



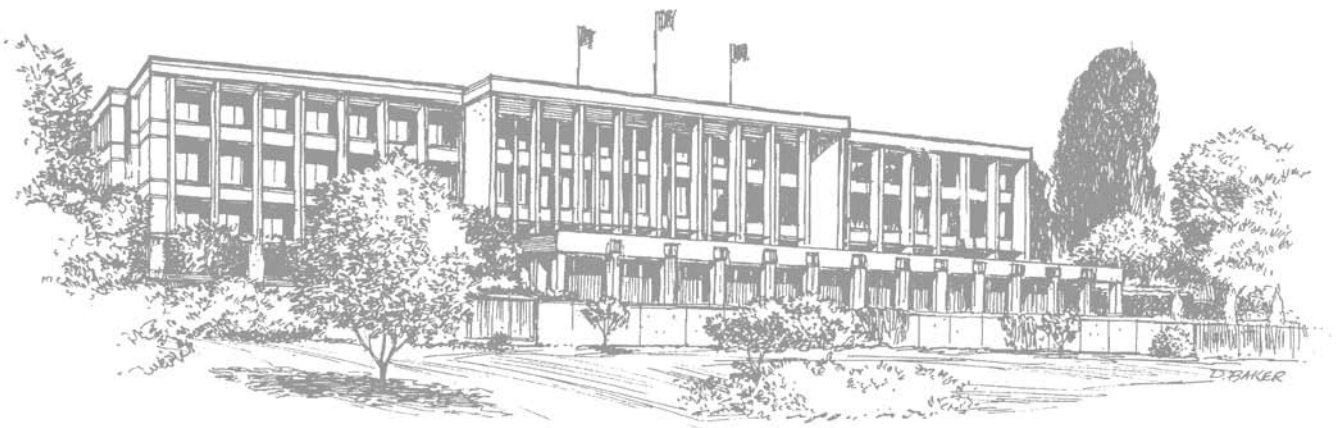
2008-09 BUDGET

BUDGET STATEMENTS

Budget Paper No. 2

Volume 3

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



2008–09 Budget Statements

(Budget Paper No. 2 Volume 3)

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BUDGET 2008-09

BUDGET STATEMENTS

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CHAPTER 3

AGENCY INFORMATION IN SUPPORT OF THE ESTIMATES

Part 10 – Part 16

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Part 10

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

SUMMARY OF PORTFOLIO APPROPRIATIONS

Page	Agency	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000
801	Disability Services Commission			
	– Delivery of Services.....	293,740	305,824	325,417
	– Capital Contribution.....	7,441	7,441	30
	Total	301,181	313,265	325,447
815	Western Australian Tourism Commission			
	– Delivery of Services.....	51,558	52,433	55,065
	– Capital Contribution.....	1,222	1,417	787
	Total	52,780	53,850	55,852
828	Rottnest Island Authority	-	-	-
829	Culture and the Arts			
	– Delivery of Services.....	89,611	91,566	111,979
	– Capital Contribution.....	79,076	66,754	57,730
	Total	168,687	158,320	169,709
	GRAND TOTAL			
	– Delivery of Services.....	434,909	449,823	492,461
	– Capital Contribution.....	87,739	75,612	58,547
	Total.....	522,648	525,435	551,008

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DISABILITY SERVICES COMMISSION

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

DIVISION 47

APPROPRIATION AND FORWARD ESTIMATES

	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 85 Net amount appropriated to deliver services^(a)	271,825	293,492	305,594	325,180	352,455	380,648	405,834
Amount Authorised by Other Statutes - Salaries and Allowances Act 1975^(b)	225	248	230	237	244	251	259
Total appropriations provided to deliver services	272,050	293,740	305,824	325,417	352,699	380,899	406,093
CAPITAL							
Item 161 Capital Contribution	811	7,441	7,441	30	463	965	2,072
GRAND TOTAL	272,861	301,181	313,265	325,447	353,162	381,864	408,165

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

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

SIGNIFICANT ISSUES AND TRENDS

- Demand for specialist disability services continues to grow. Factors influencing demand include:
 - ageing population;
 - growing life expectancy of people with disabilities;
 - increased survival rates of people with severe and profound disabilities;
 - changes in patterns of informal care;
 - changing community expectations; and
 - sustained increases in the number of people with disabilities.
- Almost 87 per cent of Western Australians with disabilities who require assistance receive support through family and friends. The provision of support services for families and carers to help them maintain their caring role is critical in promoting individual, family and carer wellbeing, reducing the need for crisis support and avoiding premature or inappropriate entry into high cost residential care. Increasingly, families and carers are seeking more flexible approaches to family and carer support.

- While Western Australia has generally been considered a leader in the provision of individualised and personalised accommodation support for people with disabilities, there is growing demand from individuals and families for an expanded range of more innovative approaches to meeting the accommodation support needs of people with disabilities, as an alternative to more traditional models of group homes.
- Many people with disabilities live at home with ageing parents. The ageing and associated health issues of carers are placing urgent demands on accommodation and community-based support services. Ongoing planning is being undertaken to help support families and carers plan for the future.
- The Commission faces the continuing challenge of balancing its response to those in most critical need, while maintaining the capacity for early intervention and support strategies particularly at key life transition points that prevent or delay the need for crisis intervention and enable people with disabilities to live more independent and fulfilling lives.
- The transition from school is a critical pressure point for many adolescents and their families as they seek employment options or alternatives to employment. The impact of this pressure is illustrated in the sharp increase in this age cohort seeking high cost out-of-home accommodation.
- The current population of people with disabilities has significantly outlived previous population cohorts. This improved life expectancy has been attributed to advances in medical technology and changing socio-demographic factors.
- Staff recruitment and retention are major issues facing disability service providers. It is increasingly difficult to recruit and retain staff, in particular support workers who provide direct care to people with disabilities. Low rates of unemployment, the resources boom and competition from other human services sectors are all factors adding to the pressure on all disability providers to maintain services for people with disabilities.
- In recognition of the often complex needs of people with disabilities, the Commission is increasingly engaged in building collaborative partnerships with other government agencies including the Departments for Child Protection and Corrective Services and WA Health in order to provide more responsive and effective supports.
- Approximately 14 per cent of the Commission's budget is provided by the Commonwealth Government under the Commonwealth State Territory Disability Agreement. This agreement expired on 30 June 2007 and has been rolled over until a new agreement can be negotiated. A key priority for future agreements is to secure a fair level of indexation, adequate growth funding, and a more equitable distribution of funding from the Commonwealth Government.
- There is growing awareness of the rights of people with disabilities to access all facets of community life, along with increased recognition of the importance of working in partnership with the private sector to support the creation of more accessible and welcoming communities.
- The Commission, in collaboration with other government departments, is supporting the development and promotion of new and culturally appropriate models of support and service delivery that are acceptable and responsive to local Indigenous communities.
- The Commission is implementing the State Government's 'Substantive Equality Framework Policy' to ensure that specialist disability services are responsive to the needs of people with disabilities and their carers from culturally and linguistically diverse backgrounds.
- There is a growing focus on the need to better define and measure quality outcomes across all government programs. This has highlighted the need for more rigorous approaches to evaluation, higher levels of public accountability, and better capacity to describe outcomes and how they can be measured.

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>							
Accommodation Support	194,536	201,908	219,188	229,007			
<i>Service 2:</i>							
Individual and Family Support	94,043	108,914	104,351	110,932			
<i>Service 3:</i>							
Individual Coordination	30,218	32,411	32,338	33,059			
<i>Service 4:</i>							
Strategic Coordination	13,556	11,237	14,451	14,687			
Total Cost of Services ^(a)	332,353	354,470	370,328	387,685	416,719	446,118	472,458
<i>Less Income</i>	<i>62,144</i>	<i>59,977</i>	<i>63,238</i>	<i>61,759</i>	<i>63,511</i>	<i>64,710</i>	<i>65,856</i>
Net Cost of Services ^(a)	270,209	294,493	307,090	325,926	353,208	381,408	406,602
Adjustments ^(b)	1,841	(753)	(1,266)	(509)	(509)	(509)	(509)
Appropriation Provided to Deliver Services ^(a)	272,050	293,740	305,824	325,417	352,699	380,899	406,093
CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS							
Appropriation for Capital Contribution to meet equity needs ^(c)	811	7,441	7,441	30	463	965	2,072
TOTAL CONSOLIDATED ACCOUNT APPROPRIATIONS	272,861	301,181	313,265	325,447	353,162	381,864	408,165

(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.

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

Outcomes and Key Effectiveness Indicators ^(a)

	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: Enhance the environment and wellbeing of people with disabilities and their carers by the provision of necessary supports and services.					
Take-up rate - the number of service-users per 1,000 Western Australians who are in receipt of a Disability Support Pension	319	328	292	300	

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

Service 1: Accommodation Support

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

	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)	194,536	201,908	219,188	229,007	
<i>Less Income</i>	25,008	25,630	26,125	26,015	
Net Cost of Service ^(a)	169,528	176,278	193,063	202,992	
Adjustments ^(b)	1,318	(451)	(796)	(317)	
Appropriation for Delivery of Service ^(a)	170,846	175,827	192,267	202,675	

(a) Following the enactment of the *Financial Management Act 2006*, agencies are no longer required to pay the Capital User Charge. In order to make the above table meaningful for comparative purposes, the impact of the Capital User Charge has been removed from the 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 person.....	\$53,978	\$54,971	\$59,352	\$60,344	
Full Time Equivalent (FTEs)	1112	1108	1078	1078	

Major Achievements For 2007-08

- Completed Stage One of the review of a resource allocation instrument for accommodation support funding.
- 12 individuals were relocated from Bennett Brook to new accommodation options in Maddington and Belmont, equating to 30 per cent of the total redevelopment planned. The tender to build the new accommodation for Dorset in Armadale has been awarded and site works have commenced.
- Continued the redevelopment of Supported Accommodation Services with 38 people moving to alternative options.

- Commenced a four year pilot program to provide flexible levels of support to enable people with rapidly degenerating conditions to continue to live at home. The Multiple Sclerosis Society was the successful tenderer for the program, which commenced in January 2008.
- Additional accommodation support funding was provided for a total of 117 people including 11 people supported as part of the Young People in Residential Aged Care program. In addition, ten individuals have received accommodation support through vacancies.
- The Commission undertook extensive consultations to inform the development of a Community Living Plan. A paper was prepared outlining a wide range of alternative community living options for people with disabilities and included recommendations on how to establish these options.

Major Initiatives For 2008-09

- Continue redevelopment of Commission accommodation facilities at Bennett Brook and Dorset to achieve accessible housing for older people with disabilities.
- Commence redevelopment of the Commission's high support hostels to achieve better amenity and facilitate more individualised service.
- Commence development of an emergency accommodation service for younger people with disabilities.
- Provide 121 people with new or expanded accommodation support and offer vacancies over and above these places as vacancies arise.
- Implement a number of priority state-wide strategies to increase the range of low-cost community living options as a part of the Community Living Plan.

Service 2: Individual and Family Support

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

	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)	94,043	108,914	104,351	110,932	
<i>Less Income</i>	31,164	29,515	31,147	30,231	
Net Cost of Service ^(a)	62,879	79,399	73,204	80,701	
Adjustments ^(b)	264	(203)	(302)	(126)	
Appropriation for Delivery of Service ^(a)	63,143	79,196	72,902	80,575	

(a) Following the enactment of the *Financial Management Act 2006*, agencies are no longer required to pay the Capital User 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 person.....	\$5,727	\$6,385	\$6,331	\$6,706	
Full Time Equivalents (FTEs)	250	257	250	250	

Major Achievements For 2007-08

- Progressed implementation of an outcomes framework for Alternatives to Employment services, including the development of outcomes and performance measures in consultation with the sector.
- Continued the development of the Relative Needs Based Funding tool for early childhood intervention services, which will help to achieve a more equitable distribution of growth funding based on individual need.
- Completed the implementation of the regional model for school age Disability Professional Support services. Services are now consistent with education districts, enabling more effective partnering with schools and greater consistency for families and children.
- Undertook training with all members of the Country Services Early Years Autism assessment team in Autism Diagnostic Interview Revised and Autism Diagnostic Observation Schedule assessment procedures. All assessments are now conducted utilising this more efficient and reliable tool.
- The Early Years and Consultancy Service Psychology Strategy has been established and is currently operating across regional and remote Western Australia.
- The Memorandum of Understanding between the Commission and WA Country Health Service has been reviewed to reflect the commitment of both parties to a responsive and efficient therapy service for people with disabilities living in country Western Australia.
- Commenced development of a service framework which will guide the future development of a more comprehensive and evidence-based approach to meet the needs of people with disabilities who experience challenging behaviours.
- Undertook a review of the Commission's Intensive Family Support funding and commenced development of a policy framework to provide an integrated approach to the Commission's carer and family support programs and funding strategies.

Major Initiatives For 2008-09

- Work in partnership with non-government service providers to increase opportunities for cultural awareness training and develop their capacity to respond to the needs of people with disabilities from culturally and linguistically diverse and Indigenous backgrounds, their families, carers and communities.
- Develop more flexible approaches to the provision of carer and family support.
- Increase focus on better planning and support for older carers.
- Implementation of a comprehensive evidence-based approach to better meet the needs of people who experience challenging behaviours.
- Commence the development of an early child development framework for children with disabilities.
- Develop an integrated children's and adult's continence product subsidy program.
- Develop a range of initiatives to provide additional support to young carers and siblings.
- Provide access to a broader range of aids and equipment grants to enhance the independence of people with disabilities and their carers.

Service 3: Individual Coordination

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

	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)	30,218	32,411	32,338	33,059	
<i>Less Income</i>	3,466	2,347	3,462	3,153	
Net Cost of Service ^(a)	26,752	30,064	28,876	29,906	
Adjustments ^(b)	185	(77)	(119)	(47)	
Appropriation for Delivery of Service ^(a)	26,937	29,987	28,757	29,859	

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

Key Efficiency Indicators

	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 service-user (Local Area Coordination)	\$2,542	\$2,470	\$2,654	\$2,611	
Average cost per service-user (direct consumer funding)	\$6,772	\$8,165	\$7,151	\$7,425	
Full Time Equivalents (FTEs)	171	182	175	179	

Major Achievements For 2007-08

- Developed an outcomes framework for Local Area Coordination.
- Person-centred approaches are now an integral part of Local Area Coordination service design and delivery, providing increased opportunities for individuals and families to access a broader range of planning opportunities.
- Undertook a range of strategies to improve access to culturally responsive services including:
 - the provision of cultural security training;
 - mentoring support; and
 - the development of plans at the local level to provide more culturally secure services, in consultation with local elders and community groups.
- Commenced implementation of a range of approaches to provide increased opportunities for young adults to transition into independent living, including the Home2Home initiative which is being implemented in Bunbury to support young adults to live independently away from their family home.

Major Initiatives For 2008-09

- Implement an integrated outcomes-based quality assurance framework for the state-wide Local Area Coordination program.

- Continue to implement new and existing strategies to increase and improve culturally appropriate services and supports for Indigenous and Torres Strait Islander people and for people from culturally and linguistically diverse backgrounds.
- Expand the Remote Area Strategy to support people with disabilities and their families living in remote areas of Western Australia.

Service 4: Strategic Coordination

This service includes:

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

	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)	13,556	11,237	14,451	14,687	
<i>Less Income</i>	2,506	2,485	2,504	2,360	
Net Cost of Service ^(a)	11,050	8,752	11,947	12,327	
Adjustments ^(b)	74	(22)	(49)	(19)	
Appropriation for Delivery of Service ^(a)	11,124	8,730	11,898	12,308	

(a) Following the enactment of the *Financial Management Act 2006*, agencies are no longer required to pay the Capital User 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	\$103,481	\$87,109	\$108,654	\$110,429	
Full Time Equivalents (FTEs)	45	46	47	47	

Major Achievements For 2007-08

- Conducted state-wide consultations with people with disabilities, families, carers, disability service providers and peak groups to inform them of the future role of the Health Resource and Consultancy Team in achieving positive health outcomes for people with disabilities.
- Evaluated the disability awareness 'Count Us In!' curriculum support packages for Western Australian school children. The evaluation found that a significant number of teachers have participated in training to implement the package.
- Established a reference group to oversee the development of a long-term plan to achieve an inclusive and welcoming community that responds to the needs and goals of people with disabilities over the next 15 years.
- The third Commonwealth State Territory Disability Agreement was rolled over while negotiations for a new agreement continued.

- Explored options for approaches to sector-wide training and development for staff.

Major Initiatives For 2008-09

- Implement recommendations from the state-wide consultation on health outcomes for people with disabilities.
- Develop a framework to evaluate all aspects of the 'Count Us In!' community education campaign in the context of the Commission's Strategic Plan.
- Undertake a review of the *Disability Services Act 1993*.
- Undertake broad community consultations to develop a long-term plan to build a welcoming and inclusive community for people with disabilities, based on 15 year projections.
- Continue negotiations with the Commonwealth Government for a new agreement for disability funding.
- Work with the Commonwealth Government and other States and Territories to develop a national Companion Card scheme for eligible people with disabilities who require a companion to accompany them.

CAPITAL WORKS PROGRAM

The capital works expenditure for 2008-09 continues the preservation, upgrade and fit-out of the Commission's hostels, group homes, therapy centres and Local Area Coordination offices. The proposed work will enhance and sustain the economic life of the facilities and contribute to improved service delivery.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-08 \$'000	Estimated Expenditure 2007-08 \$'000	Estimated Expenditure 2008-09 \$'000
COMPLETED WORKS				
Community Disability Housing Program				
2006-07.....	1,430	1,430	661	-
2007-08.....	680	680	680	-
Computer Replacement Program - 2007-08.....	307	307	307	-
Group Homes Asset Replacement Program - 2007-08.....	150	150	150	-
Hostels Redevelopment Program				
2006-07.....	500	500	500	-
2007-08.....	500	500	500	-
Renovation Program - 2006-07.....	852	852	782	-
NEW WORKS				
Community Disability Housing Program - 2008-09.....	882	-	-	882
Computer Replacement Program - 2008-09.....	85	-	-	85
Group Homes Asset Replacement Program - 2008-09.....	100	-	-	100
Renovation Program - 2008-09.....	100	-	-	100
	5,586	4,419	3,580	1,167

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.....	4,802	2,419	3,580	1,167	2,208	2,469	2,864
Working capital requirement							
Loan and Other Repayments.....	511	7,441	7,441	-	-	-	-
	5,313	9,860	11,021	1,167	2,208	2,469	2,864
LESS							
Asset Sales.....	-	1,730	1,730	-	-	-	-
Borrowings.....	1,583	-	-	-	-	-	-
Drawdowns from the Holding Account.....	4,080	689	689	1,137	1,745	1,504	792
Internal Funds and Balances.....	(1,161)	-	1,161	-	-	-	-
Capital Contribution.....	811	7,441	7,441	30	463	965	2,072

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)	89,797	95,016	95,658	97,633	99,648	101,668	103,412
Superannuation	8,627	8,528	9,023	9,309	9,549	9,827	10,116
Grants and subsidies ^(b)	196,944	214,957	227,232	242,542	268,913	295,942	320,293
Supplies and services	27,224	26,812	28,737	28,859	29,245	29,669	30,069
Accommodation	5,790	5,804	6,194	6,213	6,281	6,375	6,400
Finance costs	474	-	10	-	-	-	-
Capital user charge ^(c)	2,037	-	-	-	-	-	-
Depreciation and amortisation	3,121	3,256	3,277	2,931	2,884	2,434	1,966
Loss on disposal of non-current assets	192	-	-	-	-	-	-
Other expenses	184	97	197	198	199	203	202
TOTAL COST OF SERVICES	334,390	354,470	370,328	387,685	416,719	446,118	472,458
Income							
User charges and fees	6,269	6,420	6,421	6,731	6,847	7,093	7,270
Grants and subsidies	50,578	51,485	51,566	52,956	54,592	55,545	56,514
Other revenue	5,297	2,072	5,251	2,072	2,072	2,072	2,072
Total Income	62,144	59,977	63,238	61,759	63,511	64,710	65,856
NET COST OF SERVICES ^(c)	272,246	294,493	307,090	325,926	353,208	381,408	406,602
INCOME FROM STATE GOVERNMENT							
Service appropriations ^(c)	274,113	293,740	305,824	325,417	352,699	380,899	406,093
Resources received free of charge	509	753	509	509	509	509	509
Liabilities assumed by the Treasurer	391	-	-	-	-	-	-
TOTAL INCOME FROM STATE GOVERNMENT	275,013	294,493	306,333	325,926	353,208	381,408	406,602
SURPLUS/(DEFICIENCY) FOR THE PERIOD	2,767	-	(757)	-	-	-	-
CHANGE IN SURPLUS/(DEFICIENCY) FOR THE PERIOD AFTER EXTRAORDINARY ITEMS	2,767	-	(757)	-	-	-	-

(a) The Full Time Equivalents (FTEs) for 2006-07 Actual, 2007-08 Estimated Actual and 2008-09 Estimate are 1,578, 1,550 and 1,554 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	1,974	60	60	60	60	60	60
Restricted cash	1,427	1,624	1,957	2,487	3,017	3,547	4,077
Receivables	1,952	1,234	1,948	2,003	1,953	1,975	1,997
Amounts receivable for services.....	689	1,137	1,137	1,745	1,504	792	-
Prepayments	513	291	291	291	291	291	291
Total current assets	6,555	4,346	5,393	6,586	6,825	6,665	6,425
NON-CURRENT ASSETS							
Amounts receivable for services.....	9,143	12,180	12,201	14,165	16,347	18,815	21,607
Land and buildings.....	40,742	38,165	39,627	39,879	40,170	40,430	40,565
Plant and equipment.....	4,474	2,095	1,549	984	481	288	640
Intangibles.....	2,658	1	2,245	1,380	529	-	-
Other.....	6,192	10,582	7,331	6,744	7,131	7,629	8,040
Total non-current assets.....	63,209	63,023	62,953	63,152	64,658	67,162	70,852
TOTAL ASSETS.....	69,764	67,369	68,346	69,738	71,483	73,827	77,277
CURRENT LIABILITIES							
Superannuation	32	99	68	143	183	219	255
Payables ^(a)	420	844	286	267	326	465	514
Provision for employee entitlements	18,227	19,256	18,925	19,519	20,127	20,758	21,385
Borrowings.....	7,441	-	-	-	-	-	-
Interest payable	127	-	-	-	-	-	-
Accrued salaries	359	1,077	757	1,049	1,448	1,913	2,380
Other.....	301	275	437	673	656	567	566
Total current liabilities.....	26,907	21,551	20,473	21,651	22,740	23,922	25,100
NON-CURRENT LIABILITIES							
Provision for employee entitlements	5,995	6,705	6,215	6,399	6,592	6,789	6,989
Total non-current liabilities	5,995	6,705	6,215	6,399	6,592	6,789	6,989
TOTAL LIABILITIES.....	32,902	28,256	26,688	28,050	29,332	30,711	32,089
EQUITY							
Contributed equity	8,909	24,135	16,350	16,380	16,843	17,808	19,880
Accumulated surplus/(deficit)	(27,107)	(29,874)	(29,751)	(29,751)	(29,751)	(29,751)	(29,751)
Reserves	55,060	44,852	55,059	55,059	55,059	55,059	55,059
Total equity.....	36,862	39,113	41,658	41,688	42,151	43,116	45,188
TOTAL LIABILITIES AND EQUITY	69,764	67,369	68,346	69,738	71,483	73,827	77,277

(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	269,810	289,566	301,629	321,708	349,013	377,639	403,301
Capital contribution	811	7,441	7,441	30	463	965	2,072
Holding account drawdowns	4,080	689	689	1,137	1,745	1,504	792
Net cash provided by State Government.....	274,701	297,696	309,759	322,875	351,221	380,108	406,165
CASHFLOWS FROM OPERATING ACTIVITIES							
Payments							
Employee benefits.....	(90,773)	(93,720)	(94,342)	(96,562)	(98,450)	(100,376)	(102,120)
Superannuation.....	(8,595)	(8,493)	(8,987)	(9,235)	(9,509)	(9,791)	(10,079)
Grants and subsidies	(196,944)	(214,957)	(227,232)	(242,542)	(268,913)	(295,942)	(320,293)
Supplies and services	(27,344)	(26,276)	(27,800)	(28,328)	(28,810)	(29,229)	(29,629)
Accommodation.....	(5,892)	(5,672)	(5,991)	(6,080)	(6,172)	(6,264)	(6,289)
Finance costs	(435)	-	(137)	-	-	-	-
Capital user charge ^(a)	(2,037)	-	-	-	-	-	-
Goods and services tax.....	(21,082)	(18,649)	(26,121)	(27,596)	(30,365)	(33,120)	(35,598)
Other.....	(184)	(97)	(187)	(190)	(192)	(195)	(195)
Receipts							
User charges and fees.....	6,229	6,407	6,407	6,731	6,899	7,071	7,248
Grants and subsidies	50,578	51,485	51,566	52,956	54,592	55,545	56,514
Goods and services tax	20,775	18,649	26,121	27,596	30,365	33,120	35,598
Other receipts	5,351	2,072	4,851	2,072	2,072	2,072	2,072
Net cash from operating activities.....	(270,353)	(289,251)	(301,852)	(321,178)	(348,483)	(377,109)	(402,771)
CASHFLOWS FROM INVESTING ACTIVITIES							
Purchase of non-current assets.....	(4,029)	(2,419)	(3,580)	(1,167)	(2,208)	(2,469)	(2,864)
Proceeds from sale of non-current assets	-	1,730	1,730	-	-	-	-
Net cash from investing activities.....	(4,029)	(689)	(1,850)	(1,167)	(2,208)	(2,469)	(2,864)
CASHFLOWS FROM FINANCING ACTIVITIES							
Repayment of borrowings.....	(511)	(7,441)	(7,441)	-	-	-	-
Proceeds from borrowings.....	1,583	-	-	-	-	-	-
Net cash from financing activities.....	1,072	(7,441)	(7,441)	-	-	-	-
NET INCREASE/(DECREASE) IN CASH HELD	1,391	315	(1,384)	530	530	530	530
Cash assets at the beginning of the reporting period	2,010	1,369	3,401	2,017	2,547	3,077	3,607
Cash assets at the end of the reporting period.....	3,401	1,684	2,017	2,547	3,077	3,607	4,137

(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.....	334,390	354,470	370,328	387,685	416,719	446,118	472,458
<i>Less Capital User Charge.....</i>	2,037	-	-	-	-	-	-
Adjusted Total Cost of Services	332,353	354,470	370,328	387,685	416,719	446,118	472,458
APPROPRIATIONS							
Net Amount Appropriated to Deliver Services ...	274,113	293,740	305,824	325,417	352,699	380,899	406,093
<i>Less Appropriation Capital User Charge</i>	2,063	-	-	-	-	-	-
Adjusted Net Amount Appropriated to Deliver Services	272,050	293,740	305,824	325,417	352,699	380,899	406,093

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
Grants to External Service Providers	182,426	198,785	212,258	227,102	252,997	279,540	303,395
Grants to Internal Service Providers.....	14,518	16,172	14,974	15,440	15,916	16,402	16,898
TOTAL.....	196,944	214,957	227,232	242,542	268,913	295,942	320,293

WESTERN AUSTRALIAN TOURISM COMMISSION

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

DIVISION 48

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 86 Net amount appropriated to deliver services ^(a)	52,184	51,207	52,077	54,698	50,498	52,533	48,885
Amount Authorised by Other Statutes - Salaries and Allowances Act 1975 ^(b)	342	351	356	367	378	389	401
Total appropriations provided to deliver services	52,526	51,558	52,433	55,065	50,876	52,922	49,286
CAPITAL							
Item 162 Capital Contribution	2,073	1,222	1,417	787	272	-	-
GRAND TOTAL	54,599	52,780	53,850	55,852	51,148	52,922	49,286

- (a) Following the enactment of the *Financial Management Act 2006*, agencies are no longer required to pay the Capital User 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 develop, promote and protect Western Australia's iconic tourism experiences.

SIGNIFICANT ISSUES AND TRENDS

- According to the most recent Access Economics Tourism Satellite Account (TSA), the Western Australian Tourism industry's contribution to our economy has grown by 29 per cent in the past four years (2001-02 to 2005-06), outstripping national tourism growth of 14 per cent – indicating Western Australia is becoming a bigger player in the Australian tourism scene. The TSA further showed that the tourism industry contributed \$5.7 billion to Western Australia's Gross State Product during 2005-06.
- The Western Australian tourism industry's capacity and capability are being affected directly by factors that present both challenges and opportunities:
 - The strength of the Australian dollar against the major currencies is at a 24 year high and has a significant impact on tourism demand.
 - Increased air travel competition through the expansion of the low cost carrier network is making both domestic and international air travel cheaper. Increased airline competition is proven to adjust tourist flows and impact on dispersal.
 - Price of fuel – road transport is becoming increasingly more expensive due to the high cost of petrol.
 - Price of accommodation - room rates have increased significantly over the past few years due to limited growth in supply and increased demand for accommodation from leisure visitors and business travellers.
 - Changes in consumer behaviour present challenges for the tourism industry as people opt for short-breaks and out-bound travel.
 - The critical skills and labour shortage has also impacted the industry.

- ‘The Real Thing’ brand which positions Western Australia as an authentic and uncommercialised experience is working. It is therefore crucial that the natural assets of Western Australia are protected. The tourism industry has the potential to add significant social and environmental value. It is an industry which can support the State’s long-term economic future and helps to balance out its reliance on the minerals and resources sector.
- The challenge of ensuring it delivers on the marketing promise, Western Australia’s product quality and value for money is critical. Increasingly strong national and international tourism product competition means that we must improve our product quality in order to ensure our tourism offerings gain preference. While visitor numbers were positive during 2006-07, visitor satisfaction results are down slightly on those achieved in 2003-04, 2004-05 and 2005-06, highlighting a need to focus on improving tourism product quality and standards of service.
- The impact of the booming economy is leading to escalating construction costs, which adversely impacts investment in the tourist accommodation sector. However, hotel occupancy rates and yields continue to improve, which may in the longer-term encourage more investment.
- The industry is facing great pressure to respond to capacity issues. Recent research showed that city hotel occupancy rates are averaging more than 80 per cent with accommodation demand growth in 2005 and 2006 the highest in 18 years. The findings also point to an expected shortfall of around 1,000 hotel rooms by 2011 (Source: Perth Hotel Investment Study March 2007).
- Currently the Perth Airport is under enormous pressure to handle increasing traffic. It has seen the largest growth in passenger movements of any Australian city airport since 2001-02. International and domestic terminal constraints may negatively impact on airline growth capacity and passenger movements in the short-term.
- There is a growing awareness of the significance of climate change to the tourism industry and travel behaviour. Parts of the industry have recognised the need to react to this global challenge. Some businesses are taking action to become ‘green’ by reducing carbon footprints. Carbon taxing, emissions trading and carbon offsetting are examples of policies introduced or likely to be introduced in response to climate change.

MAJOR POLICY DECISIONS

Details of major policy decisions impacting on the Commission'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
Continuation of Boost Marketing Funds	5,750	-	-	-
Indigenous Employment Initiatives.....	482	466	420	-
ISAF World Championships	2,180	1,640	4,400	120
Landbank.....	500	500	500	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>							
Destination Marketing	26,854	27,586	27,178	27,412			
<i>Service 2:</i>							
Event Tourism.....	22,391	16,494	16,477	21,210			
<i>Service 3:</i>							
Industry development and visitor servicing	12,385	11,139	11,359	13,663			
Total Cost of Services ^(a)	61,630	55,219	55,014	62,285	54,801	56,922	53,286
<i>Less Income.....</i>	<i>9,253</i>	<i>3,750</i>	<i>2,750</i>	<i>4,650</i>	<i>3,910</i>	<i>4,025</i>	<i>4,025</i>
Net Cost of Services ^(a)	52,377	51,469	52,264	57,635	50,891	52,897	49,261
Adjustments ^(b)	149	89	169	(2,570)	(15)	25	25
Appropriation Provided to Deliver Services ^(a)	52,526	51,558	52,433	55,065	50,876	52,922	49,286
CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS							
Appropriation for Capital Contribution to meet equity needs ^(c)	2,073	1,222	1,417	787	272	-	-
TOTAL CONSOLIDATED ACCOUNT APPROPRIATIONS.....	54,599	52,780	53,850	55,852	51,148	52,922	49,286

- (a) Following the enactment of the *Financial Management Act 2006*, agencies are no longer required to pay the Capital User 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
Creating conditions that foster a strong economy delivering more jobs, opportunities and greater wealth for all Western Australians.	Increased competitiveness and viability of the Western Australia Tourism industry.	1. Destination Marketing 2. Event Tourism 3. Industry Development and Visitor Servicing

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: Increased competitiveness ^(b) and viability ^(c) of the Western Australia Tourism industry.					
Percentage of visitors whose expectations were met or exceeded upon visiting Western Australia	n/a	n/a	n/a	90%	New measure introduced in conjunction with Strategic Plan 2008-13.
Visitor expenditure in Western Australia (international, interstate and intrastate leisure markets):					
- grows faster than the national average	13.5% compared to nat. avg. of 8.8%	WA growth > nat. avg.	WA growth > nat. avg.	WA growth > nat. avg.	
- grows faster than total Western Australia visitor numbers	WA visitor expenditure is 3.8% > WA visitor numbers	Growth in WA visitor expenditure > growth in WA visitor numbers	Growth in WA visitor expenditure > growth in WA visitor numbers	Growth in WA visitor expenditure > growth in WA visitor numbers	
Broader business community assessment of the value of tourism	n/a	n/a	n/a	50%	New measure introduced in conjunction with Strategic Plan 2008-13.

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

(b) 'Competitiveness' reflects the fact that Western Australia faces real product competition with other interstate and overseas destinations. Tourism Western Australia works in conjunction with the industry in its marketing, information provision and quality improvement efforts in order to ensure the maximum impact upon the potential visitor.

(c) Tourism Industry 'viability' is secured when it is characterised by profitability and new investment whilst being sensitive to community views and environmental concerns.

Service 1: Destination Marketing

In partnership with the tourism and travel industry and Tourism Australia, the Commission promotes Western Australia as a desirable holiday destination in the core intrastate, interstate and international target market segments and in future international market segments, and undertakes marketing strategies that maximise the economic benefit to the State.

	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)	26,854	27,586	27,178	27,412	
<i>Less Income</i>	2,513	1,911	1,911	2,480	
Net Cost of Service ^(a)	24,341	25,675	25,267	24,932	
Adjustments ^(b)	365	(272)	(192)	1,080	
Appropriation for Delivery of Service ^(a)	24,706	25,403	25,075	26,012	

(a) Following the enactment of the *Financial Management Act 2006*, agencies are no longer required to pay the Capital User 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
Ratio of the Commission's marketing spend to visitor spend (leisure)	\$1:\$179.04	\$1:\$180.89	\$1:\$183.67	\$1:\$182.40	
Full Time Equivalents (FTEs) ^(a)	71	79	80	80	

(a) FTE numbers include staff employed on fixed term contracts against non-recurrent funding.

Major Achievements For 2007-08

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

Major Initiatives For 2008-09

- Implement consumer research projects to refine and understand market segments according to potential yield and product match.
- Continue to build on the success of the State's tourism visitation results in both the international and interstate markets by actively engaging the tourism industry in targeted and partnered marketing activities. Promote iconic tourism experiences and destinations aligned with consumer demand, consumer expectations and product capacity.

- Conduct a review of market segmentation and brand positioning for the domestic market in order to evolve 'Real Thing' brand used for marketing the State, taking into account the challenges and changing consumer behaviour of the domestic market. The brand behaviour of the domestic market. The brand positioning for the international market will be reviewed in alignment with Tourism Australia's brand activities.
- Further enhance westernaustralia.com by implementing online booking functionality, enhancing customer relationship management capacity, and enhancing event management and distribution capacity. An estimated 20 new partnered websites will be produced and new technology will be applied. The Commission will also continue to review the need for the development and enhancement of language websites as appropriate.
- The film 'Australia', which stars two of the world's leading actors Hugh Jackman and Nicole Kidman, is due for release in the United States of America in late 2008. By its very name the film will clearly identify and position Australia on the world stage and will provide enormous exposure for the Kimberley region. The Commission will leverage this once-in-a-lifetime marketing opportunity that the new Baz Luhrmann movie 'Australia' will generate on release.

Service 2: Event Tourism

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

	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)	22,391	16,494	16,477	21,210	Increase reflects expenditure for the Johnny Walker Golf Classic, to be conducted in 2008-09.
<i>Less Income</i>	4,685	147	147	330	
Net Cost of Service ^(a)	17,706	16,347	16,330	20,880	
Adjustments ^(b)	314	583	583	(3,660)	
Appropriation for Delivery of Service ^(a)	18,020	16,930	16,913	17,220	

- (a) Following the enactment of the *Financial Management Act 2006*, agencies are no longer required to pay the Capital User 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
Ratio of the Commission's event spend to the value of projected direct expenditure generated by events (future years).....	\$1:\$13.70	\$1:\$9.74	\$1:\$9.74	\$1:\$10.84	
Ratio of the Commission's event spend to the value of direct expenditure and media impact generated by events (current year).....	\$1:\$3.28	\$1:\$7.25	\$1:\$7.26	\$1:\$5.49	Variation is a result of 2 factors: a) seasonal nature of Event Calendars across the years and b) inclusion of Perth Convention Bureau funding.
Full Time Equivalents (FTEs)	30	23	23	23	

Major Achievements For 2007-08

- The 2007 Red Bull Air Race was significantly enhanced and expanded upon with more flying (more pilots), a new knockout-style competition across two days (instead of one), a new circuit engaging the north side of the river as well as South Perth and a range of new air show activities.
- Staged major events including the second of three Australian Surf Life Saving Championships (2007-09), the inaugural Australian Safari, Lexus Cup International Golf, Clipper Round the World Yacht Race and Hyundai Hopman Cup XX.
- Targeted new and engaging major events that generate significant economic, media and/or social benefits for Western Australia. These included: Ironman Western Australia, Interhash, Hopman Cup, Australian Safari, Indian Rim Asian University Games, Rugby Tests, Lexus Cup, ISAF World Sailing Championships 2011 Bid, International Tri Nations Beach Cricket, Perth Fashion Festival, Clipper Round the World Yacht Race 2007-08 and Australian Transplant Games.
- Implemented a five year marketing strategy to attract big conventions, corporate meetings and incentive travel.

Major Initiatives For 2008-09

- Deliver a calendar of events that includes major events such as Ironman, Hopman Cup, Australian Safari, Rugby Tests, Johnny Walker Classic, Red Bull Air Race and Australian Surf Lifesaving Championships that generate significant economic, media and/or social benefits for the State. This also includes an enhanced Regional Event Scheme to encourage regional dispersal.
- A new Arts and Cultural Events Scheme with funding up to \$500,000 per year over three years has been designed to assist with the development of significant arts and cultural events in Western Australia, with the aim of supporting Western Australia's national and international profile as a leading and vibrant event and tourism destination. It is envisaged that a maximum of four events per year will be funded from this allocation.
- Manage increased funding to the Perth Convention Bureau to deliver improved business tourism event outcomes and monitor performance.

Service 3: Industry Development and Visitor Servicing

This service ensures the promotion, fostering and facilitation of investment in and the development of new tourist infrastructure and products, and the improvement of existing tourist facilities and services in Western Australia. The Commission provides support for the delivery of quality visitor information and services and applies technology-led solutions to product and information distribution throughout Western Australia to increase the likelihood of visitors travelling within the State and to encourage them to increase their length of stay.

	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)	12,385	11,139	11,359	13,663	Increase due to additional funding for Landbank and Indigenous tourism and workforce development.
<i>Less Income</i>	2,055	1,692	692	1,840	
Net Cost of Service ^(a)	10,330	9,447	10,667	11,823	
Adjustments ^(b)	(530)	(222)	(222)	10	
Appropriation for Delivery of Service ^(a)	9,800	9,225	10,445	11,833	

(a) Following the enactment of the *Financial Management Act 2006*, agencies are no longer required to pay the Capital User 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 Industry Development and Visitor Servicing as compared to percentage of visitor satisfaction ^(a)	\$145,706 per % vis.sat.	\$132,607 per % vis.sat.	\$135,226 per % vis.sat.	\$160,741 per % vis.sat.	
Full Time Equivalents (FTEs)	60	65	63	66	

(a) This indicator compares the resources invested in Industry Development and Visitor Servicing activities (aimed at servicing the needs of visitors) against the proportion of visitors whose expectations about the quality of their tourism experience in Western Australia were actually met or exceeded.

Major Achievements For 2007-08

- In association with Tourism Council Western Australia, the \$500,000 allocated by the Government has enabled the promotion of the National Tourism Accreditation Program Western Australia (NTAP WA) to industry by increasing its sales force, undertaking state-wide promotional workshops, and supporting the implementation of online delivery mechanisms. A consumer market strategy to promote the importance of NTAP WA to consumers was developed and implemented, actively encouraging tourism operators and businesses to gain accreditation in order to raise service and product standards in Western Australia.
- An additional three Landbank sites were released in partnership with the Department for Planning and Infrastructure. Additional sites suitable for low-key, environmentally sensitive tourism development were identified in consultation with the Department of Environment and Conservation.
- As part of the Tourism Planning Taskforce implementation, Albany, Augusta/Margaret River, Broome and Busselton Local Governments were supported with the preparation of Local Tourism Planning Strategies to guide tourism planning and development at a local level.
- Implementation of programs to address the 65 key recommendations of the 2003-04 Visitor Servicing Study's was completed. The focus in 2007-08 was on the delivery of improved capacity and retention of visitor centre staff through skills recognition and formal qualifications and on review of the effectiveness of the programs implemented.
- Successfully transferred ownership of the Inside Australia – Antony Gormley placement art piece to the Western Australian Government and commenced development of additional visitor infrastructure at Lake Ballard.
- A campaign aimed at increasing Western Australian Tourism Network membership to 1,500 members was undertaken.

Major Initiatives For 2008-09

- Continue the Landbank initiative to develop and release sites of tourism value that include those suitable for low-key, environmentally sensitive tourism development.
- Update the Destination Development Strategies across the State in partnership with relevant government agencies and other organisations. The strategies prioritise tourism infrastructure gaps and needs in the five tourism marketing regions of Western Australia.
- Continue the implementation of the Tourism Planning Taskforce recommendations by working with Local Governments to prepare Local Tourism Planning Strategies.
- Complete an evaluation of the State's \$3.7 million investment to improve visitor servicing and the impact on sustainability.
- Work with other agencies such as the Department of Education and Training and the Small Business Development Corporation to attract new workers into the industry and support industry-led initiatives.

- Continue the Better Business Blitzes program with a focus on assisting the tourism industry to build capacity and quality. Ten Better Business Blitzes will be conducted throughout regional Western Australia.
- Commence implementation of the Nature Based Tourism Review findings.
- Conduct research that identifies opportunities to increase the number of key tourist attractions in Western Australia and develop a portfolio of opportunities ready for investment with associated priorities.
- Implementation of the Commission's new strategic objective to accelerate the development of Indigenous tourism will commence. An assessment of current Indigenous tourism offerings and competitor offerings as compared to consumer needs (current and future) will be conducted and used to establish direction for future product development and marketing activities with a view to increasing the number of export ready products and subsequent visitation.
- The Commission will continue to work with the tourism industry and seek partnerships with related industries to ensure that the capacity and skills development of Indigenous tourism personnel and suppliers is enhanced. Employment pathways and opportunities will be sought.

CAPITAL WORKS PROGRAM

The Capital Works program provides funding for:

- continuation of the asset replacement program, primarily computing equipment used to support the delivery of the Commission's outcomes; and
- the Commission's Tourism e-Marketplace 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				
Tourism e-Marketplace - 2006-07 Program	3,765	2,909	1,598	856
COMPLETED WORKS				
Gormley Installation - Lake Ballard	195	195	195	-
Purchase of Computer Hardware				
2006-07 Program	424	424	71	-
2007-08 Program	424	424	424	-
NEW WORKS				
Purchase of Computer Hardware - 2008-09 Program	424	-	-	424
	5,232	3,952	2,288	1,280

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	1,981	1,646	2,288	1,280	747	475	475
	1,981	1,646	2,288	1,280	747	475	475
LESS							
Drawdowns from the Holding Account	424	424	424	424	475	475	475
Internal Funds and Balances	(516)	-	447	69	-	-	-
Capital Contribution	2,073	1,222	1,417	787	272	-	-

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)	10,860	11,143	11,148	11,537	11,938	12,580	13,214
Superannuation	1,009	1,063	1,063	1,100	1,140	1,180	1,171
Grants and subsidies ^(b)	1,224	-	835	800	-	-	-
Supplies and services	44,891	39,677	38,838	45,379	38,336	39,947	35,888
Accommodation	1,590	1,650	1,676	1,734	1,793	1,855	1,926
Capital user charge ^(c)	273	-	-	-	-	-	-
Depreciation and amortisation	1,314	1,598	1,366	1,636	1,490	1,250	977
State taxes	4	3	3	4	4	5	5
Other expenses	738	85	85	95	100	105	105
TOTAL COST OF SERVICES	61,903	55,219	55,014	62,285	54,801	56,922	53,286
Income							
User charges and fees	49	60	60	62	65	66	66
Gain on disposal of non-current assets	14	-	-	-	-	-	-
Grants and subsidies	1,042	1,000	-	1,000	-	-	-
Interest revenue	665	250	250	250	250	250	250
Other revenue	7,483	2,440	2,440	3,338	3,595	3,709	3,709
Total Income	9,253	3,750	2,750	4,650	3,910	4,025	4,025
NET COST OF SERVICES ^(c)	52,650	51,469	52,264	57,635	50,891	52,897	49,261
INCOME FROM STATE GOVERNMENT							
Service appropriations ^(c)	52,763	51,558	52,433	55,065	50,876	52,922	49,286
Resources received free of charge	103	100	100	100	100	100	100
Liabilities assumed by the Treasurer	28	-	-	-	-	-	-
TOTAL INCOME FROM STATE GOVERNMENT	52,894	51,658	52,533	55,165	50,976	53,022	49,386
SURPLUS/(DEFICIENCY) FOR THE PERIOD	244	189	269	(2,470)	85	125	125
CHANGE IN SURPLUS/(DEFICIENCY) FOR THE PERIOD AFTER EXTRAORDINARY ITEMS	244	189	269	(2,470)	85	125	125

(a) The Full Time Equivalents (FTEs) for 2006-07 Actual, 2007-08 Estimated Actual and 2008-09 Estimate are 161, 166 and 169 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	630	5,151	630	630	630	630	630
Restricted cash	93	123	134	175	216	257	257
Investments	6,000	1,350	4,464	1,486	1,303	1,279	1,635
Receivables	1,526	1,503	1,026	1,403	1,403	1,403	1,403
Amounts receivable for services.....	424	424	424	475	475	475	475
Prepayments	2,356	594	2,356	2,356	2,356	2,356	2,356
Other.....	108	101	108	108	108	108	108
Total current assets	11,137	9,246	9,142	6,633	6,491	6,508	6,864
NON-CURRENT ASSETS							
Amounts receivable for services.....	1,762	2,961	2,704	3,865	4,880	5,655	6,157
Land and buildings.....	1,834	2,481	1,834	1,834	1,834	1,834	1,834
Plant and equipment.....	351	592	488	560	596	596	597
Intangibles.....	1,508	1,864	2,331	2,132	1,524	917	588
Other.....	1,711	1,655	1,673	1,444	1,273	1,105	931
Total non-current assets.....	7,166	9,553	9,030	9,835	10,107	10,107	10,107
TOTAL ASSETS.....	18,303	18,799	18,172	16,468	16,598	16,615	16,971
CURRENT LIABILITIES							
Payables ^(a)	936	1,420	936	941	946	946	946
Provision for employee entitlements	2,255	2,126	2,255	2,255	2,255	2,255	2,255
Accrued salaries.....	113	216	139	185	231	277	323
Other.....	4,449	3,074	2,576	2,661	2,540	2,543	2,885
Total current liabilities.....	7,753	6,836	5,906	6,042	5,972	6,021	6,409
NON-CURRENT LIABILITIES							
Provision for employee entitlements	855	894	855	855	855	855	855
Other.....	1,010	853	853	696	539	382	225
Total non-current liabilities	1,865	1,747	1,708	1,551	1,394	1,237	1,080
TOTAL LIABILITIES.....	9,618	8,583	7,614	7,593	7,366	7,258	7,489
EQUITY							
Contributed equity	6,273	7,495	7,690	8,477	8,749	8,749	8,749
Accumulated surplus/(deficit)	579	701	848	(1,622)	(1,537)	(1,412)	(1,287)
Reserves	1,833	2,020	2,020	2,020	2,020	2,020	2,020
Total equity.....	8,685	10,216	10,558	8,875	9,232	9,357	9,482
TOTAL LIABILITIES AND EQUITY	18,303	18,799	18,172	16,468	16,598	16,615	16,971

(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	51,221	49,960	51,067	53,429	49,386	51,672	48,309
Capital contribution	2,073	1,222	1,417	787	272	-	-
Holding account drawdowns	424	424	424	424	475	475	475
Net cash provided by State Government.....	53,718	51,606	52,908	54,640	50,133	52,147	48,784
CASHFLOWS FROM OPERATING ACTIVITIES							
Payments							
Employee benefits.....	(10,905)	(11,023)	(11,122)	(11,491)	(11,892)	(12,534)	(13,168)
Superannuation	(1,055)	(1,063)	(1,063)	(1,100)	(1,140)	(1,180)	(1,171)
Grants and subsidies	(1,756)	-	(1,396)	(800)	-	-	-
Supplies and services	(43,111)	(38,870)	(37,937)	(44,895)	(37,586)	(39,273)	(34,945)
Accommodation.....	(1,607)	(1,493)	(1,519)	(1,577)	(1,636)	(1,698)	(1,699)
Capital user charge ^(a)	(273)	-	-	-	-	-	-
State taxes	(4)	(3)	(3)	(4)	(4)	(5)	(5)
Goods and services tax	(4,359)	(3,750)	(3,476)	(3,186)	(3,216)	(3,190)	(3,191)
Other.....	(88)	(75)	(725)	(80)	(85)	(90)	(90)
Receipts							
User charges and fees.....	18	60	60	62	65	66	66
Grants and subsidies	1,000	1,000	-	1,000	-	-	-
Interest received.....	646	250	287	250	250	250	250
Goods and services tax	4,417	3,750	3,476	3,186	3,216	3,190	3,191
Other receipts	3,715	1,340	1,303	2,338	2,500	2,809	2,809
Net cash from operating activities.....	(53,362)	(49,877)	(52,115)	(56,297)	(49,528)	(51,655)	(47,953)
CASHFLOWS FROM INVESTING ACTIVITIES							
Purchase of non-current assets.....	(1,331)	(1,646)	(2,288)	(1,280)	(747)	(475)	(475)
Proceeds from sale of non-current assets	28	-	-	-	-	-	-
Net cash from investing activities.....	(1,303)	(1,646)	(2,288)	(1,280)	(747)	(475)	(475)
CASHFLOWS FROM FINANCING ACTIVITIES							
Net cash from financing activities	-	-	-	-	-	-	-
NET INCREASE/(DECREASE) IN CASH HELD	(947)	83	(1,495)	(2,937)	(142)	17	356
Cash assets at the beginning of the reporting period	7,670	6,541	6,723	5,228	2,291	2,149	2,166
Cash assets at the end of the reporting period.....	6,723	6,624	5,228	2,291	2,149	2,166	2,522

(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.....	61,903	55,219	55,014	62,285	54,801	56,922	53,286
Less Capital User Charge.....	273	-	-	-	-	-	-
Adjusted Total Cost of Services	61,630	55,219	55,014	62,285	54,801	56,922	53,286
APPROPRIATIONS							
Net Amount Appropriated to Deliver Services ..	52,763	51,558	52,433	55,065	50,876	52,922	49,286
Less Appropriation Capital User Charge	237	-	-	-	-	-	-
Adjusted Net Amount Appropriated to Deliver Services	52,526	51,558	52,433	55,065	50,876	52,922	49,286

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
Broome Visitor Centre.....	500	-	-	-	-	-	-
Business Tourism.....	222	-	-	-	-	-	-
Find the HMAS Sydney.....	-	-	400	-	-	-	-
Visitor Servicing	502	-	435	800	-	-	-
TOTAL.....	1,224	-	835	800	-	-	-

ROTTNEST ISLAND AUTHORITY

CAPITAL WORKS PROGRAM

Under the Rottnest Island Taskforce Program approved by the State Government, capital funding totalling \$31.4 million over five years has been provided to support infrastructure and environmental and heritage projects on the island. It is expected that the Program will essentially be completed in 2008-09.

In addition, the Authority will contribute \$1.65 million to upgrade holiday and tourism operations on the island.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-08 \$'000	Estimated Expenditure 2007-08 \$'000	Estimated Expenditure 2008-09 \$'000
WORKS IN PROGRESS				
Rottnest Island Taskforce Program				
Accommodation Refurbishment	9,629	6,776	3,235	2,853
Infrastructure Waste	6,242	3,972	1,315	2,228
COMPLETED WORKS				
Rottnest Island Taskforce Program				
Holiday and Tourism Facilities - 2007-08 Program	1,550	1,550	1,550	-
Infrastructure and Operation - 2007-08 Program	2,150	2,150	2,150	-
NEW WORKS				
Rottnest Island Taskforce Program				
Heritage - Oliver Hill Battery and Battery Observation Post	1,331	-	-	1,331
Holiday and Tourism Facilities - 2008-09 Program	3,700	-	-	3,700
	24,602	14,448	8,250	10,112

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	9,451	5,389	8,250	10,112	3,722	3,720	3,700
	9,451	5,389	8,250	10,112	3,722	3,720	3,700
LESS							
Internal Funds and Balances	2,995	3,700	4,358	1,654	3,700	3,700	3,700
Equity Contribution	6,456	1,689	3,892	8,458	22	20	-

CULTURE AND THE ARTS

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

DIVISION 49

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 87 Net amount appropriated to deliver services ^(a)	61,144	53,536	55,043	77,242	96,756	102,343	102,061
Item 88 Art Gallery of Western Australia	3,626	3,569	3,627	3,771	-	-	-
Item 89 Library Board of Western Australia	13,520	12,115	12,199	11,234	-	-	-
Item 90 Perth Theatre Trust	1,958	2,308	2,627	3,065	-	-	-
Item 91 Western Australian Museum	6,645	6,317	6,284	4,550	-	-	-
Amount Authorised by Other Statutes							
- Lotteries Commission Act 1990	10,966	11,112	11,112	11,424	11,742	12,070	12,287
- Salaries and Allowances Act 1975 ^(b)	635	654	674	693	713	733	776
Total appropriations provided to deliver services	98,494	89,611	91,566	111,979	109,211	115,146	115,124
CAPITAL							
Item 163 Capital Contribution	8,182	54,626	41,306	36,240	11,330	16,930	38,230
Item 164 Art Gallery of Western Australia	295	1,053	1,266	10,606	-	-	-
Item 165 Library Board of Western Australia	4,515	21,357	21,337	3,723	-	-	-
Item 166 Perth Theatre Trust	85	1,059	1,057	3,596	-	-	-
Item 167 Western Australian Museum	70	981	1,788	3,565	-	-	-
GRAND TOTAL	111,641	168,687	158,320	169,709	120,541	132,076	153,354

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

EFFECTIVE ALLOCATION BY SERVICE AGENCY

	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
Art Gallery of Western Australia	8,137	8,281	8,379	8,754	8,980	9,202	9,336
Development and Strategy	29,936	23,571	24,457	39,549	32,610	35,940	33,704
Library Board of Western Australia	27,465	26,529	27,331	27,329	27,647	27,957	28,150
Perth Theatre Trust	5,216	5,669	5,452	6,399	7,118	9,091	9,543
ScreenWest	6,110	3,776	3,910	4,946	4,980	3,412	3,429
State Records Office	1,782	1,800	1,804	1,835	1,864	1,893	1,904
Western Australian Museum	19,848	19,985	20,233	23,167	26,012	27,651	29,058
TOTAL	98,494	89,611	91,566	111,979	109,211	115,146	115,124

MISSION

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

SIGNIFICANT ISSUES AND TRENDS

- Recent research into the size and impact of the Creative Industries in Western Australia has shown that they form one of the fastest growing sectors of our State's economy, contributing an estimated \$10.6 billion to the metropolitan economy in 2006.
- Western Australians regard arts and culture to be an integral and valued part of life. A total of 95 per cent of the population regard it important for school children to have access to learn arts and cultural activities as part of their education, and 86 per cent of the population regard the arts as playing an important role in helping us understand our own culture and way of life and those of others.
- The number of Western Australians accessing cultural venues, collections and events continues to increase, stimulating demand for new and expanded cultural infrastructure, as the facilities age there is a need to maintain, refresh and update buildings, exhibitions and public programs.
- The Ignite! Package, a \$72.9 million commitment over four years to arts and culture will see a number of projects designed to transform the delivery of arts and cultural activities in Western Australia.
- The Government announced a \$506 million allocation for the construction of a new Museum for Western Australia at the former East Perth Power Station site.
- The State's resource sector and the demand for new infrastructure is creating the need for unprecedented environmental impact assessments to be undertaken by the Western Australian Museum.
- New technologies are changing the way art is created, distributed, consumed and preserved. Expectations and demand for online services and collections is requiring significant and ongoing investment in infrastructure and the preservation of Western Australia's cultural, artistic, documentary and digital heritage.
- The screen industry has also seen an increased need for the creation of digital content for multiple platform distribution, opening up potential new markets and opportunities.
- The proper management of digital records remains a challenge for many government organisations, with the State Records Office supporting government through the development of standards and guidelines to deliver expertise and facilitate good record keeping.
- The library and information services are seeing increased demands for the delivery of twenty-first century public library services that meet the information, recreation and lifelong learning needs of the Western Australian community.
- The reputation of the work of Western Australian artists is leading to increased demand, both in terms of skills and expanded markets across the State and nationally, representing areas of growth for the sector.
- Western Australia is having particular international success in the areas of bio-art, fashion, contemporary music and digital post-production. Traditional and contemporary Indigenous cultural products are also becoming increasingly more important in Western Australia.
- The culture and arts sectors are undergoing a skills shortage, for example, producers in the screen industry have found it difficult to source skilled crew for the level of production activity, this has resulted in expatriate Western Australians returning to the State to fill job vacancies.

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
Ignite! Package	15,850	7,800	8,150	4,800
New Museum	2,572	5,054	6,355	7,459

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>							
Arts Industry Support	33,983	24,043	31,427	44,041			
<i>Service 2:</i>							
Screen Production Industry Support.....	11,363	8,595	9,374	10,280			
<i>Service 3:</i>							
Venue Management Services	17,587	15,610	17,185	17,781			
<i>Service 4:</i>							
Art Gallery Services.....	11,028	12,292	13,044	12,312			
<i>Service 5:</i>							
Library and Information Services.....	31,297	29,593	31,791	30,519			
<i>Service 6:</i>							
Museum Services	25,723	25,099	26,921	29,514			
<i>Service 7:</i>							
Government Recordkeeping and Archival Services	2,023	2,025	2,112	2,072			
Total Cost of Services ^(a)	133,004	117,257	131,854	146,519	137,372	144,646	144,051
<i>Less Income</i>	37,574	25,027	31,623	26,895	27,284	27,551	28,227
Net Cost of Services ^(a)	95,430	92,230	100,231	119,624	110,088	117,095	115,824
Adjustments ^(b)	3,064	(2,619)	(8,665)	(7,645)	(877)	(1,949)	(700)
Appropriation Provided to Deliver Services ^(a)	98,494	89,611	91,566	111,979	109,211	115,146	115,124
CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS							
Appropriation for Capital Contribution to meet equity needs ^(c)	13,147	79,076	66,754	57,730	11,330	16,930	38,230
TOTAL CONSOLIDATED ACCOUNT APPROPRIATIONS.....	111,641	168,687	158,320	169,709	120,541	132,076	153,354

- (a) Following the enactment of the *Financial Management Act 2006*, agencies are no longer required to pay the Capital User 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 Outcomes	Services
Enhancing the quality of life and wellbeing of all people throughout Western Australia by providing high quality, accessible services.	A creative, sustainable and accessible culture and arts sector.	1. Arts Industry Support 2. Screen Production Industry Support 3. Venue Management Services
	Western Australia's natural, cultural and documentary collections are preserved, accessible and sustainable.	4. Art Gallery Services 5. Library and Information Services 6. Museum Services 7. Government Recordkeeping and Archival Services

Outcomes and Key Effectiveness Indicators ^(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: A creative, sustainable and accessible culture and arts sector.					
Proportion of funding applicants satisfied with the key elements of the 'creative' funding programs ^(b)	80%	82%	82%	82%	
Proportion of Western Australians that perceive culture and arts sector (including the Screen Industry) events to be accessible	59%	not available	55%	56%	
Perceived value of culture and the arts (including the Screen Industry) to the Western Australian Community	76%	80%	80%	81%	
Proportion of triennially funded organisations within the culture and arts sector regarded as financially healthy ^(c)	20%	28%	28%	29%	
Outcome: Western Australia's natural, cultural and documentary collections are preserved, accessible and sustainable.					
Extent to which Western Australia's natural, cultural and documentary collections, that require preservation, are preserved	84%	97%	97%	97%	
The number of accesses to Western Australia's natural, cultural and documentary collections per capita ^(d)	2.212	1.748	2.423	2.578	

	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 clients satisfied with the services associated with accessing Western Australia's natural, cultural and documentary collections	94%	86%	86%	86%	
Value of collection renewal, content development, expansion and/or maintaining the physical integrity of the collection as a proportion of collection value.....	6%	6%	6%	6%	

- (a) More details of effectiveness indicators are provided in the annual report.
- (b) This indicator is measured via a survey of funding applicants. The measurement of the 'creative' funding program element is based on 'the cultural values, preferences, and realities of residents and other stakeholders in a given community' (Arts, culture, creativity and communities: a framework for measurement: The Urban Institute 2002).
- (c) In order to meet the 'financial health' indicator, triennially funded organisations must be able to demonstrate they meet all of the following criteria: that reserves held are greater than 20 per cent of turnover; that Current Assets are at least two times the value of Current Liabilities; and that cash reserves are sufficient to meet expenses for a minimum of 10 weeks.
- (d) Population (Per Capita) based on ABS Data table 3218 (Western Australia): 2006-07 = 2,081,647; 2007-08 = 2,113,911; and 2008-09 = 2,146,000.

Service 1: Arts Industry Support

Development, funding and promotion of the arts industry.

	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)	33,983	24,043	31,427	44,041	
<i>Less Income</i>	1,327	79	927	151	
Net Cost of Service ^(a)	32,656	23,964	30,500	43,890	
Adjustments ^(b)	(2,739)	(393)	(6,043)	(4,342)	
Appropriation for Delivery of Service ^(a)	29,917	23,571	24,457	39,548	

- (a) Following the enactment of the *Financial Management Act 2006*, agencies are no longer required to pay the Capital User 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 grant application processed	\$317	\$267	\$388	\$474	
Full Time Equivalents (FTEs)	46	47	45	46	

Major Achievements For 2007-08

- In December 2007, the State Government announced the Ignite! Package, a \$72.9 million commitment to arts and culture, this includes \$59.2 million of new recurrent and capital initiatives, designed to transform delivery of arts and culture in Western Australia.

- The Department received \$130,000 from the Department of Industry and Resources, for a partnership with ScreenWest to celebrate the 20th anniversary of the Sister State relationship between Western Australia and the Zhejiang province in China. The cultural exchange project involved photographers and filmmakers visiting each State and producing a joint exhibition launched in Perth in November 2007.
- The inaugural National Indigenous Storytellers' Forum was hosted at the Film and Television Institute in Fremantle and attracted 140 delegates from Australia and featured notable key speakers from screen, television, music, theatre and literature.
- The Department supported the Spare Parts Puppet Theatre in its successful bid to host the Union Internationale de la Marionnette International Puppetry Congress and Festival in the southern hemisphere for the first time in 80 years.
- The Department provided \$4.3 million in project funding through its arts grants programs in addition to ongoing funding agreements with organisations.
- The Community Cultural and Arts Facilities Fund provided \$765,436 in project grants to develop community arts and cultural infrastructure.
- A partnership between the Department and the Australia Council for the Arts resulted in a new Western Australia Manager for Art support Australia. The position is funded for a period of two years and mentors and assists artists and arts organisations in developing philanthropic donations.
- Artopia, the massive state-wide series of artists' open studios, exhibitions and other visual art events organised by artsource, the peak body for visual arts in Western Australia, was again funded by the Department and saw more than 250,000 citizens engaging directly with artists and their work from Kununurra in the north to Albany in the south.
- The Department's Disability and the Arts Inclusion Initiative, funded by the Disability Services Commission, delivered a program of professional development in disability awareness with five arts organisations undertaking projects with people with disabilities.
- The Department released its Community Museums Action Plan, outlining three key action areas for increased financial support of the collections sector. Funding of \$762,000 over four years has been provided to implement the Plan.
- The Department and research partners, the City of Perth and the Departments of Industry and Resources, and Premier and Cabinet, undertook the Perth Creative Industries Mapping Project. The research estimated that the creative industries contributed \$10.6 billion to the local economy and employed over 31,000 people with a workforce growth rate of 7.3 per cent.
- The Department and research partners University of Western Australia and Country Arts Western Australia secured an Australian Research Council Linkage Grant of \$75,000 to support a study on the Arts and Social Wellbeing in rural communities.
- The Department has allocated \$540,000 over three years to support the Management and Production Service for the theatre and dance sectors.

Major Initiatives For 2008-09

- Australia's first State Government Major Production Fund of \$5 million over four years will be implemented as a result of the Ignite! Package funding. The initiative will support the production and presentation of innovative, large scale, Western Australia produced works of outstanding international quality.
- The Premier's Australia-Asia Literary Award will be inaugurated, becoming Australia's richest prize for a book-length work of literary fiction. The prize will be announced in Perth in November 2008.
- A major competition will be held to inspire the interaction between architects, artists and the urban built environment.
- A new Arts Capital Fund will target strategic arts infrastructure.
- A new Indigenous Art Award will celebrate and profile the State's Indigenous artists.

- Australia's first Philanthropy Incentive Program will provide \$350,000 over three years to encourage individuals, trusts, organisations or foundations to donate to the arts.
- The Western Australia Premier's Arts Partnership Fund will inject \$150,000 over three years for a new incentive program to encourage small and medium sized businesses to partner with Western Australia arts organisations.
- A new internationally significant arts event will be hosted in 2008 as a result of the \$3.5 million Ignite! Package funding.
- Perth Fashion Festival will create and deliver new Western Australian designer showcases for the 2008, 2009 and 2010 festivals.
- The Regional Ignite! Package will provide a 30 per cent increase to regional grants and touring programs, increased support for regional literature festivals, and an extension of the 'Out There' regional youth arts development program targeting remote regional communities.
- A new \$1.6 million contemporary dance strategy, based upon the 2007 Future Moves report, will be implemented.
- The Designer Fashion Grants Program has been extended for a further four years and will continue to provide valuable assistance for Western Australia fashion and accessory designers to promote their businesses locally, nationally and internationally.
- A \$7.9 million State Government commitment relating to Indexation for the State's 45 key funded organisations will continue.
- Western Australia will deliver its commitment to the national Funding Model Review, an outcome of the Major Performing Arts Inquiry and provide \$2.8 million to the West Australia Opera Company, West Australia Ballet Company and the Black Swan Theatre Company.
- The Ignite! Package funding includes \$8 million over four years to enable the West Australia Symphony Orchestra and West Australia Ballet to enhance their ensembles and businesses.
- Four Mid-Career Fellowships at \$25,000 and two \$60,000 Creative Development Fellowships will be available in 2008. These revised amounts reflect the stature of these Fellowships as recognition of longstanding excellence in artistic practice.
- A new grants program will be piloted supporting the community museum and collection sector to explore programming and public events.
- The Department of Education and Training and the Department of Culture and the Arts will celebrate ten years of the Arts Edge partnership with a professional development conference.
- The boom in the resources sector has led to increased interest in cultural exchange programs with China, Japan, India and Europe. The Department will develop an international strategy in consultation with the Department of Industry and Resources.

Service 2: Screen Production Industry Support

Delivery of strategic support and funding to advance the development of the screen production industry in 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)	11,363	8,595	9,374	10,280	
<i>Less Income</i>	5,364	4,741	5,372	5,217	
Net Cost of Service ^(a)	5,999	3,854	4,002	5,063	
Adjustments ^(b)	107	(78)	(93)	(117)	
Appropriation for Delivery of Service ^(a)	6,106	3,776	3,909	4,946	

(a) Following the enactment of the *Financial Management Act 2006*, agencies are no longer required to pay the Capital User 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 grant application processed	\$2,244	\$2,965	\$2,402	\$2,990	
Full Time Equivalents (FTEs)	17	18	17	20	

Major Achievements For 2007-08

- Western Australian filmmakers and actors were nominated for a record 11 Australian Film Institute Awards (AFI) in 2007, with 'The Circuit', 'Lockie Leonard', and 'Air Australia' receiving the most nominations.
- An investment of \$500,000 by the Western Australian Government saw the Baz Luhrmann feature film 'Australia' shot for six weeks in the Kimberley region providing a major boost to the local economy and significant tourism exposure.
- The Australian premiere of the series, 'Who Do You Think You Are?' co-produced and made in Western Australia, attracted the largest audience share for an Australian production in the history of SBS.
- The six, one hour adult drama series 'The Circuit' was a hit for SBS, receiving widespread critical acclaim and won the 2007 Human Rights Award in the Television Award category.
- Western Australia's first major Indigenous feature film 'To Hell and Back' was shot and produced in Perth and Kalgoorlie, and will be released to national audiences in late 2008.
- ScreenWest was the Principal Sponsor of the Australian International Documentary Conference 2008, which was held in Fremantle. The event attracted more than 450 attendees with acclaimed UK film director and visual artist, Peter Greenaway, delivering the keynote address.

Major Initiatives For 2008-09

- ScreenWest will utilise the \$3.2 million received as part of the Ignite! Package to cement the State's position as one of Australia's biggest independent television production centres.
- ScreenWest will implement a major community-based Indigenous production initiative, 'Community Stories' which aims to fund Indigenous community skills development and expertise to digitally collect and store community stories.

- ScreenWest will continue to develop digital content opportunities for national and international distribution. The first of these, the DigiArts initiative, is a collaboration between ScreenWest, the Department of Culture and the Arts and the ABC to produce interactive arts programming for the ABC's digital platforms.
- 'Destination Australia' (series 2), a ScreenWest production development initiative jointly funded with SBS and other interstate funding bodies will start to provide opportunities for an early/mid-career Western Australian producer and director team to make a one hour documentary for national TV broadcast.
- Through a series of initiatives, ScreenWest will continue to target and develop animation and Visual Effects capabilities in Western Australia as an industry priority.
- A series of six short animations will be produced with emerging practitioners for the Nickelodeon network in association with the Film and Television Institute.

Service 3: Venue Management Services

Management and promotion of performing arts venues.

	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)	17,587	15,610	17,185	17,781	
<i>Less Income</i>	12,628	9,548	11,270	10,800	
Net Cost of Service ^(a)	4,959	6,062	5,915	6,981	
Adjustments ^(b)	237	(393)	(463)	(583)	
Appropriation for Delivery of Service ^(a)	5,196	5,669	5,452	6,398	

- (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 per performance	\$19,716	\$18,561	\$20,556	\$22,282	
Full Time Equivalents (FTEs)	41	44	47	49	

Major Achievements For 2007-08

- New software for BOCS Ticketing was successfully implemented and is delivering improved ticketing and marketing services for clients and customers.
- Planning for the Ignite! Package funding upgrade to the seating at Perth Concert Hall and audio-visual equipment at Perth Concert Hall and His Majesty's Theatre and carpet replacement at His Majesty's Theatre have commenced.
- Construction of the new Performing Arts Venue is continuing and the Perth Theatre Trust is now preparing the operational and management aspects of the new venue.

Major Initiatives For 2008-09

- Upgrades to the seating at Perth Concert Hall, audio-visual equipment at both Perth Concert Hall and His Majesty's Theatre, purchase of a new concert piano for the Perth Concert Hall and carpet replacement at His Majesty's Theatre will be completed using Ignite! Package funding.
- The Perth Theatre Trust will reposition itself as a key agency within the performing arts sector particularly as it embraces the management and operations of the new performing arts venue.
- New joint program initiatives with the Black Swan Theatre Company and the Perth Theatre Company will be progressed for productions at His Majesty's Theatre.
- The Perth Theatre Trust will be incorporated into the Coalition of Major Performing Arts Centres in Australia and New Zealand touring circuit for 'Edward Scissorhands' at His Majesty's Theatre in July 2008.
- The London Philharmonic Orchestra will be presented at the Perth Concert Hall in 2009 as part of the Ignite! Package funding.

Service 4: Art Gallery Services

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

	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)	11,028	12,292	13,044	12,312	
<i>Less Income</i>	6,943	3,618	4,202	2,976	
Net Cost of Service ^(a)	4,085	8,674	8,842	9,336	
Adjustments ^(b)	4,032	(393)	(463)	(583)	
Appropriation for Delivery of Service ^(a)	8,117	8,281	8,379	8,753	

(a) Following the enactment of the *Financial Management Act 2006*, agencies are no longer required to pay the Capital User 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 Art Gallery services per Art Gallery access	\$28	\$30	\$28	\$31	
Full Time Equivalents (FTEs)	63	67	60	62	

Major Achievements For 2007-08

- The Special Acquisitions Fund, as part of the Ignite! Package funding (\$15 million), was established and launched by the State Government to support increased purchase and investment in Western Australian, Indigenous and International contemporary art for the State Art Collection.
- The Art Gallery presented 'PEEP Glimpses' of the past four decades from the Kerry Stokes Collection featuring eight Western Australian artists with the works of outstanding international artists.

- The highly successful 'Egyptian Antiquities from the Louvre' at the Art Gallery was the central feature of the Art Gallery program. The exhibition attracted 136,000 paid admissions, generated extensive public interest and increased general visitations to the Gallery of 224,169 participants.
- Refurbishment of the Art Gallery display galleries and development of a major re-presentation of over 500 works of art from the State Art Collection commenced. The new displays were supported by comprehensive visitor information, collection access online, family activity trails and newly developed public programs.
- The Art Gallery's Disability Access and Inclusion Programs have enabled visitors with sensory, intellectual or physical disabilities to explore the State Art Collection through a variety of customised activities including Sensational Art, guided touch tours of selected sculptures and large print guides for exhibitions.
- The Art Gallery completed the Gordon Darling Foundation digitisation pilot project improving access to information on the State Art Collection with more than 200 works now available on the Art Gallery website.
- Replacement of the roof membrane and the upgrading of front of house services with improvements to facilities in the Art Gallery Shop were also completed as part of the ongoing program of capital works.

Major Initiatives For 2008-09

- A major fund-raising capital campaign for the Ignite! Package Special Acquisition Fund will be underway to match the initial \$10 million contribution from the State Government. Income from the Fund will significantly enhance the Gallery's ability to purchase significant works.
- The 'Wonderlust' displays of the State Art Collection will be the central feature of the Art Gallery program. These displays and public programs will transform the exhibition spaces and feature five thematic areas of Home, Presence, Mapping, Story and Material Gesture.
- Research, negotiate and develop the 'Pop Breathes' exhibition from The Museum für Moderne Kunst organised in partnership with the Auckland Art Gallery for the Art Gallery's International exhibition program.
- Indigenous art and culture will be featured with the presentation of four major temporary exhibitions: Culture Warriors; Gordon Bennett; Yirrkala Poles (organised in partnership with the Kerry Stokes' Collection) and Yirrkala Art from the State Art Collection. The third year of the Indigenous Curatorial Graduate Program will see the intern curate the Yirrkala exhibition.
- Present the five year survey of the Peter Fogarty Design Collection. Developed with donated funds this collection supports the purchase of craft and design works by artists not previously represented in the State Art Collection.
- The Art Gallery will progress major capital works planning to upgrade the infrastructure of the Art Gallery's buildings to maintain their physical and aesthetic integrity for the protection and display of the State Art Collection. This will include a long-term masterplan for the renewal of the Art Gallery site.

Service 5: Library and Information Services

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

	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)	31,297	29,593	31,791	30,519	
<i>Less Income</i>	4,721	2,303	3,565	2,062	
Net Cost of Service ^(a)	26,576	27,290	28,226	28,457	
Adjustments ^(b)	848	(761)	(893)	(1,126)	
Appropriation for Delivery of Service ^(a)	27,424	26,529	27,333	27,331	

(a) Following the enactment of the *Financial Management Act 2006*, agencies are no longer required to pay the Capital User 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 State Library services per State Library access/client interaction	\$11	\$12	\$10	\$9	
Average cost of State Library services per new collection item	\$67	\$56	\$75	\$77	
Full Time Equivalents (FTEs)	243	246	232	237	

Major Achievements For 2007-08

- The 'National Treasures' and 'Our Prized Possessions' exhibitions, showcasing Australian and Western Australian cultural artefacts, attracted more than 80,000 visitors.
- The Historical Records Rescue Consortium (HRRC) Project produced microfilms of newsprint and rescued films to preserve 186,933 of the most at-risk historical newspapers, 18,687 photographic negatives and 60 motion picture films in the Battye Library.
- The inaugural James Sykes Battye Memorial Fellowship was awarded for a study of the history and environment of the Swan River.
- The Big Book Club, a state-wide reading program that brings together authors, libraries, communities and booksellers in both regional and metropolitan areas was launched.
- The Better Beginnings early intervention family literacy program now reaches 97 per cent of babies born in Western Australian.

Major Initiatives For 2008-09

- A refit of some public areas in the Alexander Library building, through the Ignite! Package funding, will provide twenty first century facilities for the provision of library resources and information services to meet the information, recreation and lifelong learning needs of all people in Western Australia and the objectives of Government.

- Through digitisation, preservation of a unique but at-risk collection of oral history tapes held by the State Library will be implemented.

Service 6: Museum Services

Delivery and promotion of museum services through collection development and management, research, education and visitor 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)	25,723	25,099	26,921	29,514	Funding provided for the new Museum.
<i>Less Income</i>	6,378	4,591	6,071	5,569	
Net Cost of Service ^(a)	19,345	20,508	20,850	23,945	
Adjustments ^(b)	476	(523)	(617)	(777)	
Appropriation for Delivery of Service ^(a)	19,821	19,985	20,233	23,168	

- (a) Following the enactment of the *Financial Management Act 2006*, agencies are no longer required to pay the Capital User 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 Museum services per Museum access	\$31	\$29	\$31	\$35	
Full Time Equivalents (FTEs)	217	222	203	207	

Major Achievements For 2007-08

- The Government announced the \$506 million commitment relating to the construction of a new Museum for Western Australia on the site of the former East Perth Power Station.
- The Museum completed the fieldwork program associated with a collaborative research project with the Australian Institute of Marine Science into the deep water biodiversity off the Ningaloo Reef.
- Collection management outcomes have been enhanced through the finalisation of negotiations with Edith Cowan University on the gifting of the Museum of Childhood collection to the Western Australian Museum and through the successful relocation of Willetton Store objects to the Collection and Research Centre at Welshpool.
- The implementation of a retail enhancement strategy throughout Western Australian Museum sites has contributed to an increase in 2007-08 in total retail sales revenue of 18.5 per cent.

Major Initiatives For 2008-09

- Regional site and exhibition developments will be implemented through the Ignite! Package funding at Albany and Kalgoorlie.
- Design planning, project management and governance for the new Museum will commence.

- A review will be conducted of site master planning for Western Australian Museum sites including planning and scheduling of conservation and site management priorities around the submarine and slipway precinct in Fremantle.
- Western Australia Museum and national collection information systems will be enhanced through contribution to the Online Zoological Collection of Australian Museums project.

Service 7: Government Recordkeeping and Archival Services

Delivery of recordkeeping services to State and Local Government agencies, improving the quality of current record management systems and provision of access to State Archives Collections by government agencies and the community.

	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	2,025	2,112	2,072	
<i>Less Income</i>	213	147	216	120	
Net Cost of Service ^(a)	1,810	1,878	1,896	1,952	
Adjustments ^(b)	103	(78)	(93)	(117)	
Appropriation for Delivery of Service ^(a)	1,913	1,800	1,803	1,835	

(a) Following the enactment of the *Financial Management Act 2006*, agencies are no longer required to pay the Capital User 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 State Records Office (SRO) services per access to the State archives collection	\$20	\$19	\$23	\$20	
Average cost of SRO services per regulatory service	\$871	\$445	\$471	\$502	
Full Time Equivalents (FTEs)	23	26	26	26	

Major Achievements For 2007-08

- By April 2007, every State Government organisation had established an approved recordkeeping regime. This is a first for any Australian jurisdiction.
- A review was completed of the access status of restricted archives in the State archives collection.
- A new State Records Commission (SRC) 'Standard 8 – Digital Recordkeeping' was gazetted and published.
- A SRO Guideline for Sanitizing of Hard Discs and Magnetic Media was published.
- New General Disposal Authority for Source Records has been drafted for stakeholder comment.
- The guidelines to assist government agencies with the management of email and electronic records have been fully revised.
- A Digital Archive Pilot Project has been established for a trial digital archive which will assist in the development of a business case for the digital archives repository.

Major Initiatives For 2008-09

- New SRC 'Standard 7: Storage of State Archives by State Organisations' and 'Standard 9: Security of Information' will be gazetted and supporting guidelines published.
- The General Disposal Authority for Local Government Records will be reviewed.
- Research in support of the review of the General Disposal Authority for Human Resource Management Records will be conducted.
- A pilot program will be undertaken as part of the Digital Archive Pilot Project.
- Further development of the digitisation program to enhance access to archival records in the State archives collection via the Archives Explored Online will be progressed.

CAPITAL WORKS PROGRAM

The planned capital works expenditure for 2008-09 is \$78.3 million.

A total of \$27.6 million will be invested in capital initiatives from the \$72.9 million Ignite! Package funding. This funding includes the Art Gallery of Western Australia's Legacy Fund which encourages philanthropic and corporate support to build the Art Gallery's acquisition funds.

The Ignite! Package will also fund upgrades to the public and digital facelift of the State Library, the Perth Concert Hall and His Majesty's Theatre, and the Western Australian Museum's Albany and Kalgoorlie sites.

Work is well underway on the construction of the new Performing Arts Venue in Northbridge and this year, \$35.5 million will be provided to the project.

The program also includes funding for the State Library's book purchase 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				
Art Gallery - Works of Art - Acquisition Program	1,840	1,610	434	230
Department				
Broome Performing Arts and Cultural Centre.....	5,000	2,871	2,750	2,129
Heritage and Maintenance Program 2007-08.....	6,800	1,700	1,700	1,700
New Theatre - Construction.....	90,970	48,015	37,213	35,555
Western Australian Symphony Orchestra - Contribution towards Relocation.....	8,000	4,241	4,158	3,759
Library - Book Purchase Program.....	65,776	58,054	8,287	7,722
Museum - Welcome Wall - Stage 3	1,430	800	800	630
COMPLETED WORKS				
Art Gallery - Maintenance - Gormley Collection	208	208	208	-
Department				
Community Cultural Facilities Fund	2,750	2,750	2,722	-
Global Provision				
Capital Maintenance and Minor Works - 2006-07.....	2,870	2,870	1,746	-
Capital Maintenance and Minor Works - 2007-08.....	5,520	5,520	5,520	-
Global Provision - Asset Management.....	1,750	1,750	1,750	-
Library - Additional Public Library Resources.....	10,300	10,300	2,750	-

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-08 \$'000	Estimated Expenditure 2007-08 \$'000	Estimated Expenditure 2008-09 \$'000
NEW WORKS				
Art Gallery - Ignite! Package - Art Gallery of Western Australian Legacy Fund.....	15,000	-	-	10,000
Department				
Bunbury Heritage Museum.....	1,000	-	-	1,000
Global Provision -				
Capital Maintenance and Minor Works 2008-09	3,000	-	-	3,000
Ignite! Package - Arts Capital Fund	5,000	-	-	3,000
Library - Ignite! Package - Upgrade Public and Digital Facelift of the State				
Library.....	4,000	-	-	4,000
Museum				
Ignite! Package - Albany and Kalgoorlie Regional Museums Development	500	-	-	500
New Museum	505,770	-	-	2,000
Perth Theatre Trust - Ignite! Package - Perth Concert Hall and His Majesty				
Theatre Upgrade.....	3,115	-	-	3,115
	740,599	140,689	70,038	78,340

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	22,881	73,112	70,038	78,340	22,783	30,638	49,900
Working capital requirement							
Loan and Other Repayments	1,434	17,210	17,210	-	-	-	-
	24,315	90,322	87,248	78,340	22,783	30,638	49,900
LESS							
Asset Sales	-	-	3,300	-	-	-	-
Drawdowns from the Holding Account	10,439	9,946	9,946	10,722	10,953	12,708	11,170
Funding Included in Service Appropriations ^(a) ...	7,330	1,300	1,300	3,000	500	1,000	500
Internal Funds and Balances	(6,601)	-	5,948	6,888	-	-	-
Capital Contribution	13,147	79,076	66,754	57,730	11,330	16,930	38,230

(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)	43,804	40,687	41,802	47,059	48,998	51,305	52,120
Superannuation	4,677	4,307	4,414	4,831	5,002	5,106	5,122
Cost of goods sold.....	2,299	2,054	2,054	2,070	2,070	2,070	2,070
Grants and subsidies ^(b)	38,965	26,094	35,865	49,692	35,370	37,005	34,039
Consultancies expense	1,122	976	976	983	976	976	976
Supplies and services	16,202	20,831	21,155	17,784	19,748	20,655	21,622
Accommodation.....	5,993	6,533	7,033	5,830	6,241	6,501	7,074
Finance costs.....	1,116	316	316	-	-	-	-
Capital user charge ^(c)	32,963	-	-	-	-	-	-
Depreciation and amortisation	15,100	14,986	14,986	14,986	15,667	17,711	17,711
State taxes	268	207	207	211	211	211	211
Loss on disposal of non-current assets	100	-	-	-	-	-	-
Doubtful debts.....	205	-	-	-	-	-	-
Other expenses	3,153	266	3,046	3,073	3,089	3,106	3,106
TOTAL COST OF SERVICES.....	165,967	117,257	131,854	146,519	137,372	144,646	144,051
Income							
User charges and fees.....	16,277	11,730	15,045	14,461	14,675	14,692	15,313
Gain on disposal of non-current assets	2	-	3,300	-	-	-	-
Grants and subsidies	8,265	6,651	7,109	6,332	6,395	6,560	6,515
Interest revenue	1,729	834	1,417	1,406	1,415	1,423	1,433
Donations	373	400	463	477	491	506	521
Other revenue.....	10,928	5,412	4,289	4,219	4,308	4,370	4,445
Total Income.....	37,574	25,027	31,623	26,895	27,284	27,551	28,227
NET COST OF SERVICES ^(c).....	128,393	92,230	100,231	119,624	110,088	117,095	115,824
INCOME FROM STATE GOVERNMENT							
Service appropriations ^(c)	131,457	89,611	91,566	111,979	109,211	115,146	115,124
Resources received free of charge	181	-	100	100	100	100	100
Liabilities assumed by the Treasurer	584	600	600	600	600	600	600
TOTAL INCOME FROM STATE GOVERNMENT.....	132,222	90,211	92,266	112,679	109,911	115,846	115,824
SURPLUS/(DEFICIENCY) FOR THE PERIOD.....	3,829	(2,019)	(7,965)	(6,945)	(177)	(1,249)	-
Extraordinary items.....	(3,912)	(500)	(500)	(500)	(500)	(500)	(500)
CHANGE IN SURPLUS/(DEFICIENCY) FOR THE PERIOD AFTER EXTRAORDINARY ITEMS	(83)	(2,519)	(8,465)	(7,445)	(677)	(1,749)	(500)

(a) The Full Time Equivalents (FTEs) for 2006-07 Actual, 2007-08 Estimated Actual and 2008-09 Estimate are 650, 630 and 647 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	29,100	14,089	19,329	12,264	12,087	8,890	8,890
Restricted cash	8,295	12,085	8,415	8,535	8,655	8,655	8,655
Receivables	3,503	3,523	3,503	3,503	3,503	3,503	3,503
Inventories.....	1,384	1,243	1,384	1,384	1,384	1,384	1,384
Interest receivable	327	280	327	327	327	327	327
Amounts receivable for services.....	9,946	10,722	10,722	10,953	12,708	10,953	10,953
Prepayments	747	956	747	747	747	747	747
Other.....	789	335	768	768	768	938	938
Total current assets	54,091	43,233	45,195	38,481	40,179	35,397	35,397
NON-CURRENT ASSETS							
Amounts receivable for services.....	27,623	32,189	32,189	36,524	39,785	46,845	53,688
Land and buildings.....	249,008	302,522	297,807	350,244	366,200	384,175	424,987
Investments	5,271	4,471	5,271	5,271	5,271	5,271	5,271
Plant and equipment.....	10,061	10,526	12,294	12,216	11,538	11,538	10,860
Intangibles.....	322	445	424	544	664	664	784
Other.....	501,264	457,258	507,231	519,218	521,436	528,436	530,871
Total non-current assets.....	793,549	807,411	855,216	924,017	944,894	976,929	1,026,461
TOTAL ASSETS.....	847,640	850,644	900,411	962,498	985,073	1,012,326	1,061,858
CURRENT LIABILITIES							
Payables ^(a)	4,144	3,190	4,144	4,144	4,144	4,144	4,144
Provision for employee entitlements	5,506	6,487	5,681	5,856	6,031	6,281	6,483
Borrowings.....	17,210	-	-	-	-	-	-
Moneys in trust	3,006	3,893	3,006	3,006	3,006	3,006	3,006
Accrued salaries	163	851	313	463	583	683	683
Other.....	31,325	24,064	31,065	30,915	30,915	30,915	30,915
Total current liabilities.....	61,354	38,485	44,209	44,384	44,679	45,029	45,231
NON-CURRENT LIABILITIES							
Provision for employee entitlements	3,068	3,095	3,195	3,322	3,449	3,671	3,771
Other.....	1,633	70	1,633	1,633	1,633	1,633	1,633
Total non-current liabilities	4,701	3,165	4,828	4,955	5,082	5,304	5,404
TOTAL LIABILITIES.....	66,055	41,650	49,037	49,339	49,761	50,333	50,635
EQUITY							
Contributed equity	79,708	158,784	146,462	204,192	215,522	232,452	270,682
Accumulated surplus/(deficit)	343,025	164,919	334,560	327,115	326,438	324,689	324,189
Reserves	358,852	485,291	370,352	381,852	393,352	404,852	416,352
Total equity.....	781,585	808,994	851,374	913,159	935,312	961,993	1,011,223
TOTAL LIABILITIES AND EQUITY	847,640	850,644	900,411	962,498	985,073	1,012,326	1,061,858

(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	117,445	74,323	76,278	96,691	93,242	97,133	97,111
Capital contribution	13,147	79,076	66,754	57,730	11,330	16,930	38,230
Holding account drawdowns	10,439	9,946	9,946	10,722	10,953	12,708	11,170
Net cash provided by State Government.....	141,031	163,345	152,978	165,143	115,525	126,771	146,511
CASHFLOWS FROM OPERATING ACTIVITIES							
Payments							
Employee benefits.....	(44,760)	(40,235)	(41,350)	(46,607)	(48,426)	(50,733)	(51,548)
Superannuation	(4,063)	(3,707)	(3,814)	(4,231)	(4,402)	(4,506)	(4,522)
Grants and subsidies	(28,507)	(26,046)	(35,817)	(49,644)	(35,322)	(37,077)	(34,111)
Consultancies payments.....	(822)	(976)	(976)	(1,041)	(1,034)	(1,034)	(1,034)
Supplies and services	(17,657)	(23,172)	(23,876)	(20,390)	(22,370)	(23,193)	(24,360)
Accommodation	(5,993)	(6,533)	(7,033)	(5,830)	(6,241)	(6,501)	(7,074)
Finance costs	(1,137)	(316)	(316)	-	-	-	-
Capital user charge ^(a)	(32,963)	-	-	-	-	-	-
State taxes	(268)	(207)	(207)	(211)	(211)	(211)	(211)
Goods and services tax	(7,163)	(6,388)	(6,388)	(6,388)	(6,388)	(6,388)	(6,388)
Other.....	(6,642)	(266)	(2,566)	(2,577)	(2,577)	(2,578)	(2,578)
Receipts							
User charges and fees.....	17,314	11,730	15,045	14,461	14,675	14,692	15,313
Grants and subsidies	7,155	6,651	7,109	6,332	6,395	6,560	6,515
Interest received.....	1,682	834	1,417	1,406	1,415	1,423	1,433
Donations receipts.....	373	400	463	477	491	506	521
Goods and services tax	6,930	6,388	6,388	6,388	6,388	6,388	6,388
Other receipts	3,744	5,412	4,289	4,219	4,308	4,370	4,545
Net cash from operating activities.....	(112,777)	(76,431)	(87,632)	(103,636)	(93,299)	(98,282)	(97,111)
CASHFLOWS FROM INVESTING ACTIVITIES							
Purchase of non-current assets.....	(21,339)	(69,954)	(61,087)	(68,452)	(22,283)	(31,686)	(49,400)
Proceeds from sale of non-current assets	2	-	3,300	-	-	-	-
Net cash from investing activities.....	(21,337)	(69,954)	(57,787)	(68,452)	(22,283)	(31,686)	(49,400)
CASHFLOWS FROM FINANCING ACTIVITIES							
Repayment of borrowings.....	(1,434)	(17,210)	(17,210)	-	-	-	-
Net cash from financing activities	(1,434)	(17,210)	(17,210)	-	-	-	-
NET INCREASE/(DECREASE) IN CASH HELD	5,483	(250)	(9,651)	(6,945)	(57)	(3,197)	-
Cash assets at the beginning of the reporting period	37,183	30,895	42,666	33,015	26,070	26,013	22,816
Cash assets at the end of the reporting period.....	42,666	30,645	33,015	26,070	26,013	22,816	22,816

(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.....	165,967	117,257	131,854	146,519	137,372	144,646	144,051
Less Capital User Charge.....	32,963	-	-	-	-	-	-
Adjusted Total Cost of Services	133,004	117,257	131,854	146,519	137,372	144,646	144,051
APPROPRIATIONS							
Net Amount Appropriated to Deliver Services ..	131,457	89,611	91,566	111,979	109,211	115,146	115,124
Less Appropriation Capital User Charge	32,963	-	-	-	-	-	-
Adjusted Net Amount Appropriated to Deliver Services	98,494	89,611	91,566	111,979	109,211	115,146	115,124

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
Arts Projects and Organisations	28,917	17,813	18,856	30,442	25,606	28,438	26,158
Film Projects and Screen Organisations.....	9,456	7,181	8,089	8,281	8,281	6,681	6,681
Other.....	568	700	2,040	4,081	1,483	1,886	1,200
Public Non-Financial Corporations.....	24	400	6,880	6,888	-	-	-
TOTAL.....	38,965	26,094	35,865	49,692	35,370	37,005	34,039

AGENCY SPECIAL PURPOSE ACCOUNT DETAILS

Arts Lotteries Special Purpose Account

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

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000
Opening Balance.....	-	-	-	-
Receipts:				
Appropriations	10,966	11,112	11,112	11,424
Other.....	-	-	-	-
	10,966	11,112	11,112	11,424
Payments.....	10,966	11,112	11,112	11,424
CLOSING BALANCE	-	-	-	-

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.....	5,354	4,964	4,964	4,964
GST Receipts on Sales.....	1,576	1,424	1,424	1,424
Rental Income from King Street Arts Centre.....	60	50	58	58
TOTAL.....	6,990	6,438	6,446	6,446

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

Part 11

Minister for Education and Training; South West

SUMMARY OF PORTFOLIO APPROPRIATIONS

Page	Agency	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000
853	Education and Training			
	– Delivery of Services.....	2,767,315	2,807,386	3,051,617
	– Capital Contribution.....	226,963	257,686	274,618
	Total	2,994,278	3,065,072	3,326,235
872	Country High School Hostels Authority			
	– Delivery of Services.....	5,328	5,400	5,804
	– Capital Contribution.....	3,070	3,070	1,932
	Total	8,398	8,470	7,736
880	Curriculum Council			
	– Delivery of Services.....	24,169	24,399	21,800
	– Capital Contribution.....	229	229	725
	Total	24,398	24,628	22,525
893	Education Services			
	– Delivery of Services.....	18,618	18,611	19,471
	– Administered Grants, Subsidies and Other Transfer Payments	257,721	258,921	281,075
	Total	276,339	277,532	300,546
907	South West Development Commission			
	– Delivery of Services.....	8,943	8,909	6,485
	– Capital Contribution.....	905	905	935
	Total	9,848	9,814	7,420
	GRAND TOTAL			
	– Delivery of Services.....	2,824,373	2,864,705	3,105,177
	– Administered Grants, Subsidies and Other Transfer Payments	257,721	258,921	281,075
	– Capital Contribution.....	231,167	261,890	278,210
	Total.....	3,313,261	3,385,516	3,664,462

EDUCATION AND TRAINING

PART 11 - MINISTER FOR EDUCATION AND TRAINING; SOUTH WEST

DIVISION 50

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 92 Net amount appropriated to deliver services ^(a)	2,548,328	2,766,492	2,806,425	3,050,615	3,099,168	3,188,518	3,291,900
Amount Authorised by Other Statutes - Salaries and Allowances Act 1975 ^(b)	1,350	823	961	1,002	1,033	1,063	1,095
Total appropriations provided to deliver services	2,549,678	2,767,315	2,807,386	3,051,617	3,100,201	3,189,581	3,292,995
CAPITAL							
Item 168 Capital Contribution	237,210	226,963	257,686	274,618	220,907	201,327	162,320
GRAND TOTAL	2,786,888	2,994,278	3,065,072	3,326,235	3,321,108	3,390,908	3,455,315

- (a) Following the enactment of the *Financial Management Act 2006*, agencies are no longer required to pay the Capital User 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 provide world-class education and training that meets the needs of individuals, the community and the economy of Western Australia.

SIGNIFICANT ISSUES AND TRENDS

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

- The rapid changes in, and widespread use of, information and communication technologies in the workplace require students to be technology-smart and teachers and lecturers to be skilled in the use of technology in teaching.
- Factors driving the construction of new schools and placing significant pressure on the need to upgrade or refurbish existing facilities include major demographic changes, ageing facilities and the reform of teaching approaches, especially the introduction of new technologies.
- The strong labour market, low unemployment rates and the ageing population are having an impact on the staffing of schools and Technical and Further Education (TAFE) colleges with staff shortages expected to continue for the foreseeable future. This is increasing the debate around alternative methods of staffing and service delivery.
- Community expectations of standards of staff conduct and probity in public education and training continue to rise, with a demand for high levels of risk management and close monitoring and management of misconduct.
- The initiatives and targets of the Council of Australian Governments are strongly influencing state education policy.

Major Achievements For 2007-08

- Public schooling was provided to 252,585 students (February 2008 census figures excluding part-time secondary students). Kindergarten education was provided to 17,548 students (excluding students enrolled in kindergarten programs at community kindergartens) and pre-primary education to 19,739 students.
- In 2007 the median Tertiary Entrance Rank (TER) of the public school student cohort was 76.85 and 243 more public school students achieved a TER than in 2006.
- In 2007, 15,374 Year 9 students in public schools were assessed in aspects of English, Mathematics and Science as part of the Monitoring Standards in Education program.
- In 2007, 48,479 public school students in Years 3, 5 and 7 were assessed in aspects of literacy and numeracy as part of the Western Australian Literacy and Numeracy Assessment.
- From the beginning of 2008, 52 government secondary schools will operate additionally funded 'senior schooling engagement programs' to assist at risk young people in their 16th and 17th year to participate more effectively in schooling.
- In 2007, 85 Participation Managers and Participation Coordinators were deployed across Western Australia to support young people at risk to access a suitable education, training or employment option to suit their needs. Support was provided to over 3,500 young people.
- The development of the Kindergarten to Year 10 syllabus was completed in December 2007.
- Teachers were provided with additional professional learning opportunities on standards in science, society and environment, languages and the arts.
- Additional school-based experts have been established and funded to provide mentoring, resources and professional learning to support teachers to implement the next roll-out of the Western Australian Certificate of Education Courses of Study (Phase Three).
- The Online Teaching and Learning System was extended from 17 to 55 schools and digital content continued to be developed and procured.
- Improved reporting templates and electronic software were introduced to enhance reporting to parents.
- The findings of the Literacy and Numeracy review are being progressively implemented.
- Final consultations on proposed amendments to the *Vocational Education and Training Act 1996* were completed.
- A total of 1,929 first and second year teachers attended the Graduate Teacher Professional Learning Program.

- The trial of the In-Class Coaching Program enabled 101 graduates to be mentored.
- A suite of resources was provided to support the implementation of the Healthy Food and Drink policy including a website, fact sheets, postcards and posters.
- The roll-in of all Education and Training cluster agencies to Shared Services was completed.
- The number of apprentices and trainees 'in training' increased to 35,242 at December 2007.
- School-based apprenticeships are now available in 54 trades and part-time apprenticeships in 24 trades.
- Substantial progress has been made in implementing a range of reforms relating to the Skills Formation Taskforce recommendations.
- Implementation of the Community Service Program, which requires all Year 10 students to complete 20 hours community service by the time they complete Year 12, commenced in 2007.
- The Aboriginal Perspectives Across the Curriculum website was formally launched in early 2007. A Presenters Kit (CD-ROM) and further resources will be distributed to schools in May 2008.
- The Misconduct and Complaints Management Framework was finalised after extensive consultation.
- A range of plant and equipment for TAFEWA colleges has been purchased or ordered, with a focus on trade training delivery areas.
- The Behaviour Management and Discipline Strategy continued to support schools and district education offices to address behaviour management issues.
- Three Secondary Behaviour Centres were established to trial the removal of students with severe behavioural problems from classrooms.
- Implemented an early offer program for teacher graduates and increased the commencement salary to improve attraction and retention.
- Implemented targeted teacher recruitment and marketing campaign for local, interstate and overseas markets.
- Converted 404 teachers in rural areas to permanency from fixed term contracts.
- Implemented a Scholarship Program with 158 Final Year Teaching Scholarships and 68 specialist area teaching scholarships offered in 2008.
- Implemented the Bachelor of Education Conversion Courses for Aboriginal and Islander Education Officers (60 offered) and Education Assistants (60 offered).

Major Initiatives For 2008-09

- Provide for an increase in training places for apprentices and trainees in training to 39,000.
- Progressively implement the findings of the Literacy and Numeracy Review to support children's literacy and numeracy development in early childhood and primary schooling.
- Implement the Indigenous Early Childhood Education Initiative that will focus on the learning needs of early childhood (Kindergarten – Year 1) Aboriginal children and support their early literacy development.
- Continue the early childhood enrolment campaign, parent publications and monitoring of issues and trends.
- Continue to provide teachers with quality professional learning and practical support to ensure students achieve expected standards in science.

- Complete implementation of the Learning with Information and Communication Technology Program by the end of 2009.
- Continue to implement the Community Service Program, which requires all students to complete 20 hours community service by the time they complete Year 12.
- Support teachers to create more culturally inclusive classrooms for Aboriginal students through the development of additional resources on the Aboriginal Perspectives Across the Curriculum website.
- Support the implementation of the Kindergarten to Year 10 Syllabus by providing teachers with practical, classroom ready resources that will support efficient planning and delivery of learning programs.
- Continue to develop and implement programs for young people at risk in their 16th and 17th year to ensure all young people in their 16th and 17th year can access a suitable education, training and/or employment option to meet their needs.
- Continue to provide support to young people at risk of not engaging in full-time education, training and/or employment through Participation Managers and Participation Coordinators.
- Progress implementation of the endorsed recommendations of the Skills Formation Taskforce with the aim of improving the quality, flexibility and responsiveness of apprenticeship and traineeship training delivery in Western Australia.
- Roll-out four Mobile Indigenous Trade Training Units in 2008.
- Upgrade and refresh plant and equipment for TAFEWA colleges with a particular focus on trade training delivery areas.
- Extend the In-Class Coaching Program to support approximately 400 newly appointed teachers to enhance their skills and confidence to become effective classroom practitioners.
- Develop online modules for the Graduate Teacher Program to address professional development access issues in country and remote locations.
- Develop and implement a comprehensive agency-wide misconduct and complaints management data system that will centralise recording of information and assist in identifying trends and issues.
- Develop a Standards and Integrity Prevention and Education strategy to support and educate staff.
- Develop and progressively implement a Workforce Strategic Framework to address workforce supply and demand requirements.
- Implement the Aboriginal and Torres Strait Islander Strategy 2008-2010 to attract and retain Aboriginal and Torres Strait Islander employees.
- Establish a football academy at Halls Creek and expand the academy in Kununurra.
- Review the processes for selection and appointment of staff to promotional positions in schools.
- Develop a comprehensive leadership strategy for aspirant, newly appointed and experienced school leaders.
- Streamline the exclusion and suspension processes that deal with violent and persistently disruptive students in public schools.
- Evaluate the effectiveness of the pilot for three Secondary Behaviour Centres catering for secondary students exhibiting persistent and extreme behaviour and expand initiatives to deal with disruptive students.
- Commence the training of teachers to fulfil the obligation of mandatory reporting of child sexual abuse.
- Manage and coordinate key capital works projects and fifteen new and replacement schools due to open in 2009.

- Establish a Strategic Procurement Unit to ensure whole-of-government procurement reforms are implemented and benefits are maximised.
- Commence intensive reviews of identified schools to improve school performance.
- Undertake Standards Reviews in every public school to ensure student achievement meets expectations.

MAJOR POLICY DECISIONS

Details of major policy decisions impacting on the Agency'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
Additional Apprentices and Trainees	14,515	14,886	15,539	16,006
Clontarf East Kimberley Football Academy	350	375	400	425
Mandatory Reporting of Child Sexual Abuse - Implementation	1,718	927	972	997
Teacher Recruitment and Retention Initiatives	15,383	15,348	18,949	21,334

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>							
Primary Education	1,545,306	1,673,337	1,753,387	1,826,654			
<i>Service 2:</i>							
Secondary Education	1,062,799	1,124,790	1,214,488	1,259,963			
<i>Service 3:</i>							
Vocational Education and Training Services	478,869	497,513	489,150	505,461			
Total Cost of Services ^(a)	3,086,974	3,295,640	3,457,025	3,592,078	3,685,780	3,791,105	3,903,974
<i>Less Income</i>	622,515	578,384	619,516	602,921	620,133	637,647	655,742
Net Cost of Services ^(a)	2,464,459	2,717,256	2,837,509	2,989,157	3,065,647	3,153,458	3,248,232
Adjustments ^(b)	85,219	50,059	(30,123)	62,460	34,554	36,123	44,763
Appropriation Provided to Deliver Services ^(a)	2,549,678	2,767,315	2,807,386	3,051,617	3,100,201	3,189,581	3,292,995
CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS							
Appropriation for Capital Contribution to meet equity needs ^(c)	237,210	226,963	257,686	274,618	220,907	201,327	162,320
TOTAL CONSOLIDATED ACCOUNT APPROPRIATIONS	2,786,888	2,994,278	3,065,072	3,326,235	3,321,108	3,390,908	3,455,315

- (a) Following the enactment of the *Financial Management Act 2006*, agencies are no longer required to pay the Capital User 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 Outcomes	Services
Enhancing the quality of life and wellbeing of all people throughout Western Australia by providing high quality, accessible services.	Quality education for all Western Australians who choose public schooling.	1. Primary Education 2. Secondary Education
	A responsive vocational education and training sector which meets the needs of Western Australian students and employers.	3. Vocational Education and Training Services

Outcomes and Key Effectiveness Indicators ^(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: Quality education for all Western Australians who choose public schooling.					
Participation rate (proportion of persons aged 15 to 17 years in some form of education).....	90.6%	88%	91.0%	91%	
Secondary graduation rate (proportion of Year 8 cohort achieving Secondary graduation in Year 12)	54.3%	55%	53.5%	54%	
Apparent retention rate (proportion of Year 8 cohort studying in Year 12)	63.1%	63%	60.9%	63%	
Benchmark Performance in literacy and numeracy:					
Year 3 students achieving national benchmarks:					
- Reading	92.8%	93%	94.3%	94%	
- Writing	87.5%	87%	84.5%	87%	
- Numeracy	87.3%	88%	88.4%	88%	
Year 5 students achieving national benchmarks:					
- Reading	90.5%	90%	92.6%	93%	
- Writing	82.1%	84%	82.4%	82%	
- Numeracy	83.7%	85%	84.7%	85%	
Year 7 students achieving national benchmarks:					
- Reading	81.0%	85%	81.0%	83%	
- Writing	82.8%	85%	82.8%	83%	
- Numeracy	81.4%	81%	80.9%	81%	

	2006-07 Actual	2007-08 Budget	2007-08 Estimated	2008-09 Target	Reason for Significant Variation between 2007-08 Estimated and 2008-09 Target
Year 9 students achieving the State benchmarks:					
- Reading	87.0%	89%	87.8%	88%	
- Writing	89.0%	89%	89.8%	90%	
- Numeracy	86.1%	89%	87.8%	89%	
Outcome: A responsive vocational education and training (VET) sector which meets the needs of Western Australian students and employers.					
Proportion of the Western Australian population aged 15 to 64 years enrolled in publicly funded VET through the Department of Education and Training	8.0%	8%	8.0%	8%	
Successful training completions - Module Load Completion Rate (proportion of Student Curriculum Hours successfully completed)	75.4%	75%	75.0%	75%	
Employer satisfaction ^(b)	-	-	72.1%	-	
Student satisfaction	86.7%	86%	86.8%	87%	
Graduate achieved or partly achieved main reason for undertaking the course.....	87.6%	84%	87.0%	88%	

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

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

Service 1: Primary Education

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

	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)	1,545,306	1,673,337	1,753,387	1,826,654	
<i>Less Income.....</i>	285,416	239,938	246,684	237,387	
Net Cost of Service ^(a)	1,259,890	1,433,399	1,506,703	1,589,267	
Adjustments ^(b)	8,155	(28,316)	(82,811)	(37,449)	
Appropriation for Delivery of Service ^(a)	1,268,045	1,405,083	1,423,892	1,551,818	

(a) Following the enactment of the *Financial Management Act 2006*, agencies are no longer required to pay the Capital User 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 student Full Time Equivalents (FTEs)	\$9,806	\$10,716	\$11,111	\$11,428	
FTEs	18,378	18,773	18,798	18,839	

Service 2: Secondary Education

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

	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)	1,062,799	1,124,790	1,214,488	1,259,963	
<i>Less Income</i>	200,438	197,350	224,802	220,582	
Net Cost of Service ^(a)	862,361	927,440	989,686	1,039,381	
Adjustments ^(b)	(8,679)	17,035	(3,422)	31,009	
Appropriation for Delivery of Service ^(a)	853,682	944,475	986,264	1,070,390	

(a) Following the enactment of the *Financial Management Act 2006*, agencies are no longer required to pay the Capital User 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 student FTEs.....	\$12,887	\$13,408	\$14,780	\$15,338	
FTEs	11,392	11,240	11,530	11,588	

Service 3: Vocational Education and Training Services

This service provides the strategic management of the investment of government resources in the State VET system, including the planning, funding and monitoring of VET 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)	478,869	497,513	489,150	505,461	
<i>Less Income</i>	136,661	141,096	148,030	144,952	
Net Cost of Service ^(a)	342,208	356,417	341,120	360,509	
Adjustments ^(b)	85,743	61,340	56,110	68,900	
Appropriation for Delivery of Service ^(a)	427,951	417,757	397,230	429,409	

- (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.

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 Student Curriculum Hour (SCH) ^(a)	\$15.91	\$15.57	\$15.91	\$15.91	
FTEs	658	655	746	746	

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

CAPITAL WORKS PROGRAM

The Department's planned capital works expenditure in 2008-09 is \$347 million and relates primarily to the provision of adequate infrastructure for public schools and training throughout the State. The program includes:

New Primary Schools

- Construction will continue on four new primary schools in Kingston, Madeley, Somerly and Success which are scheduled to open for the commencement of 2009. Construction has also commenced on replacement schools in Lynwood (Bannister Creek Primary School), Craigie (Craigie Heights Primary School), Montrose (Roseworth Primary School), Allenswood (Greenwood Primary School), Lockridge and Safety Bay. These schools are scheduled to be completed in late 2009 at a total cost of \$137.3 million. Work will also commence on the \$26 million replacement school in Karratha (Karratha Primary School) as part of a \$103.5 million infrastructure package in the town. It is anticipated that the replacement school will be completed by mid 2010.
- In addition, planning has commenced for the \$12 million Stage Two of the relocation of the Mount Barker Primary School students in kindergarten to Year 3 to the secondary site. This is scheduled for completion in 2010.
- The final stages of new primary schools in Southern River (Bletchley Park Primary School), Coolamon (Ellen Stirling Primary School), Hocking, South Halls Head and Waikiki will be completed at a cost of \$3.2 million.

New Secondary Schools

- Construction will continue on the replacement school at Fitzroy Crossing, the new Karratha Senior High School for Years 10-12 and Ashdale, Dalyellup and Manea Colleges. These schools are expected to be completed in 2009 at a cost of \$59.2 million. Planning will also commence on the \$63 million redevelopment of Governor Stirling Senior High School on its existing site. Work on this major project is expected to commence in December 2009 and be completed by December 2012.
- The 2008-09 Budget provides funding to continue the construction of Atwell and Gilmore Colleges. Completion is expected in mid 2008.

Additional Stages to High Schools

- Work will commence on Stage Two of Ellenbrook and Comet Bay Colleges. Construction is expected to be completed during 2010. Work will also commence on the \$46 million Stage Two redevelopment of Karratha Senior High School on the Pilbara TAFE site. The project is expected to be completed by December 2010.

Major Additions and Improvements

- The redevelopment of Perth Modern School which will be transformed into a School for Academic Excellence will continue at an estimated total cost of \$25.8 million. Completion is expected in mid 2009. Major redevelopment of Newton Moore Senior High School at a cost of \$12.9 million will continue. Completion is expected in mid 2009.
- An allocation of \$6.0 million will fund the completion of major additions and improvements at Wanneroo, Rockingham and Safety Bay Senior High Schools.

Other School Facilities

- The 2008-09 Budget provides an \$8.9 million commitment for administration upgrades, covered assembly areas, library/resource centres and toilet upgrades at various schools.
- \$1.2 million will be committed to improved traffic management and parking around schools.
- \$3.0 million will be allocated to provide early childhood education facilities and improvements to rural integration classes in schools.
- \$4.4 million will be allocated to upgrade the power supply, communications, fire compliance, security and sewer connections in schools.
- \$4.0 million commitment to purchase additional transportable classrooms will support the Government's plan to increase the school leaving age and cater for increasing enrolments at schools.
- An allocation of \$31.6 million will be made to purchase and develop land for the construction of new schools.
- \$13.8 million will be allocated for the seat belts in school buses program.

New Buildings and Additions at TAFE Colleges

- The Department's planned capital works expenditure for TAFE Colleges in 2008-09 is \$64.2 million and relates primarily to the provision of improved trade training infrastructure throughout the State.
- \$42.9 million will be allocated to continue the redevelopment of the Central TAFE new three-storey building on Aberdeen Street in the Northbridge precinct. Project completions include an allocation of \$1 million on the Swan TAFE Metal Trades Workshop Extension and an allocation of \$1 million on the South West Regional College of TAFE Building and Construction workshop at Bunbury campus.
- An allocation of \$3.2 million will fund additional training facilities at Curtin University Vocational Education and Training Centre at Kalgoorlie for metal, electrical and automotive trade training. \$4.7 million will fund the commencement of the West Coast TAFE new trade training centre at Clarkson.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-08 \$'000	Estimated Expenditure 2007-08 \$'000	Estimated Expenditure 2008-09 \$'000
WORKS IN PROGRESS				
New High Schools				
Ashdale College	33,500	13,000	11,525	20,500
Atwell College	36,370	33,970	23,168	2,400
Cape Naturaliste College	20,541	19,501	4,234	1,040
Dalyellup College	26,300	23,626	21,389	2,674
Gilmore College Replacement	42,010	41,860	27,213	150
Manea Senior College	27,500	17,000	15,439	10,500
Additional Stages at High Schools - Karratha Redevelopment	31,500	21,500	19,807	9,500
Additions and Improvements to High Schools				
Newton Moore	12,900	9,500	8,479	3,400
Perth Modern School	25,803	16,403	12,298	9,400
Rockingham	1,500	500	500	1,000
Safety Bay	1,500	500	500	1,000
Wanneroo	6,000	2,000	2,000	4,000
Additional and Improvements to District High Schools - Fitzroy Crossing - Replacement	32,500	16,500	15,134	16,000
New Primary Schools				
Bannister Creek	13,000	1,000	1,000	9,000
Bletchley Park	9,400	9,050	5,869	350
Craigie Heights	13,000	1,000	1,000	9,000
Ellen Stirling	9,100	8,650	5,225	450
Greenwood	13,000	1,500	1,500	8,500
Hocking	10,100	9,450	7,228	650
Kingston	12,200	1,950	1,815	10,250
Lockridge	13,000	1,000	1,000	9,000
Madeley	11,800	1,950	1,705	9,850
Roseworth	13,000	1,000	1,000	9,000
Safety Bay	14,000	1,500	1,500	8,500
Somerly	12,300	1,950	1,705	10,350
South Halls Head	9,500	8,750	7,543	750
Success	22,000	11,412	10,795	10,588
Waikiki	9,000	8,000	4,754	1,000
Miscellaneous				
Point Peron Camp School	455	325	325	130
Seatbelts in School Buses - 2007-08 - 2010-11 Program	22,053	494	494	13,765
Traffic Management	1,550	500	500	1,050
Other School Facilities				
Administration Upgrade	3,182	1,712	1,438	1,470
Canteens	100	50	50	50
Central Reserve Schools	400	100	100	300
Covered Assembly Areas	4,044	1,644	1,537	2,400
Early Childhood Program	1,500	500	500	1,000
Library Resource Centres	4,000	2,000	1,667	1,000
Student Services - Improvements	1,000	100	100	900
Toilet Replacement Program	3,800	800	800	3,000
Training				
New Buildings and Additions at TAFE Colleges and Centres				
Central TAFE - Perth Campus - Redevelopment Stage 2/3	57,183	2,000	2,000	42,906
Central West TAFE - Geraldton - Batavia Coast Marine Centre	3,010	1,010	-	2,000
Challenger TAFE - Kwinana - Automotive Centre	10,500	8,300	8,300	-
Clarkson - Trades Training	19,000	283	283	4,712
Curtin V-Tech - Kalgoorlie - Metal, Electrical and Automotive	3,670	520	520	3,150
Pilbara TAFE - Karratha - Metals and Automotive Workshop Extension	2,400	200	200	2,200
South West Regional TAFE - Bunbury - Building and Construction Workshop Extension	2,288	1,296	1,296	992
Swan TAFE - Midland - Metal Trades Workshop Extension	3,450	2,450	2,450	1,000
Other Projects				
General Equipment	3,055	1,155	1,155	1,900
Mobile Trade Training Facilities	2,000	500	500	1,500

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-08 \$'000	Estimated Expenditure 2007-08 \$'000	Estimated Expenditure 2008-09 \$'000
COMPLETED WORKS				
New High Schools				
Comet Bay College	25,031	25,031	417	-
Ellenbrook Secondary College	29,996	29,996	1,195	-
Additional Stages at High Schools				
Canning Vale College - Stage 3	17,240	17,240	34	-
Geraldton Secondary College and John Willcock College	16,000	16,000	13,937	-
Kinross College - Stage 2	3,910	3,910	601	-
Additions and Improvements to High Schools				
Belridge	1,100	1,100	1,100	-
Bunbury	2,100	2,100	2,014	-
Carnarvon	3,000	3,000	2,721	-
Carnarvon - Science Upgrade	1,000	1,000	1,000	-
Esperance	6,995	6,995	30	-
Hedland	6,500	6,500	1,189	-
Narrogin	2,000	2,000	404	-
Padbury	1,100	1,100	1,100	-
Pinjarra	4,245	4,245	719	-
Rossmoyne	5,200	5,200	350	-
Willetton	5,400	5,400	1,787	-
Additions and Improvements to District High Schools				
Bullsbrook	7,500	7,500	3,703	-
Exmouth	3,000	3,000	77	-
Kalbarri	8,000	8,000	560	-
New Primary Schools -				
Manjimup Replacement	9,300	9,300	24	-
Mt Barker Replacement	8,200	8,200	5,294	-
Settlers Hill (Baldivis) - Stage 2	4,752	4,752	194	-
Shark Bay Replacement	9,220	9,220	382	-
Tapping	8,200	8,200	110	-
Wiluna RCS Replacement	7,100	7,100	4,705	-
Additions and Improvements to Primary Schools				
Bicton	2,319	2,319	46	-
College Row Bunbury	1,428	1,428	1	-
Darlington	2,000	2,000	189	-
Mt Helena	250	250	120	-
South Kalgoorlie	1,935	1,935	66	-
Miscellaneous - 2007-08 Programs				
Automatic Reticulation	150	150	150	-
Consultants Fees	512	512	512	-
Contaminated Sites Investigation	851	851	851	-
Contingencies	386	386	386	-
Fire Compliance Upgrade	750	750	750	-
Land Acquisition	21,500	21,500	21,500	-
Motor Vehicles	689	689	689	-
Office Refurbishment	159	159	159	-
Power Supply Upgrade	2,834	2,834	2,834	-
Security Alarm Systems	412	412	412	-
Sewer Connections	433	433	433	-
Traffic Management East Victoria Park PS	50	50	50	-
Transportable Classrooms	7,200	7,200	5,600	-
Transportable Relocation	8,000	8,000	8,000	-
Other School Facilities - 2007-08 Programs				
Communication Upgrades	692	692	692	-
Covered Assembly Areas	838	838	522	-
Early Childhood Program	1,500	1,500	173	-
Ground Developments	106	106	106	-
Rural Integration Program	793	793	793	-
Toilet Replacement Program	3,089	3,089	1,801	-
Training				
New Buildings and Additions at TAFE Colleges and Centres				
Central TAFE - Perth Campus - Redevelopment Stage 1	8,400	8,400	869	-
Challenger TAFE - Australian Centre for Energy and Process Training (Henderson Oil and Gas)	19,046	19,046	2,968	-
Swan College - Bentley - Air Conditioning Upgrade	1,100	1,100	37	-
Swan TAFE - Thornlie, Midland and Balga - Trades Realignment	5,450	5,450	5,250	-
Trade Equipment Industry Upgrade (Refresh)	13,350	13,350	13,350	-
West Coast College Hospitality Centre	171	171	7	-

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-08 \$'000	Estimated Expenditure 2007-08 \$'000	Estimated Expenditure 2008-09 \$'000
Other Projects				
Capital Maintenance.....	1,791	1,791	67	-
Disability and Minor Works	800	800	800	-
General Equipment.....	3,733	3,733	1,364	-
Project Planning	210	210	210	-
Skills Centres.....	1,000	1,000	1,000	-
Universal Access Program	130	130	107	-
NEW WORKS				
New High Schools				
Governor Stirling - Replacement.....	63,000	-	-	2,000
Additional Stages at High Schools				
Comet Bay College (Stage 2)	25,000	-	-	500
Ellenbrook Stage 2).....	25,000	-	-	500
Additions and Improvements to High Schools				
Karratha (Stage 2).....	46,000	-	-	3,500
Secondary School Refurbishment Program				
Fitzroy Crossing DHS.....	1,500	-	-	1,500
New Primary Schools				
Karratha Replacement.....	26,000	-	-	1,000
Mt Barker Replacement - Stage 2.....	12,000	-	-	100
New Schools to be announced.....	38,000	-	-	9,000
Interim Schools - 2008-09 Program	500	-	-	500
Remote Community Schools - 2008-09 Program	750	-	-	750
Additions and Improvements to Primary Schools				
Girrawheen.....	2,000	-	-	2,000
To be announced.....	3,000	-	-	1,000
Miscellaneous - 2008-09 Programs				
Automatic Reticulation	150	-	-	150
Consultants Fees	800	-	-	800
Contaminated Sites Investigation	500	-	-	500
Contingencies.....	750	-	-	750
East Kimberley Clontarf Football Academy	500	-	-	500
Fire Compliance Upgrade.....	500	-	-	500
Land Acquisition.....	31,600	-	-	31,600
Motor Vehicles.....	250	-	-	250
Office Refurbishment.....	500	-	-	500
Planning Fees - New High Schools	500	-	-	500
Power Supply Upgrade	2,000	-	-	2,000
Security Alarm Systems.....	600	-	-	600
Sewer Connections.....	500	-	-	500
Traffic Management.....	1,000	-	-	200
Transportable Classrooms.....	4,000	-	-	4,000
Transportable Relocation	9,000	-	-	9,000
Other School Facilities - 2008-09 Programs				
Administration Upgrade	2,000	-	-	100
Canteens	100	-	-	100
Central Reserve Schools	500	-	-	500
Communication Upgrades	800	-	-	800
Covered Assembly Areas.....	2,500	-	-	250
Early Childhood Program	1,500	-	-	1,500
Ground Developments	200	-	-	200
Library Resource Centres	2,500	-	-	500
Rural Integration Program	500	-	-	500
Student Services - Improvements	1,000	-	-	100
Toilet Replacement Program	1,500	-	-	100
Training				
New Buildings and Additions at TAFE Colleges and Centres				
Central West TAFE - Wiluna Education and Vocational Training Centre	2,000	-	-	2,000
Other Projects				
Capital Maintenance.....	400	-	-	400
Disability and Minor Works	155	-	-	155
Project Planning	310	-	-	310
Skill Centres	1,000	-	-	1,000
	1,253,975	620,107	356,051	347,442

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	360,416	295,017	356,051	347,442	295,297	276,717	230,110
	360,416	295,017	356,051	347,442	295,297	276,717	230,110
LESS							
Commonwealth Grants	45,828	48,054	51,334	49,074	49,790	49,790	49,790
Drawdowns from the Holding Account	18,000	18,000	18,000	18,000	18,000	18,000	18,000
Internal Funds and Balances	56,378	2,000	29,031	5,750	6,600	7,600	-
Other.....	3,000	-	-	-	-	-	-
Capital Contribution	237,210	226,963	257,686	274,618	220,907	201,327	162,320

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)	1,795,077	1,927,727	1,984,317	2,108,947	2,190,821	2,265,909	2,336,052
Superannuation	175,061	189,421	194,609	205,377	213,935	221,581	228,819
Grants and subsidies ^(b)	361,683	337,096	364,876	381,072	387,157	393,851	398,540
Finance Lease Charges	1,534	2,487	1,969	1,871	1,839	1,800	1,755
Capital user charge ^(c)	509,096	-	-	-	-	-	-
Depreciation and amortisation	161,066	147,089	166,723	172,247	178,905	186,438	194,552
Direct schools expenses	251,496	224,444	277,183	262,326	266,748	273,053	280,091
School support services	102,143	121,837	109,339	105,622	105,977	107,138	108,622
Loss on disposal of non-current assets	1,400	1,924	137	122	155	288	414
Other supplies and services.....	237,514	343,615	357,872	354,494	340,243	341,047	355,129
TOTAL COST OF SERVICES ^(d)	3,596,070	3,295,640	3,457,025	3,592,078	3,685,780	3,791,105	3,903,974
Income							
User charges and fees.....	29,890	31,819	34,248	35,164	35,976	36,809	36,047
Grants and subsidies	435,418	418,923	436,033	425,331	440,319	455,258	472,002
Interest revenue	8,870	7,475	10,275	9,901	10,029	10,205	10,485
School contributions, charges and recoveries ..	90,246	96,319	100,191	101,811	103,360	104,932	106,530
Other revenue	58,091	23,848	38,769	30,714	30,449	30,443	30,678
Total Income.....	622,515	578,384	619,516	602,921	620,133	637,647	655,742
NET COST OF SERVICES ^(e)	2,973,555	2,717,256	2,837,509	2,989,157	3,065,647	3,153,458	3,248,232
INCOME FROM STATE GOVERNMENT							
Service appropriations ^(c)	3,058,372	2,767,315	2,807,386	3,051,617	3,100,201	3,189,581	3,292,995
Resources received free of charge	2,723	633	633	633	633	633	633
Liabilities assumed by the Treasurer	13,713	17,774	17,774	18,846	19,983	21,188	22,465
TOTAL INCOME FROM STATE GOVERNMENT.....	3,074,808	2,785,722	2,825,793	3,071,096	3,120,817	3,211,402	3,316,093
SURPLUS/(DEFICIENCY) FOR THE PERIOD ^(e)	101,253	68,466	(11,716)	81,939	55,170	57,944	67,861

- (a) The Full Time Equivalents (FTEs) for 2006-07 Actual, 2007-08 Estimated Actual and 2008-09 Estimate are 30,428, 31,074 and 31,173 respectively.
- (b) Refer Details of Controlled Grants and Subsidies table for further information. The appropriation of funds for the delivery of vocation and education training services by TAFE Colleges, Curtin University Kalgoorlie Vocational Training and Education Centre and the Western Australian Academy of Performing Arts is provided in this table.
- (c) Following the enactment of the *Financial Management Act 2006*, as from 2007-08, agencies are no longer required to pay the Capital User Charge.
- (d) The following amounts to be appropriated to public schools in 2008-09 as School Grants (\$92.4 million), School Utilities Grant (\$42.6 million), Foundation Grants (\$7 million) and various other program grants (\$32.1 million) are eliminated as they represent a funding source for schools, with the direct schools expenditure brought to account in the consolidated statements.
- (e) The projected deficit for 2007-08 reflects the deferral of the appropriation for the 2007-08 expenses related to the Teacher Recruitment and Retention Initiatives to 2008-09.

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	263,704	276,069	201,909	219,558	207,963	210,306	221,184
Receivables	28,257	22,130	27,549	27,637	27,726	27,817	27,908
Inventories.....	3,402	3,031	3,402	3,402	3,402	3,402	3,402
Amounts receivable for services.....	19,144	19,144	19,144	19,144	19,144	19,144	19,144
Prepayments	4,297	5,542	4,297	4,297	4,297	4,297	4,297
Non-current assets held for sale.....	10,957	5,705	10,957	10,957	10,957	10,957	10,957
Total current assets	329,761	331,621	267,258	284,995	273,489	275,923	286,892
NON-CURRENT ASSETS							
Amounts receivable for services.....	561,650	713,489	733,123	907,343	1,089,266	1,266,155	1,451,158
Property, plant and equipment	7,957,945	6,120,568	8,079,570	8,153,544	8,168,590	8,252,765	8,254,663
Intangibles.....	5,765	2,094	5,560	5,355	5,150	4,945	4,740
Restricted cash	53,531	21,660	21,903	30,664	40,247	50,711	62,121
Total non-current assets	8,578,891	6,857,811	8,840,156	9,096,906	9,303,253	9,574,576	9,772,682
TOTAL ASSETS.....	8,908,652	7,189,432	9,107,414	9,381,901	9,576,742	9,850,499	10,059,574
CURRENT LIABILITIES							
Payables ^(a)	29,431	39,481	29,887	30,311	30,311	30,311	30,311
Provision for employee entitlements	349,485	375,046	371,934	383,558	390,289	397,725	405,205
Finance leases	12,508	14,574	10,864	10,129	10,082	9,636	9,636
Accrued salaries	7,125	14,069	14,475	22,393	30,518	38,899	46,766
Other Liabilities	13,211	3,544	13,211	13,211	13,211	13,211	13,211
Total current liabilities.....	411,760	446,714	440,371	459,602	474,411	489,782	505,129
NON-CURRENT LIABILITIES							
Provisions.....	146,653	143,746	150,031	158,406	170,587	181,007	185,469
Finance leases	13,301	17,207	11,877	11,159	10,488	10,263	10,038
Total non-current liabilities	159,954	160,953	161,908	169,565	181,075	191,270	195,507
TOTAL LIABILITIES.....	571,714	607,667	602,279	629,167	655,486	681,052	700,636
EQUITY							
Contributed equity	710,360	935,843	890,273	1,055,933	1,169,285	1,359,532	1,481,162
Accumulated surplus/(deficit)	505,267	505,543	493,551	575,490	630,660	688,604	756,465
IFRS Non-current assets held for sale	4,190	1,605	4,190	4,190	4,190	4,190	4,190
Reserves	7,117,121	5,138,774	7,117,121	7,117,121	7,117,121	7,117,121	7,117,121
Total equity.....	8,336,938	6,581,765	8,505,135	8,752,734	8,921,256	9,169,447	9,358,938
TOTAL LIABILITIES AND EQUITY	8,908,652	7,189,432	9,107,414	9,381,901	9,576,742	9,850,499	10,059,574

(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	2,912,847	2,596,332	2,616,769	2,858,253	2,899,134	2,993,548	3,088,848
Capital contribution	237,210	226,963	257,686	274,618	220,907	201,327	162,320
Holding account drawdowns	22,516	19,144	19,144	19,144	19,144	19,144	19,144
Net cash provided by State Government.....	3,172,573	2,842,439	2,893,599	3,152,015	3,139,185	3,214,019	3,270,312
CASHFLOWS FROM OPERATING ACTIVITIES							
Payments							
Employee benefits.....	(1,781,511)	(1,895,571)	(1,953,046)	(2,081,252)	(2,164,008)	(2,239,888)	(2,316,404)
Superannuation	(161,348)	(171,647)	(176,835)	(186,531)	(193,952)	(200,393)	(206,354)
Grants and subsidies	(361,626)	(337,096)	(364,876)	(381,072)	(387,157)	(393,851)	(398,540)
Capital user charge ^(a)	(509,096)	-	-	-	-	-	-
Direct schools payments	(240,463)	(224,520)	(277,259)	(262,402)	(266,748)	(273,053)	(280,091)
Schools support services	(101,575)	(121,818)	(109,320)	(105,603)	(105,977)	(107,138)	(108,622)
Other supplies and services.....	(255,692)	(335,591)	(354,820)	(353,158)	(339,386)	(340,198)	(354,335)
Goods and services tax	(93,951)	(78,932)	(94,892)	(95,841)	(96,799)	(97,767)	(98,744)
Finance lease charges.....	(1,538)	(2,487)	(1,969)	(1,871)	(1,839)	(1,800)	(1,755)
Receipts							
User charges and fees.....	30,864	31,819	34,248	35,164	35,976	36,809	36,047
Grants and subsidies	430,890	418,923	436,033	425,331	440,319	455,258	472,002
School contributions, charges and recoveries	90,761	96,319	100,191	101,811	103,360	104,932	106,530
Interest received	9,272	7,475	10,275	9,901	10,029	10,205	10,485
Goods and services tax	91,144	78,863	95,600	95,753	96,710	97,676	98,653
Other receipts	48,472	23,848	38,769	30,714	30,449	30,443	30,678
Net cash from operating activities.....	(2,805,397)	(2,510,415)	(2,617,901)	(2,769,056)	(2,839,023)	(2,918,765)	(3,010,450)
CASHFLOWS FROM INVESTING ACTIVITIES							
Purchase of non-current assets.....	(344,175)	(271,846)	(353,782)	(342,825)	(289,185)	(269,505)	(225,078)
Net cash from investing activities.....	(344,175)	(271,846)	(353,782)	(342,825)	(289,185)	(269,505)	(225,078)
CASHFLOWS FROM FINANCING ACTIVITIES							
Other payments for financing activities.....	(12,859)	(18,858)	(15,339)	(13,724)	(12,989)	(12,942)	(12,496)
Net cash from financing activities	(12,859)	(18,858)	(15,339)	(13,724)	(12,989)	(12,942)	(12,496)
NET INCREASE/(DECREASE) IN CASH HELD	10,142	41,320	(93,423)	26,410	(2,012)	12,807	22,288
Cash assets at the beginning of the reporting period	307,093	256,408	317,235	223,812	250,222	248,210	261,017
Cash assets at the end of the reporting period.....	317,235	297,728	223,812	250,222	248,210	261,017	283,305

(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.....	3,596,070	3,295,640	3,457,025	3,592,078	3,685,780	3,791,105	3,903,974
Less Capital User Charge.....	465,574	-	-	-	-	-	-
Less Capital User Charge Grants to TAFE colleges.....	43,522						
Adjusted Total Cost of Services	3,086,974	3,295,640	3,457,025	3,592,078	3,685,780	3,791,105	3,903,974
APPROPRIATIONS							
Net Amount Appropriated to Deliver Services ...	3,058,372	2,767,315	2,807,386	3,051,617	3,100,201	3,189,581	3,292,995
Less Capital User Charge.....	465,172	-	-	-	-	-	-
Less Capital User Charge Grants to TAFE colleges.....	43,522						
Adjusted Net Amount Appropriated to Deliver Services	2,549,678	2,767,315	2,807,386	3,051,617	3,100,201	3,189,581	3,292,995

DETAILS OF CONTROLLED GRANTS AND SUBSIDIES

	2006-07 ^(a) 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
Contracts and Agreements for Delivery of Training and Employment Services: - TAFE Colleges; Curtin University Kalgoorlie, Vocational Training and Education Centre; and the Western Australian Academy of Performing Arts.....	317,758	300,920	323,752	341,105	350,587	357,235	361,912
- Other	43,925	36,176	41,124	39,967	36,570	36,616	36,628
TOTAL.....	361,683	337,096	364,876	381,072	387,157	393,851	398,540

(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.

AGENCY SPECIAL PURPOSE ACCOUNT DETAILS

School Development and Improvement Special Purpose Account

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

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000
Opening Balance.....	2,340	730	362	-
Receipts.....	46	290	400	400
	2,386	1,020	762	400
Payments.....	2,024	1,000	762	400
CLOSING BALANCE	362	20	-	-

NET APPROPRIATION DETERMINATION

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

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000
Commonwealth Programs				
GST Input Credits	84,649	70,354	89,040	89,128
GST Receipts on Sales	6,495	8,509	6,560	6,625
Indian Ocean Territories	8,958	9,038	9,281	9,615
Indigenous Education Program	23,292	22,209	22,917	22,338
Schools Assistance	212,978	220,837	222,543	232,623
Schools Capital Program	30,517	34,704	32,054	32,774
Schools Special Projects	39,346	14,765	22,284	4,530
Skilling Australia's Workforce	95,674	100,368	103,202	102,672
Skilling Australia's Workforce - Capital Program	15,311	13,350	19,280	16,300
Training Special Projects	4,814	3,653	4,472	4,479
Departmental				
Farm School Receipts	747	800	800	800
Fees - Agricultural Colleges	3,077	3,147	3,557	3,280
Fees - Other	1,039	6,830	6,500	6,690
Fees - Senior Colleges	4,252	3,037	3,349	3,789
Fees - Swimming Classes	529	521	535	544
Physical Education Camp Schools Receipts	1,681	1,742	1,707	1,761
Proceeds from Commercial Activities of Institutions	20,286	16,542	18,600	19,100
Recoveries and Refunds - Teachers Salaries and Other	8,828	10,650	10,218	9,971
Refunds - Workers Compensation	7,387	5,000	6,800	6,800
Revenue - Other	13,690	7,397	14,855	13,143
Revenue - Other Capital	17,820	-	6,096	-
TOTAL ^(a)	601,370	553,453	604,650	586,962

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

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

COUNTRY HIGH SCHOOL HOSTELS AUTHORITY

PART 11 - MINISTER FOR EDUCATION AND TRAINING; SOUTH WEST

DIVISION 51

APPROPRIATION AND FORWARD ESTIMATES

	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 93 Net amount appropriated to deliver services ^(a)	4,771	5,328	5,400	5,804	5,297	5,405	5,508
Total appropriations provided to deliver services	4,771	5,328	5,400	5,804	5,297	5,405	5,508
CAPITAL							
Item 169 Capital Contribution	6,570	3,070	3,070	1,932	6,654	910	910
GRAND TOTAL	11,341	8,398	8,470	7,736	11,951	6,315	6,418

(a) Following the enactment of the *Financial Management Act 2006*, agencies are no longer required to pay the Capital User 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 an opportunity for students in remote areas to attend primary and secondary schools and TAFE colleges by providing affordable, good quality, supervised student accommodation, care and services in strategic locations.

SIGNIFICANT ISSUES AND TRENDS

- Residential and boarding services are in higher demand as a key component in the delivery of effective education services to Indigenous students living in geographically isolated locations.
- Increasing demands are being placed on boarding services to provide for students with special needs (health, socio-cultural and disabilities) and students engaged in training and work placements.

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>							
Establishment, Operation and Maintenance of Residential Colleges.....	9,686	12,220	12,292	13,036			
Total Cost of Services ^(a)	9,686	12,220	12,292	13,036	13,483	14,081	14,532
<i>Less Income</i>	7,831	9,093	8,343	9,135	8,076	8,502	8,674
Net Cost of Services ^(a)	1,855	3,127	3,949	3,901	5,407	5,579	5,858
Adjustments ^(b)	2,916	2,201	1,451	1,903	(110)	(174)	(350)
Appropriation Provided to Deliver Services ^(a)	4,771	5,328	5,400	5,804	5,297	5,405	5,508
Appropriation for Capital Contribution to meet equity needs ^(c)	6,570	3,070	3,070	1,932	6,654	910	910
TOTAL CONSOLIDATED ACCOUNT APPROPRIATIONS	11,341	8,398	8,470	7,736	11,951	6,315	6,418

- (a) Following the enactment of the *Financial Management Act 2006*, agencies are no longer required to pay the Capital User 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
Enhancing the quality of life and wellbeing of all people throughout Western Australia by providing high quality, accessible services.	Quality accommodation, care and services for isolated students who have to board away from home to attend school.	1. Establishment, Operation and Maintenance of Residential Colleges

Outcomes and Key Effectiveness Indicators ^(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: Quality accommodation, care and services for isolated students who have to board away from home to attend school.					
Average Residential College Occupancy Rate....	84%	83%	84%	84%	
Families rating accommodation, care and services as good or better.....	91%	91%	91%	91%	

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

Service 1: Establishment, Operation and Maintenance of Residential Colleges

	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)	9,686	12,220	12,292	13,036	Increased numbers of students.
<i>Less Income</i>	7,831	9,093	8,343	9,135	
Net Cost of Service ^(a)	1,855	3,127	3,949	3,901	
Adjustments ^(b)	2,916	2,201	1,451	1,903	
Appropriation for Delivery of Service ^(a)	4,771	5,328	5,400	5,804	

(a) Following the enactment of the *Financial Management Act 2006*, agencies are no longer required to pay the Capital User 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 student.....	15,508	15,667	15,759	16,094	
Full Time Equivalents (FTEs)	109	109	112	115	

Major Achievements For 2007-08

- Commencement of a new boarding service in Broome in July 2007 which has given 44 geographically isolated students access to the secondary school education and training opportunities on offer in this regional centre.
- Minor improvements to the Merredin, Northam and St James (Moora) Residential Colleges.
- Service adjustments (work time, staffing and student transport) to support increasing numbers of secondary school students who are engaged in training and work placement activities since the raising of the school leaving age.

Major Initiatives For 2008-09

- Construction works associated with the redevelopment of the Albany Residential College.
- The enrolment capacity of the Broome Residential College will increase from 44 to 72 students.

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				
Motor Vehicles - Bus Replacement Program - Seat Belts	106	20	-	42
Redevelopment Programs - Albany Residential College	17,780	9,854	8,900	4,326
COMPLETED WORKS				
Family Accommodation for Residential Colleges				
Adamson House - Northam	120	120	120	-
Northam	220	220	13	-
Maintenance Program - Residential Colleges				
2006-07 Program	500	500	294	-
2007-08 Program	500	500	500	-
Merredin Residential College - Planning, Design and Analysis	25	25	25	-
Motor Vehicles - Purchase of College Buses - 2007-08 Program	235	235	235	-
Redevelopment Programs				
Broome Residential College Construction	9,000	9,000	4,015	-
Broome Residential College Stage 2	4,000	4,000	4,000	-
NEW WORKS				
Maintenance Program - Residential Colleges - 2008-09 Program	530	-	-	530
Motor Vehicles - Purchase of College Buses - 2008-09 Program	210	-	-	210
Redevelopment Programs - 2008-09 Program	1,120	-	-	1,120
	34,346	24,474	18,102	6,228

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	6,421	13,635	18,102	6,228	6,514	810	880
Working capital requirement							
Loan and Other Repayments	519	670	670	890	910	910	910
	6,940	14,305	18,772	7,118	7,424	1,720	1,790
LESS							
Borrowings	-	8,900	8,900	4,200	-	-	-
Drawdowns from the Holding Account	400	400	400	424	440	456	476
Funding Included in Service Appropriations ^(a) ..	-	100	100	106	110	114	114
Internal Funds and Balances	(1,679)	235	4,702	(944)	220	240	290
Other	1,649	1,600	1,600	1,400	-	-	-
Capital Contribution	6,570	3,070	3,070	1,932	6,654	910	910

(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)	4,547	5,527	5,593	5,777	5,951	6,266	6,542
Superannuation	378	462	468	478	507	538	556
Supplies and services	2,250	3,495	3,495	3,573	3,544	3,781	3,938
Accommodation	558	95	95	132	138	137	142
Finance costs	736	990	990	1,250	1,315	1,315	1,315
Capital user charge ^(b)	1,836	-	-	-	-	-	-
Depreciation and amortisation	899	1,339	1,339	1,508	1,663	1,671	1,670
Doubtful debts	13	10	10	10	10	10	10
Other expenses	305	302	302	308	355	363	359
TOTAL COST OF SERVICES	11,522	12,220	12,292	13,036	13,483	14,081	14,532
Income							
User charges and fees	5,604	7,033	6,283	7,233	7,648	8,070	8,214
Interest revenue	67	49	49	49	50	55	60
Other revenue	2,160	2,011	2,011	1,853	378	377	400
Total Income	7,831	9,093	8,343	9,135	8,076	8,502	8,674
NET COST OF SERVICES ^(b)	3,691	3,127	3,949	3,901	5,407	5,579	5,858
INCOME FROM STATE GOVERNMENT							
Service appropriations ^(b)	6,607	5,328	5,400	5,804	5,297	5,405	5,508
Resources received free of charge	50	10	10	10	10	15	60
Liabilities assumed by the Treasurer	-	10	10	10	10	10	10
TOTAL INCOME FROM STATE GOVERNMENT	6,657	5,348	5,420	5,824	5,317	5,430	5,578
SURPLUS/(DEFICIENCY) FOR THE PERIOD	2,966	2,221	1,471	1,923	(90)	(149)	(280)

(a) The Full Time Equivalents (FTEs) for 2006-07 Actual, 2007-08 Estimated Actual and 2008-09 Estimate are 109, 112 and 115 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	6,759	3,371	2,337	3,825	3,554	3,229	2,724
Restricted cash	42	43	43	44	44	44	44
Receivables	569	398	579	574	595	595	595
Amounts receivable for services	400	424	424	440	456	456	476
Prepayments	6	9	6	6	6	6	6
Total current assets	7,776	4,245	3,389	4,889	4,655	4,330	3,845
NON-CURRENT ASSETS							
Amounts receivable for services	3,944	4,878	4,878	5,966	7,184	8,410	9,595
Land and buildings	35,621	49,749	51,665	56,117	60,636	59,383	58,146
Plant and equipment	634	1,124	801	963	1,185	1,463	1,796
Total non-current assets	40,199	55,751	57,344	63,046	69,005	69,256	69,537
TOTAL ASSETS	47,975	59,996	60,733	67,935	73,660	73,586	73,382
CURRENT LIABILITIES							
Payables ^(a)	170	145	127	103	98	98	98
Provision for employee entitlements	443	452	458	473	481	489	489
Borrowings	670	745	740	665	665	905	905
Interest payable	196	313	256	306	356	406	456
Accrued salaries	18	20	18	34	49	63	89
Other	373	330	324	299	299	299	299
Total current liabilities	1,870	2,005	1,923	1,880	1,948	2,260	2,336
NON-CURRENT LIABILITIES							
Payables	-	41	-	-	-	-	-
Provision for employee entitlements	198	178	202	207	210	213	213
Borrowings	10,799	21,143	18,959	22,344	21,434	20,284	19,374
Other	42	-	42	42	42	42	42
Total non-current liabilities	11,039	21,362	19,203	22,593	21,686	20,539	19,629
TOTAL LIABILITIES	12,909	23,367	21,126	24,473	23,634	22,799	21,965
EQUITY							
Contributed equity	10,420	13,490	13,490	15,422	22,076	22,986	23,896
Accumulated surplus/(deficit)	12,377	13,753	13,848	15,771	15,681	15,532	15,252
Reserves	12,269	9,386	12,269	12,269	12,269	12,269	12,269
Total equity	35,066	36,629	39,607	43,462	50,026	50,787	51,417
TOTAL LIABILITIES AND EQUITY	47,975	59,996	60,733	67,935	73,660	73,586	73,382

(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	5,549	3,970	4,042	4,276	3,623	3,723	3,827
Capital contribution	6,570	3,070	3,070	1,932	6,654	910	910
Holding account drawdowns	400	400	400	424	440	456	476
Net cash provided by State Government.....	12,519	7,440	7,512	6,632	10,717	5,089	5,213
CASHFLOWS FROM OPERATING ACTIVITIES							
Payments							
Employee benefits.....	(4,543)	(5,508)	(5,574)	(5,741)	(5,925)	(6,241)	(6,516)
Superannuation	(383)	(475)	(481)	(497)	(514)	(535)	(551)
Supplies and services	(2,168)	(3,410)	(3,410)	(3,478)	(3,518)	(3,705)	(3,848)
Accommodation.....	(537)	(95)	(95)	(132)	(138)	(137)	(142)
Finance costs	(733)	(930)	(930)	(1,200)	(1,265)	(1,265)	(1,265)
Capital user charge ^(a)	(1,836)	-	-	-	-	-	-
Goods and services tax	(671)	(500)	(500)	(500)	(500)	(500)	(500)
Other.....	(316)	(342)	(342)	(353)	(360)	(397)	(380)
Receipts							
User charges and fees.....	5,622	6,954	6,204	7,168	7,608	8,030	8,200
Interest received	67	49	49	49	50	55	60
Goods and services tax	506	500	500	500	500	500	500
Other receipts	510	366	366	453	388	387	400
Net cash from operating activities.....	(4,482)	(3,391)	(4,213)	(3,731)	(3,674)	(3,808)	(4,042)
CASHFLOWS FROM INVESTING ACTIVITIES							
Purchase of non-current assets.....	(4,672)	(11,935)	(15,950)	(4,722)	(6,404)	(696)	(766)
Net cash from investing activities.....	(4,672)	(11,935)	(15,950)	(4,722)	(6,404)	(696)	(766)
CASHFLOWS FROM FINANCING ACTIVITIES							
Repayment of borrowings.....	(519)	(670)	(670)	(890)	(910)	(910)	(910)
Proceeds from borrowings.....	-	8,900	8,900	4,200	-	-	-
Net cash from financing activities.....	(519)	8,230	8,230	3,310	(910)	(910)	(910)
NET INCREASE/(DECREASE) IN CASH HELD	2,846	344	(4,421)	1,489	(271)	(325)	(505)
Cash assets at the beginning of the reporting period	3,955	3,070	6,801	2,380	3,869	3,598	3,273
Cash assets at the end of the reporting period.....	6,801	3,414	2,380	3,869	3,598	3,273	2,768

(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.....	11,522	12,220	12,292	13,036	13,483	14,081	14,532
Less Capital User Charge.....	1,836	-	-	-	-	-	-
Adjusted Total Cost of Services	9,686	12,220	12,292	13,036	13,483	14,081	14,532
APPROPRIATIONS							
Net Amount Appropriated to Deliver Services ..	6,607	5,328	5,400	5,804	5,297	5,405	5,508
Less Appropriation Capital User Charge	1,836	-	-	-	-	-	-
Adjusted Net Amount Appropriated to Deliver Services	4,771	5,328	5,400	5,804	5,297	5,405	5,508

CURRICULUM COUNCIL

PART 11 - MINISTER FOR EDUCATION AND TRAINING; SOUTH WEST

DIVISION 52

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 94 Net amount appropriated to deliver services ^(a)	19,484	23,955	24,182	21,572	17,629	18,347	17,190
Amount Authorised by Other Statutes - Salaries and Allowances Act 1975 ^(b)	202	214	217	228	242	242	245
Total appropriations provided to deliver services	19,686	24,169	24,399	21,800	17,871	18,589	17,435
CAPITAL							
Item 170 Capital Contribution	1,634	229	229	725	68	-	-
GRAND TOTAL	21,320	24,398	24,628	22,525	17,939	18,589	17,435

- (a) Following the enactment of the *Financial Management Act 2006*, agencies are no longer required to pay the Capital User 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 set curriculum policy directions for Kindergarten to Year 12 schooling in Western Australia.

SIGNIFICANT ISSUES AND TRENDS

- The implementation of the senior secondary school reform as outlined in the report 'Our Youth, Our Future' continues through to 2010. This reform addresses:
 - the provision of courses and assessments that will allow schools to provide programs to all students, particularly those staying on at school as a result of the raising of the compulsory school leaving age to 17 in 2008;
 - the provision of programs that prepare students for transition from school to further education, training and/or employment;
 - the skills shortage and changing school-leaver labour market expectations and requirements, including the growth of vocational education in schools and the need to accommodate this within the Western Australian Certificate of Education (WACE); and
 - more flexible university entrance requirements.
- There is a growing need to build community and teachers' trust and confidence in the senior school reform, particularly in relation to assessment and reporting of student achievement.
- A bill is being drafted to replace the Council by the Education Standards Authority which will have responsibility for the assessment and provision of Kindergarten to Year 12 curriculum for all government and non-government schools.
- There is a need to maintain widespread communication and consultation on the implementation of the Curriculum Framework and the changes to senior secondary education.

- Implementation of examinations in all courses. About two-thirds of Year 12 students will complete examinations.
- The implications of the move towards greater national consistency in curriculum and assessment, and the integration of national statements of learning into the Western Australian curriculum documents are under review.
- Provision of education opportunities for children in the early years is part of a national and state focus on the development of children from zero to eight years.

SERVICE AND APPROPRIATION SUMMARY

	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>							
Curriculum Implementation and Maintenance...	2,962	3,500	1,810	1,397			
<i>Service 2:</i>							
Course Development and Approval	8,869	10,873	12,667	11,737			
<i>Service 3:</i>							
Student Assessment and Certification	7,044	10,914	11,040	10,230			
Total Cost of Services ^(a)	18,875	25,287	25,517	23,364	19,387	20,091	19,260
<i>Less Income</i>	1,187	811	811	811	810	870	870
Net Cost of Services ^(a)	17,688	24,476	24,706	22,553	18,577	19,221	18,390
Adjustments ^(b)	1,998	(307)	(307)	(753)	(706)	(632)	(955)
Appropriation Provided to Deliver Services ^(a)	19,686	24,169	24,399	21,800	17,871	18,589	17,435
CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS							
Appropriation for Capital Contribution to meet equity needs ^(c)	1,634	229	229	725	68	-	-
TOTAL CONSOLIDATED ACCOUNT APPROPRIATIONS.....	21,320	24,398	24,628	22,525	17,939	18,589	17,435

- (a) Following the enactment of the *Financial Management Act 2006*, agencies are no longer required to pay the Capital User 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 Outcomes	Services
Enhancing the quality of life and wellbeing of all people throughout Western Australia by providing high quality, accessible services.	Continuous development of student learning and curriculum for Western Australian schools.	1. Curriculum Implementation and Maintenance 2. Course Development and Approval
	An equitable student assessment system to ensure confidence is maintained in Western Australian education standards.	3. Student Assessment and Certification

Outcomes and Key Effectiveness Indicators ^(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: Continuous development of student learning and curriculum for Western Australian schools.					
Schools that are monitoring students' progressive achievement of the Curriculum Framework comprising the achievements below:					
- Implemented the Curriculum Framework supported by whole-school planning	99%	100%	100%	100%	
- Set mechanisms in place to monitor and review the effectiveness of implementation of the Curriculum Framework on an ongoing basis.....	97%	100%	100%	100%	
- Monitored students' progressive achievement of the outcomes in the Curriculum Framework.....	98%	100%	100%	100%	
Acceptance by stakeholders that the courses developed or reviewed and approved were relevant to student learning needs	74%	75%	75%	75%	
Outcome: An equitable student assessment system to ensure confidence is maintained in Western Australian education standards.					
Acceptance by stakeholders that the measures of student achievement were valid and credible.....	100%	100%	100%	100%	

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

Service 1: Curriculum Implementation and Maintenance

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

	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)	2,962	3,500	1,810	1,397	Part of Service 1 was transferred to Service 2 during 2007-08.
<i>Less Income</i>	151	150	14	10	
Net Cost of Service ^(a)	2,811	3,350	1,796	1,387	
Adjustments ^(b)	55	(10)	(22)	(46)	
Appropriation for Delivery of Service ^(a)	2,866	3,340	1,774	1,341	

- (a) Following the enactment of the *Financial Management Act 2006*, agencies are no longer required to pay the Capital User 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 teacher for documents, advice, information, consultation and monitoring	\$121	\$124	\$62	\$54	The cost for professional development to be borne by Service 2 in 2008-09.
Average cost per teacher for professional development	n/a	\$12	\$8	n/a	
Full Time Equivalents (FTEs)	19	26	12	10	

Major Achievements For 2007-08

- Provision of expert input into the development of the K-10 syllabus documents by the Department of Education and Training.
- Monitoring and reporting on schools' implementation of the Curriculum Framework.
- Revision of the Curriculum Guides to incorporate the national statements of learning.

Major Initiatives For 2008-09

- Involvement in national curriculum initiatives with provision of advice, information, responses and meeting attendances.
- Ongoing development and implementation of the Curriculum Framework to be reviewed according to changes made to Council legislation.
- Revision of accountability requirements for schools reporting on their implementation of the Curriculum Framework.

Service 2: Course Development and Approval

Course development facilitates the adjustment of courses to ensure they are relevant to the continuously changing requirements of students' learning 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)	8,869	10,873	12,667	11,737	
<i>Less Income</i>	18	12	18	20	
Net Cost of Service ^(a)	8,851	10,861	12,649	11,717	
Adjustments ^(b)	1,181	(471)	(157)	(391)	
Appropriation for Delivery of Service ^(a)	10,032	10,390	12,492	11,326	

- (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 per course developed or reviewed and approved	\$179,800	\$217,468	\$243,601	\$225,715	
Full Time Equivalent (FTEs)	63	65	79	81	

Major Achievements For 2007-08

- Revised 47 of the total 52 courses in Western Australia, based on teacher jury feedback and final re-accreditation.
- Finalised two mathematics courses in response to formal consultation responses and accredited by Council.
- Additional course units developed across 20 courses to accommodate needs of students in education support contexts with identified learning needs.
- Developed three Vocational Education and Training (VET) industry specific courses.
- The inclusion of additional endorsed programs that have been developed by schools, training providers, universities and community organisations. The submission and endorsement process continues.
- Developed and published support materials for the new senior secondary courses.
- Successfully continued professional development on the new senior secondary system and courses for teachers and administrators.
- Professional development for education support teachers, fourth year university graduates and relevant university staff has been undertaken.
- Online professional development modules are being developed and were made available for trial in 15 courses during semester one of 2008.
- Developed and implemented guidelines and administrative processes for the implementation of the community service initiative.

Major Initiatives For 2008-09

- Revise all courses, based on teacher jury feedback and final re-accreditation.
- Monitor the implementation of additional preliminary and stage one course units across 20 courses to accommodate needs of students in education support contexts with identified learning needs.
- All VET industry specific courses with sample exams are to be developed for accreditation and subsequent implementation.
- Additional endorsed programs are developed by schools, training providers, universities and community organisations.
- Development and publication of assessment support materials continues for the new senior secondary courses.
- Conduct professional development for new senior secondary courses for teachers and administrators, in collaboration with school system/sectors.
- Conduct professional development for education support teachers, fourth year university graduates and relevant university staff, in collaboration with key stakeholder groups.
- Online professional development modules for all courses are to be developed and made available for all interested educators.
- The community service initiative continues to be implemented and successful approaches and strategies identified and shared.

Service 3: Student Assessment and Certification

To ensure that valid and credible information on student achievement of schooling in their senior secondary courses is provided to facilitate their post-school choices and to inform 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)	7,044	10,914	11,040	10,230	
<i>Less Income</i>	1,018	649	779	781	
Net Cost of Service ^(a)	6,026	10,265	10,261	9,449	
Adjustments ^(b)	762	174	(128)	(316)	
Appropriation for Delivery of Service ^(a)	6,788	10,439	10,133	9,133	

(a) Following the enactment of the *Financial Management Act 2006*, agencies are no longer required to pay the Capital User 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 school subject/course combination.....	\$164	\$433	\$363	\$348	Lower average cost for 2008-09 Target due to estimated 7% increase in the number of statements to be issued.
Average cost per student receiving a Statement of Results	\$117	\$128	\$154	\$134	
Full Time Equivalents (FTEs)	55	61	61	61	

Major Achievements For 2007-08

- In 2007, 20,330 Year 12 students received a statement of results, 19,121 full time eligible students achieved a WACE.
- 11,765 students sat at least one Tertiary Entrance Examination subject or WACE course.
- The Council presented 997 awards to 713 students.
- Developed procedures for implementation of moderation partnerships for all course providers.
- The General Achievement Test (GAT) was undertaken by 14,659 Year 12 students enrolled in at least one new course. Each student received a copy of their results in the components of the test. An independent report on the functionality of the GAT was undertaken.
- Commenced development of the moderation module of the new Student Information Records System (SIRS) database.
- Commenced item scaling in preparation for item banks.
- Developed grade descriptors for new courses.
- Independent review of the 2007 examination papers for Engineering Studies and Media Production and Analysis was completed and future examination setting procedures for all courses developed in response to the review.
- Trained over 300 school personnel in the transfer of student certification data to the Council.
- 141,054 students, from Year 8 to Year 12 registered with the Council in accordance with the Raising of the School Leaving Age legislation.
- The policy and guidelines for examination of students with disabilities were refined.
- Refinement of the process for the reporting of an alleged breach of examination rules.
- Sample examinations for the new courses to be examined in 2008 and 2009 were developed and distributed to schools.
- Ratified the design of the graduation certificates to be issued to students following consultation with schools and employer groups.

Major Initiatives For 2008-09

- Continue the implementation of consensus moderation partnerships for providers of all newly implemented courses.
- Finalise and implement the moderation module of the SIRS database.
- Review and refine the grade descriptors for all courses.

- Continue the item scaling process and pilot item banking software for the dissemination of these assessment items to schools.
- Facilitate regular SIRS training sessions for school personnel to accommodate the variety of software at schools and the transience of school staff.
- Extend the monitoring of people involved in school and non-school programs to include those born in 1992 (17 year olds).
- Streamline the development of sample papers and associated materials, and final examination papers.
- Extend the online marks collection process and online marking to more subjects/courses.
- Explore ways to improve understanding of marks adjustment processes in schools and the general community.
- Certification of Year 12 students to accommodate the new WACE requirements and new English language competence requirement.
- Refine the SIRS printouts to allow schools to monitor whether Year 12 students have met WACE requirements.
- Review the policy for the granting of exhibitions and awards in order to acknowledge outstanding achievement of students:
 - in VET;
 - of Aboriginal and Torres Strait Islander heritage; and
 - with English as an additional language/dialect background.

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				
Replacement of Student Information Records System	4,660	4,466	973	126
COMPLETED WORKS				
Furniture and Equipment - 2007-08 Program	40	40	40	-
Information Technology Upgrade and Replacement - 2007-08 Program	150	150	150	-
NEW WORKS				
Computer Hardware and Software - IT Upgrade and Replacement	1,190	-	-	170
Furniture and Equipment - Furniture Upgrade and Replacement	40	-	-	40
Relocation of Office Premises	600	-	-	600
	6,680	4,656	1,163	936

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	1,535	321	1,163	936	238	170	170
Working capital requirement							
Loan and Other Repayments	10	98	98	-	-	-	-
	1,545	419	1,261	936	238	170	170
LESS							
Drawdowns from the Holding Account	147	190	190	210	170	170	170
Internal Funds and Balances	(236)	-	842	1	-	-	-
Capital Contribution	1,634	229	229	725	68	-	-

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)	10,466	9,337	9,567	9,616	10,042	10,492	10,695
Superannuation.....	1,360	967	967	991	1,025	1,045	1,045
Grants and subsidies ^(b)	171	315	315	15	15	15	15
Supplies and services	5,601	12,837	12,437	10,334	5,473	5,266	5,703
Accommodation.....	1,043	665	1,065	1,100	1,600	1,605	1,605
Finance costs	5	-	-	-	-	-	-
Capital user charge ^(c)	396	-	-	-	-	-	-
Depreciation and amortisation	203	1,141	1,141	1,282	1,206	1,641	170
Other expenses	26	25	25	26	26	27	27
TOTAL COST OF SERVICES.....	19,271	25,287	25,517	23,364	19,387	20,091	19,260
Income							
User charges and fees.....	1,149	771	771	771	770	820	820
Grants and subsidies	38	40	40	40	40	50	50
Total Income.....	1,187	811	811	811	810	870	870
NET COST OF SERVICES ^(c)	18,084	24,476	24,706	22,553	18,577	19,221	18,390
INCOME FROM STATE GOVERNMENT							
Service appropriations ^(c)	20,027	24,169	24,399	21,800	17,871	18,589	17,435
Resources received free of charge	239	274	274	274	274	290	290
TOTAL INCOME FROM STATE GOVERNMENT.....	20,266	24,443	24,673	22,074	18,145	18,879	17,725
SURPLUS/(DEFICIENCY) FOR THE PERIOD.....	2,182	(33)	(33)	(479)	(432)	(342)	(665)

(a) The Full Time Equivalents (FTEs) for 2006-07 Actual, 2007-08 Estimated Actual and 2008-09 Estimate are 137, 152 and 152 respectively.

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

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

**BALANCE SHEET
(Controlled)**

	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	5,895	1,811	5,036	4,574	4,374	3,926	3,478
Receivables	97	118	97	97	97	179	179
Inventories.....	252	556	252	252	252	160	160
Amounts receivable for services.....	190	210	210	170	170	170	170
Prepayments.....	39	50	39	39	39	39	39
Total current assets	6,473	2,745	5,634	5,132	4,932	4,474	4,026
NON-CURRENT ASSETS							
Amounts receivable for services.....	177	1,108	1,108	2,220	3,256	4,727	4,727
Plant and equipment.....	293	332	344	345	395	324	330
Intangibles.....	30	1	7	6	6	6	-
Other.....	2,770	3,346	2,765	2,418	1,400	-	-
Total non-current assets	3,270	4,787	4,224	4,989	5,057	5,057	5,057
TOTAL ASSETS.....	9,743	7,532	9,858	10,121	9,989	9,531	9,083
CURRENT LIABILITIES							
Payables ^(a)	2	33	1	1	233	117	117
Provision for employee entitlements	1,202	800	1,202	1,202	1,202	1,202	1,202
Borrowings.....	97	-	-	-	-	-	-
Accrued salaries	40	23	40	40	40	40	40
Other.....	158	226	158	158	158	158	375
Total current liabilities.....	1,499	1,082	1,401	1,401	1,633	1,517	1,734
NON-CURRENT LIABILITIES							
Provision for employee entitlements	210	184	210	210	210	210	210
Other.....	-	151	17	34	34	34	34
Total non-current liabilities	210	335	227	244	244	244	244
TOTAL LIABILITIES.....	1,709	1,417	1,628	1,645	1,877	1,761	1,978
EQUITY							
Contributed equity	5,303	5,532	5,532	6,257	6,325	6,325	6,325
Accumulated surplus/(deficit)	2,731	583	2,698	2,219	1,787	1,445	780
Total equity.....	8,034	6,115	8,230	8,476	8,112	7,770	7,105
TOTAL LIABILITIES AND EQUITY	9,743	7,532	9,858	10,121	9,989	9,531	9,083

(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	19,839	23,028	23,258	20,518	16,665	16,948	17,265
Capital contribution	1,634	229	229	725	68	-	-
Holding account drawdowns	147	190	190	210	170	170	170
Net cash provided by State Government.....	21,620	23,447	23,677	21,453	16,903	17,118	17,435
CASHFLOWS FROM OPERATING ACTIVITIES							
Payments							
Employee benefits.....	(10,021)	(9,337)	(9,567)	(9,616)	(10,042)	(10,492)	(10,695)
Superannuation	(1,335)	(967)	(967)	(991)	(1,025)	(1,045)	(1,045)
Grants and subsidies	(196)	(315)	(315)	(15)	(15)	(15)	(15)
Supplies and services	(6,009)	(12,536)	(12,147)	(10,043)	(4,968)	(5,002)	(5,198)
Accommodation.....	(1,043)	(675)	(1,065)	(1,100)	(1,600)	(1,605)	(1,605)
Finance costs	(6)	-	-	-	-	-	-
Capital user charge ^(a)	(396)	-	-	-	-	-	-
Goods and services tax	(516)	(471)	(471)	(476)	(476)	(512)	(512)
Other.....	(26)	(25)	(25)	(25)	(25)	(25)	(25)
Receipts							
User charges and fees.....	1,083	771	771	771	770	820	820
Grants and subsidies	38	40	40	40	40	50	50
Goods and services tax	557	471	471	476	476	430	512
Net cash from operating activities.....	(17,870)	(23,044)	(23,275)	(20,979)	(16,865)	(17,396)	(17,713)
CASHFLOWS FROM INVESTING ACTIVITIES							
Purchase of non-current assets.....	(148)	(321)	(1,163)	(936)	(238)	(170)	(170)
Net cash from investing activities.....	(148)	(321)	(1,163)	(936)	(238)	(170)	(170)
CASHFLOWS FROM FINANCING ACTIVITIES							
Repayment of borrowings.....	(10)	(98)	(98)	-	-	-	-
Net cash from financing activities	(10)	(98)	(98)	-	-	-	-
NET INCREASE/(DECREASE) IN CASH HELD	3,592	(16)	(859)	(462)	(200)	(448)	(448)
Cash assets at the beginning of the reporting period	2,303	1,827	5,895	5,036	4,574	4,374	3,926
Cash assets at the end of the reporting period.....	5,895	1,811	5,036	4,574	4,374	3,926	3,478

(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.....	19,271	25,287	25,517	23,364	19,387	20,091	19,260
Less Capital User Charge.....	396	-	-	-	-	-	-
Adjusted Total Cost of Services	18,875	25,287	25,517	23,364	19,387	20,091	19,260
APPROPRIATIONS							
Net Amount Appropriated to Deliver Services ...	20,027	24,169	24,399	21,800	17,871	18,589	17,435
Less Appropriation Capital User Charge	341	-	-	-	-	-	-
Adjusted Net Amount Appropriated to Deliver Services	19,686	24,169	24,399	21,800	17,871	18,589	17,435

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
Professional Development Grants for the Implementation of the Senior Secondary School Reform	161	300	200	-	-	-	-
Scholarships and Other Grants	10	15	115	15	15	15	15
TOTAL.....	171	315	315	15	15	15	15

EDUCATION SERVICES

PART 11 - MINISTER FOR EDUCATION AND TRAINING; SOUTH WEST

DIVISION 53

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 95 Net amount appropriated to deliver services ^(a)	13,514	18,425	18,418	19,272	19,137	19,133	19,472
Amount Authorised by Other Statutes - Salaries and Allowances Act 1975 ^(b)	187	193	193	199	211	211	211
Total appropriations provided to deliver services	13,701	18,618	18,611	19,471	19,348	19,344	19,683
ADMINISTERED TRANSACTIONS							
Item 96 Amount provided for Administered Grants, Subsidies and Other Transfer Payments	233,729	257,721	258,921	281,075	307,021	334,356	364,256
GRAND TOTAL	247,430	276,339	277,532	300,546	326,369	353,700	383,939

- (a) Following the enactment of the *Financial Management Act 2006*, agencies are no longer required to pay the Capital User 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

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

SIGNIFICANT ISSUES AND TRENDS

- Strategies for streamlining regulation through improved linkages between licensing bodies and Vocational Education and Training (VET) regulators are being developed in response to the requirements of the Council of Australian Governments to improve national consistency in the VET sector.
- Proposed implementation by Commonwealth and State/Territory Governments of new regulatory frameworks underpinning systemic changes to non self-accrediting higher education institutions and education service providers for full-fee overseas students will enhance quality assurance and provide nationally consistent regulation.
- Enrolment trends in all schools, planning issues about the opening of new non-government schools, levels of public funding to non-government schools and their accountability for public funding, are important factors influencing the State's policies for the non-government school sector.
- Student demand for university places is being adversely affected by the strong labour market in Western Australia.
- The Commonwealth Government has launched a review of higher education with broad ranging terms of reference due to report by the end of 2008.

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
Implementation of Mandatory Reporting of Child Sexual Abuse	441	300	16	16
Provision of Low Interest Loan to The University of Notre Dame Australia	180	174	162	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>							
Regulation, Funding, and Policy Advice	24,282	25,491	34,619	35,909			
Total Cost of Services ^(a)	24,282	25,491	34,619	35,909	36,195	36,637	37,041
<i>Less Income</i>	13,601	6,639	14,801	15,814	16,446	17,048	17,162
Net Cost of Services ^(a)	10,681	18,852	19,818	20,095	19,749	19,589	19,879
Adjustments ^(b)	3,020	(234)	(1,207)	(624)	(401)	(245)	(196)
Appropriation Provided to Deliver Services ^(a)	13,701	18,618	18,611	19,471	19,348	19,344	19,683
ADMINISTERED TRANSACTIONS							
Appropriation for Administered Grants, Subsidies and Transfer Payments	233,729	257,721	258,921	281,075	307,021	334,356	364,256
TOTAL CONSOLIDATED ACCOUNT APPROPRIATIONS	247,430	276,339	277,532	300,546	326,369	353,700	383,939

(a) Following the enactment of the *Financial Management Act 2006*, agencies are no longer required to pay the Capital User 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.	Registered and/or accredited education and training providers comply with the appropriate legislative and/or other regulatory requirements.	1. Regulation, Funding, and Policy Advice

Outcomes and Key Effectiveness Indicators ^(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: Registered and/or accredited education and training providers comply with the appropriate legislative and/or other regulatory requirements.					
Percentage of non self-accrediting higher education institutions complying with accreditation and authorisation requirements of the Higher Education Act 2004.....	100%	100%	100%	100%	
Percentage of non-government schools complying with registration requirements of the School Education Act 1999	100%	98%	95%	99%	Two schools closed during 2007-08 due to non-compliance. Two schools were conditionally re-registered.
Percentage of providers of education services to full-fee international students complying with registration requirements of the Education Service Providers (Full Fee Overseas Students) Registration Act 1991 and the Education Services for Overseas Students Act 2000 (C'th).....	100%	98%	100%	100%	
Percentage of Registered Training Organisations (RTOs) compliant with the Australian Quality Training Framework standards for RTOs	99%	100%	100%	100%	

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

Service 1: Regulation, Funding, and Policy Advice

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

	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)	24,282	25,491	34,619	35,909	The variance between 2007-08 Budget and 2007-08 Estimated Actual is due to adoption of Australian Accounting Standards Board (AASB) 139.
<i>Less Income</i>	13,601	6,639	14,801	15,814	
Net Cost of Service ^(a)	10,681	18,852	19,818	20,095	
Adjustments ^(b)	3,020	(234)	(1,207)	(624)	
Appropriation for Delivery of Service ^(a)	13,701	18,618	18,611	19,471	

- (a) Following the enactment of the *Financial Management Act 2006*, agencies are no longer required to pay the Capital User 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 regulatory services per registered provider/institution.....	\$6,689	\$6,059	\$5,328	\$5,680	
Cost of funded services per funded unit.....	\$6.05	\$6.09	\$5.31	\$5.49	
Hourly cost of providing policy advice and support.....	\$88.15	\$86.38	\$86.10	\$92.60	
Full Time Equivalents (FTEs)	49	49	54	54	

Major Achievements For 2007-08

- Commenced the drafting of a Bill to amend the *Curriculum Council Act 1997* to replace the Curriculum Council with the Education Standards Authority.
- Progressively implemented the key recommendations, and developed action plans, strategies and initiated legislation to facilitate the completion of the remaining Australian Universities Quality Agency's audit recommendations. This action was undertaken as part of the Department's continuous quality improvement model for higher education accreditation and registration processes.
- Implemented the new National Protocols for Higher Education Approval Processes and accompanying Policy Guidelines as approved at the 20th Ministerial Council for Employment, Education, Training and Youth Affairs meeting.
- Implemented the revised National Australian Quality Training Framework 2007 across the Vocational Education and Training (VET) sector in Western Australia, including the review and amendment of associated systems, policies and processes.
- Implemented the new regulatory frameworks and administrative processes arising from national quality assurance and legislative reviews of the *Education Services for Overseas Students Act 2000 (C'th)* and the National Code of Practice. Also provided additional policy advice into the development of the proposed new regulatory standards that will underpin English language intensive courses for overseas students and foundation programs.

- Commenced the drafting of a Bill to amend the *Higher Education Act 2004* to complement the implementation of the revised National Protocols for Higher Education Approval Processes.
- Completed the preparation of the *Western Australian College of Teaching Amendment Act 2007* and the Western Australian College of Teaching (Elections) Regulations 2007 in order to clear the way for the holding of elections of ten teacher representatives to the Board of the College.
- Represented Western Australia's position bilaterally and multi-laterally on higher education issues at the national level.
- Ministerial approval was obtained for applications to establish two new non-government schools and to provide additional educational levels at one existing school.
- 50 independent non-government schools were inspected for their compliance with the standards and requirements of the *School Education Act 1999* and School Education Regulations 2000 and were re-registered for periods of between one and seven years as provided for in the Act.
- Demonstrated effectiveness of the *School Education Act 1999* through cancellation of the registration of two non-government schools that were found by the Minister for Education and Training, to be non-compliant with the standards and other requirements for ongoing registration.
- 30 Catholic schools were audited and re-registered under the terms and conditions of a system agreement between the Minister for Education and Training and the Catholic Education Office of Western Australia.
- Provisional standards and guidelines were developed for courses for 16 and 17 year olds, not recognised as school, university, other higher education or VET courses, apprenticeships or traineeships. These are required by the *Acts Amendment (Higher School Leaving Age and Related Provisions) Act 2005 (C'th)* to be endorsed and published in the Government Gazette by the Minister for Education and Training. Seven providers offering community-based courses were published in the Government Gazette following inspection for compliance with the standards and guidelines.
- \$248.5 million in per capita grants for recurrent purposes was allocated to non-government schools in the 2007-08 period consistent with the agreed funding model and at levels which maintained the Government's commitment to provide total funding to the sector at not less than 25 per cent of a modified Average Government School Recurrent Cost.
- In recognition of the higher costs of service delivery, higher per capita grants approved by the Minister for Education and Training were allocated to non-government schools operating as sole providers of schooling in remote areas of the State for predominantly Indigenous students, to students with disabilities attending non-government schools, and to non-government schools acknowledged as having students with significant social, emotional or behavioural difficulties.
- Loans totalling \$26.5 million were approved under the Low Interest Loan Scheme to assist capital development projects at 36 non-government schools and the University of Notre Dame Australia.

Major Initiatives For 2008-09

- Complete the drafting of Bills to amend the *Curriculum Council Act 1997* and the *Higher Education Act 2004* and assist in their passage through Parliament.
- Represent Western Australia's position in submissions to the Commonwealth review of higher education and in respect to the distribution of additional Commonwealth-supported places in Nursing and Early Childhood Education.
- Undertake a study on the demand for and supply of university graduates for Western Australia over the next 15 years to coordinate the supply of graduates from domestic and international sources. The study will support the State Government's advocacy with the Commonwealth Government on university places and immigration.
- Review the implementation of the Australian Quality Training Framework 2007 in Western Australia.
- Implement fully the National Guidelines for Registration and Course Accrediting Bodies across the VET sector.

- Analyse the implementation of the National Protocols for non self-accrediting and self-accrediting non-university higher education institutions.
- Review the implementation of the *Education Services for Overseas Students Act 2000 (C'th)* national quality assurance framework.
- Implement the proposed standards for English language intensive courses for overseas students and foundation programs.
- Continue to benchmark against other State/Territory jurisdictions and develop funding agreements and accountability strategies with non-government schools for receipt of State per capita funding and develop appropriate auditing regimes.
- Subject to legislation being passed by the Parliament on reporting of sexual abuse of children and implementation of mandatory reporting by teachers, provide financial and other support to the Catholic Education Office, Association of Independent Schools of Western Australia Inc and the Western Australia College of Teaching to ensure teachers at non-government schools receive professional development for understanding their legal obligation and ability to comply with the proposed legislation.

CAPITAL WORKS PROGRAM

The capital works program for 2008-09 covers the Department's upgrade and replacement of information technology equipment, furniture and fittings and office fit-out programs.

	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 Fittings - 2007-08 Program.....	16	16	16	-
Information Technology Upgrade and Replacement - 2007-08 Program	44	44	44	-
NEW WORKS				
Furniture and Fittings - 2008-09 Program.....	13	-	-	13
Information Technology Upgrade and Replacement - 2008-09 Program	37	-	-	37
Office Fit-Out - 2008-09 Program.....	310	-	-	310
	420	60	60	360

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	59	60	60	360	36	35	35
	59	60	60	360	36	35	35
LESS							
Drawdowns from the Holding Account	60	60	60	360	36	35	35
Internal Funds and Balances	(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)	3,884	3,822	4,066	4,238	4,309	4,378	4,448
Superannuation	644	457	661	705	742	748	757
Grants and subsidies ^(b)	115	13	13	15	15	15	15
Supplies and services	2,238	2,885	2,816	3,196	2,866	2,732	3,054
Accommodation	220	-	233	245	257	270	285
Finance costs	16,975	18,128	26,633	27,312	27,805	28,292	28,279
Capital user charge ^(c)	173	-	-	-	-	-	-
Depreciation and amortisation	143	130	130	130	130	130	130
Other expenses	63	56	67	68	71	72	73
TOTAL COST OF SERVICES	24,455	25,491	34,619	35,909	36,195	36,637	37,041
Income							
User charges and fees	702	455	455	629	490	421	468
Grants and subsidies	525	325	325	327	325	325	325
Interest revenue	12,313	5,569	13,731	14,578	15,341	16,012	16,079
Other revenue	61	290	290	280	290	290	290
Total Income	13,601	6,639	14,801	15,814	16,446	17,048	17,162
NET COST OF SERVICES ^(c)	10,854	18,852	19,818	20,095	19,749	19,589	19,879
INCOME FROM STATE GOVERNMENT							
Service appropriations ^(c)	13,903	18,618	18,611	19,471	19,348	19,344	19,683
Resources received free of charge	277	180	180	130	130	130	130
Liabilities assumed by the Treasurer	263	54	54	45	40	40	40
TOTAL INCOME FROM STATE GOVERNMENT	14,443	18,852	18,845	19,646	19,518	19,514	19,853
SURPLUS/(DEFICIENCY) FOR THE PERIOD	3,589	-	(973)	(449)	(231)	(75)	(26)

(a) The Full Time Equivalent (FTEs) for 2006-07 Actual, 2007-08 Estimated Actual and 2008-09 Estimate are 49, 54 and 54 respectively.

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

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

BALANCE SHEET
(Controlled)

	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	4,351	3,126	3,822	3,470	3,073	2,661	2,241
Restricted cash	-	30	10	20	30	40	40
Investments	16,875	18,816	18,131	22,396	24,165	25,815	27,465
Receivables	126	30	126	126	126	126	126
Interest receivable	588	753	588	588	588	588	588
Amounts receivable for services	60	360	360	36	35	35	35
Prepayments	2	21	2	2	2	2	2
Total current assets	22,002	23,136	23,039	26,638	28,019	29,267	30,497
NON-CURRENT ASSETS							
Amounts receivable for services	230	-	-	94	189	284	379
Land and buildings ^(a)	1,110	700	1,110	1,130	1,150	1,170	1,190
Plant and equipment	135	120	145	162	165	167	72
Loans and advances	147,739	212,161	154,789	161,101	165,907	169,234	172,628
Other	105	42	25	238	141	44	44
Total non-current assets	149,319	213,023	156,069	162,725	167,552	170,899	174,313
TOTAL ASSETS	171,321	236,159	179,108	189,363	195,571	200,166	204,810
CURRENT LIABILITIES							
Payables ^(b)	33	116	33	33	33	33	33
Provision for employee entitlements	853	865	853	853	853	853	853
Borrowings	19,576	18,816	20,832	25,097	26,866	28,516	30,166
Interest payable	3,733	3,376	3,733	3,733	3,733	3,733	3,733
Accrued salaries	194	22	194	194	194	194	194
Total current liabilities	24,389	23,195	25,645	29,910	31,679	33,329	34,979
NON-CURRENT LIABILITIES							
Provision for employee entitlements	277	134	277	277	277	277	277
Borrowings	191,152	212,161	198,656	205,075	209,725	212,725	215,725
Total non-current liabilities	191,429	212,295	198,933	205,352	210,002	213,002	216,002
TOTAL LIABILITIES	215,818	235,490	224,578	235,262	241,681	246,331	250,981
EQUITY							
Contributed equity	18	(38)	18	18	18	18	18
Accumulated surplus/(deficit) ^(a)	(45,195)	437	(46,168)	(46,617)	(46,848)	(46,923)	(46,949)
Reserves	680	270	680	700	720	740	760
Total equity	(44,497)	669	(45,470)	(45,899)	(46,110)	(46,165)	(46,171)
TOTAL LIABILITIES AND EQUITY	171,321	236,159	179,108	189,363	195,571	200,166	204,810

(a) Adoption of AASB 139 necessitated a write-down of the loan portfolio to fair value.

(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 \$'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	13,773	18,488	18,481	19,341	19,218	19,214	19,553
Holding account drawdowns	60	60	60	360	36	35	35
Net cash provided by State Government.....	13,833	18,548	18,541	19,701	19,254	19,249	19,588
CASHFLOWS FROM OPERATING ACTIVITIES							
Payments							
Employee benefits.....	(3,318)	(3,822)	(4,066)	(4,238)	(4,309)	(4,378)	(4,448)
Superannuation	(327)	(403)	(607)	(660)	(702)	(708)	(717)
Grants and subsidies	(122)	(13)	(13)	(15)	(15)	(15)	(15)
Supplies and services	(2,020)	(2,705)	(2,636)	(3,066)	(2,736)	(2,602)	(2,924)
Accommodation	(220)	-	(233)	(245)	(257)	(270)	(285)
Finance costs	(12,391)	(18,128)	(18,017)	(18,696)	(19,189)	(19,676)	(19,663)
Capital user charge ^(a)	(202)	-	-	-	-	-	-
Goods and services tax	(306)	(158)	(158)	(170)	(170)	(170)	(170)
Other.....	(38)	(56)	(67)	(68)	(71)	(72)	(73)
Receipts							
Regulatory fees and fines.....	654	455	455	629	490	421	468
Grants and subsidies	525	325	325	327	325	325	325
Interest received	5,223	5,569	5,569	6,069	6,569	7,069	7,069
Goods and services tax	264	158	158	170	170	170	170
Other receipts	58	290	290	280	290	290	290
Net cash from operating activities.....	(12,220)	(18,488)	(19,000)	(19,683)	(19,605)	(19,616)	(19,973)
CASHFLOWS FROM INVESTING ACTIVITIES							
Purchase of non-current assets.....	(59)	(60)	(60)	(360)	(36)	(35)	(35)
Net cash from investing activities.....	(59)	(60)	(60)	(360)	(36)	(35)	(35)
CASHFLOWS FROM FINANCING ACTIVITIES							
Repayment of borrowings.....	(17,602)	(17,740)	(17,740)	(18,816)	(20,081)	(21,850)	(21,850)
Other payments for financing activities.....	(17,293)	(26,500)	(26,500)	(29,500)	(26,500)	(26,500)	(26,500)
Proceeds from borrowings	16,624	26,500	26,500	29,500	26,500	26,500	26,500
Other proceeds from financing activities.....	17,602	17,740	17,740	18,816	20,081	21,850	21,850
Net cash from financing activities	(669)	-	-	-	-	-	-
NET INCREASE/(DECREASE) IN CASH HELD	885	-	(519)	(342)	(387)	(402)	(420)
Cash assets at the beginning of the reporting period	3,466	3,156	4,351	3,832	3,490	3,103	2,701
Cash assets at the end of the reporting period.....	4,351	3,156	3,832	3,490	3,103	2,701	2,281

(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.....	24,455	25,491	34,619	35,909	36,195	36,637	37,041
Less Capital User Charge.....	173	-	-	-	-	-	-
Adjusted Total Cost of Services	24,282	25,491	34,619	35,909	36,195	36,637	37,041
APPROPRIATIONS							
Net Amount Appropriated to Deliver Services	13,903	18,618	18,611	19,471	19,348	19,344	19,683
Less Appropriation Capital User Charge	202	-	-	-	-	-	-
Adjusted Net Amount Appropriated to Deliver Services	13,701	18,618	18,611	19,471	19,348	19,344	19,683

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	237,654	257,721	258,921	281,075	307,021	334,356	364,256
Finance costs	869	644	642	389	197	100	86
TOTAL ADMINISTERED EXPENSES ^(a)	238,523	258,365	259,563	281,464	307,218	334,456	364,342
INCOME							
Interest revenue	869	644	642	389	197	100	86
Administered appropriations.....	233,729	257,721	258,921	281,075	307,021	334,356	364,256
TOTAL ADMINISTERED INCOME ^(b)	234,598	258,365	259,563	281,464	307,218	334,456	364,342

(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	2,572	44	2,572	2,572	2,572	2,572	2,572
Investments	6,743	6,743	5,883	4,484	2,586	741	-
Receivables	513	184	513	513	513	513	513
Interest receivable	57	51	48	37	17	9	9
Total Administered Current Assets	9,885	7,022	9,016	7,606	5,688	3,835	3,094
ADMINISTERED NON-CURRENT ASSETS							
Loans and advances	17,134	9,637	10,391	5,047	1,601	-	-
Total Administered Non-Current Assets	17,134	9,637	10,391	5,047	1,601	-	-
TOTAL ADMINISTERED ASSETS.....	27,019	16,659	19,407	12,653	7,289	3,835	3,094
ADMINISTERED CURRENT LIABILITIES							
Payables	75	-	75	75	75	75	75
Borrowings.....	6,743	6,743	5,883	4,484	2,586	741	-
Moneys in trust	-	43	-	-	-	-	-
Interest payable	57	51	48	37	17	9	9
Total Administered Current Liabilities.....	6,875	6,837	6,006	4,596	2,678	825	84
ADMINISTERED NON-CURRENT LIABILITIES							
Borrowings.....	17,134	9,637	10,391	5,047	1,601	-	-
Total Administered Non-Current Liabilities .	17,134	9,637	10,391	5,047	1,601	-	-
TOTAL ADMINISTERED LIABILITIES....	24,009	16,474	16,397	9,643	4,279	825	84

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	(237,580)	(257,721)	(258,921)	(281,075)	(307,021)	(334,356)	(364,256)
Finance costs	(895)	(651)	(651)	(400)	(217)	(100)	(86)
Goods and services tax	(23,288)	(25,346)	(25,346)	(26,890)	(28,222)	(30,509)	(33,105)
Other.....	(40)	-	-	-	-	-	-
Financing Activities							
Repayment of borrowings.....	(8,877)	(7,603)	(7,603)	(6,743)	(5,344)	(3,446)	(741)
TOTAL ADMINISTERED CASH OUTFLOWS	(270,680)	(291,321)	(292,521)	(315,108)	(340,804)	(368,411)	(398,188)
CASH INFLOWS FROM ADMINISTERED TRANSACTIONS							
Operating Activities							
Interest received.....	897	653	651	400	217	100	86
Goods and services tax	22,960	25,346	25,346	26,890	28,222	30,509	33,105
Administered appropriations.....	233,729	257,721	258,921	281,075	307,021	334,356	364,256
Financing Activities							
Other proceeds from financing activities.....	8,877	7,603	7,603	6,743	5,344	3,446	741
TOTAL ADMINISTERED CASH INFLOWS.....	266,463	291,323	292,521	315,108	340,804	368,411	398,188
NET CASH INFLOWS/(OUTFLOWS) FROM ADMINISTERED TRANSACTIONS.....	(4,217)	2	-	-	-	-	-

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
Other Scholarships.....	115	13	13	15	15	15	15
TOTAL.....	115	13	13	15	15	15	15

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							
All Other Grants.....	320	394	401	401	402	403	405
Australian Music Examinations Board Grant	131	135	133	139	143	100	100
Funding for Western Australian Hospital Services and Western Australian Institute for Deaf Education.....	2,064	2,064	2,064	2,064	2,064	2,129	2,236
Grants for Students at Risk Programs	236	276	236	300	325	351	380
Non-Government School Psychology Services Grant.....	2,303	2,513	2,513	2,718	2,940	3,180	3,439
Per Capita Grants to Non-Government Schools	222,232	243,104	243,113	263,882	289,185	315,836	344,911
Supplementation Grants for Special Education Students.....	6,228	4,166	5,408	6,506	6,873	7,270	7,700
STATUTORY AUTHORITIES							
Curtin University of Technology – Debt Charges.....	57	30	14	26	50	48	46
OTHER STATE SERVICES							
Finance Costs	869	644	642	389	197	100	86
Superannuation - Higher Education Institutions.....	4,083	5,039	5,039	5,039	5,039	5,039	5,039
TOTAL.....	238,523	258,365	259,563	281,464	307,218	334,456	364,342

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	869	644	642	389	197	100	86
Service Appropriation.....	233,729	257,721	258,921	281,075	307,021	334,356	364,256
TOTAL.....	234,598	258,365	259,563	281,464	307,218	334,456	364,342

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
Commonwealth Specific Purpose Program - Aboriginal Education and Training				
Council	525	325	325	327
GST Input Credits	23,152	25,480	25,480	27,060
GST Receipts	72	24	24	20
Miscellaneous Revenue	58	290	290	280
Registration Fees	654	455	455	629
TOTAL	24,461	26,574	26,574	28,296

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

SOUTH WEST DEVELOPMENT COMMISSION

PART 11 - MINISTER FOR EDUCATION AND TRAINING; SOUTH WEST

DIVISION 54

APPROPRIATION AND FORWARD ESTIMATES

	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 97 Net amount appropriated to deliver services	8,677	8,943	8,909	6,485	4,037	4,145	4,261
Total appropriations provided to deliver services	8,677	8,943	8,909	6,485	4,037	4,145	4,261
CAPITAL							
Item 171 Capital Contribution	876	905	905	935	967	952	802
GRAND TOTAL	9,553	9,848	9,814	7,420	5,004	5,097	5,063

MISSION

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

SIGNIFICANT ISSUES AND TRENDS

- The South West now has a gross regional product estimated at \$9 billion.
- New industry enquiries have significantly increased focus on Picton, Kemerton and the proposed industrial park at Shotts (Collie).
- The South West continues to be Western Australia's major growth region.
- The region's population is now estimated to be 142,000 with growth as high as 16 per cent per annum in some coastal areas.
- Infrastructure provision and biodiversity issues continue to be major themes.
- Bunbury is undergoing a new wave of investment in multi-storey buildings that will transform the city's skyline.
- Career diversity remains a key theme and is linked to job and educational opportunities in the region.
- Affordable housing strategies will be a key objective for social planning.
- The number of people in the region aged 55 years and above is expected to grow from 24 per cent in 2006 to 35 per cent in 2031.
- Active ageing programs will aim to reduce reliance on specialised aged care accommodation and improve quality of life.
- Marketing of the mineral sector's achievements in mine site rehabilitation will be critical to future public acceptance of the industry.
- Some sectors of the regional economy continue to experience skills shortages.

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	12,828	9,842	11,341	8,787			
Total Cost of Services	12,828	9,842	11,341	8,787	4,372	5,192	4,533
<i>Less Income</i>	1,118	782	1,724	958	242	30	20
Net Cost of Services	11,710	9,060	9,617	7,829	4,130	5,162	4,513
Adjustments ^(a)	(3,033)	(117)	(708)	(1,344)	(93)	(1,017)	(252)
Appropriation Provided to Deliver Services..	8,677	8,943	8,909	6,485	4,037	4,145	4,261
CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS							
Appropriation for Capital Contribution to meet equity needs ^(b)	876	905	905	935	967	952	802
TOTAL CONSOLIDATED ACCOUNT APPROPRIATIONS.....	9,553	9,848	9,814	7,420	5,004	5,097	5,063

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

Outcomes and Key Effectiveness Indicators ^(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 development of the South West Region.					
Customer Satisfaction Survey	72%	76%	76%	76%	

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

Service 1: Regional Development

To provide a regional development service that contributes to sustainable development within the South West through the provision of information, advice and support together with marketing and promotion 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.....	12,828	9,842	11,341	8,787	Inclusion of capital works expenditure on the Coastal Enhancement Project in 2007-08.
<i>Less Income.....</i>	1,118	782	1,724	958	
Net Cost of Service	11,710	9,060	9,617	7,829	
Adjustments ^(a)	(3,033)	(117)	(708)	(1,344)	
Appropriation for Delivery of Service ^(a)	8,677	8,943	8,909	6,485	

(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 hour of service	182	160	160	165	
Full Time Equivalents	24	25	25	25	

Major Achievements For 2007-08

Investing in People

- Commenced establishment of a South West sports academy in partnership with the Department of Sport and Recreation and the South West Chambers of Commerce and Industry.
- Administered the 2007-08 Regional Development Scheme and the 2008 South West Events Program.
- Implemented an innovation roundtable for the region to foster innovation and futures thinking. Commenced the Critical Horizons series.
- Completed the evaluation of online lifelong learning pilots.
- The Southern Region Leadership Forum was held 8-10 August 2007.

- Called tenders for the development of an active ageing strategy.

Investing in Infrastructure and Place

- Achieved a funding commitment from the Commonwealth Government for the Bunbury Outer Ring Road.
- Provided funding to the Shire of Harvey to landscape public open space adjacent to the Harvey drain.
- Draft strategic plan for Kemerton Industrial Park (KIP) has been released for public comment. Completed signage on the eastern entrance of KIP.
- Augusta and Margaret River townscape planning strategies completed.
- Completed feasibility studies for the refurbishment of the Busselton Jetty and foreshore land.
- Urban renewal programs commenced in Yarloop, Brunswick and Capel.
- Completed the Bunbury Back Beach Coastal Enhancement project.
- An initial study has been tendered to evaluate options for industrial land in the Bunbury-Wellington region.
- Provided funding to assist the City of Bunbury to develop an Australian standard data hosting facility as part of the new Bunbury library building.
- Developed a partnership with Bunbury Chamber of Commerce and Industries to attract a wireless hotspot provider to supply broadband access in the Bunbury Central Business District.
- Completed a Voice Over Internet Protocol seminar series throughout the region.
- Actively promoted Mowen and Piles roads as key tourism infrastructure requirements for the region.
- Continued to work with LandCorp to develop the Picton Industrial Park.
- Completed dredging works for the Collie River mouth channel.

Investing in Knowledge, Enterprise and Innovation

- Implemented the 'Intensive Agriculture Futures' program for Pinjarra-Brunswick in partnership with the Peel Development Commission.
- Provided funding and expertise to market the Brunswick-Yarloop locality to the Perth tourism market.
- Raised awareness of the Shared Land Information Platform (SLIP) as a Geographic Information System planning tool for the South West through a series of regional presentations to Local Governments. Facilitated the addition of new spatial datasets onto SLIP from key regional infrastructure providers.
- Supported the development of an export strategy for the South West Campus in partnership with Edith Cowan University.
- Marketed the Dolphin Discovery Centre as a leading global marine research centre in partnership with Murdoch University.
- TradeStart signed-up 34 new exporters. Five overseas exhibitions were conducted.

Major Initiatives For 2008-09

Investing in People

- Undertake a South West Indigenous mapping and gap analysis.
- Develop an affordable housing strategy.

- Evaluate options to link volunteer training to higher education and professional development service providers.
- Explore Indigenous employment opportunities in the resource sector.

Investing in Infrastructure and Place

- Review intra-regional passenger transport services with the Public Transport Authority.
- Commence development of a South West infrastructure plan.
- Partner with the Shire of Augusta-Margaret River to develop Witchcliffe and Gracetown as examples of sustainable communities.
- Complete the South West Water Plan in partnership with the Department of Water.
- Complete load forecast development reports for Local Governments in the South West in partnership with Western Power.
- Complete business case for the final stage development of Picton Industrial Park.
- Implement outcomes of the Collie River restoration study.

Investing in Knowledge, Enterprise and Innovation

- Investigate the potential for the development of a Professorial Chair in Water Management, in collaboration with Edith Cowan University (South West Campus).
- Work with industry to establish a program of PhD placements in the region in partnership with industry and university institutions.
- Investigate options to promote investment in renewable energy.
- Explore opportunities for the export of education programs to China in partnership with Edith Cowan University (South West Campus) and South West Regional College of TAFE.
- Explore options for educational programs for the digital centre planned for Bunbury.
- Develop a specific marketing strategy for KIP, based on its comparative advantage of raw materials, to attract photovoltaic industry.
- Complete the 'Intensive Agriculture Futures' program for Harvey.
- Develop a partnership with major industry to promote Indigenous workforce participation.
- Build a new industry attraction website as part of the South West Business Relocation Strategy.
- Implement the 'Local Jobs for Local People' initiative as part of the Pinjarra-Brunswick Sustainability Strategy for the Pinjarra-Brunswick area.
- Complete the overseas wine tourism marketing strategy in partnership with Tourism Western Australia.
- Explore new international trade opportunities in France and China and progress wine export initiatives with Pennsylvania Liquor Control Board as an entry point into the United States of America market.
- Implement the 2008-09 Regional Development Scheme and the 2009 South West Events Program.
- Complete the final stage of the 'Escape for a While' tourism strategy for the Harvey region.

CAPITAL WORKS PROGRAM

The capital works program for 2008-09 covers the Commission's asset replacement program.

	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 - 2007-08 Program	50	50	50	-
Other Works				
Bunbury Back Beach Coastal Enhancement	11,928	11,928	4,595	-
Restoration of Collie River and Boardwalk	215	215	197	-
Western Five Lake Project.....	500	500	435	-
NEW WORKS				
Asset Replacement - 2008-09 Program.....	50	-	-	50
	12,743	12,693	5,277	50

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	4,274	4,645	5,277	50	50	30	30
Working capital requirement							
Loan and Other Repayments	875	905	905	935	967	952	802
	5,149	5,550	6,182	985	1,017	982	832
LESS							
Drawdowns from the Holding Account	30	30	30	30	30	30	30
Funding Included in Service Appropriations ^(a) ...	2,000	4,595	4,595	-	-	-	-
Internal Funds and Balances.....	2,243	20	652	20	20	-	-
Capital Contribution	876	905	905	935	967	952	802

(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)	1,780	1,687	1,796	1,873	1,937	1,967	2,051
Superannuation	152	237	182	190	193	194	202
Grants and subsidies ^(b)	6,192	5,548	6,293	771	100	100	100
Supplies and services	3,220	1,275	2,110	4,956	1,267	1,844	1,525
Accommodation	326	352	334	347	370	377	393
Finance costs	381	298	333	282	205	153	102
Depreciation and amortisation	121	207	141	143	122	128	129
State taxes	4	-	3	3	3	3	3
Loss on disposal of non-current assets	524	-	-	-	-	-	-
Other expenses	128	238	149	222	175	426	28
TOTAL COST OF SERVICES.....	12,828	9,842	11,341	8,787	4,372	5,192	4,533
Income							
Grants and subsidies	902	750	1,697	938	227	-	-
Rent	10	15	10	10	5	10	10
Other revenue	206	17	17	10	10	20	10
Total Income.....	1,118	782	1,724	958	242	30	20
NET COST OF SERVICES.....	11,710	9,060	9,617	7,829	4,130	5,162	4,513
INCOME FROM STATE GOVERNMENT							
Service appropriations	8,677	8,943	8,909	6,485	4,037	4,145	4,261
Resources received free of charge	4	-	2	2	2	2	2
Liabilities assumed by the Treasurer	4	55	10	10	10	10	10
TOTAL INCOME FROM STATE GOVERNMENT.....	8,685	8,998	8,921	6,497	4,049	4,157	4,273
SURPLUS/(DEFICIENCY) FOR THE PERIOD.....	(3,025)	(62)	(696)	(1,332)	(81)	(1,005)	(240)

(a) The Full Time Equivalents for 2006-07 Actual, 2007-08 Estimated Actual and 2008-09 Estimate are 24, 25 and 25 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	2,348	701	2,300	945	764	81	14
Restricted cash	1,062	2,410	426	426	426	426	426
Receivables	394	60	167	194	151	107	107
Inventories	-	319	-	-	-	-	-
Amounts receivable for services	30	30	30	30	30	30	30
Prepayments	6	1	6	6	6	6	6
Total current assets	3,840	3,521	2,929	1,601	1,377	650	583
NON-CURRENT ASSETS							
Amounts receivable for services	512	689	623	736	828	926	1,025
Land and buildings	4,710	4,052	4,677	4,642	4,608	4,574	4,540
Plant and equipment	61	180	49	29	48	43	34
Electricity generation and transmission	977	942	941	905	869	833	797
Inventories	1,209	890	1,209	1,209	1,209	1,209	1,209
Intangibles	6	-	6	6	6	6	6
Other	79	72	63	47	31	14	13
Total non-current assets	7,554	6,825	7,568	7,574	7,599	7,605	7,624
TOTAL ASSETS	11,394	10,346	10,497	9,175	8,976	8,255	8,207
CURRENT LIABILITIES							
Superannuation	-	4	-	-	-	-	-
Payables	470	108	200	122	17	136	136
Provision for employee entitlements	440	357	329	269	272	325	360
Borrowings	904	910	935	967	956	806	471
Interest payable	100	63	90	80	77	62	62
Accrued salaries	18	1	12	18	24	35	42
Other	4	490	155	284	254	349	498
Total current liabilities	1,936	1,933	1,721	1,740	1,600	1,713	1,569
NON-CURRENT LIABILITIES							
Provision for employee entitlements	129	62	173	195	205	225	225
Borrowings	5,001	4,090	4,066	3,099	2,144	1,343	877
Other	1	-	1	1	1	1	1
Total non-current liabilities	5,131	4,152	4,240	3,295	2,350	1,569	1,103
TOTAL LIABILITIES	7,067	6,085	5,961	5,035	3,950	3,282	2,672
EQUITY							
Contributed equity	5,483	6,388	6,388	7,324	8,291	9,243	10,045
Accumulated surplus/(deficit)	(4,545)	(5,639)	(5,241)	(6,573)	(6,654)	(7,659)	(7,899)
Reserves	3,389	3,512	3,389	3,389	3,389	3,389	3,389
Total equity	4,327	4,261	4,536	4,140	5,026	4,973	5,535
TOTAL LIABILITIES AND EQUITY	11,394	10,346	10,497	9,175	8,976	8,255	8,207

**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	8,532	8,736	8,768	6,342	3,915	4,017	4,132
Capital contribution	876	905	905	935	967	952	802
Holding account drawdowns	30	30	30	30	30	30	30
Net cash provided by State Government.....	9,438	9,671	9,703	7,307	4,912	4,999	4,964
CASHFLOWS FROM OPERATING ACTIVITIES							
Payments							
Employee benefits.....	(1,631)	(1,686)	(1,869)	(1,905)	(1,919)	(1,884)	(2,009)
Superannuation	(151)	(181)	(171)	(178)	(180)	(181)	(188)
Grants and subsidies	(5,884)	(5,548)	(6,293)	(771)	(100)	(100)	(100)
Supplies and services	(3,343)	(1,281)	(2,221)	(4,946)	(1,335)	(1,814)	(1,289)
Accommodation.....	(325)	(347)	(334)	(347)	(365)	(377)	(393)
Finance costs	(391)	(315)	(343)	(282)	(215)	(163)	(112)
State taxes	(4)	-	-	-	-	-	-
Goods and services tax	(1,028)	(221)	(881)	(264)	(173)	(235)	(213)
Other.....	(127)	(172)	(186)	(211)	(264)	(231)	(128)
Receipts							
Grants and subsidies	807	750	1,798	938	227	20	-
Rent receipts.....	8	15	10	10	5	10	10
Goods and services tax	762	221	1,038	264	233	235	213
Other receipts	203	20	20	15	10	20	10
Net cash from operating activities.....	(11,104)	(8,745)	(9,432)	(7,677)	(4,076)	(4,700)	(4,199)
CASHFLOWS FROM INVESTING ACTIVITIES							
Purchase of non-current assets.....	(46)	(50)	(50)	(50)	(50)	(30)	(30)-
Proceeds from sale of non-current assets	501	-	-	-	-	-	-
Net cash from investing activities.....	455	(50)	(50)	(50)	(50)	(30)	(30)-
CASHFLOWS FROM FINANCING ACTIVITIES							
Repayment of borrowings.....	(875)	(905)	(905)	(935)	(967)	(952)	(802)
Net cash from financing activities	(875)	(905)	(905)	(935)	(967)	(952)	(802)
NET INCREASE/(DECREASE) IN CASH HELD	(2,086)	(29)	(684)	(1,355)	(181)	(683)	(67)
Cash assets at the beginning of the reporting period	5,496	3,140	3,410	2,726	1,371	1,190	507
Cash assets at the end of the reporting period.....	3,410	3,111	2,726	1,371	1,190	507	440

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
Bunbury Back Beach Coastal Enhancement	2,000	4,595	4,595	-	-	-	-
Bunbury Cathedral	2,500	-	-	-	-	-	-
Capital Grants - Bunbury Region	130	-	-	-	-	-	-
Collie Swimming Pool	250	-	-	-	-	-	-
Information Technology in the South West	82	243	243	-	-	-	-
Other Payments	730	210	955	271	100	100	100
Regional Development Scheme	500	500	500	500	-	-	-
TOTAL	6,192	5,548	6,293	771	100	100	100

Part 12

Minister for Energy; Resources; Industry and Enterprise

SUMMARY OF PORTFOLIO APPROPRIATIONS

Page	Agency	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000
919	Office of Energy			
	– Delivery of Services.....	19,329	18,173	32,487
	Total	19,329	18,173	32,487
933	Independent Market Operator	-	-	-
934	Horizon Power	-	-	-
936	Synergy	-	-	-
937	Verve Energy	-	-	-
938	Western Power	-	-	-
940	Chemistry Centre (WA)			
	– Delivery of Services.....	2,985	3,475	6,139
	– Capital Contribution.....	495	495	195
	Total	3,480	3,970	6,334
GRAND TOTAL				
	– Delivery of Services.....	22,314	21,648	38,626
	– Capital Contribution.....	495	495	195
	Total.....	22,809	22,143	38,821

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OFFICE OF ENERGY

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

DIVISION 55

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 98 Net amount appropriated to deliver services^(a)	17,530	19,096	17,936	32,243	25,217	23,740	23,992
Amount Authorised by Other Statutes - Salaries and Allowances Act 1975^(b)	226	233	237	244	251	259	272
Total appropriations provided to deliver services	17,756	19,329	18,173	32,487	25,468	23,999	24,264
GRAND TOTAL	17,756	19,329	18,173	32,487	25,468	23,999	24,264

- (a) Following the enactment of the *Financial Management Act 2006*, agencies are no longer required to pay the Capital User 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 Office is a change agent that leads the development and implementation of policy to meet the State's energy needs. It is committed to driving change in a way that achieves improved economic, social and environmental outcomes for Western Australia.

SIGNIFICANT ISSUES AND TRENDS

- The Commonwealth Government has committed to a range of climate change policy initiatives including the introduction of emissions trading by 2010, an increased Mandatory Renewable Energy target of 20 per cent by 2020 and national harmonisation of measures to compliment emissions trading, including increased energy efficiency measures. The Office and its Sustainable Energy Development Office (SEDO) will play an important role in shaping the national policy debate and implementation of these climate change initiatives in the energy sector.
- Western Australia's strong economy is putting pressure on the costs of providing energy, with increasing capital, labour, materials and fuel costs. Additional cost pressure is also expected in the future with the implementation of initiatives to address climate change. The Office has an important role in advising the Government on future energy prices, which balance economic realities with the long-term interests of consumers.
- Streamlined, nationally consistent energy policy and regulation is an important contributor to the development of competition and economic efficiency. National uniform regulation of electricity and natural gas infrastructure is being implemented through the Ministerial Council on Energy. The Office will continue to ensure that Western Australia's interests are actively represented in the development and implementation of these national arrangements and national energy policy.
- An efficient energy industry requires competitive tension between alternative fuel sources. Adequate gas supply and transmission capacity and best practice in the coal, gas and renewable energy technologies will be needed. Continuing assessment of down stream market and regulatory outcomes, industry and technology developments and the implementation of policy responses to address barriers are required to ensure reliable and competitively priced energy is available into the future.

- The Commonwealth and the State have agreed as a priority, to work together to streamline the delivery of services to Indigenous communities, including electricity supply. Building on the experience from Phase One of the Aboriginal and Remote Communities Power Supply Project, the next phases of the project are being progressed through the negotiation of the Federal/State Bilateral Agreement on Indigenous Affairs.
- Technological improvements in smart metering are assisting in driving down costs for infrastructure, and are increasing the scope for consumer participation in the management of electricity demand. The Office is actively investigating the costs and benefits of smart meters, and will advise Government on their potential introduction.
- Heightened consumer awareness of the environmental impacts of energy use has increased demand for all of the services offered by the SEDO, in particular for rebates for renewable energy installations.

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
Energy Efficiency Information Package	6,000	-	-	-
Hardship Efficiency Program	2,135	2,175	2,105	2,035

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 Implementation of Energy Policy	11,802	9,058	10,265	12,182			
<i>Service 2:</i>							
Development and Implementation of Sustainable Energy Policy and Programs	16,998	16,575	20,536	32,260			
Total Cost of Services ^(a)	28,800	25,633	30,801	44,442	36,574	34,498	34,729
<i>Less Income</i>	9,439	5,625	10,275	10,345	10,345	10,345	10,345
Net Cost of Services ^(a)	19,361	20,008	20,526	34,097	26,229	24,153	24,384
Adjustments ^(b)	(1,605)	(679)	(2,353)	(1,610)	(761)	(154)	(120)
Appropriation Provided to Deliver Services ^(a)	17,756	19,329	18,173	32,487	25,468	23,999	24,264
TOTAL CONSOLIDATED ACCOUNT APPROPRIATIONS	17,756	19,329	18,173	32,487	25,468	23,999	24,264

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

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

Outcomes and Key Effectiveness Indicators ^(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: A policy environment to achieve a competitive, efficient and secure energy sector.					
Progress with reform of the Western Australian electricity industry, indicated by the timely achievement of the following milestones:					
- preparation completed for commencement of the Wholesale Electricity Market.....	September 2006	n/a	n/a	n/a	
- implement decision of review of the moratorium preventing Western Power and its successor entities from competing in the small-use gas market.....	March 2007	n/a	n/a	n/a	
Improved regional and remote services, indicated by the achievement of the following milestones:					
- negotiation of an Establishment Agreement with Horizon Power to outline the service delivery arrangements for implementation of the Aboriginal and Remote Communities Power Supply Project Phase Two	n/a	October 2007	n/a	n/a	Deferred pending negotiations in 2008 with the Commonwealth Government as part of the Bilateral Agreement on Indigenous Affairs 2006-2010.
- Aboriginal and Remote Communities Power Supply Project Phase One implementation complete in the five targeted communities	n/a	November 2007	November 2007	n/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
<i>Amendments to the Gas Pipeline Access (Western Australia) Act 1998 to:</i>					
- implement changes arising from the Productivity Commission's review of the Gas code	n/a	December 2007	n/a	August 2008	Delays in the national energy reform process.
- introduce the Australian Energy Markets Commission into the Western Australia regulatory governance structure.....	n/a	December 2007	n/a	August 2008	Delays in the national energy reform process.
Policy input in to the State's response to a National emissions trading scheme	n/a	August 2007	March 2008	n/a	
Amend Dampier to Bunbury Pipeline corridor legislation to facilitate pipeline expansion by improving the regulatory environment.....	n/a	June 2008	June 2008	n/a	
Develop an information package for commercial and industrial developers outlining the current availability of key infrastructure, including energy, and the likely terms and conditions of access	n/a	n/a	June 2008	n/a	
Introduce complementary legislation into the Western Australian Parliament to implement the National Gas Law and the National Gas Rules.....	n/a	August 2007	n/a	August 2008	Delays in the national energy reform process.
Establish policy for the introduction of electricity smart meters.....	n/a	December 2007	n/a	August 2008	Delays in the national energy reform process.
Complete Review of Electricity Full Retail Contestability, Tariff Arrangements and consideration of Ministerial Council on Energy cost-benefit analysis of smart meter implementation	n/a	December 2007	n/a	August 2008	
Complete Review of Energy Coordination (Gas Tariffs) Regulations 2000	n/a	October 2007	October 2007	n/a	
Commission Vesting Contract Reset Model and undertake first Reset Process under the contract.....	n/a	October 2007	October 2007	n/a	
Develop electricity Supplier of Last Resort Arrangements.....	n/a	February 2008	n/a	December 2008	Regulation development has commenced, but has been delayed due to the need for additional stakeholder consultation.
Progress with the State Underground Power program (target 50 per cent of Perth metropolitan homes with underground power by 2010), indicated by the percentage of Perth metropolitan homes with underground power.....	46%	47%	47%	48%	

	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 increase in the adoption of renewable energy and energy efficiency.					
Use of renewable energy through incentive programs, indicated by the displacement of fossil fuel, kilowatt/hour of fossil fuel energy displaced by:					
- Solar Hot Water Subsidy Scheme	8,438,528 kWh	7,500,000 kWh	8,000,000 kWh	7,500,000 kWh	
- Renewable Remote Power Generation program (RRPGP) Large Projects (off-grid and fringe of grid)	1,600,000 kWh	6,700,000 kWh	8,295,000 kWh	150,000 kWh	Can vary substantially from year to year depending on the number of projects completed.
- RRPGP - Remote Area Power Supply	505,813 kWh	400,000 kWh	700,000 kWh	500,000 kWh	
- RRPGP - Renewable Energy Water Pumping program	112,916 kWh	100,000 kWh	75,000 kWh	75,000 kWh	
- RRPGP – Rural Renewable Energy program (small projects)	38,737 kWh	100,000 kWh	300,000 kWh	200,000 kWh	
- Photovoltaic Rebate Program	110,919 kWh	n/a	n/a	n/a	
- Solar Schools program	47,795 kWh	90,000 kWh	52,560 kWh	90,000 kWh	Expanded program commenced in November 2007 with uptake by schools expected to increase in 2008-09.
- Renewable Energy Production Subsidy	185.9 GWh	94.7 GWh	66 GWh	18 GWh	
- Government purchase of Greenpower	n/a	26 GWh	26 GWh	52 GWh	
Adoption of energy efficiency by business, indicated by the number of buildings rated under the Australian Greenhouse Building Rating program					
	27	24	26	30	
Adoption of energy efficiency by Government agencies, indicated by the following:					
- percentage reduction in energy usage by State Government agencies (target 12 per cent reduction against baseline by 2006-07)	2.5%	n/a	n/a	n/a	
- percentage of individual agencies meeting target reduction	32.3%	n/a	n/a	n/a	
Adoption of energy efficiency by the community, indicated by the percentage of new houses approved under the House Energy Rating Scheme					
	14.5%	18%	19%	21%	

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

Service 1: Development and Implementation of Energy Policy

Improving the competitiveness, efficiency and security of the energy sector through the development and implementation of energy policy.

	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)	11,802	9,058	10,265	12,182	
<i>Less Income</i>	275	70	85	90	
Net Cost of Service ^(a)	11,527	8,988	10,180	12,092	
Adjustments ^(b)	(97)	(129)	(1,178)	(596)	
Appropriation for Delivery of Service ^(a)	11,430	8,859	9,002	11,496	

(a) Following the enactment of the *Financial Management Act 2006*, agencies are no longer required to pay the Capital User 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 item of Ministerial support.....	\$3,851	\$2,470	\$3,079	\$3,046	
Average cost per strategic policy developed.....	\$128,820	\$162,504	\$195,779	\$198,281	
Average cost of meeting major policy milestones.....	\$462,034	\$287,717	\$326,983	\$294,079	
Full Time Equivalents (FTEs)	27	35	28	29	

Major Achievements For 2007-08

- The Office significantly progressed the Electricity Retail Market Review, which is examining electricity tariffs, electricity full retail contestability, and the roll-out of electricity smart meters.
- The Office completed a review of the operation and effectiveness of the Energy Coordination (Gas Tariffs) Regulations 2000 and has initiated a subsequent review on the gas retail tariff cap arrangements under the Regulations.
- The upgrade and regularisation by Horizon Power of the last three of five communities, Ardyaloon, Djarindjin and Beagle Bay, under the Aboriginal and Remote Community Power Supply program overseen by the Office was completed by November 2007.
- The Como East Major Residential Project has commenced, which is the remaining project under Round Three of the Underground Power program. On-site works on the first Round Four Major Residential Projects has also begun with the commencement of the Mt Pleasant North Major Residential Project.
- The Office continued to actively engage and advise on national policy and regulatory development by the Ministerial Council on Energy (MCE).
- The Office provided ongoing support to the Minister for Energy with respect to the operational and financial performance of the four Government-owned Electricity Corporations, including advice on major contract approvals, the vesting contract, strategic initiatives and the Strategic Development Plans.

Major Initiatives For 2008-09

- Complete the Electricity Retail Market Review (the review of electricity tariffs, electricity full retail contestability, and the roll-out of electricity smart meters), and initiate programs to progress the recommendations that are approved by the Government.
- Complete review of the level of gas tariff caps, and implement any necessary changes to the Energy Coordination (Gas Tariffs) Regulations 2000.
- Implement, in conjunction with the Department for Child Protection, the Government Utility Hardship program comprising of a Hardship Utility Grants Scheme, improved resourcing for Utility Hardship Financial Counselling and a Hardship Efficiency program.
- Develop and implement a framework for determination of funding required by Horizon Power from the Tariff Equalisation Fund for the second regulatory determination period (commencing 1 July 2009).
- Two Major Residential Projects under the Underground Power program are to be undertaken, Como East and Mt Pleasant North, with a third to be identified and commenced. One Localised Enhancement Project, Manjimup, will also be undertaken.

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

Development and implementation of sustainable energy policy and programs that aim to increase the adoption of renewable energy and efficient energy practices.

	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)	16,998	16,575	20,536	32,260	Increase due to approval of the Hardship Efficiency program and Energy Efficiency Information package.
<i>Less Income</i>	9,164	5,555	10,190	10,255	
Net Cost of Service ^(a)	7,834	11,020	10,346	22,005	
Adjustments ^(b)	(1,508)	(550)	(1,175)	(1,014)	
Appropriation for Delivery of Service ^(a)	6,326	10,470	9,171	20,991	

(a) Following the enactment of the *Financial Management Act 2006*, agencies are no longer required to pay the Capital User 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 item of Ministerial support.....	\$624	\$633	\$689	\$668	
Average cost per strategic policy developed.....	\$89,196	\$158,219	\$134,430	\$213,720	
Average cost of meeting major policy and program implementation milestones.....	\$61,515	\$170,389	\$144,771	\$194,291	
Average value of incentive grants paid	\$4,777	\$3,168	\$4,735	\$6,189	
Average cost per information and advice service	\$182,000	\$369,177	\$297,987	\$347,295	
Full Time Equivalents (FTEs)	29	32	30	34	

Major Achievements For 2007-08

- Four large renewable energy projects were completed, including a 1.6MW wind farm at Kalbarri; a 825kW wind farm at Coral Bay; an additional 600kW wind turbine at Hopetoun; and an additional 300kW wind turbine at Denham.
- The Government launched an expanded Solar Schools program in November 2007. Around 165 schools have now received approval to install a solar power system.
- A supplier was contracted to supply five per cent, or 26GWh, of the government's electricity needs in 2007-08 from renewable energy in the form of accredited GreenPower.
- Following completion of economic impact modelling, consultation was undertaken on a preferred scheme design for a possible state-based renewable energy target. The outcomes of the consultation process are informing negotiations with the Commonwealth Government on its proposed expansion of the national Mandatory Renewable Energy Target.
- An informal photovoltaic working group has delivered a report to the Minister for Energy, including recommendations for removing market and red tape barriers to the use of grid connected photovoltaic systems.
- Through the SEDO Energy Smart Government program, government agencies over the last five years have yielded direct energy cost savings of almost \$13 million and a reduction in energy use per employee (FTE) of 16.2 per cent below the baseline level.
- A local trial was undertaken in conjunction with the real estate industry as part of work to investigate options for mandatory disclosure of energy efficiency of residential dwellings at point of sale or lease.
- The Reach for the Stars awareness program administered by the SEDO expanded with the state-wide roll-out of retailer sales staff training.
- A Community Seminar Information Kit was finalised and released for use by Local Government and community groups to promote increased understanding of energy efficiency and sustainable energy use in the community.
- The Office has lead the development of an options paper for a possible national mandatory energy efficiency requirement for large to medium energy-users through the MCE. A cost benefit analysis demonstrating significant potential savings has formed the basis of advice to be provided to the MCE.
- Stage Two of the national framework for Energy Efficiency has been finalised and the continuation of Stage One measures related to buildings and appliances has been agreed nationally.

Major Initiatives For 2008-09

- Undertake a competitive funding round for large renewable energy projects in off-grid areas of the State to identify projects that could be supported through the Renewable Remote Power Generation program.
- Contract with suppliers for the delivery of accredited GreenPower to complete the Government's commitment to purchase 20 per cent of its electricity requirements from renewable energy by 2010.
- Represent Western Australia's interests on the Council of Australian Governments Climate Change and Water sub-groups for renewable energy and energy efficiency work streams.
- Delivery a state-wide Energy Smart Information Package to assist householders in taking action to reduce greenhouse gas emissions through increased energy efficiency.
- Provide local support for the implementation of the National Framework for Energy Efficiency continuing Stage One measures and for new Stage Two measures. Finalise scheme design for a mandatory energy efficiency program for large to medium energy-users in consultation with stakeholders.

CAPITAL WORKS PROGRAM

The Office's capital works program in 2007-08 and 2008-09 consists of the replacement of Information Technology (IT) hardware and software. In accordance with the Office's capital investment plan and depreciation policy, IT equipment is budgeted for replacement after three years.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-08 \$'000	Estimated Expenditure 2007-08 \$'000	Estimated Expenditure 2008-09 \$'000
COMPLETED WORKS				
IT Hardware and Software Replacement				
2006-07 Program	235	235	121	-
2007-08 Program	255	255	255	-
NEW WORKS				
IT Hardware and Software Replacement - 2008-09 Program.....	268	-	-	268
	758	490	376	268

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	148	255	376	268	226	310	303
	148	255	376	268	226	310	303
LESS							
Drawdowns from the Holding Account	166	197	197	165	226	310	303
Funding Included in Service Appropriations ^(a) ...	103	58	58	103	-	-	-
Internal Funds and Balances	(121)	-	121	-	-	-	-
Capital Contribution	-	-	-	-	-	-	-

(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)	3,732	5,604	5,239	6,469	6,647	6,823	7,189
Superannuation	412	546	617	614	629	645	670
Grants and subsidies ^(b)	20,440	13,270	18,885	20,664	18,020	16,655	16,655
Consultancies expense	302	-	-	-	-	-	-
Supplies and services	3,026	5,484	5,158	15,556	10,099	9,160	8,980
Accommodation	633	567	740	946	964	987	1,004
Depreciation and amortisation	157	128	128	157	179	191	191
Loss on disposal of non-current assets	6	-	-	-	-	-	-
Other expenses	92	34	34	36	36	37	40
TOTAL COST OF SERVICES	28,800	25,633	30,801	44,442	36,574	34,498	34,729
Income							
Grants and subsidies	9,086	5,350	10,000	10,000	10,000	10,000	10,000
Other revenue	353	275	275	345	345	345	345
Total Income	9,439	5,625	10,275	10,345	10,345	10,345	10,345
NET COST OF SERVICES ^(c)	19,361	20,008	20,526	34,097	26,229	24,153	24,384
INCOME FROM STATE GOVERNMENT							
Service appropriations ^(c)	17,798	19,329	18,173	32,487	25,468	23,999	24,264
Resources received free of charge	144	60	60	60	60	60	70
Liabilities assumed by the Treasurer	29	45	45	45	45	45	50
TOTAL INCOME FROM STATE GOVERNMENT	17,971	19,434	18,278	32,592	25,573	24,104	24,384
SURPLUS/(DEFICIENCY) FOR THE PERIOD	(1,390)	(574)	(2,248)	(1,505)	(656)	(49)	-
CHANGE IN SURPLUS/(DEFICIENCY) FOR THE PERIOD AFTER EXTRAORDINARY ITEMS	(1,390)	(574)	(2,248)	(1,505)	(656)	(49)	-

(a) The Full Time Equivalents (FTEs) for 2006-07 Actual, 2007-08 Estimated Actual and 2008-09 Estimate are 56, 58 and 63 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	8,061	8,571	5,777	4,254	3,725	3,769	3,769
Restricted cash	2,223	1,853	2,223	2,223	2,223	2,365	2,365
Investments	595	1,891	568	489	78	73	41
Receivables	378	231	335	337	337	337	337
Amounts receivable for services.....	166	195	134	195	249	242	130
Total current assets	11,423	12,741	9,037	7,498	6,612	6,786	6,642
NON-CURRENT ASSETS							
Amounts receivable for services.....	730	665	726	718	759	456	456
Plant and equipment.....	97	271	178	190	237	350	370
Loans and advances	1,279	6,600	711	222	144	71	30
Restricted cash	30	55	50	70	90	110	110
Other.....	64	4	52	48	48	54	146
Total non-current assets.....	2,200	7,595	1,717	1,248	1,278	1,041	1,112
TOTAL ASSETS.....	13,623	20,336	10,754	8,746	7,890	7,827	7,754
CURRENT LIABILITIES							
Payables ^(a)	98	120	99	100	100	100	100
Provision for employee entitlements	619	869	578	597	616	636	636
Accrued salaries	15	84	27	40	53	53	53
Amounts due to the Treasurer.....	1,874	8,491	1,279	711	222	144	71
Other.....	338	118	338	338	563	563	563
Total current liabilities.....	2,944	9,682	2,321	1,786	1,554	1,496	1,423
NON-CURRENT LIABILITIES							
Payables	-	9	-	-	-	-	-
Provision for employee entitlements	265	343	267	299	331	375	375
Other.....	4	3	4	4	4	4	4
Total non-current liabilities	269	355	271	303	335	379	379
TOTAL LIABILITIES.....	3,213	10,037	2,592	2,089	1,889	1,875	1,802
EQUITY							
Contributed equity	1,305	1,305	1,305	1,305	1,305	1,305	1,305
Accumulated surplus/(deficit)	9,105	8,994	6,857	5,352	4,696	4,647	4,647
Total equity.....	10,410	10,299	8,162	6,657	6,001	5,952	5,952
TOTAL LIABILITIES AND EQUITY.....	13,623	20,336	10,754	8,746	7,890	7,827	7,754

(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	17,606	19,129	17,973	32,269	25,147	23,999	24,264
Holding account drawdowns	166	236	236	165	226	310	303
Net cash provided by State Government.....	17,772	19,365	18,209	32,434	25,373	24,309	24,567
CASHFLOWS FROM OPERATING ACTIVITIES							
Payments							
Employee benefits.....	(4,133)	(5,631)	(5,266)	(6,405)	(6,583)	(6,759)	(7,123)
Superannuation	(361)	(501)	(572)	(569)	(584)	(600)	(620)
Grants and subsidies	(20,440)	(13,270)	(18,885)	(20,664)	(18,020)	(16,655)	(16,655)
Consultancies payments.....	(302)	-	-	-	-	-	-
Supplies and services	(2,832)	(5,409)	(5,083)	(15,491)	(9,809)	(9,095)	(9,158)
Accommodation.....	(633)	(567)	(740)	(946)	(964)	(987)	(1,004)
Goods and services tax	(677)	(344)	(344)	(357)	(358)	(358)	(362)
Other.....	(65)	(49)	(49)	(41)	(41)	(42)	(45)
Receipts							
Grants and subsidies	9,086	5,350	10,000	10,000	10,000	10,000	10,000
Goods and services tax	722	388	388	356	358	358	358
Other receipts	396	275	275	345	345	345	345
Net cash from operating activities.....	(19,239)	(19,758)	(20,276)	(33,772)	(25,656)	(23,793)	(24,264)
CASHFLOWS FROM INVESTING ACTIVITIES							
Purchase of non-current assets.....	(107)	(197)	(197)	(165)	(226)	(310)	(303)
Net cash from investing activities.....	(107)	(197)	(197)	(165)	(226)	(310)	(303)
CASHFLOWS FROM FINANCING ACTIVITIES							
Repayment of borrowings.....	(1,037)	(1,997)	(595)	(568)	(489)	(78)	(73)
Other payments for financing activities.....	(573)	-	-	-	-	-	-
Other proceeds from financing activities.....	903	1,997	595	568	489	78	73
Net cash from financing activities	(707)	-	-	-	-	-	-
NET INCREASE/(DECREASE) IN CASH HELD	(2,281)	(590)	(2,264)	(1,503)	(509)	206	-
Cash assets at the beginning of the reporting period	12,595	11,069	10,314	8,050	6,547	6,038	6,244
Cash assets at the end of the reporting period.....	10,314	10,479	8,050	6,547	6,038	6,244	6,244

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.....	28,800	25,633	30,801	44,442	36,574	34,498	34,729
Less Capital User Charge ^(a)	-	-	-	-	-	-	-
Adjusted Total Cost of Services	28,800	25,633	30,801	44,442	36,574	34,498	34,729
APPROPRIATIONS							
Net Amount Appropriated to Deliver Services ...	17,798	19,329	18,173	32,487	25,468	23,999	24,264
Less Appropriation Capital User Charge	42	-	-	-	-	-	-
Adjusted Net Amount Appropriated to Deliver Services	17,756	19,329	18,173	32,487	25,468	23,999	24,264

(a) No expense was incurred in 2006-07 due to a prior year adjustment.

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
Commonwealth Specific Purpose Renewable Energy Funds - Renewable Remote Power Generation Program and Photovoltaic Rebate Program.....	8,291	4,600	9,250	9,250	9,150	9,150	9,200
Contribution to Australian Energy Market Commission	77	85	85	85	85	85	85
Contribution to Ministerial Council on Energy...	-	-	-	150	150	150	150
Energy Smart Government Facilitation Grants ...	371	400	400	400	300	300	300
Other Grants, Subsidies and Transfer Payments	352	-	-	-	-	-	-
Other SEDO Grants	295	400	400	400	415	415	365
Renewable Energy Production Subsidy	2,129	1,000	1,615	809	265	-	-
Solar Hot Water Heater Incentive Scheme.....	1,460	1,150	1,500	1,150	-	-	-
Solar Schools Program	165	815	315	1,865	1,100	-	-
State's Contribution to the Underground Power Project	7,300	4,820	4,820	4,820	4,820	4,820	4,820
Urban Renewable Energy Demonstration Project	-	-	500	-	-	-	-
Utilities Hardship Package	-	-	-	1,735	1,735	1,735	1,735
TOTAL.....	20,440	13,270	18,885	20,664	18,020	16,655	16,655

AGENCY SPECIAL PURPOSE ACCOUNT DETAILS**Commonwealth Funded Initiatives and Programs Special Purpose Account**

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

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000
Opening Balance	1,853	1,853	2,223	2,223
Receipts:				
Appropriations	-	-	-	-
Other	9,062	5,000	10,000	10,000
	10,915	6,853	12,223	12,223
Payments	8,692	5,000	10,000	10,000
CLOSING BALANCE	2,223	1,853	2,223	2,223

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
Australian Greenhouse Building Rating Scheme	8	8	5	-
Contribution to Government Vehicle Scheme	11	17	14	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
GST Input Credits	722	388	388	356
Other Receipts	43	100	76	100
Recoup of Program Costs	324	500	180	230
TOTAL	10,204	6,013	10,663	10,701

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

HORIZON POWER

CAPITAL WORKS PROGRAM

In 2008-09, Horizon Power will spend \$123.3 million on capital works in regional areas of the State.

Since the creation of Horizon Power two years ago, regional Western Australia has benefited from a regionally focused capital works program that is part of a strategy to upgrade ageing infrastructure and ensure electricity is available in a safe and reliable manner to all regions, including remote Indigenous communities that have previously experienced unreliable power supplies.

Horizon Power will invest \$118.9 million on its electricity distribution networks in 2008-09, including:

- a further \$20 million to regularise electricity supplies to Indigenous communities in the Kimberley under the Aboriginal and Remote Communities Power Supply Project - Phase 2.1;
- \$6.6 million on replacing and undergrounding overhead connections, and expanding interconnections from new and existing power stations;
- \$62.4 million in network enhancement to improve the safety, reliability and quality of electricity supplies in areas such as Broome, Esperance, Wyndham and throughout the Pilbara;
- \$2.7 million on providing new capacity through new connections to customers;
- \$25.0 million for new power stations at Nullagine and Marble Bar, involving significant investment in renewable energy technology; and
- \$2.3 million on an ongoing project to improve the reliability and safety of distribution networks to Horizon's overhead customer connections.

Other capital investments in 2008-09 total \$4.4 million as follows:

- \$3.8 million on upgrading information technology systems, refurbishment of staff housing in remote areas, and various other asset replacement projects; and
- \$0.5 million to the Supervisory Control and Data Acquisitions (SCADA) Network to monitor power station loads and performance, particularly for new power stations being built in the Kimberley.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-08 \$'000	Estimated Expenditure 2007-08 \$'000	Estimated Expenditure 2008-09 \$'000
WORKS IN PROGRESS				
Distribution				
Aboriginal and Remote Communities Power Supply - Phase 2.1.....	27,985	8,009	8,009	19,976
Asset Replacement.....	37,922	7,169	3,789	6,597
Network Enhancement.....	218,803	29,852	11,554	62,393
New Connections - Customer Driven, New Capacity.....	66,419	36,925	26,344	2,650
Nullagine and Marble Bar Power Station Refurbishment.....	27,272	2,242	2,242	25,030
Overhead Customer Connections - Customer Driven, Public Safety	20,006	13,088	12,063	2,287
Other Works				
Other Projects.....	54,440	32,738	21,560	3,829
SCADA Network	4,986	4,177	2,701	549
COMPLETED WORKS				
Distribution - Aboriginal and Remote Communities Power Supply - Phase 1.....	7,363	7,363	675	-
	465,196	141,563	88,937	123,311

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	54,084	28,798	88,937	123,311	98,375	64,245	62,581
	54,084	28,798	88,937	123,311	98,375	64,245	62,581
LESS							
Borrowings.....	19,541	11,756	88,937	120,242	54,025	17,538	21,709
Internal Funds and Balances.....	34,543	17,042	-	3,069	44,350	46,707	40,872
Equity Contribution	-	-	-	-	-	-	-

VERVE ENERGY

CAPITAL WORKS PROGRAM

The primary functions of Verve Energy are to generate and supply electricity in the South West Interconnected System (SWIS) region. It has a contract to supply the majority of Synergy's electricity demand. Verve Energy currently owns a portfolio of thermal generating stations and gas turbines utilising coal, gas and liquids as fuel sources as well as wind farms and photovoltaic generating systems. In addition, Verve Energy has power purchase agreements with a number of independent power producers.

During 2008-09 an allocation of \$70.1 million has been made to support the achievement of reliability, efficiency and environmental targets for fossil fuel powered generation plants. Expenditure at Muja Power Station totals \$58.0 million, which includes \$18.5 million for works emanating from a study to improve plant reliability, \$12.5 million for coal handling plant modifications and \$7.1 million on major control systems. A further \$12.1 million has been allocated for various capital works across the remaining thermal generation portfolio and includes \$4.0 million on plant modifications and strategic spares to improve gas turbine reliability.

An allocation of \$11.2 million has been made in 2008-09 for the development of new wind farms to expand wind generation capability within the SWIS region. Expenditure of \$3.0 million has also been allocated to increase Verve Energy's generation capability on its wind-diesel systems at Hopetoun, Denham and Coral Bay. These are part of a total program of \$40.7 million.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-08 \$'000	Estimated Expenditure 2007-08 \$'000	Estimated Expenditure 2008-09 \$'000
WORKS IN PROGRESS				
Generation - Thermal	499,379	208,846	113,407	70,089
Sustainable Energy	40,750	34,572	19,905	3,027
NEW WORKS				
Generation - Windfarms	50,000	-	-	11,210
	590,129	243,418	133,312	84,326

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	96,597	89,319	133,312	84,326	107,097	58,808	58,009
	96,597	89,319	133,312	84,326	107,097	58,808	58,009
LESS							
Borrowings	96,597	28,266	133,312	84,326	16,327	-	-
Internal Funds and Balances	-	61,053	-	(11,210)	66,860	44,995	56,942
Equity Contribution	-	-	-	11,210	23,910	13,813	1,067

WESTERN POWER

CAPITAL WORKS PROGRAM

In 2008-09, the Corporation will spend \$947.9 million on its capital works program. This expenditure will target the network infrastructure required to support the State's growing economy, new residential development, and asset replacement, and safety programs.

In 2008-09, \$131.9 million will be invested in distribution customer-driven works associated with developing the electricity distribution infrastructure to support growth from residential, commercial and industrial customers requiring connection to the South West Interconnected System (SWIS). Typical distribution infrastructure works includes works for new land subdivisions in the metropolitan, goldfields and other SWIS regions. This represents around \$74 million of the customer-driven works, with a further \$58 million on other customer connections (single dwelling and Supply Extension Scheme).

Partial funding for the Corporation's customer-driven distribution capital projects is provided by customer capital contributions, with the remainder recovered through network tariffs as approved by the Economic Regulation Authority.

The Corporation's distribution capital works program in 2008-09 also includes:

- capacity expansion expenditure of \$102.2 million, which includes installation of voltage regulators, network reinforcements and work associated with rebuilding/upgrading and installation of new feeder lines;
- asset replacement expenditure of \$38.4 million, which includes pole replacement, substation replacement, pole reinforcement, cross arm replacement programs; and
- \$58.0 million for regulatory compliance programs to improve safety, environmental, power quality and metering performance, with \$30.0 million allocated to safety initiatives such as the rectification of old, unsafe overhead house connections and bushfire management programs.

The Corporation will continue with specific initiatives to target areas to meet summer peak loads and areas with deteriorating reliability performance as part of an ongoing objective to improve reliability and enhance customer satisfaction.

In addition to other safety and reliability initiatives, all feasible new connections in the metropolitan area and an increasing number of regional areas are being placed underground. The Corporation is retrospectively undergrounding power lines in the metropolitan area as part of the Underground Power program to improve reliability of supply. By 2010, 50 per cent of the metropolitan area will have underground power, with a similar improvement in regional areas of the State. In 2008-09, \$28.2 million will be invested in the Underground Power program.

Customers in regional areas of the SWIS will continue to benefit from improved reliability and performance as a result of the Rural Power Improvement program. During 2008-09, \$21.3 million will be invested in upgrading equipment and distribution lines to provide additional capacity and to improve fault detection and isolation.

In 2008-09 a total of \$263.5 million has been allocated to transmission customer-driven works and \$190.6 million for new capacity, asset replacement and public safety work and other regulatory compliance programs.

The \$263.5 million customer-driven transmission works includes connecting new generators, supplying new sites and bulk loads, system upgrades and augmentations. A major component of the works will focus on the development of new transmission infrastructure to connect additional load to the SWIS. In 2008-09 the Corporation will commence work on the 330kV line from Pinjar to Moonyoonooka (east of Geraldton), the 330kV line from Collie to the Eastern Terminal (near Perth) and supply to the Grange Resources iron ore mine at Southdown (near Albany). Other major infrastructure works include reinforcement of the Eastern Goldfields region transmission line, construction of Neerabup Terminal plus connection works for the NewGen gas fired power station, Iluka Resources at Cataby and the Westonia gold mine.

Partial funding for the Corporation's customer-driven transmission capital projects is provided by customer capital contributions, with the remainder recovered through network tariffs as approved by the Economic Regulation Authority.

Expenditure totalling \$190.6 million will be invested in new transmission capacity, asset replacement, and public safety. The Corporation's investment in increased network system capacity (approximately \$143.8 million) is a key component of the challenge to supply the growing demand for electricity in the SWIS. These works include the establishment of new substations at Joondalup, Wangara, Thornlie, Cottesloe and Kewdale, a new line between Wanneroo and Wangara, and works to increase the capacity of existing terminals, substations and lines including line upgrade work on the Cannington to Bunbury transmission line.

\$56.0 million in 2008-09 will be invested in maintenance and upgrades to existing technology and existing buildings, strategic technology projects to enhance the effectiveness of operations and procurement in the SWIS, and additional mobile plant to support the Corporation's business objectives.

The following table summaries the above expenditure estimates:

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-08 \$'000	Estimated Expenditure 2007-08 \$'000	Estimated Expenditure 2008-09 \$'000
WORKS IN PROGRESS				
Distribution				
Customer-Driven.....	1,398,086	377,033	164,445	131,883
New Capacity, Asset Replacement and Public Safety	2,781,536	467,421	239,555	256,416
Rural Power Improvement Program.....	255,153	33,768	22,483	21,278
State Undergrounding Power Program.....	323,427	51,745	27,358	28,188
Transmission				
300kV Collie to the Eastern Terminal (near Perth).....	169,260	10,789	10,789	50,554
300kV Pinjar to Moonyoonooka (near Geraldton).....	294,913	3,905	3,905	75,659
Customer-Driven.....	2,039,881	347,798	183,915	132,701
New Capacity, Asset Replacement and Public Safety	2,073,434	360,897	178,373	190,624
Mobile Plant, Motor Vehicle and IT Replacement	517,161	113,068	69,837	55,977
NEW WORKS				
Transmission - Range Resources	180,000	-	-	4,584
	10,032,851	1,766,424	900,660	947,864

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	695,812	761,262	900,660	947,864	817,092	763,612	963,658
	695,812	761,262	900,660	947,864	817,092	763,612	963,658
LESS							
Borrowings.....	396,292	586,571	690,109	870,413	741,556	394,248	815,554
Internal Funds and Balances.....	299,520	174,691	210,551	77,451	75,536	369,364	148,104
Equity Contribution	-	-	-	-	-	-	-

CHEMISTRY CENTRE (WA)

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

DIVISION 56

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 99 Net amount appropriated to deliver services ^(b)	4,228	2,985	3,295	5,959	6,897	6,892	6,886
Amount Authorised by Other Statutes - Salaries and Allowances Act 1975 ^(c)	-	-	180	180	184	189	195
Total appropriations provided to deliver services	4,228	2,985	3,475	6,139	7,081	7,081	7,081
CAPITAL							
Item 172 Capital Contribution	495	495	495	195	195	195	195
GRAND TOTAL	4,723	3,480	3,970	6,334	7,276	7,276	7,276

- (a) Prior to 1 August 2007 the Centre was a service provided within the Department of Industry and Resources (DOIR). Information in the 2006-07 and 2007-08 Budget are based on information previously included in the DOIR's budget and are reproduced for comparability 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) 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

Applying technical knowledge to practical problems to achieve effective outcomes for communities, government and industries.

SIGNIFICANT ISSUES AND TRENDS

- The Centre commenced operating as a Statutory Authority under the *Chemistry Centre (WA) Act 2007* on 1 August 2007. There is a long-term objective for the Centre to produce a commercial return for the State.
- Issues of national security and counter terrorism continue to demand attention. Recognition of the role of chemicals, particularly industrial chemicals, in this regard has led to greater participation by the Centre's staff in national activities directed towards both the prevention and the management of incidents. Activities in this area will continue in the foreseeable future as the necessary management and response capabilities are put in place.
- Environmental issues continue to grow in importance with the quality and security of air and water resources under increasing pressure. The Centre maintains fully accredited capabilities in this area and continues to develop further capabilities as better detection limits or new methodologies are demanded by the evolving environmental situation.
- There is continued significant interest in biotechnology as a potential post-mining boom, high value-added industry. The Centre is pursuing appropriate biomedical accreditations to support the endeavours of the State's biotech and biomedical industries.

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>							
Scientific Information and Advice	8,386	8,048	8,538	11,398			
<i>Service 2:</i>							
Emergency Response Management.....	2,543	2,405	2,405	2,500			
Total Cost of Services ^(b)	10,929	10,453	10,943	13,898	15,041	15,437	15,437
<i>Less Income.....</i>	<i>7,533</i>	<i>7,768</i>	<i>7,768</i>	<i>8,059</i>	<i>8,260</i>	<i>8,656</i>	<i>8,656</i>
Net Cost of Services ^(b)	3,396	2,685	3,175	5,839	6,781	6,781	6,781
Adjustments ^(c)	832	300	300	300	300	300	300
Appropriation Provided to Deliver Services ^(b)	4,228	2,985	3,475	6,139	7,081	7,081	7,081
CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS							
Appropriation for Capital Contribution to meet equity needs ^(d)	495	495	495	195	195	195	195
TOTAL CONSOLIDATED ACCOUNT APPROPRIATIONS.....	4,723	3,480	3,970	6,334	7,276	7,276	7,276

- (a) Prior to 1 August 2007 the Centre was a service provided within the DOIR. Information in the 2006-07 and 2007-08 Budget are based on information previously included in the DOIR's budget and are reproduced for comparability 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.

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

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

Government Goal	Desired Outcome	Services
Enhancing the quality of life and wellbeing of all people throughout Western Australia by providing high quality, accessible services.	Quality independent scientific advice and an emergency response capability that supports government and the wider community.	1. Scientific Information and Advice 2. Emergency Response Management

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: Quality independent scientific advice and an emergency response capability that supports government and the wider community.					
Client satisfaction with the quality of information and advice		75%	75%	77%	
Average resolution time for all emergency responses attended to		4 hours	4 hours	4 hours	
Proficiency rating of scientific tests		95%	95%	95%	

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

(b) Prior to 1 August 2007 the Centre was a service provided within the DOIR. Information in 2006-07 and 2007-08 Budget are based on information previously included in DOIR's budget and are reproduced for comparability purposes.

Service 1: Scientific Information and Advice

To provide chemical information, advice and analytical services to government agencies and the wider community.

	2006-07 Actual ^(a)	2007-08 Budget ^(a)	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service ^(b)	8,386	8,048	7,655	11,398	Move to Curtin University and Increase Rental Figure.
<i>Less Income</i>	7,533	7,768	7,011	8,059	Private sector sales expected to increase.
Net Cost of Service ^(b)	853	280	644	3,339	
Adjustments ^(c)	3,375	2,705	2,581	2,800	Combination of above.
Appropriation for Delivery of Service ^(b)	4,228	2,985	3,225	6,139	

(a) Prior to 1 August 2007 the Centre was a service provided within the DOIR. Information in the 2006-07 and 2007-08 Budget are based on information previously included in the DOIR's budget and are reproduced for comparability 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.

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	\$130	\$134	\$134	\$136	
Full Time Equivalents (FTEs)	70	78	78	82	

Major Achievements For 2007-08

- Significant increase in the amount of work conducted for the mining and environmental consultancy industry especially regarding air quality emission monitoring from existing facilities and background studies for proposed plant expansions. Much of this work was investigative problem solving in nature.

- A new Memorandum of Understanding (MOU) was established with Western Australia Police for Forensic Service provision.
- A major participation in international efforts to establish and maintain a harmonised drug profiling system, culminated in establishing a MOU for the continued use of the International Drug Profiling Database (IDPD) - developed by the Centre - by a European consortium of national forensic agencies. In addition the harmonised analysis and IDPD has been implemented for the Centre's drug profiling casework.
- Undertaken collaborative research into water re-use, biosolids utilisation, acid sulfate soil assessment and remediation, as well as soil acidity and salinity. In addition, research in animal nutrition via the adaptation of new technologies has gained wider recognition.

Major Initiatives For 2008-09

- Relocation to and commissioning of new laboratory facilities in Curtin University's new Science and Chemistry precinct.
- Implementation of a strategy which uses the chemical sciences to improve the market penetration/profitability for Western Australian Food production. This initiative will compliment the Food Strategy Western Australia, proposed by the Department of Agriculture and Food Western Australia, and the Centre's contribution to the Seafood Commonwealth Research Centre.
- Development of new services in support of the State's medical and biotechnology research industry primarily through the recently funded Clinical Trials administered by the Western Australian Medical Research Institute.
- Development of a greater capacity to determine new analytes and existing analytes to much lower levels of detection for water re-use. This initiative is vital to Western Australia's potential utilisation of treated water waste. The technologies are critical to sustainable water resources in Western Australia.
- Develop a greater capacity for on-site analysis. It is unlikely that this type of analysis will directly compete with the accuracy and detection limits available through laboratory analysis however it will provide a valuable real-time screening tool.
- The Centre will participate in several marine-based initiatives in 2008-09. This work will include a major assessment of seafood products in partnership with WA Health's Food Monitoring Program, a collaborative project concerning export seafood quality (and export market protection) through the Seafood Commonwealth Research Centre and several initiatives via the Western Australian Marine Science Institute.

Service 2: Emergency Response Management

To provide emergency response advice to government agencies and the wider community

	2006-07 Actual ^(a) \$'000	2007-08 Budget ^(a) \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service ^(b)	2,543	2,405	2,405	2,500	
<i>Less Income</i>					
Net Cost of Service ^(b)	2,543	2,405	2,405	2,500	
Adjustments ^(c)	(2,543)	(2,405)	(2,405)	(2,500)	
Appropriation for Delivery of Service ^(b)	-	-	-	-	

- (a) Prior to 1 August 2007 the Centre was a service provided within the DOIR. Information in the 2006-07 and 2007-08 Budget are based on information previously included in DOIR's budget and are reproduced for comparability 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.

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	\$130	\$134	\$124	\$136	
Full Time Equivalents (FTEs)	22	22	22	23	

Major Achievements For 2007-08

- The Centre improved its ability to respond to emergencies involving hazardous materials, such as chemical, biological and radiological incidents, as per the responsibilities described under the Fire and Emergency Services Authority's WestPlan HazMat and WestPlan Chemical-Biological-Radiological. Response times for the resolution of 'white powder' incidents were significantly reduced.

Major Initiatives For 2008-09

- Continue to develop our participation in national and international security activities, ensuring that the State has access to best practise for the prevention, management and clean-up of chemical-based incidents.

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				
Asset Acquisition Program				
New Scientific Equipment – 2007-08 Program.....	195	195	195	-
Asset Replacement Program				
Scientific Equipment – 2007-08 program	405	405	405	-
Maintenance of Chemistry Centre	1,500	1,500	300	-
NEW WORKS				
Asset Acquisition Program				
New Scientific Equipment – 2008-09 Program.....	195	-	-	195
Asset Replacement Program				
Scientific Equipment – 2008-09 Program	405	-	-	405
	2,700	2,100	900	600

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	900	900	900	600	600	600	600
	900	900	900	600	600	600	600
LESS							
Drawdowns from the Holding Account	405	405	405	405	405	405	405
Capital Contribution	495	495	495	195	195	195	195

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)	6,076	5,765	6,210	6,363	6,405	6,497	6,497
Superannuation	676	718	763	763	763	763	763
Grants and subsidies	74	-	-	-	-	-	-
Supplies and services	2,925	3,370	3,370	3,872	3,281	3,585	3,585
Accommodation	346	-	-	2,300	3,992	3,992	3,992
Capital user charge ^(c)	215	-	-	-	-	-	-
Depreciation and amortisation	813	600	600	600	600	600	600
Other expenses	19	-	-	-	-	-	-
TOTAL COST OF SERVICES	11,144	10,453	10,943	13,898	15,041	15,437	15,437
Income							
User charges and fees	7,533	7,768	7,768	8,059	8,260	8,656	8,656
Total Income	7,533	7,768	7,768	8,059	8,260	8,656	8,656
NET COST OF SERVICES ^(c)	3,611	2,685	3,175	5,839	6,781	6,781	6,781
INCOME FROM STATE GOVERNMENT							
Service appropriations ^(c)	4,443	2,985	3,475	6,139	7,081	7,081	7,081
Liabilities assumed by the Treasurer	97	100	100	100	100	100	100
TOTAL INCOME FROM STATE GOVERNMENT	4,540	3,085	3,575	6,239	7,181	7,181	7,181
SURPLUS/(DEFICIENCY) FOR THE PERIOD	929	400	400	400	400	400	400
CHANGE IN SURPLUS/(DEFICIENCY) FOR THE PERIOD AFTER EXTRAORDINARY ITEMS	929	400	400	400	400	400	400

(a) Prior to 1 August 2007 the Centre was a service provided within the DOIR. Information in the 2006-07 and 2007-08 Budget are based on information previously included in DOIR's budget and are reproduced for comparability purposes.

(b) The Full Time Equivalent (FTEs) for 2006-07 Actual, 2007-08 Estimated Actual and 2008-09 Estimate are 0, 100 and 105 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
(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
CURRENT ASSETS							
Cash and cash equivalents	265	536	736	1,331	1,926	2,521	3,116
Receivables	826	1,062	1,062	1,062	1,062	1,062	1,062
Inventories.....	62	72	71	71	71	71	71
Amounts receivable for services.....	405	405	408	408	408	408	408
Prepayments.....	-	2	3	3	3	3	3
Total current assets	1,558	2,077	2,280	2,875	3,470	4,065	4,660
NON-CURRENT ASSETS							
Amounts receivable for services.....	3	3	-	-	-	-	-
Plant and equipment.....	278	314	297	297	297	297	297
Intangibles.....	36	48	-	-	-	-	-
Restricted cash	54	54	54	54	54	54	54
Other.....	2,809	3,061	2,926	2,926	2,926	2,926	2,926
Total non-current assets.....	3,180	3,480	3,277	3,277	3,277	3,277	3,277
TOTAL ASSETS.....	4,738	5,557	5,557	6,152	6,747	7,342	7,937
CURRENT LIABILITIES							
Payables ^(b)	140	5	5	5	5	5	5
Provision for employee entitlements	918	1,037	1,037	1,037	1,037	1,037	1,037
Accrued salaries	-	63	63	63	63	63	63
Other.....	771	699	696	696	696	696	696
Total current liabilities.....	1,829	1,804	1,801	1,801	1,801	1,801	1,801
NON-CURRENT LIABILITIES							
Provision for employee entitlements	446	395	395	395	395	395	395
Other.....	-	-	3	3	3	3	3
Total non-current liabilities	446	395	398	398	398	398	398
TOTAL LIABILITIES.....	2,275	2,199	2,199	2,199	2,199	2,199	2,199
EQUITY							
Contributed equity	2,432	2,927	3,051	3,277	3,472	3,667	3,862
Accumulated surplus/(deficit)	31	431	431	831	1,231	1,631	2,031
Total equity.....	2,463	3,358	3,482	4,108	4,703	5,298	5,893
TOTAL LIABILITIES AND EQUITY.....	4,738	5,557	5,681	6,307	6,902	7,497	8,092

- (a) Prior to 1 August 2007 the Centre was a service provided within the DOIR. Information in the 2006-07 and 2007-08 Budget are based on information previously included in DOIR's budget and are reproduced for comparability purposes.
- (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	4,038	2,580	3,070	5,734	6,676	6,676	6,676
Capital contribution	495	495	495	195	195	195	195
Holding account drawdowns	405	405	405	405	405	405	405
Net cash provided by State Government.....	4,938	3,480	3,970	6,334	7,276	7,276	7,276
CASHFLOWS FROM OPERATING ACTIVITIES							
Payments							
Employee benefits.....	(6,016)	(5,634)	(6,087)	(6,363)	(6,405)	(6,497)	(6,497)
Superannuation	(579)	(618)	(663)	(663)	(663)	(663)	(663)
Grants and subsidies	(74)	-	-	-	-	-	-
Supplies and services	(2,963)	(3,589)	(3,545)	(3,872)	(3,281)	(3,585)	(3,585)
Accommodation.....	(346)	-	-	(2,300)	(3,992)	(3,992)	(3,992)
Capital user charge ^(b)	(215)	-	-	-	-	-	-
Goods and services tax	(741)	-	-	-	-	-	-
Other.....	(19)	-	-	-	-	-	-
Receipts							
User charges and fees.....	7,582	7,532	7,496	8,059	8,260	8,656	8,656
Goods and services tax	741	-	-	-	-	-	-
Net cash from operating activities.....	(2,630)	(2,309)	(2,799)	(5,139)	(6,081)	(6,081)	(6,081)
CASHFLOWS FROM INVESTING ACTIVITIES							
Purchase of non-current assets.....	(1,037)	(900)	(700)	(600)	(600)	(600)	(600)
Net cash from investing activities.....	(1,037)	(900)	(700)	(600)	(600)	(600)	(600)
CASHFLOWS FROM FINANCING ACTIVITIES							
Repayment of borrowings.....	(1,200)	-	-	-	-	-	-
Net cash from financing activities	(1,200)	-	-	-	-	-	-
NET INCREASE/(DECREASE) IN CASH HELD	71	271	471	595	595	595	595
Cash assets at the beginning of the reporting period	248	319	319	790	1,385	1,980	2,575
Cash assets at the end of the reporting period.....	319	590	790	1,385	1,980	2,575	3,170

(a) Prior to 1 August 2007 the Centre was a service provided within the DOIR. Information in the 2006-07 and 2007-08 Budget are based on information previously included in DOIR's budget and are reproduced for comparability purposes.

(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.....	11,144	10,453	10,943	13,898	15,041	15,437	15,437
<i>Less Capital User Charge.....</i>	215	-	-	-	-	-	-
Adjusted Total Cost of Services	10,929	10,453	10,943	13,898	15,041	15,437	15,437
APPROPRIATIONS							
Net Amount Appropriated to Deliver Services ...	4,443	2,985	3,475	6,139	7,081	7,081	7,081
<i>Less Appropriation Capital User Charge</i>	215	-	-	-	-	-	-
Adjusted Net Amount Appropriated to Deliver Services	4,228	2,985	3,475	6,139	7,081	7,081	7,081

Part 13

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

SUMMARY OF PORTFOLIO APPROPRIATIONS

Page	Agency	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000
951	Consumer and Employment Protection			
	– Delivery of Services.....	66,589	71,371	74,147
	– Capital Contribution.....	4,753	7,043	2,770
	Total	71,342	78,414	76,917
971	Registrar, Western Australian Industrial Relations Commission			
	– Delivery of Services.....	11,080	8,922	10,740
	Total	11,080	8,922	10,740
978	Fisheries			
	– Delivery of Services.....	28,758	31,809	29,031
	– Capital Contribution.....	8,481	8,497	400
	Total	37,239	40,306	29,431
993	Kimberley Development Commission			
	– Delivery of Services.....	1,626	4,791	4,117
	Total	1,626	4,791	4,117
1004	Pilbara Development Commission			
	– Delivery of Services.....	2,180	2,240	1,652
	Total	2,180	2,240	1,652
1014	Gascoyne Development Commission			
	– Delivery of Services.....	1,619	1,594	1,461
	Total	1,619	1,594	1,461
	GRAND TOTAL			
	– Delivery of Services.....	111,852	120,727	121,148
	– Capital Contribution.....	13,234	15,540	3,170
	Total	125,086	136,267	124,318

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CONSUMER AND EMPLOYMENT PROTECTION

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

DIVISION 57

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 100 Net amount appropriated to deliver services ^(a)	65,601	66,316	70,624	73,464	78,561	80,362	81,582
Amount Authorised by Other Statutes - Salaries and Allowances Act 1975 ^(b)	263	273	747	683	702	721	743
Total appropriations provided to deliver services	65,864	66,589	71,371	74,147	79,263	81,083	82,325
ADMINISTERED TRANSACTIONS							
Compensation Fund for Finance Broker Victims.....	30,000	-	-	-	-	-	-
CAPITAL							
Item 173 Capital Contribution	2,950	4,753	7,043	2,770	1,631	325	1,788
GRAND TOTAL	98,814	71,342	78,414	76,917	80,894	81,408	84,113

- (a) Following the enactment of the *Financial Management Act 2006*, agencies are no longer required to pay the Capital User 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 create an employment and trading environment that provides for the growth, safety and protection of the community by:

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

SIGNIFICANT ISSUES AND TRENDS

Consumer Protection

- Implementation of any recommendations arising from the Productivity Commission's Review of Australia's Consumer Policy Framework and the broader Council of Australian Government (COAG) agenda could have profound implications for the Department. The focus of these issues is on the increasingly national character of the consumer marketplace and concern about inconsistent legislative requirements.
- High levels of consumer debt combined with increasing interest rates will place continuing pressure on some consumers endeavouring to meet loan obligations. A trend towards 'interest only' shared equity and 40 year home loans combined with stabilisation of housing prices may also result in debt being higher than equity in foreclosure situations. The Department will need to focus on consumer education, proactive monitoring of finance broker and credit provider practices, and support in negotiating hardship variations for existing loan contracts.

- Continuing population growth and exceptionally high occupation rates, leading to increased pressure in the rental market, are likely to result in more frequent consumer problems related to residential tenancies.
- The increasing number of seniors is leading to the emergence of new issues for consumer protection such as increased demand for information and services, particularly in relation to long stay tenancy, reverse mortgages, accommodation options, and a greater emphasis on proactive compliance programs focused on retirement villages.
- The appointment of a national Petrol Prices Commissioner within the Australian Competition and Consumer Commission and the Commonwealth Government's intention to roll-out a national program similar to Western Australia's FuelWatch will enable the Department to play a significant role in shaping the national agenda.
- The diminishing pool of skilled labour in trades, service industries and the retail sector is having an impact on consumers in relation to the quality, timeliness and cost of work.

Safety and Employment Protection

- Western Australia remains committed to national occupational safety and health targets which aim for at least a 20 per cent reduction in fatalities and a 40 per cent reduction in injuries between 2002 and 2012.
- The first full year of the High Risk Work Licensing scheme will be a significant milestone involving the progressive conversion of Certificates of Competency to High Risk Work Licences and the introduction of licences for forklifts.
- The national alignment of occupational safety and health regulatory frameworks will continue.
- Significantly increased involvement with other government agencies in the assessment of occupational health, community and environmental impacts associated with the export of minerals in Western Australia.
- Continued rapid expansion and diversification of the resources industry in the State is the most significant issue into the foreseeable future. This requires careful consideration of new means of providing the regulatory service across the full range of regulatory and advisory activities at an increased number of sites, while maintaining the requisite level of regulatory and technical expertise. New resources industry projects and expansion of existing projects represents a long-term (20 to 30 years) investment by industry, which will require an expanded safety regulatory service.
- The Hicks Review recommends the introduction of a safety case methodology to the mining industry, representing a significant change to the regulatory regime. This will require the regulator to devote additional resources to the development and implementation of the legislation, training programs, assessment and maintenance procedures, compliance management programs, guidance material and enforcement protocols.
- A significant increase in the quantities of ammonium nitrate being imported from both the Eastern States and overseas is occurring as a result of the growth in the resources industry. The new counter-terrorism measures recently introduced will place further restrictions on the logistics of ammonium nitrate importation, storage, handling and distribution.
- The number of freedom of information requests received by the Resources Safety division in the first half of 2007-08 has increased significantly mainly as a result of greater requests for information on dangerous goods stored on proposed development sites.
- The level of incidents that occur through unsafe work practices to electrical workers continues to be of concern and will be addressed through regulatory action. A number of key policy initiatives dealing with safe work practices regulation and reform of the electrical appliance and equipment safety regulation regime are underway.
- The increase in the State's economic activity has resulted in a huge influx of electrical and gas operatives seeking local work. As the majority of electrical accidents involve electrical workers, EnergySafety plans to carry out a major public awareness program in 2007-08 to increase awareness of electrical safety and this will involve industry education as well.
- The recently elected Commonwealth Government's agenda for labour relations, including a national industrial relations system, as detailed in 'Forward with Fairness' will have a significant impact on the State's labour relations system.
- Shortages of skilled workers continue in certain sections of the workforce. The State's strong economic performance has intensified demand for labour and labour shortages are exacerbated by the ageing workforce.

- The increase in the State's economic activity is continuing to influence the Department's ability to recruit and retain adequate resources, thereby impacting on the provision of some services. This is compounded by the continued critical skills shortages across the resources industry sectors including the need to compete with industry for the required technical skills and expertise. The new dangerous goods regulations will also place increasing demands on existing regulatory staff.

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
Fair Pay and Conditions Policy	127	101	-	-

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>							
Consumer Protection.....	39,665	40,797	42,112	45,978			
<i>Service 2:</i>							
Safety and Employment Protection.....	55,193	56,725	63,280	65,434			
Total Cost of Services ^(a)	94,858	97,522	105,392	111,412	116,440	119,186	122,188
<i>Less Income</i>	<i>31,146</i>	<i>28,732</i>	<i>32,808</i>	<i>35,217</i>	<i>36,165</i>	<i>37,180</i>	<i>38,940</i>
Net Cost of Services ^(a)	63,712	68,790	72,584	76,195	80,275	82,006	83,248
Adjustments ^(b)	2,152	(2,201)	(1,213)	(2,048)	(1,012)	(923)	(923)
Appropriation Provided to Deliver Services ^(a)	65,864	66,589	71,371	74,147	79,263	81,083	82,325
ADMINISTERED TRANSACTIONS							
Appropriation for Administered Grants, Subsidies and Transfer Payments	30,000	-	-	-	-	-	-
CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS							
Appropriation for Capital Contribution to meet equity needs ^(c)	2,950	4,753	7,043	2,770	1,631	325	1,788
TOTAL CONSOLIDATED ACCOUNT APPROPRIATIONS.....	98,814	71,342	78,414	76,917	80,894	81,408	84,113

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

Responsible Minister	Services
Minister for Disability Services; Tourism; Culture and the Arts; Consumer Protection.	1. Consumer Protection
Minister for Employment Protection; Regional Development; Fisheries; the Kimberley, Pilbara and Gascoyne.	2. Safety and Employment Protection

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
Enhancing the quality of life and wellbeing of all people throughout Western Australia by providing high quality, accessible services.	A fair trading environment that protects consumers and traders in Western Australia.	1. Consumer Protection
Creating conditions that foster a strong economy delivering more jobs, opportunities and greater wealth for all Western Australians.	A community in which workplaces are operated in a safe and fair manner.	2. Safety and Employment Protection

Outcomes and Key Effectiveness Indicators ^(a)

	2006-07 Actual ^(b)	2007-08 Budget ^(c)	2007-08 Estimated	2008-09 Target	Reason for Significant Variation between 2007-08 Estimated and 2008-09 Target
Outcome: A fair trading environment that protects consumers and traders in Western Australia.					
The extent to which traders comply with regulatory requirements	97%	95%	96%	95%	
The extent of consumer confidence in Western Australia's trading environment.....	74%	74%	74%	75%	
Outcome: A community in which workplaces are operated in a safe and fair manner.					
The extent of compliance with safety and employment protection regulatory requirements.....	82%	82%	82%	82%	
The proportion of key measures exhibiting desirable trends in safety and employment protection	86%	86%	86%	86%	

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

(b) As a consequence of a revised Outcome Based Management framework being implemented for the 2008-09 year, which includes an agency level desired outcome for each of its two discreet services, the 2006-07 Actual results have been recalculated.

(c) As a consequence of a revised Outcome Based Management framework being implemented for the 2008-09 year, which includes an agency level desired outcome for each of its two discreet services, the 2007-08 Budget figures have been recast based on the average of the past three years results.

Service 1: Consumer Protection

The provision of consumer protection advice, information, education and business regulation services to the Western Australian 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)	39,665	40,797	42,112	45,978	Increased expenditure on Central Business District accommodation and Information Technology infrastructure in 2008-09.
<i>Less Income</i>	17,304	16,636	17,331	18,607	
Net Cost of Service ^(a)	22,361	24,161	24,781	27,371	
Adjustments ^(b)	900	(921)	(485)	(845)	
Appropriation for Delivery of Service ^(a)	23,261	23,240	24,296	26,526	

(a) Following the enactment of the *Financial Management Act 2006*, agencies are no longer required to pay the Capital User 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 ^(a)	2007-08 Estimated	2008-09 Target	Reason for Significant Variation between 2007-08 Estimated and 2008-09 Target
Average cost per client contact to provide information and advice	\$2.69	\$2.76	\$2.42	\$2.39	
Average cost per policy project	\$31,432.46	\$48,723.32	\$17,593.67	\$18,897.57	Increased expenditure on Central Business District accommodation and Information Technology infrastructure in 2008-09.
Average cost per inspection or investigation	\$420.99	\$424.86	\$434.46	\$477.01	Increased expenditure on Central Business District accommodation and Information Technology infrastructure in 2008-09.
Average cost per registration or licence	\$9.64	\$10.60	\$11.25	\$12.75	Increased expenditure on Central Business District accommodation and Information Technology infrastructure in 2008-09.
Full Time Equivalents (FTEs)	399	408	404	418	

(a) With the implementation of a revised Outcome Based Management framework for the 2008-09 year, the 2006-07 Actual and 2007-08 Budget results have been recalculated for comparative purposes.

Major Achievements For 2007-08

- Implemented the recommendations arising from the review of pre-paid funeral funds.
- Implemented new procedures and compliance arrangements to support administration of legislation in the areas of residential park living and trade measurement.
- Developed and installed an upgraded interactive voice recognition system that will provide essential ongoing fuel pricing assistance to consumers. The capacity of the interactive voice recognition has also been expanded to cater for more than nine distinct fuel types, which will be beneficial as future fuel development is undertaken and retailers offer a wider range of fuels.
- Undertook a review of complaint data to enable the early detection of problematic traders and introduced strategies to address the problem of retailers and manufacturers who have exhibited poor customer service.
- Developed and launched a new product safety web page which allows businesses to register and receive information about banning orders and recalls.
- Developed and implemented trader information campaigns for new legislation regulating residential parks and motor vehicle repairer businesses.
- Developed regulations under the *Fair Trading Act 1987* to provide a product information standard regarding advertising for new and used motor vehicles.
- Developed and delivered training material and assessments in collaboration with registered training providers to ensure plumbers in Western Australia are trained in all aspects of plumbing work.
- Implemented a motor vehicle sales industry training package.
- Trialled the use of software to allow for character recognition on forms submitted to the Plumbers Licensing Board to allow for data entry to databases. It is anticipated that this trial program may lead to significant resource savings in the event that any mass data input services can be automated. This is likely to be deployed to tenancy bonds and business names.

- Undertook extensive public consultation to assess the level and nature of difficulties associated with the practice of 'book-up'. 'Book-up' is an informal credit system used by some retail traders in remote communities of Western Australia that allows consumers to purchase goods and pay for them later. As part of the response to problems experienced with 'book-up', a pilot program was initiated to improve Indigenous financial literacy in a community where 'book-up' was offered.
- Produced an information package on reverse mortgages and promoted the package through a series of seminars for seniors in conjunction with the Council of the Ageing. Developed information and materials on home loan products covering options such as no deposit loans, lo-doc loans and line of credit facilities.
- Initiated and led a national project which audited Uniform Consumer Credit Code compliance by bank and non-bank lenders issuing standard and lo-doc home loans.
- Introduced amendments to regulations to remove exemption under the Uniform Consumer Credit Code for credit provided to consumers by way of a bill of exchange, thus improving protection for vulnerable creditors being targeted with high cost credit.
- Undertook a proactive program to assess finance broker compliance with the newly updated code of conduct.
- Distributed a comprehensive operational governance guide to 15,000 incorporated associations in Western Australia and established a bi-annual newsletter for associations about current compliance issues.
- Developed a general consumer protection information package and commenced distribution to proprietors at the time of business names registration.
- Implemented compulsory professional development for settlement agents in association with the Settlement Agents Supervisory Board. In conjunction with the Real Estate and Business Agents Supervisory Board, clarified regulations and implemented compliance procedures for compulsory professional development for real estate agents.
- Convened and hosted the fifth National Consumer Congress in Perth.
- Published and distributed a series of three publications about getting, keeping and leaving rented accommodation, in partnership with the Department of Housing and Works and the Tenants Advice Service.
- Published and distributed a new resource guide for senior consumers and a new brochure about basic consumer rights in four languages other than English, for international tourists to Western Australia.
- Conducted a consumer rights competition for school students under the 'Buy My Duck' program, supported by a new website repository of resources for school students and teachers.

Major Initiatives For 2008-09

- Introduce into Parliament new legislation for incorporated associations, retirement villages, commercial tenancies, residential tenancies and public collections.
- Harmonise Commonwealth, State and Territory product safety legislation as well as product safety bans and mandatory standards.
- Prepare for, and contribute to, the transfer of trade measurement regulation to the Commonwealth Government, to be administered by the National Measurement Institute.
- Transfer and commence the administration of 'As Constructed Property Drainage Installation Diagrams' from water service providers and Local Government authorities to the Plumbers Licensing Board.
- Assess the need for a mandatory code of conduct for 'book-up' based on community consultation undertaken. As required, develop regulations to implement the code of conduct.
- Further develop the educational material, licence forms, financial returns and software enhancements needed to implement the cooperatives legislation and public collections legislation.

- Streamline the registration of business names and Australian Business Numbers as part of a COAG initiative.
- Extend the compulsory professional development program of the Real Estate and Business Agents Supervisory Board by requiring that real estate sales representatives participate in the scheme from January 2009.
- Implement new proactive compliance and education programs to accompany the commencement of the prepaid funeral funds Code of Practice.
- Undertake a program to audit Uniform Consumer Credit Code compliance by lenders when providing credit card products.
- Establish a liaison program with established migrant and refugee service providers to improve awareness of consumer protection services, and identify consumer protection issues, among newly arrived migrants and refugees.
- Respond to the findings of the Productivity Commission's Review of Australia's Consumer Policy Framework when the final report is released, and actively advance the harmonisation of the *Fair Trading Act 1987* and the *Trade Practices Act 1974* and a national response to credit regulation.

Service 2: Safety and Employment Protection

The provision of advice, information, education and regulation services to the Western Australian community in the areas of occupational safety and health, resources safety, energy safety and labour relations.

	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)	55,193	56,725	63,280	65,434	Increased expenditure on Central Business District accommodation and Information Technology infrastructure in 2008-09.
<i>Less Income</i>	13,842	12,096	15,477	16,610	
Net Cost of Service ^(a)	41,351	44,629	47,803	48,824	
Adjustments ^(b)	1,252	(1,280)	(728)	(1,203)	
Appropriation for Delivery of Service ^(a)	42,603	43,349	47,075	47,621	

(a) Following the enactment of the *Financial Management Act 2006*, agencies are no longer required to pay the Capital User 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 ^(a)	2007-08 Estimated	2008-09 Target	Reason for Significant Variation between 2007-08 Estimated and 2008-09 Target
Average cost per client contact to provide information and advice	\$3.01	\$3.01	\$4.06	\$3.82	Funding for the 'Come Home Safe' campaign ceased in 2007-08.
Average cost per hour of policy advice ^(b)	n/a ^(c)	\$162.28	\$160.91	\$147.06	Funding for the Fair Employment Advocate ceased in 2007-08.
Average cost per inspection or investigation	\$358.79	\$1,113.94	\$1,302.73	\$1,312.86	
Average cost per registration or licence	\$166.47	\$134.72	\$216.01	\$218.89	
Full Time Equivalents (FTEs)	456	467	499	504	

- (a) With the implementation of a revised Outcome Based Management framework for the 2008-09 year, the 2006-07 Actual and 2007-08 Budget results have been recalculated for comparative purposes.
- (b) This indicator reflects the development and amendment of labour relations policy, legislation and regulations, providing policy advice and preparing submissions on behalf of the Minister for Employment Protection and Government to State and Federal industrial tribunals, Senate Inquiries, etc in relation to the regulatory framework.
- (c) With the implementation of a revised Outcome Based Management framework, results for the 2006-07 Actual are not available.

Major Achievements For 2007-08

- Targeted occupational safety and health intervention activities in line with national priority compliance initiatives and the State priority areas of work. Priority compliance initiatives included activities in the manufacturing, construction, health and community services, agriculture, forestry and fishing, transport and storage, retail trade and wholesale trade industries. Priority areas of work targeted during the year included work at height, manual handling, electricity, slips and trips, hazardous substances, new and young workers, machine guarding and mobile plant.
- Provided industry specific occupational safety and health information to small businesses as part of the 'ThinkSafe Small Business Strategy', which received the 2007 Premier's Award for 'Better Services', and to the farming sector through a farm safety strategy including targeted assistance to the shearing sector.
- Completed a pilot project 'Managing Occupational Safety and Health in Remote Communities', which involved creating partnership arrangements with community-based organisations to promote work safety principles and practices in remote Indigenous communities using culturally appropriate training materials.
- Introduced new licensing arrangements based on the new national standard for licensing persons performing high risk work, which replaces the previous system of issuing certificates of competency.
- Monitored the implementation of the National Standard for Construction Work and developed guidance material to assist people in preparing safe work method statements and occupational safety and health management plans.
- Launched the mass media 'Come Home Safe' campaign, to increase safety awareness at work, which focuses on the importance of arriving home safely from work and features children and family members waiting for loved ones to come home from work.
- Developed a framework for new regulations to introduce a broader licensing regime for asbestos removal work.
- Developed a code of practice on safe design in the construction industry.
- Increased the public profile of occupational safety and health through interactive educational forums, targeted awareness campaigns and active participation in Safe Work Australia week.
- Implemented the *Dangerous Goods Safety Act 2004*, including the publication of supporting guidance material. Regulations covering explosives, dangerous goods transport, storage and handling, major hazard facilities, ports and security risk substances were gazetted on 31 December 2007, with proclamation in March 2008. Codes of practice covering fireworks, dangerous goods storage and handling, ammonium nitrate storage and underground storage tanks were introduced.

- Established administrative arrangements that meet the terms of the COAG agreement on counter-terrorism measures. The new regulations for explosives and security risk substances, effective from 1 March 2008, introduce requirements for dangerous goods security cards and security management systems as counter-terrorism measures.
- Completed the Hazardous Materials Management System upgrade to allow for the administration of the *Dangerous Goods Safety Act 2004*.
- Prepared and published an initial Minehealth (health surveillance system) and Contam (contaminant monitoring) digest showing health surveillance and contaminant exposure trends in the Western Australian mining industry.
- Amended the *Gas Standards Act 1972* to provide for the mandatory application of 'safety cases' (or 'safety and technical management plans') for the larger gas networks, so that network operators will be more proactive in managing their safety compliance obligations. Drafting of amendments to the regulations under the *Electricity Act 1945* has commenced to provide for the mandatory application of 'safety cases' (or 'safety and technical management plans') for the larger electricity networks, so that network operators will be more proactive in managing their safety compliance obligations. This is expected to be completed by June 2008.
- Developed a code of practice to further reduce the incidence of serious electrical accidents amongst electricians and to set out the minimum requirements for safe electrical work practices by electricians, particularly when working on or near live parts of a consumer's installation. The code of practice is expected to be published under Section 33AA of the *Electricity Act 1945* by June 2008.
- Worked with electrical and gas safety regulators of other jurisdictions to make significant contributions to various national regulatory reform projects. Significant progress has been made in reviewing the regimes for electrical appliance safety approvals, gas appliance safety approvals and restricted electrical licensing, to provide a more uniform regulatory framework across jurisdictions.
- Participated at a national level to progress improvements to the energy efficiency of gas appliances and equipment and it is anticipated that agreement will be reached by June 2008 on the regulatory model to be used. The proposed model will provide for each jurisdiction to regulate gas efficiency through existing legislation, major changes to the *Gas Standards Act 1972* will be required.
- Conducted a safety awareness campaign aimed at reducing the number of electrical and gas fatalities. The campaign, due to be completed by June 2008, includes television and radio advertisements.
- Established the Fair Employment Advocate service to provide advice to vulnerable workers and to raise awareness in the community of what constitutes fair employment practices.
- Developed three Industrial Relations Bills to provide greater legislative protection for employees adversely affected by Work Choices. The legislation aims to strengthen employment protection for vulnerable workers including children and injured workers.
- Developed and promoted, as an attraction and retention strategy, a range of initiatives to promote flexible working arrangements, including the Fathers@Work and Mature Aged Employment campaigns.
- Promoted pay equity through an education and equity campaign, preparation of pay equity reports for the largest 26 public sector agencies and development of resource materials to assist organisations to undertake pay equity audits.
- Launched in August 2007, the 'WA Paychecker' provides a free online service to help employers and employees calculate wages and conditions by comparing pay and employment conditions to a relevant State award.
- Prosecuted a number of employers in the fast food industry found to be breaching the child employment provisions of the *Children and Community Services Act 2004*.
- Developed programs to protect the employment interests of migrant workers in consultation with migrant organisations.
- Drafted a Bill to manage the effect of the Work Choices legislation on public sector employment conditions.

- Settled a claim to increase salaries for a range of specified professions in the State public sector, thereby increasing the competitiveness of the State as an employer.
- Reviewed public sector remuneration and district allowance in response to the continuing attraction and retention pressures.
- Developed Australia's first Code of Practice for Occupational Safety and Health in the Western Australian Public Sector and successfully launched it in August 2007 together with a Premier's Circular outlining new occupational safety, health and injury management reporting requirements for public sector agencies.

Major Initiatives For 2008-09

- Participate in national compliance programs developed under the national occupational safety and health strategy including programs concerning manual tasks and being hit by moving vehicles such as forklifts in the retail and wholesale trade supply chain; new and young workers in hospitality/service industries; and violence in health care.
- Implement recommendations following a review of occupational safety and health State priority areas of work.
- Enhance the provision of occupational safety and health advice to small businesses in high risk industries by utilising additional modes of service delivery.
- Develop a code of practice on the safe guarding of machinery and plant to provide practical guidance on controlling risks to assist employers to meet their obligations.
- Complete a fundamental review of Part 3 of the Occupational Safety and Health Regulations 1996.
- Review the WorkSafe Plan which promotes the management practices needed to establish and maintain safe workplaces.
- Ensure workplaces are informed about new regulations for asbestos licensing and improve awareness of safe asbestos removal methods.
- Develop legislative amendments to facilitate occupational safety and health information sharing with other government agencies to improve community outcomes and better coordinate services between agencies.
- Implement licensing elements of the Compliance Management program.
- Implement the new dangerous goods regulations, including completion of supporting guideline and information materials, provision of industry training and development of internal assessment and approval procedures.
- Finalise for Government approval, and commence implementation of, a strategy for the future management of explosives reserves in Western Australia.
- Develop an industry-wide action plan targeted at reducing occupational exposures to diesel particulates.
- Develop and refine proposals for legislative regime changes to implement 'safety case' based regulation in the mining industry (including mines designated as major hazard facilities under the *Dangerous Goods Safety Act 2004*).
- Regulate a number of new major hazard facilities due to re-classification of some existing facilities (currently not classified as major hazard facilities). These will include a number of existing and new mine sites.
- Implement the amended Electricity (Licensing) Regulations 1991 which covers electrical licensing and consumer electrical installations standards.
- Implement a scheme, developed by EnergySafety, whereby homeowners may have their electrical installations inspected for safety on a fee-for-service basis, using electrical contractors. A similar service for gas consumers is planned to be made available in the following year.

- Develop the first stages of the implementation framework for the new regulatory regime covering the safety of electrical appliances and equipment.
- Implement regulations that make it compulsory for residual current devices to be installed in a dwelling (house or unit) prior to the sale of the premises and in the case of leased premises, within two years.
- Develop legislative amendments to replace the simplistic provisions of Section 54 of the *Energy Operators (Powers) Act 1979* (which deals with the control of vegetation near power lines) with a new regulatory regime under the *Electricity Act 1945*.
- Work with the Commonwealth Government and other states to develop the structure, content and administrative arrangements for the planned national industrial relations system.
- Raise awareness of reforms to the State industrial relations system designed to protect the interests of vulnerable workers.
- Implement and monitor in conjunction with other agencies the Government's Fair Pay and Conditions Policy designed to ensure that employees of cleaning contractors and security firms working for Government receive fair pay and working conditions.
- Work with public and private sector organisations to implement work-life balance, pay equity audits and mature age employment strategies to create more flexible, productive and fairer workplaces.
- Strengthen services to assist low paid and vulnerable workers and raise awareness in the community of fair employment practices.
- Launch 'Your First Job', an online learning resource to provide students with a comprehensive overview of the employment relationship.
- Implement initiatives to better coordinate labour relations compliance and advisory services delivered by the State and Commonwealth Governments.
- Develop and implement strategies for the standardisation, simplification and rationalisation of public sector labour relations to support the shared services environment.

CAPITAL WORKS PROGRAM

The Department's capital works program in 2008-09 will continue to enhance the availability and reliability of business systems through ongoing asset replacement program of computer equipment.

The Department's systems for compliance and licensing are being reengineered to improve integration across all operations, with WorkSafe, Resources Safety and EnergySafety processes being delivered through an enterprise solution which will improve business capability significantly. Work on the business names registration function is progressing slowly pending a Commonwealth Government decision on a common approach nationally.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-08 \$'000	Estimated Expenditure 2007-08 \$'000	Estimated Expenditure 2008-09 \$'000
WORKS IN PROGRESS				
Business Systems Development and Enhancement				
Business Names System (Western Australia)	2,000	1,000	1,000	500
Hazardous Materials Management System	1,470	1,230	706	120
Safety Regulation System Improvement	3,300	1,500	1,438	1,500
WorkSafe Information System Environment	3,000	2,000	1,796	500
Information Technology (IT) Infrastructure - Business Systems and Online				
Infrastructure	1,100	950	60	150
COMPLETED WORKS				
Accommodation Infrastructure - Relocation of EnergySafety and Resources				
Safety to Cannington	3,263	3,263	3,263	-
Business Systems Development and Enhancement - Integrated Document				
Management System	1,600	1,600	468	-
Computer Hardware and Software - 2003-04 Program	791	791	87	-
Department of Consumer and Employment Protection Online Services -				
Provision of Online Access for the Community	1,540	1,540	352	-
Other Works - Additional Security at Kalgoorlie and Baldy Explosive				
Reserves	1,600	1,600	1,055	-
IT Replacement Plan				
2004-05 to 2005-06 Program	1,660	1,660	414	-
2006-07 Program	910	910	431	-
2007-08 Program	1,120	1,120	1,120	-
NEW WORKS				
IT Replacement Plan - 2008-09 Program	1,120	-	-	1,120
	24,474	19,164	12,190	3,890

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	5,072	5,873	12,190	3,890	4,018	4,794	6,000
	5,072	5,873	12,190	3,890	4,018	4,794	6,000
LESS							
Drawdowns from the Holding Account	910	1,120	1,120	1,120	2,387	4,469	4,212
Internal Funds and Balances	(2,016)	-	4,027	-	-	-	-
Other	3,228	-	-	-	-	-	-
Capital Contribution	2,950	4,753	7,043	2,770	1,631	325	1,788

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)	57,766	56,203	59,380	63,849	63,110	63,871	65,402
Superannuation	6,479	5,218	6,293	6,436	6,540	6,645	6,736
Grants and subsidies ^(b)	580	639	624	570	310	310	310
Supplies and services	20,736	25,016	28,173	27,491	32,600	34,352	35,081
Accommodation	6,878	6,365	6,735	8,935	9,740	9,858	10,021
Capital user charge ^(c)	2,224	-	-	-	-	-	-
Depreciation and amortisation	1,861	3,623	3,623	3,560	3,560	3,560	3,560
Loss on disposal of non-current assets	1	-	-	-	-	-	-
Other expenses	557	458	564	571	580	590	1,078
TOTAL COST OF SERVICES	97,082	97,522	105,392	111,412	116,440	119,186	122,188
Income							
User charges and fees	10,244	10,436	10,936	10,639	10,853	10,898	10,923
Regulatory fees and fines	18,839	17,306	20,882	23,523	24,236	25,196	26,931
Gain on disposal of non-current assets	17	-	-	-	-	-	-
Grants and subsidies	405	440	440	500	510	520	520
Other revenue	1,641	550	550	555	566	566	566
Total Income	31,146	28,732	32,808	35,217	36,165	37,180	38,940
NET COST OF SERVICES ^(c)	65,936	68,790	72,584	76,195	80,275	82,006	83,248
INCOME FROM STATE GOVERNMENT							
Service appropriations ^(c)	67,560	66,589	71,371	74,147	79,263	81,083	82,325
Resources received free of charge	988	930	930	935	935	935	935
Liabilities assumed by the Treasurer	1,119	758	758	768	768	768	768
TOTAL INCOME FROM STATE GOVERNMENT	69,667	68,277	73,059	75,850	80,966	82,786	84,028
SURPLUS/(DEFICIENCY) FOR THE PERIOD	3,731	(513)	475	(345)	691	780	780
CHANGE IN SURPLUS/(DEFICIENCY) FOR THE PERIOD AFTER EXTRAORDINARY ITEMS	3,731	(513)	475	(345)	691	780	780

(a) The Full Time Equivalents (FTEs) for 2006-07 Actual, 2007-08 Estimated Actual and 2008-09 Estimate are 855, 903 and 922 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	10,720	5,042	6,753	7,335	8,038	8,741	9,521
Restricted cash	3,272	1,433	4,196	3,584	3,572	3,649	3,649
Receivables	6,378	3,869	6,278	6,378	6,378	6,378	6,378
Amounts receivable for services.....	1,120	1,120	1,120	2,387	4,469	4,212	-
Prepayments	818	897	768	718	718	718	718
Total current assets	22,308	12,361	19,115	20,402	23,175	23,698	20,266
NON-CURRENT ASSETS							
Amounts receivable for services.....	8,039	10,542	10,542	11,715	10,806	10,154	13,714
Land and buildings.....	11,029	9,007	12,823	12,823	12,823	12,823	12,823
Plant and equipment.....	5,914	3,883	5,821	4,023	3,294	3,149	1,678
Infrastructure.....	396	-	396	396	396	396	396
Intangibles.....	170	3,124	2,795	3,409	5,676	9,255	13,166
Restricted cash	600	660	780	970	970	970	970
Other.....	1,650	6,447	7,685	9,199	8,119	5,919	5,919
Total non-current assets.....	27,798	33,663	40,842	42,535	42,084	42,666	48,666
TOTAL ASSETS.....	50,106	46,024	59,957	62,937	65,259	66,364	68,932
CURRENT LIABILITIES							
Payables ^(a)	2,807	1,570	2,819	2,839	2,839	2,839	2,839
Provision for employee entitlements	11,015	9,672	11,217	11,424	11,424	11,424	11,424
Monies in trust	731	658	751	771	771	771	771
Accrued salaries	228	870	408	588	588	588	588
Other.....	197	674	197	197	197	197	197
Total current liabilities.....	14,978	13,444	15,392	15,819	15,819	15,819	15,819
NON-CURRENT LIABILITIES							
Provision for employee entitlements	4,245	4,427	4,370	4,498	4,498	4,498	4,498
Other.....	26	16	26	26	26	26	26
Total non-current liabilities	4,271	4,443	4,396	4,524	4,524	4,524	4,524
TOTAL LIABILITIES.....	19,249	17,887	19,788	20,343	20,343	20,343	20,343
EQUITY							
Contributed equity	21,650	26,380	30,487	33,257	34,888	35,213	37,001
Accumulated surplus/(deficit)	6,261	781	6,736	6,391	7,082	7,862	8,642
Reserves	2,946	976	2,946	2,946	2,946	2,946	2,946
Total equity.....	30,857	28,137	40,169	42,594	44,916	46,021	48,589
TOTAL LIABILITIES AND EQUITY	50,106	46,024	59,957	62,937	65,259	66,364	68,932

(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	64,218	62,966	67,748	70,587	75,703	77,523	78,765
Capital contribution	2,950	4,753	7,043	2,770	1,631	325	1,788
Holding account drawdowns	910	1,120	1,120	1,120	2,387	4,469	4,212
Net cash provided by State Government.....	68,078	68,839	75,911	74,477	79,721	82,317	84,765
CASHFLOWS FROM OPERATING ACTIVITIES							
Payments							
Employee benefits.....	(54,528)	(55,668)	(58,845)	(63,334)	(63,100)	(63,861)	(65,392)
Superannuation	(5,265)	(4,460)	(5,535)	(5,668)	(5,772)	(5,877)	(5,968)
Grants and subsidies	(580)	(639)	(624)	(570)	(310)	(310)	(310)
Supplies and services	(21,406)	(24,927)	(26,305)	(26,792)	(31,904)	(33,294)	(33,996)
Accommodation.....	(6,878)	(6,365)	(6,735)	(8,935)	(9,740)	(9,858)	(10,021)
Capital user charge ^(a)	(2,224)	-	-	-	-	-	-
Goods and services tax	(3,000)	(1,660)	(3,160)	(3,180)	(3,190)	(3,200)	(3,210)
Other.....	(557)	(229)	(229)	(236)	(263)	(614)	(1,094)
Receipts							
User charges and fees.....	9,694	8,773	10,054	9,640	11,676	12,115	12,115
Regulatory fees and fines.....	18,839	18,972	21,282	25,013	23,875	24,370	26,105
Grants and subsidies	469	440	440	500	510	520	520
Goods and services tax	2,392	1,698	2,398	2,450	2,510	2,570	2,570
Other receipts	1,641	1,275	675	685	696	696	696
Net cash from operating activities.....	(61,403)	(62,790)	(66,584)	(70,427)	(75,012)	(76,743)	(77,985)
CASHFLOWS FROM INVESTING ACTIVITIES							
Purchase of non-current assets.....	(2,964)	(5,873)	(12,190)	(3,890)	(4,018)	(4,794)	(6,000)
Proceeds from sale of non-current assets	17	-	-	-	-	-	-
Net cash from investing activities.....	(2,947)	(5,873)	(12,190)	(3,890)	(4,018)	(4,794)	(6,000)
NET INCREASE/(DECREASE) IN CASH HELD	3,728	176	(2,863)	160	691	780	780
Cash assets at the beginning of the reporting period	10,864	6,959	14,592	11,729	11,889	12,580	13,360
Cash assets at the end of the reporting period.....	14,592	7,135	11,729	11,889	12,580	13,360	14,140

(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.....	97,082	97,522	105,392	111,412	116,440	119,186	122,188
Less Capital User Charge.....	2,224	-	-	-	-	-	-
Adjusted Total Cost of Services	94,858	97,522	105,392	111,412	116,440	119,186	122,188
APPROPRIATIONS							
Net Amount Appropriated to Deliver Services ...	67,560	66,589	71,371	74,147	79,263	81,083	82,325
Less Appropriation Capital User Charge	1,696	-	-	-	-	-	-
Adjusted Net Amount Appropriated to Deliver Services	65,864	66,589	71,371	74,147	79,263	81,083	82,325

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	31,735	1,610	1,610	1,615	1,615	1,615	1,615
Supplies and services	5,200	3,000	3,000	3,100	3,100	3,110	3,110
Receipts paid into Consolidated Account.....	8,613	7,953	7,953	9,028	9,358	9,643	9,951
TOTAL ADMINISTERED EXPENSES ^(a)	45,548	12,563	12,563	13,743	14,073	14,368	14,676
INCOME							
Regulatory fees and fines.....	8,613	7,526	7,526	8,140	8,470	8,755	9,063
Interest revenue	7,203	4,675	4,675	4,725	4,725	4,725	4,725
Other revenue	-	427	427	888	888	888	888
Administered appropriations.....	30,000	-	-	-	-	-	-
TOTAL ADMINISTERED INCOME ^(b)	45,816	12,628	12,628	13,753	14,083	14,368	14,676

(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	30,000	-	-	-	-	-	-
Restricted cash	103,005	88,191	106,699	110,738	110,748	110,748	110,748
Receivables	18	72	28	38	38	38	38
Total Administered Current Assets	133,023	88,263	106,727	110,776	110,786	110,786	110,786
TOTAL ADMINISTERED ASSETS.....	133,023	88,263	106,727	110,776	110,786	110,786	110,786
ADMINISTERED CURRENT LIABILITIES							
Payables	37,546	5,166	7,746	7,946	7,946	7,946	7,946
Moneys in trust	93,629	81,366	97,068	100,907	100,907	100,907	100,907
Total Administered Current Liabilities.....	131,175	86,532	104,814	108,853	108,853	108,853	108,853
TOTAL ADMINISTERED LIABILITIES.....	131,175	86,532	104,814	108,853	108,853	108,853	108,853

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	(1,735)	(1,610)	(31,610)	(1,615)	(1,615)	(1,615)	(1,615)
Supplies and services	(3,315)	(3,000)	(3,000)	(3,100)	(3,382)	(3,392)	(3,392)
Goods and services tax	(259)	(265)	(265)	(270)	(295)	(295)	(295)
Rental Bonds disbursed	(41,214)	(31,626)	(31,626)	(31,726)	(35,448)	(35,448)	(35,448)
Receipts paid into Consolidated Account.....	(8,613)	(7,953)	(7,953)	(9,028)	(9,358)	(9,643)	(9,951)
TOTAL ADMINISTERED CASH OUTFLOWS	(55,136)	(44,454)	(74,454)	(45,739)	(50,098)	(50,393)	(50,701)
CASH INFLOWS FROM ADMINISTERED TRANSACTIONS							
Operating Activities							
Regulatory fees and fines.....	8,613	7,526	7,526	8,140	8,470	8,755	9,063
Interest received	7,203	4,675	4,675	4,725	4,725	4,725	4,725
Goods and services tax	265	265	265	270	270	270	270
Rental Bonds received	60,293	35,682	35,682	36,643	36,643	36,643	36,643
Administered appropriations.....	30,000	-	-	-	-	-	-
TOTAL ADMINISTERED CASH INFLOWS.....	106,374	48,148	48,148	49,778	50,108	50,393	50,701
NET CASH INFLOWS/(OUTFLOWS) FROM ADMINISTERED TRANSACTIONS.....	51,238	3,694	(26,306)	4,039	10	-	-

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
Asbestos Disease Society	83	83	83	100	100	100	100
Employment Law Centre Western Australia.....	150	250	250	260	-	-	-
Farmsafe WA Alliance	70	70	70	70	70	70	70
Indigenous Financial Literacy	-	-	30	-	-	-	-
Other Miscellaneous	82	11	41	-	-	-	-
Safety and Health - Chamber of Commerce and Industry Western Australia	70	70	70	70	70	70	70
Trades and Labour Council of Western Australia	70	70	70	70	70	70	70
Workplace Reform - Unions and Employer Association.....	55	85	10	-	-	-	-
TOTAL.....	580	639	624	570	310	310	310

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							
Rental Accommodation Fund - Grants.....	1,735	1,610	1,610	1,615	1,615	1,615	1,615
OTHER STATE SERVICES							
Compensation Fund - Finance Broker Victims....	30,000	-	-	-	-	-	-
Receipts Paid into Consolidated Account	8,613	7,953	7,953	9,028	9,358	9,643	9,951
Rental Accommodation Fund - Recoup of Administration Costs	5,200	3,000	3,000	3,100	3,100	3,110	3,110
TOTAL.....	45,548	12,563	12,563	13,743	14,073	14,368	14,676

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							
Business Names Registrations.....	5,015	4,726	4,726	4,727	4,889	5,055	5,226
Credit Providers	681	711	711	800	826	852	878
Employment Agents	238	210	210	226	238	248	257
Finance Brokers	640	522	522	885	934	977	1,022
Land Valuers	34	190	190	217	249	245	256
Motor Vehicle Dealers.....	871	753	753	793	825	857	889
Other Registration Fees	108	135	135	140	145	148	153
Other Regulatory Fees	687	64	64	68	70	71	72
Travel Agents.....	328	212	212	280	290	298	306
FINES							
Regulatory Fines.....	11	3	3	4	4	4	4
OTHER							
Compensation Fund - Finance Broker Victims...	30,000	-	-	-	-	-	-
Other Miscellaneous	-	427	427	888	888	888	888
Rental Accommodation Fund - Interest	7,203	4,675	4,675	4,725	4,725	4,725	4,725
TOTAL.....	45,816	12,628	12,628	13,753	14,083	14,368	14,676

AGENCY SPECIAL PURPOSE ACCOUNT DETAILS**Compensation Fund for Finance Broker Victims Special Purpose Account**

The purpose of this account is to facilitate the creation of a compensation fund to assist victims involved in the Finance Broking Scandal.

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000
Opening Balance.....	-	-	30,000	-
Receipts:				
Appropriations	30,000	-	-	-
	30,000	-	30,000	-
Payments	-	-	30,000	-
CLOSING BALANCE	30,000	-	-	-

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
Bill of Sale	25	25	25	30
Business Names Certificates	40	60	40	65
Business Names Searches.....	659	700	650	720
Corporate Fees	108	115	115	120
Departmental - Miscellaneous	2,363	2,204	2,089	1,982
GST Input Credits.....	1,752	1,486	1,758	1,800
GST Receipts on Sales.....	640	212	640	650
Licences and Other Regulatory Fees.....	16,313	15,307	18,692	20,145
Proceeds from Services Provided to the Commonwealth in Respect of Indian Ocean Territories.....	469	350	440	500
Recoups from the Rental Accommodation Fund	1,949	1,949	1,285	3,016
Register of Encumbered Vehicles	1,362	1,200	1,360	1,400
Reimbursement from the Real Estate and Business Agents Supervisory Board and the Settlement Agents Supervisory Board.....	7,047	7,200	7,405	7,480
Trade Measurement	308	350	350	380
TOTAL.....	33,035	31,158	34,849	38,288

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

REGISTRAR, WESTERN AUSTRALIAN INDUSTRIAL RELATIONS COMMISSION

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

DIVISION 58

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 101 Net amount appropriated to deliver services.....	8,307	8,822	6,837	8,563	8,822	9,024	9,248
Amount Authorised by Other Statutes - Salaries and Allowances Act 1975 ^(a).....	2,437	2,258	2,085	2,177	2,242	2,308	2,377
Total appropriations provided to deliver services.....	10,744	11,080	8,922	10,740	11,064	11,332	11,625
GRAND TOTAL	10,744	11,080	8,922	10,740	11,064	11,332	11,625

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

SIGNIFICANT ISSUES AND TRENDS

- Commonwealth legislation has diverted industrial relations applications away from the Commission, consequently reducing the activity of the Department of the Registrar.
- Legislation currently before the State Parliament, if enacted and proclaimed, will increase the workload for the Commission and the Department of the Registrar.
- Benefits are being realised as a result of transferring financial and procurement activities to the Office of Shared Services.

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 to the Commission and Industrial Magistrates Court	4,275	5,274	5,200	5,351			
<i>Service 2:</i>							
Conciliation and Arbitration by the Commission	5,013	5,887	5,647	5,365			
Total Cost of Services	9,288	11,161	10,847	10,716	10,986	11,267	11,869
<i>Less Income</i>	<i>352</i>	<i>80</i>	<i>80</i>	<i>80</i>	<i>80</i>	<i>80</i>	<i>80</i>
Net Cost of Services	8,936	11,081	10,767	10,636	10,906	11,187	11,789
Adjustments ^(a)	1,808	(1)	(1,845)	104	158	145	(164)
Appropriation Provided to Deliver Services	10,744	11,080	8,922	10,740	11,064	11,332	11,625
TOTAL CONSOLIDATED ACCOUNT APPROPRIATIONS	10,744	11,080	8,922	10,740	11,064	11,332	11,625

(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	Services
Creating conditions that foster a strong economy delivering more jobs, opportunities and greater wealth for all Western Australians.	The prevention and resolution of industrial relations matters.	1. Support to the Commission and Industrial Magistrates Court 2. Conciliation and Arbitration by the Commission

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 prevention and resolution of industrial relations matters.					
Percentage of employee, employers, representatives and Commission members satisfied with the service provided by the Department of the Registrar in relation to:					
- timeliness	93%	92%	93%	94%	
- accuracy and relevance of information	92%	90%	92%	92%	

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

Service 1: Support to the Commission and Industrial Magistrates Court

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

	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.....	4,275	5,274	5,200	5,351	
<i>Less Income.....</i>	352	80	80	80	
Net Cost of Service	3,923	5,194	5,120	5,271	
Adjustments ^(a)	992	(97)	(2,008)	(58)	Reduction in appropriations of \$2.0 million, as a result of the utilisation of cash balances to fund services.
Appropriation for Delivery of Service.....	4,915	5,097	3,112	5,213	

(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 application registered and recorded.....	\$4,275	\$6,104	\$5,677	\$5,405	
Full Time Equivalent (FTEs)	42	36	37	37	

Major Achievements For 2007-08

- Taken initial steps to develop an improved public information strategy.
- By using automated processes, many forms of commission output have been made available in a timelier manner.
- Assisted staff to assess their health and lifestyle to achieve healthier living.
- Implemented a new and revised risk management project.

Major Initiatives For 2008-09

- Develop improved and effective workflow, in anticipation of an increased workload from proposed legislation.
- Continue with cross skilling and knowledge sharing programs for staff.
- Extend our current traineeship program to create Indigenous employment opportunities.

Service 2: Conciliation and Arbitration by the Commission

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

	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.....	5,013	5,887	5,647	5,365	Transfer of funding to the Department of the Attorney General as a result of legislation to restructure the Commission.
<i>Less Income.....</i>	-	-	-	-	
Net Cost of Service	5,013	5,887	5,647	5,365	
Adjustments ^(a)	816	96	163	162	
Appropriation for Delivery of Service	5,829	5,983	5,810	5,527	

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

CAPITAL WORKS PROGRAM

The Department of the Registrar's planned capital works expenditure in 2008-09 is for the replacement of computer hardware and software including assets that service the courts.

	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 - Information Technology - 2007-08 Program	180	180	180	-
NEW WORKS				
Asset Replacement - Information Technology - 2008-09 Program	180	-	-	180
	360	180	180	180

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	150	180	180	180	180	250	160
	150	180	180	180	180	250	160
LESS							
Drawdowns from the Holding Account	150	180	180	180	180	250	160
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)	5,182	5,809	5,361	5,323	5,438	5,689	6,118
Superannuation.....	667	783	651	643	673	673	701
Consultancies expense	83	42	142	135	139	141	141
Supplies and services	1,343	1,487	1,647	1,629	1,649	1,666	1,606
Accommodation	1,628	2,360	2,656	2,540	2,674	2,676	2,855
Depreciation and amortisation	334	330	330	360	320	300	250
Other expenses	51	350	60	86	93	122	198
TOTAL COST OF SERVICES.....	9,288	11,161	10,847	10,716	10,986	11,267	11,869
Income							
User charges and fees.....	341	80	80	80	80	80	80
Gain on disposal of non-current assets	11	-	-	-	-	-	-
Total Income.....	352	80	80	80	80	80	80
NET COST OF SERVICES.....	8,936	11,081	10,767	10,636	10,906	11,187	11,789
INCOME FROM STATE GOVERNMENT							
Service appropriations	10,744	11,080	8,922	10,740	11,064	11,332	11,625
Resources received free of charge	24	15	15	15	15	15	15
Liabilities assumed by the Treasurer	73	-	-	-	-	-	-
TOTAL INCOME FROM STATE GOVERNMENT.....	10,841	11,095	8,937	10,755	11,079	11,347	11,640
SURPLUS/(DEFICIENCY) FOR THE PERIOD	1,905	14	(1,830)	119	173	160	(149)
CHANGE IN SURPLUS/(DEFICIENCY) FOR THE PERIOD AFTER EXTRAORDINARY ITEMS	1,905	14	(1,830)	119	173	160	(149)

(a) The Full Time Equivalents (FTEs) for 2006-07 Actual, 2007-08 Estimated Actual and 2008-09 Estimate are 62, 57 and 59 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	2,858	59	871	987	1,125	1,218	932
Receivables	207	167	207	207	207	207	207
Amounts receivable for services.....	150	180	180	180	180	250	160
Prepayments	136	372	161	161	161	161	161
Total current assets	3,351	778	1,419	1,535	1,673	1,836	1,460
NON-CURRENT ASSETS							
Amounts receivable for services.....	731	851	851	1,031	1,171	1,151	1,331
Plant and equipment.....	348	366	293	209	113	68	-
Intangibles.....	220	133	130	39	-	-	-
Restricted cash	50	65	70	90	110	130	150
Other.....	85	18	80	75	70	65	43
Total non-current assets	1,434	1,433	1,424	1,444	1,464	1,414	1,524
TOTAL ASSETS.....	4,785	2,211	2,843	2,979	3,137	3,250	2,984
CURRENT LIABILITIES							
Payables	281	76	283	280	245	178	41
Provision for employee entitlements	1,618	1,277	1,483	1,483	1,483	1,483	1,483
Accrued salaries	19	25	40	60	80	100	120
Other.....	42	54	42	42	42	42	42
Total current liabilities.....	1,960	1,432	1,848	1,865	1,850	1,803	1,686
NON-CURRENT LIABILITIES							
Provision for employee entitlements	350	289	350	350	350	350	350
Other.....	3	2	3	3	3	3	3
Total non-current liabilities	353	291	353	353	353	353	353
TOTAL LIABILITIES.....	2,313	1,723	2,201	2,218	2,203	2,156	2,039
EQUITY							
Contributed equity	495	495	495	495	495	495	495
Accumulated surplus/(deficit)	1,962	(22)	132	251	424	584	435
Reserves	15	15	15	15	15	15	15
Total equity.....	2,472	488	642	761	934	1,094	945
TOTAL LIABILITIES AND EQUITY	4,785	2,211	2,843	2,979	3,137	3,250	2,984

**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	10,424	10,750	8,592	10,380	10,744	11,032	11,375
Holding account drawdowns	150	180	180	180	180	250	160
Net cash provided by State Government.....	10,574	10,930	8,772	10,560	10,924	11,282	11,535
CASHFLOWS FROM OPERATING ACTIVITIES							
Payments							
Employee benefits.....	(5,606)	(5,789)	(5,475)	(5,303)	(5,418)	(5,669)	(6,098)
Superannuation.....	(517)	(783)	(651)	(643)	(673)	(673)	(701)
Consultancies payments.....	(86)	(42)	(142)	(135)	(139)	(141)	(141)
Supplies and services	(1,108)	(1,417)	(1,577)	(1,548)	(1,593)	(1,642)	(1,652)
Accommodation.....	(1,444)	(2,456)	(2,652)	(2,536)	(2,670)	(2,672)	(2,851)
Goods and services tax.....	(274)	(314)	(314)	(314)	(321)	(321)	(321)
Other.....	(113)	(332)	(142)	(159)	(166)	(195)	(271)
Receipts							
User charges and fees.....	278	80	80	80	80	80	80
Goods and services tax.....	314	314	314	314	314	314	314
Net cash from operating activities.....	(8,556)	(10,739)	(10,559)	(10,244)	(10,586)	(10,919)	(11,641)
CASHFLOWS FROM INVESTING ACTIVITIES							
Purchase of non-current assets.....	(62)	(180)	(180)	(180)	(180)	(250)	(160)
Proceeds from sale of non-current assets	11	-	-	-	-	-	-
Net cash from investing activities.....	(51)	(180)	(180)	(180)	(180)	(250)	(160)
NET INCREASE/(DECREASE) IN CASH HELD	1,967	11	(1,967)	136	158	113	(266)
Cash assets at the beginning of the reporting period	941	113	2,908	941	1,077	1,235	1,348
Cash assets at the end of the reporting period.....	2,908	124	941	1,077	1,235	1,348	1,082

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 of the Registrar:

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000
Fee for Service - Australian Industrial Registry	139	-	-	-
GST Input Credits.....	291	311	311	311
GST Receipts on Sales.....	23	3	3	3
Service Charges, Transcript and Award Sales and Other Receipts	139	80	80	80
TOTAL.....	592	394	394	394

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

FISHERIES

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

DIVISION 59

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 102 Net amount appropriated to deliver services ^(a)	25,626	28,568	31,619	28,836	28,634	28,184	28,610
Amount Authorised by Other Statutes - Salaries and Allowances Act 1975 ^(b)	184	190	190	195	201	201	201
Total appropriations provided to deliver services	25,810	28,758	31,809	29,031	28,835	28,385	28,811
CAPITAL							
Item 174 Capital Contribution	1,829	8,481	8,497	400	400	10	10
GRAND TOTAL	27,639	37,239	40,306	29,431	29,235	28,395	28,821

- (a) Following the enactment of the *Financial Management Act 2006*, agencies are no longer required to pay the Capital User 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 conserve, sustainably develop and share the use of the State's aquatic resources and their ecosystems for the benefit of present and future generations.

SIGNIFICANT ISSUES AND TRENDS

- The impact of both recreational and commercial fishers on some key fish species is creating sustainability issues and requires additional management intervention.
- Sound resource management requires that the total impact of all managed fisheries in a region, on fish stocks and their environment, must be taken into account. The Department is working with the Western Australian Marine Science Institution to develop regional Ecosystem Based Fisheries Management strategies to meet the requirement for sound science and knowledge to support decision-making.
- The number and type of stakeholders that are impacting on the State's fish resources continue to increase. Each stakeholder group is demanding a share of fish resources. The Department has adopted policies for holistic and integrated management of resources and is developing management strategies and mechanisms that accommodate the needs of all stakeholders within an explicit allocation framework.
- Aquaculture industries are exploring ways to expand as the demand for high quality seafood grows, while the harvest of wild capture fisheries in Western Australia and world-wide is generally at maximum sustainable levels. The Department will work with the sector to identify preferred sites for sustainable aquaculture and develop strategies to maximise investment opportunities in the sector.
- Economic conditions, including increased costs of fuel and labour shortages, are impacting on the profitability of fishing operations. The Department and industry are working on strategies to improve the economic sustainability of fishing operations.

- The Department has developed successful collaborative arrangements with other departments to better coordinate its activities in areas such as marine safety and marine park management. The Department will continue to foster such relationships to ensure efficient and effective service delivery.
- The burgeoning number of recreational boats in Western Australia is putting increasing pressure on the compliance resources for both fisheries and at-sea safety activities. The Department is continuing to develop strategies to address the fisheries impacts and working with the Department for Planning and Infrastructure to address the safety pressures.
- The risk of introduced marine pests and disease is increasing and the Department is developing strategies and mechanisms to address its new responsibilities following the passing of the *Biosecurity Agriculture Management Act 2007*.

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
Finfish Compliance Resourcing	1,514	2,196	2,082	2,094
Walpole and Nornalup Inlets Marine Park	158	158	158	158
West Coast and Gascoyne Scalefish Research and Monitoring	1,330	1,330	1,330	1,330

SERVICE AND APPROPRIATION SUMMARY

	2006-07 Actual ^(d) \$'000	2007-08 Budget ^(d) \$'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>							
Fisheries Management	16,160	20,429	20,578	16,940			
<i>Service 2:</i>							
Compliance and Education	19,190	19,184	19,735	21,304			
<i>Service 3:</i>							
Research and Monitoring	16,368	16,426	18,159	17,855			
<i>Service 4:</i>							
Marine Safety Service	2,080	2,022	2,072	2,037			
Total Cost of Services^(a)	53,798	58,061	60,544	58,136	58,053	58,567	59,765
<i>Less Income</i>	25,463	28,515	27,127	27,895	28,612	29,575	30,722
Net Cost of Services^(a)	28,335	29,546	33,417	30,241	29,441	28,992	29,043
Adjustments ^(b)	(2,525)	(788)	(1,608)	(1,210)	(606)	(607)	(232)
Appropriation Provided to Deliver Services^(a)	25,810	28,758	31,809	29,031	28,835	28,385	28,811
CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS							
Appropriation for Capital Contribution to meet equity needs^(c)	1,829	8,481	8,497	400	400	10	10
TOTAL CONSOLIDATED ACCOUNT APPROPRIATIONS	27,639	37,239	40,306	29,431	29,235	28,395	28,821

- (a) Following the enactment of the *Financial Management Act 2006*, agencies are no longer required to pay the Capital User 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) A revised service structure together with effectiveness and efficiency indicators has been adopted to better report the Department's performance. Data for 2006-07 and 2007-08 have been recast to reflect the new structure.

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.	Conservation and sustainable development of the State's fish resources.	1. Fisheries Management 2. Compliance and Education 3. Research and Monitoring 4. Marine Safety Service

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: Conservation and sustainable development of the State's fish resources.					
The proportion of fish stocks identified as being at risk or vulnerable through exploitation	21%	n/a	18%	18%	
The proportion of fisheries where acceptable catches (or effort levels) are achieved	80%	n/a	82%	85%	
The percentage of fisheries or fished sectors where current catch shares are known and where catch share allocations are in process or in place	70%	n/a	75%	80%	
The gross value of State fisheries production (million).....	\$542	n/a	\$550	\$570	
The participation rate in recreational fishing.....	26%	n/a	30%	30%	

(a) More details of effectiveness indicators are provided in the annual report. Revised effectiveness indicators have been adopted to better report the Department's performance. Data for 2006-07 and 2007-08 have been recast where possible to reflect the new structure.

Service 1: Fisheries Management

Fisheries management includes licensing, the development of policy and procedural frameworks including legislation and management plans, consultation with fishing industry stakeholders 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)	16,160	20,429	20,578	16,940	Spending in 2007-08 peaked due to fisheries adjustments to the West Coast.
<i>Less Income</i>	7,451	7,763	7,117	7,839	
Net Cost of Service ^(a)	8,709	12,666	13,461	9,101	
Adjustments ^(b)	(739)	(216)	(439)	(348)	
Appropriation for Delivery of Service ^(a)	7,970	12,450	13,022	8,753	

(a) Following the enactment of the *Financial Management Act 2006*, agencies are no longer required to pay the Capital User 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 management (excluding grants and fisheries adjustments) ^(a)	\$119	\$101	\$106	\$114	
Full Time Equivalents (FTEs)	98	107	93	95	

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

Major Achievements For 2007-08

- Implemented a management plan for the West Coast Demersal Scalefish Fishery to limit the commercial take of demersal scalefish.
- Completed a significant consultation process on possible management measures for achieving at least a 50 per cent reduction in fishing mortality of demersal scalefish arising from the activities of recreational fishers.
- Finalised catch allocations for the commercial, recreational and customary fishing sectors for the western rock lobster resource.
- Supported the development, implementation and management of marine reserves in accordance with government policy commitments.
- Completed a policy to issue aquaculture leases under Section 97 of the *Fish Resources Management Act 1994* and issued the first leases.
- Made significant progress towards the establishment of a Memorandum of Understanding between the Department and the Department of Environment and Conservation, to facilitate the process of issuing aquaculture licences, in particular through the development of Ecologically Sustainable Development reporting for key sectors.
- Introduced temporary management measures to ensure the long-term sustainability of baldchin groper stocks within the Abrolhos Islands Fish Habitat Protection Area.

- Commenced a process to examine the merits and scope of a shift to output controls (quota management) for the West Coast Rock Lobster Fishery.
- Reviewed and updated the Barramundi and Threadfin Salmon Accord covering the commercial, recreational and charter sectors to provide an integrated approach to the management of the two key fish stocks.
- Achieved further export approvals under the Commonwealth *Environment Protection and Biodiversity Conservation Act 1999*, for the beche-de-mer (sea cucumber), Shark Bay prawn and scallop, Exmouth Gulf prawn and Abrolhos trawl fisheries.

Major Initiatives For 2008-09

- Development and implementation of Biosecurity, Agriculture and Management Regulations under the *Biosecurity Agriculture Management Act 2007*.
- Development of a state-wide policy for Ecosystem Based Fisheries Management.
- Implementation of the recommendations of the Minister's Independent Inquiry into the pearling industry.
- Development of a comprehensive pearling compliance, management and licensing database.
- Completion of the development of a draft policy framework for the management of western rock lobster wild puerulus aquaculture.
- Publication of the Houtman Abrolhos Islands Management Plan 2008-18 and review of existing and new legislative requirements for the management of the Houtman Abrolhos Islands Estate.
- Finalise catch allocations for the commercial, recreational and customary fishing sectors for the metropolitan Roe's abalone resource and the West Coast demersal scalefish resource. Develop a management framework for metropolitan Roe's abalone catch shares and a reallocation mechanism for the transfer or adjustment of shares between sectors.
- Finalise and implement a three year management package for the West Coast Rock Lobster Fishery.
- Finalise advice to the Minister on the merits and scope of a shift to output controls (quota management) for the West Coast Rock Lobster Fishery.
- Implement new management arrangements for the recreational fishery of west coast demersal scalefish to achieve at least a 50 per cent reduction in fishing mortality of demersal scalefish.
- Implement total catch controls in the West Coast Demersal Scalefish Fishery through the setting of a fishery capacity and the allocation of entitlement to utilise that capacity.
- Develop and implement a management plan for the Gascoyne Demersal Scalefish Fishery, including the existing Shark Bay Oceanic Pink Snapper Commercial Fishery.

Service 2: Compliance and Education

Through the compliance and education service, the Department raises community awareness and understanding of the issues and the need to adhere to the rules governing fishing activities. This service enforces fishing rules and also plans and undertakes investigations and enforcement strategies.

	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)	19,190	19,184	19,735	21,304	2008-09 includes increased funds for compliance activities.
<i>Less Income</i>	8,506	8,845	8,418	9,219	
Net Cost of Service ^(a)	10,684	10,339	11,317	12,085	
Adjustments ^(b)	(844)	(244)	(493)	(395)	
Appropriation for Delivery of Service ^(a)	9,840	10,095	10,824	11,690	

- (a) Following the enactment of the *Financial Management Act 2006*, agencies are no longer required to pay the Capital User 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 compliance and education ^(a)	\$133	\$124	\$143	\$139	
Full Time Equivalents (FTEs)	153	164	146	164	

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

Major Achievements For 2007-08

- Implemented a series of enhancements to the Naturaliste Marine Discovery Centre, including National Science Week activities, a new website and an interpretive walk trail at Hillarys Boat Harbour in conjunction with the Aquarium of Western Australia and the Department for Planning and Infrastructure.
- Developed and implemented the MarineDiscoveryWest education section's school and community education programs and resource materials on fisheries and aquatic sustainability, with links to the State school curriculum framework.
- Prepared new education programs developed for school education including 'Sustainable Shores', 'Marine Detectives', 'Sharks - Myths and Reality' and 'Freshwater Friends and Foes'.
- Commenced construction of a new Marine Operations Centre at Mandurah to support compliance activities.
- Completed an independent review of the pearling compliance program to improve its efficiency and effectiveness.
- Completed biosecurity inspections of foreign vessels including dredges and barges in northern Western Australia and overseas to minimise the risk of introducing marine pests.
- Commenced planning of a compliance program and future joint servicing arrangements for the proposed Geographe Bay and Leeuwin-Naturaliste marine parks.
- Constructed a replacement patrol vessel for Shark Bay to provide improved service capacity for the Shark Bay marine park world heritage area and associated fisheries.

- Commenced a major operation targeting illegal commercial trading in high value fish species.

Major Initiatives For 2008-09

- Enhance the Naturaliste Marine Discovery Centre using new multi-media content on aspects of fisheries ecology and science.
- Redevelop the Department's website to improve external communications and make use of new technologies.
- Review strategic and corporate communication strategies, including the Department's media communications and Western Fisheries magazine.
- Develop a strategic plan for sustainable marine environmental and fisheries education and improved regional education programs.
- Implement the West Coast demersal scalefish compliance plan.
- Implement the new pearling compliance plan for pearling in line with review recommendations.
- Upgrade compliance surveillance capacity to improve detection and apprehension of serious and organised black-market offenders.
- Review future strategic application, structure and role of the Vessel Monitoring System unit including management, research and compliance.

Service 3: Research and Monitoring

The research and monitoring service provides scientific knowledge for the sustainable management of the State's fisheries and aquatic resources and the associated environment.

	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)	16,368	16,426	18,159	17,855	
<i>Less Income</i>	9,330	11,695	11,428	10,646	
Net Cost of Service ^(a)	7,038	4,731	6,731	7,209	
Adjustments ^(b)	(925)	(322)	(666)	(458)	
Appropriation for Delivery of Service ^(a)	6,113	4,409	6,065	6,751	

(a) Following the enactment of the *Financial Management Act 2006*, agencies are no longer required to pay the Capital User 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 research and monitoring ^(a)	\$124	\$118	\$117	\$120	
Full Time Equivalents (FTEs)	126	141	135	138	

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

Major Achievements For 2007-08

- Completed a major independent review of the methods used for stock assessment and monitoring of the West Coast Rock Lobster Fishery.
- Commenced major surveys on the stocks of blue swimmer crabs in both Cockburn Sound and the Peel-Harvey Estuary.
- Completed an assessment of the use of video surveys by commercial divers to cost effectively monitor the abundance of abalone.
- Completed an assessment of recreational fishing in south coast estuaries.
- Completed the assessment of the impacts on biodiversity and habitats associated with the Prawn Trawl Fisheries of the Shark Bay and Exmouth Gulf regions.
- Completed a study on the regrowth of pilchards (*Sardinops sagax*) stocks off southern Western Australia following the mass mortality event of 1998-99.
- Produced a manual for industry that outlined the improved performance of marron using genetically selected broodstock and good pond management strategies.
- Determined the main biological characteristics of the key west coast demersal finfish for use in developing effective management arrangements.
- Completed a study and analysis of creel survey estimates of demersal recreational fishing in the West Coast region.
- Established a series of projects, funded through the Western Australian Marine Science Institution, to assist in the initiation of Ecosystem Based Fisheries Management for the West Coast Bioregion.
- Developed a Polymerase Chain Reaction based method to assist identification of pearl oysters that are suffering from Oyster Oedema Disease.

Major Initiatives For 2008-09

- Commence a repeat survey of recreational fishing within the West Coast Demersal Fishery to determine the impacts of impending management changes.
- Commence a long-term monitoring program of the age structure of key species of the West Coast Demersal Fishery to enable the future assessment of whether management changes are leading to a recovery of these stocks.
- Complete an assessment of the carrying capacity requirements for major aquaculture developments.
- Commence an innovative study to assess the detailed movement and behavioural characteristics of sharks through the use of acoustic tags and the deployment of an acoustic monitoring array along key areas of the Western Australian coast.
- Complete faunal surveys of a number of freshwater river systems in the metropolitan and South West regions.
- Commence a long-term project to assess the potential ecological impacts of the West Coast Rock Lobster Fishery in fished and unfished areas within deep water habitats.
- Undertake research to identify markers of disease in pearl oysters and find ways to efficiently assess overall oyster health.

Service 4: Marine Safety Service

The marine safety service is delivered on behalf of the Department for Planning and Infrastructure. This service includes checks by Fisheries and Marine Officers of recreational boats to ensure compliance with the safety requirements.

	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)	2,080	2,022	2,072	2,037	
<i>Less Income</i>	176	212	164	191	
Net Cost of Service ^(a)	1,904	1,810	1,908	1,846	
Adjustments ^(b)	(17)	(6)	(10)	(9)	
Appropriation for Delivery of Service ^(a)	1,887	1,804	1,898	1,837	

- (a) Following the enactment of the *Financial Management Act 2006*, agencies are no longer required to pay the Capital User 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 for delivery of marine safety services ^(a)	\$113	\$101	\$112	\$116	
Full Time Equivalents (FTEs)	17	18	16	16	

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

Major Achievements For 2007-08

- Developed and implemented work plans based on marine safety risk assessments to provide better at-sea compliance services, targeting identified high risk marine activities.

Major Initiatives For 2008-09

- Review the Memorandum of Understanding between the Minister for Fisheries and the Minister for Planning and Infrastructure and the Service Level Agreement between the departments with a view to improving marine safety service.

CAPITAL WORKS PROGRAM

The capital works program for 2008-09 includes projects totalling \$4.8 million. The projects being progressed in 2008-09 focus on replacement programs for operating plant and equipment, small boats and computer hardware and software. The program also provides funding for the replacement of a large patrol vessel and finalisation of the Marine Operation Centre in Mandurah.

	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 - Mandurah Marine Operations Centre	9,410	9,010	8,340	400
Large Vessel Replacement - McLaughlan	3,300	1,400	1,400	1,900
COMPLETED WORKS				
Abrolhos Islands Program - Airstrip Maintenance	400	400	400	-
Aquaculture Upgrades - 2007-08 Program	100	100	100	-
Computing Hardware and Software - 2007-08 Program	500	500	500	-
Fitout, Furniture and Office Equipment - 2007-08 Program	155	155	155	-
Information Systems Development - 2007-08 Program	107	107	107	-
Large Vessel - Walcott - Refit of 16 meter Fisheries Marine Patrol Vessel Guardian	300	300	300	-
Operational Equipment 2007-08 Program	170	170	170	-
2007-08 Scientific Program	105	105	105	-
Regional Recreational Initiatives - 2007-08 Program	100	100	100	-
Small Boats, Outboards and Trailers - 2007-08 Program	1,549	1,549	1,549	-
NEW WORKS				
Computing Hardware and Software - 2008-09 Program	627	-	-	627
Fish Habitat - 2008-09 Program	47	-	-	47
Fitout, Furniture and Office Equipment - 2008-09 Program	200	-	-	200
Information Systems Development - 2008-09 Program	395	-	-	395
Operational Equipment - 2008-09 Program	347	-	-	347
Small Boats, Outboards and Trailers - 2008-09 Program	932	-	-	932
	19,810	14,962	13,917	4,848

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	4,086	13,994	13,917	4,848	5,503	2,511	3,293
	4,086	13,994	13,917	4,848	5,503	2,511	3,293
LESS							
Asset Sales	-	267	267	206	401	159	334
Drawdowns from the Holding Account	2,841	2,542	2,542	3,760	3,603	2,226	2,746
Internal Funds and Balances	(1,059)	2,229	2,136	7	624	(359)	(272)
Other	475	475	475	475	475	475	475
Capital Contribution	1,829	8,481	8,497	400	400	10	10

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)	26,054	25,267	25,817	26,872	28,062	29,238	29,970
Superannuation	3,244	2,466	2,840	3,017	3,173	3,294	3,419
Grants and subsidies ^(b)	3,992	3,636	3,636	3,700	3,975	3,300	3,300
Consultancies expense	238	586	486	596	600	600	600
Supplies and services	15,958	14,190	14,676	14,200	14,588	14,481	14,695
Accommodation	1,557	1,700	2,575	2,412	2,414	2,417	2,440
Capital user charge ^(c)	4,066	-	-	-	-	-	-
Depreciation and amortisation	2,018	3,784	3,784	3,784	3,784	3,784	3,784
Fisheries adjustment scheme	345	5,798	5,798	2,802	500	500	500
Other expenses	392	634	932	753	957	953	1,057
TOTAL COST OF SERVICES	57,864	58,061	60,544	58,136	58,053	58,567	59,765
Income							
User charges and fees	220	340	340	340	340	340	340
Regulatory fees and fines	20,644	22,293	22,231	22,833	23,565	24,699	25,649
Gain on disposal of non-current assets	11	40	40	206	191	20	217
Grants and subsidies	2,355	4,326	3,000	3,000	3,000	3,000	3,000
Interest revenue	260	250	250	250	250	250	250
Other revenue	1,973	1,266	1,266	1,266	1,266	1,266	1,266
Total Income	25,463	28,515	27,127	27,895	28,612	29,575	30,722
NET COST OF SERVICES ^(c)	32,401	29,546	33,417	30,241	29,441	28,992	29,043
INCOME FROM STATE GOVERNMENT							
Service appropriations ^(c)	29,876	28,758	31,809	29,031	28,835	28,385	28,811
Resources received free of charge	520	522	522	522	522	522	522
Liabilities assumed by the Treasurer	839	402	502	522	543	565	587
TOTAL INCOME FROM STATE GOVERNMENT	31,235	29,682	32,833	30,075	29,900	29,472	29,920
SURPLUS/(DEFICIENCY) FOR THE PERIOD	(1,166)	136	(584)	(166)	459	480	877

(a) The Full Time Equivalents (FTEs) for 2006-07 Actual, 2007-08 Estimated Actual and 2008-09 Estimate are 394, 390 and 413 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	4,425	3,775	1,253	663	39	1,098	1,817
Restricted cash	751	784	829	907	907	907	907
Receivables	1,698	2,186	1,949	1,985	2,208	2,042	2,042
Amounts receivable for services.....	2,542	1,860	3,760	3,603	2,226	2,746	2,007
Prepayments	47	101	47	47	47	47	47
Total current assets	9,463	8,706	7,838	7,205	5,427	6,840	6,820
NON-CURRENT ASSETS							
Amounts receivable for services.....	4,605	6,128	4,228	4,017	5,183	5,829	7,214
Land and buildings.....	24,363	32,440	33,222	33,186	32,928	31,885	31,885
Plant and equipment.....	3,799	11,831	6,272	6,203	8,246	9,387	8,020
Restricted cash	218	102	218	218	218	218	218
Other.....	13,832	8,049	12,406	13,575	13,299	11,789	12,548
Total non-current assets.....	46,817	58,550	56,346	57,199	59,874	59,108	59,885
TOTAL ASSETS.....	56,280	67,256	64,184	64,404	65,301	65,948	66,705
CURRENT LIABILITIES							
Superannuation	26	-	26	26	26	26	26
Payables ^(a)	1,366	2,044	1,390	1,425	1,683	1,860	1,860
Provision for employee entitlements	5,254	5,140	5,303	5,352	5,342	5,342	5,342
Finance leases	195	207	208	228	228	228	98
Accrued salaries	213	504	291	370	160	140	140
Other.....	847	119	847	847	847	847	847
Total current liabilities.....	7,901	8,014	8,065	8,248	8,076	7,013	6,883
NON-CURRENT LIABILITIES							
Provision for employee entitlements	2,136	2,111	2,170	2,203	2,203	2,203	2,203
Other.....	811	605	604	374	374	374	374
Total non-current liabilities	2,947	2,716	2,774	2,577	2,577	2,577	2,577
TOTAL LIABILITIES.....	10,848	10,730	10,839	10,825	10,863	11,020	10,890
EQUITY							
Contributed equity	25,236	33,717	33,733	34,133	34,533	34,543	34,553
Accumulated surplus/(deficit)	12,176	15,783	11,592	11,426	11,885	12,365	13,242
Reserves	8,020	7,026	8,020	8,020	8,020	8,020	8,020
Total equity.....	45,432	56,526	53,345	53,579	54,438	54,928	55,815
TOTAL LIABILITIES AND EQUITY	56,280	67,256	64,184	64,404	65,301	65,948	66,705

(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	26,654	25,375	28,426	25,639	25,443	24,993	25,419
Capital contribution	1,829	8,481	8,497	400	400	10	10
Holding account drawdowns	2,841	2,542	2,542	3,760	3,603	2,226	2,746
Net cash provided by State Government.....	31,324	36,398	39,465	29,799	29,446	27,229	28,175
CASHFLOWS FROM OPERATING ACTIVITIES							
Payments							
Employee benefits.....	(26,005)	(25,106)	(25,656)	(26,711)	(28,282)	(29,258)	(29,970)
Superannuation	(2,390)	(2,064)	(2,338)	(2,495)	(2,630)	(2,729)	(2,896)
Grants and subsidies	(3,992)	(3,636)	(3,636)	(3,700)	(3,975)	(3,300)	(3,300)
Consultancies payments.....	(238)	(586)	(486)	(596)	(600)	(600)	(600)
Supplies and services	(14,666)	(13,895)	(14,151)	(13,433)	(13,579)	(13,239)	(14,291)
Accommodation	(1,557)	(1,700)	(2,575)	(2,465)	(2,503)	(2,506)	(2,529)
Capital user charge ^(a)	(4,066)	-	-	-	-	-	-
Goods and services tax	(2,231)	(2,328)	(2,328)	(2,328)	(2,328)	(2,328)	(2,328)
Fisheries adjustment scheme	(345)	(5,798)	(5,798)	(2,802)	(500)	(500)	(500)
Other.....	(1,048)	(634)	(1,076)	(860)	(1,021)	(925)	(700)
Receipts							
User charges and fees.....	281	340	340	340	340	340	340
Fisheries license fees.....	20,139	22,293	22,231	22,833	23,565	24,699	25,649
Grants and subsidies	1,903	4,326	3,000	3,000	3,000	3,000	3,000
Interest received	260	250	250	250	250	250	250
Goods and services tax	2,411	2,328	2,328	2,328	2,328	2,328	2,328
Other receipts	2,617	1,266	1,266	1,266	1,280	1,280	1,266
Net cash from operating activities.....	(28,927)	(24,944)	(28,629)	(25,373)	(24,655)	(23,488)	(24,281)
CASHFLOWS FROM INVESTING ACTIVITIES							
Purchase of non-current assets.....	(3,241)	(13,994)	(13,917)	(4,848)	(5,503)	(2,511)	(3,293)
Proceeds from sale of non-current assets	563	267	267	206	401	159	334
Net cash from investing activities.....	(2,678)	(13,727)	(13,650)	(4,642)	(5,102)	(2,352)	(2,959)
CASHFLOWS FROM FINANCING ACTIVITIES							
Other payments for financing activities.....	(258)	(194)	(280)	(296)	(313)	(330)	(216)
Net cash from financing activities	(258)	(194)	(280)	(296)	(313)	(330)	(216)
NET INCREASE/(DECREASE) IN CASH HELD	(539)	(2,467)	(3,094)	(512)	(624)	1,059	719
Cash assets at the beginning of the reporting period	5,932	7,128	5,394	2,300	1,788	1,164	2,223
Net cash transferred to/from other agencies.....	1	-	-	-	-	-	-
Cash assets at the end of the reporting period.....	5,394	4,661	2,300	1,788	1,164	2,223	2,942

(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.....	57,864	58,061	60,544	58,136	58,053	58,567	59,765
Less Capital User Charge.....	4,066	-	-	-	-	-	-
Adjusted Total Cost of Services	53,798	58,061	60,544	58,136	58,053	58,567	59,765
APPROPRIATIONS							
Net Amount Appropriated to Deliver Services ...	29,876	28,758	31,809	29,031	28,835	28,385	28,811
Less Appropriation Capital User Charge	4,066	-	-	-	-	-	-
Adjusted Net Amount Appropriated to Deliver Services	25,810	28,758	31,809	29,031	28,835	28,385	28,811

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
Grants to Industry	3,992	3,636	3,636	3,700	3,975	3,300	3,300
TOTAL.....	3,992	3,636	3,636	3,700	3,975	3,300	3,300

AGENCY SPECIAL PURPOSE ACCOUNT DETAILS

Recreational Fishing Special Purpose Account

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

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000
Opening Balance.....	11	11	10	10
Receipts:				
Appropriations	9,054	9,100	11,000	12,000
Other.....	2,477	2,700	2,770	2,859
	11,542	11,811	13,780	14,869
Payments.....	11,532	11,800	13,770	14,859
CLOSING BALANCE	10	11	10	10

Fisheries Research and Development Special Purpose Account

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

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000
Opening Balance.....	5,208	5,999	4,485	1,291
Receipts:				
Appropriations	21,770	21,500	27,965	17,299
Other.....	24,191	25,603	26,645	27,158
	51,169	53,102	59,095	45,748
Payments	46,684	47,341	57,804	44,969
CLOSING BALANCE	4,485	5,761	1,291	779

Fisheries Adjustment Schemes Special Purpose Account

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

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000
Opening Balance.....	249	249	422	522
Receipts:				
Appropriations	500	5,798	500	500
Other.....	-	-	-	-
	749	6,047	922	1,022
Payments	327	5,798	400	500
CLOSING BALANCE	422	249	522	522

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.....	1,880	2,000	2,000	2,000
GST Receipts on Sales.....	531	328	328	328
TOTAL.....	2,411	2,328	2,328	2,328

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

KIMBERLEY DEVELOPMENT COMMISSION

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

DIVISION 60

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 103 Net amount appropriated to deliver services ^(a)	1,492	1,626	4,791	4,117	3,931	1,604	1,646
Total appropriations provided to deliver services	1,492	1,626	4,791	4,117	3,931	1,604	1,646
GRAND TOTAL	1,492	1,626	4,791	4,117	3,931	1,604	1,646

(a) Following the enactment of the *Financial Management Act 2006*, agencies are no longer required to pay the Capital User 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 facilitate the development of the Kimberley for the prosperity and benefit of all its people. The Commission is proactive and inclusive, it strives to continually enhance the wellbeing of the region's people, its communities and its organisations through leadership and actions in support of social and economic development.

SIGNIFICANT ISSUES AND TRENDS

- Significant industry development in the Kimberley continues to require comprehensive planning that engages key stakeholders and incorporates community consultation to ensure social and economic growth.
- Population growth and unique demographics provides a challenge to social support structures and the need for increased opportunities for labour force participation.
- Increased local business activity and labour market demand will provide an opportunity to address current inequities in Indigenous education and employment.
- Implementation of Native Title agreements will provide opportunities for Indigenous people and broader communities to build social and economic capacity.
- Housing availability and affordability has significant impacts on both the social and economic development of the region and demands flexible, innovative and whole-of-government strategic approaches.
- Environmental preservation and management in the context of increasing population, tourism and economic activity will be a focus for planning assessments.

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>							
Policies, Strategies, Plans and Regional Promotion.....	1,010	973	2,306	2,026			
<i>Service 2:</i>							
Industry and Infrastructure Identification, Coordination and Development.....	1,351	1,344	3,184	2,797			
Total Cost of Services ^(a)	2,361	2,317	5,490	4,823	4,324	1,913	1,958
<i>Less Income</i>	880	559	538	538	124	121	121
Net Cost of Services ^(a)	1,481	1,758	4,952	4,285	4,200	1,792	1,837
Adjustments ^(b)	11	(132)	(161)	(168)	(269)	(188)	(191)
Appropriation Provided to Deliver Services ^(a)	1,492	1,626	4,791	4,117	3,931	1,604	1,646
TOTAL CONSOLIDATED ACCOUNT APPROPRIATIONS	1,492	1,626	4,791	4,117	3,931	1,604	1,646

(a) Following the enactment of the *Financial Management Act 2006*, agencies are no longer required to pay the Capital User 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.	An environment conducive to the balanced economic and social development of the Kimberley region.	1. Policies, Strategies, Plans and Regional Promotion 2. Industry and Infrastructure Identification, Coordination and Development

Outcomes and Key Effectiveness Indicators ^(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 Kimberley region.					
Delivers effective activities in assisting economic and social development	90%	90%	90%	90%	
Makes a positive contribution to economic and social development in the Kimberley	90%	90%	90%	90%	
Provides a reliable source of information and advice	89%	90%	90%	90%	
Is an accessible source of information and advice	89%	90%	90%	90%	

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

Service 1: Policies, Strategies, Plans and Regional Promotion

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

	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)	1,010	973	2,306	2,026	The responsibility for providing grants for the Ord Enhancement Scheme has been transferred to the Commission. A one-off grant was also provided in 2007-08 to mitigate Weaber Plains flooding.
<i>Less Income</i>	376	235	226	226	
Net Cost of Service ^(a)	634	738	2,080	1,800	
Adjustments ^(b)	5	(55)	(68)	(71)	
Appropriation for Delivery of Service ^(a)	639	683	2,012	1,729	

(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 project hour	\$236	\$223	\$427	\$368	The responsibility for providing grants for the Ord Enhancement Scheme has been transferred to the Commission. A one-off grant was also provided in 2007-08 to mitigate Weaber Plains flooding.
Full Time Equivalents (FTEs)	5	5	5	5	

Major Achievements For 2007-08

- Assisted in developing strategies through partnerships with key stakeholders in industry, the Government and the community, to increase regional employment opportunities and associated economic benefits to the region.
- In partnership with industry, established the Kimberley Business and Services Capability Register that provides increased opportunities for local businesses to service significant regional projects.
- Provided a regional perspective in Native Title negotiations to ensure that regional imperatives of enhancing Indigenous outcomes are achieved.
- Developed and delivered the Kimberley Making Connections leadership program providing a platform for cross-cultural capacity building, social cohesion and understanding.
- Contributed towards the expansion of socio-economic baseline data that provides an understanding of the dynamics of the Indigenous labour market and will be effective in monitoring the effects of current and future industry engagement initiatives and success.
- Worked with key Government agencies and community stakeholders to continue to progress regional strategies to address regional social issues.
- Managed the strategic direction and operational administration of the Ord Enhancement Scheme that aims to develop social and economic benefits to the Miriwung Gajerrong people as a component of the Ord Final Agreement.
- Supported regional industry associations in highlighting the opportunities that exist in the region for growth and investment.
- Further developed strategies to attract major financial contributions and grow the investment base of the Kimberley Community Foundation for the long-term benefit of the Kimberley community.

Major Initiatives For 2008-09

- Regional leadership will continue to be a significant focus to ensure that previous initiatives are complemented and that new and innovative methods are developed to ensure growth in the essential area of community development and leadership.
- Partner with State, Commonwealth and non-government agencies to ensure that the economic and social base of the region is responsive to industry growth and that education, employment and training opportunities are relevant for the region and its people.
- Continue with the research, analysis and reporting of relevant socio-economic data, with a view to expanding baseline data for all sub-regions of the Kimberley. This will provide relevant information on standard of living, health and education of the Indigenous population.
- Maintain a significant role in major Native Title and heritage negotiations and practical implementation. This will assist in providing opportunities for the Indigenous people in the Kimberley to fully capitalise upon outcomes from the resolution of claims.
- The Commission will maintain focus on leadership, planning and capacity building to ensure regional benefits are fully realised for the Traditional Owners in the Ord, as a part of the Ord Enhancement Scheme.
- Support agencies and organisations with responsibility for progressing and facilitating Kimberley social planning projects and maintain a focus upon implementation of projects in areas of significant need, such as community stores.
- Create opportunities to grow and enhance the capacity of the Kimberley Community Foundation to maintain a cross-regional, intergenerational focus upon social development within the region and encourage major contributions from key industries.
- Identify the range of regional planning projects underway and provide support for those initiatives through the provision of regional information and targeted research and analysis.

- Assist regional tourism bodies, State and Commonwealth agencies to expand and sustain the growing tourism industry, with particular emphasis upon Indigenous and innovative tourism initiatives.

Service 2: Industry and Infrastructure Identification, Coordination and Development

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

	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)	1,351	1,344	3,184	2,797	The responsibility for providing grants for the Ord Enhancement Scheme has been transferred to the Commission. A one-off grant was also provided in 2007-08 to mitigate Weaber Plains flooding.
<i>Less Income</i>	504	324	312	312	
Net Cost of Service ^(a)	847	1,020	2,872	2,485	
Adjustments ^(b)	6	(77)	(93)	(97)	
Appropriation for Delivery of Service ^(a)	853	943	2,779	2,388	

- (a) Following the enactment of the *Financial Management Act 2006*, agencies are no longer required to pay the Capital User 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 hour	\$236	\$219	\$427	\$366	The responsibility for providing grants for the Ord Enhancement Scheme has been transferred to the Commission. A one-off grant was also provided in 2007-08 to mitigate Weaber Plains flooding.
Full Time Equivalents (FTEs)	7	6	6	7	

Major Achievements For 2007-08

- Engaged with the Northern Development Taskforce with particular focus on infrastructure associated with the development of the offshore oil and gas industry.
- Supported the expansion of the coastal shipping service to contribute towards downwards freight costs to the region and maintained strong relationships with the aviation industry to ensure air service route availability to the region.
- Facilitated information and communications technology training in partnership with other State Government agencies, to people in regional and remote areas as a part of 'Future Skilling Outback Western Australia', a Commonwealth initiative.
- Implemented ongoing relationships with key stakeholders to continue developing tourism in the region, including the Indigenous tourism industry and participated in the 'Western Australia on Show' exhibition in Perth, promoting tourism and business opportunities.

- Provided strategic support to Indigenous art centres, including facilitating the financial support for a successful international in-bound trade mission through Kimberley Indigenous art centres to expand understanding and access to export opportunities.
- Continued support and development of community stores alongside Government and non-government stakeholders, industry and Indigenous communities promoting a healthy store concept.
- Coordinated the implementation and the 'Kimberley Broadband Solutions project' in partnership with the Department of Industry and Resources. This project will provide telecommunication infrastructure to deliver broadband services in selected towns and communities.
- Continued to support, and provide regional expertise to the development of the Ord stage two project.
- Identified accommodation issues and examined housing data to obtain a greater understanding of housing availability and affordability in the region.

Major Initiatives For 2008-09

- Work with industry to enhance the capacity for regional businesses to market and promote goods and services to major industry projects across the Kimberley and to provide significant support to all levels within the business sector, maintaining growth and ensuring viability.
- Support Indigenous economic development through tourism, art, pastoral and service industries through financial and other means, maintaining growth and sustainability across the region.
- Maintain a regional development focus on the Ord stage two proposal and support State and Commonwealth initiatives for establishing the resource for growth and sustainability of the industry and region.
- Assist in building the regional economy through the monitoring and support of communications, transport services and infrastructure identified as enhancing commercial viability, lifestyle and investment confidence in the region.
- Support local groups in planning and progressing infrastructure projects that enhance amenity for their communities and assist in identifying sustainable income streams for maintenance of culture, social and economic benefit.
- Provide support and direction to regional applicants seeking access to State and Commonwealth funding opportunities for regional projects that maximise returns to the region through social and economic development.
- Continue to support and engage with the Northern Development Taskforce to provide maximum benefit to the region whilst maintaining Indigenous, social and environmental values of Kimberley people.
- Monitor and engage with Government agencies on regional development initiatives, aimed at fostering the growth and diversification of regional communities and industries.

CAPITAL WORKS PROGRAM

The Commission's planned capital works expenditure in 2008-09 is for ongoing computer and 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				
Computer and Office Equipment Replacement - 2007-08 Program.....	20	20	20	-
NEW WORKS				
Computer and Office Equipment Replacement - 2008-09 Program.....	20	-	-	20
	40	20	20	20

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	24	20	20	20	20	20	31
	24	20	20	20	20	20	31
LESS							
Drawdowns from the Holding Account	65	20	20	20	20	20	31
Internal Funds and Balances	(41)	-	-	-	-	-	-
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)	926	864	1,023	933	940	785	804
Superannuation	72	63	76	76	78	77	78
Grants and subsidies ^(b)	551	500	3,394	2,809	2,214	85	85
Consultancies expense	28	-	-	-	-	35	35
Supplies and services	546	667	719	752	848	675	701
Accommodation	154	141	141	141	155	158	159
Capital user charge ^(c)	16	-	-	-	-	-	-
Depreciation and amortisation	36	50	50	50	50	50	50
Other expenses	48	32	87	62	39	48	46
TOTAL COST OF SERVICES	2,377	2,317	5,490	4,823	4,324	1,913	1,958
Income							
User charges and fees	284	4	4	4	4	4	4
Grants and subsidies	530	500	500	500	85	85	85
Rent	12	21	-	-	-	-	-
Other revenue	54	34	34	34	35	32	32
Total Income	880	559	538	538	124	121	121
NET COST OF SERVICES ^(c)	1,497	1,758	4,952	4,285	4,200	1,792	1,837
INCOME FROM STATE GOVERNMENT							
Service appropriations ^(c)	1,514	1,626	4,791	4,117	3,931	1,604	1,646
TOTAL INCOME FROM STATE GOVERNMENT ^(d)	1,514	1,626	4,791	4,117	3,931	1,604	1,646
SURPLUS/(DEFICIENCY) FOR THE PERIOD	17	(132)	(161)	(168)	(269)	(188)	(191)

(a) The Full Time Equivalents (FTEs) for 2006-07 Actual, 2007-08 Estimated Actual and 2008-09 Estimate are 12, 11 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.

(d) Includes appropriations transferred to the Ord Enhancement Scheme special purpose account from 2006-07 to 2009-10, in accordance with the Ord Final Agreement.

**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	331	289	406	454	458	325	331
Restricted cash	1,039	460	869	692	457	481	297
Receivables	344	53	8	21	19	28	40
Amounts receivable for services.....	20	20	20	20	20	31	31
Prepayments	2	1	2	2	2	2	2
Total current assets	1,736	823	1,305	1,189	956	867	701
NON-CURRENT ASSETS							
Amounts receivable for services.....	45	75	75	105	135	154	173
Plant and equipment.....	57	20	37	35	33	31	12
Intangibles	1	1	1	1	1	1	1
Other.....	102	216	92	64	36	8	8
Total non-current assets	205	312	205	205	205	194	194
TOTAL ASSETS.....	1,941	1,135	1,510	1,394	1,161	1,061	895
CURRENT LIABILITIES							
Superannuation	1	-	1	1	1	1	1
Payables ^(a)	403	98	133	185	221	309	330
Provision for employee entitlements	215	187	215	215	215	215	218
Accrued salaries	11	-	11	11	11	11	11
Other.....	1	1	1	1	1	1	1
Total current liabilities.....	631	286	361	413	449	537	561
NON-CURRENT LIABILITIES							
Provision for employee entitlements	66	50	66	66	66	66	67
Other.....	-	1	-	-	-	-	-
Total non-current liabilities	66	51	66	66	66	66	67
TOTAL LIABILITIES.....	697	337	427	479	515	603	628
EQUITY							
Contributed equity	131	131	131	131	131	131	131
Accumulated surplus/(deficit)	1,113	667	952	784	515	327	136
Total equity.....	1,244	798	1,083	915	646	458	267
TOTAL LIABILITIES AND EQUITY	1,941	1,135	1,510	1,394	1,161	1,061	895

(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	1,464	1,576	4,741	4,067	3,881	1,554	1,596
Holding account drawdowns	65	20	20	20	20	20	31
Net cash provided by State Government.....	1,529	1,596	4,761	4,087	3,901	1,574	1,627
CASHFLOWS FROM OPERATING ACTIVITIES							
Payments							
Employee benefits.....	(885)	(864)	(1,023)	(933)	(940)	(785)	(804)
Superannuation	(72)	(63)	(76)	(76)	(78)	(77)	(78)
Grants and subsidies	(551)	(500)	(3,394)	(2,809)	(2,214)	(85)	(85)
Consultancies payments.....	(28)	(10)	(10)	(10)	(10)	(10)	(35)
Supplies and services	(550)	(643)	(602)	(691)	(799)	(663)	(689)
Accommodation.....	(155)	(141)	(141)	(141)	(155)	(158)	(159)
Capital user charge ^(a)	(16)	-	-	-	-	-	-
Goods and services tax	(201)	(67)	(478)	(418)	(329)	(101)	(101)
Other.....	(44)	(46)	(100)	(77)	(40)	(48)	(46)
Receipts							
Grants and subsidies	514	500	500	500	85	85	85
Rent receipts.....	17	21	-	-	-	-	-
Goods and services tax	209	67	450	421	329	120	102
Other receipts	374	38	38	38	39	59	36
Net cash from operating activities.....	(1,388)	(1,708)	(4,836)	(4,196)	(4,112)	(1,663)	(1,774)
CASHFLOWS FROM INVESTING ACTIVITIES							
Purchase of non-current assets.....	(24)	(20)	(20)	(20)	(20)	(20)	(31)
Net cash from investing activities.....	(24)	(20)	(20)	(20)	(20)	(20)	(31)
NET INCREASE/(DECREASE) IN CASH HELD	117	(132)	(95)	(129)	(231)	(109)	(178)
Cash assets at the beginning of the reporting period	1,253	881	1,370	1,275	1,146	915	806
Cash assets at the end of the reporting period.....	1,370	749	1,275	1,146	915	806	628

(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.....	2,377	2,317	5,490	4,823	4,324	1,913	1,958
Less Capital User Charge.....	16	-	-	-	-	-	-
Adjusted Total Cost of Services	2,361	2,317	5,490	4,823	4,324	1,913	1,958
APPROPRIATIONS							
Net Amount Appropriated to Deliver Services ...	1,514	1,626	4,791	4,117	3,931	1,604	1,646
Less Appropriation Capital User Charge	22	-	-	-	-	-	-
Adjusted Net Amount Appropriated to Deliver Services	1,492	1,626	4,791	4,117	3,931	1,604	1,646

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
Kimberley Regional Development Scheme	326	500	500	500	-	-	-
Ord Enhancement Scheme.....	75	-	2,444	2,309	2,129	-	-
Other Grants.....	150	-	-	-	85	85	85
Weaber Plains Flooding Mitigation.....	-	-	450	-	-	-	-
TOTAL.....	551	500	3,394	2,809	2,214	85	85

PILBARA DEVELOPMENT COMMISSION

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

DIVISION 61

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 104 Net amount appropriated to deliver services ^(a)	2,259	2,180	2,240	1,652	1,668	1,711	1,759
Total appropriations provided to deliver services	2,259	2,180	2,240	1,652	1,668	1,711	1,759
CAPITAL							
Capital Contribution	85	-	-	-	5	30	30
GRAND TOTAL	2,344	2,180	2,240	1,652	1,673	1,741	1,789

(a) Following the enactment of the *Financial Management Act 2006*, agencies are no longer required to pay the Capital User 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 Commission is a progressive, strategically-focused and effective leader in the social and economic development of the Pilbara. It works successfully to inform, partner with and advocate for Pilbara communities in relation to regional priorities – in accordance with the expectations of its stakeholders.

SIGNIFICANT ISSUES AND TRENDS

- The Pilbara is continuing to experience rapid economic growth in the resources sector. In particular the iron ore and petroleum industries continue to develop and expand to meet growth in demand from China and the rest of Asia.
- Accommodation availability and affordability is a significant challenge for all levels of government and the community, as high demand pressure is causing an upward trend in rental rates, construction costs and established housing purchase prices.
- The Pilbara continues to experience labour shortages across all industries. A key concern for all sectors is the ability to attract and retain skilled workers. This is particularly evident in government, non-government organisations and small business sectors. Difficulties in attracting workers to the region have placed a strong emphasis on the continual need to enhance and improve community infrastructure and the physical amenity of the region's communities. High standards of community amenity and services are seen as crucial in enhancing the region's lifestyle and attracting employees to the area.
- The progression of Indigenous economic and social development projects remains a priority for the region. Opportunities to provide genuine prospects for the Indigenous communities of the Pilbara are seen as critical.
- Given the rapid pace of development, a key strategy is to continue to ensure that the region gains long-term sustainable economic and social benefits from the expansion of the resources sector.

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>							
Business and Industry Development	2,221	580	580	811			
<i>Service 2:</i>							
Infrastructure and Service Identification and Coordination.....	5,554	9,385	9,445	2,104			
<i>Service 3:</i>							
Regional Promotion and Information Services	2,089	650	650	838			
Total Cost of Services ^(a)	9,864	10,615	10,675	3,753	1,761	1,831	2,509
<i>Less Income</i>	2,863	5,612	5,612	2,115	120	120	750
Net Cost of Services ^(a)	7,001	5,003	5,063	1,638	1,641	1,711	1,759
Adjustments ^(b)	(4,742)	(2,823)	(2,823)	14	27	-	-
Appropriation Provided to Deliver Services ^(a)	2,259	2,180	2,240	1,652	1,668	1,711	1,759
CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS							
Appropriation for Capital Contribution to meet equity needs ^(c)	85	-	-	-	5	30	30
TOTAL CONSOLIDATED ACCOUNT APPROPRIATIONS	2,344	2,180	2,240	1,652	1,673	1,741	1,789

(a) Following the enactment of the *Financial Management Act 2006*, agencies are no longer required to pay the Capital User 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.	Enhancement of the Pilbara region's economic and social development.	1. Business and Industry Development 2. Infrastructure and Service Identification and Coordination 3. Regional Promotion and Information Services

Outcomes and Key Effectiveness Indicators ^(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: Enhancement of the Pilbara region's economic and social development.					
Customers satisfied that the Commission is effective in meeting its service objectives.....	76%	80%	80%	80%	

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

Service 1: Business and Industry Development

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

	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)	2,221	580	580	811	Progression of key Indigenous economic development projects in 2008-09.
<i>Less Income</i>	84	107	107	40	
Net Cost of Service ^(a)	2,137	473	473	771	
Adjustments ^(b)	(1,609)	-	-	-	
Appropriation for Delivery of Service ^(a)	528	473	473	771	

(a) Following the enactment of the *Financial Management Act 2006*, agencies are no longer required to pay the Capital User 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
Projects completed or strategic objectives met within agreed timeframes.....	85%	80%	80%	80%	
Full Time Equivalents (FTEs)	3	3	4	3	

Major Achievements For 2007-08

- Continued to work with the Australian Bureau of Statistics and key stakeholders to develop the Spotlight on the Pilbara project. Information gathered through this project is being made available to the public through a website and will aid in the planning and delivery of services to the Pilbara region.
- Continued to work with key stakeholders to implement the Pilbara Small Business Strategy that will assist to support the growth of sustainable small business in the Pilbara.
- The Commission held an Indigenous Contractors Workshop in early 2008. This forum assisted in identifying key strategic Indigenous projects that the Commission will progress. These will assist in improving social and economic outcomes for Indigenous people in the Pilbara region.

Major Initiatives For 2008-09

- The Commission will support Indigenous economic development opportunities through a range of initiatives, including:
 - the establishment of Indigenous businesses specifically focusing on hospitality and art; and
 - the establishment of a business mentoring program.
 These projects will be created in conjunction with key stakeholders including the resource sector, the State and Commonwealth Government and individual Indigenous communities.
- The Commission will facilitate a range of forums across the Pilbara, including a builders forum. The forum will focus on ways that the Local and State Government can assist in attracting builders thus alleviating the long waiting lists currently experienced in some areas during housing construction. The Commission will also hold a series of Affordable Community Housing forums. These forums have been successfully held in other regions and will look at ways the Government can assist in the provision of affordable housing specifically to the small business and not-for-profit sectors.

Service 2: Infrastructure and Service Identification and Coordination

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

	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)	5,554	9,385	9,445	2,104	Finalisation of the Pilbara Fund and the Port Hedland Enhancement Scheme.
<i>Less Income</i>	2,031	5,005	5,005	1,575	
Net Cost of Service ^(a)	3,523	4,380	4,440	529	
Adjustments ^(b)	(2,204)	(2,823)	(2,823)	-	
Appropriation for Delivery of Service ^(a)	1,319	1,557	1,617	529	

(a) Following the enactment of the *Financial Management Act 2006*, agencies are no longer required to pay the Capital User 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
Projects completed or strategic objectives met within agreed timeframes.....	85%	80%	80%	80%	
Full Time Equivalents (FTEs)	5	5	5	5	

Major Achievements For 2007-08

- Completed Stage Two of the Port Hedland Enhancement Scheme, which includes the masterplan for the development of the Spoilbank, the construction of the Port Hedland skate park and the Sutherland Street foreshore activity nodes.
- Participated in the development of the review of the Onslow Structure Plan 1997. The review was undertaken to ensure that planning for Onslow could support appropriate responses to significant resource proposals that would, if realised, bring about rapid growth in the town.

- Developed the Kids Matter[®] Family Day Care Program to address the lack of child care places through home-based child care. The program has established 13 new family day care businesses with the potential to provide up to 91 additional child care places across the region. The program has attracted funding from major resource companies for incentives for new providers.

Major Initiatives For 2008-09

- Non-government organisations (NGOs) responsible for delivering critical services in the Pilbara, including aged care and Indigenous programs, are under pressure as a result of the unprecedented growth in the resource sector. The Commission will work with NGOs to identify where improvements can be made and provide assistance to support effective and efficient service delivery.
- The Commission will establish a youth leadership program with a focus on Indigenous youth. The program will develop leadership skills, build capacity and establish networks with other young leaders.
- The Commission will work in partnership with the Shire of Roebourne and industry to develop the Karratha 2020 Vision. The first stage will include a revitalisation program for the Karratha Central Business District which will include refurbishment of facilities, streetscape and a new community park.

Service 3: Regional Promotion and Information Services

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

	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)	2,089	650	650	838	Commencement of the Pilbara Dialogue and Lifestyle Through Leadership programs.
<i>Less Income</i>	748	500	500	500	
Net Cost of Service ^(a)	1,341	150	150	338	
Adjustments ^(b)	(929)	-	-	14	
Appropriation for Delivery of Service ^(a)	412	150	150	352	

(a) Following the enactment of the *Financial Management Act 2006*, agencies are no longer required to pay the Capital User 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
Projects completed or strategic objectives met within agreed timeframes.....	87%	80%	80%	80%	
Full Time Equivalents (FTEs)	3	3	3	3	

Major Achievements For 2007-08

- Partnered with the Commonwealth Government to hold a major Riding the Boom conference in 2008. This conference focused on the long-term sustainability for the region and was seen as a key issue for the community, building long-term positive futures at a local level by assisting to develop strategies that build financial, social, human and natural capital.
- Continued to support the promotion of local cultural events such as the Cossack Art Awards, Hedland Art Awards and the Pilbara Music Festival. This support assisted in raising the profile of local artists and musicians to a wider audience-base.

Major Initiatives For 2008-09

- The Commission will hold a major Lifestyle Through Leadership conference for women, focusing on managing lifestyle in the region through leadership development.
- The Commission will establish and lead the Pilbara Dialogue, a high level forum to identify issues and develop coordinated strategies and actions between the key stakeholders involved in the growth and sustainability of the Pilbara region. Outcomes will also include informing and advocating to relevant community, industry and government organisations.
- The Commission will establish the Pilbara Strategic Vision, to enable the economic and social development of the region in a planned and sustainable manner. The Vision will facilitate and support informed growth as per the development policy Regional Western Australia – A Better Place to Live.

CAPITAL WORKS PROGRAM

The Commission's planned capital works expenditure in 2008-09 is for ongoing 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				
Office Equipment Replacement - 2007-08 Program	30	30	30	-
NEW WORKS				
Office Equipment Replacement - 2008-09 Program	20	-	-	20
	50	30	30	20

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	205	30	30	20	75	70	70
	205	30	30	20	75	70	70
LESS							
Drawdowns from the Holding Account	120	30	30	20	70	40	40
Capital Contribution	85	-	-	-	5	30	30

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)	990	1,021	890	791	810	863	930
Superannuation	74	86	85	68	70	83	88
Grants and subsidies ^(b)	4,190	8,422	8,422	2,000	-	-	500
Consultancies expense	39	40	40	30	35	10	40
Supplies and services	4,094	632	824	595	628	654	711
Accommodation	136	174	174	180	143	156	153
Capital user charge ^(c)	124	-	-	-	-	-	-
Depreciation and amortisation	35	40	40	40	40	40	40
Other expenses	306	200	200	49	35	25	47
TOTAL COST OF SERVICES	9,988	10,615	10,675	3,753	1,761	1,831	2,509
Income							
Grants and subsidies	2,419	5,500	5,500	2,000	-	-	500
Other revenue	444	112	112	115	120	120	250
Total Income	2,863	5,612	5,612	2,115	120	120	750
NET COST OF SERVICES ^(c)	7,125	5,003	5,063	1,638	1,641	1,711	1,759
INCOME FROM STATE GOVERNMENT							
Service appropriations ^(c)	2,383	2,180	2,240	1,652	1,668	1,711	1,759
TOTAL INCOME FROM STATE GOVERNMENT	2,383	2,180	2,240	1,652	1,668	1,711	1,759
SURPLUS/(DEFICIENCY) FOR THE PERIOD	(4,742)	(2,823)	(2,823)	14	27	-	-

(a) The Full Time Equivalents (FTEs) for 2006-07 Actual, 2007-08 Estimated Actual and 2008-09 Estimate are 11, 12 and 11 respectively.

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

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

BALANCE SHEET
(Controlled)

	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	99	31	130	144	171	171	171
Restricted cash	5,626	-	2,772	2,772	2,772	2,772	2,772
Receivables	94	111	94	94	94	94	94
Amounts receivable for services	30	20	20	70	40	40	-
Prepayments	17	18	17	17	17	17	17
Total current assets	5,866	180	3,033	3,097	3,094	3,094	3,054
NON-CURRENT ASSETS							
Amounts receivable for services	19	39	39	9	9	9	49
Plant and equipment	71	123	81	101	136	166	196
Intangibles	21	13	21	21	21	21	21
Other	-	71	(20)	(60)	(60)	(60)	(60)
Total non-current assets	111	246	121	71	106	136	206
TOTAL ASSETS	5,977	426	3,154	3,168	3,200	3,230	3,260
CURRENT LIABILITIES							
Payables ^(a)	111	20	111	111	111	111	111
Provision for employee entitlements	83	54	83	83	83	83	83
Accrued salaries	5	-	5	5	5	5	5
Other	4,363	-	4,363	4,363	4,363	4,363	4,363
Total current liabilities	4,562	74	4,562	4,562	4,562	4,562	4,562
NON-CURRENT LIABILITIES							
Provision for employee entitlements	45	33	45	45	45	45	45
Total non-current liabilities	45	33	45	45	45	45	45
TOTAL LIABILITIES	4,607	107	4,607	4,607	4,607	4,607	4,607
EQUITY							
Contributed equity	342	342	342	342	347	377	407
Accumulated surplus/(deficit)	1,028	(23)	(1,795)	(1,781)	(1,754)	(1,754)	(1,754)
Total equity	1,370	319	(1,453)	(1,439)	(1,407)	(1,377)	(1,347)
TOTAL LIABILITIES AND EQUITY	5,977	426	3,154	3,168	3,200	3,230	3,260

(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	2,343	2,140	2,200	1,612	1,628	1,671	1,719
Capital contribution	85	-	-	-	5	30	30
Holding account drawdowns	120	30	30	20	70	40	40
Net cash provided by State Government.....	2,548	2,170	2,230	1,632	1,703	1,741	1,789
CASHFLOWS FROM OPERATING ACTIVITIES							
Payments							
Employee benefits.....	(880)	(1,021)	(890)	(791)	(810)	(863)	(930)
Superannuation.....	(67)	(86)	(82)	(68)	(70)	(83)	(82)
Grants and subsidies	(3,946)	(8,422)	(8,422)	(2,000)	-	-	(500)
Consultancies payments.....	(38)	(40)	(40)	(30)	(35)	(10)	(40)
Supplies and services	(4,145)	(442)	(577)	(393)	(464)	(440)	(463)
Accommodation.....	(264)	(325)	(385)	(341)	(347)	(329)	(403)
Capital user charge ^(a)	(124)	-	-	-	-	-	-
Goods and services tax.....	(1,229)	(680)	(680)	(170)	(140)	(145)	(154)
Other.....	(115)	(239)	(239)	(400)	(70)	(66)	(47)
Receipts							
Grants and subsidies	5,517	5,500	5,500	2,000	-	-	500
Goods and services tax.....	1,234	680	680	170	140	145	150
Other receipts	488	112	112	425	195	120	250
Net cash from operating activities.....	(3,569)	(4,963)	(5,023)	(1,598)	(1,601)	(1,671)	(1,719)
CASHFLOWS FROM INVESTING ACTIVITIES							
Purchase of non-current assets.....	(76)	(30)	(30)	(20)	(75)	(70)	(70)
Net cash from investing activities.....	(76)	(30)	(30)	(20)	(75)	(70)	(70)
NET INCREASE/(DECREASE) IN CASH HELD	(1,097)	(2,823)	(2,823)	14	27	-	-
Cash assets at the beginning of the reporting period	6,822	2,854	5,725	2,902	2,916	2,943	2,943
Cash assets at the end of the reporting period.....	5,725	31	2,902	2,916	2,943	2,943	2,943

(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.....	9,988	10,615	10,675	3,753	1,761	1,831	2,509
Less Capital User Charge.....	124	-	-	-	-	-	-
Adjusted Total Cost of Services	9,864	10,615	10,675	3,753	1,761	1,831	2,509
APPROPRIATIONS							
Net Amount Appropriated to Deliver Services ...	2,383	2,180	2,240	1,652	1,668	1,711	1,759
Less Appropriation Capital User Charge	124	-	-	-	-	-	-
Adjusted Net Amount Appropriated to Deliver Services	2,259	2,180	2,240	1,652	1,668	1,711	1,759

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
Pilbara Fund	2,604	3,506	3,506	1,000	-	-	-
Port Hedland Enhancement Scheme.....	1,012	3,400	3,400	-	-	-	-
Regional Development Scheme.....	543	607	607	500	-	-	500
Roebourne Enhancement Scheme	31	909	909	500	-	-	-
TOTAL.....	4,190	8,422	8,422	2,000	-	-	500

GASCOYNE DEVELOPMENT COMMISSION

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

DIVISION 62

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 105 Net amount appropriated to deliver services ^(a)	1,425	1,619	1,594	1,461	1,480	1,535	1,578
Total appropriations provided to deliver services	1,425	1,619	1,594	1,461	1,480	1,535	1,578
GRAND TOTAL	1,425	1,619	1,594	1,461	1,480	1,535	1,578

(a) Following the enactment of the *Financial Management Act 2006*, agencies are no longer required to pay the Capital User 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 achieve sustainable economic and social development of the Gascoyne Region - A better place to live. The Gascoyne will be recognised as providing a great lifestyle and visitor experience through its diversity, good employment and investment opportunities, unique natural environment and climate.

SIGNIFICANT ISSUES AND TRENDS

- The progression of Indigenous economic and social development projects remains a priority. In particular there is a need to create real job opportunities for Indigenous people in Carnarvon, Burringurrah and other parts of the region.
- The need for leadership development in regional communities has been identified to ensure that opportunities arising from the current economic climate are realised in small communities. A regional management and leadership program is required to ensure that current and future leaders are positioned to take on these challenges.
- The Gascoyne is an isolated region with a small dispersed population. The provision of all forms of government services continues to be challenging.
- The provision of education and training is crucial to the ongoing development of industry and community in the Gascoyne. The importance of lifelong education and training initiatives needs to be continually promoted within the region and the Commission will assist a coordinated approach for local solutions to local problems and the pursuit of new ideas and approaches.
- The Gascoyne continues to experience labour shortages across all industries. The continued provision of career pathways through vocational training and higher education relevant to the needs of Gascoyne industries will strengthen the local workforce and provide better opportunities for young people in particular.

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	1,988	2,679	2,379	2,313			
Total Cost of Services ^(a)	1,988	2,679	2,379	2,313	2,200	2,014	1,830
<i>Less Income</i>	785	717	717	717	217	217	217
Net Cost of Services ^(a)	1,203	1,962	1,662	1,596	1,983	1,797	1,613
Adjustments ^(b)	222	(343)	(68)	(135)	(503)	(262)	(35)
Appropriation Provided to Deliver Services ^(a)	1,425	1,619	1,594	1,461	1,480	1,535	1,578
TOTAL CONSOLIDATED ACCOUNT APPROPRIATIONS	1,425	1,619	1,594	1,461	1,480	1,535	1,578

- (a) Following the enactment of the *Financial Management Act 2006*, agencies are no longer required to pay the Capital User 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.	An environment conducive to the balanced economic and social development of the Gascoyne region.	1. Regional 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: An environment conducive to the balanced economic and social development of the Gascoyne region.					
The Commission is effective and makes a positive contribution to the economic and social development of the Gascoyne Region	95%	85%	85%	85%	

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

Service 1: Regional Development

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

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

	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)	1,988	2,679	2,379	2,313	
<i>Less Income</i>	785	717	717	717	
Net Cost of Service ^(a)	1,203	1,962	1,662	1,596	
Adjustments ^(b)	222	(343)	(68)	(135)	
Appropriation for Delivery of Service ^(a)	1,425	1,619	1,594	1,461	

(a) Following the enactment of the *Financial Management Act 2006*, agencies are no longer required to pay the Capital User 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 project hour.....	\$115	\$182	\$130	\$130	
Full Time Equivalents (FTEs)	12	12	12	12	

Major Achievements For 2007-08

- Supported the Burringurrah Aboriginal Community with the development of a revitalisation plan, small business initiatives and future planning options.
- Provided support and funding for food industry initiatives, including the Lexus Chef promotional visit and funding for the development of a food trail.
- Convened and supported the Cabinet-endorsed taskforce to progress development options for the Mt Augustus and inland Gascoyne area as it prepares the first report to the State Government.
- Provided ongoing support for Local Governments, Chambers of Commerce, industry and community groups to enhance their access to resources and provided assistance to develop and coordinate their efforts.
- Established the Education Precinct Strategy Group Work and identified initiatives to enhance education and training opportunities in the Gascoyne region.
- Progressed funding initiatives and established the Gascoyne Aboriginal Heritage and Cultural Centre in Carnarvon.
- Developed a Gascoyne Strategic Waste Initiative in partnership with the Local Governments.
- Undertook research to establish export market opportunities of local table grapes in Asia.
- Supported initiatives and projects through the Regional Development Scheme and Minor Grants Program.
- Continued to progress the establishment of the Ningaloo Research Centre in Exmouth.
- Managed the first round of grants for the Gascoyne Community Foundation.
- Planned and implemented a series of business and industry development workshops across the communities of the Gascoyne.

Major Initiatives For 2008-09

- Open the Gascoyne Aboriginal Heritage and Cultural Centre.
- Continue to assist the Burringurrah Aboriginal Community to progress components of the revitalisation plan and pursue other inland Gascoyne development initiatives through the Cabinet-endorsed taskforce.
- Assist the Education Precinct Strategy Group to progress initiatives enhancing education and training opportunities in Carnarvon.
- Develop a regional management and leadership skills program and continue to fund and support specialised business and industry development workshops.
- Coordinate the introduction of a regionally-based pre-requisite training program for heavy machinery operators to support local and fly-in fly-out labour needs.
- Support initiatives to better promote the region and commence a regional signage project to ensure that the Gascoyne is eventually identified to the travelling visitor through all points of entry to the region.
- Preparation and completion of the Gascoyne Strategic Waste Initiative, in partnership with the four Gascoyne Local Governments.

CAPITAL WORKS PROGRAM

The Commission's planned capital works expenditure in 2008-09 is for its ongoing asset replacement program.

	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 - 2007-08 Program	40	40	40	-
NEW WORKS				
Asset Replacement - 2008-09 Program	40	-	-	40
	80	40	40	40

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	40	40	40	28	-	-
	40	40	40	40	28	-	-
LESS							
Drawdowns from the Holding Account	40	40	40	40	28	-	-
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)	813	838	1,088	1,006	1,008	1,028	1,053
Superannuation	76	81	81	84	86	86	86
Grants and subsidies ^(b)	450	803	490	540	480	267	40
Supplies and services	514	723	536	502	444	451	469
Accommodation	115	104	120	125	126	126	126
Capital user charge ^(c)	43	-	-	-	-	-	-
Depreciation and amortisation	10	35	8	-	-	-	-
Other expenses	10	95	54	54	54	54	54
TOTAL COST OF SERVICES	2,031	2,679	2,379	2,313	2,200	2,014	1,830
Income							
Grants and subsidies	711	652	652	652	152	152	152
Other revenue	74	65	65	65	65	65	65
Total Income	785	717	717	717	217	217	217
NET COST OF SERVICES ^(c)	1,246	1,962	1,662	1,596	1,983	1,797	1,613
INCOME FROM STATE GOVERNMENT							
Service appropriations ^(c)	1,470	1,619	1,594	1,461	1,480	1,535	1,578
Resources received free of charge	14	-	-	-	-	-	-
TOTAL INCOME FROM STATE GOVERNMENT	1,484	1,619	1,594	1,461	1,480	1,535	1,578
SURPLUS/(DEFICIENCY) FOR THE PERIOD	238	(343)	(68)	(135)	(503)	(262)	(35)

(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	536	-	530	505	367	292	286
Restricted cash	1,258	797	1,237	1,178	855	682	667
Receivables	25	26	29	23	13	75	75
Amounts receivable for services.....	40	40	40	28	-	-	-
Total current assets	1,859	863	1,836	1,734	1,235	1,049	1,028
NON-CURRENT ASSETS							
Amounts receivable for services.....	56	51	26	6	6	6	6
Plant and equipment.....	18	44	8	6	4	4	4
Total non-current assets	74	95	34	12	10	10	10
TOTAL ASSETS.....	1,933	958	1,870	1,746	1,245	1,059	1,038
CURRENT LIABILITIES							
Payables	12	31	10	14	9	85	99
Provision for employee entitlements	134	85	124	122	114	114	114
Accrued salaries	-	21	7	14	21	21	21
Other.....	6	-	6	6	6	6	6
Total current liabilities.....	152	137	147	156	150	226	240
NON-CURRENT LIABILITIES							
Provision for employee entitlements	27	29	37	39	47	47	47
Total non-current liabilities	27	29	37	39	47	47	47
TOTAL LIABILITIES.....	179	166	184	195	197	273	287
EQUITY							
Contributed equity	90	90	90	90	90	90	90
Accumulated surplus/(deficit)	1,664	702	1,596	1,461	958	696	661
Total equity.....	1,754	792	1,686	1,551	1,048	786	751
TOTAL LIABILITIES AND EQUITY	1,933	958	1,870	1,746	1,245	1,059	1,038

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	1,435	1,584	1,584	1,453	1,480	1,535	1,578
Holding account drawdowns	40	40	40	40	28	-	-
Net cash provided by State Government.....	1,475	1,624	1,624	1,493	1,508	1,535	1,578
CASHFLOWS FROM OPERATING ACTIVITIES							
Payments							
Employee benefits.....	(846)	(831)	(1,081)	(999)	(1,001)	(1,021)	(1,046)
Superannuation.....	(79)	(81)	(81)	(84)	(86)	(86)	(86)
Grants and subsidies	(450)	(803)	(490)	(540)	(480)	(267)	(40)
Supplies and services	(466)	(802)	(556)	(517)	(479)	(486)	(504)
Accommodation.....	(115)	(106)	(122)	(127)	(128)	(128)	(128)
Capital user charge ^(a)	(43)	-	-	-	-	-	-
Goods and services tax.....	(74)	(57)	(57)	(57)	(57)	(57)	(57)
Other.....	(20)	(39)	(59)	(59)	(49)	(49)	(49)
Receipts							
Grants and subsidies	742	652	652	652	152	152	152
Goods and services tax	64	52	52	63	68	68	68
Other receipts	60	91	91	91	91	91	91
Net cash from operating activities.....	(1,227)	(1,924)	(1,651)	(1,577)	(1,969)	(1,783)	(1,599)
CASHFLOWS FROM INVESTING ACTIVITIES							
Purchase of non-current assets.....	-	(40)	-	-	-	-	-
Proceeds from sale of non-current assets	13	-	-	-	-	-	-
Net cash from investing activities.....	13	(40)	-	-	-	-	-
NET INCREASE/(DECREASE) IN CASH HELD	261	(340)	(27)	(84)	(461)	(248)	(21)
Cash assets at the beginning of the reporting period	1,533	1,137	1,794	1,767	1,683	1,222	974
Cash assets at the end of the reporting period.....	1,794	797	1,767	1,683	1,222	974	953

(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.....	2,031	2,679	2,379	2,313	2,200	2,014	1,830
Less Capital User Charge.....	43	-	-	-	-	-	-
Adjusted Total Cost of Services	1,988	2,679	2,379	2,313	2,200	2,014	1,830
APPROPRIATIONS							
Net Amount Appropriated to Deliver Services	1,470	1,619	1,594	1,461	1,480	1,535	1,578
Less Appropriation Capital User Charge	45	-	-	-	-	-	-
Adjusted Net Amount Appropriated to Deliver Services	1,425	1,619	1,594	1,461	1,480	1,535	1,578

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
Controlled grants are from funding provided through the Regional Development Scheme:							
Grants to Community Groups.....	185	150	140	190	180	100	40
Grants to Government Agencies.....	222	400	250	250	230	130	-
Grants to Private Organisations	43	253	100	100	70	37	-
TOTAL.....	450	803	490	540	480	267	40

Part 14

Minister for Corrective Services; Small Business

SUMMARY OF PORTFOLIO APPROPRIATIONS

Page	Agency	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000
1025	Corrective Services			
	– Delivery of Services.....	417,893	453,191	508,883
	– Capital Contribution.....	54,642	43,642	46,129
	Total	472,535	496,833	555,012
1039	Office of the Inspector of Custodial Services			
	– Delivery of Services.....	2,186	2,236	2,417
	– Capital Contribution.....	79	79	20
	Total	2,265	2,315	2,437
1046	Small Business Development Corporation			
	– Delivery of Services.....	10,852	11,764	12,961
	– Capital Contribution.....	313	128	134
	Total	11,165	11,892	13,095
	GRAND TOTAL			
	– Delivery of Services.....	430,931	467,191	524,261
	– Capital Contribution.....	55,034	43,849	46,283
	Total	485,965	511,040	570,544

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CORRECTIVE SERVICES

PART 14 - MINISTER FOR CORRECTIVE SERVICES; SMALL BUSINESS

DIVISION 63

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 106 Net amount appropriated to deliver services ^(a)	408,940	417,170	452,459	508,131	512,542	519,007	543,095
Amount Authorised by Other Statutes - Salaries and Allowances Act 1975 ^(b)	704	723	732	752	772	798	822
Total appropriations provided to deliver services	409,644	417,893	453,191	508,883	513,314	519,805	543,917
CAPITAL							
Item 175 Capital Contribution	18,711	54,642	43,642	46,129	62,000	33,250	4,738
GRAND TOTAL	428,355	472,535	496,833	555,012	575,314	553,055	548,655

- (a) Following the enactment of the *Financial Management Act 2006*, agencies are no longer required to pay the Capital User 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 reduce re-offending, assist victims, protect staff and the community and encourage offenders towards law abiding lifestyles.

SIGNIFICANT ISSUES AND TRENDS

- The economic situation in Western Australia has resulted in highly competitive labour and construction markets. Consequently, difficulties are being experienced in attracting competitive tenders and retaining staff, particularly in the North West and Eastern Goldfields regions. The Department continues to refine its strategies to successfully recruit and retain sufficient numbers of appropriately skilled staff.
- High prisoner numbers continue to place pressure on prisoner accommodation and services within a prison system that currently operates around 25 per cent above ideal capacity. The ongoing challenges relating to high prisoner numbers and the attraction and retention of specialist staff to deliver programs, activities and health services to offenders is placing considerable pressure on services.
- The level of Indigenous incarceration remains high, averaging 42 per cent of the adult prisoner population and 74 per cent of the juvenile detention population over the 12 months to 31 March 2008. Work is continuing on the development of appropriate diversionary options for Indigenous people. Continued consideration of cultural appropriateness is integral to the development of effective classification, placement, reparation, rehabilitation, re-entry programs and practices.

- The number of adults in prison on remand continues to rise, as does the length of time held in custody on remand. The number of adult remandees has risen from an average of 649 during 2006-07 to an average of 699 during 2007-08. By 31 March 2008, adult remandees had increased to 782, accounting for over 21 per cent of the adult prisoner population. Over the past year, the average length of stay on remand has increased by 9 per cent.
- High juvenile detainee numbers continue to place pressure on a juvenile custodial system which is operating at maximum capacity. The challenges associated with the high juvenile detainee population have been exacerbated by the legislative change to the mandatory schooling age from 15 to 17 years. This change has impacted the Department's ability to provide education services to an increased number of eligible juvenile offenders.
- Workload management in the area of Community Justice Services for adults and juveniles continues to be a challenge in light of an increase in adult community-based orders from 6,000 to 6,470 for the 12 months ending 31 March 2008, and consistently high juvenile orders at around 750. The number of pre-sentence reports required from Community Justice Services has increased by over 20 per cent from 7,865 in 2003-04 to a projected full year total of 9,486 for 2007-08, exacerbating workload pressures. This represents an annual compound increase of 4.8 per cent.
- The increasing effectiveness of police technology and the return of police officers to frontline operations will continue to increase the number of offenders that need to be managed by corrective services, whether adult or juvenile, custodial or community-based.
- Police operations in the Kimberley region have resulted in a number of serious sexual assault charges being laid against adult and juvenile offenders. As the court processes associated with these charges progress, the Department will come under increasing pressure to provide information to support sentencing, and to manage an increased number of offenders in custody and the community.

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
East Perth Watch House	5,007	5,208	5,416	5,632
Reducing Imprisonment Strategies.....	9,897	10,221	10,515	10,515
Western Australian Illicit Amphetamine Summit - Diversion Programs and Drug Testing	496	418	433	449

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>							
Adult Offender Services	395,469	403,316	424,202	462,880			
<i>Service 2:</i>							
Juvenile Offender Services	56,243	58,229	60,905	66,837			
Total Cost of Services ^(a)	451,712	461,545	485,107	529,717	538,726	546,577	567,946
<i>Less Income</i>	16,296	12,659	12,504	16,917	17,293	18,144	18,144
Net Cost of Services ^(a)	435,416	448,886	472,603	512,800	521,433	528,433	549,802
Adjustments ^(b)	(25,772)	(30,993)	(19,412)	(3,917)	(8,119)	(8,628)	(5,885)
Appropriation Provided to Deliver Services ^(a)	409,644	417,893	453,191	508,883	513,314	519,805	543,917
CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS							
Appropriation for Capital Contribution to meet equity needs ^(c)	18,711	54,642	43,642	46,129	62,000	33,250	4,738
TOTAL CONSOLIDATED ACCOUNT APPROPRIATIONS	428,355	472,535	496,833	555,012	575,314	553,055	548,655

- (a) Following the enactment of the *Financial Management Act 2006*, agencies are no longer required to pay the Capital User 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
Enhancing the quality of life and wellbeing of all people throughout Western Australia by providing high quality, accessible services.	A safe, secure and decent corrective services which contributes to community safety and reduced offenders' involvement in the justice system.	1. Adult Offender Services 2. Juvenile Offender Services

Outcomes and Key Effectiveness Indicators ^(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: A safe, secure and decent corrective services which contributes to community safety and reduced offenders' involvement in the justice system.					
Escape/abscond rate.....	0.7%	0.0%	0.8%	0.0%	
Escape rate - juveniles	0%	0%	0.8%	0%	
Rate of serious assault per 100 prisoners	0.47	<0.53	0.45	<0.52	
Average out of cell hours.....	11.8	11.7	11.7	11.7	
Successful completion of community correction orders - adults ^(b)	61%	64%	62%	65%	
Successful completion of community-based orders - juveniles ^(b)	66%	66%	65%	66%	
Rate of return - adults	38%	38%	37%	37%	
Rate of return to detention - juveniles	51%	56%	50%	53%	
Imprisonment rate per 100,000 adult population	230	235	241	230	
Community correction rate per 100,000 adult population	335	340	335	350	

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

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

Service 1: Adult Offender Services

An Adult Offender System that:

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

	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)	395,469	403,316	424,202	462,880	
<i>Less Income</i>	15,238	11,866	11,777	16,148	
Net Cost of Service ^(a)	380,231	391,450	412,425	446,732	
Adjustments ^(b)	(20,273)	(25,774)	(14,296)	4,408	
Appropriation for Delivery of Service ^(a)	359,958	365,676	398,129	451,140	

(a) Following the enactment of the *Financial Management Act 2006*, agencies are no longer required to pay the Capital User 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 day of keeping an offender in custody	\$286	\$252	\$273	\$288	
Cost per day of managing an offender through community supervision.....	\$23	\$23	\$25	\$29	
Full Time Equivalents (FTEs)	2,914	2,852	3,131	3,410	

Major Achievements For 2007-08

- Managed a rapidly increasing prisoner population in 2007 that peaked at 3,968 in September 2007.
- Reducing imprisonment strategies have been developed and are being progressively implemented. These strategies include:
 - fines legislation to improve the management of fines enforcement;
 - doubling re-entry services to assist offenders with accommodation and day-to-day living requirements that will support their successful reintegration into the community;
 - prisoner employment programs to align offenders with job opportunities upon release from custody;
 - offender programs using the non-government human services sector to address offending behaviour whilst in custody;
 - establishment of bail coordinators to assist people eligible for bail to meet bail conditions;
 - appointment of Sheriffs/Community Development Officers to reduce occurrence of fine default;
 - work camp coordinators to enhance prisoner participation in work camps; and
 - expansion of 'Repay Western Australia' community work program to provide diversionary programs as an alternative to custodial sentences.
- Reinvigorated case management practices have been introduced across the prison system through the creation of dedicated case management assessment and coordination positions and the delivery of training programs.
- Established the Aboriginal Justice Division to focus on the over representation of Indigenous people in the justice system by embedding the needs of Indigenous offenders into existing programs and services.
- Established a centralised unit in Sentence Management providing departmental representation to the Prisoners Review Board. This service aligns with legislative changes and provides a coordinated and consistent service to the Board.
- Introduced a telemedicine system therefore reducing the need for prisoners to visit teaching hospitals, and thereby improving access to health services, reducing transportation costs and improving community safety.
- Developed Smoking Cessation Plans across the prison system. Strategies include a reduction of tobacco stocks, a smoking reduction trial at Greenough Regional Prison and commencement of a smoking research trial at Acacia Prison.
- Expanded the intelligence network by providing the ability for all staff to submit electronic security related information reports and developing a mapping program that identifies and analyses incidents to assist in mitigating risks.
- Enhanced the content and scope of business improvement strategies through the application of compliance assessments within prisons and community centres, as well as embedding a framework to implement recommendations from critical external reviews.
- Developed the Dangerous Offenders Support Unit to enhance the management of offenders involved with Community Justice Services (CJS). The Unit provides coordination of the Department's responsibilities in accordance with the requirements of the *Dangerous Sexual Offenders Act 2006*.

- Established a Critical Response Team to address reports of child sexual abuse within remote Indigenous communities in the Kimberley. The team provides specialist advice to the judiciary and engages with communities for the purposes of collating information for assessment and sentencing matters.
- Developed a revised Adult Harm and Supervision Assessment Tool improving the efficiency and effectiveness of assessing an adult offender's risk of harm to the community and determining their supervision level.
- Expanded support to the metropolitan Family Violence Courts with the appointment of Family Violence Senior Community Corrections Officers in Fremantle, Rockingham and Midland Courts.
- Completed establishment of the Corporate Support Division, strengthening corporate governance and enhancing support for the operational divisions.
- Conducted a major review of Occupational Health and Safety across Community Justice service operations and commenced implementation of the review recommendations with an initial focus on key risk areas.
- Conducted a survey of human resource policies, procedures and operational practices that act as barriers to the attraction and retention of Indigenous people. Commenced twelve traineeship placements.
- A number of infrastructure projects have been completed during 2007-08 including works at:
 - Wooroloo Prison - to increase capacity and add a new health and prisoner reception, education and programs facilities;
 - Bunbury prison - to provide a new minimum security unit, and to improve safety and security and upgrade health and kitchen facilities inside the existing prison;
 - Albany Prison - to improve the security fencing;
 - Bandyup Prison - to provide a new unit that has been substantially completed and construct a new entry building to improve safety and security;
 - Broome Prison - a new fence has been constructed and a new health, maximum security cells, education/programs and women's area have been provided;
 - planning is well advanced for the new West Kimberley Prison in Derby and a site has been selected;
 - staff safety and security at all prison sites has been improved with the introduction of an on-person mobile duress system; and
 - CJS office accommodation has been improved and expanded across the State to address recommendations made in the Mahoney Inquiry.
- Conducted a review of prisoner transport resulting in the planned replacement of the Secure Vehicle Fleet over the next two to three years and the strengthening of contract management practices.
- As an outcome of the Illicit Amphetamine Summit, the implementation of court diversion programs at the Court Assessment and Treatment Services Perth branch was rolled out in a bid to reduce drug dependence and the likelihood of re-offending.
- Commenced scoping of responsibilities for the Perth Watch House in consultation with Western Australia Police.
- Completed the establishment of the Professional Standards Division providing for robust mechanisms to manage risks associated with wrongdoing and enhancing support for operational divisions.

Major Initiatives For 2008-09

- Increase Indigenous awareness across the department and develop and implement activities and services that are relevant to Indigenous offenders including the establishment of Indigenous Committees in each prison.
- Deliver therapeutic treatment programs for sex offenders who categorically deny their offence.
- Progress the development of the Women's Intervention Model based on the identification and delivery of specific programs and services that meet the needs of women in custody.
- Drafting of the Corrective Services Bill is continuing and the Bill will be ready for introduction to Parliament in 2008-09. Passage of the Bill will complete the legislative reforms recommended by the Mahoney Inquiry.

- Progress site works at the new West Kimberley Prison in Derby and commence implementation of a new model of work camps that introduces a higher degree of flexibility in managing work camp and prison musters. New work camps will be established in the Mid West and the east Kimberley.
- Implement an intelligence model that meets national frameworks and provides tactical and strategic intelligence within the Department and with other key State and Federal law enforcement agencies, thereby enhancing the reciprocal exchange of information and intelligence through memorandums of understanding.
- Continue implementation of the eight strategies to ensure imprisonment numbers are reduced through strategies to divert offenders from custody, ensure they are released in a timely manner and reduce their likelihood of re-offending.
- Support the passage of the Corrective Services Bill through Parliament and implementation of changes.
- Implement the Western Australia Diversion Strategy in partnership with the Department of the Attorney General, Western Australia Police and other stakeholders to increase diversion from custodial sentences and reduce re-offending.
- Implement and monitor the Department’s workforce plan to ensure alignment with the Department’s strategic human resources requirements.
- Continue to implement strategies to recruit and retain appropriately skilled staff, including streamlined recruitment processes and an international recruitment campaign targeting critical operational groups.
- Support the ongoing development of professional standards within the Department ensuring that key strategic links are maintained with external agencies thereby reducing the risk of misconduct or corruption within the agency.

Service 2: Juvenile Offender Services

An accessible and equitable juvenile offender system which:

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

	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)	56,243	58,229	60,905	66,837	
<i>Less Income</i>	1,058	793	727	769	
Net Cost of Service ^(a)	55,185	57,436	60,178	66,068	
Adjustments ^(b)	(5,499)	(5,219)	(5,116)	(8,325)	
Appropriation for Delivery of Service ^(a)	49,686	52,217	55,062	57,743	

(a) Following the enactment of the *Financial Management Act 2006*, agencies are no longer required to pay the Capital User 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 day of keeping a juvenile in detention	\$657	\$549	\$522	\$539	
Cost per day of managing a juvenile through community supervision.....	\$79	\$81	\$85	\$85	
Full Time Equivalents (FTEs)	552	496	579	599	

Major Achievements For 2007-08

- Managed a juvenile detainee population that increased from 146 on 1 July 2007 to a peak of 196 in January 2008.
- Implemented a new juvenile justice case management tool to assist in identifying and prioritising the individual needs of young people and delivering tailored case management interventions.
- Implemented the Kalgoorlie/Boulder Intensive Supervision Program and developed strategies to decrease isolation and increase training for staff in the region.
- As an outcome of the Illicit Amphetamine Summit, the implementation of court diversion programs at the Perth Children's Court was rolled out in a bid to reduce drug dependence and the likelihood of re-offending.

Major Initiatives For 2008-09

- Commence services under the Regional Youth Justice Strategy in Geraldton and Kalgoorlie, with all youth justice services managed as a holistic response to youth issues in these regions, including the provision of emergency bail beds. The Geraldton Intensive Supervision Program will come online as part of the Regional Youth Justice Strategy.

CAPITAL WORKS PROGRAM

The Department's capital works program for 2008-09 finalises the key developments for 'building the foundation' in line with the Department's Strategic Plan. The focus is on core issues including: standards, structures, safety and security. Once the foundation is sound, the emphasis will be on 'securing the future' by improving the quality and effectiveness of service delivery to the Western Australian community.

The Strategic Asset Plan provides a clear direction and focus that reflects the current social and economic environment in a corrective services context.

Adult Facilities

Commence site works and construction for the west Kimberley Prison in Derby to provide innovative custodial services to offenders in the Kimberley. An additional work camp will be constructed in the east Kimberley to build on this successful model.

Complete installation of an additional 307 ligature free bunk beds at Acacia, Hakea and Casuarina, and associated infrastructure upgrades to provide additional secure accommodation.

Continue site acquisition and planning activity for the replacement of the Eastern Goldfields Regional Prison to provide appropriate accommodation in that region.

Install biometrics in Hakea, Casuarina, Albany and Bandyup Prisons to enhance community safety.

Improve security at Bunbury Regional Prison with the replacement of the perimeter fence and associated technology systems.

Juvenile Facilities

Commence works on infrastructure to support improved programs and services for young women and girls held in detention at Rangeview. Complete planning and commence construction of an additional 24 bed unit at Banksia Hill to provide additional accommodation for juveniles held in detention.

Community Justice Facilities

Continue work across the State to expand office accommodation and improve safety conditions for Community Justice staff. This includes new accommodation for CJS in the Joondalup area and for the Courts Assessment and Treatment Service.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6--08 \$'000	Estimated Expenditure 2007-08 \$'000	Estimated Expenditure 2008-09 \$'000
WORKS IN PROGRESS				
Kimberley Prison 1 and Work Camp - Stage 1	103,530	3,820	3,820	25,260
Juvenile Accommodation Strategy (Formerly Banksia Hill Juvenile Detention Centre).....	6,596	1,846	998	1,750
Replacement CJS Centre Pilbara.....	3,270	2,170	2,146	1,100
Physical Infrastructure				
Building Infrastructure and Maintenance	38,361	11,757	6,032	6,417
Owned/Leased Office Fit-Outs.....	1,257	250	250	250
Replacement Office Equipment.....	6,184	692	350	1,300
ICT Infrastructure Upgrade	12,123	2,225	2,225	2,600
Prison Services				
Additional Prisoner Accommodation - Infrastructure and Systems Upgrade and Replacement Programmes.....	74,904	35,671	9,415	9,756
Bandyup Facilities Redevelopment.....	17,115	15,795	10,557	1,320
Bunbury Regional Prison Additions and Upgrades	15,970	15,411	10,789	559
Eastern Goldfields Prison Replacement (Planning).....	1,800	1,210	952	590
Site Acquisition - Prisons - Metro Site Acquisition - Prisons.....	6,706	1,067	189	239
COMPLETED WORKS				
Male Prisons - Acacia Contract Retender	1,200	1,200	1,200	-
CJS Office Establishment and Refurbishment 2007-08.....	4,541	4,541	4,541	-
Juvenile Justice				
Regional Juvenile Justice Strategy - Geraldton.....	3,012	3,012	3,012	-
Regional Juvenile Justice Strategy - Kalgoorlie.....	2,992	2,992	2,992	-
Prison Services				
Condition Upgrade Existing Broome Regional Prison	11,226	11,226	10,907	-
Eastern Goldfields Regional Prison - Structural Upgrade and Perimeter	2,100	2,100	667	-
Karnet Perimeter Fencing.....	7,035	7,035	482	-
Metropolitan Low Security Prison for Women.....	14,443	14,443	36	-
Minimum Security Accommodation Expansion - Wooroloo	8,726	8,726	4,793	-
Prison Industries - Mobile Plant 2007-08.....	235	235	235	-
Prison Reform Strategy.....	1,350	1,350	830	-
Replace Broome Regional Prison (Planning).....	1,624	1,624	1,567	-
Safety and Security Upgrade Program	13,650	13,650	6,272	-
NEW WORKS				
Adult Custodial				
Male Prisons				
Increased Temporary Modified Capacity 307 Beds - Various Locations	10,081	-	-	10,081
Wooroloo Unit 3 Refurbished as Prisoner Accommodation - add 50 beds	5,690	-	-	3,890
Community and Juvenile Justice				
CATS Office Accommodation	600	-	-	600
CJS Office Establishment and Refurbishment 2008-09.....	2,400	-	-	2,400
IT Replacement - Juvenile Offender Management.....	150	-	-	150
Prison Services				
Fire and Emergency Services	7,500	-	-	2,500
Prison Industries - Mobile Plant 2008-09.....	280	-	-	280
	386,651	164,048	85,257	71,042

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	45,853	79,442	85,257	71,042	84,278	55,338	22,698
	45,853	79,442	85,257	71,042	84,278	55,338	22,698
LESS							
Drawdowns from the Holding Account	12,643	20,300	25,745	16,144	11,333	12,430	8,040
Funding Included in Service Appropriations ^(a) ...	7,256	4,500	8,139	8,769	10,945	9,658	9,920
Internal Funds and Balances	7,243	-	7,731	-	-	-	-
Capital Contribution	18,711	54,642	43,642	46,129	62,000	33,250	4,738

(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)	213,058	200,464	255,285	256,067	265,531	269,230	284,817
Superannuation	18,595	18,643	21,460	22,655	22,705	22,764	24,171
Grants and subsidies ^(b)	5,227	4,022	5,868	3,656	3,656	3,656	3,656
Supplies and services	171,907	185,961	160,069	200,260	202,602	208,191	208,999
Accommodation	16,949	19,050	18,188	20,031	21,925	20,415	22,528
Capital user charge ^(c)	46,205	-	-	-	-	-	-
Depreciation and amortisation	13,355	16,330	16,330	16,633	16,335	16,335	16,335
State taxes	16	-	-	-	-	-	-
Loss on disposal of non-current assets	88	-	-	-	-	-	-
Other expenses	12,517	17,075	7,907	10,415	5,972	5,986	7,440
TOTAL COST OF SERVICES	497,917	461,545	485,107	529,717	538,726	546,577	567,946
Income							
User charges and fees	2,310	2,521	2,521	2,596	2,673	2,752	2,752
Grants and subsidies	797	271	116	747	500	510	510
Other revenue	13,189	9,867	9,867	13,574	14,120	14,882	14,882
Total Income	16,296	12,659	12,504	16,917	17,293	18,144	18,144
NET COST OF SERVICES ^(c)	481,621	448,886	472,603	512,800	521,433	528,433	549,802
INCOME FROM STATE GOVERNMENT							
Service appropriations ^(c)	453,494	417,893	453,191	508,883	513,314	519,805	543,917
Resources received free of charge	32,052	29,729	12,748	8,053	6,855	7,364	4,621
Liabilities assumed by the Treasurer	629	751	751	751	751	751	751
TOTAL INCOME FROM STATE GOVERNMENT	486,175	448,373	466,690	517,687	520,920	527,920	549,289
SURPLUS/(DEFICIENCY) FOR THE PERIOD	4,554	(513)	(5,913)	4,887	(513)	(513)	(513)
CHANGE IN SURPLUS/(DEFICIENCY) FOR THE PERIOD AFTER EXTRAORDINARY ITEMS	4,554	(513)	(5,913)	4,887	(513)	(513)	(513)

(a) The Full Time Equivalents (FTEs) for 2006-07 Actual, 2007-08 Estimated Actual and 2008-09 Estimate are 3,466, 3,710 and 4,009 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	16,133	4,221	3,002	8,402	8,402	8,402	8,402
Receivables	5,679	2,883	5,679	5,679	5,679	5,679	5,679
Amounts receivable for services.....	20,300	9,468	16,144	11,333	12,430	8,040	8,040
Prepayments	243	174	243	243	243	243	243
Total current assets	42,355	16,746	25,068	25,657	26,754	22,364	22,364
NON-CURRENT ASSETS							
Amounts receivable for services.....	14,984	28,052	12,125	19,825	26,130	36,825	47,520
Land and buildings.....	683,356	601,684	694,259	682,606	673,267	658,133	642,999
Plant and equipment.....	5,448	6,983	4,683	4,317	3,766	2,745	1,724
Intangibles.....	8,463	919	8,463	8,463	8,463	8,463	8,463
Restricted cash	1,584	567	1,584	1,584	1,584	1,584	1,584
Other.....	39,565	79,618	90,215	147,874	214,762	260,262	272,860
Total non-current assets.....	753,400	717,823	811,329	864,669	927,972	968,012	975,150
TOTAL ASSETS.....	795,755	734,569	836,397	890,326	954,726	990,376	997,514
CURRENT LIABILITIES							
Payables ^(a)	20,460	18,119	20,460	20,460	20,460	20,460	20,460
Provision for employee entitlements	40,235	38,717	41,075	41,915	42,755	43,595	44,435
Accrued salaries	882	1,897	1,395	1,908	2,421	2,934	3,447
Other.....	1,436	762	1,436	1,436	1,436	1,436	1,436
Total current liabilities.....	63,013	59,495	64,366	65,719	67,072	68,425	69,778
NON-CURRENT LIABILITIES							
Provision for employee entitlements	13,162	15,530	14,722	16,282	17,842	19,402	20,962
Other.....	477	-	477	477	477	477	477
Total non-current liabilities	13,639	15,530	15,199	16,759	18,319	19,879	21,439
TOTAL LIABILITIES.....	76,652	75,025	79,565	82,478	85,391	88,304	91,217
EQUITY							
Contributed equity	549,284	603,925	592,926	639,055	701,055	734,305	739,043
Accumulated surplus/(deficit)	(15,067)	(20,276)	(20,980)	(16,093)	(16,606)	(17,119)	(17,632)
Reserves	184,886	75,895	184,886	184,886	184,886	184,886	184,886
Total equity.....	719,103	659,544	756,832	807,848	869,335	902,072	906,297
TOTAL LIABILITIES AND EQUITY	795,755	734,569	836,397	890,326	954,726	990,376	997,514

(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	438,218	399,163	434,461	489,850	494,579	501,070	525,182
Capital contribution	18,711	54,642	43,642	46,129	62,000	33,250	4,738
Holding account drawdowns	12,643	20,300	25,745	16,144	11,333	12,430	8,040
Net cash provided by State Government.....	469,572	474,105	503,848	552,123	567,912	546,750	537,960
CASHFLOWS FROM OPERATING ACTIVITIES							
Payments							
Employee benefits.....	(208,172)	(197,551)	(252,372)	(253,154)	(262,618)	(266,317)	(281,904)
Superannuation	(17,966)	(16,290)	(19,107)	(21,392)	(21,432)	(21,481)	(22,888)
Grants and subsidies	(5,227)	(4,022)	(5,868)	(3,656)	(3,656)	(3,656)	(3,656)
Supplies and services	(139,900)	(157,834)	(148,923)	(192,719)	(196,269)	(201,359)	(204,910)
Accommodation.....	(16,949)	(19,050)	(18,188)	(20,031)	(21,925)	(20,415)	(21,741)
Capital user charge ^(a)	(46,205)	-	-	-	-	-	-
Goods and services tax	(20,645)	-	-	-	-	-	-
Other.....	(10,261)	(17,075)	(7,907)	(10,415)	(5,972)	(5,986)	(8,227)
Receipts							
User charges and fees.....	2,310	2,521	2,521	2,596	2,673	2,752	2,752
Grants and subsidies	797	271	116	747	500	510	510
Goods and services tax	18,681	-	-	-	-	-	-
Other receipts	12,436	9,867	9,867	13,574	14,120	14,882	14,882
Net cash from operating activities.....	(431,101)	(399,163)	(439,861)	(484,450)	(494,579)	(501,070)	(525,182)
CASHFLOWS FROM INVESTING ACTIVITIES							
Purchase of non-current assets.....	(37,699)	(74,942)	(77,118)	(62,273)	(73,333)	(45,680)	(12,778)
Proceeds from sale of non-current assets	45	-	-	-	-	-	-
Net cash from investing activities.....	(37,654)	(74,942)	(77,118)	(62,273)	(73,333)	(45,680)	(12,778)
NET INCREASE/(DECREASE) IN CASH HELD							
	817	-	(13,131)	5,400	-	-	-
Cash assets at the beginning of the reporting period	16,900	4,789	17,717	4,586	9,986	9,986	9,986
Cash assets at the end of the reporting period.....	17,717	4,789	4,586	9,986	9,986	9,986	9,986

(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.....	497,917	461,545	485,107	529,717	538,726	546,577	567,946
<i>Less Capital User Charge.....</i>	46,205	-	-	-	-	-	-
Adjusted Total Cost of Services	451,712	461,545	485,107	529,717	538,726	546,577	567,946
APPROPRIATIONS							
Net Amount Appropriated to Deliver Services ...	453,494	417,893	453,191	508,883	513,314	519,805	543,917
<i>Less Appropriation Capital User Charge</i>	43,850	-	-	-	-	-	-
Adjusted Net Amount Appropriated to Deliver Services	409,644	417,893	453,191	508,883	513,314	519,805	543,917

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
Grants to Non-Government Organisations	44	-	-	46	46	46	29
Prisoner Gratuities Payments	5,183	4,022	5,868	3,610	3,610	3,610	3,627
TOTAL.....	5,227	4,022	5,868	3,656	3,656	3,656	3,656

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 Receipts and Input Credits	18,682	-	-	-
Other Grants Received.....	740	-	-	631
Proceeds from Prison Canteen Sales	4,954	5,245	5,453	5,921
Proceeds from Recoup of Other Costs	1,579	138	122	2,341
Proceeds from Recoup of Prisoner Telephone Calls.....	1,687	1,787	957	2,293
Proceeds from Recoup of Salary Costs	522	240	569	285
Proceeds from Recoup of Workers Compensation Payment	3,791	2,851	2,980	2,947
Proceeds from Sale of Industry Goods	2,212	2,282	2,307	2,383
Schools Assistance Grant Received from the Commonwealth.....	57	116	116	116
TOTAL.....	34,224	12,659	12,504	16,917

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

OFFICE OF THE INSPECTOR OF CUSTODIAL SERVICES

PART 14 - MINISTER FOR CORRECTIVE SERVICES; SMALL BUSINESS

DIVISION 64

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 107 Net amount appropriated to deliver services	1,820	1,989	2,025	2,015	2,012	2,061	2,120
Amount Authorised by Other Statutes - Salaries and Allowances Act 1975 ^(a)	191	197	211	402	223	230	237
Total appropriations provided to deliver services	2,011	2,186	2,236	2,417	2,235	2,291	2,357
CAPITAL							
Item 176 Capital Contribution	-	79	79	20	22	61	52
GRAND TOTAL	2,011	2,265	2,315	2,437	2,257	2,352	2,409

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

SIGNIFICANT ISSUES AND TRENDS

- The Office completed a review of assessment and classification of offenders in custody. This initiative was recommended by the Mahoney Inquiry and the Directed Review of Offenders in Custody.
- The Office commenced writing standards on juvenile detainees and Aboriginal prisoners.

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>							
Inspection and Review of Custodial Services	2,372	2,050	2,149	2,230			
Total Cost of Services	2,372	2,050	2,149	2,230	2,231	2,287	2,353
<i>Less Income</i>	341	2	51	2	2	2	2
Net Cost of Services	2,031	2,048	2,098	2,228	2,229	2,285	2,351
Adjustments ^(a)	(20)	138	138	189	6	6	6
Appropriation Provided to Deliver Services	2,011	2,186	2,236	2,417	2,235	2,291	2,357
CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS							
Appropriation for Capital Contribution to meet equity needs ^(b)	-	79	79	20	22	61	52
TOTAL CONSOLIDATED ACCOUNT APPROPRIATIONS	2,011	2,265	2,315	2,437	2,257	2,352	2,409

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

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

Broad, high level government goals are supported at agency level by more specific desired outcomes. Agencies deliver services to achieve these desired outcomes, which ultimately contribute to meeting the higher level government goals. The following table illustrates the relationship between agency level desired outcome 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.	The Parliament, Minister and other stakeholders are informed on the performance of custodial services.	1. Inspection and Review of Custodial Services

Outcomes and Key Effectiveness Indicators ^(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 Parliament, Minister and other stakeholders are informed on the performance of custodial services.					
Number of inspection report recommendations	124	141	193	140	The Hakea Inspection Report (45) and the Roebourne Regional Prison Inspection Report (48) have doubled the usual number of recommendations.
Percentage of recommendations accepted.....	89%	80%	90%	80%	

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

Service 1: Inspection and Review of Custodial Services

Inspection of prisons, court custody centres, juvenile detention centres, coordination of the Independent Visitors Scheme and review of custodial services.

	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	2,372	2,050	2,149	2,230	
<i>Less Income</i>	341	2	51	2	
Net Cost of Service	2,031	2,048	2,098	2,228	
Adjustments ^(a)	(20)	138	138	189	
Appropriation for Delivery of Service	2,011	2,186	2,236	2,417	

(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 inspection report	\$100,300	\$145,000	\$136,500	\$136,500	
Average cost per Independent Visitors Scheme Report	\$1,600	\$1,200	\$1,600	\$1,600	
Average cost per liaison visit.....	\$4,100	\$4,100	\$4,100	\$4,100	
Average cost per exit debrief.....	\$35,400	\$53,000	\$50,000	\$50,000	
Average cost per discussion paper.....	-	-	\$60,000	\$60,000	
Average cost per ministerial advice.....	\$5,300	\$5,000	\$5,000	\$5,000	
Full Time Equivalents	16	16	17	17	

Major Achievements For 2007-08

- Completed a review of the assessment and classification of offenders in custody.
- Published a discussion paper on smoking in prisons.
- Held a strategic planning workshop and developed a strategic plan.

- Expanded operations to include environmental health assessments.
- Developed an Aboriginal Reconciliation Plan.
- Completed an inspection manual.

Major Initiatives For 2008-09

- Develop standards for Aboriginal prisoners.
- Review structure and content of inspection reports.
- Contribute to a review of the *Terrorism (Preventative Detention) Act 2006*.
- Develop standards for juvenile detention centres.

CAPITAL WORKS PROGRAM

The Office's planned capital works expenditure in 2008-09 is for office equipment 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				
Asset Replacement - Office Equipment	242	103	103	32
	242	103	103	32

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	-	103	103	32	34	73	64
	-	103	103	32	34	73	64
LESS							
Drawdowns from the Holding Account	-	24	24	12	12	12	12
Capital Contribution	-	79	79	20	22	61	52

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)	1,198	1,075	1,150	1,200	1,235	1,280	1,325
Superannuation.....	279	242	242	255	223	225	225
Supplies and services	623	417	432	446	445	464	485
Accommodation	221	256	256	258	258	258	258
Depreciation and amortisation	34	12	12	12	12	12	12
Other expenses	17	48	57	59	58	48	48
TOTAL COST OF SERVICES.....	2,372	2,050	2,149	2,230	2,231	2,287	2,353
Income							
Other revenue.....	341	2	51	2	2	2	2
Total Income	341	2	51	2	2	2	2
NET COST OF SERVICES	2,031	2,048	2,098	2,228	2,229	2,285	2,351
INCOME FROM STATE GOVERNMENT							
Service appropriations	2,011	2,186	2,236	2,417	2,235	2,291	2,357
TOTAL INCOME FROM STATE GOVERNMENT.....	2,011	2,186	2,236	2,417	2,235	2,291	2,357
SURPLUS/(DEFICIENCY) FOR THE PERIOD	(20)	138	138	189	6	6	6

(a) The Full Time Equivalents for 2006-07 Actual, 2007-08 Estimated Actual and 2008-09 Estimate are 16, 17 and 17 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	38	30	47	54	58	62	66
Receivables	11	10	11	11	11	11	11
Amounts receivable for services.....	24	12	12	12	12	12	12
Total current assets	73	52	70	77	81	85	89
NON-CURRENT ASSETS							
Amounts receivable for services.....	46	48	48	50	52	54	56
Plant and equipment.....	59	169	150	170	192	253	305
Total non-current assets	105	217	198	220	244	307	361
TOTAL ASSETS.....	178	269	268	297	325	392	450
CURRENT LIABILITIES							
Payables	8	41	2	3	1	1	1
Provision for employee entitlements	509	384	378	197	199	201	203
Accrued salaries	6	11	16	16	16	16	16
Other.....	66	72	66	66	66	64	62
Total current liabilities.....	589	508	462	282	282	282	282
NON-CURRENT LIABILITIES							
Provision for employee entitlements	20	19	20	20	20	20	20
Total non-current liabilities	20	19	20	20	20	20	20
TOTAL LIABILITIES.....	609	527	482	302	302	302	302
EQUITY							
Contributed equity	-	79	79	99	121	182	234
Accumulated surplus/(deficit)	(431)	(337)	(293)	(104)	(98)	(92)	(86)
Total equity.....	(431)	(258)	(214)	(5)	23	90	148
TOTAL LIABILITIES AND EQUITY.....	178	269	268	297	325	392	450

**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	1,997	2,172	2,222	2,403	2,221	2,277	2,343
Capital contribution	-	79	79	20	22	61	52
Holding account drawdowns	-	24	24	12	12	12	12
Net cash provided by State Government.....	1,997	2,275	2,325	2,435	2,255	2,350	2,407
CASHFLOWS FROM OPERATING ACTIVITIES							
Payments							
Employee benefits.....	(1,247)	(1,196)	(1,271)	(1,381)	(1,233)	(1,278)	(1,323)
Superannuation	(279)	(242)	(242)	(275)	(243)	(245)	(245)
Supplies and services	(564)	(412)	(427)	(441)	(420)	(439)	(460)
Accommodation.....	(221)	(259)	(259)	(261)	(261)	(261)	(261)
Goods and services tax	(118)	(42)	(42)	(42)	(42)	(42)	(42)
Other.....	(90)	(56)	(65)	(40)	(62)	(52)	(52)
Receipts							
Goods and services tax	117	42	42	42	42	42	42
Other receipts	425	2	51	2	2	2	2
Net cash from operating activities.....	(1,977)	(2,163)	(2,213)	(2,396)	(2,217)	(2,273)	(2,339)
CASHFLOWS FROM INVESTING ACTIVITIES							
Purchase of non-current assets.....	(3)	(103)	(103)	(32)	(34)	(73)	(64)
Net cash from investing activities.....	(3)	(103)	(103)	(32)	(34)	(73)	(64)
NET INCREASE/(DECREASE) IN CASH HELD	17	9	9	7	4	4	4
Cash assets at the beginning of the reporting period	21	21	38	47	54	58	62
Cash assets at the end of the reporting period.....	38	30	47	54	58	62	66

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
Goods and Services Tax	117	42	42	42
Other Receipts.....	425	2	51	2
TOTAL.....	542	44	93	44

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

SMALL BUSINESS DEVELOPMENT CORPORATION

PART 14 - MINISTER FOR CORRECTIVE SERVICES; SMALL BUSINESS

DIVISION 65

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 108 Net amount appropriated to deliver services ^(a)	9,777	10,683	11,574	12,765	11,042	11,456	10,038
Amount Authorised by Other Statutes - Salaries and Allowances Act 1975 ^(b)	182	169	190	196	202	208	214
Total appropriations provided to deliver services	9,959	10,852	11,764	12,961	11,244	11,664	10,252
CAPITAL							
Item 177 Capital Contribution	134	313	128	134	137	131	137
GRAND TOTAL	10,093	11,165	11,892	13,095	11,381	11,795	10,389

- (a) Following the enactment of the *Financial Management Act 2006*, agencies are no longer required to pay the Capital User 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 create opportunity and wealth for small businesses in Western Australia.

SIGNIFICANT ISSUES AND TRENDS

- In recent years, strong economic growth in Western Australia, driven by the mining sector, has created development opportunities for many small businesses. In particular, the number of small businesses in the construction industry increased by 10.8 per cent during 2006-07. The overall number of small businesses in Western Australia recorded a net increase of 5.2 per cent during 2006-07. This was due to 38,013 small business entries combined with 28,482 small business exits during the year, which reveals a concerning trend in respect of small business survival.
- Sustained economic growth has started to place significant pressure on many small businesses in the state. Inflation, together with rising interest rates, is likely to impact either directly or indirectly on the bottom line for many small businesses, particularly those operating outside the mining sector. The potential result is a limited capacity of small businesses to meet existing financial obligations and a decline in the viability of investing in future business growth. While consumer spending continues to grow at a steady rate, the impact of rising inflation and interest rates has also noticeably restrained business confidence and expectations for future performance.
- Economic growth continues to place an increasing demand on both skilled and non-skilled labour. With record low unemployment, competition for staff is intense and as a consequence, average wages have steadily increased. In the face of rising labour costs, small businesses are faced with the challenge of competing with working conditions offered by larger businesses and the added challenge of attracting and retaining an adequate number of suitable staff.

- A gap in service delivery currently exists in the provision of practical, targeted assistance for Indigenous small business operators, particularly at the business start-up stage. As a result there is a need for the development of a framework for the delivery of effective, culturally appropriate and individually tailored assistance to the Indigenous small business sector throughout Western Australia.
- There are a number of ongoing issues of importance to small business common to both commercial tenancy and franchising agreements which have received attention at the Commonwealth and State Government levels in recent times.
- Continuity planning continues to be imperative for small businesses to ensure sustainability in the face of an increasing number of threats. While the State Government increases its efforts in combating climate change through a range of initiatives, small businesses will need to carefully consider the indirect impact any regulatory changes may have on their business and re-evaluate business operations in order to accommodate these and other changes in the business environment.

MAJOR POLICY DECISIONS

Details of major policy decisions impacting on the Agencies 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
Continuation of the Go West Now Program	1,400	1,500	1,500	-

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>							
Information, Guidance, Referral and Business Development Services	11,977	11,320	12,828	13,308			
Total Cost of Services ^(a)	11,977	11,320	12,828	13,308	11,855	12,197	10,587
<i>Less Income</i>	508	470	493	445	415	355	335
Net Cost of Services ^(a)	11,469	10,850	12,335	12,863	11,440	11,842	10,252
Adjustments ^(b)	(1,510)	2	(571)	98	(196)	(178)	-
Appropriation Provided to Deliver Services ^(a)	9,959	10,852	11,764	12,961	11,244	11,664	10,252
CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS							
Appropriation for Capital Contribution to meet equity needs ^(c)	134	313	128	134	137	131	137
TOTAL CONSOLIDATED ACCOUNT APPROPRIATIONS	10,093	11,165	11,892	13,095	11,381	11,795	10,389

- (a) Following the enactment of the *Financial Management Act 2006*, agencies are no longer required to pay the Capital User 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
Creating conditions that foster a strong economy delivering more jobs, opportunities and greater wealth for all Western Australians.	Development of new and existing Small Business in Western Australia.	1. Information, Guidance, Referral and Business Development Services

Outcomes and Key Effectiveness Indicators ^(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: Development of new and existing Small Business in Western Australia.					
A random sample of Small Business Development Corporation clients were asked to rate the usefulness of the information/guidance provided to them by Small Business Development Corporation:					
- very or somewhat useful.....	89%	90%	90%	90%	
- not very or not at all useful.....	5%	0%	5%	0%	
- neutral	6%	10%	5%	10%	

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

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

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

	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)	11,977	11,320	12,828	13,308	
<i>Less Income</i>	508	470	493	445	
Net Cost of Service ^(a)	11,469	10,850	12,335	12,863	
Adjustments ^(b)	(1,510)	2	(571)	98	
Appropriation for Delivery of Service ^(a)	9,959	10,852	11,764	12,961	

- (a) Following the enactment of the *Financial Management Act 2006*, agencies are no longer required to pay the Capital User 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 cost per direct client contact/equivalent ^(b)	\$22.20	\$24.02	\$23.92	\$23.79	
Average cost per indirect client contact ^(c)	\$2.10	\$2.10	\$2.44	\$2.31	
Average cost per Small Business Centre client contact ^(d)	\$112.21	\$139.36	\$122.17	\$116.51	
Cost per unit of policy advice ^(e)	\$1,356,443	\$1,469,842	\$1,441,339	\$1,492,056	
Full Time Equivalents (FTEs)	54	54	59	58	

- (a) More detail of efficiency indicators are provided in the annual report.
- (b) Number of direct client contacts/equivalents include direct client contacts plus the number of 'equivalent direct clients' that are serviced through the provision of grant money. Grants are given either under the Innovation to Markets Approval, the Business Migrant Incentive Program, Export Accelerator Program and Dry Seasons Assistance Program.
- (c) Indirect client contacts are exposed to a display of a range of advisory, information, referral and business services that would impact on their growth and business development.
- (d) A network of 26 Small Business Centres exist throughout the State. The Corporation provides core grant funding to each centre along with other administration support to the network.
- (e) Policy advice includes policy submissions, investigative research, ministerial correspondence, industry liaison and small business sector advocacy.

Major Achievements For 2007-08

- The level of business migration activity continued to be strong during 2007-08 with a commensurate increase in investment through the participation in overseas expos in the United Kingdom, India, China and South Africa.
- Assisted Western Australian government agencies and private sector employers to overcome skilled labour shortages by cooperating with key stakeholders including the Department of Immigration and Citizenship (DIAC), the State's nine Regional Development Commissions, the Chamber of Commerce and Industry Western Australia and the Migration Institute of Australia.
- The State Migration Centre coordinated overseas events for skilled migrants in key markets such as the United Kingdom, South Africa and India as well as participating in the DIAC Australia 'Needs Skills' expos. Several Western Australian employers travelled to participate in these overseas events, including WA Health, the Department of Education and Training, Alcoa and Austal Shipping.

- Developed and commenced implementation of an Indigenous Small Business Development pilot program. The pilot program is being operated from the Small Business Centre in Derby. Over a period of six months from March 2008, the aim of the pilot program is to gather empirical data to determine how the Corporation can provide more effective assistance to Indigenous small business operators throughout Western Australia.
- Developed and launched a 'Women in Business Network' designed to inspire, support and enhance the exchange of business information. This online network includes an interactive forum, inspiring stories, tips for success, guidance on growing a business and a range of focus topics customised to the needs of women.
- Made significant improvements to the guidelines supporting the preparation of Small Business Impact Statements (SBIS) within the Cabinet Handbook. An education program was undertaken to provide policy officers at the agency level with an understanding of the small business sector, an overview of the SBIS process and a demonstration of the Business Cost Calculator which can be used to assess the compliance costs associated with their proposals.
- Undertook a stocktake of policies and services that impact on small business in Western Australia. This information together with research concerning the issues which impact on small business operators will assist to identify the gaps between issues and current government policy/service delivery. Importantly, this information will assist to draft a document presenting a blueprint to facilitate the future growth of the small business sector as a key contributor to Western Australia's economy.
- Conducted an inquiry into the Operation of Franchise Businesses in Western Australia on behalf of the State Government. The inquiry examined fairness in franchise arrangements and developed a series of recommendations to the State and Commonwealth Governments to enhance the franchising business environment.

Major Initiatives For 2008-09

- Undertake a research project investigating the challenges small businesses may encounter with the ending of the boom cycle. The research will also examine and identify preparations or business practices which could be currently introduced to cushion small businesses from any negative post-boom impacts and to secure their ongoing viability beyond the boom.
- Use a range of proactive initiatives to promote work and lifestyle opportunities throughout Western Australia in key interstate markets and New Zealand. These initiatives will encourage job seekers to obtain information about Western Australian vacancies and will assist employers to increase the effectiveness of their attraction and retention strategies.
- Evaluate findings and experience obtained through working with selected Indigenous small business operators as part of the Indigenous Small Business Development pilot program carried out during 2007-08. The analysis will inform the development of a strategy to implement more effective, tailored and culturally appropriate assistance to Indigenous small business operators state-wide.
- Undertake a review of the Business Licence Information System to identify and consider future options for the provision of a best practice online information service for small business including the feasibility of an online transacting service.
- Develop and pilot a small business growth program based on the principles of action-learning in a supported peer environment to provide a learning forum for growth oriented small business owners. The program will supplement the more traditional forms of service delivery offered by the Corporation, namely information workshops, personalised appointments and individualised mentor programs.

CAPITAL WORKS PROGRAM

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

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-08 \$'000	Estimated Expenditure 2007-08 \$'000	Estimated Expenditure 2008-09 \$'000
COMPLETED WORKS				
Furniture and Office Equipment Replacement -				
2005-06 Program	250	250	250	-
2006-07 Program	250	250	250	-
2007-08 Program	250	250	250	-
2007-08 Business Enterprise Centre.....	185	185	185	-
Office Refurbishment/Painting as per Lease Agreement.....	50	50	7	-
NEW WORKS				
Furniture and Office Equipment Replacement – 2008-09 Program	250	-	-	250
	1,235	985	942	250

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	139	435	942	250	253	438	253
	139	435	942	250	253	438	253
LESS							
Asset Sales	2	-	-	-	-	-	-
Drawdowns from the Holding Account	116	122	122	116	116	122	116
Funding Included in Service Appropriations ^(a) ...	-	-	185	-	-	185	-
Internal Funds and Balances	(113)	-	507	-	-	-	-
Capital Contribution	134	313	128	134	137	131	137

(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)	4,140	3,987	4,390	4,569	4,275	4,452	4,524
Superannuation	352	374	390	408	383	399	404
Cost of goods sold.....	52	60	55	55	55	55	55
Grants and subsidies ^(b)	2,872	2,970	3,365	3,029	3,079	3,315	3,182
Supplies and services	3,628	2,999	3,707	4,312	3,114	2,995	1,427
Accommodation.....	533	584	557	565	583	604	622
Capital user charge ^(c)	145	-	-	-	-	-	-
Depreciation and amortisation	156	116	116	116	122	116	116
State taxes	205	204	222	227	217	233	229
Loss on disposal of non-current assets	2	-	-	-	-	-	-
Other expenses	37	26	26	27	27	28	28
TOTAL COST OF SERVICES.....	12,122	11,320	12,828	13,308	11,855	12,197	10,587
Income							
User charges and fees.....	160	175	165	165	165	165	165
Grants and subsidies	127	115	155	120	120	60	40
Interest revenue.....	111	80	73	60	30	30	30
Other revenue.....	110	100	100	100	100	100	100
Total Income.....	508	470	493	445	415	355	335
NET COST OF SERVICES ^(c)	11,614	10,850	12,335	12,863	11,440	11,842	10,252
INCOME FROM STATE GOVERNMENT							
Service appropriations ^(c)	10,119	10,852	11,764	12,961	11,244	11,664	10,252
TOTAL INCOME FROM STATE GOVERNMENT.....	10,119	10,852	11,764	12,961	11,244	11,664	10,252
SURPLUS/(DEFICIENCY) FOR THE PERIOD	(1,495)	2	(571)	98	(196)	(178)	-
CHANGE IN SURPLUS/(DEFICIENCY) FOR THE PERIOD AFTER EXTRAORDINARY ITEMS	(1,495)	2	(571)	98	(196)	(178)	-

(a) The Full Time Equivalents (FTEs) for 2006-07 Actual, 2007-08 Estimated Actual and 2008-09 Estimate are 54, 59 and 58 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	702	400	300	500	467	398	419
Investments	1,000	-	-	-	-	-	-
Receivables	179	125	210	210	210	210	210
Inventories.....	33	58	45	45	45	45	45
Interest receivable	15	7	-	-	-	-	-
Amounts receivable for services.....	122	116	116	116	122	116	116
Prepayments	305	200	486	486	354	91	72
Total current assets	2,356	906	1,157	1,357	1,198	860	862
NON-CURRENT ASSETS							
Amounts receivable for services.....	85	100	100	115	124	139	154
Plant and equipment.....	373	1,097	1,012	1,144	1,273	1,408	1,541
Intangibles.....	31	56	33	35	37	39	43
Total non-current assets.....	489	1,253	1,145	1,294	1,434	1,586	1,738
TOTAL ASSETS.....	2,845	2,159	2,302	2,651	2,632	2,446	2,600
CURRENT LIABILITIES							
Superannuation	2	9	3	12	13	-	1
Payables (a).....	33	32	33	33	33	33	33
Provision for employee entitlements	872	683	882	892	898	908	918
Accrued salaries	15	92	31	124	135	-	16
Other.....	273	131	141	141	160	154	139
Total current liabilities.....	1,195	947	1,090	1,202	1,239	1,095	1,107
NON-CURRENT LIABILITIES							
Provision for employee entitlements	212	217	217	222	225	230	235
Other.....	10	9	10	10	10	10	10
Total non-current liabilities	222	226	227	232	235	240	245
TOTAL LIABILITIES.....	1,417	1,173	1,317	1,434	1,474	1,335	1,352
EQUITY							
Contributed equity	1,259	1,572	1,387	1,521	1,658	1,789	1,926
Accumulated surplus/(deficit)	169	(586)	(402)	(304)	(500)	(678)	(678)
Total equity.....	1,428	986	985	1,217	1,158	1,111	1,248
TOTAL LIABILITIES AND EQUITY	2,845	2,159	2,302	2,651	2,632	2,446	2,600

(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	9,988	10,721	11,633	12,830	11,113	11,533	10,121
Capital contribution	134	313	128	134	137	131	137
Holding account drawdowns	116	122	122	116	116	122	116
Net cash provided by State Government.....	10,238	11,156	11,883	13,080	11,366	11,786	10,374
CASHFLOWS FROM OPERATING ACTIVITIES							
Payments							
Employee benefits.....	(4,013)	(3,909)	(4,359)	(4,461)	(4,255)	(4,572)	(4,493)
Superannuation	(356)	(366)	(389)	(399)	(382)	(412)	(403)
Grants and subsidies	(2,872)	(2,970)	(3,365)	(3,029)	(3,079)	(3,315)	(3,182)
Supplies and services	(3,725)	(2,989)	(4,134)	(4,399)	(3,078)	(2,805)	(1,490)
Accommodation.....	(535)	(587)	(533)	(533)	(523)	(594)	(612)
Capital user charge ^(a)	(145)	-	-	-	-	-	-
State taxes	(205)	(204)	(222)	(227)	(217)	(233)	(229)
Goods and services tax	(760)	(645)	(680)	(680)	(680)	(680)	(680)
Other.....	(23)	(26)	(26)	(27)	(27)	(26)	(26)
Receipts							
User charges and fees.....	162	175	165	165	165	165	165
Grants and subsidies	132	115	155	120	120	60	40
Interest received.....	116	80	88	60	30	30	30
Goods and services tax	724	645	680	680	680	680	680
Other receipts	174	100	92	100	100	100	100
Net cash from operating activities.....	(11,326)	(10,581)	(12,528)	(12,630)	(11,146)	(11,602)	(10,100)
CASHFLOWS FROM INVESTING ACTIVITIES							
Purchase of non-current assets.....	(139)	(435)	(757)	(250)	(253)	(253)	(253)
Proceeds from sale of non-current assets	2	-	-	-	-	-	-
Net cash from investing activities.....	(137)	(435)	(757)	(250)	(253)	(253)	(253)
NET INCREASE/(DECREASE) IN CASH HELD	(1,225)	140	(1,402)	200	(33)	(69)	21
Cash assets at the beginning of the reporting period	2,927	260	1,702	300	500	467	398
Cash assets at the end of the reporting period.....	1,702	400	300	500	467	398	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.

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.....	12,122	11,320	12,828	13,308	11,855	12,197	10,587
Less Capital User Charge.....	145	-	-	-	-	-	-
Adjusted Total Cost of Services	11,977	11,320	12,828	13,308	11,855	12,197	10,587
APPROPRIATIONS							
Net Amount Appropriated to Deliver Services ...	10,119	10,852	11,764	12,961	11,244	11,664	10,252
Less Appropriation Capital User Charge	160	-	-	-	-	-	-
Adjusted Net Amount Appropriated to Deliver Services	9,959	10,852	11,764	12,961	11,244	11,664	10,252

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
Business Migrant Incentive Program	19	15	20	20	20	20	20
Dry Seasons Assistance	-	-	200	-	-	-	-
Export Accelerator Program	12	-	15	15	15	15	15
Innovation to Market	11	30	20	20	20	20	20
Small Business Centres - Capital Grants.....	-	-	185	-	-	185	-
Small Business Centres - Operational Grants	2,830	2,925	2,925	2,974	3,024	3,075	3,127
TOTAL.....	2,872	2,970	3,365	3,029	3,079	3,315	3,182

Part 15

Minister for the Environment; Climate Change; Peel

SUMMARY OF PORTFOLIO APPROPRIATIONS

Page	Agency	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000
1059	Environment and Conservation			
	– Delivery of Services.....	196,554	187,640	215,967
	– Capital Contribution.....	20,212	12,862	22,582
	Total	216,766	200,502	238,549
1082	Botanic Gardens and Parks Authority			
	– Delivery of Services.....	12,444	12,603	12,613
	– Capital Contribution.....	1,985	1,955	3,879
	Total	14,429	14,558	16,492
1094	Swan River Trust			
	– Delivery of Services.....	11,953	12,616	7,892
	– Capital Contribution.....	119	119	-
	Total	12,072	12,735	7,892
1108	Zoological Parks Authority			
	– Delivery of Services.....	8,731	8,827	9,376
	– Capital Contribution.....	2,796	2,796	735
	Total	11,527	11,623	10,111
1120	Peel Development Commission			
	– Delivery of Services.....	2,817	4,917	4,639
	Total	2,817	4,917	4,639
GRAND TOTAL				
	– Delivery of Services.....	232,499	226,603	250,487
	– Capital Contribution.....	25,112	17,732	27,196
	Total	257,611	244,335	277,683

ENVIRONMENT AND CONSERVATION

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

DIVISION 66

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 109 Net amount appropriated to deliver services ^(a).....	182,710	182,922	173,894	202,044	190,779	192,780	193,109
Item 110 Services Provided to the Environmental Protection Authority.....	13,010	13,166	13,166	13,320	13,500	13,500	13,500
Amount Authorised by Other Statutes - Salaries and Allowances Act 1975 ^(b).....	562	466	580	603	627	653	673
Total appropriations provided to deliver services.....	196,282	196,554	187,640	215,967	204,906	206,933	207,282
CAPITAL							
Item 178 Capital Contribution.....	17,406	20,212	12,862	22,582	3,948	1,189	789
GRAND TOTAL.....	213,688	216,766	200,502	238,549	208,854	208,122	208,071

- (a) Following the enactment of the *Financial Management Act 2006*, agencies are no longer required to pay the Capital User 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

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

SIGNIFICANT ISSUES AND TRENDS

- There is increasing community awareness and expectations for action to reduce predicted impacts of climate change on the environment and biodiversity of Western Australia, associated with significant policy development at international, national and state levels.
- The State's biodiversity continues to be threatened by pest animals and weeds, dieback, salinity, altered fire regimes, habitat loss and climate change, with the need for further recovery actions for up to 580 threatened taxa and approximately 70 threatened ecological communities.
- Strong economic growth and major resource development and infrastructure projects, particularly in the Kimberley, Pilbara and Mid West Regions, are placing pressure on biodiversity values and on the Department's environmental impact assessment and regulatory functions.
- There is a continuing need to complete the establishment of a conservation reserve system, both terrestrial and marine, that is comprehensive, adequate and representative, to conserve biodiversity and provide for sustainable nature-based recreation and tourism.

- There is an increasing expectation from the community, particularly Indigenous communities, for involvement in both terrestrial and marine park and reserve planning and management and expectation that facilities, park infrastructure and services will be maintained and upgraded.
- Increasing interaction is occurring with private industry, individuals and other government agencies to conserve biodiversity on private and public lands that are not part of the formal conservation reserve system and to develop partnerships with the non-government sector in providing tourism and recreation services and facilities.
- The Department is increasingly expected to be a 'good neighbour' to pastoralists, farmers and others, including protecting the community from wildfires.
- Staff recruitment and retention are challenges in a buoyant economy, as is the impact of rising costs of both materials and labour on the capacity to deliver projects and services, especially in remote areas.
- There is continuing strong community and industry interest in air quality management and health protection in the Perth metropolitan area and key regional centres including Wagerup, Port Hedland, Kwinana, Esperance, Collie and Kalgoorlie.
- New approvals and modifications to licenses for industrial premises are growing strongly, increasing the level of demand on the Department's emissions regulation function.
- There is continuing reduction in reliance on landfill through waste avoidance, recycling and better management of hazardous wastes and increasing support for the concept of extended producer responsibility in waste management.

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
Additional Fire Management Resources	4,713	4,713	4,713	4,713
Environmental Responsibilities - Inspection and Compliance Monitoring	1,320	1,320	1,320	1,320
Major Development Approvals	2,196	1,464	-	-
Management of Lake Kepwari	355	355	355	355
Management of Native Vegetation Clearing	1,400	1,400	1,400	1,400
Walpole Nornalup Inlets Marine Park	265	265	265	265

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>							
Nature Conservation	104,202	88,955	96,869	97,147			
<i>Service 2:</i>							
Sustainable Forest Management	46,232	36,680	37,680	39,094			
<i>Service 3:</i>							
Parks and Visitor Services	66,720	61,016	63,549	65,708			
<i>Service 4:</i>							
Environmental Regulation	25,821	36,623	30,454	43,524			
<i>Service 5:</i>							
Environmental Sustainability	9,119	24,845	16,545	24,845			
<i>Service 6:</i>							
Environmental Impact Assessment and Policies for the Environmental Protection Authority	11,424	11,385	11,385	13,581			
<i>Service 7:</i>							
Coordinate the Response to Climate Change	2,273	6,802	6,502	15,252			
Total Cost of Services ^(b)	265,791	266,306	262,984	299,151	291,079	288,529	293,378
<i>Less Income</i>	<i>79,831</i>	<i>70,470</i>	<i>81,820</i>	<i>83,911</i>	<i>85,989</i>	<i>86,146</i>	<i>90,530</i>
Net Cost of Services ^(b)	185,960	195,836	181,164	215,240	205,090	202,383	202,848
Adjustments ^(c)	10,322	718	6,476	727	(184)	4,550	4,434
Appropriation Provided to Deliver Services ^(b)	196,282	196,554	187,640	215,967	204,906	206,933	207,282
CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS							
Appropriation for Capital Contribution to meet equity needs ^(d)	17,406	20,212	12,862	22,582	3,948	1,189	789
TOTAL CONSOLIDATED ACCOUNT APPROPRIATIONS.....	213,688	216,766	200,502	238,549	208,854	208,122	208,071

- (a) A revised service structure, together with effectiveness and efficiency indicators, has been adopted to better report on the Department's performance. Data for 2006-07 and 2007-08 have been recast to reflect the new structure.
- (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*.

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

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

Government Goal	Desired Outcomes	Services
Protecting and enhancing the unique Western Australian lifestyle and ensuring sustainable management of the environment.	Conservation and sustainable utilisation of biodiversity.	1. Nature Conservation 2. Sustainable Forest Management
	Community enjoyment of park facilities and services, wildlife and the natural environment displayed in parks.	3. Parks and Visitor Services
	Emissions and discharges meet acceptable criteria.	4. Environmental Regulation
	Adoption of environmentally sustainable practices to protect, manage and restore the State's natural resources.	5. Environmental Sustainability 6. Environmental Impact Assessment and Policies for the Environmental Protection Authority 7. Coordinate the Response to Climate Change

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: Conservation and sustainable utilisation of biodiversity.					
Total number of listed threatened taxa and ecological communities ^(b)	683	697	698	727	Anticipated endorsement of a number of Threatened Ecological Communities.
Number of threatened taxa and ecological communities with improved conservation status.....	2	0	0	1	
Number of threatened taxa and ecological communities with declining conservation status.....	3	0	0	5	
Proportion of critically endangered and endangered taxa and ecological communities that have a recovery plan	43.9%	55.2%	55.2%	60.0%	Additional recovery plans are expected to be approved.
Proportion of terrestrial sub-bioregions with greater than 15% reservation	20.4%	20.4%	20.4%	24.1%	Anticipated reservation of purchased pastoral leases.
Proportion of marine bioregions with marine conservation reserves.....	36.8%	42.1%	42.1%	42.1%	
Percentage of Forest Management Plan performance indicators where defined annual targets are met.....	n/a	75.0%	60.0%	75.0%	
Outcome: Community enjoyment of park facilities and services, wildlife and the natural environment displayed in parks.					
Average level of visitor satisfaction with their visit.....	87.5%	85.0%	87.0%	85.0%	
Park visitation (annual number of visits – million).....	12.06	12.01	12.25	12.30	
Annual percentage change in park visitation	1.8%	-0.4%	1.6%	0.4%	

	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: Emissions and discharges meet acceptable criteria.					
Number of exceedances of approved environment criteria by regulated activities	67	110	48	50	
Number of air National Environmental Protection Measure exceedances per annum of criteria pollutants	9	11	11	11	
Outcome: Adoption of environmentally sustainable practices to protect, manage and restore the State's natural resources.					
Percentage of waste in the metropolitan area diverted from landfill through recycling	33.4%	24.8%	23.9%	24.6%	
Number of approved projects with impacts significantly exceeding those assessed	1	0	0	0	
Percentage of Low Emissions Energy Development fund milestones achieved within the targeted timeframe	n/a	100%	100%	100%	

- (a) More details of effectiveness indicators are provided in the annual report.
- (b) 'Taxa' are groupings of organisms given a formal taxonomic name such as species, genus, or family.

Service 1: Nature Conservation

The development and implementation of programs for the conservation of biodiversity (the variety of life forms: the different plants, animals and micro-organisms, the genes they contain, and the ecosystems they form), including:

- threatened species and ecological communities;
- sustainable use of commercially exploited species;
- the acquisition, conservation and protection of representative ecosystems; and
- encouraging public awareness, understanding and support for nature conservation.

	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)	104,202	88,955	96,869	97,147	
<i>Less Income</i>	23,199	15,819	20,136	20,135	
Net Cost of Service ^(a)	81,003	73,136	76,733	77,012	
Adjustments ^(b)	(604)	(313)	(88)	(142)	
Appropriation for Delivery of Service ^(a)	80,399	72,823	76,645	76,870	

- (a) Following the enactment of the *Financial Management Act 2006*, agencies are no longer required to pay the Capital User 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 hectare of managing wildlife habitat	\$3.86	\$3.51	\$3.51	\$3.45	
Full Time Equivalents (FTEs)	738	741	741	751	

Major Achievements For 2007-08

- The strategic review of the conservation and resource values of the banded ironstone formations of the Yilgarn craton was completed, in partnership with the Department of Industry and Resources.
- Participation in the new Future Farm Industries Cooperative Research Centre commenced, focusing on achieving conservation objectives through more environmentally benign, but profitable agricultural systems.
- The recovery plan for the Buntine-Marchagee Natural Diversity Recovery Catchment was completed, identifying biodiversity values threatened by altered hydrology, particular salinity, and setting management actions to guide their conservation for the next 20 years.
- The Saving Our Species biodiversity conservation initiative continued to focus on addressing significant pressures on biodiversity, such as those from invasive species, and build scientific knowledge of biodiversity through strategic biological surveys and taxonomic research.
- The Western Shield fauna recovery program was continued with predator control programs over nearly 3.9 million hectares and the translocation of five native fauna species from wild and captive bred stocks.
- Continued the cooperative implementation of projects under the Natural Heritage Trust and National Action Plan for Salinity and Water Quality with regional natural resource management groups, other State agencies and the Commonwealth Government.
- Arrangements for the new Caring for our Country program to replace the National Action Plan for Salinity and Water Quality and the Natural Heritage Trust were negotiated with the Commonwealth Government.
- Participated in a collaborative marine research project in the Rowley Shoals Marine Park, focusing on the distribution and abundance of several key target species, including sharks, hard and soft corals, trepang (or beche-de-mer), Tridacnid clams and algae, to examine how a virtually untouched coral reef ecosystem works. The results will assist in the future management of the area and also other reef systems.
- Contributed to the development of an enhanced cooperative national system of biosecurity covering risks to the environment and agriculture as well as the broader community.
- Progressed the Swan Bioplan Program, with updated remnant vegetation mapping.

Major Initiatives For 2008-09

- Finalisation of the Biodiversity Conservation Bill and the State Biodiversity Conservation Strategy.
- Continue to expand Western Shield into semi-arid areas.
- Enhance the strategic management of system-wide threats to biodiversity, including pest animals and weeds, dieback, salinity, altered fire regimes and woodland decline, and build partnerships for biodiversity conservation.
- Build biodiversity knowledge through biological survey of Kimberley nearshore islands, the Pilbara bioregion, banded ironstone formations and the Ravensthorpe Range.
- Develop and enhance modelling of climate change impacts on the native flora of the South West and carry out research into the vulnerability of the State's biodiversity and conservation reserve system to climate change.

- Finalise the establishment of new marine parks and reserves for the Walpole-Nornalup, Dampier Archipelago/Regnard and South West Capes areas, and a regional marine strategic plan for the south coast.
- Complete the Swan Bioplan Program, with the delivery of a review of biodiversity values.
- Coordinate the Government's response to the Peel-Harvey Water Quality Improvement Plan.

Service 2: Sustainable Forest Management

The provision of economic, social and cultural benefits from State forest and timber reserves while conserving biodiversity, maintaining soil and water values and sustaining the health, vitality and productive capacity of the forest for current and future generations.

	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)	46,232	36,680	37,680	39,094	
<i>Less Income</i>	13,901	7,060	9,060	10,060	
Net Cost of Service ^(a)	32,331	29,620	28,620	29,034	
Adjustments ^(b)	6,703	1,571	3,571	356	
Appropriation for Delivery of Service ^(a)	39,034	31,191	32,191	29,390	

- (a) Following the enactment of the *Financial Management Act 2006*, agencies are no longer required to pay the Capital User 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 hectare of managing State forest and timber reserves	\$32.38	\$28.26	\$29.04	\$30.13	
Full Time Equivalent (FTEs)	272	272	272	279	

Major Achievements For 2007-08

- Collected data for key performance indicators designed to measure the implementation of the Forest Management Plan.
- Released draft guidelines for public comment on soil and water conservation, management of informal reserves and fauna habitat zones, and selection of fauna habitat zones.
- Published guidance documents on the salvage of logs in association with informal reserves.
- Undertook a five year review of the forest monitoring program (Forestcheck).
- Produced the 2008-2010 three year Timber Harvest Plan in consultation with the Forest Products Commission (FPC).
- Worked with the FPC to improve the efficiency of coupe planning, scheduling, authorisation and monitoring processes.
- Measured utilisation plots and refined the analysis of actual timber yields compared with predicted yields in the lead-up to the mid-term review of the Forest Management Plan.
- Completed a major collaborative study of fuel structure, fuel dynamics and fire behaviour in dry eucalypt forest (Project Vesta).

Major Initiatives For 2008-09

- Publish guidelines on soil and water conservation, management of informal reserves and fauna habitat zones, selection of fauna habitat zones and forest monitoring.
- Release draft guidelines for public comment on timber harvest planning and jarrah silvicultural practice.
- Publish results from the five year review of Forestcheck and determine the future strategy for the program.
- Complete working arrangements with the FPC for native forest and plantations.
- Support the preparation of the Conservation Commission of Western Australia's report to the Environmental Protection Authority on the mid-term audit of implementation of the Forest Management Plan 2004-2013.
- Produce the 2009-2011 three year Timber Harvest Plan in consultation with the Forest Products Commission.

Service 3: Parks and Visitor Services

Management of lands and waters, dealing with public involvement, visitation and appreciation of the natural environment on lands and waters managed by the Department, including:

- preparing and implementing management and recreation site development plans;
- providing, managing and maintaining appropriate access, recreation opportunities and visitor facilities;
- protecting natural areas, visitors and facilities from wildfire;
- training Departmental staff and volunteers;
- working with local tourist bureaus and commercial tour operators;
- involving Indigenous people in park management and the provision of visitor facilities and services;
- providing visitor information and designing and initiating educational and interpretive activity programs that enrich visitor experience and help develop greater community awareness and support for parks, natural areas, astronomy, nature-based tourism and recreation services and policies;
- undertaking scientific, visitor and social research, in cooperation with other research institutions; and
- provision of services to, and performance of statutory functions by the Conservation Commission of 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)	66,720	61,016	63,549	65,708	
<i>Less Income</i>	16,317	17,920	20,453	19,745	
Net Cost of Service ^(a)	50,403	43,096	43,096	45,963	
Adjustments ^(b)	(6,027)	2,357	1,357	485	
Appropriation for Delivery of Service ^(a)	44,376	45,453	44,453	46,448	

(a) Following the enactment of the *Financial Management Act 2006*, agencies are no longer required to pay the Capital User 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 visit	\$5.53	\$5.08	\$5.19	\$5.34	
Full Time Equivalents (FTEs)	473	473	473	479	

Major Achievements For 2007-08

- Finalised management plans for the Burrup Peninsula, Dryandra Woodland, Lake McLarty Nature Reserve, Cape Range, Wellington and Shannon-D'Entrecasteaux national parks, Shark Bay terrestrial reserves, St John Brook and Jarrahwood conservation parks, and Walpole Wilderness Area.
- Released draft management plans for Cape Inscription, Lane Poole Reserve and Leeuwin-Naturaliste Ridge parks and reserves.
- Continued to prepare management plans for Jandakot, Rockingham Lakes and Woodman Point regional parks, Tuart Forest, Yanchep, Neerabup and Kalbarri national parks, Albany coastal reserves, Barrow Island nature reserve, Esperance coastal reserves, Mt Manning and Jaurdi-Mt Elvire conservation parks, Perup and Lakes Unicup and Muir, and the Wheatbelt region.
- Commenced preparation of management plans for the Ord River Floodplain Ramsar site, Yilgarn North conservation reserves and Purnululu National Park.
- Advanced sustainable tourism initiatives in consultation with the tourism industry including improvements to concession management, the implementation of tourism accreditation initiatives and the Landbank project.
- Consolidated the Department's highly successful Community Involvement program, including the Healthy Parks Healthy People initiative.
- Continued to develop effective and meaningful liaison with Indigenous groups through the development of joint management agreements and the Mentored Aboriginal Training and Employment Scheme.
- Continued the planning and construction of the Munda Biddi bike trail into the south west forests and maintained the Bibbulmun Track, in conjunction with the Munda Biddi and Bibbulmun Track Foundations.
- Continued capital works projects relating to visitor infrastructure and tourist roads under the World Class Parks initiative.
- Progressed the nomination process for World Heritage listing of Ningaloo Marine Park and parts of North West Cape.
- Continued to enhance the management plan development process through the review of management plans and trialling a number of new tools and formats for management plan development, jointly with the Conservation Commission of Western Australia.
- Organised and conducted a national conference on the values of national parks and protected areas, jointly with the Conservation Commission of Western Australia.
- Continued to develop joint management frameworks for relevant conservation reserves, in conjunction with the Conservation Commission of Western Australia.

Major Initiatives For 2008-09

- Finalise management plans for the Lane Poole Reserve, Leeuwin-Naturaliste Ridge parks and reserves, and the Tuart Forest, Yanchep and Neerabup national parks.
- Complete the nature-based tourism review.

- Progress the implementation of the remaining land tenure recommendations in the Forest Management Plan 2004-2013 and transfer of suitable water reserves in the Wheatbelt to the conservation estate.
- Progress native title negotiations to enable the creation of conservation reserves over former pastoral leases purchased for the conservation reserve system.
- Complete the nomination process for World Heritage listing of Ningaloo Marine Park and parts of North West Cape.
- Progress the joint strategic assessment, with the Commonwealth Government, of the national heritage values of the north west Kimberley.

Service 4: Environmental Regulation

Regulate emissions and discharges to the environment and the transport of hazardous wastes. Regulate the investigation, classifications and management of contaminated sites. Monitor ambient air quality and develop air quality management plans for priority air sheds (the air canopy surrounding population centres, industrial and other facilities, within which the impacts of air pollutants need to be considered from health and environmental viewpoints).

	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)	25,821	36,623	30,454	43,524	Expenditure on management of contaminated sites has been rescheduled to 2008-09.
<i>Less Income</i>	12,717	12,827	17,127	17,127	
Net Cost of Service ^(a)	13,104	23,796	13,327	26,397	
Adjustments ^(b)	2,735	(2,147)	4,186	(46)	
Appropriation for Delivery of Service ^(a)	15,839	21,649	17,513	26,351	

(a) Following the enactment of the *Financial Management Act 2006*, agencies are no longer required to pay the Capital User 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 air monitoring station	\$456,451	\$403,222	\$454,875	\$454,875	Expenditure on management of contaminated sites has been rescheduled to 2008-09.
Average cost per industry licence.....	\$17,122	\$17,725	\$18,974	\$16,977	
Average cost per contaminated site assessment.....	\$2,628	\$4,687	\$5,882	\$6,667	
Average cost of remediating State sites.....	\$741,326	\$1,506,480	\$522,800	\$2,989,600	
Full Time Equivalents (FTEs)	233	233	233	236	

Major Achievements For 2007-08

- Implemented the Perth Air Quality Management Plan including development of a policy framework for haze in the Perth metropolitan region and expansion of the Woodheater Buy Back program (Phase Three) with close industry involvement.
- Implemented the Diesel National Environment Protection Measure, including completion of a major bus emissions testing program, expansion of technical training and education initiative with TAFE and a vehicle exhausts emissions testing trial in the metropolitan area.

- Implemented a comprehensive ambient air monitoring strategy at Wagerup involving advanced monitoring technologies and an improved community engagement process.
- Ongoing development of regional air quality management plans for the Kalgoorlie and Collie basins to provide a strategic context for addressing air quality issues.
- Targeted research and investigations in Port Hedland to address chronic ore dust management challenges, including using health studies, dust dispersion modelling and improved community involvement processes.
- Completed air toxics investigations at Kwinana.
- Expanded the Background Air Quality Study to include Midland and regional centres.
- Implemented the National Environment Protection Measure (NEPM) air quality monitoring, with two additional monitoring stations installed at Collie and Kalgoorlie to monitor pollutants to determine compliance with the NEPM to protect public health.
- Reviewed the Environmental Protection Authority interim odour guidelines for industry.
- Progressed strategic air quality research initiatives, including development of advanced remote sensing technologies for tracing pollutants, with the Cooperative Research Centre for Contamination Assessment and Remediation of the Environment.
- Completed the review of controlled waste regulations.
- Completed the upgrade of the Controlled Waste Tracking System to better manage increased usage.
- Continued to review industry licences to improve enforceability, placing greater emphasis on emissions control. All brickworks licences have been reviewed and amended.
- Consolidated implementation of the *Contaminated Sites Act 2003*, following expiry of the six month period of grace for reporting historical contaminated sites. As at 20 March 2008, 605 sites have been classified.
- Established an Acid Sulphate Technical Advisory Committee to review and implement recommendations in the State Framework for Managing Acid Sulphate Soils, in partnership with other stakeholders. Additional acid sulphate soil risk mapping has commenced on the Swan Coastal Plain to meet the demand for land supply for urban development.

Major Initiatives For 2008-09

- Complete detailed analysis of vehicle usage, emissions inventory and air modelling in the Perth metropolitan area.
- Acquire and install advanced laser and microwave remote sensing technologies for environmental management of air pollutants.
- Enhance policy guidelines for dust and odour management.
- Establish targeted air quality research in Wagerup, Midland and Port Hedland.
- Complete the review of prescribed premises categories.
- Conduct consultation for the revised Controlled Waste Regulations and finalise amendments to regulations.
- Develop and implement an integrated training program to support the licensing and compliance of industry.
- Establish a new industry inspection service to support the enforcement of industry licence conditions and compliance of proposals subject to ministerial conditions.

- Complete acid sulphate soil risk mapping on the Swan Coastal Plain to meet the demand for land supply for urban development and extend mapping to Port Geographe, Geraldton, Port Hedland, Karratha, Derby and Dampier where development is at risk of being impacted.

Service 5: Environmental Sustainability

Develop and implement policies and strategies that promote environmentally sustainable practices in industry, government 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)	9,119	24,845	16,545	24,845	Expenditure on waste related grant programs has been rescheduled to 2008-09.
<i>Less Income</i>	12,638	15,439	13,639	15,439	
Net Cost of Service ^(a)	(3,519)	9,406	2,906	9,406	
Adjustments ^(b)	6,496	(916)	(2,716)	27	
Appropriation for Delivery of Service ^(a)	2,977	8,490	190	9,433	

- (a) Following the enactment of the *Financial Management Act 2006*, agencies are no longer required to pay the Capital User 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 administering Waste Management and Recycling Account as a percentage of total funds.....	15.5%	11.5%	20.6%	17.1%	Expenditure on waste related grant programs has been rescheduled to 2008-09.
Full Time Equivalents (FTEs)	45	46	46	46	

Major Achievements For 2007-08

- Administered two funding rounds for each of the Strategic Waste Initiatives Scheme and Community Grants Scheme.
- Implemented Phase One of the Zero Waste Plan Development Scheme, which resulted in improved information for Local Government waste management plans.
- Developed and implemented the Rural Recycling Cost Offset Scheme, providing funds to Local Governments across Western Australia to support local recycling and reprocessing.
- Facilitated proclamation of the *Waste Avoidance and Resource Recovery Act 2007* and the *Waste Avoidance and Resource Recovery Levy Act 2007*.
- Implemented a joint program with Local Government on household hazardous waste collection and disposal.
- Prepared and implemented a site management plan for the former Brookdale Liquid Waste Treatment Facility to clean up identified contamination.

- Supported the development of positive environmental values in school students through AirWatch, Waste Wise and Ribbons of Blue, using new curriculum resources and providing professional development to teachers, and supported the ongoing implementation of the Australian Sustainable Schools Initiative (Western Australia) in partnership with the Department of Education and Training.
- Formed an alliance with five major central business district workplaces to reduce employee single occupant vehicle trips through the TravelSmart–Workplace program.
- Developed a partnership with a major transport company through the Clean Run program, to examine and trial strategies to reduce vehicle emissions through changes in driver behaviour.

Major Initiatives For 2008-09

- Implement the *Waste Avoidance and Resource Recovery Act 2007* and the *Waste Avoidance and Resource Recovery Levy Act 2007* and provide executive support to the newly created Waste Authority.
- Complete the investigation of the introduction of a container deposit scheme into Western Australia.
- Support Environment Protection and Heritage Council initiatives including development and implementation of National Environment Protection Measures.
- Implement Phase Two of the Zero Waste Plan Development Scheme: Strategic Waste Planning for Local Government.
- Develop a waste strategy for Western Australia and set targets for waste reduction, resource recovery and the diversion of waste from landfill as part of the strategy.
- Implement the DECREASE project within the Department, in order to reduce the environmental impact of work practices in all its workplaces, operations and activities.
- Form partnerships with additional large transport companies to broaden the Clean Run program.

Service 6: Environmental Impact Assessment and Policies for the Environmental Protection Authority

Manage the environmental impact assessment process and coordinate the development of policy for the Environmental Protection Authority to enable sound environmental advice to be provided to the Government, developers and the public in accordance with statutory functions.

	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)	11,424	11,385	11,385	13,581	New funding provides increased capacity to provide assessment services to industry.
<i>Less Income</i>	781	1,101	1,101	1,101	
Net Cost of Service ^(a)	10,643	10,284	10,284	12,480	
Adjustments ^(b)	715	315	315	38	
Appropriation for Delivery of Service ^(a)	11,358	10,599	10,599	12,518	

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

Key Efficiency Indicators

	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 environmental assessment.....	\$34,413	\$31,719	\$36,037	\$40,531	New funding provides increased capacity to provide assessment services to industry.
Cost per environmental policy developed	\$440,714	\$433,857	\$433,857	\$475,333	
Full Time Equivalents (FTEs)	100	113	113	131	

Major Achievements For 2007-08

- Completed assessments of mineral resource (iron ore) projects in the Pilbara region and Woodside's Pluto Liquefied Natural Gas project.
- Provided advice on the proposed Keralup urban development and the Preston Industrial Park.

Major Initiatives For 2008-09

- Complete further assessments of mineral resource (iron ore) projects in the Pilbara, Mid West and Great Southern regions.
- Progress the assessment of major projects, such as the Ichthys Gas-Condensate Field Development and Woodside's Browse development, the southern seawater desalination plant and the Fremantle Ports Outer Harbour proposal in Cockburn Sound.
- Provide advice and support to the Environmental Protection Authority as part of the joint strategic assessment, with the Commonwealth Government, of a single gas processing hub in the West Kimberley.
- Support the Environmental Protection Authority to complete its review of the environmental impact assessment process and implement the outcomes of the review.

Service 7: Coordinate the Response to Climate Change

To provide leadership in the development and implementation of strategies to reduce greenhouse gas emissions and adaptation initiatives to reduce the impact of climate change for Western Australia.

	2006-07 Actual	2007-08 Budget	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000	Reason for Significant Variation
Total Cost of Service ^(a)	2,273	6,802	6,502	15,252	The allocation of funds for the first round of the Low Emissions Energy Development fund is to be expended in 2008-09.
<i>Less Income</i>	278	304	304	304	
Net Cost of Service ^(a)	1,995	6,498	6,198	14,948	
Adjustments ^(b)	304	(149)	(149)	9	
Appropriation for Delivery of Service ^(a)	2,299	6,349	6,049	14,957	

(a) Following the enactment of the *Financial Management Act 2006*, agencies are no longer required to pay the Capital User 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 administering Low Emissions Energy Development Fund as a percentage of total funds.....	n/a	0.55%	0.26%	0.30%	
Full Time Equivalents (FTEs)	15	22	22	22	

Major Achievements For 2007-08

- Commenced the implementation of the Premier's Climate Change Action Statement of May 2007.
- Commenced the implementation of Phase Three of the Indian Ocean Climate Initiative and the Government's adaptation program.
- Implemented the 'Act Now For The Future' common branding and public awareness campaign to provide Western Australians with practical and simple climate change action measures people that help protect the environment.
- Administered the first round of the Low Emissions Energy Development Fund

Major Initiatives For 2008-09

- Complete the sectoral emission reduction strategies study, including the transport emission reduction strategy, and develop policy recommendations.
- Finalise, in concert with other States and Territories and the Commonwealth Government, the Council of Australian Governments workplan on climate change.
- Prepare a draft adaptation framework for Western Australia.
- Complete an offsets policy paper and establish a register.
- Prepare a public discussion and policy paper on the application of a carbon 'price' for State Government decision-making.
- Continue to improve the effectiveness of the 'Act Now For The Future' public awareness campaign, including expanding the 'Act Now For The Future' website, which provides easy access to information and community education resources on energy and water efficiency, Government rebate programs, waste minimisation, recycling and other ways to live more sustainably.
- Participate in the climate change review being carried out by Professor Garnaut.

CAPITAL WORKS PROGRAM

The Department's planned capital works program of \$35.5 million provides funds for buildings, including the new Biodiversity Conservation Science Centre and Herbarium, which commenced construction in late 2007 (\$16.5 million), tourism roads and park facilities (\$10.9 million), plant and equipment (\$5.0 million), conservation estate land purchase (\$1.2 million) and fire fighting fleet replacement (\$1.9 million).

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-08 \$'000	Estimated Expenditure 2007-08 \$'000	Estimated Expenditure 2008-09 \$'000
WORKS IN PROGRESS				
Biodiversity Conservation Science Centre and Herbarium - Stage 1	29,148	8,375	7,262	16,450
Conservation Land Acquisition - 2006-07 Program	4,981	3,981	1,873	1,000
Ord New Parks Infrastructure	1,000	200	200	200
Walpole and Nornalup Inlet Marine Park	240	85	85	80
COMPLETED WORKS				
Conservation Land Acquisition - 2007-08 Program	210	210	210	-
Denham Office - New Accommodation	950	950	935	-
Dirk Hartog Island Pastoral Lease Acquisition	300	300	300	-
Fire Fighting Fleet Replacement - 2007-08 Program	2,064	2,064	2,064	-
Fire Management Equipment	5,500	5,500	771	-
Gascoyne - Murchison Strategy - 2002-03 Program	1,000	1,000	425	-
Improvements to Aerial Fire Management Facilities	100	100	100	-
Karri/Tingle Interpretative Centre	1,000	1,000	473	-
Ningaloo Marine Park	2,834	2,834	166	-
Park Improvement Program				
2006-07 Program	8,000	8,000	3,077	-
2007-08 Program	6,300	6,300	6,300	-
Environmental Education Centre Canning River Regional Park	2,400	2,400	1,374	-
Gnangara Park Development	2,289	2,289	250	-
Plant and Equipment				
2006-07 Program	7,193	7,193	764	-
2007-08 Program	4,683	4,683	4,683	-
Telescope Building	350	350	290	-
Tourism Road Improvement Program				
2006-07 Program	4,882	4,882	998	-
2007-08 Program	4,000	4,000	4,000	-
NEW WORKS				
Conservation Land Acquisition - 2008-09 Program	220	-	-	220
Fire Fighting Fleet Replacement - Fire Fighting Fleet Replacement	1,859	-	-	1,859
Park Improvement Program				
2008-09 Program	7,200	-	-	7,200
Gnangara Park Development	500	-	-	500
Plant and Equipment - 2008-09 Program	4,959	-	-	4,959
Tourism Road Improvement Program - 2008-09 Program	3,000	-	-	3,000
	107,162	66,696	36,600	35,468

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	36,440	33,132	36,600	35,468	23,362	19,305	19,188
	36,440	33,132	36,600	35,468	23,362	19,305	19,188
LESS							
Asset Sales	1,024	654	654	644	878	878	644
Drawdowns from the Holding Account	7,106	7,306	7,306	7,377	14,169	12,871	13,569
Internal Funds and Balances	10,904	4,960	15,778	4,865	4,367	4,367	4,186
Capital Contribution	17,406	20,212	12,862	22,582	3,948	1,189	789

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)	122,453	124,702	126,858	140,108	144,458	148,408	151,688
Superannuation	12,894	11,533	14,262	14,886	15,386	15,907	16,253
Cost of goods sold.....	345	560	560	560	560	560	560
Grants and subsidies ^(b)	5,067	9,889	3,229	14,540	13,790	10,640	14,640
Consultancies expense	2,132	3,070	3,070	2,880	2,900	2,920	2,940
Supplies and services	90,029	89,916	87,952	98,438	84,640	80,179	76,812
Accommodation.....	15,659	8,528	8,683	8,869	8,975	9,045	9,115
Capital user charge ^(c)	16,256	-	-	-	-	-	-
Depreciation and amortisation	17,154	17,388	18,200	18,700	20,200	20,700	21,200
Doubtful debts.....	(67)	-	-	-	-	-	-
Other expenses	125	720	170	170	170	170	170
TOTAL COST OF SERVICES.....	282,047	266,306	262,984	299,151	291,079	288,529	293,378
Income							
User charges and fees.....	24,493	13,710	21,710	22,270	22,586	23,086	23,586
Regulatory fees and fines.....	10,060	13,080	13,230	15,084	15,567	15,567	15,567
Gain on disposal of non-current assets	1,538	-	-	-	-	-	-
Grants and subsidies	16,074	10,500	14,500	13,500	13,500	13,500	13,500
Interest revenue	3,442	1,702	2,702	2,698	2,708	2,708	2,708
Other revenue	24,224	31,478	29,678	30,359	31,628	31,285	35,169
Total Income.....	79,831	70,470	81,820	83,911	85,989	86,146	90,530
NET COST OF SERVICES ^(c)	202,216	195,836	181,164	215,240	205,090	202,383	202,848
INCOME FROM STATE GOVERNMENT							
Service appropriations ^(c)	212,538	196,554	187,640	215,967	204,906	206,933	207,282
Resources received free of charge	575	1,078	1,078	1,078	1,078	1,078	1,078
Initial recognition of assets not previously recognised	52	-	-	-	-	-	-
Liabilities assumed by the Treasurer	2,551	476	1,000	1,000	1,000	1,000	1,000
TOTAL INCOME FROM STATE GOVERNMENT.....	215,716	198,108	189,718	218,045	206,984	209,011	209,360
SURPLUS/(DEFICIENCY) FOR THE PERIOD.....	13,500	2,272	8,554	2,805	1,894	6,628	6,512

(a) The Full Time Equivalents (FTEs) for 2006-07 Actual, 2007-08 Estimated Actual and 2008-09 Estimate are 1,876, 1,900 and 1,944 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	68,833	38,778	58,477	56,289	53,607	55,660	57,758
Restricted cash	97	8,017	57	57	57	57	57
Receivables	16,514	12,159	16,514	16,512	16,512	16,512	16,512
Inventories.....	344	351	344	344	344	344	344
Interest receivable	631	-	631	631	631	631	631
Amounts receivable for services.....	7,306	7,377	7,377	14,169	12,871	13,569	-
Prepayments	716	1,188	716	716	716	716	716
Non-current assets held for sale.....	-	6	-	-	-	-	-
Total current assets	94,441	67,876	84,116	88,718	84,738	87,489	76,018
NON-CURRENT ASSETS							
Amounts receivable for services.....	50,604	60,954	61,766	66,636	74,304	81,774	103,313
Land and buildings.....	3,318,499	2,582,538	3,320,761	3,345,026	3,342,041	3,338,256	3,334,491
Plant and equipment.....	99,852	107,635	108,134	109,793	111,539	113,051	114,160
Inventories.....	1,377	1,404	1,377	1,377	1,377	1,377	1,377
Intangibles.....	-	389	-	-	-	-	-
Restricted cash	828	888	1,248	1,688	2,148	2,628	3,128
Other.....	14,547	25,838	21,749	11,949	15,472	15,472	15,472
Total non-current assets	3,485,707	2,779,646	3,515,035	3,536,469	3,546,881	3,552,558	3,571,941
TOTAL ASSETS.....	3,580,148	2,847,522	3,599,151	3,625,187	3,631,619	3,640,047	3,647,959
CURRENT LIABILITIES							
Superannuation	41	60	62	83	104	146	188
Payables ^(a)	14,897	8,125	11,897	11,897	11,897	11,897	11,897
Provision for employee entitlements	22,462	19,107	22,642	22,822	23,002	23,182	23,362
Accrued salaries	235	910	522	871	1,101	1,331	1,561
Other.....	4,224	2,629	4,164	4,104	4,104	4,104	4,104
Total current liabilities.....	41,859	30,831	39,287	39,777	40,208	40,660	41,112
NON-CURRENT LIABILITIES							
Provision for employee entitlements	9,687	9,255	9,846	10,005	10,164	10,323	10,482
Other.....	-	100	-	-	-	-	-
Total non-current liabilities	9,687	9,355	9,846	10,005	10,164	10,323	10,482
TOTAL LIABILITIES.....	51,546	40,186	49,133	49,782	50,372	50,983	51,594
EQUITY							
Contributed equity	2,779,619	49,531	2,792,481	2,815,063	2,819,011	2,820,200	2,820,989
Accumulated surplus/(deficit)	13,500	456,076	22,054	24,859	26,753	33,381	39,893
Transfer negative contributed equity to Accum Surplus	-	(199,223)	-	-	-	-	-
Reserves	735,483	2,500,952	735,483	735,483	735,483	735,483	735,483
Total equity.....	3,528,602	2,807,336	3,550,018	3,575,405	3,581,247	3,589,064	3,596,365
TOTAL LIABILITIES AND EQUITY	3,580,148	2,847,522	3,599,151	3,625,187	3,631,619	3,640,047	3,647,959

(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	195,639	178,827	169,101	196,928	184,367	185,894	185,743
Capital contribution	17,406	20,212	12,862	22,582	3,948	1,189	789
Holding account drawdowns	7,106	7,306	7,306	7,377	14,169	12,871	13,569
Net cash provided by State Government.....	220,151	206,345	189,269	226,887	202,484	199,954	200,101
CASHFLOWS FROM OPERATING ACTIVITIES							
Payments							
Employee benefits.....	(118,004)	(124,076)	(126,232)	(139,418)	(143,889)	(147,839)	(151,119)
Superannuation	(12,481)	(11,036)	(13,241)	(13,865)	(14,365)	(14,865)	(15,211)
Grants and subsidies	(5,067)	(9,889)	(3,229)	(14,540)	(13,790)	(10,640)	(14,640)
Consultancies payments.....	(2,132)	(2,994)	(2,994)	(2,804)	(2,824)	(2,920)	(2,940)
Supplies and services	(94,519)	(92,704)	(93,895)	(101,381)	(87,523)	(83,056)	(79,689)
Accommodation.....	(5,153)	(5,358)	(5,358)	(5,544)	(5,650)	(5,650)	(5,720)
Capital user charge ^(a)	(16,361)	-	-	-	-	-	-
Goods and services tax	(11,619)	(8,200)	(10,700)	(10,700)	(10,700)	(10,700)	(10,700)
Other.....	(125)	(720)	(170)	(170)	(170)	(170)	(170)
Receipts							
User charges and fees.....	24,700	13,307	21,307	21,857	22,173	23,086	23,586
Regulatory fees and fines.....	7,869	13,080	13,230	15,084	15,567	15,567	15,567
Grants and subsidies	16,743	10,500	14,500	13,500	13,500	13,500	13,500
Interest received.....	2,810	1,702	2,702	2,698	2,708	2,708	2,708
Goods and services tax	11,510	8,200	10,700	10,700	10,700	10,700	10,700
Other receipts	24,224	31,881	30,081	30,772	32,041	31,285	35,169
Net cash from operating activities.....	(177,605)	(176,307)	(163,299)	(193,811)	(182,222)	(178,994)	(178,959)
CASHFLOWS FROM INVESTING ACTIVITIES							
Purchase of non-current assets.....	(32,027)	(33,132)	(36,600)	(35,468)	(23,362)	(19,305)	(19,188)
Proceeds from sale of non-current assets	1,934	654	654	644	878	878	644
Net cash from investing activities.....	(30,093)	(32,478)	(35,946)	(34,824)	(22,484)	(18,427)	(18,544)
NET INCREASE/(DECREASE) IN CASH HELD	12,453	(2,440)	(9,976)	(1,748)	(2,222)	2,533	2,598
Cash assets at the beginning of the reporting period	42,361	50,123	69,758	59,782	58,034	55,812	58,345
Net cash transferred to/from other agencies.....	14,944	-	-	-	-	-	-
Cash assets at the end of the reporting period.....	69,758	47,683	59,782	58,034	55,812	58,345	60,943

(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.

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							
Receipts paid into Consolidated account.....	(113)	(125)	(198)	(130)	(135)	(135)	(135)
TOTAL ADMINISTERED CASH OUTFLOWS	(113)	(125)	(198)	(130)	(135)	(135)	(135)
CASH INFLOWS FROM ADMINISTERED TRANSACTIONS							
Operating Activities							
Regulatory fees and fines.....	186	125	125	130	135	135	135
TOTAL ADMINISTERED CASH INFLOWS.....	186	125	125	130	135	135	135
NET CASH INFLOWS/(OUTFLOWS) FROM ADMINISTERED TRANSACTIONS.....	73	-	(73)	-	-	-	-

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
Air Quality Management Grants	340	600	400	400	400	400	400
Bibbulmun Track Foundation.....	50	50	50	-	-	-	-
Bushland Benefits Grants	295	-	-	-	-	-	-
Cane Toad Grants	-	-	890	-	-	-	-
Conservation Council - Biodiversity Conservation Officer.....	90	90	90	90	90	90	90
Contaminated Sites Management Account - Grants	795	6,600	100	2,400	2,400	2,400	2,400
Greenhouse Initiatives	-	-	750	750	-	-	-
Healthy Wetlands Habitat Grant.....	-	99	99	-	-	-	-
Low Emissions Energy Development Fund.....	-	-	-	8,450	8,450	5,300	9,300
Minister for the Environment's Community Conservation Grants.....	199	200	200	200	200	200	200
Regional Parks Community Grants	51	50	51	50	50	50	50
Waste Management and Recycling Account - Grants	3,247	2,200	599	2,200	2,200	2,200	2,200
TOTAL.....	5,067	9,889	3,229	14,540	13,790	10,640	14,640

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 Subsidies.....	16,743	10,500	14,500	13,500
GST Input Credits.....	7,759	5,200	6,700	6,700
GST Receipts on Sales.....	3,751	3,000	4,000	4,000
Interest Received.....	2,810	1,702	2,702	2,698
Other Receipts.....	24,224	31,881	30,081	30,772
Proceeds from the Sale of Real Property.....	1,934	654	654	644
Receipts from Sale of Goods and Services.....	24,700	13,307	21,307	21,857
Regulatory Fees	7,869	13,080	13,230	15,084
TOTAL.....	89,790	79,324	93,174	95,255

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

BOTANIC GARDENS AND PARKS AUTHORITY

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

DIVISION 67

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 111 Net amount appropriated to deliver services ^(a)	11,441	12,286	12,443	12,448	13,112	12,990	12,791
Amount Authorised by Other Statutes - Salaries and Allowances Act 1975 ^(b)	154	158	160	165	170	176	179
Total appropriations provided to deliver services	11,595	12,444	12,603	12,613	13,282	13,166	12,970
CAPITAL							
Item 179 Capital Contribution	500	1,985	1,955	3,879	585	2,932	685
GRAND TOTAL	12,095	14,429	14,558	16,492	13,867	16,098	13,655

- (a) Following the enactment of the *Financial Management Act 2006*, agencies are no longer required to pay the Capital User 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 conserve and enhance Kings Park and Botanic Garden and Bold Park with the community and to conserve biological diversity generally.

SIGNIFICANT ISSUES AND TRENDS

- Annual visitation to Kings Park and Botanic Garden was estimated at 5.2 million for the 2007-08 year and remains the State's single most visited tourism destination.
- A storm on 1 July 2007 caused irreparable damage to eight Lemon Scented Gums on Fraser Avenue that were subsequently removed. There was significant damage to another 25 Lemon Scented Gums that required remedial works that will allow them to be retained in the medium-term. The removed Lemon Scented Gums on Fraser Avenue will be replaced with the same species of trees, grown from seeds taken from the best specimens from the remaining 131 trees.

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>							
Customer Service and Cultural Heritage	12,297	10,212	12,182	12,123			
<i>Service 2:</i>							
Biodiversity Conservation and Scientific Research	4,257	5,260	4,373	4,423			
Total Cost of Services ^(a)	16,554	15,472	16,555	16,546	17,225	17,458	16,959
<i>Less Income</i>	<i>5,281</i>	<i>3,036</i>	<i>3,858</i>	<i>3,712</i>	<i>3,756</i>	<i>3,835</i>	<i>3,846</i>
Net Cost of Services ^(a)	11,273	12,436	12,697	12,834	13,469	13,623	13,113
Adjustments ^(b)	322	8	(94)	(221)	(187)	(457)	(143)
Appropriation Provided to Deliver Services ^(a)	11,595	12,444	12,603	12,613	13,282	13,166	12,970
CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS							
Appropriation for Capital Contribution to meet equity needs ^(c)	500	1,985	1,955	3,879	585	2,932	685
TOTAL CONSOLIDATED ACCOUNT APPROPRIATIONS.....	12,095	14,429	14,558	16,492	13,867	16,098	13,655

- (a) Following the enactment of the *Financial Management Act 2006*, agencies are no longer required to pay the Capital User 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 Outcomes	Services
Protecting and enhancing the unique Western Australian lifestyle and ensuring sustainable management of the environment.	Awareness and appreciation of recreation and tourist resources, and cultural heritage for visitors' enjoyment.	1. Customer Service and Cultural Heritage
	Conservation and enhancement of Western Australia's bushland and other flora.	2. Biodiversity Conservation and Scientific Research

Outcomes and Key Effectiveness Indicators ^(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: Awareness and appreciation of recreation and tourist resources, and cultural heritage for visitors' enjoyment.					
The level of visitor satisfaction with Kings Park and Botanic Garden facilities and the Western Australian Botanic Garden	98%	100%	98%	98%	
The level of visitor satisfaction with Bold Park and facilities	100%	95%	93%	93%	
The percentage change in the number of cultural events held at Kings Park and Botanic Garden compared to previous years	-4%	1%	12%	1%	The number of events in 2007-08 exceeded expectations and the 2008-09 target indicates continuation at the higher level.
The percentage change in the number attending customer awareness and education forums held at Kings Park and Botanic Garden compared to previous years	10%	1%	11%	1%	The number of people attending customer awareness and education forums in 2007-08 exceeded expectations and the 2008-09 target indicates continuation at the higher level.
Outcome: Conservation and enhancement of Western Australia's bushland and other flora.					
Percentage of Declared Rare Flora (DRF) species in living collections in Kings Park and Botanic Garden, compared to the known number of DRF species in Western Australia	59%	62%	60%	62%	
Percentage of accessions in living collections in Kings Park and Botanic Garden ^(b)	40%	42%	39%	40%	
Percentage of accessions lost in living collections in Kings Park and Botanic Garden	8%	5%	3%	5%	
The presence of 15 nominated perennially evident native plant species, which are the most vulnerable taxa within each of Kings Park and Bold Park bushland.....	100%	100%	100%	100%	
Number of common native plant species in Bold Park in areas with high levels of management compared to areas with low levels of management ^(c)	1.42	1.50	1.40	1.50	
Weed cover in high intensity management areas compared to low intensity management areas in Bold Park ^(d)	0.67	0.65	0.45	0.45	
Number of representative native plant taxa in Kings Park bushland	324	324	324	324	
Number of representative native plant taxa in Bold Park bushland.....	310	310	310	310	

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

(b) Accessions refer to the collection of material that can be propagated from an individual plant.

(c) A figure of greater than one, indicates a higher average percentage of native plant species in high management areas.

(d) A figure of less than one indicates a lower average percentage of weed cover in high management areas.

Service 1: Customer Service and Cultural Heritage

Enhancing and promoting recreational and tourist resources and facilities by:

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

	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)	12,297	10,212	12,182	12,123	
<i>Less Income</i>	4,639	2,247	3,356	3,230	
Net Cost of Service ^(a)	7,658	7,965	8,826	8,893	
Adjustments ^(b)	238	6	(70)	(164)	
Appropriation for Delivery of Service ^(a)	7,896	7,971	8,756	8,729	

- (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 visitor to Kings Park and Botanic Garden	\$2.45	\$2.00	\$1.96	\$2.02	
Average cost per attendee at cultural events held in Kings Park and Botanic Garden	\$0.35	\$0.38	\$0.36	\$0.37	
Average cost per attendee at education forums held at Kings Park and Botanic Garden.....	\$0.35	\$0.34	\$0.35	\$0.35	
Response times for public information requests.....	98% within 28 days	90% within 28 days	90% within 28 days	90% within 28 days	
Percentage change in number of visitors to Reabold Hill compared to previous years.....	-8.75%	2%	2%	2%	
Full Time Equivalents (FTEs)	69	69	69	69	

Major Achievements For 2007-08

- The new one month, free entry format of the September Kings Park Festival was trialled in 2007 with outstanding visitor feedback, and visitation peaked at over 500,000 people for the month.
- The 'Connect with Kings Park' public education and the 'Discover Kings Park' schools education programs were enhanced through 2007-08, particularly during the Kings Park Festival in September, with approximately 10,000 school children participating in formal curriculum-based programs within Kings Park in the past year.
- Planning and documentation of a major public safety and visitor infrastructure project in the Fraser Avenue, State War Memorial and restaurant precinct in Kings Park and Botanic Garden was completed in April 2008. It is proposed to divert vehicle traffic from the southern end of Fraser Avenue via an upgraded access road to the rear of the restaurant precinct, to provide improved set down and parking for coaches and charter vehicles and to reconfigure the main car park to improve pedestrian safety and access for all.
- Irrigation works have improved the reliability of irrigation water supply and systems and contributed to continuous improvement in water use efficiencies.

- Stage three of the deep sewerage infill program was completed to connect all facilities in and around the Western Australian Botanic Garden.
- A review of pedestrian circulation in the Botanic Garden to provide greater connection between key visitation areas and improve access through the diverse botanical displays was implemented and upgrades to infill paths commenced.
- The installation of high capacity rock catch fencing on the Mount Eliza Escarpment below the State War Memorial and extending to the rear of the Mount Medical Centre was completed.

Major Initiatives For 2008-09

- The one month Kings Park Festival will continue in 2008-09, with further improvements to the permanent display beds and exhibits, and a variety of family and community events throughout the month of September.
- The Fraser Avenue Ceremonial Walk project in Kings Park and Botanic Garden will reconfigure the main car park to enhance bus set down and parking for cars, coaches and charter vehicles, and to enable safer pedestrian access to park attractions.
- Stage four of the Deep Sewerage infill project in Kings Park and Botanic Garden will commence. This will be the final stage of a five year program to decommission all septic systems throughout Kings Park and connect to deep sewerage, a significant milestone in achieving an environmentally sensitive and sustainable waste management system within the Swan River catchment.
- Improvements to the irrigation system will continue in Kings Park with further upgrades to filtration systems, electrical controls and interconnection between internal irrigation ponds and bores.
- The Kings Park Nature Trail through the bushland will be resurfaced and enhanced to improve access for all and enhance the experience for its many visitors.
- Reconfiguration and sealing of the car parks off Perry Lakes Drive in Bold Park will be undertaken in late 2008 to enhance the park entries, define parking bays and protect remnant Tuart and Marri trees within the existing layout.

Service 2: Biodiversity Conservation and Scientific Research

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

	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)	4,257	5,260	4,373	4,423	
<i>Less Income</i>	642	789	502	482	
Net Cost of Service ^(a)	3,615	4,471	3,871	3,941	
Adjustments ^(b)	84	2	(24)	(57)	
Appropriation for Delivery of Service ^(a)	3,699	4,473	3,847	3,884	

- (a) Following the enactment of the *Financial Management Act 2006*, agencies are no longer required to pay the Capital User 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 representative native plant taxa in Kings Park bushland	\$5,793	\$5,100	\$4,252	\$4,300	
Average cost of the number of representative native plant species in Bold Park	\$2,279	\$2,000	\$1,693	\$1,712	
Average cost per research grant project	\$6,733	\$7,400	\$7,516	\$7,700	
Percentage change in number of refereed scientific publications published per Consolidated Account position compared to previous years	-20%	6%	-43%	0%	2007-08 had a particularly high proportion of complex publications causing fluctuation between years.
Full Time Equivalents (FTEs)	43	43	43	43	

Major Achievements For 2007-08

- Stage one of landscape works and planting to expand the Conservation Garden in the Western Australian Botanic Garden was completed. This project enhances the display of the state's Declared Rare Flora, and provides interpretation of their status in the wild and the need for their conservation as a public education strategy.
- Ecological restoration and weed control activities based on scientific research outcomes in Bold Park and Kings Park bushland to enhance biodiversity conservation on the designated lands continued.
- Breakthroughs in understanding seed dormancy for species from the Shark Bay World Heritage Area has optimised germination and resolved seed dormancy issues for 12 species previously unavailable for restoration work.
- Ten new plant species have been discovered and named within the State of Western Australia representing new species in the genera *Lepidosperma* and *Corymbia*.
- A synthetic seed project has progressed to the stage of preparing coated somatic embryos of native sedge species. This is the first step towards production of artificial seed for restoration of difficult to propagate native species for large-scale restoration, e.g. in mined areas.
- *Commersonia adenothalia* (Sterculiaceae), a highly threatened species reduced to one last surviving individual, was rescued from Morawa in the northern Wheatbelt region. Shoot tip material taken in January 2008 was successfully initiated into tissue culture and plants are now being multiplied in vitro.
- An Australian Research Council (ARC) funded project (2007-2009) in collaboration with Worsley Alumina, Alcoa of Australia and the University of Queensland has had significant breakthroughs in the germination number of new species required for rehabilitation being successfully grown for the first time.
- Successful conclusion of a major three year integrated scientific research program underpinning management and conservation of the impacted Declared Rare Flora banded-iron stone endemic species *Tetratheca paynterae* resulting in long-term conservation of the species.
- A three year agreement for the testing of a range of species and hybrids within the *Grevillea* and *Hakea* genera was instigated with Austem Group Pty Ltd. The aim of the project is to release a range of water efficient plant varieties suitable for use in home gardens and public landscapes.
- A two year agreement with Ramm Botanicals was signed for the commercial testing of 'Kings Park Federation Flame', an orange coloured form of the kangaroo paw *Anigozanthos rufus*.

Major Initiatives For 2008-09

- A major three year research collaboration, funded by the ARC will commence in 2008 with a new Research Associate position to study the application of the germination-active chemical in smoke (a world first discovery by the Authority) as a broad-acre weed control agent.

- A five year recovery program funded by Main Roads (Southern Gateway Alliance) of the rare and endangered Glossy-Leaved Hammer Orchid will investigate pollination and mycorrhizal ecology to enable long-term conservation of this and other species.
- Continue the major five year study with BHP Billiton Iron Ore to develop a seed atlas to guide conservation and rehabilitation in the Pilbara region of Western Australia.
- Identifying and characterising how the short-range endemic taxa of the sedge genus *Lepidosperma* may directly impact on proposed resource development in Western Australia. Several projects are investigating methods of identifying conservation significant units and implications for conservation and development.
- In collaboration with Rocla Quarry Products, a project to develop restoration principles for the rehabilitation of former pine plantations on the Swan Coastal Plain to Banksia woodland will commence.
- A three year program will commence for the development of a range of species and hybrids within the small myrtles group of plants to create a range of water efficient plant varieties suitable for use in home gardens and public landscapes.
- Ecological restoration of the bushland in both Kings Park and Bold Park will continue with the propagation and planting of over 60,000 native plants in each park in prioritised restoration sites.
- High profile garden beds within the Western Australian Botanic Garden and other areas with high visitation levels near Fraser Avenue will be further enriched with plantings of Western Australian plants to raise the profile of the native flora within the community and increase appreciation and understanding of its conservation value.

CAPITAL WORKS PROGRAM

The Authority's planned capital works expenditure for 2008-09 totals \$5.6 million.

The two major projects are:

- the completion of the deep sewerage project in Kings Park; and
- the continuation of the Fraser Avenue Ceremonial Walk project involving a major upgrade to visitor infrastructure; and
- vehicle and pedestrian circulation in the Fraser Avenue, main car park and State War Memorial precincts.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-08 \$'000	Estimated Expenditure 2007-08 \$'000	Estimated Expenditure 2008-09 \$'000
WORKS IN PROGRESS ^(a)				
Asset Replacement Program	12,337	2,318	1,354	959
Public Safety and Infrastructure				
Deep Sewerage Stage 2	2,142	1,442	942	700
Fraser Avenue Ceremonial Walk	4,192	213	213	3,979
	18,671	3,973	2,509	5,638

(a) Expensed items are no longer included in the capital works program.

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	2,524	5,033	2,509	5,638	1,260	3,517	1,660
	2,524	5,033	2,509	5,638	1,260	3,517	1,660
LESS							
Drawdowns from the Holding Account	964	1,354	1,354	959	675	585	975
Funding Included in Service Appropriations ^(a) ...	-	1,694	-	-	-	-	-
Internal Funds and Balances	1,060	-	(800)	800	-	-	-
Capital Contribution	500	1,985	1,955	3,879	585	2,932	685

(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)	6,726	6,481	7,336	7,186	7,245	7,283	8,019
Superannuation.....	604	555	642	664	683	700	710
Cost of goods sold.....	914	652	896	941	988	1,018	1,048
Supplies and services	5,785	4,554	5,349	5,449	5,957	5,994	4,534
Accommodation.....	426	1,138	450	446	490	505	505
Capital user charge ^(b)	3,178	-	-	-	-	-	-
Depreciation and amortisation	984	1,210	1,141	1,097	1,077	1,150	1,335
State taxes.....	8	6	6	6	6	6	6
Loss on disposal of non-current assets	50	-	-	-	-	-	-
Other expenses	1,057	876	735	757	779	802	802
TOTAL COST OF SERVICES.....	19,732	15,472	16,555	16,546	17,225	17,458	16,959
Income							
User charges and fees.....	2,389	1,906	2,200	2,180	2,164	2,117	2,071
Regulatory fees and fines.....	65	40	65	70	72	74	76
Grants and subsidies	1,562	490	700	520	534	552	568
Interest revenue	249	20	140	143	147	152	156
Rent	468	385	541	609	643	738	768
Donations	16	20	10	10	10	10	10
Other revenue	532	175	202	180	186	192	197
Total Income.....	5,281	3,036	3,858	3,712	3,756	3,835	3,846
NET COST OF SERVICES ^(b)	14,451	12,436	12,697	12,834	13,469	13,623	13,113
INCOME FROM STATE GOVERNMENT							
Service appropriations ^(b)	14,773	12,444	12,603	12,613	13,282	13,166	12,970
Resources received free of charge	52	42	50	50	50	50	50
Liabilities assumed by the Treasurer	8	-	8	8	8	8	8
TOTAL INCOME FROM STATE GOVERNMENT.....	14,833	12,486	12,661	12,671	13,340	13,224	13,028
SURPLUS/(DEFICIENCY) FOR THE PERIOD.....	382	50	(36)	(163)	(129)	(399)	(85)

(a) The Full Time Equivalents (FTEs) for 2006-07 Actual, 2007-08 Estimated Actual and 2008-09 Estimate are 112, 112 and 112 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	2,278	338	1,326	600	620	640	662
Restricted cash	1,557	1,037	1,600	1,648	1,697	1,748	1,801
Receivables	1,125	497	1,230	1,173	1,056	1,153	1,153
Inventories	534	747	554	572	584	584	584
Amounts receivable for services	1,354	959	959	675	585	975	975
Prepayments	11	19	11	11	11	11	11
Total current assets	6,859	3,597	5,680	4,679	4,553	5,111	5,186
NON-CURRENT ASSETS							
Amounts receivable for services	2,847	3,098	3,029	3,451	3,943	4,118	4,478
Land and buildings	22,206	24,898	23,664	25,060	31,078	32,458	32,138
Plant and equipment	3,252	2,739	2,695	2,378	2,129	1,042	1,220
Infrastructure	-	-	-	-	-	858	640
Intangibles	7	16	7	7	7	7	7
Other	10,323	8,685	10,770	14,212	8,606	9,802	10,467
Total non-current assets	38,635	39,436	40,165	45,108	45,763	48,285	48,950
TOTAL ASSETS	45,494	43,033	45,845	49,787	50,316	53,396	54,136
CURRENT LIABILITIES							
Payables ^(a)	805	1,077	690	327	264	670	670
Provision for employee entitlements	1,178	1,038	1,208	1,262	1,319	1,379	1,440
Accrued salaries	101	96	313	335	357	362	362
Other	3,984	1,349	2,284	2,782	2,822	2,880	2,941
Total current liabilities	6,068	3,560	4,495	4,706	4,762	5,291	5,413
NON-CURRENT LIABILITIES							
Provision for employee entitlements	347	293	352	367	384	401	419
Other	10	-	10	10	10	11	11
Total non-current liabilities	357	293	362	377	394	412	430
TOTAL LIABILITIES	6,425	3,853	4,857	5,083	5,156	5,703	5,843
EQUITY							
Contributed equity	9,835	19,482	11,790	15,669	16,254	19,186	19,871
Accumulated surplus/(deficit)	18,922	8,312	18,886	18,723	18,594	18,195	18,110
Reserves	10,312	11,386	10,312	10,312	10,312	10,312	10,312
Total equity	39,069	39,180	40,988	44,704	45,160	47,693	48,293
TOTAL LIABILITIES AND EQUITY	45,494	43,033	45,845	49,787	50,316	53,396	54,136

(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	13,653	11,234	11,462	11,516	12,205	12,016	11,635
Capital contribution	500	1,985	1,955	3,879	585	2,932	685
Holding account drawdowns	964	1,354	1,354	959	675	585	975
Net cash provided by State Government.....	15,117	14,573	14,771	16,354	13,465	15,533	13,295
CASHFLOWS FROM OPERATING ACTIVITIES							
Payments							
Employee benefits.....	(6,472)	(6,424)	(7,089)	(7,095)	(7,149)	(7,201)	(7,940)
Superannuation.....	(596)	(555)	(642)	(664)	(683)	(700)	(710)
Supplies and services	(6,437)	(6,124)	(7,987)	(6,350)	(7,022)	(7,138)	(5,489)
Accommodation.....	(392)	(938)	(450)	(446)	(490)	(501)	(505)
Capital user charge ^(a)	(3,178)	-	-	-	-	-	-
State taxes	(7)	(6)	(6)	(6)	(6)	(6)	(6)
Goods and services tax.....	(778)	(505)	(505)	(505)	(505)	(505)	(505)
Other.....	(1,196)	(680)	(875)	(565)	(562)	(414)	(802)
Receipts							
User charges and fees.....	1,980	1,906	2,200	2,180	2,164	2,117	2,071
Regulatory fees and fines.....	63	40	65	70	72	74	76
Grants and subsidies	1,563	490	700	520	534	552	568
Interest received.....	239	20	140	143	147	152	156
Rent receipts.....	467	385	541	609	643	738	768
Donations receipts.....	16	20	10	10	10	10	10
Goods and services tax.....	774	505	505	505	505	505	505
Other receipts	354	175	202	180	186	352	223
Net cash from operating activities.....	(13,600)	(11,691)	(13,191)	(11,414)	(12,156)	(11,965)	(11,580)
CASHFLOWS FROM INVESTING ACTIVITIES							
Purchase of non-current assets.....	(472)	(3,339)	(2,509)	(5,638)	(1,260)	(3,517)	(1,660)
Proceeds from sale of non-current assets	40	20	20	20	20	20	20
Net cash from investing activities.....	(432)	(3,319)	(2,489)	(5,618)	(1,240)	(3,497)	(1,640)
NET INCREASE/(DECREASE) IN CASH HELD							
	1,085	(437)	(909)	(678)	69	71	75
Cash assets at the beginning of the reporting period	2,750	1,812	3,835	2,926	2,248	2,317	2,388
Cash assets at the end of the reporting period.....	3,835	1,375	2,926	2,248	2,317	2,388	2,463

(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.....	19,732	15,472	16,555	16,546	17,225	17,458	16,959
Less Capital User Charge.....	3,178	-	-	-	-	-	-
Adjusted Total Cost of Services	16,554	15,472	16,555	16,546	17,225	17,458	16,959
APPROPRIATIONS							
Net Amount Appropriated to Deliver Services ..	14,773	12,444	12,603	12,613	13,282	13,166	12,970
Less Appropriation Capital User Charge	3,178	-	-	-	-	-	-
Adjusted Net Amount Appropriated to Deliver Services	11,595	12,444	12,603	12,613	13,282	13,166	12,970

SWAN RIVER TRUST

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

DIVISION 68

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 112 Net amount appropriated to deliver services ^(a)	10,755	11,953	12,616	7,892	10,861	10,653	11,134
Total appropriations provided to deliver services	10,755	11,953	12,616	7,892	10,861	10,653	11,134
CAPITAL							
Capital Contribution	-	119	119	-	-	-	-
GRAND TOTAL	10,755	12,072	12,735	7,892	10,861	10,653	11,134

(a) Following the enactment of the *Financial Management Act 2006*, agencies are no longer required to pay the Capital User 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 work with Local, State and Commonwealth Governments, and the community to protect the Swan and Canning rivers and associated land to ensure ecological health and community benefits are enhanced.

SIGNIFICANT ISSUES AND TRENDS

- The *Swan and Canning Rivers Management Act 2006* (Act) came into effect during 2007, creating the Swan-Canning Riverpark and increasing community expectation for holistic river system management led by the Trust. The Act heightens the Trust's responsibility in several management areas including:
 - coordination of all management efforts undertaken by numerous stakeholder organisations;
 - joint responsibility for maintaining walling and other structures along the Riverpark shoreline; and
 - River Reserve leases, including yacht clubs and marinas.
- Community research confirms that Perth residents consider that the Swan and Canning rivers are 'iconic'. They are an important community asset that is strongly valued as a key feature of Perth's recreational, social and cultural landscape.
- The Act also requires the Trust to develop targets for critical river values for the community and to devise a River Protection Strategy and management programs to maintain and protect those values.
- The environmental condition of the river system varies from the Darling Scarp to the coast, and changes throughout the year. Seasonal changes in river flow, temperature and exchange with the ocean alter the way the river processes nutrient inputs from the catchment.
- High levels of nutrients remain the priority environmental issue throughout the river. Problems due to nutrient enrichment are exacerbated by erosion and sedimentation, altered river flow and loss of fringing vegetation.
- Recent studies have shown that the effects of climate change including reduced rainfall and stream flow and increased marine water intrusion will further increase the river's vulnerability to oxygen depletion, nutrient enrichment and other pressures. As groundwater levels decrease, climate change may increase the risk of acidification and heavy metal contamination that can result from disturbance of acid sulphate soils.
- The past year has seen an escalation in vandalism of foreshore trees and vegetation, often apparently by residents seeking to improve views to the river.

- Restoration of foreshore vegetation and river walling continues to be an issue demanding a high level of effort and resources.
- Demand for residential land in the metropolitan area continues to be high. Land that has been difficult or uneconomic to use for urban purposes in the past because of drainage issues is now being developed. Careful management of stormwater and groundwater is needed to avoid increasing nutrient loads to the rivers.
- Developments need to be planned to maintain and enhance the health, amenity and landscape values of the river, including its recreational and scenic values. Developments should ensure adequate regional open space and should not alienate the foreshore from general community access.
- Recreational pressure on the rivers by activities such as fishing and boating and river-based tourism is increasing. The Trust remains under pressure to approve marina expansions or other boating storage and launching facilities, which must be balanced with other community values for the river.
- Contamination of river water and sediments, possibly from historic boating maintenance practices, continues to be an issue requiring management from the Trust in collaboration with yacht clubs and marinas.

MAJOR POLICY DECISIONS

Details of major policy decisions impacting on the Trust'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
Swan Canning Riverpark	83	2,951	2,369	2,388

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>							
Statutory Assessment of Development Proposals	536	829	826	1,107			
<i>Service 2:</i>							
Waterways Management	1,044	1,841	1,841	2,249			
<i>Service 3:</i>							
Development and Implementation of Environmental Management Programs	7,142	8,631	8,729	4,505			
<i>Service 4:</i>							
Communication of Environmental Information ..	1,157	999	1,666	740			
Total Cost of Services ^(a)	9,879	12,300	13,062	8,601	11,192	11,014	11,383
<i>Less Income</i>	603	382	882	349	349	349	349
Net Cost of Services ^(a)	9,276	11,918	12,180	8,252	10,843	10,665	11,034
Adjustments ^(b)	1,479	35	436	(360)	18	(12)	100
Appropriation Provided to Deliver Services ^(a)	10,755	11,953	12,616	7,892	10,861	10,653	11,134

	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							
Appropriation for Capital Contribution to meet equity needs ^(c)	-	119	119	-	-	-	-
TOTAL CONSOLIDATED ACCOUNT APPROPRIATIONS.....	10,755	12,072	12,735	7,892	10,861	10,653	11,134

- (a) Following the enactment of the *Financial Management Act 2006*, agencies are no longer required to pay the Capital User 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 Outcomes	Services
Protecting and enhancing the unique Western Australian lifestyle and ensuring sustainable management of the environment.	The long-term community benefit of the Swan-Canning river system is protected and enhanced.	1. Statutory Assessment of Development Proposals 2. Waterways Management
	The ecological health of the Swan-Canning river system is protected and enhanced.	3. Development and Implementation of Environmental Management Programs 4. Communication of Environmental Information

Outcomes and Key Effectiveness Indicators ^(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 long-term community benefit of the Swan-Canning river system is protected and enhanced.					
Percentage of development recommendations which have attracted negative responses from the community	3%	2%	2%	2%	
Percentage of developments audited in full compliance with approval conditions	100%	100%	100%	100%	
Outcome: The ecological health of the Swan-Canning river system is protected and enhanced.					

	2006-07 Actual	2007-08 Budget	2007-08 Estimated	2008-09 Target	Reason for Significant Variation between 2007-08 Estimated and 2008-09 Target
The extent to which management water quality targets are achieved in the Swan-Canning catchments for phosphorous	73%	73%	80%	80%	
The extent to which management water quality targets are achieved in the Swan-Canning catchments for Nitrogen	53%	53%	53%	53%	
The extent to which management water quality targets are achieved in the Swan-Canning catchments for Chlorophyll A	25%	25%	25%	25%	
The extent to which management water quality targets are achieved in the Swan-Canning catchments for Dissolved Oxygen	25%	25%	25%	25%	
Percentage of foreshores protected and rehabilitated in relation to total area ^(b)	86%	10%	1.7%	0.002%	Until additional Riverpark funds are secured for 2008-09, protection and rehabilitation works will be scaled back to address high priorities within small areas of foreshore.
Percentage of people attending environmental education programs who change their behaviours as a result	75%	80%	80%	80%	

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

(b) Funding in 2006-07 included a foreshore assessment of a large area of the Swan and Canning rivers at low cost. In 2007-08 a significant proportion of the budget was allocated to major projects covering a smaller area of the foreshore.

Service 1: Statutory Assessment of Development Proposals

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

	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)	536	829	826	1,107	Until additional Riverpark funds are secured, this service will absorb a larger portion of the corporate costs in 2008-09.
<i>Less Income</i>	-	-	-	-	
Net Cost of Service ^(a)	536	829	826	1,107	
Adjustments ^(b)	268	2	28	(46)	
Appropriation for Delivery of Service ^(a)	804	831	854	1,061	

(a) Following the enactment of the *Financial Management Act 2006*, agencies are no longer required to pay the Capital User 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 application assessed ^(a)	\$2,836	\$4,361	\$2,918	\$3,459	Although the number of applications in 2008-09 will increase, the unit cost will increase due to the allocation of corporate costs in 2008-09.
Full Time Equivalents (FTEs)	11	11	11	11	

- (a) The proclamation of the *Swan and Canning Rivers Management Act 2006* (the Act) on 25 September 2007 introduced a number of changes to the approval of developments under the Act. In accordance with Clause 30A of the Metropolitan Region Scheme a range of activities which were previously carried out without approval, or subject to approval by the Minister under Part 5 of the Act, have now been clearly designated as requiring approval by permit from the Trust. This has resulted in a significant increase in the estimated number of applications for 2007-08 and the target applications for 2008-09.

Major Achievements For 2007-08

- The *Swan and Canning Rivers Management Act 2006* was proclaimed on 25 September 2007.
- Completed a survey of the community's values and aspirations for the Swan and Canning Rivers.
- Liaised with planning and environment agencies to develop a framework for integrating land use planning and water management, as an initiative of the Healthy River program.
- Started developing the River Protection Strategy and Management program.

Major Initiatives For 2008-09

- Complete a review of statutory assessment policies.
- Implement and audit new statutory approvals process for licences, permits and development applications.
- Continue major involvement in land use planning aspects of the Healthy Rivers program.
- Release a draft River Protection Strategy and Management program for public comment.

Service 2: Waterways Management

Facilitates and coordinates management of the river and foreshore areas within the Riverpark in partnership with stakeholders particularly through Local Government and community liaison. The program focus is on foreshore protection and restoration, regulatory education and compliance, and waste and hazard removal. Logistical support is also provided for water quality monitoring, major events and pollution incidents.

	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)	1,044	1,841	1,841	2,249	Until additional Riverpark funds are secured, this service will absorb a larger portion of the corporate costs in 2008-09.
<i>Less Income</i>	60	61	66	56	
Net Cost of Service ^(a)	984	1,780	1,775	2,193	
Adjustments ^(b)	417	5	61	(94)	
Appropriation for Delivery of Service ^(a)	1,401	1,785	1,836	2,099	

- (a) Following the enactment of the *Financial Management Act 2006*, agencies are no longer required to pay the Capital User 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 audit compliance ^(a)	\$9,656	\$9,038	\$10,100	\$9,631	Unit cost will increase due to the increased allocation of corporate costs and an estimated reduction in the waste tonnage in 2008-09.
Average cost per tonne of waste removed ^(a)	\$4,925	\$3,451	\$4,595	\$7,152	
Full Time Equivalents (FTEs)	17	16	16	14	

Major Achievements For 2007-08

- Developed and enacted new River Reserve leases with stringent environmental and commercial requirements.
- Developed a draft Boating Management Strategy to guide future management of boating opportunities and issues on the Swan and Canning rivers.
- Developed and began implementing an action plan to manage contamination at yacht club and marina sites with slipway facilities.
- Installed prominent tree damage signage, undertaken with Local and State Government organisations.
- Developed and implemented web-based management tools for foreshore protection and rehabilitation works.
- Completed significant on-ground foreshore works projects to protect ecological and public amenity values in popular locations.
- Started developing ecological health and community benefit targets for Riverpark.
- Upgraded the pollution response equipment.

Major Initiatives For 2008-09

- Increased effort and compliance profile flowing from new legislation.
- Finalisation of draft Boating Management Strategy.
- Integrate the public consultation program for the Riverpark Management program into the River Protection Strategy process.
- Scope and commission research into recreational activities within Riverpark.
- Ongoing on-ground foreshore restoration and rehabilitation projects.
- Audits of yacht clubs and marinas with slipway facilities.
- Set ecological health and community benefit targets for Riverpark.

Service 3: Development and Implementation of Environmental Management Programs

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

	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)	7,142	8,631	8,729	4,505	Short-term funding for the Riverpark ends in 2007-08. ^(c)
<i>Less Income</i>	124	321	316	293	
Net Cost of Service ^(a)	7,018	8,310	8,413	4,212	
Adjustments ^(b)	286	24	291	(189)	
Appropriation for Delivery of Service ^(a)	7,304	8,334	8,704	4,023	

- (a) Following the enactment of the *Financial Management Act 2006*, agencies are no longer required to pay the Capital User 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) External funds for the Riverpark will be sought from the Burswood Casino Levy in 2008-09. While negotiations are underway, the potential revenue and corresponding expenses have been excluded from the budget estimates.

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 river monitoring per km of river managed (approximately 156km)	\$494	\$783	\$659	\$635	Until additional funds are secured, protection and rehabilitation works will be scaled back to address the highest priorities, which are also the most cost intensive.
Average cost per m ² of foreshore undergoing protection and rehabilitation works	\$0.25	\$2.12	\$12.99	\$1,479	
Full Time Equivalent (FTEs)	14	14	15	12	

Major Achievements For 2007-08

- Implemented the Healthy Rivers program for the Swan and Canning rivers.
- Completed a comprehensive study of the impacts of climate change on the Swan and Canning rivers.
- Continued development of the Swan Canning Water Quality Improvement Plan in partnership with the Commonwealth Government.
- Concluded a feasibility study of large-scale oxygenation of the Swan River.
- Implemented nutrient intervention works in the Ellen Brook and Canning Plain catchments.
- Completed the management strategy for the foreshores of the Swan and Canning rivers.

Major Initiatives For 2008-09

- Release of a new Healthy Rivers program.
- Continue to restore priority foreshore areas of the Swan and Canning river system through implementation of the Riverbank program, with investment guided by the foreshore management strategy.
- Complete and release the Swan Canning Water Quality Improvement Plan in partnership with the Commonwealth Government.
- Planning and design of a large-scale oxygenation plant on the Swan River.
- Roll-out of further nutrient intervention works in the Ellen Brook catchment.

Service 4: Communication of Environmental Information

Inform, engage and involve stakeholders and the people of Perth in behaviour change activities to protect the Swan and Canning rivers.

	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)	1,157	999	1,666	740	Decrease in 2008-09 reflects the end of short-term funding for a range of river programs and a one-off grant from the Community Gaming Trust. 2007-08 includes a one-off external grant from the Community Gaming Trust.
<i>Less Income</i>	419	-	500	-	
Net Cost of Service ^(a)	738	999	1,166	740	
Adjustments ^(b)	508	4	56	(31)	
Appropriation for Delivery of Service ^(a)	1,246	1,003	1,222	709	

(a) Following the enactment of the *Financial Management Act 2006*, agencies are no longer required to pay the Capital User 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 person attending an environmental education program ^(a)	\$329	\$277	\$399	\$185	Decrease to 2008-09 reflects the end of short-term funding and one-off grants in 2007-08.
Full Time Equivalents (FTEs)	8	9	10	10	

Major Achievements For 2007-08

- Created the River Guardians pilot program to engage the people of Perth in hands-on activities that protect and restore the Swan and Canning foreshores and waterways.
- Secured and used funding from the Community Gaming Trust to maintain and extend community environmental education programs, including the Sustainable Gardens Initiative.
- Increased flow of environmental information distributed to river stakeholders and the community, educating a wider rural and urban public about changing river conditions.
- Supported behaviour change in the urban gardening community through the Great Gardens Workshops, and certification of Sustainable Garden Centres, demonstrating the changing community demand and service supply.
- Embarked on a major consultation program with stakeholders to develop the draft River Protection Strategy and Management program.

Major Initiatives For 2008-09

- Implement the River Guardians pilot program, providing environmental education and connecting Indigenous and non-Indigenous cultural awareness.
- Implement the Swan and Canning Rivers Foundation to attract and retain public interest and financial support to benefit the rivers.
- Maintain and improve the flow of public information about changing river conditions, providing environmental education and innovative opportunities for community involvement in river protection.
- Increase knowledge and involvement of river stakeholders and the wider public in river management activities and engage the public in developing the draft River Protection Strategy and Management program.

CAPITAL WORKS PROGRAM

The Trust's capital works expenditure in 2008-09 is for ongoing replacement of plant and equipment.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-08 \$'000	Estimated Expenditure 2007-08 \$'000	Estimated Expenditure 2008-09 \$'000
COMPLETED WORKS				
Plant and Equipment Replacement - 2007-08 Program	185	185	185	-
NEW WORKS				
Plant and Equipment Replacement - 2008-09 Program	90	-	-	90
	275	185	185	90

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	100	185	185	90	-	-	-
Working capital requirement							
Loan and Other Repayments	-	119	119	-	-	-	-
	100	304	304	90	-	-	-
LESS							
Asset Sales	-	35	35	-	-	-	-
Drawdowns from the Holding Account	80	150	150	90	-	-	-
Funding Included in Service Appropriations ^(a)	8	-	-	-	-	-	-
Internal Funds and Balances	12	-	-	-	-	-	-
Capital Contribution	-	119	119	-	-	-	-

(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)	2,708	2,704	2,762	2,559	3,104	3,221	3,204
Superannuation	78	41	41	28	29	29	29
Grants and subsidies ^(b)	2,017	1,900	1,900	-	-	-	-
Services purchased from non-government agencies	195	73	73	73	73	73	73
Supplies and services	4,482	7,291	7,541	5,186	7,051	6,455	6,455
Accommodation	293	9	463	521	674	870	1,126
Capital user charge ^(c)	126	-	-	-	-	-	-
Depreciation and amortisation	98	135	135	135	135	135	135
Other expenses	8	147	147	99	126	231	361
TOTAL COST OF SERVICES	10,005	12,300	13,062	8,601	11,192	11,014	11,383
Income							
Gain on disposal of non-current assets	-	34	34	-	-	-	-
Grants and subsidies	85	76	76	77	77	77	77
Other revenue	518	272	772	272	272	272	272
Total Income	603	382	882	349	349	349	349
NET COST OF SERVICES ^(c)	9,402	11,918	12,180	8,252	10,843	10,665	11,034
INCOME FROM STATE GOVERNMENT							
Service appropriations ^(c)	10,881	11,953	12,616	7,892	10,861	10,653	11,134
TOTAL INCOME FROM STATE GOVERNMENT	10,881	11,953	12,616	7,892	10,861	10,653	11,134
SURPLUS/(DEFICIENCY) FOR THE PERIOD	1,479	35	436	(360)	18	(12)	100

(a) The Full Time Equivalents (FTEs) for 2006-07 Actual, 2007-08 Estimated Actual and 2008-09 Estimate are 50, 52 and 47 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	2,623	24	1,624	1,262	1,284	1,274	1,399
Restricted cash	131	10	131	131	131	131	131
Receivables	592	368	592	599	601	601	608
Amounts receivable for services.....	150	90	90	-	-	-	-
Prepayments	500	665	500	500	500	500	500
Total current assets	3,996	1,157	2,937	2,492	2,516	2,506	2,638
NON-CURRENT ASSETS							
Amounts receivable for services.....	251	322	296	431	566	701	836
Land and buildings.....	125	125	125	125	125	125	125
Plant and equipment.....	585	508	626	571	426	289	152
Other.....	4	(6)	4	4	4	4	4
Total non-current assets	965	949	1,051	1,131	1,121	1,119	1,117
TOTAL ASSETS.....	4,961	2,106	3,988	3,623	3,637	3,625	3,755
CURRENT LIABILITIES							
Payables ^(a)	1,126	140	126	126	126	126	126
Other.....	561	85	152	147	143	143	143
Total current liabilities.....	1,687	225	278	273	269	269	299
NON-CURRENT LIABILITIES							
Provision for employee entitlements	-	30	-	-	-	-	-
Borrowings.....	119	-	-	-	-	-	-
Total non-current liabilities	119	30	-	-	-	-	-
TOTAL LIABILITIES.....	1,806	255	278	273	269	269	299
EQUITY							
Contributed equity	108	227	227	227	227	227	227
Accumulated surplus/(deficit)	3,047	1,624	3,483	3,123	3,141	3,129	3,229
Total equity.....	3,155	1,851	3,710	3,350	3,368	3,356	3,456
TOTAL LIABILITIES AND EQUITY	4,961	2,106	3,988	3,623	3,637	3,625	3,755

(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	10,720	11,792	12,481	7,757	10,726	10,518	10,999
Capital contribution	-	119	119	-	-	-	-
Holding account drawdowns	100	150	150	90	-	-	-
Net cash provided by State Government.....	10,820	12,061	12,750	7,847	10,726	10,518	10,999
CASHFLOWS FROM OPERATING ACTIVITIES							
Payments							
Employee benefits.....	(2,711)	(2,678)	(2,763)	(2,559)	(3,100)	(3,221)	(3,174)
Superannuation	(78)	(41)	(41)	(28)	(29)	(29)	(29)
Grants and subsidies	(1,852)	(1,900)	(1,900)	-	-	-	-
Services purchased from non-government agencies	-	(73)	(73)	(73)	(73)	(73)	(73)
Supplies and services	(3,198)	(7,295)	(8,945)	(5,190)	(7,055)	(6,559)	(6,566)
Accommodation	(257)	(9)	(463)	(521)	(674)	(870)	(1,126)
Finance costs	(6)	-	-	-	-	-	-
Capital user charge ^(a)	(126)	-	-	-	-	-	-
Goods and services tax	(287)	(373)	(373)	(373)	(373)	(373)	(373)
Other.....	(195)	(136)	(136)	(90)	(115)	(118)	(248)
Receipts							
Grants and subsidies	211	76	76	77	77	77	77
Goods and services tax	405	373	373	373	373	373	373
Other receipts	164	265	765	265	265	265	265
Net cash from operating activities.....	(7,930)	(11,791)	(13,480)	(8,119)	(10,704)	(10,528)	(10,874)
CASHFLOWS FROM INVESTING ACTIVITIES							
Purchase of non-current assets.....	(92)	(185)	(185)	(90)	-	-	-
Purchase of investments.....	(70)	-	-	-	-	-	-
Proceeds from sale of non-current assets	-	35	35	-	-	-	-
Net cash from investing activities.....	(162)	(150)	(150)	(90)	-	-	-
CASHFLOWS FROM FINANCING ACTIVITIES							
Repayment of borrowings.....	(7)	(119)	(119)	-	-	-	-
Net cash from financing activities	(7)	(119)	(119)	-	-	-	-
NET INCREASE/(DECREASE) IN CASH HELD	2,721	1	(999)	(362)	22	(10)	125
Cash assets at the beginning of the reporting period	33	33	2,754	1,755	1,393	1,415	1,405
Cash assets at the end of the reporting period.....	2,754	34	1,755	1,393	1,415	1,405	1,530

(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.....	10,005	12,300	13,062	8,601	11,192	11,014	11,383
Less Capital User Charge.....	126	-	-	-	-	-	-
Adjusted Total Cost of Services	9,879	12,300	13,062	8,601	11,192	11,014	11,383
APPROPRIATIONS							
Net Amount Appropriated to Deliver Services ...	10,881	11,953	12,616	7,892	10,861	10,653	11,134
Less Appropriation Capital User Charge	126	-	-	-	-	-	-
Adjusted Net Amount Appropriated to Deliver Services	10,755	11,953	12,616	7,892	10,861	10,653	11,134

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
Healthy Rivers Action Plan	2,017	1,900	1,900	-	-	-	-
TOTAL	2,017	1,900	1,900	-	-	-	-

ZOOLOGICAL PARKS AUTHORITY

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

DIVISION 69

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 113 Net amount appropriated to deliver services ^(a)	8,492	8,566	8,662	9,206	9,666	10,007	10,306
Amount Authorised by Other Statutes - Salaries and Allowances Act 1975 ^(b)	161	165	165	170	175	180	185
Total appropriations provided to deliver services	8,653	8,731	8,827	9,376	9,841	10,187	10,491
CAPITAL							
Item 180 Capital Contribution	530	2,796	2,796	735	735	735	735
GRAND TOTAL	9,183	11,527	11,623	10,111	10,576	10,922	11,226

- (a) Following the enactment of the *Financial Management Act 2006*, agencies are no longer required to pay the Capital User 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 secure long-term populations of species in natural environments while engaging the community in global conservation action.

SIGNIFICANT ISSUES AND TRENDS

- The Authority's strategic direction will continue to focus on developing and supporting conservation programs. The Authority is a leader in embracing conservation as the principal objective of a modern zoo.
- Admission figures have been strong in the past two years and there will be continued work and analysis of the Authority's business activities, including admission and visitor demographics, to assist the Authority in ensuring these positive trends are maintained.
- The Authority's wildlife conservation fundraising program 'Wildlife Conservation Action' will continue supporting conservation projects in the wild as a priority for 2008-09.
- Plans and construction schedules for priority animal exhibits and park facilities will proceed in accordance with the Authority's Master 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>							
Visitor Services	5,572	5,857	5,708	6,129			
<i>Service 2:</i>							
Community Education and Awareness	1,250	1,301	1,404	1,448			
<i>Service 3:</i>							
Wildlife Collection Management	9,699	10,563	10,712	11,210			
Total Cost of Services ^(a)	16,521	17,721	17,824	18,787	19,385	19,950	20,360
<i>Less Income</i>	9,773	9,665	9,539	10,041	9,981	10,043	10,166
Net Cost of Services ^(a)	6,748	8,056	8,285	8,746	9,404	9,907	10,194
Adjustments ^(b)	1,905	675	542	630	437	280	297
Appropriation Provided to Deliver Services ^(a)	8,653	8,731	8,827	9,376	9,841	10,187	10,491
CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS							
Appropriation for Capital Contribution to meet equity needs ^(c)	530	2,796	2,796	735	735	735	735
TOTAL CONSOLIDATED ACCOUNT APPROPRIATIONS	9,183	11,527	11,623	10,111	10,576	10,922	11,226

- (a) Following the enactment of the *Financial Management Act 2006*, agencies are no longer required to pay the Capital User 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 Outcomes	Services
Protecting and enhancing the unique Western Australian lifestyle and ensuring sustainable management of the environment.	Positive community attitudes towards the understanding and appreciation of wildlife and environmental conservation.	1. Visitor Services 2. Community Education and Awareness
	Conservation of wildlife.	3. Wildlife Collection Management

Outcomes and Key Effectiveness Indicators ^(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: Positive community attitudes towards the understanding and appreciation of wildlife and environmental conservation.					
Survey of visitors - the Zoo as an educational/learning experience:					
- agree	95%	91%	97%	97%	
- neutral	2%	5%	2%	2%	
- disagree	1%	4%	1%	1%	
- no response	2%	0%	0%	0%	
Survey of visitors - the Zoo encourages people to be more conscious of conservation of the environment:					
- agree	94%	87%	96%	96%	
- neutral	2%	9%	2%	2%	
- disagree	2%	4%	2%	2%	
- no response	2%	0%	0%	0%	
Outcome: Conservation of wildlife.					
Number of offspring produced by threatened animals for re-introduction:					
- western swamp tortoise	26	40	15	40	The 2007-08 hot summer led to eggs being laid at night with staff unable to observe and confirm clutch numbers. The estimated figure is based on confirmed clutches.
- numbat	12	15	8	24	A number of possible factors impacting on breeding success have been identified and are being investigated.
- dibbler	37	42	42	42	
Percentage of species in the animal collection that are part of a regionally managed program where the Perth Zoo has complied with that program:					
- number of species in the animal collection that are part of a regional management program	32	36	37	34	
- percentage of species in the animal collection that are part of a regional management program	16%	18%	21%	19%	
- percentage of species where Perth Zoo has complied with the regional management program	94%	100%	100%	100%	

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

Service 1: Visitor Services

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

	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)	5,572	5,857	5,708	6,129	
<i>Less Income</i>	3,489	3,926	3,970	4,150	
Net Cost of Service ^(a)	2,083	1,931	1,738	1,979	
Adjustments ^(b)	556	198	162	189	
Appropriation for Delivery of Service ^(a)	2,639	2,129	1,900	2,168	

(a) Following the enactment of the *Financial Management Act 2006*, agencies are no longer required to pay the Capital User 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 customers admitted to the Zoo	612,925	595,000	610,000	615,000	
Average cost per customer (based on total cost of services to the Zoo).....	\$26.96	\$29.78	\$29.22	\$30.55	
Full Time Equivalent (FTEs)	48	48	48	48	

Major Achievements For 2007-08

- Through publications, education programs, events and activities the Authority supported the 2008 Year of the Frog, a global campaign to raise awareness of the plight of the world's amphibians.
- Continued to develop Perth Zoo's membership program, with members now representing nearly 15 per cent of visitor admissions.
- Trialled a revised service delivery model for concert events involving outsourced event management to minimise the financial risk to the Authority.
- Hosted a photographic exhibition 'BLINK! and you'll miss it', focusing on the biodiversity of the flora and fauna of Western Australia's South West.
- Construction of the Elephants of Asia exhibit redevelopment and the Authority's new perimeter fence are expected to be completed.
- Developed and constructed a new exhibit for Goodfellow's tree kangaroo.
- Completed refurbishment of the café and function centre, providing upgraded catering services.
- Commenced detailed planning and research for a new customer management and ticketing system to improve service delivery.

Major Initiatives For 2008-09

- Continue the orang-utan exhibit redevelopment with upgrades to off-display areas and planning for improved visitor viewing facilities.
- Develop planning and construction schedules for animal exhibits and park facilities projects as outlined in the Authority's Master Plan and its 2007-08 review.

Service 2: Community Education and Awareness

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

	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)	1,250	1,301	1,404	1,448	
<i>Less Income</i>	616	739	726	730	
Net Cost of Service ^(a)	634	562	678	718	
Adjustments ^(b)	133	50	39	46	
Appropriation for Delivery of Service ^(a)	767	612	717	764	

- (a) Following the enactment of the *Financial Management Act 2006*, agencies are no longer required to pay the Capital User 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
Number of participants to formal education programs	62,666	64,405	64,775	66,068	
Average cost per participant	\$19.95	\$20.21	\$21.68	\$21.91	
Full Time Equivalents (FTEs)	11	11	11	11	

Major Achievements For 2007-08

- Developed and upgraded interpretation facilities at Zoo exhibits including the elephants, nocturnal house, reptile encounter, numbats and Asian Rainforest.
- Created a suite of education programs to promote awareness and understanding of the global amphibian extinction crisis including educational experiences for students, teacher professional development programs and school holiday activities. These programs supported the 2008 Year of the Frog campaign.
- Commenced a three year Masters of Philosophy research residency position for the joint Perth Zoo and Murdoch University Veterinary Trust, John Howell Zoo and Wildlife Residency Program.
- Expanded the Wildways Conservation Art Project in partnership with the Department of Education and Training and Millennium Kids Inc. The exhibition travelled to the Children's Conference on Climate Change in Surabaya, Indonesia late in 2007.

- Created a freshwater fish exhibit, in partnership with the Department of Fisheries, to demonstrate the human impact on, and environmental degradation of, fresh waterways.
- Continued to provide clinical rotations at Perth Zoo for Murdoch University final year veterinary students and to provide postgraduate diploma veterinary training at Perth Zoo as part of Murdoch University's Conservation Medicine postgraduate courses.
- Participated in World Wetlands Day with a range of other conservation agencies. This is part of an ongoing initiative to deliver programs and events in conjunction with government and non-government agencies.

Major Initiatives For 2008-09

- Develop and implement education programs in partnership with the Department of Education and Training that build attendance of government school students and raise awareness of conservation and the importance of biodiversity and sustainability.
- Continue to develop active relationships with other conservation agencies to maximise the dissemination of conservation messages into the community.
- Continue to provide clinical rotations at Perth Zoo for Murdoch University final year veterinary students and provide postgraduate diploma veterinary training at Perth Zoo as part of Murdoch University's Conservation Medicine postgraduate courses.

Service 3: Wildlife Collection Management

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

	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)	9,699	10,563	10,712	11,210	
<i>Less Income</i>	5,668	5,000	4,843	5,161	
Net Cost of Service ^(a)	4,031	5,563	5,869	6,049	
Adjustments ^(b)	1,216	427	341	395	
Appropriation for Delivery of Service ^(a)	5,247	5,990	6,210	6,444	

(a) Following the enactment of the *Financial Management Act 2006*, agencies are no longer required to pay the Capital User 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
Number of species maintained within the animal collection	196	195	177	180	
Average cost of maintaining each species in the animal collection	\$49,486	\$54,170	\$60,511	\$65,273	
Full Time Equivalent (FTEs)	96	96	97	98	

Major Achievements For 2007-08

- Supported the development of a Sumatran orang-utan sanctuary at Bukit Tigapuluh National Park in Sumatra, Indonesia, as part of the Authority's commitment to support conservation in the wild and the orang-utan reintroduction pilot project, initiated in 2006-07.
- Achieved significant breeding success with various species including rough-scaled python, Muirs corella, echidna, Sumatran orang-utan, white-cheeked gibbon, red panda and Rothschild's giraffe.
- Construction of the Elephants of Asia exhibit redevelopment will be completed and commenced stage two of the orang-utan exhibit redevelopment project, including the upgrading of food preparation areas and animal night quarters.
- Completed upgrades of frog exhibits, extensions to the Perentie exhibit and installed a see-through burrow in the wombat exhibit of the Australian bushwalk.
- Actively contributed to the management of the Australasian Asian elephant population, in consultation with regional zoos.
- Received accreditation of the Authority's facilities under the newly developed Australian Regional Association of Zoological Parks and Aquaria minimum standards and guidelines.
- Continued the Authority's partnership with the Department of Environment and Conservation breeding threatened native species for release into the wild, and treating and caring for wildlife as part of the Department's wildlife programs.
- Continued the Authority's Frog Breeding and Research Program, including the breeding of two species in captivity for the first time.
- Developed enzyme immunoassay techniques for analysing blood, urine and faecal hormones of several key species including bilby and sandhill dunnart.

Major Initiatives For 2008-09

- Support for the development of a Sumatran orang-utan sanctuary at Bukit Tigapuluh National Park in Sumatra, Indonesia, will continue as part of the Authority's partnership with the Indonesian Government and other partners to provide assistance and support for the conservation and protection of wildlife at Bukit Tigapuluh.
- Develop planning and construction schedules for capital works projects outlined in the Authority's Master Plan and its 2007-08 review.
- Continue to develop the regional management of the Australasian elephant population, in particular through participation in the elephant breeding program including assisted reproduction techniques.
- Continue support of conservation partnerships aligned with the Authority's animal collection and ensure that the animal collection remains relevant to the Authority's strategic conservation intent.
- Continue the Authority's Frog Breeding and Research Program including breeding in captivity and researching growth, development and husbandry of priority species.
- Continue active participation in species recovery programs and conservation projects with native species including amphibians, dibbler, numbat and western swamp tortoise.

CAPITAL WORKS PROGRAM

The Authority's capital works program supports the strategic direction of the Authority and its long-term viability. The continuous improvement of existing Authority assets and the upgrading of exhibits and facilities are outlined in the Authority's Master Plan, 'Twenty-Twenty Vision'. In 2007-08, the Master Plan was reviewed and it confirmed the Authority's current priorities relating to collection planning, animal husbandry, conservation, animal exhibits and park facilities.

The 2008-09 capital works program provides for the upgrade of exhibits and facilities to enhance visitor experiences and further the Authority's conservation and breeding initiatives. The 2008-09 program includes the development and refurbishment of animal exhibits and park facilities in accordance with the Authority's Master Plan priorities. In addition, internally generated funds will be directed to various projects associated with animal exhibit upgrades, visitor services initiatives and facility upgrades.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-08 \$'000	Estimated Expenditure 2007-08 \$'000	Estimated Expenditure 2008-09 \$'000
WORKS IN PROGRESS				
Orang-Utan Exhibit.....	2,200	1,465	1,261	735
Computer Equipment.....	1,050	210	70	70
Minor Equipment Purchases.....	1,290	820	128	120
COMPLETED WORKS				
Animal Exhibit Upgrades.....	3,672	3,672	355	-
Asian Elephant Exhibit.....	5,256	5,256	1,338	-
Catering Facilities.....	570	570	531	-
Amenities and Facilities.....	173	173	173	-
Perimeter Fencing and Infrastructure.....	2,522	2,522	2,437	-
NEW WORKS				
Animal Exhibits and Park Facilities (2008-09 to 2011-12).....	7,305	-	-	1,200
	24,038	14,688	6,293	2,125

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	3,677	4,794	6,293	2,125	2,175	2,225	2,265
	3,677	4,794	6,293	2,125	2,175	2,225	2,265
LESS							
Drawdowns from the Holding Account	1,670	870	2,031	870	920	970	1,020
Funding Included in Service Appropriations ^(a) ...	500	500	-	-	-	-	-
Internal Funds and Balances.....	741	500	1,338	400	400	400	400
Other.....	236	128	128	120	120	120	110
Capital Contribution	530	2,796	2,796	735	735	735	735

(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)	8,576	8,706	8,851	9,551	9,838	10,112	10,231
Superannuation.....	746	820	837	861	886	912	912
Cost of goods sold.....	583	594	598	621	636	656	665
Grants and subsidies ^(b)	106	20	200	200	200	200	200
Supplies and services	4,265	5,277	4,978	5,109	5,276	5,421	5,613
Accommodation.....	315	310	336	336	340	345	345
Capital user charge ^(c)	1,648	-	-	-	-	-	-
Depreciation and amortisation	1,708	1,948	1,948	2,033	2,133	2,228	2,318
Loss on disposal of non-current assets	167	-	-	-	-	-	-
Other expenses	55	46	76	76	76	76	76
TOTAL COST OF SERVICES	18,169	17,721	17,824	18,787	19,385	19,950	20,360
Income							
User charges and fees.....	8,696	8,767	8,711	9,193	9,238	9,290	9,403
Grants and subsidies	177	165	165	165	50	50	50
Interest revenue.....	21	21	20	20	20	20	20
Donations	842	712	613	663	673	683	693
Other revenue.....	37	-	30	-	-	-	-
Total Income	9,773	9,665	9,539	10,041	9,981	10,043	10,166
NET COST OF SERVICES ^(c)	8,396	8,056	8,285	8,746	9,404	9,907	10,194
INCOME FROM STATE GOVERNMENT							
Service appropriations ^(c)	10,301	8,731	8,827	9,376	9,841	10,187	10,491
Resources received free of charge	79	-	25	-	-	-	-
Liabilities assumed by the Treasurer	3	6	6	6	6	6	6
TOTAL INCOME FROM STATE GOVERNMENT	10,383	8,737	8,858	9,382	9,847	10,193	10,497
SURPLUS/(DEFICIENCY) FOR THE PERIOD	1,987	681	573	636	443	286	303

(a) The Full Time Equivalents (FTEs) for 2006-07 Actual, 2007-08 Estimated Actual and 2008-09 Estimate are 155, 156 and 157 respectively.

(b) Refer to 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	2,005	978	1,089	1,295	1,312	1,163	964
Restricted cash	155	-	260	310	360	410	460
Receivables	524	502	554	525	497	473	456
Inventories	170	149	175	180	185	190	195
Amounts receivable for services	870	70	870	920	970	1,020	1,020
Prepayments	50	30	50	50	50	50	50
Total current assets	3,774	1,729	2,998	3,280	3,374	3,306	3,145
NON-CURRENT ASSETS							
Amounts receivable for services	5,015	6,933	4,972	6,125	7,328	8,576	9,914
Land and buildings	12,944	13,085	12,770	11,969	11,143	10,327	9,514
Plant and equipment	1,632	1,549	1,443	1,222	1,001	780	556
Other	14,656	15,805	19,158	20,273	21,363	22,408	23,393
Total non-current assets	34,247	37,372	38,343	39,589	40,835	42,091	43,377
TOTAL ASSETS	38,021	39,101	41,341	42,869	44,209	45,397	46,522
CURRENT LIABILITIES							
Payables ^(a)	274	239	232	263	293	328	344
Provision for employee entitlements	1,231	1,183	1,116	1,148	1,180	1,212	1,244
Finance leases	7	6	7	7	7	7	-
Accrued salaries	82	60	70	105	140	175	210
Other	533	526	500	560	626	692	696
Total current liabilities	2,127	2,014	1,925	2,083	2,246	2,414	2,494
NON-CURRENT LIABILITIES							
Provision for employee entitlements	343	401	494	500	506	512	519
Finance leases	28	21	21	14	7	-	-
Other	-	11	9	9	9	9	9
Total non-current liabilities	371	433	524	523	522	521	528
TOTAL LIABILITIES	2,498	2,447	2,449	2,606	2,768	2,935	3,022
EQUITY							
Contributed equity	20,269	23,065	23,065	23,800	24,535	25,270	26,005
Accumulated surplus/(deficit)	8,881	8,671	9,454	10,090	10,533	10,819	11,122
Reserves	6,373	4,918	6,373	6,373	6,373	6,373	6,373
Total equity	35,523	36,654	38,892	40,263	41,441	42,462	43,500
TOTAL LIABILITIES AND EQUITY	38,021	39,101	41,341	42,869	44,209	45,397	46,522

(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	8,398	6,743	6,839	7,303	7,668	7,919	8,133
Capital contribution	530	2,796	2,796	735	735	735	735
Holding account drawdowns	1,670	870	2,031	870	920	970	1,020
Net cash provided by State Government.....	10,598	10,409	11,666	8,908	9,323	9,624	9,888
CASHFLOWS FROM OPERATING ACTIVITIES							
Payments							
Employee benefits.....	(8,434)	(8,634)	(8,780)	(9,463)	(9,744)	(10,022)	(10,156)
Superannuation	(745)	(812)	(832)	(856)	(881)	(907)	(907)
Grants and subsidies	(106)	(20)	(200)	(200)	(200)	(200)	(200)
Supplies and services	(4,731)	(5,860)	(5,648)	(5,702)	(5,890)	(6,061)	(6,260)
Accommodation.....	(314)	(311)	(331)	(335)	(340)	(345)	(345)
Capital user charge ^(a)	(1,648)	-	-	-	-	-	-
Goods and services tax	(797)	(820)	(969)	(791)	(801)	(810)	(816)
Other.....	(55)	(40)	(70)	(70)	(70)	(70)	(70)
Receipts							
User charges and fees.....	8,756	8,826	8,643	9,253	9,303	9,353	9,403
Grants and subsidies	178	165	165	165	50	50	50
Interest received	20	21	20	20	20	20	20
Donations receipts.....	691	712	613	663	673	683	693
Goods and services tax	683	821	968	791	801	811	816
Other receipts	176	-	30	-	-	-	-
Net cash from operating activities.....	(6,326)	(5,952)	(6,391)	(6,525)	(7,079)	(7,498)	(7,772)
CASHFLOWS FROM INVESTING ACTIVITIES							
Purchase of non-current assets.....	(3,460)	(4,294)	(6,084)	(2,125)	(2,175)	(2,225)	(2,265)
Proceeds from sale of non-current assets	1	-	-	-	-	-	-
Net cash from investing activities.....	(3,459)	(4,294)	(6,084)	(2,125)	(2,175)	(2,225)	(2,265)
CASHFLOWS FROM FINANCING ACTIVITIES							
Other payments for financing activities.....	(8)	(2)	(2)	(2)	(2)	-	-
Net cash from financing activities	(8)	(2)	(2)	(2)	(2)	-	-
NET INCREASE/(DECREASE) IN CASH HELD	805	161	(811)	256	67	(99)	(149)
Cash assets at the beginning of the reporting period	1,355	817	2,160	1,349	1,605	1,672	1,573
Cash assets at the end of the reporting period.....	2,160	978	1,349	1,605	1,672	1,573	1,424

(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.....	18,169	17,721	17,824	18,787	19,385	19,950	20,360
<i>Less Capital User Charge.....</i>	1,648	-	-	-	-	-	-
Adjusted Total Cost of Services	16,521	17,721	17,824	18,787	19,385	19,950	20,360
APPROPRIATIONS							
Net Amount Appropriated to Deliver Services ..	10,301	8,731	8,827	9,376	9,841	10,187	10,491
<i>Less Appropriation Capital User Charge</i>	1,648	-	-	-	-	-	-
Adjusted Net Amount Appropriated to Deliver Services	8,653	8,731	8,827	9,376	9,841	10,187	10,491

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
'In Situ' Conservation Program	106	20	200	200	200	200	200
TOTAL.....	106	20	200	200	200	200	200

PEEL DEVELOPMENT COMMISSION

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

DIVISION 70

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 114 Net amount appropriated to deliver services ^(a)	2,252	2,817	4,917	4,639	1,426	1,463	1,504
Total appropriations provided to deliver services	2,252	2,817	4,917	4,639	1,426	1,463	1,504
GRAND TOTAL	2,252	2,817	4,917	4,639	1,426	1,463	1,504

(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.

MISSION

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

SIGNIFICANT ISSUES AND TRENDS

- From 1996 to 2006 Peel's average annual population growth rate was 3.3 per cent, compared to 1.6 per cent for the State and 1.4 per cent for regional Western Australia.
- The regional economy remains strong. In 2006-07 the gross regional product was \$5.5 billion, a 22 per cent increase from the previous financial year. Peel is the fourth largest regional economy in Western Australia and the fastest growing.
- Much of the economic activity is driven by mining developments and population growth, with the main industry sectors being mining, rental, hiring and real estate services, manufacturing, and construction. Together, these make up 70 per cent of the gross regional product. The Commission is proactive in encouraging economic diversity in order to ensure a sustainable regional economy into the future.
- The development of industrial land remains one of the highest priorities for the region.
- The Boddington Gold Mine redevelopment is generating a rapid physical and community infrastructure need for Boddington and surrounding areas. An allocation of \$9 million has been made by the State Government towards community infrastructure in order to support an expanding workforce and rapid population growth.
- The Southern Suburbs Railway is already bringing significant benefits and opportunities to the Peel region. Major transport infrastructure projects, including the Mandurah entrance road and completion of the new Perth-Bunbury Highway will support population and economic growth.
- The health of the Peel waterways - estuary and catchment remains a priority. Rapid population growth, urban development and infrastructure growth, while positive, places considerable pressure on this asset.
- Climate change is a significant issue for the Peel region and the Commission is supporting increased information and improved planning in this area.

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 and Coordination	3,614	4,219	5,252	6,911			
<i>Service 2:</i>							
Advice and Information	401	250	350	296			
Total Cost of Services ^(a)	4,015	4,469	5,602	7,207	1,462	1,499	1,537
<i>Less Income.....</i>	<i>800</i>	<i>800</i>	<i>730</i>	<i>750</i>	<i>120</i>	<i>120</i>	<i>120</i>
Net Cost of Services ^(a)	3,215	3,669	4,872	6,457	1,342	1,379	1,417
Adjustments ^(b)	(963)	(852)	45	(1,818)	84	84	87
Appropriation Provided to Deliver Services ^(a)	2,252	2,817	4,917	4,639	1,426	1,463	1,504
TOTAL CONSOLIDATED ACCOUNT APPROPRIATIONS.....	2,252	2,817	4,917	4,639	1,426	1,463	1,504

- (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.

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.	Development and promotion of the Peel region.	1. Facilitation and Coordination 2. Advice and Information

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: Development and promotion of the Peel region.					
Client satisfaction with contribution to the regions economic base	83.4%	90%	90%	90%	

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

Service 1: Facilitation and Coordination

Facilitate and coordinate regional development 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)	3,614	4,219	5,252	6,911	2008-09 Budget includes the one-off Boddington Gold Mine project.
<i>Less Income</i>	720	800	657	655	
Net Cost of Service ^(a)	2,894	3,419	4,595	6,256	Part of the Boddington Gold Mine project will be funded from cash balances in 2008-09.
Adjustments ^(b)	(869)	(852)	40	(1,829)	
Appropriation for Delivery of Service ^(a)	2,025	2,567	4,635	4,427	

(a) Following the enactment of the *Financial Management Act 2006*, agencies are no longer required to pay the Capital User 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 unit of service hour ^(a)	50	160	236	312	2008-09 includes the one-off Boddington Gold Mine project.
Full Time Equivalents (FTEs)	12	10	10	10	

(a) The 2007-08 Estimate includes one-off funding for the repairs to the bushfire damaged Hotham Valley Tourist Rail.

Major Achievements For 2007-08

- Implemented year two of the State Government's \$2.6 million Pinjarra-Brunswick Sustainability Strategy, including:
 - funding for the Shire of Waroona's Town Centre Redevelopment;
 - development of tourism packages and funding for a tourism business development program;
 - increased agribusiness opportunities; and
 - provision of information for small and medium business about contract opportunities with major industry in the region.

- Coordinated government planning for community infrastructure in Boddington and surrounds, as part of the State Government's \$9 million Boddington Gold Mine - Social Infrastructure Package and in partnership with the Department of Industry and Resources.
- Progressed the development of industrial land to meet the medium and long-term requirements of the Peel, including Pinjarra and Nambelup Industrial Estates and developments in Byford, Waroona and Boddington.
- Coordinated the prioritisation and distribution of funding for 33 projects valued at over \$8.8 million through the 2007-08 round of the Regional Development Scheme.
- Administered a \$2.1 million government grant to restore rail infrastructure destroyed by bushfires in 2007 and finalised grants worth \$0.6 million for the Peel Region Tourist Rail project.
- Facilitated implementation of projects to help address skills shortages and local employment including a Summer Career Expo and a Peel Careers Week to highlight training and workforce opportunities for the Region and an innovative industry-led Indigenous Employment Strategy. Certified 32 Regional Skilled Migrant applications, assessed 91 Skilled Independent Regional Migrant applications and answered 319 enquiries regarding skilled migration.
- Promoted the Peel region and its products at forums including Western Australia On Show and Tasting Australia (held in South Australia).
- Established a Regional Infrastructure Planning Group of senior officers across all levels of government to support the implementation of key priorities from the Peel Region Infrastructure Plan and provided executive support for the completion of the Peel Affordable Housing Plan.
- Supported organisations, such as Arts Culture Peel, to develop the region's heritage, arts and culture including supporting an agreement between the Shire of Murray and National Trust Western Australia to provide accommodation for local community groups at Pinjarra's newly refurbished Old Court House.
- Provided funds to support the Shire of Murray with strategic planning with a specific focus on land use and economic development opportunities for Dwellingup.
- Provided support to major regional peak bodies including Peel Leaders' Forum, Peel Community Development Group, Peel Economic Development Unit, the Peel Harvey Catchment Council, Southern Region Leadership Program and the Peel 2020 Sustainability Strategy Partnership.

Major Initiatives For 2008-09

- Implement the third year of funding for the Pinjarra-Brunswick Sustainability Strategy, including completing the Waroona Town Centre Redevelopment, finalising the Peel region tourism packages and assisting with promotion and marketing, establishing an industry cluster, establishing an agribusiness opportunity such as a farmers market, and finalising the Local Jobs for Local People program in partnership with Challenger TAFE.
- Coordinate community infrastructure for Boddington and surrounding communities under the State Government's \$9 million Boddington Gold Mine - Social Infrastructure package.
- Provide leadership and partnership with other agencies to complete the development of light industrial land to meet the medium and long-term requirements of the Peel region, including planning for stages two and three of the Pinjarra Light Industrial Area, progressing Nambelup Industrial Estate and supporting developments in Waroona and Boddington.
- Fund the implementation of regional projects through the State's \$0.5 million Regional Development Scheme funding program.
- Coordinate the Regional Infrastructure Group, ensuring appropriate planning is in place to meet infrastructure needs into the future.
- Assist with the feasibility assessment of a technology park for the Peel region and investigate and implement options to improve public transport opportunities in the region in partnership with relevant stakeholders.

- Finalise funding arrangements with the Rail Heritage Foundation of Western Australia for the completion of identified infrastructure for the Peel Region Tourist Rail project.
- Continue to provide a certifying function for skilled migration applications.
- Progress the promotion of local employment for regional people through a variety of strategies including a major regional workforce forum in partnership with relevant government agencies and industry and by implementing the Peel Workforce Development Strategy.
- Support the implementation of the Indigenous Employment Strategy with ongoing identification of economic and social opportunities for Indigenous people in Peel.
- Coordinate a regional community forum on climate change in partnership with the Regional Leadership Forum.
- Continue to support the strengthening of regional peak bodies and partnerships such as the Southern Region Leadership Program and the Peel Region Community Foundation.

Service 2: Advice and Information

Provide advice and information on regional development activities or 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)	401	250	350	296	The 2007-08 estimate includes one-off funding for repairs to bushfire damaged rail infrastructure.
<i>Less Income</i>	80	-	73	95	
Net Cost of Service ^(a)	321	250	277	201	
Adjustments ^(b)	(94)	-	5	11	
Appropriation for Delivery of Service ^(a)	227	250	282	212	

(a) Following the enactment of the *Financial Management Act 2006*, agencies are no longer required to pay the Capital User 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 unit of service hours	93	93	95	93	
Full Time Equivalents (FTEs)	2	2	2	2	

Major Achievements For 2007-08

- Provided policy input and advice to the State Government through the Regional Development Council.
- Provided quality data about the Peel region for all stakeholders to help with effective and coordinated regional planning.
- Coordinated the identification of Peel region priorities for 2008-09 and provided advice to the Government and other partners.

Major Initiatives For 2008-09

- Coordinate the identification of Peel region priorities for 2009-10 to 2010-11 and provide advice to Government and other partners.
- Provide quality information and data to stakeholders to assist with regional planning, including information on the State Government funding.
- Continue to provide policy and advice to the State Government, including through the Regional Development Council.

CAPITAL WORKS PROGRAM

Funding has been allocated in 2008-09 to support the Pinjarra-Brunswick Sustainability Strategy and the ongoing information and technology 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				
Pinjarra - Brunswick Sustainability Strategy	1,200	799	398	401
COMPLETED WORKS				
Information and Technology (IT) Replacement 2007-08	45	45	45	-
Pinjarra to Etmilyn Reconstruction	1,000	1,000	785	-
Railway Heritage Centre	2,413	2,413	259	-
Reconstruction of Tullis Bridge and Surrounds	105	105	105	-
NEW WORKS				
IT Replacement 2008-09	67	-	-	67
	4,830	4,362	1,592	468

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	886	1,592	1,592	468	40	40	40
	886	1,592	1,592	468	40	40	40
LESS							
Drawdowns from the Holding Account	40	45	45	67	40	40	40
Funding Included in Service Appropriations ^(a) ..	582	562	562	401	-	-	-
Internal Funds and Balances	264	985	985	-	-	-	-
Capital Contribution	-	-	-	-	-	-	-

(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)	646	672	910	921	830	852	869
Superannuation	78	74	74	81	81	81	81
Grants and subsidies ^(b)	2,754	1,699	4,064	5,353	-	-	-
Supplies and services	246	1,845	375	659	353	368	368
Accommodation	122	113	113	125	130	130	130
Depreciation and amortisation	36	40	40	40	40	40	40
Other expenses	133	26	26	28	28	28	49
TOTAL COST OF SERVICES	4,015	4,469	5,602	7,207	1,462	1,499	1,537
Income							
User charges and fees	300	100	100	120	120	120	120
Grants and subsidies	500	700	630	630	-	-	-
Total Income	800	800	730	750	120	120	120
NET COST OF SERVICES ^(c)	3,215	3,669	4,872	6,457	1,342	1,379	1,417
INCOME FROM STATE GOVERNMENT							
Service appropriations ^(c)	2,272	2,817	4,917	4,639	1,426	1,463	1,504
Liabilities assumed by the Treasurer	-	8	8	8	8	8	8
TOTAL INCOME FROM STATE GOVERNMENT	2,272	2,825	4,925	4,647	1,434	1,471	1,512
SURPLUS/(DEFICIENCY) FOR THE PERIOD	(943)	(844)	53	(1,810)	92	92	95

(a) The Full Time Equivalents (FTEs) for 2006-07 Actual, 2007-08 Estimated Actual and 2008-09 Estimate are 14, 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	138	122	2,020	178	216	159	102
Receivables	77	81	135	185	242	299	451
Amounts receivable for services.....	45	67	67	40	40	40	40
Prepayments	-	1	-	-	-	-	-
Total current assets	260	271	2,222	403	498	498	593
NON-CURRENT ASSETS							
Amounts receivable for services.....	134	124	112	112	112	112	112
Plant and equipment.....	51	58	55	90	90	90	90
Intangibles.....	17	15	17	17	17	17	17
Other.....	-	1	1	18	18	18	18
Total non-current assets	202	198	185	237	237	237	237
TOTAL ASSETS.....	462	469	2,407	640	735	735	830
CURRENT LIABILITIES							
Payables ^(a)	162	120	162	162	162	162	162
Provision for employee entitlements	73	87	62	62	62	62	62
Accrued salaries	-	21	-	-	-	-	-
Other.....	62	130	62	62	62	62	62
Total current liabilities.....	297	358	286	286	286	286	286
NON-CURRENT LIABILITIES							
Provision for employee entitlements	52	73	68	68	68	68	68
Accrued salaries	-	-	6	9	12	15	15
Total non-current liabilities	52	73	74	77	80	83	83
TOTAL LIABILITIES.....	349	431	360	363	366	369	369
EQUITY							
Contributed equity	138	98	2,019	2,059	2,059	2,059	2,059
Accumulated surplus/(deficit)	(443)	(60)	(390)	(2,200)	(2,108)	(2,016)	(1,921)
Transfer negative contributed equity to Accumulated Surplus	418	-	418	418	418	323	323
Total equity.....	113	38	2,047	277	369	366	461
TOTAL LIABILITIES AND EQUITY	462	469	2,407	640	735	735	830

(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	2,220	2,772	4,872	4,599	1,386	1,423	1,464
Holding account drawdowns	52	45	45	67	40	40	40
Net cash provided by State Government.....	2,272	2,817	4,917	4,666	1,426	1,463	1,504
CASHFLOWS FROM OPERATING ACTIVITIES							
Payments							
Employee benefits.....	(673)	(605)	(896)	(915)	(824)	(846)	(866)
Superannuation	(78)	(66)	(66)	(66)	(66)	(66)	(66)
Grants and subsidies	(2,440)	(1,699)	(4,064)	(5,353)	-	-	-
Supplies and services	(255)	(1,947)	(477)	(704)	(401)	(401)	(401)
Accommodation.....	(120)	(113)	(113)	(125)	(130)	(130)	(130)
Goods and services tax	(295)	(76)	(76)	(66)	(66)	(66)	(66)
Other.....	(388)	(26)	(26)	(28)	(47)	(157)	(178)
Receipts							
User charges and fees.....	323	100	100	120	120	120	120
Grants and subsidies	500	700	630	630	-	-	-
Goods and services tax	189	77	77	66	66	66	66
Net cash from operating activities.....	(3,237)	(3,655)	(4,911)	(6,441)	(1,348)	(1,480)	(1,521)
CASHFLOWS FROM INVESTING ACTIVITIES							
Purchase of non-current assets.....	(34)	(45)	(45)	(67)	(40)	(40)	(40)
Net cash from investing activities.....	(34)	(45)	(45)	(67)	(40)	(40)	(40)
NET INCREASE/(DECREASE) IN CASH HELD							
	(999)	(883)	(39)	(1,842)	38	(57)	(57)
Cash assets at the beginning of the reporting period	1,137	1,005	138	2,020	178	216	159
Net cash transferred to/from other agencies	-	-	1,921	-	-	-	-
Cash assets at the end of the reporting period.....	138	122	2,020	178	216	159	102

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.....	4,015	4,469	5,602	7,207	1,462	1,499	1,537
Less Capital User Charge.....	-	-	-	-	-	-	-
Adjusted Total Cost of Services	4,015	4,469	5,602	7,207	1,462	1,499	1,537
APPROPRIATIONS							
Net Amount Appropriated to Deliver Services ..	2,272	2,817	4,917	4,639	1,426	1,463	1,504
Less Appropriation Capital User Charge	20	-	-	-	-	-	-
Adjusted Net Amount Appropriated to Deliver Services	2,252	2,817	4,917	4,639	1,426	1,463	1,504

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
Boddington Gold Mine Expansion-Social Infrastructure Package	-	-	-	4,141	-	-	-
Hotham Valley Tourist Rail	-	-	2,100	-	-	-	-
Minor Grants	114	-	100	-	-	-	-
Peel Waterways Institute	12	-	-	-	-	-	-
Peel-Harvey Water Sensitive Design	48	-	-	-	-	-	-
Pinjarra Boddington Railway	587	-	-	-	-	-	-
Pinjarra Rail Heritage Centre	827	-	164	-	-	-	-
Pinjarra-Brunswick Sustainability Strategy	328	1,199	977	311	-	-	-
Regional Development Scheme.....	500	500	500	500	-	-	-
Shire of Waroona -Town Centre Revitalisation..	338	-	223	401	-	-	-
TOTAL.....	2,754	1,699	4,064	5,353	-	-	-

Part 16
Minister for Child Protection; Communities; Women's Interests;
Seniors and Volunteering

SUMMARY OF PORTFOLIO APPROPRIATIONS

Page	Agency	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000
1133	Child Protection			
	– Delivery of Services.....	237,798	260,699	299,267
	– Capital Contribution.....	23,276	23,276	6,733
	Total	261,074	283,975	306,000
1150	Communities			
	– Delivery of Services.....	34,380	38,165	41,069
	Total	34,380	38,165	41,069
	GRAND TOTAL			
	– Delivery of Services.....	272,178	298,864	340,336
	– Capital Contribution.....	23,276	23,276	6,733
	Total.....	295,454	322,140	347,069

CHILD PROTECTION

PART 16 - MINISTER FOR CHILD PROTECTION; COMMUNITIES; WOMEN'S INTERESTS; SENIORS AND VOLUNTEERING

DIVISION 71

APPROPRIATION AND FORWARD ESTIMATES

	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
DELIVERY OF SERVICES							
Item 115 Net amount appropriated to deliver services ^{(b)(c)}	211,830	237,513	260,395	298,963	316,782	328,117	367,787
Amount Authorised by Other Statutes - Salaries and Allowances Act 1975 ^(d)	285	285	304	304	304	304	313
Total appropriations provided to deliver services	212,115	237,798	260,699	299,267	317,086	328,421	368,100
CAPITAL							
Item 181 Capital Contribution ^(e)	4,428	23,276	23,276	6,733	324	1,560	14,413
GRAND TOTAL	216,543	261,074	283,975	306,000	317,410	329,981	382,513

- (a) Amounts have been adjusted for comparative purposes to reflect the further transfer of functions to the Department for Communities.
- (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) Funding for the Ford Review recommendations includes a provisional allocation that is excluded from this Item as the funds are appropriated as a Department of Treasury and Finance Administered Item. The Department is required to submit business cases for approval to access the funding provision.
- (d) 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 for the protection of, and care for, children and young people and to support at-risk individuals and families in resolving crises.

SIGNIFICANT ISSUES AND TRENDS

- The Department has responded to recommendations of the Ford Review by initiating a comprehensive set of integrated reform projects. These projects are fundamental to the future direction of the Department and are being implemented as a high priority.
- Child protection continues to be an issue of critical community interest. One consequence has been the introduction to Parliament of legislation requiring selected professionals to be mandated as reporters of child sexual abuse. The Department will be central to the implementation of this legislation.
- The number of children in the Chief Executive Officer's (CEO) care continues to increase. There were 2,655 children in care on 30 June 2007, a 20 per cent increase on the previous year. Moreover, it is estimated there will be a further 16 per cent increase in the total for 2007-08. Many of the children in care and their families have complex issues, and there is an increasing proportion of Indigenous children. The Department's key priorities are thus to expand the number and range of quality placements available, including those provided by the non-government sector, to develop therapeutic services across departmental residential care, and to improve ways of supporting children and young people as they leave care. In addition, the Department will focus on intensive, quality services to prevent children entering care, and support and treatment services whilst in care.

- The demand on child protection services continues to grow. As well as the responsibilities resulting from the increasing number of children in care, it is also estimated that the number of children involved in child protection cases will increase in 2008-09. The Department has developed a service demand model which has been used to identify the resource implications of these increases.
- Emerging concerns about child protection issues in a number of remote communities have required a collaborative response where the Department has worked with the Western Australia Police and other government agencies and the community itself. Supporting the safety of children and young people in these communities is a continuing priority.
- With the continuation of the five year phasing-in period for mandatory Working with Children Checks for all people in child-related work, increasing numbers of paid employees will be required to apply for Working with Children Checks. The renewal of checks must be sought every three years, with the first such renewals commencing in January 2009.

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
Hills Safe House for Young Mothers and their Children.....	450	463	476	490
Implementation of Mandatory Reporting of Child Sexual Abuse	8,708	10,410	11,081	11,834
Kimberley Response - Interviewers	654	673	693	714
Remote Community Child Protection Workers	526	540	556	574
Utilities Hardship Assistance.....	3,960	3,920	3,990	4,060

SERVICE AND APPROPRIATION SUMMARY

	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
SERVICES							
<i>Service 1:</i>							
Supporting Children and Young People in the CEOs Care.....	97,214	109,562	132,565	161,009			
<i>Service 2:</i>							
Protecting Children and Young People from Abuse.....	48,386	52,687	52,819	64,956			
<i>Service 3:</i>							
Supporting Individuals/Families At-Risk or In Crisis.....	100,134	106,007	107,146	114,972			
Total Cost of Services ^(b)	245,734	268,256	292,530	340,937	358,279	383,266	400,251
<i>Less Income</i>	22,375	20,796	24,882	22,928	23,645	24,230	24,813
Net Cost of Services ^(b)	223,359	247,460	267,648	318,009	334,634	359,036	375,438
Adjustments ^(c)	(11,244)	(9,662)	(6,949)	(18,742)	(17,548)	(30,615)	(7,338)
Appropriation Provided to Deliver Services ^{(b)(d)}	212,115	237,798	260,699	299,267	317,086	328,421	368,100
CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS							
Appropriation for Capital Contribution to meet equity needs ^{(d)(e)}	4,428	23,276	23,276	6,733	324	1,560	14,413
TOTAL CONSOLIDATED ACCOUNT APPROPRIATIONS	216,543	261,074	283,975	306,000	317,410	329,981	382,513

- (a) Amounts have been adjusted for comparative purposes to reflect the further transfer of functions to the Department for Communities.
- (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 Ford Review Report recommendations provisional funding appropriated to the Department of Treasury and Finance – Administered Item, movements in cash balances and other accrual items such as resources received free of charge, receivables, payables and superannuation.
- (d) Funding for the Ford Review recommendations includes a provisional allocation that is excluded as the funds are appropriated to a Department of Treasury and Finance Administered Item. The Department is required to submit business cases for approval to access the funding provision.
- (e) Supporting details are disclosed in the Capital Contribution Statement.

RESOURCE AGREEMENT

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

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

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

Government Goal	Desired Outcomes	Services
Enhancing the quality of life and wellbeing of all people throughout Western Australia by providing high quality, accessible services.	Children and young people in the CEOs care receive quality care.	1. Supporting Children and Young People in the CEOs Care
	Children and young people requiring protection are safe from abuse.	2. Protecting Children and Young People from Abuse
	At-risk families and individuals are able to resolve crisis and promote the safety and wellbeing of themselves and their family members.	3. Supporting Individuals/Families At-Risk or In Crisis

Outcomes and Key Effectiveness Indicators ^(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: Children and young people in the CEOs care receive quality care.					
The proportion of children in CEOs care who are safe from abuse by caregivers.....	99.7%	100%	99.8%	100%	
The average number of placements per child in the CEOs care per year	1.5	1.4	1.6	1.4	
The proportion of placements of Indigenous children made in accordance with the Aboriginal and Torres Strait Islander (ATSI) Child Placement Principle ^(b)	79%	85%	79%	85%	
Outcome: Children and young people requiring protection are safe from abuse.					
Improved safety - resubstantiation rate within 12 months after a substantiation ^(c)	94%	95%	94%	95%	
Improved safety - substantiation rate within 12 months after a decision not to substantiate ^(d)	95%	95%	95%	95%	
Outcome: At-risk families and individuals are able to resolve crisis and promote the safety and wellbeing of themselves and their family members.					
Percentage of customers who report that they were supported to provide care and safety to their family members	93%	95%	94%	95%	
Percentage of customers who report confidence to manage as a result of receiving services	93%	95%	90%	95%	
Percentage of customers who report that their needs were met as a result of using services	97%	97%	97%	97%	

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

(b) The method for calculating this indicator has been improved and as a result the 2006-07 actual figure has been recalculated, which differs to the figure published in the 2006-07 annual report.

(c) This indicator is the proportion of children who were the subject of a child maltreatment substantiation during the previous financial year and who were not also the subject of a subsequent child maltreatment substantiation within 12 months. The indicator suggests the extent to which child protection interventions were successful in preventing further harm to children.

(d) This indicator is the proportion of children who were the subject of a decision not to substantiate child maltreatment during the previous financial year and who were not also the subject of a subsequent substantiation of child maltreatment within 12 months. The indicator suggests the extent to which child protection investigations were successful in identifying risks to children.

Service 1: Supporting Children and Young People in the CEOs Care

Services for the safety, support and wellbeing of children and young people in care of the CEO.

	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)	97,214	109,562	132,565	161,009	The increase in 2008-09 is mainly due to additional funding received to support the significant increase in the number of children and young people in the CEOs care, including the provision of new placement options.
<i>Less Income</i>	980	176	852	172	The 2007-08 Estimated Actual is higher due to anticipated revenue from other agencies.
Net Cost of Service ^(a)	96,234	109,386	131,713	160,837	
Adjustments ^(b)	(4,843)	(4,271)	(3,420)	(9,599)	
Appropriation for Delivery of Service ^{(a) (c)}	91,391	105,115	128,293	151,238	

- (a) Following the enactment of the *Financial Management Act 2006*, agencies are no longer required to pay the Capital User 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 Ford Review Report recommendations provisional funding appropriated to the Department of Treasury and Finance – Administered Item, movements in cash balances and other accrual items such as resources received free of charge, receivables, payables and superannuation.
- (c) Funding for the Ford Review recommendations includes a provisional allocation that is excluded as the funds are appropriated to a Department of Treasury and Finance Administered Item. The Department is required to submit business cases for approval to access the funding provision.

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
The proportion of care plan reviews completed on time.....	53%	75%	68%	75%	The filling of new caseworker positions is expected to increase the rate of completion in 2008-09.
Average cost per child per day in the CEOs care	\$110	\$122	\$126	\$132	
The number of placement days provided	881,702	898,153	1,050,470	1,218,005	Expected increase in the number of placement days in 2008-09 is consistent with growth in the number of children in care as forecast by the Department.
Full Time Equivalents (FTEs)	523	616	769	886	

- (a) The increase in FTEs in 2008-09 is mainly due to the provision of funding for additional staff to support the significant increase in the number of children and young people in the CEOs care.

Major Achievements For 2007-08

- Established the Department for Child Protection and commenced a process for implementing the recommendations from the Ford Review report.
- Established a new hostel in Halls Creek for children and young people in need of care and protection. Units for 0-5 year olds and 6-15 year olds became operational. Local Indigenous people are employed and trained as residential care staff.

- Commenced development of a therapeutic support model for children and young people in residential care and trained all metropolitan residential care officers in therapeutic crisis intervention, including planning for the conversion of the Kath French Centre into a secure, closed therapeutic facility.
- Established 20 placements for those high risk/high needs children, aged six to ten years, who cannot be cared for in their own family. Ten placements will be provided by the non-government sector through the new Horizons service, with Anglicare as the lead organisation. A further ten placements will be provided by the Department. Carers were recruited and trained, and placements commenced in March 2008.
- Established a panel of service providers to provide intensive individual support and placement services throughout the State for children and young people with challenging and high risk behaviours.
- Increased the number and range of accommodation and care options available to children in the CEOs care.
- Appointed a project manager to undertake a review of a sample of cases which involve Indigenous children in care under six years old who have experienced multiple placements.
- In collaboration with WA Health and the Department of Education and Training, commenced development of policy and procedures to implement annual health and education assessments and plans, and the provision of the necessary supports and services for children and young people in care.
- Developed a business/funding model to assist with estimating future demand for key services and in allocating budget resources across districts and service providers.
- Registered 70 new foster carers in the financial year to the end of February, which is anticipated to increase to 100 by the end of the financial year, and commenced a recruitment campaign for additional respite carers.
- In partnership with the Foster Care Association, completed the revision of Foster Care Association handbook to support foster families.
- Implemented formal standards monitoring of services provided by the Department's District offices.
- Implemented a new three tier complaints management policy and procedures.

Major Initiatives For 2008-09

- Develop a policy on permanency planning for children in care which ensures early and timely decisions about their need for long-term emotional and physical security and stability.
- Through the CREATE Foundation establish a reference group for children and young people in care or ex-care, to identify and plan for future needs.
- Progress together with WA Health and the Department of Education and Training, a process for annual health and education assessments and plans for children and young people in care.
- Increase the number and range of accommodation and care options available to children in the CEOs care.
- Increase the number of Indigenous residential care workers in departmental residential care facilities.
- Develop and implement an integrated policy and procedure framework for the management of abuse in care cases.
- Establish and implement a competency-based assessment framework for foster carers.
- Undertake a review of the efficiency and effectiveness of the administrative practices and procedures of the Adoption Service.
- Increase the number of approved Aboriginal agencies employed by the Department to undertake consultation on the placement of Aboriginal and Torres Strait Islander children and young people as per Section 81 (2) of the *Children and Community Services Act 2004*.

- Expand the role of the non-government sector in providing out-of-home care services.
- Deploy a new information system for tracking and reporting on complaints.

Service 2: Protecting Children and Young People from Abuse

Services to assess concerns about the wellbeing of children and young people and respond appropriately, including child protection investigations, the provision of intensive support services and applications for court orders.

	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)	48,386	52,687	52,819	64,956	The increase in 2008-09 is largely due to additional funding received for growth in demand for child protection services, and the estimated additional impact of the introduction of mandatory reporting of child sexual abuse in January 2009.
<i>Less Income</i>	703	28	303	41	The 2007-08 Estimated Actual income is higher due to anticipated revenue from other agencies.
Net Cost of Service ^(a)	47,683	52,659	52,516	64,915	
Adjustments ^(b)	(2,401)	(2,056)	(1,363)	(3,874)	
Appropriation for Delivery of Service ^{(a) (c)}	45,282	50,603	51,153	61,041	

- (a) Following the enactment of the *Financial Management Act 2006*, agencies are no longer required to pay the Capital User 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 Ford Review Report recommendations provisional funding appropriated to the Department of Treasury and Finance – Administered Item, movements in cash balances and other accrual items such as resources received free of charge, receivables, payables and superannuation.
- (c) Funding for the Ford Review recommendations includes a provisional allocation that is excluded as the funds are appropriated to a Department of Treasury and Finance Administered Item. The Department is required to submit business cases for approval to access the funding provision.

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
The proportion of investigations with an outcome recorded within 30 days	37%	40%	34%	40%	The filling of new caseworker positions is expected to increase the rate of completion in 2008-09.
Average cost per child involved in child protection cases ^(a)	\$6,090	\$6,140	\$5,739	\$5,532	
The number of children involved in child protection cases ^(a)	7,945	8,581	9,204	11,741	See note ^(b) .
Full Time Equivalents (FTEs)	460	528	479	571	

- (a) For comparative purposes the 2006-07 Actual and 2007-08 Budget have been re-stated due to a change in the counting rule for the number of children involved in child protection cases.
- (b) The 2008-09 target calculation incorporates normal growth and the anticipated effect of the introduction of mandatory reporting of child sexual abuse from 1 January 2009.

Major Achievements For 2007-08

- Completed a memorandum of understanding for child protection matters with the Family Court of Western Australia and continued to work on such agreements with the Western Australia Police, WA Health and other agencies.
- Continued implementation of the 18 recommendations of an independent evaluation of the Specialist Child Interviewing Unit.
- Drafted, with the State Solicitor's Office and other key agencies, the Children and Community Services Amendment (Reporting Sexual Abuse of Children) Bill 2007.
- Established an Interagency Working Group on Mandatory Reporting of child sexual abuse, whose role will be to coordinate implementation across government. Commenced development of consistent policy and practice guidelines for mandatory reporting. Commenced planning for training and professional education for prospective mandatory reporters.
- Successfully implemented Phase One of the Department's new Information Technology system (ASSIST).
- Substantially progressed the implementation of Phase Two of ASSIST, supporting planning for, and the collection of critical information about, children and young people in care.
- Undertook pool recruitment processes for caseworkers. This included a range of strategies/exemptions to attract and retain graduates and experienced workers, and to streamline recruitment practices.
- Implemented campaigns designed to promote specialist and remote area positions, and also continue to attract interstate and overseas employees.
- Established an interagency Child Safety Directors' Group. The group, chaired by the Director General, began meeting in July 2007 and focuses on delivery of appropriate services to vulnerable children and their families, including children who are in the CEOs care.
- Finalised a 'Policy on Neglect' which was circulated to key government and non-government stakeholders.
- Trialled and evaluated a model for abuse in care investigations in one metropolitan and one country pilot district.
- Trained Departmental staff and the non-government care sector on Duty of Care responsibilities and integrated these into the Department's 'Start Up' (induction) Training.
- Developed a decision-making wall chart for workers in non-government services when they are concerned that a child is being abused or neglected.
- Developed an information sheet on employment of children laws under the *Children and Community Services Act 2004* for parents and agencies.
- Amended requirements for the reporting to the Department of young people who have been harmed through abuse and neglect, by including revised and updated standards for reporting in funding service agreements for services to young people and youth accommodation services.
- Implemented 23 of the 24 recommendations specific to the Ombudsman's 'Report into Allegations Concerning the Treatment of Children and Young People in Residential Care'.

Major Initiatives For 2008-09

- Implement mandatory reporting of child sexual abuse across Western Australia, including the establishment of a centralised reporting unit.
- Implementation of the 'Policy on Neglect', relating to the Department's responsibilities in responding to the neglect of children.

- In conjunction with the Commonwealth Government, introduce compulsory income management where children are at risk of neglect, commencing in the East Kimberley and South East metropolitan regions.
- Undertake a project on information sharing between agencies with relevant Government and non-government agencies. This will encompass legislative requirements to develop procedures for the disclosure of information.
- Undertake a project to review, streamline and standardise service delivery policies and Field Worker Guidelines for service delivery to produce an integrated, user-friendly format that is easily understood by Departmental staff and consistent with the development of the ASSIST client data record systems.
- Develop a five year workforce plan, develop attraction and retention strategies, streamline resource processes, develop a corporate and quality governance framework and establish coordinated misconduct management mechanisms.
- Implement Phase Two and Three of ASSIST, to provide full case management capacity across the State and allow the Department to retire its existing case management computer system.

Service 3: Supporting Individuals/Families At-Risk or In Crisis

Services to support at-risk individuals and families to overcome crisis and to reduce 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)	100,134	106,007	107,146	114,972	The increase in 2008-09 is predominately due to additional funding received for utilities hardship assistance.
<i>Less Income</i>	20,692	20,592	23,727	22,715	
Net Cost of Service ^(a)	79,442	85,415	83,419	92,257	
Adjustments ^(b)	(4,000)	(3,335)	(2,166)	(5,269)	
Appropriation for Delivery of Service ^{(a)(c)}	75,442	82,080	81,253	86,988	

- (a) Following the enactment of the *Financial Management Act 2006*, agencies are no longer required to pay the Capital User 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 Ford Review Report recommendations provisional funding appropriated to the Department of Treasury and Finance – Administered Item, movements in cash balances and other accrual items such as resources received free of charge, receivables, payables and superannuation.
- (c) Funding for the Ford Review recommendations includes a provisional allocation that is excluded as the funds are appropriated to a Department of Treasury and Finance Administered Item. The Department is required to submit business cases for approval to access the funding provision.

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 Client ^{(a)(b)(c)}	\$893	\$893	\$893	\$927	The increase in 2008-09 is predominately due to additional funding received for utilities hardship assistance.
Average cost per Family in the Responsible Parenting Initiative	\$7,545	\$5,463	\$7,462	\$8,888	The increase in cost per case in 2008-09 is a result of implementation costs associated with the continued roll-out of the Responsible Parenting Initiative.
Average cost per Working With Children Screening	\$88	\$64	\$93	\$79	The reduction in 2008-09 is due mainly to an increase in the number of checks expected to be performed.

	2006-07 Actual	2007-08 Budget	2007-08 Estimated	2008-09 Target	Reason for Significant Variation between 2007-08 Estimated and 2008-09 Target
The Number of Clients ^(c)	94,830	99,571	103,563	105,500	
Responsible Parenting Cases	287	800	595	800	The Responsible Parenting Initiative is expected to increase its operational capacity due to the continued roll-out of the program in 2008-09.
Working With Children Screening Applications ^(d)	49,802	75,000	75,000	85,000	The expected increase in 2008-09 is due to continued phasing-in arrangements and increasing public awareness of the checks.
Full Time Equivalents (FTEs)	339	393	326	370	

(a) The calculation of this indicator excludes expenditure on services that do not have quantifiable clients.

(b) For comparative purposes the 2006-07 Actual and 2007-08 Budget have been re-stated due to a change in the counting rule for the number of children involved in child protection cases.

(c) The 2006-07 Actual and 2007-08 Budget have been re-stated due to the transfer of services to the Department for Communities.

(d) The number of Working with Children Screening applications include applications processed by the Department of Education and Training and WA Health collocated at the Working with Children Screening Unit.

Major Achievements For 2007-08

- Established new Responsible Parenting services in the South metropolitan region and Peel. An evaluation indicated a high satisfaction level with the service.
- Commenced consultation on the strategic framework and State plan for family support services for vulnerable and at-risk children and young people, their families and communities.
- Established a new Aboriginal Reference Group to provide input into policy, practice and staff development and to provide feedback to the Department on its impact on Aboriginal children and young people.
- Developed a Working with Children television advertising campaign which was launched in February 2008.
- Commenced stage three of phasing-in of Working with Children Checks.
- Progressed amendments to the *Working with Children (Criminal Record Checking) Act 2004*. Working with Children Amendment Regulations 2007 which commenced 1 January 2007 and included earlier phasing-in of checks for some paid employees.
- Expanded the Best Beginnings program to Cannington and Kwinana.
- Through the Commonwealth-State Supported Accommodation Assistance Program (SAAP) V Multilateral Agreement, operated ten Innovation and Investment Fund pilot projects in 18 locations across Western Australia. Projects incorporated an action-learning component to enhance service delivery and contribute to evaluation of the effectiveness of the pilot projects.
- Funded Hills Community Support Group to deliver a 'Collaborative Pilot Project – Young Women's Domestic Violence Service' for one year. The project will provide information which can be used to develop a model for a safe house for young women 15 to 18 years who are experiencing domestic violence. The collaborative project is being undertaken in partnership with the Department of Housing and Works, and Midland Brick.
- Developed a sample policy and procedures manual to assist Commonwealth-State funded SAAP services to develop policy and procedures specific to their service, in accordance with the requirements of the SAAP Service Standards and principles of good practice.

- Following a review of the Non-Government Human Services Sector Indexation policy, additional funding was provided to enable the Department to make a one-off back payment to help provide crucial support services to non-government organisations. The indexation rate for non-government human services will now be calculated annually as part of the mid year review. The formula is a comprehensive whole-of-government approach to providing indexation for non-government human services.
- Developed a guide for funded non-government services to enhance the planning and delivery of services to Indigenous people. Training on the guide was conducted in regional and metropolitan areas in partnership with the Western Australian Council of Social Service.
- Enhanced the Working With Children website that had been developed and implemented as part of the community education strategy.
- Developed protocols with King Edward Memorial Hospital to achieve early identification of mothers' needs and strengths and to provide appropriate supports to ensure the safety of the child, including coordinated service provision across government and the non-government sector.

Major Initiatives For 2008-09

- Establish new Responsible Parenting services in the north metropolitan area, Halls Creek, Fitzroy Crossing, Wyndam, Derby, Broome and Kununurra.
- Expand the Best Beginnings program to an additional two sites in the Kimberley.
- Implement SAAP V Innovation and Investment Fund pilot projects (subject to outcomes of evaluations of existing pilot projects).
- Provision of ongoing, recurrent funding for the Hills Community Support Group Young Women's Safe House.
- Complete year three of the phasing-in of the Working with Children Checks with earlier checking for many existing paid employees.
- In partnership with the Drug and Alcohol Office, develop formal and robust linkages between local services encompassing referral, consultation and shared case management.
- In response to the Utilities Essential Services Hardship review, increase the capacity of financial counselling services to provide greater assistance to people impacted by utilities hardship, and implement the Hardship Utilities Grant Scheme, through the Department.

CAPITAL WORKS PROGRAM

The Department's capital works program provides for the replacement, maintenance and expansion of assets that support the delivery of the Department's services. These include service delivery offices, hostels, group homes, office furniture and equipment, Information Technology hardware and software.

During the 2007-08 year, significant projects included the provision of additional accommodation and alteration to existing offices to accommodate the significant increase in staff allocated to the Department over the past two years. Other significant projects have been the refurbishment of existing hostels, including the Halls Creek Hostel, the Broome Hostel (Catherine House), the Northam Group Home and the commencement of planning for the refurbishment of the Roebourne and Meekatharra Hostels. In addition, construction of a community youth facility in Kununurra, a joint venture involving the Department and the Shire of Wyndham-East Kimberley, was completed in December 2007.

Major information, communication and technology projects in 2008-09 include: the continuing provision of infrastructure to support the development and operation of the ASSIST program; major bandwidth upgrades to improve the performance of the network; the introduction of systems to enhance the ability of staff to communicate and collaborate across the Department; the implementation of a new email archiving system and an enhanced content management system for the Internet and intranet.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-08 \$'000	Estimated Expenditure 2007-08 \$'000	Estimated Expenditure 2008-09 \$'000
WORKS IN PROGRESS				
Accommodation				
New/Relocated Offices - Mandatory Reporting.....	1,539	20	20	1,519
ASSIST Client Application System	17,268	15,668	5,143	1,600
Computer Hardware and Software - Infrastructure Replacement (four year cycle).....	16,361	11,548	4,451	4,813
Computer Hardware and Software - ASSIST - D 2007-08 and 2008-09	4,427	3,306	3,306	1,121
COMPLETED WORKS				
Accommodation				
Service Delivery Accommodation.....	6,689	6,689	5,664	-
Service Delivery Office Accommodation	1,582	1,582	813	-
Service Unit Accommodation Upgrades	1,136	1,136	725	-
Upgrade of Provider Support Accommodation.....	813	813	810	-
Buildings Minor Works				
Heritage Buildings	235	235	88	-
Manjimup Office.....	600	600	600	-
Community Centre Program				
2002-03 Program	2,141	2,141	423	-
Craigie Community Centre	890	890	890	-
Fitzroy Community Centre	1,534	1,534	1,338	-
Computer Hardware and Software - Upgrade of Financial Systems.....	255	255	187	-
Furniture and Equipment				
Department for Child Protection Establishment.....	200	200	200	-
Replacement Program.....	2,126	2,126	240	-
Hostels				
Refurbishment of Existing Facilities				
Halls Creek 0-6 years	556	556	539	-
Halls Creek 6-15 years	2,576	2,576	2,576	-
Intensive Therapeutic Unit - Ford Review	1,200	1,200	1,200	-
Refurbishment of Existing Hostel Accommodation	5,959	5,959	4,401	-
NEW WORKS				
Buildings Minor Works - Program Maintenance 2008-09	1,137	-	-	1,137
Computer Hardware and Software				
ASSIST - Phase Three Implementation.....	3,761	-	-	3,437
Information and Communication Technology - 2008-09 Program.....	650	-	-	650
Furniture and Equipment - Non-IT Asset Replacement - 2008-09 Program.....	350	-	-	350
	73,985	59,034	33,614	14,627

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	13,404	27,356	33,614	14,627	8,399	7,733	20,997
	13,404	27,356	33,614	14,627	8,399	7,733	20,997
LESS							
Drawdowns from the Holding Account	-	1,145	1,145	3,160	4,032	-	-
Funding Included in Service Appropriations ^(a) ..	2,741	2,735	2,755	3,934	4,043	6,173	6,584
Funding Included in Department of Treasury and Finance Administered Item ^(b)	-	200	200	-	-	-	-
Internal Funds and Balances	6,035	-	6,238	800	-	-	-
Other.....	200	-	-	-	-	-	-
Capital Contribution	4,428	23,276	23,276	6,733	324	1,560	14,413

(a) Capital works expensed through the Income Statement.

(b) Funding for the Ford Review recommendations includes a centrally held provisional allocation. The Department is required to submit business cases for approval to access the funding provision.

FINANCIAL STATEMENTS

INCOME STATEMENT
(Controlled)

	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
COST OF SERVICES							
Expenses							
Employee benefits expenses ^(b)	86,282	100,156	107,635	124,996	133,728	143,026	147,814
Superannuation	8,403	11,421	12,112	14,398	14,863	15,900	16,399
Grants and subsidies ^(c)	37,502	34,481	37,400	45,210	49,559	54,026	55,069
Services purchased from non-government agencies ^(e)	68,864	73,712	77,557	85,620	88,508	92,803	97,611
Supplies and services	34,157	37,601	43,080	49,817	48,305	50,981	56,489
Accommodation	10,782	12,389	11,947	18,008	20,399	23,615	23,954
Capital user charge ^(d)	5,271	-	-	-	-	-	-
Depreciation and amortisation	1,941	2,692	2,680	2,766	2,795	2,796	2,796
Loss on disposal of non-current assets	115	-	-	-	-	-	-
Doubtful debts	75	-	-	-	-	-	-
Other expenses	140	119	119	122	122	119	119
TOTAL COST OF SERVICES	253,532	272,571	292,530	340,937	358,279	383,266	400,251
Income							
User charges and fees	1,008	1,223	2,087	2,864	3,166	3,326	3,475
Grants and subsidies	18,322	18,621	18,600	18,998	19,405	19,821	20,246
Other revenue	3,045	952	4,195	1,066	1,074	1,083	1,092
Total Income	22,375	20,796	24,882	22,928	23,645	24,230	24,813
NET COST OF SERVICES ^(d)	231,157	251,775	267,648	318,009	334,634	359,036	375,438
INCOME FROM STATE GOVERNMENT							
Service appropriations ^(d)	220,565	242,113	260,699	299,267	317,086	328,421	368,100
Administered appropriations	-	7,550	5,788	15,300	14,200	28,300	-
Resources received free of charge	719	585	585	585	585	585	585
Liabilities assumed by the Treasurer	655	1,086	1,086	1,086	1,086	1,086	1,086
TOTAL INCOME FROM STATE GOVERNMENT	221,939	251,334	268,158	316,238	332,957	358,392	369,771
SURPLUS/(DEFICIENCY) FOR THE PERIOD	(9,218)	(441)	510	(1,771)	(1,677)	(644)	(5,667)

- (a) The 2006-07 Actual figures have been restated for comparability to account for the further transfer of functions to the Department for Communities. The 2007-08 Budget has not been adjusted for the transfers between departments.
- (b) The Full Time Equivalents (FTEs) for 2006-07 Actual, 2007-08 Estimated Actual and 2008-09 Estimate are 1,322, 1,574 and 1,827 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.
- (e) Indexation provided for State funded services and the State component of the Supported Accommodation Assistance Program (SAAP) is based on a composite wage-cost index of 5.00 per cent in 2007-08, 4.35 per cent in 2008-09 and 3.55 per cent in 2009-10, 2010-11 and 2011-12.

BALANCE SHEET
(Controlled)

	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
CURRENT ASSETS							
Cash and cash equivalents	6,262	4,603	3,070	1,285	74	-	-
Restricted cash	1,403	1,914	859	859	859	785	785
Receivables	1,315	1,402	1,286	1,286	1,286	1,286	1,286
Amounts receivable for services.....	1,145	3,160	3,160	4,032	-	-	-
Prepayments	870	353	872	872	872	872	872
Total current assets	10,995	11,432	9,247	8,334	3,091	2,943	2,943
NON-CURRENT ASSETS							
Amounts receivable for services.....	8,283	8,366	8,354	7,639	10,772	13,917	17,062
Land and buildings.....	46,062	33,879	45,732	44,721	44,446	44,171	43,896
Plant and equipment.....	1,000	4,517	3,210	3,849	3,687	2,589	1,491
Restricted cash	680	554	1,069	1,264	1,358	1,544	2,015
Other.....	12,747	37,193	37,240	45,539	47,538	47,675	55,647
Total non-current assets.....	68,772	84,509	95,605	103,012	107,801	109,896	120,111
TOTAL ASSETS.....	79,767	95,941	104,852	111,346	110,892	112,839	123,054
CURRENT LIABILITIES							
Payables ^(b)	1,582	1,169	1,579	1,579	1,579	1,579	1,579
Provision for employee entitlements	17,074	16,411	17,854	18,603	18,900	19,249	19,598
Accrued salaries	359	973	856	1,372	1,822	2,504	3,624
Other.....	2,035	1,650	2,437	2,437	2,438	2,438	2,438
Total current liabilities.....	21,050	20,203	22,726	23,991	24,739	25,770	27,239
NON-CURRENT LIABILITIES							
Provision for employee entitlements	4,189	4,581	4,451	4,718	4,869	4,869	4,869
Other.....	69	58	69	69	69	69	69
Total non-current liabilities	4,258	4,639	4,520	4,787	4,938	4,938	4,938
TOTAL LIABILITIES.....	25,308	24,842	27,246	28,778	29,677	30,708	32,177
EQUITY							
Contributed equity	19,784	37,746	32,356	39,089	39,413	40,973	55,386
Accumulated surplus/(deficit)	(16,217)	(2,820)	(5,642)	(7,413)	(9,090)	(9,734)	(15,401)
Reserves	50,892	36,173	50,892	50,892	50,892	50,892	50,892
Total equity.....	54,459	71,099	77,606	82,568	81,215	82,131	90,877
TOTAL LIABILITIES AND EQUITY	79,767	95,941	104,852	111,346	110,892	112,839	123,054

- (a) The 2006-07 Actual figures have been restated for comparability to account for the further transfer of functions to the Department for Communities. The 2007-08 Budget has not been adjusted for the transfers between departments.
- (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	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	217,960	238,870	257,468	295,950	313,953	325,276	364,955
Administered appropriations.....	-	7,550	5,788	15,300	14,200	28,300	-
Capital contribution	4,428	23,276	23,276	6,733	324	1,560	14,413
Holding account drawdowns	-	1,145	1,145	3,160	4,032	-	-
Equity contribution receipts.....	-	200	200	-	-	-	-
Net cash provided by State Government.....	222,388	271,041	287,877	321,143	332,509	355,136	379,368
CASHFLOWS FROM OPERATING ACTIVITIES							
Payments							
Employee benefits.....	(83,382)	(99,140)	(108,545)	(123,464)	(132,830)	(141,995)	(146,346)
Superannuation	(7,738)	(10,334)	(11,025)	(13,312)	(13,777)	(14,814)	(15,313)
Grants and subsidies	(37,380)	(34,481)	(37,400)	(45,210)	(49,559)	(54,026)	(55,069)
Services purchased from non-government agencies	(63,388)	(73,321)	(76,498)	(85,620)	(88,508)	(92,803)	(97,611)
Supplies and services	(33,538)	(37,015)	(40,746)	(49,232)	(47,720)	(50,396)	(50,885)
Accommodation.....	(10,901)	(12,389)	(11,947)	(18,008)	(20,399)	(23,615)	(23,954)
Capital user charge ^(b)	(5,271)	-	-	-	-	-	-
Goods and services tax	(12,101)	(12,372)	(14,243)	(16,814)	(17,245)	(18,005)	(19,139)
Other.....	(140)	(119)	(119)	(122)	(122)	(119)	(119)
Receipts							
User charges and fees.....	1,007	1,223	2,087	2,864	3,166	3,326	3,475
Grants and subsidies	18,322	18,621	18,600	18,998	19,405	19,821	20,246
Goods and services tax	12,364	12,401	14,272	16,814	17,245	18,005	19,139
Other receipts	3,021	952	4,195	1,066	1,074	1,083	1,092
Net cash from operating activities.....	(219,125)	(245,974)	(261,369)	(312,040)	(329,270)	(353,538)	(364,484)
CASHFLOWS FROM INVESTING ACTIVITIES							
Purchase of non-current assets.....	(7,350)	(24,621)	(29,726)	(10,693)	(4,356)	(1,560)	(14,413)
Net cash from investing activities.....	(7,350)	(24,621)	(29,726)	(10,693)	(4,356)	(1,560)	(14,413)
CASHFLOWS FROM FINANCING ACTIVITIES							
Net cash from financing activities.....	-	-	-	-	-	-	-
NET INCREASE/(DECREASE) IN CASH HELD	(4,087)	446	(3,218)	(1,590)	(1,117)	38	471
Cash assets at the beginning of the reporting period	11,698	7,528	10,790	4,998	3,408	2,291	2,329
Net cash transferred to/from other agencies	734	(903)	(2,574)	-	-	-	-
Cash assets at the end of the reporting period.....	8,345	7,071	4,998	3,408	2,291	2,329	2,800

(a) The 2006-07 Actual figures have been restated for comparability to account for the further transfer of functions to the Department for Communities. The 2007-08 Budget has not been adjusted for the transfers between departments.

(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.....	253,532	272,571	292,530	340,937	358,279	383,266	400,251
Less Capital User Charge.....	5,271	-	-	-	-	-	-
Less Transfer to Department for Communities ^(a)	2,527	4,315	-	-	-	-	-
Adjusted Total Cost of Services	245,734	268,256	292,530	340,937	358,279	383,266	400,251
APPROPRIATIONS							
Net Amount Appropriated to Deliver Services	220,565	242,113	260,699	299,267	317,086	328,421	368,100
Less Appropriation Capital User Charge	5,608	-	-	-	-	-	-
Less Transfer to Department for Communities ^(a)	2,842	4,315	-	-	-	-	-
Adjusted Net Amount Appropriated to Deliver Services	212,115	237,798	260,699	299,267	317,086	328,421	368,100

(a) Amount has been adjusted due to the transfer of Parenting Program Support, Parent Help Centre, Best Start, etc. and the Western Australian Family Foundation Trust Account to the Department for Communities in 2007-08.

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
Capital Grants	300	698	698	-	-	-	-
Children in Care.....	34,319	31,771	34,690	41,378	45,827	50,294	51,337
Disaster Relief.....	233	-	-	-	-	-	-
Family Crisis Program.....	1,855	1,984	1,984	1,984	1,984	1,984	1,984
Other.....	795	28	28	1,848	1,748	1,748	1,748
TOTAL.....	37,502	34,481	37,400	45,210	49,559	54,026	55,069

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
Christmas/Cocos Island	329	408	402	418
Departmental Services	4,059	2,175	6,264	3,912
GST Input Credits.....	155	19	105	34
GST Receipts on Sales.....	12,209	12,382	14,167	16,780
Supported Accommodation Assistance Program.....	17,960	18,211	18,211	18,593
Unattached Refugee Children.....	2	2	5	5
TOTAL.....	34,714	33,197	39,154	39,742

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

COMMUNITIES

PART 16 - MINISTER FOR CHILD PROTECTION; COMMUNITIES; WOMEN'S INTERESTS; SENIORS AND VOLUNTEERING

DIVISION 72

APPROPRIATION AND FORWARD ESTIMATES

	2006-07 Actual ^(a) ^(b)	2007-08 Budget ^(b)	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 116 Net amount appropriated to deliver services ^(a)	32,457	33,820	37,436	40,340	124,085	52,322	36,542
Item 117 Contribution to the Western Australian Family Foundation Trust Account.....	560	560	560	560	560	560	560
Amount Authorised by Other Statutes - Salaries and Allowances Act 1975 ^(c)	-	-	169	169	169	169	174
Total appropriations provided to deliver services.....	33,017	34,380	38,165	41,069	124,814	53,051	37,276
CAPITAL							
Capital Contribution	-	-	-	-	-	-	1,690
GRAND TOTAL	33,017	34,380	38,165	41,069	124,814	53,051	38,966

- (a) Following the enactment of the *Financial Management Act 2006*, agencies are no longer required to pay the Capital User 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 2006-07 actual figures and 2007-08 budget have been restated for comparability to account for the further transfer of functions from the Department for Child Protection and the Department of the Premier and Cabinet as shown in the reconciliation table 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 provide a focal point for policy development, program delivery and community engagement within an over-arching social inclusion framework.

SIGNIFICANT ISSUES AND TRENDS

- Established the Department as recommended by the Ford Review Report.
- A Strategic Framework for the Department, which sets four strategic directions for the period 2008-2013 was developed. The Mission of the Department reflects the emergence of social inclusion nationally as a framework to guide social policy and program development to ensure the engagement of all community members, especially those who suffer economic disadvantage and social exclusion.
- Non-government community services are experiencing significant workforce recruitment and retention issues for both paid and volunteer staff in a period of full employment and competition with better paid work in the resources and ancillary support sectors.
- The Human Services Industry Roundtable comprising representatives of government and non-government is progressing a range of development initiatives supported by the Department.

- Child care remains an important issue for parents. High quality early childhood services provide an important support to parents and developmental opportunities for children.
- Parents' ability to parent is enhanced through positive support networks, ready access to information on child development and parenting and a positive community attitude to children and parents.
- In June 2007, 16.7 per cent of the population was aged 60 years or over. By 2041, nearly one in three Western Australians will be a senior. This demographic change is impacting on a number of regional areas at a faster rate than on the state as a whole.
- Labour market shortages, return to work requirements, increased mature age workforce retention, and increased family caring commitments are all factors adversely impacting on volunteer recruitment and retention.
- Approximately 35 per cent of the population is aged 25 years or under. The issues and experiences of this cohort will impact on Western Australia's future.
- There are over 250,000 West Australians who provide unpaid care and support to a family member or friend with a disability, mental illness, chronic condition or who are frail.
- Interpersonal, family and domestic violence, and other threats to safety, particularly in Indigenous communities remain issues of public concern.
- Women are recognised as providing an important contribution to inclusive and diverse leadership and positive work place cultures.
- Women in Western Australia increasingly undertake the bulk of child care, care for the disabled and aged care so their economic wellbeing and health are focal areas for the community.
- The Government announced 'Redress Western Australia' on 17 December 2007. The scheme is designed to address historical child abuse claims for those who suffered abuse or neglect in state care, both institutional and non-institutional (including Child Migrants and Stolen Generation children).
- High numbers of migrants, especially skilled migrants and humanitarian entrants, continue to increase demand for state services.
- Continuing community engagement and education about cultural diversity and substantive equality is critical in maintaining an open inclusive society.

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
Community Concessions and Rebates Campaign	300	-	-	-
Redress Scheme for Children and Young People Abused in the Care of the State	5,772	89,069	16,884	-

SERVICE AND APPROPRIATION SUMMARY

	2006-07 Actual ^{(a) (b)} \$'000	2007-08 Budget ^(b) \$'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>							
Community and Family Support	6,794	8,397	9,686	9,508			
<i>Service 2:</i>							
Child Care Services	5,428	7,493	8,005	7,239			
<i>Service 3:</i>							
Strategic Policy and Coordination	17,614	18,392	18,224	17,577			
<i>Service 4:</i>							
Redress Scheme for Children and Young People Abused in the Care of the State	-	-	2,576	5,772			
<i>Service 5:</i>							
Promotion and Support of Multiculturalism in Western Australia	3,914	3,704	4,966	4,027			
Total Cost of Services ^(a)	33,750	37,986	43,457	44,123	127,811	56,565	40,814
<i>Less Income</i>	<i>1,133</i>	<i>621</i>	<i>560</i>	<i>638</i>	<i>573</i>	<i>557</i>	<i>602</i>
Net Cost of Services ^(a)	32,617	37,365	42,897	43,485	127,238	56,008	40,212
Adjustments ^(c)	400	(2,985)	(4,732)	(2,416)	(2,424)	(2,957)	(2,936)
Appropriation Provided to Deliver Services ^(a)	33,017	34,380	38,165	41,069	124,814	53,051	37,276
CAPITAL CONTRIBUTION TO MEET EQUITY NEEDS							
Appropriation for Capital Contribution to meet equity needs ^(d)	-	-	-	-	-	-	1,690
TOTAL CONSOLIDATED ACCOUNT APPROPRIATIONS	33,017	34,380	38,165	41,069	124,814	53,051	38,966

- (a) Following the enactment of the *Financial Management Act 2006*, agencies are no longer required to pay the Capital User 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 2006-07 actual figures and 2007-08 budget have been restated for comparability to account for the further transfer of functions from the Department for Child Protection and the Department of the Premier and Cabinet as shown in the reconciliation table 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*.

The relationship of Ministers to services is shown below:

Responsible Minister	Services
Minister for Child Protection; Communities; Women's Interest; Seniors and Volunteering	<ol style="list-style-type: none"> 1. Community and Family Support 2. Child Care Services 3. Strategic Policy and Coordination (except Youth) 4. Redress Scheme for Children and Young People Abused in the Care of the State
Minister for Local Government; Racing and Gaming; Multicultural Interests and Citizenship; Government Enterprises; Minister Assisting the Minister for Planning and Infrastructure; Goldfields-Esperance; Youth	<ol style="list-style-type: none"> 3. Strategic Policy and Coordination (Youth) 5. Promotion and Support of Multiculturalism in Western Australia

OUTCOMES, SERVICES AND PERFORMANCE INFORMATION

Relationship to Government Goals

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

Government Goal	Desired Outcomes	Services
Enhancing the quality of life and wellbeing of all people throughout Western Australia by providing high quality, accessible services.	Communities are strengthened so that individuals and families are able to better meet their needs.	<ol style="list-style-type: none"> 1. Community and Family Support 2. Child Care Services 3. Strategic Policy and Coordination 4. Redress Scheme for Children and Young People Abused in the Care of the State
	A Western Australian public sector which recognises that Western Australians play a significant role in setting policies that shape their society, and in which there is widespread acceptance of the principle of multiculturalism to enable the achievement of substantive equality for culturally and linguistically diverse communities.	<ol style="list-style-type: none"> 5. Promotion and Support of Multiculturalism in Western Australia

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: Communities are strengthened so that individuals and families are able to better meet their needs.					
Customer satisfaction with services	98%	95%	98%	95%	
The number of substantiated breaches of regulations arising from allegations made to Child Care Licensing and Standards Unit per licensed service	0.041	0.03	0.059	0.059	
Stakeholder satisfaction with policy and coordination projects.....	85%	90%	80%	80%	
Outcome: A Western Australian public sector which recognises that Western Australians play a significant role in setting policies that shape their society, and in which there is widespread acceptance of the principle of multiculturalism to enable the achievement of substantive equality for culturally and linguistically diverse communities.					
Extent to which the principles of multiculturalism are accepted and practiced in Western Australia	65%	65%	65%	65%	
Extent to which policies and practices of public sector agencies reflect the principles of multiculturalism	85%	75%	75%	75%	

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

Service 1: Community and Family Support

Services and programs to support and enhance families and communities.

	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)	6,794	8,397	9,686	9,508	
<i>Less Income</i>	-	20	4	4	
Net Cost of Service ^(a)	6,794	8,377	9,682	9,504	
Adjustments ^(b)	83	(688)	(1,136)	(609)	
Appropriation for Delivery of Service ^(a)	6,877	7,689	8,546	8,895	

(a) Following the enactment of the *Financial Management Act 2006*, agencies are no longer required to pay the Capital User 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 and transfers 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 service	\$91,835	\$133,295	\$130,898	\$128,487	
Number of services	74	63	74	74	
Full Time Equivalents (FTEs)	42	48	51	55	

Major Achievements For 2007-08

- Contributed to the development of an evidence-based and community focused Early Childhood Agenda.
- Contributed to the development of the Council of Australian Government's reform agenda in relation to early childhood development.
- Finalised a review of parenting, child care, early years and child care support to align with the Early Childhood Agenda.

Major Initiatives For 2008-09

- In collaboration with the State Library and other agencies improve parents' access to contemporary information on parenting.
- Review the Department's 'Living with...' series of parenting information.
- Implement the Community Services Industry Awards for the first time, to celebrate and acknowledge the contribution the community services industry make to the lives of all Western Australians.
- Lead the implementation of the State's Early Childhood Agenda.
- Work with other government agencies and communities to implement the Commonwealth Government's election commitments of Indigenous hubs and child care on school and community sites.
- A promotional campaign publicising availability and eligibility of State Government concessions to a range of people including pensioners, students and war veterans living on low and fixed incomes will be produced and delivered throughout metropolitan and regional areas of Western Australia.

Service 2: Child Care Services

Child care services and services to promote quality and safe child care, including licensing.

	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)	5,428	7,493	8,005	7,239	The reduction in cost in 2008-09 is mainly a result of the 2007-08 cost containing one-off funding carried forward from the prior year.
<i>Less Income</i>	430	360	366	372	
Net Cost of Service ^(a)	4,998	7,133	7,639	6,867	
Adjustments ^(b)	61	(565)	(896)	(440)	
Appropriation for Delivery of Service ^(a)	5,059	6,568	6,743	6,427	

(a) Following the enactment of the *Financial Management Act 2006*, agencies are no longer required to pay the Capital User 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 and transfers 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 licensed service.....	\$3,845	\$4,995	\$5,602	\$4,823	The decrease in average cost in 2008-09 is mainly due to an increase in the number of services and the 2007-08 year containing one-off funding carried forward from the prior year.
Number of licensed services.....	1,412	1,500	1,429	1,501	
Full Time Equivalents (FTEs)	50	64	67	71	

Major Achievements For 2007-08

- Participated and supported a review of child care regulations by the Child Care Regulations Consultative Committee. The review consultation received more than 1,000 contributions and also resulted in the development of a child care licensing compliance strategy.
- In partnership with the child care sector, developed two alternative models for child care regulations in remote and rural areas, namely single staffed services and small rural child care centres.
- Commenced a program of annual visits to all child care services by the Child Care Licensing and Standards Unit. By adding 13 inspection and investigation staff, the Child Care Licensing and Standards Unit is on target with the program of spot checks and annual compliance visits.

Major Initiatives For 2008-09

- Implement the recommendations of the review of the Neighbourhood Model of Occasional Child Care.
- Commence implementation of amendments to the child care regulations following the 2007 Children's Services Regulations Review.
- Implement a child care licensing compliance strategy.
- Replace 'Choosing Quality Child Care' magazine with more targeted information to address the needs of specific child care areas.

Service 3: Strategic Policy and Coordination

The provision of policy coordination, programs, policy advice, analysis and information to support and strengthen the Western Australian community.

	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)	17,614	18,392	18,224	17,577	
<i>Less Income</i>	515	228	188	260	
Net Cost of Service ^(a)	17,099	18,164	18,036	17,317	
Adjustments ^(b)	210	(1,440)	(2,117)	(1,109)	
Appropriation for Delivery of Service ^(a)	17,309	16,724	15,919	16,208	

(a) Following the enactment of the *Financial Management Act 2006*, agencies are no longer required to pay the Capital User 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 and transfers 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 ^(a)	2007-08 Estimated	2008-09 Target	Reason for Significant Variation between 2007-08 Estimated and 2008-09 Target
Average cost per strategic policy/coordination project for youth.....	\$394,244	\$435,138	\$309,961	\$494,915	The increase in average cost in 2008-09 is due mainly to a decrease in the number of projects in 2008-09.
Average cost per strategic policy/coordination project for children and families.....	n/a	n/a	\$165,144	\$51,365	The decrease in average cost in 2008-09 is a result of the number of projects increasing by 18 in 2008-09 compared to 2007-08.
Average cost per strategic policy/coordination project for Seniors.....	\$77,563	\$71,806	\$66,494	\$68,733	
Average cost of a seniors card.....	\$2.42	\$3.35	\$2.99	\$2.32	The decrease in 2008-09 is due to the 2007-08 cost containing funding carried forward from the prior year for the biennial cost of producing the Seniors Card Discount Directory.
Average cost per strategic policy/coordination project for Volunteers.....	\$130,223	\$129,449	\$111,115	\$114,079	
Average cost per strategic policy/coordination project for Women.....	\$60,862	\$78,739	\$80,716	\$70,694	The reduction in average cost in 2008-09 is mainly a result of the 2007-08 cost containing one-off funding carried forward from the prior year.
Average cost per strategic policy/coordination project for Family and Domestic Violence.....	\$265,670	\$277,325	\$223,124	\$333,674	The increase in average cost in 2008-09 is mainly a result of the decrease in the number of projects by four.
Strategic policy and coordination projects for Children and Young People ^(b)	n/a	n/a	n/a	n/a	
Strategic policy and coordination projects for Seniors.....	49	49	49	48	
Seniors Cards managed.....	249,674	269,987	262,600	275,600	
Strategic policy and coordination projects for Volunteers.....	11	11	14	13	
Strategic policy and coordination projects for Women.....	33	29	29	29	
Strategic policy and coordination projects for Family and Domestic Violence.....	9	9	11	7	
Full Time Equivalent (FTEs)	76	80	61	61	

(a) Where appropriate, the budget figures have been adjusted for comparative purposes to exclude the proposed introduction of shared services, as shown in the 2007-08 Budget Statements.

(b) This indicator will no longer be used, as projects for youth and children and families have been separated. The strategic projects for youth for the 2006-07 actual, 2007-08 budget, 2007-08 estimated actual and 2008-09 target are 16, 16, 21 and 13 respectively. The strategic projects for children and families for the 2007-08 estimated actual and 2008-09 are 8 and 26 respectively, which now includes additional projects transferred from Service 2.

Major Achievements For 2007-08**Seniors and Volunteering**

- Updated the whole-of-government Active Ageing Strategy 'Generations Together'.
- Oversaw the implementation of a legal and counselling service for older people who are experiencing or are at risk of elder abuse.
- Supported the Carers Advisory Council in the development and implementation of a new compliance measurement framework.
- Worked with the World Health Organisation to develop Age-Friendly Cities indicators.
- Commenced research to inform a set of benchmark indicators to guide volunteering policy, planning and coordination.
- Funded the Pilbara Development Commission to undertake research and consultation for a service model to provide volunteer recruitment and support services to the Pilbara community.
- Coordinated events for Seniors Week 2007, including the Western Australian Seniors Awards, to celebrate and acknowledge the contribution of seniors to the economic and social fabric of Western Australian society.
- Launched the new Seniors Card Discount Directory with over 500 private sector business discounts for seniors, and delivered it to over 250,000 Seniors Card holders.
- Hosted a National Neighbour Day event for Local Government community development workers, with the founder Andrew Heslop to promote community connectedness.
- Supported the Carers Advisory Council in its second annual report on compliance with the *Carers Recognition Act 2004*.
- Implemented a grants program to support community-based organisations to provide respite/short break initiatives for grandparents raising their grandchildren.
- Grants provided through the Department supported 54 Thank a Volunteer Day events state-wide.

Youth

- Implemented the 10th annual Positive Image Award and 10th annual Western Australian Youth Awards.
- Implemented 'The Panel', an online register of young people wanting to participate in research, focus groups and other opportunities.
- Delivered Stage One of the Resilience Workshops, providing service providers, parents and young people with skills to enhance adolescence resilience.
- Developed a 'z' card resource for young people, containing key contacts and other useful information.
- Provided support to Local Government Authorities on how to support youth councils.
- Administered the \$2.5 million Cadets Western Australian program, including the streamlining of policies and procedures.
- Developed a directory of Western Australian companies owned or operated by young people under the age of 30 years.
- Developed a resource to assist organisations in the implementation and management of events.

Family and Domestic Violence

- Progressed the Western Australian Family and Domestic Violence State Strategic Plan 2004-08 through the development of a progress report on the 2006-07 Action Plan and implementation of the 2007-08 Action Plan.

- Recommendations from the review of the Freedom From Fear campaign were considered by the Advisory Group on Family and Domestic Violence Prevention and Early Intervention.
- Funded and supported the operation of Regional Coordinated Responses to Family and Domestic Violence in 12 regions across Western Australia.
- Completed the Western Australian Safety and Accountability Audit of the Armadale Domestic Violence Intervention Project (ADVIP) and its findings are being considered as part of the development of the next State Strategic Plan 2009-11.
- Implemented the Culturally and Linguistically Diverse (CaLD) Strategy developed by the Family and Domestic Violence Unit.
- Evaluated community education brochures for culturally and linguistically diverse communities. Commenced an evaluation of the 'No More Violence - We're Breaking the Silence' youth resource.
- Launched the 'Speaking Out: Domestic Violence and People with Disabilities' training manual. The manual was produced by Nulsen Haven Association with funding from the Family and Domestic Violence Unit. Funding was also provided for Nulsen Haven to roll-out training for the family and domestic violence and disabilities sectors across the State.
- Commenced the development of the next Western Australian Family and Domestic Violence State Strategic Plan for the period 2009-11 using the findings of the Safety and Accountability Audit.
- Provided funding support to the Regional Coordinated Responses to Family and Domestic Violence.

Women

- Completed major papers for matters impacting on women and economic independence including:
 - women in low paid work;
 - Welfare to Work legislation; and
 - utilisation of CaLD overseas trained nurses' skills.
- Collaborated with the Department of Consumer and Employment Protection and the Small Business Development Corporation to progress the recommendations of the report on low paid workers.
- Carried out consultation with Western Australian Women's organisations.
- Participated with the Department of the Premier and Cabinet, and the Department of Consumer and Employment Protection to implement and monitor 'Taking the Lead Strategies', a whole-of-government action plan to increase the representation of women in senior management positions in the public sector.
- Continued to strengthen women's organisations through the allocation of \$150,000 in grants and \$50,000 to women in the community sector.
- Worked in partnership with the Department of Local Government and Regional Development to support the Western Australian Local Government Women's Association to implement a community education strategy to encourage women to nominate for Local Government positions.
- Worked with the Women's Advisory Network of Western Australia and the Indigenous Women's Congress in developing Strategic Plans.
- On International Women's Day the theme of 'Women and Science and Technology' was promoted by providing research, presentations and resources to non-government organisations, supporting events and workshops (including throughout regional Western Australia) with women's groups, the Science and Technology sector and female Western Australian school students.

Major Initiatives For 2008-09**Seniors and Volunteering**

- Review the *Carers Recognition Act 2004*.
- Prepare the 2009 Active Ageing Benchmark Indicators.
- Develop a mental wellbeing self assessment tool for mature age workers.
- Coordinate events and activities to celebrate Seniors Week 2008, including the Western Australian Seniors Awards, Stage Two of the 'Living Histories' project and support for the Have-A-Go Day.
- Contribute to the professional development of volunteering coordinators to meet the challenges of placement and support of volunteers.
- Support the development of corporate volunteering programs within the public sector.
- Continue the development of volunteering benchmarks and indicators.

Youth

- Develop a resource to inform young people about how to initiate change in the community.
- Develop an online participation toolkit for young people and organisations.
- Implement the 11th annual Positive Image Award program and Western Australian Youth Awards.
- Implement the 'yellow ball' program in partnership with relevant government departments to promote physical activity among secondary school aged young people.
- Partner with the Youth Affairs Council of Western Australia to conduct a State Youth Conference.
- Recognise young refugees in Western Australia during Refugee Week with an exhibition of written, photographic and art pieces.
- Deliver Stage Two of the Resilience Workshops, providing service providers, parents and young people with skills to enhance adolescent resilience.

Family and Domestic Violence

- Develop the Family and Domestic Violence State Strategic Plan 2009-11.
- Incorporate the recommendations from the Advisory Group on Family and Domestic Violence Prevention and Early Intervention Into the Family and Domestic Violence State Strategic Plan.
- Implement recommendations from the Safety and Accountability Audit.

Women

- Undertake research on strategies to improve the utilisation of migrant women's skills in nursing to reduce barriers to women's participation in the workforce.
- Update the Women's Report Card and the Indigenous Women's Report Card.
- Celebrate the centenary of International Women's Day in 2009.

Service 4: Redress Scheme for Children and Young People Abused in the Care 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 ^(a)	-	-	2,576	5,772	This is a new program, with the costs increasing as the scheme becomes fully implemented.
<i>Less Income</i>	-	-	-	-	
Net Cost of Service ^(a)	-	-	2,576	5,772	
Adjustments ^(b)	-	-	-	-	
Appropriation for Delivery of Service ^(a)	-	-	2,576	5,772	

- (a) Following the enactment of the *Financial Management Act 2006*, agencies are no longer required to pay the Capital User 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 administrative cost per claim	-	-	n/a	\$3,848	Commencement of new program.
Full Time Equivalents (FTEs)	0	0	1	17	

Major Achievements For 2007-08

- Established the Redress Western Australian Scheme for adults who, as children and young people were abused whilst in the care of the State and commenced taking Redress applications.
- Implemented a broad Communications Strategy to encourage applications.

Major Initiatives For 2008-09

- Promote program and register Redress applications up until 30 April 2009.
- Commence assessments and ex gratia payments.
- Institute a process to provide an apology and acknowledgement to those who in the past have suffered when the State did not provide a proper level of care.
- Commence planning on a prominent and permanent memorial to be established to acknowledge those who have suffered whilst in State care in the past. Provide people, on a personal level, with the opportunity to formally record their own stories on their official files.

Service 5: Promotion and Support of Multiculturalism in Western Australia

Assists in delivering Government's commitments set out in the Western Australian Charter of Multiculturalism by: promoting the ideals of multiculturalism to public sector agencies and the community, and developing and influencing policies that reflect the principles of multiculturalism.

	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)	3,914	3,704	4,966	4,027	The reduction in 2008-09 compared to 2007-08 is due to one-off funding provided in 2007-08 for the Counter Terrorism Action Plan and the Integrated Service Centre.
<i>Less Income</i>	188	13	2	2	
Net Cost of Service ^(a)	3,726	3,691	4,964	4,025	
Adjustments ^(b)	46	(292)	(583)	(258)	
Appropriation for Delivery of Service ^(a)	3,772	3,399	4,381	3,767	

- (a) Following the enactment of the *Financial Management Act 2006*, agencies are no longer required to pay the Capital User 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 and transfers 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 policy project/initiative for multiculturalism	\$49,307	\$61,727	\$61,302	\$67,107	
Full Time Equivalents (FTEs)	24	25	24	25	

Major Achievements For 2007-08

- Developed an implementation plan for the revised Language Services Policy and Guidelines.
- Awarded a contract for the research component of the Intercultural Arts Project which aims to raise the profile of artists and cultural groups from CaLD backgrounds within the Arts sector and broader community.
- Worked with the Chamber of Commerce and Industry to address barriers to employment faced by people from CaLD backgrounds.
- Entered into a Memorandum of Understanding with the Career Development Centre (CDC) for the placement of Community Relations Integration Officers at the CDC to increase access by people from CaLD backgrounds to employment and career development services.
- In partnership with the Department of Sport and Recreation, developed a project to increase CaLD participation in sport, recreation and leisure within the south metropolitan area.

- Implemented and evaluated the Integrated Service Centre pilot project piloting the innovative delivery of key services to humanitarian entrants at two Intensive English Centre Primary Schools.
- Developed two educational resources on multicultural issues and the community for the media and for community organisations.
- Developed and awarded a tender for the placement of people from a CaLD background in apprenticeships and traineeships and the development of a best practice model for Group Training Organisations and other relevant agencies.
- Provided state-wide coordination of Harmony Week a community relations initiative focusing on our cultural diversity and anti-racism.

Major Initiatives For 2008-09

- Develop an implementation plan to address the recommendations of the Across-Government Working Party Final Report on Settlement Issues for African Humanitarian Entrants.
- In partnership with the Department of Consumer and Employment Protection, progress strategies for expanding consumer protection information to people from CaLD backgrounds.
- In partnership with the Department of Housing and Works, the Department of Consumer and Employment Protection, Equal Opportunity Commission and Tenant's Advice Service, develop strategies for improving tenancy training and support for humanitarian entrants.
- Develop a range of statistical publications based on the 2006 Census data including a series of community profiles for 20 birthplace groups and an updated version of 'The People of Western Australia', a comprehensive demographic profile of Local Government Areas in Western Australia.
- Improve online information on multicultural interests including provision of translated information and online multicultural educational resources for schools.
- Coordinate the Multicultural Community Service Awards, which acknowledge the outstanding contribution of individuals and service organisations that provide support to Western Australia's minority ethnic communities.

CAPITAL WORKS PROGRAM

The Department's capital works program provides for the replacement, maintenance and expansion of assets that support the delivery of the Department's services. These include Child Care and Family Centres.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-08 \$'000	Estimated Expenditure 2007-08 \$'000	Estimated Expenditure 2008-09 \$'000
WORKS IN PROGRESS				
Building Minor Works - Programmed Maintenance 2008-09	375	225	225	150
COMPLETED WORKS				
Building Minor Works - Programmed Maintenance 2007-08	150	150	150	-
Child Care and Family Centres - Child Care Centre Upgrades	244	244	244	-
Office Accommodation - Department for Communities - Establishment	200	200	200	-
	969	819	819	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	-	200	819	150	375	375	1,900
LESS	-	200	819	150	375	375	1,900
Funding Included in Department of Treasury and Finance Administered Item ^(a)	-	200	200	-	-	-	-
Funding Included in Service Appropriations ^(b) ..	-	-	375	150	375	375	210
Internal Funds and Balances	-	-	244	-	-	-	-
Capital Contribution	-	-	-	-	-	-	1,690

- (a) Funding for the Ford Review recommendations includes a centrally held provisional allocation. The Department will be required to submit a business case for approval to access the funding provision.
- (b) Capital works expensed through the Income Statement.

FINANCIAL STATEMENTS

INCOME STATEMENT
(Controlled)

	2006-07 Actual ^(d)	2007-08 Budget ^(d)	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)	9,343	10,270	12,870	14,312	14,681	14,257	13,840
Superannuation	856	965	1,227	1,429	1,497	1,457	1,411
Grants and subsidies ^(b)	4,766	5,152	6,509	5,895	82,572	19,439	6,036
Services purchased from non-government agencies	4,392	5,450	6,400	7,350	6,164	5,856	5,758
Supplies and services	3,592	6,263	12,691	11,228	18,666	11,420	9,551
Accommodation	954	1,096	1,835	2,094	2,323	2,229	2,309
Capital user charge ^(c)	-	-	-	-	-	-	-
Depreciation and amortisation	1,647	1,913	1,925	1,815	1,908	1,907	1,909
Loss on disposal of non-current assets	-	-	-	-	-	-	-
Other expenses	85	-	-	-	-	-	-
TOTAL COST OF SERVICES	25,635	31,109	43,457	44,123	127,811	56,565	40,814
Income							
User charges and fees	-	48	23	-	23	-	23
Grants and subsidies	343	382	389	395	402	409	416
Other revenue	602	191	148	243	148	148	163
Total Income	945	621	560	638	573	557	602
NET COST OF SERVICES ^(c)	24,690	30,488	42,897	43,485	127,238	56,008	40,212
INCOME FROM STATE GOVERNMENT							
Service appropriations ^(c)	27,059	30,065	38,165	41,069	124,814	53,051	37,276
Service appropriations held in Department of Treasury and Finance Administered	-	1,150	981	401	421	441	-
Resources received free of charge	-	-	2,562	2,562	2,562	2,562	2,562
Liabilities assumed by the Treasurer	14	15	15	15	15	15	15
TOTAL INCOME FROM STATE GOVERNMENT	27,073	31,230	41,723	44,047	127,812	56,069	39,853
SURPLUS/(DEFICIENCY) FOR THE PERIOD	2,383	742	(1,174)	562	574	61	(359)
CHANGE IN SURPLUS/(DEFICIENCY) FOR THE PERIOD AFTER EXTRAORDINARY ITEMS	2,383	742	(1,174)	562	574	61	(359)

(a) The Full Time Equivalents (FTEs) for 2006-07 Actual, 2007-08 Estimated Actual and 2008-09 Estimate are 192, 204 and 229 respectively.

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

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

(d) The 2006-07 actual figures and 2007-08 budget have been restated for comparability to account for the further transfer of functions from the Department for Child Protection and the Department of the Premier and Cabinet.

**BALANCE SHEET
(Controlled)**

	2006-07 Actual ^(b)	2007-08 Budget ^(b)	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	2,471	1,650	1,119	1,800	2,367	2,372	1,957
Restricted cash	-	-	141	141	141	141	141
Receivables	1	-	1	1	1	1	1
Prepayments	23	480	20	20	20	20	20
Total current assets	2,495	2,130	1,281	1,962	2,529	2,534	2,119
NON-CURRENT ASSETS							
Amounts receivable for services.....	3,622	5,988	6,000	7,830	9,768	11,706	13,615
Land and buildings.....	20,029	17,513	19,292	19,237	18,446	17,655	16,864
Plant and equipment.....	82	161	204	283	249	216	182
Restricted cash	-	-	50	108	167	225	281
Other.....	5,452	4,582	5,318	3,479	2,395	1,312	1,918
Total non-current assets	29,185	28,244	30,864	30,937	31,025	31,114	32,860
TOTAL ASSETS.....	31,680	30,374	32,145	32,899	33,554	33,648	34,979
CURRENT LIABILITIES							
Payables ^(a)	6	-	4	4	4	4	4
Provision for employee entitlements	1,868	1,651	2,101	2,111	2,131	2,151	2,151
Accrued salaries	59	158	73	248	297	297	297
Other.....	131	813	124	124	123	123	123
Total current liabilities.....	2,064	2,622	2,302	2,487	2,555	2,575	2,575
NON-CURRENT LIABILITIES							
Provision for employee entitlements	548	618	696	703	716	729	729
Other.....	6	7	6	6	6	6	6
Total non-current liabilities	554	625	702	709	722	735	735
TOTAL LIABILITIES.....	2,618	3,247	3,004	3,196	3,277	3,310	3,310
EQUITY							
Contributed equity	7,509	13,545	18,825	18,825	18,825	18,825	20,515
Accumulated surplus/(deficit)	10,063	742	(1,174)	(612)	(38)	23	(336)
Reserves	11,490	12,840	11,490	11,490	11,490	11,490	11,490
Total equity.....	29,062	27,127	29,141	29,703	30,277	30,338	31,669
TOTAL LIABILITIES AND EQUITY	31,680	30,374	32,145	32,899	33,554	33,648	34,979

- (a) Following the enactment of the *Financial Management Act 2006*, as from 2007-08, agencies are no longer required to pay the Capital User Charge.
- (b) The 2006-07 actual figures and 2007-08 Budget have been restated for comparability to account for the further transfer of functions from the Department for Child Protection and the Department of the Premier and Cabinet.

**CASHFLOW STATEMENT
(Controlled)**

	2006-07 Actual ^(b)	2007-08 Budget ^(b)	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	25,248	28,143	36,231	39,239	122,876	51,113	35,367
Service appropriations held in Department of Treasury and Finance Administered.....	-	1,150	981	401	421	441	-
Capital contribution	-	-	-	-	-	-	1,690
Equity contribution receipts.....	-	200	200	-	-	-	-
Net cash provided by State Government.....	25,248	29,493	37,412	39,640	123,297	51,554	37,057
CASHFLOWS FROM OPERATING ACTIVITIES							
Payments							
Employee benefits.....	(10,420)	(10,255)	(12,855)	(14,120)	(14,599)	(14,224)	(13,840)
Superannuation	(850)	(950)	(1,212)	(1,414)	(1,482)	(1,442)	(1,396)
Grants and subsidies	(4,766)	(5,152)	(6,509)	(5,895)	(82,572)	(19,439)	(6,036)
Services purchased from non-government agencies	(4,435)	(5,450)	(6,400)	(7,350)	(6,164)	(5,856)	(5,758)
Supplies and services	(3,631)	(6,264)	(10,130)	(8,666)	(16,104)	(8,858)	(6,959)
Accommodation.....	(939)	(1,096)	(1,835)	(2,094)	(2,323)	(2,229)	(2,309)
Capital user charge ^(a)	-	-	-	-	-	-	-
Goods and services tax	(1,243)	(1,335)	(2,354)	(2,319)	(3,067)	(2,172)	(1,968)
Other.....	-	-	-	-	-	-	(30)
Receipts							
User charges and fees.....	-	48	23	-	23	-	23
Grants and subsidies	343	382	389	395	402	409	416
Goods and services tax	1,243	1,335	2,354	2,319	3,067	2,172	1,968
Other receipts	602	191	148	243	148	148	163
Net cash from operating activities.....	(24,096)	(28,546)	(38,381)	(38,901)	(122,671)	(51,491)	(35,726)
CASHFLOWS FROM INVESTING ACTIVITIES							
Purchase of non-current assets.....	(518)	(200)	(322)	-	-	-	(1,690)
Net cash from investing activities.....	(518)	(200)	(322)	-	-	-	(1,690)
CASHFLOWS FROM FINANCING ACTIVITIES							
Net cash from financing activities	-	-	-	-	-	-	-
NET INCREASE/(DECREASE) IN CASH HELD	634	747	(1,291)	739	626	63	(359)
Cash assets at the beginning of the reporting period	1,837	-	27	1,310	2,049	2,675	2,738
Net cash transferred to/from other agencies	-	903	2,574	-	-	-	-
Cash assets at the end of the reporting period.....	2,471	1,650	1,310	2,049	2,675	2,738	2,379

- (a) Following the enactment of the *Financial Management Act 2006*, as from 2007-08, agencies are no longer required to pay the Capital User Charge.
(b) The 2006-07 actual figures and 2007-08 Budget have been restated for comparability to account for the further transfer of functions from the Department for Child Protection and the Department of the Premier and Cabinet.

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

	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.....	25,635	31,109	43,457	44,123	127,811	56,565	40,814
Less Capital User Charge.....	-	-	-	-	-	-	-
Add Transfer from Department for Child Protection.....	2,527	4,315	-	-	-	-	-
Add Transfer from Department of the Premier and Cabinet.....	3,701	-	-	-	-	-	-
Add Notional Figure for Corporate Service Provided by Department for Child Protection.....	1,887	2,562	-	-	-	-	-
Adjusted Total Cost of Services	33,750	37,986	43,457	44,123	127,811	56,565	40,814
APPROPRIATIONS							
Net Amount Appropriated to Deliver Services ...	27,059	30,065	38,165	41,069	124,814	53,051	37,276
Less Appropriation Capital User Charge	-	-	-	-	-	-	-
Add Transfer from Department for Child Protection.....	2,842	4,315	-	-	-	-	-
Add Transfer from Department of the Premier and Cabinet.....	3,116	-	-	-	-	-	-
Adjusted Net Amount Appropriated to Deliver Services	33,017	34,380	38,165	41,069	124,814	53,051	37,276

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
Family and Domestic Violence Grants.....	185	72	165	72	72	72	72
Multicultural Interests.....	-	522	1,138	848	848	848	848
Other.....	-	293	351	403	410	417	544
Positive Ageing Initiatives.....	280	250	130	130	130	130	130
Redress Western Australia.....	-	-	-	-	76,670	13,530	-
Volunteering	481	140	240	140	140	140	140
Women's Grants.....	24	175	358	175	175	175	175
Youth Grants and Disbursements	3,796	3,700	4,127	4,127	4,127	4,127	4,127
TOTAL.....	4,766	5,152	6,509	5,895	82,572	19,439	6,036

AGENCY SPECIAL PURPOSE ACCOUNT DETAILS ^(a)**Western Australian Family Foundation Special Purpose**

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

	2006-07 Actual \$'000	2007-08 Budget \$'000	2007-08 Estimated Actual \$'000	2008-09 Budget Estimate \$'000
Opening Balance.....	85	84	141	171
Receipts:				
Appropriations	560	560	560	560
	645	644	701	731
Payments	504	644	530	731
CLOSING BALANCE	141	-	171	-

(a) Transferred from 1 July 2007 from the Department for Child Protection.

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
Children's Services.....	320	359	362	368
Departmental Services	602	239	171	243
GST Input Credits.....	-	10	5	7
GST Receipts on Sales.....	1,243	1,325	2,349	2,312
National Youth Week	23	23	27	27
TOTAL.....	2,188	1,956	2,914	2,957

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

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Commissioner for Children and Young People	2	540	Parliamentary Inspector of the Corruption and Crime Commission.....	2	512
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Corruption and Crime Commission.....	2	500	Port Hedland Port Authority	2	778
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Disability Services Commission.....	3	801	Rottneet 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
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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
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Indigenous Affairs.....	2	647	Western Australia Police.....	2	375
Industry and Resources	1	221	Western Power.....	3	938
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