

Part 8

Community Services

Summary of Portfolio Appropriations

Agency	2017-18 Budget \$'000	2017-18 Estimated Actual '000	2018-19 Budget Estimate '000
Communities			
– Delivery of Services	1,618,176	1,629,864	1,721,279
– Administered Grants, Subsidies and Other Transfer Payments	300	300	300
– Capital Appropriation	32,818	5,779	2,106
Total	1,651,294	1,635,943	1,723,685
Local Government, Sport and Cultural Industries			
– Delivery of Services	224,377	235,152	231,760
– Administered Grants, Subsidies and Other Transfer Payments	57,086	53,238	56,152
– Capital Appropriation	124,223	100,836	154,183
Total	405,686	389,226	442,095
Western Australian Sports Centre Trust			
– Delivery of Services	74,618	75,393	80,038
– Capital Appropriation	14,694	14,651	13,778
Total	89,312	90,044	93,816
GRAND TOTAL			
– Delivery of Services	1,917,171	1,940,409	2,033,077
– Administered Grants, Subsidies and Other Transfer Payments	57,386	53,538	56,452
– Capital Appropriation	171,735	121,266	170,067
Total	2,146,292	2,115,213	2,259,596

Division 33 Communities

Part 8 Community Services

Appropriations, Expenses and Cash Assets

	2016-17 Actual \$'000 ^(a)	2017-18 Budget \$'000	2017-18 Estimated Actual \$'000	2018-19 Budget Estimate \$'000	2019-20 Forward Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000
DELIVERY OF SERVICES							
Item 66 Net amount appropriated to deliver services.....	1,458,279	1,617,475	1,629,348	1,720,787	1,760,224	1,632,312	1,683,845
Amount Authorised by Other Statutes							
- Salaries and Allowances Act 1975.....	701	701	516	492	492	492	493
Total appropriations provided to deliver services	1,458,980	1,618,176	1,629,864	1,721,279	1,760,716	1,632,804	1,684,338
ADMINISTERED TRANSACTIONS							
Item 67 Amount provided for Administered Grants, Subsidies and Other Transfer Payments.....	300	300	300	300	300	300	300
CAPITAL							
Item 116 Capital Appropriation	3,945	32,818	5,779	2,106	4,618	2,130	2,130
TOTAL APPROPRIATIONS	1,463,225	1,651,294	1,635,943	1,723,685	1,765,634	1,635,234	1,686,768
EXPENSES							
Total Cost of Services	3,010,878	3,671,631	3,505,330	3,244,931	3,301,812	3,259,408	3,243,394
Net Cost of Services ^(b)	1,699,219	1,720,002	1,912,456	1,824,456	1,822,936	1,676,745	1,791,068
CASH ASSETS ^(c)	352,164	377,845	354,066	188,379	280,587	350,825	310,298

- (a) The 2016-17 Actual has been recast for comparability purposes to account for Machinery of Government changes that took effect from 1 July 2017.
(b) Represents Total Cost of Services (expenses) less retained revenues applied to the agency's services. Reconciliation to the 'Total appropriations provided to deliver services' includes adjustments related to movements in cash balances and other accrual items such as resources received free of charge, receivables, payables and superannuation.
(c) As at 30 June each financial year.

Spending Changes

Recurrent spending changes, other than cashflow timing changes and non-discretionary accounting adjustments, impacting on the agency's Income Statement since presentation of the 2017-18 Budget to Parliament on 7 September 2017, are outlined below:

	2017-18 Estimated Actual \$'000	2018-19 Budget Estimate \$'000	2019-20 Forward Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000
Election Commitments					
Breathing Space Service for Male Perpetrators of Family and Domestic Violence (FDV)	(200)	-	850	871	893
Crisis and Transitional Accommodation in Collie.....	-	390	60	60	60
METRONET - Social and Affordable Housing and Jobs Package.....	-	(1,247)	23,169	85,045	35,901
Senior Executive Service Reduction	(1,000)	(2,000)	(2,000)	(2,000)	(2,000)
Target 120.....	-	1,979	3,805	6,602	8,096
Other					
2018-19 Tariffs, Fees and Charges.....	25	80	58	59	198
Aboriginal Community Patrols Program	-	6,350	-	-	-
Aboriginal Policy Resources - Transfer to the Department of the Premier and Cabinet	(322)	(322)	(322)	(322)	(322)

	2017-18 Estimated Actual \$'000	2018-19 Budget Estimate \$'000	2019-20 Forward Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000
Adjustments to Commonwealth Grants					
National Affordable Housing Agreement.....	(447)	(5,131)	(5,284)	(5,465)	(3,589)
National Disability Agreement Specific Purpose Payments.....	(4,991)	(5,699)	(6,562)	-	-
National Partnership Agreement on Homelessness.....	(5)	-	-	-	-
Other Commonwealth Own Purpose Expenses.....	223	223	(177)	(177)	236
Capping of Leave Liabilities at 2011-12 Levels.....	3,924	-	-	-	-
Child Protection Cost and Demand Model - Parameter Update.....	-	(4,117)	(3,121)	1,703	6,413
Coral Bay Key Worker Housing.....	300	2,540	-	-	-
Essential and Municipal Services Improvement in Remote Aboriginal Communities.....	2,000	25,000	25,000	-	-
Government Office Accommodation Reform Program.....	(502)	196	342	493	650
Hardship Utility Grant Scheme.....	4,000	3,500	1,925	2,013	2,103
National Disability Insurance Scheme					
Revised Bilateral Agreement.....	(112,662)	(369,943)	(671,873)	(1,087,092)	(1,196,734)
Sector Support.....	-	11,875	8,450	-	-
Workforce Transition Costs.....	-	10,012	4,455	-	-
National Rental Affordability Scheme.....	(6,095)	13,987	-	-	-
New Public Sector Wages Policy.....	(2,475)	(5,094)	(7,964)	(11,037)	-
Non-Government Human Services Sector Indexation Adjustment.....	-	(3,553)	(2,010)	(376)	-
Reconfiguration of the Spinal Cord Injury Service.....	1,186	3,130	-	-	-
Seniors Cost of Living Rebate - Parameter Update.....	(1,632)	(576)	(956)	(1,075)	497
State Fleet Policy and Procurement Initiatives.....	(906)	(1,564)	(1,674)	(1,805)	(1,805)
Voluntary Targeted Separation Scheme ^(a)	12,658	(16,607)	(16,786)	(16,964)	(17,222)
Youth Supported Accommodation Assistance Program Grant from Mental Health Commission.....	447	-	-	-	-

(a) Cost and savings estimates of the Voluntary Targeted Separation Scheme as at 9 April 2018 Budget cut-off date. The costs and savings of the Scheme will be further updated in the 2017-18 Annual Report on State Finances and the 2018-19 Mid-year Review.

Significant Issues Impacting the Agency

- To help address fragmented service delivery to individuals, families and communities, the Department brings together functions from six former entities and over 5,500 staff across 151 current office locations. It presents a challenging but unique opportunity to fundamentally reform government services to deliver more person-centred and place-based outcomes. An integrated outcomes framework has been developed with input from staff, along with a new structure to support the delivery of quality community services, including the integration of strategy, policy and service delivery, while maintaining specialisation where needed.
- To establish the building blocks for broader service reform and build on the momentum from the Regional Services Reform Unit, the Kimberley has been designated as the first region to transition to this integrated model of service. Work is underway with staff, stakeholders and partner agencies to integrate and refocus services while increasing autonomy for regions in service design, coordination and oversight.
- The State Government has signed a bilateral agreement with the Commonwealth for the National Disability Insurance Agency (NDIA) to deliver the National Disability Insurance Scheme (NDIS) in Western Australia. The Department is committed to working collaboratively with the NDIA to facilitate a successful transition of disability services from State to Commonwealth responsibility over the next two years. The transition will affect over 26,000 individuals previously supported through the Department. The Government has also established a Sector Transition Fund, to be administered by the Department, committing \$20.3 million to safeguard the sustainability of the disability sector in Western Australia. The fund will assist people with disability and service providers to adapt to new requirements under the NDIS, maintain the delivery of quality community services and standards, and promote and grow disability service delivery to meet the increased demand for services.
- The unacceptable levels of family and domestic violence (FDV) throughout Western Australia are being addressed through a coordinated program of initiatives involving multiple agencies and designed to achieve both immediate and long-term outcomes. These include additional crisis accommodation for women and children, behavioural change programs for male perpetrators of FDV, culturally appropriate support services for Aboriginal and multicultural communities, inter-agency information sharing for better case management, the introduction of Respectful Relationships programs into schools and a pet referral project.

- Despite significant government funding, the developmental status of children in communities with socio-economic disadvantage has improved only marginally in recent years. Led by the Department and involving community leaders, all levels of government, researchers and private sector partners, a new 10 year Early Years Initiative will design, test and evaluate new service delivery and partnership models to ensure optimal investment in suburbs and towns. Pilot communities are being established and funding is being provided by the Minderoo Foundation and the repurposing of existing State Government funding.
- In response to offending by at-risk young people, Target 120 is a new approach toward the delivery of intervention services. It aims to make communities safer by targeting the young people most at risk of escalating criminal activity, and working with families to make positive changes in their lives. The Department will work with other government agencies to address the drivers of youth offending, such as substance abuse, mental health issues and FDV. A linked database will be developed to evaluate and focus the initiative and calculate the social return on investment.
- As part of the Government's commitment to addressing housing affordability and creating inclusive communities, the Department will partner to deliver a \$394 million Housing and Jobs Package, aligned to the delivery of METRONET. The package will deliver an additional 1,390 new transit-aligned homes, including 320 social housing dwellings, 400 affordable purchase opportunities and up to 300 with universal design features.
- To help improve a broad range of life outcomes, the North-West Aboriginal Housing Fund (the Fund) will provide new housing options and intensive support for Aboriginal families to help increase participation in education and employment. The Department is working in partnership with Aboriginal people and organisations to co-design and deliver a range of projects that are tailored to local needs and focused on wellbeing and empowerment. All projects will be required to meet the Fund's minimum Aboriginal employment target of 40% in the Kimberley and 20% in the Pilbara, and will create jobs and facilitate local Aboriginal apprenticeships and traineeships.
- The State is actively engaging with the Commonwealth for a new National Housing and Homelessness Agreement that will contribute to the provision of critical social housing and homelessness services for the most vulnerable members of the community, including young people and victims of FDV.
- The National Partnership Agreement on Remote Housing concludes on 30 June 2018 and there is no further Commonwealth funding commitment beyond this date. The absence of ongoing Commonwealth funds creates a substantial funding shortfall, removing the Department's ability to commit to new builds or support more houses and comprises the effective delivery of a planned asset management program. The State will continue to support existing housing in remote communities, recognising its importance for social, economic, health and education outcomes.
- The growing numbers of individuals and families facing serious financial hardship increases the likelihood of adverse social consequences including family breakdown, homelessness, crime and poor health and education outcomes. Financial counselling has been shown to assist those most at risk, and the Government will continue to support the financial counselling sector to deliver services where they are most needed. Improvements to the Hardship Utility Grant Scheme (HUGS) will also assist those at risk of disconnection from essential services.

Resource Agreement

The following performance information (financial and non-financial) is the subject of a Resource Agreement signed by the Minister for Child Protection; Women's Interests, Prevention of Family and Domestic Violence; Community Services, Minister for Disability Services, Minister for Housing; Veterans Issues; Youth, Minister for Seniors and Ageing; Volunteering, Accountable Authority and Treasurer under Part 3, Division 5 of the *Financial Management Act 2006*.

Responsible Ministers	Services
Minister for Child Protection; Women's Interests; Prevention of Family and Domestic Violence; Community Services	<ol style="list-style-type: none"> 1. Homelessness and Other Support Services 2. Preventing and Responding to Family and Domestic Violence 3. Earlier Intervention and Family Support Services 4. Working with Children Checks 5. Child Protection Assessments and Investigations 6. Care Arrangements for Children in the Chief Executive Officer's (CEO's) Care 7. Support Services for Children in the CEO's Care 8. Regulation and Support of the Early Education and Care Sector
Minister for Child Protection; Women's Interests; Prevention of Family and Domestic Violence; Community Services Minister for Seniors and Ageing; Volunteering	<ol style="list-style-type: none"> 9. Payments to Individuals 10. Delivery of Community Services, Grants and Resources
Minister for Disability Services	<ol style="list-style-type: none"> 11. Planning and Coordination for People with Disability 12. Residential Services for People with Disability 13. Community Living Support for People with Disability 14. Independent Living Support for People with Disability 15. Therapy and Specialised Care for People with Disability 16. Community Participation for People with Disability 17. Advocacy, Access and Inclusion for People with Disability 22. Contribution to the NDIS
Minister for Housing; Veterans Issues; Youth	<ol style="list-style-type: none"> 18. Rental Housing 19. Home Loans 20. Land and Housing Supply 21. Government Regional Officers' Housing (GROH) 23. Government Trading Enterprise Efficiency Dividend

Outcomes, Services and Key Performance Information

Where practical, the 2016-17 Actual has been recast for comparative purposes to account for Machinery of Government changes that took effect from 1 July 2017.

Relationship to Government Goals

Broad government goals are supported at agency level by specific outcomes. Agencies deliver services to achieve these outcomes. The following table illustrates the relationship between the agency's services and desired outcomes, and the government goal it contributes to. The key effectiveness indicators measure the extent of impact of the delivery of services on the achievement of desired outcomes. The key efficiency indicators monitor the relationship between the service delivered and the resources used to produce the service.

Government Goal	Desired Outcomes	Services
Strong Communities: Safe communities and supported families.	Families and individuals experiencing homelessness or other crises are assisted to overcome these crises.	1. Homelessness and Other Support Services
	People who have experienced or are at risk of experiencing family and domestic violence are and remain safe.	2. Preventing and Responding to Family and Domestic Violence
	Children and young people at risk of needing protection are kept safe, diverted from the child protection system and prevented from entering care.	3. Earlier Intervention and Family Support Services
	Children and young people needing protection are safe from abuse and harm.	4. Working with Children Checks 5. Child Protection Assessments and Investigations
	Children and young people in the Chief Executive Officer's (CEO's) care receive a high quality of care and have much improved life outcomes.	6. Care Arrangements for Children in the CEO's Care 7. Support Services for Children in the CEO's Care
	The Early Education and Care sector meets required quality standards.	8. Regulation and Support of the Early Education and Care Sector
	Seniors receive concessions and rebates administered by the Department.	9. Payments to Individuals
	Local community services and community building programs meet the identified needs of individuals and families.	10. Delivery of Community Services, Grants and Resources
	People with disability have choice and control in determining services that meet individual needs.	11. Planning and Coordination for People with Disability
	The quality of life of people with disability is enhanced.	12. Residential Services for People with Disability 13. Community Living Support for People with Disability 14. Independent Living Support for People with Disability 15. Therapy and Specialised Care for People with Disability
	People with disability have the opportunity to participate in community life.	16. Community Participation for People with Disability 17. Advocacy, Access and Inclusion for People with Disability
Housing eligible Western Australians.	18. Rental Housing 19. Home Loans 20. Land and Housing Supply 21. GROH	

Service Summary

Expense	2016-17	2017-18	2017-18	2018-19	2019-20	2020-21	2021-22
	Actual \$'000	Budget \$'000	Estimated Actual \$'000	Budget Estimate \$'000	Forward Estimate \$'000	Forward Estimate \$'000	Forward Estimate \$'000
1. Homelessness and Other Support Services.....	79,688	85,793	87,425	63,125	64,139	63,837	66,626
2. Preventing and Responding to Family and Domestic Violence.....	43,153	46,064	47,220	47,332	48,094	47,874	49,962
3. Earlier Intervention and Family Support Services.....	74,573	80,648	79,942	81,773	83,078	82,652	86,283
4. Working with Children Checks.....	13,139	12,562	13,259	13,497	13,714	13,651	14,247
5. Child Protection Assessments and Investigations.....	79,300	82,827	85,118	86,388	87,758	87,271	91,125
6. Care Arrangements for Children in the CEO's Care	263,178	279,007	280,040	293,356	298,064	296,641	309,615
7. Support Services for Children in the CEO's Care	90,957	98,504	98,126	102,827	104,455	103,874	108,462
8. Regulation and Support of the Early Education and Care Sector.....	11,878	17,063	16,008	14,937	13,766	13,842	13,902
9. Payments to Individuals.....	25,634	28,909	27,387	29,304	30,629	30,499	32,083
10. Delivery of Community Services, Grants and Resources	58,261	56,000	56,195	53,941	50,010	48,794	49,397
11. Planning and Coordination for People with Disability.....	58,504	99,703	74,227	51,930	28,696	16,454	15,239
12. Residential Services for People with Disability	66,417	66,357	73,989	52,059	28,633	16,607	16,109
13. Community Living Support for People with Disability.....	267,499	330,720	301,946	211,072	109,871	63,704	61,790
14. Independent Living Support for People with Disability.....	234,976	303,467	251,813	176,256	96,941	56,226	54,539
15. Therapy and Specialised Care for People with Disability.....	103,069	169,788	121,743	85,181	46,850	27,173	26,358
16. Community Participation for People with Disability	196,248	285,014	215,067	150,531	82,792	48,019	46,579
17. Advocacy, Access and Inclusion for People with Disability.....	5,860	6,093	6,230	4,359	2,397	1,390	1,349
18. Rental Housing	778,547	897,728	980,681	784,408	713,061	712,387	746,922
19. Home Loans	107,773	110,239	112,031	141,275	164,360	187,870	208,532
20. Land and Housing Supply.....	316,441	461,775	328,385	318,049	355,409	469,835	307,111
21. GROH.....	135,783	170,120	146,193	143,073	142,243	146,327	150,758
22. Contribution to the NDIS ^(a)	-	-	102,305	379,322	763,233	757,458	786,406
23. Government Trading Enterprise Efficiency Dividend	-	(16,750)	-	(39,064)	(26,381)	(32,977)	-
Total Cost of Services.....	3,010,878	3,671,631	3,505,330	3,244,931	3,301,812	3,259,408	3,243,394

(a) Cash payments to the NDIA, which operates Australia's NDIS. Note that this reflects the Department's cash contributions to the NDIS only. The State's total estimated funding contribution for NDIS services is \$122.6 million in 2017-18, \$456.6 million in 2018-19, \$906.7 million in 2019-20, \$938 million in 2020-21 and \$971.5 million in 2021-22.

Outcomes and Key Effectiveness Indicators ^(a)

	2016-17 Actual	2017-18 Budget	2017-18 Estimated Actual	2018-19 Budget Target	Note
Outcome: Families and individuals experiencing homelessness or other crises are assisted to overcome these crises:					
Percentage of homelessness clients with some or all goals achieved at the completion of a homelessness service support period	84%	85%	82%	85%	
Outcome: People who have experienced or are at risk of experiencing family and domestic violence are and remain safe:					
Percentage of FDV clients with some or all goals achieved at the completion of an accommodation or support service	91%	90%	91%	90%	
Percentage of departmental clients who were assessed and received a response as a result of a FDV incident and did not require another FDV-related response within 12 months	76%	80%	75%	80%	
Outcome: Children and young people at risk of needing protection are kept safe, diverted from the child protection system and prevented from entering care:					
Percentage of clients who received an earlier intervention and family support service whose child(ren) did not enter care within 12 months of service completion	88%	90%	88%	90%	
Outcome: Children and young people needing protection are safe from abuse and harm:					
Proportion of working with children cards issued within 30 days of lodgement where the applicant had no criminal record	98%	95%	99%	95%	
Proportion of decisions finalised within 60 days where the applicant for a working with children card had a criminal record	97%	95%	97%	95%	
Improved safety					
Proportion of children not subject to a subsequent substantiation of harm within 12 months of a previous substantiation of harm	90%	95%	90%	95%	
Proportion of children not subject to a substantiation of harm 12 months after an assessment of harm that was unsubstantiated	93%	95%	93%	95%	
Outcome: Children and young people in the CEO's care receive a high quality of care and have much improved life outcomes:					
Proportion of Aboriginal children in the CEO's care placed in accordance with the Aboriginal and Torres Strait Islander Child Placement Principle	64%	80%	65%	80%	1
Proportion of children in the CEO's care who felt safe in their care arrangement	96%	95%	96%	95%	
Proportion of children in the CEO's care with comprehensive care planning undertaken within set timeframes	80%	90%	82%	90%	
Outcome: The Early Education and Care sector meets required quality standards:					
Percentage of assessed early childhood education and care services that met or exceeded national standards	61%	85%	70%	70%	2
Outcome: Seniors receive concessions and rebates administered by the Department:					
The take-up rate of Seniors Card	94%	94%	95%	95%	
Outcome: Local community services and community building programs meet the identified needs of individuals and families:					
Percentage of service users that had their identified needs met	96%	96%	96%	96%	
Percentage of community building grants that were acquitted against identified outcomes	85%	90%	85%	85%	
Outcome: People with disability have choice and control in determining services that meet individual needs:					
Percentage of service users who achieve their individual plan outcomes	78%	79%	80%	80%	
Satisfaction with individualised planning process	79%	80%	78%	78%	

	2016-17 Actual	2017-18 Budget	2017-18 Estimated Actual	2018-19 Budget Target	Note
Outcome: The quality of life of people with disability is enhanced:					
Proportion of quality evaluations which meet national standards	95%	85%	90%	90%	
Satisfaction with service received.....	83%	83%	78%	78%	
Proportion of the population in need who receive services ^(b)	44%	59%	47%	70%	3
Outcome: People with disability have the opportunity to participate in community life:					
Proportion of service users who achieve community participation outcomes	76%	77%	77%	77%	
Service users' satisfaction with community access and inclusion	74%	75%	75%	75%	
Outcome: Housing eligible Western Australians:					
The extent to which the Department is responsive to the housing needs of eligible Western Australians (total housing assistances relative to the public rental waiting list).....	1.16	1.38	1.28	1.48	4
Waiting times for accommodation - applicants housed:					
Average	139 weeks	144 weeks	120 weeks	110 weeks	5
Median.....	93 weeks	110 weeks	74 weeks	70 weeks	5
The extent to which the GROH is responsive to the provision of housing to meet the needs of eligible Western Australian Government employees (total demand relative to current supply).....	97%	95%	97%	95%	

(a) Further detail in support of the key effectiveness indicators is provided in agency Annual Reports.

(b) The population in need identified in this indicator reflects the proportion of the overall population eligible for disability services and for which the State has jurisdiction. As the NDIA will administer disability services in additional regions in Western Australia, the remaining target population for the State decreases.

Explanation of Significant Movements

(Notes)

1. The number and proportion of Aboriginal children in care continues to increase at a higher rate than the number of available placement options with Aboriginal carers or relatives. While the application of the principle is generally in the child's best interests, there are other factors that must be considered in placement decisions to ensure a child's safety and wellbeing.
2. In 2016-17 a large proportion of services assessed were newer services and not on a second round of review as anticipated in the 2017-18 Budget. This resulted in a lower proportion of services meeting standards. In 2017-18, following a review of the National Partnership Agreement on the National Quality Agenda for Early Childhood Education and Care between the State and Commonwealth governments, a revised method of assessment was initiated which resulted in assessors needing to be trained, and services adjusting to new requirements.
3. The increase in the 2017-18 Budget was due to an expected increase in the number of participants due to the roll-out of a State-operated NDIS in Western Australia. The decrease between the 2017-18 Budget and the 2017-18 Estimated Actual reflects a reduced intake of participants as a result of the new bilateral agreement between the Commonwealth and Western Australia for the transition to an NDIS in Western Australia. More individuals remained within the Commonwealth-operated NDIS sites or have opted not to join the ceasing State-operated scheme. The 2018-19 Budget Target has been increased relative to the 2017-18 Estimated Actual to reflect a reduced State target population while services users transition to Commonwealth responsibility.
4. The 2018-19 Budget Target is higher than the 2017-18 Estimated Actual reflecting a greater number of assistances relative to expressed unmet demand. The targeted increase is mainly due to the residual impact of the Social Housing Investment Package and a higher than anticipated number of vacancies within existing public housing stock. The new properties delivered under the Social Housing Investment Package and a greater reallocation of existing dwellings will enable the Department to satisfy more applicants from the waiting list.
5. The 2017-18 Estimated Actual and the 2018-19 Budget Target are lower than the 2017-18 Budget due to a greater focus on allocations to priority-listed applicants associated with the Social Housing Investment Package. Also, there has been a higher turnover of public housing stock and this has increased the amount of applications that can be housed from the waiting list.

Services and Key Efficiency Indicators

1. Homelessness and Other Support Services

A range of accommodation and related support services for individuals and families who are homeless or at risk of homelessness and other family support services that strengthen families' ability to overcome crisis in their lives.

	2016-17 Actual	2017-18 Budget	2017-18 Estimated Actual	2018-19 Budget Target	Note
	\$'000	\$'000	\$'000	\$'000	
Total Cost of Service	79,688	85,793	87,425	63,125	1
Less Income	30,018	32,135	31,905	15,576	1
Net Cost of Service	49,670	53,658	55,520	47,549	
Employees (Full Time Equivalents)	64	67	66	66	
Efficiency Indicators					
Average Cost per Homelessness Client ^{(a) (b)}	\$3,345	\$3,670	\$3,416	\$2,292	2

(a) The number of clients for the 2016-17 Actual, 2017-18 Budget, 2017-18 Estimated Actual and 2018-19 Budget Target are 15,227, 15,200, 16,184 and 16,600 respectively.

(b) This indicator focuses on the provision of homelessness services, the most significant in the suite of services that support clients experiencing crisis in their lives. The calculation of this indicator excludes expenditure on services that do not have a quantifiable client.

Explanation of Significant Movements

(Notes)

- The decrease in expense and income from 2017-18 Estimated Actual to 2018-19 Budget Target is mainly due to a reduction in funding for the National Partnership Agreement on Homelessness.
- The reduction in overall income and expenditure for homelessness support services has resulted in a lower estimate of expenditure per person in 2018-19.

2. Preventing and Responding to Family and Domestic Violence

A range of services to people experiencing FDV, including the provision of crisis accommodation, counselling and community-based response teams that provide coordinated agency responses to FDV incidents.

	2016-17 Actual	2017-18 Budget	2017-18 Estimated Actual	2018-19 Budget Target	Note
	\$'000	\$'000	\$'000	\$'000	
Total Cost of Service	43,153	46,064	47,220	47,332	
Less Income	13,853	14,554	14,788	13,515	
Net Cost of Service	29,300	31,510	32,432	33,817	
Employees (Full Time Equivalents)	29	30	29	29	
Efficiency Indicators					
Average Cost per Family and Domestic Violence Case ^(a)	\$2,702	\$2,870	\$3,018	\$2,996	

(a) The number of clients for the 2016-17 Actual, 2017-18 Budget, 2017-18 Estimated Actual and 2018-19 Budget Target are 15,972, 16,000, 15,646 and 15,800 respectively.

3. Earlier Intervention and Family Support Services

Earlier and more intensive services are provided to divert children and young people from the child protection system and prevent them from entering care.

	2016-17 Actual	2017-18 Budget	2017-18 Estimated Actual	2018-19 Budget Target	Note
Total Cost of Service	\$'000 74,573	\$'000 80,648	\$'000 79,942	\$'000 81,773	
Less Income	300	190	311	3,425	1
Net Cost of Service	74,273	80,458	79,631	78,348	
Employees (Full Time Equivalents)	274	285	279	280	
Efficiency Indicators					
Average Cost per Earlier Intervention and Family Support Case ^(a)	\$5,254	\$5,663	\$6,057	\$5,931	

(a) The number of clients for the 2016-17 Actual, 2017-18 Budget, 2017-18 Estimated Actual and 2018-19 Budget Target are 14,440, 14,200, 13,406 and 14,000 respectively.

Explanation of Significant Movements

(Notes)

- The increase in income in the 2018-19 Budget Target is mainly due to increased payments from the Regional Reform Fund.

4. Working with Children Checks

Working with Children Checks increase child safety by helping to prevent people from working with children where they have a criminal history that indicates they may harm children.

	2016-17 Actual	2017-18 Budget	2017-18 Estimated Actual	2018-19 Budget Target	Note
Total Cost of Service	\$'000 13,139	\$'000 12,562	\$'000 13,259	\$'000 13,497	
Less Income	7,004	7,282	7,307	7,948	
Net Cost of Service	6,135	5,280	5,952	5,549	
Employees (Full Time Equivalents)	49	51	50	50	
Efficiency Indicators ^(a)					
Average Cost per Application Processed ^(b)	\$39	\$35	\$35	\$36	
Average Cost per Screening Outcome ^(b)	\$55	\$55	\$57	\$58	

(a) The calculation of these indicators excludes the direct costs of compliance activities.

(b) The number of applications for the 2016-17 Actual, 2017-18 Budget, 2017-18 Estimated Actual and 2018-19 Budget Target are 123,383, 120,000, 124,000 and 125,000 respectively. The number of screenings for the 2016-17 Actual, 2017-18 Budget, 2017-18 Estimated Actual and 2018-19 Budget Target are 122,503, 120,000, 124,000 and 125,000 respectively.

5. Child Protection Assessments and Investigations

Assessing concerns reported to the Department about the wellbeing of children and young people and responding appropriately, including child protection assessments, investigations and making applications for court orders.

	2016-17 Actual	2017-18 Budget	2017-18 Estimated Actual	2018-19 Budget Target	Note
Total Cost of Service	\$'000 79,300	\$'000 82,827	\$'000 85,118	\$'000 86,388	
Less Income	426	362	525	5,688	1
Net Cost of Service	78,874	82,465	84,593	80,700	
Employees (Full Time Equivalents)	506	527	516	517	
Efficiency Indicators					
Average Cost per Child Involved in Child Protection Cases ^(a)	\$4,447	\$4,338	\$4,905	\$4,930	

(a) The number of cases for the 2016-17 Actual, 2017-18 Budget, 2017-18 Estimated Actual and 2018-19 Budget Target are 18,438, 19,000, 17,830 and 18,000 respectively.

Explanation of Significant Movements

(Notes)

1. The increase in income in the 2018-19 Budget Target is mainly due to increased payments from the Regional Reform Fund.

6. Care Arrangements for Children in the CEO's Care

Provision of safe and stable care arrangements for children and young people in the care of the CEO.

	2016-17 Actual	2017-18 Budget	2017-18 Estimated Actual	2018-19 Budget Target	Note
Total Cost of Service	\$'000 263,178	\$'000 279,007	\$'000 280,040	\$'000 293,356	
Less Income	938	354	947	9,883	1
Net Cost of Service	262,240	278,653	279,093	283,473	
Employees (Full Time Equivalents)	732	762	746	748	
Efficiency Indicators ^(a)					
Average Cost per Day of a Foster Care Arrangement ^(b)	\$128	\$129	\$135	\$135	
Average Cost per Day of a Residential-based Care Arrangement ^(c)	\$1,564	\$1,534	\$1,626	\$1,676	
Average Cost per Day of an Exceptionally Complex Needs Care Arrangement ^(d)	\$1,595	\$1,589	\$1,688	\$1,767	
Average Cost per Day of a Secure Care Arrangement ^(e)	\$3,757	\$3,578	\$4,251	\$4,198	2

(a) The calculation of these indicators excludes expenditure on adoption services and other services that are not directly related to the provision of specific care arrangements.

(b) The number of days of foster care arrangements for the 2016-17 Actual, 2017-18 Budget, 2017-18 Estimated Actual and 2018-19 Budget Target are 1,463,245, 1,512,000, 1,494,645 and 1,563,000 respectively.

(c) The number of days of residential-based care arrangements for the 2016-17 Actual, 2017-18 Budget, 2017-18 Estimated Actual and 2018-19 Budget Target are 32,290, 35,000, 31,524 and 32,000 respectively.

(d) The number of days of exceptionally complex needs care arrangements for the 2016-17 Actual, 2017-18 Budget, 2017-18 Estimated Actual and 2018-19 Budget Target are 7,229, 7,500, 7,501 and 7,500 respectively.

(e) The number of days of secure care arrangements for the 2016-17 Actual, 2017-18 Budget, 2017-18 Estimated Actual and 2018-19 Budget Target are 1,518, 1,600, 1,321 and 1,400 respectively.

Explanation of Significant Movements

(Notes)

1. The increase in income in the 2018-19 Budget Target is mainly due to increased payments from the Regional Reform Fund.

2. The 2017-18 Estimated Actual is higher than the 2017-18 Budget mainly as result of repair and reconstruction work that reduced service capacity.

7. Support Services for Children in the CEO's Care

Services for the safety, support and wellbeing of children and young people in the care of the CEO.

	2016-17 Actual	2017-18 Budget	2017-18 Estimated Actual	2018-19 Budget Target	Note
Total Cost of Service	\$'000 90,957	\$'000 98,504	\$'000 98,126	\$'000 102,827	
Less Income	380	419	449	4,946	1
Net Cost of Service	90,577	98,085	97,677	97,881	
Employees (Full Time Equivalents)	600	625	612	613	
Efficiency Indicators					
Average Cost per Day to Plan for and Support a Child in the CEO's Care ^(a)	\$55	\$55	\$58	\$60	

(a) The total number of days for the 2016-17 Actual, 2017-18 Budget, 2017-18 Estimated Actual and 2018-19 Budget Target are 1,708,235, 1,769,000, 1,739,818 and 1,750,000 respectively.

Explanation of Significant Movements

(Notes)

- The increase in income in the 2018-19 Budget Target is mainly due to increased payments from the Regional Reform Fund.

8. Regulation and Support of the Early Education and Care Sector

Regulation and quality assurance of early education and care services against required service standards. This includes development of planning, capacity building and support for early education and care services.

	2016-17 Actual	2017-18 Budget	2017-18 Estimated Actual	2018-19 Budget Target	Note
Total Cost of Service	\$'000 11,878	\$'000 17,063	\$'000 16,008	\$'000 14,937	1
Less Income	2,285	2,330	2,331	856	2
Net Cost of Service	9,593	14,733	13,677	14,081	
Employees (Full Time Equivalents)	73	90	88	79	
Efficiency Indicators					
Average Cost per Licenced Service for Regulation and Support.....	\$9,900	\$12,668	\$12,129	\$11,327	1

Explanation of Significant Movements

(Notes)

- The 2016-17 Actual is less than the 2017-18 Budget mainly due to a delay in approving the Royalties for Regions Regional Community Child Care Development Fund Stage 2 funding and a higher than expected staff vacancy rate resulting in less salary and operational expenditure compared to the 2017-18 Budget.
- The 2017-18 Estimated Actual is less than the 2018-19 Budget Target mainly due to the cessation of current funding associated with the Early Childhood Education and Care National Partnership Agreement.

9. Payments to Individuals

Delivery of benefits and concessions administered by the Department, including the Seniors Card.

	2016-17 Actual	2017-18 Budget	2017-18 Estimated Actual	2018-19 Budget Target	Note
Total Cost of Service	\$'000 25,634	\$'000 28,909	\$'000 27,387	\$'000 29,304	1
Less Income	6	32	33	35	
Net Cost of Service	25,628	28,877	27,354	29,269	
Employees (Full Time Equivalents)	15	18	18	18	
Efficiency Indicators					
Average Management Cost per Seniors Card.....	\$7.29	\$6.64	\$7.26	\$7.80	

Explanation of Significant Movements

(Notes)

- The 2016-17 Actual is less than the 2017-18 Budget due to the 2017-18 Budget being based on a greater population and take-up rate of the Cost of Living Rebate by Seniors Card members than what occurred in 2016-17. In 2017-18 the Department updated its modelling to reflect current population and take-up estimated rate for 2017-18 Estimated Actual and 2018-19 Budget Target.

10. Delivery of Community Services, Grants and Resources

Development, planning and provision of information, programs and support for Western Australians across community services and local governments.

	2016-17 Actual	2017-18 Budget	2017-18 Estimated Actual	2018-19 Budget Target	Note
Total Cost of Service	\$'000 58,261	\$'000 56,000	\$'000 56,195	\$'000 53,941	1
Less Income	2,171	2,403	2,401	1,723	
Net Cost of Service	56,090	53,597	53,794	52,218	
Employees (Full Time Equivalents)	68	57	56	53	2
Efficiency Indicators					
Number of Grants and Service Agreements per Full Time Equivalent (FTE)	51.2	39.2	36.2	35.5	3
Proportion of Administrative and Management Expenditure to Service Delivery Expenditure.....	7.5%	6.8%	6.2%	6.3%	

Explanation of Significant Movements

(Notes)

- The 2017-18 Estimated Actual is greater than the 2018-19 Budget Target mainly due to the cessation of the Enhanced Transition to School project, which was funded by the Department of Education.
- The 2016-17 Actual is greater than the 2017-18 Budget mainly due to the implementation of Agency Expenditure Review savings measures.
- The 2016-17 Actual is greater than the 2017-18 Budget mainly due to the payment of election commitment related Local Projects Local Jobs grants in 2016-17 and an anticipated reduction in grants.

11. Planning and Coordination for People with Disability

This service assists people with disability to have choice and control in decision-making through a planning process which identifies their personal goals and provides regular reviews of whether the goals are achieved.

	2016-17 Actual	2017-18 Budget	2017-18 Estimated Actual	2018-19 Budget Target	Note
Total Cost of Service	\$'000 58,504	\$'000 99,703	\$'000 74,227	\$'000 51,930	1
Less Income	13,735	31,508	19,959	12,374	1
Net Cost of Service	44,769	68,195	54,268	39,556	
Employees (Full Time Equivalents)	277	642	504	456	2
Efficiency Indicators					
Proportion of Individual Plans Commenced within the Required Timeframe	80%	80%	85%	70%	3
Average Cost per Intensity of Individual Support Requirements ^(a)	\$1,775	\$1,830	\$2,142	\$1,545	4

(a) This indicator measures the service user's average level of funded support. Service users are categorised in terms of whether their support needs are high, medium or low and are weighted accordingly (3, 2 or 1). The average service user total is divided into the total cost for the service area to derive the Average Cost per Intensity of Individual Support Requirements.

Explanation of Significant Movements

(Notes)

- The movement between the 2016-17 Actual, 2017-18 Budget, 2017-18 Estimated Actual and 2018-19 Budget Target is mainly the result of the bilateral agreement between the Commonwealth and Western Australia for the transition to a NDIS in Western Australia. Variances from 2017-18 and 2018-19 reflect the redirection of State funding to the NDIA and, in some cases, changes to the allocation of costs across services on the basis of each individual's reasonable and necessary support needs, based on clients' most recent approved plans. These costs exclude payments made to the NDIA which is representative of the State's contribution to the NDIS in Western Australia.
- Variances between the Actual, Budget, Estimated Actual and Budget Target reflect the impact of the transition to a nationally-delivered NDIS in Western Australia. The impact on FTEs depends on the scheduled intake of State-supported individuals to the NDIA over the transition period. The Department will have limited control over this process. Further adjustments to FTEs may be necessary when intake outcomes are known. The estimated FTEs also includes the partial impact of the 2017-18 Voluntary Targeted Separation Scheme (VTSS).
- The 2018-19 Budget Target is expected to be lower than the 2017-18 Estimated Actual due to the transfer and transition of services to the NDIA, which will influence staffing levels and capacity in Local Offices as employees transfer to the NDIA.
- The forecast decrease in average cost per Intensity in the 2018-19 Budget Target reflects the continual transition of services and supports to the NDIA. The transfer of the budget for this service is not directly proportional to the transfer of service users.

12. Residential Services for People with Disability

This service is delivered in congregate or cluster settings of seven or more persons, and includes larger residential services for 20 or more persons. It is normally located on large parcels of land and provides 24-hour residential support with specialist disability support services. This service area includes large and small institutions and emergency accommodation.

	2016-17 Actual	2017-18 Budget	2017-18 Estimated Actual	2018-19 Budget Target	Note
	\$'000	\$'000	\$'000	\$'000	
Total Cost of Service	66,417	66,357	73,989	52,059	1
Less Income	16,454	21,530	20,516	12,720	1
Net Cost of Service	49,963	44,827	53,473	39,339	
Employees (Full Time Equivalents)	289	273	214	194	2
Efficiency Indicators					
Average Cost per Service Activity ^(a)	\$212,476	\$211,328	\$224,194	\$162,895	3
Average Cost per Intensity of Individual Support Requirements	\$81,415	\$78,832	\$85,905	\$62,417	3

(a) This indicator measures the service user's average level of funded support. Service users are categorised in terms of whether their support needs are high, medium or low and are weighted accordingly (3, 2 or 1). The average service user total is divided into the total cost for the service area to derive the cost per intensity of individual support requirements.

Explanation of Significant Movements

(Notes)

- The movement between the 2016-17 Actual, 2017-18 Budget, 2017-18 Estimated Actual and 2018-19 Budget Target is mainly the result of the bilateral agreement between the Commonwealth and Western Australia for the transition to a NDIS in Western Australia. Variances from 2017-18 and 2018-19 reflect the redirection of State funding to the NDIA and, in some cases, changes to the allocation of costs across services on the basis of each individual's reasonable and necessary support needs, based on clients' most recent approved plans. These costs exclude payments made to the NDIA which is representative of the State's contribution to the NDIS in Western Australia.
- Variances between the 2016-17 Actual, 2017-18 Budget, 2017-18 Estimated Actual and 2018-19 Budget Target reflect the impact of the transition to a nationally-delivered NDIS in Western Australia. The impact on FTEs depends on the scheduled intake of State-supported individuals to the NDIA over the transition period. The Department will have limited control over this process. Further adjustments to FTEs may be necessary when intake outcomes are known. The estimated FTEs also includes the partial impact of the 2017-18 VTSS.
- The forecast decrease in each indicator in the 2018-19 Budget Target reflects the continual transition of services and supports to the NDIA. The transfer of the budget for this service is not directly proportional to the transfer of service users.

13. Community Living Support for People with Disability

This is supported accommodation in a residential setting which is a more home-like environment than that of Service 12 'Residential Services for People with Disability'. It is generally delivered to a smaller group of persons, always less than 20 persons and may be less than seven persons. It may not provide specialist disability support services. This service area includes hostels and group homes.

	2016-17 Actual	2017-18 Budget	2017-18 Estimated Actual	2018-19 Budget Target	Note
	\$'000	\$'000	\$'000	\$'000	
Total Cost of Service	267,499	330,720	301,946	211,072	1
Less Income	66,047	107,324	83,766	52,887	1
Net Cost of Service	201,452	223,396	218,180	158,185	
Employees (Full Time Equivalents)	563	681	535	483	2
Efficiency Indicators					
Average Cost per Intensity of Individual Support Requirements ^(a)	\$74,838	\$74,357	\$80,370	\$58,021	3
Average Cost per Service Activity	\$172,172	\$170,324	\$184,899	\$133,482	3

(a) This indicator measures the service user's average level of funded support. Service users are categorised in terms of whether their support needs are high, medium or low and are weighted accordingly (3, 2 or 1). The average service user total is divided into the total cost for the service area to derive the cost per intensity of individual support requirements.

Explanation of Significant Movements

(Notes)

- The movement between the 2016-17 Actual, 2017-18 Budget, 2017-18 Estimated Actual and 2018-19 Budget Target is mainly the result of the bilateral agreement between the Commonwealth and Western Australia for the transition to a NDIS in Western Australia. Variances from 2017-18 and 2018-19 reflect the redirection of State funding to the NDIA and, in some cases, changes to the allocation of costs across services on the basis of each individual's reasonable and necessary support needs, based on clients' most recent approved plans. These costs exclude payments made to the NDIA which is representative of the State's contribution to the NDIS in Western Australia.
- Variances between the 2016-17 Actual, 2017-18 Budget, 2017-18 Estimated Actual and 2018-19 Budget Target reflect the impact of the transition to a nationally-delivered NDIS in Western Australia. The impact on FTEs depends on the scheduled intake of State-supported individuals to the NDIA over the transition period. The Department will have limited control over this process. Further adjustments to FTEs may be necessary when intake outcomes are known. The estimated FTEs also includes the partial impact of the 2017-18 VTSS.
- The forecast decrease in each indicator in the 2018-19 Budget Target reflects the continual transition of services and supports to the NDIA. The transfer of the budget for this service is not directly proportional to the transfer of service users.

14. Independent Living Support for People with Disability

This covers a range of community-based services that enable individuals to live as independently as possible in the community. This service area includes in-home accommodation support, alternative family placement and respite.

	2016-17 Actual	2017-18 Budget	2017-18 Estimated Actual	2018-19 Budget Target	Note
	\$'000	\$'000	\$'000	\$'000	
Total Cost of Service	234,976	303,467	251,813	176,256	1
Less Income	54,702	95,521	67,300	41,726	1
Net Cost of Service	180,274	207,946	184,513	134,530	
Employees (Full Time Equivalents)	56	78	61	55	2
Efficiency Indicators					
Average Cost per Intensity of Individual Support Requirements ^(a)	\$19,937	\$19,857	\$20,328	\$14,693	3
Average Cost per Service Activity	\$33,030	\$38,492	\$33,678	\$24,343	3

(a) This indicator measures the service user's average level of funded support. Service users are categorised in terms of whether their support needs are high, medium or low and are weighted accordingly (3, 2 or 1). The average service user total is divided into the total cost for the service area to derive the cost per intensity of individual support requirements.

Explanation of Significant Movements

(Notes)

- The movement between the 2016-17 Actual, 2017-18 Budget, 2017-18 Estimated Actual and 2018-19 Budget Target is mainly the result of the bilateral agreement between the Commonwealth and Western Australia for the transition to a NDIS in Western Australia. Variances from 2017-18 and 2018-19 reflect the redirection of State funding to the NDIA and, in some cases, changes to the allocation of costs across services on the basis of each individual's reasonable and necessary support needs, based on clients' most recent approved plans. These costs exclude payments made to the NDIA which is representative of the State's contribution to the NDIS in Western Australia.
- Variances between the 2016-17 Actual, 2017-18 Budget, 2017-18 Estimated Actual and 2018-19 Budget Target reflect the impact of the transition to a nationally-delivered NDIS in Western Australia. The impact on FTEs depends on the scheduled intake of State-supported individuals to the NDIA over the transition period. The Department will have limited control over this process. Further adjustments to FTEs may be necessary when intake outcomes are known. The estimated FTEs also includes the partial impact of the 2017-18 VTSS.
- The forecast decrease in each indicator in the 2018-19 Budget Target reflects the continual transition of services and supports to the NDIA. The transfer of the budget for this service is not directly proportional to the transfer of service users.

15. Therapy and Specialised Care for People with Disability

Basic and specialised care support and assistance with daily living activities (personal, mobility and communication) for individuals with complex needs or unable to complete tasks for themselves, to enable them to remain living as independently as possible in the community.

	2016-17 Actual	2017-18 Budget	2017-18 Estimated Actual	2018-19 Budget Target	Note
	\$'000	\$'000	\$'000	\$'000	
Total Cost of Service	103,069	169,788	121,743	85,181	1
Less Income	23,791	53,443	32,524	20,165	1
Net Cost of Service	79,278	116,345	89,219	65,016	
Employees (Full Time Equivalents)	162	229	180	163	2
Efficiency Indicators					
Average Cost per Intensity of Individual Support Requirements ^(a)	\$4,018	\$4,136	\$4,516	\$3,263	3
Average Cost per Service Activity	\$6,150	\$7,883	\$6,911	\$4,994	3

(a) This indicator measures the service user's average level of funded support. Service users are categorised in terms of whether their support needs are high, medium or low and are weighted accordingly (3, 2 or 1). The average service user total is divided into the total cost for the service area to derive the cost per intensity of individual support requirements.

Explanation of Significant Movements

(Notes)

- The movement between the 2016-17 Actual, 2017-18 Budget, 2017-18 Estimated Actual and 2018-19 Budget Target is mainly the result of the bilateral agreement between the Commonwealth and Western Australia for the transition to a NDIS in Western Australia. Variances from 2017-18 and 2018-19 reflect the redirection of State funding to the NDIA and, in some cases, changes to the allocation of costs across services on the basis of each individual's reasonable and necessary support needs, based on clients' most recent approved plans. These costs exclude payments made to the NDIA which is representative of the State's contribution to the NDIS in Western Australia.
- Variances between the 2016-17 Actual, 2017-18 Budget, 2017-18 Estimated Actual and 2018-19 Budget Target reflect the impact of the transition to a nationally-delivered NDIS in Western Australia. The impact on FTEs depends on the scheduled intake of State-supported individuals to the NDIA over the transition period. The Department will have limited control over this process. Further adjustments to FTEs may be necessary when intake outcomes are known. The estimated FTEs also includes the partial impact of the 2017-18 VTSS.
- The forecast decrease in each indicator in the 2018-19 Budget Target reflects the continual transition of services and supports to the NDIA. The transfer of the budget for this service is not directly proportional to the transfer of service users.

16. Community Participation for People with Disability

Supports and assistive technology that provides opportunities for people with disability to gain and use their abilities to enjoy their full potential for social independence.

	2016-17 Actual	2017-18 Budget	2017-18 Estimated Actual	2018-19 Budget Target	Note
	\$'000	\$'000	\$'000	\$'000	
Total Cost of Service	196,248	285,014	215,067	150,531	1
Less Income	45,483	89,713	57,477	35,636	1
Net Cost of Service	150,765	195,301	157,590	114,895	
Employees (Full Time Equivalents)	55	93	73	66	2
Efficiency Indicators					
Average Cost per Intensity of Individual Support Requirements ^(a)	\$7,174	\$7,075	\$7,481	\$5,407	3
Average Cost per Service Activity	\$9,705	\$12,549	\$10,119	\$7,314	3

(a) This indicator measures the service user's average level of funded support. Service users are categorised in terms of whether their support needs are high, medium or low and are weighted accordingly (3, 2 or 1). The average service user total is divided into the total cost for the service area to derive the cost per intensity of individual support requirements.

Explanation of Significant Movements

(Notes)

- The movement between the 2016-17 Actual, 2017-18 Budget, 2017-18 Estimated Actual and 2018-19 Budget Target is mainly the result of the bilateral agreement between the Commonwealth and Western Australia for the transition to a NDIS in Western Australia. Variances from 2017-18 and 2018-19 reflect the redirection of State funding to the NDIA and, in some cases, changes to the allocation of costs across services on the basis of each individual's reasonable and necessary support needs, based on clients' most recent approved plans. These costs exclude payments made to the NDIA which is representative of the State's contribution to the NDIS in Western Australia.
- Variances between the 2016-17 Actual, 2017-18 Budget, 2017-18 Estimated Actual and 2018-19 Budget Target reflect the impact of the transition to a nationally-delivered NDIS in Western Australia. The impact on FTEs depends on the scheduled intake of State-supported individuals to the NDIA over the transition period. The Department will have limited control over this process. Further adjustments to FTEs may be necessary when intake outcomes are known. The estimated FTEs also includes the partial impact of the 2017-18 VTSS.
- The forecast decrease in each indicator in the 2018-19 Budget Target reflects the continual transition of services and supports to the NDIA. The transfer of the budget for this service is not directly proportional to the transfer of service users.

17. Advocacy, Access and Inclusion for People with Disability

Indirect support to people with disabilities through community and service enhancements.

	2016-17 Actual	2017-18 Budget	2017-18 Estimated Actual	2018-19 Budget Target	Note
Total Cost of Service	\$'000 5,860	\$'000 6,093	\$'000 6,230	\$'000 4,359	1
Less Income	1,364	1,918	1,664	1,032	1
Net Cost of Service	4,496	4,175	4,566	3,327	
Employees (Full Time Equivalents)	10	12	9	9	2
Efficiency Indicators					
Average Cost per Service Activity	\$31,130	\$32,410	\$32,840	\$23,727	1
Proportion of Access, Inclusion and Advocacy Projects Completed within the Required Time	89%	90%	89%	89%	

Explanation of Significant Movements

(Notes)

- The decrease in Total Cost of Service, income and Average Cost per Service Activity between the 2017-18 Estimated Actual and the 2018-19 Budget Target mainly reflects a decrease in Commonwealth-funded expenditure for Information, Linkages and Capacity Building Grants and the National Partnership Agreement on Pay Equity for the Social and Community Services Sector, which are both to be paid by the NDIA.
- Variances between the 2016-17 Actual, 2017-18 Estimated Actual and 2018-19 Budget Target reflect the estimated impact of the transition to a nationally-delivered NDIS in Western Australia. The impact on FTEs depends on the scheduled intake of State-supported individuals to the NDIA over the transition period. The Department will have limited control over this process. Further adjustments to FTEs may be necessary when intake outcomes are known. The estimated FTEs also includes the partial impact of the 2017-18 VTSS.

18. Rental Housing

	2016-17 Actual	2017-18 Budget	2017-18 Estimated Actual	2018-19 Budget Target	Note
Total Cost of Service	\$'000 778,547	\$'000 897,728	\$'000 980,681	\$'000 784,408	
Less Income	408,243	583,084	572,325	414,643	
Net Cost of Service	370,304	314,644	408,356	369,765	1
Employees (Full Time Equivalents)	1,373	1,372	1,312	1,306	
Efficiency Indicators					
Average Operating Cost per Rental Property	\$15,176	\$15,236	\$16,103	\$15,658	

Explanation of Significant Movements

(Notes)

- The 2017-18 Budget varies from the 2016-17 Actual due to a majority of the planned asset transfers to the community housing sector forecast for delivery in 2016-17. The 2017-18 Estimated Actual varies from the 2017-18 Budget largely due to changes in the timing of planned asset transfers to the community housing sector, and expenditure under the National Partnership Agreement on Remote Housing being re-cashflowed from 2016-17 to 2017-18 following delays in signing the agreement.

19. Home Loans

	2016-17 Actual	2017-18 Budget	2017-18 Estimated Actual	2018-19 Budget Target	Note
	\$'000	\$'000	\$'000	\$'000	
Total Cost of Service	107,773	110,239	112,031	141,275	
Less Income	165,555	168,644	160,331	196,694	
Net Cost of Service	(57,782)	(58,405)	(48,300)	(55,419)	1
Employees (Full Time Equivalents)	22	22	21	21	
Efficiency Indicators					
Average Operating Cost per Current Loan Account ^(a)	\$2,397	\$2,613	\$2,702	\$2,644	

(a) This key efficiency indicator includes consolidated Keystart and Housing Authority costs.

Explanation of Significant Movements

(Notes)

- The 2017-18 Estimated Actual varies from the 2017-18 Budget primarily due to a lower Keystart profit distribution reflecting increased credit losses and changes in the market interest rate assumptions. The 2018-19 Budget Target varies from the 2017-18 Estimated Actual due to a higher Keystart profit distribution estimate, reflecting revenue increases as a result of growth in the loan book.

20. Land and Housing Supply

	2016-17 Actual	2017-18 Budget	2017-18 Estimated Actual	2018-19 Budget Target	Note
	\$'000	\$'000	\$'000	\$'000	
Total Cost of Service	316,441	461,775	328,385	318,049	
Less Income	306,890	582,436	363,268	413,890	
Net Cost of Service	9,551	(120,661)	(34,883)	(95,841)	1
Employees (Full Time Equivalents)	113	117	106	106	
Efficiency Indicators					
Average Operating Cost per Lot Developed	\$41,950	\$20,644	\$36,136	\$25,867	2
Average Operating Cost per Property Sold	\$32,289	\$15,291	\$23,065	\$15,906	3

Explanation of Significant Movements

(Notes)

- The 2017-18 Budget varies from the 2016-17 Actual primarily due to lower inventory sales due to softening market demand and lower commencements in 2016-17, as well as commercially structuring some land project to raise capital upfront in 2017-18. The 2017-18 Estimated Actual varies from the 2017-18 Budget mostly due to lower sales than forecast as a result of softening market conditions. The 2018-19 Budget Target varies from the 2017-18 Estimated Actual mainly due to higher lot production forecast in 2018-19.
- The 2017-18 Budget varies from the 2016-17 Actual primarily because an uplift in the residential real estate market was predicted by the development industry when the 2017-18 Budget was established. A higher number of lots were to be developed with lower per unit cost of development. The 2017-18 Estimated Actual is higher than the 2017-18 Budget due to lower lot production levels resulting from the downturn in the residential real estate market over that period and corresponding focus on the sale of existing stock on hand. The 2018-19 Budget Target is lower than the 2017-18 Estimated Actual due to higher lot production forecast in 2018-19 related to returning market confidence, the need to replenish stock levels, new stages of projects commencing and deferred projects resuming.
- The 2017-18 Budget varies from the 2016-17 Actual primarily because an improvement in market conditions was expected to lead to a higher number of properties sold and a lower per unit cost of development. The 2017-18 Estimated Actual is higher than the 2017-18 Budget mainly due to a reduced number of properties sold resulting from subdued market conditions relative to when the 2017-18 Budget was established. The 2018-19 Budget Target is lower than the 2017-18 Estimated Actual due to a forecast decrease in expenses outweighing a decrease in the number of properties sold as a result of the Social Housing Investment Package reaching completion.

21. Government Regional Officers' Housing

	2016-17 Actual	2017-18 Budget	2017-18 Estimated Actual	2018-19 Budget Target	Note
	\$'000	\$'000	\$'000	\$'000	
Total Cost of Service	135,783	170,120	146,193	143,073	
Less Income	152,014	156,447	152,747	155,113	
Net Cost of Service	(16,231)	13,673	(6,554)	(12,040)	1
Employees (Full Time Equivalents)	119	117	115	115	
Efficiency Indicators					
Average Operating Cost per Property	\$25,363	\$29,101	\$27,676	\$27,710	

Explanation of Significant Movements

(Notes)

- The 2017-18 Budget varies from the 2016-17 Actual primarily due to an increase in operational costs as a result of GROH's ageing portfolio. The 2017-18 Estimated Actual varies from the 2017-18 Budget mainly due to an update on the book value of the GROH assets forecast for disposal. The 2018-19 Budget Target varies from the 2017-18 Estimated Actual primarily due to the reduction in GROH debt resulting in lower finance costs.

Asset Investment Program

The Department's Asset Investment Program for 2018-19 is approximately \$224.8 million. Significant programs in 2018-19 include:

- commencement of the METRONET Social and Affordable Housing and Jobs Package that will deliver an additional 1,390 new transit-aligned homes, including 320 social housing dwellings, 400 affordable purchase opportunities and up to 300 with universal design features;
- \$38.3 million for the Construction and Spot Purchase program for social housing investment;
- the development 1,290 housing lots, including 1,000 lots developed with joint venture partners. Significant land development will support affordable, public and community housing through metropolitan and regional areas;
- \$13.1 million to secure a range of entry level properties across the State for low to moderate income earners, through the Affordable Housing Shared Equity program; and
- \$35 million for the acquisition of suitable land to meet land supply for current and future government housing programs, and to maintain a stream of affordable land supply for homebuyers.

	Estimated Total Cost	Estimated Expenditure to 30-6-18	2017-18 Estimated Expenditure	2018-19 Budget Estimate	2019-20 Forward Estimate	2020-21 Forward Estimate	2021-22 Forward Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
WORKS IN PROGRESS							
Social Housing							
Disability Services Program	23,050	20,244	8,951	2,806	-	-	-
Subacute Facilities	16,653	1,410	24	11,884	3,359	-	-
COMPLETED WORKS							
Broome Aboriginal Short Stay Accommodation Facility	20,115	20,115	11,991	-	-	-	-
Carnarvon Independent Living	4,939	4,939	95	-	-	-	-
Computer Hardware and Software Program	6,046	6,046	6,046	-	-	-	-
Construction and Purchase of GROH Program	9,613	9,613	9,613	-	-	-	-
Construction and Purchase of Houses Program	12,817	12,817	12,817	-	-	-	-
Crisis Accommodation Program	9,438	9,438	9,438	-	-	-	-
Housing for Workers Program	4,022	4,022	4,022	-	-	-	-
Investment Package	321,354	321,354	23,625	-	-	-	-
Kalgoorlie Visitor Accommodation	1,300	1,300	439	-	-	-	-
Land							
Acquisition Program	38,500	38,500	38,500	-	-	-	-
Development Program	57,701	57,701	57,701	-	-	-	-
Estate Improvement Land Redevelopment Program	1,151	1,151	1,151	-	-	-	-
Holding Costs Program	513	513	513	-	-	-	-
Redevelopment Program	7,021	7,021	7,021	-	-	-	-
Loan to Home Buyers							
Affordable Housing Shared Equity Program	17,088	17,088	17,088	-	-	-	-
Goodstart Shared Equity Program	12,000	12,000	12,000	-	-	-	-
Mental Health Care Units Program	842	842	842	-	-	-	-
Minor Works Program	3,719	3,719	3,719	-	-	-	-
National Partnership on Remote Housing	1,630	1,630	1,630	-	-	-	-
Offices Program	8,851	8,851	8,851	-	-	-	-
Residential Group Home Replacement	182	182	182	-	-	-	-
Upgrade to Childcare, Family and Neighbour Centres	769	769	769	-	-	-	-
West Kimberley Transitional Housing Program	27,881	27,881	3,827	-	-	-	-
NEW WORKS							
Computer Hardware and Software Program	22,577	-	-	5,938	5,737	5,547	5,355
Construction and Purchase of GROH Program	72,727	-	-	12,613	15,057	15,057	30,000
Construction and Purchase of Houses Program	185,912	-	-	38,342	36,184	67,552	43,834
Crisis Accommodation Program	33,734	-	-	4,654	1,352	9,534	18,194
FDV Refuges	5,000	-	-	2,500	2,500	-	-
Land							
Acquisition Program	296,500	-	-	35,000	53,500	90,600	117,400
Development Program	307,766	-	-	71,025	86,675	82,888	67,178
Estate Improvement Land Redevelopment Program	3,450	-	-	1,843	1,196	411	-
Holding Costs Program	2,199	-	-	530	545	562	562
Redevelopment Program	15,276	-	-	8,002	455	3,864	2,955
Loan to Home Buyers							
Affordable Housing Shared Equity Program	45,698	-	-	13,117	13,349	12,962	6,270
Goodstart Shared Equity Program	57,000	-	-	13,000	14,000	15,000	15,000
METRONET Social and Affordable Housing and Jobs							
Package	40,975	-	-	956	12,499	27,520	-
Minor Works Program	3,200	-	-	800	800	800	800
Offices Program	6,685	-	-	1,768	1,639	1,639	1,639
Service Workers Program	14,545	-	-	-	-	12,385	2,160
Total Cost of Asset Investment Program	1,720,439	589,146	240,855	224,778	248,847	346,321	311,347
FUNDED BY							
Capital Appropriation			5,779	2,106	4,618	2,130	2,130
Asset Sales			293,510	384,728	370,033	388,667	299,260
Borrowings			-	31,502	56,370	11,246	-
Commonwealth Grants			1,630	-	-	-	-
Internal Funds and Balances			(72,347)	(196,126)	(182,242)	(55,790)	9,889
Drawdowns from the Holding Account			472	68	68	68	68
Drawdowns from Royalties for Regions Fund			11,811	2,500	-	-	-
Total Funding			240,855	224,778	248,847	346,321	311,347

Financial Statements

The 2016-17 Actual data has been recast for comparability purposes to account for Machinery of Government changes that took effect from 1 July 2017.

Income Statement

Expenses

Total Cost of Services is forecast to decrease by \$260.4 million (7.4%) in 2018-19 compared to the 2017-18 Estimated Actual. The forecast decrease in expenses is primarily due to \$196.7 million lower supplies and services expenditure resulting mainly from:

- the majority of expenditure under the 2016-18 National Partnership on Remote Housing occurring in 2017-18;
- a decrease in cost of goods sold due to the majority of sales from the Social Housing Investment Package occurring in 2017-18; and
- a decrease resulting from the bilateral agreement between the Commonwealth and Western Australia transitioning to a nationally delivered NDIS in Western Australia.

Income

Total income is forecast to decrease by \$172.4 million (10.8%) in the 2018-19 Budget Estimate compared to the 2017-18 Estimated Actual and is primarily due to a decrease in grants and subsidies from the Commonwealth funding from the National Partnership on Remote Housing ceasing in 2017-18.

Statement of Financial Position

The Department's equity (net assets) is expected to decrease by \$99.5 million (0.7%) in the 2018-19 Budget Estimate compared to the 2017-18 Estimated Actual. This movement is primarily related to non-cash depreciation expenditure from the Department's housing portfolio.

Statement of Cashflows

The 2018-19 net cash holdings for the Department is forecast to be \$188.4 million, a decrease of \$165.7 million (46.8%) compared to the 2017-18 Estimated Actual closing cash balance of \$354.1 million. The decrease is mainly the net effect of:

- a decrease in net cash from financing activities primarily due to the Department's borrowing repayments in 2018-19, including the debt repayment of \$125 million relating to the Social Housing Investment Package; and
- an increase in sale of goods and services mainly due to higher lot production forecast in 2018-19.

INCOME STATEMENT ^(a)
(Controlled)

	2016-17	2017-18	2017-18	2018-19	2019-20	2020-21	2021-22
	Actual	Budget	Estimated	Budget	Forward	Forward	Forward
	\$'000	\$'000	Actual	Estimate	Estimate	Estimate	Estimate
			\$'000	\$'000	\$'000	\$'000	\$'000
COST OF SERVICES							
Expenses							
Employee benefits ^(b)	596,038	660,121	661,744	610,617	604,732	585,846	584,607
Grants and subsidies ^(c)	162,245	180,162	185,136	178,471	173,817	183,220	195,121
Supplies and services ^(d)	1,360,973	1,929,028	1,763,913	1,567,235	1,656,795	1,598,905	1,498,916
Accommodation	239,432	234,787	226,001	223,890	222,126	225,759	233,951
Depreciation and amortisation	179,421	167,067	159,633	172,805	185,845	201,506	218,729
Finance costs	126,502	128,998	130,695	157,103	171,778	191,980	208,202
Cost of Land sold	59,781	128,417	64,335	107,885	84,884	90,540	71,118
Net assets transferred out	44,103	-	42,092	-	-	-	-
Efficiency dividend	-	(16,750)	-	(39,064)	(26,381)	(32,977)	-
Other expenses	242,383	259,801	271,781	265,989	228,216	214,629	232,750
TOTAL COST OF SERVICES	3,010,878	3,671,631	3,505,330	3,244,931	3,301,812	3,259,408	3,243,394
Income							
Sale of goods and services ^(e)	311,521	599,532	336,242	413,332	552,878	697,666	485,514
Grants and subsidies	411,211	748,105	619,252	313,750	234,750	179,125	182,151
Interest Revenue	82,856	92,422	90,284	121,236	144,651	168,048	188,639
Rent	386,553	419,674	419,459	429,903	443,228	450,069	455,297
Dividend Contribution	77,502	75,227	64,362	71,253	73,253	67,319	69,128
Other revenue	42,016	16,669	63,275	71,001	30,116	20,436	71,597
Total Income	1,311,659	1,951,629	1,592,874	1,420,475	1,478,876	1,582,663	1,452,326
NET COST OF SERVICES	1,699,219	1,720,002	1,912,456	1,824,456	1,822,936	1,676,745	1,791,068
INCOME FROM STATE GOVERNMENT							
Service appropriations	1,458,980	1,618,176	1,629,864	1,721,279	1,760,716	1,632,804	1,684,338
Resources received free of charge	7,339	8,594	8,594	8,656	8,719	8,765	8,765
Royalties for Regions Fund:							
Regional Community Services Fund	7,957	18,123	18,537	16,722	69,439	60,701	60,701
Regional and State-wide Initiatives	2,601	4,427	4,327	4,671	-	-	-
TOTAL INCOME FROM STATE GOVERNMENT	1,476,877	1,649,320	1,661,322	1,751,328	1,838,874	1,702,270	1,753,804
SURPLUS/(DEFICIENCY) FOR THE PERIOD	(222,342)	(70,682)	(251,134)	(73,128)	15,938	25,525	(37,264)

(a) Full audited financial statements are published in the agencies' Annual Reports.

(b) The Full Time Equivalents for 2016-17 Actual, 2017-18 Estimated Actual and the 2018-19 Budget Estimate are 5,449, 5,590 and 5,427 respectively.

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

(d) Supplies and services include cost of housing inventory sold.

(e) Sale of goods and services includes land and housing inventory for sale.

DETAILS OF CONTROLLED GRANTS AND SUBSIDIES

	2016-17	2017-18	2017-18 Estimated	2018-19 Budget	2019-20 Forward	2020-21 Forward	2021-22 Forward
	Actual \$'000	Budget \$'000	Actual \$'000	Estimate \$'000	Estimate \$'000	Estimate \$'000	Estimate \$'000
Bereavement Assistance.....	995	705	705	705	705	705	705
Cadets WA	746	869	869	869	869	869	869
Children in Care and Family Support	110,761	121,191	121,191	125,094	129,652	138,845	149,156
Community Gardens	109	100	100	100	100	100	100
Community Support Schemes.....	3,265	4,951	6,417	5,807	1,219	3,045	3,063
Dalyellup Family Centre	-	-	-	-	1,500	-	-
Enhanced Transition to School Project.....	500	500	500	-	-	-	-
Grandcarers Assistance (Respite) Program.....	125	125	125	-	-	-	-
Grandcarers Support Scheme.....	574	960	960	1,050	1,050	1,050	1,050
HUGS	17,508	20,000	25,000	16,000	10,000	10,000	10,000
Individualised Disability Services.....	-	1,011	1,011	1,011	1,011	1,011	1,011
Local Projects Local Jobs.....	449	1,770	1,770	-	-	-	-
Natural Disaster Assistance	252	-	-	-	-	-	-
Other Grants.....	3,374	991	991	911	766	766	766
Our Watch Program	-	120	120	123	126	129	129
Regional Community Childcare Development Fund	99	1,399	1,539	1,342	-	-	-
Seniors Cost of Living Rebates	22,413	25,280	23,648	25,269	26,629	26,510	28,082
Western Australian Family Foundation.....	364	-	-	-	-	-	-
Women's Grants.....	269	85	85	85	85	85	85
Youth Grants	442	105	105	105	105	105	105
TOTAL	162,245	180,162	185,136	178,471	173,817	183,220	195,121

STATEMENT OF FINANCIAL POSITION ^(a)
(Controlled)

	2016-17	2017-18	2017-18	2018-19	2019-20	2020-21	2021-22
	Actual	Budget	Estimated	Budget	Forward	Forward	Forward
	\$'000	\$'000	Actual	Estimate	Estimate	Estimate	Estimate
			\$'000	\$'000	\$'000	\$'000	\$'000
CURRENT ASSETS							
Cash assets.....	234,686	304,003	294,365	127,139	217,321	286,113	242,135
Restricted cash.....	116,626	70,866	57,361	57,361	57,361	57,361	57,361
Holding account receivables.....	472	68	68	68	68	68	68
Receivables.....	189,239	187,726	161,649	159,848	151,027	136,241	139,986
Other.....	458,708	383,154	455,065	455,065	456,335	457,605	457,605
Loans and advances.....	1,274,634	791,323	1,109,597	1,228,702	1,227,120	1,229,008	1,228,651
Assets held for sale.....	30,429	35,960	30,429	30,429	23,366	23,366	23,366
Total current assets.....	2,304,794	1,773,100	2,108,534	2,058,612	2,132,598	2,189,762	2,149,172
NON-CURRENT ASSETS							
Holding account receivables.....	154,086	170,641	167,605	184,392	199,986	215,582	231,178
Property, plant and equipment.....	13,438,007	13,798,567	13,075,981	12,813,016	12,591,057	12,241,723	12,094,808
Intangibles.....	55,879	53,142	46,307	36,519	25,248	12,763	(7,134)
Restricted cash.....	852	2,976	2,340	3,879	5,905	7,351	10,802
Other.....	528,734	864,442	613,754	677,640	789,580	905,173	958,420
Loan and advances.....	2,055,737	3,176,557	2,847,071	3,153,341	3,149,272	3,154,127	3,153,210
Total non-current assets.....	16,233,295	18,066,325	16,753,058	16,868,787	16,761,048	16,536,719	16,441,284
TOTAL ASSETS.....	18,538,089	19,839,425	18,861,592	18,927,399	18,893,646	18,726,481	18,590,456
CURRENT LIABILITIES							
Employee provisions.....	130,169	119,406	127,627	128,127	128,627	129,127	129,627
Payables.....	65,260	48,970	52,289	42,006	35,573	35,731	34,921
Other.....	174,637	103,271	177,383	180,145	180,878	173,669	175,648
Total current liabilities.....	370,066	271,647	357,299	350,278	345,078	338,527	340,196
NON-CURRENT LIABILITIES							
Employee provisions.....	26,237	49,334	27,364	27,365	27,365	27,365	27,365
Payables.....	4,370,846	4,949,580	4,950,143	5,122,502	5,084,209	4,895,991	4,793,431
Other.....	6,198	5,913	6,197	6,197	6,197	6,197	6,197
Total non-current liabilities.....	4,403,281	5,004,827	4,983,704	5,156,064	5,117,771	4,929,553	4,826,993
TOTAL LIABILITIES.....	4,773,347	5,276,474	5,341,003	5,506,342	5,462,849	5,268,080	5,167,189
EQUITY							
Contributed equity.....	2,606,343	2,641,070	2,597,426	2,571,022	2,564,824	2,566,903	2,569,033
Accumulated surplus/(deficit) ^(b)	2,830,976	2,691,450	2,595,740	2,522,612	2,538,550	2,564,075	2,526,811
Reserves.....	8,327,423	9,230,431	8,327,423	8,327,423	8,327,423	8,327,423	8,327,423
Total equity.....	13,764,742	14,562,951	13,520,589	13,421,057	13,430,797	13,458,401	13,423,267
TOTAL LIABILITIES AND EQUITY.....	18,538,089	19,839,425	18,861,592	18,927,399	18,893,646	18,726,481	18,590,456

(a) Full audited financial statements are published in the agencies' Annual Reports.

(b) The Department for Child Protection and Family Support, the community service functions transferred from the Department of Local Government and Communities, the community patrol program and regional-related services transferred from the Department of Aboriginal Affairs and the Regional Services Reform Unit transferred from the Department of Regional Development recorded a total 2016-17 Actual Accumulated deficit of \$15.9 million. This is recognised as Contributed equity from 2017-18 onwards to acknowledge the transfer of functions to the new Department.

STATEMENT OF CASHFLOWS ^(a)
(Controlled)

	2016-17	2017-18	2017-18	2018-19	2019-20	2020-21	2021-22
	Actual	Budget	Estimated	Budget	Forward	Forward	Forward
	\$'000	\$'000	Actual	Estimate	Estimate	Estimate	Estimate
			\$'000	\$'000	\$'000	\$'000	\$'000
CASHFLOWS FROM STATE GOVERNMENT							
Service appropriations	1,441,766	1,601,553	1,613,241	1,704,424	1,745,054	1,617,140	1,668,674
Capital appropriation.....	3,945	32,818	5,779	2,106	4,618	2,130	2,130
Holding account drawdowns.....	577	472	3,508	68	68	68	68
Royalties for Regions Fund:							
Regional Community Services Fund.....	7,957	18,123	18,537	16,722	69,439	60,701	60,701
Regional and State-wide Initiatives	2,601	4,427	4,327	4,671	-	-	-
Regional Infrastructure and Headworks Fund.....	73,659	23,591	11,811	2,500	-	-	-
Net cash provided by State Government	1,530,505	1,680,984	1,657,203	1,730,491	1,819,179	1,680,039	1,731,573
CASHFLOWS FROM OPERATING ACTIVITIES							
Payments							
Employee benefits	(601,578)	(660,041)	(663,595)	(610,652)	(602,861)	(585,012)	(583,423)
Grants and subsidies	(158,467)	(180,162)	(185,136)	(178,471)	(173,817)	(183,220)	(195,121)
Supplies and services ^(b)	(1,321,700)	(1,906,483)	(1,694,276)	(1,620,115)	(1,751,469)	(1,522,820)	(1,546,963)
Accommodation	(231,624)	(245,784)	(236,928)	(234,800)	(233,200)	(236,636)	(244,839)
Finance costs	(132,694)	(131,571)	(130,693)	(157,105)	(171,778)	(191,981)	(208,202)
GST payments.....	(151,349)	(106,796)	(116,411)	(88,012)	(59,752)	(44,839)	(45,179)
Efficiency dividend.....	-	16,750	-	39,064	26,381	32,977	-
Other payments	(343,332)	(309,194)	(323,798)	(321,500)	(288,747)	(282,319)	(303,805)
Receipts ^(c)							
Grants and subsidies	432,617	748,105	619,252	313,750	234,750	179,125	182,151
Sale of goods and services ^(d)	330,026	599,531	339,463	385,798	504,301	633,494	418,938
Rent receipts	358,772	419,674	419,459	429,903	443,228	450,069	455,297
Interest receipts	95,023	94,995	90,282	121,238	144,651	168,049	188,639
Dividend/State contributions received.....	87,432	64,684	77,502	64,362	71,253	73,253	67,319
GST receipts.....	146,577	106,552	122,911	88,012	59,752	44,839	45,179
Other receipts	33,206	16,895	60,708	94,691	78,609	84,553	137,615
Net cash from operating activities.....	(1,457,091)	(1,472,845)	1,621,260	(1,673,837)	(1,718,699)	(1,380,468)	(1,632,394)
CASHFLOWS FROM INVESTING ACTIVITIES							
Purchase of non-current assets	(339,668)	(187,545)	(135,969)	(108,378)	(106,476)	(167,996)	(123,252)
Proceeds from sale of non-current assets	108,991	168,440	162,314	170,006	134,590	133,625	84,832
Net cash from investing activities	(230,677)	(19,105)	26,345	61,628	28,114	(34,371)	(38,420)
CASHFLOWS FROM FINANCING ACTIVITIES							
Repayment of borrowings.....	(5,477,984)	(3,467,843)	(1,781,999)	(884,519)	(1,419,802)	(1,711,378)	(1,810,638)
Other finance payments	(4,450,000)	(4,005,000)	(2,374,119)	(1,056,328)	(1,328,883)	(1,511,914)	(1,708,079)
Proceeds from borrowings.....	4,575,000	4,005,000	2,361,297	1,056,878	1,381,509	1,523,160	1,708,079
Other finance proceeds	5,420,000	3,348,463	1,735,000	600,000	1,330,790	1,505,170	1,709,352
Net cash from financing activities	67,016	(119,380)	(59,821)	(283,969)	(36,386)	(194,962)	(101,286)
NET INCREASE/(DECREASE) IN CASH HELD.....	(90,247)	69,654	2,467	(165,687)	92,208	70,238	(40,527)
Cash assets at the beginning of the reporting period	443,632	308,191	352,164	354,066	188,379	280,587	350,825
Net cash transferred from other agencies	(1,221)	-	(565)	-	-	-	-
Cash assets at the end of the reporting period	352,164	377,845	354,066	188,379	280,587	350,825	310,298

(a) Full audited financial statements are published in the agencies' Annual Reports.

(b) Supplies and services include payment for the purchase of land and housing inventory.

(c) A determination by the Treasurer, pursuant to section 23 of the *Financial Management Act 2006*, provides for the retention of some cash receipts by the Department. Refer to the Net Appropriation Determination table below for further information. Other receipts are retained under the authority of other relevant Acts of Parliament.

(d) Sale of goods and services includes land and housing inventory for sale.

NET APPROPRIATION DETERMINATION (a) (b)

	2016-17	2017-18	2017-18	2018-19	2019-20	2020-21	2021-22
	Actual	Budget	Estimated	Budget	Forward	Forward	Forward
	\$'000	\$'000	Actual	Estimate	Estimate	Estimate	Estimate
			\$'000	\$'000	\$'000	\$'000	\$'000
Grants and Subsidies							
Commonwealth Grants and Contributions	1,953	1,881	1,881	363	363	363	363
Essential and Municipal Services							
Improvement in Remote Aboriginal							
Communities	-	-	2,000	25,000	25,000	-	-
Local Projects Local Jobs Program	434	-	-	-	-	-	-
National Affordable Housing Agreement	22,759	23,066	22,369	22,658	22,948	23,238	23,532
National Initiatives Women's Safety							
Package	1,399	730	730	176	-	-	-
National Outcome Standards for Perpetrator							
Interventions	135	-	-	-	-	-	-
National Partnership Agreement Funding							
Homelessness	14,970	15,420	15,415	-	-	-	-
National Partnership Agreement on Pay							
Equity	2,369	6,990	6,990	4,695	-	-	-
Other Grants and Contributions	1,742	1,882	1,882	1,193	1,206	680	680
Provision of Services to the Commonwealth							
in Respect of Indian Ocean Territories	353	413	236	236	236	236	649
Support for Family Safety in the Kimberley	-	-	400	400	-	-	-
Unaccompanied Humanitarian Minors	24	33	33	33	33	33	33
Western Australian Natural Disaster Relief							
and Recovery Arrangement	938	-	-	-	-	-	-
Youth Supported Accommodation							
Assistance Program Grant from Mental							
Health Commission	-	-	447	-	-	-	-
Sale of Goods and Services							
Adoptions Fees	67	55	91	93	93	93	93
Other	8	11	-	-	-	-	-
Regulatory Fees and Services Rendered	585	548	548	567	583	612	612
Working with Children Screening Fees	6,972	7,281	7,281	7,450	7,561	7,697	7,836
GST Receipts							
GST Input Credits	34,732	32,251	38,371	35,402	35,839	35,568	35,674
GST Receipts on Sales	660	80	69	73	77	82	82
Other Receipts							
Other Receipts	2,849	694	694	731	773	817	817
TOTAL	92,949	91,335	99,437	99,070	94,712	69,419	70,371

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

(b) The Housing Authority and Disability Services Commission are statutory authorities and as a result are excluded from the Net Appropriation Determination.

DETAILS OF ADMINISTERED TRANSACTIONS

	2016-17	2017-18	2017-18	2018-19	2019-20	2020-21	2021-22
	Actual (a)	Budget	Estimated	Budget	Forward	Forward	Forward
	\$'000	\$'000	Actual	Estimate	Estimate	Estimate	Estimate
			\$'000	\$'000	\$'000	\$'000	\$'000
INCOME							
Other							
Appropriation	300	300	300	300	300	300	300
TOTAL ADMINISTERED INCOME	300						
EXPENSES							
Other							
Payment to Anzac Day Trust	300	300	300	300	300	300	300
TOTAL ADMINISTERED EXPENSES	300						

(a) The 2016-17 Actual has been recast for comparative purposes to reflect the transfer of funding responsibility for the Anzac Day Trust to the Department.

Agency Special Purpose Account Details

MUNICIPAL AND ESSENTIAL SERVICES ACCOUNT

Account Purpose: This account has been established to set aside funds for essential and municipal services for remote Aboriginal communities in Western Australia.

	2016-17 Actual \$'000	2017-18 Budget \$'000	2017-18 Estimated Actual \$'000	2018-19 Budget Estimate \$'000
Opening Balance.....	62,789	34,190	41,517	-
Receipts:				
Appropriations	-	-	-	-
Other	-	-	-	-
	62,789	34,190	41,517	-
Payments	21,272	34,190	41,517	-
CLOSING BALANCE.....	41,517	-	-	-

WESTERN AUSTRALIAN FAMILY FOUNDATION SPECIAL PURPOSE ACCOUNT

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

	2016-17 Actual \$'000	2017-18 Budget \$'000	2017-18 Estimated Actual \$'000	2018-19 Budget Estimate \$'000
Opening Balance.....	304	304	-	-
Receipts:				
Appropriations	-	-	-	-
Other	-	-	-	-
	304	304	-	-
Payments	304	-	-	-
CLOSING BALANCE.....	-	304	-	-

Keystart Housing Scheme Trust

Part 8 Community Services

Asset Investment Program

Keystart's Asset Investment Program is limited to an ongoing program to update information technology (IT) that supports the delivery of its services to assist low to moderate income earners into home ownership.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-18 \$'000	2017-18 Estimated Expenditure \$'000	2018-19 Budget Estimate \$'000	2019-20 Forward Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000
WORKS IN PROGRESS							
IT Systems	16,154	9,545	1,020	3,159	1,150	1,150	1,150
Total Cost of Asset Investment Program	16,154	9,545	1,020	3,159	1,150	1,150	1,150
FUNDED BY							
Internal Funds and Balances			1,020	3,159	1,150	1,150	1,150
Total Funding			1,020	3,159	1,150	1,150	1,150

Division 34 Local Government, Sport and Cultural Industries

Part 8 Community Services

Appropriations, Expenses and Cash Assets

	2016-17 Actual ^(a) \$'000	2017-18 Budget \$'000	2017-18 Estimated Actual \$'000	2018-19 Budget Estimate \$'000	2019-20 Forward Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000
DELIVERY OF SERVICES							
Item 68 Net amount appropriated to deliver services	117,263	101,281	115,618	110,262	104,192	100,913	101,171
Item 69 Art Gallery of Western Australia	9,199	8,881	8,935	8,239	8,223	8,184	8,244
Item 70 Contribution to Community Sporting and Recreation Facilities Fund ...	18,000	15,119	15,119	19,000	12,000	12,000	12,000
Item 71 Library Board of Western Australia	29,739	32,460	31,455	31,432	31,352	31,069	29,563
Item 72 Perth Theatre Trust	9,090	9,297	9,278	8,154	8,061	7,866	7,680
Item 73 Western Australian Museum	22,531	22,303	22,692	22,225	24,731	38,502	38,519
Amount Authorised by Other Statutes							
- Lotteries Commission Act 1990.....	30,000	33,268	31,036	31,918	31,916	32,144	32,234
- Salaries and Allowances Act 1975.....	1,410	1,768	1,019	530	530	530	532
Total appropriations provided to deliver services	237,232	224,377	235,152	231,760	221,005	231,208	229,943
ADMINISTERED TRANSACTIONS							
Item 74 Amount provided for Administered Grants, Subsidies and Other Transfer Payments	48,960	57,086	53,238	56,152	57,442	58,921	60,107
CAPITAL							
Item 117 Capital Appropriation	40,312	113,930	90,618	153,965	56,358	2,800	4,179
Item 118 Art Gallery of Western Australia	218	10,218	10,218	218	218	218	218
Library Board of Western Australia	75	75	-	-	-	-	-
TOTAL APPROPRIATIONS	326,797	405,686	389,226	442,095	335,023	293,147	294,447
EXPENSES							
Total Cost of Services	285,543	293,603	310,224	288,636	264,965	282,132	276,236
Net Cost of Services ^(b)	244,062	255,532	270,639	253,086	230,022	240,001	233,794
CASH ASSETS ^(c)	100,590	70,908	79,175	77,141	77,047	77,933	77,657

- (a) The 2016-17 Actual has been recast for comparability purposes to account for Machinery of Government changes that took effect from 1 July 2017.
- (b) Represents Total Cost of Services (expenses) less retained revenues applied to the agency's services. Reconciliation to the 'Total appropriations provided to deliver services' includes adjustments related to movements in cash balances and other accrual items such as resources received free of charge, receivables, payables and superannuation.
- (c) As at 30 June each financial year.

Spending Changes

Recurrent spending changes, other than cashflow timing changes and non-discretionary accounting adjustments, impacting on the agency's Income Statement since presentation of the 2017-18 Budget to Parliament on 7 September 2017, are outlined below:

	2017-18 Estimated Actual \$'000	2018-19 Budget Estimate \$'000	2019-20 Forward Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000
Election Commitments					
Abbeville Park Upgrades ^(a)	-	400	-	-	-
Contemporary Music Fund	-	500	1,000	1,000	500
Italian Insertion Program ^(a)	-	110	-	-	-
Premier's Book Awards ^(a)	-	65	65	65	65
Senior Executive Service Reduction	(500)	(1,000)	(1,000)	(1,000)	(1,000)
Stop Puppy Farming	-	250	-	-	-
Virtual Reality Festival ^(a)	-	100	100	100	-
Other					
2018-19 Tariffs, Fees and Charges	-	129	236	350	461
Albany Entertainment Centre - Operational and Maintenance Costs	-	-	500	500	500
City of Perth Inquiry Panel	250	1,590	560	-	-
Goldfields Art Centre - Maintenance Costs	-	-	140	140	140
New Museum Project Operating Costs	-	-	-	945	841
New Public Sector Wages Policy	(358)	(688)	(1,044)	(1,420)	-
Non-Government Human Services Sector Indexation Adjustment	-	(3)	(4)	(5)	-
Revised Lotterywest Estimates	(2,232)	(2,432)	(3,304)	(2,866)	(2,776)
Revisions to Own Source Revenue Estimates	958	970	701	694	870
State Fleet Policy and Procurement Initiatives	(81)	(142)	(146)	(155)	(151)
Transfer of Goldfields Art Centre from the Department of Training and Workforce Development	325	325	-	-	-
Transfer of Sunset Heritage Precinct from the Department of Finance	874	1,288	1,110	1,122	1,495
Voluntary Targeted Separation Scheme ^(b)	1,570	(2,650)	(2,678)	(2,707)	(2,748)
Western Australian Football Commission Funding Agreement	10,947	11,200	11,500	11,800	12,100

(a) Existing agency spending has been reprioritised to meet some or all of the costs of this commitment.

(b) Cost and savings estimates of the Voluntary Targeted Separation Scheme as at 9 April 2018 Budget cut-off date. The costs and savings of the Scheme will be further updated in the 2017-18 Annual Report on State Finances and the 2018-19 Mid-year Review.

Significant Issues Impacting the Agency

- With the significant investment in and opening of Optus Stadium earlier this year, the priority now is to attract as many sport and entertainment events as possible, creating new jobs in a range of sectors.
- A projected decline in Lotterywest revenue will impact the funding available to arts and cultural organisations and sporting groups. The Department is working closely with Lotterywest and its stakeholders to minimise the impact of the changes in funding.
- One of the State's priorities is to bring about a shift in attitudes towards sports funding, with a clear need for more responsibility from all stakeholders in maintaining infrastructure. Sporting associations, clubs, and participants will be more closely involved and financially accountable in projects as government-funded projects are planned, operated and maintained with an accountable 'whole-of-life' asset program.
- The Central Energy Plant (CEP) for the Perth Cultural Centre (PCC) was commissioned in December 2017. It provides chilled and pre-heated water for the climate control of buildings in the PCC, replacing the inefficient end-of-life cycle plant in the State Library of Western Australia (SLWA) and Art Gallery of Western Australia buildings. It also supports the State Theatre Centre of WA. The CEP has significantly reduced the risk of power failure and loss of climate control in these cultural institutions, has reduced the capital cost of replacing aged infrastructure, and will deliver significant savings in energy consumption. The full efficiency of the system will be realised when the New Museum for Western Australia is connected to the CEP in 2020.
- The New Museum Project Steering Committee endorsed the omission of the basement from the New Museum Project as part of the design development process. This decision, taken as a result of the consideration of a number of factors, has resulted in savings of \$32.4 million. The Western Australian Museum continues to collaborate with other organisations and community groups to maintain a presence in the metropolitan area, including its partnership with the SLWA. In addition to these exhibitions and retail offerings, pop-up museum experiences are being provided in shopping centres, Elizabeth Quay and at festivals and events such as the Mandurah Crabfest.

- The Department will continue to expand the suite of applications available online for the liquor and gambling industries, particularly in relation to permanent liquor licensing applications. The Department uses a risk-based approach when making recommendations for change, including for the implementation of operational policy and process innovation to reduce red tape and regulatory burden and application processing times.
- The reopening of the upgraded HBF Arena and Perth SpeedDome are now providing top-class facilities for our elite sports people, and the wider community. The launch of the Western Australian Institute of Sport Wheelchair Basketball Program and the Great Southern Centre for Outdoor Recreation Excellence demonstrate the State's ongoing commitment to being a leader in sport and recreation at all levels - for all interests and all abilities.
- Some local governments are experiencing difficulties in meeting their statutory obligations and providing good governance to their districts. This has resulted in the Department conducting a relatively large number of investigations and inquiries.
- The increase in family history information applications from the Aboriginal community to the Aboriginal History Research Service has required the Department to monitor work priorities and the allocation of resources to ensure the area is able to respond to applications within required timeframes while maintaining high level performance in other delivery areas.
- The Department continues to see a consistent increase in the number of liquor applications being lodged and the number of compliance activities being conducted. In particular, the increasing popularity of pop-up events has seen an increase in the number of complex liquor licence applications and enquiries associated with the temporary bars at these events as well as the need for additional compliance activities.
- The Department has been working to deliver on a number of legislative commitments, including election commitments, ensuring that the community and key stakeholders are properly consulted. It is assisting:
 - the Minister for Racing and Gaming in delivering a range of government election commitments via amendments to the *Liquor Control Act 1988*. Amendments include allowing a greater focus on tourism in the licensing process and freeing up licensing restrictions for tourist operators, producers and other licensees, as well as key measures in harm minimisation; and
 - the Minister for Local Government in progressing the Local Government Amendment (Suspension and Dismissal) Bill 2018 through the Parliament, the review of the *Local Government Act 1995* and legislation to help stop puppy farming.
- On 2 March 2018, the Minister for Local Government made a decision to suspend the City of Perth Council and appoint three experienced commissioners to manage the operations and affairs of the City. An Inquiry Panel has been appointed to inquire into issues at the City of Perth. The Inquiry is expected to run throughout 2018-19 and into 2019-20.
- On 26 September 2017, the Management Order over the land on which the Goldfields Arts Centre sits was transferred to the Perth Theatre Trust. A funding arrangement is being finalised with the State Government and the City of Kalgoorlie-Boulder and a lease for the Centre is being developed. The City will continue to manage the Centre under this arrangement.
- Work is underway to modernise His Majesty's Theatre's (HMT) infrastructure and public spaces to maintain it as a world class premier venue for opera, dance and theatre. Stage One - the refurbishment of the auditorium - is now complete. \$6.5 million has been allocated in the 2018-19 Budget to upgrade the orchestra pit and front of house facilities. Works to HMT's public areas will improve public amenity and provide more hospitality opportunities, making the venue tourist ready and ensuring its future as the home of the West Australian Opera and West Australian Ballet.
- To meet growing community demand for access to information in digital format, the SLWA is increasing its capacity to collect, create and manage digital format materials and skill its workforce accordingly.
- To maximise the benefit to the community of the Government's investment in Western Australian public libraries, the SLWA is working with key stakeholders on a strategy to deliver contemporary library services across the State.

- Investment in sport and recreation contributes to a sustainable health system and improved preventative health outcomes including tackling childhood obesity. The Department has initiated a number of programs such as ‘YourMove’, ‘ActiveSmart’ and ‘KidSport’ to support people to be more active through improved policy, design and delivery of services. The ‘True Sport’ program supports sporting bodies to use eight values to share the benefits of sport and recreation to our whole community, to be part of everyday life both on and off the field. By embracing these values, teams, clubs, participants and officials can work together to create fun, fair and safe environments for one and all to participate in sporting activities.
- The State Local Government Partnership Agreement was signed by the Premier on 2 August 2017. It demonstrates a commitment between the State Government and local government to work collaboratively and sets out the protocols for engagement to enable better collaboration in planning, policy development and service design between the State Government and local governments.
- With the transfer of the Sunset Hospital site from the Department of Finance to the Department, plans will be prepared that support the agreed objectives for the use of the site, which is culture, arts and recreation. Activation of the site, preventative maintenance and the staged restoration of the buildings will be the focus.
- The Government has endorsed the transfer of responsibility for the activation of open spaces in the PCC from the Metropolitan Redevelopment Authority to the Department, to take effect from 1 July 2018.
- The Department continues to work collaboratively with other State Government agencies to ensure public open space for sport and recreation facilities, both in outer corridor green field development and through urban densification, is identified early to facilitate planning and access to sport and recreation facilities across the State.
- The Department will continue to assist communities in reducing harm and ill-health due to the consumption of liquor using provisions of the *Liquor Control Act 1988*. These include Liquor Restricted Premises, Restricted Area Regulations and section 64 enquiries. There is also a system of voluntary liquor accords in place in Western Australia where licensees, police and other local agencies agree on a set of voluntary liquor restrictions.
- Western Australia is home to people from more than 190 countries, speaking over 240 languages and identifying with more than 130 religious groups. Between the 2011 and 2016 Census, the number and proportion of people speaking a language other than English at home increased from 14.5% to 17.7%. With almost one-third of Western Australia’s population born overseas, cultural, linguistic and religious diversity is now at the heart of our identity. It has made Western Australia the thriving State that it is today and continues to bring great benefits. At the same time, and particularly given the recent rate of change, it brings challenges in maximising these benefits and maintaining community cohesion. This has resulted in the Department focussing resources on community capacity building, employment generation, and ensuring equitable outcomes in all aspects of economic, social and cultural life.
- In recognition of the importance of multiculturalism, and to ensure that Western Australians from culturally and linguistically diverse backgrounds have equitable access to appropriate services and are enabled to actively participate in and contribute to the economic, social and cultural development of our State, the Minister for Citizenship and Multicultural Interests has appointed a 16 member Multicultural Advisory Group (MAG). The MAG will provide the Minister with direct grass roots feedback and advice on relevant policies, issues and needs of the culturally and linguistically diverse communities in addition to, and independent of, advice from the Office of Multicultural Interests and sector peak bodies.
- Government initiatives in other areas that will impact the Department include the following:
 - the Department of Treasury (Treasury) has undertaken a detailed analysis on whether a potential sale framework for the Western Australian TAB could be developed to satisfy the interests of Government, the racing industry and a potential buyer. The Department will provide assistance, together with the State Solicitor’s Office and the Treasury in the formulation of the relevant legislation, should the Government decide to proceed with the process;
 - the introduction of a point of consumption wagering tax on wagering activities has required the formation of a working party consisting of representatives from the Treasury, the Department and the Office of State Revenue. The Department will provide assistance in the formulation of the relevant legislation; and
 - the Minister for Racing and Gaming (the Minister) has commissioned a working group facilitated by Racing and Wagering Western Australia to explore initiatives to improve the welfare of a greyhound’s life cycle in Western Australia. The Department will review recommendations from the working group and provide advice to the Minister.

Resource Agreement

The following performance information (financial and non-financial) is the subject of a Resource Agreement signed by the Minister for Local Government; Culture and the Arts, Minister for Sport and Recreation, Minister for Racing and Gaming; Citizenship and Multicultural Interests, 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 Ministers	Services
Minister for Local Government; Culture and the Arts	<ol style="list-style-type: none"> 1. Regulation and Support of Local Government 3. Arts Industry Support 4. Research, Policy Development, Information and Support 5. Corporate and Asset and Infrastructure Support to the Culture and Arts Portfolio and Government 6. State Information Management and Archival Services 7. Cultural Heritage Management and Conservation 8. Cultural Heritage Access and Community Engagement and Education 9. Collection Services 10. Public Library Services 11. Library, Literacy and Community Engagement 12. Venue Management Services 13. Collections Management, Research and Conservation Services 14. Collections Effectively Documented and Digitised 15. Public Sites, Public Programs and Collections Accessed On-site 16. Online Access to Collections, Expertise and Programs 17. Museum Services to the Regions
Minister for Racing and Gaming; Citizenship and Multicultural Interests	<ol style="list-style-type: none"> 2. Promotion and Support of Multiculturalism 18. Licensing - Evaluation and Determination of Applications 19. Compliance Audits and Inspections
Minister for Sport and Recreation	<ol style="list-style-type: none"> 20. Industry Leadership and Infrastructure Development 21. Building Capacity and Participation 22. Recreation Camps Management

Outcomes, Services and Key Performance Information

Where practical, key performance information for the 2016-17 Actual has been recast for comparability purposes to account for Machinery of Government changes that took effect from 1 July 2017.

Relationship to Government Goals

Broad government goals are supported at agency level by specific outcomes. Agencies deliver services to achieve these outcomes. The following table illustrates the relationship between the agency's services and desired outcomes, and the government goal it contributes to. The key effectiveness indicators measure the extent of impact of the delivery of services on the achievement of desired outcomes. The key efficiency indicators monitor the relationship between the service delivered and the resources used to produce the service.

Government Goals	Desired Outcomes	Services
Better Places: A quality environment with liveable and affordable communities and vibrant regions.	Local governments were capable and well-governed.	1. Regulation and Support of Local Government
Strong Communities: Safe communities and supported families.	Western Australia was recognised as a vibrant and effective multicultural society.	2. Promotion and Support of Multiculturalism
Better Places: A quality environment with liveable and affordable communities and vibrant regions.	A sustainable arts and cultural sector that enhances social and economic wellbeing.	3. Arts Industry Support 4. Research, Policy Development, Information and Support
	Efficient and effective services to the Culture and Arts Portfolio and Government.	5. Corporate and Asset and Infrastructure Support to the Culture and Arts Portfolio and Government
	Government records and the State archives are appropriately managed and accessible.	6. State Information Management and Archival Services
	Western Australia's State Art Collection asset is developed, appropriately managed and preserved.	7. Cultural Heritage Management and Conservation
	Western Australia's State Art Collection and works of art on loan are accessible.	8. Cultural Heritage Access and Community Engagement and Education
	Western Australia's cultural and documentary collections are acquired, preserved and accessible.	9. Collection Services
	The Western Australian public library network is supported through access to library materials and services.	10. Public Library Services
	The Western Australian community benefits from engaging with the State Library's services.	11. Library, Literacy and Community Engagement
	Effectively managed performing arts venues attracting optimal utilisation.	12. Venue Management Services
	Sustainable care and development of the State's Museum collections for the benefit of present and future generations.	13. Collections Management, Research and Conservation Services 14. Collections Effectively Documented and Digitised

Government Goals	Desired Outcomes	Services
	Enhance cultural identity and understanding by promoting and ensuring the widest possible use of Museum content and collections.	15. Public Sites, Public Programs and Collections Accessed On-site 16. Online Access to Collections, Expertise and Programs 17. Museum Services to the Regions
	To promote, monitor and enforce responsible and lawful gambling and liquor services in accordance with the legislation.	18. Licensing - Evaluation and Determination of Applications 19. Compliance Audits and Inspections
	A strong and diverse sport and recreation system in Western Australia that is accessible, encourages maximum participation and develops talent.	20. Industry Leadership and Infrastructure Development 21. Building Capacity and Participation 22. Recreation Camps Management

Service Summary

Expense	2016-17	2017-18	2017-18	2018-19	2019-20	2020-21	2021-22
	Actual \$'000	Budget \$'000	Estimated Actual \$'000	Budget Estimate \$'000	Forward Estimate \$'000	Forward Estimate \$'000	Forward Estimate \$'000
1. Regulation and Support of Local Government.....	13,198	16,842	17,511	12,522	11,218	10,689	10,529
2. Promotion and Support of Multiculturalism.....	8,515	6,965	6,951	6,812	6,797	6,819	6,723
3. Arts Industry Support.....	20,262	19,749	19,855	18,327	16,840	16,821	16,607
4. Research, Policy Development, Information and Support.....	22,061	21,606	22,479	20,970	19,500	19,499	19,300
5. Corporate and Asset and Infrastructure Support to the Culture and Arts Portfolio and Government.....	14,122	18,044	18,240	17,281	17,223	15,465	15,860
6. State Information Management and Archival Services.....	2,991	2,204	2,196	2,073	2,105	2,096	2,088
7. Cultural Heritage Management and Conservation.....	1,020	1,021	947	961	998	921	936
8. Cultural Heritage Access and Community Engagement and Education....	11,543	12,578	12,406	11,228	11,666	10,772	10,945
9. Collection Services.....	10,248	10,813	10,617	10,438	10,390	10,156	9,694
10. Public Library Services.....	14,275	14,748	14,789	14,540	14,474	14,149	13,505
11. Library, Literacy and Community Engagement.....	9,817	8,656	10,171	10,000	9,955	9,731	9,289
12. Venue Management Services.....	18,414	16,215	18,724	17,463	17,370	17,360	17,532
13. Collections Management, Research and Conservation Services.....	11,596	10,940	10,918	10,163	10,593	18,152	18,142
14. Collections Effectively Documented and Digitised.....	2,051	1,931	1,933	1,784	1,859	3,185	3,183
15. Public Sites, Public Programs and Collections Accessed On-site.....	11,777	12,725	12,686	10,053	10,477	17,951	17,943
16. Online Access to Collections, Expertise and Programs.....	507	627	621	610	636	1,091	1,090
17. Museum Services to the Regions.....	5,656	6,288	6,250	6,064	6,317	10,825	10,819
18. Licensing - Evaluation and Determination of Applications.....	8,132	7,332	7,399	6,878	6,906	7,025	7,230
19. Compliance Audits and Inspections.....	8,131	7,331	7,399	6,878	6,906	7,024	7,230
20. Industry Leadership and Infrastructure Development.....	42,781	49,978	50,242	45,221	36,114	35,968	33,868
21. Building Capacity and Participation.....	39,837	38,226	49,113	49,213	39,307	39,149	36,863
22. Recreation Camps Management.....	8,609	8,784	8,777	9,157	7,314	7,284	6,860
Total Cost of Services.....	285,543	293,603	310,224	288,636	264,965	282,132	276,236

Outcomes and Key Effectiveness Indicators ^(a)

	2016-17 Actual	2017-18 Budget	2017-18 Estimated Actual	2018-19 Budget Target	Note
Outcome: Local governments were capable and well-governed:					
Percentage of local governments that did not have an action taken against them under the Department's compliance framework.....	51%	55%	55%	55%	
Percentage of local governments with Integrated Planning and Reporting plans reviewed.....	96%	100%	25%	25%	1
Outcome: Western Australia was recognised as a vibrant and effective multicultural society:					
Percentage of organisations and individuals who report that the Office of Multicultural Interests had a positive impact on the promotion and support of multiculturalism.....	83%	80%	80%	80%	
Percentage of community grants for multicultural organisations that were acquitted against identified outcomes.....	84%	85%	80%	85%	
Outcome: A sustainable arts and cultural sector that enhances social and economic wellbeing:					
Number of Department funded works presented and/or developed (annually) ...	11,461	11,461	11,787	11,411	
Number of paid attendances to funded organisations works.....	782,430	732,695	739,702	743,164	
Ratio of Government funding to other income.....	1:4.14	1:3.96	1:3.59	1:3.61	
Public value of the contribution of arts and culture to the State's identity and community.....	69	67	68	68	
Outcome: Efficient and effective services to the Culture and Arts Portfolio and Government:					
Percentage of annual infrastructure maintenance budget expended on portfolio infrastructure maintenance requirements.....	99%	95%	99%	95%	
Outcome: Government records and the State archives are appropriately managed and accessible:					
Percentage of compliance with State Records Commission Standards as implemented by government agencies.....	90%	90%	91%	90%	
Percentage of archival resources to which the State Records Office provides an information service.....	21%	20%	20%	20%	
Outcome: Western Australia's State Art Collection asset is developed, appropriately managed and preserved:					
Percentage of collection stored to the required standard.....	98%	97%	97%	97%	
Outcome: Western Australia's State Art Collection and works of art on loan are accessible:					
Number of people accessing the collection:					
Total number of visitors.....	317,932	325,000	340,000	325,000	
Total number of online visitors to website.....	199,694	200,000	200,000	200,000	
Percentage of visitors satisfied with visit overall.....	93%	93%	93%	93%	
Outcome: Western Australia's cultural and documentary collections are acquired, preserved and accessible:					
Percentage increase in items added to the collection ^(b)	-9.8%	-19.4%	-30.5%	0%	2
Proportion of heritage collections maintained within set standards.....	95%	98%	87%	96%	3
Percentage increase in the usage of the collections on-site and online ^(c)	-10.4%	-1.9%	-3.9%	1.1%	4
Outcome: The Western Australian public library network is supported through access to library materials and services:					
The extent to which Western Australians are provided with access to library materials.....	0.88	0.86	0.96	0.95	5

	2016-17 Actual	2017-18 Budget	2017-18 Estimated Actual	2018-19 Budget Target	Note
Outcome: The Western Australian community benefits from engaging with the State Library's services:					
Percentage of clients satisfied with the State Library's collections and services	94%	92%	94%	92%	
Percentage of Western Australians who actively engage with the State Library's services	91%	93%	84%	85%	
Outcome: Effectively managed performing arts venues attracting optimal utilisation:					
Attendance rate across principal performance spaces	508,216	465,000	457,000	465,000	6
Average subsidy per attendee for Perth Theatre Trust funded programs.....	\$2	\$2	\$4	\$3	
Outcome: Sustainable care and development of the State's Museum collections for the benefit of present and future generations:					
Percentage of collection stored to the required standard	99%	99%	99%	99%	
Percentage of the collection accessible online	16%	18%	18%	19%	
Proportion of the State collection documented and digitised.....	26%	27%	26%	26%	
Outcome: Enhance cultural identity and understanding by promoting and ensuring the widest possible use of Museum content and collections.					
Number of people engaging with and accessing Museum content and collections:.....	1,608,084	1,765,823	2,035,299	1,759,703	7
Total number of visitors	659,566	795,823	863,617	692,703	8
Total number of online visitors to website.....	948,518	970,000	1,171,682	1,067,000	9
Percentage of visitors to Museum sites satisfied with services	98%	98%	98%	98%	
Outcome: To promote, monitor and enforce responsible and lawful gambling and liquor services in accordance with the legislation:					
Licensees/service providers that comply with audit requirements and statutory criteria	98%	94%	95%	94%	
Outcome: A strong and diverse sport and recreation system in Western Australia that is accessible, encourages maximum participation and develops talent:					
Satisfaction rating of policy development and leadership provided by the Department.....	93%	85%	85%	85%	
Satisfaction rating of the Department's consultation advice to clients	88%	90%	90%	90%	
Satisfaction rating of the Department's grants management.....	89%	85%	85%	85%	
Satisfaction rating of the Department's programs, initiatives and resources.....	92%	90%	90%	90%	
Western Australian participation in organised sport and active recreation	n/a	56%	56%	56%	
Satisfaction rating of recreation camps management and service delivery	94%	87%	87%	87%	

- (a) Further detail in support of the key effectiveness indicators is provided in the agency's Annual Report.
- (b) The State Library of Western Australia aims to acquire a significant collection of the State's documentary heritage to tell the social, political, economic and cultural history of Western Australia for current and future generations. Items are acquired through donation, purchase and legal deposit, but the number of items acquired each year is dependent on publishing output and the availability of private collections for acquisition. The negative percentage change represents fewer items being added to heritage collections when compared to the previous year. Collections counted in this measure are books, magazines, maps, films, oral histories, sound recordings, microfilms and pictorial images. This measure does not take into account all new items added to heritage collections. For example, more than 20 metres of private archive documents are acquired for heritage collections each year, representing a significant resourcing focus that is not reflected in this key performance indicator.
- (c) The purpose of collecting Western Australia's documentary heritage is to make it accessible for people to use. While much of the heritage collection is only available in physical format from within the State Library, increasingly collections are being digitised to make them accessible online through the Library's internet presence. Digital material is also being collected and made available. The online use of images digitised in the Historical Records Rescue Consortium (HRRC) project (2005-08) continues to decrease as user's access newer digital images available. Unlike HRRC images, newer images are not able to be found via search engines. The State Library is investigating options to have all images able to be found via search engines which should increase the use of these resources. This key performance indicator does not include usage of digitised Western Australian newspapers made available through the National Library of Australia's Trove discovery service as they would overwhelm other usage figures.

Explanation of Significant Movements

(Notes)

- The Department is moving to a four-year review cycle, with all local government Integrated Planning and Reporting plans being reviewed within four years.
- The 2017-18 Estimated Actual is lower than all other comparatives as the number of items added to heritage collections was less than estimated (for example 20,301 items are estimated to be added to heritage collections in 2017-18, compared to 29,199 items added in 2016-17). The 2018-19 Budget Target reflects the expectation that a similar number of items will be added to the collection as in 2017-18. This measure does not include private archive materials added to heritage collections.
- The 2017-18 Estimated Actual is lower than all other comparatives as environmental conditions were temporarily affected by new power, air conditioning and storage unit works.
- Although the number of people accessing older digital images online continues to decrease, it is offset by an increase in the number of people accessing new digital content online. Accordingly, the net impact is an increase in the 2018-19 Budget Target usage of collections compared to the 2017-18 Estimated Actual.
- The increase in the 2017-18 Estimated Actual compared to the 2017-18 Budget is due to continued growth in the use of e-resources by public library members, which has more than offset the decrease in the number of materials supplied to public libraries.
- Actual attendances in 2016-17 were higher than the 2017-18 Estimated Actual and 2018-19 Budget Target mainly due to a number of sold out performances at the State Theatre Centre of WA and Albany Entertainment Centre, together with an increase in the number of performances across all of the venues. The reduced figures in 2017-18 Estimated Actual and 2018-19 Budget also reflect venue closures at the Perth Concert Hall early in 2018 and planned renovation works at His Majesty's Theatre during 2018-19 impacting attendances by an estimated 30,000.
- The 2017-18 Estimated Actual is higher than the 2017-18 Budget due to the popularity of temporary exhibitions held in the 2017-18 financial year, namely the Dinosaur Discovery and Escape from Pompeii exhibitions.
- The 2017-18 Estimated Actual is higher than the 2017-18 Budget due to popular exhibitions held by the Western Australian Museum like the Dinosaur Discovery and Escape from Pompeii exhibitions.
- The increase in online visitors in the 2017-18 Estimated Actual compared to 2017-18 Budget is due to an increased number of collections accessible online and popular exhibitions held during 2017-18.

Services and Key Efficiency Indicators

1. Regulation and Support of Local Government

Supporting local governments to fulfil their statutory obligations and to improve capability in the sector.

	2016-17 Actual	2017-18 Budget	2017-18 Estimated Actual	2018-19 Budget Target	Note
	\$'000	\$'000	\$'000	\$'000	
Total Cost of Service	13,198	16,842	17,511	12,522	1
Less Income	240	362	366	403	
Net Cost of Service	12,958	16,480	17,145	12,119	
Employees (Full Time Equivalents)	62	59	56	51	
Efficiency Indicators					
Average Cost per Local Government for Regulation and Support.....	\$79,889	\$94,290	\$99,007	\$86,051	

Explanation of Significant Movements

(Notes)

- The reduction in the 2018-19 Budget Target compared to the 2017-18 Estimated Actual is mainly due to the completion of the Local Projects Local Jobs program and the Country Local Government Fund.

2. Promotion and Support of Multiculturalism

Development and implementation of policies, programs and services that achieve the full potential of multiculturalism.

	2016-17 Actual	2017-18 Budget	2017-18 Estimated Actual	2018-19 Budget Target	Note
Total Cost of Service	\$'000 8,515	\$'000 6,965	\$'000 6,951	\$'000 6,812	
Less Income	39	11	7	8	
Net Cost of Service	8,476	6,954	6,944	6,804	
Employees (Full Time Equivalents) ^(a)	27	25	25	25	
Efficiency Indicators					
Average Cost per Project to Support and Promote Multiculturalism	\$135,602	\$117,200	\$114,739	\$111,717	
Number of Grants and Service Agreements per Full Time Equivalent	33	25	25	25	

(a) The Office of Multicultural Interests has 18 direct Full Time Equivalents and a portion of Full Time Equivalents related to corporate service overheads.

3. Arts Industry Support

Supporting the delivery of arts and cultural activities across Western Australia through funding programs and partnerships.

	2016-17 Actual	2017-18 Budget	2017-18 Estimated Actual	2018-19 Budget Target	Note
Total Cost of Service	\$'000 20,262	\$'000 19,749	\$'000 19,855	\$'000 18,327	
Less Income	158	523	513	120	1
Net Cost of Service	20,104	19,226	19,342	18,207	
Employees (Full Time Equivalents)	11	15	15	15	
Efficiency Indicators					
Grants Operations Expense as a Percentage of Direct Grants Approved	4.1%	5.7%	6.4%	4.5%	2

Explanation of Significant Movements

(Notes)

- The reduction in the 2018-19 Budget Target compared to the 2017-18 Estimated Actual is due to the completion of the Connecting to Country grants program.
- The increase in the 2017-18 Estimated Actual compared to the 2017-18 Budget is due to the carryover of the Creative Regions program from 2016-17. The consequent reduction in the 2018-19 Budget Target compared to the 2017-18 Estimated Actual is due in part to the commensurate reduction in the Creative Regions program administration costs and the savings resulting from the Voluntary Targeted Separation Scheme.

4. Research, Policy Development, Information and Support

Contributing to the development of the State by delivering strong evidence-based Culture and the Arts policy, research and planning in order to achieve State Government outcomes.

	2016-17 Actual	2017-18 Budget	2017-18 Estimated Actual	2018-19 Budget Target	Note
Total Cost of Service	\$'000 22,061	\$'000 21,606	\$'000 22,479	\$'000 20,970	
Less Income	273	622	632	240	1
Net Cost of Service	21,788	20,984	21,847	20,730	
Employees (Full Time Equivalents)	25	29	28	28	
Efficiency Indicators					
Research, Policy Development, Information and Support Expense as a Percentage of Direct Grants Approved	3.9%	5.5%	6.4%	4.5%	2

Explanation of Significant Movements

(Notes)

1. The reduction in the 2018-19 Budget Target compared to the 2017-18 Estimated Actual is due to the completion of the Connecting to Country grants program.
2. The increase in the 2017-18 Estimated Actual compared to the 2017-18 Budget is due to the carryover of the Creative Regions program from 2016-17. The consequent reduction in the 2018-19 Budget Target compared to the 2017-18 Estimated Actual is due in part to the commensurate reduction in the Creative Regions program administration costs and the savings resulting from the Voluntary Targeted Separation Scheme.

5. Corporate and Asset and Infrastructure Support to the Culture and Arts Portfolio and Government

Managing cultural infrastructure on behalf of the State Government and the provision of centralised services to the Culture and Arts Portfolio and other agencies.

	2016-17 Actual	2017-18 Budget	2017-18 Estimated Actual	2018-19 Budget Target	Note
Total Cost of Service	\$'000 14,122	\$'000 18,044	\$'000 18,240	\$'000 17,281	
Less Income	472	1,016	1,016	1,151	1
Net Cost of Service	13,650	17,028	17,224	16,130	
Employees (Full Time Equivalents) ^(a)	100	103	98	98	
Efficiency Indicators					
Average Cost of Service per Full Time Equivalent ^(b)	\$19,382	\$16,985	\$18,564	\$15,975	2

(a) Full Time Equivalent staff working on the New Museum Project are included in this service. The capitalised cost of the New Museum Project is not included in the Total Cost of Service.

(b) The Average Cost of Service per Full Time Equivalent incorporates the Full Time Equivalents for the whole Culture and the Arts Portfolio.

Explanation of Significant Movements

(Notes)

1. The increase in income in the 2018-19 Budget Target compared to the 2017-18 Estimated Actual is due to the full year of rental income from the State Library of Western Australia carpark. The 2017-18 Estimated Actual reflects the estimated income for 10 months.
2. The decrease in the Average Cost of Service per Full Time Equivalent in the 2018-19 Budget Target compared to the 2017-18 Estimated Actual is due to the decrease in the Total Cost of Service mainly resulting from accommodation savings made during the Agency Expenditure Review.

6. State Information Management and Archival Services

State Information Management and Archival Services consists of a regulatory/advisory component for all government organisations, as well as management of and access to the State Archives Collection.

	2016-17 Actual	2017-18 Budget	2017-18 Estimated Actual	2018-19 Budget Target	Note
Total Cost of Service	\$'000 2,991	\$'000 2,204	\$'000 2,196	\$'000 2,073	
Less Income	506	87	87	83	
Net Cost of Service	2,485	2,117	2,109	1,990	
Employees (Full Time Equivalents)	19	22	21	21	
Efficiency Indicators					
Cost per Access Service ^(a)	\$8	\$7	\$7	\$7	

(a) 50% of Cost per Access Service relates to Archival Services (not whole-of-office).

7. Cultural Heritage Management and Conservation

Provides appropriate management, development and care of the State's Art Collection asset under the *Art Gallery Act 1959*.

	2016-17 Actual	2017-18 Budget	2017-18 Estimated Actual	2018-19 Budget Target	Note
Total Cost of Service	\$'000 1,020	\$'000 1,021	\$'000 947	\$'000 961	
Less Income	467	250	268	244	
Net Cost of Service	553	771	679	717	
Employees (Full Time Equivalents)	4	4	4	4	
Efficiency Indicators					
Average Cost of Managing the Collection per Art Gallery Object	\$57.56	\$57.68	\$53.18	\$53.68	

8. Cultural Heritage Access and Community Engagement and Education

Provides access and interpretation of the State Art Collection and works of art on loan through art gallery services that encourage community engagement with the visual arts in accordance with the *Art Gallery Act 1959*.

	2016-17 Actual	2017-18 Budget	2017-18 Estimated Actual	2018-19 Budget Target	Note
Total Cost of Service	\$'000 11,543	\$'000 12,578	\$'000 12,406	\$'000 11,228	1
Less Income	5,278	3,527	3,509	2,855	2
Net Cost of Service	6,265	9,051	8,897	8,373	
Employees (Full Time Equivalents)	51	51	49	49	
Efficiency Indicators					
Average Cost of Art Gallery Services per Art Gallery Access	\$22.31	\$23.96	\$22.97	\$21.39	3

Explanation of Significant Movements

(Notes)

1. The decrease in Total Cost of Service in the 2018-19 Budget Target compared to the 2017-18 Budget is due to a major exhibition 'A Window in Italy - The Corsini Collection' held by the Art Gallery in 2017-18. The expenditure was funded by ticketing revenue and sponsorships in 2017-18.
2. The decrease in income in the 2018-19 Budget Target compared to the 2017-18 Budget is the result of no ticketed exhibitions planned for the Art Gallery in 2018-19.
3. The decrease in Average Cost of Art Gallery Services per Art Gallery Access in the 2018-19 Budget Target compared to the 2017-18 Budget is due to the lower Total Cost of Service in 2018-19.

9. Collection Services

Ensuring Western Australia's documentary collections are acquired, preserved and made accessible for future generations.

	2016-17 Actual	2017-18 Budget	2017-18 Estimated Actual	2018-19 Budget Target	Note
Total Cost of Service	\$'000 10,248	\$'000 10,813	\$'000 10,617	\$'000 10,438	
Less Income	785	616	581	439	
Net Cost of Service	9,463	10,197	10,036	9,999	
Employees (Full Time Equivalents)	74	81	70	73	
Efficiency Indicators					
Cost per New Item Added to the Collection.....	\$350.97	\$463.12	\$522.97	\$514.19	1

Explanation of Significant Movements

(Notes)

1. The increase in Cost per New Item Added to the Collection in the 2017-18 Estimated Actual and the 2018-19 Budget Target compared to the 2017-18 Budget is due to fewer new items being added to the collection.

10. Public Library Services

Supporting the Public library network through facilitating access to library material and services.

	2016-17 Actual	2017-18 Budget	2017-18 Estimated Actual	2018-19 Budget Target	Note
Total Cost of Service	\$'000 14,275	\$'000 14,748	\$'000 14,789	\$'000 14,540	
Less Income	613	541	454	343	1
Net Cost of Service	13,662	14,207	14,335	14,197	
Employees (Full Time Equivalents)	41	45	39	41	
Efficiency Indicators					
Average Cost of Administering Services to Public Libraries.....	\$61,795	\$63,569	\$63,746	\$62,668	

Explanation of Significant Movements

(Notes)

1. The 2016-17 Actual income is higher than other comparatives as user fees and charges and other revenues exceeded expectations. The 2018-19 Budget Target is lower than all other comparatives due to expected reductions in grant income.

11. Library, Literacy and Community Engagement

Ensuring that the State Library acts as a community hub in delivering literacy and learning outcomes to the Western Australian community.

	2016-17 Actual	2017-18 Budget	2017-18 Estimated Actual	2018-19 Budget Target	Note
Total Cost of Service	\$'000 9,817	\$'000 8,656	\$'000 10,171	\$'000 10,000	1
Less Income	825	618	610	462	2
Net Cost of Service	8,992	8,038	9,561	9,538	
Employees (Full Time Equivalents)	38	42	36	38	
Efficiency Indicators					
Cost per Engagement with State Library of Western Australia Services	\$4.18	\$3.55	\$4.68	\$4.53	3

Explanation of Significant Movements

(Notes)

1. The 2017-18 Estimated Actual and 2018-19 Budget Target Total Cost of Service are higher than the 2017-18 Budget due to repurposing capital funds as recurrent funds during 2017-18.
2. The 2016-17 Actual income is higher than other comparatives as user fees and charges and other revenues exceeded expectations. The 2018-19 Budget Target is lower than all other comparatives due to expected reductions in grant income.
3. The increase in Cost per Engagement with State Library of Western Australia Services in the 2017-18 Estimated Actual and the 2018-19 Budget Target compared to the 2017-18 Budget is due to fewer on-site and website visitors.

12. Venue Management Services

Endeavour to improve attendances and venue activation and therefore financial returns for the Perth Theatre Trust (PTT), whilst ensuring that the buildings owned and leased by PTT are fit for purpose and managed appropriately.

	2016-17 Actual	2017-18 Budget	2017-18 Estimated Actual	2018-19 Budget Target	Note
Total Cost of Service	\$'000 18,414	\$'000 16,215	\$'000 18,724	\$'000 17,463	1
Less Income	7,792	5,768	7,432	7,478	1
Net Cost of Service	10,622	10,447	11,292	9,985	
Employees (Full Time Equivalents)	94	97	97	97	
Efficiency Indicators					
Average Cost per Attendee	\$36.24	\$34.87	\$40.97	\$37.55	2

Explanation of Significant Movements

(Notes)

1. The increase in the 2017-18 Estimated Actual and 2018-19 Budget Target compared to the 2017-18 Budget is due to a combination of show expenditure linked to an increase in revenue and recognition of the Albany Entertainment Centre funding from the City of Albany and associated operating expenditure. The reduction in the Total Cost of Service and Net Cost of Service in the 2018-19 Budget Target is due to the removal of depreciation charges for the State Theatre Centre of WA.
2. The increase in 2017-18 Estimated Actual and 2018-19 Budget Target compared to the 2017-18 Budget is due to an increase in show recoveries across PTT venues in addition to recognition of the Albany Entertainment Centre funding from the City of Albany and associated operating expenditure. The reduction in the 2018-19 Budget Target is due to the removal of depreciation charges for the State Theatre Centre of WA.

13. Collections Management, Research and Conservation Services

Sustainable care and development of the State's collections for the benefit of present and future generations by ensuring that the collections are actively managed, researched and conserved.

	2016-17 Actual	2017-18 Budget	2017-18 Estimated Actual	2018-19 Budget Target	Note
Total Cost of Service	\$'000 11,596	\$'000 10,940	\$'000 10,918	\$'000 10,163	
Less Income	2,737	2,111	2,026	1,632	1
Net Cost of Service	8,859	8,829	8,892	8,531	
Employees (Full Time Equivalents)	73	74	73	73	
Efficiency Indicators					
Average Cost per Object of Managing the Museum Collection	\$1.43	\$1.34	\$1.34	\$1.24	

Explanation of Significant Movements

(Notes)

1. A reduction in grant income is projected in the 2018-19 Budget Target compared to the 2017-18 Budget as staff will be working on the content development for the New Museum Project rather than seeking new grant projects income.

14. Collections Effectively Documented and Digitised

Sustainable care and development of the State's collections for the benefit of present and future generations by ensuring that the collections are effectively documented and digitised.

	2016-17 Actual	2017-18 Budget	2017-18 Estimated Actual	2018-19 Budget Target	Note
Total Cost of Service	\$'000 2,051	\$'000 1,931	\$'000 1,933	\$'000 1,784	
Less Income	483	372	357	285	1
Net Cost of Service	1,568	1,559	1,576	1,499	
Employees (Full Time Equivalents)	13	13	13	13	
Efficiency Indicators					
Average Cost per Object of Documenting and Digitising the State Collection	\$0.99	\$0.89	\$0.91	\$0.82	

Explanation of Significant Movements

(Notes)

1. A reduction in grant income is projected in the 2018-19 Budget Target compared to the 2017-18 Budget as staff will be working on the content development for the New Museum Project rather than seeking new grant projects income.

15. Public Sites, Public Programs and Collections Accessed On-site

Enhanced cultural identity and understanding by promoting and ensuring the widest possible use of and contribution to museum content and collections through public sites, public and educational programs.

	2016-17 Actual	2017-18 Budget	2017-18 Estimated Actual	2018-19 Budget Target	Note
Total Cost of Service	\$'000 11,777	\$'000 12,725	\$'000 12,686	\$'000 10,053	1
Less Income	2,163	4,585	4,400	2,159	2
Net Cost of Service	9,614	8,140	8,286	7,894	
Employees (Full Time Equivalents)	63	65	64	64	
Efficiency Indicators					
Average Cost of Museum Services per Museum Access	\$27.28	\$22.92	\$23.15	\$28.50	3

Explanation of Significant Movements

(Notes)

1. The Total Cost of Service is projected to be lower in the 2018-19 Budget Target compared to the 2017-18 Budget as the Museum had two blockbuster exhibitions in 2017-18: the Dinosaur Discovery and Escape from Pompeii.
2. A reduction in income is projected in the 2018-19 Budget Target compared to the 2017-18 Budget due to lower paid visitations for exhibitions.
3. The increase in 2018-19 Budget Target compared to the 2017-18 Budget is due to lower visitation numbers projected in 2018-19.

16. Online Access to Collections, Expertise and Programs

Enhanced cultural identity and understanding by promoting and ensuring the widest possible use of and contribution to Museum content and collections delivered through online access to the collections, expertise and programs.

	2016-17 Actual	2017-18 Budget	2017-18 Estimated Actual	2018-19 Budget Target	Note
Total Cost of Service	\$'000 507	\$'000 627	\$'000 621	\$'000 610	
Less Income	-	-	-	-	
Net Cost of Service	507	627	621	610	
Employees (Full Time Equivalents)	5	6	6	6	
Efficiency Indicators					
Average Cost of Museum Services per Museum Access	\$0.34	\$0.38	\$0.37	\$0.34	

17. Museum Services to the Regions

Enhanced cultural identity and understanding by promoting and ensuring the widest possible use of and contribution to museum content and collections through regional access to the collections, expertise and programs.

	2016-17 Actual	2017-18 Budget	2017-18 Estimated Actual	2018-19 Budget Target	Note
Total Cost of Service	\$'000 5,656	\$'000 6,288	\$'000 6,250	\$'000 6,064	
Less Income	811	869	834	800	
Net Cost of Service	4,845	5,419	5,416	5,264	
Employees (Full Time Equivalents)	28	29	29	29	
Efficiency Indicators					
Average Cost per Access	\$15.57	\$19.89	\$19.81	\$17.83	

18. Licensing - Evaluation and Determination of Applications

Receive, process and determine applications in accordance with the legislation.

	2016-17 Actual	2017-18 Budget	2017-18 Estimated Actual	2018-19 Budget Target	Note
Total Cost of Service	\$'000 8,132	\$'000 7,332	\$'000 7,399	\$'000 6,878	
Less Income	5,483	4,854	5,004	5,052	
Net Cost of Service	2,649	2,478	2,395	1,826	
Employees (Full Time Equivalents)	50	49	46	46	
Efficiency Indicators					
Average Cost of Determining Applications	\$460	\$458	\$451	\$430	

19. Compliance Audits and Inspections

Perform audits and inspections to verify that the provision of gambling and liquor is conducted in a responsible and lawful manner.

	2016-17 Actual	2017-18 Budget	2017-18 Estimated Actual	2018-19 Budget Target	Note
Total Cost of Service	\$'000 8,131	\$'000 7,331	\$'000 7,399	\$'000 6,878	
Less Income	5,483	4,853	5,003	5,051	
Net Cost of Service	2,648	2,478	2,396	1,827	
Employees (Full Time Equivalents)	49	48	46	45	
Efficiency Indicators					
Average Cost of Conducting Inspections	\$961	\$952	\$844	\$893	1

Explanation of Significant Movements

(Notes)

- The Average Cost of Conducting Inspections in the 2017-18 Estimated Actual is lower than the 2017-18 Budget due to the number of estimated completed compliance activities being higher than budgeted.

20. Industry Leadership and Infrastructure Development

Provide strategic leadership for the sport and recreation industry and support for infrastructure development through funding and advice to sport and recreation groups State-wide, including State and local governments.

	2016-17 Actual	2017-18 Budget	2017-18 Estimated Actual	2018-19 Budget Target	Note
Total Cost of Service	\$'000 42,781	\$'000 49,978	\$'000 50,242	\$'000 45,221	1
Less Income	308	85	85	85	
Net Cost of Service	42,473	49,893	50,157	45,136	
Employees (Full Time Equivalents)	50	50	49	43	
Efficiency Indicators					
Average Cost of Providing Consultancy (Policy, Advocacy and Infrastructure) to Organisations	\$10,874	\$11,241	\$11,757	\$10,324	
Average Cost of Providing the Contact Services (Policy, Advocacy and Infrastructure)	\$740	\$882	\$987	\$942	2
Average Cost to Manage Infrastructure Grants	\$2,114	\$2,352	\$2,255	\$2,175	

Explanation of Significant Movements

(Notes)

1. The decrease in the Total Cost of Service from the 2017-18 Estimated Actual to the 2018-19 Budget Target mainly relates to payments for the Optus Stadium transport infrastructure in 2017-18.
2. The increase in Average Cost of Providing the Contact Services from the 2017-18 Budget to the 2017-18 Estimated Actual and 2018-19 Budget Target is due to a reduced number of contacts.

21. Building Capacity and Participation

Provide support for organisations and personnel delivering sport and recreation State-wide from participation to the elite level through advice and funding support

	2016-17 Actual	2017-18 Budget	2017-18 Estimated Actual	2018-19 Budget Target	Note
Total Cost of Service	\$'000 39,837	\$'000 38,226	\$'000 49,113	\$'000 49,213	1
Less Income	1,950	1,721	1,721	1,742	
Net Cost of Service	37,887	36,505	47,392	47,471	
Employees (Full Time Equivalents)	72	72	66	66	
Efficiency Indicators					
Average Cost of Providing Consultancy (Organisational Development and Participation) to Organisations	\$15,523	\$16,685	\$19,148	\$18,080	2
Average Cost of Providing the Contact Services (Organisational Development and Participation)	\$413	\$484	\$599	\$587	3
Average Cost to Manage Sport and Recreation Development Grants	\$1,893	\$2,435	\$2,545	\$2,739	4

Explanation of Significant Movements

(Notes)

1. The increase in the Total Cost of Service from the 2017-18 Budget to the 2017-18 Estimated Actual and 2018-19 Budget Target relates to the commencement of the Western Australian Football Commission Funding Agreement.
2. The increase in Average Cost of Providing Consultancy from the 2017-18 Budget to the 2017-18 Estimated Actual and 2018-19 Budget Target is due to a reduced number of organisations provided with consultancy support.
3. The increase in Average Cost of Providing the Contact Services from the 2017-18 Budget to the 2017-18 Estimated Actual and 2018-19 Budget Target is due to a reduced number of contacts.
4. The increase in Average Cost to Manage Sport and Recreation Development Grants from the 2017-18 Estimated Actual to the 2018-19 Budget Target is due to a reduced number of grants managed.

22. Recreation Camps Management

Provide experiential outdoor activities to the community through the management of recreation camps.

	2016-17 Actual	2017-18 Budget	2017-18 Estimated Actual	2018-19 Budget Target	Note
Total Cost of Service	\$'000 8,609	\$'000 8,784	\$'000 8,777	\$'000 9,157	
Less Income	4,615	4,680	4,680	4,918	
Net Cost of Service	3,994	4,104	4,097	4,239	
Employees (Full Time Equivalents)	58	58	58	58	
Efficiency Indicators					
Average Cost per Bed Night	\$53	\$54	\$53	\$54	
Average Cost per Participation	\$24	\$27	\$26	\$27	

Asset Investment Program

To support the delivery of the Department's services, asset investment in 2018-19 will including the following:

- \$154 million to continue the delivery of the New Museum Project in 2018-19 at an estimated total project cost of \$395.9 million, including \$5.7 million of costs met via recurrent funding;
- \$9.6 million for library materials for the Public and State Reference Library;
- \$4 million to upgrade the His Majesty's Theatre Orchestra Pit Lift;
- \$2.5 million for His Majesty's Theatre Front of House improvements;
- \$789,000 for ongoing plant and equipment replacement; and
- \$218,000 for ongoing funding for the Art Gallery Art Acquisition Fund.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-18 \$'000	2017-18 Estimated Expenditure \$'000	2018-19 Budget Estimate \$'000	2019-20 Forward Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000
WORKS IN PROGRESS							
New State Museum	390,201	172,899	98,072	153,965	56,358	2,800	4,179
COMPLETED WORKS							
Art Gallery - Art Acquisition							
2015-16 Program	230	230	220	-	-	-	-
2016-17 Program	218	218	218	-	-	-	-
2017-18 Program	218	218	218	-	-	-	-
Camps Plant and Equipment Ongoing Replacement							
2017-18 Program	65	65	65	-	-	-	-
Computer Hardware and Software - 2017-18 Program	580	580	580	-	-	-	-
Department - Global Provision - Improvement of Culture and Arts Service Delivery Infrastructure Fit-for-purpose	3,885	3,885	1,224	-	-	-	-
Library							
Public Library Materials 2017-18 Program	7,791	7,791	7,791	-	-	-	-
State Reference Library Materials							
2015-16 Program	997	997	33	-	-	-	-
2016-17 Program	904	904	904	-	-	-	-
2017-18 Program	94	94	94	-	-	-	-
Optus Stadium - Sports Precinct	50,011	50,011	16,618	-	-	-	-
Optus Stadium and Plaza	90,154	90,154	42,786	-	-	-	-
Optus Stadium Project Management							
Sport and Recreation	6,517	6,517	1,283	-	-	-	-
Strategic Projects	9,100	9,100	1,810	-	-	-	-
Office Equipment Replacement - 2017-18 Program	149	149	149	-	-	-	-
Perth Rectangular Stadium Development	94,162	94,162	1,382	-	-	-	-
Program Equipment - 2017-18 Program	95	95	95	-	-	-	-
State Netball Centre - Construction	23,715	23,715	121	-	-	-	-

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-18 \$'000	2017-18 Estimated Expenditure \$'000	2018-19 Budget Estimate \$'000	2019-20 Forward Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000
NEW WORKS							
Art Gallery - Art Acquisition							
2018-19 Program.....	218	-	-	218	-	-	-
2019-20 Program.....	218	-	-	-	218	-	-
2020-21 Program.....	218	-	-	-	-	218	-
2021-22 Program.....	218	-	-	-	-	-	218
Camps Plant and Equipment Ongoing Replacement							
2018-19 Program.....	65	-	-	65	-	-	-
2019-20 Program.....	65	-	-	-	65	-	-
2020-21 Program.....	65	-	-	-	-	65	-
2021-22 Program.....	65	-	-	-	-	-	65
Computer Hardware and Software							
2018-19 Program.....	480	-	-	480	-	-	-
2019-20 Program.....	430	-	-	-	430	-	-
2020-21 Program.....	580	-	-	-	-	580	-
2021-22 Program.....	580	-	-	-	-	-	580
Library							
Public Library Materials							
2018-19 Program.....	8,524	-	-	8,524	-	-	-
2019-20 Program.....	8,524	-	-	-	8,524	-	-
2020-21 Program.....	8,347	-	-	-	-	8,347	-
2021-22 Program.....	8,347	-	-	-	-	-	8,347
State Reference Library Materials							
2018-19 Program.....	1,117	-	-	1,117	-	-	-
2019-20 Program.....	1,118	-	-	-	1,118	-	-
2020-21 Program.....	1,225	-	-	-	-	1,225	-
2021-22 Program.....	1,225	-	-	-	-	-	1,225
Office Equipment Replacement							
2018-19 Program.....	149	-	-	149	-	-	-
2019-20 Program.....	149	-	-	-	149	-	-
2020-21 Program.....	149	-	-	-	-	149	-
2021-22 Program.....	149	-	-	-	-	-	149
Perth Theatre Trust – His Majesty's Theatre							
Orchestra Pit.....	4,000	-	-	4,000	-	-	-
Front of House.....	2,500	-	-	2,500	-	-	-
Program Equipment							
2018-19 Program.....	95	-	-	95	-	-	-
2019-20 Program.....	95	-	-	-	95	-	-
2020-21 Program.....	95	-	-	-	-	95	-
2021-22 Program.....	95	-	-	-	-	-	95
Total Cost of Asset Investment Program.....	728,191	461,784	173,663	171,113	66,957	13,479	14,858
FUNDED BY							
Capital Appropriation.....			100,836	154,183	56,576	3,018	4,397
Drawdowns from the Holding Account.....			10,478	10,430	10,381	10,461	10,461
Internal Funds and Balances.....			789	-	-	-	-
Adjustment to Fixed Asset Funding Due to Agency Project Transfer.....			(937)	-	-	-	-
Funding Included in Department of Treasury Administered Item.....			-	6,500	-	-	-
Funding Included in Department of Treasury - Perth Stadium Account.....			62,497	-	-	-	-
Total Funding.....			173,663	171,113	66,957	13,479	14,858

Financial Statements

The 2016-17 Actual data has been recast for comparability purposes to account for Machinery of Government changes that took effect from 1 July 2017.

Income Statement

Expenses

The Department's Total Cost of Services in the 2018-19 Budget Estimate reduces by \$21.6 million compared to the 2017-18 Estimated Actual mainly due to the completion of operating expenditure aspects associated with Optus Stadium as well as reduced employee benefits expenditure through the implementation of the State Government reforms including the Workforce Renewal Policy, Voluntary Targeted Separation Scheme savings and Agency Expenditure Review.

Income

The decreased income of \$4 million in the 2018-19 Budget Estimate compared to the 2017-18 Estimated Actual is mainly due to the one-off income received from paid exhibitions at the Museum and the Art Gallery during 2017-18.

The sale of goods and services increase in the 2020-21 Forward Estimate is mainly due to increased income following the opening of the New Museum.

The decrease in service appropriations of \$3.4 million in the 2018-19 Budget Estimate compared to the 2017-18 Estimated Actual is mainly due to the Voluntary Targeted Separation Scheme and Senior Executive Service reduction savings.

The service appropriation for 2018-19 Budget Estimate includes \$7 million carryover funding for the Community Sporting and Recreation Facilities Fund. The 2020-21 and 2021-22 Forward Estimates include additional funding for operating costs associated with the New Museum.

The Royalties for Regions revenue fluctuates between years depending on project approval and funding associated with these approvals.

The deficit in the 2017-18 Estimated Actual and 2018-19 Budget Estimate is mainly due to carryover funding received for the Local Project Local Jobs election commitment and Royalties for Regions programs.

Statement of Financial Position

The reduction in cash assets in the 2018-19 Budget Estimate compared to the 2016-17 Actual and the 2017-18 Estimated Actual is mainly due to the drawdown of cash reserves to complete the Local Projects Local Jobs election commitment and approved carryover funds for the Royalties for Regions program.

The movement in the non-current asset base from the 2017-18 Estimated Actual and across the forward estimates period reflects the approved funding for the construction of the New Museum, which concludes in 2020.

Statement of Cashflows

The movement in capital appropriation and the corresponding movement in the purchase of non-current assets from the 2018-19 Budget Estimate and across the forward estimates period mainly reflects the expenditure profile for the construction of the New Museum.

INCOME STATEMENT ^(a)
(Controlled)

	2016-17	2017-18	2017-18	2018-19	2019-20	2020-21	2021-22
	Actual	Budget	Estimated	Budget	Forward	Forward	Forward
	\$'000	\$'000	Actual	Estimate	Estimate	Estimate	Estimate
			\$'000	\$'000	\$'000	\$'000	\$'000
COST OF SERVICES							
Expenses							
Employee benefits ^(b)	99,289	102,822	104,884	97,413	99,150	101,442	102,550
Grants and subsidies ^(c)	106,330	102,417	103,435	101,613	77,284	76,732	70,558
Supplies and services	28,259	36,385	48,242	37,906	36,919	37,874	38,678
Accommodation	21,554	23,403	24,365	20,845	20,751	23,493	23,871
Depreciation and amortisation	19,597	20,062	20,233	22,006	21,882	33,295	31,269
Other expenses	10,514	8,514	9,065	8,853	8,979	9,296	9,310
TOTAL COST OF SERVICES	285,543	293,603	310,224	288,636	264,965	282,132	276,236
Income							
Sale of goods and services	19,899	22,545	23,598	21,398	21,262	27,244	27,445
Regulatory fees and fines	6,325	4,850	5,650	5,746	5,843	5,942	6,041
Grants and subsidies	5,161	3,244	3,778	2,127	1,575	2,020	2,025
Other revenue	10,096	7,432	6,559	6,279	6,263	6,925	6,931
Total Income	41,481	38,071	39,585	35,550	34,943	42,131	42,442
NET COST OF SERVICES	244,062	255,532	270,639	253,086	230,022	240,001	233,794
INCOME FROM STATE GOVERNMENT							
Service appropriations	237,232	224,377	235,152	231,760	221,005	231,208	229,943
Resources received free of charge	1,572	1,558	1,302	1,318	1,334	1,334	1,334
Royalties for Regions Fund:							
Country Local Government Fund	3,673	3,134	2,223	-	-	-	-
Regional Community Services Fund	13,010	12,783	12,200	17,935	7,829	8,294	2,576
Regional Infrastructure and Headworks							
Fund	-	-	325	325	140	140	140
Perth Stadium Account	-	8,275	8,275	-	-	-	-
TOTAL INCOME FROM STATE GOVERNMENT	255,487	250,127	259,477	251,338	230,308	240,976	233,993
SURPLUS/(DEFICIENCY) FOR THE PERIOD	11,425	(5,405)	(11,162)	(1,748)	286	975	199

(a) Full audited financial statements are published in the agency's Annual Report.

(b) The Full Time Equivalents for 2016-17 Actual, 2017-18 Estimated Actual and 2018-19 Budget Estimate are 1,007, 988 and 983 respectively.

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

DETAILS OF CONTROLLED GRANTS AND SUBSIDIES

	2016-17	2017-18	2017-18	2018-19	2019-20	2020-21	2021-22
	Actual	Budget	Estimated	Budget	Forward	Forward	Forward
	\$'000	\$'000	Actual	Estimate	Estimate	Estimate	Estimate
			\$'000	\$'000	\$'000	\$'000	\$'000
Arts Organisations, Projects and Programs.....	31,095	29,564	28,448	28,965	28,614	28,629	28,674
Chinese New Year Package.....	375	-	-	-	-	-	-
Commonwealth Grants.....	310	-	-	-	-	-	-
Community Sporting and Recreation							
Facilities Fund	17,668	14,459	14,459	18,340	11,340	11,340	11,340
Companion Animal Shelters.....	200	200	200	200	200	200	200
Contemporary Music Fund	-	-	-	500	1,000	1,000	500
Country Local Government Fund	1,649	1,180	1,180	-	-	-	-
Creative Regions Program	5,476	4,750	6,276	4,185	-	-	-
Entry Statement and Signage Bunbury	-	-	-	200	-	-	-
Local Projects Local Jobs Program ^(a)	2,398	8,741	10,327	1,076	-	-	-
Office of Multicultural Interests							
Community Grants.....	928	560	560	560	560	560	560
Community Languages Program	898	1,113	1,113	1,113	1,113	1,113	1,113
Other Cultural Programs.....	2,071	1,349	1,310	1,306	1,324	1,324	1,324
Performing Arts Regional Tours Boost	196	-	-	-	-	-	-
Rapid Response Signs Metropolitan	-	122	122	125	128	131	131
Rapid Response Signs Regional.....	-	204	204	208	213	219	-
Regional Exhibition Touring Boost	-	500	500	500	1,750	1,750	1,750
Regional Museum Grants.....	-	-	-	250	250	250	250
Sport and Recreation	4,349	5,540	5,717	11,372	4,790	5,500	-
Sports Financial Grants.....	22,967	18,343	18,343	17,596	10,886	9,486	9,441
Sports Lotteries Account	15,750	15,792	14,676	15,117	15,116	15,230	15,275
TOTAL	106,330	102,417	103,435	101,613	77,284	76,732	70,558

(a) In the published 2017-18 Budget Statements, the Local Projects Local Jobs program for Sport and Recreation (\$6.5 million) was reported under Sports Financial Grants. The Local Projects Local Jobs program has been recognised as one project in the 2018-19 Budget Statements.

**STATEMENT OF FINANCIAL POSITION ^(a)
(Controlled)**

	2016-17 Actual \$'000	2017-18 Budget \$'000	2017-18 Estimated Actual \$'000	2018-19 Budget Estimate \$'000	2019-20 Forward Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000
CURRENT ASSETS							
Cash assets.....	62,207	22,990	39,611	38,818	38,875	39,378	38,802
Restricted cash.....	32,544	41,970	33,490	32,017	31,620	31,766	31,766
Holding account receivables.....	11,327	11,209	11,209	11,160	11,310	11,210	11,210
Receivables.....	5,432	6,573	5,421	5,410	5,399	5,388	5,388
Other.....	3,362	3,237	3,362	3,362	3,362	3,362	3,362
Total current assets.....	114,872	85,979	93,093	90,767	90,566	91,104	90,528
NON-CURRENT ASSETS							
Holding account receivables.....	114,822	123,709	124,181	135,806	147,157	170,091	190,899
Property, plant and equipment.....	669,088	654,214	710,096	878,874	914,366	900,179	887,208
Intangibles.....	8,323	7,331	7,864	7,147	6,381	5,716	4,869
Restricted cash.....	380	558	611	843	1,089	1,326	1,626
Other.....	1,198,360	808,256	769,230	759,836	779,794	790,297	799,290
Total non-current assets.....	1,990,973	1,594,068	1,611,982	1,782,506	1,848,787	1,867,609	1,883,892
TOTAL ASSETS.....	2,105,845	1,680,047	1,705,075	1,873,273	1,939,353	1,958,713	1,974,420
CURRENT LIABILITIES							
Employee provisions.....	16,258	13,549	15,710	15,716	15,722	15,728	15,728
Payables.....	28,021	19,960	27,752	27,245	26,270	25,795	25,320
Other.....	6,659	6,275	6,254	6,315	6,795	7,065	7,065
Total current liabilities.....	50,938	39,784	49,716	49,276	48,787	48,588	48,113
NON-CURRENT LIABILITIES							
Employee provisions.....	4,003	6,597	4,109	4,206	4,303	4,400	4,400
Other.....	239	524	239	239	239	239	239
Total non-current liabilities.....	4,242	7,121	4,348	4,445	4,542	4,639	4,639
TOTAL LIABILITIES.....	55,180	46,905	54,064	53,721	53,329	53,227	52,752
EQUITY							
Contributed equity.....	1,185,480	905,625	1,127,730	1,288,471	1,345,056	1,348,125	1,352,522
Accumulated surplus/(deficit) ^{(b) (c)}	338,902	(5,880)	(11,637)	(13,860)	(14,049)	(13,549)	(13,825)
Reserves ^(b)	526,283	733,397	534,918	544,941	555,017	570,910	582,971
Total equity.....	2,050,665	1,633,142	1,651,011	1,819,552	1,886,024	1,905,486	1,921,668
TOTAL LIABILITIES AND EQUITY.....	2,105,845	1,680,047	1,705,075	1,873,273	1,939,353	1,958,713	1,974,420

- (a) Full audited financial statements are published in the agency's Annual Report.
- (b) Accumulated surplus/(deficit) does not agree to the aggregate of surplus/(deficiency) for the period and surplus/(deficiency) as at the end of the previous reporting period due to bequests and donated works of art income being transferred to reserves in the Statement of Financial Position (\$475,000) in the years from 2017-18 to 2021-22. The amount transferred to reserves in 2016-17 was \$2,129,000.
- (c) The 2016-17 Actual Accumulated surplus of \$339 million is recognised as Contributed equity from 2017-18 onwards to acknowledge the transfer of functions to the new Department.

STATEMENT OF CASHFLOWS ^(a)
(Controlled)

	2016-17	2017-18	2017-18	2018-19	2019-20	2020-21	2021-22
	Actual	Budget	Estimated	Budget	Forward	Forward	Forward
	\$'000	\$'000	Actual	Estimate	Estimate	Estimate	Estimate
			\$'000	\$'000	\$'000	\$'000	\$'000
CASHFLOWS FROM STATE GOVERNMENT							
Service appropriations	218,385	204,315	214,919	209,754	199,123	197,913	198,674
Capital appropriation	40,605	124,223	100,836	154,183	56,576	3,018	4,397
Administered equity contribution	-	-	-	6,500	-	-	-
Holding account drawdowns	10,449	11,327	11,026	10,430	10,381	10,461	10,461
Royalties for Regions Fund:							
Country Local Government Fund	3,673	3,134	2,223	-	-	-	-
Regional Community Services Fund	13,010	12,783	12,200	17,935	7,829	8,294	2,576
Regional Infrastructure and Headworks Fund	-	-	325	325	140	140	140
Perth Stadium Account	206,472	122,028	122,028	-	-	-	-
Net cash provided by State Government	492,594	477,810	463,557	399,127	274,049	219,826	216,248
CASHFLOWS FROM OPERATING ACTIVITIES							
Payments							
Employee benefits	(99,225)	(102,543)	(105,153)	(97,131)	(98,449)	(100,951)	(102,550)
Grants and subsidies	(97,685)	(102,417)	(103,435)	(101,613)	(77,284)	(76,732)	(70,558)
Supplies and services	(26,689)	(36,050)	(48,155)	(36,067)	(35,597)	(36,067)	(36,819)
Accommodation	(21,075)	(23,246)	(24,208)	(20,688)	(20,594)	(23,336)	(23,871)
Other payments	(55,164)	(31,106)	(31,665)	(36,351)	(28,993)	(29,600)	(29,404)
Receipts ^(b)							
Regulatory fees and fines	6,326	4,850	5,650	5,746	5,843	5,942	6,041
Grants and subsidies	5,694	2,776	3,310	2,127	1,575	2,020	2,025
Sale of goods and services	19,539	22,507	23,560	21,360	21,224	27,206	27,445
GST receipts	44,539	21,333	21,333	26,252	18,788	19,094	19,094
Other receipts	8,148	7,470	8,639	6,317	6,301	6,963	6,931
Net cash from operating activities	(215,592)	(236,426)	(250,124)	(230,048)	(207,186)	(205,461)	(201,666)
CASHFLOWS FROM INVESTING ACTIVITIES							
Purchase of non-current assets	(83,669)	(196,725)	(173,663)	(171,113)	(66,957)	(13,479)	(14,858)
Other payments	(225)	-	-	-	-	-	-
Other receipts	162	-	-	-	-	-	-
Net cash from investing activities	(83,732)	(196,725)	(173,663)	(171,113)	(66,957)	(13,479)	(14,858)
CASHFLOWS FROM FINANCING ACTIVITIES							
Other payments - Optus Stadium	(220,424)	(62,985)	(62,985)	-	-	-	-
Other proceeds - Optus Stadium Transport Infrastructure	6,000	1,800	1,800	-	-	-	-
Net cash from financing activities	(214,424)	(61,185)	(61,185)	-	-	-	-
NET INCREASE/(DECREASE) IN CASH HELD	(21,154)	(16,526)	(21,415)	(2,034)	(94)	886	(276)
Cash assets at the beginning of the reporting period	121,749	87,434	100,590	79,175	77,141	77,047	77,933
Net cash transferred to/from other agencies	(5)	-	-	-	-	-	-
Cash assets at the end of the reporting period	100,590	70,908	79,175	77,141	77,047	77,933	77,657

(a) Full audited financial statements are published in the agency's Annual Report.

(b) A determination by the Treasurer, pursuant to section 23 of the *Financial Management Act 2006*, provides for the retention of some cash receipts by the Department. Refer to the Net Appropriation Determination table below for further information. Other receipts are retained under the authority of other relevant Acts of Parliament.

NET APPROPRIATION DETERMINATION ^(a)

	2016-17 Actual \$'000	2017-18 Budget \$'000	2017-18 Estimated Actual \$'000	2018-19 Budget Estimate \$'000	2019-20 Forward Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000
Regulatory Fees and Fines							
Liquor Fees Revenue	6,326	4,850	5,650	5,746	5,843	5,942	6,041
Grants and Subsidies							
Provision of Services to the Commonwealth....	402	256	256	256	256	256	256
Direct Grants and Subsidies Receipts	1,801	761	761	447	450	364	364
Sale of Goods and Services							
Provision of Services to the Racing and Gaming Industries	4,019	4,769	4,269	4,269	4,269	4,269	4,269
Revenue Received for the Provision of Accommodation and Recreation Programs...	4,520	4,680	4,680	4,930	4,930	4,930	4,930
Other.....	601	554	554	588	450	466	516
GST Receipts							
GST Input Credits	38,955	19,855	19,855	24,763	17,246	17,553	17,553
GST Receipts on Sales	1,639	1,478	1,478	1,489	1,542	1,541	1,541
Other Receipts							
Rental Income	192	799	799	928	932	937	937
Other Receipts.....	1,869	1,677	3,719	1,689	1,697	1,708	1,670
TOTAL ^(b)	60,324	39,679	42,021	45,105	37,615	37,966	38,077

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

(b) The 2017-18 published Budget Statements included the statutory authorities' net appropriation.

DETAILS OF ADMINISTERED TRANSACTIONS

	2016-17 Actual \$'000	2017-18 Budget \$'000	2017-18 Estimated Actual \$'000	2018-19 Budget Estimate \$'000	2019-20 Forward Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000
INCOME							
Taxation							
Casino Tax.....	61,872	62,000	62,000	71,000	71,000	71,000	71,000
Other							
Appropriation.....	48,146	56,247	52,399	55,304	56,589	58,061	59,247
Combat Sports Commission Appropriation.....	814	839	839	848	853	860	860
TOTAL ADMINISTERED INCOME	110,832	119,086	115,238	127,152	128,442	129,921	131,107
EXPENSES							
Grants to Charitable and Other Public Bodies							
Grants to Individuals Problem Gambling.....	500	500	500	500	500	500	500
Statutory Authorities							
Grants to Racing and Wagering Western Australia	13,882	14,407	15,913	17,754	19,041	20,265	21,353
Subsidies And Concessions							
Subsidies to Gambling and Betting Agencies and Bookmakers.....	33,784	41,340	35,986	37,050	37,048	37,296	37,394
Other							
Receipts Paid into the Consolidated Account	60,739	62,000	62,000	71,000	71,000	71,000	71,000
Combat Sports Commission Expenditure ...	814	839	839	848	853	860	860
TOTAL ADMINISTERED EXPENSES	109,719	119,086	115,238	127,152	128,442	129,921	131,107

Agency Special Purpose Account Details

ARTS LOTTERIES SPECIAL PURPOSE ACCOUNT

Account Purpose: The purpose of the account is to hold moneys received, pursuant to section 22(2)(d) and 22(5) of the *Lotteries Commission Act 1990*, to be applied in such proportions and among such bodies and persons engaged in the conduct of cultural activities in the State.

	2016-17 Actual \$'000	2017-18 Budget \$'000	2017-18 Estimated Actual \$'000	2018-19 Budget Estimate \$'000
Opening Balance.....	-	-	-	-
Receipts:				
Appropriations	15,000	16,634	15,518	15,959
Other	-	-	-	-
	15,000	16,634	15,518	15,959
Payments	15,000	16,634	15,518	15,959
CLOSING BALANCE	-	-	-	-

COMMUNITY SPORTING AND RECREATION FACILITIES SPECIAL PURPOSE ACCOUNT

Account Purpose: The account holds moneys appropriated for the purpose of making grants for the development of public sporting and recreation facilities and for the management and administration of those grants.

	2016-17 Actual \$'000	2017-18 Budget \$'000	2017-18 Estimated Actual \$'000	2018-19 Budget Estimate \$'000
Opening Balance.....	264	81	81	81
Receipts:				
Appropriations	18,000	15,000	15,119	19,000
Other	145	-	-	-
	18,409	15,081	15,200	19,081
Payments	18,328	15,000	15,119	19,000
CLOSING BALANCE	81	81	81	81

SPORTS LOTTERIES SPECIAL PURPOSE ACCOUNT

Account Purpose: The purpose of the Account is to hold moneys received, pursuant to section 22(2)(c) and 22(3) of the *Lotteries Commission Act 1990*, to be applied in such proportions and among such bodies engaged in the conduct of sport in the State.

	2016-17 Actual \$'000	2017-18 Budget \$'000	2017-18 Estimated Actual \$'000	2018-19 Budget Estimate \$'000
Opening Balance	855	103	103	103
Receipts:				
Appropriations	15,000	16,634	15,518	15,959
Other	23	-	-	-
	15,878	16,737	15,621	16,062
Payments	15,775	16,634	15,518	15,959
CLOSING BALANCE	103	103	103	103

LOGUE BROOK RECREATION OFFSET TRUST ACCOUNT

Account Purpose: To fund the identification and re-establishment (and associated administration costs) of recreation amenities, where practical, within the localities of nearby dams and inland bodies, following cessation of recreational access to Logue Brook.

	2016-17 Actual \$'000	2017-18 Budget \$'000	2017-18 Estimated Actual \$'000	2018-19 Budget Estimate \$'000
Opening Balance	59	59	59	59
	59	59	59	59
Payments	-	-	-	-
CLOSING BALANCE	59	59	59	59

Division 35 Western Australian Sports Centre Trust

Part 8 Community Services

Appropriations, Expenses and Cash Assets

	2016-17 Actual \$'000	2017-18 Budget \$'000	2017-18 Estimated Actual \$'000	2018-19 Budget Estimate \$'000	2019-20 Forward Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000
DELIVERY OF SERVICES							
Item 75 Net amount appropriated to deliver services.....	52,430	74,618	75,393	80,038	79,235	73,553	75,241
Total appropriations provided to deliver services	52,430	74,618	75,393	80,038	79,235	73,553	75,241
CAPITAL							
Item 119 Capital Appropriation	4,152	14,694	14,651	13,778	14,238	15,320	16,841
TOTAL APPROPRIATIONS	56,582	89,312	90,044	93,816	93,473	88,873	92,082
EXPENSES							
Total Cost of Services	101,555	117,361	161,498	205,070	202,397	203,566	202,044
Net Cost of Services ^(a)	45,233	70,353	69,530	74,908	74,429	68,987	70,675
CASH ASSETS ^(b)	36,388	2,678	27,467	28,053	28,648	27,761	27,874

(a) Represents Total Cost of Services (expenses) less retained revenues applied to the agency's services. Reconciliation to the 'Total appropriations provided to deliver services' includes adjustments related to movements in cash balances and other accrual items such as resources received free of charge, receivables, payables and superannuation.

(b) As at 30 June each financial year.

Spending Changes

Recurrent spending changes, other than cashflow timing changes and non-discretionary accounting adjustments, impacting on the agency's Income Statement since presentation of the 2017-18 Budget to Parliament on 7 September 2017, are outlined below:

	2017-18 Estimated Actual \$'000	2018-19 Budget Estimate \$'000	2019-20 Forward Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000
2018-19 Tariffs, Fees and Charges	-	260	162	163	164
HBF Naming Rights Extension	116	119	121	-	-
New Public Sector Wages Policy	(31)	(39)	(38)	(41)	-
Optus Stadium					
Consolidation of Venue Operator Costs ^(a)	20,869	46,627	44,378	47,515	46,256
Insurance	375	750	750	750	750
Revised Financial Forecast	3,271	1,282	1,306	(31)	(9)
Perth Arena Consolidation of Venue Operator Costs ^(a)	19,087	19,087	19,087	19,087	19,087
State Fleet Policy and Procurement Initiatives	(10)	(17)	(19)	(23)	(25)
Western Australian Sports Centre Trust (VenuesWest) Revised Financial Forecast.....	1,000	-	-	-	-
Western Force Super Rugby Licence Cancellation	(540)	(1,324)	(1,324)	(1,324)	(1,324)

(a) This expenditure reflects a change in accounting treatment with regard to the relationship between the venue operators and VenuesWest as being that of agent and principal, and therefore all financial transactions of the operators have been consolidated into VenuesWest's financial statements. There is no impact to the Net Cost of Services from the change in accounting treatment. This change was reflected in VenuesWest's 2016-17 Annual Report and is now incorporated in the Budget Papers.

Significant Issues Impacting the Agency

- The successful first year of operation of Optus Stadium (to January 2019) remains an important focus for VenuesWest to ensure delivery of an exciting calendar of events in conjunction with our venue partner and stakeholders. It is expected that Optus Stadium will continue to feature in building Western Australia's profile and drawing premium entertainment and sporting events to the State.
- The management of safety, and provision of security, across the portfolio of 13 sport and entertainment venues remain a high priority of the State Government. VenuesWest will continue its comprehensive planning to ensure the delivery of great venue experiences and will continue to work collaboratively with the Western Australia Police Force and other essential service providers to continually assess infrastructure needs.
- The challenging music/concert touring market experienced in 2017-18 is expected to continue for the coming financial year with revenue pressures and increasing customer discretion around events and expenditure. Consumers remain selective about entertainment spend and are demanding a premium experience. VenuesWest's challenge in 2018-19 will be to get music acts to extend their tour beyond the east coast.
- The ongoing operations of the Perth Motorplex venue will be resolved. The proposed transition to a private sector player either through the sale or lease of the venue has not been concluded at the time of preparing the 2018-19 Budget. The interim management solution deployed by VenuesWest will conclude on 30 June 2018 and any ongoing responsibilities for the State will be clarified in due course.
- The financial position of nib Stadium has been negatively impacted by the loss of Western Force from the Super Rugby competition and by the closing of the commercial naming rights agreement with nib Insurance as at 30 June 2018. To help offset these negative impacts, VenuesWest have booked Western Force for a season of six international fixtures. Three will be held in the 2017-18 financial year and three will be held in the 2018-19 financial year. New naming rights opportunities will be pursued on the strength of this replaced content.
- The need to enhance patrons' experience through the use of technology is ever increasing. This poses challenges to ensure technologies that meet customer expectations for on-demand technology consumption are available to enhance the live experience in an environment where event and sporting viewing is increasingly happening at home through mainstream and alternative media channels.
- Consumer concerns relating to the ticket resale market have grown significantly with ticket scalping causing detrimental impacts on genuine fans who may miss out or have to pay inflated prices for events. VenuesWest will continue efforts to increase consumer awareness of the risk of buying through ticket re-sellers in addition to working across the Government sector to progress new major event legislation.

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 Key Performance Information

Relationship to Government Goals

Broad government goals are supported at agency level by specific outcomes. Agencies deliver services to achieve these outcomes. The following table illustrates the relationship between the agency's services and desired outcome, and the government goal it contributes to. The key effectiveness indicators measure the extent of impact of the delivery of services on the achievement of desired outcomes. The key efficiency indicators monitor the relationship between the service delivered and the resources used to produce the service.

Government Goal	Desired Outcome	Services
Better Places: A quality environment with liveable and affordable communities and vibrant regions.	Sustainable, accessible and profitable state assets delivering sport, recreation and entertainment opportunities for Western Australians.	<ol style="list-style-type: none"> 1. Deliver Training and Competition Facilities for High Performance Sport 2. Provision of Venues and Precincts Delivering Quality Sport and Entertainment Experiences

Service Summary

Expense	2016-17	2017-18	2017-18	2018-19	2019-20	2020-21	2021-22
	Actual \$'000	Budget \$'000	Estimated Actual \$'000	Budget Estimate \$'000	Forward Estimate \$'000	Forward Estimate \$'000	Forward Estimate \$'000
1. Deliver Training and Competition Facilities for High Performance Sport	38,092	67,482	91,854	135,728	133,143	133,973	132,258
2. Provision of Venues and Precincts Delivering Quality Sport and Entertainment Experiences.....	63,463	49,879	69,644	69,342	69,254	69,593	69,786
Total Cost of Services.....	101,555	117,361	161,498	205,070	202,397	203,566	202,044

Outcomes and Key Effectiveness Indicators ^(a)

	2016-17	2017-18	2017-18	2018-19	Note
	Actual	Budget	Estimated Actual	Budget Target	
Outcome: Sustainable, accessible and profitable state assets delivering sport, recreation and entertainment opportunities for Western Australians:					
Percentage of targeted sports where venues meet international competition standards.....	81%	89%	89%	89%	
High performance sport user satisfaction	94%	90%	90%	90%	
Level of patronage.....	3.67 million	4.75 million	4.51 million	5.09 million	1
Customer satisfaction.....	93%	85%	85%	88%	2

(a) Further detail in support of the key effectiveness indicators is provided in the agency's Annual Report.

Explanation of Significant Movements

(Notes)

1. The level of patronage increases in the 2017-18 Budget and 2017-18 Estimated Actual is as a result of the opening of Optus Stadium in January 2018. The 2018-19 Budget Target increases relative to the 2017-18 Estimated Actual are due to the first full year of operations of the Optus Stadium.
2. The customer satisfaction results represent the merging of the previous community and commercial user satisfaction ratings.

Services and Key Efficiency Indicators**1. Deliver Training and Competition Facilities for High Performance Sport**

Manage and maintain facilities of an international level for elite sport programs.

	2016-17 Actual	2017-18 Budget	2017-18 Estimated Actual	2018-19 Budget Target	Note
	\$'000	\$'000	\$'000	\$'000	
Total Cost of Service	38,092	67,482	91,854	135,728	1
Less Income	7,302	13,937	37,123	75,566	2
Net Cost of Service	30,790	53,545	54,731	60,162	
Employees (Full Time Equivalents)	78	85	197	284	3
Efficiency Indicators					
The Subsidy VenuesWest Provides to High Performance Sport and Training Competition.....	69%	76%	56%	45%	4

Explanation of Significant Movements

(Notes)

1. The increase in Total Cost of Service in the 2017-18 Budget compared to the 2016-17 Actual primarily reflects additional costs associated with the opening of Optus Stadium in January 2018. The Total Cost of Service for the 2017-18 Estimated Actual has increased compared to the 2017-18 Budget primarily due to the consolidation of all financial transactions relating to the venue operator for Optus Stadium which occurred as part of the 2017-18 Mid-year Review. Total Cost of Service increases in the 2018-19 Budget Target representing the first full year of operations of Optus Stadium.
2. The increase in income in the 2017-18 Budget compared to the 2016-17 Actual primarily reflects additional income associated with the opening of Optus Stadium in January 2018. Total income for the 2017-18 Estimated Actual has increased compared to the 2017-18 Budget primarily due to the consolidation of all financial transactions relating to the venue operator of Optus Stadium which occurred as part of the 2017-18 Mid-year Review. Income increases in the 2018-19 Budget Target representing the first full year of operations.
3. The substantial increase in Full Time Equivalents (FTEs) between the 2016-17 Actual and the 2018-19 Budget Target primarily reflects the incorporation of Optus Stadium FTEs.
4. The increase in this indicator in the 2017-18 Budget compared to the 2016-17 Actual reflects additional costs associated with the opening of Optus Stadium. The indicator for the 2017-18 Estimated Actual has decreased compared to the 2017-18 Budget due primarily to the incorporation of Optus Stadium consolidation adjustments in the 2017-18 Mid-year Review. The consolidations have the impact of decreasing the indicator because despite an increase in high performance hours as a result of the opening of Optus Stadium, the cost increase as a result of the consolidations is much greater proportionately. The indicator decreases in the 2018-19 Budget Target as a result of the first full year of Optus Stadium operations.

2. Provision of Venues and Precincts Delivering Quality Sport and Entertainment Experiences

Manage and maintain facilities to provide for community, sporting and entertainment services, programs and events.

	2016-17 Actual	2017-18 Budget	2017-18 Estimated Actual	2018-19 Budget Target	Note
	\$'000	\$'000	\$'000	\$'000	
Total Cost of Service	63,463	49,879	69,644	69,342	1
Less Income	49,020	33,071	54,845	54,596	2
Net Cost of Service	14,443	16,808	14,799	14,746	
Employees (Full Time Equivalents)	176	191	298	308	3
Efficiency Indicators					
Commercial Expense Ratio	70%	66%	78%	79%	4

Explanation of Significant Movements

(Notes)

1. The Total Cost of Service is higher in the 2016-17 Actual and the 2017-18 Estimated Actual than the 2017-18 Budget due to the consolidation of all financial transactions relating to the venue operator of Perth Arena.
2. The income is higher in the 2016-17 Actual and the 2017-18 Estimated Actual than the 2017-18 Budget due to the consolidation of all financial transactions relating to the venue operator of Perth Arena.
3. The substantial increase in FTEs between the 2016-17 Actual and the 2018-19 Budget Target primarily reflects the incorporation of Perth Arena FTEs.
4. The Commercial Expense Ratio is higher in the 2016-17 Actual and the 2017-18 Estimated Actual than the 2017-18 Budget due to the inclusion of Perth Arena consolidation adjustments that were not reflected in the 2017-18 Budget.

Asset Investment Program

The Asset Investment Program for the 2018-19 Budget totals \$10.1 million reflecting capital upgrades and maintenance across VenuesWest's asset portfolio. The estimated reduction in expenditure of \$18 million from 2017-18 primarily reflects the completion of the HBF Arena expansion project in 2017-18.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-18 \$'000	2017-18 Estimated Expenditure \$'000	2018-19 Budget Estimate \$'000	2019-20 Forward Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000
WORKS IN PROGRESS							
nib Stadium Management - Plant and Equipment	2,375	875	500	500	500	500	-
Optus Stadium - Computers and Office Equipment.....	2,937	107	107	206	179	1,112	1,333
COMPLETED WORKS							
Capital Upgrades and Maintenance							
2016-17 Program.....	10,647	10,647	6,137	-	-	-	-
2017-18 Program.....	11,017	11,017	11,017	-	-	-	-
Election Commitment - HBF Arena Toilets and Storage							
Upgrade.....	746	746	746	-	-	-	-
HBF Arena Expansion Projects.....	24,108	24,108	9,642	-	-	-	-
NEW WORKS							
Capital Upgrades and Maintenance							
2018-19 Program.....	9,079	-	-	9,079	-	-	-
2019-20 Program.....	9,610	-	-	-	9,610	-	-
2020-21 Program.....	10,610	-	-	-	-	10,610	-
2021-22 Program.....	11,314	-	-	-	-	-	11,314
WA Athletics Stadium.....	333	-	-	333	-	-	-
Total Cost of Asset Investment Program	92,776	47,500	28,149	10,118	10,289	12,222	12,647
FUNDED BY							
Capital Appropriation ^(a)			8,052	632	1,136	2,069	3,494
Drawdowns from the Holding Account			4,700	4,700	4,700	4,700	4,700
Internal Funds and Balances.....			15,397	4,786	4,453	5,453	4,453
Total Funding.....			28,149	10,118	10,289	12,222	12,647

(a) The variation in the capital appropriation of \$6.6 million in 2017-18, \$13.1 million in 2018-19, \$13.1 million in 2019-20, \$13.2 million in 2020-21 and \$13.3 million in 2021-22 between the Asset Investment Program table and the Appropriations, Expenses and Cash Assets table relates to principal repayments for the finance lease for the Optus Stadium. This repayment is reflected in the Cashflows from Financing Activities section of the Statement of Cashflows.

Financial Statements

Income Statement

Expenses

The increase in Total Cost of Services from the 2016-17 Actual to the 2018-19 Budget Estimate mainly reflects:

- costs associated with the commencement of operations of Optus Stadium in January 2018; and
- Perth Arena and Optus Stadium consolidation adjustments incorporated in the 2017-18 Mid-year Review.

Income

The increase in total income from the 2016-17 Actual to the 2018-19 Budget Estimate mainly reflects:

- revenue associated with the commencement of operations of Optus Stadium in January 2018; and
- Perth Arena and Optus Stadium consolidation adjustments incorporated in the 2017-18 Mid-year Review.

The increase in service appropriation in the 2017-18 Budget mainly reflects additional depreciation and financing costs associated with the Optus Stadium Design, Build, Finance and Maintain contract.

Statement of Financial Position

The significant movement in cash assets, property, plant and equipment and non-current borrowings mainly reflects:

- Perth Arena and Optus Stadium consolidation adjustments incorporated in the 2017-18 Mid-year Review; and
- the recognition of the Optus Stadium asset and finance lease liability.

Statement of Cashflows

The significant movement in cashflows from the State Government, operating activities and financing activities mainly reflects:

- Perth Arena and Optus Stadium consolidation adjustments incorporated in the 2017-18 Mid-year Review; and
- receipts and payments associated with the commencement of operations of Optus Stadium in January 2018 and the associated finance lease.

The reduction in cashflows from investing activities in the 2018-19 Budget Estimate and the forward estimates period reflects the completion of the HBF Arena expansion project in 2017-18.

INCOME STATEMENT ^(a)
(Controlled)

	2016-17	2017-18	2017-18	2018-19	2019-20	2020-21	2021-22
	Actual	Budget	Estimated	Budget	Forward	Forward	Forward
	\$'000	\$'000	Actual	Estimate	Estimate	Estimate	Estimate
			\$'000	\$'000	\$'000	\$'000	\$'000
COST OF SERVICES							
Expenses							
Employee benefits ^(b)	31,456	21,355	35,024	38,314	37,621	38,529	38,515
Supplies and services.....	21,772	23,761	47,702	60,675	58,779	61,455	60,822
Accommodation.....	7,992	7,703	10,369	11,415	11,557	11,441	11,541
Depreciation and amortisation.....	31,538	41,734	41,734	52,734	53,374	53,302	53,302
Other expenses.....	8,797	22,808	26,669	41,932	41,066	38,839	37,864
TOTAL COST OF SERVICES	101,555	117,361	161,498	205,070	202,397	203,566	202,044
Income							
Sale of goods and services.....	41,577	41,628	73,519	103,260	101,290	108,227	104,995
Grants and subsidies.....	3,948	-	500	-	-	-	-
Other revenue.....	10,797	5,380	17,949	26,902	26,678	26,352	26,374
Total Income	56,322	47,008	91,968	130,162	127,968	134,579	131,369
NET COST OF SERVICES	45,233	70,353	69,530	74,908	74,429	68,987	70,675
INCOME FROM STATE GOVERNMENT							
Service appropriations.....	52,430	74,618	75,393	80,038	79,235	73,553	75,241
TOTAL INCOME FROM STATE GOVERNMENT.....	52,430	74,618	75,393	80,038	79,235	73,553	75,241
SURPLUS/(DEFICIENCY) FOR THE PERIOD.....	7,197	4,265	5,863	5,130	4,806	4,566	4,566

(a) Full audited financial statements are published in the agency's Annual Report.

(b) The Full Time Equivalents for 2016-17 Actual, 2017-18 Estimated Actual and 2018-19 Budget Estimate are 254, 495 and 592 respectively.

STATEMENT OF FINANCIAL POSITION ^(a)
(Controlled)

	2016-17	2017-18	2017-18	2018-19	2019-20	2020-21	2021-22
	Actual	Budget	Estimated	Budget	Forward	Forward	Forward
	\$'000	\$'000	Actual	Estimate	Estimate	Estimate	Estimate
			\$'000	\$'000	\$'000	\$'000	\$'000
CURRENT ASSETS							
Cash assets.....	35,585	1,922	26,404	26,725	27,049	26,162	26,275
Restricted cash.....	803	756	1,063	1,328	1,599	1,599	1,599
Holding account receivables.....	4,700	4,700	4,700	4,700	4,700	4,700	4,700
Receivables.....	2,123	1,312	2,123	2,123	2,123	2,123	2,123
Other.....	8,348	8,830	8,723	8,723	8,723	8,723	8,723
Total current assets.....	51,559	17,520	43,013	43,599	44,194	43,307	43,420
NON-CURRENT ASSETS							
Holding account receivables.....	131,663	168,697	168,697	216,731	265,405	314,007	362,609
Property, plant and equipment.....	907,069	2,009,878	1,988,403	1,953,680	1,922,077	1,890,079	1,849,424
Intangibles.....	715	473	695	695	695	695	695
Total non-current assets.....	1,039,447	2,179,048	2,157,795	2,171,106	2,188,177	2,204,781	2,212,728
TOTAL ASSETS.....	1,091,006	2,196,568	2,200,808	2,214,705	2,232,371	2,248,088	2,256,148
CURRENT LIABILITIES							
Employee provisions.....	2,974	2,406	2,974	2,974	2,974	2,974	2,974
Payables.....	1,973	495	1,973	1,973	1,973	1,973	1,973
Other.....	19,488	4,281	19,730	19,972	20,214	20,214	20,214
Total current liabilities.....	24,435	7,182	24,677	24,919	25,161	25,161	25,161
NON-CURRENT LIABILITIES							
Employee provisions.....	868	777	868	868	868	868	868
Borrowings.....	-	416,232	416,232	403,087	389,984	376,733	363,386
Total non-current liabilities.....	868	417,009	417,100	403,955	390,852	377,601	364,254
TOTAL LIABILITIES.....	25,303	424,191	441,777	428,874	416,013	402,762	389,415
EQUITY							
Contributed equity.....	910,799	1,578,889	1,591,479	1,605,256	1,619,495	1,634,815	1,651,656
Accumulated surplus/(deficit).....	68,062	73,553	73,925	79,055	83,861	88,427	92,993
Reserves.....	86,842	119,935	93,627	101,520	113,002	122,084	122,084
Total equity.....	1,065,703	1,772,377	1,759,031	1,785,831	1,816,358	1,845,326	1,866,733
TOTAL LIABILITIES AND EQUITY.....	1,091,006	2,196,568	2,200,808	2,214,705	2,232,371	2,248,088	2,256,148

(a) Full audited financial statements are published in the agency's Annual Report.

STATEMENT OF CASHFLOWS ^(a)
(Controlled)

	2016-17	2017-18	2017-18	2018-19	2019-20	2020-21	2021-22
	Actual	Budget	Estimated	Budget	Forward	Forward	Forward
	\$'000	\$'000	Actual	Estimate	Estimate	Estimate	Estimate
			\$'000	\$'000	\$'000	\$'000	\$'000
CASHFLOWS FROM STATE GOVERNMENT							
Service appropriations	22,208	32,884	33,659	27,304	25,861	20,251	21,939
Capital appropriation.....	4,152	14,694	14,651	13,778	14,238	15,320	16,841
Holding account drawdowns.....	4,700	4,700	4,700	4,700	4,700	4,700	4,700
Net cash provided by State Government	31,060	52,278	53,010	45,782	44,799	40,271	43,480
CASHFLOWS FROM OPERATING ACTIVITIES							
Payments							
Employee benefits	(31,161)	(21,355)	(35,024)	(38,314)	(37,620)	(38,529)	(38,515)
Grants and subsidies.....	(34)	-	-	-	-	-	-
Supplies and services.....	(20,507)	(22,317)	(46,251)	(59,373)	(57,472)	(60,148)	(59,515)
Accommodation.....	(7,992)	(7,703)	(10,369)	(11,415)	(11,557)	(11,441)	(11,541)
Other payments	(18,132)	(25,713)	(29,955)	(44,695)	(43,833)	(41,606)	(40,631)
Receipts							
Grants and subsidies.....	3,948	-	500	-	-	-	-
Sale of goods and services.....	49,627	41,629	73,519	103,261	101,289	108,227	104,995
GST receipts.....	6,633	1,460	1,460	1,460	1,460	1,460	1,460
Other receipts	10,907	5,622	18,191	27,144	26,920	26,352	26,374
Net cash from operating activities	(6,711)	(28,377)	(27,929)	(21,932)	(20,813)	(15,685)	(17,373)
CASHFLOWS FROM INVESTING ACTIVITIES							
Purchase of non-current assets.....	(20,704)	(27,192)	(28,149)	(10,118)	(10,289)	(12,222)	(12,647)
Proceeds from sale of non-current assets	64	-	-	-	-	-	-
Other receipts	-	-	746	-	-	-	-
Net cash from investing activities	(20,640)	(27,192)	(27,403)	(10,118)	(10,289)	(12,222)	(12,647)
CASHFLOWS FROM FINANCING ACTIVITIES							
Other payments	-	(6,599)	(6,599)	(13,146)	(13,102)	(13,251)	(13,347)
Net cash from financing activities	-	(6,599)	(6,599)	(13,146)	(13,102)	(13,251)	(13,347)
NET INCREASE/(DECREASE) IN CASH HELD.....	3,709	(9,890)	(8,921)	586	595	(887)	113
Cash assets at the beginning of the reporting period	15,371	12,568	36,388	27,467	28,053	28,648	27,761
Net cash transferred to/from other agencies	17,308	-	-	-	-	-	-
Cash assets at the end of the reporting period	36,388	2,678	27,467	28,053	28,648	27,761	27,874

(a) Full audited financial statements are published in the agency's Annual Report.

Western Australian Institute of Sport

Part 8 Community Services

Asset Investment Program

The Asset Investment Program covers the Institute's upgrade and replacement of capital intensive sporting equipment, sport science technology and hardware and office equipment, assisting the Institute to provide opportunities for talented Western Australian athletes to achieve excellence in elite sport with support from their home environment.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-18 \$'000	2017-18 Estimated Expenditure \$'000	2018-19 Budget Estimate \$'000	2019-20 Forward Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000
COMPLETED WORKS							
Asset Replacement - 2017-18 Program	143	143	143	-	-	-	-
NEW WORKS							
Asset Replacement							
2018-19 Program.....	143	-	-	143	-	-	-
2019-20 Program.....	143	-	-	-	143	-	-
2020-21 Program.....	143	-	-	-	-	143	-
2021-22 Program.....	143	-	-	-	-	-	143
Total Cost of Asset Investment Program	715	143	143	143	143	143	143
FUNDED BY							
Internal Funds and Balances.....			143	143	143	143	143
Total Funding.....			143	143	143	143	143

Lotteries Commission

Part 8 Community Services

Asset Investment Program

Lotterywest's Asset Investment Program totals \$2.1 million in 2018-19 and \$7.5 million over the forward estimates period.

Lotterywest will invest:

- \$2.1 million on operating system upgrades and \$2.4 million on networks and software in order to respond to evolving customer expectations and to maintain support environments;
- \$1.5 million on additional security measures to respond to increasing cyber risks that threaten the integrity of Lotterywest's gaming systems; and
- \$500,000 in its gaming systems.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-18 \$'000	2017-18 Estimated Expenditure \$'000	2018-19 Budget Estimate \$'000	2019-20 Forward Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000
COMPLETED WORKS							
Gaming							
2017-18 Program.....	500	500	500	-	-	-	-
Retailer Terminals.....	272	272	272	-	-	-	-
Network - 2017-18 Program	250	250	250	-	-	-	-
Operating System - 2017-18 Program.....	640	640	640	-	-	-	-
Plant and Equipment - 2017-18 Program	390	390	390	-	-	-	-
Retail Transformation Program	15,658	15,658	4,744	-	-	-	-
Security - 2017-18 Program	1,077	1,077	1,077	-	-	-	-
Software							
2017-18 Program.....	328	328	328	-	-	-	-
Electronic Document and Records Management System.....	260	260	260	-	-	-	-
SAP Business Intelligence.....	200	200	200	-	-	-	-
NEW WORKS							
Gaming							
2019-20 Program.....	250	-	-	-	250	-	-
2020-21 Program.....	250	-	-	-	-	250	-
Network							
2018-19 Program.....	500	-	-	500	-	-	-
2020-21 Program.....	250	-	-	-	-	250	-
2021-22 Program.....	500	-	-	-	-	-	500
Operating System							
2018-19 Program.....	600	-	-	600	-	-	-
2019-20 Program.....	500	-	-	-	500	-	-
2020-21 Program.....	650	-	-	-	-	650	-
2021-22 Program.....	300	-	-	-	-	-	300
Plant and Equipment							
2018-19 Program.....	200	-	-	200	-	-	-
2019-20 Program.....	200	-	-	-	200	-	-
2020-21 Program.....	200	-	-	-	-	200	-
2021-22 Program.....	400	-	-	-	-	-	400
Security							
2018-19 Program.....	500	-	-	500	-	-	-
2019-20 Program.....	250	-	-	-	250	-	-
2020-21 Program.....	750	-	-	-	-	750	-
Software							
2018-19 Program.....	250	-	-	250	-	-	-
2019-20 Program.....	250	-	-	-	250	-	-
2020-21 Program.....	100	-	-	-	-	100	-
2021-22 Program.....	550	-	-	-	-	-	550
Total Cost of Asset Investment Program	27,025	19,575	8,661	2,050	1,450	2,200	1,750
FUNDED BY							
Internal Funds and Balances.....			8,661	2,050	1,450	2,200	1,750
Total Funding.....			8,661	2,050	1,450	2,200	1,750

Metropolitan Cemeteries Board

Part 8 Community Services

Asset Investment Program

The Board's \$25.9 million Asset Investment Program (AIP) provides for the delivery of quality community services through the development and ongoing maintenance of all metropolitan cemeteries in line with community demands and expectations, and supports the entity's strategic direction and long term viability.

In 2018-19, the AIP totals \$7.9 million and is focused on:

- Phase 2 of Stage 7 Karrakatta Mausoleum project - \$3.75 million;
- Fremantle Mausoleum Improvement project - \$0.75 million;
- Cremator Reline Replacement Program at Pinnaroo and Fremantle sites - \$0.7 million; and
- Phase 2 of the Cemeteries Records System Replacement project - \$0.6 million.

Across the forward estimates period, the AIP investment in our suburbs also provides for improved access to the State's metropolitan cemeteries including its amenities and the provision of related services for the benefit of the community, industry and government.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-18 \$'000	2017-18 Estimated Expenditure \$'000	2018-19 Budget Estimate \$'000	2019-20 Forward Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000
COMPLETED WORKS							
Building and Infrastructure - 2017-18 Program.....	7,280	7,280	7,280	-	-	-	-
Burials, Entombments and Memorials - 2017-18 Program.....	1,041	1,041	1,041	-	-	-	-
Cremators - 2017-18 Program.....	78	78	78	-	-	-	-
Fleet, Plant and Equipment - 2017-18 Program	1,293	1,293	1,293	-	-	-	-
NEW WORKS							
Building and Infrastructure.....	15,312	-	-	5,219	2,261	1,627	6,205
Burials, Entombments and Memorials.....	4,243	-	-	765	898	1,230	1,350
Cremators.....	1,904	-	-	724	228	348	604
Fleet, Plant and Equipment	4,455	-	-	1,225	945	1,115	1,170
Total Cost of Asset Investment Program	35,606	9,692	9,692	7,933	4,332	4,320	9,329
FUNDED BY							
Internal Funds and Balances.....			9,692	7,933	4,332	4,320	9,329
Total Funding.....			9,692	7,933	4,332	4,320	9,329

