Interest payable	66	70	66	66	66	66	66
Accrued salaries	259	816	257	257	257	257	257
Other.....	1,752	446	1,826	1,826	1,826	1,826	1,826
Total current liabilities.....	21,468	17,997	17,491	17,491	17,491	17,491	17,491
NON-CURRENT LIABILITIES							
Provision for employee entitlements	4,558	4,525	4,572	4,572	4,572	4,572	4,572
Borrowings.....	163	-	-	-	-	-	-
Accrued salaries	72	91	72	72	72	72	72
Other.....	43	42	40	40	40	40	40
Total non-current liabilities	4,836	4,658	4,684	4,684	4,684	4,684	4,684
TOTAL LIABILITIES.....	26,304	22,655	22,175	22,175	22,175	22,175	22,175
EQUITY							
Contributed equity	58,432	74,220	60,137	62,742	62,752	62,767	62,572
Accumulated surplus/(deficit)	(771)	(20,655)	(1,538)	(9,864)	(10,614)	(17,112)	(17,512)
Reserves	54,075	44,538	54,075	54,075	54,075	54,075	54,075
Total equity.....	111,736	98,103	112,674	106,953	106,213	99,730	99,135
TOTAL LIABILITIES AND EQUITY	138,040	120,758	134,849	129,128	128,388	121,905	121,310

(a) Figures have been adjusted due to the establishment of the Chemistry Centre (WA) as a Statutory Authority on 1 August 2007 and may not be directly comparable to previously published information.

(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)**

	2006-07 Actual ^(a)	2007-08 Budget ^(a)	2007-08 Estimated Actual ^(a)	2008-09 Budget Estimate	2009-10 Forward Estimate	2010-11 Forward Estimate	2011-12 Forward Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
CASHFLOWS FROM STATE GOVERNMENT							
Service appropriations	140,264	163,465	156,221	158,863	163,215	144,477	135,246
Capital contribution	1,450	14,818	12,005	2,605	10	15	-
Holding account drawdowns	1,446	1,446	1,446	1,495	1,547	1,597	1,604
Net cash provided by State Government.....	143,160	179,729	169,672	162,963	164,772	146,089	136,850
CASHFLOWS FROM OPERATING ACTIVITIES							
Payments							
Employee benefits.....	(55,296)	(54,122)	(58,740)	(59,665)	(60,648)	(60,148)	(60,577)
Superannuation	(5,365)	(4,961)	(4,908)	(4,913)	(5,134)	(5,089)	(5,091)
Grants and subsidies	(42,377)	(66,788)	(57,745)	(68,074)	(53,559)	(48,970)	(37,864)
Consultancies payments.....	(1,665)	(808)	(808)	(808)	(808)	(808)	(808)
Supplies and services	(30,324)	(45,819)	(43,476)	(45,627)	(55,679)	(40,521)	(42,021)
Accommodation.....	(6,447)	(6,110)	(6,369)	(6,369)	(6,369)	(6,369)	(6,369)
Finance costs	(341)	(76)	(76)	(114)	(179)	(179)	(179)
Capital user charge ^(b)	(7,093)	-	-	-	-	-	-
Goods and services tax	(8,555)	(10,323)	(10,323)	(10,323)	(10,323)	(10,323)	(10,323)
Other.....	(22)	(1,490)	(1,495)	(1,490)	(1,465)	(1,465)	(1,470)
Receipts paid into Consolidated Account.....	-	(5,810)	-	-	-	(5,810)	-
Receipts							
User charges and fees.....	2,740	2,904	2,940	2,740	2,743	2,745	2,755
Regulatory fees and fines.....	13,200	12,407	12,407	12,926	13,249	13,580	13,919
Grants and subsidies	2,598	1,375	1,375	3,932	3,568	1,750	1,750
Interest received.....	-	-	-	-	43	43	43
Goods and services tax	8,421	10,317	10,317	10,323	10,323	10,323	10,323
Other receipts	1,374	71	71	71	71	71	71
Net cash from operating activities.....	(129,152)	(169,233)	(156,830)	(167,391)	(164,167)	(151,170)	(135,841)
CASHFLOWS FROM INVESTING ACTIVITIES							
Purchase of non-current assets.....	(5,223)	(15,843)	(14,171)	(4,664)	(1,557)	(1,612)	(1,604)
Proceeds from sale of non-current assets	355	5,810	-	-	-	5,810	-
Proceeds from sale of investments	150	-	-	-	-	-	-
Net cash from investing activities.....	(4,718)	(10,033)	(14,171)	(4,664)	(1,557)	4,198	(1,604)
CASHFLOWS FROM FINANCING ACTIVITIES							
Repayment of borrowings.....	(595)	(4,204)	(4,204)	-	-	-	-
Other payments for financing activities.....	-	(1,064)	-	-	-	-	-
Net cash from financing activities	(595)	(5,268)	(4,204)	-	-	-	-
NET INCREASE/(DECREASE) IN CASH HELD	8,695	(4,805)	(5,533)	(9,092)	(952)	(883)	(595)
Cash assets at the beginning of the reporting period	15,262	9,588	23,957	18,424	9,332	8,380	7,497
Cash assets at the end of the reporting period.....	23,957	4,783	18,424	9,332	8,380	7,497	6,902

(a) Figures have been adjusted due to the establishment of the Chemistry Centre (WA) as a Statutory Authority on 1 August 2007 and may not be directly comparable to previously published information.

(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

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
EXPENSES							
Total Cost of Services as per Income Statement.....	158,322	191,417	183,363	197,021	193,811	179,346	164,365
Less Capital User Charge.....	7,093	-	-	-	-	-	-
Adjusted Total Cost of Services	151,229	191,417	183,363	197,021	193,811	179,346	164,365
APPROPRIATIONS							
Net Amount Appropriated to Deliver Services	142,480	165,681	158,437	161,388	165,749	147,021	137,796
Less Appropriation Capital User Charge	7,093	-	-	-	-	-	-
Adjusted Net Amount Appropriated to Deliver Services	135,387	165,681	158,437	161,388	165,749	147,021	137,796

SCHEDULE OF ADMINISTERED EXPENSES AND INCOME

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
EXPENSES							
Employee benefits expenses	145	-	-	-	-	-	-
Superannuation	9	-	-	-	-	-	-
Grants and subsidies	69,908	56,195	62,257	62,992	45,857	35,389	33,402
Consultancies expense	151	-	-	-	-	-	-
Supplies and services	892	7,689	4,433	1,860	59	-	-
Accommodation	34	-	-	-	-	-	-
Finance costs	131	47	47	43	-	-	-
Other expenses	304	-	-	-	-	-	-
Receipts paid into Consolidated Account.....	2,166,726	2,515,216	2,334,499	3,337,599	3,556,199	3,445,221	2,903,621
TOTAL ADMINISTERED EXPENSES ^(a)	2,238,300	2,579,147	2,401,236	3,402,494	3,602,115	3,480,610	2,937,023
INCOME							
Regulatory fees and fines.....	9,798	-	-	-	-	-	-
Mining royalties	2,204,086	2,571,500	2,549,600	3,423,100	3,597,400	3,397,300	2,750,800
Grants and subsidies	500	790	1,804	4,731	1,754	486	486
Interest revenue	582	187	805	779	713	688	662
Other revenue	1,857	-	-	-	-	-	-
Administered appropriations.....	71,801	67,574	67,447	60,530	44,181	35,401	33,414
TOTAL ADMINISTERED INCOME ^(b)	2,288,624	2,640,051	2,619,656	3,489,140	3,644,048	3,433,875	2,785,362

(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

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
ADMINISTERED CURRENT ASSETS							
Cash and cash equivalents	12,324	15,900	6,364	5,184	5,203	5,203	5,203
Restricted cash	5,007	5,044	5,007	5,007	5,007	5,007	5,007
Investments	2,204	2,347	2,204	2,204	2,204	2,204	2,204
Receivables	432,713	591,644	650,400	738,123	781,548	735,274	584,102
Interest receivable	40	34	40	40	40	40	40
Total Administered Current Assets	452,288	614,969	664,015	750,558	794,002	747,728	596,556
ADMINISTERED NON-CURRENT ASSETS							
Receivables	-	-	9,548	9,138	8,703	8,242	7,753
Plant and equipment.....	19	13	19	19	19	19	19
Loans and advances	17,480	18,584	16,404	15,328	14,252	14,252	14,252
Other.....	3,993	12,105	11,393	12,982	12,982	12,982	12,982
Total Administered Non-Current Assets	21,492	30,702	37,364	37,467	35,956	35,495	35,006
TOTAL ADMINISTERED ASSETS.....	473,780	645,671	701,379	788,025	829,958	783,223	631,562
ADMINISTERED CURRENT LIABILITIES							
Payables	2,249	6,966	2,249	2,249	2,249	2,249	2,249
Moneys in trust	123	8,630	123	123	123	123	123
Interest payable	97	88	97	97	97	97	97
Other.....	3,729	-	3,729	3,729	3,729	3,729	3,729
Total Administered Current Liabilities.....	6,198	15,684	6,198	6,198	6,198	6,198	6,198
ADMINISTERED NON-CURRENT LIABILITIES							
Borrowings.....	2,089	2,089	2,089	2,089	2,089	2,089	2,089
Total Administered Non-Current Liabilities	2,089	2,089	2,089	2,089	2,089	2,089	2,089
TOTAL ADMINISTERED LIABILITIES	8,287	17,773	8,287	8,287	8,287	8,287	8,287

SCHEDULE OF ADMINISTERED PAYMENTS AND RECEIPTS

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
CASH OUTFLOWS FROM ADMINISTERED TRANSACTIONS							
Operating Activities							
Employee benefits.....	(145)	-	-	-	-	-	-
Superannuation	(9)	-	-	-	-	-	-
Grants and subsidies	(70,809)	(56,195)	(62,257)	(62,992)	(45,857)	(35,389)	(33,402)
Consultancies payments.....	(151)	-	-	-	-	-	-
Supplies and services	(892)	(7,689)	(4,433)	(1,860)	(59)	-	-
Accommodation.....	(34)	-	-	-	-	-	-
Finance costs	(122)	(47)	(47)	(43)	-	-	-
Goods and services tax	(8,990)	-	-	-	-	-	-
Other.....	(44,754)	-	-	-	-	-	-
Receipts paid into Consolidated Account.....	(2,164,466)	(2,515,216)	(2,334,499)	(3,337,599)	(3,556,199)	(3,446,297)	(2,904,697)
Transfer of Assets/Liabilities.....	(176)	-	(1,921)	-	-	-	-
Financing Activities							
Investing Activities							
Purchase of non-current assets.....	(3,306)	(5,459)	(7,400)	(1,589)	-	-	-
Purchase of investments.....	-	(1,900)	(3,100)	(3,640)	-	-	-
TOTAL ADMINISTERED CASH OUTFLOWS	(2,293,854)	(2,586,506)	(2,413,657)	(3,407,723)	(3,602,115)	(3,481,686)	(2,938,099)
CASH INFLOWS FROM ADMINISTERED TRANSACTIONS							
Operating Activities							
Regulatory fees and fines.....	9,798	-	-	-	-	-	-
Mining royalties	2,155,827	2,514,000	2,332,300	3,335,400	3,554,000	3,443,600	2,902,000
Grants and subsidies	-	790	1,804	4,731	1,754	486	486
Interest received	415	187	805	779	713	688	662
Goods and services tax	9,340	-	-	-	-	-	-
Other receipts	34,630	-	-	-	-	-	-
Service appropriations	14,573	12,645	14,289	12,042	10,655	9,553	8,585
Administered appropriations.....	57,228	54,929	53,158	48,488	33,526	25,848	24,829
Financing Activities							
Other proceeds from financing activities.....	-	1,076	1,441	1,463	1,486	1,511	1,537
Investing Activities							
Proceeds from sale of investments	1,028	-	-	-	-	-	-
Capital contribution receipts.....	1,000	2,700	3,900	3,640	-	-	-
TOTAL ADMINISTERED CASH INFLOWS.....	2,283,839	2,586,327	2,407,697	3,406,543	3,602,134	3,481,686	2,938,099
NET CASH INFLOWS/(OUTFLOWS) FROM ADMINISTERED TRANSACTIONS.....	(10,015)	(179)	(5,960)	(1,180)	19	-	-

DETAILS OF CONTROLLED GRANTS AND SUBSIDIES

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
Industry Development Financial Assistance	7,522	4,862	15,653	11,826	7,758	5,270	5,270
Other.....	574	206	206	206	206	206	206
Science and Innovation.....	32,364	62,334	41,886	56,042	45,595	43,494	32,388
TOTAL.....	40,460	67,402	57,745	68,074	53,559	48,970	37,864

DETAILS OF THE ADMINISTERED TRANSACTIONS EXPENSES

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
STATUTORY AUTHORITIES							
Bunbury Port Authority - Casting Basin							
Interest Costs.....	63	95	95	95	95	95	95
Dampier Port Authority - Burrup Port							
Infrastructure - Subsidy.....	7,006	7,715	7,596	10,022	8,150	10,358	9,113
Water Corporation - Burrup Water System - Subsidy.....	8,216	7,876	7,876	8,073	8,275	8,482	8,694
Western Australian Land Authority - Burrup Service Corridor - Subsidy	1,868	2,592	2,592	2,130	2,130	2,130	2,130
Western Australian Land Authority - Oakajee Industrial Estate Buffer Expansion.....	802	-	-	-	-	-	-
Western Power - Gas Lateral Line to the Murchison Area - Interest Costs	832	832	832	832	832	832	832
Western Power - Onslow Gas-Fired Power Station - Interest Costs	181	183	183	183	183	183	183
OTHER STATE SERVICES							
Aboriginal Lands Trust - Remuneration for Mining on Aboriginal Lands.....	-	155	878	155	155	155	155
Boddington Goldmine Expansion ^(a)	629	4,480	4,480	-	-	-	-
Burrup Fertilisers - Temporary Pipeline Facility.....	281	-	166	-	-	-	-
Coal Industry Development.....	538	7,957	2,850	6,159	4,100	-	-
Emergency Connect WA	-	-	1,044	2,221	1,735	-	-
Hearson Cove Road Upgrade	-	1,968	30	2,088	-	-	-
Jervoise Bay Infrastructure Southern Precinct .	565	-	-	-	-	-	-
Kimberley Broadband Solutions	106	1,020	1,800	324	-	-	-
Marine Industry Technology Park.....	59	-	-	-	-	-	-
Minerals and Energy Research Institute of Western Australia.....	657	630	630	633	641	641	655
Mining Tenement Refunds	9,584	2,000	10,100	11,950	7,000	1,000	1,000
Mirambeena Timber Precinct	21	4,200	800	1,060	-	-	-
Ngaanyatjarra Telecommunications	1,212	2,169	2,536	-	-	-	-
Other Administered Expenses	714	47	47	43	-	-	-
Petroleum (Submerged Lands) Act 1982	16,041	12,645	14,289	12,042	10,655	9,553	8,585
Protecting Our Old Growth Forests Policy	11,059	-	-	-	-	-	-
Protecting Our Old Growth Forests-Blue Leaf Whittakers Financial Assistance.....	93	45	45	25	5	-	-
Ravensthorpe Nickel Project	6,515	2,432	2,978	-	-	-	-
Receipts Paid into Consolidated Account	2,166,726	2,515,216	2,334,499	3,337,599	3,556,199	3,445,221	2,903,621
Refunds of Previous Years' Revenues.....	301	1,960	1,960	1,960	1,960	1,960	1,960
Science and Innovation - Innovate WA.....	4,231	2,930	2,930	4,900	-	-	-
TOTAL.....	2,238,300	2,579,147	2,401,236	3,402,494	3,602,115	3,480,610	2,937,023

(a) Expenses of \$4.4 million and responsibility for managing this project has been transferred to the Peel Development Commission from 1 July 2008.

DETAILS OF THE ADMINISTERED TRANSACTIONS INCOME

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
COMMONWEALTH GRANTS							
Commonwealth Contribution - Emergency Connect Western Australia	-	-	368	2,878	1,754	-	-
Commonwealth Contribution - Jervoise Bay Infrastructure	-	-	-	1,589	-	-	-
Commonwealth Contribution - Kimberley Broadband Solution	-	590	1,036	264	-	-	-
Commonwealth Contribution - Ngaanyatjarra Lands	500	200	400	-	-	-	-
ROYALTIES							
Alumina	84,189	72,900	78,700	73,500	66,600	71,400	76,100
Diamonds	25,678	26,500	34,100	28,200	22,400	24,800	28,700
Gold	104,586	123,700	112,200	137,800	166,400	129,300	91,000
Iron Ore	868,292	1,144,000	1,161,800	1,968,200	2,151,400	2,070,400	1,584,100
Lease Rentals	63,065	42,500	60,100	57,500	55,500	52,500	50,000
Mineral Sands	31,562	29,400	23,900	27,900	26,500	26,500	26,200
Nickel	206,525	262,500	156,300	220,800	197,200	148,900	105,200
Other	109,674	111,500	121,100	133,700	134,800	118,400	92,300
Petroleum - Commonwealth	656,833	699,200	742,000	719,700	724,300	708,400	653,400
Petroleum - State	53,682	59,300	59,400	55,800	52,300	46,700	43,800
OTHER							
Appropriations	71,801	67,574	67,447	60,530	44,181	35,401	33,414
Other Revenue	2,439	187	805	779	713	1,174	1,148
Regulatory Fees	9,798	-	-	-	-	-	-
TOTAL	2,288,624	2,640,051	2,619,656	3,489,140	3,644,048	3,433,875	2,785,362

AGENCY SPECIAL PURPOSE ACCOUNT DETAILS**Forest Residue Utilisation Levy Special Purpose Account**

The Forest Residue Utilisation Levy Special Purpose Account is controlled through the Industry Development and Investment Facilitation service. It is utilised for the purpose of funding studies and programs which add value to forest residues. Funding was provided from moneys received under the *Wood Chipping Industry Agreement Act 1969*.

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000
Opening Balance	60	61	56	56
Receipts:				
Appropriations	-	-	-	-
Other	-	-	-	-
	60	61	56	56
Payments	4	-	-	-
CLOSING BALANCE	56	61	56	56

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:

	2006-07 Actual ^(a) \$'000	2007-08 Budget ^(a) \$'000	2007-08 Estimated Actual ^(a) \$'000	2008-09 Budget Estimate ^(a) \$'000
Goods and Services Tax	8,421	10,317	10,317	10,323
Proceeds from Departmental Fees and Charges	1,910	1,245	1,245	1,329
Proceeds from Petroleum Permits and Licences	6,124	7,000	7,000	7,000
Proceeds from Prospecting, Exploration and Other Mining Licences	6,882	5,407	5,407	5,926
TOTAL	23,337	23,969	23,969	24,578

(a) Revenues received under the *Industry and Technology Development Act 1998* are excluded from this table.

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

Part 4

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

SUMMARY OF PORTFOLIO APPROPRIATIONS

Page	Agency	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000
249	Agriculture and Food			
	– Delivery of Services.....	174,906	176,934	153,971
	– Capital Contribution.....	560	562	3,724
	Total	175,466	177,496	157,695
272	Agriculture Protection Board of Western Australia			
	– Delivery of Services.....	1,330	1,330	1,362
	Total	1,330	1,330	1,362
279	Western Australian Meat Industry Authority	-	-	-
280	Perth Market Authority	-	-	-
281	Rural Business Development Corporation			
	– Delivery of Services.....	2,940	16,080	1,694
	Total	2,940	16,080	1,694
287	Forest Products Commission	-	-	-
288	Mid West Development Commission			
	– Delivery of Services.....	3,452	5,452	4,269
	Total	3,452	5,452	4,269
302	Wheatbelt Development Commission			
	– Delivery of Services.....	1,582	1,702	1,535
	Total	1,582	1,702	1,535

Part 4

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

SUMMARY OF PORTFOLIO APPROPRIATIONS

Page	Agency	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000
312	Great Southern Development Commission			
	– Delivery of Services.....	1,574	1,574	1,500
	– Capital Contribution.....	2,679	2,565	23,609
	Total	4,253	4,139	25,109
	GRAND TOTAL			
	– Delivery of Services.....	185,784	203,072	164,331
	– Capital Contribution.....	3,239	3,127	27,333
	Total.....	189,023	206,199	191,664

AGRICULTURE AND FOOD

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

DIVISION 13

APPROPRIATION AND FORWARD ESTIMATES

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
DELIVERY OF SERVICES							
Item 45 Net amount appropriated to deliver services^(a)	149,317	174,638	176,653	153,684	148,940	148,422	153,958
Amount Authorised by Other Statutes - Salaries and Allowances Act 1975^(b)	265	268	281	287	293	302	311
Total appropriations provided to deliver services	149,582	174,906	176,934	153,971	149,233	148,724	154,269
CAPITAL							
Item 140 Capital Contribution	4,050	560	562	3,724	26,178	65,991	64,732
GRAND TOTAL	153,632	175,466	177,496	157,695	175,411	214,715	219,001

- (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 2006-07 Actuals. 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 2008 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 2008-09 Budget.

MISSION

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

SIGNIFICANT ISSUES AND TRENDS

Climate Change

- Western Australia's primary industries will continue to be significantly affected by climate change. The changes in climate over the next few decades will be substantial, but variable across regions - some regions may experience up to 1.8°C warming on average by 2030, others will experience average rainfall decreases of up to 40 per cent. These impacts must be understood to minimise risk and maximise opportunities with a need for industries and farm businesses to increase their ongoing adaptation to adverse changes in rainfall and temperature over the longer term. The agricultural industries need to implement risk management strategies and reduce the impact of these changes.
- As a result of climate change and changes to water allocation systems in key eastern Australian production areas, some investors are looking to expand their businesses to Western Australia with a view to reducing supply risk.
- Understanding medium and long-term climate change outlooks will be critical in helping farming and production systems adapt to changes in rainfall and temperature. Adaptation planning is needed to ensure protection and maintenance of the natural resource base underpinning agricultural production.
- The opportunities for farmers to diversify into the provision of environmental services through carbon trading schemes are increasing with Australia signing the Kyoto Protocol in March 2008. Carbon offsets on agricultural land may be a significant early component of future national emissions trading scheme.

- There is increased pressure on water resources for agriculture due to reduced rainfall and climate variability particularly in the South West region, increased awareness of environmental requirements for water systems and competition for water allocation. Agriculture will be required to account for the efficiency of its water use, with growth in agricultural industries highly dependent on access to water resources.
- The National Water Initiative has updated the water reform process in Australia, with increased requirements on water managers to provide water for the environment, plan and allocate sustainable access to water for consumptive uses and resolve over-allocated systems. Water reforms in Western Australia are underway and considerable input from industry sectors is required on future water demands to ensure balance in water allocations.

Supply Chain Development

- Total food and beverage exports for 2006-07 was \$4.7 billion, comprising \$1 billion of processed food exports and \$3.7 billion of unprocessed food exports. The high proportion of unprocessed food exports provides a substantial opportunity to develop value-adding enterprises.
- Western Australia's food industry is comprised of over 700 processing companies employing a labour force of approximately 16,500.
- Recognition by governments and the wider community of the links between diet and undesirable health outcomes will result in an increased focus on healthy eating with a particular emphasis on fresh locally produced foods. This will strengthen consumer support for retention of strong viable fresh food industries in Western Australia and create new opportunities for the sector.
- The fallout from the Cole Inquiry has resulted in substantially reduced regulation of the wheat industry. There is also increasing pressure for de-regulation of export marketing of canola, barley and lupins. Industry preparedness for deregulation will be challenging as growers and processors rely on marketers and traders to provide market signals. There is a need to ensure the appropriate framework is in place so that the beneficial functions previously undertaken by single-desk exporters are not lost.
- The introduction of new varieties to meet consumer needs will become more important and tied to exclusive supply arrangements. The concept of creating value in new varieties through increased marketing will see fresh produce regarded more as fast moving consumer goods.

Markets

- Continued interest by consumers in the origin and nutritional value of food is driving food producers to consider their market positioning and responses accordingly.
- Livestock industries are facing increasing pressure from the community and markets to adopt and demonstrate the use of best practice in relation to animal welfare. Government agencies will play an increasing role in animal welfare related to livestock production and transport. This will be undertaken in partnership with industry and community organisations.
- Overseas markets are requiring Australia to provide higher levels of evidence of its animal and plant health status and freedom from specific diseases, pests and chemical residues. The need to maintain world-class pest risk assessment and pest surveillance systems is becoming increasingly important to protect Western Australia's high health status and integrity standards and gain and maintain market access.
- Farmers, industry and community are becoming more aware of the need to demonstrate Good Agricultural Practice in meeting environmental standards in farm and food production systems. In the short-term, the market is unlikely to be a major driver for environmental sustainability, however the industry must be positioned to meet the likelihood of increased export and domestic market pressures in this area.
- Western Australian agri-food producers have a high reliance on export markets and are affected significantly by changes to World Trade Organisation agreements, regional Free Trade Agreements (FTA) and subsidisation regimes of the European Union and United States of America. The introduction of FTAs will provide opportunities and challenges for Western Australian agriculture. Overseas investors are looking for secure and stable areas to invest and Western Australia provides many benefits.

Productivity

- Labour supply is an increasing issue in agriculture and food related areas, with availability of both seasonal and permanent labour a major constraint. There will be continued drive towards more labour efficiency and flexibility of farm operations, placing further downward pressure on rural communities.
- Higher input and labour cost pressures are escalating farm and food producer input costs e.g. fodder, fuel, fertiliser, wages and interest rates and these are in turn driving producers to target higher value market options. Retention of skilled personnel for research, development and regulatory activities is also increasingly difficult due to competition from the mining and petroleum resources and related sectors, which offer higher monetary rewards.
- Continuing increases in international trade and travel are contributing towards possible quarantine breaches and are requiring more sophisticated measures to manage the risk of introducing exotic pests and diseases, plus an effective surveillance and response capacity to respond to the suspicion or confirmation of an incursion of an exotic pest or disease.
- Historically, high grain prices are leading to increased area of crop and decreased area of pasture. However, whole-farm modelling strongly suggests that sheep and cattle grazing will remain an important integrated enterprise in sustainable agricultural production. High grain prices have highlighted the importance of optimising growing and use of pasture feed.
- There has been a trend towards the intensification of animal industries in Western Australia with increases in lot feeding within the beef and lamb industries, development of intensive feeding systems in the dairy industry and the concentration of sheep on fewer pasture hectares as a result of the expansion of the cropping area. This has heightened the demand for better fodder and feeding systems, improved management of fertilisers and the development of new production systems.

Resource Base Management

- There has been an increase in community expectations regarding environment impacts relating to sustainable development. This has highlighted the demand for a review of regulation and policy considerations, including land retirement and structural adjustment, to meet sustainable outcomes.
- Land degradation is a continuing issue for agricultural production and natural resource values in Western Australia, with emerging issues of greenhouse gas emissions inextricably linked to soil health.
- Management of salinity in the agricultural region will continue to be a high priority to reduce the impact on agricultural land and natural resources.
- Nutrient management in agricultural production systems continues to be a critical issue for both farmers and environmental regulators, with expectations that improved use of fertiliser in agricultural production will contribute to meeting water quality targets for priority-planned waterways. The development of the Fertiliser Action Plan will require a change to farming practices on the coastal plain.
- Management of declared plants and animals has struggled to keep pace with expansion in the number of regulated pest and disease species due to new detection of significant declared plants and animals, including bedstraw, prickly acacia, salvinia, water hyacinth, rubbervine, Indian house crows, rainbow lorikeets and sparrows etc.

Regional Development

- Agricultural production represents the largest renewable resource-based industry in Western Australia. The sector creates employment for more than 11 per cent of the State's workforce and is the largest employer in the rural regions.
- The rangelands make up 87 per cent of Western Australia's landmass. Livestock grazing on pastoral leasehold is the dominant commercial land use across 42 per cent (just over 900,000 square kilometres) of the Western Australian rangelands.
- Competition for the agricultural land arises from urbanisation and other development pressures. Planning to deal with these issues creates a requirement for resource data, spatial data analysis, codes of practice and effective relationships with land use planners and regional communities.

MAJOR POLICY DECISIONS

Details of major policy decision impacting on the Department's Income Statement since publication of the 2007-08 Budget to Parliament on 10 May 2007 is outlined below.

	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
Natural Heritage Trust Phase 3.....	15,000	26,000	26,000	26,000

SERVICE AND APPROPRIATION SUMMARY

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
SERVICES							
<i>Service 1:</i>							
Food and Fibre Industry Development.....	82,196	86,490	90,144	93,917			
<i>Service 2:</i>							
Agricultural Resource Management.....	134,035	162,016	156,463	130,277			
<i>Service 3:</i>							
Biosecurity.....	77,348	62,235	68,785	64,395			
<i>Service 4:</i>							
Services Provided to Rural Business Development Corporation.....	6,844	12,888	12,888	12,888			
Total Cost of Services ^(a)	300,423	323,629	328,280	301,477	269,001	268,525	274,099
<i>Less Income.....</i>	<i>169,646</i>	<i>150,918</i>	<i>161,641</i>	<i>120,318</i>	<i>116,420</i>	<i>116,453</i>	<i>116,482</i>
Net Cost of Services ^(a)	130,777	172,711	166,639	181,159	152,581	152,072	157,617
Adjustments ^(b)	18,805	2,195	10,295	(27,188)	(3,348)	(3,348)	(3,348)
Appropriation Provided to Deliver Services ^(a)	149,582	174,906	176,934	153,971	149,233	148,724	154,269
CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS							
Appropriation for Capital Contribution to meet equity needs ^(c)	4,050	560	562	3,724	26,178	65,991	64,732
TOTAL CONSOLIDATED ACCOUNT APPROPRIATIONS.....	153,632	175,466	177,496	157,695	175,411	214,715	219,001

(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 2006-07 Actuals. A reconciliation identifying the impact of this adjustment has been inserted after the financial statements.

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

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

RESOURCE AGREEMENT

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

OUTCOMES, SERVICES AND PERFORMANCE INFORMATION

Relationship to Government Goals

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

Government Goals	Desired Outcomes	Services
Creating conditions that foster a strong economy delivering more jobs, opportunities and greater wealth for all Western Australians.	Increased competitiveness and profitability of agriculture, food and fibre industries.	1. Food and Fibre Industry Development 4. Services Provided to Rural Business Development Corporation
Protecting and enhancing the unique Western Australian lifestyle and ensuring sustainable management of the environment.	Improved ecological sustainable development of agri-industry.	2. Agricultural Resource Management
Ensuring that regional Western Australia is strong and vibrant.	Effective management of biosecurity.	3. Biosecurity

The Key Performance Indicators represent a cross section of the Department's activities. Full details of the Indicators are available in the Department's Annual Report.

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

Effectiveness Indicator – Uptake of Department Varieties

Historically, the Department has been the main provider of new varieties of dominant export crops grown in Western Australia such as wheat, lupins and barley. The market share of varieties developed by the Department highlights the effectiveness of the breeding programs for Western Australian conditions. In October 2007, InterGrain Pty Ltd was established as an incorporated joint venture between the State Government and the Grains Research Development Commission. The Department delivered wheat-breeding services to the company for 2007-08 and is negotiating ongoing arrangements for 2008-09 under a transition program aimed at achieving a fully commercial operation.

The table below indicates that the Department expects the uptake of varieties developed by the Department or in a partnership arrangement to remain at high levels with most varieties having a greater than 75 per cent level of market utilisation.

Variety	2006		2007		2008
	Percentage of Western Australian crop area sown to crop varieties developed by the Department	Hectares planted	Percentage of Western Australian crop area sown to crop varieties developed by the Department	Hectares planted	Target percentage of total take-up of Western Australian crop area sown to crop varieties developed by the Department (or in a partnership arrangement)
Wheat	76	3,166,540	78	3,459,901	75
Barley	96	869,097	96	1,088,712	95
Oats	98	178,897	98	119,908	98
Lupins	100	360,480	100	178,802	100
Chickpeas	58	1,077	63	100	60
Total	82.5	4,576,091	83	4,847,423	80

Note: due to the low volume of field pea production in Western Australia, field peas will no longer be reported.

Effectiveness Indicator – Exports to Select Markets from Trade and Development

The table below indicates export performance of select products to markets that were subject to active work by the Department.

Commodity	Destination	2006 Actual (\$'000)	2007 Target (\$'000)	2007 Actual (\$'000)	2008 Target (\$'000)
Pork	Singapore	30,358	29,000	26,762	23,000
Beef	Japan	29,468	27,000	32,273	34,000
	South Korea	42,365	53,000	33,128	36,000
Lamb	Japan	10,096	8,000	6,147	7,000
Milk	South Korea ^(a)	1,779		2,524	3,000
	United Arab Emirates ^(a)	7,636		12,673	12,000
	Malaysia	2,984	3,200	4,550	4,500
	Hong Kong	8,173	8,500	8,949	9,000
Hay	Japan	99,634	92,000	82,821	75,000
	South Korea	7,479	7,200	10,565	9,000
Strawberries	Thailand ^(a)	242		382	350

(a) These products/markets are being reported for the first time as the Department has been active in these sectors and will be included in future reports.

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

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

Select Horticulture Exports

Product	2006 Actual	2007 Target	2007 Actual	2008 Target
Carrot exports (volume) tonnes.....	62,400	64,000	51,500	54,000
Carrot exports (value) (\$'000).....	\$40,228	\$41,200	\$34,249	\$36,000
Potato exports (volume) tonnes.....	1,400	1,700	1,300	2,500 ^(a)
Potato exports (value) (\$'000).....	\$1,210	\$1,459	\$1,192	\$2,420 ^(a)
Strawberry exports (volume) tonnes.....	1,250	1,200	1,200	1,300
Strawberry exports (value) (\$'000).....	\$6,291	\$6,000	\$5,766	\$7,000

(a) Exporters expect a considerable increase in seed potatoes for the 2008 calendar year. In particular, exports to Mauritius, Indonesia and Thailand are expected to increase.

Average Diameter of Wool Sold at Auction in Western Australia

Western Australian wool producers have responded to market demand for finer wool. Since 2006-07, over 35 per cent of the clip has been classed as super fine (under 19.5 micron). This is the premium segment of the market for Merino wool and is used mainly in production of fine apparel.

Service Measures	2006-07 Actual	2007-08 Target	2007-08 Estimate	2008-09 Target
1 Average diameter of wool sold at auction in Western Australia.....	20.3	20.1	20.0	19.9
2 Percentage of state clip in superfine category.....	37	38	38	39

Outcome 2: Improved Ecological Sustainable Development of Agri-industry

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

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

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

	2006-07 Actual Percent	2007-08 Target Percent	2007-08 Estimated Percent	2008-09 Target Percent
Agronomy Practices				
Planted non-irrigated perennial pasture species	39	40	40	45
Planted saltland pasture species.....	29	28	30	35
Planted trees for commercial production (e.g. pines and blue gums).....	18	16	20	25
Stubble retention or mulching practices.....	51	65	55	60
Farmed to soil type	73	70	73	75
Land Conservation Management				
Tree/shrub planting.....	74	65	75	78
Preserve or enhanced areas of conservation value.....	73	70	75	78
Excluded stock from areas impacted by land degradation.....	66	75	70	72
Protected river or creek frontages from grazing animals.....	51	52	53	55
Resource Monitoring				
Regular soil testing for nutrient levels	74	76	75	75
Regular soil testing for pH	74	70	74	74
Regular monitoring of pasture/vegetation cover on sandy/light soils	49	58	50	50
Surface Water Management				
Water on sloping land (e.g. grade banks).....	58	60	60	60
Water on the valley floors using surface drains	28	45	28	30
Water on the valley floors using deep drains	23	20	24	25

Outcome 3: Effective Management of Biosecurity

Effectiveness Indicator – Animal and Pest Intercepts and Releases from Quarantine

Service Measures	2006-07 Actual	2007-08 Target	2007-08 Estimate	2008-09 Target
1 Identification of notifiable animal diseases	3	5	5	5
2 Number of animal diseases	2	3	3	3
3 Interceptions of significant pests, diseases and weeds	180	265	184	185
4 Number of pests, diseases and weeds	53	62	54	57
5 Removal of properties from quarantine	142	109	71	66

Animal Diseases

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

Interception of Significant Pests, Diseases and Weeds

The total excludes interceptions of insects from international sources, which are reported to the Commonwealth Government. For pest interceptions by interstate and international barrier quarantine activities, effectiveness is the exclusion of quarantine risk material. Sampling indicates successful exclusion of insect pests, plant diseases and weeds. A given pest is deemed significant when it is capable of inflicting a high damage cost. The number of interceptions (target) has been reduced, taking into consideration current control and interception practices.

Quarantine

In terms of quarantine releases, footrot eradication, Bovine Johnes Disease and chemical residue were included to demonstrate effectiveness. When a property, flock or herd is released from quarantine, which may also be the issue of a permit, this signifies either freedom from a pest threat or control of the problem by virtue of management arrangements in place. Progressive releases indicate wider freedom from the threat, thereby reducing the number of properties or flocks subject to future release. In 2007, animal disease campaigns moved into a control phase and the number of quarantined properties have decreased.

Service 1: Food and Fibre Industry Development

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

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

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

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service ^(a)	82,196	86,490	90,144	93,917	
<i>Less Income</i>	34,764	30,143	32,143	26,434	
Net Cost of Service ^(a)	47,432	56,347	58,001	67,483	
Adjustments ^(b)	(5,852)	(111)	(76)	(560)	
Appropriation for Delivery of Service ^(a)	41,580	56,236	57,925	66,923	

(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 2006-07 Actuals. 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

	2006-07 Actual	2007-08 Budget	2007-08 Estimated	2008-09 Target	Reason for Significant Variation between 2007-08 Estimated and 2008-09 Target
Total number of units of knowledge.....	2,775	3,050	2,850	2,900	
Total cost (\$'000).....	\$87,787	\$86,490	\$89,265	\$92,838	
Average cost per unit of knowledge.....	\$31,635	\$28,357	\$31,321	\$32,013	

Full Time Equivalents for Service 1

	2006-07 Actual	2007-08 Budget	2007-08 Estimated	2008-09 Target	Reason for Significant Variation between 2007-08 Estimated and 2008-09 Target
Full Time Equivalents (FTEs)	710	717	737	712	

Major Achievements For 2007-08

- Assisted in the establishment of the formation of the Food Industry Association in Western Australian to improve the coordination of services for the food industry.
- Enhanced the local food research and development (R&D) capacity by initiating a major food R&D alliance program with Food Science Australia to align local R&D capacity and to deliver technology transfer services to Western Australian food producers.
- Encouraged the presence of local products on supermarket shelves by creating and implementing a State of origin branding scheme 'Buy West, Eat Best'. This will allow consumers to differentiate imported product from local produce.
- A partnership with Rio Tinto to review opportunities from their mine dewatering and pastoral operations has been undertaken which may lead to new industry development opportunities.
- The State Government launched 'Community Gardens - Growing People' as an initiative of the Department's New Opportunities for Tropical and Pastoral Agriculture project. This initiative was built on a collaborative approach by government agencies, Traditional Owners and Indigenous entrepreneurs. The project will focus on the cultivation of both conventional and traditional fruit and vegetables using the latest technology in irrigation and agronomy through an ultra low impact land development technique known as enrichment planting.
- Fieldwork on the effects of gene markers for tenderness in beef was completed. Preliminary analysis show that the gene markers account for significant variation in tenderness and this has important implications for Bos Indicus cattle.
- A draft Best Practice Handling information package has been developed for export seed potatoes to assist the industry to improve out-turns of export shipments and support growth in this developing export sector.
- Market access achieved for Red Grapefruit from Kununurra (tropical) to Japan.
- Western Australia's first commercial wheat breeding company (InterGrain Pty Ltd) was established by the State Government and the Grains Research and Development Corporation.
- Significant contribution to crop genetic improvement were achieved including the release of:
 - two new wheat lines in October 2007;
 - a Brassica juncea variety suited for biodiesel production in low rainfall environments; and
 - an advanced narrow leafed lupin line that demonstrates better adaption to the southern high rainfall lupin growing areas.

- The first commercial variety of an annual bladder clover species in world agriculture was developed. It is capable of high seed yields easily harvested with a conventional grain harvester and provides a low cost annual pasture legume for Mediterranean mixed farming systems.
- The Department conducted a world-first scientific study proving that smoke taints the taste of wine grapes. Maintaining grape and wine quality by quantifying the seasonal susceptibility of grapevines to smoke, enhancing the decision-making capacity of wine producers and forest managers to reduce the impact of smoke from prescribed burns and bushfires on wine grapes and wine.

Major Initiatives For 2008-09

- Establish a clear market focus through strategic alliances with agriculture, food and fibre industries. Emphasis will be on investment attraction and helping agriculture, food and fibre industries to better understand and target key markets. The initiatives will include:
 - continuing to promote the ‘Buy West, Eat Best’ initiative and capitalise on new opportunities as they arise;
 - the ‘Dairy Invest’ initiative to increase efficient, profitable milk production in Western Australia, to be promoted and implemented by the four main dairy processors, Western Dairy and the Department;
 - strengthening the relationship with Chinese Government agencies and industry;
 - conducting food promotions in China with leading supermarket/hypermarket chains to promote Western Australian agri-food products;
 - continuing to work with potential overseas investors to establish new and/or expand existing industries; and
 - working with government and industry to develop precincts for processing and manufacturing.
- Continue to develop the Agricultural Research Western Australia (ARWA) alliance to increase the State’s critical mass in research and development for agriculture and to develop increased national collaboration in partnership with interstate counterpart agencies and of industry research and development corporations.
- Use research, development and extension to enhance the productivity of agriculture, food and fibre industries. Emphasis will be on:
 - releasing three new grain varieties, all of which are expected to have significant impacts on yields;
 - working with grower groups in the fruit industry to support growth and profitability of the industry. This will be through targeted marketing, promotion and the development of new varieties;
 - increasing the production efficiency of the export vegetable industry. This includes the development of alternative production systems that support the introduction of harvesting machinery complementary technologies and increasing industry capacity;
 - developing new industry and market opportunities, through commercial partnerships and pilot in-market testing using innovative technologies and products developed from research projects, such as In-Vitro Soils plant propagation and new varieties of Australian native plants and new sea freight technologies;
 - research to improve the cost efficiency of feed inputs for animal industries;
 - playing a lead role in helping the sheep industry prepare for an end to mulesing. Solutions will be examined in support of a staged implementation of alternative fly control methods to achieve a cessation of mulesing by December 2010;
 - a new laboratory/field-based seed certification service for mixed varieties of subterranean clover to be launched using the new technology being developed with research partners;
 - a review which will be conducted on public and industry investment into pasture breeding and productivity research in Western Australia. The current research portfolio will be reviewed against the critical needs of the animal and grains farm businesses and will have significant external stakeholder involvement;
 - researching new wheat genetics and agronomic practises relating to ramen and other yellow alkaline noodles for Western Australian grain growers to potentially capture premium markets; and
 - assisting the agricultural production sector to respond to climate change and seasonal variability.
- Extend the Indigenous Landholder services in the Kimberley and Pilbara with an expected increase in agricultural productivity of 11 per cent of beef turnoff from Indigenous leases and increased compliance with regulatory obligations.
- Play a lead role in implementation of a whole-of-government, whole-of-supply-chain Food Strategy for Western Australia.

Service 2: Agricultural Resource Management

Generation, integration and application of knowledge which together with appropriate investment, policy and regulation develops the capacity of rural communities and industries to profit from environmentally responsible agriculture.

This service contributes to the ecological sustainable development of agri-industry in a number of ways. The Department aims to manage the production risks by preventing the decline in the productive capacity of our natural resources and minimising off-site impacts of agriculture such as stream sedimentation, nutrient contamination and rising water tables.

Sustainable use of our natural resources is inextricably linked to productivity and profitability and therefore must be part of business and management decisions that are made at the paddock level by farmers every day. Influence is highly dependent on knowledge of, and credible participation in rural networks. The Department, through its long established connection with rural people and its fostering of networks such as the Landcare movement, is still the best placed agency to do this.

For sustainable land management, farmers must receive holistic sustainable land management and production advice. Advice on sustainable land management is being increasingly incorporated into farming systems advice and the Department is uniquely placed to lead this through research and development and farming systems because of its skills and knowledge.

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service ^(a)	134,035	162,016	156,463	130,277	Funding movements relate to the transition of the Commonwealth/State funding agreement associated with Natural Resource Management, currently being negotiated.
<i>Less Income</i>	100,769	87,093	87,093	54,197	
Net Cost of Service ^(a)	33,266	74,923	69,370	76,080	
Adjustments ^(b)	17,024	2,669	5,706	(30,949)	
Appropriation for Delivery of Service ^(a)	50,290	77,592	75,076	45,131	

(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 2006-07 Actuals. 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

Efficiency Indicator - Average Cost per Information Product

Information products include publications, cartographic products, contributions to corporate publications and audiovisuals such as CD ROMs and videos. These form a major component of the physical output delivered to clients.

	2006-07 Actual	2007-08 Target	2007-08 Estimated	2008-09 Target
Total number of information products	756	715	700	770
Total cost.....	\$12,606,761	\$13,412,677	\$14,631,969	\$16,037,067
Average cost per information product.....	\$16,676	\$18,758	\$20,903	\$20,827

Efficiency Indicator – Average Cost per Hectare Assessed for Risks, Options and Impacts

Under the Western Australian Government's 2000 State Salinity Strategy, the Department is obliged to provide all landholders in the agricultural areas with an assessment of current salinity, options for managing those risks and their likely impacts.

	2006-07 Actual	2007-08 Target	2007-08 Estimated	2008-09 Target	Reason for Significant variation between 2007-08 Estimated and 2008-09 Target
Total number of hectares assessed for risks, options and impacts ('000)	3,450 ^(a)	2,587	3,352	3,352	
Total cost.....	\$7,281,619	\$8,000,235	\$9,415,935	\$10,321,030	
Average cost per hectare assessed for risks, options and impacts	\$2.11	\$3.09	\$2.81	\$3.08	

(a) Figures reported in the 2006-07 Annual report were incorrect. The number of hectares was incorrectly reported as 3.1 million.

Efficiency Indicator – Average Administration Cost per Participant in Farm Business and Rural Community Development Activities

Despite the management of FarmBis 3 Program being devolved to the Rural Business Development Corporation in 2005-06, the Department still plays an important role in respect to the administration of the Natural Resource Management (NRM) program. Therefore, the average administration cost per participant is an appropriate measure of the Department's performance in the provision of this service. The Commonwealth Government will cease funding FarmBis 3 Program from 30 June 2008. Future activities are subject to further development.

Activities have focused on assistance schemes in response to adverse seasons. This has meant that fewer training activities have been applied for. Assistance scheme application processes are more complex than training grants.

	2006-07 Actual	2007-08 Target	2007-08 Estimated	2008-09 Target	Reason for Significant Variation between 2007-08 Estimated and 2008-09 Target
Total number of participants in Farm Business Development and Rural Community development activities.....	3,355	4,000	4,000	4000	
Total cost.....	\$1,607,922	\$1,677,235	\$2,619,071	\$2,915,145	
Average administration cost per participant in Farm Business Development and Rural Community development activities	\$479	\$419	\$655	\$729	

Full Time Equivalents for Service 2

	2006-07 Actual	2007-08 Budget	2007-08 Estimated	2008-09 Target	Reason for Significant Variation between 2007-08 Estimated and 2008-09 Target
Full Time Equivalents (FTEs)	342	343	350	343	FTE decrease relates to the reduced level of anticipated externally funded projects in 2008-09.

Major Achievements For 2007-08

- Completed a pilot study that developed a benchmarking method for assessment of existing Surface Water Management works on-farm. The study will be used to guide future work on catchment water planning and will guide extension strategies for surface water management.
- Waterwise on the Farm irrigation training and information program has been delivered to six priority irrigation groups in the Harvey, Manjimup, Scott River and Carnarvon irrigation areas.

- The Department established the Centre of Excellence in Ecohydrology as a joint initiative between the Department and the University of Western Australia as part of the ARWA alliance.
- Reviewed benchmarks for water use efficiency in agricultural irrigation in Western Australia, as part of the State Water Plan 2007.
- The 'Farming for the Future' initiative completed the identification and documentation of a generic baseline of agricultural management practices for use by agriculture industry to assess, verify and improve its sustainability. Industry specific practice baselines have been completed and tested with sectors of the dairy, grain and vegetable industries.
- Developed ComBores 08 (an online web-based dataset) in partnership with Avon Catchment Council to allow community collected groundwater data to be collated into a managed database for easy access by users.
- Developed seven Flagship trial sites to support landholders adapt to salinity in partnership with South West Catchment Council.
- The 'Have a Yarn' series of saltland management case studies from the Western Australian Sustainable Grazing for Salt Land Growers Network project have been developed and published.
- In partnership with South Coast NRM, the south coast healthy catchment initiative has resulted in six catchment plans involving 150 individual farm plans incorporating NRM practices. This has resulted in the planting of over 10,000 hectares of perennials and provides significant benefits to farm productivity and localised natural resource management.

Major Initiatives For 2008-09

- Prepare a communication package with information for farmers on how agriculture can participate in carbon markets, forms of bio-sequestration and accreditation/certification standards and economic analysis for carbon sequestration in agricultural systems.
- Undertake an analysis of agricultural water use across irrigation industries in Western Australia and provide future water demand projections for industry development and growth into water resource management plans.
- Undertake an assessment of land and water availability for high value agricultural industry development in the South West.
- Implement an initiative in the south coast region in partnership with the Cooperative Research Centre for Future Farming Industries to develop land use options for farmers through matching current and potential land uses to land capability.
- Deliver Best Management Practice for nitrogen and phosphorus use by farmers under the Coastal Catchment Initiative to address the environmental harm being caused by inappropriate use of fertilisers.
- Implement the salinity Resource Condition Monitoring project to monitor and assess groundwater trends and salinity.
- Implement the Resource Condition Monitoring project to determine the current status and trend in soil condition and to assist the agricultural industry in determining risks, priorities and opportunities for productive and sustainable management of the land resource.
- Identification of potential locations and resource arrangements including water availability and key environmental factors for alternative horticulture precincts.
- Develop a Bilateral Agreement with the Commonwealth Government including management arrangements for a new national NRM program 'Caring for our Country' to ensure the efficient and effective delivery of NRM outcomes for the State. This includes working with regional NRM groups to improve business processes to streamline and reduce duplication of administrative and management functions.
- Introduce and implement regulatory and assessment process improvements for rural drainage in line with recommendations of the Wheatbelt Drainage Council.

- Develop a Climate Adaption program in partnership with universities and the Commonwealth Scientific and Industrial Research Organisation (under an ARWA arrangement) to establish an integrated suite of research, development and educational activities to better position the State's agriculture business against the impacts of climate change.

Service 3: Biosecurity

Generation, integration and application of knowledge, policy and regulation to ensure the agriculture and related resources are protected and that safety and quality standards are upheld.

This service contributes to the protection of our productive resource base through the:

- maintenance of effective barrier quarantine and protection requirements to minimise the risk of introducing new pests and diseases and to maintain market access;
- operation of effective surveillance programs to ensure early detection and diagnosis of incursions, define the status for market access and justify quarantine barriers;
- ongoing capability to undertake emergency responses to incursions and outbreaks of high priority animal and plant pests and diseases;
- delivery of effective management programs that target specified pests and diseases; and
- achievement of a high level of awareness of key threats to agricultural industries and an increased participation by industry members in the management of risk.

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service ^(a)	77,348	62,235	68,785	64,395	
<i>Less Income</i>	27,269	20,794	29,517	26,799	
Net Cost of Service ^(a)	50,079	41,441	39,268	37,596	
Adjustments ^(b)	7,633	(363)	4,665	4,321	
Appropriation for Delivery of Service ^(a)	57,712	41,078	43,933	41,917	

(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 2006-07 Actuals. 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

	2006-07 Actual	2007-08 Budget	2007-08 Estimated	2008-09 Target	Reason for Significant Variation between 2007-08 Estimated and 2008-09 Target
Cost per freight consignment cleared or certified	\$340	\$650	\$270	\$244	
Passenger quarantine checking cost (per passenger).....	\$6.01	\$6.30	\$5.86	\$5.31	
Cost per property management plan for animal disease	\$7,633	\$10,500	\$6,775	\$6,349	
Cost per diagnostic sample processed	\$581	\$520	\$521	\$471	

(a) FTE decrease relates to the reduced level of anticipated externally funded projects in 2008-09

Full Time Equivalents for Service 3

	2006-07 Actual	2007-08 Budget	2007-08 Estimated	2008-09 Target	Reason for Significant Variation between 2007-08 Estimated and 2008-09 Target
Full Time Equivalents (FTEs)	535	538	563	536	FTE decrease relates to the reduced level of anticipated externally funded projects in 2008-09.

Major Achievements For 2007-08

- As a result of the nationally funded European House Borer (EHB) containment and eradication program:
 - the EHB has been confined to the greater Perth metropolitan area;
 - a world's first molecular diagnosis of EHB was developed using Deoxyribonucleic Acid (DNA) technology;
 - the national EHB Scientific Advisory Panel has reviewed the program and recommended that there is no technical reason to believe that eradication cannot be achieved; and
 - a customer survey indicated that over 75 per cent of businesses were aware of EHB, indicating an effective communications strategy.
- Incursions of European wasp and Khapra beetle (a serious grain pest) were successfully eradicated. Area freedom was successfully maintained for major pests such as exotic fruit flies, apple scab, codling moth, Asian Gypsy Moth, red imported fire ant, citrus longicorn, Giant African Snail and Sycamore Lace Bug.
- The Department carried out a coordinated locust control program in the Southern Agricultural Region during spring 2007. An area of 35,000 hectares was treated to prevent the formation of large damaging swarms. The final area treated was less than predicted due to early drying of pastures and late hatching of nymphs.
- Industry agreement was reached with sheep producers, who has provided a majority of the funding and jointly managed the Footrot Control Program.
- Over 1,000 starlings have been removed in targeted South Coast areas since July 2006. Extension of the use of radiotelemetry in the starling eradication program from a research project to a successful surveillance and control tool has led to the immediate detection of previously unknown starling populations allowing them to be controlled.
- 'WESTPLAN – Animal and Plant Biosecurity' has been developed in consultation with support agencies and documents response and recovery arrangements for an animal and plant pest or disease emergency.
- Investment in animal welfare activities was increased and a formal agreement signed with the Department of Local Government and Regional Development, with the Department taking the lead on livestock welfare arrangements. Livestock welfare training has been delivered to stevedores and feedlot operators.
- The Pest and Disease Information Service provided a fully operational community service call centre, allowing effective and efficient responses to enquiries received on the identification of animal and plant pests, diseases and weeds.
- Leadership was provided to community and industry groups in coordinated management of serious pests. Successfully delivered pest management services for external funding bodies to the value of over \$8 million to assist with serious pest management programs such as donkey eradication. Support was provided to communities for extensive, coordinated, co-funded programs dealing with wild dogs, rabbits, foxes, feral pigs, feral donkeys, starlings, rainbow lorikeets, Baudins cockatoos, skeleton weed, Bedstraw, noogoora burr, mesquite, parkinsonia, weedy cactus, feral camels, feral goats, blackberry and other declared pests.
- The Department conducted over 5,000 property inspections and 15,000 landholder contacts for declared pests and improved landholder compliance through increased awareness, audit inspections, provision of advice and management of non-compliance.

Major Initiatives For 2008-09

- The Biosecurity Council, established under the *Biosecurity and Agriculture Management Act 2007* (BAM Act), will replace the Agriculture Protection Board. The Council's work will build on the 2007 State Biosecurity Review and be aided by operations of a Biosecurity Senior Officers Group from biosecurity agencies.
- An effective regulatory framework for invasive species will be developed to support the BAM Act. Community and industry consultation will be completed on alternative funding mechanisms and functional arrangements for improved pest management.
- Drafting of the BAM Act Regulations will be completed and the modification of current and new biosecurity policy processes and procedures including the completion of declared pests, prohibited organisms and permitted organisms lists, development of the permit system and databases to enable the implementation of the Act and Regulations.

- The Department will take the lead role on livestock welfare issues, in partnership with the Department of Local Government and Regional Development, by developing initiatives and action plans to improve welfare outcomes in consultation with key stakeholders.
- The Department's quarantine unit will resume the provision of passive and active detector dog services at the Perth Domestic Airport and freight centres to increase surveillance for quarantine risk material.
- A major review of the nationally cost-shared EHB Program will be completed. The five year national agreement between the State and Commonwealth Governments and pine timber industry will refine surveillance techniques for EHB, including further use of detector dogs and the development of acoustic detection systems.
- Operational policies for chemical use will be finalised in relation to the introduction of chemical training standards, record keeping and the use of restricted chemical products. A pesticide-user communication plan will be developed to address the use of pesticides and the link to pesticide residues and the maintenance of chemical registration.
- Emergency and incident management training exercises will be undertaken to test agency response plans, improve the Department's preparedness, underpin accreditation of trained staff and promote cooperation and support from other state hazard management agencies.

Service 4: Services Provided to Rural Business Development Corporation

Provision of contractual services to the Rural Business Development Corporation to assist farmers enhance their skills, leading to improved sustainable long-term profitability and better capacity to deal with risks inherent in farming.

This service contributes to the ecological sustainable development of agri-industry in a number of ways, but essentially the Department aims to manage the risks to production by preventing the decline in the productive capacity of our natural resources and minimising offsite impacts of agriculture such as stream sedimentation, nutrient contamination and rising water tables. This can only be achieved under a situation where industry profitability is at least maintained.

Therefore, a key focus is to assist farmers significantly impacted by exceptional seasonal events. Another key focus is to enhance their skills through training. The training program promotes sustainable long-term profitability and equips the participants capacity to deal with risks.

Significant issues and trends and major achievements are addressed in the Rural Business Development Budget Statements.

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service ^(a)	6,844	12,888	12,888	12,888	
<i>Less Income</i>	6,844	12,888	12,888	12,888	
Net Cost of Service ^(a)	-	-	-	-	
Adjustments ^(b)	-	-	-	-	
Appropriation for Delivery of Service ^(a)	-	-	-	-	

(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 2006-07 Actuals. A reconciliation identifying the impact of this adjustment has been inserted after the financial statements.

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

CAPITAL WORKS PROGRAM

The capital works program includes:

- \$130.3 million for the relocation of the Headquarters and Biosecurity facilities to Murdoch University;
- \$53.3 million for Agriculture Research Western Australia Phase One, also located at Murdoch University;
- \$0.6 million for the South Boulder Quarantine Yards;
- \$3.6 million for the 2008-09 Capital Equipment Replacement Program; and
- \$3.0 million for planning of Agriculture Research Western Australia Phase Two.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-08 \$'000	Estimated Expenditure 2007-08 \$'000	Estimated Expenditure 2008-09 \$'000
WORKS IN PROGRESS				
Agriculture Research Western Australia - Phase 1	53,275	1,780	1,780	1,030
Headquarters and Biosecurity Relocation Planning	4,376	3,165	2,780	1,211
South Boulder Quarantine Inspection Yards	657	650	650	7
COMPLETED WORKS				
Bait Production Unit	700	700	700	-
Capital Equipment Replacement Program - 2007-08 Program	3,975	3,975	3,975	-
Kimberley Regional Office Redevelopment (Frank Wise Institute)	3,350	3,350	1,078	-
New Dairy at Vasse Research Station	1,015	1,015	71	-
Regional Accommodation Phase 2	4,163	4,163	484	-
NEW WORKS				
Agricultural Research Western Australia - Phase 2	3,000	-	-	570
Agriculture Headquarters and Biosecurity Relocation	125,960	-	-	1,906
Capital Equipment Replacement Program - 2008-09 Program	3,600	-	-	3,600
	204,071	18,798	11,518	8,324

CAPITAL CONTRIBUTION

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS							
Total Cost of Capital Works Program	7,098	8,560	11,518	8,324	29,285	90,154	68,932
LESS	7,098	8,560	11,518	8,324	29,285	90,154	68,932
Drawdowns from the Holding Account	1,345	7,300	7,300	4,600	3,107	24,163	4,200
Internal Funds and Balances	1,703	700	3,656	-	-	-	-
Capital Contribution	4,050	560	562	3,724	26,178	65,991	64,732

FINANCIAL STATEMENTS

INCOME STATEMENT
(Controlled)

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
COST OF SERVICES							
Expenses							
Employee benefits expenses ^(a)	94,044	91,972	99,561	93,292	90,428	89,536	90,441
Superannuation	11,836	7,840	8,435	8,402	8,333	8,217	8,305
Grants and subsidies ^(b)	107,213	159,269	146,169	114,929	94,351	94,351	94,351
Consultancies expense	-	6,397	397	810	296	296	296
Supplies and services	67,155	46,781	62,143	72,975	64,165	64,231	65,834
Accommodation	6,849	1,871	1,871	1,895	1,895	1,895	4,452
Finance costs	1,491	-	-	-	-	-	-
Capital user charge ^(c)	12,426	-	-	-	-	-	-
Depreciation and amortisation	8,449	7,051	7,051	6,456	6,802	7,162	7,582
Doubtful debts	2	-	-	-	-	-	-
Other expenses	3,384	2,448	2,653	2,718	2,731	2,837	2,838
TOTAL COST OF SERVICES	312,849	323,629	328,280	301,477	269,001	268,525	274,099
Income							
User charges and fees	11,678	8,413	9,136	10,312	10,416	10,436	10,464
Regulatory fees and fines	1,111	1,830	1,830	2,041	2,052	2,065	2,066
Grants and subsidies	130,547	128,373	138,373	94,853	92,370	92,370	92,370
Interest revenue	2,845	1,250	1,250	1,250	1,250	1,250	1,250
Service delivery agreement	16,913	10,559	10,559	11,369	9,839	9,839	9,839
Other revenue	6,552	493	493	493	493	493	493
Total Income	169,646	150,918	161,641	120,318	116,420	116,453	116,482
NET COST OF SERVICES ^(c)	143,203	172,711	166,639	181,159	152,581	152,072	157,617
INCOME FROM STATE GOVERNMENT							
Service appropriations ^(c)	162,008	174,906	176,934	153,971	149,233	148,724	154,269
Resources received free of charge	353	788	788	788	788	788	788
Liabilities assumed by the Treasurer	2,913	-	-	-	-	-	-
TOTAL INCOME FROM STATE GOVERNMENT	165,274	175,694	177,722	154,759	150,021	149,512	155,057
SURPLUS/(DEFICIENCY) FOR THE PERIOD	22,071	2,983	11,083	(26,400)	(2,560)	(2,560)	(2,560)
CHANGE IN SURPLUS/(DEFICIENCY) FOR THE PERIOD AFTER EXTRAORDINARY ITEMS	22,071	2,983	11,083	(26,400)	(2,560)	(2,560)	(2,560)

(a) The Full Time Equivalents (FTEs) for 2006-07 Actual, 2007-08 Estimated Actual and 2008-09 Estimate are 1,587, 1,650 and 1,591 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)**

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
CURRENT ASSETS							
Cash and cash equivalents	7,336	13,191	13,801	3,922	3,922	3,143	3,143
Restricted cash	75,379	33,050	75,683	58,504	55,165	52,937	49,930
Receivables	13,221	12,525	14,195	15,169	16,264	16,264	16,711
Inventories.....	1,776	2,017	2,134	2,134	2,134	2,134	2,134
Interest receivable	860	-	860	860	860	860	860
Amounts receivable for services.....	7,300	4,600	4,600	3,107	24,163	3,600	3,600
Prepayments	1,507	1,623	1,507	1,507	1,507	1,507	1,507
Other.....	-	2,584	-	-	-	-	-
Total current assets	107,379	69,590	112,780	85,203	104,015	80,445	77,885
NON-CURRENT ASSETS							
Amounts receivable for services.....	29,409	31,860	31,860	35,209	17,848	21,410	24,792
Land and buildings.....	154,711	131,836	152,828	150,944	149,061	147,178	147,178
Investments	813	607	813	813	813	813	813
Plant and equipment.....	17,674	14,577	16,481	15,509	14,190	12,811	9,429
Biological assets.....	2,220	-	2,220	2,220	2,220	2,220	2,220
Restricted cash	605	199	605	605	605	605	605
Other.....	11,358	10,896	18,901	23,625	49,310	135,564	200,296
Total non-current assets	216,790	189,975	223,708	228,925	234,047	320,601	385,333
TOTAL ASSETS.....	324,169	259,565	336,488	314,128	338,062	401,046	463,218
CURRENT LIABILITIES							
Payables ^(a)	9,044	14,549	9,044	9,044	9,044	9,044	8,522
Provision for employee entitlements	26,127	23,488	26,127	26,127	26,127	26,159	26,159
Accrued salaries	395	1,839	711	1,027	1,343	1,643	2,165
Total current liabilities.....	35,566	39,876	35,882	36,198	36,514	36,846	36,846
NON-CURRENT LIABILITIES							
Provision for employee entitlements	5,917	6,117	5,917	5,917	5,917	5,917	5,917
Other.....	-	888	-	-	-	-	-
Total non-current liabilities	5,917	7,005	5,917	5,917	5,917	5,917	5,917
TOTAL LIABILITIES.....	41,483	46,881	41,799	42,115	42,431	42,763	42,763
EQUITY							
Contributed equity	16,304	8,707	17,224	20,948	47,126	112,338	177,070
Accumulated surplus/(deficit)	97,671	57,740	108,754	82,354	79,794	77,234	74,674
Reserves	168,711	146,237	168,711	168,711	168,711	168,711	168,711
Total equity.....	282,686	212,684	294,689	272,013	295,631	358,283	420,455
TOTAL LIABILITIES AND EQUITY	324,169	259,565	336,488	314,128	338,062	401,046	463,218

(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)

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
CASHFLOWS FROM STATE GOVERNMENT							
Service appropriations	149,641	167,855	169,883	147,515	142,431	141,562	146,687
Capital contribution	4,050	560	562	3,724	26,178	65,991	64,732
Holding account drawdowns	1,345	7,300	7,300	4,600	3,107	24,163	4,200
Net cash provided by State Government.....	155,036	175,715	177,745	155,839	171,716	231,716	215,619
CASHFLOWS FROM OPERATING ACTIVITIES							
Payments							
Employee benefits.....	(88,923)	(91,468)	(99,057)	(92,782)	(89,912)	(89,014)	(89,919)
Superannuation	(11,733)	(8,454)	(9,049)	(9,022)	(8,959)	(8,849)	(8,937)
Grants and subsidies	(106,476)	(159,269)	(146,169)	(114,929)	(94,351)	(94,351)	(94,351)
Consultancies payments.....	-	(6,397)	(397)	(810)	(296)	(296)	(296)
Supplies and services	(64,083)	(46,987)	(62,349)	(73,181)	(64,371)	(64,437)	(66,040)
Accommodation.....	(1,981)	(1,871)	(1,871)	(1,895)	(1,895)	(1,895)	(4,452)
Finance costs	(1,491)	-	-	-	-	-	-
Capital user charge ^(a)	(12,426)	-	-	-	-	-	-
Goods and services tax	(17,968)	(11,073)	(11,073)	(11,073)	(11,073)	(11,073)	(11,073)
Other.....	(1,722)	(2,132)	(2,337)	(2,402)	(2,415)	(2,189)	(2,190)
Receipts							
User charges and fees.....	10,632	8,413	9,136	10,312	10,416	10,436	10,464
Regulatory fees and fines.....	1,123	1,830	1,830	2,041	2,052	2,065	2,066
Grants and subsidies	127,499	128,503	138,503	94,983	92,379	92,379	92,379
Interest received	3,509	1,250	1,250	1,250	1,250	1,250	1,250
Goods and services tax	17,995	11,073	11,073	11,073	11,073	11,073	11,073
Service delivery agreement.....	9,816	10,559	10,559	11,369	9,839	9,839	9,839
Other receipts	147	493	493	493	493	493	493
Net cash from operating activities.....	(136,082)	(165,530)	(159,458)	(174,573)	(145,770)	(144,569)	(149,694)
CASHFLOWS FROM INVESTING ACTIVITIES							
Purchase of non-current assets.....	(7,098)	(8,560)	(11,518)	(8,324)	(29,285)	(90,154)	(68,932)
Purchase of investments.....	(76)	-	-	-	-	-	-
Proceeds from sale of non-current assets	150	-	-	-	-	-	-
Net cash from investing activities.....	(7,024)	(8,560)	(11,518)	(8,324)	(29,285)	(90,154)	(68,932)
CASHFLOWS FROM FINANCING ACTIVITIES							
NET INCREASE/(DECREASE) IN CASH HELD							
	11,930	1,625	6,769	(27,058)	(3,339)	(3,007)	(3,007)
Cash assets at the beginning of the reporting period	71,390	44,815	83,320	90,089	63,031	59,692	56,685
Cash assets at the end of the reporting period.....	83,320	46,440	90,089	63,031	59,692	56,685	53,678

(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

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
EXPENSES							
Total Cost of Services as per Income Statement.....	312,849	323,629	328,280	301,477	269,001	268,525	274,099
Less Capital User Charge.....	12,426	-	-	-	-	-	-
Adjusted Total Cost of Services	300,423	323,629	328,280	301,477	269,001	268,525	274,099
APPROPRIATIONS							
Net Amount Appropriated to Deliver Services	162,008	174,906	176,934	153,971	149,233	148,724	154,269
Less Appropriation Capital User Charge	12,426	-	-	-	-	-	-
Adjusted Net Amount Appropriated to Deliver Services	149,582	174,906	176,934	153,971	149,233	148,724	154,269

SCHEDULE OF ADMINISTERED EXPENSES AND INCOME

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
EXPENSES							
Employee benefits expenses	-	40	-	-	-	-	-
Supplies and services	-	8	8	6	2	2	-
Finance costs	204	746	746	705	659	659	659
TOTAL ADMINISTERED EXPENSES ^(a)	204	794	754	711	661	661	659
INCOME							
Interest revenue	239	746	746	705	659	659	659
Other revenue	5	46	6	2	-	-	-
TOTAL ADMINISTERED INCOME ^(b)	244	792	752	707	659	659	659

(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

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
ADMINISTERED CURRENT ASSETS							
Cash and cash equivalents	50	10	50	50	50	50	50
Investments	3,992	1,226	6,738	6,196	5,618	5,000	4,340
Total Administered Current Assets	4,042	1,236	6,788	6,246	5,668	5,050	4,390
TOTAL ADMINISTERED ASSETS.....	4,042	1,236	6,788	6,246	5,668	5,050	4,390
ADMINISTERED CURRENT LIABILITIES							
Borrowings.....	3,992	1,230	6,740	6,202	5,626	5,010	4,350
Total Administered Current Liabilities.....	3,992	1,230	6,740	6,202	5,626	5,010	4,350
TOTAL ADMINISTERED LIABILITIES	3,992	1,230	6,740	6,202	5,626	5,010	4,350

SCHEDULE OF ADMINISTERED PAYMENTS AND RECEIPTS

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
CASH OUTFLOWS FROM ADMINISTERED TRANSACTIONS							
Operating Activities							
Employee benefits.....	-	(40)	-	-	-	-	-
Supplies and services.....	-	(8)	(8)	(6)	(2)	(2)	(2)
Finance costs.....	(204)	(785)	(785)	(746)	(705)	(705)	(705)
Financing Activities							
Repayment of borrowings.....	(1,527)	(430)	(254)	(542)	(578)	(618)	(660)
Other payments for financing activities.....	(4,293)	-	(2,746)	-	-	-	-
Investing Activities							
TOTAL ADMINISTERED CASH OUTFLOWS	(6,024)	(1,263)	(3,793)	(1,294)	(1,285)	(1,325)	(1,367)
CASH INFLOWS FROM ADMINISTERED TRANSACTIONS							
Operating Activities							
Interest received.....	239	785	785	746	705	705	705
Other receipts.....	5	48	8	6	2	2	2
Financing Activities							
Proceeds from borrowings.....	4,293	-	3,000	-	-	-	-
Other proceeds from financing activities.....	1,527	430	-	542	578	618	660
Investing Activities							
TOTAL ADMINISTERED CASH INFLOWS.....	6,064	1,263	3,793	1,294	1,285	1,325	1,367
NET CASH INFLOWS/(OUTFLOWS) FROM ADMINISTERED TRANSACTIONS.....	40	-	-	-	-	-	-

DETAILS OF CONTROLLED GRANTS AND SUBSIDIES

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
Compensations.....	933	750	750	750	750	750	750
Other.....	3,537	3,269	4,822	3,791	3,113	3,113	3,113
Research Grant Allocations.....	101,964	151,383	139,470	109,459	89,690	89,690	89,690
Scholarships.....	99	200	200	200	200	200	200
Subsidies.....	680	3,667	927	729	598	598	598
TOTAL.....	107,213	159,269	146,169	114,929	94,351	94,351	94,351

DETAILS OF THE ADMINISTERED TRANSACTIONS EXPENSES

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
OTHER STATE SERVICES							
Western Australian Cooperatives Loan Scheme	204	794	754	711	661	661	659
TOTAL	204	794	754	711	661	661	659

DETAILS OF THE ADMINISTERED TRANSACTIONS INCOME

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
OTHER							
Interest Revenue – Western Australian Cooperative Loans Scheme	239	792	746	705	659	659	659
Other Revenue	5	-	6	2	-	-	-
TOTAL	244	792	752	707	659	659	659

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:

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000
Grants and Contributions from Commonwealth	78,588	69,738	76,177	52,241
Grants and Contributions from Non-Government Sources.....	48,911	58,765	62,326	42,742
GST Input Credits.....	17,995	11,073	11,073	11,073
Miscellaneous Receipts	3,656	1,743	1,743	1,743
Sale of Goods and Services	11,755	10,243	10,966	12,353
Services Contracted by:				
- Agricultural Produce Commission	3,028	1,928	2,006	2,160
- Rural Business Development Corporation.....	6,788	8,631	8,553	9,209
TOTAL	170,721	162,121	172,844	131,521

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

AGRICULTURE PROTECTION BOARD OF WESTERN AUSTRALIA

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

DIVISION 14

APPROPRIATION AND FORWARD ESTIMATES

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
DELIVERY OF SERVICES							
Item 46 Net amount appropriated to deliver services^(a)	765	309	309	310	311	312	313
Amount Authorised by Other Statutes - Agriculture and Related Resources Protection Act 1976.....	991	1,021	1,021	1,052	1,052	1,052	1,052
Total appropriations provided to deliver services.....	1,756	1,330	1,330	1,362	1,363	1,364	1,365
GRAND TOTAL	1,756	1,330	1,330	1,362	1,363	1,364	1,365

(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 2006-07 Actuals. A reconciliation identifying the impact of this adjustment has been inserted after the financial statements.

MISSION

To assist the agricultural industries to be competitive and sustainable by protecting themselves from the impacts of pests, diseases and associated threats.

SIGNIFICANT ISSUES AND TRENDS

- The enactment of the *Biosecurity and Agricultural Management Act 2007* has enabled the integration of regulation for many border and post border biosecurity activities undertaken by government agencies, and will facilitate ongoing evolution of biosecurity regulation.
- Over recent years, there has been a 56 per cent increase in the seizure of Quarantine Risk Material at border checkpoints. This is due to the significant escalation in the level of trade and travel into Western Australia, which has created cost pressures for services. This trend is expected to continue with increased development and employment opportunities within the State. Comparative data taken between (2001-02 and 2006-07) show the following trends:
 - 37 per cent increase in interstate flights into Western Australia;
 - 14 per cent increase in interstate vehicles;
 - 16 per cent increase in the lines of produce/products inspected for Quarantine Risk Material; and
 - 35 per cent increase in interstate sea/rail containers.
- Climatic influences and changing farming practices including no-till cropping may be the cause of more frequent outbreaks of pests such as the Australian Plague Locusts with a notable increase in the frequency of these outbreaks in the South West Land Division over the last ten years.
- The creation of new subdivisions has resulted in an increased number of small rural landholders, subsequently impacting on the management of biosecurity risks in the State.

SERVICE AND APPROPRIATION SUMMARY

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
SERVICES							
<i>Service 1:</i>							
Agriculture Resource Protection	27,529	18,761	16,757	16,646			
Total Cost of Services ^(a)	27,529	18,761	16,757	16,646	16,954	16,955	16,956
<i>Less Income</i>	4,208	6,158	4,154	4,261	4,568	4,568	4,568
Net Cost of Services ^(a)	23,321	12,603	12,603	12,385	12,386	12,387	12,388
Adjustments ^(b)	(21,565)	(11,273)	(11,273)	(11,023)	(11,023)	(11,023)	(11,023)
Appropriation Provided to Deliver Services ^(a)	1,756	1,330	1,330	1,362	1,363	1,364	1,365
TOTAL CONSOLIDATED ACCOUNT APPROPRIATIONS	1,756	1,330	1,330	1,362	1,363	1,364	1,365

- (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 2006-07 Actuals. 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 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.	Protection of the productive resource base.	1. Agriculture Resource Protection

Outcomes and Key Effectiveness Indicators ^(a)

	2006-07 Actual	2007-08 Budget	2007-08 Estimated	2008-09 Target	Reason for Significant Variation between 2007-08 Estimated and 2008-09 Target
Outcome: Protection of the productive resource base.					
Number of inspected properties	11,218	7,000	7,600	7,500	
Number of inspected properties with infestations:					
- Declared animals	913	1,000	1,100	1,000	
- Declared plants	1,540	3,000	1,800	2,400	
- Total	2,453	4,000	2,900	3,400	
Proportion of inspected properties with infestations:					
- Declared animals	8.1%	14.3%	14.5%	13%	
- Declared plants	13.7%	42.9%	23.7%	32%	

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

Service 1: Agriculture Resource Protection

Provide protection for agriculture and related resources through the prevention, eradication and control of specified plant and animal pests.

This service contributes to the protection of our productive resource base through the:

- maintenance of effective barrier quarantine and protection requirements in order to minimise the introduction of new pests and diseases and to maintain market access;
- operation of effective surveillance programs to ensure early detection and diagnosis of incursions, to define the status for market access and to justify quarantine barriers;
- emergency response to incursions and outbreaks of high priority animal and plant pests and diseases;
- delivery of effective management programs that target specified pests and diseases; and
- achievement of a high level of awareness of key threats to agricultural industries and an increased participation by industry members in the management of risk.

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service ^(a)	27,529	18,761	16,757	16,646	
<i>Less Income</i>	4,208	6,158	4,154	4,261	
Net Cost of Service ^(a)	23,321	12,603	12,603	12,385	
Adjustments ^(b)	(21,565)	(11,273)	(11,273)	(11,023)	
Appropriation for Delivery of Service ^(a)	1,756	1,330	1,330	1,362	

(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 2006-07 Actuals. 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

	2006-07 Actual	2007-08 Budget	2007-08 Estimated	2008-09 Target	Reason for Significant Variation between 2007-08 Estimated and 2008-09 Target
Total cost of property contacts (\$'000)	\$21,498	\$19,756	\$16,000	\$14,000	
Number of property contacts	35,631	25,000	19,000	17,000	
Cost/property contact for Declared Pest and Diseases.....	\$603	\$790	\$842	\$824	

Major Achievements For 2007-08

- The Department of Agriculture and Food (DAFWA) carried out a coordinated locust control program in the Southern Agricultural Region during the spring of 2007. An area of 35,000 hectares was treated to prevent the formation of large damaging swarms. The final area treated was less than predicted due to early drying of pastures and late hatching of nymphs.
- Researchers are continually developing and refining control techniques including the successful evaluation of sausage style dried meat baits for foxes. These results will allow the DAFWA to produce fox baits for landholders at significantly lower cost than was previously possible. Similar wild dog baits are now in full production at markedly reduced costs and are being sought after by interstate users.
- The DAFWA successfully delivered services to the grain industry funded Skeleton Weed program to over 1,000 properties.
- Conducted negotiations with the nursery industry in relation to the trade in weedy plant species, with the possibility of establishing a registry of nursery businesses.

- Provided leadership to community and industry groups in the coordinated management of serious pests, including the provision of services to the value of over \$8 million to assist with serious pest management programs such as the eradication of feral donkeys. At present, there are also extensive, coordinated, co-funded programs dealing with wild dogs, rabbits, foxes, feral pigs, starlings, rainbow lorikeets, Baudins cockatoos, skeleton weed, Bedstraw, noogoora burr, mesquite, parkinsonia, weedy cactus, feral camels, feral goats, blackberry and other declared pests.
- The DAFWA conducted over 7,000 property inspections to audit compliance. Over 15,000 landholders were contacted in relation to declared pests issues. Landholders were briefed on issues of pest awareness, control obligations, audit inspections and the consequences of non-compliance.
- Ongoing control programs have been successful in reducing the impact of animal and plant pests such as feral donkeys, wild dogs and a range of agricultural and environmental weeds. The Agriculture Protection Board (APB) is continuing to work with producer organisations, key community groups and public authorities in order to develop an improved management and funding arrangement relating to regionally important pests.
- The DAFWA biosecurity officers successfully responded to 24 incursions of exotic animal and plant pests during the year removing the threats before they had the chance to become an established population.
- Eradication of starlings on the south coast continued with approximately 400 starlings removed from the eradication area and an estimated 75 per cent of the starling population removed since the commencement of the enhanced program in 2006-07.

Major Initiatives For 2008-09

- The Biosecurity Council, established under the *Biosecurity and Agriculture Management Act 2007*, will replace the APB. The Council's work will build on the 2007 State Biosecurity Review and it will be assisted by the operations of a Biosecurity Senior Officers Group from the biosecurity agencies. Activities currently being managed by the APB will continue to be undertaken by the DAFWA, with strategic advice provided by the Biosecurity Council.
- The operations of the APB are expected to cease in 2008-09. Accordingly, the Board's outcomes are contained within the DAFWA's Budget Statements through the provision of service free-of-charge.

FINANCIAL STATEMENTS

INCOME STATEMENT
(Controlled)

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
COST OF SERVICES							
Expenses							
Employee benefits expenses ^(a)	169	-	-	-	-	-	-
Supplies and services	-	11,190	-	-	-	-	-
Capital user charge ^(b)	1,136	-	-	-	-	-	-
Depreciation and amortisation	508	258	258	258	258	258	258
Service delivery agreement ^(c)	26,828	7,262	16,479	16,368	16,676	16,677	16,678
Other expenses	24	51	20	20	20	20	20
TOTAL COST OF SERVICES	28,665	18,761	16,757	16,646	16,954	16,955	16,956
Income							
User charges and fees	648	971	143	143	450	450	450
Regulatory fees and fines	2,972	5,121	3,945	4,052	4,052	4,052	4,052
Grants and subsidies	134	-	-	-	-	-	-
Interest revenue	246	66	66	66	66	66	66
Other revenue	208	-	-	-	-	-	-
Total Income	4,208	6,158	4,154	4,261	4,568	4,568	4,568
NET COST OF SERVICES ^(b)	24,457	12,603	12,603	12,385	12,386	12,387	12,388
INCOME FROM STATE GOVERNMENT							
Service appropriations ^(b)	2,892	1,330	1,330	1,362	1,363	1,364	1,365
Resources received free of charge	20,597	11,047	11,047	11,047	11,047	11,047	11,047
TOTAL INCOME FROM STATE GOVERNMENT	23,489	12,377	12,377	12,409	12,410	12,411	12,412
SURPLUS/(DEFICIENCY) FOR THE PERIOD	(968)	(226)	(226)	24	24	24	24
CHANGE IN SURPLUS/(DEFICIENCY) FOR THE PERIOD AFTER EXTRAORDINARY ITEMS	(968)	(226)	(226)	24	24	24	24

(a) Staffing resources are provided through the DAFWA.

(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) Service delivery agreement includes components paid in cash and services provided free of charge by the DAFWA.

BALANCE SHEET
(Controlled)

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
CURRENT ASSETS							
Cash and cash equivalents	1,034	3,070	1,066	1,098	1,130	1,154	1,178
Restricted cash	4,552	1,929	4,294	4,286	4,278	4,278	4,278
Receivables	267	675	267	267	267	267	267
Inventories.....	649	934	291	291	291	291	291
Non-current assets held for sale.....	-	207	-	-	-	-	-
Total current assets	6,502	6,815	5,918	5,942	5,966	5,990	6,014
NON-CURRENT ASSETS							
Amounts receivable for services.....	2,755	3,013	3,013	3,271	3,529	3,787	4,045
Land and buildings.....	5,560	6,995	4,270	4,270	4,270	4,270	4,270
Plant and equipment.....	92	141	92	92	92	92	92
Other.....	-	4,072	1,032	774	516	258	-
Total non-current assets.....	8,407	14,221	8,407	8,407	8,407	8,407	8,407
TOTAL ASSETS.....	14,909	21,036	14,325	14,349	14,373	14,397	14,421
CURRENT LIABILITIES							
Payables ^(a)	332	233	332	332	332	332	332
Provision for employee entitlements	-	36	-	-	-	-	-
Accrued salaries	1	1	1	1	1	1	1
Other.....	4	-	4	4	4	4	4
Total current liabilities.....	337	270	337	337	337	337	337
TOTAL LIABILITIES.....	337	270	337	337	337	337	337
EQUITY							
Accumulated surplus/(deficit)	12,552	12,429	12,326	12,350	12,374	12,398	12,422
Reserves	2,020	8,337	1,662	1,662	1,662	1,662	1,662
Total equity.....	14,572	20,766	13,988	14,012	14,036	14,060	14,084
TOTAL LIABILITIES AND EQUITY	14,909	21,036	14,325	14,349	14,373	14,397	14,421

(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)**

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
CASHFLOWS FROM STATE GOVERNMENT							
Service appropriations	2,634	1,072	1,072	1,104	1,105	1,106	1,107
Net cash provided by State Government.....	2,634	1,072	1,072	1,104	1,105	1,106	1,107
CASHFLOWS FROM OPERATING ACTIVITIES							
Payments							
Employee benefits.....	(169)	-	-	-	-	-	-
Supplies and services.....	-	-	-	(113)	(130)	(140)	(141)
Capital user charge ^(a)	(1,136)	-	-	-	-	-	-
Service delivery agreement.....	(6,072)	(7,262)	(5,258)	(5,146)	(5,147)	(5,147)	(5,147)
Other.....	-	(51)	(51)	(52)	(52)	(53)	(53)
Receipts							
User charges and fees.....	1,364	828	-	113	130	140	140
Regulatory fees and fines.....	2,535	5,121	3,945	4,052	4,052	4,052	4,052
Grants and subsidies	160	-	-	-	-	-	-
Interest received.....	237	66	66	66	66	66	66
Net cash from operating activities.....	(3,081)	(1,298)	(1,298)	(1,080)	(1,081)	(1,082)	(1,083)
CASHFLOWS FROM INVESTING ACTIVITIES							
Purchase of non-current assets.....	(30)	-	-	-	-	-	-
Proceeds from sale of non-current assets	12	-	-	-	-	-	-
Net cash from investing activities.....	(18)	-	-	-	-	-	-
NET INCREASE/(DECREASE) IN CASH HELD	(465)	(226)	(226)	24	24	24	24
Cash assets at the beginning of the reporting period	6,051	5,225	5,586	5,360	5,384	5,408	5,432
Cash assets at the end of the reporting period.....	5,586	4,999	5,360	5,384	5,408	5,432	5,456

(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

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
EXPENSES							
Total Cost of Services as per Income Statement.....	28,665	18,761	16,757	16,646	16,954	16,955	16,956
Less Capital User Charge	1,136	-	-	-	-	-	-
Adjusted Total Cost of Services	27,529	18,761	16,757	16,646	16,954	16,955	16,956
APPROPRIATIONS							
Net Amount Appropriated to Deliver Services	2,892	1,330	1,330	1,362	1,363	1,364	1,365
Less Appropriation Capital User Charge	1,136	-	-	-	-	-	-
Adjusted Net Amount Appropriated to Deliver Services	1,756	1,330	1,330	1,362	1,363	1,364	1,365

WESTERN AUSTRALIAN MEAT INDUSTRY AUTHORITY

CAPITAL WORKS PROGRAM

The relocation of the Midland Saleyard to Muchea is expected to be completed in 2008-09, with the major civil works completed in late 2007-08. This will include the construction work and commissioning of the new facility at Muchea and cessation of sales at Midland. The sale of all freehold land holdings should also be completed in 2008-09.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-08 \$'000	Estimated Expenditure 2007-08 \$'000	Estimated Expenditure 2008-09 \$'000
WORKS IN PROGRESS				
Construction of New Buildings at Muchea	29,168	17,268	6,685	11,900
	29,168	17,268	6,685	11,900

CAPITAL CONTRIBUTION

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS							
Total Cost of Capital Works Program	3,216	6,685	6,685	11,900	-	-	-
Working capital requirement							
Loan and Other Repayments	-	8,000	8,000	-	-	-	-
	3,216	14,685	14,685	11,900	-	-	-
LESS							
Asset Sales	-	-	18,096	4,750	-	-	-
Borrowings.....	-	8,000	8,000	-	-	-	-
Internal Funds and Balances	3,216	6,685	(11,411)	2,150	-	-	-
Equity Contribution	-	-	-	5,000	-	-	-

RURAL BUSINESS DEVELOPMENT CORPORATION

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

DIVISION 15

APPROPRIATION AND FORWARD ESTIMATES

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
DELIVERY OF SERVICES							
Item 47 Net amount appropriated to deliver services	4,262	2,940	16,080	1,694	196	200	206
Total appropriations provided to deliver services	4,262	2,940	16,080	1,694	196	200	206
GRAND TOTAL	4,262	2,940	16,080	1,694	196	200	206

MISSION

Develop and administer innovative and cost effective assistance measures to benefit Western Australian Rural Industries.

SIGNIFICANT ISSUES AND TRENDS

- The Commonwealth Government is reviewing current assistance programs to agriculture in line with its election commitment to allocate funding through climate change programs. This may impact on joint Commonwealth/State programs delivered through the Corporation.
- The northern agricultural region has been adversely affected over the last four years and a crop failure in 2008 would result in widespread business failure amongst farm businesses in the North Eastern Wheatbelt. In response to the adverse seasons since 1998, there has been:
 - seven specific fully funded State Assistance programs; and
 - ten separate Exceptional Circumstances (EC) declarations.
- Increasing production costs are placing ongoing pressure on the sustained profitability of many farms. High grain prices have been forecast to continue at least in the short-term providing temporary relief to growers. However, a drop in prices would rapidly extinguish those profit margins.
- The FarmBis 3 program, which commenced on 1 February 2005, will cease on 30 June 2008. This is due to the reallocation of Commonwealth Government funding to climate change programs, which are currently being developed.
- The Corporation has a service agreement with the Department of Agriculture and Food (DAFWA) for the delivery of outputs.

SERVICE AND APPROPRIATION SUMMARY

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
SERVICES							
<i>Service 1:</i>							
Farm Business Development	6,905	12,918	33,098	20,088			
Total Cost of Services	6,905	12,918	33,098	20,088	863	863	869
<i>Less Income</i>	3,787	7,398	13,839	18,200	80	50	50
Net Cost of Services	3,118	5,520	19,259	1,888	783	813	819
Adjustments ^(a)	1,144	(2,580)	(3,179)	(194)	(587)	(613)	(613)
Appropriation Provided to Deliver Services	4,262	2,940	16,080	1,694	196	200	206
TOTAL CONSOLIDATED ACCOUNT APPROPRIATIONS	4,262	2,940	16,080	1,694	196	200	206

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

RESOURCE AGREEMENT

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

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

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

Government Goal	Desired Outcome	Service
Protecting and enhancing the unique Western Australian lifestyle and ensuring sustainable management of the environment.	Improved ecologically sustainable development of agri-industry.	1. Farm Business Development

Outcomes and Key Effectiveness Indicators ^(a)

	2006-07 Actual	2007-08 Budget	2007-08 Estimated	2008-09 Target	Reason for Significant Variation between 2007-08 Estimated and 2008-09 Target
Outcome: Improved ecologically sustainable development of agri-industry.					
The extent to which recipients were satisfied with the way schemes are administered	96.5%	91.0%	91.0%	91.0%	

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

Service 1: Farm Business Development

This service assists farmers who have been significantly impacted by exceptional seasonal events with financial support. It assists them to enhance their skills in order to improve and sustain long-term profitability and be better equipped to deal with risks inherent in farming.

This service contributes to the ecologically sustainable development of agri-industry in a number of ways. The Corporation aims to implement industry support within the funding guidelines in a way, which maximises the protection of agri-industries resources. These resources include the natural and human resources and capital. This can only be achieved if industry profitability is maintained. Therefore, the key focus of the program is to equip farmers with the necessary tools to enable them to better manage the industry's inherent risks.

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service	6,905	12,918	33,098	20,088	Exceptional Circumstances funding providing in 2007-08.
<i>Less Income</i>	3,787	7,398	13,839	18,200	
Net Cost of Service	3,118	5,520	19,259	1,888	
Adjustments ^(a)	1,144	(2,580)	(3,179)	(194)	
Appropriation for Delivery of Service	4,262	2,940	16,080	1,694	

(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

	2006-07 Actual	2007-08 Budget	2007-08 Estimated	2008-09 Target	Reason for Significant Variation between 2007-08 Estimated and 2008-09 Target
Proportion of expenditure as administrative expenditure.....	17.9%	14.0%	5%	8.4%	A single large grant of \$3.7 million in 2007-08 under Ord Sugar Industry Assistance Scheme has impacted on proportionment.

Major Achievements For 2007-08

- The EC interest rate subsidy program continued to provide support to farmers in declared areas. Since the commencement of adverse seasons in 1998, there have been ten EC declarations with four extensions to an existing declaration. During 2007-08, EC support was provided under the following EC declarations being, Southern Pastoral, Southern Pastoral Area B, North Eastern Wheatbelt, North Eastern Wheatbelt Area B, Northern Wheatbelt and Northern Areas of the Central Wheatbelt. The Commonwealth Government guidelines also allow rural small businesses to be eligible for EC support for the first time.
- During 2007-08, an estimated 300 applications for EC support were processed and it is anticipated that total interest rate subsidy expenditure for the year will be \$14.6 million to farm and pastoral businesses.
- Due to the dry conditions, the State Government established the 2007 Dry Season Assistance Scheme to provide direct grants of up to \$8,000 to farmers as well as providing community grants of up to \$5,000 to affected shires to conduct community events. Funding was also provided to community groups to conduct community events and additional funding was provided for counselling services in the affected areas.
- During 2007-08, \$1.8 million in training grants were approved to an estimated 4,000 participants under the FarmBis 3 skills training initiative.

- A support package titled 'Ord Sugar Industry Assistance Scheme' was developed to enable the Ord Sugar Mill to harvest and process the current sugar cane crop. A total of \$3.7 million has been advanced, resulting in the processing of 333,811 tonnes of sugar cane, with a further 43,870 tonnes destroyed in accordance with an agreed destruction plan.
- A Corporation funded research project to investigate rural labour skills shortage was prepared and the recommendations of this report are being progressed. The objective of the initiative is to identify solutions and develop a strategy to improve the labour supply for agriculture in Western Australia.

Major Initiatives For 2008-09

- The Interest Rate Subsidy Support under existing EC declarations (Southern Pastoral, Southern Pastoral Area B, North Eastern Wheatbelt Area B, Northern Wheatbelt and Northern Areas of the Central Wheatbelt) will continue.
- A leadership and mentoring program will be implemented within rural and regional areas (including the fishing industry) providing the opportunity for mentoring partnerships with metropolitan-based business people from the non-primary industry sector.
- Develop and implement new schemes to support farmers and pastoralists affected by adverse conditions.

FINANCIAL STATEMENTS

INCOME STATEMENT (Controlled)

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
COST OF SERVICES							
Expenses							
Employee benefits expenses ^(a)	54	57	82	82	82	82	83
Superannuation	5	5	8	8	8	8	8
Grants and subsidies ^(b)	2	-	20,152	17,590	88	216	216
Supplies and services	-	-	-	1,500	-	-	5
Service delivery agreement.....	6,734	12,826	12,826	875	652	524	524
Other expenses	110	30	30	33	33	33	33
TOTAL COST OF SERVICES.....	6,905	12,918	33,098	20,088	863	863	869
Income							
Grants and subsidies	3,314	7,248	13,659	18,100	-	-	-
Interest revenue	291	150	180	100	80	50	50
Other revenue	182	-	-	-	-	-	-
Total Income.....	3,787	7,398	13,839	18,200	80	50	50
NET COST OF SERVICES	3,118	5,520	19,259	1,888	783	813	819
INCOME FROM STATE GOVERNMENT							
Service appropriations	4,262	2,940	16,080	1,694	196	200	206
TOTAL INCOME FROM STATE GOVERNMENT.....	4,262	2,940	16,080	1,694	196	200	206
SURPLUS/(DEFICIENCY) FOR THE PERIOD.....	1,144	(2,580)	(3,179)	(194)	(587)	(613)	(613)
CHANGE IN SURPLUS/(DEFICIENCY) FOR THE PERIOD AFTER EXTRAORDINARY ITEMS	1,144	(2,580)	(3,179)	(194)	(587)	(613)	(613)

- (a) The Full Time Equivalents (FTEs) for 2006-07 Actual, 2007-08 Estimated Actual and 2008-09 Estimate are 0, 0 and 0 respectively. The Corporation has a service agreement with the DAFWA for the delivery of outputs.
- (b) Refer Details of Controlled Grants and Subsidies table for further information. Note that some of the Grants and Subsidies displayed in the Controlled Grants and Subsidies table are included under the Service Delivery Agreement amount as the DAFWA pays these direct as part of that arrangement.

BALANCE SHEET
(Controlled)

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
CURRENT ASSETS							
Cash and cash equivalents	4,397	1,682	1,218	1,024	437	156	157
Restricted cash	946	-	946	946	946	614	-
Receivables	40	-	40	40	40	40	40
Interest receivable	90	57	90	90	90	90	90
Total current assets	5,473	1,739	2,294	2,100	1,513	900	287
TOTAL ASSETS.....	5,473	1,739	2,294	2,100	1,513	900	287
CURRENT LIABILITIES							
Payables	98	-	98	98	98	98	98
Other.....	-	152	-	-	-	-	-
Total current liabilities.....	98	152	98	98	98	98	98
TOTAL LIABILITIES.....	98	152	98	98	98	98	98
EQUITY							
Contributed equity	46	-	46	46	46	46	46
Accumulated surplus/(deficit)	5,329	1,541	2,150	1,956	1,369	756	143
Reserves	-	46	-	-	-	-	-
Total equity.....	5,375	1,587	2,196	2,002	1,415	802	189
TOTAL LIABILITIES AND EQUITY.....	5,473	1,739	2,294	2,100	1,513	900	287

CASHFLOW STATEMENT
(Controlled)

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
CASHFLOWS FROM STATE GOVERNMENT							
Service appropriations	4,262	2,940	16,080	1,694	196	200	206
Net cash provided by State Government.....	4,262	2,940	16,080	1,694	196	200	206
CASHFLOWS FROM OPERATING ACTIVITIES							
Payments							
Employee benefits.....	(54)	(57)	(82)	(82)	(82)	(82)	(83)
Superannuation	(5)	(5)	(8)	(8)	(8)	(8)	(8)
Grants and subsidies	-	-	(20,152)	(17,590)	(88)	(216)	(216)
Supplies and services	-	-	-	(1,500)	-	-	(5)
Service delivery agreement.....	(6,788)	(12,826)	(12,826)	(875)	(652)	(524)	(524)
Other.....	(112)	(30)	(30)	(33)	(33)	(33)	(33)
Receipts							
Grants and subsidies	3,315	7,248	13,659	18,100	-	-	-
Interest received	258	150	180	100	80	50	50
Other receipts	141	-	-	-	-	-	-
Net cash from operating activities.....	(3,245)	(5,520)	(19,259)	(1,888)	(783)	(813)	(819)
NET INCREASE/(DECREASE) IN CASH HELD	1,017	(2,580)	(3,179)	(194)	(587)	(613)	(613)
Cash assets at the beginning of the reporting period	4,326	4,262	5,343	2,164	1,970	1,383	770
Cash assets at the end of the reporting period.....	5,343	1,682	2,164	1,970	1,383	770	157

DETAILS OF CONTROLLED GRANTS AND SUBSIDIES ^(a)

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
2006 Dry Season Assistance Scheme	1,959	-	200	-	-	-	-
2007 Dry Season Assistance Scheme	-	-	8,840	-	-	-	-
Exceptional Circumstances	2,336	5,340	15,134	17,590	-	-	-
FarmBis 3 Scheme	1,224	5,128	3,285	-	-	-	-
Future Rural Support Schemes	-	500	-	400	400	400	400
Nullarbor Dry Season Assistance Scheme	51	-	-	-	-	-	-
Ord Sugar Industry Assistance Scheme	-	-	4,000	-	-	-	-
Research Grants	19	-	100	100	100	100	100
TOTAL	5,589	10,968	31,559	18,090	500	500	500

(a) Grants and Subsidies displayed in the Controlled Grants and Subsidies table include amounts reflected in the Income Statement as part of the Service Delivery Agreement as the DAFWA pays some of these direct as part of that agreement.

MID WEST DEVELOPMENT COMMISSION

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

DIVISION 16

APPROPRIATION AND FORWARD ESTIMATES

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
DELIVERY OF SERVICES							
Item 48 Net amount appropriated to deliver services	3,522	3,452	5,452	4,269	1,473	1,512	1,555
Total appropriations provided to deliver services	3,522	3,452	5,452	4,269	1,473	1,512	1,555
CAPITAL							
Capital Contribution	229	-	-	-	-	-	-
GRAND TOTAL	3,751	3,452	5,452	4,269	1,473	1,512	1,555

MISSION

To be a focused and efficient agency delivering real outcomes for Mid West communities.

SIGNIFICANT ISSUES AND TRENDS

- As a major exporter of primary commodities, the Mid West's growth prospects are affected by world commodity prices and seasonal conditions. A continued focus on innovation and value adding across all industry sectors will assist in its economic diversification and resilience.
- Planning for the impacts of major projects, such as the proposed deepwater port and industrial estate at Oakjee linked by heavy gauge Murchison rail line and an upgraded power network in support of the resources sector, and capturing local community benefits provides both opportunities and challenges.
- The cyclical nature of the agricultural/pastoral sectors continues to have an impact on regional prosperity. There is a need to continue work to develop and implement strategies in response to climate change – particularly in the north east agricultural region.
- The Mid West region continues to realise its tourism potential on the back of major tourism related infrastructure projects including the Geraldton Foreshore Redevelopment and Kalbarri Vision. With continued strategic support and an effective marketing campaign, this sector will play an increasingly important role in the region's future development.
- Around 83 per cent of the Mid West region is classified as remote. This generates a demand for community capacity building programs, supportive social infrastructure and coordinated service delivery – especially in the Murchison and other hinterland communities.
- The establishment of the Murchison Radio-astronomy Observatory will enhance Australia's bid for the Square Kilometre Array radio telescope project and offers a unique opportunity for the Mid West to upgrade its broadband capacity and promote Geraldton as a learning hub and 'smart' centre for the Mid West and the State.
- Agricultural and pastoral land in the region suffers from high levels of landscape stress. The completion and implementation of accredited natural resource management strategies will play an integral role in addressing such issues and encourage responsible land use practices, land care and eco-efficiency.

- Regional strategic planning based on the Mid West's three sub-regions (Batavia Coast, North Midlands and Murchison) will provide a means of dealing with future challenges, identify and capture opportunities in line with community values and develop an effective and timely response to climate change.

SERVICE AND APPROPRIATION SUMMARY

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
SERVICES							
<i>Service 1:</i>							
Information and Advice.....	705	897	970	778			
<i>Service 2:</i>							
Investment Facilitation	642	636	698	662			
<i>Service 3:</i>							
Infrastructure and Services Development in the Mid West.....	2,782	3,511	9,268	4,059			
Total Cost of Services	4,129	5,044	10,936	5,499	1,614	1,643	1,715
<i>Less Income</i>	<i>897</i>	<i>695</i>	<i>730</i>	<i>671</i>	<i>171</i>	<i>171</i>	<i>171</i>
Net Cost of Services	3,232	4,349	10,206	4,828	1,443	1,472	1,544
Adjustments ^(a)	290	(897)	(4,754)	(559)	30	40	11
Appropriation Provided to Deliver Services.....	3,522	3,452	5,452	4,269	1,473	1,512	1,555
CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS							
Appropriation for Capital Contribution to meet equity needs ^(b)	229	-	-	-	-	-	-
TOTAL CONSOLIDATED ACCOUNT APPROPRIATIONS.....	3,751	3,452	5,452	4,269	1,473	1,512	1,555

(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 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.	An environment conducive to the balanced economic and social development of the Mid West region.	1. Information and Advice 2. Investment Facilitation 3. Infrastructure and Services Development in the Mid West

Outcomes and Key Effectiveness Indicators ^(a)

	2006-07 Actual	2007-08 Budget	2007-08 Estimated	2008-09 Target	Reason for Significant Variation between 2007-08 Estimated and 2008-09 Target
Outcome: An environment conducive to the balanced economic and social development of the Mid West region.					
Clients agreeing that the Commission reduced obstacles to economic growth and employment.....	39%	42%	42%	42%	
Clients agreeing that the Commission contributed to the development of a new business opportunity	59%	56%	56%	57%	
Clients agreeing that the Commission contributed to more trade activity.....	28%	27%	27%	27%	
Clients agreeing that the Commission contributed to the retention of staff and/or expansion of employment opportunities	32%	28%	28%	28%	

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

(b) The results are collected by survey and exclude responses from clients who have indicated the question is not applicable to them.

Service 1: Information and Advice

To contribute to economic growth and employment by developing strategic partnerships between government, business, and the community, providing a central point of coordination and contact and by raising awareness of the Mid West region.

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service.....	705	897	970	778	Lower allocation of Regional Development Scheme funding in 2008-09. A forecast increase in grant funding in 2008-09.
<i>Less Income.....</i>	248	238	166	228	
Net Cost of Service	457	659	804	550	
Adjustments ^(a)	43	(52)	(183)	(41)	
Appropriation for Delivery of Service.....	500	607	621	509	

(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

	2006-07 Actual	2007-08 Budget	2007-08 Estimated	2008-09 Target	Reason for Significant Variation between 2007-08 Estimated and 2008-09 Target
Cost per client visit	\$1,330	\$1,574	\$1,702	\$1,365	Increase in grant funded expenditure in 2007-08 flows through to higher unit values.
Cost per client inquiry	\$66	\$128	\$139	\$111	
Full Time Equivalent (FTEs)	5	5	5	5	

Major Achievements For 2007-08

- Partnered with the Department for Education and Training, Central West TAFE and the Gascoyne Development Commission to initiate the development of a Mid West Gascoyne Workforce Development Strategy aimed at identifying and meeting the regions' workforce needs for the next ten years.
- Completed the preparation of a new strategic plan to guide and focus the Commission's operations for the three year period 2008 to 2010.
- Supported the establishment and operations of North East Farming Futures, a grower group which aims to identify viable and sustainable responses to dry seasons in the north east agricultural region of the Mid West.
- Administered the State Government's Regional Development Scheme (RDS) for the Mid West and allocated grants totalling almost \$600,000 to projects that will contribute to the sustainable development of the region.
- Facilitated Indigenous economic development by:
 - initiating a 'Working In Partnership' forum to engage relevant government agencies, mining companies and Indigenous groups in the development of training and employment opportunities for Indigenous people in the rapidly expanding Mid West mining industry;
 - working with government agencies and Indigenous groups to adopt and action recommendations from the newly developed Mid West Indigenous Art Industry Strategy;
 - assisting Wila Gutharra Community Aboriginal Corporation to secure \$130,000 from the RDS and Indigenous Regional Development Program towards the cost of establishing a cement paver manufacturing operation at the old Northampton school site; and
 - assisting the Karalundi Community and the Aboriginal Education Community Inc to secure \$20,000 from the RDS towards a strategic business review for its school-based community 60km north of Meekatharra.
- Developed and launched a new Commission website which provides increased functionality and easier use for the Commission's clients.
- Updated the Commission's web-based Business Capability and Services Directory to facilitate local and regional business participation in major projects.
- Produced several updated editions of the Commission's Major Projects Summary – Mid West region of Western Australia for distribution to businesses, industry associations and government agencies in the Mid West, Western Australia, nationally and overseas.
- Supported the Mid West Gascoyne Human Services Regional Managers Group to complete a strategic plan aimed at improving the efficiency and effectiveness of service delivery to Mid West communities.
- Worked with Mid West shires on a range of economic and community development projects including:
 - the release of light industrial land in Sandstone to facilitate business expansion and establishment;
 - assisting the Shire of Wiluna with its proposal to create a business enterprise centre and an employment and training facility, including a possible retail outlet for the successful Tjukurba Art Gallery;
 - an investigation into the delivery of Community Development Officer services in the Murchison sub-region in collaboration with Department of Sport and Recreation, the Mid West Gascoyne Human Services Regional Managers Group and the Combined Universities Centre for Rural Health; and
 - partnering the Shires of Coorow and Carnamah to complete the Coorow Carnamah Coastal Management Strategy (to enable the effective management of the Coorow Carnamah coasts).
- Progressed the development of a community foundation and other philanthropic structures in the Mid West by:
 - formally establishing the Mid West Community Foundation (MWCF), which operates under the umbrella of the Western Australian Community Foundation;
 - facilitating the appointment of members to the MWCF's inaugural Foundation Advisory Committee, which will oversee the Foundation's operation and ongoing development; and
 - providing the MWCF with initial seed funding of \$100,000 from the Mid West Regional Development Scheme.
- Advocated for and supported the implementation of policy changes to the Buy Local Policy to enhance opportunities for local businesses to win State Government tenders and increase State Government agency purchases in the region.

- As a member of the Geraldton Economic Alliance, worked to host a successful fourth Mid West Economic Summit in November 2007.

Major Initiatives For 2008-09

- Complete the preparation and commence the implementation of a ten year Mid West Gascoyne Workforce Development Strategy to meet the regions' future workforce needs.
- Initiate the development of a Mid West Region Strategic Plan based on the Mid West's three sub-regions, to guide the future development of the Mid West in a coordinated and holistic way.
- In partnership with Kalgoorlie Indigenous Coordination Centre initiate the preparation of a strategic business review for Karalundi's operations.
- Continue to support the Shire of Wiluna's development of a business enterprise centre and an employment and training facility, including the establishment of a new retail outlet for the Tjukurba Art Gallery.
- Work on Indigenous tourism by:
 - working with various stakeholders to develop a strategic approach to the management of significant cultural and heritage sites such as the Granites, Walga Rock and Wilgie Mia; and
 - increase Indigenous tourism potential in the Mid West by developing a strategic approach for the Tourism Industry to encourage Indigenous participation.
- Continue to work with the Murchison Shire and the Mid West Gascoyne Human Services Regional Manager's Group to develop community priority plans.
- Coordinate a two day workshop aimed at identifying a science-based response to the Mid West's needs and opportunities. This will form the basis of the development of a Mid West Science Plan.
- Work with Radio MAMA and Indigenous Coordination Centre to progress the establishment of Remote Indigenous Broadcasting Services in Pia Wajarri, Yalga Jinna and Karalundi.
- Work collaboratively with the Murchison District Health Advisory Committee to develop more efficient and effective health services for the Murchison.
- Continue to provide support to the Mid West Community Foundation through:
 - providing executive support to its newly established Advisory Committee; and
 - assisting the Advisory Committee with funding and preparations for an official launch function to be held for the Foundation.

Service 2: Investment Facilitation

To create a business environment within the Mid West region that has a diverse economic base and is attractive to investors.

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service	642	636	698	662	
<i>Less Income.....</i>	309	207	191	197	
Net Cost of Service	333	429	507	465	
Adjustments ^(a)	97	(51)	(59)	6	
Appropriation for Delivery of Service	430	378	448	471	

(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

	2006-07 Actual	2007-08 Budget	2007-08 Estimated	2008-09 Target	Reason for Significant Variation between 2007-08 Estimated and 2008-09 Target
Average cost per project	\$42,800	\$42,400	\$46,533	\$44,133	The average value of projects has decreased as a result of higher costs in 2007-08.
Full Time Equivalents (FTEs)	5	5	5	4	

Major Achievements For 2007-08

- Continued to support the Murchison Radio-astronomy Observatory (MRO) and Australia's bid for the Square Kilometre Array (SKA) project by:
 - coordinating a series of school and community-based workshops aimed at raising awareness of radio astronomy, the MRO and the SKA project. The workshops were also used to identify ways in which the Mid West community could support Australia's SKA bid and how the Mid West could benefit from the MRO; and
 - hosting the Commonwealth Scientific and Industrial Research Organisation's (CSIRO) establishment of a Regional Manager's position for the Australian Square Kilometre Array Pathfinder (ASKAP) project within the Commission's Geraldton office.
- In partnership with Tourism Western Australia and other stakeholders, initiated a Geraldton-Greenough Tourism Strategy project, which aims to identify Geraldton's tourism potential and the actions required.
- Progressed the development of the Mid West Indigenous arts industry through:
 - commissioning a highly qualified consultant to work with various stakeholders to produce a strategic development plan for the industry; and
 - working with various stakeholders to commence implementation of the plan's recommendations.
- Worked on a number of industry development opportunities including:
 - investigating possible exports of sand from the Geraldton Port for use in overseas construction industry;
 - assisting the lupin industry in persuading the Chinese government to allow imports of lupins;
 - working with the Mid West carob industry to establish a small local processing facility and expand local production;
 - assisting the proponent of an ethanol plant to undertake preliminary evaluations and community consultation for a possible site in the Mid West; and
 - scoping out a study into the use of oil mallees as an alternative crop for the north east agricultural region for use in carbon sequestration and/or as a bio-fuel.

- Assisted numerous local businesses to overcome their specific labour market shortages through the Regionally Sponsored Migration Scheme and Long Stay working visas.
- Continued to work in partnership with Country Arts Western Australia on a four year program aimed at improving arts and cultural services and program delivery to the towns of the Mid West.
- Worked with Central West TAFE, the Department of Fisheries and industry to promote the Separation Point Marine Precinct and encourage further research and development activity to be undertaken at the facility.

Major Initiatives For 2008-09

- Continue to support the establishment of radio-astronomy projects in the MRO by:
 - facilitating communication with Indigenous groups and communities;
 - brokering local business interest and involvement in the establishment of radio astronomy projects; and
 - identifying ways in which the Mid West can benefit from the establishment of the MRO e.g. enhancement of the region's broadband network.
- Work with key stakeholders to oversee the completion of the Geraldton-Greenough Tourism Strategy and commence the implementation of its recommendations.
- Work with Gascoyne Murchison Tourism Inc on the continued development of the Gascoyne Murchison Outback Pathways by:
 - identifying strategic development opportunities for the Pathways and associated tourism attractions and facilities;
 - investigating funding opportunities for new developments; and
 - optimising the marketing and sale of the existing stock of Pathway's guidebooks.
- Review a range of bioenergy (and related by-product) opportunities for the Mid West.
- Review opportunities and monitor developments relating to the proposed establishment of a carbon trading scheme so that the region is well positioned to benefit.
- Continue to implement the strategic development plan for the Mid West Indigenous arts industry. A major priority is the establishment of art centres in the coastal/North Midlands and Murchison sub-regions either through existing or new organisations.
- As part of investigating value adding investment opportunities in the Mid West:
 - work closely with the carob industry in the Mid West to establish a small local processing facility and expand the local production;
 - assist local industry groups to establish a small lupin processing facility in the Mid West; and
 - support the Batavia Coast Marine Institute and industry to investigate the potential for fish farming and other aquaculture opportunities in the Mid West.

Service 3: Infrastructure and Services Development in the Mid West

To facilitate the development of infrastructure and services based on long-term economic development strategies, to support communities and businesses in the Mid West.

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service	2,782	3,511	9,268	4,059	Variations mainly reflect the timing and quantum of grants provided for major capital projects. 2007-08 includes a grant of \$100,000 for Broadband Project Officer.
<i>Less Income.....</i>	340	250	373	246	
Net Cost of Service.....	2,442	3,261	8,895	3,813	
Adjustments ^(a)	150	(794)	(4,512)	(524)	
Appropriation for Delivery of Service.....	2,592	2,467	4,383	3,289	

(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

	2006-07 Actual	2007-08 Budget	2007-08 Estimated	2008-09 Target	Reason for Significant Variation between 2007-08 Estimated and 2008-09 Target
Average cost per project	\$185,533	\$234,067	\$617,867	\$270,600	Unit values fluctuate with the quantum and timing of funding for major external capital projects.
Full Time Equivalents (FTEs)	4	4	4	4	

Major Achievements For 2007-08

- Through the Mid West Strategic Infrastructure Group:
 - completed a report into transport infrastructure issues associated with iron ore projects proposing to use the Geraldton Port;
 - worked with the Department for Planning and Infrastructure (DPI) to support the preparation and refinement of the Mid West Infrastructure Analysis to plan for the infrastructure needs and impacts of proposed resource projects;
 - collaborated with the DPI to support the development and uptake of the Oakajee Nangulu Corridor study;
 - coordinated a workshop with the Geraldton Iron Ore Alliance to identify and prioritise opportunities for resource proponents to collaborate in establishing essential infrastructure in the region;
 - researched and developed a report on the industry water requirements and water availability in the Mid West;
 - partnered industry and the broader community to develop business cases for power infrastructure enhancements in the Mid West including the proposed establishment by Western Power of a 330kV dual circuit line from Pinjar to Moonyoonooka (Geraldton) and the proposed construction of a 132kV line to Oakajee and Northampton; and
 - developed a paper on the status of energy and infrastructure in the Mid West.
- Continued to work with stakeholders to expedite the development of land sold as part of stage one of the Batavia Coast Marina Redevelopment, which has directly and indirectly resulted in several lots being developed.
- Advanced stage two of the redevelopment of the Batavia Coast Marina through the completion of an 'order of magnitude' feasibility study, the outcomes of which support the stage two redevelopment.
- Supported the Geraldton Universities Centre (GUC) through:
 - continuing the provision of a scholarship to a Mid West resident to undertake undergraduate studies at GUC; and
 - working with the Geraldton University Access Group to identify further opportunities to broaden the range of courses offered. This included providing \$30,000 of RDS funding to enable a Diploma of Planning course to be run by Edith Cowan University through GUC.

- In partnership with the Department of Industry and Resources (DOIR) secured \$100,000 from the Commonwealth's Clever Networks program to commence a project, which aims to extend the reach of competitive broadband networks to regional areas north of Perth by facilitating the deployment of competitive broadband infrastructure.
- Supported the development of the Geraldton Foreshore Redevelopment and Central Business District Revitalisation project by:
 - working with the City of Geraldton-Greenough to secure \$3.32 million of additional funding from the State Government to assist with meeting the project's cost increases and scope changes;
 - providing further funding instalments to the City of Geraldton-Greenough, as part of the State Government's overall commitment via the Commission, of \$13.3 million over six years; and
 - working with the City of Geraldton-Greenough and the Foreshore Redevelopment Advisory Committee to optimise the project's outcomes.
- Supported the development of industry at Oakajee by:
 - hosting visits by potential estate-users;
 - facilitating the timely exchange of information between agencies and resource proponents; and
 - providing information and support to agencies leading the provision of infrastructure to the Oakajee site.
- Assisted Geraldton Boat Lifters Limited (GBLL) to commence development of its \$3 million marine servicing facility and heavy boat lifter facility by:
 - working with GBLL to finalise the funding agreement covering the \$1.5 million of State Government funding being provided for the facility's infrastructure;
 - payment of initial instalments of the State Government funding to enable development works to proceed; and
 - working with GBLL to update the facility's business plan to reflect the impact of increased construction costs and other changes in assumptions.
- Worked with the Kalbarri Marine Advisory Committee and the DPI to finalise designs and secure funding to enhance the commercial fishing jetty at Kalbarri.
- Assisted the Mid West Chamber of Commerce and Industry in planning for the successful 2007 Mid West Resources Forum.

Major Initiatives For 2008-09

- Continue to work with the City of Geraldton-Greenough and the Foreshore Redevelopment Advisory Committee on the next stage of the Geraldton Foreshore Redevelopment and Central Business District Revitalisation project. This will include the management and disbursement by the Commission of an estimated \$2.8 million of State Government funding for the project in 2008-09.
- Work with GBLL to complete the development of its marine servicing and heavy boat lifter facility in Geraldton and successfully commence operations. This includes disbursement of the balance of \$1.5 million of State Government funding committed to the project via the Commission.
- Utilising funding secured from the Commonwealth's Clever Networks program, work with the DOIR to identify existing regional broadband usage, gaps in service provision and the likely growth rates in future bandwidth utilisation resulting from proposed or planned major projects. In addition to cost-effective wholesale backhaul for residents and businesses key targets are to:
 - improve the delivery of health, education and emergency services;
 - provide competitive broadband to the Mid West iron ore industry and its supporting infrastructure; and
 - improve the likelihood of the region attracting the international €1 (Euro) billion SKA radio telescope project.
- As a member of the Geraldton University Access Group continue to work to establish an extended range of courses available through the GUC.
- Support the Department of Water to complete a Mid West Regional Water Plan to quantify and qualify the region's water resources and inform about future water allocation policy.
- Continue to work with stakeholders to expedite the development of land sold as part of stage one of the Batavia Coast Marina Redevelopment.

- Work with the Public Transport Authority, City of Geraldton-Greenough, Landcorp and other stakeholders to commence a full due diligence and business case exercise for Stage Two of the Batavia Coast Marina Redevelopment.
- Assist the Mid West Chamber of Commerce and Industry in:
 - planning for the 2008 Mid West Resources Forum; and
 - implementing a positive Geraldton campaign aimed at attracting and retaining skilled workers to Geraldton and the Mid West.

CAPITAL WORKS PROGRAM

The major item of the Commission's capital works program for 2008-09 is the provision of an estimated \$2.8 million of State Government Funding to the City of Geraldton-Greenough for the next stage of its Foreshore Redevelopment and Central Business District (CBD) Revitalisation project.

The Commission will also spend \$33,000 to continue its computer and office equipment replacement program.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-08 \$'000	Estimated Expenditure 2007-08 \$'000	Estimated Expenditure 2008-09 \$'000
WORKS IN PROGRESS				
Geraldton Foreshore Redevelopment and CBD Revitalisation Project	13,300	10,480	6,783	2,820
COMPLETED WORKS				
Computer and Office Equipment Replacement - 2007-08 Program	33	33	33	-
Geraldton Marine Services Precinct	1,500	1,500	1,500	-
Kalbarri Jetty	229	229	229	-
NEW WORKS				
Computer and Office Equipment Replacement - 2008-09 Program	33	-	-	33
	15,095	12,242	8,545	2,853

CAPITAL CONTRIBUTION

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS							
Total Cost of Capital Works Program	1,329	2,333	8,545	2,853	30	30	30
	1,329	2,333	8,545	2,853	30	30	30
LESS							
Drawdowns from the Holding Account	62	33	33	33	30	30	30
Funding Included in Service Appropriations ^(a)	1,306	1,930	3,930	2,820	-	-	-
Internal Funds and Balances	(268)	370	4,582	-	-	-	-
Capital Contribution	229	-	-	-	-	-	-

(a) Capital works expensed through the Income Statement.

FINANCIAL STATEMENTS

INCOME STATEMENT
(Controlled)

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
COST OF SERVICES							
Expenses							
Employee benefits expenses ^(a)	954	1,045	1,095	1,020	977	1,007	1,033
Superannuation	135	97	101	95	91	94	96
Grants and subsidies ^(b)	2,426	2,820	9,061	3,340	-	-	-
Supplies and services	422	904	482	845	343	332	368
Accommodation	121	122	135	135	141	146	151
Depreciation and amortisation	22	30	30	30	30	30	30
Other expenses	49	26	32	34	32	34	37
TOTAL COST OF SERVICES	4,129	5,044	10,936	5,499	1,614	1,643	1,715
Income							
User charges and fees.....	16	11	5	-	-	-	-
Grants and subsidies	713	589	687	650	150	150	150
Rent	5	5	5	5	5	5	5
Other revenue	163	90	33	16	16	16	16
Total Income	897	695	730	671	171	171	171
NET COST OF SERVICES	3,232	4,349	10,206	4,828	1,443	1,472	1,544
INCOME FROM STATE GOVERNMENT							
Service appropriations	3,522	3,452	5,452	4,269	1,473	1,512	1,555
Resources received free of charge	9	-	-	-	-	-	-
Liabilities assumed by the Treasurer	49	5	5	5	5	5	5
Change in equity arising from transfer of assets/liabilities		(687)					
TOTAL INCOME FROM STATE GOVERNMENT	3,580	2,770	5,457	4,274	1,478	1,517	1,560
SURPLUS/(DEFICIENCY) FOR THE PERIOD	348	(1,579)	(4,749)	(554)	35	45	16

(a) The Full Time Equivalents (FTEs) for 2006-07 Actual, 2007-08 Estimated Actual and 2008-09 Estimate are 14, 14 and 13 respectively.

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

BALANCE SHEET
(Controlled)

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
CURRENT ASSETS							
Cash and cash equivalents	477	243	324	276	318	373	395
Restricted cash	6,720	816	1,478	1,080	867	652	438
Receivables	113	60	60	60	60	60	60
Amounts receivable for services.....	33	33	33	30	30	30	30
Prepayments.....	7	-	-	-	-	-	-
Total current assets	7,350	1,152	1,895	1,446	1,275	1,115	923
NON-CURRENT ASSETS							
Amounts receivable for services.....	98	103	103	111	119	127	135
Plant and equipment.....	44	105	47	50	53	56	59
Inventories.....	1,285	620	1,285	1,285	1,285	1,285	1,285
Intangibles.....	16	8	13	10	7	4	1
Total non-current assets.....	1,443	836	1,448	1,456	1,464	1,472	1,480
TOTAL ASSETS.....	8,793	1,988	3,343	2,902	2,739	2,587	2,403
CURRENT LIABILITIES							
Payables	791	50	50	50	50	50	50
Provision for employee entitlements	230	194	222	207	207	207	207
Accrued salaries	8	4	4	7	10	14	15
Other.....	858	852	905	1,005	805	605	405
Total current liabilities.....	1,887	1,100	1,181	1,269	1,072	876	677
NON-CURRENT LIABILITIES							
Provision for employee entitlements	37	69	42	66	65	64	63
Borrowings.....	960	960	960	960	960	960	960
Other.....	1	1	1	2	2	2	2
Total non-current liabilities	998	1,030	1,003	1,028	1,027	1,026	1,025
TOTAL LIABILITIES.....	2,885	2,130	2,184	2,297	2,099	1,902	1,702
EQUITY							
Contributed equity	356	356	356	356	356	356	356
Accumulated surplus/(deficit)	4,988	(498)	239	(315)	(280)	(235)	(219)
Reserves	564	-	564	564	564	564	564
Total equity.....	5,908	(142)	1,159	605	640	685	701
TOTAL LIABILITIES AND EQUITY	8,793	1,988	3,343	2,902	2,739	2,587	2,403

CASHFLOW STATEMENT
(Controlled)

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
CASHFLOWS FROM STATE GOVERNMENT							
Service appropriations	3,484	3,414	5,414	4,231	1,435	1,474	1,517
Holding account drawdowns	62	33	33	33	30	30	30
Equity contribution receipts	229	-	-	-	-	-	-
Net cash provided by State Government.....	3,775	3,447	5,447	4,264	1,465	1,504	1,547
CASHFLOWS FROM OPERATING ACTIVITIES							
Payments							
Employee benefits.....	(975)	(1,038)	(1,094)	(1,007)	(975)	(1,004)	(1,033)
Superannuation	(86)	(92)	(96)	(90)	(86)	(89)	(91)
Grants and subsidies	(1,690)	(2,920)	(9,620)	(3,240)	(200)	(200)	(200)
Supplies and services	(440)	(904)	(613)	(842)	(343)	(332)	(368)
Accommodation.....	(121)	(122)	(128)	(135)	(141)	(146)	(151)
Goods and services tax	(330)	(466)	(1,108)	(486)	(84)	(84)	(88)
Other.....	(26)	(26)	(32)	(34)	(32)	(34)	(37)
Receipts							
User charges and fees.....	16	11	5	-	-	-	-
Grants and subsidies	797	589	707	650	150	150	150
Rent receipts.....	5	5	5	5	5	5	5
Goods and services tax	337	466	1,171	486	84	84	88
Other receipts	218	90	3	16	16	16	16
Net cash from operating activities.....	(2,295)	(4,407)	(10,800)	(4,677)	(1,606)	(1,634)	(1,709)
CASHFLOWS FROM INVESTING ACTIVITIES							
Purchase of non-current assets.....	(23)	(33)	(33)	(33)	(30)	(30)	(30)
Purchase of investments.....	(3)	-	(9)	-	-	-	-
Net cash from investing activities.....	(26)	(33)	(42)	(33)	(30)	(30)	(30)
NET INCREASE/(DECREASE) IN CASH HELD	1,454	(993)	(5,395)	(446)	(171)	(160)	(192)
Cash assets at the beginning of the reporting period	5,743	2,052	7,197	1,802	1,356	1,185	1,025
Cash assets at the end of the reporting period.....	7,197	1,059	1,802	1,356	1,185	1,025	833

DETAILS OF CONTROLLED GRANTS AND SUBSIDIES

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
Abrolhos Pearls Promotion and Branding Project	4	-	-	-	-	-	-
City of Geraldton-Greenough - Foreshore Redevelopment.....	1,910	2,300	6,151	2,820	-	-	-
City of Geraldton-Greenough - Queen Elizabeth II Centre Extension.....	-	-	450	-	-	-	-
Department of Local Government and Regional Development.....	-	20	-	20	-	-	-
Geraldton Marine Services Precinct.....	-	-	1,500	-	-	-	-
Geraldton Universities Centre	-	-	34	-	-	-	-
Kalbarri Jetty.....	-	-	229	-	-	-	-
Leaning Tree Community School.....	1	-	-	-	-	-	-
Regional Cooperative Research Projects.....	5	-	-	-	-	-	-
Regional Development Scheme Grants.....	506	500	697	500	-	-	-
TOTAL.....	2,426	2,820	9,061	3,340	-	-	-

WHEATBELT DEVELOPMENT COMMISSION

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

DIVISION 17

APPROPRIATION AND FORWARD ESTIMATES

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
DELIVERY OF SERVICES							
Item 49 Net amount appropriated to deliver services^(a)	1,438	1,582	1,702	1,535	1,570	1,609	1,651
Total appropriations provided to deliver services	1,438	1,582	1,702	1,535	1,570	1,609	1,651
GRAND TOTAL	1,438	1,582	1,702	1,535	1,570	1,609	1,651

(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 2006-07 Actuals. A reconciliation identifying the impact of this adjustment has been inserted after the financial statements.

MISSION

To promote, plan, facilitate and support development for the wellbeing of our community.

SIGNIFICANT ISSUES AND TRENDS

- The Wheatbelt region continues to support the third largest regional population in Western Australia, and is likely to remain so for decades. High levels of growth are being experienced along the Central Coast and in the Avon Arc. Growth is being experienced in the western Wheatbelt South, with the remainder of the area having a more stable population.
- The Central East is experiencing a population restructure, with some communities growing and some declining.
- Agriculture, particularly grain production, remains the dominant industry in the region. There is a continuing trend to farm consolidation and corporate management of farms. Most of the region experienced a better season in 2007-08 however, there were still areas in the North East that experienced continued drought. The industry's efficiency is still improving and once average rainfall is experienced, record harvests are expected. Increased demand for grain is causing price rises.
- Interest in the Avon Industrial Park as a location for medium-scale industry has continued to grow. Stage Two of the Park commenced development during this period with a strong demand from the industry. It is expected that this land will all be sold.
- Labour force attraction has become a challenge in most of the region, including issues such as land and housing availability.
- Mining industry development in regions adjoining the Wheatbelt is providing opportunities for local businesses and communities to grow.

SERVICE AND APPROPRIATION SUMMARY

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
SERVICES							
<i>Service 1:</i>							
Information and Promotion Services.....	782	1,156	1,126	1,095			
<i>Service 2:</i>							
Facilitation Services.....	1,316	1,077	1,367	1,210			
Total Cost of Services ^(a)	2,098	2,233	2,493	2,305	1,955	1,861	1,734
<i>Less Income</i>	892	525	571	525	25	25	25
Net Cost of Services ^(a)	1,206	1,708	1,922	1,780	1,930	1,836	1,709
Adjustments ^(b)	232	(126)	(220)	(245)	(360)	(227)	(58)
Appropriation Provided to Deliver Services ^(a)	1,438	1,582	1,702	1,535	1,570	1,609	1,651
TOTAL CONSOLIDATED ACCOUNT APPROPRIATIONS	1,438	1,582	1,702	1,535	1,570	1,609	1,651

- (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 2006-07 Actuals. 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 Treasurer under Part 3, Division 5 of the *Financial Management Act 2006*.

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

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

Government Goal	Desired Outcome	Services
Ensuring that regional Western Australia is strong and vibrant.	The benefits from sustainable development consistent with the expectations of the regional community flow to the people of the Wheatbelt.	1. Information and Promotion Services 2. Facilitation Services

Outcomes and Key Effectiveness Indicators ^(a)

	2006-07 Actual	2007-08 Budget	2007-08 Estimated	2008-09 Target	Reason for Significant Variation between 2007-08 Estimated and 2008-09 Target
Outcome: The benefits from sustainable development consistent with the expectations of the regional community flow to the people of the Wheatbelt.					
Satisfaction survey that the Commission is achieving its outcome - sample size					
	98	150	120	130	
Strongly Agree	20%	25%	25%	25%	
Agree	66%	60%	65%	65%	
Neither Agree or Disagree	6%	5%	3%	3%	
Disagree.....	6%	3%	2%	2%	
Strongly Disagree.....	0%	2%	2%	2%	
Don't Know	2%	5%	3%	3%	

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

Service 1: Information and Promotion Services

The provision of timely and accurate information to meet client needs in developing the Wheatbelt region, through the identification and promotion of the comparative advantages of the region; the diversification of industry and businesses; and by providing a central point for information and assistance.

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service ^(a)	782	1,156	1,126	1,095	
<i>Less Income.....</i>	332	272	258	249	
Net Cost of Service ^(a)	450	884	868	846	
Adjustments ^(b)	86	(65)	(99)	(117)	
Appropriation for Delivery of Service ^(a)	536	819	769	729	

(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 2006-07 Actuals. 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

	2006-07 Actual	2007-08 Budget	2007-08 Estimated	2008-09 Target	Reason for Significant Variation between 2007-08 Estimated and 2008-09 Target
Average cost per hour of regional development service.....	\$97	\$105	\$94	\$100	In 2007-08 some hours were externally funded.
Average cost per program of grants conveyed	\$20,304	\$34,513	\$38,889	\$33,257	As more grants are expected in 2008-09 the average cost has reduced.
Full Time Equivalent (FTEs)	7	8	7	7	

Major Achievements For 2007-08

- Undertook an analysis of the role of education and training in regional development and the interaction between education providers and the community.
- Continued to raise awareness of central decision-makers with respect to the current and expected growth in the Wheatbelt region.
- Made a number of submissions to high level government enquiries into water and power provision to regional areas.
- Commenced work on a marketing process to attract a labour force to the Wheatbelt and promote the region as a place to live and work.
- Provided information to the Mentally Healthy Western Australia project Act-Belong-Commit, aimed at promoting positive mental health and the concept that prevention is better than cure. The project will be expanded to the rest of the region once information resources are completed by Curtin University.

Major Initiatives For 2008-09

- Form a stronger relationship with Heartlands Regional Branding to market the region as a place to live and work.
- Continue, using a partnership approach, to plan for health service delivery reform for the region.
- Provide information to ensure central decision-makers understand the changing nature of the Wheatbelt region, including the inevitable major growth in some areas and the restructuring of population distribution in other areas. This includes the Avon Arc and Central Midlands strategic planning exercises.
- Continue to provide information to decision-makers involved with infrastructure provision to the region.

Service 2: Facilitation Services

The provision of assistance, support and encouragement to clients, based around identified regional opportunities. Central to this service are activities that relate to the facilitation of the upgrading of infrastructure, provide encouragement and support to the development of new industries and facilitate the intensification, expansion and diversification of existing industries.

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service ^(a)	1,316	1,077	1,367	1,210	This reflects a greater demand for facilitation services over information services.
<i>Less Income</i>	560	253	313	276	
Net Cost of Service ^(a)	756	824	1,054	934	
Adjustments ^(b)	146	(61)	(121)	(128)	
Appropriation for Delivery of Service ^(a)	902	763	933	806	

(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 2006-07 Actuals. 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

	2006-07 Actual	2007-08 Budget	2007-08 Estimated	2008-09 Target	Reason for Significant Variation between 2007-08 Estimated and 2008-09 Target
Average cost per hour of regional development service.....	\$98	\$108	\$102	\$103	
Average cost per program of grants conveyed	\$23,800	\$26,307	\$33,333	\$36,743	
Full Time Equivalents (FTEs)	6	6	6	6	

Major Achievements For 2007-08

- Continued the Commission's successful involvement with skilled migration, attracting migrants to work in Wheatbelt businesses.
- Continued to partner with the Avon Industrial Park Board on development of Stage Two of the Park and identification of labour force issues.
- The Wheatbelt Regional Development Scheme has again been used to support a range of regional groups to further projects, which will have an impact on the region. Projects related to regional planning, identification of sites for concentrated solar power, determining tourist accommodation needs in the eastern Wheatbelt South and marketing the region were some of those funded.
- Further partnership with the region's Indigenous people has seen success in greater involvement in natural resource management.

Major Initiatives For 2008-09

- Set and meet job creation targets for Indigenous people. Use the Commission's Indigenous Economic Development approach to assist Indigenous people to better participate in this regions exciting future. The Commission will undertake a regional mapping and gap analysis for Indigenous service delivery in partnership with the Department of Indigenous Affairs.
- Continue to support the successful Regional Skilled Migration Scheme as part of the ongoing effort to attract skilled workers to the Wheatbelt. This is in recognition of the ongoing labour shortage in the region.
- Commence work on a comprehensive service delivery plan for health in the Wheatbelt, utilising previously established partnerships.
- Partner with the Avon Community Development Foundation to analyse the Avon Link Train service and identify labour force attraction constraints for the Avon sub-region.
- Continue to be involved in regional planning initiatives, including in the Avon Arc and Central Midlands, as part of facilitating growth in the peri-urban section of the region. This will include analysis and recommendations on tailored planning options that may help encourage such development. Land development issues for communities outside the peri-urban development area will also be considered as part of this analysis.

CAPITAL WORKS PROGRAM

The Commission continues a rolling program of asset replacement and enhancement to improve service delivery through the use of efficient technologies.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-08 \$'000	Estimated Expenditure 2007-08 \$'000	Estimated Expenditure 2008-09 \$'000
COMPLETED WORKS				
Computer and Office Replacement - 2007-08 Program.....	24	24	24	-
NEW WORKS				
Computer and Office Replacement - 2008-09 Program.....	94	-	-	94
	118	24	24	94

CAPITAL CONTRIBUTION

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS							
Total Cost of Capital Works Program	80	24	24	94	33	14	30
	80	24	24	94	33	14	30
LESS							
Drawdowns from the Holding Account	47	24	23	94	33	14	30
Internal Funds and Balances	33	-	1	-	-	-	-
Capital Contribution	-	-	-	-	-	-	-

FINANCIAL STATEMENTS

INCOME STATEMENT
(Controlled)

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
COST OF SERVICES							
Expenses							
Employee benefits expenses ^(a)	979	907	1,038	930	973	984	1,003
Superannuation	84	81	86	78	80	81	83
Grants and subsidies ^(b)	580	600	700	600	300	186	-
Consultancies expense	-	14	36	14	14	15	15
Supplies and services	320	474	496	519	434	437	471
Accommodation	87	93	82	106	106	107	107
Capital user charge ^(c)	10	-	-	-	-	-	-
Depreciation and amortisation	32	47	39	41	30	32	35
Other expenses	16	17	16	17	18	19	20
TOTAL COST OF SERVICES	2,108	2,233	2,493	2,305	1,955	1,861	1,734
Income							
Grants and subsidies	601	500	546	500	-	-	-
Other revenue	291	25	25	25	25	25	25
Total Income	892	525	571	525	25	25	25
NET COST OF SERVICES ^(c)	1,216	1,708	1,922	1,780	1,930	1,836	1,709
INCOME FROM STATE GOVERNMENT							
Service appropriations ^(c)	1,448	1,582	1,702	1,535	1,570	1,609	1,651
Resources received free of charge	9	7	9	9	9	9	9
TOTAL INCOME FROM STATE GOVERNMENT	1,457	1,589	1,711	1,544	1,579	1,618	1,660
SURPLUS/(DEFICIENCY) FOR THE PERIOD	241	(119)	(211)	(236)	(351)	(218)	(49)
CHANGE IN SURPLUS/(DEFICIENCY) FOR THE PERIOD AFTER EXTRAORDINARY ITEMS	241	(119)	(211)	(236)	(351)	(218)	(49)

(a) The Full Time Equivalents (FTEs) for 2006-07 Actual, 2007-08 Estimated Actual and 2008-09 Estimate are 13, 13 and 13 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)

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
CURRENT ASSETS							
Cash and cash equivalents	117	110	110	85	63	27	1
Restricted cash	864	294	706	525	196	10	10
Receivables	41	-	-	-	-	-	-
Amounts receivable for services.....	24	125	94	33	14	30	24
Prepayments.....	8	-	-	-	-	-	-
Total current assets	1,054	529	910	643	273	67	35
NON-CURRENT ASSETS							
Amounts receivable for services.....	116	48	104	93	168	205	226
Plant and equipment.....	48	70	39	48	61	53	62
Intangibles.....	32	5	24	19	13	6	-
Other.....	-	6	-	48	43	37	32
Total non-current assets	196	129	167	208	285	301	320
TOTAL ASSETS.....	1,250	658	1,077	851	558	368	355
CURRENT LIABILITIES							
Payables ^(a)	2	15	-	-	-	-	-
Provision for employee entitlements	116	108	138	110	158	193	202
Accrued salaries	15	-	14	14	14	14	14
Other.....	54	62	56	56	56	56	56
Total current liabilities.....	187	185	208	180	228	263	272
NON-CURRENT LIABILITIES							
Provision for employee entitlements	65	112	82	120	129	123	150
Accrued salaries	-	-	-	-	1	-	-
Total non-current liabilities	65	112	82	120	130	123	150
TOTAL LIABILITIES.....	252	297	290	300	358	386	422
EQUITY							
Contributed equity	75	75	75	75	75	75	75
Accumulated surplus/(deficit)	923	286	712	476	125	(93)	(142)
Total equity.....	998	361	787	551	200	(18)	(67)
TOTAL LIABILITIES AND EQUITY	1,250	658	1,077	851	558	368	355

(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)**

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
CASHFLOWS FROM STATE GOVERNMENT							
Service appropriations	1,368	1,526	1,621	1,513	1,481	1,542	1,606
Holding account drawdowns	47	24	23	94	33	14	30
Net cash provided by State Government.....	1,415	1,550	1,644	1,607	1,514	1,556	1,636
CASHFLOWS FROM OPERATING ACTIVITIES							
Payments							
Employee benefits.....	(963)	(899)	(1,007)	(936)	(927)	(964)	(981)
Superannuation	(80)	(81)	(76)	(68)	(69)	(70)	(72)
Grants and subsidies	(333)	(600)	(700)	(600)	(300)	(186)	-
Consultancies payments.....	(1)	(14)	(36)	(14)	(15)	(15)	(15)
Supplies and services	(354)	(466)	(495)	(502)	(420)	(425)	(462)
Accommodation.....	(76)	(94)	(66)	(107)	(108)	(110)	(107)
Capital user charge ^(a)	(10)	-	-	-	-	-	-
Goods and services tax	(118)	(65)	(65)	(65)	(65)	(65)	(65)
Other.....	-	(17)	(16)	(17)	(18)	(19)	(20)
Receipts							
User charges and fees.....	1	-	-	-	-	-	-
Grants and subsidies	571	500	546	500	-	-	-
Goods and services tax	131	65	76	65	65	65	65
Other receipts	66	25	54	25	25	25	25
Net cash from operating activities.....	(1,166)	(1,646)	(1,785)	(1,719)	(1,832)	(1,764)	(1,632)
CASHFLOWS FROM INVESTING ACTIVITIES							
Purchase of non-current assets.....	(44)	(24)	(24)	(94)	(33)	(14)	(30)
Net cash from investing activities.....	(44)	(24)	(24)	(94)	(33)	(14)	(30)
CASHFLOWS FROM FINANCING ACTIVITIES							
Net cash from financing activities.....	-	-	-	-	-	-	-
NET INCREASE/(DECREASE) IN CASH HELD	205	(120)	(165)	(206)	(351)	(222)	(26)
Cash assets at the beginning of the reporting period	776	524	981	816	610	259	37
Cash assets at the end of the reporting period.....	981	404	816	610	259	37	11

(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

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
EXPENSES							
Total Cost of Services as per Income Statement.....	2,108	2,233	2,493	2,305	1,955	1,861	1,734
Less Capital User Charge.....	10	-	-	-	-	-	-
Adjusted Total Cost of Services	2,098	2,233	2,493	2,305	1,955	1,861	1,734
APPROPRIATIONS							
Net Amount Appropriated to Deliver Services	1,448	1,582	1,702	1,535	1,570	1,609	1,651
Less Appropriation Capital User Charge	10	-	-	-	-	-	-
Adjusted Net Amount Appropriated to Deliver Services	1,438	1,582	1,702	1,535	1,570	1,609	1,651

DETAILS OF CONTROLLED GRANTS AND SUBSIDIES

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
Avon Community Development Foundation ...	50	50	50	50	50	50	-
Regional Development Scheme.....	530	550	650	550	250	136	-
TOTAL.....	580	600	700	600	300	186	-

GREAT SOUTHERN DEVELOPMENT COMMISSION

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

DIVISION 18

APPROPRIATION AND FORWARD ESTIMATES

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
DELIVERY OF SERVICES							
Item 50 Net amount appropriated to deliver services^(a)	944	1,574	1,574	1,500	1,558	1,598	1,643
Total appropriations provided to deliver services	944	1,574	1,574	1,500	1,558	1,598	1,643
CAPITAL							
Item 141 Capital Contribution	223	2,679	2,565	23,609	15,720	4,360	-
GRAND TOTAL	1,167	4,253	4,139	25,109	17,278	5,958	1,643

(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 2006-07 Actuals. A reconciliation identifying the impact of this adjustment has been inserted after the financial statements.

MISSION

The sustainable development of our region's economy in harmony with our unique heritage and natural environment.

SIGNIFICANT ISSUES AND TRENDS

- The recent Australian Bureau of Statistics report estimated resident population figure for the Great Southern indicated only a marginal increase of 0.6 per cent to 55,448 in the 2007 calendar year. The regional centre of Albany recorded a growth rate of 0.9 per cent with a population of 33,144.
- The Great Southern labour force surpassed 30,000 with an unemployment rate achieving record lows of less than 4 per cent for the region. The tight labour market manifested itself in a number of areas including skills shortages and a rise in the cost of residential and commercial building construction projects.
- Regional industry activity is estimated at \$2 billion, with agricultural production remaining a key driver. The plantation timber industry continues to have a significant impact on diversifying the region's economic base in agriculture.
- In 2007, plantation timber woodchip exports through the Port of Albany surpassed 1.4 million tonnes. This amount is expected to grow to 2.5 million tonnes in 2008-09.
- Changing weather patterns affecting average annual rainfall, along with south coast population growth, have placed increased pressure on water supply and related infrastructure. The broad decrease in rainfall is occurring during a period of increased demand for water from the residential, commercial and industrial sectors.
- Infrastructure provision in the areas of power, water, transport and telecommunications remains a key factor in attracting investment for value adding industries.
- Tourism is a significant contributor to the Great Southern regional economy. The majority of visitors to the region are either from within the State or from the rest of Australia. This is broadly in line with the trend in the other tourism areas of the State. The number of domestic and international visitors averaged 502,000 over 2005 and 2006, and they spent approximately \$200 million per year in the region.

- The strong investment and development trends in the region's main industry sectors have impacted positively on the business, services and retail sectors.

SERVICE AND APPROPRIATION SUMMARY

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
SERVICES							
<i>Service 1:</i>							
Regional Development	2,898	2,494	2,494	2,420			
Total Cost of Services ^(a)	2,898	2,494	2,494	2,420	2,428	2,468	2,446
<i>Less Income</i>	380	2,440	1,340	3,240	900	900	900
Net Cost of Services ^(a)	2,518	54	1,154	(820)	1,528	1,568	1,546
Adjustments ^(b)	(1,574)	1,520	420	2,320	30	30	97
Appropriation Provided to Deliver Services ^(a)	944	1,574	1,574	1,500	1,558	1,598	1,643
CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS							
Appropriation for Capital Contribution to meet equity needs ^(c)	223	2,679	2,565	23,609	15,720	4,360	-
TOTAL CONSOLIDATED ACCOUNT APPROPRIATIONS	1,167	4,253	4,139	25,109	17,278	5,958	1,643

- (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 2006-07 Actuals. A reconciliation identifying the impact of this adjustment has been inserted after the financial statements.
- (b) Adjustments are related to movements in cash balances and other accrual items such as resources received free of charge, receivables, payables and superannuation.
- (c) Supporting details are disclosed in the Capital Contribution Statement.

RESOURCE AGREEMENT

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

OUTCOMES, SERVICES AND PERFORMANCE INFORMATION

Relationship to Government Goals

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

Government Goal	Desired Outcome	Service
Ensuring that regional Western Australia is strong and vibrant.	The sustainable development of our region's natural and built environment for the wellbeing of all.	1. Regional Development

Outcomes and Key Effectiveness Indicators ^(a)

	2006-07 Actual ^(b)	2007-08 Budget	2007-08 Estimated	2008-09 Target	Reason for Significant Variation between 2007-08 Estimated and 2008-09 Target
Outcome: The sustainable development of our region's natural and built environment for the wellbeing of all.					
Favourable responses from a minimum of 75 per cent of clients from the Client Survey...	96%	80%	80%	81%	

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

(b) In 2006-2007 the response options were altered by the market research company, leading to a possibly skewed report.

Service 1: Regional Development

This output incorporates project management work, the facilitation and support of new and existing enterprises and businesses, promotional and information services, and the development of strategic partnerships with government, business and the community groups to ensure the development of the Great Southern Region.

	2006-07 Actual	2007-08 Budget	2007-08 Estimated Actual	2008-09 Budget Estimate	Reason for Significant Variation
	\$'000	\$'000	\$'000	\$'000	
Total Cost of Service ^(a)	2,898	2,494	2,494	2,420	Albany Entertainment Centre cashflow adjustment.
<i>Less Income</i>	380	2,440	1,340	3,240	
Net Cost of Service ^(a)	2,518	54	1,154	(820)	Albany Entertainment Centre cashflow adjustment.
Adjustments ^(b)	(1,574)	1,52	420	2,320	
Appropriation for Delivery of Service ^(a)	944	1,574	1,574	1,500	

(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 2006-07 Actuals. 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

	2006-07 Actual	2007-08 Budget	2007-08 Estimated	2008-09 Target	Reason for Significant Variation between 2007-08 Estimated and 2008-09 Target
Average cost per project	\$52,025	\$45,000	\$51,952	\$51,666	
Number of projects completed or progressed during the year	40	42	42	42	
Cost per service hour	\$75.95	\$70.00	\$79.60	\$79.20	
Full Time Equivalents (FTEs)	15	15	15	15	

Major Achievements For 2007-08

- The Commission conducted round seven of the State Government's Regional Development Scheme and received 60 expressions of interest for regional project funding for a total of approximately \$2.5 million. Through the assessment process, 24 projects, involving capital works, planning, marketing and capacity building, were funded for joint investment with the proponents.
- The Commission convened and chaired the Building Innovation and Sustainability Working Group which is investigating entry level housing affordability, with particular reference to the use of innovative design and materials.
- The Commission continued to chair the Southdown Magnetite Working Group, which assisted in coordinating local agency input to the planning and approvals process for Grange Resources' proposed magnetite mine.
- Through a partnership with the Commission, the University of Western Australia's (UWA) Perth International Arts Festival, delivered another Great Southern program. The program involved local products including visual arts and performers and events associated with fine cuisine. A new development for 2008 included 'The Playmakers', an event that featured instrument makers and master craftspeople from within Australia and overseas. A Memorandum of Understanding was signed with UWA that included a commitment to stage the Great Southern regional program up to 2011.
- Through the State Government's Regional Development Scheme, the Albany Maritime Foundation was funded to develop a Heritage Conservation Plan as part of stage two of the Breaksea Island restoration project. As a result of the planning process, future works to refurbish the historic buildings and site as a niche eco-tourism, community research and education facility will be identified.
- The Commission directly assisted regional employers to address skills shortages through advice on various visa categories. The assistance included the certification of nominations to the Regional Sponsored Migration Scheme (RSMS) and to the Regional Temporary Employees to Australia programs. A total of 44 RSMS applications were certified in the period.
- The Commission facilitated further land development advice for Local Government authorities, mainly in the inland region, where a steady increase in demand for residential blocks has continued to outstrip supply.
- The Commission continued to chair the Board of the Centre of Excellence in Natural Resource Management (CENRM) and facilitated funding and partnerships to improve the region's research capacity and capability.
- The Commission has, through an allocation of \$40,000, leveraged matching funds from The Jack Family Benevolent Trust to provide scholarships for up to ten full-time Restoration Ecology students at the UWA Albany Campus. This contribution will further build the capacity of the local campus to deliver full-time higher education programs.
- The Commission promoted high quality natural resource management (NRM) practice through awarding the Commission's Medal for Excellence in NRM, which included a \$10,000 contribution towards an NRM initiative of the winner's choosing.
- The Commission continued the delivery of the TradeStart program in the Great Southern region, through Federal funding from Austrade for the period 2007-10. A procedures course was delivered in the region in conjunction with the Australian Institute of Export.

- In conjunction with the Western Australian Community Foundation (WACF), the Commission facilitated the development of the Great Southern and WACF Challenge Grant Program. Three small region-based community foundations were established in the period and one more is proceeding to set up an account. A total of \$46,500 was provided in matching funds to aid the establishment of the Donation Accounts.
- The Commission partnered Australia's South West (ASW) Inc and Tourism Western Australia in developing marketing material and strategies to maximize visitor numbers and yield for the region. As a part of the program, the Commission committed \$20,000 towards the planning and establishment of the Cross Regional Food and Wine Trail.
- Continued to fund product and services marketing initiatives, through the Great Southern Regional Marketing Association and other sub-regional bodies. The focus of the projects was the targeted promotion of wine, food, cultural and tourism products.
- Facilitated and chaired the Great Southern Marketing Network, a cross-sector industry group established to enhance coordination of different regional marketing activities.
- Assisted the Albany Maritime Foundation Inc. with funding and support in its work towards infrastructure enhancement at the Albany Boat Shed. Funding support was also provided for a new event, 'The Festival of the Sea', which was held to celebrate Albany's connection with the sea and to promote the south coast fishing and local seafood supply industries.
- Supported three major regional State conferences which focused on the themes of eco-tourism, coastal management and the arts. The events attracted approximately 625 seminar delegates to the Great Southern.
- Continued project support funding of the Clontarf Foundation for its Great Southern Football Academy for Indigenous Youth program. The 2007 grant of \$50,000 supported the group in its partnership with North Albany Senior High School.
- Facilitated the further development of the Mungart Boodja Art Centre in Katanning as the main Indigenous art and craft industry marketing and service centre for the Great Southern. Noongar art industry initiatives included the production of a documentary film on the 'Carrolup School' and joint activities with Southern Edge Arts in Albany.
- Provided funding and support to progress the Tambellup Indigenous Manufacturing Employment partnership as a pilot project which is producing brick and paving products.
- Supported the Gnowangerup Aboriginal Corporation (GAC) and Shire of Gnowangerup in the restoration of the old Noongar Centre and coordinated a review of GACs Heritage Centre feasibility study recommendations.
- In partnership with the Department of Environment and Conservation (DEC) and traditional Noongar custodians, progressed planning associated with the Stirling Range Mountain Discovery Centre and supported cultural heritage research of the area through the UWA.

Major Initiatives For 2008-09

- The Albany Waterfront Development will be progressed through the design and civil works stages with the widening of Princess Royal Drive and the tendering for the Marina, which is scheduled for completion early in the period. The LandCorp land release in relation to the hotel site should be finalised in September 2008.
- The Albany Entertainment Centre Steering Committee, which includes the Commission, City of Albany and Department of Housing and Works, will complete its oversight of the design stage and commence the tender process by mid 2008. Construction is scheduled to begin by early 2009.
- Through the Building Innovation and Sustainability Working Group, facilitate the construction of a display home in Albany, which will demonstrate the properties of affordability, innovation and sustainability.
- Partner the Department of Immigration and Citizenship and the State Government's Skilled Migration Centre to directly assist regional employers in the sponsorship of skilled migrants to the Great Southern.

- Work with the DEC and the Albany Maritime Foundation to complete a Heritage Conservation Plan and assist in its implementation as part of the Breaksea Island restoration project. These developments will enhance the island's future role as a niche eco-tourism, research and education asset for the region.
- Progress the planning and development of a sustainable business model for the Stirling Range Mountain Discovery Centre in partnership with the DEC and traditional Noongar custodians.
- In conjunction with the Western Australian Community Foundation (WACF), the Commission will implement the second round of the Great Southern and WACF Challenge Grant Program and support the establishment of more community foundations in the region.
- Work with the UWA Perth International Arts Festival to continue this unique annual festival in the Great Southern for 2009 through to 2011.
- Progress the Southern Regions Community Leadership Strategy with the planning and delivery of a series of up to five workshops in each of the three participating regions (South West, Peel and Great Southern) during the last half of 2008. The workshops will provide targeted skills delivery training for selected community members in the regions.
- Work closely with CENRM and other regional partners, to enhance the region's research capability and increase the resources available to address local, national and international NRM issues.
- Maintain executive support to the Great Southern Marketing Network to further enhance the group's role in communicating and coordinating marketing initiatives to its regional stakeholders.
- Support the City of Albany in the implementation of the staged Enhancement Plan for the Amity Heritage Precinct and in securing funding for the ANZAC Peace Park project.
- Investigate and document maritime heritage assets along the Great Southern coastline through the commissioning of a comprehensive survey.
- Support the GAC and local community groups in the administration and use of the newly renovated Heritage Centre.
- Work with Timber 2020 and other stakeholders in developing an action plan to implement regional employment and business development projects under the National Indigenous Forestry Strategy.
- Work with relevant State and Commonwealth agencies, to enhance Indigenous business mentoring and support services in the region.
- Maintain support for the development of the Noongar art industry in partnership with Mungart Boodja Art Centre, Southern Edge Arts and other agencies.
- Develop a Reconciliation Action Plan for the Commission.

CAPITAL WORKS PROGRAM

The Commission's capital works program for 2008-09 includes the Albany Entertainment Centre and its ongoing asset replacement program of computers and office equipments.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-08 \$'000	Estimated Expenditure 2007-08 \$'000	Estimated Expenditure 2008-09 \$'000
WORKS IN PROGRESS				
Albany Entertainment and Convention Centre ^(a)	49,000	3,157	2,957	25,849
COMPLETED WORKS				
Computer and Office Equipment Replacement - 2007-08 Program	53	53	53	-
NEW WORKS				
Computer and Office Equipment - 2008-09 Program	60	-	-	60
	49,113	3,210	3,010	25,909

(a) The \$49 million for Albany Entertainment Centre includes the State Government Capital contribution of \$46.3 million, City of Albany contribution of \$1.2 million and the anticipated Commonwealth contribution of \$1.5 million.

CAPITAL CONTRIBUTION

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS							
Total Cost of Capital Works Program	960	4,224	3,010	25,909	15,784	4,390	-
	960	4,224	3,010	25,909	15,784	4,390	-
LESS							
Commonwealth Grants	-	1,500	-	1,500	-	-	-
Drawdowns from the Holding Account	30	45	45	-	27	30	-
Internal Funds and Balances	707	-	-	-	37	-	-
Other	-	-	400	800	-	-	-
Capital Contribution	223	2,679	2,565	23,609	15,720	4,360	-

FINANCIAL STATEMENTS**INCOME STATEMENT
(Controlled)**

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
COST OF SERVICES							
Expenses							
Employee benefits expenses ^(a)	1,076	1,237	1,237	1,153	1,162	1,183	1,162
Superannuation	109	89	89	89	97	97	115
Grants and subsidies ^(b)	871	312	312	250	250	250	400
Consultancies expense	44	-	-	-	-	-	-
Supplies and services	620	624	624	686	645	645	495
Accommodation	107	121	121	121	131	131	131
Capital user charge ^(c)	53	-	-	-	-	-	-
Depreciation and amortisation	37	30	30	30	30	30	30
Loss on disposal of non-current assets	1	-	-	-	-	-	-
Other expenses	33	81	81	91	113	132	113
TOTAL COST OF SERVICES	2,951	2,494	2,494	2,420	2,428	2,468	2,446
Income							
Grants and subsidies	333	2,320	1,220	3,120	780	780	780
Interest revenue	3	-	-	-	-	-	-
Other revenue	44	120	120	120	120	120	120
Total Income	380	2,440	1,340	3,240	900	900	900
NET COST OF SERVICES ^(c)	2,571	54	1,154	(820)	1,528	1,568	1,546
INCOME FROM STATE GOVERNMENT							
Service appropriations ^(c)	997	1,574	1,574	1,500	1,558	1,598	1,643
Liabilities assumed by the Treasurer	4	2	2	2	-	-	-
TOTAL INCOME FROM STATE GOVERNMENT	1,001	1,576	1,576	1,502	1,558	1,598	1,643
SURPLUS/(DEFICIENCY) FOR THE PERIOD	(1,570)	1,522	422	2,322	30	30	97
CHANGE IN SURPLUS/(DEFICIENCY) FOR THE PERIOD AFTER EXTRAORDINARY ITEMS	(1,570)	1,522	422	2,322	30	30	97

(a) The Full Time Equivalents (FTEs) for 2006-07 Actual, 2007-08 Estimated Actual and 2008-09 Estimate are 15, 15 and 15 respectively.

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

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

**BALANCE SHEET
(Controlled)**

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
CURRENT ASSETS							
Cash and cash equivalents	297	205	301	305	350	395	440
Restricted cash	1,173	1,970	1,173	1,173	1,173	1,173	1,240
Receivables	31	165	51	71	71	71	71
Amounts receivable for services.....	30	-	-	27	30	-	-
Prepayments	2	3	2	2	2	2	2
Total current assets	1,533	2,343	1,527	1,578	1,626	1,641	1,753
NON-CURRENT ASSETS							
Amounts receivable for services.....	144	172	172	188	201	244	287
Plant and equipment.....	74	126	97	127	124	210	180
Infrastructure	992	6,391	3,949	29,798	45,518	49,792	49,792
Total non-current assets.....	1,210	6,689	4,218	30,113	45,843	50,246	50,259
TOTAL ASSETS.....	2,743	9,032	5,745	31,691	47,469	51,887	52,012
CURRENT LIABILITIES							
Payables ^(a)	36	32	36	36	36	36	36
Provision for employee entitlements	207	243	215	223	238	253	268
Accrued salaries	4	18	6	8	8	8	8
Other.....	810	725	810	810	823	836	849
Total current liabilities.....	1,057	1,018	1,067	1,077	1,105	1,133	1,161
NON-CURRENT LIABILITIES							
Provision for employee entitlements	157	62	162	167	167	167	167
Total non-current liabilities	157	62	162	167	167	167	167
TOTAL LIABILITIES.....	1,214	1,080	1,229	1,244	1,272	1,300	1,328
EQUITY							
Contributed equity	2,072	4,751	4,637	28,246	43,966	48,326	48,326
Accumulated surplus/(deficit)	(543)	3,201	(121)	2,201	2,231	2,261	2,358
Total equity.....	1,529	7,952	4,516	30,447	46,197	50,587	50,684
TOTAL LIABILITIES AND EQUITY	2,743	9,032	5,745	31,691	47,469	51,887	52,012

(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)

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
CASHFLOWS FROM STATE GOVERNMENT							
Service appropriations	954	1,531	1,531	1,457	1,515	1,555	1,600
Capital contribution	223	2,679	2,565	23,609	15,720	4,360	-
Holding account drawdowns	30	45	45	-	27	30	-
Net cash provided by State Government.....	1,207	4,255	4,141	25,066	17,262	5,945	1,600
CASHFLOWS FROM OPERATING ACTIVITIES							
Payments							
Employee benefits.....	(1,009)	(1,222)	(1,222)	(1,138)	(1,110)	(1,168)	(1,147)
Superannuation	(105)	(87)	(87)	(87)	(97)	(97)	(115)
Grants and subsidies	(895)	(465)	(465)	(465)	(400)	(400)	(400)
Consultancies payments.....	(44)	-	-	-	-	-	-
Supplies and services	(377)	(463)	(463)	(463)	(482)	(482)	(482)
Accommodation.....	(107)	(121)	(121)	(121)	(131)	(131)	(131)
Capital user charge ^(a)	(53)	-	-	-	-	-	-
Goods and services tax	(12)	(48)	(48)	(48)	(48)	(48)	(48)
Other.....	(33)	(89)	(89)	(99)	(113)	(132)	(113)
Receipts							
Grants and subsidies	426	2,320	1,220	3,120	780	780	780
Interest received.....	3	-	-	-	-	-	-
Goods and services tax	14	48	48	48	48	48	48
Other receipts.....	52	100	100	100	120	120	120
Net cash from operating activities.....	(2,140)	(27)	(1,127)	847	(1,433)	(1,510)	(1,488)
CASHFLOWS FROM INVESTING ACTIVITIES							
Purchase of non-current assets.....	(960)	(4,224)	(3,010)	(25,909)	(15,784)	(4,390)	-
Net cash from investing activities.....	(960)	(4,224)	(3,010)	(25,909)	(15,784)	(4,390)	-
CASHFLOWS FROM FINANCING ACTIVITIES							
Net cash from financing activities.....	-	-	-	-	-	-	-
NET INCREASE/(DECREASE) IN CASH HELD	(1,893)	4	4	4	45	45	112
Cash assets at the beginning of the reporting period	3,363	2,171	1,470	1,474	1,478	1,523	1,568
Cash assets at the end of the reporting period.....	1,470	2,175	1,474	1,478	1,523	1,568	1,680

(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

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
EXPENSES							
Total Cost of Services as per Income Statement.....	2,951	2,494	2,494	2,420	2,428	2,468	2,446
Less Capital User Charge.....	53	-	-	-	-	-	-
Adjusted Total Cost of Services	2,898	2,494	2,494	2,420	2,428	2,468	2,446
APPROPRIATIONS							
Net Amount Appropriated to Deliver Services	997	1,574	1,574	1,500	1,558	1,598	1,643
Less Appropriation Capital User Charge	53	-	-	-	-	-	-
Adjusted Net Amount Appropriated to Deliver Services	944	1,574	1,574	1,500	1,558	1,598	1,643

DETAILS OF CONTROLLED GRANTS AND SUBSIDIES

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
Albany Aquatic and Leisure Centre	450	50	50	-	-	-	-
Albany University Centre	50	-	-	-	-	-	-
Community Resource Centres	5	12	12	-	-	-	-
Nathan Drew Memorial Trust.....	75	-	-	-	-	-	-
Other.....	75	150	150	150	150	150	150
Regional Development Scheme.....	100	100	100	100	100	100	250
Restoration of the Brig Amity	30	-	-	-	-	-	-
Vancouver Waterways.....	86	-	-	-	-	-	-
TOTAL.....	871	312	312	250	250	250	400

Part 5

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

SUMMARY OF PORTFOLIO APPROPRIATIONS

Page	Agency	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000
325	Local Government and Regional Development			
	– Delivery of Services.....	43,572	43,648	41,255
	– Administered Grants, Subsidies and Other Transfer Payments	2,114	2,114	250
	Total	45,686	45,762	41,505
340	Metropolitan Cemeteries Board	-	-	-
341	Racing, Gaming and Liquor			
	– Delivery of Services.....	3,607	3,907	3,724
	– Administered Grants, Subsidies and Other Transfer Payments	69,442	78,093	76,584
	Total	73,049	82,000	80,308
354	Racing and Wagering Western Australia	-	-	-
355	Western Australian Greyhound Racing Authority	-	-	-
356	Insurance Commission of Western Australia	-	-	-
357	Lotteries Commission	-	-	-
358	Gold Corporation	-	-	-
359	Goldfields-Esperance Development Commission			
	– Delivery of Services.....	1,631	2,131	1,530
	– Capital Contribution.....	9	9	-
	Total	1,640	2,140	1,530

Part 5**Minister for Local Government; Racing and Gaming; Multicultural Interests and Citizenship; Government Enterprises; Minister Assisting the Minister for Planning and Infrastructure; Goldfields-Esperance; Youth****SUMMARY OF PORTFOLIO APPROPRIATIONS**

Page	Agency	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000
GRAND TOTAL				
	– Delivery of Services.....	48,810	49,686	46,509
	– Administered Grants, Subsidies and Other Transfer Payments	71,556	80,207	76,834
	– Capital Contribution.....	9	9	-
	Total.....	120,375	129,902	123,343

LOCAL GOVERNMENT AND REGIONAL DEVELOPMENT

PART 5 - MINISTER FOR LOCAL GOVERNMENT; RACING AND GAMING; MULTICULTURAL INTERESTS AND CITIZENSHIP; GOVERNMENT ENTERPRISES; MINISTER ASSISTING THE MINISTER FOR PLANNING AND INFRASTRUCTURE; GOLDFIELDS-ESPERANCE; YOUTH

DIVISION 19

APPROPRIATION AND FORWARD ESTIMATES

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
DELIVERY OF SERVICES							
Item 51 Net amount appropriated to deliver services ^(a)	28,025	43,370	43,443	41,044	39,129	17,366	17,639
Amount Authorised by Other Statutes - Salaries and Allowances Act 1975 ^(b)	196	202	205	211	217	223	229
Total appropriations provided to deliver services.....	28,221	43,572	43,648	41,255	39,346	17,589	17,868
ADMINISTERED TRANSACTIONS							
Item 52 Amount provided for Administered Grants, Subsidies and Other Transfer Payments	1,316	2,114	2,114	250	250	250	250
CAPITAL							
Capital Contribution	94	-	-	-	-	-	-
GRAND TOTAL	29,631	45,686	45,762	41,505	39,596	17,839	18,118

- (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 2006-07 Actuals. 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 2008 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 2008-09 Budget.

MISSION

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

SIGNIFICANT ISSUES AND TRENDS

- The normalisation of government services to Indigenous communities in Western Australia will have significant impact on many Local Governments.
- Structural reform through voluntary amalgamation and a variety of resource sharing initiatives will continue to assist the sustainability of Local Government.
- Demand for infrastructure funding in regional Western Australia continues to attract large numbers of applicants under the Regional Investment Fund.
- Skills shortages continue to be a challenge for Local Governments and regional communities across the State, particularly those in remote areas.

- There is a need for greater diversity of representation (gender, race and cultural backgrounds) in senior management positions within Local Government.
- The new Council of Australian Governments' agenda may lead to a range of governance and program management initiatives.
- There is an ongoing need to improve leadership and capacity building in Local Government.
- Access to affordable land and housing is viewed as an impediment to development of regional Western Australia.
- Increased community expectations for Local Governments' and elected members' performance will require continued improvement in the effectiveness of monitoring and compliance programs.

SERVICE AND APPROPRIATION SUMMARY

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
SERVICES							
<i>Service 1:</i>							
Implementation of Government Policy	3,217	2,820	3,051	2,252			
<i>Service 2:</i>							
Improved Access to Services and Capacity for Development in Regional Communities.....	30,714	31,912	33,593	29,888			
<i>Service 3:</i>							
Better Local Government	4,417	9,750	11,774	10,025			
Total Cost of Services ^(a)	38,348	44,482	48,418	42,165	40,256	18,499	18,778
<i>Less Income</i>	2,934	933	933	933	933	933	933
Net Cost of Services ^(a)	35,414	43,549	47,485	41,232	39,323	17,566	17,845
Adjustments ^(b)	(7,193)	23	(3,837)	23	23	23	23
Appropriation Provided to Deliver Services ^(a)	28,221	43,572	43,648	41,255	39,346	17,589	17,868
ADMINISTERED TRANSACTIONS							
Appropriation for Administered Grants, Subsidies and Transfer Payments	1,316	2,114	2,114	250	250	250	250
CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS							
Appropriation for Capital Contribution to meet equity needs ^(c)	94	-	-	-	-	-	-
TOTAL CONSOLIDATED ACCOUNT APPROPRIATIONS	29,631	45,686	45,762	41,505	39,596	17,839	18,118

- (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 2006-07 Actuals. A reconciliation identifying the impact of this adjustment has been inserted after the financial statements.
- (b) Adjustments are related to movements in cash balances and other accrual items such as resources received free of charge, receivables, payables and superannuation.
- (c) Supporting details are disclosed in the Capital Contribution Statement.

RESOURCE AGREEMENT

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

The relationship of Ministers to services is shown below:

Responsible Minister	Services
Minister for Local Government; Racing and Gaming; Multicultural Interests and Citizenship; Government Enterprises; Minister Assisting the Minister for Planning and Infrastructure; Goldfields-Esperance; Youth	1. Implementation of Government Policy 3. Better Local Government
Minister for Employment Protection; Regional Development; Fisheries; the Kimberley, Pilbara and Gascoyne	2. Improved Access to Services and Capacity for Development in Regional Communities

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

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

Government Goal	Desired Outcome	Services
Creating conditions that foster a strong economy delivering more jobs, opportunities and greater wealth for all Western Australians.	An increased capacity of communities to develop good government, economic growth and social wellbeing.	1. Implementation of Government Policy 2. Improved Access to Services and Capacity for Development in Regional Communities 3. Better Local Government

Outcomes and Key Effectiveness Indicators ^(a)

	2006-07 Actual	2007-08 Budget	2007-08 Estimated	2008-09 Target	Reason for Significant Variation between 2007-08 Estimated and 2008-09 Target
Outcome: An increased capacity of communities to develop good government, economic growth and social wellbeing.					
Ministerial office satisfaction with policy and legislative advice ^(b)	90%	71%	71%	71%	
Client satisfaction with information and services ^(b)	81%	71%	71%	71%	
Conclusions drawn from Departmental investigations are substantially accepted by the appropriate authority	81%	80%	85%	85%	

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

(b) The rating scale was changed from a numerical scale to a percentage-based indicator for clarity purposes.

Service 1: Implementation of Government Policy

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

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service ^(a)	3,217	2,820	3,051	2,252	Mainly reflects a reduction in funding for the Animal Welfare unit.
<i>Less Income</i>	49	13	10	10	
Net Cost of Service ^(a)	3,168	2,807	3,041	2,242	
Adjustments ^(b)	3,751	-	(38)	2	
Appropriation for Delivery of Service ^(a)	6,919	2,807	3,003	2,244	

(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 2006-07 Actuals. 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

	2006-07 Actual	2007-08 Budget	2007-08 Estimated	2008-09 Target	Reason for Significant Variation between 2007-08 Estimated and 2008-09 Target
Average cost per piece of written advice requiring Minister's attention	\$789	\$1,108	\$1,036	\$890	The number of legislative amendments drafted is expected to reduce and, consequently, the estimated cost has increased.
Average cost of legislative amendments drafted	\$50,600	\$51,360	\$36,429	\$51,000	
Full Time Equivalents (FTEs)	27	27	27	27	

Major Achievements For 2007-08

- Supported significant proposed amendments to legislation including the *Local Government Act 1995*; *Dog Act 1976*; *Cemeteries Act 1986*; *Control of Vehicles (Off-road Areas) Act 1978*; *Regional Development Commissions Act 1993* and *Caravan Parks and Camping Grounds Act 1995*. Supported the introduction of a further Amendment Bill to the *Local Government Act 1995* to the Parliament.
- Provided policy advice to improve Local Government governance, facilitated community and economic development in regional Western Australia, regional Indigenous community development and enhanced administered legislation and regulation.
- Provided policy advice and support to the Minister for Local Government as a member of the Local Government and Planning Ministers Council.
- Continued to fund the Community Leadership Initiative.
- Finalised arrangements for enhancement of enforcement of the *Animal Welfare Act 2002* in regard to the live export industry.
- Continued the licensing and inspection of scientific establishments that use or supply animals for scientific purposes.

Major Initiatives For 2008-09

- Continue to provide sound policy advice and administrative support to the Minister for Local Government.

- Conduct funding round for the Outer Metropolitan Community Fund.
- Conduct funding round for the Community Facilities Grants program.
- Progress the development of proposed amendments to the *Cemeteries Act 1986*; the *Dog Act 1976*; the *Control of Vehicles (Off-road Areas) Act 1978*; *Regional Development Commissions Act 1993* and the *Caravan and Camping Grounds Act 1995* in preparation for introduction into Parliament.
- Support the passage of the Local Government Amendment Bill 2008 through the Parliament and provide information to stakeholders on the content.
- Continue to provide policy advice in respect of Local Government governance and develop legislation to implement the changes.
- Continue the licensing and inspection functions in respect of establishments involved in the use or supply of animals for scientific purposes.

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

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

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service ^(a)	30,714	31,912	33,593	29,888	The 2007-08 Estimated Actual includes funding carried over from the previous financial year and, therefore, the 2008-09 Budget Estimate is lower.
<i>Less Income</i>	2,720	747	748	748	
Net Cost of Service ^(a)	27,994	31,165	32,845	29,140	
Adjustments ^(b)	(15,437)	23	(3,070)	18	
Appropriation for Delivery of Service ^(a)	12,557	31,188	29,775	29,158	

- (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 2006-07 Actuals. 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

	2006-07 Actual	2007-08 Budget	2007-08 Estimated	2008-09 Target	Reason for Significant Variation between 2007-08 Estimated and 2008-09 Target
Average cost per application evaluated	\$6,023	\$7,170	\$9,112	\$4,817	In 2007-08 funding was higher compared to 2008-09 and there will be an increase in applications processed in 2008-09.
Average cost per local government assessed ...	\$2,925	\$3,283	\$3,609	\$3,645	
Average internal cost per satellite site supported	\$3,889	\$4,364	\$4,542	\$4,577	
Average value of grant approved for local and regional communities	\$64,039	\$50,056	\$54,192	\$45,632	The reduction in 2008-09 is due to an increase in the number of successful applications.
Full Time Equivalents (FTEs)	40	40	40	40	

Major Achievements For 2007-08

- Allocated funds from the second Regional Investment Fund and, through its associated schemes and programs, enhanced investment in the regions.
- Published information on regional economic performance, demographics and price index comparisons.
- Facilitated partnerships and other initiatives between remote Indigenous communities, Local Governments, State and Federal agencies for the delivery of Local Government services and capacity building.
- Continued to promote the use of Telecentres as a valuable resource for communication and access to government services and funding opportunities.
- Continued to provide leadership for State Government commitments to build capacity and service outcomes through the Wiluna Development Program.
- Coordinated and led the Government actions on the closure and the possible remediation of the Wittenoom townsite.

Major Initiatives For 2008-09

- Continue to provide sound policy advice and administrative support to the Minister for Regional Development.
- Conduct funding rounds in respect of programs under the Regional Investment Fund: Regional Infrastructure Funding Program, Regional Headworks Program, Indigenous Regional Development Program and Western Australian Regional Initiatives Scheme.
- Compile and release a range of publications focusing on regional demographic and economic changes for all non-metropolitan areas to promote development and investment in regional areas.
- Further facilitate partnerships and other initiatives between remote Indigenous communities, State and Federal agencies and Local Governments in respect of capacity building programs and the delivery of Local Government services.
- Further promote the use of Telecentres for communications and Government service access opportunities.
- Continue to lead Government actions in respect of the future of Wittenoom.

Service 3: Better Local Government

Through advice, support and compliance monitoring, assist Local Governments to be more efficient and effective and to achieve good governance and be responsive to the community needs.

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service ^(a)	4,417	9,750	11,774	10,025	Funding for Enhancing Local Government expires in 2007-08.
<i>Less Income</i>	165	173	175	175	
Net Cost of Service ^(a)	4,252	9,577	11,599	9,850	
Adjustments ^(b)	4,493	-	(729)	3	
Appropriation for Delivery of Service ^(a)	8,745	9,577	10,870	9,853	

(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 2006-07 Actuals. 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

	2006-07 Actual	2007-08 Budget	2007-08 Estimated	2008-09 Target	Reason for Significant Variation between 2007-08 Estimated and 2008-09 Target
Average cost per inquiry and investigation	\$829	\$1,816	\$1,867	\$1,834	In 2007-08 there was a lower number of applications processed.
Average cost of monitoring each Local Government.....	\$3,589	\$3,849	\$3,602	\$3,575	
Average cost per dealing with an application for boundary change	\$14,183	\$6,500	\$40,907	\$33,177	
Full Time Equivalents (FTEs)	52	52	52	52	

Major Achievements For 2007-08

- Finalised the Authorised Officer Inquiry report into the City of South Perth.
- Completed a Memorandum of Understanding with the Corruption and Crime Commission in relation to identifying systemic issues in Local Governments.
- Assisted the Local Government Advisory Board in completing its report on Local Government boundary changes for the Nedlands and Belmont Local Governments, prepared a report on the amalgamation of Tambellup and Broomehill Local Governments and undertook ward reviews of Local Governments.
- Provided ongoing support to elected Local Government members to ensure the provision of good governance to the community.
- Supported the work of the Ministerial Appointed Advisory Committee on Women in Local Government.
- Continued to monitor the financial health of Local Governments.
- Provided financial incentives to Local Governments to encourage structural reform and the adoption of resource sharing arrangements.
- Continued the development and enhancement of advisory services to Local Governments, elected members and staff.
- Monitored Local Government compliance with the *Local Government Act 1995* and initiated action wherever appropriate.
- Implemented the new Local Government disciplinary framework of the official conduct legislation.
- Assisted the Western Australian Local Government Grants Commission to coordinate the allocation of financial assistance grants and local road grants to Local Government.
- Conducted the third round of funding of the Active Ageing at the Local Level Initiative.
- Continued to review and refine processes to improve the management of complaints against Local Governments and elected members.
- Utilised information gathered from inquiries and compliance monitoring to identify systemic issues within Local Government generally, and provided information and strategic programs to build effective improvements.
- Provided publicity and support for the change of Local Government election day from May to October and prepared information packages in support of the change to the proportional preferential system of voting for Local Government elections.
- Continued to provide information and advice to State Government agencies on partnerships and inter-governmental agreements with Local Government and provided support to the State and Local Government Council.

Major Initiatives For 2008-09

- Continue to provide sound policy and administrative support to the Minister for Local Government.
- Commence the development of a model Local Government 'Plan for the Future' underpinned and supported by financial information and medium to long-term strategies.
- Complete the Inquiry into Local Government Service Delivery to Indigenous Communities and undertake further negotiations with the Commonwealth Government to progress the normalisation of Local Government services to those communities.
- Undertake a comprehensive review of the Western Australian Local Government Grants Commission methodology for distribution of financial assistance grants to Local Government.
- Continue to encourage Local Government structural reform and resources sharing arrangements.
- Develop strategies for addressing skills shortages in Local Government.
- Continue to monitor Local Government compliance with the *Local Government Act 1995* and initiated action wherever appropriate.
- Continue to implement the new Local Government disciplinary framework of the official conduct legislation.
- Continue to review and refine processes to improve the management of complaints against Local Governments and elected members.
- Continue to utilise information gathered from inquiries and compliance monitoring to identify systemic issues within Local Government generally, and provide information and strategic programs to build effective improvements.
- Continue improvements in identifying and producing comparative information on Local Government compliance and finance.

CAPITAL WORKS PROGRAM

The Department's capital works program includes continuation of the Regional Collocation scheme. This grant program assists with the development of appropriate infrastructure (e.g. facilities known as multi-function outlets or community resources centres) for the collocation of government and non-government organisations involved in regional, economic or community development.

In 2008-09, computer and office equipment of \$101,000 will be replaced in accordance with the asset replacement plan.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-08 \$'000	Estimated Expenditure 2007-08 \$'000	Estimated Expenditure 2008-09 \$'000
WORKS IN PROGRESS				
Administered Capital Grants - Regional Collocation Scheme.....	6,819	5,649	1,864	698
COMPLETED WORKS				
Computer and Office Equipment Replacement - 2007-08 Program.....	140	140	140	-
NEW WORKS				
Computer and Office Equipment Replacement - 2008-09 Program.....	101	-	-	101
	7,060	5,789	2,004	799

CAPITAL CONTRIBUTION

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS							
Total Cost of Capital Works Program	1,663	2,004	2,004	799	607	135	135
	1,663	2,004	2,004	799	607	135	135
LESS							
Drawdowns from the Holding Account	50	140	140	101	135	135	135
Administered Funds	1,500	1,864	1,864	698	472	-	-
Internal Funds and Balances	19	-	-	-	-	-	-
Capital Contribution	94	-	-	-	-	-	-

FINANCIAL STATEMENTS

INCOME STATEMENT
(Controlled)

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
COST OF SERVICES							
Expenses							
Employee benefits expenses ^(a)	7,724	7,518	7,565	7,192	7,334	7,298	7,424
Superannuation	751	564	568	527	526	510	509
Grants and subsidies ^(b)	25,464	29,853	33,502	27,389	24,735	2,973	2,973
Supplies and services	3,155	3,776	3,893	3,778	4,382	4,439	4,593
Accommodation	910	648	648	1,272	1,272	1,272	1,272
Capital user charge ^(c)	176	-	-	-	-	-	-
Depreciation	165	166	74	50	50	71	71
Amortisation			211				
Other expenses	179	1,957	1,957	1,957	1,957	1,936	1,936
TOTAL COST OF SERVICES	38,524	44,482	48,418	42,165	40,256	18,499	18,778
Income							
User charges and fees	194	181	181	181	181	181	181
Grants and subsidies	2,225	744	744	744	744	744	744
Other revenue	515	8	8	8	8	8	8
Total Income	2,934	933	933	933	933	933	933
NET COST OF SERVICES ^(c)	35,590	43,549	47,485	41,232	39,323	17,566	17,845
INCOME FROM STATE GOVERNMENT							
Service appropriations ^(c)	28,439	43,572	43,648	41,255	39,346	17,589	17,868
Resources received free of charge	271	48	48	48	48	48	48
Liabilities assumed by the Treasurer	42	-	-	-	-	-	-
TOTAL INCOME FROM STATE GOVERNMENT	28,752	43,620	43,696	41,303	39,394	17,637	17,916
SURPLUS/(DEFICIENCY) FOR THE PERIOD	(6,838)	71	(3,789)	71	71	71	71
CHANGE IN SURPLUS/(DEFICIENCY) FOR THE PERIOD AFTER EXTRAORDINARY ITEMS	(6,838)	71	(3,789)	71	71	71	71

(a) The Full Time Equivalents (FTEs) for 2006-07 Actual, 2007-08 Estimated Actual and 2008-09 Estimate are 119, 119 and 119 respectively.

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

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

**BALANCE SHEET
(Controlled)**

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
CURRENT ASSETS							
Cash and cash equivalents	28,904	22,790	25,255	25,326	25,397	25,468	25,539
Restricted cash	57	143	128	128	128	128	128
Receivables	371	323	371	371	371	371	371
Amounts receivable for services.....	68	101	101	135	135	135	85
Total current assets	29,400	23,357	25,855	25,960	26,031	26,102	26,123
NON-CURRENT ASSETS							
Amounts receivable for services.....	370	363	271	186	101	37	23
Plant and equipment.....	261	313	116	167	252	316	380
Total non-current assets.....	631	676	387	353	353	353	403
TOTAL ASSETS.....	30,031	24,033	26,242	26,313	26,384	26,455	26,526
CURRENT LIABILITIES							
Payables ^(a)	1,151	1,515	1,151	1,151	1,151	1,151	1,151
Provision for employee entitlements	1,364	1,151	1,364	1,364	1,364	1,364	1,364
Accrued salaries	28	71	28	28	28	28	28
Other.....	294	35	294	294	294	294	294
Total current liabilities.....	2,837	2,772	2,837	2,837	2,837	2,837	2,837
NON-CURRENT LIABILITIES							
Provision for employee entitlements	826	817	826	826	826	826	826
Total non-current liabilities	826	817	826	826	826	826	826
TOTAL LIABILITIES.....	3,663	3,589	3,663	3,663	3,663	3,663	3,663
EQUITY							
Contributed equity	454	454	454	454	454	454	454
Accumulated surplus/(deficit)	25,914	19,990	22,125	22,196	22,267	22,338	22,409
Total equity.....	26,368	20,444	22,579	22,650	22,721	22,792	22,863
TOTAL LIABILITIES AND EQUITY	30,031	24,033	26,242	26,313	26,384	26,455	26,526

(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)

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
CASHFLOWS FROM STATE GOVERNMENT							
Service appropriations	28,269	43,406	43,574	41,205	39,296	17,518	17,797
Holding account drawdowns	50	140	140	101	135	135	135
Capital contribution	94	-	-	-	-	-	-
Net cash provided by State Government.....	28,413	43,546	43,714	41,306	39,431	17,653	17,932
CASHFLOWS FROM OPERATING ACTIVITIES							
Payments							
Employee benefits.....	(7,615)	(7,495)	(7,543)	(7,171)	(7,312)	(7,277)	(7,402)
Superannuation	(754)	(554)	(557)	(515)	(515)	(498)	(498)
Grants and subsidies	(25,733)	(29,853)	(33,502)	(27,389)	(24,735)	(2,973)	(2,973)
Supplies and services	(2,892)	(3,660)	(3,777)	(3,662)	(4,266)	(4,302)	(4,456)
Accommodation.....	(914)	(648)	(648)	(1,272)	(1,272)	(1,272)	(1,272)
Capital user charge ^(a)	(176)	-	-	-	-	-	-
Goods and services tax	(2,838)	(2,700)	(2,700)	(2,700)	(2,700)	(2,700)	(2,700)
Other.....	(146)	(2,058)	(2,058)	(2,058)	(2,058)	(2,058)	(2,058)
Receipts							
User charges and fees.....	-	181	181	181	181	181	181
Regulatory fees and fines.....	194	-	-	-	-	-	-
Grants and subsidies	2,225	744	744	744	744	744	744
Goods and services tax	2,838	2,700	2,700	2,700	2,700	2,700	2,700
Other receipts	339	8	8	8	8	8	8
Net cash from operating activities.....	(35,472)	(43,335)	(47,152)	(41,134)	(39,225)	(17,447)	(17,726)
CASHFLOWS FROM INVESTING ACTIVITIES							
Purchase of non-current assets.....	(160)	(140)	(140)	(101)	(135)	(135)	(135)
Net cash from investing activities.....	(160)	(140)	(140)	(101)	(135)	(135)	(135)
CASHFLOWS FROM FINANCING ACTIVITIES							
Net cash from financing activities	-	-	-	-	-	-	-
NET INCREASE/(DECREASE) IN CASH HELD	(7,219)	71	(3,578)	71	71	71	71
Cash assets at the beginning of the reporting period	36,004	22,862	28,961	25,383	25,454	25,525	25,596
Net cash transferred to/from other agencies	176	-	-	-	-	-	-
Cash assets at the end of the reporting period.....	28,961	22,933	25,383	25,454	25,525	25,596	25,667

(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

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
EXPENSES							
Total Cost of Services as per Income Statement.....	38,524	44,482	48,418	42,165	40,256	18,499	18,778
Less Capital User Charge.....	176	-	-	-	-	-	-
Adjusted Total Cost of Services	38,348	44,482	48,418	42,165	40,256	18,499	18,778
APPROPRIATIONS							
Net Amount Appropriated to Deliver Services	28,439	43,572	43,648	41,255	39,346	17,589	17,868
Less Appropriation Capital User Charge	218	-	-	-	-	-	-
Adjusted Net Amount Appropriated to Deliver Services	28,221	43,572	43,648	41,255	39,346	17,589	17,868

SCHEDULE OF ADMINISTERED EXPENSES AND INCOME

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
EXPENSES							
Grants and subsidies	772	2,114	2,114	750	2,385	250	250
TOTAL ADMINISTERED EXPENSES (a)	772	2,114	2,114	750	2,385	250	250
INCOME							
Other revenue	80	-	-	-	-	-	-
Administered appropriations.....	1,316	2,114	2,114	250	250	250	250
TOTAL ADMINISTERED INCOME (b)	1,396	2,114	2,114	250	250	250	250

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

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

SCHEDULE OF ADMINISTERED ASSETS AND LIABILITIES

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
ADMINISTERED CURRENT ASSETS							
Cash and cash equivalents	2,635	1,570	2,635	2,135	-	-	-
Receivables	4	11	4	4	4	4	4
Total Administered Current Assets	2,639	1,581	2,639	2,139	4	4	4
TOTAL ADMINISTERED ASSETS.....	2,639	1,581	2,639	2,139	4	4	4

SCHEDULE OF ADMINISTERED PAYMENTS AND RECEIPTS

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
CASH OUTFLOWS FROM ADMINISTERED TRANSACTIONS							
Operating Activities							
Grants and subsidies	(772)	(2,114)	(2,114)	(750)	(2,385)	(250)	(250)
Goods and services tax	(78)	-	-	-	-	-	-
Financing Activities							
Investing Activities							
TOTAL ADMINISTERED CASH OUTFLOWS	(850)	(2,114)	(2,114)	(750)	(2,385)	(250)	(250)
CASH INFLOWS FROM ADMINISTERED TRANSACTIONS							
Operating Activities							
Goods and services tax	85	-	-	-	-	-	-
Other receipts	80	-	-	-	-	-	-
Administered appropriations.....	1,316	2,114	2,114	250	250	250	250
TOTAL ADMINISTERED CASH INFLOWS.....	1,481	2,114	2,114	250	250	250	250
NET CASH INFLOWS/(OUTFLOWS) FROM ADMINISTERED TRANSACTIONS.....	631	-	-	(500)	(2,135)	-	-

DETAILS OF CONTROLLED GRANTS AND SUBSIDIES

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
Financial Support to Local Governments.....	2,629	2,633	3,090	1,133	633	633	633
Grant Funding - Regional Investment Fund.....	17,557	21,025	21,025	20,911	21,607	-	-
Outer Metropolitan Community Program	1,063	1,000	1,421	2,000	-	-	-
Regional Development Grant Schemes.....	4,215	5,195	7,966	3,345	2,495	2,340	2,340
TOTAL.....	25,464	29,853	33,502	27,389	24,735	2,973	2,973

DETAILS OF THE ADMINISTERED TRANSACTIONS EXPENSES

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
GRANTS TO CHARITABLE AND OTHER PUBLIC BODIES							
Regional Collocation Scheme	522	1,864	1,864	500	2,135	-	-
Royal Society for the Prevention of Cruelty to Animals	250	250	250	250	250	250	250
TOTAL.....	772	2,114	2,114	750	2,385	250	250

DETAILS OF THE ADMINISTERED TRANSACTIONS INCOME

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
OTHER							
Administered Appropriations	1,396	2,114	2,114	250	250	250	250
TOTAL.....	1,396	2,114	2,114	250	250	250	250

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 Local Government and Regional Development:

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000
Executive Vehicle Scheme and Other Miscellaneous Receipts	339	8	8	8
Funds Provided by the Commonwealth Government	2,120	601	601	601
GST Input Credits	2,838	2,700	2,700	2,700
Indian Ocean Territories Program	105	143	143	143
Westlink Satellite Communication Service - User Charges and Fees	194	181	181	181
TOTAL.....	5,596	3,633	3,633	3,633

The moneys received and retained are to be applied to the Local Government and Regional Development's services as specified in the Budget Statements.

RACING, GAMING AND LIQUOR

PART 5 - MINISTER FOR LOCAL GOVERNMENT; RACING AND GAMING; MULTICULTURAL INTERESTS AND CITIZENSHIP; GOVERNMENT ENTERPRISES; MINISTER ASSISTING THE MINISTER FOR PLANNING AND INFRASTRUCTURE; GOLDFIELDS-ESPERANCE; YOUTH

DIVISION 20

APPROPRIATION AND FORWARD ESTIMATES

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
DELIVERY OF SERVICES							
Item 53 Net amount appropriated to deliver services^(a)	4,474	3,442	3,740	3,552	3,533	3,477	3,573
Amount Authorised by Other Statutes - Salaries and Allowances Act 1975^(b)	162	165	167	172	178	183	188
Total appropriations provided to deliver services.....	4,636	3,607	3,907	3,724	3,711	3,660	3,761
ADMINISTERED TRANSACTIONS							
Item 54 Amount provided for Administered Grants, Subsidies and Other Transfer Payments	106,074	65,542	74,193	72,084	74,804	77,601	80,360
Amount Authorised by Other Statutes							
Liquor Control Act 1988	1,889	3,900	3,900	4,500	5,000	5,000	5,000
GRAND TOTAL	112,599	73,049	82,000	80,308	83,515	86,261	89,121

- (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 2006-07 Actuals. 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 2008 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 2008-09 Budget.

MISSION

To promote and maintain the integrity of lawful gambling and liquor activities through the licensing and regulation of suppliers, within community expectations on harm minimisation.

SIGNIFICANT ISSUES AND TRENDS

- The Department continued to facilitate the State Government's reform of the *Liquor Control Act 1988*. Changes introduced promote responsibility, flexibility and choice and provide a basis for greater levels of industry innovation and security, confidence and convenience for the community. Supporting strategies include a requirement for licensees to provide patrons with a variety of non-alcoholic beverages, including free potable drinking water.
- On 1 August 2007, the State's first small bar licence was issued to Essex Street Pty Ltd for premises known as 'Essex Street Organic Wine Bar and Café' which is located in Essex Street, Fremantle. As part of the State Government's liquor reform, the small bar licence is a new type of hotel licence that permits the sale and supply of liquor for consumption on premises only, to no more than 120 patrons at any one time, during the same general trading hours as a hotel licence.

- Liquor reforms also introduced requirements for approved managers to be present on the licensed premises during trading hours and mandatory training for licensees, approved managers, supervisory staff and bar staff in relation to responsible service of alcohol. However, flexibility exists within the *Liquor Control Act 1988* for licensees to seek modification of the requirement to undergo mandatory industry training and to have approved managers present during all trading hours; particularly for less commercial licence types, such as club restricted licences. Requests to modify these requirements are dealt with on a case-by-case basis.
- The remaining provisions of the *Liquor and Gaming Legislation Amendment Act 2006* relating to confidential police information are scheduled to come into operation in May 2008 so that such information can be provided to and considered by the licensing authority in its determinations. These provisions will also be inserted into the *Gaming and Wagering Commission Act 1987* so that the Gaming and Wagering Commission of Western Australia can similarly consider confidential police information in its determinations.
- With effect from 2 October 2007, the Director of Liquor Licensing imposed conditions on the Crossing Inn Hotel licence. The Director invoked new provisions under section 64 of the *Liquor Control Act 1988* to prohibit the sale of packaged liquor with an alcohol content of more than 2.7 per cent for a period of six months. The prohibition effectively limits the licensee of the Crossing Inn to only selling low-strength beer for consumption off the premises. Lodgers staying at the hotel are still able to purchase mid and full-strength packaged liquor in amounts that do not exceed what might reasonably be consumed by the lodger on that day. The ban does not extend to liquor sold for consumption on the premises. The Director of Liquor Licensing is reviewing the continuation of the restrictions.
- Interest by other remote communities in seeking liquor restrictions as a means of addressing alcohol related harm, together with rising interest in community gaming and betting operations, have increased the demand for compliance activity and associated travel in regional areas of Western Australia.
- The Prostitution Amendment Bill 2007 proposes that the Chief Executive Officer of the Department of Racing, Gaming and Liquor be responsible for certifying operators and approved managers in the sexual service industry. The Bill is currently before Parliament.
- The staged redevelopment of the main gaming floor of the Burswood Entertainment Complex, through to 2010, is to modernise and update the gaming floor in line with other resort casinos throughout Australia and the rest of the world.
- Community interest in Texas Hold'Em poker has continued which has required an increase in regulatory effort to ensure that the activity conducted by commercial operators is in accordance with the provisions of the *Gaming and Wagering Commission Act 1987*
- The High Court action against the State of Western Australia by Betfair Pty Ltd and Mr Matthew Erceg, which challenged certain provisions of the *Betting and Racing Legislation Amendment Act 2006* and *Betting Control Act 1954*, was resolved on 27 March 2008, with the High Court handing down a decision that found the relevant provisions to be invalid by reason of section 92 of the constitution (freedom of interstate trade).

SERVICE AND APPROPRIATION SUMMARY

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
SERVICES							
<i>Service 1:</i>							
Licensing - Evaluation and Determination of Applications	4,405	4,392	4,588	4,945			
<i>Service 2:</i>							
Compliance Audits and Inspections	4,502	4,472	4,646	4,275			
Total Cost of Services ^(a)	8,907	8,864	9,234	9,220	9,372	9,321	9,422
<i>Less Income</i>	4,595	5,103	5,173	5,337	5,497	5,497	5,497
Net Cost of Services ^(a)	4,312	3,761	4,061	3,883	3,875	3,824	3,925
Adjustments ^(b)	324	(154)	(154)	(159)	(164)	(164)	(164)
Appropriation Provided to Deliver Services ^(a)	4,636	3,607	3,907	3,724	3,711	3,660	3,761
ADMINISTERED TRANSACTIONS							
Appropriation for Administered Grants, Subsidies and Transfer Payments	107,963	69,442	78,093	76,584	79,804	82,601	85,360
TOTAL CONSOLIDATED ACCOUNT APPROPRIATIONS.....	112,599	73,049	82,000	80,308	83,515	86,261	89,121

- (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 2006-07 Actuals. 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 Treasurer under Part 3, Division 5 of the *Financial Management Act 2006*.

OUTCOMES, SERVICES AND PERFORMANCE INFORMATION

Relationship to Government Goals

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

Government Goal	Desired Outcome	Services
Developing and maintaining a skilled, diverse and ethical public sector serving the Government with consideration of the public interest.	To promote, monitor and enforce responsible and lawful gambling and liquor services in accordance with legislation.	1. Licensing - Evaluation and Determination of Applications 2. Compliance Audits and Inspections

Outcomes and Key Effectiveness Indicators ^(a)

	2006-07 Actual	2007-08 Budget	2007-08 Estimated	2008-09 Target	Reason for Significant Variation between 2007-08 Estimated and 2008-09 Target
Outcome: To promote, monitor and enforce responsible and lawful gambling and liquor services in accordance with the legislation.					
Licensees/service providers that comply with audit requirements and statutory criteria.....	97%	96%	96%	97%	

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

Service 1: Licensing - Evaluation and Determination of Applications

Receive, process and determine applications in accordance with legislation.

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service ^(a)	4,405	4,392	4,588	4,945	Mainly due to a change in the cost allocation from Service 2 to Service 1 as a result of the office restructure.
<i>Less Income</i>	3,202	3,275	3,307	3,448	
Net Cost of Service ^(a)	1,203	1,117	1,281	1,497	
Adjustments ^(b)	71	(77)	(77)	(99)	
Appropriation for Delivery of Service ^(a)	1,274	1,040	1,204	1,398	

(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 2006-07 Actuals. 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

	2006-07 Actual	2007-08 Budget	2007-08 Estimated	2008-09 Target	Reason for Significant Variation between 2007-08 Estimated and 2008-09 Target
Average cost of determining applications	\$424	\$392	\$392	\$424	Mainly due to a change in the cost allocation from Service 2 to Service 1 as a result of the office restructure.
Full Time Equivalent (FTEs)	51	51	51	52	

Major Achievements For 2007-08

- Implementation of the remaining provisions of the *Liquor and Gaming Legislation Amendment Act 2006* relating to incident registers, mandatory industry training and website requirements for liquor licensees that sell and supply liquor over the Internet. In addition, following the High Court decision relating to anti-fortification laws, those provisions relating to confidential police information will be implemented to enable commencement in May 2008.
- In raising awareness of the liquor reform legislation, Client Liaison Officers have delivered numerous presentations to liquor licence holders, Western Australia Police and Local Government representatives throughout the metropolitan and regional areas of the State.

- As the recommended agency responsible for certifying operators and approved managers in the sexual service industry, progress has been made towards policies and procedures to support the implementation of the Prostitution Amendment Bill 2007.
- Implementation of the *Racing Wagering and Betting Legislation Amendment and Repeal Act 2007*.
- A 'sly grogging' public awareness campaign has been developed for launch prior to June 2008.
- Ongoing distribution of Government's \$25 million racing infrastructure grants program. As at March 2008, \$1.3 million remains for distribution to race clubs.
- Development of core components in the delivery of the Department's citizen-centric integrated web-based licensing system.
- Progression through Parliament of the Casino (Burswood Island) Agreement Amendment Bill 2007 to ratify the Eleventh Supplementary Agreement that:
 - expands the purposes for which the Burswood Park Board may expend its funds to include the protection and enhancement of ecological and community benefits and amenity of the Swan and Canning Rivers and associated lands; and
 - amends the composition of the Burswood Park Board.

Major Initiatives For 2008-09

- Introduction into Parliament of the Liquor Control Bill 2008 that:
 - enables juveniles who have completed a prescribed training course at licensed premises, to continue to be employed or engaged in the service of liquor;
 - establishes an offence provision prohibiting a licensee, approved manager or employee of the licensee knowingly selling or supplying liquor for the purposes of 'sly grogging'; and
 - permits members of the Western Australia Police to issue infringement notices to people who take liquor into prescribed licensed sports stadiums without the consent of the licensee.
- Continuation of the development and delivery of a citizen-centric integrated web-based licensing system consistent with Government's strategy for electronic service delivery.

Service 2: Compliance Audits and Inspections

Perform audits and inspections to verify that the provision of gambling and liquor is conducted in a responsible and lawful manner.

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service ^(a)	4,502	4,472	4,646	4,275	Mainly due to a change in the cost allocation from Service 2 to Service 1 as a result of the office restructure.
<i>Less Income</i>	1,393	1,828	1,866	1,889	
Net Cost of Service ^(a)	3,109	2,644	2,780	2,386	
Adjustments ^(b)	253	(77)	(77)	(60)	
Appropriation for Delivery of Service ^(a)	3,362	2,567	2,703	2,326	

(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 2006-07 Actuals. 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

	2006-07 Actual	2007-08 Budget	2007-08 Estimated	2008-09 Target	Reason for Significant Variation between 2007-08 Estimated and 2008-09 Target
Average cost of conducting inspections	\$501	\$471	\$471	\$471	
Full Time Equivalents (FTEs)	49	49	49	49	

Major Achievements For 2007-08

- The Director General and Director Compliance presented information relating to the regulation of casino and community gaming at a number of workshops in Singapore at the invitation of the Ministry of Home Affairs in the lead up to the opening of two Singapore casinos.
- Receiving, processing and coordinating approval of various applications associated with the redevelopment of the Burswood Entertainment Complex, including the opening of the mid tier Riviera Room and the Carbon Sports Bar, the relocation of the casino main cage and the opening of new electronic gaming machine areas.
- The development and approval of on-screen rules for electronic gaming machines at Burswood Entertainment Complex.
- Compliance officers continued to develop the collaborative approach with Western Australia Police through joint investigation and enforcement activities, regular meetings at senior levels, sharing of information and joint participation and attendance at events including the 2008 Casino Risk Forum and the Alcohol and Other Drugs Conference.

Major Initiatives For 2008-09

- The development of a joint inspection regime with Western Australia Police for regional areas of Western Australia.
- Through participation in the Electronic Gaming Machine National Standards Working Party, develop and adopt the next version of the Gaming Machine National Standards.
- Participation in the Gaming Occupations Action Group, established by the Council of Australian Government's Skills Recognition Taskforce, to develop a national approach to gaming occupational licences.
- Participation in a national working party to develop a regulatory approach for professional fundraisers and trade promotion lotteries.
- Increased service delivery in regional areas of Western Australia to meet demands for compliance activity under the *Liquor Control Act 1988*, *Gaming and Wagering Commission Act 1987* and *Betting Control Act 1954*.

CAPITAL WORKS PROGRAM

The Department's 2008-09 capital works program is for ongoing computer software and hardware replacement.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-08 \$'000	Estimated Expenditure 2007-08 \$'000	Estimated Expenditure 2008-09 \$'000
WORKS IN PROGRESS				
E-Commerce	100	80	20	20
COMPLETED WORKS				
Computer Hardware and Software - 2007-08 Program	733	733	733	-
NEW WORKS				
Computer Hardware and Software - 2008-09 Program	180	-	-	130
	1,013	813	753	150

CAPITAL CONTRIBUTION

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS							
Total Cost of Capital Works Program	383	370	753	150	80	30	250
	383	370	753	150	80	30	250
LESS							
Drawdowns from the Holding Account	330	350	350	130	80	30	250
Internal Funds and Balances	53	20	403	20	-	-	-
Capital Contribution	-	-	-	-	-	-	-

FINANCIAL STATEMENTS

INCOME STATEMENT
(Controlled)

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
COST OF SERVICES							
Expenses							
Employee benefits expenses ^(a)	5,339	5,820	5,822	6,098	6,284	6,476	6,625
Superannuation	437	576	576	599	623	648	660
Supplies and services	2,195	1,437	1,785	1,535	1,499	1,305	1,227
Accommodation	592	561	561	566	572	578	594
Finance costs	1	-	-	-	-	-	-
Capital user charge ^(b)	145	-	-	-	-	-	-
Depreciation and amortisation	341	421	421	350	320	238	238
Doubtful debts	2	-	-	-	-	-	-
Other expenses	-	49	69	72	74	76	78
TOTAL COST OF SERVICES	9,052	8,864	9,234	9,220	9,372	9,321	9,422
Income							
User charges and fees	2,751	3,366	3,366	3,480	3,590	3,590	3,590
Regulatory fees and fines	1,844	1,730	1,800	1,850	1,900	1,900	1,900
Other revenue	-	7	7	7	7	7	7
Total Income	4,595	5,103	5,173	5,337	5,497	5,497	5,497
NET COST OF SERVICES ^(b)	4,457	3,761	4,061	3,883	3,875	3,824	3,925
INCOME FROM STATE GOVERNMENT							
Service appropriations ^(b)	4,837	3,607	3,907	3,724	3,711	3,660	3,761
Resources received free of charge	137	154	154	159	164	164	164
Liabilities assumed by the Treasurer	(76)	-	-	-	-	-	-
TOTAL INCOME FROM STATE GOVERNMENT	4,898	3,761	4,061	3,883	3,875	3,824	3,925
SURPLUS/(DEFICIENCY) FOR THE PERIOD	441	-	-	-	-	-	-
CHANGE IN SURPLUS/(DEFICIENCY) FOR THE PERIOD AFTER EXTRAORDINARY ITEMS	441	-	-	-	-	-	-

(a) The Full Time Equivalents (FTEs) for 2006-07 Actual, 2007-08 Estimated Actual and 2008-09 Estimate are 100, 100 and 101 respectively.

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

**BALANCE SHEET
(Controlled)**

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
CURRENT ASSETS							
Cash and cash equivalents	2,537	1,608	2,132	2,112	2,112	2,112	2,112
Restricted cash	24	71	24	24	24	24	24
Receivables	343	338	343	343	343	343	343
Amounts receivable for services.....	350	130	130	80	30	250	150
Prepayments	-	71	-	-	-	-	-
Total current assets	3,254	2,218	2,629	2,559	2,509	2,729	2,629
NON-CURRENT ASSETS							
Amounts receivable for services.....	1,272	1,563	1,563	1,833	2,123	2,111	2,199
Plant and equipment.....	455	316	545	435	325	205	205
Intangibles.....	224	565	466	376	246	158	170
Restricted cash	32	16	48	64	80	96	112
Total non-current assets.....	1,983	2,460	2,622	2,708	2,774	2,570	2,686
TOTAL ASSETS.....	5,237	4,678	5,251	5,267	5,283	5,299	5,315
CURRENT LIABILITIES							
Payables ^(a)	62	33	62	62	62	62	62
Provision for employee entitlements	231	482	225	225	221	237	237
Monies in trust	135	92	135	135	135	135	135
Accrued salaries	23	117	65	67	90	90	90
Other.....	126	-	126	126	126	126	126
Total current liabilities.....	577	724	613	615	634	650	650
NON-CURRENT LIABILITIES							
Provision for employee entitlements	658	427	636	650	647	647	663
Other.....	66	32	66	66	66	66	66
Total non-current liabilities	724	459	702	716	713	713	729
TOTAL LIABILITIES.....	1,301	1,183	1,315	1,331	1,347	1,363	1,379
EQUITY							
Contributed equity	454	454	454	454	454	454	454
Accumulated surplus/(deficit)	3,482	3,041	3,482	3,482	3,482	3,482	3,482
Total equity.....	3,936	3,495	3,936	3,936	3,936	3,936	3,936
TOTAL LIABILITIES AND EQUITY	5,237	4,678	5,251	5,267	5,283	5,299	5,315

(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)

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
CASHFLOWS FROM STATE GOVERNMENT							
Service appropriations	4,366	3,186	3,486	3,374	3,391	3,422	3,523
Holding account drawdowns	330	350	350	130	80	30	250
Net cash provided by State Government.....	4,696	3,536	3,836	3,504	3,471	3,452	3,773
CASHFLOWS FROM OPERATING ACTIVITIES							
Payments							
Employee benefits.....	(5,472)	(5,806)	(5,808)	(6,082)	(6,268)	(6,460)	(6,609)
Superannuation	(511)	(576)	(576)	(599)	(623)	(648)	(660)
Supplies and services	(1,743)	(1,283)	(1,631)	(1,376)	(1,335)	(1,141)	(1,063)
Accommodation.....	(588)	(561)	(561)	(566)	(572)	(578)	(594)
Capital user charge ^(a)	(145)	-	-	-	-	-	-
Goods and services tax	(772)	(180)	(180)	(180)	(180)	(180)	(180)
Other.....	(47)	(49)	(69)	(72)	(74)	(76)	(78)
Receipts							
User charges and fees.....	2,582	3,366	3,366	3,480	3,590	3,590	3,590
Regulatory fees and fines.....	2,097	1,730	1,800	1,850	1,900	1,900	1,900
Goods and services tax	714	180	180	180	180	180	180
Other receipts	-	7	7	7	7	7	7
Net cash from operating activities.....	(3,885)	(3,172)	(3,472)	(3,358)	(3,375)	(3,406)	(3,507)
CASHFLOWS FROM INVESTING ACTIVITIES							
Purchase of non-current assets.....	(188)	(370)	(753)	(150)	(80)	(30)	(250)
Purchase of investments.....	(15)	-	-	-	-	-	-
Proceeds from sale of investments	37	-	-	-	-	-	-
Net cash from investing activities.....	(166)	(370)	(753)	(150)	(80)	(30)	(250)
NET INCREASE/(DECREASE) IN CASH HELD	645	(6)	(389)	(4)	16	16	16
Cash assets at the beginning of the reporting period	1,948	1,701	2,593	2,204	2,200	2,216	2,232
Cash assets at the end of the reporting period.....	2,593	1,695	2,204	2,200	2,216	2,232	2,248

(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

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
EXPENSES							
Total Cost of Services as per Income Statement.....	9,052	8,864	9,234	9,220	9,372	9,321	9,422
Less Capital User Charge.....	145	-	-	-	-	-	-
Adjusted Total Cost of Services	8,907	8,864	9,234	9,220	9,372	9,321	9,422
APPROPRIATIONS							
Net Amount Appropriated to Deliver Services	4,837	3,607	3,907	3,724	3,711	3,660	3,761
Less Appropriation Capital User Charge	201	-	-	-	-	-	-
Adjusted Net Amount Appropriated to Deliver Services	4,636	3,607	3,907	3,724	3,711	3,660	3,761

SCHEDULE OF ADMINISTERED EXPENSES AND INCOME

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
EXPENSES							
Grants and subsidies	107,963	69,442	78,093	76,584	79,804	82,601	85,360
Receipts paid into Consolidated Account.....	75,885	70,000	78,000	81,000	84,000	87,000	90,000
TOTAL ADMINISTERED EXPENSES ^(a)..	183,848	139,442	156,093	157,584	163,804	169,601	175,360
INCOME							
Taxation	76,908	70,000	78,000	81,000	84,000	87,000	90,000
Administered appropriations.....	107,963	69,442	78,093	76,584	79,804	82,601	85,360
TOTAL ADMINISTERED INCOME ^(b).....	184,871	139,442	156,093	157,584	163,804	169,601	175,360

(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

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
ADMINISTERED CURRENT ASSETS							
Cash and cash equivalents	12,507	-	-	-	-	-	-
Receivables	5,822	4,770	5,793	5,793	5,793	5,793	5,793
TOTAL ADMINISTERED ASSETS.....	18,329	4,770	5,793	5,793	5,793	5,793	5,793
ADMINISTERED CURRENT LIABILITIES							
Payables	12,536	-	-	-	-	-	-
TOTAL ADMINISTERED LIABILITIES..	12,536	-	-	-	-	-	-

SCHEDULE OF ADMINISTERED PAYMENTS AND RECEIPTS

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
CASH OUTFLOWS FROM ADMINISTERED TRANSACTIONS							
Operating Activities							
Grants and subsidies	(101,749)	(69,442)	(90,629)	(76,584)	(79,804)	(82,601)	(85,360)
Goods and services tax	(29)	-	-	-	-	-	-
Receipts paid into Consolidated Account.....	(75,885)	(70,000)	(78,000)	(81,000)	(84,000)	(87,000)	(90,000)
TOTAL ADMINISTERED CASH OUTFLOWS	(177,663)	(139,442)	(168,629)	(157,584)	(163,804)	(169,601)	(175,360)
CASH INFLOWS FROM ADMINISTERED TRANSACTIONS							
Operating Activities							
Taxation	75,885	70,000	78,000	81,000	84,000	87,000	90,000
Goods and services tax	-	-	29	-	-	-	-
Administered appropriations.....	107,963	69,442	78,093	76,584	79,804	82,601	85,360
TOTAL ADMINISTERED CASH INFLOWS.....	183,848	139,442	156,122	157,584	163,804	169,601	175,360
NET CASH INFLOWS/(OUTFLOWS) FROM ADMINISTERED TRANSACTIONS.....	6,185	-	(12,507)	-	-	-	-

DETAILS OF THE ADMINISTERED TRANSACTIONS EXPENSES

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
STATUTORY AUTHORITIES							
Grants to Racing and Wagering Western Australia	-	-	1,225	-	-	-	-
SUBSIDIES AND CONCESSIONS							
Subsidies to gambling and betting agencies and bookmakers	106,074	65,542	72,968	72,084	74,804	77,601	80,360
Subsidies to liquor merchants and producers ...	1,889	3,900	3,900	4,500	5,000	5,000	5,000
OTHER STATE SERVICES							
Receipts paid into Consolidated Account.....	75,885	70,000	78,000	81,000	84,000	87,000	90,000
TOTAL.....	183,848	139,442	156,093	157,584	163,804	169,601	175,360

DETAILS OF THE ADMINISTERED TRANSACTIONS INCOME

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
TAXATION							
Casino Tax	76,908	70,000	78,000	81,000	84,000	87,000	90,000
OTHER							
Appropriation.....	107,963	69,442	78,093	76,584	79,804	82,601	85,360
TOTAL.....	184,871	139,442	156,093	157,584	163,804	169,601	175,360

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:

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000
GST Input Credits.....	706	155	155	155
GST Receipts on Sales.....	8	25	25	25
Liquor Fees Receipts	2,097	1,730	1,800	1,850
Other Receipts.....	-	7	7	7
Provision of Services to the Commonwealth in respect of Indian Ocean Territories.....	81	81	81	81
Provision of Services to the Racing and Gaming Industries.....	2,501	3,285	3,285	3,399
TOTAL.....	5,393	5,283	5,353	5,517

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

GOLDFIELDS-ESPERANCE DEVELOPMENT COMMISSION

PART 5 - MINISTER FOR LOCAL GOVERNMENT; RACING AND GAMING; MULTICULTURAL INTERESTS AND CITIZENSHIP; GOVERNMENT ENTERPRISES; MINISTER ASSISTING THE MINISTER FOR PLANNING AND INFRASTRUCTURE; GOLDFIELDS-ESPERANCE; YOUTH

DIVISION 21

APPROPRIATION AND FORWARD ESTIMATES

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
DELIVERY OF SERVICES							
Item 55 Net amount appropriated to deliver services^(a)	1,489	1,631	2,131	1,530	1,549	1,589	1,633
Total appropriations provided to deliver services	1,489	1,631	2,131	1,530	1,549	1,589	1,633
CAPITAL							
Capital Contribution	-	9	9	-	-	-	-
GRAND TOTAL	1,489	1,640	2,140	1,530	1,549	1,589	1,633

(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 2006-07 Actuals. A reconciliation identifying the impact of this adjustment has been inserted after the financial statements.

MISSION

To increase investment in and attract population to our region.

SIGNIFICANT ISSUES AND TRENDS

- Gross Regional Product increased an average of 16.3 per cent per annum from 2005-06 (\$7.3 billion), with this upward trend expected to continue.
- In 2006-07 the value of Western Australia's minerals and petroleum sales was valued at \$53.4 billion, of which this region contributed \$10.2 billion (19 per cent); second only to the Pilbara with \$32.5 billion. Nickel production was the most significant contributor and this is expected to continue.
- The 2007 Regional Prices Index shows the region's prices for goods and services are 4.5 per cent above equivalent goods and services that could be purchased in Perth.
- Major new gold and nickel mining projects are progressing particularly in the North East and Central Goldfields areas (Leonora and Menzies Shires and the City of Kalgoorlie-Boulder). The projected workforce needs are for 2,000 plus construction Full Time Equivalents (FTEs) and 1,600 operational FTEs. There continues to be ongoing issues in attracting and retaining staff, particularly suitably qualified trade persons and professionals, in all sectors in a tight labour market.
- The current dependency of the region on resources and volatile world markets will continue to be an issue.
- The region has experienced a levelling off of the population, remaining steady at a little over 56,200. The main reasons for this include increased fly-in/fly-out work participation and increased semi-permanent or mobile workforce.

- Accessible and affordable housing continues to be a challenge across the region. Affordable land releases particularly in Hopetoun, Ravensthorpe and Kalgoorlie-Boulder will assist future development.
- The Commission supports the trend toward Local Government resource sharing to ensure future viability.

SERVICE AND APPROPRIATION SUMMARY

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
SERVICES							
<i>Service 1:</i>							
Facilitation of the Provision of Appropriate Infrastructure and Industry Services	888	893	893	895			
<i>Service 2:</i>							
Promotion of Region and its Investment Opportunities	1,093	1,345	1,945	1,354			
Total Cost of Services ^(a)	1,981	2,238	2,838	2,249	2,274	2,311	2,355
<i>Less Income</i>	679	620	720	722	722	722	722
Net Cost of Services ^(a)	1,302	1,618	2,118	1,527	1,552	1,589	1,633
Adjustments ^(b)	187	13	13	3	(3)	-	-
Appropriation Provided to Deliver Services ^(a)	1,489	1,631	2,131	1,530	1,549	1,589	1,633
CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS							
Appropriation for Capital Contribution to meet equity needs ^(c)	-	9	9	-	-	-	-
TOTAL CONSOLIDATED ACCOUNT APPROPRIATIONS	1,489	1,640	2,140	1,530	1,549	1,589	1,633

- (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 2006-07 Actuals. A reconciliation identifying the impact of this adjustment has been inserted after the financial statements.
- (b) Adjustments are related to movements in cash balances and other accrual items such as resources received free of charge, receivables, payables and superannuation.
- (c) Supporting details are disclosed in the Capital Contribution Statement.

RESOURCE AGREEMENT

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

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

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

Government Goal	Desired Outcome	Services
Ensuring that regional Western Australia is strong and vibrant.	An environment which is conducive to the balanced economic and social development of the Goldfields-Esperance region.	1. Facilitation of the Provision of Appropriate Infrastructure and Industry Services 2. Promotion of Region and its Investment Opportunities

Outcomes and Key Effectiveness Indicators ^(a)

	2006-07 Actual	2007-08 Budget	2007-08 Estimated	2008-09 Target	Reason for Significant Variation between 2007-08 Estimated and 2008-09 Target
Outcome: An environment which is conducive to the balanced economic and social development of the Goldfields-Esperance region.					
Average cost per chargeable hour	89	123	115	120	

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

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

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

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service ^(a)	888	893	893	895	
<i>Less Income</i>	299	298	320	327	
Net Cost of Service ^(a)	589	595	573	568	
Adjustments ^(b)	68	13	13	-	
Appropriation for Delivery of Service ^(a)	657	608	586	568	

(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 2006-07 Actuals. 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

	2006-07 Actual	2007-08 Budget	2007-08 Estimated	2008-09 Target	Reason for Significant Variation between 2007-08 Estimated and 2008-09 Target
Average cost per chargeable hour	89	115	115	120	
Full Time Equivalents (FTEs)	5	5	5	5	

Major Achievements For 2007-08

- Concluded the Technology Hub feasibility study that has led to the Commission now working with the Western Australian School of Mines (WASM), and other stakeholders, to establish a potential Virtual Technology Hub.
- Helped secure a \$60 million Commonwealth Government commitment to upgrade the Esperance Port Access Corridor.
- Continued to convene the Esperance Utilities and Services Coordination Group.
- Successfully initiated the fly-in/fly-out and extractive industry projects through the Regional Development Council that could have positive state-wide regional impacts.
- Placed climate change on the Regional Development Council agenda for ongoing consideration and action.
- Continued to provide strategic advice to the Minister for Goldfields-Esperance on contemporary region specific issues.
- Assisted the Esperance to Kalgoorlie desalination water pipeline proponent to engage with local stakeholders and relevant government agencies.
- Provided ongoing assistance to the Shire of Esperance in the development of the Shark Lake Industrial Park to super-lot development stage.
- Continued to play a role in facilitating the development of both industrial and residential land in the Ravensthorpe Shire to meet demand, created as a result of BHP Billiton's \$2.8 billion Ravensthorpe Nickel Project.
- Liaised with Landcorp on the development of additional residential land in Hopetoun.
- Actively engaged with Western Power, and other stakeholders, in the establishment and introduction of the Distribution Headworks Scheme and Rebate Scheme.
- Actively promoted the Industry Development Centre website that had over 2,500 visitors per month and listed the profiles of 1,400 regional buyer and seller organisations.
- Participated in the City of Kalgoorlie-Boulder strategic planning process.
- Continued involvement with and the promotion of the Department of Treasury and Finance Regional Buying Centre.
- Facilitated stakeholder dialogue with private enterprise to consider the possible establishment of a private hospital.

Major Initiatives For 2008-09

- Increase the skilled labour force in the region as the Regional Certifying Body for Migration and continue to provide other migration information and support.
- Actively campaign to engage resource industry project proponents to better understand potential regional infrastructure requirements.
- Facilitate the development of a Virtual Technology Hub in cooperation with the WASM and other stakeholders.

- Highlight climate change as a critical regional issue that should be included in planning and risk management processes.
- Work with Landcorp to develop strong links and enable increased regional representation to identify future demand and opportunities.
- Work with stakeholders through the Goldfields-Esperance Transport Upgrade Program and other forums to ensure improved regional transport infrastructure.
- Establish utilities and services coordination groups in the Shires of Ravensthorpe and Dundas.
- Help source additional funding for the Esperance Port Access Corridor to complement the Commonwealth Government's \$60 million commitment.
- Broker a stronger relationship with the Australian Bureau of Statistics and Local Government authorities in the region to ensure current and future statistical data is more efficiently collected and effectively utilised to ensure positive outcomes for the region.

Service 2: Promotion of Region and its Investment Opportunities

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

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service ^(a)	1,093	1,345	1,945	1,354	\$500,000 was provided in 2007-08 to promote tourism in Esperance.
<i>Less Income</i>	380	322	400	395	
Net Cost of Service ^(a)	713	1,023	1,545	959	
Adjustments ^(b)	119	-	-	3	
Appropriation for Delivery of Service ^(a)	832	1,023	1,545	962	

(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 2006-07 Actuals. 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

	2006-07 Actual	2007-08 Budget	2007-08 Estimated	2008-09 Target	Reason for Significant Variation between 2007-08 Estimated and 2008-09 Target
Average cost per chargeable hour	90	123	123	125	
Full Time Equivalents (FTEs)	7	7	7	7	

Major Achievements For 2007-08

- Partnered with Curtin Vocational and Training Education Centre, Indigenous organisations, relevant State and Federal agencies and mining companies to develop specific work readiness and introduction to mining courses and traineeships in Kalgoorlie-Boulder.
- Worked with mining companies and Indigenous organisations in the Northern Goldfields to develop local training and mentorship programs to increase Indigenous participation in the workforce.

- Administered funding from the Aboriginal Economic Development Division of the Department of Industry and Resources, to roll-out governance and business training programs to the five Aboriginal Arts Centres in the Shire of Ngaanyatjarraku, including branding and marketing of this area to strengthen national and international art sales.
- Assisted Indigenous individuals seeking to become business operators to source start-up loans and mentoring support.
- Worked directly with mining companies to assist in implementing their Indigenous engagement and employment strategies.
- Introduced a new electronic newsletter format. This format has proved more popular than the previous printed format.
- Continued a regular 'Growing the Region' column in the local press and developed close working relationships with all regional media outlets.
- Engaged with the Australian Bureau of Statistics to be more actively involved in regional data gathering and data dissemination.
- Initiated community liaison to help establish an independent Goldfields-Esperance Community Foundation Advisory Group to replace the Interim Advisory Group. Actively promoted the Goldfields-Esperance Community Foundation in order to attract new funding.
- Continued to promote and administer the Goldfields-Esperance Regional Development Scheme (GERDS).
- Established a tripartite partnering arrangement with the Chamber of Commerce and Industry and the Chamber of Minerals and Energy for the 'What's Down the Track' annual information sharing forum.
- Continued to use the Heads of Agency meeting to coordinate and facilitate the dissemination of regional information.
- Continued to participate in interagency, business and community meetings, as appropriate, to provide information and promote the Commission's services, to maintain business and community linkages and keep abreast of issues across the region.
- Continued to be an active participant on the Business Enterprise Centre Board to help foster small business start-ups.
- Actively participated in the local Chamber of Commerce and Industry regional networking committee.
- Reviewed the Commission's Strategic Plan.

Major Initiatives For 2008-09

- Support the Goldfields-Esperance Workforce Development Alliance in its endeavours to implement the ten year workforce development plan in cooperation with Curtin Vocational and Training Education Centre, the Department of Education and Training, Local Government and industry representatives.
- Administer the 2008-09 GERDS.
- Coordinate tourism initiatives in the Northern Goldfields and increase promotional opportunities through tourism initiatives.
- Continue to drive major issues affecting the region through the Regional Development Council.
- Finalise the fly-in/fly-out and extractive industry studies that were initiated through the Regional Development Council.
- Partner with the City of Kalgoorlie-Boulder in a bid to secure the Sustainable Economic Growth for Regional Australia conference to the region in 2009.
- Foster and strengthen links with the regional Chambers of Commerce and Industry, Chambers of Minerals and Energy and Local Government authorities.

CAPITAL WORKS PROGRAM

The Commission's 2008-09 capital works program includes the replacement and upgrade of Personal Computers and software.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-08 \$'000	Estimated Expenditure 2007-08 \$'000	Estimated Expenditure 2008-09 \$'000
COMPLETED WORKS				
Computer Equipment Replacement/Upgrade - 2007-08 Program	45	45	45	-
Computer Network Additional Items	30	30	30	-
Office Equipment Replacement - 2007-08 Program	10	10	10	-
NEW WORKS				
Office Equipment Replacement - 2008-09 Program	10	-	-	10
	95	85	85	10

CAPITAL CONTRIBUTION

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS							
Total Cost of Capital Works Program	-	85	85	10	-	-	-
	-	85	85	10	-	-	-
LESS							
Drawdowns from the Holding Account	-	68	68	10	-	-	-
Internal Funds and Balances	-	8	8	-	-	-	-
Capital Contribution	-	9	9	-	-	-	-

FINANCIAL STATEMENTS

INCOME STATEMENT
(Controlled)

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
COST OF SERVICES							
Expenses							
Employee benefits expenses ^(a)	905	1,008	1,008	923	943	967	988
Superannuation.....	75	82	82	82	82	93	116
Grants and subsidies ^(b)	467	400	1,000	500	500	500	500
Consultancies expense	-	10	10	10	10	10	10
Supplies and services	229	509	509	505	510	452	452
Accommodation.....	183	154	154	154	154	182	182
Capital user charge ^(c)	37	-	-	-	-	-	-
Depreciation and amortisation	38	38	38	38	38	39	39
Motor vehicle fleet expense.....	18	15	15	15	15	18	18
Loss on disposal of non-current assets	1	-	-	-	-	-	-
Other expenses	65	22	22	22	22	50	50
TOTAL COST OF SERVICES.....	2,018	2,238	2,838	2,249	2,274	2,311	2,355
Income							
User charges and fees.....	11	111	111	113	113	113	113
Grants and subsidies	540	480	580	580	580	580	580
Other revenue	128	29	29	29	29	29	29
Total Income.....	679	620	720	722	722	722	722
NET COST OF SERVICES ^(c)	1,339	1,618	2,118	1,527	1,552	1,589	1,633
INCOME FROM STATE GOVERNMENT							
Service appropriations ^(c)	1,498	1,631	2,131	1,530	1,549	1,589	1,633
Liabilities assumed by the Treasurer	-	3	3	3	3	-	-
TOTAL INCOME FROM STATE GOVERNMENT.....	1,498	1,634	2,134	1,533	1,552	1,589	1,633
SURPLUS/(DEFICIENCY) FOR THE PERIOD	159	16	16	6	-	-	-
CHANGE IN SURPLUS/(DEFICIENCY) FOR THE PERIOD AFTER EXTRAORDINARY ITEMS	159	16	16	6	-	-	-

(a) The Full Time Equivalents (FTEs) for 2006-07 Actual, 2007-08 Estimated Actual and 2008-09 Estimate are 12, 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)**

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
CURRENT ASSETS							
Cash and cash equivalents	572	501	580	572	534	534	534
Restricted cash	491	458	491	491	491	491	491
Receivables	36	83	44	36	36	36	36
Amounts receivable for services.....	26	14	10	-	-	-	-
Prepayments	1	2	1	1	1	1	1
Total current assets	1,126	1,058	1,126	1,100	1,062	1,062	1,062
NON-CURRENT ASSETS							
Amounts receivable for services.....	46	50	32	92	130	169	208
Plant and equipment.....	76	92	91	76	76	37	-
Intangibles	-	-	-	9	9	9	7
Other.....	-	26	-	-	-	-	-
Total non-current assets	122	168	123	177	215	215	215
TOTAL ASSETS.....	1,248	1,226	1,249	1,277	1,277	1,277	1,277
CURRENT LIABILITIES							
Payables ^(a)	20	42	20	20	20	20	20
Provision for employee entitlements	101	136	85	103	103	103	103
Accrued salaries	-	11	-	-	-	-	-
Other.....	50	55	50	50	50	50	50
Total current liabilities.....	171	244	155	173	173	173	173
NON-CURRENT LIABILITIES							
Superannuation.....	-	40	-	-	-	-	-
Provision for employee entitlements	38	-	30	34	34	34	34
Total non-current liabilities	38	40	30	34	34	34	34
TOTAL LIABILITIES.....	209	284	185	207	207	207	207
EQUITY							
Contributed equity	45	74	54	54	54	54	54
Accumulated surplus/(deficit).....	994	868	1,010	1,016	1,016	1,016	1,016
Total equity.....	1,039	942	1,064	1,070	1,070	1,070	1,070
TOTAL LIABILITIES AND EQUITY	1,248	1,226	1,249	1,277	1,277	1,277	1,277

(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)

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
CASHFLOWS FROM STATE GOVERNMENT							
Service appropriations	1,452	1,592	2,093	1,470	1,511	1,550	1,594
Capital contribution	-	9	9	-	-	-	-
Holding account drawdowns	-	68	68	10	-	-	-
Net cash provided by State Government.....	1,452	1,669	2,170	1,480	1,511	1,550	1,594
CASHFLOWS FROM OPERATING ACTIVITIES							
Payments							
Employee benefits.....	(905)	(1,008)	(1,008)	(923)	(943)	(992)	(1,013)
Superannuation.....	(76)	(79)	(79)	(79)	(79)	(93)	(116)
Grants and subsidies	(467)	(400)	(1,000)	(500)	(500)	(500)	(500)
Consultancies payments.....	-	(20)	(20)	(10)	(10)	(10)	(10)
Supplies and services	(386)	(515)	(515)	(505)	(527)	(461)	(461)
Capital user charge ^(a)	(9)	-	-	-	-	-	-
Accommodation.....	(206)	(153)	(153)	(153)	(153)	(182)	(182)
Goods and services tax.....	(5)	(111)	(111)	(111)	(111)	(111)	(111)
Other.....	(112)	(40)	(40)	(22)	(22)	(38)	(38)
Receipts							
User charges and fees.....	66	33	33	33	26	26	26
Grants and subsidies	540	480	580	580	580	580	580
Goods and services tax	1	111	111	111	111	113	113
Other receipts	197	126	125	101	79	118	118
Net cash from operating activities.....	(1,362)	(1,576)	(2,077)	(1,478)	(1,549)	(1,550)	(1,594)
CASHFLOWS FROM INVESTING ACTIVITIES							
Purchase of non-current assets.....	-	(85)	(85)	(10)	-	-	-
Net cash from investing activities.....	-	(85)	(85)	(10)	-	-	-
CASHFLOWS FROM FINANCING ACTIVITIES							
Net cash from financing activities	-	-	-	-	-	-	-
NET INCREASE/(DECREASE) IN CASH HELD	90	8	8	(8)	(38)	-	-
Cash assets at the beginning of the reporting period	973	951	1,063	1,071	1,063	1,025	1,025
Cash assets at the end of the reporting period.....	1,063	959	1,071	1,063	1,025	1,025	1,025

(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

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
EXPENSES							
Total Cost of Services as per Income Statement.....	2,018	2,238	2,838	2,249	2,274	2,311	2,355
Less Capital User Charge.....	37	-	-	-	-	-	-
Adjusted Total Cost of Services	1,981	2,238	2,838	2,249	2,274	2,311	2,355
APPROPRIATIONS							
Net Amount Appropriated to Deliver Services	1,498	1,631	2,131	1,530	1,549	1,589	1,633
Less Appropriation Capital User Charge	9	-	-	-	-	-	-
Adjusted Net Amount Appropriated to Deliver Services	1,489	1,631	2,131	1,530	1,549	1,589	1,633

DETAILS OF CONTROLLED GRANTS AND SUBSIDIES

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	2009-10 Forward Estimate \$'000	2010-11 Forward Estimate \$'000	2011-12 Forward Estimate \$'000
Esperance Promotion Campaign	-	-	500	-	-	-	-
Goldfields Esperance Regional Development Scheme	467	400	500	500	500	500	500
TOTAL.....	467	400	1,000	500	500	500	500

AGENCY INDEX

	Vol	Page		Vol	Page
Agriculture and Food.....	1	249	Mid West Development Commission	1	288
Agriculture Protection Board of Western Australia.....	1	272	Midland Redevelopment Authority	2	767
Albany Port Authority.....	2	769	National Trust of Australia (WA).....	2	667
Armadale Redevelopment Authority.....	2	764	Office of Energy	3	919
Attorney General.....	2	467	Office of Native Title.....	1	180
Botanic Gardens and Parks Authority.....	3	1082	Office of the Auditor General	1	188
Broome Port Authority.....	2	770	Office of the Director of Public Prosecutions ..	2	529
Bunbury Port Authority.....	2	771	Office of the Information Commissioner.....	2	546
Bunbury Water Board	2	437	Office of the Inspector of Custodial Services ..	3	1039
Busselton Water Board.....	2	438	Office of the Public Sector Standards Commissioner.....	1	118
Chemistry Centre (WA)	3	940	Parliament	1	47
Child Protection.....	3	1133	Parliamentary Commissioner for Administrative Investigations.....	1	72
Commissioner for Children and Young People	2	540	Parliamentary Inspector of the Corruption and Crime Commission.....	2	512
Commissioner of Main Roads.....	2	720	Peel Development Commission.....	3	1120
Communities	3	1150	Perth Market Authority	1	280
Consumer and Employment Protection.....	3	951	Pilbara Development Commission	3	1004
Corrective Services.....	3	1025	Planning and Infrastructure.....	2	691
Corruption and Crime Commission.....	2	500	Port Hedland Port Authority	2	778
Country High School Hostels Authority	3	872	Premier and Cabinet.....	1	83
Country Housing Authority.....	2	646	Public Transport Authority of Western Australia	2	746
Culture and the Arts	3	829	Racing and Wagering Western Australia.....	1	354
Curriculum Council.....	3	880	Racing, Gaming and Liquor.....	1	341
Dampier Port Authority.....	2	772	Registrar, Western Australian Industrial Relations Commission.....	3	971
Disability Services Commission.....	3	801	Rottneest Island Authority.....	3	828
Eastern Goldfields Transport Board.....	2	781	Rural Business Development Corporation.....	1	281
East Perth Redevelopment Authority	2	766	Salaries and Allowances Tribunal.....	1	130
Economic Regulation Authority.....	1	199	Small Business Development Corporation	3	1046
Education and Training	3	853	South West Development Commission	3	907
Education Services	3	893	Sport and Recreation.....	2	439
Environment and Conservation	3	1059	State Supply Commission	1	212
Equal Opportunity Commission.....	2	489	Subiaco Redevelopment Authority	2	768
Esperance Port Authority	2	773	Swan River Trust	3	1094
Fire and Emergency Services Authority of Western Australia.....	2	400	Synergy	3	936
Fisheries	3	978	Treasury and Finance.....	1	141
Forest Products Commission.....	1	287	Verve Energy	3	937
Fremantle Port Authority.....	2	774	WA Health	2	554
Gascoyne Development Commission.....	3	1014	Water.....	2	415
Geraldton Port Authority.....	2	777	Water Corporation	2	434
Gold Corporation.....	1	358	Western Australian Electoral Commission	2	610
Goldfields-Esperance Development Commission	1	359	Western Australian Greyhound Racing Authority	1	355
Governor's Establishment.....	1	110	Western Australian Land Authority	2	779
Great Southern Development Commission	1	312	Western Australian Land Information Authority.....	2	676
Heritage Council of Western Australia	2	658	Western Australian Meat Industry Authority	1	279
Horizon Power.....	3	934	Western Australian Planning Commission	2	782
Housing and Works.....	2	621	Western Australian Sports Centre Trust.....	2	455
Housing Authority.....	2	632	Western Australian Tourism Commission	3	815
Independent Market Operator.....	3	933	Western Australian Treasury Corporation	1	211
Indigenous Affairs.....	2	647	Western Australia Police.....	2	375
Industry and Resources	1	221	Western Power.....	3	938
Insurance Commission of Western Australia	1	356	Wheatbelt Development Commission.....	1	302
Kimberley Development Commission	3	993	Zoological Parks Authority.....	3	1108
Law Reform Commission of Western Australia.....	2	520			
Local Government and Regional Development	1	325			
Lotteries Commission.....	1	357			
Metropolitan Cemeteries Board	1	340			

AGENCY INDEX– *continued*

AGENCIES WITH ADMINISTERED APPROPRIATIONS

	Vol	Page
Consumer and Employment Protection.....	3	951
Education Services	3	893
Fire and Emergency Services Authority of Western Australia	2	400
Industry and Resources	1	221
Local Government and Regional Development	1	325
Planning and Infrastructure	2	691
Racing, Gaming and Liquor	1	341
Treasury and Finance	1	141
Water.....	2	415