



WESTERN AUSTRALIA
STATE BUDGET
2019-20

BUDGET
PAPER
NO. 2

Budget Statements
Volume 1

2019-20 Budget Paper set includes:

Budget Paper No. 1 – Treasurer’s Speech

Budget Paper No. 2 – Budget Statements (Volumes 1–2)

Budget Paper No. 3 – Economic and Fiscal Outlook

Reader’s Guide to the 2019-20 Budget Statements (available from www.ourstatebudget.wa.gov.au)



2019-20 B U D G E T

B U D G E T S T A T E M E N T S

Budget Paper No. 2
Volume 1

**PRESENTED TO THE LEGISLATIVE ASSEMBLY
ON 9 MAY 2019**

2019-20 Budget Statements
(Budget Paper No. 2 Volume 1)
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2019-20 BUDGET

BUDGET STATEMENTS

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CHAPTER 1

CONSOLIDATED ACCOUNT EXPENDITURE ESTIMATES

CONSOLIDATED ACCOUNT EXPENDITURE ESTIMATES

Vol	Division	Details
PART 1 - PARLIAMENT		
1	1	Parliament
		Legislative Council
	1	- Net amount appropriated to deliver services.....
	89	- Capital Appropriation.....
		- Salaries and Allowances Act 1975.....
		Total.....
		Legislative Assembly
	2	- Net amount appropriated to deliver services.....
	90	- Capital Appropriation.....
		- Salaries and Allowances Act 1975.....
		Total.....
		Parliamentary Services
	3	- Net amount appropriated to deliver services.....
	91	- Capital Appropriation.....
		Total.....
1	2	Parliamentary Commissioner for Administrative Investigations
	4	- Net amount appropriated to deliver services.....
	92	- Capital Appropriation.....
		- Parliamentary Commissioner Act 1971.....
		Total.....
TOTAL - PART 1.....		
PART 2 - GOVERNMENT ADMINISTRATION		
1	3	Premier and Cabinet
	5	- Net amount appropriated to deliver services.....
		- Amount provided for Administered Grants, Subsidies and Other Transfer Payments.....
	93	- Capital Appropriation.....
		- Salaries and Allowances Act 1975.....
		Total.....
1	4	Public Sector Commission
	6	- Net amount appropriated to deliver services.....
	94	- Capital Appropriation.....
		- Salaries and Allowances Act 1975.....
		Total.....
1	5	Governor's Establishment
	7	- Net amount appropriated to deliver services.....
	95	- Capital Appropriation.....
		- Governor's Establishment Act 1992.....
		- Salaries and Allowances Act 1975.....
		Total.....

2017-18 Actual \$' 000	2018-19 Budget \$' 000	2018-19 Estimated Actual \$' 000	2019-20 Budget Estimate \$' 000	2020-21 Forward Estimate \$' 000	2021-22 Forward Estimate \$' 000	2022-23 Forward Estimate \$' 000
5,545	5,494	5,494	6,499	6,528	6,113	6,149
-	-	-	335	354	380	405
13,276	13,504	13,504	13,547	14,334	13,551	13,551
18,821	18,998	18,998	20,381	21,216	20,044	20,105
6,134	6,040	6,040	6,150	6,146	6,085	6,120
-	-	-	358	380	403	427
21,375	21,493	21,493	21,514	22,690	21,589	21,686
27,509	27,533	27,533	28,022	29,216	28,077	28,233
17,444	17,453	17,453	17,955	17,814	18,009	18,229
1,000	1,000	1,000	1,119	1,136	1,146	1,153
18,444	18,453	18,453	19,074	18,950	19,155	19,382
7,200	6,751	6,751	7,431	6,807	6,837	6,907
-	-	-	783	812	841	871
659	659	659	659	659	661	665
7,859	7,410	7,410	8,873	8,278	8,339	8,443
72,633	72,394	72,394	76,350	77,660	75,615	76,163
135,892	126,732	128,789	142,489	141,785	141,281	140,096
-	5,839	5,839	-	-	-	-
-	-	-	12,175	12,730	13,256	13,737
2,065	2,065	2,065	2,065	2,065	2,071	2,075
137,957	134,636	136,693	156,729	156,580	156,608	155,908
24,272	23,632	23,466	24,368	23,397	23,543	23,706
-	-	-	1,324	1,373	1,421	1,471
791	791	791	791	791	793	795
25,063	24,423	24,257	26,483	25,561	25,757	25,972
1,457	1,430	1,430	1,594	1,592	1,593	1,595
4,000	1,900	1,900	15	17	18	18
3,283	3,456	3,556	3,865	3,946	4,017	3,883
616	575	575	575	575	579	583
9,356	7,361	7,461	6,049	6,130	6,207	6,079

CONSOLIDATED ACCOUNT EXPENDITURE ESTIMATES

Vol	Division	Details
PART 2 - GOVERNMENT ADMINISTRATION - continued		
1	6	Western Australian Electoral Commission
		8 - Net amount appropriated to deliver services.....
		96 - Capital Appropriation.....
		- Electoral Act 1907.....
		- Industrial Relations Act 1979.....
		- Salaries and Allowances Act 1975.....
		Total.....
1	7	Salaries and Allowances Tribunal
		9 - Net amount appropriated to deliver services.....
		Total.....
1	8	Commissioner for Equal Opportunity
		10 - Net amount appropriated to deliver services.....
		97 - Capital Appropriation.....
		- Salaries and Allowances Act 1975.....
		Total.....
1	9	Commissioner for Children and Young People
		11 - Net amount appropriated to deliver services.....
		98 - Capital Appropriation.....
		- Salaries and Allowances Act 1975.....
		Total.....
1	10	Office of the Information Commissioner
		12 - Net amount appropriated to deliver services.....
		99 - Capital Appropriation.....
		- Freedom of Information Act 1992.....
		Total.....
1	11	Registrar, Western Australian Industrial Relations Commission
		13 - Net amount appropriated to deliver services.....
		100 - Capital Appropriation.....
		- Salaries and Allowances Act 1975.....
		Total.....
TOTAL - PART 2.....		

2017-18 Actual \$' 000	2018-19 Budget \$' 000	2018-19 Estimated Actual \$' 000	2019-20 Budget Estimate \$' 000	2020-21 Forward Estimate \$' 000	2021-22 Forward Estimate \$' 000	2022-23 Forward Estimate \$' 000
7,320	6,470	6,374	7,357	25,458	7,035	7,089
-	-	-	1,326	1,450	1,518	1,620
-	800	876	1,600	4,498	-	800
116	116	116	116	116	116	116
429	429	486	486	486	488	490
7,865	7,815	7,852	10,885	32,008	9,157	10,115
1,086	1,101	1,015	1,018	1,002	1,008	1,017
1,086	1,101	1,015	1,018	1,002	1,008	1,017
3,898	3,502	3,753	3,437	3,412	3,410	3,430
-	-	-	635	658	682	706
-	300	-	300	300	302	303
3,898	3,802	3,753	4,372	4,370	4,394	4,439
2,919	2,814	2,608	2,710	2,603	2,624	2,649
-	-	-	206	211	220	227
255	255	255	255	255	256	257
3,174	3,069	2,863	3,171	3,069	3,100	3,133
2,092	2,027	1,969	2,017	2,025	2,031	2,040
-	-	-	243	252	261	270
278	278	278	278	278	279	280
2,370	2,305	2,247	2,538	2,555	2,571	2,590
9,374	9,334	9,276	9,788	9,647	9,628	9,597
-	-	-	2,241	2,429	2,636	2,849
2,441	2,441	2,441	2,441	2,441	2,447	2,456
11,815	11,775	11,717	14,470	14,517	14,711	14,902
202,584	196,287	197,858	225,715	245,792	223,513	224,155

CONSOLIDATED ACCOUNT EXPENDITURE ESTIMATES

Vol	Division	Details
PART 3 - FINANCIAL ADMINISTRATION		
1	12	Treasury
		14 - Net amount appropriated to deliver services.....
		15 - Bunbury Water Corporation.....
		16 - Busselton Water Corporation.....
		17 - Electricity Generation and Retail Corporation (Synergy).....
		18 - Forest Products Commission.....
		19 - Public Transport Authority of Western Australia.....
		20 - Regional Power Corporation (Horizon Power).....
		21 - Southern Ports Authority.....
		22 - Water Corporation.....
		23 - Western Australian Land Authority.....
		- Mid West Ports Authority.....
		24 - Goods and Services Tax (GST) Administration Costs.....
		25 - Health and Disability Services Complaints Office.....
		26 - Jobs, Tourism, Science and Innovation.....
		27 - Metropolitan Redevelopment Authority.....
		28 - Minerals Research Institute.....
		29 - Provision for Unfunded Liabilities in the Government Insurance Fund.....
		30 - Provision for Voluntary Targeted Separation Scheme.....
		31 - Refund of Past Years Revenue Collections - Public Corporations.....
		32 - Resolution of Native Title in the South West of Western Australia (Settlement).....
		33 - Royalties for Regions.....
		34 - Gaming and Wagering Commission.....
		35 - State Property - Emergency Services Levy.....
		36 - WA Health.....
		37 - Western Australia Police Force.....
		38 - All Other Grants, Subsidies and Transfer Payments.....
		<i>Comprising:</i>
		- Acts of Grace.....
		- Incidentals.....
		- Interest on Public Moneys Held in Participating Trust Fund Accounts.....
		- Administration Costs - National Tax Equivalent Regime Scheme.....
		- Energy Disputes Arbitrator.....
		- Town of Cambridge.....
		- Western Australian Treasury Corporation Management Fees.....
		- Bell Group Administration Wind-up and Associated Costs.....
		- Department of Justice.....
		- National Redress Scheme and Civil Litigation for Survivors of Institutional Child Sexual Abuse Account.....
		- Judges' Salaries and Pensions Act 1950.....
		<i>Comprising:</i>
		- Benefit Payments.....
		- Administration Expenses.....
		- Parliamentary Superannuation Act 1970.....
		<i>Comprising:</i>
		- Benefit Payments
		- Administration Expenses.....

2017-18 Actual \$' 000	2018-19 Budget \$' 000	2018-19 Estimated Actual \$' 000	2019-20 Budget Estimate \$' 000	2020-21 Forward Estimate \$' 000	2021-22 Forward Estimate \$' 000	2022-23 Forward Estimate \$' 000
54,475	61,124	64,364	79,567	61,597	58,801	56,725
703	692	738	708	722	737	752
527	671	649	566	572	574	584
243,091	113,901	113,901	129,942	108,506	94,854	96,677
833	1,667	1,667	200	-	-	-
812,143	834,456	829,627	872,019	899,383	854,898	869,682
18,989	9,730	11,030	18,862	15,065	15,333	16,001
238	295	15,725	27,789	30,199	17,880	9,800
408,928	464,299	420,052	261,324	177,161	182,616	188,713
47,515	27,668	52,528	79,114	35,496	40,051	25,649
4,994	2,442	2,442	-	-	-	-
65,974	62,800	62,000	66,600	62,500	62,300	62,000
2,871	2,651	2,651	2,546	2,560	2,608	2,636
-	-	-	5,710	4,110	4,104	1,200
45,009	10,351	43,431	20,925	16,931	16,019	15,927
-	1,000	1,000	1,500	1,500	1,500	-
2,971	1,870	4,370	5,000	2,673	2,705	2,077
-	55,820	5,820	15,520	11,640	5,820	-
5,319	10,000	10,000	10,000	10,000	10,000	10,000
-	60,000	-	60,000	87,597	77,597	75,744
473,409	574,807	429,321	795,656	832,196	858,566	849,903
-	-	-	5,200	3,800	3,900	4,000
17,539	19,187	19,187	19,663	19,717	19,594	19,594
-	-	-	900	14,638	22,197	27,424
-	-	-	3,634	7,415	4,382	-
16,943	6,552	6,632	6,632	7,087	22,492	37,492
-	300	300	300	300	300	300
-	240	163	240	240	240	240
4,293	5,060	5,260	5,260	5,715	21,120	36,120
34	100	100	100	100	100	100
-	-	77	-	-	-	-
11,750	-	-	-	-	-	-
866	852	732	732	732	732	732
334	-	-	-	-	-	-
113	-	-	-	-	-	-
-	-	153,039	-	-	-	-
14,865	17,352	16,867	17,889	18,900	20,552	22,291
14,686	17,124	16,646	17,669	18,674	20,320	22,052
179	228	221	220	226	232	239
9,844	10,199	9,336	9,465	11,405	10,098	10,344
9,600	9,931	9,077	9,206	11,140	9,826	10,064
244	268	259	259	265	272	280

CONSOLIDATED ACCOUNT EXPENDITURE ESTIMATES

Vol	Division	Details
PART 3 - FINANCIAL ADMINISTRATION - continued		
		- State Superannuation Act 2000.....
		<i>Comprising:</i>
		- Pension Scheme.....
		<i>Comprising:</i>
		- Benefit Payments.....
		- Administration Expenses.....
		- Gold State Super.....
		<i>Comprising:</i>
		- Benefit Payments.....
		- Administration Expenses.....
		- Government Services.....
		- West State Super.....
		- Western Australian Health Promotion Foundation Act 2016.....
		- Betting Tax Act 2018.....
		- Unclaimed Money Act 1990.....
		- Loan Acts - Interest.....
101		- Capital Appropriation.....
102		- Animal Resources Authority.....
103		- Department of Biodiversity, Conservation and Attractions.....
104		- Department of Education.....
105		- Department of Finance.....
106		- Department of Justice.....
107		- Department of Transport.....
108		- Electricity Networks Corporation (Western Power).....
109		- Health and Disability Services Complaints Office.....
110		- Kimberley Ports Authority.....
111		- Land Information Authority.....
112		- Metropolitan Redevelopment Authority.....
113		- Pilbara Ports Authority.....
114		- Racing and Wagering Western Australia.....
115		- Regional Power Corporation (Horizon Power).....
116		- Royalties for Regions.....
117		- Southern Ports Authority.....
118		- WA Health.....
		- Forest Products Commission.....
		- Department of Local Government, Sport and Cultural Industries.....
		- Provision for the Metropolitan Redevelopment Authority.....
		- Western Australian Land Authority.....
		- Debt Reduction Account.....
		- Perth Stadium Account.....
		- Loans (Co-operative Companies) Act 2004.....
		- Loan Acts - Repayment of Borrowings.....
		- Western Australian Future Fund.....
		- Salaries and Allowances Act 1975.....
		Total.....
1	13	Office of the Auditor General
	39	- Net amount appropriated to deliver services.....
	119	- Capital Appropriation.....
		- Salaries and Allowances Act 1975.....
		Total.....

2017-18 Actual \$' 000	2018-19 Budget \$' 000	2018-19 Estimated Actual \$' 000	2019-20 Budget Estimate \$' 000	2020-21 Forward Estimate \$' 000	2021-22 Forward Estimate \$' 000	2022-23 Forward Estimate \$' 000
616,224	615,746	631,595	602,111	589,110	515,875	511,327
181,779	177,255	175,757	167,295	158,611	150,597	142,329
180,234	175,608	173,926	165,479	157,094	149,156	140,954
1,545	1,647	1,831	1,816	1,517	1,441	1,375
375,328	379,591	396,968	376,196	372,147	365,278	368,998
370,254	374,234	392,227	371,084	367,032	360,303	364,138
4,723	4,933	4,466	4,682	4,675	4,523	4,396
351	424	275	430	440	452	464
59,117	58,900	58,870	58,620	58,352	-	-
23,614	24,204	24,204	23,064	23,421	23,949	24,497
-	-	9,300	23,520	24,810	26,220	27,660
1,330	1,331	1,831	2,000	2,000	2,000	2,000
742,584	837,000	802,000	770,000	791,000	812,000	833,000
10	-	-	329	493	668	856
750	800	2,099	800	-	-	-
-	-	-	1,800	4,900	6,950	2,500
-	38,400	26,900	22,000	10,000	8,800	29,700
200	5,200	200	5,000	-	-	-
3,086	52,119	46,523	65,030	55,845	104,800	14,600
-	200	-	20,220	1,940	-	-
168,583	109,235	110,673	100,525	95,451	99,037	102,792
-	-	-	278	183	189	196
375	2,500	2,500	5,900	-	-	-
-	-	-	7,490	-	-	-
-	100,224	167,690	59,293	22,760	22,760	12,180
60,735	34,650	23,913	51,412	1,337	-	-
-	-	-	148	-	-	-
32,918	1,118	1,118	18,168	-	-	-
357,589	360,011	222,315	267,458	235,610	156,505	71,334
1,155	2,489	2,489	1,624	640	-	-
2,631	54,904	17,127	54,872	121,532	74,167	25,243
1,300	-	-	-	-	-	-
-	6,500	-	-	-	-	-
-	62,776	-	-	-	-	-
192	44,355	4,355	-	26,560	82,893	-
-	-	-	-	1,824,200	1,900,100	-
127,920	739	739	-	-	-	-
10,400	-	9,300	-	-	-	-
97,722	355,180	436,732	1,327,361	47,539	22,807	13,927
52,100	50,600	50,600	63,700	57,100	55,300	55,000
1,382	1,382	1,382	1,382	1,382	1,389	1,397
4,550,427	5,111,197	4,871,962	6,012,416	6,381,183	6,326,587	4,133,424
6,831	6,958	6,958	7,763	8,005	8,053	8,138
300	300	300	300	300	300	300
753	753	753	753	753	755	757
7,884	8,011	8,011	8,816	9,058	9,108	9,195

CONSOLIDATED ACCOUNT EXPENDITURE ESTIMATES

Vol	Division	Details
PART 3 - FINANCIAL ADMINISTRATION - continued		
1	14	Finance
	40	- Net amount appropriated to deliver services.....
	41	- Amount provided for Administered Grants, Subsidies and Other Transfer Payments
	120	- Capital Appropriation.....
		- First Home Owner Grant Act 2000
		- Salaries and Allowances Act 1975.....
		Total.....
TOTAL - PART 3.....		
PART 4 - JOBS AND ECONOMIC DEVELOPMENT		
1	15	Jobs, Tourism, Science and Innovation
	42	- Net amount appropriated to deliver services.....
	43	- Amount provided for Administered Grants, Subsidies and Other Transfer Payments.....
	121	- Capital Appropriation.....
		- Salaries and Allowances Act 1975.....
		Total.....
1	16	Primary Industries and Regional Development
	44	- Net amount appropriated to deliver services.....
	45	- Amount provided for Administered Grants, Subsidies and Other Transfer Payments.....
	122	- Capital Appropriation.....
		- Biosecurity and Agriculture Management Act 2007.....
		- Salaries and Allowances Act 1975.....
		Total.....
1	17	Mines, Industry Regulation and Safety
	46	- Net amount appropriated to deliver services.....
	47	- Amount provided for Administered Grants, Subsidies and Other Transfer Payments.....
	123	- Capital Appropriation.....
		- Petroleum (Submerged Lands) Act 1982.....
		- Salaries and Allowances Act 1975.....
		Total.....
1	18	Small Business Development Corporation
	48	- Net amount appropriated to deliver services.....
	124	- Capital Appropriation.....
		- Salaries and Allowances Act 1975.....
		Total.....
1	19	Rural Business Development Corporation
	49	- Net amount appropriated to deliver services.....
		Total.....
1	20	Economic Regulation Authority
	50	- Net amount appropriated to deliver services.....
		Total.....
TOTAL - PART 4.....		

2017-18 Actual \$' 000	2018-19 Budget \$' 000	2018-19 Estimated Actual \$' 000	2019-20 Budget Estimate \$' 000	2020-21 Forward Estimate \$' 000	2021-22 Forward Estimate \$' 000	2022-23 Forward Estimate \$' 000
149,299	151,149	152,799	168,291	151,234	149,463	151,022
160,994	176,426	176,526	188,739	201,748	214,536	228,900
14,902	11,820	11,820	5,265	4,635	4,691	4,650
91,171	76,200	57,518	55,695	54,995	54,695	54,536
1,601	1,601	1,601	1,601	1,601	1,607	1,612
417,967	417,196	400,264	419,591	414,213	424,992	440,720
4,976,278	5,536,404	5,280,237	6,440,823	6,804,454	6,760,687	4,583,339
137,786	151,419	146,078	152,441	148,022	142,286	142,890
21,983	22,236	22,255	22,279	22,684	22,827	20,174
150	150	150	150	150	150	150
684	681	681	1,502	1,508	1,520	1,533
160,603	174,486	169,164	176,372	172,364	166,783	164,747
189,484	166,301	154,454	163,598	175,527	170,683	173,160
1,600	1,550	1,550	1,550	1,550	1,550	-
1,085	285	525	16,496	11,260	7,175	7,449
2,462	5,397	5,397	5,375	3,824	5,311	5,311
3,182	3,182	3,182	3,182	3,182	3,198	3,210
197,813	176,715	165,108	190,201	195,343	187,917	189,130
136,883	125,068	121,512	124,345	120,264	119,660	121,585
63,301	43,630	100,232	87,398	43,761	41,683	41,278
350	-	-	8,403	9,065	9,788	10,527
457	232	363	215	179	151	133
1,827	1,494	1,494	1,494	1,494	1,502	1,507
202,818	170,424	223,601	221,855	174,763	172,784	175,030
10,491	11,851	12,351	13,777	13,656	13,687	13,805
60	60	60	753	810	871	934
260	260	260	260	260	261	262
10,811	12,171	12,671	14,790	14,726	14,819	15,001
235	235	235	236	233	233	235
235	235	235	236	233	233	235
2,763	2,056	2,129	2,439	2,170	1,644	1,662
2,763	2,056	2,129	2,439	2,170	1,644	1,662
575,043	536,087	572,908	605,893	559,599	544,180	545,805

CONSOLIDATED ACCOUNT EXPENDITURE ESTIMATES

Vol	Division	Details
PART 5 - HEALTH		
1	21	WA Health
	51	- Net amount appropriated to deliver services.....
	125	- Capital Appropriation.....
		- Lotteries Commission Act 1990.....
		- Salaries and Allowances Act 1975.....
		Total.....
1	22	Mental Health Commission
	52	- Net amount appropriated to deliver services.....
	53	- Mental Health Advocacy Service.....
	54	- Mental Health Tribunal.....
	55	- Office of the Chief Psychiatrist.....
	126	- Capital Appropriation.....
		- Salaries and Allowances Act 1975.....
		Total.....
TOTAL - PART 5.....		
PART 6 - EDUCATION AND TRAINING		
1	23	Education
	56	- Net amount appropriated to deliver services.....
	57	- Amount provided for Administered Grants, Subsidies and Other Transfer Payments.....
	127	- Capital Appropriation.....
		- Salaries and Allowances Act 1975.....
		Total.....
1	24	Training and Workforce Development
	58	- Net amount appropriated to deliver services.....
	128	- Capital Appropriation.....
		- Salaries and Allowances Act 1975.....
		Total.....
TOTAL - PART 6.....		

2017-18 Actual \$' 000	2018-19 Budget \$' 000	2018-19 Estimated Actual \$' 000	2019-20 Budget Estimate \$' 000	2020-21 Forward Estimate \$' 000	2021-22 Forward Estimate \$' 000	2022-23 Forward Estimate \$' 000
4,936,908	4,819,236	4,886,224	4,979,425	5,001,479	5,093,567	5,216,221
200,255	114,920	100,263	202,242	115,211	71,465	52,451
123,047	127,678	133,133	130,917	132,616	133,819	132,780
716	716	716	716	716	717	718
5,260,926	5,062,550	5,120,336	5,313,300	5,250,022	5,299,568	5,402,170
695,846	706,647	697,472	710,334	724,727	737,182	771,034
2,627	2,668	2,668	2,719	2,806	2,883	2,978
2,660	2,590	2,623	2,677	2,763	2,834	2,924
2,943	3,029	3,029	3,127	3,211	3,305	3,421
-	-	-	1,349	1,459	1,571	1,693
809	809	809	809	809	811	813
704,885	715,743	706,601	721,015	735,775	748,586	782,863
5,965,811	5,778,293	5,826,937	6,034,315	5,985,797	6,048,154	6,185,033
4,051,999	4,041,976	4,063,017	4,066,704	4,157,678	4,287,810	4,493,942
449,980	451,223	454,256	451,873	447,023	445,721	437,879
262,626	251,781	248,980	343,494	173,217	130,397	119,583
1,675	1,538	1,443	1,443	1,443	1,454	1,460
4,766,280	4,746,518	4,767,696	4,863,514	4,779,361	4,865,382	5,052,864
351,736	354,238	355,024	335,419	353,967	367,064	370,447
237	-	-	3,060	3,248	2,567	2,165
1,815	1,815	1,815	1,815	1,815	1,825	1,835
353,788	356,053	356,839	340,294	359,030	371,456	374,447
5,120,068	5,102,571	5,124,535	5,203,808	5,138,391	5,236,838	5,427,311

CONSOLIDATED ACCOUNT EXPENDITURE ESTIMATES

Vol	Division	Details
PART 7 - COMMUNITY SAFETY		
2	25	Western Australia Police Force
	59	- Net amount appropriated to deliver services.....
	60	- Amount provided for Administered Grants, Subsidies and Other Transfer Payments.....
	129	- Capital Appropriation.....
		- Salaries and Allowances Act 1975.....
		Total.....
2	26	Justice
	61	- Net amount appropriated to deliver services.....
	130	- Capital Appropriation.....
		- Children's Court of Western Australia Act 1988.....
		- Criminal Injuries Compensation Act 2003.....
		- District Court of Western Australia Act 1969.....
		- Judges' Salaries and Pensions Act 1950.....
		- Salaries and Allowances Act 1975.....
		- Solicitor General Act 1969.....
		- State Administrative Tribunal Act 2004.....
		- Suitor's Fund Act 1964.....
		Total.....
2	27	Fire and Emergency Services
	62	- Net amount appropriated to deliver services.....
	63	- Western Australia Natural Disaster Relief and Recovery Arrangements.....
		- Capital Appropriation.....
		- Salaries and Allowances Act 1975.....
		Total.....
2	28	Office of the Director of Public Prosecutions
	64	- Net amount appropriated to deliver services.....
	131	- Capital Appropriation.....
		- Salaries and Allowances Act 1975.....
		Total.....
2	29	Corruption and Crime Commission
	65	- Net amount appropriated to deliver services.....
	132	- Capital Appropriation.....
		- Corruption and Crime Commission Act 2003.....
		Total.....
2	30	Chemistry Centre (WA)
	66	- Net amount appropriated to deliver services.....
	133	- Capital Appropriation.....
		- Salaries and Allowances Act 1975.....
		Total.....

2017-18 Actual \$' 000	2018-19 Budget \$' 000	2018-19 Estimated Actual \$' 000	2019-20 Budget Estimate \$' 000	2020-21 Forward Estimate \$' 000	2021-22 Forward Estimate \$' 000	2022-23 Forward Estimate \$' 000
1,305,103	1,367,361	1,361,126	1,384,498	1,344,952	1,360,078	1,370,981
-	-	-	16,094	-	-	-
36,093	18,582	16,085	88,099	112,860	78,690	70,869
4,825	4,825	4,825	4,825	4,825	4,843	4,864
1,346,021	1,390,768	1,382,036	1,493,516	1,462,637	1,443,611	1,446,714
1,219,363	1,177,286	1,170,944	1,255,602	1,222,561	1,198,644	1,192,004
19,237	18,859	19,039	59,398	47,792	48,717	52,624
423	405	405	405	405	406	407
26,548	31,817	31,817	31,817	31,817	31,817	31,817
12,954	13,098	13,098	13,098	13,098	13,133	13,169
10,657	10,836	10,836	10,836	10,836	10,862	10,889
32,505	33,701	33,701	34,153	34,159	33,867	33,980
631	594	594	594	594	595	596
5,846	5,878	5,878	5,878	5,878	5,899	5,924
47	31	31	31	31	31	31
1,328,211	1,292,505	1,286,343	1,411,812	1,367,171	1,343,971	1,341,441
30,548	22,771	22,168	23,715	23,311	21,924	22,267
102,900	45,000	48,622	244,347	45,000	45,000	45,000
33	-	-	-	-	-	-
1,041	1,041	1,041	1,041	1,041	1,045	1,048
134,522	68,812	71,831	269,103	69,352	67,969	68,315
34,669	36,046	36,681	37,745	35,983	36,757	38,029
-	-	-	2,567	2,750	3,735	3,289
3,715	3,740	3,740	3,315	3,315	3,325	3,340
38,384	39,786	40,421	43,627	42,048	43,817	44,658
28,980	26,565	26,565	27,635	27,561	27,651	27,897
-	-	-	958	1,047	1,147	1,246
502	502	502	502	502	503	504
29,482	27,067	27,067	29,095	29,110	29,301	29,647
6,411	6,476	6,476	5,043	5,104	5,017	5,244
1,740	1,000	2,500	2,500	2,500	2,500	2,500
251	251	251	251	251	252	253
8,402	7,727	9,227	7,794	7,855	7,769	7,997

CONSOLIDATED ACCOUNT EXPENDITURE ESTIMATES

Vol	Division	Details
PART 7 - COMMUNITY SAFETY - continued		
2	31	Office of the Inspector of Custodial Services
	67	- Net amount appropriated to deliver services.....
	134	- Capital Appropriation.....
		- Salaries and Allowances Act 1975.....
		Total.....
2	32	Parliamentary Inspector of the Corruption and Crime Commission
	68	- Net amount appropriated to deliver services.....
	135	- Capital Appropriation.....
		- Corruption and Crime Commission Act 2003.....
		Total.....
TOTAL - PART 7.....		
PART 8 - COMMUNITY SERVICES		
2	33	Communities
	69	- Net amount appropriated to deliver services.....
	70	- Amount provided for Administered Grants, Subsidies and Other Transfer Payments.....
	136	- Capital Appropriation.....
		- Salaries and Allowances Act 1975.....
		Total.....
2	34	Local Government, Sport and Cultural Industries
	71	- Net amount appropriated to deliver services.....
	72	- Art Gallery of Western Australia.....
	73	- Contribution to Community Sporting and Recreation Facilities Fund.....
	74	- Library Board of Western Australia.....
	75	- Perth Theatre Trust.....
	76	- Western Australian Museum.....
	77	- Amount provided for Administered Grants, Subsidies and Other Transfer Payments.....
	137	- Capital Appropriation.....
	138	- Art Gallery of Western Australia.....
		- Lotteries Commission Act 1990.....
		- Salaries and Allowances Act 1975.....
		Total.....
2	35	Western Australian Sports Centre Trust
	78	- Net amount appropriated to deliver services.....
	139	- Capital Appropriation.....
		Total.....
TOTAL - PART 8.....		

2017-18 Actual \$' 000	2018-19 Budget \$' 000	2018-19 Estimated Actual \$' 000	2019-20 Budget Estimate \$' 000	2020-21 Forward Estimate \$' 000	2021-22 Forward Estimate \$' 000	2022-23 Forward Estimate \$' 000
3,297	3,307	3,371	3,295	3,275	3,321	3,351
2	-	-	227	235	244	251
247	247	247	247	247	249	250
3,546	3,554	3,618	3,769	3,757	3,814	3,852
528	518	518	529	523	516	511
-	-	-	84	92	100	109
179	179	179	179	179	180	181
707	697	697	792	794	796	801
2,889,275	2,830,916	2,821,240	3,259,508	2,982,724	2,941,048	2,943,425
1,636,534	1,720,787	1,705,036	1,767,965	1,643,171	1,689,845	1,750,442
300	300	300	300	300	300	300
5,779	2,106	2,756	36,352	31,380	30,548	30,696
516	492	492	492	492	493	494
1,643,129	1,723,685	1,708,584	1,805,109	1,675,343	1,721,186	1,781,932
115,722	110,262	116,880	111,602	103,540	103,469	104,026
9,196	8,239	8,031	8,091	7,970	8,026	8,162
15,119	19,000	12,000	15,000	15,000	13,000	12,000
31,687	31,432	28,840	28,821	28,326	26,792	27,079
9,277	8,154	9,187	9,262	9,094	7,491	7,666
23,318	22,225	21,553	24,141	35,210	37,679	38,084
50,475	56,152	46,590	38,401	38,656	38,754	38,762
90,424	153,965	115,277	87,890	23,704	10,795	4,505
10,218	218	218	218	218	218	218
31,136	31,918	33,288	32,730	33,154	33,456	33,636
1,019	530	634	634	634	636	641
387,591	442,095	392,498	356,790	295,506	280,316	274,779
75,393	80,038	83,049	95,189	95,898	85,989	85,104
14,651	13,778	14,576	17,544	15,877	19,485	17,553
90,044	93,816	97,625	112,733	111,775	105,474	102,657
2,120,764	2,259,596	2,198,707	2,274,632	2,082,624	2,106,976	2,159,368

CONSOLIDATED ACCOUNT EXPENDITURE ESTIMATES

Vol	Division	Details
PART 9 - TRANSPORT		
2	36	Transport
		79 - Net amount appropriated to deliver services.....
		80 - Western Australian Coastal Shipping Commission.....
		140 - Capital Appropriation.....
		- Salaries and Allowances Act 1975.....
		Total.....
2	37	Commissioner of Main Roads
		81 - Net amount appropriated to deliver services.....
		- Capital Appropriation.....
		- Road Traffic Act 1974 (Recurrent).....
		- Salaries and Allowances Act 1975.....
		- Road Traffic Act 1974 (Capital).....
		Total.....
2	38	Public Transport Authority of Western Australia
		- Salaries and Allowances Act 1975.....
		141 - Capital Appropriation.....
		142 - Capital Appropriation - METRONET Projects Under Development.....
		Total.....
TOTAL - PART 9.....		
PART 10 - ENVIRONMENT		
2	39	Water and Environmental Regulation
		82 - Net amount appropriated to deliver services.....
		143 - Capital Appropriation.....
		- Salaries and Allowances Act 1975.....
		Total.....
2	40	Biodiversity, Conservation and Attractions
		83 - Net amount appropriated to deliver services.....
		144 - Capital Appropriation.....
		- Salaries and Allowances Act 1975.....
		Total.....
TOTAL - PART 10.....		

2017-18 Actual \$' 000	2018-19 Budget \$' 000	2018-19 Estimated Actual \$' 000	2019-20 Budget Estimate \$' 000	2020-21 Forward Estimate \$' 000	2021-22 Forward Estimate \$' 000	2022-23 Forward Estimate \$' 000
58,519	77,301	73,589	204,692	45,005	33,868	31,666
100	100	100	100	100	100	100
18,287	17,489	20,634	35,310	16,277	19,968	21,823
1,257	1,257	894	894	894	896	899
78,163	96,147	95,217	240,996	62,276	54,832	54,488
332,019	323,019	318,553	349,411	370,224	369,569	366,944
-	3,000	-	-	-	3,318	-
565,348	659,253	654,319	748,093	775,666	830,245	774,183
425	425	425	425	425	425	426
336,556	260,253	299,027	239,451	267,357	287,243	419,271
1,234,348	1,245,950	1,272,324	1,337,380	1,413,672	1,490,800	1,560,824
359	359	359	359	359	360	361
159,825	484,555	466,053	704,375	570,875	562,876	269,628
-	526,700	2,400	287,002	188,200	250,700	290,000
160,184	1,011,614	468,812	991,736	759,434	813,936	559,989
1,472,695	2,353,711	1,836,353	2,570,112	2,235,382	2,359,568	2,175,301
92,490	82,407	82,610	83,936	86,873	87,336	88,548
10,264	4,654	4,654	9,940	10,106	10,998	11,376
402	402	402	402	402	402	403
103,156	87,463	87,666	94,278	97,381	98,736	100,327
254,112	239,344	237,857	238,173	240,070	242,705	246,142
2,427	3,762	3,762	12,059	12,036	11,972	12,166
375	375	625	625	625	627	632
256,914	243,481	242,244	250,857	252,731	255,304	258,940
360,070	330,944	329,910	345,135	350,112	354,040	359,267

CONSOLIDATED ACCOUNT EXPENDITURE ESTIMATES

Vol	Division	Details
PART 11 - PLANNING AND LAND USE		
2	41	Planning, Lands and Heritage
	84	- Net amount appropriated to deliver services.....
	145	- Capital Appropriation.....
		- Salaries and Allowances Act 1975.....
		Total.....
2	42	Western Australian Planning Commission
	85	- Net amount appropriated to deliver services.....
	146	- Capital Appropriation.....
		- Metropolitan Region Improvement Tax Act 1959.....
		Total.....
2	43	Western Australian Land Information Authority
	86	- Net amount appropriated to deliver services.....
		- Salaries and Allowances Act 1975.....
		- Transfer of Land Act 1893.....
		Total.....
2	44	Heritage Council of Western Australia
	87	- Net amount appropriated to deliver services.....
		Total.....
2	45	National Trust of Australia (WA)
	88	- Net amount appropriated to deliver services.....
	147	- Capital Appropriation.....
		Total.....
TOTAL - PART 11.....		
GRAND TOTAL.....		
Total Appropriation Bill No.1 - Recurrent Services.....		
Total Appropriation Bill No.2 - Capital Purposes.....		
Authorised by Other Statutes		
		- Recurrent Services.....
		- Capital Purposes.....
		- Financing.....
		Total Authorised by Other Statutes.....
GRAND TOTAL.....		

2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Estimate	2020-21 Forward Estimate	2021-22 Forward Estimate	2022-23 Forward Estimate
\$' 000	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000
107,752	92,293	94,846	91,530	92,510	92,032	89,934
2,391	2,485	3,485	9,732	10,102	10,774	11,404
975	722	722	722	722	725	732
111,118	95,500	99,053	101,984	103,334	103,531	102,070
5,936	5,848	5,848	5,904	5,850	5,850	5,905
5,504	5,400	5,400	5,400	5,400	5,400	5,400
93,326	84,649	89,948	88,971	88,963	90,298	92,554
104,766	95,897	101,196	100,275	100,213	101,548	103,859
31,303	34,452	35,280	33,407	32,311	34,877	35,328
337	337	337	337	337	338	339
-	-	12	-	-	-	-
31,640	34,789	35,629	33,744	32,648	35,215	35,667
1,421	1,390	1,390	1,390	1,377	1,377	1,390
1,421	1,390	1,390	1,390	1,377	1,377	1,390
3,368	3,146	3,146	3,145	3,133	3,158	3,185
435	435	435	435	435	435	435
3,803	3,581	3,581	3,580	3,568	3,593	3,620
252,748	231,157	240,849	240,973	241,140	245,264	246,606
24,007,969	25,228,360	24,501,928	27,277,264	26,703,675	26,895,883	24,925,773
19,409,740	19,382,307	19,392,979	20,316,487	19,806,677	20,016,521	20,448,950
1,619,719	2,515,424	1,670,913	2,644,709	3,794,494	3,781,246	1,289,149
2,481,732	2,664,596	2,642,377	2,685,556	2,730,508	2,732,766	2,699,476
336,556	260,253	299,027	239,451	267,357	287,243	419,271
160,222	405,780	496,632	1,391,061	104,639	78,107	68,927
2,978,510	3,330,629	3,438,036	4,316,068	3,102,504	3,098,116	3,187,674
24,007,969	25,228,360	24,501,928	27,277,264	26,703,675	26,895,883	24,925,773

CHAPTER 2

NET APPROPRIATION DETERMINATIONS

NET APPROPRIATION DETERMINATIONS ^(a)

	2017-18	2018-19	2018-19	2019-20	2020-21	2021-22	2022-23
	Actual	Budget	Estimated	Budget	Forward	Forward	Forward
	\$'000	\$'000	Actual	Estimate	Estimate	Estimate	Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
PART 1 - PARLIAMENT							
Legislative Council	160	130	130	130	130	130	130
Legislative Assembly	344	115	115	115	115	115	115
Parliamentary Services	1,009	565	565	565	565	565	565
Parliamentary Commissioner for Administrative Investigations	2,531	2,406	2,487	2,472	2,513	2,538	2,561
TOTAL - PART 1	4,044	3,216	3,297	3,282	3,323	3,348	3,371
PART 2 - GOVERNMENT ADMINISTRATION							
Premier and Cabinet	15,452	18,872	18,660	11,394	10,694	10,694	10,694
Public Sector Commission	1,310	1,034	1,097	902	902	902	902
Governor's Establishment	340	190	190	190	190	190	190
Western Australian Electoral Commission	6,807	810	810	6,235	884	6,319	599
Salaries and Allowances Tribunal	55	94	94	94	61	60	60
Commissioner for Equal Opportunity	243	296	296	303	306	306	306
Commissioner for Children and Young People	132	368	368	88	88	88	88
Office of the Information Commissioner	97	52	52	52	52	52	52
Registrar, Western Australian Industrial Relations Commission	563	583	583	791	583	583	583
TOTAL - PART 2	24,999	22,299	22,150	20,049	13,760	19,194	13,474
PART 3 - FINANCIAL ADMINISTRATION							
Treasury	2,647	4,205	3,616	3,669	2,676	2,678	2,678
Office of the Auditor General	19,517	20,651	20,651	26,329	26,787	27,716	27,970
Finance	1,377,762	1,426,993	1,376,289	1,239,427	946,114	866,476	867,250
TOTAL - PART 3	1,399,926	1,451,849	1,400,556	1,269,425	975,577	896,870	897,898
PART 4 - JOBS AND ECONOMIC DEVELOPMENT							
Jobs, Tourism, Science and Innovation	17,410	12,006	16,348	20,484	12,140	12,040	12,640
Primary Industries and Regional Development	104,054	81,807	86,810	77,933	72,257	72,190	70,188
Mines, Industry Regulation and Safety	108,235	118,135	115,771	116,460	116,928	117,444	117,444
TOTAL - PART 4	229,699	211,948	218,929	214,877	201,325	201,674	200,272
PART 5 - HEALTH							
WA Health	2,477,180	2,271,268	2,295,986	2,343,199	2,461,509	2,588,135	2,729,366
Mental Health Commission	198,193	192,979	202,311	204,164	214,975	225,532	225,573
TOTAL - PART 5	2,675,373	2,464,247	2,498,297	2,547,363	2,676,484	2,813,667	2,954,939
PART 6 - EDUCATION AND TRAINING							
Education	1,090,498	1,145,672	1,166,812	1,259,944	1,345,949	1,403,689	1,496,334
Training and Workforce Development	203,325	223,917	243,779	247,476	254,449	255,491	228,314
TOTAL - PART 6	1,293,823	1,369,589	1,410,591	1,507,420	1,600,398	1,659,180	1,724,648

NET APPROPRIATION DETERMINATIONS ^(a)

	2017-18	2018-19	2018-19	2019-20	2020-21	2021-22	2022-23
	Actual	Budget	Estimated	Budget	Forward	Forward	Forward
	\$'000	\$'000	Actual	Estimate	Estimate	Estimate	Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
PART 7 - COMMUNITY SAFETY							
Western Australia Police Force	93,436	82,068	89,706	84,692	84,723	83,173	83,173
Justice	223,914	218,359	213,469	218,724	221,527	224,127	227,784
Fire and Emergency Services	34,213	19,775	24,563	24,915	24,809	24,514	20,072
Office of the Director of Public Prosecutions	7,893	6,284	6,284	6,184	6,184	6,184	6,184
Office of the Inspector of Custodial Services	107	47	47	47	47	47	47
Parliamentary Inspector of the Corruption and Crime Commission.....	19	-	16	16	16	16	16
TOTAL - PART 7	359,582	326,533	334,085	334,578	337,306	338,061	337,276
PART 8 - COMMUNITY SERVICES							
Communities.....	104,344	99,070	113,292	113,362	116,420	102,046	97,964
Local Government, Sport and Cultural Industries.....	50,209	45,105	44,699	42,666	40,883	39,158	38,864
TOTAL - PART 8	154,553	144,175	157,991	156,028	157,303	141,204	136,828
PART 9 - TRANSPORT							
Transport	352,663	363,447	371,471	373,908	401,206	411,873	416,858
TOTAL - PART 9	352,663	363,447	371,471	373,908	401,206	411,873	416,858
PART 10 - ENVIRONMENT							
Water and Environmental Regulation	118,955	131,878	135,880	135,516	134,597	133,233	133,519
Biodiversity, Conservation and Attractions	90,936	90,512	88,045	88,507	88,607	88,513	88,613
TOTAL - PART 10	209,891	222,390	223,925	224,023	223,204	221,746	222,132
PART 11 - PLANNING AND LAND USE							
Planning, Lands and Heritage.....	57,617	64,422	64,835	63,002	63,259	63,180	63,180
TOTAL - PART 11	57,617	64,422	64,835	63,002	63,259	63,180	63,180
GRAND TOTAL	6,762,170	6,644,115	6,706,127	6,713,955	6,653,145	6,769,997	6,970,876

(a) For detailed Net Appropriation Determinations, please refer to individual Agency Budget Statements in Chapter 3: Agency Information in Support of the Estimates.

CHAPTER 3

AGENCY INFORMATION IN SUPPORT OF THE ESTIMATES

Part 1 - 6

Further information pertaining to the 2019-20 Budget Statements can be found in the associated Reader's Guide to the Budget Statements which can be accessed at the Western Australian State Budget website: <http://ourstatebudget.wa.gov.au>.

Part 1

Parliament

Introduction

The Parliament of Western Australia establishes responsible government for the State, passes laws, appropriates government funds and monitors the Government by providing a forum for the public's interests and concerns to be presented and debated by their elected representatives. The agencies in this portfolio support the operations of Parliament, provide support for Members of Parliament and other parliamentary staff, and ensure that the standard of administrative decision-making, practices and conduct in the public sector remains high.

Summary of Recurrent and Asset Investment Expenditure

Agency	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000
Legislative Council		
– Total Cost of Services	20,276	21,106
– Asset Investment Program	-	-
Legislative Assembly		
– Total Cost of Services	28,842	28,973
– Asset Investment Program	-	-
Parliamentary Services		
– Total Cost of Services	17,495	17,968
– Asset Investment Program	1,061	1,000
Parliamentary Commissioner for Administrative Investigations		
– Total Cost of Services	10,066	10,731
– Asset Investment Program	222	242

Division 1 **Parliament**

Part 1 **Parliament**

Appropriations, Expenses and Cash Assets

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
DELIVERY OF SERVICES							
Legislative Council							
Item 1 Net amount appropriated to deliver services	5,545	5,494	5,494	6,499	6,528	6,113	6,149
Amount Authorised by Other Statutes							
- Salaries and Allowances Act 1975.....	13,276	13,504	13,504	13,547	14,334	13,551	13,551
Total appropriations provided to deliver services	18,821	18,998	18,998	20,046	20,862	19,664	19,700
Legislative Assembly							
Item 2 Net amount appropriated to deliver services	6,134	6,040	6,040	6,150	6,146	6,085	6,120
Amount Authorised by Other Statutes							
- Salaries and Allowances Act 1975.....	21,375	21,493	21,493	21,514	22,690	21,589	21,686
Total appropriations provided to deliver services	27,509	27,533	27,533	27,664	28,836	27,674	27,806
Parliamentary Services							
Item 3 Net amount appropriated to deliver services	17,444	17,453	17,453	17,955	17,814	18,009	18,229
Total appropriations provided to deliver services	17,444	17,453	17,453	17,955	17,814	18,009	18,229
CAPITAL							
Legislative Council							
Item 89 Capital Appropriation	-	-	-	335	354	380	405
Legislative Assembly							
Item 90 Capital Appropriation	-	-	-	358	380	403	427
Parliamentary Services							
Item 91 Capital Appropriation	1,000	1,000	1,000	1,119	1,136	1,146	1,153
Total Capital Appropriation	1,000	1,000	1,000	1,812	1,870	1,929	1,985
GRAND TOTAL	64,774	64,984	64,984	67,477	69,382	67,276	67,720

Division 1 **Legislative Council**

Part 1 **Parliament**

Appropriations, Expenses and Cash Assets

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
DELIVERY OF SERVICES							
Item 1 Net amount appropriated to deliver services	5,545	5,494	5,494	6,499	6,528	6,113	6,149
Amount Authorised by Other Statutes							
- Salaries and Allowances Act 1975	13,276	13,504	13,504	13,547	14,334	13,551	13,551
Total appropriations provided to deliver services	18,821	18,998	18,998	20,046	20,862	19,664	19,700
CAPITAL							
Item 89 Capital Appropriation ^(a)	-	-	-	335	354	380	405
TOTAL APPROPRIATIONS	18,821	18,998	18,998	20,381	21,216	20,044	20,105
EXPENSES							
Total Cost of Services	18,874	20,276	20,276	21,106	21,922	20,724	20,760
Net Cost of Services ^(b)	18,850	20,276	20,276	21,106	21,922	20,724	20,760
CASH ASSETS ^(c)	2,135	1,146	2,141	2,141	2,141	2,141	2,141

(a) Additional capital appropriation is provided to fund lease repayments and is not reflected in an Asset Investment Program table.

(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 2018-19 Budget to Parliament on 10 May 2018, are outlined below:

	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
Other					
Increased Number of Committees and Sitting Weeks	-	598	565	-	-
Indexation for Non-Salary Expenses	-	-	-	-	6

Outcomes, Services and Key Performance Information

The Department is not part of the State public service or a government agency.

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

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

Service Summary

Expense	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
1. Support the Chamber Operations of the Legislative Council.....	1,675	1,888	1,888	1,930	1,930	1,947	1,972
2. Support the Committees of the Legislative Council.....	3,231	3,824	3,837	4,582	4,611	4,078	4,190
3. Other Services ^(a)	865	1,060	1,047	1,047	1,047	1,148	1,047
4. Salaries and Allowances Act 1975	13,103	13,504	13,504	13,547	14,334	13,551	13,551
Total Cost of Services.....	18,874	20,276	20,276	21,106	21,922	20,724	20,760

(a) Other Services comprises cost of services provided free of charge by the Parliamentary Services Department, and Commonwealth Parliamentary Association (CPA) Grants expenses (2021-22 Forward Estimate).

Outcomes and Key Effectiveness Indicators ^(a)

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Outcome: The Legislative Council Members' requirements are met:					
Average Member rating for procedural advice - House ^(b)	90%	85%	85%	85%	
Average Member rating for procedural advice - Committees ^(b)	85%	85%	85%	85%	
Average Member rating for administrative support ^(b)	88%	85%	85%	85%	
Proportion of Parliamentary documents produced and delivered within agreed timeframes established by the House ^(c)	100%	100%	100%	100%	

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

(b) The measures for Member rating of service performance represent the minimum threshold considered appropriate by the Department.

(c) The measure for timeliness of delivery of the Parliament documents has been set at 100% as this is considered critical to the operation of the Chamber, and is considered to be achievable in the absence of extraordinary circumstances.

Services and Key Efficiency Indicators

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

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 1,675	\$'000 1,888	\$'000 1,888	\$'000 1,930	
Less Income	6	-	-	-	
Net Cost of Service	1,669	1,888	1,888	1,930	
Employees (Full-Time Equivalents)	11	11	11	11	
Efficiency Indicators					
Average cost per Legislative Council member per sitting ^(b)	\$912	\$874	\$874	\$777	

(a) This table excludes amounts provided under the *Salaries and Allowances Act 1975*, costs of services provided free of charge by the Parliamentary Services Department and CPA Grant expense.

(b) The number of sitting days varies from year to year. In 2017-18 the Legislative Council sat for 51 days. The 2018-19 Budget and 2018-19 Estimated Actual is 60 days. In 2019-20, the House is expected to sit for 69 days. There are 36 Members of the Legislative Council.

2. Support the Committees of the Legislative Council ^(a)

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 3,231	\$'000 3,824	\$'000 3,837	\$'000 4,582	
Less Income	18	-	-	-	
Net Cost of Service	3,213	3,824	3,837	4,582	
Employees (Full-Time Equivalents)	20	21	21	25	
Efficiency Indicators					
Average cost of providing procedural and administrative support to each Committee ^(b)	\$359,000	\$348,000	\$349,000	\$382,000	

(a) This table excludes amounts provided under the *Salaries and Allowances Act 1975*, costs of services provided free of charge by the Parliamentary Services Department and CPA Grant expense.

(b) Costs have been calculated on 9 committees in 2017-18, 11 committees in the 2018-19 Budget and 2018-19 Estimated Actual, and on 12 committees in the 2019-20 Budget Target. It is acknowledged that the House establishes the number of committees and the Legislative Council incurs significant fixed costs, irrespective of the number of committees.

Financial Statements

1. The implementation of new accounting standard AASB 16: *Leases* significantly impacts the Statement of Financial Position by bringing arrangements previously classified as operating leases on to the balance sheet. On the Income Statement, previous rental expenses for operating leases are removed and replaced with interest expense for the lease obligation and a depreciation cost for the right of use asset. Further information on AASB 16 and other new accounting standards impacting the Budget are detailed in a feature box in Budget Paper No. 3.

INCOME STATEMENT ^(a) (Controlled)

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
COST OF SERVICES							
Expenses							
Employee benefits ^(b)	16,702	17,478	17,478	18,125	18,943	17,694	17,751
Grants and subsidies ^(c)	-	-	-	-	-	101	101
Supplies and services	701	1,151	1,149	1,426	1,431	1,395	1,387
Accommodation	485	490	490	-	-	-	-
Depreciation and amortisation	17	-	-	373	374	374	373
Finance and interest costs	-	-	-	46	36	22	9
Other expenses	969	1,157	1,159	1,136	1,138	1,138	1,139
TOTAL COST OF SERVICES	18,874	20,276	20,276	21,106	21,922	20,724	20,760
Income							
Other revenue	24	-	-	-	-	-	-
Total Income	24	-	-	-	-	-	-
NET COST OF SERVICES	18,850	20,276	20,276	21,106	21,922	20,724	20,760
INCOME FROM STATE GOVERNMENT							
Service appropriations	18,821	18,998	18,998	20,046	20,862	19,664	19,700
Resources received free of charge	877	1,060	1,060	1,060	1,060	1,060	1,060
TOTAL INCOME FROM STATE GOVERNMENT	19,698	20,058	20,058	21,106	21,922	20,724	20,760
SURPLUS/(DEFICIENCY) FOR THE PERIOD	848	(218)	(218)	-	-	-	-

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

(b) The full-time equivalents for 2017-18 Actual, 2018-19 Estimated Actual and 2019-20 Budget Estimate are 31, 32 and 36 respectively.

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

DETAILS OF CONTROLLED GRANTS AND SUBSIDIES

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
Commonwealth Parliamentary Association	-	-	-	-	-	101	101
TOTAL	-	-	-	-	-	101	101

STATEMENT OF FINANCIAL POSITION ^(a)
(Controlled)

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
CURRENT ASSETS							
Cash assets.....	2,119	1,096	2,107	2,089	2,071	2,053	2,035
Receivables.....	15	35	15	15	15	15	15
Other.....	16	60	16	16	16	16	16
Total current assets.....	2,150	1,191	2,138	2,120	2,102	2,084	2,066
NON-CURRENT ASSETS							
Holding account receivables.....	168	168	168	541	915	1,289	1,662
Property, plant and equipment.....	146	163	146	1,253	879	535	189
Restricted cash.....	16	50	34	52	70	88	106
Total non-current assets.....	330	381	348	1,846	1,864	1,912	1,957
TOTAL ASSETS.....	2,480	1,572	2,486	3,966	3,966	3,996	4,023
CURRENT LIABILITIES							
Employee provisions.....	666	800	672	672	672	672	672
Payables.....	75	60	75	75	75	75	75
Borrowings and leases.....	-	-	-	358	382	407	44
Other.....	117	118	117	-	-	-	-
Total current liabilities.....	858	978	864	1,105	1,129	1,154	791
NON-CURRENT LIABILITIES							
Employee provisions.....	100	84	100	100	100	100	100
Borrowings and leases.....	-	-	-	787	409	34	19
Other.....	47	265	265	1	1	1	1
Total non-current liabilities.....	147	349	365	888	510	135	120
TOTAL LIABILITIES.....	1,005	1,327	1,229	1,993	1,639	1,289	911
EQUITY							
Contributed equity.....	(1,382)	(1,382)	(1,382)	(1,047)	(693)	(313)	92
Accumulated surplus/(deficit).....	2,825	1,595	2,607	2,988	2,988	2,988	2,988
Reserves.....	32	32	32	32	32	32	32
Total equity.....	1,475	245	1,257	1,973	2,327	2,707	3,112
TOTAL LIABILITIES AND EQUITY.....	2,480	1,572	2,486	3,966	3,966	3,996	4,023

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

STATEMENT OF CASHFLOWS ^(a)
(Controlled)

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
CASHFLOWS FROM STATE GOVERNMENT							
Service appropriations	18,821	18,998	18,998	19,673	20,488	19,290	19,327
Capital appropriation	-	-	-	335	354	380	405
Receipts paid into Consolidated Account	(1,382)	-	-	-	-	-	-
Net cash provided by State Government	17,439	18,998	18,998	20,008	20,842	19,670	19,732
CASHFLOWS FROM OPERATING ACTIVITIES							
Payments							
Employee benefits	(16,776)	(17,425)	(17,425)	(18,125)	(18,943)	(17,694)	(17,751)
Grants and subsidies	-	-	-	-	-	(101)	(101)
Supplies and services	(662)	(1,151)	(1,149)	(1,154)	(1,145)	(1,103)	(1,108)
Accommodation	(307)	(272)	(272)	-	-	-	-
GST payments	(129)	(130)	(130)	(130)	(130)	(130)	(130)
Finance and interest costs	-	-	-	(46)	(36)	(22)	(9)
Other payments	(106)	(144)	(146)	(348)	(364)	(370)	(358)
Receipts ^(b)							
GST receipts	136	130	130	130	130	130	130
Other receipts	24	-	-	-	-	-	-
Net cash from operating activities	(17,820)	(18,992)	(18,992)	(19,673)	(20,488)	(19,290)	(19,327)
CASHFLOWS FROM FINANCING ACTIVITIES							
Repayment of borrowings and leases	-	-	-	(335)	(354)	(380)	(405)
Net cash from financing activities	-	-	-	(335)	(354)	(380)	(405)
NET INCREASE/(DECREASE) IN CASH HELD	(381)	6	6	-	-	-	-
Cash assets at the beginning of the reporting period	2,516	1,140	2,135	2,141	2,141	2,141	2,141
Cash assets at the end of the reporting period	2,135	1,146	2,141	2,141	2,141	2,141	2,141

(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)

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
GST Receipts							
GST Input Credits	126	130	130	130	130	130	130
GST Receipts on Sales	10	-	-	-	-	-	-
Other Receipts							
Other Receipts	24	-	-	-	-	-	-
TOTAL	160	130	130	130	130	130	130

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

Division 1 **Legislative Assembly**

Part 1 **Parliament**

Appropriations, Expenses and Cash Assets

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
DELIVERY OF SERVICES							
Item 2 Net amount appropriated to deliver services	6,134	6,040	6,040	6,150	6,146	6,085	6,120
Amount Authorised by Other Statutes							
Salaries and Allowances Act 1975	21,375	21,493	21,493	21,514	22,690	21,589	21,686
Total appropriations provided to deliver services	27,509	27,533	27,533	27,664	28,836	27,674	27,806
CAPITAL							
Item 90 Capital Appropriation ^(a)	-	-	-	358	380	403	427
TOTAL APPROPRIATIONS	27,509	27,533	27,533	28,022	29,216	28,077	28,233
EXPENSES							
Total Cost of Services	27,600	28,842	28,842	28,973	30,145	28,983	29,115
Net Cost of Services ^(b)	27,465	28,842	28,842	28,973	30,145	28,983	29,115
CASH ASSETS ^(c)	2,815	1,478	2,704	2,704	2,704	2,704	2,704

(a) Additional capital appropriation is provided to fund lease repayments and is not reflected in the Asset Investment Program table.

(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 2018-19 Budget to Parliament on 10 May 2018, are outlined below:

	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
Other					
Indexation for Non-Salary Expenses	-	-	-	-	5
Streamlined Budget Process Incentive Funding	-	61	-	-	-

Outcomes, Services and Key Performance Information

The Department is not part of the State Public Service or a government agency.

The Department services the needs of Members of Parliament, supporting a broad, high-level goal of supporting governance for all Western Australians.

Desired Outcome	Service
Legislative Assembly Members' requirements are met.	1. Support the Operations of the Legislative Assembly

Service Summary

Expense	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
1. Support the Operations of the Legislative Assembly	5,170	5,952	5,952	6,062	6,058	6,098	6,133
2. Other Services	1,179	1,397	1,397	1,397	1,397	1,296	1,296
3. Salaries and Allowances Act 1975	21,251	21,493	21,493	21,514	22,690	21,589	21,686
Total Cost of Services	27,600	28,842	28,842	28,973	30,145	28,983	29,115

Outcomes and Key Effectiveness Indicators ^(a)

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Outcome: Legislative Assembly Members' requirements are met:					
Average members' rating for advice	94%	90%	90%	90%	
Average members' rating for administrative support	94%	90%	90%	90%	

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

Services and Key Efficiency Indicators

1. Support the Operations of the Legislative Assembly

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 5,170	\$'000 5,952	\$'000 5,952	\$'000 6,062	
Less Income	135	-	-	-	
Net Cost of Service	5,035	5,952	5,952	6,062	
Employees (Full-Time Equivalents)	29	28	28	28	
Efficiency Indicators					
Average cost per member of the Legislative Assembly	\$87,627	\$100,881	\$100,881	\$102,746	

Financial Statements

- The implementation of new accounting standard AASB 16: *Leases* significantly impacts the Statement of Financial Position by bringing arrangements previously classified as operating leases on to the balance sheet. On the Income Statement, previous rental expenses for operating leases are removed and replaced with interest expense for the lease obligation and a depreciation cost for the right of use asset. Further information on AASB 16 and other new accounting standards impacting the Budget are detailed in a feature box in Budget Paper No. 3.

INCOME STATEMENT ^(a) (Controlled)

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
COST OF SERVICES							
Expenses							
Employee benefits ^(b)	24,673	24,988	24,988	25,072	26,301	25,260	25,411
Grants and subsidies ^(c)	100	101	101	101	101	-	-
Supplies and services	922	1,459	1,457	1,938	1,891	1,881	1,874
Accommodation	702	863	863	-	-	-	-
Depreciation and amortisation	21	5	5	402	403	403	403
Finance and interest costs	-	-	-	49	36	25	11
Other expenses	1,182	1,426	1,428	1,411	1,413	1,414	1,416
TOTAL COST OF SERVICES	27,600	28,842	28,842	28,973	30,145	28,983	29,115
Income							
Other revenue	135	-	-	-	-	-	-
Total Income	135	-	-	-	-	-	-
NET COST OF SERVICES	27,465	28,842	28,842	28,973	30,145	28,983	29,115
INCOME FROM STATE GOVERNMENT							
Service appropriations	27,509	27,533	27,533	27,664	28,836	27,674	27,806
Resources received free of charge	1,091	1,309	1,309	1,309	1,309	1,309	1,309
TOTAL INCOME FROM STATE GOVERNMENT	28,600	28,842	28,842	28,973	30,145	28,983	29,115
SURPLUS/(DEFICIENCY) FOR THE PERIOD	1,135	-	-	-	-	-	-

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

(b) The full-time equivalents for 2017-18 Actual, 2018-19 Estimated Actual and 2019-20 Budget Estimate are 29, 28 and 28 respectively.

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

DETAILS OF CONTROLLED GRANTS AND SUBSIDIES

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
Commonwealth Parliamentary Association ^(a)	100	101	101	101	101	-	-
TOTAL	100	101	101	101	101	-	-

(a) Assistance with administration of the Commonwealth Parliamentary Association (CPA) Western Australia branch transfers between the Department of the Legislative Council and the Department of the Legislative Assembly with each Parliament. The grant funding provided by Government to support the CPA is currently administered by the Department with this responsibility to transfer to the Department of the Legislative Council from 2021-22.

STATEMENT OF FINANCIAL POSITION ^(a)
(Controlled)

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
CURRENT ASSETS							
Cash assets.....	2,801	1,433	2,674	2,658	2,642	2,626	2,610
Receivables.....	19	53	19	19	19	19	19
Other.....	35	8	35	35	35	35	35
Total current assets.....	2,855	1,494	2,728	2,712	2,696	2,680	2,664
NON-CURRENT ASSETS							
Holding account receivables.....	498	503	503	905	1,308	1,711	2,114
Property, plant and equipment.....	831	912	926	2,086	1,683	1,340	937
Restricted cash.....	14	45	30	46	62	78	94
Total non-current assets.....	1,443	1,460	1,459	3,037	3,053	3,129	3,145
TOTAL ASSETS	4,298	2,954	4,187	5,749	5,749	5,809	5,809
CURRENT LIABILITIES							
Employee provisions.....	790	610	801	812	823	823	823
Payables.....	124	93	113	102	91	91	91
Borrowings and leases.....	-	-	-	381	391	429	42
Total current liabilities.....	914	703	914	1,295	1,305	1,343	956
NON-CURRENT LIABILITIES							
Employee provisions.....	102	104	102	102	102	102	102
Borrowings and leases.....	-	-	-	823	433	51	12
Other.....	1	1	1	1	1	1	1
Total non-current liabilities.....	103	105	103	926	536	154	115
TOTAL LIABILITIES	1,017	808	1,017	2,221	1,841	1,497	1,071
EQUITY							
Contributed equity.....	(2,033)	(2,033)	(2,144)	(1,786)	(1,406)	(1,002)	(576)
Accumulated surplus/(deficit).....	4,732	3,597	4,732	4,732	4,732	4,732	4,732
Reserves.....	582	582	582	582	582	582	582
Total equity	3,281	2,146	3,170	3,528	3,908	4,312	4,738
TOTAL LIABILITIES AND EQUITY	4,298	2,954	4,187	5,749	5,749	5,809	5,809

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

STATEMENT OF CASHFLOWS ^(a)
(Controlled)

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
CASHFLOWS FROM STATE GOVERNMENT							
Service appropriations	27,493	27,528	27,528	27,262	28,433	27,271	27,403
Capital appropriation	-	-	-	358	380	403	427
Receipts paid into Consolidated Account	(2,033)	-	(111)	-	-	-	-
Net cash provided by State Government	25,460	27,528	27,417	27,620	28,813	27,674	27,830
CASHFLOWS FROM OPERATING ACTIVITIES							
Payments							
Employee benefits	(24,454)	(24,939)	(24,939)	(25,059)	(26,288)	(25,247)	(25,398)
Grants and subsidies	(100)	(101)	(101)	(101)	(101)	-	-
Supplies and services	(931)	(1,447)	(1,445)	(1,451)	(1,408)	(1,408)	(1,411)
Accommodation	(698)	(863)	(863)	-	-	-	-
GST payments	(194)	(115)	(115)	(115)	(115)	(115)	(115)
Finance and interest costs	-	-	-	(49)	(36)	(25)	(11)
Other payments	(103)	(178)	(180)	(602)	(600)	(591)	(583)
Receipts ^(b)							
GST receipts	209	115	115	115	115	115	115
Other receipts	135	-	-	-	-	-	-
Net cash from operating activities	(26,136)	(27,528)	(27,528)	(27,262)	(28,433)	(27,271)	(27,403)
CASHFLOWS FROM INVESTING ACTIVITIES							
Purchase of non-current assets	(20)	-	-	-	-	-	-
Net cash from investing activities	(20)	-	-	-	-	-	-
CASHFLOWS FROM FINANCING ACTIVITIES							
Repayment of borrowings and leases	-	-	-	(358)	(380)	(403)	(427)
Net cash from financing activities	-	-	-	(358)	(380)	(403)	(427)
NET INCREASE/(DECREASE) IN CASH HELD	(696)	-	(111)	-	-	-	-
Cash assets at the beginning of the reporting period	3,511	1,478	2,815	2,704	2,704	2,704	2,704
Cash assets at the end of the reporting period	2,815	1,478	2,704	2,704	2,704	2,704	2,704

(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)

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
GST Receipts							
GST Input Credits	178	115	115	115	115	115	115
GST Receipts on Sales	31	-	-	-	-	-	-
Other Receipts							
Other Receipts	135	-	-	-	-	-	-
TOTAL	344	115	115	115	115	115	115

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

Division 1 **Parliamentary Services**

Part 1 **Parliament**

Appropriations, Expenses and Cash Assets

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
DELIVERY OF SERVICES							
Item 3 Net amount appropriated to deliver services	17,444	17,453	17,453	17,955	17,814	18,009	18,229
Total appropriations provided to deliver services	17,444	17,453	17,453	17,955	17,814	18,009	18,229
CAPITAL							
Item 91 Capital Appropriation ^(a)	1,000	1,000	1,000	1,119	1,136	1,146	1,153
TOTAL APPROPRIATIONS	18,444	18,453	18,453	19,074	18,950	19,155	19,382
EXPENSES							
Total Cost of Services	17,032	17,495	17,495	17,968	17,827	18,022	18,242
Net Cost of Services ^(b)	16,574	17,495	17,495	17,968	17,827	18,022	18,242
CASH ASSETS ^(c)	1,492	883	1,431	1,431	1,431	1,431	1,431

(a) Additional capital appropriation is provided to fund lease repayments and is not reflected in the Asset Investment Program table.

(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 2018-19 Budget to Parliament on 10 May 2018, are outlined below:

	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
Other					
Indexation for Non-Salary Expenses	-	-	-	-	45
Remediation of the Eastern Wing Roof of Parliament House	-	366	-	-	-

Outcomes, Services and Key Performance Information

The Department is not part of the State Public Service or a government agency.

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

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

Service Summary

Expense	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
1. Provision of Infrastructure and Facilities.....	6,297	6,095	6,095	6,713	6,596	6,668	6,750
2. Provision of Information and Services	10,735	11,400	11,400	11,255	11,231	11,354	11,492
Total Cost of Services.....	17,032	17,495	17,495	17,968	17,827	18,022	18,242

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

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Outcome: Infrastructure, facilities, information and services that meet the needs of stakeholders:					
Average Member rating of infrastructure and facilities	98%	90%	90%	90%	
Availability of infrastructure and facilities	100%	95%	95%	95%	
Average Member rating of information and services	99%	90%	90%	90%	
Availability of information and services.....	100%	95%	95%	95%	
Average Presiding Officer and staff rating for infrastructure, facilities, information and services.....	98%	95%	95%	95%	

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

(b) These measures represent a threshold of minimum acceptable performance in the effective delivery of services. It is expected that actual performance may exceed these targets.

Services and Key Efficiency Indicators

1. Provision of Infrastructure and Facilities

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 6,297	\$'000 6,095	\$'000 6,095	\$'000 6,713	
Less Income	456	-	-	-	
Net Cost of Service	5,841	6,095	6,095	6,713	
Employees (Full-Time Equivalents)	20	20	20	21	
Efficiency Indicators					
Average cost per Member of Parliament and Chamber Departments' employee for providing infrastructure and facilities ^(a)	\$39,681	\$38,261	\$38,261	\$41,108	
Percentage of variable costs expended to maintain Parliament House building and grounds ^(b)	24%	15%	15%	24%	

(a) The number of Members and Chamber Departments' employees used in these calculations was 159 for the 2017-18 Actual, 2018-19 Budget and 2018-19 Estimated Actual, and 163 for the 2019-20 Budget Target.

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

2. Provision of Information and Services

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 10,735	\$'000 11,400	\$'000 11,400	\$'000 11,255	
Less Income	2	-	-	-	
Net Cost of Service	10,733	11,400	11,400	11,255	
Employees (Full-Time Equivalents)	89	89	89	88	
Efficiency Indicators					
Average cost per Member of Parliament and Chamber Departments' employee for providing information and services ^(a)	\$45,057	\$48,576	\$48,576	\$45,213	
Average cost of services per sitting day ^(b)	\$47,788	\$50,860	\$50,860	\$49,637	
Average cost per student/member of the public to promote knowledge and awareness of the work of the Parliament	\$20.69	\$24.43	\$24.43	\$20.40	

(a) The number of Members and Chamber Departments' employees used in these calculations was 159 for the 2017-18 Actual, 2018-19 Budget, 2018-19 Estimated Actual, and 163 for the 2019-20 Budget Target.

(b) The number of sitting days used in these calculations were 75 for the 2017-18 Actual, 72 for the 2018-19 Budget and 2018-19 Estimated Actual, and 78 for the 2019-20 Budget Target.

Asset Investment Program

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-19 \$'000	2018-19 Estimated Expenditure \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
WORKS IN PROGRESS							
Infrastructure and Equipment - Asset Refurbishment and Replacement Program	17,164	12,164	1,061	1,000	1,000	1,000	1,000
Total Cost of Asset Investment Program	17,164	12,164	1,061	1,000	1,000	1,000	1,000
FUNDED BY							
Capital Appropriation			1,000	1,000	1,000	1,000	1,000
Internal Funds and Balances			61	-	-	-	-
Total Funding			1,061	1,000	1,000	1,000	1,000

Financial Statements

1. The implementation of new accounting standard AASB 16: *Leases* significantly impacts the Statement of Financial Position by bringing arrangements previously classified as operating leases on to the balance sheet. On the Income Statement, previous rental expenses for operating leases are removed and replaced with interest expense for the lease obligation and a depreciation cost for the right of use asset. Further information on AASB 16 and other new accounting standards impacting the Budget are detailed in a feature box in Budget Paper No. 3.

INCOME STATEMENT ^(a) (Controlled)

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
COST OF SERVICES							
Expenses							
Employee benefits ^(b)	11,237	11,570	11,570	11,689	11,846	12,046	12,229
Grants and subsidies ^(c)	1	5	5	5	5	5	5
Supplies and services	2,140	2,580	2,580	2,745	2,735	2,735	2,732
Accommodation	1,870	1,606	1,606	1,756	1,435	1,435	1,478
Depreciation and amortisation	1,594	1,504	1,504	1,533	1,565	1,565	1,564
Finance and interest costs	-	-	-	17	13	8	4
Other expenses	190	230	230	223	228	228	230
TOTAL COST OF SERVICES	17,032	17,495	17,495	17,968	17,827	18,022	18,242
Income							
Other revenue ^(d)	458	-	-	-	-	-	-
Total Income	458	-	-	-	-	-	-
NET COST OF SERVICES	16,574	17,495	17,495	17,968	17,827	18,022	18,242
INCOME FROM STATE GOVERNMENT							
Service appropriations	17,444	17,453	17,453	17,955	17,814	18,009	18,229
Resources received free of charge	12	13	13	13	13	13	13
TOTAL INCOME FROM STATE GOVERNMENT	17,456	17,466	17,466	17,968	17,827	18,022	18,242
SURPLUS/(DEFICIENCY) FOR THE PERIOD	882	(29)	(29)	-	-	-	-

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

(b) The full-time equivalents for 2017-18 Actual, 2018-19 Estimated Actual and 2019-20 Budget Estimate are 109, 109 and 109 respectively.

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

(d) Reflects contribution towards specific projects requested by Chamber Departments.

DETAILS OF CONTROLLED GRANTS AND SUBSIDIES

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
Country Schools Travel Subsidy	1	5	5	5	5	5	5
TOTAL	1	5	5	5	5	5	5

STATEMENT OF FINANCIAL POSITION ^(a)
(Controlled)

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
CURRENT ASSETS							
Cash assets.....	1,449	736	1,334	1,279	1,223	1,166	1,108
Receivables.....	164	149	164	164	164	164	164
Other.....	237	268	237	237	279	279	279
Total current assets.....	1,850	1,153	1,735	1,680	1,666	1,609	1,551
NON-CURRENT ASSETS							
Holding account receivables.....	13,291	14,795	14,795	16,328	17,893	19,458	21,022
Property, plant and equipment.....	69,040	71,884	69,209	69,823	69,881	69,987	70,056
Intangibles.....	93	186	112	135	145	145	145
Restricted cash.....	43	147	97	152	208	265	323
Other.....	71	6	71	71	71	71	71
Total non-current assets.....	82,538	87,018	84,284	86,509	88,198	89,926	91,617
TOTAL ASSETS.....	84,388	88,171	86,019	88,189	89,864	91,535	93,168
CURRENT LIABILITIES							
Employee provisions.....	2,109	2,050	1,933	1,975	2,017	2,017	2,017
Payables.....	643	334	848	806	806	806	806
Borrowings and leases.....	-	-	-	138	136	156	21
Other.....	-	21	-	-	-	-	-
Total current liabilities.....	2,752	2,405	2,781	2,919	2,959	2,979	2,844
NON-CURRENT LIABILITIES							
Employee provisions.....	238	187	238	238	238	238	238
Borrowings and leases.....	-	-	-	280	146	18	-
Other.....	1	1	1	1	1	1	1
Total non-current liabilities.....	239	188	239	519	385	257	239
TOTAL LIABILITIES.....	2,991	2,593	3,020	3,438	3,344	3,236	3,083
EQUITY							
Contributed equity.....	25,456	26,456	26,456	27,575	28,711	29,857	31,010
Accumulated surplus/(deficit).....	9,492	8,553	9,463	9,463	9,463	9,463	9,463
Reserves.....	46,449	50,569	47,080	47,713	48,346	48,979	49,612
Total equity.....	81,397	85,578	82,999	84,751	86,520	88,299	90,085
TOTAL LIABILITIES AND EQUITY.....	84,388	88,171	86,019	88,189	89,864	91,535	93,168

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

STATEMENT OF CASHFLOWS ^(a)
(Controlled)

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
CASHFLOWS FROM STATE GOVERNMENT							
Service appropriations	15,795	15,949	15,949	16,422	16,249	16,444	16,665
Capital appropriation	1,000	1,000	1,000	1,119	1,136	1,146	1,153
Net cash provided by State Government	16,795	16,949	16,949	17,541	17,385	17,590	17,818
CASHFLOWS FROM OPERATING ACTIVITIES							
Payments							
Employee benefits	(11,131)	(11,521)	(11,521)	(11,689)	(11,846)	(12,046)	(12,229)
Grants and subsidies	(1)	(5)	(5)	(5)	(5)	(5)	(5)
Supplies and services	(1,800)	(2,580)	(2,580)	(2,603)	(2,594)	(2,594)	(2,594)
Accommodation	(1,860)	(1,613)	(1,613)	(1,756)	(1,435)	(1,435)	(1,478)
GST payments	(588)	(565)	(565)	(565)	(565)	(565)	(565)
Finance and interest costs	-	-	-	(17)	(13)	(8)	(4)
Other payments	(170)	(230)	(230)	(352)	(356)	(356)	(355)
Receipts ^(b)							
GST receipts	574	565	565	565	565	565	565
Other receipts	435	-	-	-	-	-	-
Net cash from operating activities	(14,541)	(15,949)	(15,949)	(16,422)	(16,249)	(16,444)	(16,665)
CASHFLOWS FROM INVESTING ACTIVITIES							
Purchase of non-current assets	(1,645)	(1,000)	(1,061)	(1,000)	(1,000)	(1,000)	(1,000)
Net cash from investing activities	(1,645)	(1,000)	(1,061)	(1,000)	(1,000)	(1,000)	(1,000)
CASHFLOWS FROM FINANCING ACTIVITIES							
Repayment of borrowings and leases	-	-	-	(119)	(136)	(146)	(153)
Net cash from financing activities	-	-	-	(119)	(136)	(146)	(153)
NET INCREASE/(DECREASE) IN CASH HELD	609	-	(61)	-	-	-	-
Cash assets at the beginning of the reporting period	883	883	1,492	1,431	1,431	1,431	1,431
Cash assets at the end of the reporting period	1,492	883	1,431	1,431	1,431	1,431	1,431

(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)

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
GST Receipts							
GST Input Credits	518	565	565	565	565	565	565
GST Receipts on Sales	56	-	-	-	-	-	-
Other Receipts							
Other Receipts	435	-	-	-	-	-	-
TOTAL	1,009	565	565	565	565	565	565

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

Division 2 **Parliamentary Commissioner for Administrative Investigations**

Part 1 **Parliament**

Appropriations, Expenses and Cash Assets

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
DELIVERY OF SERVICES							
Item 4 Net amount appropriated to deliver services	7,200	6,751	6,751	7,431	6,807	6,837	6,907
Amount Authorised by Other Statutes - Parliamentary Commissioner Act 1971	659	659	659	659	659	661	665
Total appropriations provided to deliver services	7,859	7,410	7,410	8,090	7,466	7,498	7,572
CAPITAL							
Item 92 Capital Appropriation ^(a)	-	-	-	783	812	841	871
TOTAL APPROPRIATIONS	7,859	7,410	7,410	8,873	8,278	8,339	8,443
EXPENSES							
Total Cost of Services	11,931	9,985	10,066	10,731	10,148	10,205	10,302
Net Cost of Services ^(b)	9,717	7,850	7,850	8,530	7,906	7,938	8,012
CASH ASSETS ^(c)	534	910	540	526	546	566	586

(a) Additional capital appropriation is provided to fund lease repayments and is not reflected in the Asset Investment Program table.

(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 2018-19 Budget to Parliament on 10 May 2018, are outlined below:

	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
New Initiative					
Election Commitment - Royal Commission (Child Sexual Abuse) - Plan and Develop a Reportable Conduct Scheme	-	589	-	-	-
Ongoing Initiative					
Energy and Water Ombudsman Scheme	81	82	83	84	85
Other					
Indexation for Non-Salary Expenses	-	-	-	-	22
Streamlined Budget Process Incentive Funding	-	66	-	-	-

Significant Issues Impacting the Agency

1. Timely investigation and resolution of complaints is a significant factor in providing effective and efficient services to complainants and improving the standard of public administration. In 2018-19, the Office anticipates that 95% of complaints will be resolved within three months and, as at 30 June 2019, the average age of complaints will be 38 days (compared to 173 days at 30 June 2007). In 2018-19, the Office anticipates that timely processes for child death and family and domestic violence reviews will result in 73% of all reviews being completed within six months.
2. In 2018-19, the Office tabled in Parliament 'A report on giving effect to the recommendations arising from the Investigation into ways to prevent or reduce deaths of children by drowning'. The Office also undertook significant work on 'A report on giving effect to the recommendations arising from the Investigation into ways that State Government departments and authorities can prevent or reduce suicide by young people' to be tabled in Parliament in 2019.
3. The Office has continued programs to enhance awareness of, and accessibility to, its services, particularly by Aboriginal and regional Western Australians and children and young people.
4. The Office also undertakes a range of additional functions, including the inspection of telecommunication interception records, review of overseas student appeals, and monitoring and reporting under the *Criminal Organisations Control Act 2012*. The Office provided 'A report by the Parliamentary Commissioner for Administrative Investigations under section 158 of the *Criminal Organisations Control Act 2012* for the whole monitoring period' to the Attorney General and the Commissioner of Police and the report was tabled in Parliament by the Attorney General on 2 April 2019.

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 service 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	Service
Strong Communities: Safe communities and supported families.	The public sector of Western Australia is accountable for, and is improving the standard of, administrative decision-making, practices and conduct.	1. Resolving Complaints about Decision-Making of Public Authorities and Improving the Standard of Public Administration

Service Summary

Expense	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
1. Resolving Complaints about Decision-Making of Public Authorities and Improving the Standard of Public Administration.....	11,931	9,985	10,066	10,731	10,148	10,205	10,302
Total Cost of Services.....	11,931	9,985	10,066	10,731	10,148	10,205	10,302

Outcomes and Key Effectiveness Indicators ^(a)

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Outcome: The public sector of Western Australia is accountable for, and is improving the standard of, administrative decision-making, practices and conduct:					
Where the Ombudsman made recommendations to improve practices or procedures, the percentage of recommendations accepted by agencies.....	100%	100%	100%	100%	
Number of improvements to practices or procedures as a result of Ombudsman action.....	173	100	97	100	

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

Services and Key Efficiency Indicators**1. Resolving Complaints about Decision-Making of Public Authorities and Improving the Standard of Public Administration**

Investigating and resolving complaints from members of the public about Western Australian public authorities and improving the standard of public administration by identifying and investigating concerns that affect the broader community, making recommendations for improvement and identifying and promoting good decision-making and practices.

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 11,931	\$'000 9,985	\$'000 10,066	\$'000 10,731	1
Less Income	2,214	2,135	2,216	2,201	
Net Cost of Service	9,717	7,850	7,850	8,530	
Employees (Full-Time Equivalents)	66	66	67	70	
Efficiency Indicators					
Percentage of allegations finalised within three months	94%	95%	95%	95%	
Percentage of allegations finalised within 12 months	100%	100%	100%	100%	
Percentage of allegations on hand at 30 June less than three months old	92%	90%	90%	90%	
Percentage of allegations on hand at 30 June less than 12 months old	100%	100%	100%	100%	
Average cost per finalised allegation	\$1,879	\$1,890	\$1,885	\$1,890	
Average cost per finalised notification of death	\$17,438	\$17,500	\$17,490	\$17,500	
Cost of monitoring and inspection functions	\$414,311	\$415,000	\$412,000	\$415,000	

Explanation of Significant Movements

(Notes)

1. The variation in the Total Cost of Service between the 2017-18 Actual and the 2018-19 Budget and Estimated Actual primarily reflects costs in 2017-18 to meet an increase in the number of complaints and one-off costs associated with voluntary separations arising from the Office's continuous improvement program.

Asset Investment Program

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-19 \$'000	2018-19 Estimated Expenditure \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
COMPLETED WORKS							
Asset Replacement							
2017-18 Program.....	204	204	14	-	-	-	-
2018-19 Program.....	208	208	208	-	-	-	-
NEW WORKS							
Asset Replacement							
2019-20 Program.....	242	-	-	242	-	-	-
2020-21 Program.....	208	-	-	-	208	-	-
2021-22 Program.....	208	-	-	-	-	208	-
2022-23 Program.....	208	-	-	-	-	-	208
Total Cost of Asset Investment Program	1,278	412	222	242	208	208	208
FUNDED BY							
Drawdowns from the Holding Account			208	208	208	208	208
Internal Funds and Balances.....			14	34	-	-	-
Total Funding.....			222	242	208	208	208

Financial Statements

1. The implementation of new accounting standard AASB 16: *Leases* significantly impacts the Statement of Financial Position by bringing arrangements previously classified as operating leases on to the balance sheet. On the Income Statement, previous rental expenses for operating leases are removed and replaced with interest expense for the lease obligation and a depreciation cost for the right of use asset. Further information on AASB 16 and other new accounting standards impacting the Budget are detailed in a feature box in Budget Paper No. 3.

Income Statement

Expenses

2. The variation in the Total Cost of Services between the 2017-18 Actual and the 2018-19 Budget and Estimated Actual primarily reflects costs in 2017-18 to meet an increase in the number of complaints and one-off costs associated with voluntary separations arising from the Office's continuous improvement program. The increase in the Total Cost of Services and Net Cost of Services in the 2019-20 Budget Estimate compared to the 2018-19 Budget and Estimated Actual reflects one-off costs and staffing in 2019-20 for the new initiative to plan and develop a reportable conduct scheme.

Statement of Financial Position

3. The variation in non-current assets and liabilities between the 2019-20 Budget Estimate and the 2018-19 Budget and Estimated Actual relates to the implementation of AASB 16.

INCOME STATEMENT ^(a)
(Controlled)

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
COST OF SERVICES							
Expenses							
Employee benefits ^(b)	9,253	6,738	6,819	7,283	6,873	6,961	7,065
Supplies and services	1,051	1,213	1,213	1,989	1,844	1,844	1,866
Accommodation	1,153	1,542	1,542	45	45	45	45
Depreciation and amortisation	204	215	215	1,052	1,054	1,054	1,054
Finance and interest costs	-	-	-	104	76	47	19
Other expenses	270	277	277	258	256	254	253
TOTAL COST OF SERVICES	11,931	9,985	10,066	10,731	10,148	10,205	10,302
Income							
Other revenue	2,214	2,135	2,216	2,201	2,242	2,267	2,290
Total Income	2,214	2,135	2,216	2,201	2,242	2,267	2,290
NET COST OF SERVICES	9,717	7,850	7,850	8,530	7,906	7,938	8,012
INCOME FROM STATE GOVERNMENT							
Service appropriations	7,859	7,410	7,410	8,090	7,466	7,498	7,572
Resources received free of charge	452	440	440	440	440	440	440
TOTAL INCOME FROM STATE GOVERNMENT	8,311	7,850	7,850	8,530	7,906	7,938	8,012
SURPLUS/(DEFICIENCY) FOR THE PERIOD	(1,406)	-	-	-	-	-	-

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

(b) The full-time equivalents for 2017-18 Actual, 2018-19 Estimated Actual and 2019-20 Budget Estimate are 66, 67 and 70 respectively.

STATEMENT OF FINANCIAL POSITION ^(a)
(Controlled)

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
CURRENT ASSETS							
Cash assets.....	468	835	454	420	420	420	420
Restricted cash.....	2	3	2	2	2	2	2
Holding account receivables.....	208	208	208	208	208	208	208
Receivables.....	309	231	309	309	309	309	309
Other.....	96	95	96	96	96	96	96
Total current assets.....	1,083	1,372	1,069	1,035	1,035	1,035	1,035
NON-CURRENT ASSETS							
Holding account receivables.....	1,948	1,955	1,930	2,774	3,620	4,466	5,312
Property, plant and equipment.....	65	83	58	2,596	1,750	953	159
Intangibles.....	235	267	249	249	249	217	185
Restricted cash.....	64	72	84	104	124	144	164
Total non-current assets.....	2,312	2,377	2,321	5,723	5,743	5,780	5,820
TOTAL ASSETS	3,395	3,749	3,390	6,758	6,778	6,815	6,855
CURRENT LIABILITIES							
Employee provisions.....	1,565	1,520	1,585	1,605	1,625	1,645	1,665
Payables.....	263	187	263	263	263	263	263
Other.....	100	102	100	100	100	100	100
Total current liabilities.....	1,928	1,809	1,948	1,968	1,988	2,008	2,028
NON-CURRENT LIABILITIES							
Employee provisions.....	435	462	410	410	410	410	410
Borrowings and leases	-	-	-	2,565	1,753	929	78
Other.....	2	56	2	2	2	2	2
Total non-current liabilities.....	437	518	412	2,977	2,165	1,341	490
TOTAL LIABILITIES	2,365	2,327	2,360	4,945	4,153	3,349	2,518
EQUITY							
Contributed equity.....	1,206	1,206	1,206	1,989	2,801	3,642	4,513
Accumulated surplus/(deficit).....	(176)	216	(176)	(176)	(176)	(176)	(176)
Total equity	1,030	1,422	1,030	1,813	2,625	3,466	4,337
TOTAL LIABILITIES AND EQUITY	3,395	3,749	3,390	6,758	6,778	6,815	6,855

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

STATEMENT OF CASHFLOWS ^(a)
(Controlled)

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
CASHFLOWS FROM STATE GOVERNMENT							
Service appropriations	7,644	7,195	7,195	7,038	6,412	6,444	6,518
Capital appropriation	-	-	-	783	812	841	871
Holding account drawdowns	238	208	233	208	208	208	208
Net cash provided by State Government	7,882	7,403	7,428	8,029	7,432	7,493	7,597
CASHFLOWS FROM OPERATING ACTIVITIES							
Payments							
Employee benefits	(9,241)	(6,718)	(6,824)	(7,263)	(6,853)	(6,941)	(7,045)
Supplies and services	(562)	(1,072)	(1,107)	(1,254)	(1,109)	(1,109)	(1,131)
Accommodation	(1,150)	(1,163)	(1,163)	(45)	(45)	(45)	(45)
GST payments	(265)	(271)	(271)	(271)	(271)	(271)	(271)
Finance and interest costs	-	-	-	(104)	(76)	(47)	(19)
Other payments	(356)	(357)	(322)	(553)	(551)	(549)	(548)
Receipts ^(b)							
GST receipts	268	271	271	271	271	271	271
Other receipts	2,263	2,135	2,216	2,201	2,242	2,267	2,290
Net cash from operating activities	(9,043)	(7,175)	(7,200)	(7,018)	(6,392)	(6,424)	(6,498)
CASHFLOWS FROM INVESTING ACTIVITIES							
Purchase of non-current assets	(190)	(208)	(222)	(242)	(208)	(208)	(208)
Net cash from investing activities	(190)	(208)	(222)	(242)	(208)	(208)	(208)
CASHFLOWS FROM FINANCING ACTIVITIES							
Repayment of borrowings and leases	-	-	-	(783)	(812)	(841)	(871)
Net cash from financing activities	-	-	-	(783)	(812)	(841)	(871)
NET INCREASE/(DECREASE) IN CASH HELD	(1,351)	20	6	(14)	20	20	20
Cash assets at the beginning of the reporting period	1,884	890	534	540	526	546	566
Net cash transferred to/from other agencies	1	-	-	-	-	-	-
Cash assets at the end of the reporting period	534	910	540	526	546	566	586

(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 Office. 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)

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
GST Receipts							
GST Input Credits	55	142	73	73	73	73	73
GST Receipts on Sales	213	129	198	198	198	198	198
Other Receipts							
Other Receipts	2,263	2,135	2,216	2,201	2,242	2,267	2,290
TOTAL	2,531	2,406	2,487	2,472	2,513	2,538	2,561

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

Part 2

Government Administration

Introduction

The Government Administration portfolio works for the people of Western Australia and supports the Premier and Cabinet. It delivers the Government's objectives through management of Government policy, provision of strategic policy advice, coordination of cross-agency solutions, public sector leadership and promotion of an efficient and effective public sector.

The portfolio is contributing to the achievement of Our Priorities and associated targets by providing a coordinating role across Government.

Summary of Recurrent and Asset Investment Expenditure

Agency	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000
Premier and Cabinet		
– Total Cost of Services	152,068	157,590
– Asset Investment Program	5,851	357
Public Sector Commission		
– Total Cost of Services	27,108	26,275
– Asset Investment Program	104	117
Governor's Establishment		
– Total Cost of Services	5,691	6,140
– Asset Investment Program	5,216	116
Western Australian Electoral Commission		
– Total Cost of Services	9,707	13,542
– Asset Investment Program	267	267
Salaries and Allowances Tribunal		
– Total Cost of Services	1,033	1,036
– Asset Investment Program	-	-

Agency	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000
Commissioner for Equal Opportunity		
– Total Cost of Services	3,992	3,983
– Asset Investment Program	28	33
Commissioner for Children and Young People		
– Total Cost of Services	3,305	3,127
– Asset Investment Program	-	-
Office of the Information Commissioner		
– Total Cost of Services	2,369	2,417
– Asset Investment Program	-	31
WorkCover WA Authority		
– Asset Investment Program	778	761
Registrar, Western Australian Industrial Relations Commission		
– Total Cost of Services	12,084	12,596
– Asset Investment Program	160	160

Ministerial Responsibilities

Minister	Agency	Services
Premier; Minister for Public Sector Management; State Development, Jobs and Trade; Federal-State Relations	Premier and Cabinet	<ol style="list-style-type: none"> 1. Administration of Executive Government Services 2. Administration of Parliamentary Support 3. Government Policy Management - Whole-of-Government
Treasurer; Minister for Finance; Aboriginal Affairs; Lands	Premier and Cabinet	<ol style="list-style-type: none"> 4. Government Policy Management - Aboriginal Affairs
Minister for Water; Fisheries; Forestry; Innovation and ICT; Science	Premier and Cabinet	<ol style="list-style-type: none"> 5. Government Policy Management - Information and Communications Technology
Premier; Minister for Public Sector Management; State Development, Jobs and Trade; Federal-State Relations	Public Sector Commission	<ol style="list-style-type: none"> 1. Public Sector Leadership 2. Assistance and Support 3. Oversight and Reporting
	Governor's Establishment	<ol style="list-style-type: none"> 1. Effective Support to the Governor 2. Management of the Governor's Establishment
	Salaries and Allowances Tribunal	<ol style="list-style-type: none"> 1. Support Services to the Salaries and Allowances Tribunal
Minister for Environment; Disability Services; Electoral Affairs	Western Australian Electoral Commission	<ol style="list-style-type: none"> 1. Provision of Independent, Impartial and Efficient Electoral Services to Electors for Parliament and Other Electoral Clients
Attorney General; Minister for Commerce	Commissioner for Equal Opportunity	<ol style="list-style-type: none"> 1. Provision of Information and Advice Regarding Equal Opportunity and Human Rights 2. Avenue of Redress for Unlawful Discrimination and Unreasonable Treatment
	Commissioner for Children and Young People	<ol style="list-style-type: none"> 1. Consultation, Research and Promotion of the Wellbeing of Children and Young People
	Office of the Information Commissioner	<ol style="list-style-type: none"> 1. Resolution of Complaints 2. Advice and Awareness
Minister for Mines and Petroleum; Energy; Industrial Relations	WorkCover WA Authority	n/a
	Registrar, Western Australian Industrial Relations Commission	<ol style="list-style-type: none"> 1. Support to the Western Australian Industrial Relations Commission and Industrial Magistrates Court 2. Conciliation and Arbitration by the Western Australian Industrial Relations Commission

Division 3 Premier and Cabinet

Part 2 Government Administration

Appropriations, Expenses and Cash Assets

	2017-18 Actual ^(a) \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
DELIVERY OF SERVICES							
Item 5 Net amount appropriated to deliver services	135,892	126,732	128,789	142,489	141,785	141,281	140,096
Amount Authorised by Other Statutes							
- Salaries and Allowances Act 1975	2,065	2,065	2,065	2,065	2,065	2,071	2,075
Total appropriations provided to deliver services	137,957	128,797	130,854	144,554	143,850	143,352	142,171
ADMINISTERED TRANSACTIONS							
Amount provided for Administered Grants, Subsidies and Other Transfer Payments	-	5,839	5,839	-	-	-	-
CAPITAL							
Item 93 Capital Appropriation ^(b)	-	-	-	12,175	12,730	13,256	13,737
TOTAL APPROPRIATIONS	137,957	134,636	136,693	156,729	156,580	156,608	155,908
EXPENSES							
Total Cost of Services	155,421	149,456	152,068	157,590	189,192	152,429	150,948
Net Cost of Services ^(c)	146,323	139,289	142,113	154,837	187,139	150,376	148,895
CASH ASSETS ^(d)	79,680	65,075	69,238	67,123	31,386	30,957	30,957

(a) From 1 July 2018, the functions of the Office of the Government Chief Information Officer (statutory authority) were transferred to the Department. The 2017-18 Actual has been recast for comparative purposes.

(b) Additional capital appropriation is provided to fund lease repayments and is not reflected in the Asset Investment Program table.

(c) 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.

(d) 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 2018-19 Budget to Parliament on 10 May 2018, are outlined below:

	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
New Initiatives					
Australian of the Year Awards (Western Australian Component)	100	100	100	100	100
Drafting Services to Minor Party Members of the Legislative Council	-	200	200	-	-
Election Commitments					
Brockman House Community Centre	250	500	2,000	2,150	-
Fitzroy River Management Plan	-	258	258	-	-
Implementation Unit for the Our Priorities: Sharing Prosperity Program	-	1,360	1,371	1,382	1,393
Kalamunda Community Centre	3,000	-	-	-	-
Kimberley Region Economic Development Projects	350	1,301	670	400	100
Royal Commission (Child Sexual Abuse) - Independent Oversight Strategy ..	-	627	-	-	-
Yarloop Community Centre	1,000	-	-	-	-
Service Western Australia (ServiceWA) Pilot	-	866	-	-	-

	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
Ongoing Initiatives					
Continuation of the Office of Digital Government	-	8,220	9,174	8,589	8,688
Noongar Land Fund	-	2,800	-	-	-
Operating Costs	-	3,263	3,263	3,263	3,263
Resolution of Native Title in the South West of Western Australia	-	634	-	-	-
Telethon Donation Increase	-	500	500	500	500
Other					
Government Office Accommodation Reform Program	(1,190)	(1,169)	(1,139)	(1,106)	(1,106)
Indexation for Non-Salary Expenses	-	-	-	-	479
State Law Publisher Revenue Revision	(212)	(212)	(212)	(212)	(212)
Voluntary Targeted Separation Scheme	(496)	(501)	(506)	(511)	(511)

Significant Issues Impacting the Agency

1. The Office of Digital Government will continue to progress the Government's digital transformation agenda with particular focus on improving the capability of the public sector to prevent and respond to cyber threats and increasing public confidence in transacting with Government online. It will also drive a modern, connected public sector to improve service delivery.
2. The Department is delivering a number of significant infrastructure initiatives to help shape the State's liveable environment and contribute to jobs growth and a strong economy. These include finalising the establishment of Infrastructure WA and coordinating Western Australia's interactions with Commonwealth infrastructure agencies to ensure Western Australia gets its fair share of investment.
3. The Department has developed and launched a Market-led Proposals policy to provide appropriate policy and governance around the handling of unsolicited private sector proposals that may be of benefit to the State.
4. The Department is providing policy coordination support to the joined-up implementation of recommendations of the Royal Commission into the Institutional Responses to Child Sexual Abuse.
5. The Department is driving implementation and achievement of Our Priorities, Western Australia's whole-of-government targets program, which aims to tackle complex long-term issues facing Western Australia. There are 12 priorities with measureable targets across six areas: a strong economy; a bright future; a safer community; a liveable environment; Aboriginal wellbeing; and regional prosperity.
6. The Department contributes to creating jobs and strengthening the State's economy by supporting the Jobs and Economic Diversification Cabinet Sub-committee to drive implementation of the Government's policy agenda, including the Plan for Jobs.
7. The whole-of-government response, including statement of intent, to the recommendations of the Coronial Inquest into the 13 Deaths of Children and Young Persons in the Kimberley Region and the Learnings from the Message Stick Report is being prepared.
8. The Government is committed to delivering better social and economic outcomes for Aboriginal people and, to this end, the Department is continuing to progress Native Title Settlements with claimant groups in the Geraldton region to deliver an Indigenous Land Use Agreement this year. Additionally, the Government will be progressing social and economic development opportunities for Aboriginal people in the Kimberley region.
9. The Department continues to lead Western Australia's participation in the refresh of Closing the Gap.

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 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
Sustainable Finances: Responsible financial management and better service delivery.	Executive Government and Members of Parliament receive appropriate support.	1. Administration of Executive Government Services 2. Administration of Parliamentary Support
	The Premier and Ministers receive high quality, rigorous and timely policy advice.	3. Government Policy Management - Whole-of-Government 4. Government Policy Management - Aboriginal Affairs 5. Government Policy Management - Information and Communications Technology (ICT)

Service Summary

Expense	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
1. Administration of Executive Government Services.....	79,323	70,663	74,826	73,681	108,436	72,036	70,012
2. Administration of Parliamentary Support	39,644	40,172	39,406	38,412	38,936	38,761	39,023
3. Government Policy Management - Whole-of-Government	18,719	18,667	19,454	23,434	20,189	20,098	20,234
4. Government Policy Management - Aboriginal Affairs	10,993	12,566	11,434	11,787	11,537	11,485	11,562
5. Government Policy Management - ICT	6,742	7,388	6,948	10,276	10,094	10,049	10,117
Total Cost of Services.....	155,421	149,456	152,068	157,590	189,192	152,429	150,948

Outcomes and Key Effectiveness Indicators ^(a)

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Outcome: Executive Government and Members of Parliament receive appropriate support:					
Targets for support services are met or exceeded	96%	95%	96%	95%	
Service recipient's confirmation that services provided enable the obligations of Executive Government and Members of Parliament to be met.....	4	3	3	3	1
Outcome: The Premier and Ministers receive high quality, rigorous and timely policy advice:					
Service recipient's confirmation that high quality and timely policy advice is provided	3	3	3	3	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. This indicator reports the satisfaction levels of the Executive Government, Members of Parliament and their staff for corporate services delivered that enable them to meet their Parliamentary obligations. The Annual Expectations Survey is distributed to all stakeholders for completion, which consists of various questions relating to the timeliness and quality of a range of corporate services provided.
2. This indicator reports the satisfaction levels of the Premier, all Ministers and leaders of the Opposition parties for policy services delivered by the Department. The Annual Expectations Survey is distributed to all stakeholders for completion, which consists of various questions relating to the timeliness and quality of a range of policy services delivered by the Department.

Services and Key Efficiency Indicators

1. Administration of Executive Government Services

The Department provides a range of services including:

- administrative support to the Premier, Ministerial offices and to the Leader of the Opposition and Leader of the Second Opposition offices;
- support for the functions of Cabinet and Parliament;
- communication of Government policies and activities;
- support for the Executive Council;
- management of the State occasions and official visits program;
- a secure, confidential and time-critical printing and publishing service for Parliament and Government; and
- management of exhibitions and programs at the Constitutional Centre.

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 79,323	\$'000 70,663	\$'000 74,826	\$'000 73,681	1
Less Income	3,673	2,965	3,153	2,753	
Net Cost of Service	75,650	67,698	71,673	70,928	
Employees (Full-Time Equivalents)	303	299	299	294	
Efficiency Indicators ^(a)					
Average operating cost per Ministerial office (including Premier's Office and Leader of the Opposition)	\$3,028	\$2,905	\$2,774	\$2,776	
Average cost of support provided per Ministerial office (including Premier's Office and Leader of the Opposition)	\$540	\$483	\$465	\$487	

(a) Efficiency indicators exclude costs for the State Law Publisher, the Constitutional Centre and grant expenditure.

Explanation of Significant Movements

(Notes)

1. The decrease from the 2017-18 Actual to the 2018-19 Budget mainly reflects one-off spending in 2017-18 for the Yarloop Bushfire Clean-up and election commitments.

2. Administration of Parliamentary Support

The Department is responsible for the provision of administrative support to Members of Parliament.

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 39,644	\$'000 40,172	\$'000 39,406	\$'000 38,412	
Less Income	-	-	-	-	
Net Cost of Service	39,644	40,172	39,406	38,412	
Employees (Full-Time Equivalents)	244	242	242	238	
Efficiency Indicators					
Average cost of entitlements per Member of Parliament	\$403	\$411	\$402	\$387	1
Average cost of support per Member of Parliament	\$14	\$12	\$13	\$18	1

Explanation of Significant Movements

(Notes)

1. The change in the 2019-20 Budget Target reflects the realignment of Parliamentary policy support costs from Member entitlements to Member support.

3. Government Policy Management - Whole-of-Government

The Department provides strategic policy advice and coordination to the Premier and Cabinet including:

- leadership and coordination of cross-agency solutions to complex issues;
- managing and coordinating Government input into intergovernmental negotiations and advice on federal reform, treaties, defence and other matters raised through the Council of Australian Governments and the Council for the Australian Federation; and
- emergency management policy advice to the Premier, Ministers and Government agencies and whole-of-government management and coordination of significant security incidents and emergencies.

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 18,719	\$'000 18,667	\$'000 19,454	\$'000 23,434	1
Less Income	-	-	-	-	
Net Cost of Service	18,719	18,667	19,454	23,434	
Employees (Full-Time Equivalents)	77	78	78	91	
Efficiency Indicators					
Average cost to deliver policy advice per applicable full-time equivalent	\$243	\$239	\$249	\$258	

Explanation of Significant Movements

(Notes)

1. The increase in Total Cost of Service from the 2018-19 Budget to the 2019-20 Budget Target relates to increased funding for new and ongoing initiatives, Our Priorities, Royal Commission (Child Sexual Abuse) and Infrastructure WA.

4. Government Policy Management - Aboriginal Affairs

The Department provides strategic policy advice and coordination to the Minister for Aboriginal Affairs, including cross-portfolio advice on land, State and Commonwealth approvals and Indigenous issues.

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 10,993	\$'000 12,566	\$'000 11,434	\$'000 11,787	1
Less Income	-	-	-	-	
Net Cost of Service	10,993	12,566	11,434	11,787	
Employees (Full-Time Equivalents)	33	32	32	31	
Efficiency Indicators					
Average cost to deliver policy advice per applicable full-time equivalent	\$333	\$393	\$357	\$380	

Explanation of Significant Movements

(Notes)

1. The lower 2018-19 Estimated Actual compared to the 2018-19 Budget mainly reflects reduced legal fees.

5. Government Policy Management - ICT

The Department provides strategic policy advice and coordination to the Minister for Innovation and ICT.

	2017-18 Actual ^(a)	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 6,742	\$'000 7,388	\$'000 6,948	\$'000 10,276	1
Less Income	5,425	7,202	6,802	-	2
Net Cost of Service	1,317	186	146	10,276	
Employees (Full-Time Equivalents)	30	32	30	55	
Efficiency Indicators					
Average cost to deliver policy advice per applicable full-time equivalent	\$225	\$231	\$232	\$187	3

(a) From 1 July 2018, the functions of the Office of the Government Chief Information Officer (statutory authority) were transferred to the Department. The 2017-18 Actual has been recast for comparative purposes.

Explanation of Significant Movements

(Notes)

1. The increase in the Total Cost of Service for the 2019-20 Budget Target represents the Government's increased commitment towards the digital transformation of the Western Australian public sector.
2. The decrease in income for the 2019-20 Budget Target reflects the change in the funding arrangement for the Office of Digital Government, which is now funded via appropriation.
3. The decrease in the average cost to deliver policy advice for the 2019-20 Budget Target reflects the increase in FTEs and the revised staff structure to support agencies within the Western Australian public sector to achieve digital transformation.

Asset Investment Program

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-19 \$'000	2018-19 Estimated Expenditure \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
COMPLETED WORKS							
Asset Replacement/Upgrade							
Ministerial Air Charter	5,500	5,500	5,500	-	-	-	-
Computer Hardware and Software - 2018-19 Program	351	351	351	-	-	-	-
NEW WORKS							
Asset Replacement/Upgrade - Computer Hardware and Software							
2019-20 Program	357	-	-	357	-	-	-
2020-21 Program	81	-	-	-	81	-	-
2021-22 Program	81	-	-	-	-	81	-
2022-23 Program	81	-	-	-	-	-	81
Total Cost of Asset Investment Program	6,451	5,851	5,851	357	81	81	81
FUNDED BY							
Drawdowns from the Holding Account			351	357	81	81	81
Internal Funds and Balances.....			5,500	-	-	-	-
Total Funding.....			5,851	357	81	81	81

Financial Statements

1. The 2017-18 Actual data has been recast for comparability purposes due to the transfer of the functions of Office of the Government Chief Information Officer to the Department from 1 July 2018.
2. The implementation of new accounting standard AASB 16: *Leases* significantly impacts the Statement of Financial Position by bringing arrangements previously classified as operating leases on to the balance sheet. On the Income Statement, previous rental expenses for operating leases are removed and replaced with interest expense for the lease obligation and a depreciation cost for the right of use asset. Further information on AASB 16 and other new accounting standards impacting the Budget are detailed in a feature box in Budget Paper No. 3.

Income Statement

Expenses

3. The increase in Total Cost of Services in the 2020-21 Forward Estimate compared to the 2019-20 Budget Estimate largely reflects payments from the Browse LNG Trust account of \$30 million plus interest to establish the Economic Development Fund and Indigenous Housing Fund.
4. The reduction in employee benefits from the 2017-18 Actual to the 2018-19 Budget Estimate is mainly due to employee expenses related to voluntary severances paid in 2017-18.

Income

5. The decrease in grants and subsidies from the 2018-19 Budget to 2019-20 Forward Estimate is mainly due to discontinuation of grant funding from the ICT Renewal and Reform Fund special purpose account associated with the former Office of the Government Chief Information Officer.
6. The estimated deficit of \$36 million in the 2020-21 Forward Estimate is mainly due to the payments from the Browse LNG Trust account (\$30 million plus interest).

Statement of Financial Position

7. The decrease in current assets (restricted cash) from the 2020-21 Forward Estimate mainly represents the payments from the Browse LNG Trust account to establish the Economic Development Fund Trust and the Indigenous Housing Fund Trust.

Statement of Cashflows

8. The cash transferred to other agencies in the 2017-18 Actual represents cash balances transferred to the Department of Jobs, Tourism, Science and Innovation to reflect Machinery of Government changes.
9. The decrease in cash of \$36 million in 2020-21 Forward Estimate mainly reflects the payments from the Browse LNG Trust account (\$30 million plus interest).

INCOME STATEMENT ^(a)
(Controlled)

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
COST OF SERVICES							
Expenses							
Employee benefits ^(b)	91,825	82,968	89,464	92,249	91,815	92,099	93,101
Grants and subsidies ^(c)	8,925	6,820	12,588	11,429	44,985	8,870	6,420
Supplies and services	28,544	34,091	25,629	28,258	27,260	26,912	27,443
Accommodation	21,867	21,575	20,385	6,207	6,216	6,228	6,137
Depreciation and amortisation	2,145	1,084	1,084	15,392	15,159	15,024	15,024
Finance and interest costs	-	-	-	1,678	1,242	796	327
Other expenses	2,115	2,918	2,918	2,377	2,515	2,500	2,496
TOTAL COST OF SERVICES	155,421	149,456	152,068	157,590	189,192	152,429	150,948
Income							
Sale of goods and services	1,228	1,432	1,220	1,220	1,220	1,220	1,220
Grants and subsidies	5,959	7,712	7,712	510	510	510	510
Other revenue	1,911	1,023	1,023	1,023	323	323	323
Total Income	9,098	10,167	9,955	2,753	2,053	2,053	2,053
NET COST OF SERVICES	146,323	139,289	142,113	154,837	187,139	150,376	148,895
INCOME FROM STATE GOVERNMENT							
Service appropriations	137,957	128,797	130,854	144,554	143,850	143,352	142,171
Resources received free of charge	6,125	6,596	6,596	6,556	6,556	6,556	6,556
Royalties for Regions Fund: Regional Community Services Fund	68	408	68	1,612	996	468	168
TOTAL INCOME FROM STATE GOVERNMENT	144,150	135,801	137,518	152,722	151,402	150,376	148,895
SURPLUS/(DEFICIENCY) FOR THE PERIOD	(2,173)	(3,488)	(4,595)	(2,115)	(35,737)	-	-

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

(b) The full-time equivalents for 2017-18 Actual, 2018-19 Estimated Actual and 2019-20 Budget Estimate are 687, 681 and 709 respectively.

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

DETAILS OF CONTROLLED GRANTS AND SUBSIDIES

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
Aboriginal Policy Coordination Unit Grants	2,087	1,425	2,805	5,784	2,353	1,825	1,825
Browse LNG Precinct Regional Benefits Package (including Body Corporate Fees)	2,307	2,496	2,496	2,496	38,233	2,496	-
Community Grants	4,531	2,899	7,287	3,149	4,399	4,549	4,595
TOTAL	8,925	6,820	12,588	11,429	44,985	8,870	6,420

STATEMENT OF FINANCIAL POSITION ^(a)
(Controlled)

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
CURRENT ASSETS							
Cash assets.....	45,007	29,216	33,547	30,458	30,184	29,755	29,755
Restricted cash.....	-	35,037	35,037	35,737	-	-	-
Holding account receivables.....	5,870	3,574	5,519	5,162	5,081	5,000	5,063
Receivables.....	769	1,504	593	593	593	593	593
Other.....	718	210	718	718	718	718	718
Total current assets.....	52,364	69,541	75,414	72,668	36,576	36,066	36,129
NON-CURRENT ASSETS							
Holding account receivables.....	24,341	27,370	25,425	40,817	55,976	71,000	85,880
Property, plant and equipment.....	2,655	1,306	7,741	45,497	70,806	84,031	84,436
Intangibles.....	1,733	-	234	1,433	1,133	833	533
Restricted cash.....	34,673	822	654	928	1,202	1,202	1,202
Total non-current assets.....	63,402	29,498	34,054	88,675	129,117	157,066	172,051
TOTAL ASSETS.....	115,766	99,039	109,468	161,343	165,693	193,132	208,180
CURRENT LIABILITIES							
Employee provisions.....	14,093	13,780	13,616	13,616	13,616	13,616	13,616
Payables.....	1,773	1,471	1,647	1,647	1,647	1,647	1,647
Total current liabilities.....	15,866	15,251	15,263	15,263	15,263	15,263	15,263
NON-CURRENT LIABILITIES							
Employee provisions.....	3,052	2,179	2,837	2,837	2,837	2,837	2,837
Borrowings and leases.....	-	-	-	40,316	67,673	82,285	83,533
Total non-current liabilities.....	3,052	2,179	2,837	43,153	70,510	85,122	86,370
TOTAL LIABILITIES.....	18,918	17,430	18,100	58,416	85,773	100,385	101,633
EQUITY							
Contributed equity.....	36,638	35,502	35,033	48,707	61,437	74,264	88,064
Accumulated surplus/(deficit).....	60,046	46,129	55,451	53,336	17,599	17,599	17,599
Reserves.....	164	(22)	164	164	164	164	164
Other.....	-	-	720	720	720	720	720
Total equity.....	96,848	81,609	91,368	102,927	79,920	92,747	106,547
TOTAL LIABILITIES AND EQUITY.....	115,766	99,039	109,468	161,343	165,693	193,132	208,180

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

STATEMENT OF CASHFLOWS ^(a)
(Controlled)

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
CASHFLOWS FROM STATE GOVERNMENT							
Service appropriations	134,266	127,713	129,770	129,162	128,691	128,328	127,147
Capital appropriation	-	-	-	12,175	12,730	13,256	13,737
Holding account drawdowns	590	351	351	357	81	81	81
Royalties for Regions Fund:							
Regional Community Services Fund	68	408	68	1,612	996	468	168
Receipts paid into Consolidated Account	-	-	(185)	-	-	-	-
Net cash provided by State Government	134,924	128,472	130,004	143,306	142,498	142,133	141,133
CASHFLOWS FROM OPERATING ACTIVITIES							
Payments							
Employee benefits	(91,965)	(82,668)	(89,164)	(92,249)	(91,815)	(92,099)	(93,101)
Grants and subsidies	(9,041)	(6,820)	(12,588)	(11,429)	(44,985)	(8,870)	(6,420)
Supplies and services	(25,895)	(26,380)	(18,216)	(22,649)	(21,651)	(21,732)	(21,834)
Accommodation	(19,484)	(19,772)	(18,582)	(5,240)	(5,249)	(5,261)	(5,170)
GST payments	(5,850)	(8,725)	(8,725)	(8,661)	(8,661)	(8,661)	(8,661)
Finance and interest costs	-	-	-	(1,678)	(1,242)	(796)	(327)
Other payments	(1,960)	(3,216)	(2,918)	(2,377)	(2,515)	(2,500)	(2,496)
Receipts ^(b)							
Grants and subsidies	5,959	7,712	7,712	510	510	510	510
Sale of goods and services	1,210	1,412	1,200	1,200	1,200	1,200	1,200
GST receipts	6,326	8,725	8,725	8,661	8,661	8,661	8,661
Other receipts	1,957	1,023	1,023	1,023	323	323	323
Net cash from operating activities	(138,743)	(128,709)	(131,533)	(132,889)	(165,424)	(129,225)	(127,315)
CASHFLOWS FROM INVESTING ACTIVITIES							
Purchase of non-current assets	(3,355)	(351)	(5,851)	(357)	(81)	(81)	(81)
Net cash from investing activities	(3,355)	(351)	(5,851)	(357)	(81)	(81)	(81)
CASHFLOWS FROM FINANCING ACTIVITIES							
Repayment of borrowings and leases	-	-	-	(12,175)	(12,730)	(13,256)	(13,737)
Net cash from financing activities	-	-	-	(12,175)	(12,730)	(13,256)	(13,737)
NET INCREASE/(DECREASE) IN CASH HELD	(7,174)	(588)	(7,380)	(2,115)	(35,737)	(429)	-
Cash assets at the beginning of the reporting period	83,792	65,663	76,618	69,238	67,123	31,386	30,957
Net cash transferred to/from other agencies	3,062	-	-	-	-	-	-
Cash assets at the end of the reporting period	79,680	65,075	69,238	67,123	31,386	30,957	30,957

(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)

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
Grants and Subsidies							
Commonwealth Grants and Subsidies.....	544	510	510	510	510	510	510
Grants and Subsidies	5,415	7,202	7,202	-	-	-	-
Sale of Goods and Services							
State Law Publisher.....	1,210	1,412	1,200	1,200	1,200	1,200	1,200
GST Receipts							
GST Input Credits	6,157	8,396	8,396	8,332	8,332	8,332	8,332
GST Receipts on Sales	169	329	329	329	329	329	329
Other Receipts							
All Other Receipts.....	1,306	158	323	323	323	323	323
Interest - Browse LNG Precinct Project Interest Bearing Trust Account.....	651	865	700	700	-	-	-
TOTAL	15,452	18,872	18,660	11,394	10,694	10,694	10,694

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

DETAILS OF ADMINISTERED TRANSACTIONS

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
INCOME							
Other							
Administered Grants and Transfer Payments	-	5,839	5,839	-	-	-	-
TOTAL ADMINISTERED INCOME	-	5,839	5,839	-	-	-	-
EXPENSES							
Other							
ICT Renewal and Reform Fund	5,463	7,349	7,349	-	-	-	-
TOTAL ADMINISTERED EXPENSES	5,463	7,349	7,349	-	-	-	-

Agency Special Purpose Account Details**NATIVE TITLE HOLDER INCENTIVE FOR MINERAL EXPLORATION AND LAND ACCESS ACCOUNT**

Account Purpose: To hold funds for the provision of a financial incentive to Native Title holders who are prepared to endorse a Government Indigenous Land Use Agreement for the purpose of expediting procedures for the grant of exploration and prospecting licences and low impact activities in areas where Native Title rights are recognised.

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000
Opening Balance.....	7,417	7,426	7,426	7,434
Receipts:				
Appropriations	25	25	25	25
	7,442	7,451	7,451	7,459
Payments	16	25	17	25
CLOSING BALANCE.....	7,426	7,426	7,434	7,434

BROWSE LNG PRECINCT PROJECT AGREEMENT NATIVE TITLE BENEFICIARIES' INTEREST BEARING TRUST ACCOUNT

Account Purpose: Pursuant to clauses 7.2(c), 9.1(b) and 10.1(b) of the Browse LNG Precinct Project Agreement (the Agreement), the sum of \$30 million (being the State's contribution of \$10 million to the Economic Development Fund and \$20 million to the Indigenous Housing Fund) is to be held in an interest bearing trust account for and on behalf of the New Native Title Party or the Administrative Body, as the case may be, until the Corporate Trustee, referred to in clause 22 of the Agreement, establishes the Economic Development Fund Trust and the Indigenous Housing Fund Trust respectively as contemplated by the Agreement.

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000
Opening Balance	33,472	34,172	34,123	34,823
Receipts:				
Other	651	865	700	700
	34,123	35,037	34,823	35,523
CLOSING BALANCE.....	34,123	35,037	34,823	35,523

ESPERANCE NYUNGAR GOVERNMENT INDIGENOUS LAND USE AGREEMENT

Account Purpose: In accordance with clause 19.2 of the Esperance Nyungar Government Indigenous Land Use Agreement (the Agreement), moneys payable by the State to the Prescribed Body Corporate (PBC) under the Agreement will be held on trust for and on behalf of the Native Title Group in an interest bearing trust account held by the Department. The State shall pay to the PBC, by way of annual grant, the total sum of \$2.4 million over a period of three to five years. The payments will only be due and payable upon approval by the State of a budget submitted by the PBC.

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000
Opening Balance	1,017	478	479	46
Receipts:				
Other	5	-	-	-
	1,022	478	479	46
Payments	543	478	433	46
CLOSING BALANCE.....	479	-	46	-

ICT RENEWAL AND REFORM FUND

Account Purpose: To expedite the delivery of ICT reform across the Western Australian public sector in an efficient and cost-effective manner as approved by the Expenditure Review Committee and/or Cabinet.

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000
Opening Balance	6,826	1,510	1,363	-
Receipts:				
Appropriations	-	5,839	5,839	-
	6,826	7,349	7,202	-
Payments	5,463	7,349	7,202	-
CLOSING BALANCE.....	1,363	-	-	-

Division 4 **Public Sector Commission**

Part 2 **Government Administration**

Appropriations, Expenses and Cash Assets

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
DELIVERY OF SERVICES							
Item 6 Net amount appropriated to deliver services	24,272	23,632	23,466	24,368	23,397	23,543	23,706
Amount Authorised by Other Statutes							
- Salaries and Allowances Act 1975	791	791	791	791	791	793	795
Total appropriations provided to deliver services	25,063	24,423	24,257	25,159	24,188	24,336	24,501
CAPITAL							
Item 94 Capital Appropriation ^(a)	-	-	-	1,324	1,373	1,421	1,471
TOTAL APPROPRIATIONS	25,063	24,423	24,257	26,483	25,561	25,757	25,972
EXPENSES							
Total Cost of Services	24,952	26,454	27,108	26,275	26,074	26,104	26,269
Net Cost of Services ^(b)	24,670	25,922	26,513	25,875	25,674	25,704	25,869
CASH ASSETS ^(c)	11,050	9,464	10,090	10,667	10,474	10,509	10,509

(a) Additional capital appropriation is provided to fund lease repayments and is not reflected in the Asset Investment Program table.

(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 2018-19 Budget to Parliament on 10 May 2018, are outlined below:

	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
New Initiative					
Governance Review - North Metropolitan Health Service	208	-	-	-	-
Other					
Indexation for Non-Salary Expenses	-	-	-	-	63
Revised Salaries Cap	770	25	-	-	-
Revised Training Programs	(145)	(132)	(132)	(132)	(132)
Royalties for Regions - District Allowance	(13)	(13)	(13)	(13)	22
Streamlined Budget Process Incentive Funding	-	243	-	-	-
Transfer of Labour Relations Officers to the Department of Mines, Industry Regulation and Safety	(166)	-	-	-	-

Significant Issues Impacting the Agency

1. The Commission is committed to leading the strategic direction of capability and performance of the sector. The quality of services and outcomes delivered to our community is dependent on the capability of an organisation and its people. The Commission is developing and implementing sector-wide reform on talent management, leadership, agency capability and recruitment to create a high performing and collaborative public sector.
2. The Commission has a lead role, in collaboration with other agencies, to exemplify best practice for a diverse and inclusive workforce. The value of diversity needs to be elevated along with an increased understanding of the contribution it brings to high quality service delivery. The Commission is preparing a sector-wide workforce diversification strategy to enable agencies to develop tools and strategies to attract, develop and retain people from diverse backgrounds.
3. Fostering a culture of integrity, trust and accountability is a key deliverable for the Commission to ensure the sector is able to deliver its best work. This includes creating an environment where integrity is expected and valued. The Commission is developing, in collaboration with other agencies, a strategy that will articulate key actions for promoting integrity and reducing the incidence of misconduct.
4. The Commission needs to be well positioned to lead the sector and continues to implement the recommendations from the Independent Review of the Public Sector Commission. The Commission has introduced a new structure, re-established proper governance processes, improved internal and external communication, and increased support for Commission activities. With these foundations in place, the intent of the remaining recommendations for internal reform are being implemented through good governance and business practices.

Resource Agreement

The following performance information (financial and non-financial) is the subject of a Resource Agreement signed by the Premier, 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
Future Jobs and Skills: Grow and diversify the economy, create jobs and support skills development.	An efficient and effective public sector that operates with integrity.	<ol style="list-style-type: none"> 1. Public Sector Leadership 2. Assistance and Support 3. Oversight and Reporting

Service Summary

Expense	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
1. Public Sector Leadership.....	5,623	6,928	10,375	10,929	10,866	10,918	10,936
2. Assistance and Support.....	11,293	10,722	8,727	7,810	7,731	7,661	7,791
3. Oversight and Reporting.....	8,036	8,804	8,006	7,536	7,477	7,525	7,542
Total Cost of Services.....	24,952	26,454	27,108	26,275	26,074	26,104	26,269

Outcomes and Key Effectiveness Indicators ^(a)

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Outcome: An efficient and effective public sector that operates with integrity:					
The portion of core clients who indicate that the Commission has delivered policy, assistance and oversight that has helped them to enhance integrity within their organisations ^(b)	86%	75%	75%	86%	1
The portion of core clients who indicate that the Commission has delivered policy, assistance and oversight that has helped them to enhance the effectiveness and efficiency of their organisations ^(b)	71%	75%	75%	75%	
The portion of core clients who indicate that the Commission has delivered policy, assistance and oversight that has helped them to enhance diversity and inclusion within their organisations ^(b)	53%	75%	75%	75%	2

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

(b) The 2018-19 survey results are yet to be finalised. As a result, the 2018-19 Estimated Actual is forecast to equal the 2018-19 Budget.

Explanation of Significant Movements

(Notes)

1. The 2019-20 Budget Target has been set higher than the 2018-19 Estimated Actual as a result of strong actual survey results being received in the 2017-18 year. The Commission continues to strive for strong results in 2019-20.
2. The variance between the 2017-18 Actual and the 2018-19 Budget reflects the views of the Commission's new core clients including local government, public universities and Government Trading Enterprises. The lower result for the 2017-18 Actual is attributed to clients having established practices and policies in place, or due to them obtaining information from other sources.

Services and Key Efficiency Indicators

1. Public Sector Leadership

This service develops and supports current and future leaders and builds the capacity of the public sector workforce through the delivery of leadership and workforce development products, programs and training.

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 5,623	\$'000 6,928	\$'000 10,375	\$'000 10,929	1
Less Income	215	503	361	374	
Net Cost of Service	5,408	6,425	10,014	10,555	
Employees (Full-Time Equivalents)	23	27	31	43	1
Efficiency Indicators					
Average cost per leadership development product, program or training hour	\$93	\$140	\$169	\$123	2
Average cost per workforce development program, product or training hour	\$134	\$132	\$183	\$140	2

Explanation of Significant Movements

(Notes)

1. The variance between the 2018-19 Budget and the 2018-19 Estimated Actual is primarily due to a realignment of resources between services to enable a greater focus on diversity, culture and talent initiatives.
2. The 2019-20 Budget Target for both efficiency indicators is lower than the 2018-19 Estimated Actual. This is largely due to an increase in the number of hours budgeted to support diversity, culture and talent development programs in 2019-20.

2. Assistance and Support

This service provides advice, assistance and support to public sector bodies and employees on a range of administration, management, integrity and governance matters.

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 11,293	\$'000 10,722	\$'000 8,727	\$'000 7,810	1
Less Income	40	17	13	13	
Net Cost of Service	11,253	10,705	8,714	7,797	
Employees (Full-Time Equivalents)	38	50	40	37	2
Efficiency Indicators					
Average cost per hour of assistance and support provided	\$99	\$117	\$108	\$112	1
Average cost per public administration, standards and integrity program, product or training hour	\$87	\$89	\$112	\$139	2

Explanation of Significant Movements

(Notes)

1. The variance between the 2018-19 Budget and the 2019-20 Budget Target is mainly due to the reallocation of resources between services based on actual activity.
2. The variance between the 2018-19 Budget, 2018-19 Estimated Actual and 2019-20 Budget Target is primarily due to a realignment of resources between services to provide a greater focus on diversity, culture and talent priorities.

3. Oversight and Reporting

This service progresses changes to legislation and develops policies to improve public administration and management and provides independent oversight to monitor and report to Parliament and Ministers on compliance with the *Public Sector Management Act 1994*, the *Corruption, Crime and Misconduct Act 2003*, the *Public Interest Disclosure Act 2003* and Part IX of the *Equal Opportunity Act 1984*.

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 8,036	\$'000 8,804	\$'000 8,006	\$'000 7,536	1
Less Income	27	12	221	13	
Net Cost of Service	8,009	8,792	7,785	7,523	
Employees (Full-Time Equivalents)	48	54	45	40	2
Efficiency Indicators					
Average cost per hour addressing legislative and policy development	\$85	\$69	\$113	\$105	3
Average cost per hour of performance and oversight activity	\$89	\$95	\$95	\$103	
Percentage of oversight actions completed within target timeframes	86%	85%	90%	85%	4

Explanation of Significant Movements

(Notes)

1. The 2018-19 Estimated Actual income is greater than the 2018-19 Budget and the 2019-20 Budget Target due to the one-off income received from the Department of Health to fund the governance review of the North Metropolitan Health Service.
2. The variance between the 2018-19 Budget and the 2019-20 Budget Target is mainly due to the reallocation of resources between services based on actual activity.
3. The 2018-19 Estimated Actual is greater than the 2018-19 Budget due to a lower than forecast number of hours spent undertaking this service.
4. The 2018-19 Estimated Actual exceeds the 2018-19 Budget due to ongoing process improvements. The 2019-20 Budget Target is lower than the 2018-19 Estimated Actual due to the volume of other activities undertaken by the Commission that can impact completion timeframes.

Asset Investment Program

1. The Commission's Asset Investment Program in 2019-20 remains focused on the ongoing replacement of computing equipment to ensure effective delivery of services.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-19 \$'000	2018-19 Estimated Expenditure \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
COMPLETED WORKS							
Replacement of Computing Equipment - 2018-19 Program	104	104	104	-	-	-	-
NEW WORKS							
Replacement of Computing Equipment							
2019-20 Program.....	117	-	-	117	-	-	-
2020-21 Program.....	90	-	-	-	90	-	-
2021-22 Program.....	100	-	-	-	-	100	-
2022-23 Program.....	109	-	-	-	-	-	109
Total Cost of Asset Investment Program	520	104	104	117	90	100	109
FUNDED BY							
Drawdowns from the Holding Account			104	117	90	100	109
Total Funding.....			104	117	90	100	109

Financial Statements

1. The implementation of new accounting standard AASB 16: *Leases* significantly impacts the Statement of Financial Position by bringing arrangements previously classified as operating leases on to the balance sheet. On the Income Statement, previous rental expenses for operating leases are removed and replaced with interest expense for the lease obligation and a depreciation cost for the right of use asset. Further information on AASB 16 and other new accounting standards impacting the Budget are detailed in a feature box in Budget Paper No. 3.

INCOME STATEMENT ^(a)
(Controlled)

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
COST OF SERVICES							
Expenses							
Employee benefits ^(b)	18,330	17,961	18,544	18,089	18,198	18,396	18,549
Grants and subsidies ^(c)	1,042	591	591	591	591	591	591
Supplies and services	2,754	4,443	4,658	4,465	4,215	4,097	4,160
Accommodation	2,505	3,063	3,073	1,381	1,381	1,381	1,381
Depreciation and amortisation	46	169	69	1,467	1,452	1,451	1,451
Finance and interest costs	-	-	-	176	131	82	31
Other expenses	275	227	173	106	106	106	106
TOTAL COST OF SERVICES	24,952	26,454	27,108	26,275	26,074	26,104	26,269
Income							
Sale of goods and services	96	424	279	292	292	292	292
Other revenue	186	108	316	108	108	108	108
Total Income	282	532	595	400	400	400	400
NET COST OF SERVICES	24,670	25,922	26,513	25,875	25,674	25,704	25,869
INCOME FROM STATE GOVERNMENT							
Service appropriations	25,063	24,423	24,257	25,159	24,188	24,336	24,501
Resources received free of charge	1,053	1,346	1,346	1,346	1,346	1,346	1,346
Royalties for Regions Fund: Regional Community Services Fund	22	35	22	22	22	22	22
TOTAL INCOME FROM STATE GOVERNMENT	26,138	25,804	25,625	26,527	25,556	25,704	25,869
SURPLUS/(DEFICIENCY) FOR THE PERIOD	1,468	(118)	(888)	652	(118)	-	-

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

(b) The full-time equivalents for 2017-18 Actual, 2018-19 Estimated Actual and 2019-20 Budget Estimate are 109, 116 and 120 respectively.

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

DETAILS OF CONTROLLED GRANTS AND SUBSIDIES

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
Certificate IV in Government (Investigations) ^(a)	154	-	-	-	-	-	-
Department of the Premier and Cabinet ^(a)	300	-	-	-	-	-	-
Public Sector Programs	34	78	78	78	78	78	78
Western Australian Leadership Program	554	513	513	513	513	513	513
TOTAL	1,042	591	591	591	591	591	591

(a) The increase in 2017-18 Actual mainly relates to the unexpected payments to the Department of the Premier and Cabinet associated with the public sector reform initiatives and expenditure relating to Certificate IV in Government (Investigations).

STATEMENT OF FINANCIAL POSITION ^(a)
(Controlled)

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
CURRENT ASSETS							
Cash assets.....	10,927	9,261	9,896	10,400	10,133	10,168	10,168
Holding account receivables.....	104	104	104	117	90	100	109
Receivables.....	203	642	202	401	501	466	466
Other.....	590	567	590	590	590	590	590
Total current assets.....	11,824	10,574	10,792	11,508	11,314	11,324	11,333
NON-CURRENT ASSETS							
Holding account receivables.....	6,879	6,944	6,844	8,181	9,570	10,883	12,188
Property, plant and equipment.....	106	99	142	4,446	3,160	1,851	567
Restricted cash.....	123	203	194	267	341	341	341
Other.....	-	58	-	-	-	-	-
Total non-current assets.....	7,108	7,304	7,180	12,894	13,071	13,075	13,096
TOTAL ASSETS	18,932	17,878	17,972	24,402	24,385	24,399	24,429
CURRENT LIABILITIES							
Employee provisions.....	4,207	4,591	4,209	4,350	4,424	4,424	4,424
Payables.....	910	1,045	836	823	802	802	802
Other.....	168	50	168	168	168	168	168
Total current liabilities.....	5,285	5,686	5,213	5,341	5,394	5,394	5,394
NON-CURRENT LIABILITIES							
Employee provisions.....	528	736	528	528	528	528	528
Borrowings and leases	-	-	-	4,326	3,001	1,594	153
Other.....	3	4	3	3	3	3	3
Total non-current liabilities.....	531	740	531	4,857	3,532	2,125	684
TOTAL LIABILITIES	5,816	6,426	5,744	10,198	8,926	7,519	6,078
EQUITY							
Accumulated surplus/(deficit).....	13,116	11,452	12,228	14,204	15,459	16,880	18,351
Total equity	13,116	11,452	12,228	14,204	15,459	16,880	18,351
TOTAL LIABILITIES AND EQUITY	18,932	17,878	17,972	24,402	24,385	24,399	24,429

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

STATEMENT OF CASHFLOWS ^(a)
(Controlled)

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
CASHFLOWS FROM STATE GOVERNMENT							
Service appropriations	24,882	24,254	24,188	23,692	22,736	22,913	23,078
Capital appropriation	-	-	-	1,324	1,373	1,421	1,471
Holding account drawdowns	226	104	104	117	90	100	109
Royalties for Regions Fund:							
Regional Community Services Fund	22	35	22	22	22	22	22
Receipts paid into Consolidated Account	(2,931)	-	-	-	-	-	-
Net cash provided by State Government	22,199	24,393	24,314	25,155	24,221	24,456	24,680
CASHFLOWS FROM OPERATING ACTIVITIES							
Payments							
Employee benefits	(19,280)	(17,957)	(18,540)	(17,946)	(17,981)	(18,396)	(18,549)
Grants and subsidies	(609)	(591)	(591)	(591)	(591)	(591)	(591)
Supplies and services	(1,925)	(3,474)	(3,689)	(3,637)	(3,461)	(3,044)	(3,142)
Accommodation	(2,505)	(2,762)	(2,772)	(1,081)	(1,081)	(1,081)	(1,081)
GST payments	(503)	(502)	(502)	(502)	(502)	(502)	(502)
Finance and interest costs	-	-	-	(176)	(131)	(82)	(31)
Other payments	(400)	(227)	(173)	(106)	(106)	(106)	(106)
Receipts ^(b)							
Sale of goods and services	93	424	279	292	292	292	292
GST receipts	468	502	502	502	502	502	502
Other receipts	749	108	316	108	108	108	108
Net cash from operating activities	(23,912)	(24,479)	(25,170)	(23,137)	(22,951)	(22,900)	(23,100)
CASHFLOWS FROM INVESTING ACTIVITIES							
Purchase of non-current assets	(9)	(104)	(104)	(117)	(90)	(100)	(109)
Net cash from investing activities	(9)	(104)	(104)	(117)	(90)	(100)	(109)
CASHFLOWS FROM FINANCING ACTIVITIES							
Repayment of borrowings and leases	-	-	-	(1,324)	(1,373)	(1,421)	(1,471)
Net cash from financing activities	-	-	-	(1,324)	(1,373)	(1,421)	(1,471)
NET INCREASE/(DECREASE) IN CASH HELD	(1,722)	(190)	(960)	577	(193)	35	-
Cash assets at the beginning of the reporting period	12,772	9,654	11,050	10,090	10,667	10,474	10,509
Cash assets at the end of the reporting period	11,050	9,464	10,090	10,667	10,474	10,509	10,509

(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 Commission. 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)

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
Sale of Goods and Services							
Receipt - Sales of Goods and Services ^(b)	93	424	279	292	292	292	292
GST Receipts							
GST Input Credits	451	415	415	415	415	415	415
GST Receipts on Sales	17	87	87	87	87	87	87
Other Receipts							
Other Receipts ^(c)	749	108	316	108	108	108	108
TOTAL	1,310	1,034	1,097	902	902	902	902

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

(b) The decrease in receipt - sales of goods and services from the 2019-20 Budget Estimate and across the forward estimates period is mainly due to a reduction in the delivery of Public Sector Leadership programs.

(c) The increase in other receipts in the 2018-19 Estimated Actual relates to the receipt from the Department of Health for the cost of the governance review of the North Metropolitan Health Service.

Division 5

Governor's Establishment

Part 2

Government Administration

Appropriations, Expenses and Cash Assets

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
DELIVERY OF SERVICES							
Item 7 Net amount appropriated to deliver services	1,457	1,430	1,430	1,594	1,592	1,593	1,595
Amount Authorised by Other Statutes							
- Governor's Establishment Act 1992	3,283	3,456	3,556	3,865	3,946	4,017	3,883
- Salaries and Allowances Act 1975	616	575	575	575	575	579	583
Total appropriations provided to deliver services	5,356	5,461	5,561	6,034	6,113	6,189	6,061
CAPITAL							
Item 95 Capital Appropriation	4,000	1,900	1,900	15	17	18	18
TOTAL APPROPRIATIONS	9,356	7,361	7,461	6,049	6,130	6,207	6,079
EXPENSES							
Total Cost of Services	5,459	5,567	5,691	6,140	6,219	6,295	6,167
Net Cost of Services ^(a)	5,335	5,440	5,564	6,013	6,092	6,168	6,040
CASH ASSETS ^(b)	3,555	449	247	192	122	173	202

(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 2018-19 Budget to Parliament on 10 May 2018, are outlined below:

	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
Other					
Additional Resources to Support the New Governor in the Expanded Role of Advocacy and Representation	100	340	364	378	189
Conference Attendance	24	-	-	-	-
Indexation for Non-Salary Expenses	-	-	-	-	2

Significant Issues Impacting the Agency

1. Governor Beazley is committed to advocating for Western Australia's strategic interests and capabilities during his term. In addition to the constitutional and conventional responsibilities of the Governor, including support to community organisations, Governor Beazley has expanded the role to include a focus on State advocacy and other activities that advance the State's future. The Governor seeks to create opportunities to increase the use of Government House, the Ballroom and the Grounds as a facility to enhance this capacity.
2. The Establishment is committed to the preservation, appropriate use and presentation of the heritage listed Government Domain, including Government House, the Ballroom and the Grounds.
3. The full-time management of the Government House Ballroom will continue in order to operate as a facility to support the Office of the Governor and the Government, and also to provide a venue for a range of public community and corporate events.

Outcomes, Services and Key Performance Information

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

Service Summary

Expense	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
1. Effective Support to the Governor	1,584	1,616	1,723	2,024	2,064	2,095	1,867
2. Management of the Governor's Establishment.....	3,875	3,951	3,968	4,116	4,155	4,200	4,300
Total Cost of Services.....	5,459	5,567	5,691	6,140	6,219	6,295	6,167

Services and Key Efficiency Indicators

1. Effective Support to the Governor

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

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 1,584	\$'000 1,616	\$'000 1,723	\$'000 2,024	1
Less Income	-	-	-	-	
Net Cost of Service	1,584	1,616	1,723	2,024	
Employees (Full-Time Equivalents)	7	7	9	9	

Explanation of Significant Movements

(Notes)

1. The increase in the 2018-19 Estimated Actual and the 2019-20 Budget Target is attributable to additional staff employed to support the new Governor's expanded advocacy and representational roles.

2. Management of the Governor's Establishment

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

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 3,875	\$'000 3,951	\$'000 3,968	\$'000 4,116	
Less Income	124	127	127	127	
Net Cost of Service	3,751	3,824	3,841	3,989	
Employees (Full-Time Equivalents)	24	24	25	25	

Asset Investment Program

- Government House underwent significant upgrades during 2018-19. These refurbishments will ensure longevity that will support an appropriate standard of representational use to further State advocacy opportunities. The Establishment also completed the repair and restoration of the Government House roof to its original state and the replacement of the air conditioning systems at the Government House.
- In 2019-20, the Establishment continues with its programmed maintenance plan.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-19 \$'000	2018-19 Estimated Expenditure \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
WORKS IN PROGRESS							
Government House Restoration and Refurbishment - Maintenance Program	753	521	116	116	116	-	-
COMPLETED WORKS							
Government House Restoration and Refurbishment							
Air conditioning Replacement	2,843	2,843	2,152	-	-	-	-
Refurbishment Vice-Regal Suites, Grounds and Associated Areas	656	656	656	-	-	-	-
Representational Guest Rooms Refurbishment	220	220	220	-	-	-	-
Roof Repair and Replacement	2,157	2,157	2,072	-	-	-	-
Total Cost of Asset Investment Program	6,629	6,397	5,216	116	116	-	-
FUNDED BY							
Capital Appropriation			1,900	-	-	-	-
Internal Funds and Balances			3,316	116	116	-	-
Total Funding			5,216	116	116	-	-

Financial Statements

1. The implementation of new accounting standard AASB 16: *Leases* significantly impacts the Statement of Financial Position by bringing arrangements previously classified as operating leases on to the balance sheet. On the Income Statement, previous rental expenses for operating leases are removed and replaced with interest expense for the lease obligation and a depreciation cost for the right of use asset. Further information on AASB 16 and other new accounting standards impacting the Budget are detailed in a feature box in Budget Paper No. 3.

INCOME STATEMENT ^(a) (Controlled)

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
COST OF SERVICES							
Expenses							
Employee benefits ^(b)	3,999	3,956	4,080	4,363	4,439	4,512	4,382
Supplies and services	686	588	588	589	589	589	589
Accommodation	306	425	425	428	426	426	428
Depreciation and amortisation	454	405	405	575	577	579	579
Finance and interest costs	-	-	-	4	3	2	2
Other expenses	14	193	193	181	185	187	187
TOTAL COST OF SERVICES	5,459	5,567	5,691	6,140	6,219	6,295	6,167
Income							
Sale of goods and services	101	127	127	127	127	127	127
Other revenue	23	-	-	-	-	-	-
Total Income	124	127	127	127	127	127	127
NET COST OF SERVICES	5,335	5,440	5,564	6,013	6,092	6,168	6,040
INCOME FROM STATE GOVERNMENT							
Service appropriations	5,356	5,461	5,561	6,034	6,113	6,189	6,061
Resources received free of charge	4	30	30	30	30	30	30
TOTAL INCOME FROM STATE GOVERNMENT	5,360	5,491	5,591	6,064	6,143	6,219	6,091
SURPLUS/(DEFICIENCY) FOR THE PERIOD	25	51	27	51	51	51	51

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

(b) The full-time equivalents for 2017-18 Actual, 2018-19 Estimated Actual and 2019-20 Budget Estimate are 31, 34 and 34 respectively.

STATEMENT OF FINANCIAL POSITION ^(a)
(Controlled)

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
CURRENT ASSETS							
Cash assets.....	384	434	202	117	32	63	92
Restricted cash.....	3,157	-	15	15	15	15	15
Receivables.....	56	47	56	56	56	56	56
Other.....	21	22	21	21	21	21	21
Total current assets.....	3,618	503	294	209	124	155	184
NON-CURRENT ASSETS							
Holding account receivables.....	2,319	2,724	2,724	3,299	3,876	4,455	5,034
Property, plant and equipment.....	31,514	37,509	36,325	35,930	35,469	34,908	34,361
Intangibles.....	33	-	33	33	33	33	33
Restricted cash.....	14	15	30	60	75	95	95
Total non-current assets.....	33,880	40,248	39,112	39,322	39,453	39,491	39,523
TOTAL ASSETS	37,498	40,751	39,406	39,531	39,577	39,646	39,707
CURRENT LIABILITIES							
Employee provisions.....	469	454	450	460	455	455	428
Payables.....	41	-	41	41	41	41	46
Other.....	22	38	22	22	22	22	22
Total current liabilities.....	532	492	513	523	518	518	496
NON-CURRENT LIABILITIES							
Employee provisions.....	71	71	71	71	71	71	71
Borrowings and leases	-	-	-	49	32	32	46
Total non-current liabilities.....	71	71	71	120	103	103	117
TOTAL LIABILITIES	603	563	584	643	621	621	613
EQUITY							
Contributed equity.....	7,635	9,535	9,535	9,550	9,567	9,585	9,603
Accumulated surplus/(deficit).....	2,772	2,887	2,799	2,850	2,901	2,952	3,003
Reserves	26,488	27,766	26,488	26,488	26,488	26,488	26,488
Total equity	36,895	40,188	38,822	38,888	38,956	39,025	39,094
TOTAL LIABILITIES AND EQUITY	37,498	40,751	39,406	39,531	39,577	39,646	39,707

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

STATEMENT OF CASHFLOWS ^(a)
(Controlled)

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
CASHFLOWS FROM STATE GOVERNMENT							
Service appropriations	4,926	5,056	5,156	5,459	5,536	5,610	5,482
Capital appropriation.....	4,000	1,900	1,900	15	17	18	18
Net cash provided by State Government	8,926	6,956	7,056	5,474	5,553	5,628	5,500
CASHFLOWS FROM OPERATING ACTIVITIES							
Payments							
Employee benefits	(3,961)	(3,960)	(4,104)	(4,358)	(4,449)	(4,517)	(4,409)
Supplies and services	(447)	(553)	(553)	(554)	(554)	(554)	(554)
Accommodation	(281)	(425)	(425)	(428)	(426)	(426)	(428)
GST payments	(211)	(63)	(63)	(63)	(63)	(63)	(63)
Finance and interest costs	-	-	-	(4)	(3)	(2)	(2)
Other payments	(284)	(193)	(193)	(181)	(185)	(187)	(187)
Receipts ^(b)							
Sale of goods and services	131	127	127	127	127	127	127
GST receipts	172	63	63	63	63	63	63
Other receipts	37	-	-	-	-	-	-
Net cash from operating activities	(4,844)	(5,004)	(5,148)	(5,398)	(5,490)	(5,559)	(5,453)
CASHFLOWS FROM INVESTING ACTIVITIES							
Purchase of non-current assets	(1,167)	(2,016)	(5,216)	(116)	(116)	-	-
Net cash from investing activities	(1,167)	(2,016)	(5,216)	(116)	(116)	-	-
CASHFLOWS FROM FINANCING ACTIVITIES							
Repayment of borrowings and leases	-	-	-	(15)	(17)	(18)	(18)
Net cash from financing activities	-	-	-	(15)	(17)	(18)	(18)
NET INCREASE/(DECREASE) IN CASH HELD	2,915	(64)	(3,308)	(55)	(70)	51	29
Cash assets at the beginning of the reporting period	640	513	3,555	247	192	122	173
Cash assets at the end of the reporting period	3,555	449	247	192	122	173	202

(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 Establishment. 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)

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
Sale of Goods and Services							
Sale of Goods and Services	131	127	127	127	127	127	127
GST Receipts							
GST Input Credits	162	61	61	61	61	61	61
GST Receipts on Sales	10	2	2	2	2	2	2
Other Receipts							
Other Receipts	37	-	-	-	-	-	-
TOTAL	340	190	190	190	190	190	190

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

Appropriations, Expenses and Cash Assets

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
DELIVERY OF SERVICES							
Item 8 Net amount appropriated to deliver services	7,320	6,470	6,374	7,357	25,458	7,035	7,089
Amount Authorised by Other Statutes							
- Electoral Act 1907	-	800	876	1,600	4,498	-	800
- Industrial Relations Act 1979	116	116	116	116	116	116	116
- Salaries and Allowances Act 1975	429	429	486	486	486	488	490
Total appropriations provided to deliver services	7,865	7,815	7,852	9,559	30,558	7,639	8,495
CAPITAL							
Item 96 Capital Appropriation ^(a)	-	-	-	1,326	1,450	1,518	1,620
TOTAL APPROPRIATIONS	7,865	7,815	7,852	10,885	32,008	9,157	10,115
EXPENSES							
Total Cost of Services	14,021	9,343	9,707	13,542	31,796	12,277	9,733
Net Cost of Services ^(b)	8,053	8,888	9,252	7,922	31,692	6,573	9,629
CASH ASSETS ^(c)	2,121	607	707	2,378	1,278	2,378	1,278

(a) Additional capital appropriation is provided to fund lease repayments and is not reflected in the Asset Investment Program table.

(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 2018-19 Budget to Parliament on 10 May 2018, are outlined below:

	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
New Initiative					
Election Commitment - Disclosure of Political Donations ^(a)	125	250	250	250	250
Other					
Darling Range By-Election Reimbursement	260	-	-	-	-
Indexation for Non-Salary Expenses	-	-	-	-	33
Streamlined Budget Process Incentive Funding	-	73	-	-	-
Voluntary Targeted Separation Scheme	(164)	(165)	(168)	(170)	(170)

(a) Subject to the passage of legislation.

Significant Issues Impacting the Agency

1. The Commission will continue to support the Office of the Electoral Distribution Commissioner in its final phase of the electoral distribution of boundaries.
2. The Commission will also conduct Local Government Elections on 17 October 2019.

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 service 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	Service
Sustainable Finances: Responsible financial management and better service delivery.	Western Australian electors participate in independent and impartial elections or referenda conducted by the Commission as part of democratic processes.	1. Provision of Independent, Impartial and Efficient Electoral Services to Electors for Parliament and other Electoral Clients

Service Summary

Expense	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
1. Provision of Independent, Impartial and Efficient Electoral Services to Electors for Parliament and other Electoral Clients	14,021	9,343	9,707	13,542	31,796	12,277	9,733
Total Cost of Services.....	14,021	9,343	9,707	13,542	31,796	12,277	9,733

Outcomes and Key Effectiveness Indicators ^(a)

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Outcome: Western Australian electors participate in independent and impartial elections or referenda conducted by the Commission as part of democratic processes:					
The number of relevant breaches of 'Declaration by Officer' (Forms 1) upheld by a Court of Disputed Returns ^(b)	1	nil	nil	nil	
Percentage of eligible Western Australian electors on the State Electoral Roll	95.3%	95.4%	96%	96%	
Percentage of enrolled electors voting in State General Elections (or by-elections) or referenda ^(c)	72.9%	n/a	n/a	n/a	
Average percentage of enrolled electors voting in local government ordinary (or extraordinary) postal elections or referenda conducted by the Commission	34.3%	n/a	29.5%	36.2%	1

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

(b) The number of relevant breaches of 'Declaration by Officer' form is an indicator which reflects the Commission's objective of conducting independent elections.

(c) There is no planned State General Election, by-elections or referenda in 2019-20. The next State General Election will be held in March 2021.

Explanation of Significant Movements

(Notes)

- The 2018-19 Estimated Actual of 29.5% relates to enrolled electors who voted in an extraordinary election only, with 40,299 enrolled electors and 11,887 voters. The 2019-20 Budget Target of 36.2% relates to both the biennial Local Government Elections and extraordinary elections, with an estimated 1,645,000 enrolled electors and 595,750 voters.

Services and Key Efficiency Indicators

1. Provision of Independent, Impartial and Efficient Electoral Services to Electors for Parliament and other Electoral Clients

Provision of an impartial, independent and efficient electoral service to Parliamentary and non-Parliamentary electoral customers.

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 14,021	\$'000 9,343	\$'000 9,707	\$'000 13,542	1
Less Income	5,968	455	455	5,620	2
Net Cost of Service	8,053	8,888	9,252	7,922	
Employees (Full-Time Equivalents)	41	44	44	44	
Efficiency Indicators					
Average cost per elector of providing electoral services (enrolment and election management)	\$4.66	\$4.49	\$4.53	\$4.47	
Average cost per elector of conducting State General Elections (or by-elections) or referenda events ^(a)	\$7.71	n/a	n/a	n/a	
Average cost per elector of conducting local government ordinary (or extraordinary) elections conducted by the Commission.....	\$2.99	n/a	\$2.88	\$3.48	3

(a) There is no planned State General Election, by-elections or referenda in 2019-20. The next State General Election will be held in March 2021.

Explanation of Significant Movements

(Notes)

1. The increase in Total Cost of Service for the 2019-20 Budget Target compared with the 2018-19 Estimated Actual is a result of the costs associated with the conduct of the biennial Local Government Elections, which will be held in October 2019.
2. The increase in income of \$5.2 million for the 2019-20 Budget Target compared with the 2018-19 Estimated Actual is due to the recoup of the costs associated with the conduct of the biennial Local Government Elections.
3. The 2019-20 Budget Target average cost is higher than the 2018-19 Estimated Actual mainly due to costs associated with the conduct of the biennial Local Government Elections, which results in a higher average cost per elector.

Asset Investment Program

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-19 \$'000	2018-19 Estimated Expenditure \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
COMPLETED WORKS							
Asset Replacement - 2018-19 Program	50	50	50	-	-	-	-
Information and Communications Technology (ICT) System Upgrade - 2018-19 Program	217	217	217	-	-	-	-
NEW WORKS							
Asset Replacement							
2019-20 Program	50	-	-	50	-	-	-
2020-21 Program	50	-	-	-	50	-	-
2021-22 Program	50	-	-	-	-	50	-
2022-23 Program	50	-	-	-	-	-	50
ICT System Upgrade							
2019-20 Program	217	-	-	217	-	-	-
2020-21 Program	250	-	-	-	250	-	-
2021-22 Program	217	-	-	-	-	217	-
2022-23 Program	217	-	-	-	-	-	217
Total Cost of Asset Investment Program	1,368	267	267	267	300	267	267
FUNDED BY							
Capital Appropriation			-	150	183	150	150
Drawdowns from the Holding Account			117	117	117	117	117
Internal Funds and Balances			150	-	-	-	-
Total Funding			267	267	300	267	267

Financial Statements

1. The implementation of new accounting standard AASB 16: *Leases* significantly impacts the Statement of Financial Position by bringing arrangements previously classified as operating leases on to the balance sheet. On the Income Statement, previous rental expenses for operating leases are removed and replaced with interest expense for the lease obligation and a depreciation cost for the right of use asset. Further information on AASB 16 and other new accounting standards impacting the Budget are detailed in a feature box in Budget Paper No. 3.

Income Statement

Expenses

2. The increase in Total Cost of Services for the 2019-20 Budget Estimate compared with the 2018-19 Estimated Actual is a result of the biennial Local Government Elections, which will be held in October 2019.
3. The increase of 22% in employee benefits for the 2019-20 Budget Estimate compared with the 2018-19 Estimated Actual is due to the employment of casual staff for the biennial Local Government Elections.
4. The increase of 119% in supplies and services expenses in 2019-20 Budget Estimate is mainly due to increase in postage, printing and advertising costs for the biennial Local Government Elections.

Income

5. The increase in sale of goods and services for the 2019-20 Budget Estimate compared with the 2018-19 Estimated Actual is due to the recoup of the costs associated with the conduct of biennial Local Government Elections.
6. The increase in service appropriation for the 2019-20 Budget Estimate compared with the 2018-19 Estimated Actual is mainly due to funding provided for the Distribution of Electoral Boundaries for the next State General Election in March 2021 and reimbursement of the costs associated with the Cottesloe and Darling Range by-elections.

Statement of Cashflows

7. The increase in cash balances of \$1.7 million between the 2018-19 Estimated Actual and the 2019-20 Budget Estimate is due to timing differences for the recoup of the costs associated with the conduct of biennial Local Government Elections.

INCOME STATEMENT ^(a)
(Controlled)

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
COST OF SERVICES							
Expenses							
Employee benefits ^(b)	6,508	4,931	4,861	5,939	12,925	6,070	5,257
Grants and subsidies ^(c)	266	-	44	-	4,498	-	-
Supplies and services	4,502	2,156	2,220	4,859	9,908	3,801	2,070
Accommodation	1,806	1,672	1,686	187	868	187	142
Depreciation and amortisation	260	117	260	1,592	1,626	1,593	1,593
Finance and interest costs	-	-	-	166	124	78	29
Other expenses	679	467	636	799	1,847	548	642
TOTAL COST OF SERVICES	14,021	9,343	9,707	13,542	31,796	12,277	9,733
Income							
Sale of goods and services	5,968	455	455	5,620	104	5,704	104
Total Income	5,968	455	455	5,620	104	5,704	104
NET COST OF SERVICES	8,053	8,888	9,252	7,922	31,692	6,573	9,629
INCOME FROM STATE GOVERNMENT							
Service appropriations	7,865	7,815	7,852	9,559	30,558	7,639	8,495
Resources received free of charge	160	60	60	34	34	34	34
TOTAL INCOME FROM STATE GOVERNMENT	8,025	7,875	7,912	9,593	30,592	7,673	8,529
SURPLUS/(DEFICIENCY) FOR THE PERIOD	(28)	(1,013)	(1,340)	1,671	(1,100)	1,100	(1,100)

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

(b) The full-time equivalents for 2017-18 Actual, 2018-19 Estimated Actual and 2019-20 Budget Estimate are 41, 44 and 44 respectively.

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

DETAILS OF CONTROLLED GRANTS AND SUBSIDIES

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
Public Funding of Political Parties and Candidates in State Elections	266	-	44	-	4,498	-	-
TOTAL	266	-	44	-	4,498	-	-

STATEMENT OF FINANCIAL POSITION ^(a)
(Controlled)

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
CURRENT ASSETS							
Cash assets.....	2,093	576	658	2,314	1,199	2,282	1,165
Holding account receivables.....	117	117	117	117	117	117	117
Receivables.....	235	502	225	225	225	225	225
Other.....	244	174	195	195	195	195	195
Total current assets.....	2,689	1,369	1,195	2,851	1,736	2,819	1,702
NON-CURRENT ASSETS							
Holding account receivables.....	491	491	491	1,966	3,475	4,951	6,427
Property, plant and equipment.....	98	235	69	4,062	2,700	1,398	65
Intangibles.....	1,644	1,576	1,680	1,716	1,752	1,770	1,777
Restricted cash.....	28	31	49	64	79	96	113
Other.....	4	6	2	2	2	2	2
Total non-current assets.....	2,265	2,339	2,291	7,810	8,008	8,217	8,384
TOTAL ASSETS.....	4,954	3,708	3,486	10,661	9,744	11,036	10,086
CURRENT LIABILITIES							
Employee provisions.....	977	850	816	816	816	816	816
Payables.....	45	32	45	45	45	45	45
Other.....	270	178	265	265	265	265	265
Total current liabilities.....	1,292	1,060	1,126	1,126	1,126	1,126	1,126
NON-CURRENT LIABILITIES							
Employee provisions.....	171	195	209	209	209	209	209
Borrowings and leases.....	-	-	-	4,182	2,915	1,589	119
Other.....	2	2	2	2	2	2	2
Total non-current liabilities.....	173	197	211	4,393	3,126	1,800	330
TOTAL LIABILITIES.....	1,465	1,257	1,337	5,519	4,252	2,926	1,456
EQUITY							
Contributed equity.....	724	724	724	2,050	3,500	5,018	6,638
Accumulated surplus/(deficit).....	2,915	1,727	1,575	3,246	2,146	3,246	2,146
Reserves.....	-	-	-	(4)	(4)	(4)	(4)
Other.....	(150)	-	(150)	(150)	(150)	(150)	(150)
Total equity.....	3,489	2,451	2,149	5,142	5,492	8,110	8,630
TOTAL LIABILITIES AND EQUITY.....	4,954	3,708	3,486	10,661	9,744	11,036	10,086

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

STATEMENT OF CASHFLOWS ^(a)
(Controlled)

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
CASHFLOWS FROM STATE GOVERNMENT							
Service appropriations	7,748	7,698	7,735	7,967	28,932	6,046	6,902
Capital appropriation	-	-	-	1,326	1,450	1,518	1,620
Holding account drawdowns	117	117	117	117	117	117	117
Receipts paid into Consolidated Account	(302)	-	-	-	-	-	-
Net cash provided by State Government	7,563	7,815	7,852	9,410	30,499	7,681	8,639
CASHFLOWS FROM OPERATING ACTIVITIES							
Payments							
Employee benefits	(6,353)	(4,818)	(4,765)	(5,923)	(12,953)	(6,121)	(5,021)
Grants and subsidies	(253)	-	(44)	-	(4,498)	-	-
Supplies and services	(4,534)	(2,156)	(2,232)	(4,791)	(9,881)	(3,736)	(2,268)
Accommodation	(1,736)	(1,672)	(1,686)	(187)	(868)	(187)	(142)
GST payments	(711)	(475)	(465)	(623)	(745)	(615)	(495)
Finance and interest costs	-	-	-	(166)	(124)	(78)	(29)
Other payments	(630)	(467)	(617)	(841)	(1,847)	(528)	(646)
Receipts ^(b)							
Sale of goods and services	5,911	315	315	5,620	104	5,704	104
GST receipts	896	495	495	615	780	615	495
Net cash from operating activities	(7,410)	(8,778)	(8,999)	(6,296)	(30,032)	(4,946)	(8,002)
CASHFLOWS FROM INVESTING ACTIVITIES							
Purchase of non-current assets	(282)	(117)	(267)	(267)	(300)	(267)	(267)
Net cash from investing activities	(282)	(117)	(267)	(267)	(300)	(267)	(267)
CASHFLOWS FROM FINANCING ACTIVITIES							
Repayment of borrowings and leases	-	-	-	(1,176)	(1,267)	(1,368)	(1,470)
Net cash from financing activities	-	-	-	(1,176)	(1,267)	(1,368)	(1,470)
NET INCREASE/(DECREASE) IN CASH HELD	(129)	(1,080)	(1,414)	1,671	(1,100)	1,100	(1,100)
Cash assets at the beginning of the reporting period	2,250	1,687	2,121	707	2,378	1,278	2,378
Cash assets at the end of the reporting period	2,121	607	707	2,378	1,278	2,378	1,278

(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 Commission. 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)

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
Sale of Goods and Services							
Local Government Recoups	5,673	-	-	5,600	-	5,600	-
Extraneous Elections	199	-	-	-	-	-	-
Other	39	315	315	20	104	104	104
GST Receipts							
GST Receipt on Sales	599	375	375	480	550	480	375
GST Input Credits	297	120	120	135	230	135	120
TOTAL	6,807	810	810	6,235	884	6,319	599

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

DETAILS OF ADMINISTERED TRANSACTIONS

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
INCOME							
Fines							
Non-Voters Fine	751	-	88	-	600	800	-
TOTAL ADMINISTERED INCOME	751	-	88	-	600	800	-
EXPENSES							
Other							
Payment to Consolidated Account	748	-	91	-	600	800	-
TOTAL ADMINISTERED EXPENSES	748	-	91	-	600	800	-

Division 7

Salaries and Allowances Tribunal

Part 2

Government Administration

Appropriations, Expenses and Cash Assets

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
DELIVERY OF SERVICES							
Item 9 Net amount appropriated to deliver services	1,086	1,101	1,015	1,018	1,002	1,008	1,017
Total appropriations provided to deliver services	1,086	1,101	1,015	1,018	1,002	1,008	1,017
TOTAL APPROPRIATIONS	1,086	1,101	1,015	1,018	1,002	1,008	1,017
EXPENSES							
Total Cost of Services	776	1,119	1,033	1,036	1,020	1,025	1,034
Net Cost of Services ^(a)	740	1,083	997	1,000	1,017	1,023	1,032
CASH ASSETS ^(b)	476	122	515	554	560	566	566

(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 2018-19 Budget to Parliament on 10 May 2018, are outlined below:

	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
Other					
Government Office Accommodation Reform Program	(86)	(85)	(84)	(83)	(83)
Indexation for Non-Salary Expenses	-	-	-	-	5
Streamlined Budget Process Incentive Funding	-	10	-	-	-

Significant Issues Impacting the Agency

1. The *Salaries and Allowances (Debt and Deficit Remediation) Act 2018* commenced in February 2018 and has impacted, until July 2021, the Tribunal's decisions by capping the amount of remuneration that may be provided to certain office holders within the Tribunal's jurisdiction.

Resource Agreement

The following performance information (financial and non-financial) is the subject of a Resource Agreement signed by the Premier, 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

Desired Outcome	Service
A fair and equitable system of remuneration for the Governor, Members of Parliament, Senior Government Officers, Local Government Chief Executive Officers (CEOs), Judicial and Magisterial Officers, superannuation benefits for Members of Parliament and fees, expenses and allowances for Local Government elected council members.	1. Support Services to the Salaries and Allowances Tribunal

Service Summary

Expense	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
1. Support Services to the Salaries and Allowances Tribunal	776	1,119	1,033	1,036	1,020	1,025	1,034
Total Cost of Services.....	776	1,119	1,033	1,036	1,020	1,025	1,034

Outcomes and Key Effectiveness Indicators

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Outcome: A fair and equitable system of remuneration for the Governor, Members of Parliament, Senior Government Officers, Local Government Chief Executive Officers (CEOs), Judicial and Magisterial Officers, superannuation benefits for Members of Parliament and fees, expenses and allowances for Local Government elected council members:					
Quantity - determinations/reports	45	40	30	30	1
Quality - Tribunal satisfaction with the quality of service provided.....	100%	100%	100%	100%	
Timeliness - Tribunal satisfaction with timeliness of service provided	100%	100%	100%	100%	
The extent to which the Tribunal is satisfied with the support services provided.....	100%	100%	100%	100%	

Explanation of Significant Movements

(Notes)

1. There has been a reduction in the number of determinations due to the Tribunal's decision to consolidate determinations that previously were subject to a separate determination and discretion under the *Salaries and Allowances (Debt and Deficit Remediation) Act 2018* and to not issue determinations for some office holders within its jurisdiction, which would otherwise require annual determination.

Services and Key Efficiency Indicators

1. Support Services to the Salaries and Allowances Tribunal

Support services assist the Tribunal to:

- determine the remuneration paid or provided to holders of certain public offices including the Governor, Members of Parliament, Senior Government Officers, Industrial Relations Commissioners, full-time members of the State Administrative Tribunal, local government CEOs, Government Trading Enterprise CEOs and University Governing Board members, to determine certain matters relating to the superannuation benefits for Members of Parliament; to determine the fees, expenses and allowances to be paid or reimbursed to local government elected council members; and
- report on remuneration to be paid or provided to members of the Judiciary and Magistracy.

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 776	\$'000 1,119	\$'000 1,033	\$'000 1,036	1
Less Income	36	36	36	36	
Net Cost of Service	740	1,083	997	1,000	
Employees (Full-Time Equivalents)	3	3	3	3	
Efficiency Indicators					
Average cost per determination report	\$17,244	\$27,750	\$34,433	\$34,533	2

Explanation of Significant Movements

(Notes)

1. The \$343,000 difference between the 2017-18 Actual Total Cost of Services and the 2018-19 Budget is due partly to the impact of the *Salaries and Allowances (Debt and Deficit Remediation) Act 2018*, which led to reduced costs in 2017-18, including less than anticipated use of external consultants.
2. An unexpectedly higher number of determinations during 2017-18 resulted in a lower average cost per determination report in the financial year. In 2018-19, the Tribunal streamlined its approach to variation determinations, preferring to issue determinations that consolidate decisions that previously were subject to individual determinations. This is reflected in a higher than average cost per determination report in 2018-19 and future years.

Financial Statements

- The implementation of new accounting standard AASB 16: *Leases* significantly impacts the Statement of Financial Position by bringing arrangements previously classified as operating leases on to the balance sheet. On the Income Statement, previous rental expenses for operating leases are removed and replaced with interest expense for the lease obligation and a depreciation cost for the right of use asset. Further information on AASB 16 and other new accounting standards impacting the Budget are detailed in a feature box in Budget Paper No. 3.

Income Statement

Expenses

- The difference between the 2017-18 Actual supplies and services and the 2018-19 Budget is due partly to the impact of the *Salaries and Allowances (Debt and Deficit Remediation) Act 2018*, which led to reduced costs in 2017-18, including less than anticipated use of external consultants.

INCOME STATEMENT ^(a) (Controlled)

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
COST OF SERVICES							
Expenses							
Employee benefits ^(b)	477	546	546	538	541	546	550
Supplies and services	70	402	402	446	441	441	446
Accommodation	157	148	62	-	-	-	-
Depreciation and amortisation	27	15	15	39	27	27	27
Finance costs	-	-	-	3	2	2	2
Other expenses	45	8	8	10	9	9	9
TOTAL COST OF SERVICES	776	1,119	1,033	1,036	1,020	1,025	1,034
Income							
Grants and subsidies	35	33	33	33	-	-	-
Other revenue	1	3	3	3	3	2	2
Total Income	36	36	36	36	3	2	2
NET COST OF SERVICES	740	1,083	997	1,000	1,017	1,023	1,032
INCOME FROM STATE GOVERNMENT							
Service appropriations	1,086	1,101	1,015	1,018	1,002	1,008	1,017
Resources received free of charge	53	15	15	15	15	15	15
TOTAL INCOME FROM STATE GOVERNMENT	1,139	1,116	1,030	1,033	1,017	1,023	1,032
SURPLUS/(DEFICIENCY) FOR THE PERIOD	399	33	33	33	-	-	-

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

(b) The full-time equivalents for 2017-18 Actual, 2018-19 Estimated Actual and 2019-20 Budget Estimate are 3, 3 and 3 respectively.

STATEMENT OF FINANCIAL POSITION ^(a)
(Controlled)

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
CURRENT ASSETS							
Cash assets.....	473	115	510	547	551	557	557
Receivables.....	7	15	8	10	7	7	7
Total current assets.....	480	130	518	557	558	564	564
NON-CURRENT ASSETS							
Holding account receivables.....	63	72	72	81	81	81	81
Property, plant and equipment.....	33	23	17	72	90	85	80
Restricted cash.....	3	7	5	7	9	9	9
Total non-current assets.....	99	102	94	160	180	175	170
TOTAL ASSETS	579	232	612	717	738	739	734
CURRENT LIABILITIES							
Employee provisions.....	103	93	103	107	109	109	109
Payables.....	13	5	13	13	13	19	19
Other.....	-	12	-	-	-	-	-
Total current liabilities.....	116	110	116	120	122	128	128
NON-CURRENT LIABILITIES							
Employee provisions.....	24	16	24	24	24	24	24
Borrowings and leases	-	-	-	68	87	82	77
Total non-current liabilities.....	24	16	24	92	111	106	101
TOTAL LIABILITIES	140	126	140	212	233	234	229
EQUITY							
Accumulated surplus/(deficit).....	439	106	472	505	505	505	505
Total equity	439	106	472	505	505	505	505
TOTAL LIABILITIES AND EQUITY	579	232	612	717	738	739	734

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

STATEMENT OF CASHFLOWS ^(a)
(Controlled)

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
CASHFLOWS FROM STATE GOVERNMENT							
Service appropriations	1,077	1,092	1,006	1,009	1,002	1,008	1,017
Net cash provided by State Government	1,077	1,092	1,006	1,009	1,002	1,008	1,017
CASHFLOWS FROM OPERATING ACTIVITIES							
Payments							
Employee benefits	(470)	(546)	(546)	(534)	(539)	(544)	(548)
Supplies and services	(43)	(387)	(387)	(433)	(422)	(422)	(433)
Accommodation	(156)	(148)	(62)	-	-	-	-
GST payments	(21)	(58)	(58)	(58)	(58)	(57)	(57)
Finance and interest Costs	-	-	-	(3)	(2)	(2)	(2)
Other payments	(6)	(8)	(8)	(10)	(10)	(10)	(10)
Receipts ^(b)							
Grants and subsidies	35	33	33	33	-	-	-
GST receipts	19	58	58	58	58	58	58
Other receipts	1	3	3	3	3	2	2
Net cash from operating activities	(641)	(1,053)	(967)	(944)	(970)	(975)	(990)
CASHFLOWS FROM FINANCING ACTIVITIES							
Repayment of borrowings and leases	-	-	-	(26)	(26)	(27)	(27)
Net cash from financing activities	-	-	-	(26)	(26)	(27)	(27)
NET INCREASE/(DECREASE) IN CASH HELD	436	39	39	39	6	6	-
Cash assets at the beginning of the reporting period	1,877	83	476	515	554	560	566
Net cash transferred to/from other agencies	(1,837)	-	-	-	-	-	-
Cash assets at the end of the reporting period	476	122	515	554	560	566	566

(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)

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
Grants and Subsidies							
Commonwealth Specific Purpose - Indian Ocean Territories	35	33	33	33	-	-	-
GST Receipts							
GST Input Credit	19	58	58	58	58	58	58
Other Receipts							
Other Receipts	1	3	3	3	3	2	2
TOTAL	55	94	94	94	61	60	60

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

Appropriations, Expenses and Cash Assets

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
DELIVERY OF SERVICES							
Item 10 Net amount appropriated to deliver services.....	3,898	3,502	3,753	3,437	3,412	3,410	3,430
Amount Authorised by Other Statutes							
- Salaries and Allowances Act 1975.....	-	300	-	300	300	302	303
Total appropriations provided to deliver services	3,898	3,802	3,753	3,737	3,712	3,712	3,733
CAPITAL							
Item 97 Capital Appropriation ^(a)	-	-	-	635	658	682	706
TOTAL APPROPRIATIONS	3,898	3,802	3,753	4,372	4,370	4,394	4,439
EXPENSES							
Total Cost of Services	4,021	4,041	3,992	3,983	3,961	3,961	3,982
Net Cost of Services ^(b)	3,896	3,844	3,795	3,779	3,754	3,754	3,775
CASH ASSETS ^(c)	391	487	391	391	391	391	391

(a) Additional capital appropriation is provided to fund lease repayments and is not reflected in the Asset Investment Program table.

(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 2018-19 Budget to Parliament on 10 May 2018, are outlined below:

	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
Other					
2019-20 Tariffs, Fees and Charges	-	4	4	4	4
Funding for CEO and Personal Assistant	82	-	-	-	-
Indexation for Non-Salary Expenses	-	-	-	-	11
Streamlined Budget Process Incentive Funding	-	33	-	-	-
Voluntary Targeted Separation Scheme	(131)	(133)	(134)	(136)	(136)

Significant Issues Impacting the Agency

1. The Attorney General, as responsible Minister for the *Equal Opportunity Act 1984* (WA) (the Act) announced a review of the Act by the Western Australian Law Reform Commission. The terms of reference for the review were published in March 2019.
2. The Commission has been investigating the purchase of a complaint management system. The purchase will be finalised before the 2019-20 financial year with roll-out in the 2019-20 Budget year. The new complaints management system is replacing an obsolete system to provide a more automated and efficient method to record, manage and report on enquiries and complaints submitted to its jurisdiction.

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
Strong Communities: Safe communities and supported families.	The people of Western Australia are provided with information and advice about equal opportunity and human rights issues and have accessible avenues of redress under relevant legislation.	<ol style="list-style-type: none"> 1. Provision of Information and Advice Regarding Equal Opportunity and Human Rights 2. Avenue of Redress for Unlawful Discrimination and Unreasonable Treatment

Service Summary ^(a)

Expense	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
1. Provision of Information and Advice Regarding Equal Opportunity and Human Rights.....	2,059	2,070	1,868	1,864	1,854	1,854	1,865
2. Avenue of Redress for Unlawful Discrimination and Unreasonable Treatment.....	1,962	1,971	2,124	2,119	2,107	2,107	2,117
Total Cost of Services.....	4,021	4,041	3,992	3,983	3,961	3,961	3,982

(a) Commencing from 2018-19, staff allocations of time were reviewed and reallocated to more accurately reflect the time and cost spent against each service area.

Outcomes and Key Effectiveness Indicators ^(a)

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Outcome: The people of Western Australia are provided with information and advice about equal opportunity and human rights issues and have accessible avenues of redress under relevant legislation:					
Community awareness of the Act and belief it is of benefit	82%	75%	82%	75%	
Percentage of complaints finalised within:					
6 months.....	85%	85%	84%	85%	
12 months.....	98%	90%	99%	90%	

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

Services and Key Efficiency Indicators

1. Provision of Information and Advice Regarding Equal Opportunity and Human Rights

Dissemination of relevant and appropriate information on the Act, other relevant laws and human rights issues generally, provision of accurate advice on equal opportunity matters and the identification of discriminatory policies and practices.

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 2,059	\$'000 2,070	\$'000 1,868	\$'000 1,864	
Less Income	124	197	197	204	
Net Cost of Service	1,935	1,873	1,671	1,660	
Employees (Full-Time Equivalents)	11	10	10	10	
Efficiency Indicators					
Average hourly cost of development and delivery of training courses	\$691	\$1,100	\$798	\$815	1

Explanation of Significant Movements

(Notes)

1. The 2018-19 Estimated Actual and the 2019-20 Budget Target for the average hourly cost of development and delivery of training courses are lower than the 2018-19 Budget reflecting the reduction in support costs following the implementation of the 2017 Voluntary Targeted Separation Scheme.

2. Avenue of Redress for Unlawful Discrimination and Unreasonable Treatment

Investigating and attempting to conciliate complaints that fall within the jurisdiction of the Act and other legislation administered by the Commissioner, and providing assistance to complainants referred to the State Administrative Tribunal.

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 1,962	\$'000 1,971	\$'000 2,124	\$'000 2,119	
Less Income	1	-	-	-	
Net Cost of Service	1,961	1,971	2,124	2,119	
Employees (Full-Time Equivalents)	9	9	9	9	
Efficiency Indicators					
Average cost per complaint	\$2,241	\$2,700	\$2,533	\$2,550	

Asset Investment Program

1. The Commission's Asset Investment Program provides for the replacement of office equipment and computer hardware and software.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-19 \$'000	2018-19 Estimated Expenditure \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
COMPLETED WORKS							
Office Equipment - 2018-19 Program.....	28	28	28	-	-	-	-
NEW WORKS							
Computer Hardware and Software							
2020-21 Program.....	79	-	-	-	79	-	-
2021-22 Program.....	79	-	-	-	-	79	-
2022-23 Program.....	79	-	-	-	-	-	79
Office Equipment - 2019-20 Program.....	33	-	-	33	-	-	-
Total Cost of Asset Investment Program	298	28	28	33	79	79	79
FUNDED BY							
Drawdowns from the Holding Account			28	33	79	79	79
Total Funding.....			28	33	79	79	79

Financial Statements

1. The implementation of new accounting standard AASB 16: *Leases* significantly impacts the Statement of Financial Position by bringing arrangements previously classified as operating leases on to the balance sheet. On the Income Statement, previous rental expenses for operating leases are removed and replaced with interest expense for the lease obligation and a depreciation cost for the right of use asset. Further information on AASB 16 and other new accounting standards impacting the Budget are detailed in a feature box in Budget Paper No. 3.

INCOME STATEMENT ^(a) (Controlled)

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
COST OF SERVICES							
Expenses							
Employee benefits ^(b)	2,521	2,620	2,573	2,495	2,510	2,534	2,568
Supplies and services	458	343	338	312	235	235	246
Accommodation	956	904	904	274	274	274	274
Depreciation and amortisation	49	63	63	694	757	757	757
Finance and interest costs	-	-	-	84	61	37	13
Other expenses	37	111	114	124	124	124	124
TOTAL COST OF SERVICES	4,021	4,041	3,992	3,983	3,961	3,961	3,982
Income							
Sale of goods and services	118	162	162	169	172	172	172
Grants and subsidies	4	35	35	35	35	35	35
Other revenue	3	-	-	-	-	-	-
Total Income	125	197	197	204	207	207	207
NET COST OF SERVICES	3,896	3,844	3,795	3,779	3,754	3,754	3,775
INCOME FROM STATE GOVERNMENT							
Service appropriations	3,898	3,802	3,753	3,737	3,712	3,712	3,733
Resources received free of charge	41	42	42	42	42	42	42
TOTAL INCOME FROM STATE GOVERNMENT	3,939	3,844	3,795	3,779	3,754	3,754	3,775
SURPLUS/(DEFICIENCY) FOR THE PERIOD	44	-	-	-	-	-	-

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

(b) The full-time equivalents for 2017-18 Actual, 2018-19 Estimated Actual and 2019-20 Budget Estimate are 20, 19 and 19 respectively.

STATEMENT OF FINANCIAL POSITION ^(a)
(Controlled)

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
CURRENT ASSETS							
Cash assets.....	375	479	367	359	351	343	335
Holding account receivables.....	61	42	28	33	79	79	79
Receivables.....	68	39	68	68	68	68	68
Other.....	13	16	13	13	13	13	13
Total current assets.....	517	576	476	473	511	503	495
NON-CURRENT ASSETS							
Holding account receivables.....	405	459	473	1,129	1,761	2,439	3,117
Property, plant and equipment.....	71	14	37	2,086	1,408	730	72
Intangibles.....	-	9	-	-	-	-	-
Restricted cash.....	16	8	24	32	40	48	56
Total non-current assets.....	492	490	534	3,247	3,209	3,217	3,245
TOTAL ASSETS	1,009	1,066	1,010	3,720	3,720	3,720	3,740
CURRENT LIABILITIES							
Employee provisions.....	574	689	585	585	585	585	585
Payables.....	58	28	47	47	47	47	47
Other.....	85	128	85	85	85	85	85
Total current liabilities.....	717	845	717	717	717	717	717
NON-CURRENT LIABILITIES							
Employee provisions.....	70	42	70	70	70	70	70
Borrowings and leases	-	-	-	2,075	1,417	735	49
Total non-current liabilities.....	70	42	70	2,145	1,487	805	119
TOTAL LIABILITIES	787	887	787	2,862	2,204	1,522	836
EQUITY							
Contributed equity.....	604	604	604	1,239	1,897	2,579	3,285
Accumulated surplus/(deficit).....	(381)	(425)	(381)	(381)	(381)	(381)	(381)
Total equity	223	179	223	858	1,516	2,198	2,904
TOTAL LIABILITIES AND EQUITY	1,009	1,066	1,010	3,720	3,720	3,720	3,740

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

STATEMENT OF CASHFLOWS ^(a)
(Controlled)

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
CASHFLOWS FROM STATE GOVERNMENT							
Service appropriations	3,826	3,739	3,690	3,043	2,955	2,955	2,976
Capital appropriation	-	-	-	635	658	682	706
Holding account drawdowns	42	28	28	33	79	79	79
Net cash provided by State Government	3,868	3,767	3,718	3,711	3,692	3,716	3,761
CASHFLOWS FROM OPERATING ACTIVITIES							
Payments							
Employee benefits	(2,600)	(2,655)	(2,608)	(2,530)	(2,545)	(2,569)	(2,603)
Supplies and services	(469)	(272)	(272)	(246)	(169)	(169)	(180)
Accommodation	(956)	(904)	(904)	(274)	(274)	(274)	(274)
GST payments	(150)	(78)	(78)	(78)	(78)	(78)	(78)
Finance and interest costs	-	-	-	(84)	(61)	(37)	(13)
Other payments	-	(126)	(124)	(134)	(134)	(134)	(134)
Receipts ^(b)							
Grants and subsidies	4	35	35	35	35	35	35
Sale of goods and services	89	162	162	169	172	172	172
GST receipts	150	78	78	78	78	78	78
Other receipts	-	21	21	21	21	21	21
Net cash from operating activities	(3,931)	(3,739)	(3,690)	(3,043)	(2,955)	(2,955)	(2,976)
CASHFLOWS FROM INVESTING ACTIVITIES							
Purchase of non-current assets	(33)	(28)	(28)	(33)	(79)	(79)	(79)
Net cash from investing activities	(33)	(28)	(28)	(33)	(79)	(79)	(79)
CASHFLOWS FROM FINANCING ACTIVITIES							
Repayment of borrowings and leases	-	-	-	(635)	(658)	(682)	(706)
Net cash from financing activities	-	-	-	(635)	(658)	(682)	(706)
NET INCREASE/(DECREASE) IN CASH HELD	(96)	-	-	-	-	-	-
Cash assets at the beginning of the reporting period	487	487	391	391	391	391	391
Cash assets at the end of the reporting period	391	487	391	391	391	391	391

(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 Commission. 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)

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
Grants and Subsidies							
Proceeds from the Provision of Services to the Indian Ocean Territories.....	4	35	35	35	35	35	35
Sale of Goods and Services							
Services Rendered	89	162	162	169	172	172	172
GST Receipts							
GST Input Credits	136	61	61	61	61	61	61
GST Receipts on Sales	14	17	17	17	17	17	17
Other Receipts							
Other Receipts.....	-	21	21	21	21	21	21
TOTAL	243	296	296	303	306	306	306

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

Appropriations, Expenses and Cash Assets

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
DELIVERY OF SERVICES							
Item 11 Net amount appropriated to deliver services.....	2,919	2,814	2,608	2,710	2,603	2,624	2,649
Amount Authorised by Other Statutes							
- Salaries and Allowances Act 1975.....	255	255	255	255	255	256	257
Total appropriations provided to deliver services	3,174	3,069	2,863	2,965	2,858	2,880	2,906
CAPITAL							
Item 98 Capital Appropriation ^(a)	-	-	-	206	211	220	227
TOTAL APPROPRIATIONS	3,174	3,069	2,863	3,171	3,069	3,100	3,133
EXPENSES							
Total Cost of Services	3,169	3,511	3,305	3,127	3,020	3,042	3,068
Net Cost of Services ^(b)	3,141	3,228	3,022	3,124	3,017	3,039	3,065
CASH ASSETS ^(c)	285	156	285	285	285	285	285

(a) Additional capital appropriation is provided to fund lease repayments and is not reflected in an Asset Investment Program table.

(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 2018-19 Budget to Parliament on 10 May 2018, are outlined below:

	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
Other					
Indexation for Non-Salary Expenses	-	-	-	-	7
Streamlined Budget Process Incentive Funding	-	27	-	-	-
Voluntary Target Separation Scheme - Tranche Two Savings.....	(126)	(127)	(128)	(129)	(130)

Significant Issues Impacting the Agency

1. The 2016-20 Strategic Plan for the Commissioner for Children and Young People outlines three key areas of work, which will ensure quality community services are delivered to Western Australians:
 - 1.1. promoting the rights, voices and contributions of children and young people;
 - 1.2. monitoring and advocacy to strengthen the wellbeing of all Western Australian children and young people; and
 - 1.3. prioritising the needs of children and young people who are our most disadvantaged and vulnerable.
2. Based on this strategic direction, the Commissioner will focus on the following key areas for the 2019-20 financial year:
 - 2.1. promoting and working on the recommendations of the Vulnerability Speaker Series report, tabled in Parliament in 2019;
 - 2.2. monitoring and supporting the response to recommendations from the Royal Commission into Institutional Responses to Child Sexual Abuse, including supporting agencies to implement child safe organisation standards and appropriate responses to harmful sexual behaviours in children and young people;
 - 2.3. analysing the findings of the Speaking Out Survey conducted with more than 4,000 children and young people on important aspects of their health and wellbeing; and
 - 2.4. investigating and reporting on key aspects of children and young people's wellbeing based on outcomes described in the Commissioner's Wellbeing Monitoring Framework.

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 service 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	Service
Strong Communities: Safe communities and supported families.	The views and issues of children and young people are heard and acted upon.	1. Consultation, Research and Promotion of the Wellbeing of Children and Young People

Service Summary

Expense	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
1. Consultation, Research and Promotion of the Wellbeing of Children and Young People	3,169	3,511	3,305	3,127	3,020	3,042	3,068
Total Cost of Services	3,169	3,511	3,305	3,127	3,020	3,042	3,068

Outcomes and Key Effectiveness Indicators ^(a)

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Outcome: The views and issues of children and young people are heard and acted upon:					
The extent to which children and young people in various regions of the State are consulted.....	4,573	1,500	4,300	1,500	1
The extent to which issues impacting upon children and young people are researched, advocated and promoted	203	200	210	200	
The extent to which public awareness is engaged on issues impacting upon the wellbeing of children and young people.....	6,381	2,100	4,500	2,100	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 increase in the children and young people consulted in the 2018-19 Estimated Actual compared to the 2018-19 Budget is mainly due to the high number of consultations for the Speaking Out Survey.
2. The 2017-18 Actual and the 2018-19 Estimated Actual, reflects a higher than anticipated number of people attending events and maintaining a strong interest in the Vulnerability Speaker Series and School and Learning Consultation Report. This is not expected to occur in 2019-20.

Services and Key Efficiency Indicators**1. Consultation, Research and Promotion of the Wellbeing of Children and Young People**

Consultation, research and the promotion of the wellbeing of children and young people are a responsibility of the Commissioner and the scope and goals for this are prescribed in the *Commissioner for Children and Young People Act 2006*.

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 3,169	\$'000 3,511	\$'000 3,305	\$'000 3,127	
Less Income	28	283	283	3	1
Net Cost of Service	3,141	3,228	3,022	3,124	
Employees (Full-Time Equivalents)	13	15	15	15	
Efficiency Indicators					
Unit cost per child.....	\$190	\$610	\$273	\$756	2
Unit cost per representative.....	\$11,980	\$12,987	\$10,152	\$10,298	3

Explanation of Significant Movements

(Notes)

1. The decrease in the 2019-20 Budget Target compared to the 2018-19 Estimated Actual reflects a one-off contribution of \$280,000 from Government agencies towards the Children's Wellbeing Monitoring Survey.
2. The 2018-19 Estimated Actual is lower than the 2018-19 Budget and the 2019-20 Budget Target mainly due to the high number of children consulted in the Speaking Out Survey. The 2017-18 Actual is lower than the 2018-19 Budget as a result of the number of people consulted in the 'We are Ten' consultation, which was a one-off event.
3. The 2018-19 Estimated Actual is lower than the 2018-19 Budget and the 2019-20 Budget Target mainly due to the strong interest maintained in the School and Learning Consultation Report and the expected response for the Speaking Out Survey to be released in 2019-20.

Financial Statements

- The implementation of new accounting standard AASB 16: *Leases* significantly impacts the Statement of Financial Position by bringing arrangements previously classified as operating leases on to the balance sheet. On the Income Statement, previous rental expenses for operating leases are removed and replaced with interest expense for the lease obligation and a depreciation cost for the right of use asset. Further information on AASB 16 and other new accounting standards impacting the Budget are detailed in a feature box in Budget Paper No. 3.

INCOME STATEMENT ^(a) (Controlled)

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
COST OF SERVICES							
Expenses							
Employee benefits ^(b)	2,229	2,346	2,220	2,149	2,165	2,198	2,225
Supplies and services	340	617	537	544	425	430	437
Accommodation	317	335	335	37	36	36	36
Depreciation and amortisation	14	16	16	234	235	235	235
Finance and interest costs	-	-	-	27	21	13	5
Other expenses	269	197	197	136	138	130	130
TOTAL COST OF SERVICES	3,169	3,511	3,305	3,127	3,020	3,042	3,068
Income							
Other revenue	28	283	283	3	3	3	3
Total Income	28	283	283	3	3	3	3
NET COST OF SERVICES	3,141	3,228	3,022	3,124	3,017	3,039	3,065
INCOME FROM STATE GOVERNMENT							
Service appropriations	3,174	3,069	2,863	2,965	2,858	2,880	2,906
Resources received free of charge	115	159	159	159	159	159	159
TOTAL INCOME FROM STATE GOVERNMENT	3,289	3,228	3,022	3,124	3,017	3,039	3,065
SURPLUS/(DEFICIENCY) FOR THE PERIOD	148	-	-	-	-	-	-

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

(b) The full-time equivalents for 2017-18 Actual, 2018-19 Estimated Actual and 2019-20 Budget Estimate are 13, 15 and 15 respectively.

STATEMENT OF FINANCIAL POSITION ^(a)
(Controlled)

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
CURRENT ASSETS							
Cash assets.....	274	150	274	274	274	274	274
Receivables.....	28	52	28	28	28	12	12
Other.....	1	-	1	1	1	1	1
Total current assets.....	303	202	303	303	303	287	287
NON-CURRENT ASSETS							
Holding account receivables.....	466	482	482	716	951	1,186	1,421
Property, plant and equipment.....	52	35	36	669	434	215	(6)
Restricted cash.....	11	6	11	11	11	11	11
Total non-current assets.....	529	523	529	1,396	1,396	1,412	1,426
TOTAL ASSETS	832	725	832	1,699	1,699	1,699	1,713
CURRENT LIABILITIES							
Employee provisions.....	153	168	153	153	153	153	153
Payables.....	37	40	37	37	37	37	37
Other.....	97	115	97	97	97	97	97
Total current liabilities.....	287	323	287	287	287	287	287
NON-CURRENT LIABILITIES							
Employee provisions.....	45	48	45	45	45	45	45
Borrowings and leases	-	-	-	661	450	230	17
Total non-current liabilities.....	45	48	45	706	495	275	62
TOTAL LIABILITIES	332	371	332	993	782	562	349
EQUITY							
Accumulated surplus/(deficit).....	500	354	500	706	917	1,137	1,364
Total equity	500	354	500	706	917	1,137	1,364
TOTAL LIABILITIES AND EQUITY	832	725	832	1,699	1,699	1,699	1,713

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

STATEMENT OF CASHFLOWS ^(a)
(Controlled)

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
CASHFLOWS FROM STATE GOVERNMENT							
Service appropriations	3,158	3,053	2,847	2,731	2,623	2,645	2,671
Capital appropriation.....	-	-	-	206	211	220	227
Receipts paid into Consolidated Account	(420)	-	-	-	-	-	-
Net cash provided by State Government	2,738	3,053	2,847	2,937	2,834	2,865	2,898
CASHFLOWS FROM OPERATING ACTIVITIES							
Payments							
Employee benefits	(2,242)	(2,346)	(2,220)	(2,149)	(2,165)	(2,203)	(2,230)
Supplies and services	(230)	(458)	(378)	(385)	(266)	(266)	(273)
Accommodation	(305)	(335)	(335)	(37)	(36)	(36)	(36)
GST payments	(87)	(91)	(91)	(91)	(91)	(91)	(91)
Finance and interest costs	-	-	-	(27)	(21)	(13)	(5)
Other payments	(301)	(191)	(191)	(130)	(132)	(124)	(124)
Receipts ^(b)							
GST receipts	89	88	88	88	88	88	88
Other receipts	43	280	280	-	-	-	-
Net cash from operating activities	(3,029)	(3,053)	(2,847)	(2,731)	(2,623)	(2,645)	(2,671)
CASHFLOWS FROM FINANCING ACTIVITIES							
Repayment of borrowings and leases	-	-	-	(206)	(211)	(220)	(227)
Net cash from financing activities	-	-	-	(206)	(211)	(220)	(227)
NET INCREASE/(DECREASE) IN CASH HELD	(291)	-	-	-	-	-	-
Cash assets at the beginning of the reporting period	869	156	285	285	285	285	285
Net cash transferred to/from other agencies	(293)	-	-	-	-	-	-
Cash assets at the end of the reporting period	285	156	285	285	285	285	285

(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 Commission. 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)

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
GST Receipts							
GST Receipts from Australian Taxation Office.....	89	88	88	88	88	88	88
Other Receipts							
National Research Program - Australian Centre for Child Protection.....	15	-	-	-	-	-	-
Contribution from Sponsor Towards Vulnerability Speakers Series	25	-	-	-	-	-	-
The Children's Wellbeing Monitoring Survey ...	-	280	280	-	-	-	-
Executive Vehicle Service	3	-	-	-	-	-	-
TOTAL	132	368	368	88	88	88	88

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

Division 10 Office of the Information Commissioner

Part 2 Government Administration

Appropriations, Expenses and Cash Assets

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
DELIVERY OF SERVICES							
Item 12 Net amount appropriated to deliver services.....	2,092	2,027	1,969	2,017	2,025	2,031	2,040
Amount Authorised by Other Statutes							
- Freedom of Information Act 1992	278	278	278	278	278	279	280
Total appropriations provided to deliver services	2,370	2,305	2,247	2,295	2,303	2,310	2,320
CAPITAL							
Item 99 Capital Appropriation ^(a)	-	-	-	243	252	261	270
TOTAL APPROPRIATIONS	2,370	2,305	2,247	2,538	2,555	2,571	2,590
EXPENSES							
Total Cost of Services	2,327	2,427	2,369	2,417	2,425	2,432	2,442
Net Cost of Services ^(b)	2,291	2,423	2,365	2,413	2,421	2,428	2,438
CASH ASSETS ^(c)	691	589	683	675	667	659	651

(a) Capital appropriation is provided to fund lease repayments and is not reflected in the Asset Investment Program table.

(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 2018-19 Budget to Parliament on 10 May 2018, are outlined below:

	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
Other					
Indexation for Non-Salary Expenses	-	-	-	-	6
Voluntary Targeted Separation Scheme	(58)	(59)	(60)	(61)	(61)

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
Strong Communities: Safe communities and supported families.	Access to documents and observance of processes in accordance with the Freedom of Information Act 1992.	1. Resolution of Complaints 2. Advice and Awareness

Service Summary

Expense	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
1. Resolution of Complaints.....	1,629	1,699	1,658	1,692	1,698	1,702	1,709
2. Advice and Awareness.....	698	728	711	725	727	730	733
Total Cost of Services.....	2,327	2,427	2,369	2,417	2,425	2,432	2,442

Outcomes and Key Effectiveness Indicators ^(a)

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Outcome: Access to documents and observance of processes in accordance with the Freedom of Information Act 1992:					
Participants satisfied with complaint resolution and external review processes adopted by the Information Commissioner.....	80%	85%	83%	85%	
Agencies satisfied with the advice and guidance provided by the Information Commissioner.....	99%	98%	98%	98%	
Applications for external review resolved by conciliation.....	77%	70%	80%	70%	1

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

Explanation of Significant Movements

(Notes)

1. Conciliation is the preferred resolution method and the Commission uses established conciliation processes in the preliminary stages of the external review process. Even so, achieving a conciliated outcome depends on the complexity of each external review matter before the Information Commissioner and the attitudes of parties involved towards a conciliated outcome. The end conciliation rate can vary year by year depending on these factors.

Services and Key Efficiency Indicators

1. Resolution of Complaints

This service provides an independent review and complaint resolution process, which resolves cases in a timely manner and balances the competing needs and expectations of applicants, agencies and Parliament within legislative requirements prescribed by the *Freedom of Information Act 1992*.

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 1,629	\$'000 1,699	\$'000 1,658	\$'000 1,692	
Less Income	-	3	3	3	
Net Cost of Service	1,629	1,696	1,655	1,689	
Employees (Full-Time Equivalents)	8	9	9	9	
Efficiency Indicators					
Average cost per complaint and external review finalised	\$8,075	\$10,966	\$8,235	\$7,206	1

Explanation of Significant Movements

(Notes)

- The reduction in average cost from the 2018-19 Budget to the 2018-19 Estimated Actual and the 2019-20 Budget Target is due to savings from the Voluntary Targeted Separation Scheme.

2. Advice and Awareness

This service provides objective advice and information to members of the public and agencies to assist in the proper lodgement and processing of applications under the *Freedom of Information Act 1992*. Propose initiatives to enhance efficiency in agency administration when dealing with applications received and conduct briefings and training sessions for agency staff.

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 698	\$'000 728	\$'000 711	\$'000 725	
Less Income	36	1	1	1	
Net Cost of Service	662	727	710	724	
Employees (Full-Time Equivalents)	2	2	3	3	
Efficiency Indicators					
Average cost of service per application lodged ^(a)	\$249	\$215	\$370	\$364	1

(a) Applications lodged encompasses the total number of direct advisory services that were provided (telephone calls where advice is given, email advice, counter enquiries, recipients of training and briefings and other matters).

Explanation of Significant Movements

(Notes)

- The increase in the average cost of service from the 2018-19 Budget to the 2018-19 Estimated Actual and the 2019-20 Budget Target is due to a decrease in the number of applications estimated to be lodged in 2018-19 and 2019-20. In addition, the 2017-18 Actual and the 2018-19 Budget figures in the previous Budget Papers were reported 30% lower than they should have been due to an error in calculating the estimated number of applications to be lodged for 2017-18.

Asset Investment Program

1. In 2019-20, the Commission will invest in general office equipment and document management software.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-19 \$'000	2018-19 Estimated Expenditure \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
NEW WORKS							
Computer and Office Equipment Replacement	31	-	-	31	-	-	-
Total Cost of Asset Investment Program	31	-	-	31	-	-	-
FUNDED BY							
Drawdowns from the Holding Account			-	31	-	-	-
Total Funding			-	31	-	-	-

Financial Statements

1. The implementation of new accounting standard AASB 16: *Leases* significantly impacts the Statement of Financial Position by bringing arrangements previously classified as operating leases on to the balance sheet. On the Income Statement, previous rental expenses for operating leases are removed and replaced with interest expense for the lease obligation and a depreciation cost for the right of use asset. Further information on AASB 16 and other new accounting standards impacting the Budget are detailed in a feature box in Budget Paper No. 3.

INCOME STATEMENT ^(a) (Controlled)

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
COST OF SERVICES							
Expenses							
Employee benefits ^(b)	1,587	1,682	1,624	1,605	1,616	1,632	1,645
Supplies and services	375	350	350	339	335	335	339
Accommodation	273	296	296	13	13	13	13
Depreciation and amortisation	7	6	6	265	273	273	273
Finance and interest costs	-	-	-	32	23	14	5
Other expenses	85	93	93	163	165	165	167
TOTAL COST OF SERVICES	2,327	2,427	2,369	2,417	2,425	2,432	2,442
Income							
Other revenue	36	4	4	4	4	4	4
Total Income	36	4	4	4	4	4	4
NET COST OF SERVICES	2,291	2,423	2,365	2,413	2,421	2,428	2,438
INCOME FROM STATE GOVERNMENT							
Service appropriations	2,370	2,305	2,247	2,295	2,303	2,310	2,320
Resources received free of charge	90	110	110	110	110	110	110
TOTAL INCOME FROM STATE GOVERNMENT	2,460	2,415	2,357	2,405	2,413	2,420	2,430
SURPLUS/(DEFICIENCY) FOR THE PERIOD	169	(8)	(8)	(8)	(8)	(8)	(8)

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

(b) The full-time equivalents for 2017-18 Actual, 2018-19 Estimated Actual and 2019-20 Budget Estimate are 10, 12 and 12 respectively.

STATEMENT OF FINANCIAL POSITION ^(a)
(Controlled)

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
CURRENT ASSETS							
Cash assets.....	681	584	673	665	657	649	641
Holding account receivables.....	-	-	31	-	8	16	24
Receivables.....	17	11	17	17	17	17	17
Other.....	45	21	45	45	45	45	45
Total current assets.....	743	616	766	727	727	727	727
NON-CURRENT ASSETS							
Holding account receivables.....	36	36	5	264	523	782	1,041
Property, plant and equipment.....	5	12	5	812	545	278	11
Restricted cash.....	10	5	10	10	10	10	10
Total non-current assets.....	51	53	20	1,086	1,078	1,070	1,062
TOTAL ASSETS	794	669	786	1,813	1,805	1,797	1,789
CURRENT LIABILITIES							
Employee provisions.....	212	232	212	212	212	212	212
Borrowings and leases	-	-	-	251	260	269	9
Other.....	21	22	21	21	21	21	21
Total current liabilities.....	233	254	233	484	493	502	242
NON-CURRENT LIABILITIES							
Employee provisions.....	52	91	52	52	52	52	52
Borrowings and leases	-	-	-	541	280	10	-
Total non-current liabilities.....	52	91	52	593	332	62	52
TOTAL LIABILITIES	285	345	285	1,077	825	564	294
EQUITY							
Contributed equity.....	37	37	37	280	532	793	1,063
Accumulated surplus/(deficit).....	472	287	464	456	448	440	432
Total equity	509	324	501	736	980	1,233	1,495
TOTAL LIABILITIES AND EQUITY	794	669	786	1,813	1,805	1,797	1,789

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

STATEMENT OF CASHFLOWS ^(a)
(Controlled)

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
CASHFLOWS FROM STATE GOVERNMENT							
Service appropriations	2,370	2,305	2,247	2,036	2,036	2,043	2,053
Capital appropriation	-	-	-	243	252	261	270
Holding account drawdowns	-	-	-	31	-	-	-
Net cash provided by State Government	2,370	2,305	2,247	2,310	2,288	2,304	2,323
CASHFLOWS FROM OPERATING ACTIVITIES							
Payments							
Employee benefits	(1,640)	(1,682)	(1,624)	(1,605)	(1,616)	(1,632)	(1,645)
Supplies and services	(307)	(311)	(311)	(311)	(307)	(307)	(311)
Accommodation	(273)	(239)	(239)	(13)	(13)	(13)	(13)
GST payments	(68)	(30)	(30)	(30)	(30)	(30)	(30)
Finance and interest costs	-	-	-	(32)	(23)	(14)	(5)
Other payments	(93)	(103)	(103)	(105)	(107)	(107)	(109)
Receipts ^(b)							
GST receipts	61	48	48	48	48	48	48
Other receipts	36	4	4	4	4	4	4
Net cash from operating activities	(2,284)	(2,313)	(2,255)	(2,044)	(2,044)	(2,051)	(2,061)
CASHFLOWS FROM INVESTING ACTIVITIES							
Purchase of non-current assets	-	-	-	(31)	-	-	-
Net cash from investing activities	-	-	-	(31)	-	-	-
CASHFLOWS FROM FINANCING ACTIVITIES							
Repayment of borrowings and leases	-	-	-	(243)	(252)	(261)	(270)
Net cash from financing activities	-	-	-	(243)	(252)	(261)	(270)
NET INCREASE/(DECREASE) IN CASH HELD	86	(8)	(8)	(8)	(8)	(8)	(8)
Cash assets at the beginning of the reporting period	605	597	691	683	675	667	659
Cash assets at the end of the reporting period	691	589	683	675	667	659	651

(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 Office. 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)

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
GST Receipts							
GST Input Credits	61	48	48	48	48	48	48
Other Receipts							
Other Receipts	36	4	4	4	4	4	4
TOTAL	97	52	52	52	52	52	52

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

WorkCover WA Authority

Part 2 Government Administration

Asset Investment Program

1. The Authority's total approved Asset Investment Program for 2019-20 is \$761,000. The approved projects that are planned include:
 - 1.1. Building Maintenance/Asset Replacement - ongoing repairs and general maintenance of the Authority's premises;
 - 1.2. Computer Hardware and Software - ongoing replacement and upgrade of core business systems and infrastructure; and
 - 1.3. Other Equipment - ongoing replacement of office equipment.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-19 \$'000	2018-19 Estimated Expenditure \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
COMPLETED WORKS							
Building Maintenance/Asset Replacement - 2018-19 Program.....	288	288	288	-	-	-	-
Computer Hardware and Software - 2018-19 Program.....	465	465	465	-	-	-	-
Other Equipment - 2018-19 Program	25	25	25	-	-	-	-
NEW WORKS							
Building Maintenance/Asset Replacement							
2019-20 Program.....	266	-	-	266	-	-	-
2020-21 Program.....	773	-	-	-	773	-	-
2021-22 Program.....	377	-	-	-	-	377	-
2022-23 Program.....	377	-	-	-	-	-	377
Computer Hardware and Software							
2019-20 Program.....	470	-	-	470	-	-	-
2020-21 Program.....	476	-	-	-	476	-	-
2021-22 Program.....	482	-	-	-	-	482	-
2022-23 Program.....	482	-	-	-	-	-	482
Other Equipment							
2019-20 Program.....	25	-	-	25	-	-	-
2020-21 Program.....	30	-	-	-	30	-	-
2021-22 Program.....	30	-	-	-	-	30	-
2022-23 Program.....	30	-	-	-	-	-	30
Total Cost of Asset Investment Program	4,596	778	778	761	1,279	889	889
FUNDED BY							
Internal Funds and Balances.....			778	761	1,279	889	889
Total Funding.....			778	761	1,279	889	889

Division 11 Registrar, Western Australian Industrial Relations Commission

Part 2 Government Administration

Appropriations, Expenses and Cash Assets

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
DELIVERY OF SERVICES							
Item 13 Net amount appropriated to deliver services	9,374	9,334	9,276	9,788	9,647	9,628	9,597
Amount Authorised by Other Statutes							
- Salaries and Allowances Act 1975	2,441	2,441	2,441	2,441	2,441	2,447	2,456
Total appropriations provided to deliver services	11,815	11,775	11,717	12,229	12,088	12,075	12,053
CAPITAL							
Item 100 Capital Appropriation ^(a)	-	-	-	2,241	2,429	2,636	2,849
TOTAL APPROPRIATIONS	11,815	11,775	11,717	14,470	14,517	14,711	14,902
EXPENSES							
Total Cost of Services	11,149	12,142	12,084	12,596	12,455	12,442	12,420
Net Cost of Services ^(b)	11,011	12,062	12,004	12,308	12,375	12,362	12,340
CASH ASSETS ^(c)	4,495	2,937	4,378	4,469	4,352	4,235	4,118

(a) Additional capital appropriation is provided to fund lease repayments and is not reflected in the Asset Investment Program table.

(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 2018-19 Budget to Parliament on 10 May 2018, are outlined below:

	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
Other					
Indexation for Non-Salary Expenses	-	-	-	-	39
Streamlined Budget Process Incentive Funding	-	89	-	-	-
Voluntary Targeted Separation Scheme	(58)	(59)	(60)	(61)	(61)

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
Sustainable Finances: Responsible financial management and better service delivery.	The prevention and resolution of industrial relations matters.	1. Support to the Western Australian Industrial Relations Commission and Industrial Magistrates Court 2. Conciliation and Arbitration by the Western Australian Industrial Relations Commission

Service Summary

Expense	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
1. Support to the Western Australian Industrial Relations Commission and Industrial Magistrates Court.....	4,944	5,212	5,215	5,428	5,373	5,378	5,380
2. Conciliation and Arbitration by the Western Australian Industrial Relations Commission.....	6,205	6,930	6,869	7,168	7,082	7,064	7,040
Total Cost of Services.....	11,149	12,142	12,084	12,596	12,455	12,442	12,420

Outcomes and Key Effectiveness Indicators ^(a)

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Outcome: The prevention and resolution of industrial relations matters:					
Percentage of employee, employers, representatives and Commission members satisfied with the service provided by the Department of the Registrar in relation to:					
Timeliness	97%	90%	96%	90%	
Accuracy and relevance of information.....	96%	90%	95%	90%	

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

Services and Key Efficiency Indicators

1. Support to the Western Australian Industrial Relations Commission and Industrial Magistrates Court

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

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 4,944	\$'000 5,212	\$'000 5,215	\$'000 5,428	
Less Income	137	80	80	288	1
Net Cost of Service	4,807	5,132	5,135	5,140	
Employees (Full-Time Equivalents)	29	31	30	30	
Efficiency Indicators					
Average cost per application registered and recorded	\$5,092	\$5,574	\$5,427	\$5,714	

Explanation of Significant Movements

(Notes)

- The increase in income in the 2019-20 Budget Target compared to the 2018-19 Estimated Actual relates to increased accommodation revenue received as part of the City of Perth Inquiry.

2. Conciliation and Arbitration by the Western Australian Industrial Relations Commission

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

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 6,205	\$'000 6,930	\$'000 6,869	\$'000 7,168	
Less Income	1	-	-	-	
Net Cost of Service	6,204	6,930	6,869	7,168	
Employees (Full-Time Equivalents) ^(a)	14	19	19	19	

- (a) This includes members of the Commission and their Associates that are not employees of the Department. This treatment is different to the full-time equivalents disclosed in the Commission's Annual Report.

Asset Investment Program

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-19 \$'000	2018-19 Estimated Expenditure \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
COMPLETED WORKS							
Asset Replacement - Information and Communications Technology (ICT) - 2018-19 Program	160	160	160	-	-	-	-
NEW WORKS							
Asset Replacement - ICT							
2019-20 Program	160	-	-	160	-	-	-
2020-21 Program	160	-	-	-	160	-	-
2021-22 Program	160	-	-	-	-	160	-
2022-23 Program	160	-	-	-	-	-	160
Total Cost of Asset Investment Program	800	160	160	160	160	160	160
FUNDED BY							
Drawdowns from the Holding Account			160	160	160	160	160
Total Funding			160	160	160	160	160

Financial Statements

1. The implementation of new accounting standard AASB 16: *Leases* significantly impacts the Statement of Financial Position by bringing arrangements previously classified as operating leases on to the balance sheet. On the Income Statement, previous rental expenses for operating leases are removed and replaced with interest expense for the lease obligation and a depreciation cost for the right of use asset. Further information on AASB 16 and other new accounting standards impacting the Budget are detailed in a feature box in Budget Paper No. 3.

INCOME STATEMENT ^(a) (Controlled)

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
COST OF SERVICES							
Expenses							
Employee benefits ^(b)	6,244	6,594	6,536	6,595	6,647	6,731	6,809
Supplies and services	1,087	1,171	1,191	1,220	1,105	1,105	1,144
Accommodation	3,055	3,443	3,443	854	862	862	862
Depreciation and amortisation	441	497	497	3,154	3,158	3,158	3,117
Finance and interest costs	-	-	-	450	365	268	170
Other expenses	322	437	417	323	318	318	318
TOTAL COST OF SERVICES	11,149	12,142	12,084	12,596	12,455	12,442	12,420
Income							
Sale of goods and services	26	80	80	80	80	80	80
Other revenue	112	-	-	208	-	-	-
Total Income	138	80	80	288	80	80	80
NET COST OF SERVICES	11,011	12,062	12,004	12,308	12,375	12,362	12,340
INCOME FROM STATE GOVERNMENT							
Service appropriations	11,815	11,775	11,717	12,229	12,088	12,075	12,053
Resources received free of charge	16	50	50	50	50	50	50
TOTAL INCOME FROM STATE GOVERNMENT	11,831	11,825	11,767	12,279	12,138	12,125	12,103
SURPLUS/(DEFICIENCY) FOR THE PERIOD	820	(237)	(237)	(29)	(237)	(237)	(237)

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

(b) The full-time equivalents for 2017-18 Actual, 2018-19 Estimated Actual and 2019-20 Budget Estimate are 43, 49 and 49 respectively.

STATEMENT OF FINANCIAL POSITION ^(a)
(Controlled)

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
CURRENT ASSETS							
Cash assets.....	4,415	2,827	4,268	4,329	4,182	4,035	3,903
Holding account receivables.....	160	160	160	160	160	160	160
Receivables.....	122	76	122	122	122	122	122
Other.....	57	40	57	57	57	57	57
Total current assets.....	4,754	3,103	4,607	4,668	4,521	4,374	4,242
NON-CURRENT ASSETS							
Holding account receivables.....	2,027	2,379	2,364	5,358	8,356	11,354	14,311
Property, plant and equipment.....	1,644	1,448	1,307	11,537	8,539	5,598	2,703
Restricted cash.....	80	110	110	140	170	200	215
Total non-current assets.....	3,751	3,937	3,781	17,035	17,065	17,152	17,229
TOTAL ASSETS.....	8,505	7,040	8,388	21,703	21,586	21,526	21,471
CURRENT LIABILITIES							
Employee provisions.....	1,429	1,468	1,429	1,429	1,429	1,429	1,429
Payables.....	91	110	134	164	224	284	284
Borrowings and leases.....	-	-	-	2,429	2,636	2,849	3,151
Other.....	104	195	181	271	331	391	511
Total current liabilities.....	1,624	1,773	1,744	4,293	4,620	4,953	5,375
NON-CURRENT LIABILITIES							
Employee provisions.....	158	138	158	158	158	158	158
Borrowings and leases.....	-	-	-	8,554	5,918	3,126	37
Other.....	1	1	1	1	1	1	1
Total non-current liabilities.....	159	139	159	8,713	6,077	3,285	196
TOTAL LIABILITIES.....	1,783	1,912	1,903	13,006	10,697	8,238	5,571
EQUITY							
Contributed equity.....	(1,568)	(1,568)	(1,568)	673	3,102	5,738	8,587
Accumulated surplus/(deficit).....	8,290	6,696	8,053	8,024	7,787	7,550	7,313
Total equity.....	6,722	5,128	6,485	8,697	10,889	13,288	15,900
TOTAL LIABILITIES AND EQUITY.....	8,505	7,040	8,388	21,703	21,586	21,526	21,471

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

STATEMENT OF CASHFLOWS ^(a)
(Controlled)

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
CASHFLOWS FROM STATE GOVERNMENT							
Service appropriations	11,256	11,278	11,220	9,075	8,930	8,917	8,936
Capital appropriation	-	-	-	2,241	2,429	2,636	2,849
Holding account drawdowns	225	160	160	160	160	160	160
Receipts paid into Consolidated Account	(4,140)	-	-	-	-	-	-
Net cash provided by State Government	7,341	11,438	11,380	11,476	11,519	11,713	11,945
CASHFLOWS FROM OPERATING ACTIVITIES							
Payments							
Employee benefits	(6,327)	(6,487)	(6,429)	(6,488)	(6,540)	(6,624)	(6,702)
Supplies and services	(1,021)	(1,045)	(1,088)	(1,170)	(1,050)	(1,050)	(1,089)
Accommodation	(3,035)	(3,520)	(3,520)	(854)	(862)	(862)	(862)
GST payments	(450)	(503)	(503)	(503)	(503)	(503)	(503)
Finance and interest costs	-	-	-	(450)	(365)	(268)	(170)
Other payments	(293)	(423)	(380)	(310)	(310)	(310)	(310)
Receipts ^(b)							
Sale of goods and services	26	80	80	80	80	80	80
GST receipts	450	503	503	503	503	503	503
Other receipts	87	-	-	208	-	-	-
Net cash from operating activities	(10,563)	(11,395)	(11,337)	(8,984)	(9,047)	(9,034)	(9,053)
CASHFLOWS FROM INVESTING ACTIVITIES							
Purchase of non-current assets	(56)	(160)	(160)	(160)	(160)	(160)	(160)
Net cash from investing activities	(56)	(160)	(160)	(160)	(160)	(160)	(160)
CASHFLOWS FROM FINANCING ACTIVITIES							
Repayment of borrowings and leases	-	-	-	(2,241)	(2,429)	(2,636)	(2,849)
Net cash from financing activities	-	-	-	(2,241)	(2,429)	(2,636)	(2,849)
NET INCREASE/(DECREASE) IN CASH HELD	(3,278)	(117)	(117)	91	(117)	(117)	(117)
Cash assets at the beginning of the reporting period	7,773	3,054	4,495	4,378	4,469	4,352	4,235
Cash assets at the end of the reporting period	4,495	2,937	4,378	4,469	4,352	4,235	4,118

(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 Commission. 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)

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
Sale of Goods and Services							
Sale of Goods and Services	26	80	80	80	80	80	80
GST Receipts							
GST Input Credits	435	500	500	500	500	500	500
GST Receipts on Sales	15	3	3	3	3	3	3
Other Receipts							
Other Receipts	87	-	-	208	-	-	-
TOTAL	563	583	583	791	583	583	583

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

Part 3

Financial Administration

Introduction

The Financial Administration portfolio is responsible for assisting the development of the Government's fiscal strategy, with the principal goal of sustainable finances through responsible financial management. It provides financial and economic advice, assesses value for money in service delivery and ensures transparency in public sector finances and performance by reporting to the Government, Parliament and the public.

The portfolio is contributing to the achievement of the following Our Priorities and associated targets:

- A Strong Economy
 - creating jobs; and
 - repairing the State's Finances.

Summary of Recurrent and Asset Investment Expenditure

Agency	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000
Treasury		
– Total Cost of Services	74,327	89,455
– Asset Investment Program	800	400
Western Australian Treasury Corporation		
– Asset Investment Program	1,895	1,826
Office of the Auditor General		
– Total Cost of Services	29,561	34,779
– Asset Investment Program	540	623
Finance		
– Total Cost of Services	1,380,463	1,270,972
– Asset Investment Program	121,820	138,504
Insurance Commission of Western Australia		
– Asset Investment Program	4,825	5,460
Gold Corporation		
– Asset Investment Program	27,242	18,977

Ministerial Responsibilities

Minister	Agency	Services
Treasurer; Minister for Finance; Aboriginal Affairs; Lands	Treasury	<ol style="list-style-type: none"> 1. Financial Management and Reporting 2. Economic and Revenue Forecasts and Policy Development 3. Evaluation and Planning of Government Services Delivery and Infrastructure Provision
Minister for Mines and Petroleum; Energy; Industrial Relations	Treasury	<ol style="list-style-type: none"> 4. Development and Implementation of Energy Policy
Treasurer; Minister for Finance; Aboriginal Affairs; Lands	Western Australian Treasury Corporation	n/a
	Office of the Auditor General	<ol style="list-style-type: none"> 1. Public Sector Auditing
	Finance	<ol style="list-style-type: none"> 1. Revenue Assessment and Collection, and Grants and Subsidies Administration 2. Development and Management of Common Use Contract Arrangements, State Fleet Leasing and Disposal, and Providing Facilitation Services for Agency Specific Contracts 3. Corporate Services to Client Agencies 4. Leads the Management of Government Buildings Including Planning, Project Delivery, and Maintenance thereof
	Insurance Commission of Western Australia	n/a
Premier; Minister for Public Sector Management; State Development, Jobs and Trade; Federal-State Relations	Gold Corporation	n/a

Division 12 Treasury

Part 3 Financial Administration

Appropriations, Expenses and Cash Assets

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
DELIVERY OF SERVICES							
Item 14 Net amount appropriated to deliver services.....	54,475	61,124	64,364	79,567	61,597	58,801	56,725
Amount Authorised by Other Statutes							
- Salaries and Allowances Act 1975.....	1,382	1,382	1,382	1,382	1,382	1,389	1,397
Total appropriations provided to deliver services	55,857	62,506	65,746	80,949	62,979	60,190	58,122
ADMINISTERED TRANSACTIONS							
<i>Operating Subsidy Payments</i>							
Item 15 Bunbury Water Corporation	703	692	738	708	722	737	752
Item 16 Busselton Water Corporation	527	671	649	566	572	574	584
Item 17 Electricity Generation and Retail Corporation (Synergy).....	243,091	113,901	113,901	129,942	108,506	94,854	96,677
Item 18 Forest Products Commission	833	1,667	1,667	200	-	-	-
Item 19 Public Transport Authority of Western Australia	812,143	834,456	829,627	872,019	899,383	854,898	869,682
Item 20 Regional Power Corporation (Horizon Power)	18,989	9,730	11,030	18,862	15,065	15,333	16,001
Item 21 Southern Ports Authority	238	295	15,725	27,789	30,199	17,880	9,800
Item 22 Water Corporation.....	408,928	464,299	420,052	261,324	177,161	182,616	188,713
Item 23 Western Australian Land Authority ...	47,515	27,668	52,528	79,114	35,496	40,051	25,649
Mid West Ports Authority.....	4,994	2,442	2,442	-	-	-	-
<i>Grants, Subsidies and Transfer Payments</i>							
Item 24 Goods and Services Tax (GST) Administration Costs	65,974	62,800	62,000	66,600	62,500	62,300	62,000
Item 25 Health and Disability Services Complaints Office	2,871	2,651	2,651	2,546	2,560	2,608	2,636
Item 26 Jobs, Tourism, Science and Innovation ^(a)	-	-	-	5,710	4,110	4,104	1,200
Item 27 Metropolitan Redevelopment Authority.....	45,009	10,351	43,431	20,925	16,931	16,019	15,927
Item 28 Minerals Research Institute ^(b)	-	1,000	1,000	1,500	1,500	1,500	-
Item 29 Provision for Unfunded Liabilities in the Government Insurance Fund	2,971	1,870	4,370	5,000	2,673	2,705	2,077
Item 30 Provision for Voluntary Targeted Separation Scheme ^(c)	-	55,820	5,820	15,520	11,640	5,820	-
Item 31 Refund of Past Years Revenue Collections - Public Corporations	5,319	10,000	10,000	10,000	10,000	10,000	10,000
Item 32 Resolution of Native Title in the South West of Western Australia (Settlement) ^(d)	-	60,000	-	60,000	87,597	77,597	75,744
Item 33 Royalties for Regions ^(e)	473,409	574,807	429,321	795,656	832,196	858,566	849,903
Item 34 Gaming and Wagering Commission ^(f)	-	-	-	5,200	3,800	3,900	4,000
Item 35 State Property - Emergency Services Levy.....	17,539	19,187	19,187	19,663	19,717	19,594	19,594
Item 36 WA Health ^(g)	-	-	-	900	14,638	22,197	27,424
Item 37 Western Australia Police Force ^(h) ...	-	-	-	3,634	7,415	4,382	-

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
Item 38 All Other Grants, Subsidies and							
Transfer Payments ⁽ⁱ⁾	16,943	6,552	6,632	6,632	7,087	22,492	37,492
Comprising:							
Acts of Grace	-	300	300	300	300	300	300
Incidentals	-	240	163	240	240	240	240
Interest on Public Moneys Held in Participating Trust Fund Accounts	4,293	5,060	5,260	5,260	5,715	21,120	36,120
Administration Costs - National Tax Equivalent Regime Scheme	34	100	100	100	100	100	100
Energy Disputes Arbitrator	-	-	77	-	-	-	-
Town of Cambridge	11,750	-	-	-	-	-	-
Western Australian Treasury Corporation Management Fees	866	852	732	732	732	732	732
Bell Group Administration Wind-up and Associated Costs ^(j)	334	-	-	-	-	-	-
Department of Justice ^(k)	113	-	-	-	-	-	-
National Redress Scheme and Civil Litigation for Survivors of Institutional Child Sexual Abuse Account ^(l)	-	-	153,039	-	-	-	-
<i>Authorised by Other Statutes</i>							
Judges' Salaries and Pensions Act 1950	14,865	17,352	16,867	17,889	18,900	20,552	22,291
Comprising:							
Benefit Payments	14,686	17,124	16,646	17,669	18,674	20,320	22,052
Administration Expenses	179	228	221	220	226	232	239
Parliamentary Superannuation Act 1970	9,844	10,199	9,336	9,465	11,405	10,098	10,344
Comprising:							
Benefit Payments	9,600	9,931	9,077	9,206	11,140	9,826	10,064
Administration Expenses ^(m)	244	268	259	259	265	272	280
State Superannuation Act 2000	616,224	615,746	631,595	602,111	589,110	515,875	511,327
Comprising:							
Pension Scheme	181,779	177,255	175,757	167,295	158,611	150,597	142,329
Comprising:							
Benefit Payments	180,234	175,608	173,926	165,479	157,094	149,156	140,954
Administration Expenses ^(m)	1,545	1,647	1,831	1,816	1,517	1,441	1,375
Gold State Super	375,328	379,591	396,968	376,196	372,147	365,278	368,998
Comprising:							
Benefit Payments	370,254	374,234	392,227	371,084	367,032	360,303	364,138
Administration Expenses ^(m)	4,723	4,933	4,466	4,682	4,675	4,523	4,396
Government Services ⁽ⁿ⁾	351	424	275	430	440	452	464
West State Super	59,117	58,900	58,870	58,620	58,352	-	-
Western Australian Health Promotion Foundation Act 2016	23,614	24,204	24,204	23,064	23,421	23,949	24,497
Betting Tax Act 2018	-	-	9,300	23,520	24,810	26,220	27,660
Unclaimed Money Act 1990	1,330	1,331	1,831	2,000	2,000	2,000	2,000
Loan Acts - Interest	742,584	837,000	802,000	770,000	791,000	812,000	833,000
TOTAL RECURRENT ADMINISTERED	3,576,904	3,766,691	3,680,943	3,858,059	3,812,114	3,731,421	3,746,974
CAPITAL							
Item 101 Capital Appropriation ^(o)	10	-	-	329	493	668	856
<i>Government Equity Contributions</i>							
Item 102 Animal Resources Authority	750	800	2,099	800	-	-	-
Item 103 Department of Biodiversity, Conservation and Attractions ^(p)	-	-	-	1,800	4,900	6,950	2,500
Item 104 Department of Education ^(q)	-	38,400	26,900	22,000	10,000	8,800	29,700
Item 105 Department of Finance ^(r)	200	5,200	200	5,000	-	-	-
Item 106 Department of Justice ^(s)	3,086	52,119	46,523	65,030	55,845	104,800	14,600
Item 107 Department of Transport ^(t)	-	200	-	20,220	1,940	-	-
Item 108 Electricity Networks Corporation (Western Power)	168,583	109,235	110,673	100,525	95,451	99,037	102,792
Item 109 Health and Disability Services Complaints Office ^(u)	-	-	-	278	183	189	196
Item 110 Kimberley Ports Authority	375	2,500	2,500	5,900	-	-	-
Item 111 Land Information Authority ^(v)	-	-	-	7,490	-	-	-
Item 112 Metropolitan Redevelopment Authority	-	100,224	167,690	59,293	22,760	22,760	12,180
Item 113 Pilbara Ports Authority	60,735	34,650	23,913	51,412	1,337	-	-
Item 114 Racing and Wagering Western Australia ^(w)	-	-	-	148	-	-	-

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
Item 115 Regional Power Corporation (Horizon Power)	32,918	1,118	1,118	18,168	-	-	-
Item 116 Royalties for Regions ^(e)	357,589	360,011	222,315	267,458	235,610	156,505	71,334
Item 117 Southern Ports Authority	1,155	2,489	2,489	1,624	640	-	-
Item 118 WA Health ^(x)	2,631	54,904	17,127	54,872	121,532	74,167	25,243
Forest Products Commission	1,300	-	-	-	-	-	-
Department of Local Government, Sport and Cultural Industries ^(y)	-	6,500	-	-	-	-	-
Provision for the Metropolitan Redevelopment Authority ^(z)	-	62,776	-	-	-	-	-
Western Australian Land Authority	192	44,355	4,355	-	26,560	82,893	-
<i>Other</i>							
Debt Reduction Account.....	-	-	-	-	1,824,200	1,900,100	-
Perth Stadium Account.....	127,920	739	739	-	-	-	-
<i>Authorised by Other Statutes</i>							
Loans (Co-operative Companies) Act 2004	10,400	-	9,300	-	-	-	-
Loan Acts - Repayment of Borrowings	97,722	355,180	436,732	1,327,361	47,539	22,807	13,927
Western Australian Future Fund	52,100	50,600	50,600	63,700	57,100	55,300	55,000
TOTAL CAPITAL ADMINISTERED.....	917,656	1,282,000	1,125,273	2,073,079	2,505,597	2,534,308	327,472
GRAND TOTAL	4,550,427	5,111,197	4,871,962	6,012,416	6,381,183	6,326,587	4,133,424
EXPENSES							
Total Cost of Services	59,220	71,739	74,327	89,455	70,493	67,706	65,638
Net Cost of Services ^(aa)	58,953	69,815	73,055	88,149	70,180	67,391	65,323
CASH ASSETS ^(ab)	15,216	8,370	12,519	12,938	13,357	13,776	14,195

- (a) Provision for the National Collaborative Research Infrastructure Strategy (\$4.6 million) and Future Energy Exports Cooperative Research Centre (\$1.1 million), pending the finalisation of agreements between the respective parties.
- (b) Reflects funding to be applied to the Minerals Research Institute of Western Australia to support the Commonwealth's Future Battery Industry Cooperative Research Centre headquarters to be located in Perth. Funding will be released once the agreement is finalised following the State succeeding in its bid.
- (c) The Voluntary Targeted Separation Scheme closed for most agencies at 30 June 2018. This 2017-18 Budget repair measure is on track to achieve the 3,000 separations originally expected for the Scheme, with 2,311 separations finalised by 30 June 2018, and a further 245 separations in 2018-19 from targeted programs in the Western Australia Police Force (163) and the Department of Education (82 separations). Separation costs for a forecast 390 separations in the disabilities sector are provisioned in this item with actual drawdown on this funding dependent on the timing of the transition to the Commonwealth-run National Disability Insurance Scheme over the forward estimates period.
- (d) Funding held as a provision until the finalisation of the settlement, which is expected in early 2019-20. Funding will then be transferred to relevant parties to execute the agreement.
- (e) Appropriations to the Royalties for Regions Special Purpose Account are split between payments for recurrent and capital purposes (based on project information). Further detail on the Royalties for Regions program is available in Budget Paper No. 3: Economic and Fiscal Outlook.
- (f) Funding provided to the Sports Wagering Account at the Gaming and Wagering Commission of Western Australia associated with the introduction of the Point of Consumption Tax. The funding is indexed annually by the Perth Consumer Price Index, and will be ongoing in the years beyond 2022-23 and provided for in future budgets.
- (g) Includes provision for \$52 million to support the establishment of the Future Health Research and Innovation Fund. Also includes funding to be applied to the Enterprise Medical Imaging Platform (PACS-RIS) replacement project, which will be released upon finalisation of the tender process.
- (h) Reflects funding to be applied by the Western Australia Police Force for the purchase of personal issue body armour for police officers. The Western Australia Police Force will seek Government approval to release the funds following an evaluation of body armour units currently underway.
- (i) All other items include all Administered Grants, Subsidies and Transfers not covered elsewhere by individual Acts.
- (j) Funding provided to wind up the operations of the Western Australian Bell Companies Administrator Authority and meet outstanding Bell Group litigation-related costs.
- (k) Reflects the Department of Justice's Custodial Infrastructure Program expenses item.
- (l) Amount reflects the initial allocation to the National Redress Scheme and Civil Litigation for Survivors of Institutional Child Sexual Abuse Account, to meet the cost of payments associated with the State's participation in the National Redress Scheme and for civil litigation claims by victims of historical child sexual abuse, over four years to 2021-22.
- (m) Superannuation scheme administration expense reflects the costs of administering an unfunded defined benefit superannuation/pension scheme by an appropriation from the Consolidated Account.
- (n) Reflects the costs for regulatory support of State superannuation schemes where GESB or Treasury incurs these costs on behalf of the general government sector.
- (o) Additional capital appropriation is provided to fund lease repayments and is not reflected in the Asset Investment Program table.
- (p) Funding for the Rottnest Island Authority's proposed jetty upgrades. Funding will be released following Government approval of a business case.
- (q) Reflects funding to be applied to the Department of Education's Asset Investment Program for the expansion and redevelopment of John Forrest Secondary College following the Government's approval of a project definition plan. The provision also includes funds for the acquisition of land for future secondary schooling following valuation advice by the Valuer-General.

- (r) Provision of \$5 million allocated for the procurement of an asset management information system to help manage the delivery of government office accommodation reforms. The provision will be released to the Department of Finance upon Government approval of a supporting business case.
- (s) Funding to be applied to the Department of Justice's Asset Investment Program for the Custodial Infrastructure Program and the construction of Casuarina Prison Expansion Stage 1 (512 beds) and Stage 2 (344 beds), following the Government's approval of the tender outcomes.
- (t) Reflects funding to be applied to the development of the business information systems required to regulate the On-demand Transport industry and a \$15 million provision for the future operational costs of managing the Port Hedland Marina.
- (u) Provision of \$100,000 in 2019-20 for the procurement of a case management system to deliver the requirements of the National Code of Conduct for Health Care Workers. The remaining amounts reflect funding associated with AASB 16: *Leases* over 2019-20 to 2022-23.
- (v) Capital funding held as a provision until draft Works Orders are developed and provided to the Department of Treasury.
- (w) To reimburse stamp duty costs associated with the transfer of the Mandurah racetrack from the Western Australian Greyhound Racing Association to Racing and Wagering Western Australia.
- (x) Reflects funding applied to major health initiatives as part of WA Health's Asset Investment Program. WA Health is required to submit business cases or project definition plans for Government approval to access these funds.
- (y) Reflects funding applied to the Department of Local Government, Sport and Cultural Industries for upgrades to the orchestra pit and front of house at His Majesty's Theatre.
- (z) A provision was included in the 2018-19 Budget for an equity injection which could be drawn down by the Metropolitan Redevelopment Authority upon Government approval of project specific exit strategies and savings plans for various areas of its operations. The provision was fully drawn down in 2018-19 to extinguish non-commercial debt and is included in Item 112 as part of the 2018-19 Estimated Actual of \$167.7 million.
- (aa) 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.
- (ab) 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 2018-19 Budget to Parliament on 10 May 2018, are outlined below:

	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
New Initiatives					
Energy Transformation Strategy.....	-	2,628	2,723	1,391	-
Improving Energy Consumer Advocacy	-	300	300	300	-
Streamline WA	-	428	432	435	439
Ongoing Initiatives					
Government Trading Enterprise (GTE) Governance and Oversight.....	-	358	642	645	649
Partial Commercialisation of the Western Australian Land Information Authority (Landgate)	6,728	4,268	-	-	-
Sale of the Western Australian TAB	1,750	6,900	-	-	-
Other					
Australian Energy Market Operator Deed of Indemnity	-	1,060	-	-	-
Increased Contributions to the Australian Energy Market Commission (AEMC)....	-	1,120	1,140	1,170	1,200
Indexation for Non-Salary Expenses	-	-	-	-	135

Significant Issues Impacting the Agency

Economic Outlook

1. The short-term economic outlook - globally, nationally and at the State level - has deteriorated since the 2018-19 Mid-year Review. The International Monetary Fund (IMF) has recently downgraded its global growth forecast from 3.7% to 3.3% in 2019, mostly due to a slowdown in advanced economies. While the IMF expects global growth to lift in 2020 (to 3.6%), it considers that the balance of risks remains on the downside, with the possibility of an escalation of trade tensions, a no-deal Brexit, and/or a rapid reassessment of US monetary policy potentially causing a sharp deterioration in market sentiment.
2. At the same time, the national and State economies have been impacted by a tightening in access to credit and declining house prices, both of which have impacted household consumption (the largest component of domestic economic activity) and dwelling investment. In Western Australia, this is coinciding with completion of construction work on the last of the mega-LNG projects, which is acting as a drag on business investment. As a result, the State's domestic economy (as measured by State Final Demand (SFD)) is estimated to contract by 1% in 2018-19 (this compares to a forecast 0.5% contraction in SFD at the time of the 2018-19 Mid-year Review).

3. Despite the downside risks to the global economy, Western Australia's exports are continuing to grow strongly. This is expected to drive growth of 2% in the overall State economy (as measured by Gross State Product (GSP)) in 2018-19 (compared to forecast growth of 3% in the 2018-19 Mid-year Review).
4. Growth in the State's economy is expected to accelerate in 2019-20, with GSP forecast to grow by 3.5%. This primarily reflects an expectation of continuing solid growth in exports, combined with increasing business investment, as spending on a new wave of resource sector projects (mostly iron ore and lithium) gathers pace. These projects, coupled with State (and Commonwealth) Government investment in major road and rail infrastructure, are expected to see employment growth of 1.75% in 2019-20, up from an estimated 1% in 2018-19. Across the forward estimates period, employment growth is expected to be further supported by an increase in residential construction activity as housing supply tightens and population growth drives demand for new housing.
5. Treasury will continue to closely monitor developments in the State's labour market, particularly in the context of the Government's target to create an additional 150,000 jobs by 2023-24. Modelling by Treasury suggests that this target is achievable, but it will require an increase in employment growth from the current 1.1% (annual average growth to March 2019) to average growth of 1.8% per annum to 2023-24. This compares to long-run average employment growth in Western Australia (since 1989-90) of 2.1% per annum.
6. Treasury will also continue to closely monitor developments in the iron ore market, both in terms of demand (particularly from China) and supply. In this regard, the iron ore price has been supported over recent months by the loss of production from the large Brazilian iron ore miner, Vale, following a tailings dam disaster in January 2019. There is considerable uncertainty around the length of this supply disruption and the extent of any offsets, either from Vale itself or other iron ore producers. This makes forecasting the iron ore price even more challenging than usual. Reflecting this heightened uncertainty, Treasury implemented a relatively minor (but important) change to its forecasting methodology, whereby the iron ore price is assumed to transition more rapidly to the medium term Consensus Economics forecasts. Depending on the length of the current supply disruption, this may well prove to be a conservative forecasting approach, but is considered prudent given the uncertain outlook for the iron ore market.

State Finances

7. Treasury's primary focus continues to be supporting the Government's priority for Budget repair and responsible financial management. This includes the key objectives of returning the general government operating balance to surplus and reducing the State's debt burden to more sustainable levels. This Budget is projecting an operating surplus in 2018-19, which is two years earlier than forecast in the 2018-19 Budget and the first since 2013-14. The general government sector is projected to remain in a surplus position across the entire forward estimates period.
8. The forecast general government operating surplus of \$553 million for 2018-19 is a \$1.2 billion improvement on the \$674 million deficit projected at Mid-year Review. This improved operating position reflects increased royalty revenue (mainly due to the spike in the iron ore price following the Vale tailings dam disaster in January 2019) and the partial bring-forward of GST 'top-up' payments from 2019-20 into 2018-19. Low rates of general government expenditure growth are also critical to the improved outlook.
9. The improvement in the operating outlook has flowed through to lower than previously forecast levels of total public sector net debt, which is now projected to peak at \$37 billion at 30 June 2020 before reducing to \$35.6 billion by 30 June 2023 (before implementation of new accounting standards that impact the measurement of net debt from 2019-20 - see separate information on new accounting standards below). Based on the Mid-year Review projections of other jurisdictions available at the time of finalising the 2019-20 Budget, Western Australia is the only State that is forecasting a peak in net debt over the forward estimates period.
10. Reflecting progress with Budget repair, and the strengthening outlook for the State's finances, both Moody's and S&P Global revised Western Australia's credit rating outlook during 2018-19 (Moody's Aa2 'stable' outlook revised to 'positive' outlook; S&P Global's AA+ 'negative' outlook revised to 'stable' outlook).

Implementation of New Accounting Standards

11. Treasury has played a key leadership role in supporting the public sector to implement three new accounting standards that come into effect for reporting periods commencing on or after 1 January 2019. These standards are AASB 16: *Leases*, AASB 15: *Revenue from Contracts With Customers*, and AASB 1058: *Income of Not For Profit Entities*.

12. Implementation of AASB 16 requires the reporting of operating leases on the balance sheet (removing the previous distinction between operating and finance leases), and will add a forecast \$2.2 billion to the measurement of net debt by 30 June 2023 relative to previous accounting standards. It is important to note that this is a measurement issue only; there is no change in the State's legal or financial obligations (including cash payments) and the credit rating agencies are expected to 'look through' the impact of this measurement change for the purposes of the State's credit rating.
13. The remaining two accounting standards impact revenue recognition rules, particularly the timing of when Commonwealth infrastructure grants are recognised as revenue on the State's income statement. A feature box on the new standards and the associated Budget implications is included in Budget Paper No. 3.

Commonwealth-State Financial Relations

14. Treasury, working with other State agencies, will continue to press for a fair outcome from the Commonwealth Grants Commission's review of its methods for distributing GST revenue among jurisdictions (due to report in February 2020). This will help ensure the sustainability of the major GST reforms enacted by the Commonwealth Government in 2018 (which included a GST floor for Western Australia). An important element of this work will be a comprehensive evidence-based response to the Commission's draft report, expected around May 2019.
15. In addition, Treasury will support the Government's negotiations on Commonwealth-State financial agreements, including the finalisation of agreements relating to funding of hospitals and the National Disability Insurance Scheme. Important aims are to ensure that funding arrangements are fair to Western Australia, in line with the State's priorities, and allow the State to manage its services to efficiently address its needs.

Public Sector Reform

16. Treasury is responsible for delivering a number of key Public Sector Reform initiatives, including:
 - 16.1. strengthening the processes and institutions supporting the Budget, with a focus on fiscal sustainability and agency collaboration in delivering outcomes;
 - 16.2. improving asset management capabilities, practices and protocols; and
 - 16.3. enhancing independent economic and revenue forecasting methods and systems.
17. Treasury is also leading the GTE Reform Program to design a governance framework that addresses the accountability and oversight requirements of the Government while at the same time not unduly hampering operational activities or Board autonomy. The GTE framework will consist of legislative and administrative features to provide clarity on the relationship of GTEs with broader government.
18. The Government has approved drafting of legislation to ensure there is a consistent approach across GTEs when it comes to core governance principles. The legislation is expected to be ready for introduction to Parliament in the second half of 2019.
19. Treasury is also working closely with the Department of the Premier and Cabinet and other agencies to support the broader reform program, including the implementation of 'Our Priorities'.

Economic Policy

20. Treasury is supporting the Government to implement its new Streamline WA initiative announced by the Premier on 6 December 2018. Streamline WA aims to encourage more investment, growth and jobs by improving regulation and its administration. Linked to this work is a comprehensive regulatory mapping project seeking improvements to regulatory arrangements for the horticulture industry, which is due to be completed in May 2019.
21. Treasury is also supporting the Government's broader Microeconomic Reform Agenda, including reforms to the State's rail access regime, as well as working with the Department of Mines, Industry Regulation and Safety (and other relevant agencies) to support the Government's wages policy.

Asset Commercialisation

22. Treasury is supporting the Government with plans to commercialise a restricted part of the Western Australian Land Information Authority's (Landgate) automated land titling transactions. This involves Landgate entering into a long-term agreement with a service provider for automated land titling services, as well as the disposal of Landgate's shareholding in Advara. The sale of Advara was executed in March 2019. The market process for the Landgate partial commercialisation remains on track with the recent completion of the invitations for expressions of interest stage. Indicative offers to enter into the services agreement are due in May 2019, which will then be assessed and a shortlist selected to proceed to the request for binding offers stage. It is expected that a successful respondent will be announced as the service provider before the end of 2019.
23. On 9 October 2018, the Government announced its decision to proceed with the sale of the Western Australian TAB. Treasury is currently working with Racing and Wagering Western Australia in the planning and preparation for the sale process. Enabling legislation is expected to be introduced into Parliament in May 2019, with the sale process planned to commence after the legislation is passed.

Energy Transformation Strategy

24. The Western Australian electricity sector is experiencing significant transition, characterised by increasing levels of grid-connected large-scale renewable generation technologies, changing consumer demand patterns, and growth in the penetration of Distributed Energy Resources (DER), such as rooftop solar photovoltaic generation and battery storage systems. Large-scale renewables and DER offer significant opportunities for low cost, low emissions energy. However, the intermittent and uncontrolled nature of these energy sources is presenting challenges to maintaining the security and reliability of the power system, particularly in the South West Interconnected System (SWIS).
25. To manage existing and emerging risks from the transition to large-scale renewables and DER, the State Government is progressing an Energy Transformation Strategy to continue to provide affordable, reliable and clean energy as the sector transitions. The Energy Transformation Strategy includes the following initiatives:
 - 25.1. development of a Whole of System Plan for the SWIS by mid-2020;
 - 25.2. a DER Roadmap to ensure safe and secure integration of small-scale renewable generation and battery storage in the State's power systems by the end of 2019; and
 - 25.3. changes to modernise the regulatory frameworks for renewable generation connection and maintain effective operation of the wholesale electricity market for the SWIS by early 2021.
26. Treasury will support the delivery of the Energy Transformation Strategy through a dedicated Energy Transformation Implementation Unit, which has been funded in this Budget from a one-off special dividend applied to the electricity GTEs.

Energy Policy

27. A Deed of Indemnity was provided to the Australian Energy Market Operator (AEMO) for the cost of the work undertaken during the previous Government's Electricity Market Review activities in relation to the proposed transfer of retail market operation responsibilities. Costs incurred by AEMO for this work could have only been recovered from market participants if the transfer of retail market operations took place. As the reforms did not progress, funding has been made available to reimburse AEMO for its costs, which total \$1.06 million.
28. In mid-2018, the Council of Australian Governments (COAG) Energy Council of Energy Ministers agreed to a revised AEMC Funding Agreement. Under the revised formula, Western Australia will see an increased contribution of approximately \$1.1 million per year escalated by CPI in its annual contribution to the AEMC (\$4.6 million over the forward estimates period).
29. Treasury has also been provided funding to support the establishment of dedicated energy consumer advocacy in Western Australia. This funding aims to build energy sector capacity within local consumer advocacy organisations and support evidence-based perspectives that represent the interests of a diverse range of small-use energy customers. The funding incorporates 1 FTE for the Public Utilities Office to engage a dedicated advisor on consumer issues and \$420,000 for consumer advocacy consultancies over three years.

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 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
Sustainable Finances: Responsible financial management and better service delivery.	Sustainable and transparent public sector finances.	1. Financial Management and Reporting
	A strong and competitive State economy.	2. Economic and Revenue Forecasts and Policy Development
	Value for money outcomes in service delivery and infrastructure provision.	3. Evaluation and Planning of Government Service Delivery and Infrastructure Provision
	A sustainable, efficient, secure and affordable energy sector.	4. Development and Implementation of Energy Policy

Service Summary

Expense	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
1. Financial Management and Reporting.....	10,263	10,546	9,509	10,539	10,327	10,370	10,461
2. Economic and Revenue Forecasts and Policy Development.....	9,805	9,732	10,225	11,990	11,767	11,620	11,737
3. Evaluation and Planning of Government Service Delivery and Infrastructure Provision.....	24,237	25,420	33,215	38,212	25,761	25,900	26,170
4. Development and Implementation of Energy Policy.....	14,915	26,041	21,378	28,714	22,638	19,816	17,270
Total Cost of Services.....	59,220	71,739	74,327	89,455	70,493	67,706	65,638

Outcomes and Key Effectiveness Indicators ^(a)

	2017-18	2018-19	2018-19	2019-20	Note
	Actual	Budget	Estimated Actual	Budget Target	
Outcome: Sustainable and transparent public sector finances:					
Status of the State's credit rating.....	AA+/Aa2	AA+/Aa2	AA+/Aa2	AA+/Aa2	1
Unqualified audit opinion on the Annual Report on State Finances.....	Yes	Yes	Yes	Yes	
Outcome: A strong and competitive State economy:					
Accuracy of key general government revenue forecasts:					
Tax revenue ^(b)	0.1%	+/-5%	-0.8%	+/-5%	2
Mining revenue ^(c)	4.2%	+/-5%	21.6%	+/-5%	
Accuracy of key economic forecasts (percentage point difference):					
Employment growth ^(d)	0.7	+/-0.5	-0.5	+/-0.5	3
Real SFD growth ^(e)	2.5	+/-2	-0.75	+/-2	
Outcome: Value for money outcomes in service delivery and infrastructure provision:					
Percentage of advice provided to the Expenditure Review Committee (ERC) at least five working days prior to their consideration ^(f)	n/a	n/a	61%	90%	4
Percentage of highest value agencies complying with the Strategic Asset Management framework or equivalent accredited mechanism.....	5%	100%	15%	100%	5
Outcome: A sustainable, efficient, secure and affordable energy sector:					
The extent to which policy and program development objectives for the year are achieved.....	77%	100%	100%	100%	

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

(b) For comparison purposes, the 2017-18 variance adjusts the actual result and 2017-18 Budget estimate to take into account the reclassification of tax fines from taxation to sale of goods and services revenue, and the reclassification of the Building and Construction Industry Training Fund Levy from sale of goods and services revenue to taxation. For comparison purposes, the 2018-19 Budget forecast and estimated actual are adjusted to account for the reclassification of revenue from motor vehicle recording fees from taxation to sale of goods and services revenue, and the reclassification of tax fines from taxation to sale of goods and services revenue. The 2018-19 Actual for taxation revenue will be released in the 2018-19 Annual Report on State Finances in late September 2019.

(c) The 2017-18 variance excludes the forecast revenue from the proposed gold royalty rate increase included in the 2017-18 Budget, which was not passed by Parliament. The 2018-19 Actual for mining revenue will be released in the 2018-19 Annual Report on State Finances in late September 2019.

(d) The employment growth actual used in calculating the accuracy of the employment forecast for 2017-18 differs from that used for Treasury's 2017-18 Annual Report due to the ABS revising the historical series.

(e) The real SFD growth actual used in calculating the accuracy of the SFD forecast for 2017-18 differs from that used in calculating the accuracy of the forecast in Treasury's 2017-18 Annual Report, which was based on an estimated actual (as the 2017-18 Actual had not yet been released by the ABS at the time of production).

(f) This is a new key effectiveness indicator that was adopted for the 2018-19 financial year. The indicator measures the timeliness of advice provided to the ERC, and reflects the importance of Government having sufficient time to review advice from Treasury before decision-making processes occur.

Explanation of Significant Movements

(Notes)

- Both S&P Global and Moody's amended the outlook for their credit rating assessments for Western Australia during the last year. In October 2018, S&P Global revised the outlook for the State's credit rating from AA+ 'negative' to AA+ 'stable', recognising that considerable progress has been made in addressing weaknesses in the State's finances since the Government came to office in 2017 (with stabilising revenue and constrained spending contributing to lower forecast levels of net debt). In January 2019, Moody's revised its outlook from Aa2 'stable' to 'positive', in recognition of the same factors and associated improvement in credit rating metrics. Moody's assessment remains one notch below S&P Global's credit rating for the State.
- Mining revenue is expected to be significantly higher in 2018-19 than the 2018-19 Budget estimate largely due to a higher than forecast iron ore price. The iron ore price spiked following the tailings dam disaster in Brazil in January 2019, and has remained elevated since. This supply shock could not have been foreseen at the time of the 2018-19 Budget.
- Employment growth in 2018-19 is expected to be 0.5 percentage points lower than the 2018-19 Budget estimate, reflecting weaker than expected hiring.

4. The 2018-19 Estimated Actual is lower than anticipated, due to the complexity of some matters which required significant additional consultation with agencies.
5. An estimated 13 agencies form 90% of the total Asset Investment Program for 2018-19. Only two of these agencies provided a Minister-endorsed Strategic Asset Plan (SAP) to Treasury by the specified deadline of 21 January 2019. It is noted, however, that as at the 8 April 2019 cut-off date for this Budget, 11 of the 13 agencies had submitted a Minister-endorsed SAP. Treasury has instigated various initiatives to improve the rate of agencies providing Minister-endorsed SAPs by the required date. This includes consultations with agencies and Ministers, provision of training to analysts, and reminders through Treasury communications. Treasury is assessing options to further improve performance against this indicator.

Services and Key Efficiency Indicators

1. Financial Management and Reporting

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

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 10,263	\$'000 10,546	\$'000 9,509	\$'000 10,539	1
Less Income	9	11	11	11	
Net Cost of Service	10,254	10,535	9,498	10,528	
Employees (Full-Time Equivalents)	47	54	45	47	
Efficiency Indicators					
Percentage of financial reports released as per agreed timeframes	100%	100%	100%	100%	

Explanation of Significant Movements

(Notes)

1. The Total Cost of Service increases between the 2018-19 Estimated Actual and the 2019-20 Budget Target. This movement is predominantly due to employee vacancies in 2018-19, and increased costs in 2019-20 associated with the review and tender requirements for the State Banking Contract and financial policy and oversight activities.

2. Economic and Revenue Forecasts and Policy Development

This service involves analysis and advice on economic and revenue policy issues, including Commonwealth-State financial relations, the development of forecasts for each of the State's major revenue sources, and the provision of advice on economic reform.

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 9,805	\$'000 9,732	\$'000 10,225	\$'000 11,990	1
Less Income	6	6	10	10	
Net Cost of Service	9,799	9,726	10,215	11,980	
Employees (Full-Time Equivalents)	47	54	54	62	
Efficiency Indicators					
Number of ministerials, briefings or reports provided on economic issues	297	350	300	300	2
Percentage of regulatory impact statements assessed within agreed timeframes	100%	90%	100%	90%	

Explanation of Significant Movements

(Notes)

1. The Total Cost of Service increases between the 2018-19 Estimated Actual and the 2019-20 Budget Target, reflecting an increase in resources associated with Streamline WA, intergovernmental relations and wages policy.
2. The actual number of ministerials, briefings or reports provided on economic issues is expected to be lower than the 2018-19 Budget. This result reflects steps taken by Treasury to streamline the ministerials, briefings and reports provided to the Treasurer's Office, following feedback from the Office.

3. Evaluation and Planning of Government Service Delivery and Infrastructure Provision

This service involves investigating agencies' operations in respect of efficiency and effectiveness and advising Government on the allocation of taxpayer resources. It includes the analysis, evaluation and planning of government services to ensure value for money outcomes in key areas like Health, Education, Justice and infrastructure delivery. It also includes Treasury's advisory role with respect to asset commercialisation.

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 24,237	\$'000 25,420	\$'000 33,215	\$'000 38,212	1
Less Income	224	1,121	467	592	2
Net Cost of Service	24,013	24,299	32,748	37,620	
Employees (Full-Time Equivalents)	116	126	127	139	
Efficiency Indicators					
Number of ERC papers on service delivery and infrastructure advice	54	60	29	30	3

Explanation of Significant Movements

(Notes)

1. The Total Cost of Service increases between the 2018-19 Budget and the 2019-20 Budget Target, due to changes in the timing of costs associated with the partial commercialisation of Landgate and the sale of the Western Australian TAB, as well as increased expenditure relating to GTE governance and oversight.
2. Income decreases between the 2018-19 Budget and the 2018-19 Estimated Actual, due to the repositioning of funding associated with the Justice Pipeline Model and Target 120 projects.
3. The 2018-19 Estimated Actual is lower than the 2018-19 Budget as there was a concerted effort to ensure that the 2018-19 Mid-year Review did not become a 'mini-Budget' process. A number of initiatives were implemented in the 2018-19 Budget to assist in streamlining the ERC decision-making process, such as ensuring agencies comply with Budget submission criteria. These initiatives reduced the number of papers provided to the ERC in 2018-19 and enabled the ERC to focus on key policy priorities. In light of these initiatives, the 2019-20 Budget Target has been reduced to 30.

4. Development and Implementation of Energy Policy

This service was created following the transfer of the Public Utilities Office from the Department of Finance on 1 July 2017. The service encompasses the delivery of energy policy and programs to meet the State's energy needs. From 2019-20, it also includes implementation of the State Government's Energy Transformation Strategy.

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 14,915	\$'000 26,041	\$'000 21,378	\$'000 28,714	1
Less Income	28	786	784	693	2
Net Cost of Service	14,887	25,255	20,594	28,021	
Employees (Full-Time Equivalents)	47	51	50	73	1
Efficiency Indicators					
Average cost of policy/project development	\$21,100	\$27,524	\$23,900	\$25,730	

Explanation of Significant Movements

(Notes)

1. The Total Cost of Service increases between the 2017-18 Actual and the 2018-19 Budget as a result of increased contributions to the State Underground Power Program and the timing of energy policy reform work. The Total Cost of Service (and number of FTEs) further increases in 2019-20, predominantly due to additional resources to implement the Government's new Energy Transformation Strategy.
2. Income is higher in 2018-19 and 2019-20 as a result of funding to be transferred from the Department of Finance for the State Underground Power Program.

Asset Investment Program

1. The Department's Asset Investment Program for 2019-20 (\$0.4 million) primarily comprises upgrades to the Strategic Information Management System. This is Treasury's core, whole-of-government budget management system.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-19 \$'000	2018-19 Estimated Expenditure \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
COMPLETED WORKS							
Information and Communications Technology (ICT) Replacement/Upgrade - 2018-19 Program	800	800	800	-	-	-	-
NEW WORKS							
ICT Replacement/Upgrade							
2019-20 Program	400	-	-	400	-	-	-
2020-21 Program	400	-	-	-	400	-	-
2021-22 Program	400	-	-	-	-	400	-
2022-23 Program	400	-	-	-	-	-	400
Total Cost of Asset Investment Program	2,400	800	800	400	400	400	400
FUNDED BY							
Drawdowns from the Holding Account			800	400	400	400	400
Total Funding			800	400	400	400	400

Financial Statements

1. The implementation of new accounting standard AASB 16: *Leases* significantly impacts the Statement of Financial Position by bringing arrangements previously classified as operating leases on to the balance sheet. On the Income Statement, previous rental expenses for operating leases are removed and replaced with interest expense for the lease obligation and a depreciation cost for the right of use asset. Further information on AASB 16 and other new accounting standards impacting the Budget are detailed in a feature box in Budget Paper No. 3.

Income Statement

Expenses

2. Total Cost of Services increases in 2019-20, reflecting the resourcing of new initiatives such as the Energy Transformation Strategy and Streamline WA, as well as the allocation of additional resources to ongoing initiatives such as the GTE Reform Program.
3. Grants and subsidies expenses of \$2.4 million have been repositioned from 2018-19 to 2019-20 to align with the current schedule of works for the State Underground Power Program. In addition, the COAG Energy Council of Energy Ministers agreed to a revised AEMC Funding Agreement. Under the revised formula, Western Australia will see an increase of around \$1.1 million per annum escalated by CPI in its annual contribution to the AEMC, reflected in 2019-20 and the forward estimates period.
4. The reduction in supplies and services expenditure from 2019-20 to 2020-21 (of \$12.8 million) primarily relates to the finite funding in 2019-20 associated with the partial commercialisation of Landgate and sale of the Western Australian TAB.

Income

5. Income of almost \$0.7 million associated with the Target 120 program and the Justice Pipeline Model has been repositioned from 2018-19 to 2019-20 and the forward estimates period.

Statement of Financial Position

6. The measured value of total assets and total liabilities increases substantially in 2019-20 as a result of the implementation of AASB 16. Treasury will recognise right of use accommodation and vehicle assets, and corresponding lease obligations, of around \$68.2 million.

INCOME STATEMENT ^(a)
(Controlled)

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
COST OF SERVICES							
Expenses							
Employee benefits ^(b)	35,935	40,447	39,160	45,118	44,417	42,526	41,319
Grants and subsidies ^(c)	3,744	7,965	6,458	7,708	2,265	1,521	1,550
Supplies and services	12,235	16,539	21,481	26,472	13,581	13,413	13,254
Accommodation	4,631	4,518	4,464	890	890	890	890
Depreciation and amortisation	1,000	1,079	1,001	4,341	4,428	4,464	3,765
Finance and interest costs	-	-	-	3,378	3,364	3,344	3,312
Other expenses	1,675	1,191	1,763	1,548	1,548	1,548	1,548
TOTAL COST OF SERVICES	59,220	71,739	74,327	89,455	70,493	67,706	65,638
Income							
Other revenue	267	1,924	1,272	1,306	313	315	315
Total Income	267	1,924	1,272	1,306	313	315	315
NET COST OF SERVICES	58,953	69,815	73,055	88,149	70,180	67,391	65,323
INCOME FROM STATE GOVERNMENT							
Service appropriations	55,857	62,506	65,746	80,949	62,979	60,190	58,122
Resources received free of charge	7,451	7,596	7,596	7,486	7,486	7,486	7,486
Royalties for Regions Fund:							
Regional and State-wide Initiatives	130	130	130	133	134	134	134
TOTAL INCOME FROM STATE GOVERNMENT	63,438	70,232	73,472	88,568	70,599	67,810	65,742
SURPLUS/(DEFICIENCY) FOR THE PERIOD	4,485	417	417	419	419	419	419

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

(b) The full-time equivalents for 2017-18 Actual, 2018-19 Estimated Actual and 2019-20 Budget Estimate are 257, 276 and 321 respectively.

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

DETAILS OF CONTROLLED GRANTS AND SUBSIDIES

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
Contributions to the Australian Accounting Standards Board	49	53	50	50	50	50	50
Contributions to the AEMC	149	85	1,044	1,114	1,142	1,171	1,200
Contributions to the Energy Council Work Program	432	150	164	300	300	300	300
Contributions to the State Underground Power Program	3,114	7,643	5,200	6,244	773	-	-
Other Grants and Subsidies	-	34	-	-	-	-	-
TOTAL	3,744	7,965	6,458	7,708	2,265	1,521	1,550

STATEMENT OF FINANCIAL POSITION ^(a)
(Controlled)

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
CURRENT ASSETS							
Cash assets.....	14,985	8,027	12,174	12,476	12,776	13,074	13,370
Holding account receivables.....	800	-	400	400	400	400	400
Receivables.....	678	806	678	678	678	678	678
Other.....	39	541	39	39	39	39	39
Total current assets.....	16,502	9,374	13,291	13,593	13,893	14,191	14,487
NON-CURRENT ASSETS							
Holding account receivables.....	11,164	12,243	11,765	15,706	19,734	23,798	27,163
Property, plant and equipment.....	24	17	15	64,927	61,793	58,676	55,486
Intangibles.....	4,244	3,971	4,052	3,379	2,626	1,831	1,735
Restricted cash.....	231	343	345	462	581	702	825
Total non-current assets.....	15,663	16,574	16,177	84,474	84,734	85,007	85,209
TOTAL ASSETS	32,165	25,948	29,468	98,067	98,627	99,198	99,696
CURRENT LIABILITIES							
Employee provisions.....	7,507	6,821	7,507	7,507	7,507	7,507	7,507
Payables.....	5,377	476	2,263	2,263	2,263	2,263	2,263
Other.....	-	26	-	-	-	-	-
Total current liabilities.....	12,884	7,323	9,770	9,770	9,770	9,770	9,770
NON-CURRENT LIABILITIES							
Employee provisions.....	2,291	3,034	2,291	2,291	2,291	2,291	2,291
Borrowings and leases	-	-	-	67,851	67,499	66,983	66,206
Other.....	4	4	4	4	4	4	4
Total non-current liabilities.....	2,295	3,038	2,295	70,146	69,794	69,278	68,501
TOTAL LIABILITIES	15,179	10,361	12,065	79,916	79,564	79,048	78,271
EQUITY							
Contributed equity.....	42,117	44,444	42,117	42,446	42,939	43,607	44,463
Accumulated surplus/(deficit).....	(25,131)	(28,857)	(24,714)	(24,295)	(23,876)	(23,457)	(23,038)
Total equity	16,986	15,587	17,403	18,151	19,063	20,150	21,425
TOTAL LIABILITIES AND EQUITY	32,165	25,948	29,468	98,067	98,627	99,198	99,696

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

STATEMENT OF CASHFLOWS ^(a)
(Controlled)

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
CASHFLOWS FROM STATE GOVERNMENT							
Service appropriations	54,845	61,427	64,745	76,608	58,551	55,726	54,357
Capital appropriation	10	-	-	329	493	668	856
Holding account drawdowns	222	800	800	400	400	400	400
Royalties for Regions Fund:							
Regional and State-wide Initiatives	130	130	130	133	134	134	134
Receipts paid into Consolidated Account	(18,267)	-	-	-	-	-	-
Net cash provided by State Government	36,940	62,357	65,675	77,470	59,578	56,928	55,747
CASHFLOWS FROM OPERATING ACTIVITIES							
Payments							
Employee benefits	(36,724)	(40,447)	(39,160)	(45,118)	(44,417)	(42,526)	(41,319)
Grants and subsidies	(210)	(7,965)	(9,572)	(7,708)	(2,265)	(1,521)	(1,550)
Supplies and services	(4,331)	(8,849)	(13,874)	(19,068)	(6,177)	(6,009)	(5,850)
Accommodation	(4,622)	(4,518)	(4,464)	(890)	(890)	(890)	(890)
GST payments	(1,044)	(2,281)	(2,281)	(2,281)	(2,281)	(2,281)	(2,281)
Finance and interest costs	-	-	-	(3,378)	(3,364)	(3,344)	(3,312)
Other payments	(1,594)	(1,348)	(1,837)	(1,548)	(1,548)	(1,548)	(1,548)
Receipts ^(b)							
GST receipts	2,349	2,281	2,281	2,281	2,281	2,281	2,281
Other receipts	298	1,924	1,335	1,388	395	397	397
Net cash from operating activities	(45,878)	(61,203)	(67,572)	(76,322)	(58,266)	(55,441)	(54,072)
CASHFLOWS FROM INVESTING ACTIVITIES							
Purchase of non-current assets	-	(800)	(800)	(400)	(400)	(400)	(400)
Net cash from investing activities	-	(800)	(800)	(400)	(400)	(400)	(400)
CASHFLOWS FROM FINANCING ACTIVITIES							
Repayment of borrowings and leases	-	-	-	(329)	(493)	(668)	(856)
Net cash from financing activities	-	-	-	(329)	(493)	(668)	(856)
NET INCREASE/(DECREASE) IN CASH HELD	(8,938)	354	(2,697)	419	419	419	419
Cash assets at the beginning of the reporting period	56,832	8,016	15,216	12,519	12,938	13,357	13,776
Net cash transferred to/from other agencies	(32,678)	-	-	-	-	-	-
Cash assets at the end of the reporting period	15,216	8,370	12,519	12,938	13,357	13,776	14,195

(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)

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
GST Receipts							
GST Input Credits	2,343	2,281	2,281	2,281	2,281	2,281	2,281
GST Receipts on Sales	6	-	-	-	-	-	-
Other Receipts							
Senior Officer Vehicle Scheme	54	66	66	68	68	70	70
Receipts from the Department of Finance for the State Underground Power Program	-	743	743	651	-	-	-
Receipts from the Department of Communities for the Target 120 Program	70	430	98	387	165	165	165
Receipts from the Department of Justice for the Justice Pipeline Model	-	655	335	170	50	50	50
Other Receipts	174	30	93	112	112	112	112
TOTAL	2,647	4,205	3,616	3,669	2,676	2,678	2,678

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

DETAILS OF ADMINISTERED TRANSACTIONS

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
INCOME							
Commonwealth Grants							
Compensation for Crude Oil Excise Condensate	28,052	44,063	50,654	44,922	36,076	28,358	22,743
GST Grants	2,248,931	3,254,900	3,199,700	3,581,300	3,165,000	3,337,900	5,465,800
Commonwealth-Funded 70% Floor	-	-	434,000	814,200	1,824,200	1,900,100	-
Local Government (Financial Assistance Grants)	168,774	180,600	180,400	-	-	-	-
Local Government (Road Funding)	113,416	113,110	117,700	-	-	-	-
Non-Government Schools	1,250,034	1,319,798	1,335,458	-	-	-	-
North West Shelf Grants	695,026	801,144	920,975	816,771	655,929	515,609	413,504
Other	2,871,799	2,329,965	2,423,368	2,955,581	3,722,769	2,358,648	2,881,906
Total Commonwealth Grants	7,376,032	8,043,580	8,662,255	8,212,774	9,403,974	8,140,615	8,783,953
GOVERNMENT ENTERPRISES							
Dividends							
Bunbury Water Corporation	1,898	2,048	1,940	1,845	1,428	1,435	1,495
Busselton Water Corporation	1,409	1,130	1,540	1,187	1,129	1,119	966
Electricity Generation and Retail Corporation (Synergy)	148,000	3,558	12,190	2,820	-	-	-
Electricity Networks Corporation (Western Power)	418,899	254,871	297,569	277,046	269,326	269,338	234,442
Forest Products Commission	3,617	-	-	250	500	2,173	2,216
Fremantle Port Authority	64,986	29,727	34,598	36,428	39,021	39,049	40,722
Gold Corporation	12,754	6,324	4,989	7,123	9,725	10,243	10,897
Insurance Commission of Western Australia	149,262	73,135	108,373	73,166	65,355	55,794	60,113
Kimberley Ports Authority	394	-	-	-	2,000	2,346	2,395
Land Information Authority	6,060	1,295	144,596	6,472	10,650	12,249	19,459
Mid West Ports Authority	18,116	10,876	12,996	14,071	16,343	7,899	8,973
Pilbara Ports Authority	220,685	130,271	118,997	98,154	112,000	121,796	127,580
Regional Power Corporation (Horizon Power)	43,802	24,373	19,632	11,938	10,804	13,712	11,558
Southern Ports Authority	43,190	26,561	25,844	32,282	38,898	31,109	27,273
Water Corporation of Western Australia	528,157	618,478	593,804	620,136	694,485	751,442	778,644
Western Australian Land Authority	53,779	33,179	37,876	10,080	10,008	11,123	15,202
Western Australian Treasury Corporation	9,249	14,135	18,267	16,202	16,564	19,204	20,112
Total Dividends	1,724,257	1,229,961	1,433,211	1,209,200	1,298,236	1,350,031	1,362,047

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
Income Tax Equivalent Regime							
Bunbury Water Corporation	1,392	1,683	1,289	1,004	1,020	1,063	1,310
Busselton Water Corporation	1,451	779	1,064	784	799	765	706
Electricity Generation and Retail Corporation (Synergy)	16,452	-	-	-	-	-	-
Electricity Networks Corporation (Western Power)	81,130	52,885	93,165	100,789	88,763	103,412	81,936
Forest Products Commission	-	-	-	-	1,238	1,741	1,342
Fremantle Port Authority	22,919	18,554	20,202	24,225	24,821	24,569	26,045
Gold Corporation	4,436	9,202	4,086	5,573	5,869	6,243	6,648
Insurance Commission of Western Australia	106,686	39,506	48,620	32,694	32,991	37,220	43,198
Kimberley Ports Authority	(134)	-	-	-	1,274	1,302	1,332
Land Information Authority	4,014	6,720	47,910	8,299	8,512	12,206	16,942
Mid West Ports Authority	4,208	5,202	6,275	5,949	7,356	2,749	5,808
Pilbara Ports Authority	60,862	76,954	60,201	56,340	67,303	70,234	73,147
Regional Power Corporation (Horizon Power)	49,059	17,798	14,185	6,228	6,653	8,227	7,278
Southern Ports Authority	11,195	12,122	9,194	14,491	18,289	15,573	15,589
Water Corporation of Western Australia	281,675	360,740	365,940	354,047	387,647	419,276	428,938
Western Australian Land Authority	2,963	8,814	3,848	4,290	6,355	8,687	8,903
Western Australian Treasury Corporation	10,369	10,222	9,258	9,465	10,974	11,493	11,725
Total Income Tax Equivalent Regime	658,677	621,181	685,237	624,178	669,864	724,760	730,847
Local Government Rates Equivalent							
Bunbury Water Corporation	79	72	72	82	84	86	87
Busselton Water Corporation	58	62	62	61	63	66	69
Electricity Generation and Retail Corporation (Synergy)	669	1,606	1,606	1,644	1,683	1,742	1,760
Electricity Networks Corporation (Western Power)	1,372	1,710	1,710	1,710	1,761	1,805	1,651
Forest Products Commission	27	322	331	338	346	354	363
Fremantle Port Authority	582	737	612	642	674	708	743
Gold Corporation	125	1,153	1,202	1,238	1,275	1,314	1,353
Kimberley Ports Authority	128	152	152	152	155	158	161
Mid West Ports Authority	816	828	832	873	890	912	935
Pilbara Ports Authority	3,199	1,589	3,750	4,250	4,356	4,465	4,577
Regional Power Corporation (Horizon Power)	302	274	667	676	685	695	704
Southern Ports Authority	660	655	641	648	659	671	683
Water Corporation of Western Australia	6,720	6,663	6,663	6,796	6,966	7,140	7,319
Western Australian Land Authority	7,010	5,946	5,921	6,025	6,023	6,195	6,607
Total Local Government Rates Equivalent....	21,747	21,769	24,221	25,135	25,620	26,311	27,012
Total Government Enterprises	2,404,681	1,872,911	2,142,669	1,858,513	1,993,720	2,101,102	2,119,906
Other							
Consolidated Account Revenue Received from Agencies	13,265,294	13,711,152	14,192,372	15,528,461	15,277,676	15,661,441	15,915,336
Gold State Superannuation Reimbursement	114,758	98,069	99,194	87,793	77,577	68,265	60,696
Interest	118,044	95,949	122,349	111,146	117,142	131,059	137,877
Loan Guarantee Fees	144,311	155,670	154,522	161,259	171,052	172,758	173,887
Pension Recoups	13,061	11,441	10,299	10,433	11,436	11,653	11,886
Other Revenue	44,200	39,485	29,704	18,766	18,766	18,766	18,766
Total Other	13,699,668	14,111,766	14,608,440	15,917,858	15,673,649	16,063,942	16,318,448
TOTAL ADMINISTERED INCOME	23,480,381	24,028,257	25,413,364	25,989,145	27,071,343	26,305,659	27,222,307
EXPENSES							
Superannuation	125,682	513,650	254,043	246,348	240,928	263,618	283,855
Interest	820,383	918,760	867,760	828,010	862,715	909,620	958,620
Appropriations for:							
Operating Subsidies	1,538,717	1,457,736	1,454,005	1,382,912	1,267,105	1,206,944	1,207,858
Services	16,292,675	16,277,475	16,268,006	16,779,852	16,563,396	16,791,867	17,220,522
Salaries and Allowances	104,064	104,788	104,441	105,653	107,628	105,598	105,962
Other Appropriations	2,105,615	2,135,300	2,152,360	2,514,414	2,339,882	2,396,629	2,340,941
Total Appropriations	20,041,071	19,975,299	19,978,812	20,782,831	20,278,011	20,501,038	20,875,283

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
Other							
Commonwealth Grants On-passed to Agencies	2,169,929	2,310,050	2,403,418	2,436,252	2,293,155	2,447,093	2,584,052
Local Government Financial Assistance Grants	168,774	180,600	180,400	-	-	-	-
Local Government Road Funding	113,416	113,110	117,700	-	-	-	-
Non-Government Schools	1,250,034	1,319,798	1,335,458	-	-	-	-
Royalties for Regions	447,558	577,551	487,669	811,060	842,745	873,820	868,067
Other Expenses	543	-	22,721	82,016	26,010	24,792	22,111
Total Other	4,150,254	4,501,109	4,547,366	3,329,328	3,161,910	3,345,705	3,474,230
TOTAL ADMINISTERED EXPENSES	25,137,390	25,908,818	25,647,981	25,186,517	24,543,564	25,019,981	25,591,988

Western Australian Treasury Corporation

Part 3 Financial Administration

Asset Investment Program

1. The Corporation's Asset Investment Program encompasses an ongoing program to update information and communications technology that supports the delivery of its services.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-19 \$'000	2018-19 Estimated Expenditure \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
COMPLETED WORKS							
Computer Hardware/Software - 2018-19 Program	1,895	1,895	1,895	-	-	-	-
NEW WORKS							
Computer Hardware/Software							
2019-20 Program	1,826	-	-	1,826	-	-	-
2020-21 Program	377	-	-	-	377	-	-
2021-22 Program	482	-	-	-	-	482	-
2022-23 Program	383	-	-	-	-	-	383
Total Cost of Asset Investment Program	4,963	1,895	1,895	1,826	377	482	383
FUNDED BY							
Internal Funds and Balances			1,895	1,826	377	482	383
Total Funding			1,895	1,826	377	482	383

Division 13 Office of the Auditor General

Part 3 Financial Administration

Appropriations, Expenses and Cash Assets

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
DELIVERY OF SERVICES							
Item 39 Net amount appropriated to deliver services.....	6,831	6,958	6,958	7,763	8,005	8,053	8,138
Amount Authorised by Other Statutes							
- Salaries and Allowances Act 1975.....	753	753	753	753	753	755	757
Total appropriations provided to deliver services	7,584	7,711	7,711	8,516	8,758	8,808	8,895
CAPITAL							
Item 119 Capital Appropriation	300	300	300	300	300	300	300
TOTAL APPROPRIATIONS	7,884	8,011	8,011	8,816	9,058	9,108	9,195
EXPENSES							
Total Cost of Services	26,092	29,561	29,561	34,779	35,168	35,613	35,911
Net Cost of Services ^(a)	6,982	8,148	8,148	9,028	9,231	9,246	9,290
CASH ASSETS ^(b)	5,240	3,549	4,344	3,995	3,885	3,898	3,927

(a) Represents Total Cost of Services (expenses) less retained revenues applied to the Office'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 2018-19 Budget to Parliament on 10 May 2018, are outlined below:

	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
New Initiative					
Information Systems Audit Program - Local Government Entities.....	-	522	519	524	537
Ongoing Initiative					
Local Government Audit Reform	-	1,145	1,143	1,151	1,169
Other					
Indexation for Non-Salary Expenses	-	-	-	-	122
Information Systems Upgrade.....	-	850	403	408	418

Significant Issues Impacting the Agency

Effectively Implementing Local Government Audit Reform

1. The *Local Government Amendment (Audit) Act 2017* has increased the number of entities the Office now audits by 80%. From the completion of 46 financial and several performance audits in the local government sector, the Office has found that each local government audit takes more time than comparably sized State sector audits. The Office will continue to proactively engage with the local government sector to enhance financial management, governance practices and performance capability to achieve tangible improvements in the capacity and confidence in the sector.
2. This is a significant undertaking and cost, the extent of which will be determined by how much the Office can recover its costs through audit fees.

Need for Increased Program of Information Systems Audits

3. State and local governments rely on a large number of information and communications technology (ICT) systems to operate and provide a range of essential services to the public. It is critical that these systems are reliable, secure and properly managed to reduce the risk of disruption to the delivery of vital services, and ensure the confidentiality and integrity of the information held.
4. The Office will continue to conduct General Computer Controls (GCC) audits of the 40 largest State Government entities and review five key applications that agencies rely on to deliver services to the community. The Office will seek to expand its GCC audit program to include the local government sector to ensure the ICT systems are also reliable and secure.
5. An enhanced GCC audit program across the State and local government sectors is only possible if the Office is able to recover costs from audit clients. Full delivery of this initiative is subject to the ability of the Office to recover the cost through audit fees.

Core Information Systems and Audit Methodology Must Meet Contemporary and Better Practice Standards

6. The Office will be replacing its Financial Management Information System and its existing financial and performance audit software, which it relies on to conduct its audit. Along with the requirement for new audit software, the Office also needs to upgrade its financial audit methodology, which is used to deliver its annual financial audit program of the State and local government sectors. This is a significant undertaking, which will require extensive change management, risk management and staff training associated with the transfer over to the new methodology.

Extracting Additional Value from the Office's Work to Support Sector-wide Governance Reforms

7. The Office has identified a number of opportunities where it can further work with the sector to improve governance, accountability and transparency. This will support and share the knowledge derived from the Office's core mandate. The Office will target cost-effective opportunities to undertake this work within current resourcing levels. This includes:
 - 7.1. delivery of better practice guidance - through delivering better practice guidance the Office would aim to build understanding and capability in agencies and local governments to help them perform at their most efficient level, encouraging them to adopt better practices to transform and improve business processes.
 - 7.2. improving the effectiveness of audit committees - the Office would do this through specific better practice guidance as well as increased interaction and awareness-raising of the cost effective governance benefits from a high-functioning audit committee.

Building Audit Capability in the Regions - Regional Prosperity

8. The Office uses pre-approved contract audit firms to perform a large proportion of local government audits. Given its new local government audit mandate, the Office is keen to expand the number of regional firms that it can work with. Local firms understand the regional area and the important issues faced by particular local governments.
9. The Office aims to support regional firms to meet audit quality requirements and provide ongoing feedback and engagement. This will build capacity in the regions and contribute to the economic wellbeing of regional communities.

Managing the Impact of Section 82 of the *Financial Management Act 2006* on the Office's Audit Program

10. The number of ministerial notifications received by the Office continues to increase, and the growing complexity in preparing an opinion. These opinions are a legislative requirement and improve Government transparency and accountability. It is difficult to anticipate and plan for when and how many notifications will come to the Office and the scale of the work involved.

Outcomes, Services and Key Performance Information

Relationship to Government Goals

The Office is a public sector entity established to support the Auditor General. The Auditor General is an independent officer of the Parliament and as such reports directly to Parliament and ultimately the people of Western Australia, providing assurance about the efficient and effective delivery of services and the responsible management of the State's finances.

Desired Outcome	Service
An informed Parliament on public sector accountability and performance.	1. Public Sector Auditing

Service Summary

Expense	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
1. Public Sector Auditing	26,092	29,561	29,561	34,779	35,168	35,613	35,911
Total Cost of Services.....	26,092	29,561	29,561	34,779	35,168	35,613	35,911

Outcomes and Key Effectiveness Indicators ^(a)

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Outcome: An informed Parliament on public sector accountability and performance:					
The extent that the Office is effective in informing the Parliament about the public sector accountability and performance is measured by the number of tabled reports compared to targets for each of the following categories of audit matter:					1
Service Delivery - reports tabled	4	7	6	8	
Economic Development - reports tabled	3	2	1	4	
Social and Environment - reports tabled	6	5	3	7	
Governance - reports tabled	14	15	23	12	
TOTAL	27	29	33	31	

(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 Office aims to provide Parliament with advice and assurance across all four categories of public sector activity. A crucial element of the key effectiveness indicator is the establishment of a three year target for each category of report. Targets are one factor in the selection of topics. Other factors include the significance of identified issues and regards for matters referred to the Office by Parliament. For this reason, category targets may not always be met in any one year. Accordingly, individual targets must be considered in conjunction with the three year target.

The current target over three years encompasses the 2018-19 to 2020-21 cycles.

	2015-16 to 2017-18 Three Year Actual	2015-16 to 2017-18 Three Year Budget Target	2018-19 to 2020-21 Three Year Estimated Actual	2018-19 to 2020-21 Three Year Budget Target
Reports Tabled:				
Service Delivery	15	15	20	21
Economic Development	7	9	11	12
Social and Environment	9	9	10	12
Governance.....	51	42	54	45
TOTAL.....	82	75	95	90

Section 82 work is a legislated obligation and results in a diversion of resources from the Performance Audit Program. Section 82 reports are included as tabled reports in the 2018-19 to 2020-21 Three Year Estimated Actual in the Governance category with the number of reports above the 2018-19 to 2020-21 Three Year Budget Target for that category of report. The 2018-19 to 2020-21 Three Year Estimated Actual in the same three year cycle is below target in all other report categories, showing the impact of Section 82 reports on the Performance Audit Program.

Services and Key Efficiency Indicators

1. Public Sector Auditing

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

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 26,092	\$'000 29,561	\$'000 29,561	\$'000 34,779	1
Less Income	19,110	21,413	21,413	25,751	
Net Cost of Service	6,982	8,148	8,148	9,028	
Employees (Full-Time Equivalents)	145	144	156	173	
Efficiency Indicators ^(a)					
Total audit cost per \$ million of gross Government expenditure	\$504	\$546	\$574	\$661	
Attest audit cost per \$ million of gross Government expenditure	\$372	\$401	\$421	\$484	
Performance audit cost per \$ million of gross Government expenditure	\$132	\$145	\$153	\$177	
Average number of days taken after balance date to issue financial audit opinions	65	68	68	68	

(a) Efficiency indicators are based on the average number of days taken after balance date to issue financial audit opinions and gross Government expenditure for State agencies only. Targets incorporating local governments will be developed once all financial audits for the sector have transitioned to the Auditor General.

Explanation of Significant Movements

(Notes)

- The increase in the Total Cost of Service between the 2018-19 Estimated Actual and the 2019-20 Budget Target is primarily due to the continued extension of service delivery with the introduction of local government auditing, an increased program of information systems audits and the upgrade of core information systems.

Asset Investment Program

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-19 \$'000	2018-19 Estimated Expenditure \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
COMPLETED WORKS							
Computer Hardware and Software - 2018-19 Program	540	540	540	-	-	-	-
NEW WORKS							
Computer Hardware and Software							
2019-20 Program	623	-	-	623	-	-	-
2020-21 Program	690	-	-	-	690	-	-
2021-22 Program	690	-	-	-	-	690	-
2022-23 Program	690	-	-	-	-	-	690
Total Cost of Asset Investment Program	3,584	891	540	623	690	690	690
FUNDED BY							
Capital Appropriation			300	300	300	300	300
Drawdowns from the Holding Account			240	323	390	390	390
Total Funding			540	623	690	690	690

Financial Statements

1. The implementation of new accounting standard AASB 16: *Leases* significantly impacts the Statement of Financial Position by bringing arrangements previously classified as operating leases on to the balance sheet. On the Income Statement, previous rental expenses for operating leases are removed and replaced with interest expense for the lease obligation and a depreciation cost for the right of use asset. Further information on AASB 16 and other new accounting standards impacting the Budget are detailed in a feature box in Budget Paper No. 3.

Income Statement

Expenses

2. The 2019-20 Budget Estimate Total Cost of Services is estimated to increase by \$5.2 million compared to the 2018-19 Estimated Actual. This is mainly due to the continuing extension of service delivery with the introduction of local government auditing, an anticipated increased program of information systems audits and the replacement of core information systems.

Income

3. Consistent with the movement in the Total Cost of Services, the 2019-20 estimated income from audit fees has increased by \$4.3 million compared to the 2018-19 Estimated Actual reflecting the expanded audit client base and the recovery of the cost of the local government financial audit program and the anticipated increased program of information systems audits. In addition, a proportion of the cost of information systems upgrades is recovered through audit fees revenue in line with the Office's current strategic resourcing mix.
4. The increase in income from State Government of \$805,000 compared to the 2018-19 Estimated Actual reflects the resourcing of the local government performance auditing program and a proportion of the information systems upgrades in line with the Office's current strategic resourcing mix.

INCOME STATEMENT ^(a)
(Controlled)

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
COST OF SERVICES							
Expenses							
Employee benefits ^(b)	16,876	17,571	18,472	21,624	21,494	21,619	21,810
Supplies and services	5,375	7,789	7,083	9,634	10,205	10,554	10,664
Accommodation	2,180	2,378	2,268	-	-	-	-
Depreciation and amortisation	495	721	721	1,946	1,950	1,951	1,951
Finance and interest costs	-	-	-	151	112	76	32
Other expenses	1,166	1,102	1,017	1,424	1,407	1,413	1,454
TOTAL COST OF SERVICES	26,092	29,561	29,561	34,779	35,168	35,613	35,911
Income							
Other revenue	19,110	21,413	21,413	25,751	25,937	26,367	26,621
Total Income	19,110	21,413	21,413	25,751	25,937	26,367	26,621
NET COST OF SERVICES	6,982	8,148	8,148	9,028	9,231	9,246	9,290
INCOME FROM STATE GOVERNMENT							
Service appropriations	7,584	7,711	7,711	8,516	8,758	8,808	8,895
Resources received free of charge	408	467	467	467	467	467	467
TOTAL INCOME FROM STATE GOVERNMENT	7,992	8,178	8,178	8,983	9,225	9,275	9,362
SURPLUS/(DEFICIENCY) FOR THE PERIOD	1,010	30	30	(45)	(6)	29	72

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

(b) The full-time equivalents for 2017-18 Actual, 2018-19 Estimated Actual and 2019-20 Budget Estimate are 145, 156 and 173 respectively.

STATEMENT OF FINANCIAL POSITION ^(a)
(Controlled)

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
CURRENT ASSETS							
Cash assets.....	5,126	3,376	4,169	3,750	3,570	3,513	3,482
Holding account receivables.....	240	323	323	390	390	390	390
Receivables.....	8,568	11,593	11,130	12,352	13,303	13,754	14,205
Other.....	474	477	474	474	474	474	474
Total current assets.....	14,408	15,769	16,096	16,966	17,737	18,131	18,551
NON-CURRENT ASSETS							
Holding account receivables.....	3,431	3,829	3,829	4,160	4,491	4,822	5,153
Property, plant and equipment.....	575	279	484	3,854	2,762	1,612	460
Intangibles.....	339	336	249	399	339	309	199
Restricted cash.....	114	173	175	245	315	385	445
Total non-current assets.....	4,459	4,617	4,737	8,658	7,907	7,128	6,257
TOTAL ASSETS	18,867	20,386	20,833	25,624	25,644	25,259	24,808
CURRENT LIABILITIES							
Employee provisions.....	3,190	2,960	3,251	3,321	3,391	3,461	3,531
Payables.....	510	3,234	2,085	2,858	3,599	3,963	4,343
Other.....	605	12	605	605	605	605	605
Total current liabilities.....	4,305	6,206	5,941	6,784	7,595	8,029	8,479
NON-CURRENT LIABILITIES							
Employee provisions.....	773	941	773	773	773	773	773
Borrowings and leases	-	-	-	3,693	2,608	1,460	187
Total non-current liabilities.....	773	941	773	4,466	3,381	2,233	960
TOTAL LIABILITIES	5,078	7,147	6,714	11,250	10,976	10,262	9,439
EQUITY							
Contributed equity.....	8,631	8,931	8,931	9,231	9,531	9,831	10,131
Accumulated surplus/(deficit).....	5,158	4,308	5,188	5,143	5,137	5,166	5,238
Total equity	13,789	13,239	14,119	14,374	14,668	14,997	15,369
TOTAL LIABILITIES AND EQUITY	18,867	20,386	20,833	25,624	25,644	25,259	24,808

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

STATEMENT OF CASHFLOWS ^(a)
(Controlled)

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
CASHFLOWS FROM STATE GOVERNMENT							
Service appropriations	6,863	6,990	6,990	7,795	8,037	8,087	8,174
Capital appropriation	300	300	300	300	300	300	300
Holding account drawdowns	190	240	240	323	390	390	390
Net cash provided by State Government	7,353	7,530	7,530	8,418	8,727	8,777	8,864
CASHFLOWS FROM OPERATING ACTIVITIES							
Payments							
Employee benefits	(16,747)	(17,510)	(18,396)	(21,537)	(21,407)	(21,533)	(21,725)
Supplies and services	(4,625)	(6,198)	(5,507)	(7,835)	(8,437)	(9,154)	(9,263)
Accommodation	(1,772)	(1,927)	(1,817)	-	-	-	-
GST payments	(2,019)	(1,800)	(1,800)	(1,800)	(1,800)	(1,800)	(1,800)
Finance and interest costs	-	-	-	(151)	(112)	(76)	(32)
Other payments	(1,208)	(1,102)	(1,017)	(1,993)	(1,982)	(1,995)	(2,019)
Receipts ^(b)							
GST receipts	1,956	1,800	1,800	1,800	1,800	1,800	1,800
Other receipts	17,561	18,851	18,851	24,529	24,987	25,916	26,170
Net cash from operating activities	(6,854)	(7,886)	(7,886)	(6,987)	(6,951)	(6,842)	(6,869)
CASHFLOWS FROM INVESTING ACTIVITIES							
Purchase of non-current assets	(351)	(540)	(540)	(623)	(690)	(690)	(690)
Net cash from investing activities	(351)	(540)	(540)	(623)	(690)	(690)	(690)
CASHFLOWS FROM FINANCING ACTIVITIES							
Repayment of borrowings and leases	-	-	-	(1,157)	(1,196)	(1,232)	(1,276)
Net cash from financing activities	-	-	-	(1,157)	(1,196)	(1,232)	(1,276)
NET INCREASE/(DECREASE) IN CASH HELD	148	(896)	(896)	(349)	(110)	13	29
Cash assets at the beginning of the reporting period	5,092	4,445	5,240	4,344	3,995	3,885	3,898
Cash assets at the end of the reporting period	5,240	3,549	4,344	3,995	3,885	3,898	3,927

(a) Full audited financial statements are published in the Office'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 Office. 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)

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
GST Receipts							
GST Input Credits	141	170	170	170	170	170	170
GST Receipts on Sales	1,815	1,630	1,630	1,630	1,630	1,630	1,630
Other Receipts							
Audit Fees	17,561	18,851	18,851	24,529	24,987	25,916	26,170
TOTAL	19,517	20,651	20,651	26,329	26,787	27,716	27,970

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

Division 14 Finance

Part 3 Financial Administration

Appropriations, Expenses and Cash Assets

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
DELIVERY OF SERVICES							
Item 40 Net amount appropriated to deliver services.....	149,299	151,149	152,799	168,291	151,234	149,463	151,022
Amount Authorised by Other Statutes							
- Salaries and Allowances Act 1975.....	1,601	1,601	1,601	1,601	1,601	1,607	1,612
Total appropriations provided to deliver services	150,900	152,750	154,400	169,892	152,835	151,070	152,634
ADMINISTERED TRANSACTIONS							
Item 41 Amount provided for Administered Grants, Subsidies and Other Transfer Payments.....	160,994	176,426	176,526	188,739	201,748	214,536	228,900
Amount Authorised by Other Statutes							
- First Home Owner Grant Act 2000	91,171	76,200	57,518	55,695	54,995	54,695	54,536
CAPITAL							
Item 120 Capital Appropriation	14,902	11,820	11,820	5,265	4,635	4,691	4,650
TOTAL APPROPRIATIONS	417,967	417,196	400,264	419,591	414,213	424,992	440,720
EXPENSES							
Total Cost of Services	1,377,834	1,430,273	1,380,463	1,270,972	960,825	876,513	878,841
Net Cost of Services (a).....	184,724	159,688	160,582	175,253	156,029	151,355	152,909
CASH ASSETS (b).....	77,625	149,129	121,230	158,945	176,456	181,669	186,882

(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 2018-19 Budget to Parliament on 10 May 2018, are outlined below:

	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
New Initiatives					
Carbon Offsets Program.....	-	390	390	390	390
Digital Transformation	-	2,176	2,206	2,251	2,296
GovNext Information and Communications Technology (ICT) Infrastructure	5,240	-	-	-	-
Perth Children's Hospital - Contractual Entitlement Resolution.....	-	- (a)	-	-	-
Scitech Discovery Centre - Business Case	335	320	-	-	-
ServiceWA.....	-	520	645	327	-
Strata Titles Act 1985 Reform (STAR) Implementation Costs	-	49	293	293	293
Ongoing Initiatives					
Indian Ocean Territories Commonwealth Grants	1,105	1,105	1,105	1,105	1,105

	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
Other					
Government Office Accommodation					
Maintenance	-	1,103	1,158	1,216	1,250
Reform Program	(3,119)	135	1,157	(1,442)	(1,442)
Government Regional Officer Housing Adjustments	(451)	(472)	(464)	(455)	(445)
Indexation for Non-Salary Expenses	-	-	-	-	398
Revised Capital Works Turnover	(50,000)	270,000	108,000	25,000	25,000
Revision to Office of State Revenue Tariffs, Fees and Charges	(56)	-	-	-	-
Royalties for Regions District Allowances	(19)	(19)	(19)	(19)	(19)
State Fleet Proceeds and Repayments	(100)	(150)	50	(50)	(50)
Transfer of ICT Policy Function to the Department of Premier and Cabinet	-	(575)	(575)	(575)	(575)
Transfer of Maintenance Officers to Western Australia Police Force	(728)	(737)	(748)	(755)	(755)
Voluntary Targeted Separation Scheme	(644)	(649)	(655)	(671)	(671)

(a) Commercial-in-confidence. The amount of funding is not disclosed in order to avoid prejudicing the State's position.

Significant Issues Impacting the Agency

- Throughout 2019-20, the Department will be realigning its internal services and structures to improve the delivery of services to its customers. This will better position the Department to deliver on a number of reform projects, including an increased leadership role in procurement and project management.
- Reform to drive better outcomes for the community is a high priority for Government. As a central agency, the Department is leading procurement reform. The Department is working with other agencies and stakeholders to develop a procurement framework that will improve the way the public sector purchases goods, services and public works. Frameworks under development will guide ethical procurement, contract management and a consistent approach to procurement across the public sector making it easier for all participants in government contracts to understand.
- The Department will implement the Government's Market-led Proposals (MLP) Policy by providing a single clear, consistent and transparent process for businesses to submit their unique proposals to government. Proposals will be evaluated to determine if it is in the public interest to enter exclusive negotiations with a proponent. The Department will establish a small team to act as the central point of contact for the receipt of all MLPs and to support the MLP Steering Committee. These new resources will be funded through internal savings.
- The Department will work with the Department of Transport (Transport) and across Government to begin consolidating public-facing transactional services, such as licensing and registrar services. This new way of delivering services will be piloted as ServiceWA in Bunbury, along with online services.
- In 2019-20, Building Management and Works (BMW) and Strategic Projects will continue to work closely towards increased alignment of its practices to drive greater harmonisation of the Department's non-residential building delivery function and streamline the allocation of resources across the Department's program of works.
- The Department will oversee the planning and delivery of the State's significant non-residential building program in 2019-20. Key projects to be completed include:
 - the prison expansion program at Casuarina Prison and Bunbury Regional Prison;
 - the new schools program including Baldvis North, Byford South East and Caversham South primary schools, the Inner City College and Butler North secondary schools; and
 - the New Museum Project.
- Improved asset management practices across the general government sector continues to be an important area of focus for the Department. The Department is working with Treasury to enhance Government's Strategic Asset Management Framework and its implementation across the sector. Better management of the Government's portfolio of non-residential buildings will enable more informed decision-making and better value for the community.
- In 2019-20, BMW will continue to implement its Government Office Accommodation Reform Program. This reform is on track to deliver \$143 million in gross savings over the life of the program. Key initiatives will focus on improving space utilisation and implementing flexible working environments across the government office accommodation portfolio.

9. Maintaining its focus on achieving better procurement outcomes, the Department continues to develop and streamline business intelligence reports with refined whole-of-government data. It is expected that this enhanced reporting will lead to a higher level of transparency, improved value through analytics, accurate reporting on sector-wide buying behaviours, highlight areas requiring improvement and education and identification of aggregated buying opportunities across all of the government's goods and services expenditure.
10. Following the completion of the Revenue Systems Consolidation and Enhancement Program, the Digital Transformation Program will further support and develop digital service delivery. The program will ensure the ongoing sustainability of State Revenue's core internal systems, achieve greater equity and compliance for taxpayers and ensure more efficient administration of revenue laws and grants and subsidy schemes.
11. State Revenue will continue to progress measures to improve the efficiency of the State's taxation legislation, ensure exemptions and concessions are applied correctly and assist with Budget repair. The Revenue Integrity and Housekeeping Bill 2018 includes amendments to prevent ongoing revenue loss for the State and make sure taxpayers benefit from certain duties and land tax exemptions as intended.
12. Through ongoing efforts to improve tax collection effectiveness and grant payment administration, State Revenue will continue to collaborate with other agencies, including Treasury, the Western Australian Electoral Commission, Transport and the Western Australian Land Information Authority (Landgate) to improve data and knowledge sharing, cross-referencing of information and automated data exchange.
13. Scitech currently operates from leased premises in West Perth. This lease is due to expire in 2023. In preparation for this lease expiry, the Department is preparing a business case to inform future decision-making around the potential relocation of Scitech from its current site. The business case will consider strategic direction, proposed governance, costings of different relocation options, impacts of options on State finances, risks of options and optimal outcomes.

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 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
Sustainable Finances: Responsible financial management and better service delivery.	Due and payable revenue is collected and eligible grants, subsidies and rebates paid.	1. Revenue Assessment and Collection, and Grants and Subsidies Administration
	Value for money from public sector procurement.	2. Development and Management of Common Use Contract Arrangements, State Fleet Leasing and Disposal, and Providing Facilitation Service for Agency Specific Contracts
	Efficient and effective Corporate Services to Client Agencies.	3. Corporate Services to Client Agencies
	Value for money from the management of the Government's non-residential buildings and public works.	4. Leads the Management of Government Buildings Including Planning, Project Delivery, and Maintenance thereof

Service Summary

Expense	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
1. Revenue Assessment and Collection, and Grants and Subsidies Administration.....	62,285	64,607	64,510	67,793	67,224	67,779	68,601
2. Development and Management of Common Use Contract Arrangements, State Fleet Leasing and Disposal, and Providing Facilitation Service for Agency Specific Contracts.....	76,082	78,347	81,551	76,906	74,349	72,020	72,436
3. Corporate Services to Client Agencies	6,569	6,220	6,041	5,855	5,895	5,870	5,820
4. Leads the Management of Government Buildings Including Planning, Project Delivery, and Maintenance thereof	1,232,898	1,281,099	1,228,361	1,120,418	813,357	730,844	731,984
Total Cost of Services.....	1,377,834	1,430,273	1,380,463	1,270,972	960,825	876,513	878,841

Outcomes and Key Effectiveness Indicators ^(a)

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Outcome: Due and payable revenue is collected and eligible grants, subsidies and rebates paid:					
Debt as a percentage of revenue raised	0.99%	1.03%	0.97%	0.93%	
Extent to which correct grants, subsidies and rebates are paid.....	100%	100%	100%	100%	
Outcome: Value for money from public sector procurement:					
Average annual vehicle net capital cost:					
Per passenger vehicle	\$4,754	\$4,600	\$5,120	\$5,000	1
Per commercial vehicle.....	\$4,701	\$4,575	\$4,705	\$4,905	
Extent to which client agencies agree that their agency contracts and common use arrangements achieved value for money	93%	92%	92%	92%	
Outcome: Value for money from the management of the Government's non-residential buildings and public works:					
Percentage of new building projects, valued over \$5 million, delivered within the approved budget.....	100%	100%	100%	100%	2
Average office accommodation floor space per work point	15	14.5	14.5	14.35	

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

Explanation of Significant Movements

(Notes)

- The increase between the 2018-19 Budget and the 2018-19 Estimated Actual is largely due to higher vehicle usage levels leading to lower than anticipated resale values and also reflects a reduction in the overall fleet size.
- This indicator reflects the combined output of both BMW and Strategic Projects for the 2019-20 Budget. The 2017-18 Actual and 2018-19 Budget have been recast for comparative purposes.

Services and Key Efficiency Indicators

1. Revenue Assessment and Collection, and Grants and Subsidies Administration

The assessment and collection of a range of statutory-based revenue, including duties, land tax, payroll tax and betting tax and those that are collected on behalf of other agencies (for example, Perth Parking Licence fees on behalf of Transport) or other jurisdictions (for example, collection of a range of taxes for the Commonwealth in the Indian Ocean Territories). State Revenue is also involved in the assessment and payment of a range of grants and subsidies under both statutory and administrative schemes. The major payments relate to the First Home Owner Grant scheme, as well as concessions on water rates, local government rates and the emergency services levy for pensioners and seniors.

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 62,285	\$'000 64,607	\$'000 64,510	\$'000 67,793	
Less Income	3,032	4,605	4,152	3,866	
Net Cost of Service	59,253	60,002	60,358	63,927	
Employees (Full-Time Equivalents)	335	338	350	363	
Efficiency Indicators					
Average cost per tax or duty determination	\$27.13	\$27.36	\$26.73	\$28.31	
Average cost per grant or subsidy determination	\$10.84	\$11.16	\$11.31	\$11.22	

2. Development and Management of Common Use Contract Arrangements, State Fleet Leasing and Disposal, and Providing Facilitation Service for Agency Specific Contracts

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

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 76,082	\$'000 78,347	\$'000 81,551	\$'000 76,906	
Less Income	67,259	68,001	62,853	66,996	
Net Cost of Service	8,823	10,346	18,698	9,910	1
Employees (Full-Time Equivalents)	181	200	207	209	
Efficiency Indicators					
Cost of facilitating the development and management of agency specific contracts as a percentage of the contract award value	1.6%	1.4%	1.2%	1.3%	2
Average administrative cost per vehicle for financing and managing the State Fleet service	\$112	\$124	\$116	\$120	
Cost of developing and managing whole-of-government common use contract arrangements as a percentage of the total annual value of purchases through the arrangements	1.6%	1.7%	1.4%	1.4%	3

Explanation of Significant Movements

(Notes)

1. The Net Cost of Service increase of \$8.4 million from the 2018-19 Budget to the 2018-19 Estimated Actual is primarily due to a reduction in budgeted income for the Government Campus Network (GCN) and ServiceNet, which are scheduled to be decommissioned, offset by the additional budgeted expenditure for GovNext-ICT infrastructure.
2. The decrease from the 2018-19 Budget to the 2018-19 Estimated Actual reflects both operational efficiencies together with an increased number and higher value of contracts.
3. The reduction in the 2018-19 Estimated Actual compared to the 2018-19 Budget is largely due to the progressive decommissioning of both GCN and ServiceNet services to government as agencies transition to GovNext solutions.

3. Corporate Services to Client Agencies

These services include corporate services directly provided by the Department to support the outcomes and activities of Treasury and the Government Employees Superannuation Board.

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 6,569	\$'000 6,220	\$'000 6,041	\$'000 5,855	
Less Income	735	452	453	460	
Net Cost of Service	5,834	5,768	5,588	5,395	
Employees (Full-Time Equivalents)	29	26	28	29	

4. Leads the Management of Government Buildings Including Planning, Project Delivery, and Maintenance thereof

Leads the planning, delivery and management of a property portfolio that supports the delivery of government services to the community; including the delivery of new building works, maintenance programs for existing buildings and office accommodation.

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 1,232,898	\$'000 1,281,099	\$'000 1,228,361	\$'000 1,120,418	1
Less Income	1,122,084	1,197,527	1,152,423	1,024,397	1
Net Cost of Service	110,814	83,572	75,938	96,021	
Employees (Full-Time Equivalents)	407	452	432	436	
Efficiency Indicators					
Percentage of new building projects, valued over \$5 million, delivered by the approved timeframes	63%	100%	74%	100%	2
Percentage of high priority breakdown repairs completed within agreed timeframes	75%	80%	75%	80%	
The cost of managing government buildings including the planning, project delivery, and maintenance thereof, as a percentage of services delivered	7.9%	8.9%	7.7%	8.6%	3

Explanation of Significant Movements

(Notes)

1. The implementation of a new accounting standard AASB 16: *Leases*, impacts the recognition of expenses and revenue for government office accommodation leases from 1 July 2019.
2. This indicator has been modified and now includes the combined operations of both BMW and Strategic Projects for the 2019-20 Budget. The 2017-18 Actual and 2018-19 Budget have been recast for comparative purposes. The 2018-19 Estimated Actual includes actual or anticipated delays in five projects. These delays have resulted from a number of factors including construction delays.
3. This indicator has been modified and now includes the combined operations of both BMW and Strategic Projects for the 2019-20 Budget Target. The 2017-18 Actual and 2018-19 Budget have been recast for comparative purposes. The increase in the 2019-20 Budget Target largely reflects the approval of initiatives outlined in the Spending Changes table to be undertaken by BMW in 2019-20.

Asset Investment Program

1. The Department's Asset Investment Program (AIP) in 2019-20 is \$138.5 million comprising mainly of:
 - 1.1. lease incentive funded office fit-outs recognises the capital works associated with government accommodation leases funded through lease incentives from the landlord;
 - 1.2. new public sector offices in Fremantle with construction scheduled for completion in 2020;
 - 1.3. activity-based working office fit-outs funded as part of the Government Office Accommodation (GOA) Reform Program;
 - 1.4. implementation of ICT solutions for the GOA Reform Program;
 - 1.5. maintaining effective State Revenue systems under the Digital Transformation project;
 - 1.6. software upgrades to accommodate the sharing of information between State Revenue and Landgate for strata title implementation; and
 - 1.7. the Vehicle Acquisition Program, managed by State Fleet, which facilitates the purchase, servicing and disposal of vehicles for the State Government.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-19 \$'000	2018-19 Estimated Expenditure \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
WORKS IN PROGRESS							
Accommodation Fit-out Projects							
Lease Incentive Funded - Office Fit-outs	112,359	92,259	5,000	5,000	5,100	5,000	5,000
New Public Sector Offices for Fremantle	42,609	5,078	5,043	37,531	-	-	-
GOA Reform Program	12,249	3,370	2,638	8,879	-	-	-
COMPLETED WORKS							
Accommodation Fit-out Projects							
Decentralisation of Office Accommodation to							
Joondalup	19,198	19,198	18,509	-	-	-	-
Master Planning Strategy - GOA	223,442	223,442	1,175	-	-	-	-
St Georges Cathedral Heritage Precinct - Office Fit-out	37,573	37,573	1,269	-	-	-	-
ICT Replacement - 2018-19 Program	100	100	100	-	-	-	-
New Public Sector Offices for Fremantle - Project							
Management	467	467	467	-	-	-	-
Procurement Systems Replacement - 2018-19 Program	420	420	420	-	-	-	-
ServiceNet Replacement - 2018-19 Program	282	282	282	-	-	-	-
Software Development - Revenue Systems							
Consolidation and Enhancement	33,792	33,792	8,917	-	-	-	-
Vehicle Acquisitions - 2018-19 Program	78,000	78,000	78,000	-	-	-	-
NEW WORKS							
GOA Reform - Provision for Systems	5,000	-	-	5,000	-	-	-
ICT Replacement							
2019-20 Program	109	-	-	109	-	-	-
2020-21 Program	109	-	-	-	109	-	-
2021-22 Program	109	-	-	-	-	109	-
2022-23 Program	109	-	-	-	-	-	109
Procurement Systems Replacement							
2019-20 Program	431	-	-	431	-	-	-
2020-21 Program	431	-	-	-	431	-	-
2021-22 Program	431	-	-	-	-	431	-
2022-23 Program	431	-	-	-	-	-	431

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-19 \$'000	2018-19 Estimated Expenditure \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
ServiceNet Replacement							
2019-20 Program.....	289	-	-	289	-	-	-
2020-21 Program.....	289	-	-	-	289	-	-
2021-22 Program.....	289	-	-	-	-	289	-
2022-23 Program.....	289	-	-	-	-	-	289
Software Development							
Digital Transformation.....	17,026	-	-	3,050	4,635	4,691	4,650
Strata Title Implementation.....	1,215	-	-	1,215	-	-	-
Vehicle Acquisitions							
2019-20 Program.....	77,000	-	-	77,000	-	-	-
2020-21 Program.....	76,000	-	-	-	76,000	-	-
2021-22 Program.....	76,000	-	-	-	-	76,000	-
2022-23 Program.....	76,000	-	-	-	-	-	76,000
Total Cost of Asset Investment Program	892,048	493,981	121,820	138,504	86,564	86,520	86,479
Loan and Other Repayments.....			18,955	11,400	6,000	-	-
Total.....	892,048	493,981	140,775	149,904	92,564	86,520	86,479
FUNDED BY							
Capital Appropriation.....			11,820	5,265	4,635	4,691	4,650
Asset Sales			51,264	51,464	45,700	43,379	43,379
Drawdowns from the Holding Account			779	806	806	829	829
Internal Funds and Balances.....			70,712	81,369	41,423	37,621	37,621
Borrowings			6,000	6,000	-	-	-
Funding Included in Department of Treasury Administered Item.....			200	5,000	-	-	-
Total Funding.....			140,775	149,904	92,564	86,520	86,479

Financial Statements

1. The implementation of new accounting standard AASB 16: *Leases*, significantly impacts the Statement of Financial Position by bringing arrangements previously classified as operating leases on to the balance sheet. On the Income Statement, previous rental expenses for operating leases are removed and replaced with interest expense for the lease obligation and a depreciation cost for the right of use asset. Further information on AASB 16 and other new accounting standards impacting the Budget are detailed in a feature box in Budget Paper No. 3.

Income Statement

Expenses

2. The implementation of AASB 16, impacts the recognition of expenses for government office accommodation leases from 1 July 2019.
3. The reduction in supplies and services expenditure from 2020-21 onwards largely reflects the movement in capital works turnover for BMW, in line with the whole-of-government AIP.
4. Increases in both depreciation and amortisation and finance and interest costs between the 2018-19 Estimated Actual and the 2019-20 Budget Target reflect the implementation of AASB 16.

Income

5. The expenditure in supplies and services is largely recouped from other agencies for works turnover associated with capital works, maintenance and government office accommodation.
6. The reduction in sale of goods and services from 2020-21 onwards mostly reflects projected reductions in other agencies' AIPs.
7. The reduction in other revenue is associated with the de-recognition of expenses for government office accommodation leases in line with AASB 16.

Statement of Financial Position

8. Movements in non-current assets and non-current liabilities reflects the impacts of AASB 16 on government office accommodation leases from 1 July 2019.

Statement of Cashflows

9. Movements in supplies and services largely reflect the movements for other agencies' AIPs and AASB 16 from 1 July 2019.
10. The increased activity in financing activities for 2019-20 onwards also reflects the adoption of AASB 16.

INCOME STATEMENT ^(a)
(Controlled)

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
COST OF SERVICES							
Expenses							
Employee benefits ^(b)	115,719	116,998	115,156	118,249	117,918	119,182	120,987
Grants and subsidies ^(c)	578	2,323	950	2,323	950	-	-
Supplies and services	1,101,660	1,177,545	1,132,474	943,071	639,034	559,094	559,138
Accommodation	40,899	41,788	40,710	35,981	34,243	31,563	31,901
Depreciation and amortisation	66,007	77,583	77,237	85,596	85,940	83,940	83,940
Finance and interest costs	7,780	7,490	7,390	76,027	76,055	76,071	76,169
Other expenses	45,191	6,546	6,546	9,725	6,685	6,663	6,706
TOTAL COST OF SERVICES	1,377,834	1,430,273	1,380,463	1,270,972	960,825	876,513	878,841
Income							
Sale of goods and services	856,133	930,844	879,100	884,125	592,741	511,305	512,079
Grants and subsidies	7,085	3,595	4,700	4,700	4,700	4,700	4,700
Other revenue	329,892	336,146	336,081	206,894	207,355	209,153	209,153
Total Income	1,193,110	1,270,585	1,219,881	1,095,719	804,796	725,158	725,932
NET COST OF SERVICES	184,724	159,688	160,582	175,253	156,029	151,355	152,909
INCOME FROM STATE GOVERNMENT							
Service appropriations	150,900	152,750	154,400	169,892	152,835	151,070	152,634
Resources received free of charge	13,513	14,676	14,676	14,676	14,676	14,676	14,676
Royalties for Regions Fund: Regional Community Services Fund	106	125	106	106	106	106	106
TOTAL INCOME FROM STATE GOVERNMENT	164,519	167,551	169,182	184,674	167,617	165,852	167,416
SURPLUS/(DEFICIENCY) FOR THE PERIOD	(20,205)	7,863	8,600	9,421	11,588	14,497	14,507

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

(b) The full-time equivalents for 2017-18 Actual, 2018-19 Estimated Actual and 2019-20 Budget Estimate are 952, 1,017 and 1,037 respectively.

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

DETAILS OF CONTROLLED GRANTS AND SUBSIDIES

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
Capacity Building Grant Programs	441	950	950	950	950	-	-
Other Grants and Subsidies	137	-	-	-	-	-	-
Resolution of Native Title in the South West of Western Australia	-	1,373	-	1,373	-	-	-
TOTAL	578	2,323	950	2,323	950	-	-

STATEMENT OF FINANCIAL POSITION ^(a)
(Controlled)

	2017-18	2018-19	2018-19	2019-20	2020-21	2021-22	2022-23
	Actual	Budget	Estimated	Budget	Forward	Forward	Forward
	\$'000	\$'000	Actual	Estimate	Estimate	Estimate	Estimate
			\$'000	\$'000	\$'000	\$'000	\$'000
CURRENT ASSETS							
Cash assets.....	75,890	147,072	119,779	157,485	174,999	180,788	186,001
Restricted cash.....	1,001	1,889	832	841	838	262	262
Holding account receivables.....	779	806	806	806	829	829	829
Receivables.....	62,455	49,966	57,628	54,081	54,096	54,096	54,096
Other.....	99,687	124,916	97,665	95,643	93,498	93,498	93,498
Total current assets.....	239,812	324,649	276,710	308,856	324,260	329,473	334,686
NON-CURRENT ASSETS							
Holding account receivables.....	523,084	583,032	583,341	614,889	648,758	682,665	716,572
Property, plant and equipment.....	687,094	722,988	701,649	796,458	765,091	751,105	730,907
Receivables.....	783	3,989	1,555	1,512,328	1,512,328	1,512,328	1,512,328
Intangibles.....	34,463	31,345	34,233	35,407	35,164	34,921	34,678
Restricted cash.....	734	168	619	619	619	619	619
Other.....	4,306	23,493	4,944	18,784	16,603	6,538	4,481
Total non-current assets.....	1,250,464	1,365,015	1,326,341	2,978,485	2,978,563	2,988,176	2,999,585
TOTAL ASSETS.....	1,490,276	1,690,464	1,603,051	3,287,341	3,302,823	3,317,649	3,334,271
CURRENT LIABILITIES							
Employee provisions.....	26,644	29,268	26,676	26,748	26,820	26,820	26,820
Payables.....	112,274	183,169	150,559	157,224	161,525	162,131	162,737
Borrowings and leases.....	23,913	27,567	13,235	9,835	5,835	5,835	5,835
Other.....	39,894	73,132	39,963	39,963	39,963	39,963	39,963
Total current liabilities.....	202,725	313,136	230,433	233,770	234,143	234,749	235,355
NON-CURRENT LIABILITIES							
Employee provisions.....	4,809	4,875	4,851	4,847	4,843	4,839	4,839
Borrowings and leases.....	56,005	50,866	53,728	1,645,057	1,633,556	1,624,046	1,614,526
Other.....	131,791	117,929	169,994	184,905	184,917	184,084	184,084
Total non-current liabilities.....	192,605	173,670	228,573	1,834,809	1,823,316	1,812,969	1,803,449
TOTAL LIABILITIES.....	395,330	486,806	459,006	2,068,579	2,057,459	2,047,718	2,038,804
EQUITY							
Contributed equity.....	1,056,018	1,126,540	1,096,517	1,161,813	1,176,827	1,186,897	1,197,926
Accumulated surplus/(deficit).....	38,928	77,118	47,528	56,949	68,537	83,034	97,541
Total equity.....	1,094,946	1,203,658	1,144,045	1,218,762	1,245,364	1,269,931	1,295,467
TOTAL LIABILITIES AND EQUITY.....	1,490,276	1,690,464	1,603,051	3,287,341	3,302,823	3,317,649	3,334,271

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

STATEMENT OF CASHFLOWS ^(a)
(Controlled)

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
CASHFLOWS FROM STATE GOVERNMENT							
Service appropriations	89,857	91,243	93,239	137,538	118,137	116,334	117,898
Capital appropriation	14,902	11,820	11,820	5,265	4,635	4,691	4,650
Administered equity contribution	200	5,200	200	5,000	-	-	-
Holding account drawdowns	1,326	779	877	806	806	829	829
Royalties for Regions Fund:							
Regional Community Services Fund	106	125	106	106	106	106	106
Receipts paid into Consolidated Account	(421)	-	-	-	-	-	-
Net cash provided by State Government	105,970	109,167	106,242	148,715	123,684	121,960	123,483
CASHFLOWS FROM OPERATING ACTIVITIES							
Payments							
Employee benefits	(118,741)	(116,927)	(115,085)	(118,181)	(117,850)	(119,186)	(120,991)
Grants and subsidies	(574)	(2,323)	(950)	(2,323)	(950)	-	-
Supplies and services	(1,130,710)	(1,142,684)	(1,097,613)	(938,243)	(634,187)	(554,247)	(554,285)
Accommodation	(40,771)	(42,626)	(41,548)	(36,822)	(35,087)	(32,407)	(32,745)
GST payments	(140,729)	(148,948)	(148,948)	(136,248)	(133,858)	(133,858)	(133,858)
Finance and interest costs	(6,604)	(7,490)	(7,390)	(72,277)	(72,415)	(72,321)	(72,419)
Other payments	(7,773)	(7,793)	(7,793)	(10,992)	(7,968)	(24,946)	(24,995)
Receipts ^(b)							
Grants and subsidies	5,575	3,595	4,700	4,700	4,700	4,700	4,700
Sale of goods and services	894,943	930,891	879,147	884,172	592,788	511,352	512,126
GST receipts	140,052	149,554	149,554	136,854	134,464	134,464	134,464
Other receipts	337,192	342,953	342,888	213,701	214,162	215,960	215,960
Net cash from operating activities	(68,140)	(41,798)	(43,038)	(75,659)	(56,201)	(70,489)	(72,043)
CASHFLOWS FROM INVESTING ACTIVITIES							
Purchase of non-current assets	(122,972)	(117,521)	(121,820)	(138,504)	(86,564)	(86,520)	(86,479)
Proceeds from sale of non-current assets	39,016	51,264	51,264	51,464	45,700	43,379	43,379
Other receipts	41,544	19,224	23,137	50,410	5,000	5,000	5,000
Net cash from investing activities	(42,412)	(47,033)	(47,419)	(36,630)	(35,864)	(38,141)	(38,100)
CASHFLOWS FROM FINANCING ACTIVITIES							
Repayment of borrowings and leases	(23,115)	(18,400)	(18,955)	(140,620)	(135,228)	(129,237)	(129,247)
Other payments	-	-	-	(12,948)	(12,948)	(12,948)	(12,948)
Proceeds from borrowings	-	6,000	6,000	6,000	-	-	-
Other proceeds	500	5,143	40,775	148,857	134,068	134,068	134,068
Net cash from financing activities	(22,615)	(7,257)	27,820	1,289	(14,108)	(8,117)	(8,127)
NET INCREASE/(DECREASE) IN CASH HELD	(27,197)	13,079	43,605	37,715	17,511	5,213	5,213
Cash assets at the beginning of the reporting period	74,187	136,050	77,625	121,230	158,945	176,456	181,669
Net cash transferred to/from other agencies	30,635	-	-	-	-	-	-
Cash assets at the end of the reporting period	77,625	149,129	121,230	158,945	176,456	181,669	186,882

(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)

	2017-18	2018-19	2018-19	2019-20	2020-21	2021-22	2022-23
	Actual	Budget	Estimated	Budget	Forward	Forward	Forward
	\$'000	\$'000	Actual	Estimate	Estimate	Estimate	Estimate
			\$'000	\$'000	\$'000	\$'000	\$'000
Grants and Subsidies							
Indian Ocean Territories Commonwealth Grant.....	5,575	3,595	4,700	4,700	4,700	4,700	4,700
Sale of Goods and Services							
Contract Services - BMW	882,588	926,994	875,306	880,275	588,891	507,455	508,229
Land Tax Liability Enquiry Fee	2,186	2,800	2,744	2,800	2,800	2,800	2,800
Merchant Fees.....	285	1,097	1,097	1,097	1,097	1,097	1,097
ICT Services to Government	9,884	-	-	-	-	-	-
GST Receipts							
GST Input Credits.....	7,700	12,374	12,374	12,374	12,374	12,374	12,374
GST Receipts on Sales	132,352	137,180	137,180	124,480	122,090	122,090	122,090
Other Receipts							
Corporate Services Cost Recoup	698	402	402	402	402	402	402
Finance Lease Receipts - Interest	43	-	20	64,874	64,872	64,872	64,872
Government Office Accommodation							
Finance Lease Receipts - Variable							
Outgoings.....	-	-	-	78,753	79,565	80,363	80,363
Government Office Accommodation							
Operating Lease Receipts.....	268,173	272,331	272,271	-	-	-	-
Other Receipts.....	13,293	4,164	4,139	4,116	4,767	4,767	4,767
Procurement Services	1,774	12,116	12,116	12,116	12,116	12,116	12,116
Revenues from Executive Vehicle Scheme ...	96	100	100	100	100	100	100
State Fleet Revenue	53,115	53,840	53,840	53,340	52,340	53,340	53,340
TOTAL	1,377,762	1,426,993	1,376,289	1,239,427	946,114	866,476	867,250

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

DETAILS OF ADMINISTERED TRANSACTIONS

	2017-18	2018-19	2018-19	2019-20	2020-21	2021-22	2022-23
	Actual	Budget	Estimated	Budget	Forward	Forward	Forward
	\$'000	\$'000	Actual	Estimate	Estimate	Estimate	Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
INCOME							
Taxation							
Insurance Duty	625,564	644,945	646,927	677,174	711,032	746,584	783,914
Land Tax	842,502	800,236	799,403	790,145	792,292	805,718	827,683
Metropolitan Region Improvement Tax	93,317	84,649	89,948	88,971	88,963	90,298	92,554
Payroll Tax	3,284,154	3,454,195	3,563,388	3,751,394	3,975,685	4,206,986	4,488,658
Racing and Wagering Western Australia Tax	41,468	64,110	21,580	-	-	-	-
Point of Consumption Tax	-	-	31,000	78,400	82,700	87,400	92,200
Transfer Duty	1,226,205	1,330,744	1,148,224	1,164,146	1,256,712	1,356,930	1,457,408
Landholder Duty	234,496	101,000	60,962	100,000	100,000	100,000	100,000
<i>Total Duty on Transfers</i>	<i>1,460,701</i>	<i>1,431,744</i>	<i>1,209,186</i>	<i>1,264,146</i>	<i>1,356,712</i>	<i>1,456,930</i>	<i>1,557,408</i>
Vehicle Licence Duty	354,663	360,191	367,922	372,760	378,976	385,621	392,840
Other Duties	8	1	1	1	1	1	-
Commonwealth Mirror Taxes	40,635	44,364	45,576	47,853	50,571	53,374	56,885
Other Revenue							
Office Lease Rental Revenue	41,448	39,700	39,700	39,700	39,700	39,700	39,700
Other Income	64,035	64,441	64,489	65,251	66,498	66,577	66,657
Appropriations							
First Home Owner Grant Act 2000	91,171	76,200	57,518	55,695	54,995	54,695	54,536
Administered Grants and Transfer Payments	160,994	176,426	176,526	188,739	201,748	214,536	228,900
TOTAL ADMINISTERED INCOME	7,100,660	7,241,202	7,113,164	7,420,229	7,799,873	8,208,420	8,681,935
EXPENSES							
Grants to Charitable and Other Public Bodies							
Energy Concession Extension Scheme	1,464	1,600	1,600	1,700	1,800	1,900	2,000
First Home Owner Scheme	91,171	76,200	57,518	55,695	54,995	54,695	54,536
Life Support Equipment Subsidy Scheme	1,248	1,400	1,400	1,500	1,600	1,700	1,800
Payroll Tax Rebate Schemes	-	100	100	100	100	100	100
Pensioner Concessions - Emergency Services Levy	19,298	21,500	21,500	23,300	25,200	27,300	29,500
Pensioner Concessions - Local Government Rates	96,667	108,204	108,204	116,483	125,341	133,861	144,000
Thermoregulatory Dysfunction Energy Subsidy	2,133	2,200	2,300	2,500	2,600	2,700	2,800
Other							
Refund of Past Years Revenue	40,184	41,422	41,422	43,156	45,107	46,975	48,700
Doubtful Debts Expense	10,493	-	-	-	-	-	-
Other Expenses	64,035	64,441	64,489	65,251	66,498	66,577	66,657
Payments to Consolidated Account	6,733,154	7,093,527	6,984,023	7,110,544	7,476,632	7,872,612	8,331,842
TOTAL ADMINISTERED EXPENSES	7,059,847	7,410,594	7,282,556	7,420,229	7,799,873	8,208,420	8,681,935

Insurance Commission of Western Australia

Part 3 Financial Administration

Asset Investment Program

- Asset investment expenditure is undertaken to update existing assets and maintain and improve information and communications technology (ICT) systems integral to the efficient operations of the Commission.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-19 \$'000	2018-19 Estimated Expenditure \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
COMPLETED WORKS							
ICT Hardware - 2018-19 Program	1,190	1,190	1,190	-	-	-	-
ICT Software - 2018-19 Program	2,895	2,895	2,895	-	-	-	-
Motor Vehicles - 2018-19 Program	500	500	500	-	-	-	-
Plant and Equipment - 2018-19 Program	220	220	220	-	-	-	-
Telephone and Communication Equipment - 2018-19 Program	20	20	20	-	-	-	-
NEW WORKS							
ICT Hardware							
2019-20 Program	950	-	-	950	-	-	-
2020-21 Program	865	-	-	-	865	-	-
2021-22 Program	815	-	-	-	-	815	-
2022-23 Program	1,265	-	-	-	-	-	1,265
ICT Software							
2019-20 Program	3,490	-	-	3,490	-	-	-
2020-21 Program	3,120	-	-	-	3,120	-	-
2021-22 Program	3,495	-	-	-	-	3,495	-
2022-23 Program	2,920	-	-	-	-	-	2,920
Motor Vehicles							
2019-20 Program	800	-	-	800	-	-	-
2020-21 Program	800	-	-	-	800	-	-
2021-22 Program	800	-	-	-	-	800	-
2022-23 Program	800	-	-	-	-	-	800
Plant and Equipment							
2019-20 Program	200	-	-	200	-	-	-
2020-21 Program	180	-	-	-	180	-	-
2021-22 Program	200	-	-	-	-	200	-
2022-23 Program	330	-	-	-	-	-	330
Telephone and Communication Equipment							
2019-20 Program	20	-	-	20	-	-	-
2020-21 Program	20	-	-	-	20	-	-
2021-22 Program	20	-	-	-	-	20	-
2022-23 Program	20	-	-	-	-	-	20
Total Cost of Asset Investment Program	25,935	4,825	4,825	5,460	4,985	5,330	5,335
FUNDED BY							
Internal Funds and Balances			4,825	5,460	4,985	5,330	5,335
Total Funding			4,825	5,460	4,985	5,330	5,335

Gold Corporation

Part 3 Financial Administration

Asset Investment Program

1. The Corporation will invest \$44.1 million over the forward estimates period to support the delivery of its services and to update its plant, equipment and computer software rolling programs.
2. The \$19 million investment in 2019-20 includes \$10.2 million to upgrade its Enterprise Resource Planning System and its e-Commerce Systems (collectively referred to as the One-Future Program). This project supports the Corporation's ongoing operations and the development of new product offerings.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-19 \$'000	2018-19 Estimated Expenditure \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
WORKS IN PROGRESS							
Computer Software Replacement Program.....	4,321	3,831	230	85	225	95	85
One-Future Program	31,061	20,860	7,812	10,201	-	-	-
Plant and Equipment Replacement Program	80,673	47,281	19,200	8,691	8,135	9,066	7,500
Total Cost of Asset Investment Program	116,055	71,972	27,242	18,977	8,360	9,161	7,585
FUNDED BY							
Internal Funds and Balances.....			27,242	18,977	8,360	9,161	7,585
Total Funding.....			27,242	18,977	8,360	9,161	7,585

Part 4

Jobs and Economic Development

Introduction

The Jobs and Economic Development portfolio is creating jobs for Western Australians and promoting a strong and diverse economy that delivers benefits to all areas of the State. The portfolio facilitates investment in the State, supports the development of export markets and opportunities, and promotes the State as an attractive tourist destination. It also has a focus on innovation and technological developments and overall support for businesses around the State.

The portfolio is contributing to the achievement of the following Our Priorities and associated targets:

- A Strong Economy
 - creating jobs;
- A Bright Future
 - increasing participation in STEM; and
- Regional Prosperity
 - delivering strong regional economies.

Summary of Recurrent and Asset Investment Expenditure

Agency	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000
Jobs, Tourism, Science and Innovation		
– Total Cost of Services	194,379	211,083
– Asset Investment Program	670	1,146
Primary Industries and Regional Development		
– Total Cost of Services	468,077	483,243
– Asset Investment Program	1,804	25,743
Mines, Industry Regulation and Safety		
– Total Cost of Services	286,229	279,716
– Asset Investment Program	5,023	4,722
Western Australian Meat Industry Authority		
– Asset Investment Program	450	350

Agency	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000
Small Business Development Corporation		
– Total Cost of Services	13,144	14,570
– Asset Investment Program	273	120
Rural Business Development Corporation		
– Total Cost of Services	643	488
– Asset Investment Program	-	-
Economic Regulation Authority		
– Total Cost of Services	13,496	14,992
– Asset Investment Program	-	315
Forest Products Commission		
– Asset Investment Program	6,704	1,405
Racing and Wagering Western Australia		
– Asset Investment Program	11,786	16,201
Western Australian Greyhound Racing Association		
– Asset Investment Program	300	300
Burswood Park Board		
– Asset Investment Program	260	190

Ministerial Responsibilities

Minister	Agency	Services
Premier; Minister for Public Sector Management; State Development, Jobs and Trade; Federal-State Relations Minister for Tourism; Racing and Gaming; Small Business; Defence Issues; Citizenship and Multicultural Interests Minister for Housing; Veterans Issues; Youth; Asian Engagement Minister for Water; Fisheries; Forestry; Innovation and ICT; Science	Jobs, Tourism, Science and Innovation	1. Development of Industry Sectors and Facilitate Investment
Minister for Tourism; Racing and Gaming; Small Business; Defence Issues; Citizenship and Multicultural Interests	Jobs, Tourism, Science and Innovation	2. Destination Marketing 3. Event Tourism 4. Tourism Destination Development
Minister for Regional Development; Agriculture and Food; Ports; Minister Assisting the Minister for State Development, Jobs and Trade Minister for Water; Fisheries; Forestry; Innovation and ICT; Science	Primary Industries and Regional Development	1. Regional Industry and Community Development Investment Facilitation 2. Regional Technical and Technological Development 3. Regional Skills and Knowledge Development 4. Regional Social Amenity Development 5. Corporate and Business Development Services Provided by the Department to Support Regional Development Commissions 6. Agricultural and Aquatic Biosecurity and Integrity 7. Agricultural and Fisheries Natural Resource Management
Minister for Mines and Petroleum; Energy; Industrial Relations Attorney General; Minister for Commerce	Mines, Industry Regulation and Safety	1. Resources Advice and Regulation 2. Safety Advice and Regulation 3. Industry Advice and Regulation
Minister for Regional Development; Agriculture and Food; Ports; Minister Assisting the Minister for State Development, Jobs and Trade	Western Australian Meat Industry Authority	n/a
	Rural Business Development Corporation	1. Farm Business Development
Minister for Tourism; Racing and Gaming; Small Business; Defence Issues; Citizenship and Multicultural Interests	Small Business Development Corporation	1. Information, Guidance, Referral and Business Development Services 2. Access to Justice for Small Business
	Racing and Wagering Western Australia	n/a
	Western Australian Greyhound Racing Association	n/a
	Burswood Park Board	n/a
Treasurer; Minister for Finance; Aboriginal Affairs; Lands	Economic Regulation Authority	1. Submissions to the Economic Regulation Authority Governing Body
Minister for Water; Fisheries; Forestry; Innovation and ICT; Science	Forest Products Commission	n/a

Division 15 **Jobs, Tourism, Science and Innovation**

Part 4 **Jobs and Economic Development**

Appropriations, Expenses and Cash Assets

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
DELIVERY OF SERVICES							
Item 42 Net amount appropriated to deliver services	137,786	151,419	146,078	152,441	148,022	142,286	142,890
Amount Authorised by Other Statutes							
- Salaries and Allowances Act 1975	684	681	681	1,502	1,508	1,520	1,533
Total appropriations provided to deliver services	138,470	152,100	146,759	153,943	149,530	143,806	144,423
ADMINISTERED TRANSACTIONS							
Item 43 Amount provided for Administered Grants, Subsidies and Other Transfer Payments	21,983	22,236	22,255	22,279	22,684	22,827	20,174
CAPITAL							
Item 121 Capital Appropriation	150	150	150	150	150	150	150
TOTAL APPROPRIATIONS	160,603	174,486	169,164	176,372	172,364	166,783	164,747
EXPENSES							
Total Cost of Services	168,872	193,918	194,379	211,083	183,016	175,098	168,987
Net Cost of Services ^(a)	161,931	187,464	182,765	194,904	175,276	167,528	160,911
CASH ASSETS ^(b)	30,380	19,958	23,277	20,740	19,014	19,562	19,002

(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 2018-19 Budget to Parliament on 10 May 2018, are outlined below:

	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
New Initiatives					
Aboriginal Tourism	-	900	900	900	900
Aviation New Market Development	1,740	2,610	1,750	1,650	2,250
Future Energy Exports Cooperative Research Centre	-	1,100	1,100	1,200	1,200
International Marketing Boost	2,750	7,000	-	-	-
National Collaborative Research Infrastructure Strategy	-	4,610	3,010	2,904	-
Perdaman Chemicals Technical Studies	300	-	-	-	-
Ongoing Initiatives					
Election Commitment - Office of Defence West	-	-	3,003	-	-
Perth USAsia Centre	-	600	600	600	-
Other					
Indexation for Non-Salary Expenses	-	-	-	-	1,104
Review of Overseas Trade and Investment Offices	701	350	-	-	-
Transfer of Scholarships from the Department of Education	107	109	109	109	109

Significant Issues Impacting the Agency

Western Australian Jobs

1. The Department has a lead role in delivering a stronger economy - part of the Government's Our Priorities - with the aim of increasing employment by an additional 150,000 jobs in Western Australia by 2023-24, including 30,000 jobs in regional areas as part of the regional prosperity priority.
2. The Western Australian Industry Participation Strategy (WAIPS), developed under the *Western Australian Jobs Act 2017* (the Act), is designed to ensure Western Australian businesses get a greater share of the contracts to supply goods, services and works to the Government. The Department has identified nine pilot projects to test the WAIPS and associated tendering system, including the METRONET Railcar Procurement project - a strategic project under the Act. The Department, with the Public Transport Authority, seeks to ensure a 50% local content target for the METRONET railcars.
3. Consistent with the WA Plan for Jobs, the Department will work to develop the Skilled Local Jobs Bill. The Bill seeks to leverage key industry sectors to create a skilled local workforce to increase local participation opportunities across industry sectors such as steel fabrication.

State Development

4. Under current agreements, gas flow from the North West Shelf (NWS) will decline over the next decade. In response, the NWS Joint Venture is looking to extend the NWS State Agreement to provide certainty for large third-party gas tolling projects, such as Browse. The Department is facilitating these and other major gas projects and seeking to secure new jobs, regional development and domestic gas commitments for the State's economy.
5. With Western Australia being one of the world's largest LNG producers, the Department is supporting the Premier's LNG Jobs Taskforce to leverage the high level of knowledge and expertise in the LNG industry, and promote Western Australia as a global energy hub, creating new jobs for Western Australians. This year's Budget includes funding for one of the LNG Jobs Taskforce's priority actions of co-investing with the Commonwealth to establish the Future Energy Exports Cooperative Research Centre, and LNG Futures Facility to develop and demonstrate new LNG and hydrogen production technologies, and processes on an industrial scale.
6. In January 2019, the Government launched the Future Battery Industry Strategy, which focuses on opportunities across the battery value chain through investment attraction, project facilitation, research and technology, and the adoption of battery technologies.
7. Global demand for lithium-ion battery minerals is driving the demand for strategic industrial land. The Department continues to manage this demand by having project-ready strategic industrial areas throughout the State suitable for new industrial activities, and by offering project facilitation services to projects that diversify the economy and create jobs and regional economic opportunities.

International Education, Trade and Investment

8. The Department is coordinating the implementation of the International Education Strategy (the Strategy) for Western Australia that seeks to increase the number of international students coming to Perth. The Government's commitment will support the implementation of the Strategy in collaboration with StudyPerth and universities.
9. The Department is progressing Brand WA and the Asian Engagement Strategy to realise overseas opportunities that will lead to jobs growth in Western Australia. The Department is also establishing key changes to provide a focal point to attract and facilitate investment and trade opportunities for Western Australia.
10. The Department will finalise its review into the operation of the Government's International Trade office network to ensure they are operating efficiently and effectively in delivering on the Government's objectives.

Defence

11. The Department, through Defence West, will continue to promote and facilitate the development of the Western Australian defence industries sector through the implementation of the WA Defence and Defence Industries Strategic Plan released in October 2018. The Strategic Plan outlines the State's vision to grow and support the defence industries sector and maximise the opportunities for the Western Australian industry to contribute to the national and international defence needs. The Strategic Plan recognises the industries' potential to become a key pillar of the Western Australian economy, driving long-term job creation and economic diversification.
12. The Department is progressing key actions outlined in the Strategic Plan, including making a case to the Commonwealth Government, to secure Western Australia as the pre-eminent base for all maintenance and sustainment requirements of Australia's submarine and frigate fleets, including the full-cycle docking of the Collins Class Submarines. This also includes identifying future infrastructure upgrades, within the Australian Marine Complex and Henderson that are required to support this focus and the needs of defence and industry, which will be determined through the Henderson Masterplan currently being progressed by the Department.
13. The 2019-20 Budget also includes funding for the Defence Science Centre (DSC), which is a national collaboration between the Western Australian Government, the Defence Science and Technology Group and the State's four public universities to undertake research leading to the enhancement of Australia's defence capability. The DSC is expected to be operational by mid-2019.

Growth of the Western Australian Tourism Industry

14. Tourism generates \$10.4 billion for the Western Australian economy and supports more than 104,000 jobs. Tourism is a major focus for the State Government and forms an important part of its plan to create jobs and diversify the economy.
15. The State Government is committed to further growing Western Australia's visitor economy and is allocating more than \$100 million to tourism in 2019-20. Tourism WA is in the second year of its two year action plan, which outlines how the industry will capitalise on the ongoing transformation of Perth and Western Australia, including new hotels and other tourism infrastructure. Since 2012, 35 new or redeveloped hotels have opened in and around Perth, adding more than 3,600 new rooms to the local market. The 60,000-seat Optus Stadium opened in January 2018, and more than two million attendees visited the venue in its first 12 months of operation. The stadium has created new opportunities to attract and host major international events, providing a boost to the economy through visitor spend and showcasing Western Australia to the rest of the world through international media coverage. More than 29,000 out-of-State visitors for the 2018 AFL season alone contributed more than \$31 million to the State's economy.
16. Included in the 2019-20 Budget is an additional \$10 million in aviation funding over five years to help attract new routes to Western Australia and grow the State's reputation as Australia's western gateway. The State Government works with the Federal Government and Perth Airport to develop new routes from emerging and existing key international markets. On 26 December 2018, the State Government announced it had secured direct flights from Tokyo to Perth commencing from 1 September 2019. The State Government is also actively pursuing a new direct route from India and an additional air service between China and Perth.
17. To support aviation attraction and to grow the number of international visitors to Western Australia, the State Government has also committed to a \$12 million international marketing boost, including \$9.8 million in new funding. The additional funding is expected to attract more international visitors to Western Australia and provide a substantial jobs boost for the State.
18. Tourism WA will continue to market the State as a tourism destination with substantial work being undertaken during 2019-20. Building on the success of the two year action plan, Tourism WA will continue to work on a long-term tourism strategy for Western Australia, which will align with the national strategy being developed by Tourism Australia.
19. Aboriginal tourism is a key focus for the State Government, with funding for the Western Australian Indigenous Tourism Operators Council continuing for a further four years to 2022-23. Tourism WA is working with key stakeholders to grow this important part of the tourism industry.

Science and Innovation

20. The importance of science, technology, engineering and mathematics (STEM) skills for future jobs is increasingly being recognised. The Government's 'Our Priority for A Bright Future' includes a target of 85% of Year 12 students completing two or more STEM courses by 2024. The State STEM Skills Strategy is designed to enhance STEM skills across the State through various initiatives designed to prepare Western Australia's workforce for future jobs.
21. The national and international space industry sector is expanding significantly in relation to civil and defence applications. The Government is committed to growing Western Australia's space industry to take advantage of this opportunity and is collaborating with the Australian Space Agency, industry and universities to strengthen the State's capability and capacity in the sector.
22. The National Collaborative Research Infrastructure Strategy is a Commonwealth program delivering major national-scale, collaborative research infrastructure. The State Government will leverage \$20 million of Commonwealth funds for research infrastructure in Western Australian science and innovation priority areas.

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 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
Future Jobs and Skills: Grow and diversify the economy, create jobs and support skills development.	Provide leadership in the development of Western Australian industry sectors to grow the economy and create jobs.	1. Development of Industry Sectors and Facilitate Investment
	Increased competitiveness and viability of the Western Australia Tourism industry.	2. Destination Marketing 3. Event Tourism 4. Tourism Destination Development

Service Summary

Expense	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
1. Development of Industry Sectors and Facilitate Investment.....	76,259	100,059	95,486	109,324	90,156	82,577	75,515
2. Destination Marketing	48,428	48,358	59,478	58,791	48,830	48,566	49,306
3. Event Tourism	33,122	39,099	33,402	38,419	39,520	39,472	39,700
4. Tourism Destination Development.....	11,063	6,402	6,013	4,549	4,510	4,483	4,466
Total Cost of Services.....	168,872	193,918	194,379	211,083	183,016	175,098	168,987

Outcomes and Key Effectiveness Indicators ^(a)

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Outcome: Provide leadership in the development of Western Australian industry sectors to grow the economy and create jobs:					
Extent to which agreed milestones for projects where the Department is the lead agency are achieved within the reporting period	80%	85%	85%	85%	
Extent to which State Agreement proponents comply with their reporting obligations and meet the Agreement objectives	96%	95%	95%	95%	
Outcome: Increased competitiveness and viability of the Western Australia tourism industry:					
Total dollar amount spent by visitors in Western Australia	\$9.5 billion	\$10 billion	\$9.9 billion	\$10.2 billion	
Percentage of visitors whose expectations were met or exceeded upon visiting Western Australia	98.5%	90%	97.4%	90%	
Value of cooperative marketing funds provided by the tourism industry.....	\$9.9 million	\$7.5 million	\$7.3 million	\$12 million	1
Direct economic impact of major events sponsorship ^(b)	\$56.8 million	\$50 million	\$52.7 million	\$48 million	
Direct media impact of major events sponsorship ^(b)	\$122.3 million	\$110 million	\$141.7 million	\$94.5 million	

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

(b) Effectiveness indicators in relation to economic and media impact of events include the measurement of events where the level of sponsorship is deemed significant or where the event is expected to generate a significant impact. It is not practical or economically feasible to measure the impact of all sponsored events. Furthermore, the methodology for the measurement of media impact of events has been amended for the 2019-20 Budget Target to exclude the impact of local media for Perth-based events. This matches the methodology for the economic impact of events whereby only out-of-State impacts are reported for Perth-based events. The 2019-20 Budget Target for events media impact is therefore not comparable with previous years.

Explanation of Significant Movements

(Notes)

- Cooperative marketing funds are expected to be greater in 2019-20 due to the international marketing boost. Third-party funds will be sought to leverage the Government's investment in tourism promotion opportunities.

Services and Key Efficiency Indicators

1. Development of Industry Sectors and Facilitate Investment

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

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 76,259	\$'000 100,059	\$'000 95,486	\$'000 109,324	1, 2
Less Income	3,943	5,164	5,785	5,505	
Net Cost of Service	72,316	94,895	89,701	103,819	
Employees (Full-Time Equivalents)	149	183	176	185	
Efficiency Indicators ^(a)					
Average cost per project facilitated ^(b)	\$439	\$638	\$608	\$614	
Average cost per identified major State initiative	n/a	n/a	n/a	n/a	

(a) Efficiency indicators are under review and will be developed in 2019-20.

(b) The average cost per project facilitated may be impacted from year to year by the addition of or cessation of finite funding for specific projects.

Explanation of Significant Movements

(Notes)

1. The movement between the 2018-19 Estimated Actual and the 2019-20 Budget Target is driven by the inclusion of funding for several significant initiatives at higher individual value than the prior year average. New funding for the National Collaborative Research Infrastructure Strategy increases the Total Cost of Service by \$4.8 million and the Future Energy Cooperative Research Centre increases the Total Cost of Service by a further \$1.1 million. Variations in pre-existing project cost forecasts embedded in the budget and repositioning of funding from 2018-19 to 2019-20, to match expense profiles with actual project milestones, account for the remainder of the variance.
2. The variation in the Total Cost of Service between the 2018-19 Budget and the 2018-19 Estimated Actual is primarily the result of movement in the timing of expenditure profiles for specific projects, including re-profiling of the Onslow Community Development Fund (\$1.7 million), Science Grants (\$1.9 million), and New Industries Fund (\$0.6 million). In addition, there were several minor re-profiles of other project funds, offset by budget increases resulting from carryover for the Australia China Natural Gas Technology Partnership Fund (\$0.4 million) and new funding for the audit and review of overseas offices (\$0.7 million in 2018-19).

2. Destination Marketing

In partnership with the tourism and travel industry, Regional Tourism Organisations, Perth Convention Bureau, Western Australian Indigenous Tourism Operators Council and Tourism Australia, Tourism Western Australia promotes Western Australia as a desirable holiday destination in core intrastate, interstate and international markets, and undertakes marketing strategies that maximise the economic benefit to the State.

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 48,428	\$'000 48,358	\$'000 59,478	\$'000 58,791	1
Less Income	1,216	973	4,762	10,403	
Net Cost of Service	47,212	47,385	54,716	48,388	
Employees (Full-Time Equivalents)	54	53	60	64	
Efficiency Indicators					
Tourism Destination Marketing administrative costs as a proportion of Total Cost of Service allocated to Destination Marketing.....	21%	21%	20%	22%	

Explanation of Significant Movements

(Notes)

1. The expenditure increase in the 2018-19 Estimated Actual and the 2019-20 Budget Target compared to the 2018-19 Budget is mainly due to additional funding for aviation and market development as well as a boost to international marketing. There was also a redirection of expenditure to Destination Marketing activities from the uncommitted Event Tourism budget during 2018-19.

3. Event Tourism

Tourism Western Australia develops, attracts and supports events that generate social and economic benefit to the State, and markets Western Australia nationally and internationally.

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 33,122	\$'000 39,099	\$'000 33,402	\$'000 38,419	1
Less Income	196	159	861	154	
Net Cost of Service	32,926	38,940	32,541	38,265	
Employees (Full-Time Equivalents)	20	21	20	20	
Efficiency Indicators					
Event Tourism administrative costs as a proportion of Total Cost of Service allocated to Event Tourism	10%	10%	11%	10%	

Explanation of Significant Movements

(Notes)

1. The Total Cost of Service for the 2017-18 Actual and the 2018-19 Estimated Actual compared to the 2018-19 Budget are lower due to the redirection of uncommitted Event Tourism budget to other tourism-related activity (mainly Destination Marketing).

4. Tourism Destination Development

This service focuses on tourism supply side issues; working across Government and industry to determine the needs of destinations in terms of access, accommodation, attractions and amenities; and facilitating the filling of gaps through private or public investment and policy settings.

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 11,063	\$'000 6,402	\$'000 6,013	\$'000 4,549	1
Less Income	1,586	158	206	117	
Net Cost of Service	9,477	6,244	5,807	4,432	
Employees (Full-Time Equivalents)	22	20	13	13	
Efficiency Indicators					
Tourism Destination Development administrative costs as a proportion of Total Cost of Service allocated to Tourism Destination Development	31%	63%	43%	59%	2

Explanation of Significant Movements

(Notes)

1. The decrease in Total Cost of Service between the 2017-18 Actual and the 2018-19 Budget was mainly the result of three finite programs ceasing in 2017-18: Caravan and Camping program, Regional Visitor Centres program and the Tourism Demand-Driver Infrastructure grant program. The decrease in the 2019-20 Budget when compared to the 2018-19 Estimated Actual is the result of the transfer of Tourism WA's Aviation Development and Policy function to the Destination Marketing service area and one-off funding in 2018-19 for the Ferguson Valley Wellington Forest Marketing program.
2. The increase between the 2017-18 Actual and the 2018-19 Budget was mainly due to the cessation in 2017-18 of three finite programs (see note 1 above) without a proportionate decrease in administration costs. The 2018-19 Estimated Actual is lower than the 2018-19 Budget due to additional programs added during the year with little or no administration overheads. The 2019-20 Budget Target is higher due to a decreased program budget without a proportionate decrease in administrative overheads.

Asset Investment Program

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-19 \$'000	2018-19 Estimated Expenditure \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
WORKS IN PROGRESS							
Information and Communications Technology (ICT)							
Replacement							
Perth Offices	1,431	686	640	20	-	100	625
Overseas Offices	299	89	30	25	45	70	70
NEW WORKS							
ICT Asset Replacement Development and Other							
Infrastructure							
2019-20 Program	1,036	-	-	1,036	-	-	-
2020-21 Program	625	-	-	-	625	-	-
2021-22 Program	625	-	-	-	-	625	-
2022-23 Program	100	-	-	-	-	-	100
Motor Vehicles Replacement							
2019-20 Program	65	-	-	65	-	-	-
2020-21 Program	65	-	-	-	65	-	-
2021-22 Program	175	-	-	-	-	175	-
2022-23 Program	175	-	-	-	-	-	175
Total Cost of Asset Investment Program	4,596	775	670	1,146	735	970	970
FUNDED BY							
Capital Appropriation			150	150	150	150	150
Drawdowns from the Holding Account			520	585	585	820	820
Internal Funds and Balances			-	411	-	-	-
Total Funding			670	1,146	735	970	970

Financial Statements

1. The implementation of new accounting standard AASB 16: *Leases* significantly impacts the Statement of Financial Position by bringing arrangements previously classified as operating leases on to the balance sheet. On the Income Statement, previous rental expenses for operating leases are removed and replaced with interest expense for the lease obligation and a depreciation cost for the right of use asset. Further information on AASB 16 and other new accounting standards impacting the Budget are detailed in a feature box in Budget Paper No. 3.

Income Statement

Expenses

2. The increase of \$16.7 million in the Total Costs of Services from the 2018-19 Estimated Actual to the 2019-20 Budget Estimate primarily reflects the impact of new programs coming on line and reflows of existing programs between years.
 - 2.1. New programs in 2019-20 include the commencement of the State's involvement with the National Collaborative Research Infrastructure Strategy with a budget of \$4.6 million, and the Future Energy Cooperative Research Centre which commences with a budget of \$1.1 million;
 - 2.2. Expenditure for tourism-related activities increases by \$2.9 million;
 - 2.3. The Royalties for Regions funded Western Australian Branding Project budget is profiled to increase by \$1.8 million over 2018-19 levels; and
 - 2.4. The remainder of the movement between the 2018-19 Estimated Actual and the 2019-20 Budget Estimate is represented by several smaller new initiatives and variations in original and re-profiled timelines for other existing projects.

Income

3. The increase in revenue from the 2018-19 to the 2019-20 Budget Estimate includes an increase in Burswood Park Board funding for international marketing (\$5 million) and aviation and market development (\$0.9 million).

INCOME STATEMENT ^(a)
(Controlled)

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
COST OF SERVICES							
Expenses							
Employee benefits ^(b)	39,586	39,185	39,332	40,200	40,050	38,819	39,297
Grants and subsidies ^(c)	31,997	38,176	37,359	45,650	40,156	36,195	28,489
Supplies and services	79,611	104,038	104,137	106,566	89,685	87,213	88,408
Accommodation	5,787	6,352	6,352	911	858	497	497
Depreciation and amortisation	852	1,011	1,011	6,771	6,775	6,726	6,484
Finance and interest costs	22	28	28	858	680	452	260
Other expenses	11,017	5,128	6,160	10,127	4,812	5,196	5,552
TOTAL COST OF SERVICES	168,872	193,918	194,379	211,083	183,016	175,098	168,987
Income							
Sale of goods and services	-	1,961	1,961	1,961	1,961	1,961	1,961
Grants and subsidies	1,482	438	4,277	9,624	1,750	1,650	2,250
Other revenue	5,459	4,055	5,376	4,594	4,029	3,959	3,865
Total Income	6,941	6,454	11,614	16,179	7,740	7,570	8,076
NET COST OF SERVICES	161,931	187,464	182,765	194,904	175,276	167,528	160,911
INCOME FROM STATE GOVERNMENT							
Service appropriations	138,470	152,100	146,759	153,943	149,530	143,806	144,423
Resources received free of charge	531	1,164	1,164	1,164	1,164	1,164	1,164
Royalties for Regions Fund:							
Regional Community Services Fund	15,142	22,369	23,442	23,220	17,420	16,320	12,670
Regional Infrastructure and Headworks Fund	-	5,267	5,267	5,245	-	-	-
Other appropriations	-	-	-	5,710	4,110	4,104	1,200
TOTAL INCOME FROM STATE GOVERNMENT	154,143	180,900	176,632	189,282	172,224	165,394	159,457
SURPLUS/(DEFICIENCY) FOR THE PERIOD	(7,788)	(6,564)	(6,133)	(5,622)	(3,052)	(2,134)	(1,454)

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

(b) The full-time equivalents for 2017-18 Actual, 2018-19 Estimated Actual and 2019-20 Budget Estimate are 245, 269 and 282 respectively.

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

DETAILS OF CONTROLLED GRANTS AND SUBSIDIES

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
Collie Future Fund	-	-	3,656	4,631	4,631	4,632	-
Future Energy Exports Cooperative Research Centre	-	-	-	1,100	1,100	1,200	1,200
Gorgon Gas CO ₂ Injection Project	-	100	100	100	100	100	100
Industry Development Grants							
Local Capability Fund	134	800	800	800	800	800	800
Medical Research Centre Fund	110	110	110	110	110	110	110
Oil and Gas Resources Centre (National Energy Resources Australia)	250	275	275	-	-	-	-
Other Industry	160	-	-	-	-	-	-
International Education	1,411	1,319	1,426	109	109	109	109
National Collaborative Research							
Infrastructure Strategy	-	-	-	4,610	3,010	2,904	-
New Industries Fund	500	4,918	4,270	4,949	4,894	-	-
Onslow Social Infrastructure Projects							
Wheatstone Construction	1,044	1,877	1,700	103	-	-	-
Wheatstone Post-End Construction	-	1,500	-	1,500	1,500	1,500	2,250
Other Grants	325	-	-	-	-	-	-
Perth USAsia Centre	-	-	-	600	600	600	-
Science and Agribusiness Connect Program ...	744	945	945	710	-	-	-
Science Grants	22,806	24,819	22,264	24,353	22,040	23,090	23,120
Science, Technology, Engineering and Mathematics Strategy	6	713	713	1,175	462	350	-
Tourism WA							
Caravan and Camping Grants	1,477	-	-	-	-	-	-
Demand-Driver Infrastructure Grants	1,382	-	-	-	-	-	-
Ferguson Valley Wellington Forest Marketing	-	-	300	-	-	-	-
Other Industry Grants and Contributions	430	800	800	800	800	800	800
Regional Visitor Centre Grants	1,218	-	-	-	-	-	-
TOTAL	31,997	38,176	37,359	45,650	40,156	36,195	28,489

STATEMENT OF FINANCIAL POSITION ^(a)
(Controlled)

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
CURRENT ASSETS							
Cash assets.....	26,082	18,850	16,471	11,612	9,435	10,077	10,530
Restricted cash.....	4,049	855	5,571	5,373	5,373	5,373	4,623
Holding account receivables.....	475	546	509	543	571	571	571
Receivables.....	2,352	2,861	1,914	1,914	1,914	1,914	1,914
Other.....	18,675	8,649	11,334	11,677	12,044	10,895	10,067
Total current assets.....	51,633	31,761	35,799	31,119	29,337	28,830	27,705
NON-CURRENT ASSETS							
Holding account receivables.....	7,820	8,097	8,277	8,664	9,051	9,231	9,411
Property, plant and equipment.....	37,940	44,036	37,749	57,105	51,346	45,778	40,147
Intangibles.....	507	957	507	507	507	507	507
Restricted cash.....	249	253	337	429	429	429	429
Other.....	242	6,898	9,184	6,074	4,579	2,608	1,295
Total non-current assets.....	46,758	60,241	56,054	72,779	65,912	58,553	51,789
TOTAL ASSETS.....	98,391	92,002	91,853	103,898	95,249	87,383	79,494
CURRENT LIABILITIES							
Employee provisions.....	7,386	7,186	7,477	7,659	7,659	7,659	7,659
Payables.....	8,202	3,675	8,527	8,352	8,177	8,035	8,035
Other.....	2,225	1,514	1,525	1,525	1,525	1,525	1,525
Total current liabilities.....	17,813	12,375	17,529	17,536	17,361	17,219	17,219
NON-CURRENT LIABILITIES							
Employee provisions.....	1,401	1,602	1,401	1,401	1,401	1,401	1,401
Borrowings and leases.....	-	-	-	20,224	15,024	9,284	2,699
Other.....	5	816	5	5	5	5	5
Total non-current liabilities.....	1,406	2,418	1,406	21,630	16,430	10,690	4,105
TOTAL LIABILITIES.....	19,219	14,793	18,935	39,166	33,791	27,909	21,324
EQUITY							
Accumulated surplus/(deficit).....	79,172	66,173	72,918	64,732	61,458	59,474	58,170
Reserves.....	-	11,036	-	-	-	-	-
Total equity.....	79,172	77,209	72,918	64,732	61,458	59,474	58,170
TOTAL LIABILITIES AND EQUITY.....	98,391	92,002	91,853	103,898	95,249	87,383	79,494

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

STATEMENT OF CASHFLOWS ^(a)
(Controlled)

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
CASHFLOWS FROM STATE GOVERNMENT							
Service appropriations	137,617	151,074	145,748	152,937	148,530	142,806	143,423
Capital appropriation	150	150	150	150	150	150	150
Holding account drawdowns	475	520	520	585	585	820	820
Royalties for Regions Fund:							
Regional Community Services Fund	15,142	22,369	23,442	23,220	17,420	16,320	12,670
Regional Infrastructure and Headworks Fund	-	5,267	5,267	5,245	-	-	-
Administered appropriations	-	-	-	5,710	4,110	4,104	1,200
Net cash provided by State Government	153,384	179,380	175,127	187,847	170,795	164,200	158,263
CASHFLOWS FROM OPERATING ACTIVITIES							
Payments							
Employee benefits	(38,615)	(39,094)	(39,241)	(40,018)	(40,050)	(38,819)	(39,297)
Grants and subsidies	(31,968)	(38,176)	(37,359)	(45,650)	(40,156)	(36,195)	(28,489)
Supplies and services	(56,302)	(73,800)	(70,509)	(62,071)	(55,520)	(51,929)	(53,885)
Accommodation	(5,751)	(6,082)	(6,082)	(641)	(827)	(827)	(827)
GST payments	(10,437)	(5,792)	(5,792)	(4,827)	(4,827)	(4,827)	(4,827)
Finance and interest costs	(22)	(28)	(28)	(858)	(680)	(482)	(260)
Other payments	(26,988)	(34,407)	(39,929)	(53,903)	(38,238)	(37,952)	(38,905)
Receipts ^(b)							
Grants and subsidies	1,382	438	4,277	9,624	1,750	1,650	2,250
Sale of goods and services	1,859	1,961	1,961	1,961	1,961	1,961	1,961
GST receipts	10,567	5,792	5,792	4,827	4,827	4,827	4,827
Other receipts	3,602	3,815	4,318	4,072	3,602	3,602	3,602
Net cash from operating activities	(152,673)	(185,373)	(182,592)	(187,484)	(168,158)	(158,991)	(153,850)
CASHFLOWS FROM INVESTING ACTIVITIES							
Purchase of non-current assets	(687)	(670)	(670)	(1,146)	(735)	(970)	(970)
Proceeds from sale of non-current assets	34	-	-	-	-	-	-
Other receipts	-	1,032	1,032	3,032	1,032	-	-
Net cash from investing activities	(653)	362	362	1,886	297	(970)	(970)
CASHFLOWS FROM FINANCING ACTIVITIES							
Repayment of borrowings and leases	-	-	-	(4,992)	(5,114)	(5,474)	(6,144)
Other payments	-	(1,032)	(1,032)	(3,032)	(1,032)	-	-
Other proceeds	-	-	1,032	3,238	1,486	1,783	2,141
Net cash from financing activities	-	(1,032)	-	(4,786)	(4,660)	(3,691)	(4,003)
NET INCREASE/(DECREASE) IN CASH HELD	58	(6,663)	(7,103)	(2,537)	(1,726)	548	(560)
Cash assets at the beginning of the reporting period	-	26,621	30,380	23,277	20,740	19,014	19,562
Net cash transferred to/from other agencies	30,322	-	-	-	-	-	-
Cash assets at the end of the reporting period	30,380	19,958	23,277	20,740	19,014	19,562	19,002

(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)

	2017-18	2018-19	2018-19	2019-20	2020-21	2021-22	2022-23
	Actual	Budget	Estimated	Budget	Forward	Forward	Forward
	\$'000	\$'000	Actual	Estimate	Estimate	Estimate	Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Grants and Subsidies							
International Aviation Development	-	-	1,740	2,610	1,750	1,650	2,250
International Marketing	-	-	2,000	7,000	-	-	-
Event Sponsorships	-	-	700	-	-	-	-
National Partnership Payment Revenue							
Delivery of Tourism Demand Driver							
Infrastructure	1,382	-	-	-	-	-	-
Commonwealth Grants							
National Water	-	438	-	-	-	-	-
Aboriginal Tourism Initiatives	-	-	99	14	-	-	-
Sale of Goods and Services							
Industry Development Revenue	1,859	1,961	1,961	1,961	1,961	1,961	1,961
GST Receipts							
GST Receipts	10,567	5,792	5,792	4,827	4,827	4,827	4,827
Other Receipts							
Premier's Science Awards and Innovator of							
the Year Contributions	372	-	315	315	315	315	315
Interest Receipts - Tourism	328	250	250	250	250	250	250
Tourism Revenue - Other	1,752	1,040	1,040	800	800	800	800
Onslow Community Development Fund							
Receipts	-	1,500	1,500	1,500	1,500	1,500	1,500
Gorgon CO ₂ Gas Injection Project	100	100	100	100	100	100	100
Australia China Natural Gas Technology							
Partnership Fund Contributions	430	430	430	429	-	-	-
Other Receipts	620	495	421	678	637	637	637
TOTAL	17,410	12,006	16,348	20,484	12,140	12,040	12,640

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

DETAILS OF ADMINISTERED TRANSACTIONS

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
INCOME							
Other							
Appropriations.....	21,983	22,236	22,255	22,279	22,684	22,827	20,174
Interest Received - Commonwealth Scientific and Industrial Research Organisations (CSIRO) Loan	57	136	136	136	136	136	136
Loan Discount Unwinding							
CSIRO	581	509	509	509	509	509	509
Millennium Chemicals	133	189	189	189	189	189	189
Onslow Social and Critical Infrastructure Funds (Wheatstone).....	69,562	71,200	54,232	66,265	4,090	4,236	-
TOTAL ADMINISTERED INCOME	92,316	94,270	77,321	89,378	27,608	27,897	21,008
EXPENSES							
Grants to Charitable and Other Public Bodies							
Onslow Social and Critical Infrastructure Funds	52,184	71,200	71,610	66,265	4,090	4,236	-
Qantas Hub Infrastructure	2,800	2,800	2,800	2,800	2,800	2,800	-
Statutory Authorities							
Pilbara Ports Authority - Burrup Port Infrastructure Subsidy	8,680	9,102	9,121	8,887	9,027	9,170	9,317
Water Corporation - Burrup Water System Subsidy.....	10,081	10,334	10,334	10,592	10,857	10,857	10,857
Other							
Loan Discounting	-	-	-	-	-	666	-
Payments to Consolidated Account - CSIRO Principal and Interest Receipts	1,176	136	136	136	136	136	136
TOTAL ADMINISTERED EXPENSES	74,921	93,572	94,001	88,680	26,910	27,865	20,310

Agency Special Purpose Account Details

AUSTRALIA-CHINA NATURAL GAS TECHNOLOGY PARTNERSHIP FUND

Account Purpose: The purpose of the fund is to deliver a practical demonstration of the desire of Australia and China to establish genuine and long-term partnerships across the energy sector. It is intended to deliver positive outcomes relevant to the natural gas sector, including LNG, through activities including training and education programs, partnerships, workshops and research. The fund was originally planned to conclude in 2015-16 but following success of the program it has now been extended for a further four years, to end in 2020-21, funded by existing reserves supplemented by additional contributions from the fund's Chinese partners.

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000
Opening Balance.....	1,421	1,037	1,054	667
Receipts:				
Other	430	430	430	430
	1,851	1,467	1,484	1,097
Payments	797	817	817	796
CLOSING BALANCE.....	1,054	650	667	301

Division 16 **Primary Industries and Regional Development**

Part 4 **Jobs and Economic Development**

Appropriations, Expenses and Cash Assets

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
DELIVERY OF SERVICES							
Item 44 Net amount appropriated to deliver services	189,484	166,301	154,454	163,598	175,527	170,683	173,160
Amount Authorised by Other Statutes							
- Biosecurity and Agriculture Management Act 2007	2,462	5,397	5,397	5,375	3,824	5,311	5,311
- Salaries and Allowances Act 1975	3,182	3,182	3,182	3,182	3,182	3,198	3,210
Total appropriations provided to deliver services	195,128	174,880	163,033	172,155	182,533	179,192	181,681
ADMINISTERED TRANSACTIONS							
Item 45 Amount provided for Administered Grants, Subsidies and Other Transfer Payments	1,600	1,550	1,550	1,550	1,550	1,550	-
CAPITAL							
Item 122 Capital Appropriation	1,085	285	525	16,496	11,260	7,175	7,449
TOTAL APPROPRIATIONS	197,813	176,715	165,108	190,201	195,343	187,917	189,130
EXPENSES							
Total Cost of Services	499,664	517,704	468,077	483,243	416,319	389,499	408,924
Net Cost of Services ^(a)	378,621	421,359	366,056	380,032	318,752	292,448	310,419
CASH ASSETS ^(b)	145,694	82,883	115,168	90,461	87,858	92,215	90,669

(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 2018-19 Budget to Parliament on 10 May 2018, are outlined below:

	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
New Initiatives					
Capability Review					
Core Business Systems Replacement	(13,419)	169	1,926	2,889	2,930
Core Funding	-	15,246	35,663	45,115	45,468
Refurbishment of Laboratory Facilities - South Perth	-	-	-	150	150
Election Commitments					
Albany Artificial Surf Reef Project	250	250	-	-	-
Entry Statement and Signage for Bunbury	200	-	-	-	-
Fitzroy River Management Plan	-	731	666	-	-
Geraldton Marine Finfish Nursery Facility	-	-	450	1,825	1,822
Thomas Little Memorial Hall (Our Lady of Lourdes) Restoration	250	250	-	-	-
Withers Urban Renewal Project	-	671	-	-	-

	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
Gascoyne Aboriginal Heritage and Cultural Centre in Carnarvon -					
Gwoonwardu Mia.....	1,041	561	487	614	-
Jawun Partnership Agreement.....	-	280	-	-	-
Koombana Bay Park Facilities.....	500	-	-	-	-
Lock Hospitals Memorial Project.....	140	-	-	-	-
Murujuga Aboriginal Corporation - Murujuga Living Knowledge Centre and					
Tourism Precinct Planning.....	335	1,004	-	-	-
New External Funding - Agricultural Research and Development Projects.....	2,906	3,645	3,680	1,180	531
Ord-East Kimberley Expansion Project.....	4,000	4,000	1,000	1,000	-
Shark Hazard Mitigation - SMART Drumline Trial.....	1,924	1,620	-	-	-
Ongoing Initiatives					
Albany Wave Energy Project.....	(2,902)	(5,087)	(5,086)	-	-
Community Resource Centres.....	-	5,000	5,000	5,000	5,000
Shark Hazard Mitigation					
Community Awareness Campaign.....	1,116	-	-	-	-
Shark Deterrent Initiatives.....	-	130	-	-	-
Surf Life Saving Western Australia Aerial and Beach Patrols and Response.....	-	3,810	3,905	-	-
Southern Forests Food Council.....	595	480	425	-	-
Other					
2019-20 Tariffs, Fees and Charges.....	-	(1,763)	(1,758)	(1,723)	(1,664)
Government Office Accommodation Reform Program.....	(202)	(364)	(364)	(374)	(374)
Government Regional Officer Housing.....	(100)	(237)	(250)	(851)	(194)
Indexation for Non-Salary Expense.....	-	-	-	-	729
Voluntary Targeted Separation Scheme.....	(2,849)	(2,443)	(2,469)	(2,497)	(2,807)

Significant Issues Impacting the Agency

1. Regional Western Australia and primary industries are key drivers of the State's economy; the regionally based resources sector delivers 80% of Western Australia's traded economy, with food and fibre the next largest export earners. There are significant prospects for growth owing to international demand, the State's strong reputation for dependable, high-quality food and the significant untapped potential to increase value-add and expand markets, food and tourism in both the agriculture and fisheries industries.
2. Following the completion of the Department's capability review, the Government has re-confirmed its commitment to our primary industries and regions. The provision of additional funding will enable the Department's contribution to the Government's Our Priorities, with a particular focus on a strong economy, a liveable environment and prosperous regions. In 2019-20, the Department will deliver a Primary Industries Strategy and Aquaculture Plan and will work with industry and the regions to attract investment and support jobs growth.
3. The Government's agenda for primary industries and regional development is focused on jobs and local content outcomes for the regions. To support this, the Government introduced the *Jobs Act 2017*, which has seen the implementation of the Western Australia Industry Participation Strategy and Western Australia Industry Link. Part of the Department's commitment to the Western Australia Industry Link was the establishment of the Local Content Adviser Network (LCAN). The LCAN takes a lead role in maximising the participation of regional businesses in regional contracting opportunities, leading to jobs and economic growth in regional Western Australia. The LCAN will play an increasingly important role in driving the contribution of the regions to the State's economy.
4. Strong biosecurity underpins Western Australia's reputation as a world-class producer of food and our access to markets. Growth in national and international trade, passenger movements and biosecurity incidents will place further pressure on the Department's biosecurity functions. The Department will work closely with industry, the community and relevant authorities to ensure it continues to efficiently and effectively respond to biosecurity threats to protect Western Australia's market access, environment and lifestyles.
5. Access to world-leading research, development and innovation is essential for the international competitiveness of the State's primary industries. Through a \$48 million scientific research partnership with the Grains Research and Development Corporation, the Department will continue to deliver world-leading grains research and development, driving Western Australian grains jobs, productivity and exports.

6. Climate change and climate variability continues to be a significant challenge for natural resource management and primary industry production. The Department will support primary industries in responding to this challenge. The management of aquatic resources, given their vulnerability to environmental change and their value to multiple stakeholders, requires continued monitoring and review. The Department will provide planning information and decision-making tools to support agricultural producers and land managers. The Department will work with Natural Resource Management groups and grower organisations to explore the science and best practice in regenerative agriculture, in particular focusing on premium food markets that can be accessed by farmers using these methodologies.
7. Improving support for the development of Western Australia's emerging aquaculture industry will be a priority in 2019-20. Industry growth will create additional upstream and downstream business growth and employment opportunities, particularly in the State's regions. Significant growth is anticipated, owing to a reduction in red tape for aquaculture approvals, the development of aquaculture zones, the production of spat from the multi-species mollusc hatchery in Albany and the transfer of the Australian Centre for Applied Aquaculture Research to the Department. In addition, \$7 million will be spent to establish a purpose-built marine finfish nursery and broodstock facility for yellowtail kingfish in Geraldton.
8. As an export-dependent State, future growth in Western Australia will need to be driven by leveraging export markets. Realising the sector's full potential will require the Government's support in working with industry to build on export readiness, as well as to engage on behalf of industry with the Commonwealth Government to ensure our priorities are included in free trade agreement negotiations. Western Australia is unique in that agrifood exports are dominated by the bulk commodity-based trade, as opposed to processed, value added food items. The Department is committing efforts to growing both our trade market access, and trade and food industry to ensure that we can capture more value, drive economic growth and create jobs through processing our agricultural produce.
9. In late 2017, the Auditor General identified issues with the way Western Australia's pastoral estate is administered, including concern that it does not optimise environmental outcomes. At around the same time, consultations by the Pastoral Lands Board identified concerns about the administrative system unnecessarily constraining economic development, particularly as it provided a lack of security of tenure for investment. The Department, in close collaboration with the Department of Planning, Lands and Heritage, is progressing Pastoral Lands Reform to deliver enhanced social, environmental and economic outcomes in Western Australia's pastoral rangelands.
10. The Department will continue to ensure its service delivery model supports the State's primary industries and regions to capitalise on their growth potential. In 2019-20, the Department will finalise its organisational design, so that its people and activities are focused on targeted actions that will accelerate or protect that growth potential. The Department will also continue to deliver on the Government's and the public's expectations regarding efficiency improvements by integrating its core corporate business systems and streamlining its internal business practices, so that it delivers better value for the Western Australian community.

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

A new Outcome Based Management structure was implemented in 2018-19 and therefore no key performance indicator (KPI) data is available for the 2017-18 Actual and several 2018-19 Budget KPIs. In addition, some KPIs were changed for 2019-20.

The Department continues to develop its financial modelling for the attribution of costs, income and FTEs to services. The allocation of costs, income and FTEs by service for the 2018-19 Budget was done at a high level following Machinery of Government changes and limited integration of core systems and reporting tools. The allocation of costs, income and FTEs by service for the 2019-20 Budget is on a project basis where possible; this has resulted in a large discrepancy between the 2018-19 Budget and all other financial years. This has impacted on the calculation of the key efficiency indicators and one of the key effectiveness indicators as described further below.

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
Future Jobs and Skills: Grow and diversify the economy, create jobs and support skills development.	Regional Western Australia has the investment to grow and create jobs.	1. Regional Industry and Community Development Investment Facilitation
	Regional Western Australia has the technology to grow and create jobs.	2. Regional Technical and Technological Development
	Regional Western Australia has the skills and knowledge to grow and create jobs.	3. Regional Skills and Knowledge Development
	Regional Western Australia has the social amenity, through recreational fisheries, to grow and create jobs.	4. Regional Social Amenity Development
	Regional Development Commissions contribute to the economic development of regions.	5. Corporate and Business Development Services Provided by the Department to Support Regional Development Commissions
	Western Australia agriculture and fishing protect their biosecurity advantages and integrity.	6. Agricultural and Aquatic Biosecurity and Integrity
	Western Australia agriculture and fishing protect the sustainability of the natural resources on which they rely and impact.	7. Agricultural and Fisheries Natural Resource Management

Service Summary

Expense	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
1. Regional Industry and Community Development Investment Facilitation	197,465	109,851	179,715	187,601	144,954	127,266	138,361
2. Regional Technical and Technological Development	97,808	107,010	89,065	92,975	71,839	63,073	68,572
3. Regional Skills and Knowledge Development	21,824	92,683	19,873	20,746	16,030	14,074	15,300
4. Regional Social Amenity Development	18,726	14,846	18,726	18,913	19,103	19,294	19,486
5. Corporate and Business Development Services Provided by the Department to Support Regional Development Commissions	25,729	45,401	23,599	24,472	24,472	24,472	24,472
6. Agricultural and Aquatic Biosecurity and Integrity	79,807	78,004	78,211	78,993	79,783	80,581	81,387
7. Agricultural and Fisheries Natural Resource Management	58,305	69,909	58,888	59,543	60,138	60,739	61,346
Total Cost of Services	499,664	517,704	468,077	483,243	416,319	389,499	408,924

Outcomes and Key Effectiveness Indicators ^(a)

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Outcome: Regional Western Australia has the investment to grow and create jobs:					
Percentage of co-investment that Department attracts to its industry and community development initiatives	n/a	n/a	n/a	9%	1
Outcome: Regional Western Australia has the technology to grow and create jobs:					
Percentage increase of client satisfaction with the Department's technology initiatives	n/a	8.5%	139%	15%	2
Outcome: Regional Western Australia has the skills and knowledge to grow and create jobs:					
Percentage of clients satisfied with Department's capability initiatives	n/a	n/a	n/a	70%	1
Outcome: Regional Western Australia has the social amenity, through recreational fisheries, to grow and create jobs:					
Percentage of clients satisfied with Department's social amenity initiatives	n/a	n/a	n/a	85%	1
Outcome: Regional Development Commissions contribute to the economic development of regions:					
Number of Regional Development Commissions supported through business plans	n/a	9	9	9	
Outcome: Western Australia agriculture and fishing protect their biosecurity advantages and integrity:					
Percentage of exotic terrestrial weed, pest and disease threats resolved appropriately	n/a	60%	57%	60%	
Percentage of invasive aquatic pests and exotic diseases resolved appropriately	n/a	75%	n/a	60%	3
Outcome: Western Australia agriculture and fishing protect the sustainability of the natural resources on which they rely and impact:					
Spatial extent of acid soils does not increase in target landscapes ^(b)	n/a	n/a	n/a	0%	1

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Percentage change in the spatial extent of the southwest cropping region that maintains sufficient year round ground cover for protecting and improving soil health	n/a	n/a	n/a	>0%	1
Number of soil health extension workshops held	n/a	30	30	30	
Proportion of fish stocks identified as not being at risk or vulnerable through exploitation	n/a	95%	97%	97%	
Percentage of commercial and recreational fisheries where acceptable catches (or effort levels) are achieved	n/a	90%	92.5%	90%	

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

(b) Reported as percentage change in the spatial extent of acidity. The 2019-20 Budget Target and the 2018-19 Estimated Actual are a single measure each to describe the 'State-wide' trend for soil acidity for the grainbelt of the State's south western region. A value of 0% indicates that on average soil pH has not deteriorated.

Explanation of Significant Movements

(Notes)

1. This new effectiveness indicator was introduced for the 2019-20 financial year. The 2019-20 Budget Target has been set on available and relevant data.
2. This indicator focuses on how clients access the Department's extensive weather database through application programming interfaces. The improvement in clients' satisfaction between the 2018-19 Budget and the 2018-19 Estimated Actual has been significantly higher than expected, indicating its value to clients.
3. As at March 2019, no aquatic biosecurity incidents had been declared in 2018-19. If an incident is declared before the end of the financial year, the 2018-19 Estimated Actual will likely be not applicable owing to the fact that not all biosecurity incidents can be resolved within the space of a financial year (or less depending on the date of detection). This indicator decreases for 2019-20 as it is becoming more prevalent that incidents are taking longer to resolve (noting the complexity of the State's biosecurity functions), and the target is now aligned with the effectiveness indicator for percentage of exotic terrestrial weed, pest and disease threats resolved appropriately, as the nature of the indicators is similar.

Services and Key Efficiency Indicators

1. Regional Industry and Community Development Investment Facilitation

This service facilitates the development of primary industries and regions. It includes activities such as: de-risking third-party investments by establishing clear investment pipelines and development approvals processes; facilitating cross and intergovernment contacts with potential investors and investees; leveraging Government's investment by attracting research provider and industry co-investment; and other development activities.

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
	\$'000	\$'000	\$'000	\$'000	
Total Cost of Service	197,465	109,851	179,715	187,601	
Less Income	27,243	20,443	18,657	19,175	
Net Cost of Service	170,222	89,408	161,058	168,426	
Employees (Full-Time Equivalents)	396	207	390	364	
Efficiency Indicators					
Value of co-investment in the Department-led industry and community development initiatives as a factor of the net cost of this service	n/a	26.17%	0%	0%	1

Explanation of Significant Movements

(Notes)

1. Non-government co-investment in the Department for the 2018-19 Estimated Actual and 2019-20 Budget Target has been allocated principally to Service 2 (Regional Technical and Technological Development), resulting in this efficiency indicator being less than 1%. Although these projects are allocated to Service 2, they do result in significant investment in the development of Regional Western Australia of approximately \$20 million.

The Department's approach for leveraging its funding for industry and community development initiatives is reflective of the Department co-investing in initiatives led by other organisations, rather than attracting the co-investment into the Department.

2. Regional Technical and Technological Development

This service provides research, development and innovation to catalyse primary industry and regional growth. It focuses on agronomic and business development, including updating the technologies needed to retain the competitiveness of regionally significant businesses as they exist today and developing new technologies.

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 97,808	\$'000 107,010	\$'000 89,065	\$'000 92,975	
Less Income	26,633	19,915	18,241	18,748	
Net Cost of Service	71,175	87,095	70,824	74,227	
Employees (Full-Time Equivalents)	263	291	259	242	
Efficiency Indicators					
Net cost of this service as a factor of gross regional product ^(a)	n/a	0.11%	0.07%	0.08%	

(a) Based on the gross regional product of \$95.6 billion in 2018, published on the Western Australia Shared Location Information Platform (data.wa.gov.au).

3. Regional Skills and Knowledge Development

This service aims to develop skills and knowledge in primary industries and regions. It includes developing, conducting, contracting and/or encouraging training and education programs and workshops and making information available in a range of user-friendly and integrated formats including websites, presentations, publications and decision-support applications.

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 21,824	\$'000 92,683	\$'000 19,873	\$'000 20,746	
Less Income	5,190	17,248	3,555	3,654	
Net Cost of Service	16,634	75,435	16,318	17,092	
Employees (Full-Time Equivalents)	56	109	56	52	
Efficiency Indicators					
Net cost of this service as a factor of gross regional product ^(a)	n/a	0.09%	0.02%	0.02%	

(a) Based on the gross regional product of \$95.6 billion in 2018, published on the Western Australia Shared Location Information Platform (data.wa.gov.au).

4. Regional Social Amenity Development

This service focuses on facilitating the development of amenities, in areas such as recreational fishing, education, health and connectivity, to support regional growth and resilience. This will involve working collaboratively across governments, industries and communities to identify, define, champion, support and/or fund development initiatives.

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 18,726	\$'000 14,846	\$'000 18,726	\$'000 18,913	
Less Income	9,692	2,763	10,584	10,584	
Net Cost of Service	9,034	12,083	8,142	8,329	
Employees (Full-Time Equivalents)	129	107	127	127	
Efficiency Indicators					
Net cost of this service as a factor of gross regional product ^(a)	n/a	0.01%	0.01%	0.01%	

(a) Based on the gross regional product of \$95.6 billion in 2018, published on the Western Australia Shared Location Information Platform (data.wa.gov.au).

5. Corporate and Business Development Services Provided by the Department to Support Regional Development Commissions

This service focuses on the Department supporting each Regional Development Commission (RDC) to establish its annual business plan and providing agreed resources to assist and support RDCs in meeting statutory obligations.

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 25,729	\$'000 45,401	\$'000 23,599	\$'000 24,472	
Less Income	578	8,449	-	-	
Net Cost of Service	25,151	36,952	23,599	24,472	
Employees (Full-Time Equivalents)	133	191	131	131	
Efficiency Indicators					
Net cost of this service as a factor of RDCs support	n/a	\$157.62/hr	\$130.74/hr	\$134.94/hr	

6. Agricultural and Aquatic Biosecurity and Integrity

This service focuses on maintaining and enhancing Western Australia's biosecurity status and meeting Western Australia's national and international commitments. Activities span a wide range of research, monitoring, analytical, educational, assessment and policy activities in both legislated and non-legislated aspects of terrestrial and aquatic biosecurity risk management. It also includes integrity matters such as animal welfare regulatory obligations.

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 79,807	\$'000 78,004	\$'000 78,211	\$'000 78,993	
Less Income	17,587	14,517	17,400	17,400	
Net Cost of Service	62,220	63,487	60,811	61,593	
Employees (Full-Time Equivalents)	367	371	361	361	
Efficiency Indicators					
Agricultural portion of net cost of this service as a factor of gross value of agricultural production ^(a)	n/a	0.67%	0.69%	0.7%	
Fisheries portion of net cost of this service per hour of aquatic biosecurity services	n/a	\$174.40	\$138.65	\$136.98	

(a) Based on the gross value of agriculture production three year average of \$8.35 billion, calculated from the Australian Bureau of Statistics reporting.

7. Agricultural and Fisheries Natural Resource Management

This service supports the productive capacity of terrestrial and aquatic natural resources that underpins Western Australia's primary industries. Activities span a wide range of research, monitoring, analytical, educational, assessment and policy activities in both legislated and non-legislated aspects of terrestrial and aquatic natural resource management.

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 58,305	\$'000 69,909	\$'000 58,888	\$'000 59,543	
Less Income	34,120	13,010	33,584	33,650	
Net Cost of Service	24,185	56,899	25,304	25,893	
Employees (Full-Time Equivalents)	320	378	315	315	
Efficiency Indicators					
Agricultural portion of net cost of this service as a factor or gross value of agricultural production ^(a)	n/a	0.15%	0.08%	0.09%	
Fisheries portion of net cost of this service per hour of fisheries management services ^(b)	n/a	\$73.5	\$33.10	\$31.07	

(a) Based on the gross value of agriculture production three year average of \$8.35 billion, calculated from the Australian Bureau of Statistics reporting.

(b) The wording of this indicator has been amended for the 2019-20 financial year for the purpose of clarity.

Asset Investment Program

1. The Department's Asset Investment Program (AIP) provides for the replacement, maintenance, upgrade and expansion of assets that support the delivery of services throughout the State. These assets include, but are not limited to, buildings and infrastructure, progressive replacement of marine vessels, information systems and operational equipment.
2. In 2019-20, the Department will undertake extensive asset investment which seeks to contemporise its ageing systems and provide critical infrastructure and building upgrades.
3. Central to the AIP is a \$12.2 million investment to integrate and update the Department's core business systems, including the Human Resource Management Information System, Finance Management Information System, and Enterprise Documents and Records Management System. The upgrading of the Department's core business systems was identified as a critical component in delivering Machinery of Government efficiencies and to becoming a fully amalgamated agency. In addition:
 - 3.1. \$6 million will be invested to support the development of a Geraldton Aquaculture Nursery facility at the Batavia Coast Marine Institute; and
 - 3.2. \$3 million will be invested in upgrading the Department's laboratories at its South Perth site to ensure consistency with national standards.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-19 \$'000	2018-19 Estimated Expenditure \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
WORKS IN PROGRESS							
Abrolhos Islands							
Airstrips Rolling Program	1,074	674	100	100	100	100	100
General Rolling Program	2,322	1,522	200	200	200	200	200
Boosting Grains Research and Development	9,936	8,436	1,596	1,500	-	-	-
Coral Bay Seasonal Staff Accommodation	387	187	187	200	-	-	-
Equipment Replacement							
Equipment Replacement Program	39,544	25,745	2,653	2,793	2,793	2,653	2,653
Fit-out Furniture and Office Equipment Rolling Program	6,084	3,684	600	600	600	600	600
Operational Equipment Rolling Program	5,102	3,446	686	414	414	414	414
Small Boats and Trailers Rolling Program	14,645	8,401	1,520	1,561	1,561	1,561	1,561
Great Kimberley Marine Park	430	105	-	325	-	-	-
Help Grain Growers to Better Manage Risk (e-Connected)	2,829	2,649	939	180	-	-	-
Information Systems Upgrade							
Computing Hardware and Software Rolling Program	4,000	3,400	266	150	150	150	150
Information System Development Rolling Program	3,592	1,992	722	400	400	400	400
Information Management Systems Upgrade	32,219	29,969	1,989	2,250	-	-	-
Shark Monitoring Network	925	625	75	75	75	75	75
Regional Natural Resource Management Program	9,752	6,650	2,000	1,778	1,324	-	-
Wild Dogs Action Plan	8,852	2,550	2,550	3,070	3,232	-	-
COMPLETED WORKS							
Australian Centre for Applied Aquaculture Research	200	200	200	-	-	-	-
Boosting Biosecurity Defences	477	477	219	-	-	-	-
Dolphin Discovery Centre	12,255	12,255	7,024	-	-	-	-
Equipment Replacement							
2018-19 Program	91	91	91	-	-	-	-
Election Commitment - Fish Health Laboratory							
Watermans Research Facility	1,000	1,000	445	-	-	-	-
Shark SMART Drumline Trial	150	150	150	-	-	-	-
NEW WORKS							
Asset Investment Underspend Provision ^(a)	(52,803)	(22,849)	(22,849)	(29,954)	-	-	-
Building Grains Research and Development Capacity	4,000	-	-	1,000	1,000	1,000	1,000
Capability Review							
Core Systems Upgrade							
Financial Management Information System	4,700	-	-	3,523	1,077	50	50
Human Resource Management Information System	4,141	-	-	3,031	1,010	50	50
Enterprise Document and Records Management							
System	3,358	240	240	2,543	575	-	-
Laboratory Upgrades - Kensington Site	3,000	-	-	1,000	2,000	-	-
Election Commitment - Geraldton Marine Finfish							
Nursery Facility	6,000	-	-	2,000	4,000	-	-
Equipment Replacement - 2019-20 Program	91	-	-	91	-	-	-
Global Provision ^(b)	35,549	201	201	10,170	16,098	9,080	-
Industry Attraction and Development Fund - Collie	42,108	-	-	-	30,100	12,008	-
North West Aboriginal Housing Initiative	60,296	-	-	16,743	21,448	14,186	7,919
Total Cost of Asset Investment Program	266,306	91,800	1,804	25,743	88,157	42,527	15,172
FUNDED BY							
Capital Appropriation			525	10,182	4,747	475	475
Drawdowns from the Holding Account			4,897	5,846	5,846	5,778	5,778
Administered Funds			(22,648)	(19,784)	16,098	9,080	-
Internal Funds and Balances			6,079	19,235	7,959	-	-
Other			45	255	255	-	-
Drawdowns from Royalties for Regions Fund			12,906	10,009	53,252	27,194	8,919
Total Funding			1,804	25,743	88,157	42,527	15,172

(a) The asset investment underspend provision ensures the total Royalties for Regions expenditure, across the entire program, remains under the approved expenditure limit, recognising that not all projects will spend their respective budgets.

(b) Funding mainly for election commitments where further planning is required to deliver the proposals.

Financial Statements

1. The implementation of new accounting standard AASB 16: *Leases* significantly impacts the Statement of Financial Position by bringing arrangements previously classified as operating leases on to the balance sheet. On the Income Statement, previous rental expenses for operating leases are removed and replaced with interest expense for the lease obligation and a depreciation cost for the right of use asset. Further information on AASB 16 and other new accounting standards impacting the Budget are detailed in a feature box in Budget Paper No. 3.

Income Statement

Expenses

2. The reduction in Total Cost of Services from the 2018-19 Budget to the 2018-19 Estimated Actual of \$49.6 million (9.6%) primarily relates to the repositioning of Royalties for Regions and external funding, following revisions to timelines and deliverables for multiple projects.

Income

3. The reduction in Royalties for Regions - Regional Community Services Fund moneys from the 2018-19 Budget to the 2018-19 Estimated Actual of \$35.4 million (25.9%) primarily reflects revisions to timelines and deliverables for multiple projects, including the State Agricultural Telecommunication Infrastructure Fund, Albany Wave Energy Project and the Regional Aged Accommodation Program.

Statement of Financial Position

4. The reduction in total current assets from the 2018-19 Budget to the 2018-19 Estimated Actual of \$25.6 million (15.2%) primarily reflects the reclassification of assets held for sale to property, plant and equipment consistent with the accounting treatment reflected in the Department's 2017-18 Annual Report, offset by an increase in cash balances, mainly arising from revisions to timelines and deliverables for multiple projects.

Statement of Cashflows

5. The increase in net cash from investing activities from the 2018-19 Budget to the 2018-19 Estimated Actual of \$16.1 million (39.8%) primarily relates to the repositioning of Royalties for Regions capital expenditure following revisions to timelines and deliverables for multiple projects.

INCOME STATEMENT ^(a)
(Controlled)

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
COST OF SERVICES							
Expenses							
Employee benefits ^(b)	212,788	199,117	207,502	191,248	191,953	193,214	194,381
Grants and subsidies ^(c)	90,982	136,790	100,436	114,676	65,218	55,174	67,897
Supplies and services	96,711	124,913	98,711	114,955	96,922	80,285	90,166
Accommodation	12,224	14,139	13,937	7,948	8,085	8,537	8,420
Depreciation and amortisation	19,209	22,484	22,484	31,829	33,817	32,887	28,791
Finance and interest costs	1,892	1,521	2,194	3,368	2,680	2,019	1,760
Other expenses	65,858	18,740	22,813	19,219	17,644	17,383	17,509
TOTAL COST OF SERVICES	499,664	517,704	468,077	483,243	416,319	389,499	408,924
Income							
Sale of goods and services	12,460	5,325	5,325	5,325	5,525	6,400	7,725
Regulatory fees and fines	36,930	50,920	50,920	52,489	52,329	53,999	54,058
Grants and subsidies	32,156	29,099	30,758	34,930	31,765	29,153	29,257
Other revenue	39,497	11,001	15,018	10,467	7,948	7,499	7,465
Total Income	121,043	96,345	102,021	103,211	97,567	97,051	98,505
NET COST OF SERVICES	378,621	421,359	366,056	380,032	318,752	292,448	310,419
INCOME FROM STATE GOVERNMENT							
Service appropriations	195,128	174,880	163,033	172,155	182,533	179,192	181,681
Resources received free of charge	1,801	2,162	2,162	2,166	1,849	1,849	1,849
Royalties for Regions Fund:							
Country Local Government Fund	-	4,000	-	4,000	-	-	-
Regional Community Services Fund	82,970	137,051	101,616	126,185	83,503	66,753	67,526
Regional Infrastructure and Headworks Fund	39,743	41,648	39,052	10,306	8,475	8,437	18,323
Regional and State-wide Initiatives	43,076	45,266	36,652	42,100	40,628	40,573	40,409
TOTAL INCOME FROM STATE GOVERNMENT	362,718	405,007	342,515	356,912	316,988	296,804	309,788
SURPLUS/(DEFICIENCY) FOR THE PERIOD	(15,903)	(16,352)	(23,541)	(23,120)	(1,764)	4,356	(631)

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

(b) The full-time equivalents for 2017-18 Actual, 2018-19 Estimated Actual and 2019-20 Budget Estimate are 1,664, 1,639 and 1,592 respectively.

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

DETAILS OF CONTROLLED GRANTS AND SUBSIDIES

	2017-18	2018-19	2018-19	2019-20	2020-21	2021-22	2022-23
	Actual	Budget	Estimated	Budget	Forward	Forward	Forward
	\$'000	\$'000	Actual	Estimate	Estimate	Estimate	Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Aboriginal Governance and Leadership Development Program.....	-	594	513	471	-	-	-
Agricultural Telecommunications Infrastructure Fund	-	14,928	3,000	10,850	3,000	3,000	2,000
Agriculture Research Grant Allocations.....	5,352	17,102	4,602	4,655	4,709	16,879	16,879
Albany Artificial Surf Reef Project.....	-	-	250	250	-	-	-
Carnarvon Fascine Revitalisation - Completion - Independent Project Manager							
Advisor Services	-	85	85	-	-	-	-
Carnarvon Flood Mitigation Works - Stage 2....	-	3,028	300	2,828	-	-	-
Collie Motorplex.....	314	-	-	-	-	-	-
Esperance Indoor Stadium.....	-	-	4,060	-	-	-	-
Expansion of Aged Care for the Esperance Community	1,000	-	561	-	-	-	-
Feasibility Study (Yara Pilbara and Sahara Forest)	100	-	-	-	-	-	-
Fisheries Research Grant Allocations	620	1,002	1,002	1,002	1,002	1,002	-
Goldfields Esperance Revitalisation Unit.....	-	578	578	459	-	-	-
Grants to Fishers with Disabilities Association Inc.....	127	100	100	100	100	-	-
Growing the Capacity of Drug and Alcohol Detoxification and Rehabilitation Program....	200	-	-	-	-	-	-
Jawun Indigenous Corporate Partnership Program	260	300	300	120	-	-	-
Jawun Partnership Agreement	-	-	-	280	-	-	-
Karratha Arts and Community Precinct	5,000	5,000	5,000	-	-	-	-
Karratha Enterprise Hub/Business Centre.....	1,000	1,000	-	-	-	-	-
Killarney Retirement Living.....	-	-	359	-	-	-	-
Kimberley Schools.....	1,196	-	-	-	-	-	-
Living Lakes (Stage 3).....	2,000	1,400	1,400	-	-	-	-
Margaret River Hub of Entertainment Arts Regional Tourism Project	2,500	550	550	-	-	-	-
Murujuga Aboriginal Corporation - Living Knowledge Centre and Tourism Precinct Planning.....	-	-	335	1,004	-	-	-
Myalup Primary Industry Reserve	3,500	-	-	-	-	-	-
New Industries Fund - Regional Component....	-	2,000	-	-	-	-	-
Norseman: The Heart of the Great Western Woodlands.....	1,200	399	399	-	-	-	-
North West Aboriginal Housing Initiative	-	-	-	2,677	2,482	2,437	12,023
Ord-East Kimberley Expansion Project	-	-	4,000	4,000	1,000	1,000	-
Other Fisheries Grants	375	1,602	1,602	1,402	1,402	677	-
Pilbara Aboriginal Town Based Reserves - Unallocated.....	-	2,000	1,000	2,000	4,000	6,000	6,300
Rawa Aboriginal Independent Community School - Student Engagement Program	120	-	-	-	-	-	-
Regional Aged Accommodation Program	1,845	13,200	9,700	11,155	-	-	-
Regional Centres Development Plan - Stage 2	-	4,500	-	4,500	-	-	-
Regional Development Commissions - Grants...	26,505	6,478	11,275	13,632	5,599	250	-
Regional Development Grants	3,682	-	-	-	-	-	-
Regional Development Leverage Unit.....	1,020	5,000	3,000	6,000	6,000	5,000	5,000
Regional Economic Development Scheme	-	6,250	6,250	6,250	6,350	5,000	5,000
Regional Grants Scheme	-	6,181	4,234	3,083	1,084	-	-
Regional Investment Initiative.....	2,344	200	1,085	1,477	1,352	-	-
Regional Local Content Initiative	-	-	100	100	100	-	-
Regional Telecommunications Project	-	21,273	16,478	9,150	-	-	-
Remote Rural and Regional Women's Network ...	500	250	250	-	-	-	-
Shark Hazard Mitigation	3,980	-	-	130	-	-	-
Subsidies and Other Grants	21,101	15,790	15,068	14,319	11,098	13,929	20,695
The Strelley Community School - Engagement Program.....	141	-	-	-	-	-	-
Victoria Hotel Redevelopment.....	1,000	-	-	-	-	-	-
Water for Food - Myalup-Wellington and South Forest Project.....	-	3,000	-	9,782	15,940	-	-
Western Australian Regional Film Fund	4,000	3,000	3,000	3,000	-	-	-
TOTAL	90,982	136,790	100,436	114,676	65,218	55,174	67,897

STATEMENT OF FINANCIAL POSITION ^(a)
(Controlled)

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
CURRENT ASSETS							
Cash assets.....	13,949	6,381	16,636	21,480	26,270	30,627	29,081
Restricted cash.....	130,672	74,962	96,959	66,909	59,017	59,017	59,017
Holding account receivables.....	4,897	4,270	4,627	4,386	5,374	7,272	9,190
Receivables.....	7,604	7,327	7,904	8,342	8,852	8,852	8,852
Other.....	17,623	16,129	17,008	19,027	13,386	12,400	12,400
Assets held for sale.....	-	59,711	-	-	-	-	-
Total current assets.....	174,745	168,780	143,134	120,144	112,899	118,168	118,540
NON-CURRENT ASSETS							
Holding account receivables.....	123,323	142,753	142,395	168,476	195,399	220,002	240,769
Property, plant and equipment.....	289,987	270,180	290,537	351,626	395,632	403,536	397,341
Intangibles.....	14,186	16,950	16,156	26,001	23,669	19,381	15,073
Restricted cash.....	1,073	1,540	1,573	2,072	2,571	2,571	2,571
Other.....	36,717	42,335	30,117	19,907	17,903	17,903	17,403
Total non-current assets.....	465,286	473,758	480,778	568,082	635,174	663,393	673,157
TOTAL ASSETS.....	640,031	642,538	623,912	688,226	748,073	781,561	791,697
CURRENT LIABILITIES							
Employee provisions.....	39,942	42,306	40,186	40,374	40,536	40,536	40,536
Payables.....	8,830	6,336	8,510	8,543	8,576	8,576	8,576
Borrowings and leases.....	6,598	6,010	5,966	14,674	9,545	9,867	8,170
Other.....	10,343	8,109	10,269	10,269	9,035	9,035	9,035
Total current liabilities.....	65,713	62,761	64,931	73,860	67,692	68,014	66,317
NON-CURRENT LIABILITIES							
Employee provisions.....	8,330	8,703	8,318	8,335	8,335	8,335	8,335
Borrowings and leases.....	21,070	10,048	15,599	48,725	41,989	34,549	28,664
Other.....	131	78	116	116	116	116	116
Total non-current liabilities.....	29,531	18,829	24,033	57,176	50,440	43,000	37,115
TOTAL LIABILITIES.....	95,244	81,590	88,964	131,036	118,132	111,014	103,432
EQUITY							
Contributed equity.....	548,567	345,979	561,977	607,047	681,270	717,520	735,869
Accumulated surplus/(deficit).....	(15,903)	(43,993)	(39,444)	(62,564)	(64,328)	(59,972)	(60,603)
Reserves.....	12,123	258,962	12,415	12,707	12,999	12,999	12,999
Total equity.....	544,787	560,948	534,948	557,190	629,941	670,547	688,265
TOTAL LIABILITIES AND EQUITY.....	640,031	642,538	623,912	688,226	748,073	781,561	791,697

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

STATEMENT OF CASHFLOWS ^(a)
(Controlled)

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
CASHFLOWS FROM STATE GOVERNMENT							
Service appropriations	170,956	151,181	139,334	140,469	148,776	146,913	153,218
Capital appropriation	1,085	285	525	16,496	11,260	7,175	7,449
Holding account drawdowns	5,743	4,897	4,897	5,846	5,846	5,778	5,778
Royalties for Regions Fund:							
Country Local Government Fund	-	4,000	-	4,000	-	-	-
Regional Community Services Fund	87,554	141,121	108,671	132,216	87,735	67,753	68,526
Regional Infrastructure and Headworks Fund	39,264	46,485	44,903	14,284	57,495	34,631	26,242
Regional and State-wide Initiatives	43,077	45,267	36,653	43,922	42,487	42,454	42,390
Net cash provided by State Government	347,679	393,236	334,983	357,233	353,599	304,704	303,603
CASHFLOWS FROM OPERATING ACTIVITIES							
Payments							
Employee benefits	(217,858)	(198,981)	(207,507)	(191,293)	(191,956)	(192,956)	(194,800)
Grants and subsidies	(90,967)	(136,810)	(100,572)	(114,702)	(65,218)	(55,174)	(67,897)
Supplies and services	(84,591)	(116,510)	(90,308)	(110,548)	(94,346)	(77,186)	(82,619)
Accommodation	(11,840)	(13,965)	(13,763)	(7,944)	(8,090)	(8,542)	(8,420)
GST payments	(22,964)	(27,144)	(27,144)	(16,233)	(15,788)	(15,788)	(15,788)
Finance and interest costs	(1,551)	(1,252)	(1,925)	(3,190)	(2,680)	(2,019)	(1,760)
Other payments	(22,767)	(22,374)	(22,944)	(19,826)	(18,176)	(17,957)	(18,969)
Receipts ^(b)							
Regulatory fees and fines	36,930	50,920	50,920	52,489	52,329	53,999	54,058
Grants and subsidies	31,481	29,099	30,758	34,930	31,765	29,153	29,257
Sale of goods and services	12,203	8,815	8,815	8,815	9,015	9,890	7,725
GST receipts	23,311	27,100	27,100	16,260	15,788	15,788	15,788
Other receipts	39,234	6,334	10,351	5,698	3,545	3,097	3,063
Net cash from operating activities	(309,379)	(394,768)	(336,219)	(345,544)	(283,812)	(257,695)	(280,362)
CASHFLOWS FROM INVESTING ACTIVITIES							
Purchase of non-current assets	(15,127)	(40,517)	(24,452)	(45,527)	(72,059)	(33,447)	(15,172)
Other payments	(3,000)	-	-	-	-	-	-
Proceeds from sale of non-current assets	229	152	152	362	362	362	255
Net cash from investing activities	(17,898)	(40,365)	(24,300)	(45,165)	(71,697)	(33,085)	(14,917)
CASHFLOWS FROM FINANCING ACTIVITIES							
Repayment of borrowings and leases	(4,790)	(6,598)	(6,598)	(14,102)	(14,673)	(9,567)	(10,370)
Other payments	-	-	(3,000)	-	-	-	-
Proceeds from borrowings	-	-	3,000	-	-	-	-
Other proceeds	4,790	4,790	4,790	5,966	5,966	-	500
Net cash from financing activities	-	(1,808)	(1,808)	(8,136)	(8,707)	(9,567)	(9,870)
NET INCREASE/(DECREASE) IN CASH HELD	20,402	(43,705)	(27,344)	(41,612)	(10,617)	4,357	(1,546)
Cash assets at the beginning of the reporting period	-	106,426	145,694	115,168	90,461	87,858	92,215
Net cash transferred to/from other agencies	125,292	20,162	(3,182)	16,905	8,014	-	-
Cash assets at the end of the reporting period	145,694	82,883	115,168	90,461	87,858	92,215	90,669

(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)

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
Regulatory Fees and Fines							
Regulatory Fees	27	12,075	12,075	13,544	13,084	14,754	14,813
Grants and Subsidies							
Direct Grants and Subsidies Revenues Commonwealth - Recurrent	2,517	1,796	1,796	1,766	1,766	1,766	1,766
Direct Grants and Subsidies Revenues Recurrent	26,186	26,331	27,990	33,164	29,999	27,387	27,491
Sale of Goods and Services							
Sale of Goods and Services	12,203	8,815	8,815	8,815	9,015	9,890	7,725
GST Receipts							
GST Input Credits	17,918	21,396	21,396	10,556	9,327	9,327	9,327
GST Receipts on Sales	5,393	5,704	5,704	5,704	6,461	6,461	6,461
Other Receipts							
National Partnership Payments - Managing Established Pest Animals and Weeds	2,778	972	972	-	-	-	-
Interest Received - Moneys Held in Participating Trust Funds	-	1,009	1,009	1,009	1,058	1,058	1,058
Other Revenue	36,520	1,520	4,864	1,513	1,440	1,440	1,440
Receipts from Service Delivery Agreement ...	512	2,189	2,189	1,862	107	107	107
TOTAL	104,054	81,807	86,810	77,933	72,257	72,190	70,188

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

DETAILS OF ADMINISTERED TRANSACTIONS

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
INCOME							
Other							
Appropriation.....	1,600	1,550	1,550	1,550	1,550	1,550	-
Interest Revenue.....	1,392	1,173	1,704	1,410	1,113	903	70
Other Revenue.....	66	-	-	-	-	-	-
Recreational Licence Fees.....	279	-	-	-	-	-	-
Revenue from Regional and State-wide Initiatives - Recurrent	-	(70,667)	(44,080)	(76,360)	34,655	22,876	29,400
Revenue from Regional Community Services Fund - Recurrent	2	10,750	6,200	6,200	6,200	6,200	6,200
Revenue from Regional Infrastructure and Headworks Fund - Recurrent	6,205	469	469	-	-	-	-
TOTAL ADMINISTERED INCOME	9,544	(56,725)	(34,157)	(67,200)	43,518	31,529	35,670
EXPENSES							
Grants to Charitable and Other Public Bodies							
Commonwealth Grants	2,167	-	-	-	-	-	-
Grants and Subsidies Expenses Essential and Municipal Services Improvement in Remote Aboriginal Communities	2,000	25,000	9,124	12,271	16,576	8,055	3,974
Royalties for Regions Program Global Provision ^(a)	1,660	36,894	17,051	40,696	49,531	23,986	30,629
State Contribution to Natural Resource Management	7,870	7,750	10,621	7,750	7,750	7,750	6,200
Other							
Royalties for Regions Program Underspend Provision	-	(73,210)	(44,123)	(89,109)	-	-	-
Royalties for Regions Project Savings	-	19,100	-	-	-	-	-
Supplies and Services.....	1,249	1,218	1,359	475	413	228	19
Western Australia Co-operatives Loan Scheme - Interest Expense to Western Australian Treasury Corporation	1,033	862	1,252	1,042	829	675	51
TOTAL ADMINISTERED EXPENSES	15,979	17,614	(4,716)	(26,875)	75,099	40,694	40,873

(a) Includes funding related to the Kimberley Schools Project, the North West Aboriginal Housing Initiative and election commitments where further planning is required to deliver the proposals.

Agency Special Purpose Account Details

FISHERIES ADJUSTMENT SCHEMES SPECIAL PURPOSE ACCOUNT

Account Purpose: The Fisheries Adjustment Schemes Special Purpose Account was established under the *Fisheries Adjustment Schemes Act 1987* (the Act). The purpose of this account is to hold funds in accordance with section 5 of the Act, which shall be applied by the Minister for the purposes prescribed by section 6 of the Act. It is mainly utilised to fund the payment of compensation agreed under the Fisheries Adjustment Scheme.

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000
Opening Balance.....	551	551	522	522
Receipts:				
Other	6,174	8,481	8,481	7,881
	6,725	9,032	9,003	8,403
Payments	6,203	8,481	8,481	7,881
CLOSING BALANCE.....	522	551	522	522

FISHERIES RESEARCH AND DEVELOPMENT SPECIAL PURPOSE ACCOUNT

Account Purpose: The Fisheries Research and Development Special Purpose Account was continued under the *Fish Resources Management Act 1994* (the FRM Act). It is utilised to fund the management of commercial fish and fish habitat protection and pearling and aquaculture activities.

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000
Opening Balance	1,060	1,519	1,516	2,417
Receipts:				
Appropriations	39,767	41,740	42,901	46,620
Other	37,769	37,685	37,685	38,535
	78,596	80,944	82,102	87,572
Payments	77,080	78,090	79,685	84,464
CLOSING BALANCE.....	1,516	2,854	2,417	3,108

RECREATIONAL FISHING SPECIAL PURPOSE ACCOUNT

Account Purpose: The Recreational Fishing Special Purpose Account was established under the FRM Act. The purpose of the account is to hold funds, which may be applied by the Minister to any of the purposes prescribed by section 239 of the FRM Act. The funds support activity relating to recreational fishing.

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000
Opening Balance	2,500	2,500	2,500	2,500
Receipts:				
Appropriations	9,340	6,896	6,896	7,748
Other	8,463	9,850	9,850	9,932
	20,303	19,246	19,246	20,180
Payments	17,803	16,746	16,746	17,680
CLOSING BALANCE.....	2,500	2,500	2,500	2,500

ROYALTIES FOR REGIONS REGIONAL REFORM FUND

Account Purpose: The account will fund strategic reform initiatives in regional Western Australia designed to support Government objectives over time.

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000
Opening Balance	99,830	86,500	96,170	70,038
Receipts:				
Appropriations	-	-	-	-
	99,830	86,500	96,170	70,038
Payments	3,660	54,800	26,132	40,218
CLOSING BALANCE.....	96,170	31,700	70,038	29,820

Division 17 **Mines, Industry Regulation and Safety**

Part 4 **Jobs and Economic Development**

Appropriations, Expenses and Cash Assets

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
DELIVERY OF SERVICES							
Service Appropriation							
Base Component	131,233	114,338	110,782	108,435	104,354	103,750	105,675
Services to Industry Component (Mining Tenement Rentals) (MTR) ^(a)	5,650	10,730	10,730	15,910	15,910	15,910	15,910
Item 46 Net amount appropriated to deliver services	136,883	125,068	121,512	124,345	120,264	119,660	121,585
Amount Authorised by Other Statutes							
- Salaries and Allowances Act 1975	1,827	1,494	1,494	1,494	1,494	1,502	1,507
Total appropriations provided to deliver services	138,710	126,562	123,006	125,839	121,758	121,162	123,092
ADMINISTERED TRANSACTIONS							
Item 47 Amount provided for Administered Grants, Subsidies and Other Transfer Payments	63,301	43,630	100,232	87,398	43,761	41,683	41,278
Amount Authorised by Other Statutes							
- Petroleum (Submerged Lands) Act 1982	457	232	363	215	179	151	133
CAPITAL							
Item 123 Capital Appropriation ^(b)	350	-	-	8,403	9,065	9,788	10,527
TOTAL APPROPRIATIONS	202,818	170,424	223,601	221,855	174,763	172,784	175,030
EXPENSES							
Total Cost of Services	280,302	292,757	286,229	279,716	277,146	278,356	280,286
Net Cost of Services ^(c)	112,732	119,918	111,654	104,510	105,213	105,907	107,837
CASH ASSETS ^(d)	330,085	314,552	334,255	355,660	377,882	398,797	419,979

(a) The Department will collect additional revenue for MTR from 2019-20 onwards. The increased revenue will fully fund the continuation of the Exploration Incentive Scheme at \$10 million per annum, which enables the Department to promote continued investment in the State and deliver services more effectively in response to industry needs. Further details on MTR appear in the Details of Administered Transactions table.

(b) Additional capital appropriation is provided to fund lease repayments and is not reflected in the Asset Investment Program table.

(c) 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.

(d) 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 2018-19 Budget to Parliament on 10 May 2018, are outlined below:

	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
New Initiative					
Inquiry into Wage Theft in Western Australia	200	-	-	-	-
Ongoing Initiatives					
Home Indemnity Insurance Contract Extension to 30 June 2020 ^(a)	333	500	-	-	-
Resolution of Native Title in the South West of Western Australia	-	182	-	-	-
Royalties for Regions Funding Update	(6)	(6)	(6)	(6)	225
Transfer of Labour Relations Officers from Public Sector Commission	166	-	-	-	-
Transfer of the Western Australian Building and Construction Code Monitoring Unit to Small Business Development Corporation	(1,500)	(1,954)	(1,954)	(1,954)	(1,954)
Other					
2019-20 Tariffs, Fees and Charges - Native Vegetation Clearing Permits	-	950	950	950	950
Indexation for Non-Salary Expenses	-	-	-	-	387
Streamlined Budget Process Incentive Funding	-	1,199	-	-	-
Voluntary Targeted Separation Scheme	(5,721)	(5,777)	(5,835)	(5,916)	(5,916)

(a) The figures above reflect the impact of the Home Indemnity Insurance contract extension to 30 June 2020 on the controlled statements. The impact on the administered statements is reflected in the Details of Administered Transactions table.

Significant Issues Impacting the Agency

1. The Department will continue to support the Western Australian community and business with improved service delivery across a wider range of regulatory functions and support services, including through strategic business innovation and enhanced digital delivery. During 2018, the Department received a total of 7,762 mining and petroleum applications, 91% of which were finalised within agreed timeframes. Across other industry sectors the Department issued or renewed approximately 108,000 licences during the same year.
2. The development of modern safety and health laws for Western Australia incorporating mines, petroleum and general safety into one Work Health and Safety Act (the Act) based on the National Model Work Health and Safety laws is a high priority for the Government. The Department has conducted an extensive consultation process and the Work Health and Safety Bill is expected to be introduced into Parliament in 2019 for consideration by Parliament during 2019-20. The Act will be supported by three separate sets of regulations applying to workplaces generally in Western Australia, the mines sector, and the petroleum and geothermal sector. In mid-2019, the Department will undertake comprehensive State-wide consultations to provide recommendations for the development of the three sets of regulations.
3. A total of 11 work-related traumatic injury fatalities were recorded during 2018 in Western Australia. The Department is encouraging industry to work proactively to prevent accidents and fatalities from occurring, and to promote a positive work culture. The strategy reflects the key goals of world-leading regulation, smarter systems and a well-informed industry.
4. In response to the recommendations and findings of the Legislative Assembly's Education and Health Standing Committee's final report on the impact of fly-in/fly-out (FIFO) work practices on mental health, 2019 has seen the Department release the code of practice for mentally healthy workplaces for FIFO workers in the Western Australian resources and construction sectors. Health and hygiene management plans are now required for mining operations and are maintained on the safety regulation system. Mining companies have six months to comply with this requirement. 'Towards 2020', a regulatory strategy that envisions a safe and healthy resources sector for Western Australian workers, is continuing and will be reviewed to update the initiative into the future.
5. On 27 June 2017, the Legislative Council's Standing Committee on Public Administration (the Committee) announced the commencement of an inquiry into WorkSafe. The Department is cooperating fully with the inquiry and will continue to commit the resources necessary to service the requirements of the Committee until the inquiry is concluded.

6. Following a spike in reports of silicosis cases among stonemasons in Queensland, the Department, with the Commission for Occupational Safety and Health (Commission), has placed a significant focus on silica exposure and is undertaking a project aimed at raising awareness of practical control measures to prevent silicosis and lung cancer within the stone benchtop industry. The Department also supported the development of the Commission's Guidance Note - Safe Stone Product Fabrication and Installation. Exposure to respirable crystalline silica is a national issue and the Department will continue to work collaboratively with other State and Territory Government regulators to address this issue.
7. The Agricultural Working Group (AWG) overseen by the Commission has been established to develop an industry-funded, agricultural safety education campaign. The Department has committed to assist the AWG in the development of its campaign, which aims to reduce work-related agricultural based injuries and fatalities and increase accountability.
8. The Department will be implementing the recommendations of the Ministerial Review of the State Industrial Relations System that have been adopted by the Government. The Government is seeking to provide a way forward for the State industrial relations system that is fair, accessible and contemporary.
9. The Department will be supporting the Inquiry into Wage Theft and progressing the recommendations that are adopted by the Government.
10. The Department is responsible for implementing several of the Government's public sector workforce commitments, including, but not limited to, conversion and appointment to permanency framework, a review of the redeployment and redundancy framework, and improving agency practices. Thirty-two industrial agreements covering over 116,000 public sector employees have now been settled under the \$1,000 Public Sector Wages Policy Statement with minimal industrial dispute.
11. The resource sector continues to be a strong contributor to the Western Australian economy, recording record sales of \$127.4 billion in 2018. This was a 16% increase on 2017 due largely to increasing LNG sales. Direct employment in the mining sector also grew to more than 120,000 people while royalty receipts totalled \$6.1 billion in 2018. Investment in the sector remains strong with an estimated \$113 billion worth of resource projects in the pipeline. The Government will continue the successful Exploration Incentive Scheme (EIS) from 2019-20 onwards. This program promotes continued resource sector investment in the State; creates jobs, including in regional areas; and strengthens the State's economy. The EIS supports exploration activity and acquisition of precompetitive geoscience data crucial for the identification of new resources and the longevity of the resources sector.
12. As part of the 2018-19 Mid-year Review, the Government announced an extension of the Magnetite Financial Assistance Program by 12 months until 31 December 2019. For the first six months, January to June 2019, the royalty rebate continues at 50% and, for the final six months of the program, July to December 2019, it reduces to 25%.
13. The protection of subcontractors is a key election commitment for the Government. In February 2018, Mr John Fiocco and the Hon Matthew Swinbourn MLC were appointed to undertake an inquiry and targeted consultation with key industry stakeholders and provide a report with recommendations for law reform to improve payment protections in the building and construction industry.
14. The Government has committed to introduce a system of full private certification of single residential building approvals in Western Australia. In response to the Lacrosse apartments in Melbourne and the London Grenfell Tower fires, Professor Peter Shergold AC and Ms Bronwyn Weir were commissioned to review the effectiveness of compliance and enforcement systems for the building and construction industry across Australia. The final report was released in April 2018. The Department is preparing a Consultation Regulatory Impact Assessment (CRIS) which will outline options to meet the Government's election commitment and will include safeguards recommended in the final report. The CRIS is expected to be released before July 2019.
15. The Lacrosse and Grenfell Tower fires also highlighted international concerns about the use of certain types of cladding and the effectiveness of building approval processes. In Australia, the Building Ministers' Forum agreed to upgrade standards and processes to deal with non-conforming building products and improving cooperation between building regulators nationally. This has required ongoing allocation of significant departmental resources to a widespread audit of building cladding in Western Australia and the development of a plan to accelerate reforms and improvements to building regulation.

16. The Government's commitment to introduce ticket scalping legislation restricting the resale of event tickets and providing additional protections to consumers purchasing tickets on the ticket re-sale market is being advanced. The Ticket Scalping Bill 2018 has been introduced to Parliament and is expected to pass in 2019. The Department will undertake a program of community engagement and compliance activities to implement the new measures. The new legislation will give the Commissioner for Consumer Protection the power to enforce anti-ticket scalping measures with breaches of the legislation seeing individuals fined up to a maximum of \$20,000 and body corporates fined up to a maximum of \$100,000.
17. The following areas of consumer protection regulations will be developed and/or community and industry education undertaken to support new legislation:
 - 17.1. support to roll out amendments to the *Residential Tenancies Act 1987* to enable victims of family and domestic violence to exit a tenancy agreement or to stay and have the perpetrator removed from the agreement;
 - 17.2. amendments to the *Fair Trading Act 2010* to provide a more efficient way to adopt changes to the Australian Consumer Law within Western Australia;
 - 17.3. amendments to the *Residential Parks (Long-stay Tenants) Act 2006* to implement the recommendations of the statutory review, which will provide greater certainty and transparency about contracts and costs; and
 - 17.4. amendments to various Acts to improve efficiencies and promote consumer protection.
18. In response to the Government's commitment to undertake a review of the *Residential Tenancies Act 1987* and the *Commercial Tenancy (Retail Shops) Agreements Act 1985*, the Department will commence public consultation on the review of each of these Acts throughout the release of consultation papers. The Department will also engage with stakeholders during the review to inform reform options and policy settings for consideration by Government.
19. A review of the *Motor Vehicle Dealers Act 1973* and the *Motor Vehicle Repairers Act 2003* has concluded and recommendations made to improve regulation of the sectors. Legislation will be developed to implement the recommendations from the review. The regulatory framework for the motor vehicle sector in Western Australia will be improved for the benefit of consumers, dealers and repairers.
20. Proposed reforms to the Western Australian plumbing regulatory framework will deliver much needed legislative change and ensure that Western Australia has a modern, flexible and efficient regulatory framework for plumbing that provides the necessary public health protections while, at the same time, enabling industry to innovate and adopt new technologies and practices.
21. The Department will implement a Government commitment to introduce a code of conduct for prepaid funerals. The code of conduct will govern the management of prepaid funeral funds, improve protections for consumers and address current issues in the provision of prepaid funerals.
22. A review of the operation of the *Disposal of Uncollected Goods Act 1970* will be undertaken and recommendations to remove unnecessary regulatory processes and modernise the Act will be advanced. This will result in a simplified and streamlined process for disposing of uncollected or abandoned goods.

Resource Agreement

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

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.	Supporting a safe, fair and responsible future for the community, industry and resources sector.	1. Resources Advice and Regulation 3. Industry Advice and Regulation
Strong Communities: Safe communities and supported families.		2. Safety Advice and Regulation 3. Industry Advice and Regulation

Service Summary

Expense	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
1. Resources Advice and Regulation.....	104,652	108,424	106,259	104,686	103,560	104,006	104,871
2. Safety Advice and Regulation.....	70,700	73,837	71,509	69,888	69,551	69,868	69,770
3. Industry Advice and Regulation.....	104,950	110,496	108,461	105,142	104,035	104,482	105,645
Total Cost of Services.....	280,302	292,757	286,229	279,716	277,146	278,356	280,286

Outcomes and Key Effectiveness Indicators ^(a)

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Outcome: Supporting a safe, fair and responsible future for the community, industry and resources sector:					
Stakeholder satisfaction with the Department as an effective resource sector regulator ^(b)	n/a	86%	86%	86%	
Number of work-related traumatic injury fatalities.....	13 ^(c)	nil	7 ^(d)	nil ^(e)	
Stakeholder satisfaction with the Department as an effective industry regulator ^(b)	n/a	75%	75%	75%	

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

(b) This effectiveness indicator was introduced for the 2018-19 financial reporting year. Figures show estimates only as the stakeholder satisfaction survey is yet to be conducted.

(c) Comprises 13 confirmed work-related traumatic injury fatalities and relate to fatalities within the jurisdictions of Acts administered by the Department (nine investigated by the WorkSafe Directorate and four by the Mines Safety Directorate).

(d) Actual work-related fatalities reported as at 15 April 2019.

(e) As the desired outcome is to have no work related traumatic injury fatalities, the 2019-20 Budget Target is again set at nil.

Services and Key Efficiency Indicators

The 2018-19 Budget data for the Total Cost of Service, income and Net Cost of Service across each of the Department's services has been recast due to improved internal cost allocation processes following the Machinery of Government changes.

1. Resources Advice and Regulation

Ensuring the State's natural resources are developed and managed responsibly through the provision of resource advice and regulatory services to the Western Australian community.

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 104,652	\$'000 108,424	\$'000 106,259	\$'000 104,686	
Less Income	46,330	47,582	48,664	49,926	
Net Cost of Service	58,322	60,842	57,595	54,760	
Employees (Full-Time Equivalents)	523	503	562	585	1
Efficiency Indicators					
Average cost of resource regulation per live title ^(a)	\$5,197	\$4,967	\$5,033	\$4,768	

(a) As this efficiency indicator was introduced for the 2018-19 reporting period, the 2017-18 Actual has been recast for comparability purposes.

Explanation of Significant Movements

(Notes)

- The increase in FTE numbers from the 2018-19 Budget to the 2019-20 Budget Target (16%) is due to the Department converting work undertaken by contractors into permanent positions with no impact on the Total Cost of Service.

2. Safety Advice and Regulation

The provision of advice and regulatory services to the Western Australian community in the area of occupational safety and health.

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 70,700	\$'000 73,837	\$'000 71,509	\$'000 69,888	
Less Income	53,232	52,278	53,965	52,702	
Net Cost of Service	17,468	21,559	17,544	17,186	
Employees (Full-Time Equivalents)	394	375	397	400	1
Efficiency Indicators					
Cost of work-related lost time injury and disease claims in relation to cost of service	11.58:1 ^(a)	10.78:1 ^(b)	10.62:1 ^(c)	11.38:1 ^(b)	
Percentage of high-risk work licence applications determined within agreed timeframes	97%	100%	97%	100%	

(a) Ratio is based on the 2015-16 WorkCover WA data for compensable claim costs.

(b) Based on five year average of WorkCover WA data (excluding preliminary data) for compensable claim costs.

(c) Ratio is based on the 2016-17 WorkCover WA data for compensable claim costs.

Explanation of Significant Movements

(Notes)

- The increase in FTE numbers from the 2018-19 Budget to the 2019-20 Budget Target (7%) is due to the Department converting work undertaken by contractors into permanent positions with no impact on the Total Cost of Service.

3. Industry Advice and Regulation

The provision of advice and regulatory services to the Western Australian community in the areas of consumer protection; building and plumbing; electricity and gas; and labour relations.

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 104,950	\$'000 110,496	\$'000 108,461	\$'000 105,142	
Less Income	68,008	72,979	71,946	72,578	
Net Cost of Service	36,942	37,517	36,515	32,564	
Employees (Full-Time Equivalents)	584	559	591	593	1
Efficiency Indicators					
Average cost per transaction to deliver industry advice and regulation services ^(a)	\$144	\$158	\$157	\$153	

(a) Since this efficiency indicator was introduced for the 2018-19 reporting period, the 2017-18 Actual has been recast for comparability purposes. The methodology has been refined during 2018-19 and as such the 2018-19 Budget figure has also been recast.

Explanation of Significant Movements

(Notes)

1. The increase in FTE numbers from the 2018-19 Budget to the 2019-20 Budget Target (6%) is due to the Department converting work undertaken by contractors into permanent positions with no impact on the Total Cost of Service.

Asset Investment Program

1. The 2019-20 Asset Investment Program (AIP) will continue to deliver a range of information and communications technology (ICT) projects in the Building and Energy Safety Divisions and Licensing Directorate that will improve online access to services and information and modernise the Department's ICT applications portfolio.
2. The AIP projects align to the Department's Digital Strategy, which will enable the Department to be responsive in application and architecture design, meet business and stakeholder expectations with regards to the digitisation of services, and rationalise the Department's application portfolio. The key outcomes of the Digital Strategy are better regulatory outcomes at a lower cost to the community, and customers who choose to interact with the Department digitally through secure and stable digital services.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-19 \$'000	2018-19 Estimated Expenditure \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
WORKS IN PROGRESS							
ICT Infrastructure							
Building Commission - Regulation Reform	2,435	2,201	807	234	-	-	-
EnergySafety Compliance Management System - Stage 2	1,907	1,140	526	250	250	267	-
Strategic Information Plan	15,557	12,233	2,776	3,324	-	-	-
COMPLETED WORKS							
Asset Replacement - Computer Hardware and Software - 2018-19 Program	914	914	914	-	-	-	-
NEW WORKS							
Asset Replacement - Computer Hardware and Software							
2019-20 Program	914	-	-	914	-	-	-
2020-21 Program	914	-	-	-	914	-	-
2021-22 Program	914	-	-	-	-	914	-
2022-23 Program	914	-	-	-	-	-	914
Total Cost of Asset Investment Program	24,469	16,488	5,023	4,722	1,164	1,181	914
FUNDED BY							
Drawdowns from the Holding Account			3,010	3,577	914	914	914
Internal Funds and Balances			2,013	1,145	250	267	-
Total Funding			5,023	4,722	1,164	1,181	914

Financial Statements

1. The implementation of new accounting standard AASB 16: *Leases* significantly impacts the Statement of Financial Position by bringing arrangements previously classified as operating leases on to the balance sheet. On the Income Statement, previous rental expenses for operating leases are removed and replaced with interest expense for the lease obligation and a depreciation cost for the right of use asset. Further information on AASB 16 and other new accounting standards impacting the Budget are detailed in a feature box in Budget Paper No. 3.

Income Statement

Expenses

2. Employee benefits decreases by \$3.8 million from the 2018-19 Budget to the 2018-19 Estimated Actual. This is mainly due to savings measures resulting from the Voluntary Targeted Separation Scheme, Senior Executive Service reduction and the revised Public Sector Wages Policy. An increase of \$6.2 million between the 2018-19 Estimated Actual and the 2019-20 Budget Estimate mainly reflects the impact of converting work undertaken by contractors into permanent positions, partially offset by the above savings measures.
3. Supplies and services is expected to decrease by \$12.1 million between the 2018-19 Estimated Actual and the 2019-20 Budget Estimate. This mainly reflects the Department converting work undertaken by contractors into permanent positions (\$10 million). This reduction offsets an increase in employee benefits, resulting in no impact on the Total Cost of Services.

Income

4. Funding from the Regional Community Services Fund reduces by \$5 million in the 2019-20 Budget Estimate. This is due to ceasing Royalties for Regions funding for the Exploration Incentive Scheme (EIS). From 2019-20, the continuation of the EIS will be fully funded by increased Mining Tenement Rental (MTR) revenue.

Statement of Financial Position

5. Restricted cash is estimated to increase by \$20.3 million between the 2018-19 Estimated Actual and the 2019-20 Budget Estimate, which is mostly due to an increase in the cash balance of the Mining Rehabilitation Fund (MRF). This is partially offset by a slight decline in cash balances from various Department special purpose accounts.

Statement of Cashflows

6. Repayment of borrowings is estimated to increase by \$6.5 million between the 2018-19 Budget and the 2018-19 Estimated Actual. This reflects the earlier than planned repayment of the Treasurer's Advance for the Mines Safety and Inspection Levy.

INCOME STATEMENT ^(a)
(Controlled)

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
COST OF SERVICES							
Expenses							
Employee benefits ^(b)	178,576	172,207	168,368	174,562	176,701	179,221	181,470
Grants and subsidies ^(c)	15,764	15,236	15,236	13,236	13,236	13,236	13,236
Supplies and services	46,083	63,025	60,336	48,281	42,848	41,413	41,094
Accommodation	14,189	19,172	19,172	9,067	9,402	9,871	10,210
Depreciation and amortisation	9,627	5,947	5,947	16,673	17,275	17,274	17,274
Finance and interest costs	-	-	-	2,901	2,615	2,272	1,933
Other expenses	16,063	17,170	17,170	14,996	15,069	15,069	15,069
TOTAL COST OF SERVICES	280,302	292,757	286,229	279,716	277,146	278,356	280,286
Income							
Sale of goods and services	126	855	855	855	855	855	855
Regulatory fees and fines							
Mines Safety and Inspection Levy	36,255	33,600	35,700	35,700	32,000	32,000	32,000
Mining Rehabilitation Fund Levy	29,036	28,000	30,000	30,000	30,000	30,000	30,000
Other	91,632	97,339	94,478	94,508	94,868	94,796	94,796
Grants and subsidies	483	613	613	624	479	479	479
Other revenue	10,038	12,432	12,929	13,519	13,731	14,319	14,319
Total Income	167,570	172,839	174,575	175,206	171,933	172,449	172,449
NET COST OF SERVICES	112,732	119,918	111,654	104,510	105,213	105,907	107,837
INCOME FROM STATE GOVERNMENT							
Service appropriations	138,710	126,562	123,006	125,839	121,758	121,162	123,092
Resources received free of charge	3,098	2,846	2,846	2,846	2,846	2,846	2,846
Royalties for Regions Fund:							
Regional Community Services Fund	10,199	5,227	5,221	223	225	225	225
Regional Infrastructure and Headworks Fund	623	-	-	-	-	-	-
TOTAL INCOME FROM STATE GOVERNMENT	152,630	134,635	131,073	128,908	124,829	124,233	126,163
SURPLUS/(DEFICIENCY) FOR THE PERIOD	39,898	14,717	19,419	24,398	19,616	18,326	18,326

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

(b) The full-time equivalents for 2017-18 Actual, 2018-19 Estimated Actual and 2019-20 Budget Estimate are 1,501, 1,550 and 1,578 respectively.

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

DETAILS OF CONTROLLED GRANTS AND SUBSIDIES

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
Building Commission							
Australian Building Codes Board	580	580	580	580	580	580	580
Curtin Sustainable Built Environment	100	100	100	100	100	100	100
Consumer Protection							
Employment Law Centre	330	-	-	-	-	-	-
Initiatives Enhancing Consumer Rights	258	68	68	68	68	68	68
Property Industry	6,659	6,470	6,470	6,470	6,470	6,470	6,470
Government Co-funded Exploration Drilling	4,287	5,800	5,800	5,800	5,800	5,800	5,800
Resources Sector Research	3,380	2,048	2,048	48	48	48	48
WorkSafe							
Asbestos Disease Society	100	100	100	100	100	100	100
Farmsafe Western Australia Alliance	70	70	70	70	70	70	70
TOTAL	15,764	15,236	15,236	13,236	13,236	13,236	13,236

STATEMENT OF FINANCIAL POSITION ^(a)
(Controlled)

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
CURRENT ASSETS							
Cash assets.....	2,527	12,761	3,962	5,100	7,018	8,936	10,854
Restricted cash.....	326,486	301,190	329,221	349,488	369,792	388,789	408,053
Holding account receivables.....	3,010	3,577	4,011	2,220	2,216	2,212	2,208
Receivables.....	15,136	12,615	15,136	15,136	15,226	15,316	15,406
Other.....	10,586	5,471	10,586	10,586	10,586	10,586	10,586
Total current assets.....	357,745	335,614	362,916	382,530	404,838	425,839	447,107
NON-CURRENT ASSETS							
Holding account receivables.....	31,222	33,036	32,108	46,037	58,691	71,344	83,997
Property, plant and equipment.....	131,444	138,775	130,313	193,981	179,092	164,443	150,089
Intangibles.....	5,898	15,258	6,105	5,322	4,902	4,499	3,829
Restricted cash.....	1,072	601	1,072	1,072	1,072	1,072	1,072
Total non-current assets.....	169,636	187,670	169,598	246,412	243,757	241,358	238,987
TOTAL ASSETS.....	527,381	523,284	532,514	628,942	648,595	667,197	686,094
CURRENT LIABILITIES							
Employee provisions.....	35,649	36,268	35,251	34,853	34,455	34,057	33,659
Payables.....	10,857	12,512	10,910	11,053	11,196	11,339	11,482
Borrowings and leases.....	25,330	18,500	12,000	19,066	19,788	20,528	20,929
Other.....	14,404	14,816	14,404	14,404	14,404	14,404	14,404
Total current liabilities.....	86,240	82,096	72,565	79,376	79,843	80,328	80,474
NON-CURRENT LIABILITIES							
Employee provisions.....	6,750	6,893	6,900	7,050	7,200	7,350	7,500
Borrowings and leases.....	-	-	-	57,367	48,382	38,895	29,303
Other.....	11,418	9,961	11,418	11,418	11,418	11,418	11,418
Total non-current liabilities.....	18,168	16,854	18,318	75,835	67,000	57,663	48,221
TOTAL LIABILITIES.....	104,408	98,950	90,883	155,211	146,843	137,991	128,695
EQUITY							
Contributed equity.....	233,971	272,257	233,210	240,912	249,317	258,445	268,312
Accumulated surplus/(deficit).....	80,760	38,343	100,179	124,577	144,193	162,519	180,845
Reserves.....	108,242	113,734	108,242	108,242	108,242	108,242	108,242
Total equity.....	422,973	424,334	441,631	473,731	501,752	529,206	557,399
TOTAL LIABILITIES AND EQUITY.....	527,381	523,284	532,514	628,942	648,595	667,197	686,094

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

STATEMENT OF CASHFLOWS ^(a)
(Controlled)

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
CASHFLOWS FROM STATE GOVERNMENT							
Service appropriations	133,508	121,665	118,109	110,124	108,194	107,599	109,529
Capital appropriation	350	-	-	8,403	9,065	9,788	10,527
Holding account drawdowns	5,202	3,010	3,010	3,577	914	914	914
Royalties for Regions Fund:							
Regional Community Services Fund	10,199	5,227	5,221	223	225	225	225
Regional Infrastructure and Headworks Fund	623	-	-	-	-	-	-
Net cash provided by State Government	149,882	129,902	126,340	122,327	118,398	118,526	121,195
CASHFLOWS FROM OPERATING ACTIVITIES							
Payments							
Employee benefits	(184,450)	(172,455)	(168,616)	(174,810)	(176,949)	(179,469)	(181,718)
Grants and subsidies	(15,222)	(15,236)	(15,236)	(13,236)	(13,236)	(13,236)	(13,236)
Supplies and services	(42,048)	(61,840)	(59,151)	(44,555)	(39,212)	(37,777)	(37,458)
Accommodation	(15,206)	(16,245)	(16,245)	(8,997)	(9,332)	(9,801)	(10,140)
GST payments	(7,362)	(7,507)	(7,507)	(7,507)	(7,507)	(7,507)	(7,507)
Finance and interest costs	-	-	-	(2,901)	(2,615)	(2,272)	(1,933)
Other payments	(17,294)	(18,533)	(18,533)	(15,951)	(16,024)	(16,024)	(16,024)
Receipts ^(b)							
Regulatory fees and fines							
Mines Safety and Inspection Levy	33,045	33,600	35,700	35,700	32,000	32,000	32,000
Mining Rehabilitation Fund Levy	29,036	28,000	30,000	30,000	30,000	30,000	30,000
Other	85,193	97,339	94,478	94,508	94,868	94,796	94,796
Grants and subsidies	511	613	613	624	479	479	479
Sale of goods and services	281	3,997	3,997	3,927	3,929	3,929	3,929
GST receipts	8,561	7,507	7,507	7,507	7,507	7,507	7,507
Other receipts	13,689	8,679	9,176	9,894	10,145	10,733	10,733
Net cash from operating activities	(111,266)	(112,081)	(103,817)	(85,797)	(85,947)	(86,642)	(88,572)
CASHFLOWS FROM INVESTING ACTIVITIES							
Purchase of non-current assets	(2,398)	(4,916)	(5,023)	(4,722)	(1,164)	(1,181)	(914)
Proceeds from sale of non-current assets	25	-	-	-	-	-	-
Net cash from investing activities	(2,373)	(4,916)	(5,023)	(4,722)	(1,164)	(1,181)	(914)
CASHFLOWS FROM FINANCING ACTIVITIES							
Repayment of borrowings and leases	-	(6,830)	(13,330)	(10,403)	(9,065)	(9,788)	(10,527)
Proceeds from borrowings	20,000	-	-	-	-	-	-
Net cash from financing activities	20,000	(6,830)	(13,330)	(10,403)	(9,065)	(9,788)	(10,527)
NET INCREASE/(DECREASE) IN CASH HELD	56,243	6,075	4,170	21,405	22,222	20,915	21,182
Cash assets at the beginning of the reporting period	-	308,477	330,085	334,255	355,660	377,882	398,797
Net cash transferred to/from other agencies	273,842	-	-	-	-	-	-
Cash assets at the end of the reporting period	330,085	314,552	334,255	355,660	377,882	398,797	419,979

(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)

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
Regulatory Fees and Fines							
Licences and Other Regulatory Fees	11,089	18,544	17,146	17,190	17,206	17,287	17,287
Proceeds from Prospecting, Exploration and Other Mining Licences	7,837	6,618	6,949	7,301	7,338	7,338	7,338
Proceeds from Petroleum Permits and Licences	5,810	5,008	5,258	5,555	5,579	5,579	5,579
Regulatory Fees and Fines	60,457	67,169	65,125	64,462	64,745	64,592	64,592
Grants and Subsidies							
Grants and Subsidies	511	613	613	624	479	479	479
Sale of Goods and Services							
Proceeds from Departmental Fees and Charges	34	560	560	560	560	560	560
Sale of Goods and Services	247	3,437	3,437	3,367	3,369	3,369	3,369
GST Receipts							
GST Input Credits	8,561	7,507	7,507	7,507	7,507	7,507	7,507
Other Receipts							
Other Industry Regulation Receipts	7,678	5,175	5,508	5,236	5,223	5,221	5,221
Other Resources Sector Receipts	6,011	3,504	3,668	4,658	4,922	5,512	5,512
TOTAL	108,235	118,135	115,771	116,460	116,928	117,444	117,444

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

DETAILS OF ADMINISTERED TRANSACTIONS

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
INCOME							
Royalties							
Alumina	108,625	103,815	134,675	119,842	117,767	115,371	116,384
Copper	63,991	76,729	65,136	81,060	79,717	65,094	48,597
Gold	278,695	315,193	317,230	343,574	304,135	288,600	230,350
Iron Ore	4,503,856	4,223,237	5,407,172	5,433,466	4,785,465	4,645,069	4,679,546
Lithium	93,915	130,670	93,621	157,132	192,352	198,053	202,159
Nickel	63,796	71,453	64,950	76,551	78,941	80,699	87,896
Other	110,638	130,594	137,349	155,369	151,739	135,247	129,868
Petroleum - State	7,032	5,657	5,824	7,734	3,758	3,071	2,520
Fines							
Regulatory Fines	245	254	254	254	254	254	254
Other							
Appropriations	63,758	43,862	100,595	87,613	43,940	41,834	41,411
Home Indemnity Insurance (HII) ^(a)	25,791	23,516	26,564	28,732	17,842	4,751	2,887
Mining Tenement Rentals (MTR) ^(b)							
Base Component	99,670	88,652	91,366	89,244	89,244	89,244	89,244
Services to Industry Component	5,650	10,730	10,730	15,910	15,910	15,910	15,910
Other Revenue	799	329	329	290	248	204	204
Rental Accommodation Account	7,729	6,436	7,501	7,499	7,941	8,073	8,272
TOTAL ADMINISTERED INCOME	5,434,190	5,231,127	6,463,296	6,604,270	5,889,253	5,691,474	5,655,502

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
EXPENSES							
Other							
Aboriginal Lands Trust - Remuneration for Mining on Aboriginal Lands	313	392	392	402	406	406	406
Coal Industry Development	252	-	-	-	-	-	-
HII	15,043	19,609	26,937	28,317	10,592	2,451	1,641
Koolyanobbing Mine Financial Assistance Program	-	-	17,008	36,911	30,090	28,012	27,607
Magnetite Financial Assistance Program ^(c)	57,347	31,500	71,094	36,828	-	-	-
Minerals Research Institute of Western Australia ^(d)	759	778	778	2,297	2,305	2,305	2,305
Mining Tenement Refunds	3,752	9,000	9,000	9,000	9,000	9,000	9,000
Other Administered Expenses	182	-	-	-	-	-	-
Petroleum (Submerged Lands) Act 1982	457	232	363	215	179	151	133
Receipts Paid into the Consolidated Account	5,257,673	5,166,252	5,842,824	6,845,476	5,985,304	5,682,483	5,608,203
Refunds of Previous Years Revenues	1,418	1,960	1,960	1,960	1,960	1,960	1,960
Rental Accommodation Account	11,744	9,718	9,718	9,069	9,088	9,137	9,187
South West Hub	1,252	-	-	-	-	-	-
TOTAL ADMINISTERED EXPENSES	5,350,192	5,239,441	5,980,074	6,970,475	6,048,924	5,735,905	5,660,442

- (a) The current HII arrangements are in place to 30 June 2020. As the HII policies cover a six year period after completion of the home, the associated revenues and expenses are accounted for over the life of the policy. This results in diminishing revenues and expenses from 2021-22.
- (b) The Department collects additional revenue for MTR. The increased revenue from 2019-20 onwards funds the continuation of the EIS with \$10 million per annum, which enables the Department to promote continued investment in the State and deliver services more effectively in response to industry needs.
- (c) The program ends on 31 December 2019.
- (d) The grant provided to the Minerals Research Institute of Western Australia (MRIWA) is now shown in the table from 2019-20 onwards to better reflect administered nature of the grant. An amount of \$3 million in 2017-18 and \$2 million in 2018-19 was provided to MRIWA through the Department's controlled appropriation.

Agency Special Purpose Account Details

MINING REHABILITATION FUND

Account Purpose: The MRF is a pooled fund contributed to by Western Australian mining operators. Funds can be used to undertake rehabilitation activities where a tenement operator fails to meet rehabilitation obligations. Interest earnings are used to fund administration of the MRF and for rehabilitation works on abandoned mine sites.

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000
Opening Balance	92,000	122,000	122,000	147,700
Receipts:				
Other	31,000	31,000	33,000	34,000
	123,000	153,000	155,000	181,700
Payments ^(a)	1,000	2,000	7,300	2,000
CLOSING BALANCE	122,000	151,000	147,700	179,700

- (a) The increase in the 2018-19 Budget and the 2018-19 Estimated Actual reflects the repayment of the Treasurer's Advance provided to cover administration costs of the MRF. From 2019-20 onwards, administration costs will be fully funded from interest earnings.

Western Australian Meat Industry Authority

Part 4 Jobs and Economic Development

Asset Investment Program

- The Authority's Asset Investment Program (AIP) supports the delivery of services at the Muchea Livestock Centre. The total AIP for 2019-20 is \$350,000 for plant and equipment to improve efficiency and worker safety.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-19 \$'000	2018-19 Estimated Expenditure \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
COMPLETED WORKS							
Saleyard - 2018-19 Program	450	450	450	-	-	-	-
NEW WORKS							
Saleyard							
2019-20 Program	350	-	-	350	-	-	-
2020-21 Program	450	-	-	-	450	-	-
2021-22 Program	450	-	-	-	-	450	-
2022-23 Program	450	-	-	-	-	-	450
Total Cost of Asset Investment Program	2,150	450	450	350	450	450	450
FUNDED BY							
Internal Funds and Balances			450	350	450	450	450
Total Funding			450	350	450	450	450

Division 18 **Small Business Development Corporation**

Part 4 **Jobs and Economic Development**

Appropriations, Expenses and Cash Assets

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
DELIVERY OF SERVICES							
Item 48 Net amount appropriated to deliver services.....	10,491	11,851	12,351	13,777	13,656	13,687	13,805
Amount Authorised by Other Statutes							
- Salaries and Allowances Act 1975.....	260	260	260	260	260	261	262
Total appropriations provided to deliver services	10,751	12,111	12,611	14,037	13,916	13,948	14,067
CAPITAL							
Item 124 Capital Appropriation ^(a)	60	60	60	753	810	871	934
TOTAL APPROPRIATIONS	10,811	12,171	12,671	14,790	14,726	14,819	15,001
EXPENSES							
Total Cost of Services	13,632	12,644	13,144	14,570	14,449	14,481	14,600
Net Cost of Services ^(b)	13,120	12,322	12,822	14,248	14,127	14,159	14,278
CASH ASSETS ^(c)	2,061	1,429	1,892	1,876	1,860	1,844	1,828

(a) Additional capital appropriation is provided to fund lease repayments and is not reflected in the Asset Investment Program table.

(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 2018-19 Budget to Parliament on 10 May 2018, are outlined below:

	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
Other					
Indexation for Non-Salary Expenses	-	-	-	-	68
Streamlined Budget Process Incentive Funding	-	115	-	-	-
Transfer of the Western Australia Building and Construction Code Monitoring Unit from the Department of Mines, Industry Regulation and Safety	500	1,954	1,954	1,954	1,954

Significant Issues Impacting the Agency

1. In response to the Government's election commitment to improve security of payments in the building and construction industry, the Corporation is working with other agencies to develop a fairer business environment and enhanced protections for subcontractors. In line with this, a unit to support subcontractors is being created within the Corporation to receive and investigate complaints of non-payment and other unfair commercial activities.
2. The Corporation continues to work with all tiers of government to influence the policy and regulatory environment affecting the small business sector in Western Australia. This includes contributing to State and national reviews and inquiries, examining policy and regulatory proposals and advocating on behalf of small businesses to minimise compliance burdens and improve the operating environment. In line with this, the Corporation is involved in Streamline WA, a cross-government initiative to create better ways of developing and applying regulation to make it easier to do business in Western Australia, as well as progressing prompt payment reforms by the Government.
3. Collectively host to half of all small businesses in the State, 30 local governments are now participating in the Small Business Friendly Local Government initiative, which recognises those Local Government Authorities that are committed to actively supporting small businesses in their local area. Further, the Corporation is partnering with the Cities of Stirling and Canning on a Small Business Friendly Approvals pilot to streamline regulatory approvals for small businesses, with a view to extending the initiative to the network of small business friendly local governments.
4. The Small Business Friendly Projects initiative continues to be rolled out across State and local government construction projects, providing works agencies with better practice guides and tools to minimise disruptions to neighbouring small businesses. A guide for small business has also been developed to help them proactively prepare for the impacts of upcoming works.
5. The first full year of the Corporation's re-modelled Business Local outreach service provides small businesses with access to a range of timely and relevant enterprise skills development workshops. Since commencing on 2 July 2018, more than 2,500 prospective and existing small business operators throughout the State have attended workshops specifically aimed at improving their business acumen, including in the areas of financial literacy, digital literacy, contracting and procurement, strategic planning and project management. Regional small businesses have also benefitted from specialist one-to-one advisory services by contracted Business Local service providers.
6. The Government's Business Migration Program has delivered a record capital inflow into the State of more than \$800 million during 2018-19, and the creation of over 1,000 new jobs. Under the program, the Corporation provides State nominations to business migrants in a range of business and investment visa categories and actively promotes Western Australian opportunities in prime overseas markets.

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
Future Jobs and Skills: Grow and diversify the economy, create jobs and support skills development.	A strong and enterprising small business sector that contributes to the State's economy through job creation and business investment.	1. Information, Guidance, Referral and Business Development Services 2. Access to Justice for Small Business

Service Summary

Expense	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
1. Information, Guidance, Referral and Business Development Services	12,178	11,283	11,157	10,873	10,783	10,807	10,895
2. Access to Justice for Small Business	1,454	1,361	1,987	3,697	3,666	3,674	3,705
Total Cost of Services	13,632	12,644	13,144	14,570	14,449	14,481	14,600

Outcomes and Key Effectiveness Indicators ^(a)

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Outcome: A strong and enterprising small business sector that contributes to the State's economy through job creation and business investment:					
The extent to which the information or guidance provided was useful	95%	93%	93%	93%	
The extent to which the information or guidance provided contributed to a decision to start or buy a business.....	85%	83%	83%	83%	
Total value of capital inflow to the State from the Business Migration program	\$396 million	\$300 million	\$800 million	\$350 million	1
Number of jobs created through the Business Migration program.....	257	175	1,075	175	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 increase in capital inflow between the 2018-19 Budget and the 2018-19 Estimated Actual is due to two business migrants contributing more than \$340 million during the year. The 2019-20 Budget Target has been decreased relative to the 2018-19 Estimated Actual to reflect the expected capital inflow.
2. The increase in jobs created between the 2018-19 Budget and the 2018-19 Estimated Actual is due to two business migrants creating more than 850 new jobs during the year. The 2019-20 Budget Target has been decreased relative to the 2018-19 Estimated Actual to reflect the expected job creation from the program.

Services and Key Efficiency Indicators ^(a)**1. Information, Guidance, Referral and Business Development Services**

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

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 12,178	\$'000 11,283	\$'000 11,157	\$'000 10,873	
Less Income	476	310	310	310	
Net Cost of Service	11,702	10,973	10,847	10,563	
Employees (Full-Time Equivalents)	43	44	40	41	
Efficiency Indicators					
Cost per client serviced directly by the agency ^(b)	\$33.95	\$32.65	\$35.07	\$31.78	
Cost per client serviced through third-party delivery ^(c)	\$139.89	\$157.03	\$155.95	\$155.47	
Cost of policy development, advice and reform projects as a percentage of the total cost of service ^(d)	14.55%	12.65%	11.93%	10.53%	1

(a) Further detail regarding efficiency indicators is provided in the agency's Annual Report.

(b) Clients serviced directly include those that have contacted the Corporation for information either by a personal visit, email, telephone or have visited the Corporation's websites for two minutes or more. Clients serviced directly also include Corporation workshop attendees and outreach service clients.

(c) Third-party service delivery is generally undertaken through the Business Local service in the metropolitan area and nine key regional areas across the State.

(d) Policy development advice includes policy submissions, investigative research, ministerial correspondence, industry liaison along with finite small business sector reform projects.

Explanation of Significant Movements

(Notes)

1. The reduction between the 2018-19 Estimated Actual and the 2019-20 Budget Target is due to the finalisation of the 90 Day Regulation Reform Program in 2018-19.

2. Access to Justice for Small Business

The Corporation provides access to justice through the dispute resolution service and support for subcontractors.

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 1,454	\$'000 1,361	\$'000 1,987	\$'000 3,697	1
Less Income	36	12	12	12	
Net Cost of Service	1,418	1,349	1,975	3,685	
Employees (Full-Time Equivalents)	9	8	10	16	
Efficiency Indicators					
Cost per client serviced directly in the provision of dispute resolution ^(a)	\$1181.27	\$1163.48	\$1184.69	\$1078.09	
Cost of subcontractor support services as a percentage of the total cost of service ^(b)	n/a	n/a	34.13%	65.88%	2

(a) Dispute resolution services comprise business-to-business and business-to-Government disputes, and includes intensive case management and mediation services.

(b) Subcontractor support is a new service targeted at subcontractors in the building and construction industry.

Explanation of Significant Movements

(Notes)

- The increase between the 2018-19 Budget and the 2018-19 Estimated Actual is due to the transfer of the Building and Construction Code Monitoring Unit (BCCMU) from the Department of Mines, Industry Regulation and Safety in February 2019. The further increase in the 2019-20 Budget Target relates to the full year impact of the transfer of the BCCMU.
- This new efficiency indicator was introduced during the 2018-19 financial year. The 2019-20 Budget Target has been set based on available and relevant data.

Asset Investment Program

- The Corporation's Asset Investment Program provides for the replacement, maintenance and upgrade of assets that support the delivery of services.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-19 \$'000	2018-19 Estimated Expenditure \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
COMPLETED WORKS							
Furniture and Office Equipment Replacement							
2016-17 Program	120	120	33	-	-	-	-
2017-18 Program	120	120	120	-	-	-	-
2018-19 Program	120	120	120	-	-	-	-
NEW WORKS							
Furniture and Office Equipment Replacement							
2019-20 Program	120	-	-	120	-	-	-
2020-21 Program	120	-	-	-	120	-	-
2021-22 Program	120	-	-	-	-	120	-
2022-23 Program	120	-	-	-	-	-	120
Total Cost of Asset Investment Program	840	360	273	120	120	120	120
FUNDED BY							
Capital Appropriation			60	60	60	60	60
Drawdowns from the Holding Account			60	60	60	60	60
Internal Funds and Balances			153	-	-	-	-
Total Funding			273	120	120	120	120

Financial Statements

1. The implementation of new accounting standard AASB 16: *Leases* significantly impacts the Statement of Financial Position by bringing arrangements previously classified as operating leases on to the balance sheet. On the Income Statement, previous rental expenses for operating leases are removed and replaced with interest expense for the lease obligation and a depreciation cost for the right of use asset. Further information on AASB 16 and other new accounting standards impacting the Budget are detailed in a feature box in Budget Paper No. 3.

Income Statement

Expenses

2. The increase in supplies and services expenditure between the 2018-19 Budget and the 2018-19 Estimated Actual is a result of the transfer of the Building and Construction Code Monitoring Unit (BCCMU) in February 2019. The increase in the 2019-20 Budget Estimate represents the full year impact of the transfer of the BCCMU.
3. Grants and subsidies expenditure in the 2017-18 Actual related to the Business Local Services. This expense was reclassified to supplies and services in the 2018-19 Budget to better reflect the fee-for-service method of delivery.
4. Other expenses in the 2017-18 Actual included \$800,000 of one-off unspent On-demand Transport Project funding returned to the Department of Transport.

Income

5. The increase in service appropriations between the 2018-19 Budget and the 2018-19 Estimated Actual is a result of the transfer of the BCCMU in February 2019. The increase in the 2019-20 Budget Estimate represents the full year impact of the transfer of the BCCMU.

Statement of Cashflows

6. The increase in supplies and services expenditure between the 2018-19 Estimated Actual and the 2019-20 Budget Estimate represents the full year impact of the transfer of the BCCMU.

INCOME STATEMENT ^(a)
(Controlled)

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
COST OF SERVICES							
Expenses							
Employee benefits ^(b)	6,377	6,306	6,556	6,873	6,927	6,985	7,069
Grants and subsidies ^(c)	3,668	-	-	-	-	-	-
Supplies and services	1,234	4,713	4,963	5,881	5,717	5,731	5,799
Accommodation	1,163	1,261	1,261	434	448	448	448
Depreciation and amortisation	116	140	140	990	991	992	992
Finance and interest costs	-	-	-	176	150	123	90
Other expenses	1,074	224	224	216	216	202	202
TOTAL COST OF SERVICES	13,632	12,644	13,144	14,570	14,449	14,481	14,600
Income							
Sale of goods and services	390	292	292	292	292	292	292
Other revenue	122	30	30	30	30	30	30
Total Income	512	322	322	322	322	322	322
NET COST OF SERVICES	13,120	12,322	12,822	14,248	14,127	14,159	14,278
INCOME FROM STATE GOVERNMENT							
Service appropriations	10,751	12,111	12,611	14,037	13,916	13,948	14,067
Resources received free of charge	108	190	190	190	190	190	190
Royalties for Regions Fund: Regional Community Services Fund	224	-	-	-	-	-	-
TOTAL INCOME FROM STATE GOVERNMENT	11,083	12,301	12,801	14,227	14,106	14,138	14,257
SURPLUS/(DEFICIENCY) FOR THE PERIOD	(2,037)	(21)	(21)	(21)	(21)	(21)	(21)

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

(b) The full-time equivalents for 2017-18 Actual, 2018-19 Estimated Actual and 2019-20 Budget Estimate are 52, 50 and 57 respectively.

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

DETAILS OF CONTROLLED GRANTS AND SUBSIDIES

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
Business Local Service - Operational Grants ...	3,668	-	-	-	-	-	-
TOTAL	3,668	-	-	-	-	-	-

STATEMENT OF FINANCIAL POSITION ^(a)
(Controlled)

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
CURRENT ASSETS							
Cash assets.....	2,036	1,429	1,867	1,851	1,835	1,819	1,803
Restricted cash.....	25	-	25	25	25	25	25
Holding account receivables.....	60	60	60	60	60	60	60
Receivables.....	109	138	109	109	109	109	109
Other.....	375	206	343	348	328	308	288
Total current assets.....	2,605	1,833	2,404	2,393	2,357	2,321	2,285
NON-CURRENT ASSETS							
Holding account receivables.....	625	720	720	1,665	2,611	3,558	4,505
Property, plant and equipment.....	36	70	159	4,326	3,515	2,680	1,808
Intangibles.....	181	256	191	146	101	101	101
Total non-current assets.....	842	1,046	1,070	6,137	6,227	6,339	6,414
TOTAL ASSETS	3,447	2,879	3,474	8,530	8,584	8,660	8,699
CURRENT LIABILITIES							
Employee provisions.....	1,127	1,065	1,053	1,078	1,078	1,078	1,078
Borrowings and leases.....	-	-	-	749	811	874	942
Other.....	59	133	93	93	93	93	93
Total current liabilities.....	1,186	1,198	1,146	1,920	1,982	2,045	2,113
NON-CURRENT LIABILITIES							
Employee provisions.....	261	256	289	289	289	289	289
Borrowings and leases.....	-	-	-	3,550	2,753	1,916	974
Other.....	2	1	2	2	2	2	2
Total non-current liabilities.....	263	257	291	3,841	3,044	2,207	1,265
TOTAL LIABILITIES	1,449	1,455	1,437	5,761	5,026	4,252	3,378
EQUITY							
Contributed equity.....	1,419	1,479	1,479	2,232	3,042	3,913	4,847
Accumulated surplus/(deficit).....	579	(55)	558	537	516	495	474
Total equity	1,998	1,424	2,037	2,769	3,558	4,408	5,321
TOTAL LIABILITIES AND EQUITY	3,447	2,879	3,474	8,530	8,584	8,660	8,699

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

STATEMENT OF CASHFLOWS ^(a)
(Controlled)

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
CASHFLOWS FROM STATE GOVERNMENT							
Service appropriations	10,596	11,956	12,456	13,032	12,910	12,941	13,060
Capital appropriation	60	60	60	753	810	871	934
Holding account drawdowns	109	60	60	60	60	60	60
Royalties for Regions Fund:							
Regional Community Services Fund	224	-	-	-	-	-	-
Net cash provided by State Government	10,989	12,076	12,576	13,845	13,780	13,872	14,054
CASHFLOWS FROM OPERATING ACTIVITIES							
Payments							
Employee benefits	(6,387)	(6,255)	(6,505)	(6,822)	(6,876)	(6,934)	(7,018)
Grants and subsidies	(3,668)	-	-	-	-	-	-
Supplies and services	(1,276)	(4,534)	(4,784)	(5,702)	(5,538)	(5,552)	(5,620)
Accommodation	(1,167)	(1,261)	(1,261)	(434)	(448)	(448)	(448)
GST payments	(725)	(690)	(690)	(690)	(690)	(690)	(690)
Finance and interest costs	-	-	-	(176)	(150)	(123)	(90)
Other payments	(255)	(244)	(244)	(236)	(236)	(222)	(222)
Receipts							
Sale of goods and services	390	292	292	292	292	292	292
GST receipts	720	690	690	690	690	690	690
Other receipts	133	30	30	30	30	30	30
Net cash from operating activities	(12,235)	(11,972)	(12,472)	(13,048)	(12,926)	(12,957)	(13,076)
CASHFLOWS FROM INVESTING ACTIVITIES							
Purchase of non-current assets	(18)	(120)	(273)	(120)	(120)	(120)	(120)
Net cash from investing activities	(18)	(120)	(273)	(120)	(120)	(120)	(120)
CASHFLOWS FROM FINANCING ACTIVITIES							
Repayment of borrowings and leases	-	-	-	(693)	(750)	(811)	(874)
Net cash from financing activities	-	-	-	(693)	(750)	(811)	(874)
NET INCREASE/(DECREASE) IN CASH HELD	(1,264)	(16)	(169)	(16)	(16)	(16)	(16)
Cash assets at the beginning of the reporting period	4,130	1,445	2,061	1,892	1,876	1,860	1,844
Net cash transferred to/from other agencies	(805)	-	-	-	-	-	-
Cash assets at the end of the reporting period	2,061	1,429	1,892	1,876	1,860	1,844	1,828

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

Division 19 **Rural Business Development Corporation**

Part 4 **Jobs and Economic Development**

Appropriations, Expenses and Cash Assets

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
DELIVERY OF SERVICES							
Item 49 Net amount appropriated to deliver services.....	235	235	235	236	233	233	235
Total appropriations provided to deliver services	235	235	235	236	233	233	235
TOTAL APPROPRIATIONS	235	235	235	236	233	233	235
EXPENSES							
Total Cost of Services	689	643	643	488	485	485	487
Net Cost of Services ^(a)	584	545	545	396	393	393	395
CASH ASSETS ^(b)	5,047	4,606	4,737	4,577	4,417	4,257	4,097

(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 2018-19 Budget to Parliament on 10 May 2018, are outlined below:

	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
Other					
Indexation for Non-Salary Expenses	-	-	-	-	2
Streamlined Budget Process Incentive Funding	-	3	-	-	-

Significant Issues Impacting the Agency

1. The Corporation, on behalf of the Government, administers a number of assistance schemes through the *Rural Business Development Corporation Act 2000*. The Corporation currently administers five schemes, including the State-initiated Farm Debt Mediation Scheme (the Scheme) and four Commonwealth Government initiated and funded concessional loans schemes. The Corporation currently administers 43 loans, with a total of \$15 million in outstanding loan principal. Three loans have been repaid to date, with the remainder scheduled for repayment as loan terms expire. The last is scheduled for repayment in April 2022.
2. The Government commenced the Scheme through the Corporation in June 2015. The Scheme is expected to remain open on an ongoing basis. The Scheme is voluntary for both financiers and primary producer businesses, and is consistent with the principles for schemes operating in other jurisdictions. The Scheme encourages earlier adoption of the mediation process than the legislated models, allowing the preservation of equity and early resolution.

3. The Commonwealth Government has sought a nationally consistent approach to farm debt mediation via a legislative approach as already adopted by New South Wales, Victoria, Queensland and recently South Australia. The Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry recommended a national scheme be developed, enacted and funded by the Commonwealth Government. Western Australia will review the current voluntary approach should the Commonwealth Government establish a national scheme.

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 service 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	Service
Better Places: A quality environment with liveable and affordable communities and vibrant regions.	Improved ecologically sustainable development of agri-industry.	1. Farm Business Development

Service Summary

Expense	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
1. Farm Business Development.....	689	643	643	488	485	485	487
Total Cost of Services.....	689	643	643	488	485	485	487

Outcomes and Key Effectiveness Indicators ^(a)

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Outcome: Improved ecologically sustainable development of agri-industry:					
The extent to which recipients were satisfied with the way schemes are administered	89%	90%	90%	90%	

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

Services and Key Efficiency Indicators

1. Farm Business Development

This service provides financial assistance to farmers who have been significantly impacted by exceptional seasonal events. It assists them to enhance their management skills in order to improve and sustain long-term profitability and be better equipped and prepared to manage the risks and challenges inherent in farming.

The Corporation aims to implement the industry support within the funding guidelines to maximise the protection and sustainability of resources associated with the agri-industries.

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 689	\$'000 643	\$'000 643	\$'000 488	1
Less Income	105	98	98	92	
Net Cost of Service	584	545	545	396	
Efficiency Indicators					
Administrative cost per loan advanced amount.....	\$4,972	\$4,700	\$4,190	\$4,074	2
Administrative cost as a percentage of loan advanced amount.....	1.4%	1.3%	1.2%	1.2%	

Explanation of Significant Movements

(Notes)

1. The decrease in the Total Cost of Service from the 2018-19 Estimated Actual to the 2019-20 Budget Target primarily reflects a reduction in administration expenditure relating to the completion of the 2013-14 Farm Finance Concessional Loan Scheme.
2. The reduction in administrative cost per loan advanced amount from the 2018-19 Budget to the 2018-19 Estimated Actual primary reflects improved operating efficiencies delivered by the Corporation in administering and managing loans.

Financial Statements

Income Statement

Expenses

1. The reduction in grants and subsidies expense from the 2018-19 Budget to the 2018-19 Estimated Actual is as a result of there being no known new future rural support schemes in place.
2. The increase in other expenses from the 2018-19 Budget to the 2018-19 Estimated Actual reflects the reclassification of expenditure items (from grants and subsidies expense to administration expense) by the Corporation, following no new grant schemes being established in 2017-18 and 2018-19.

Statement of Financial Position

3. The reduction in receivables from the 2018-19 Budget to the 2018-19 Estimated Actual reflects an overestimation of one-off over-payments anticipated to be recovered in 2018-19. The 2018-19 Estimated Actual is more reflective of the Corporation's current position.

INCOME STATEMENT ^(a) (Controlled)

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
COST OF SERVICES							
Expenses							
Grants and subsidies ^(b)	5	150	-	-	-	-	-
Supplies and services ^(c)	170	117	147	143	140	140	142
Other expenses	514	376	496	345	345	345	345
TOTAL COST OF SERVICES	689	643	643	488	485	485	487
Income							
Other revenue	105	98	98	92	92	92	92
Total Income	105	98	98	92	92	92	92
NET COST OF SERVICES	584	545	545	396	393	393	395
INCOME FROM STATE GOVERNMENT							
Service appropriations	235	235	235	236	233	233	235
TOTAL INCOME FROM STATE GOVERNMENT	235	235	235	236	233	233	235
SURPLUS/(DEFICIENCY) FOR THE PERIOD	(349)	(310)	(310)	(160)	(160)	(160)	(160)

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

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

(c) The Department of Primary Industries and Regional Development provides all services under a Memorandum of Understanding agreement with the Corporation.

DETAILS OF CONTROLLED GRANTS AND SUBSIDIES

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
Future Rural Support Schemes ^(a)	5	150	-	-	-	-	-
TOTAL	5	150	-	-	-	-	-

(a) There has been no new State-initiated grant schemes since 2013-14 and there are no schemes currently being developed. As there are currently no proposed future schemes this item has been removed from the 2019-20 Budget Estimate.

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

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
CURRENT ASSETS							
Cash assets	5,047	4,606	4,737	4,577	4,417	4,257	4,097
Receivables	29	111	29	29	29	29	29
Total current assets	5,076	4,717	4,766	4,606	4,446	4,286	4,126
TOTAL ASSETS	5,076	4,717	4,766	4,606	4,446	4,286	4,126
CURRENT LIABILITIES							
Other	31	30	31	31	31	31	31
Total current liabilities	31	30	31	31	31	31	31
TOTAL LIABILITIES	31	30	31	31	31	31	31
EQUITY							
Accumulated surplus/(deficit)	5,045	4,687	4,735	4,575	4,415	4,255	4,095
Total equity	5,045	4,687	4,735	4,575	4,415	4,255	4,095
TOTAL LIABILITIES AND EQUITY	5,076	4,717	4,766	4,606	4,446	4,286	4,126

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

STATEMENT OF CASHFLOWS ^(a)
(Controlled)

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
CASHFLOWS FROM STATE GOVERNMENT							
Service appropriations	235	235	235	236	233	233	235
Net cash provided by State Government	235	235	235	236	233	233	235
CASHFLOWS FROM OPERATING ACTIVITIES							
Payments							
Grants and subsidies	(5)	(150)	-	-	-	-	-
Supplies and services	(169)	(117)	(147)	(143)	(140)	(140)	(142)
GST payments	(4)	-	-	-	-	-	-
Other payments	(497)	(376)	(496)	(345)	(345)	(345)	(345)
Receipts							
GST receipts	2	-	-	-	-	-	-
Other receipts	172	98	98	92	92	92	92
Net cash from operating activities	(501)	(545)	(545)	(396)	(393)	(393)	(395)
NET INCREASE/(DECREASE) IN CASH HELD	(266)	(310)	(310)	(160)	(160)	(160)	(160)
Cash assets at the beginning of the reporting period	5,313	4,916	5,047	4,737	4,577	4,417	4,257
Cash assets at the end of the reporting period	5,047	4,606	4,737	4,577	4,417	4,257	4,097

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

Division 20 **Economic Regulation Authority**

Part 4 **Jobs and Economic Development**

Appropriations, Expenses and Cash Assets

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
DELIVERY OF SERVICES							
Item 50 Net amount appropriated to deliver services	2,763	2,056	2,129	2,439	2,170	1,644	1,662
Total appropriations provided to deliver services	2,763	2,056	2,129	2,439	2,170	1,644	1,662
TOTAL APPROPRIATIONS	2,763	2,056	2,129	2,439	2,170	1,644	1,662
EXPENSES							
Total Cost of Services	11,488	13,493	13,496	14,992	14,863	14,425	14,529
Net Cost of Services ^(a)	2,625	2,247	2,320	2,676	2,406	1,863	1,861
CASH ASSETS ^(b)	2,975	3,367	3,041	3,077	3,075	3,121	3,166

(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 2018-19 Budget to Parliament on 10 May 2018, are outlined below:

	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
New Initiatives					
Election Commitment - Price Monitoring of the Container Deposit Scheme.....	87	623	540	-	-
Regulatory Functions - Additional Resourcing.....	-	967	976	989	1,002
Other					
Electricity Generation and Retail Corporation Scheme Review.....	-	236	-	-	-
Indexation for Non-Salary Expenses	-	-	-	-	4
Voluntary Targeted Separation Scheme	(84)	(85)	(86)	(87)	(87)

Significant Issues Impacting the Agency

1. The Authority will complete reviews of two access arrangements in 2019-20, for the Goldfields Gas Pipeline and Mid West and South West Gas Distribution Systems. These reviews will ensure that gas pipeline operators offer prices that are efficient and on reasonable terms and conditions for the period between 2020 and 2024. The Authority will also commence its review of the access arrangement for the Dampier to Bunbury Natural Gas Pipeline.
2. The Authority has finalised its investigation into Synergy's pricing behaviour in the Wholesale Electricity Market (WEM), and concluded that there was a potential breach of the WEM rules. The Authority has referred the matter to the Electricity Review Board for determination, and the process is expected to take between 18 months and two years.
3. In 2019-20, the Authority will review the method for deriving the benchmark reserve capacity price, which establishes the base price of capacity payments in the WEM. The Authority was allocated this review function after the Independent Market Operator was abolished in 2016.
4. The Authority will conduct a price monitoring function for the State Government's election commitment to deliver a Container Deposit Scheme. The scheme is due to commence in early 2020 and the Authority's role will continue into 2020-21.
5. The Authority is working with the Public Utilities Office in Treasury, which is introducing light-handed regulation of the North West Interconnected System. This regulation will mean additional functions for the Authority.

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 service 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	Service
Better Places: A quality environment with liveable and affordable communities and vibrant regions.	The efficient, safe and equitable provision of utility services in Western Australia.	1. Submissions to the Economic Regulation Authority Governing Body

Service Summary

Expense	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
1. Submissions to the Economic Regulation Authority Governing Body.....	11,488	13,493	13,496	14,992	14,863	14,425	14,529
Total Cost of Services.....	11,488	13,493	13,496	14,992	14,863	14,425	14,529

Outcomes and Key Effectiveness Indicators ^(a)

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Outcome: The efficient, safe and equitable provision of utility services in Western Australia:					
Number of submissions made to the Authority's governing body	276	300	237	250	1
Rating by the Authority's governing body as to the content, accuracy and presentation of these submissions ^(b)	3	3	3	3	
Number (percentage) of submissions provided by the required deadline	95%	100%	100%	100%	
Rating by the Authority's governing body as to their perception of the timeliness of submissions ^(b)	3	3	3	3	

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

(b) Performance is rated as follows by the Authority's governing body: 1 = well below expectations; 2 = below expectations; 3 = satisfactory; 4 = above expectations; 5 = well above expectations.

Explanation of Significant Movements

(Notes)

1. The governing body revised the submission process at the end of 2018-19. Briefing notes instead of submissions are now prepared early in a decision-making process, which has reduced the number of actual submissions being rated by the governing body.

Services and Key Efficiency Indicators

1. Submissions to the Economic Regulation Authority Governing Body

The Authority regulates monopoly aspects of the gas, electricity and rail industries and licence providers of gas, electricity and water services. The Authority also inquires into matters referred to it by the State Government. In addition, the Authority has a range of responsibilities in the retailing of gas and surveillance of the wholesale electricity market in Western Australia.

The Authority's functions are designed to maintain a competitive, efficient and fair commercial environment, particularly where businesses operate as natural monopolies. In making its decisions, the Authority strives to benefit the Western Australian community by promoting an efficient and customer focused economy.

The requirement for the Authority to prepare performance indicators is limited to its management functions under section 23 of the *Economic Regulation Authority Act 2003*. As such, the quantity, quality and cost per submission that is prepared by the Authority's Secretariat for consideration by the governing body is used to determine its performance and service efficiency.

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 11,488	\$'000 13,493	\$'000 13,496	\$'000 14,992	
Less Income	8,863	11,246	11,176	12,316	
Net Cost of Service	2,625	2,247	2,320	2,676	
Employees (Full Time Equivalents)	54	56	62	64	
Efficiency Indicators					
Cost per submission made to the Economic Regulation Authority governing body	41,621	44,976	56,945	59,968	1

Explanation of Significant Movements

(Notes)

1. The 2018-19 Estimated Actual cost per submission of \$56,945 is more than the 2018-19 Budget of \$44,976 due to the lower than expected number of submissions to the governing body.

Asset Investment Program

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-19 \$'000	2018-19 Estimated Expenditure \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
NEW WORKS							
Computer Hardware and Software Replacement							
Records Scanner	10	-	-	10	-	-	-
Server Upgrade	285	-	-	285	-	-	-
Office Equipment Replacement - Printer/Copier	37	-	-	20	17	-	-
Total Cost of Asset Investment Program	332	-	-	315	17	-	-
FUNDED BY							
Drawdowns from the Holding Account			-	315	17	-	-
Total Funding			-	315	17	-	-

Financial Statements

1. The implementation of new accounting standard AASB 16: *Leases* significantly impacts the Statement of Financial Position by bringing arrangements previously classified as operating leases on to the balance sheet. On the Income Statement, previous rental expenses for operating leases are removed and replaced with interest expense for the lease obligation and a depreciation cost for the right of use asset. Further information on AASB 16 and other new accounting standards impacting the Budget are detailed in a feature box in Budget Paper No. 3.

Income Statement

Expenses

2. The increase in Total Cost of Services in 2019-20 is due to an increase in FTEs to enable the Authority to meet its energy market monitoring and access responsibilities.

Income

3. The amount received for regulatory fees is affected by total expenditure and the amount of staff time spent on industry-funded functions. The cost of the increase in FTEs to meet the Authority's responsibilities will increase the revenue that is recouped from industry.

INCOME STATEMENT ^(a) (Controlled)

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
COST OF SERVICES							
Expenses							
Employee benefits ^(b)	8,144	9,348	9,351	10,823	10,817	10,497	10,617
Supplies and services	1,730	2,498	2,498	2,615	2,544	2,444	2,448
Accommodation	1,059	1,173	1,173	358	388	388	388
Depreciation and amortisation	57	55	55	675	680	680	680
Finance and interest costs	-	-	-	75	61	43	23
Other expenses	498	419	419	446	373	373	373
TOTAL COST OF SERVICES	11,488	13,493	13,496	14,992	14,863	14,425	14,529
Income							
Sale of goods and services	6	-	-	-	-	-	-
Regulatory fees and fines	8,780	11,163	11,093	12,233	12,372	12,477	12,583
Other revenue	77	83	83	83	85	85	85
Total Income	8,863	11,246	11,176	12,316	12,457	12,562	12,668
NET COST OF SERVICES	2,625	2,247	2,320	2,676	2,406	1,863	1,861
INCOME FROM STATE GOVERNMENT							
Service appropriations	2,763	2,056	2,129	2,439	2,170	1,644	1,662
Resources received free of charge	252	266	266	266	266	266	266
TOTAL INCOME FROM STATE GOVERNMENT	3,015	2,322	2,395	2,705	2,436	1,910	1,928
SURPLUS/(DEFICIENCY) FOR THE PERIOD	390	75	75	29	30	47	67

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

(b) The full-time equivalents for 2017-18 Actual, 2018-19 Estimated Actual and 2019-20 Budget Estimate are 54, 62 and 64 respectively.

STATEMENT OF FINANCIAL POSITION ^(a)
(Controlled)

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
CURRENT ASSETS							
Cash assets.....	2,859	3,267	2,895	2,901	2,869	2,885	2,930
Restricted cash.....	58	12	58	58	58	58	58
Holding account receivables.....	-	315	315	17	-	-	-
Receivables.....	3,507	2,797	3,554	3,623	3,623	3,623	3,623
Other.....	138	146	138	138	138	113	113
Total current assets.....	6,562	6,537	6,960	6,737	6,688	6,679	6,724
NON-CURRENT ASSETS							
Holding account receivables.....	607	292	292	275	325	325	325
Property, plant and equipment.....	105	122	83	2,179	1,669	1,138	513
Intangibles.....	9	6	5	-	-	-	-
Restricted cash.....	58	88	88	118	148	178	178
Other.....	3	25	3	2	2	27	27
Total non-current assets.....	782	533	471	2,574	2,144	1,668	1,043
TOTAL ASSETS	7,344	7,070	7,431	9,311	8,832	8,347	7,767
CURRENT LIABILITIES							
Employee provisions.....	1,824	1,574	1,761	1,824	1,824	1,824	1,824
Payables.....	338	438	350	350	350	350	350
Borrowings and leases	-	-	-	532	551	571	34
Other.....	3	2	3	3	3	3	3
Total current liabilities.....	2,165	2,014	2,114	2,709	2,728	2,748	2,211
NON-CURRENT LIABILITIES							
Employee provisions.....	284	401	347	284	284	284	284
Borrowings and leases	-	-	-	1,319	791	239	129
Other.....	1	1	1	1	1	1	1
Total non-current liabilities.....	285	402	348	1,604	1,076	524	414
TOTAL LIABILITIES	2,450	2,416	2,462	4,313	3,804	3,272	2,625
EQUITY							
Contributed equity.....	725	725	725	725	725	725	725
Accumulated surplus/(deficit).....	4,169	3,929	4,244	4,273	4,303	4,350	4,417
Total equity	4,894	4,654	4,969	4,998	5,028	5,075	5,142
TOTAL LIABILITIES AND EQUITY	7,344	7,070	7,431	9,311	8,832	8,347	7,767

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

STATEMENT OF CASHFLOWS ^(a)
(Controlled)

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
CASHFLOWS FROM STATE GOVERNMENT							
Service appropriations	2,708	2,056	2,129	2,439	2,120	1,644	1,662
Holding account drawdowns	-	-	-	315	17	-	-
Net cash provided by State Government	2,708	2,056	2,129	2,754	2,137	1,644	1,662
CASHFLOWS FROM OPERATING ACTIVITIES							
Payments							
Employee benefits	(8,028)	(9,386)	(9,389)	(10,861)	(10,856)	(10,536)	(10,656)
Supplies and services	(1,832)	(2,465)	(2,465)	(2,330)	(2,272)	(2,174)	(2,178)
Accommodation	(150)	(950)	(950)	(379)	(401)	(401)	(401)
GST payments	(343)	(305)	(305)	(325)	(327)	(327)	(327)
Finance and interest costs	-	-	-	(75)	(61)	(43)	(23)
Other payments	(1,265)	(374)	(374)	(411)	(337)	(335)	(335)
Receipts							
Regulatory fees and fines	8,103	11,124	11,054	12,194	12,365	12,470	12,576
Sale of goods and services	40	-	-	-	-	-	-
GST receipts	343	293	293	293	300	300	300
Other receipts	77	73	73	73	74	74	74
Net cash from operating activities	(3,055)	(1,990)	(2,063)	(1,821)	(1,515)	(972)	(970)
CASHFLOWS FROM INVESTING ACTIVITIES							
Purchase of non-current assets	-	-	-	(315)	(17)	-	-
Net cash from investing activities	-	-	-	(315)	(17)	-	-
CASHFLOWS FROM FINANCING ACTIVITIES							
Repayment of borrowings and leases	-	-	-	(582)	(607)	(626)	(647)
Net cash from financing activities	-	-	-	(582)	(607)	(626)	(647)
NET INCREASE/(DECREASE) IN CASH HELD	(347)	66	66	36	(2)	46	45
Cash assets at the beginning of the reporting period	3,313	3,301	2,975	3,041	3,077	3,075	3,121
Prior period adjustments	9	-	-	-	-	-	-
Cash assets at the end of the reporting period	2,975	3,367	3,041	3,077	3,075	3,121	3,166

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

Forest Products Commission

Part 4 Jobs and Economic Development

Asset Investment Program

1. The Asset Investment Program provides for an ongoing program to update information and communications technology and other equipment that supports the delivery of the Commission's services, replace key business systems, undertake building capital works upgrades and purchase land for the establishment of softwood estates.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-19 \$'000	2018-19 Estimated Expenditure \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
WORKS IN PROGRESS							
Building Works	972	532	532	140	-	50	250
Softwood Estate Land Purchases	13,122	5,572	5,572	665	1,759	2,466	2,660
COMPLETED WORKS							
Computers, Plant and Equipment - 2018-19 Program.....	600	600	600	-	-	-	-
NEW WORKS							
Computers, Plant and Equipment							
2019-20 Program.....	600	-	-	600	-	-	-
2020-21 Program.....	600	-	-	-	600	-	-
2021-22 Program.....	600	-	-	-	-	600	-
2022-23 Program.....	600	-	-	-	-	-	600
Total Cost of Asset Investment Program	17,094	6,704	6,704	1,405	2,359	3,116	3,510
FUNDED BY							
Internal Funds and Balances.....			6,704	1,405	2,359	3,116	3,510
Total Funding.....			6,704	1,405	2,359	3,116	3,510

Racing and Wagering Western Australia

Part 4 Jobs and Economic Development

Asset Investment Program

1. The Authority's Asset Investment Program totals \$16.2 million in 2019-20 and remains focused on the ongoing development, enhancement and replacement of hardware, software and retail terminals. Future asset investment will be adjusted to reflect the transfer of the Authority's wagering function to a private operator under the proposed divestment of the TAB.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-19 \$'000	2018-19 Estimated Expenditure \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
WORKS IN PROGRESS							
Business Systems and Products	25,253	20,772	3,547	1,716	1,035	340	1,390
Other Works	16,879	9,546	1,234	1,786	1,684	1,714	2,149
Racing Systems, Infrastructure and Minor Capital Works	8,689	689	689	5,200	1,600	600	600
Wagering Systems and Products	51,992	23,513	5,767	7,499	6,697	7,035	7,248
COMPLETED WORKS							
Retail Outlet Upgrade Program	18,378	18,378	549	-	-	-	-
Total Cost of Asset Investment Program	121,191	72,898	11,786	16,201	11,016	9,689	11,387
FUNDED BY							
Internal Funds and Balances			11,786	16,201	11,016	9,689	11,387
Total Funding			11,786	16,201	11,016	9,689	11,387

Western Australian Greyhound Racing Association

Part 4 Jobs and Economic Development

Asset Investment Program

1. Asset investment consists of plant and equipment replacement at the Cannington and Mandurah racetracks.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-19 \$'000	2018-19 Estimated Expenditure \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
COMPLETED WORKS							
Plant and Equipment							
Cannington - 2018-19 Program	150	150	150	-	-	-	-
Mandurah - 2018-19 Program	150	150	150	-	-	-	-
NEW WORKS							
Plant and Equipment							
Cannington - 2019-20 Program	150	-	-	150	-	-	-
Mandurah - 2019-20 Program	150	-	-	150	-	-	-
Total Cost of Asset Investment Program	600	300	300	300	-	-	-
FUNDED BY							
Internal Funds and Balances			300	300	-	-	-
Total Funding			300	300	-	-	-

The Burswood Park Board

Part 4 Jobs and Economic Development

Asset Investment Program

1. A number of the Board's park assets require upgrades to enhance safety and security within the public open space, including: electrical pumps; irrigation pumps; sediment filters; a chemical spraying unit and a buggy. A rolling asset replacement program has been established to facilitate these upgrades.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-19 \$'000	2018-19 Estimated Expenditure \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
COMPLETED WORKS							
Security Lighting - Shared Pathway	260	260	260	-	-	-	-
NEW WORKS							
Asset Replacement							
2019-20 Program	190	-	-	190	-	-	-
2020-21 Program	560	-	-	-	560	-	-
2021-22 Program	410	-	-	-	-	410	-
2022-23 Program	610	-	-	-	-	-	610
Total Cost of Asset Investment Program	2,030	260	260	190	560	410	610
FUNDED BY							
Internal Funds and Balances			260	190	560	410	610
Total Funding			260	190	560	410	610

Part 5

Health

Introduction

The Health portfolio delivers a safe, high quality and sustainable health system to help Western Australians live healthy lives. The portfolio has an increased emphasis on prevention and promotion in all areas of health and mental wellbeing.

The portfolio is contributing to the achievement of the following Our Priorities and associated targets:

- A Bright Future
 - improving the health and wellbeing of children in the early years;
- A Safer Community
 - reducing illicit drug use; and
- Sustainable Health Review.

Summary of Recurrent and Asset Investment Expenditure

Agency	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000
WA Health		
– Total Cost of Services	8,994,191	9,134,503
– Asset Investment Program	245,197	339,948
Mental Health Commission		
– Total Cost of Services	918,406	942,125
– Asset Investment Program	-	1,508
Health and Disability Services Complaints Office		
– Asset Investment Program	-	300
Animal Resources Authority		
– Asset Investment Program	1,672	200

Ministerial Responsibilities

Minister	Agency	Services
Deputy Premier; Minister for Health; Mental Health	WA Health	<ol style="list-style-type: none"> 1. Public Hospital Admitted Services 2. Public Hospital Emergency Services 3. Public Hospital Non-Admitted Services 4. Mental Health Services 5. Aged and Continuing Care Services 6. Public and Community Health Services 7. Pathology Services 8. Community Dental Health Services 9. Small Rural Hospital Services 10. Health System Management - Policy and Corporate Services 11. Health Support Services
	Mental Health Commission	<ol style="list-style-type: none"> 1. Prevention 2. Hospital Bed-Based Services 3. Community Bed-Based Services 4. Community Treatment 5. Community Support
	Health and Disability Services Complaints Office	n/a
	Animal Resources Authority	n/a

Division 21 **WA Health**

Part 5 **Health**

Appropriations, Expenses and Cash Assets

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
DELIVERY OF SERVICES							
Item 51 Net amount appropriated to deliver services.....	4,936,908	4,819,236	4,886,224	4,979,425	5,001,479	5,093,567	5,216,221
Amount Authorised by Other Statutes							
- Lotteries Commission Act 1990.....	123,047	127,678	133,133	130,917	132,616	133,819	132,780
- Salaries and Allowances Act 1975.....	716	716	716	716	716	717	718
Total appropriations provided to deliver services	5,060,671	4,947,630	5,020,073	5,111,058	5,134,811	5,228,103	5,349,719
CAPITAL							
Item 125 Capital Appropriation	200,255	114,920	100,263	202,242	115,211	71,465	52,451
TOTAL APPROPRIATIONS	5,260,926	5,062,550	5,120,336	5,313,300	5,250,022	5,299,568	5,402,170
EXPENSES							
Total Cost of Services	9,015,050	8,807,569	8,994,191	9,134,503	9,300,754	9,559,698	9,848,351
Net Cost of Services ^(a)	5,097,337	5,057,076	5,171,708	5,223,359	5,245,206	5,351,782	5,475,128
CASH ASSETS ^(b)	983,105	616,895	826,262	755,313	739,891	735,796	735,796

(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 2018-19 Budget to Parliament on 10 May 2018, are outlined below:

	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
New Initiatives					
Election Commitments					
Culturally Appropriate Housing Facility	-	-	187	201	-
End-of-Life Choices and Palliative Care Services.....	1,741	7,360	8,277	8,015	10,586
Future Health Research and Innovation Fund	-	-	11,000	18,000	23,000
Kimberley Mobile Dialysis Unit.....	-	300	740	-	-
Methamphetamine Action Plan (MAP)					
North West Drug and Alcohol Support Program	-	-	3,077	3,183	3,292
WA Health Led Initiatives	-	530	530	455	455
Sustainable Health Review	-	9,934	12,017	4,452	-
Health Innovation Fund Stage 1 Agreement.....	2,958	3,394	3,448	3,498	-
Ongoing Initiatives					
Commonwealth Own Purpose Expenditure					
Additional Funding for Transitional Care Program.....	1,124	7,639	10,836	14,155	-
Aged Care Assessment Program	12,798	13,084	-	-	-
Commonwealth Home Support Program	15,095	15,095	-	-	-
Commonwealth Respite and Carelink Centres	1,591	663	-	-	-
Indigenous Health Multiple Schedule Funding Agreement	8,155	663	672	681	-
Organ and Tissue Donation State and Territory Funding Agreement.....	3,885	3,947	-	-	-

	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
Commonwealth Programs					
Improving Public Hospital Services	3,001	-	-	-	-
National Bowel Cancer Screening Program	844	957	991	994	-
Project Agreement for Encouraging More Clinical Trials in Australia	41	481	254	95	-
Project Agreement for the Rheumatic Fever Strategy	924	939	952	-	-
Funding and Expenditure Realignments for Other Commonwealth Programs	2,223	194	101	99	-
Hospital Services - Revised Activity and Cost Settings	56,388	49,717	44,778	36,219	29,566
MAP - Community Treatment Facilities	-	-	-	160	164
Mental Health Court Diversion and Support Program	-	1,576	1,615	-	-
Non-Hospital Services Expenditure Adjustment	23,035	28,746	36,188	(17,214)	28,985
Pilbara Health Initiatives	-	3,460	3,460	3,460	3,460
Revision to Road Trauma Trust Account Funding	-	62	75	87	103
Suicide Prevention Strategy	-	501	257	-	-
Other					
Enterprise Medical Imaging Platform (PACS-RIS)	-	900	3,638	4,197	4,424
Expand the Ear Bus Program	157	73	-	-	-
Government Office Accommodation Reform Program	(431)	(214)	(211)	(206)	(206)
Graylands Decommissioning and Reconfiguration	-	1,750	1,250	-	-
HealthNext	11,089	18,281	(7,070)	(9,852)	(6,354)
Indexation for Non-Salary Expenses	-	-	-	-	1,700
PathWest Fit-out	598	-	-	-	-
PathWest Laboratory Information Systems (Conversion to Capital)	-	(2,800)	(3,200)	(3,600)	(3,988)
Renal Dialysis	(1,125)	1,886	-	-	-
Residential Aged and Dementia Care Investment Program	822	-	-	-	-
Update to Depreciation Expense	1,722	791	5,782	23,870	13,546
Voluntary Targeted Separation Scheme	(7,834)	(7,903)	(7,972)	(8,078)	(8,078)

Significant Issues Impacting the Agency

Health System Overview

1. The introduction of the *Health Services Act 2016* has significantly strengthened system governance and accountability through enhanced clarity of roles and responsibilities. The implementation of the Outcome Based Management framework has also provided a new level of financial transparency in the way the Western Australian health system reports its effectiveness and efficiency in delivering health services with public funding.
2. Improved management, governance and financial transparency has underpinned the turnaround in the Western Australian health system's financial performance and sustainability. Average annual expenditure growth in WA Health has reduced from 10% in the decade up to 2014-15 to 3.9% over the past three years, with the system delivering growth of just 2.1% in 2017-18. This reflects improved efficiency in the delivery of hospital services, with the gap to comparable national cost benchmarks narrowing.
3. The Western Australian health system is focused on delivering safe, high-quality and sustainable health services that puts the patient first. Whilst striving to achieve the best possible health outcomes for Western Australians, the Western Australian health system continues to face a number of challenges, including the rise in incidence of chronic disease, obesity and mental health conditions; growing health costs associated with an ageing population; delivery of equitable and quality services especially in the regions; rapid technological advances and digital disruption; and the maintenance of an ageing infrastructure portfolio underpinned by strategic asset planning.
4. To support and enhance the health services delivered to the community, and address the challenges going forward, WA Health is focused on implementing the Government's election commitments, investing in core hospital and non-hospital services within budget parameters, and building on existing reform to deliver longer term system sustainability through the Sustainable Health Review and other reforms.

Delivering on Government Priorities and Election Commitments

5. WA Health continues to work on delivering the Government's election commitments, with a number of them fully implemented, including the Find Cancer Early program, Prescribing Medicinal Cannabis, Expanding the Ear Bus program in the Kimberley, and passage of the Tobacco Products Control Amendment Bill. Other commitments are on track, including the Let's Prevent program, to support people at high risk of developing chronic conditions and the commencement of service delivery through the Sexual Assault Resource Centre. The Joondalup Health Campus Development Stage 2 Project announced as part of the 2018-19 Budget is progressing, to deliver additional inpatient, emergency department and mental health beds. A total of \$161 million is now provisioned for this project, which is expected to be delivered by 2024-25. The development of a Project Definition Plan is underway, which will result in further refinement of the cost and scope of this project.
6. Through the 2019-20 Budget, \$188 million has been allocated to progress additional commitments and key priorities, which include:
 - 6.1. \$15.6 million to establish a 20-bed secure adult mental health unit at the Fremantle Hospital and \$4 million for the St John of God Midland Mental Health Emergency Centre;
 - 6.2. \$22.7 million to upgrade and refurbish the Royal Perth Hospital (RPH) Intensive Care Unit;
 - 6.3. \$6.3 million for a new hospital magnetic resonance imaging suite at the Kalgoorlie Health Campus;
 - 6.4. \$1.3 million for a renal dialysis service at Newman Hospital and \$1 million for a Kimberley Mobile Dialysis Unit to improve renal dialysis services in the Kimberley region;
 - 6.5. \$1.6 million for a culturally appropriate housing facility for Aboriginal people, and their families, travelling from regional areas who are receiving care at Perth metropolitan hospitals;
 - 6.6. \$11 million towards planning for the redevelopment of Bunbury Hospital; and
 - 6.7. the Sustainable Health Review, Future Health Research and Innovation (FHRI) Fund and End-of-Life Choices and Palliative Care Services, which are outlined further below.

Sustainable Health Review

7. The Sustainable Health Review was announced in 2017 to prioritise the delivery of patient-centred, high-quality and financially sustainable health care across the State. It provides an ambitious blueprint for the sustainability of the health system over the next 10 years.
8. Following extensive engagement with stakeholders across Western Australia, the Sustainable Health Review Final Report was released by the Government on 10 April 2019. The Final Report seeks to drive a cultural shift from a predominantly reactive, acute, hospital-based system to a system with a strong focus on prevention, equity, early child health, end-of-life choices, and seamless access to services at home and in the community through the use of technology and innovation.
9. The Final Report outlines 30 recommendations under eight Enduring Strategies as the platform for future health reform. Each recommendation includes 'priorities in implementation', being the milestones or actions that the health system must consider as the foundations for implementation. These priorities will guide the Western Australia health system as it moves into the next phase of work, which is the implementation of initial pilots and planning for the broader priorities.
10. In the 2019-20 Budget, Government is investing \$26.4 million to commence the recommendations of the Sustainable Health Review, including \$18.9 million for the immediate commencement of a number of pilot initiatives to trial innovative models of care, and also includes funding to commence crucial planning for the co-location and integration of women's health services at King Edward Memorial Hospital (KEMH) to the QEII Medical Centre.

Future Health Research and Innovation Fund

11. In line with its election commitment, Government is progressing the establishment of the FHRI Fund. Subject to the passage of legislation through Parliament, the FHRI Fund will provide a secure and enduring source of funding for health and medical research, medical innovation and commercialisation. With the support of high-quality infrastructure, this will build research capability in Western Australia improving the health and prosperity of all Western Australians.

12. New initiatives under the FHRI Fund will complement existing research and innovation support provided by WA Health, forming an overarching system of support for research and innovation in Western Australia. Ahead of legislative changes, the 2019-20 Budget provisions \$52 million of additional funding, almost doubling the existing annual expenditure on medical research and innovation over the forward estimates period.

End-of-Life Choices and Palliative Care Services

13. The Government is committed to providing patient-centred, high-quality care for patients facing life-limiting illness through the prevention and relief of suffering.
14. In 2017, the Government established the Parliamentary Joint Select Committee (JSC) on End of Life Choices to investigate the need for laws in Western Australia allowing citizens to make informed decisions regarding their own end-of-life choices. The JSC handed down its report *My Life, My Choice* (the Report) to both Houses of Parliament on 23 August 2018 in which a number of recommendations were made covering three distinct areas: advance health directives and advance care planning; end-of-life and palliative care; and voluntary-assisted dying. In its response to the JSC report, the Government accepted all the recommendations.
15. The Department has also released the WA End-of-Life and Palliative Care Strategy 2018-2028 which outlines the Department's strategic State-wide policy direction and the values and priorities for end-of-life and palliative care in Western Australia.
16. Through the 2019-20 Budget, a total package of \$41 million is provided over five years to support end-of-life choices and palliative care.

Investing in Core Services

17. A key priority for the Government is maintaining the quality of vital core services in hospitals and in the community. With a continual rise in demand for hospital services in Western Australia, the Government will continue to ensure these services are both sustainable and suitable for the patient and community needs.
18. Through the 2019-20 Budget, an additional \$216.7 million is allocated for hospital services, which includes an extra \$21.5 million for small rural hospitals and nursing posts. This will see expenditure on hospital services increase to \$6.7 billion in 2019-20 and grow at an average annual rate of 3.5% across the next three years.
19. To ensure that demands on Western Australian hospital services are met, the Government is also supplementing funding in the 2018-19 year. This will bring the total funding for hospital services to \$6.5 billion, resulting in expenditure growth of 3.3% for 2018-19.
20. In 2019-20, Western Australian hospitals are estimated to provide:
 - 20.1. 710,000 inpatient episodes of care, an increase of 2.2% compared with 2018-19.
 - 20.2. 1,007,000 episodes of care in emergency departments, an increase of 2.1%.
 - 20.3. 2,591,000 service events in outpatient clinics and community clinics, an increase of 2.1%.
21. The Government is also enhancing its investment in existing core non-hospital services, with an additional \$99.7 million to be spent on these services over five years. This will ensure the current program of non-hospital services, which includes prevention and promotion; palliative care; patient transport; Aboriginal health and system-wide support services, as well as strategic and system-wide direction and leadership provided by the Department, meets the needs of patients and the community. A total of \$1.9 billion will be invested in non-hospital services in 2019-20.
22. The Western Australia health system will continue to work to ensure that investment in non-hospital services is sufficient to meet community demand, drives effective service delivery and supports the management of key interfaces with aged care and disability services, particularly in the regions.

Rural and Regional Services

23. Improving health outcomes and enhancing services in regional and rural Western Australia remains a key priority, with a focus on addressing service inequity and recognising the service delivery pressures arising from the health system's role as a provider of last resort. This includes specific challenges arising from the roll-out of the National Disability Insurance Scheme and associated transition of Home and Community Care (HACC) services to the Commonwealth.

24. In addition to its election commitments outlined above, the Government is implementing the following initiatives through the 2019-20 Budget:
 - 24.1. \$13.1 million to construct the facility required to house a linear accelerator¹ at Albany Health Campus, enabling cancer patients in the Great Southern to receive essential radiotherapy close to home;
 - 24.2. \$0.8 million to establish a replacement helicopter landing site at Narrogin;
 - 24.3. \$0.7 million for the construction of a helicopter landing site at the Jurien Bay Health Centre; and
 - 24.4. \$4 million to commence detailed planning and design of the new Laverton Hospital.
25. To address service delivery pressures, this Budget provides for the following additional investment in non-hospital services in the regions:
 - 25.1. \$8.6 million over two years to meet the costs of supporting Karlarra House, a residential aged care facility in Port Hedland;
 - 25.2. \$13.8 million to continue to support medical specialists and obstetric services at Karratha and women's health at Tom Price and Newman; and
 - 25.3. \$12.8 million to assist managing the impacts of the transition of HACC services to the Commonwealth.

Expanding and Enhancing Mental Health

26. Expanding and enhancing mental health services is a key focus for the Government as demand for these services continues to rise. A number of initiatives have already been implemented to create more suitable environments in emergency departments, including the increase in the availability of acute mental health beds and improved mental health patient flow across the system. The following new initiatives will be implemented by WA Health through this Budget:
 - 26.1. Building on existing commitments to provide additional acute mental health beds at Joondalup (30 beds) and Geraldton (12 beds), the Government is investing \$15.6 million to develop a 20-bed secure adult mental health unit at Fremantle Hospital. With this additional investment, the Government will deliver on its election commitment and provide an additional 12 acute mental health beds above the 50-bed commitment.
 - 26.2. A mental health emergency centre will be constructed at the St John of God Midland Hospital at a total cost of \$4.9 million, incorporating a four-bed, two-bay Mental Health Observation Area and a four-bed, two-chair Urgent Care Clinic.
 - 26.3. Additional funding of \$3 million has been provided to enable comprehensive, detailed planning for the decommissioning and reconfiguration of mental health services to contemporary models of care, and progression of divestment activities, at the Graylands Hospital site.
27. Complementing these investments, in recognition of the complexities associated with drug use, the Government's Methamphetamine Action Plan outlines a comprehensive program of works aimed at reducing methamphetamine-related demand, supply and harm. With a commitment of \$2 million, WA Health will lead a number of programs largely aimed at minimising the harm and spread of infectious diseases associated with injecting methamphetamine.

Infrastructure and Clinical Information Systems

28. Infrastructure and clinical information systems are key enablers for the delivery of high-quality and sustainable health care. The Government continues to support quality health care delivery through capital investment in infrastructure projects. In line with the Sustainable Health Review recommendations, the focus is on using existing facilities effectively through repurposing and maintenance, as well as investing in new facilities where necessary.
29. Key infrastructure achievements include the successful completion and/or opening of new or improved health facilities, including the Perth Children's Hospital; the Karratha Health Campus; a 12-bed youth mental health unit at Bentley Hospital; Williams Health Centre; Beverley and Quairading Health Services; Onslow Health Service and Wyalkatchem-Koorda Health Service redevelopment.

¹ A linear accelerator customises high energy X-rays or electrons to conform to a cancer tumour's shape to destroy cancer cells while sparing surrounding normal tissue.

30. Going forward, the WA health system is continuing to ensure that health facilities remain functional, fit-for-purpose and compliant with the relevant legislation to appropriately support the delivery of high-quality services.
31. The immediate focus through this Budget is addressing critical infrastructure needs. These include:
 - 31.1. \$15.2 million for KEMH critical infrastructure, including upgrades to patient lifts, new filtration units, external façade repairs and asbestos removal;
 - 31.2. \$7.3 million for infrastructure upgrades to address building condition risks at the Bentley Hospital;
 - 31.3. \$7 million for fire safety upgrades at RPH, Bentley Hospital and Armadale Hospital;
 - 31.4. \$4.2 million for theatre upgrades at Fremantle Hospital; and
 - 31.5. \$1.4 million for Fremantle Hospital site upgrades, including the repair of the external façade and the refurbishment of a heritage-listed facility to accommodate sub-acute mental health services.
32. WA Health will also ensure that remediation and replacement work associated with combustibile cladding is prioritised, with \$3.2 million allocated to necessary works at Rockingham Hospital. The identification of the works necessary for cladding removal and replacement across all other facilities is underway, including the already announced works at KEMH. The Government will consider funding required to address future critical cladding work once tender processes have been completed.
33. Investment in digital and information systems and infrastructure upgrades, as well as digital hospitals like the new Perth Children's Hospital and Fiona Stanley Hospital, have enabled health facilities to now offer redesigned treatment areas and state-of-the-art technology. This not only improves access to health services, both locally and via telehealth, but also transforms the patient experience.
34. The 2019-20 Budget provides an additional \$91.2 million for clinical information systems to support the delivery of the highest quality health care including:
 - 34.1. \$28.2 million to progress the replacement of the current medical imaging system with a new system that will provide clinicians with an improved platform for timely access of medical imaging;
 - 34.2. \$23.7 million to deliver the PathWest Laboratory Information System, a pathology services system responsible for test ordering, specimen tracking, and delivering diagnostic reports; and
 - 34.3. \$39.3 million to replace critical information and communications technology equipment at the Fiona Stanley Hospital.
35. A further \$22.5 million has also been provided to replace medical equipment in public hospitals that is approaching the end of its useful life.

Aboriginal Health

36. The Government is committed to Aboriginal people living long and healthy lives. WA Health continues to invest in and support Aboriginal health programs, aligned to the WA Aboriginal Health and Wellbeing Framework 2015-2030, aimed at:
 - 36.1. promoting good health across the life course;
 - 36.2. prevention and early intervention;
 - 36.3. a culturally respectful and non-discriminatory health system;
 - 36.4. individual, family and community wellbeing;
 - 36.5. a strong, skilled and growing Aboriginal health workforce; and
 - 36.6. equitable and timely access to the best quality and safe care.
37. The Sustainable Health Review further emphasises Aboriginal health as a key focus area of WA Health and recognises the importance of Aboriginal people and Aboriginal Community Controlled Health Services having ownership of, and driving decisions regarding, services in their communities to ensure better health outcomes and quality of life. WA Health has made significant progress to address Aboriginal representation within the organisation over the last five years, with the Aboriginal health workforce growing from 496 (1.1%) in December 2014 to 728 (1.6%) in February 2019.

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 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
Strong Communities: Safe communities and supported families.	Public hospital-based services that enable effective treatment and restorative health care for Western Australians.	1. Public Hospital Admitted Services 2. Public Hospital Emergency Services 3. Public Hospital Non-Admitted Services 4. Mental Health Services
	Prevention, health promotion and aged and continuing care services that help Western Australians to live healthy and safe lives.	5. Aged and Continuing Care Services 6. Public and Community Health Services 7. Pathology Services 8. Community Dental Health Services 9. Small Rural Hospital Services
Sustainable Finances: Responsible financial management and better service delivery.	Strategic leadership, planning and support services that enable a safe, high quality and sustainable WA Health system.	10. Health System Management - Policy and Corporate Services 11. Health Support Services

Service Summary

Expense	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
1. Public Hospital Admitted Services	4,079,177	4,214,751	4,290,395	4,349,484	4,402,988	4,563,710	4,679,476
2. Public Hospital Emergency Services	762,614	838,487	845,475	877,595	888,390	920,819	944,177
3. Public Hospital Non-Admitted Services	851,992	868,911	880,834	913,906	925,148	958,919	983,243
4. Mental Health Services	725,836	742,627	743,099	757,692	767,012	795,011	815,177
5. Aged and Continuing Care Services	590,471	282,637	340,900	318,603	305,385	306,241	324,162
6. Public and Community Health Services	895,568	755,903	780,534	795,579	867,212	873,510	928,793
7. Pathology Services	301,567	312,954	309,350	313,702	323,020	327,085	343,176
8. Community Dental Health Services	109,917	104,711	104,957	94,977	103,030	103,446	109,523
9. Small Rural Hospital Services	248,719	266,428	266,525	277,328	280,739	290,987	298,369
10. Health System Management - Policy and Corporate Services	196,013	183,943	182,804	194,067	211,921	198,695	187,500
11. Health Support Services	253,176	236,217	249,318	241,570	225,909	221,275	234,755
Total Cost of Services	9,015,050	8,807,569	8,994,191	9,134,503	9,300,754	9,559,698	9,848,351

Outcomes and Key Effectiveness Indicators ^(a)

	2017-18 Actual ^(b)	2018-19 Budget	2018-19 Estimated Actual ^(b)	2019-20 Budget Target	Note
Outcome: Public hospital-based services that enable effective treatment and restorative health care for Western Australians:					
Percentage of elective waitlist patients waiting over boundary for reportable procedures ^{(c) (d)}					
% Category 1 over 30 days	18.7%	nil	16.4%	nil	
% Category 2 over 90 days	14%	nil	14.2%	nil	
% Category 3 over 365 days	3.3%	nil	3.9%	nil	
Survival rates for sentinel conditions ^{(c) (d) (e) (f)}					
Stroke					
0-49 years	94.9%	94.4%	95.4%	94.4%	
50-59 years	94%	93.3%	96.6%	93.4%	
60-69 years	95.4%	92.9%	95.2%	93.5%	
70-79 years	93.4%	90%	92.4%	91.3%	
80+	87.4%	82.2%	86.6%	83.2%	
Acute myocardial infarction					
0-49 years	98.8%	99.1%	98.8%	99%	
50-59 years	99.1%	98.9%	98.4%	98.9%	
60-69 years	98%	98%	98%	98%	
70-79 years	97%	96.3%	97.7%	96.5%	
80+	92.8%	91.9%	92.8%	92.2%	
Fractured neck of femur					
70-79 years	99.5%	98.7%	98.4%	98.9%	
80+	97.2%	95.3%	97.5%	96.1%	
Percentage of live-born term infants with an Apgar score of less than 7 at five minutes post-delivery ^{(d) (e) (g)}	1.4%	≤1.8%	1.6%	≤1.8%	
Readmissions to acute specialised mental health inpatient services within 28 days of discharge ^{(c) (d) (e) (h)}	18.1%	≤12%	14.9%	≤12%	
Outcome: Prevention, health promotion and aged and continuing care services that help Western Australians to live healthy and safe lives:					
Percentage of fully immunised children ^{(e) (i) (j)}					
12 months					
Aboriginal	87.7%	≥95%	89.3%	≥95%	
Non-Aboriginal	93.9%	≥95%	93.7%	≥95%	
2 years					
Aboriginal	82.6%	≥95%	81.8%	≥95%	
Non-Aboriginal	89.5%	≥95%	90.6%	≥95%	
5 years					
Aboriginal	95.9%	≥95%	94.9%	≥95%	
Non-Aboriginal	92.3%	≥95%	93.2%	≥95%	
Percentage of eligible schoolchildren who are enrolled in the School Dental Service program ^(k)	79%	≥69%	80%	≥69%	
Outcome: Strategic leadership, planning and support services that enable a safe, high quality and sustainable Western Australian health system:					
Percentage of responses from WA Health Service Providers and the Department of Health who are satisfied or highly satisfied with the overall service provided by Health Support Services ^(l)	47.7%	≥50%	66.7%	≥50%	

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

(b) The reported 2017-18 Actual should be interpreted with caution as it is based on previously unpublished and unaudited data. The reported 2018-19 Estimated Actual should be interpreted with caution at this time as it is based on previously unpublished and unaudited data and on preliminary data for the financial year subject to further validation.

(c) Reported by North Metropolitan Health Service (NMHS), South Metropolitan Health Service (SMHS), East Metropolitan Health Service (EMHS), Child and Adolescent Health Service (CAHS) and WA Country Health Service (WACHS).

(d) Data for this indicator includes services delivered through State public hospitals and services contracted from selected private hospitals.

(e) This indicator is reported for the calendar year.

(f) The 2018-19 Budget value is the average result for calendar year periods from 2012 to 2016. The 2019-20 Budget Target is the average Western Australian result for five previous calendar year periods excluding the most recent calendar year. Annual targets are established for metropolitan Health Services and WACHS. CAHS only caters to 0-17 year olds.

(g) Reported by NMHS, SMHS, EMHS and WACHS.

(h) This indicator is the rate of readmissions within 28 days.

(i) This is a State-wide service for Western Australia which is coordinated and reported by the Department.

(j) The reported 2018-19 Estimated Actual is for the 2018 calendar year. Figures should be interpreted with caution at this time as it is based on previously unpublished and unaudited data and on preliminary data for the financial year subject to further validation.

(k) The 2017-18 Actual is for the 2017 calendar year. The 2018-19 Estimated Actual is based on financial year enrolled figures. This indicator is reported by NMHS.

(l) Reported by Health Support Services.

Services and Key Efficiency Indicators

1. Public Hospital Admitted Services

The provision of health care services to patients in metropolitan and major rural hospitals that meet the criteria for admission and receive treatment and/or care for a period of time, including public patients treated in private facilities under contract to WA Health. Admission to hospital and the treatment provided may include access to acute and/or sub-acute inpatient services, as well as hospital in the home services. Public Hospital Admitted Services includes teaching, training and research activities provided by the public health service to facilitate development of skills and acquisition or advancement of knowledge related to admitted services. This service does not include any component of the Mental Health Services reported under 'Service 4 - Mental Health Services'.

	2017-18 Actual	2018-19 Budget ^(a)	2018-19 Estimated Actual	2019-20 Budget Target	Note
	\$'000	\$'000	\$'000	\$'000	
Total Cost of Service	4,079,177	4,214,751	4,290,395	4,349,484	
Less Income	1,791,119	1,812,408	1,815,665	1,897,949	
Net Cost of Service	2,288,058	2,402,343	2,474,730	2,451,535	
Employees (Full-Time Equivalents)	17,688	17,674	17,959	18,248	
Efficiency Indicators					
Average admitted cost per weighted activity unit ^(b)	\$6,941	\$6,948	\$7,071	\$7,026	

(a) The 2018-19 Budget Total Cost of Service and income have been recast to account for PathWest now being reported separately as Service 7, Pathology Services.

(b) The expenditure associated with the provision of Pathology Services is included in the calculation of the efficiency indicator, as it forms part of the cost of delivery of hospital services.

2. Public Hospital Emergency Services

The provision of services for the treatment of patients in emergency departments of metropolitan and major rural hospitals, inclusive of public patients treated in private facilities under contract to WA Health. The services provided to patients are specifically designed to provide emergency care, including a range of pre-admission, post-acute and other specialist medical, allied health, nursing and ancillary services. Public Hospital Emergency Services includes teaching, training and research activities provided by the public health service to facilitate development of skills and acquisition or advancement of knowledge related to emergency services. This service does not include any component of the Mental Health Services reported under 'Service 4 - Mental Health Services'.

	2017-18 Actual	2018-19 Budget ^(a)	2018-19 Estimated Actual	2019-20 Budget Target	Note
	\$'000	\$'000	\$'000	\$'000	
Total Cost of Service	762,614	838,487	845,475	877,595	
Less Income	295,358	301,109	305,883	332,327	
Net Cost of Service	467,256	537,378	539,592	545,268	
Employees (Full-Time Equivalents)	2,461	2,495	2,532	2,575	
Efficiency Indicators					
Average emergency department cost per weighted activity unit ^(b)	\$6,531	\$7,072	\$6,956	\$7,071	

(a) The 2018-19 Budget Total Cost of Service and income have been recast to account for PathWest now being reported separately as Service 7, Pathology Services.

(b) The expenditure associated with the provision of Pathology Services is included in the calculation of the efficiency indicator, as it forms part of the cost of delivery of hospital services.

3. Public Hospital Non-Admitted Services

The provision of metropolitan and major rural hospital services to patients who do not undergo a formal admission process, inclusive of public patients treated by private facilities under contract to WA Health. This service includes services provided to patients in outpatient clinics, community-based clinics or in the home, procedures, medical consultation, allied health or treatment provided by clinical nurse specialists. Public Hospital Non-Admitted Services includes teaching, training and research activities provided by the public health service to facilitate development of skills and acquisition or advancement of knowledge related to non-admitted services. This service does not include any component of the Mental Health Services reported under 'Service 4 - Mental Health Services'.

	2017-18 Actual	2018-19 Budget ^(a)	2018-19 Estimated Actual	2019-20 Budget Target	Note
	\$'000	\$'000	\$'000	\$'000	
Total Cost of Service	851,992	868,911	880,834	913,906	
Less Income	438,124	435,718	441,011	455,965	
Net Cost of Service	413,868	433,193	439,823	457,941	
Employees (Full-Time Equivalents)	3,450	3,404	3,451	3,495	
Efficiency Indicators					
Average non-admitted cost per weighted activity unit ^(b)	\$6,085	\$7,136	\$6,881	\$6,992	

(a) The 2018-19 Budget Total Cost of Service and income have been recast to account for PathWest now being reported separately as Service 7, Pathology Services.

(b) The expenditure associated with the provision of Pathology Services is included in the calculation of the efficiency indicator, as it forms part of the cost of delivery of hospital services.

4. Mental Health Services

The provision of inpatient services where an admitted patient occupies a bed in a designated mental health facility or a designated mental health unit in a hospital setting; and the provision of non-admitted services inclusive of community and ambulatory specialised mental health programs, such as prevention and promotion, community support services, community treatment services, community bed-based services and forensic services. This service includes the provision of State-wide mental health services, such as perinatal mental health and eating disorder outreach programs, as well as the provision of assessment, treatment, management, care or rehabilitation of persons experiencing alcohol or other drug use problems or co-occurring health issues. Mental Health Services includes teaching, training and research activities provided by the public health service to facilitate development of skills and acquisition or advancement of knowledge related to mental health or alcohol and drug services. This service includes public patients treated in private facilities under contract to WA Health.

	2017-18 Actual	2018-19 Budget ^(a)	2018-19 Estimated Actual	2019-20 Budget Target	Note
	\$'000	\$'000	\$'000	\$'000	
Total Cost of Service	725,836	742,627	743,099	757,692	
Less Income	709,876	719,067	720,138	740,715	
Net Cost of Service	15,960	23,560	22,961	16,977	
Employees (Full-Time Equivalents)	4,076	4,082	4,149	4,185	
Efficiency Indicators					
Average cost per bed-day in specialised mental health inpatient services ^(b)	\$1,591	\$1,545	\$1,562	\$1,564	
Average cost per treatment day of non-admitted care provided by mental health services ^(b)	\$497	\$491	\$490	\$484	

(a) The 2018-19 Budget Total Cost of Service and income have been recast to account for PathWest now being reported separately as Service 7, Pathology Services.

(b) The expenditure associated with the provision of Pathology Services is included in the calculation of the efficiency indicator, as it forms part of the cost of delivery of hospital services.

5. Aged and Continuing Care Services

The provision of aged and continuing care services and community-based palliative care services. Aged and continuing care services include programs that assess the care needs of older people, provide functional interim care or support for older, frail, aged and younger people with disabilities to continue living independently in the community and maintain independence, inclusive of the services provided by the Quadriplegic Centre. Aged and Continuing Care Services is inclusive of community-based palliative care services that are delivered by private facilities under contract to WA Health, which focus on the prevention and relief of suffering, quality of life and the choice of care close to home for patients.

	2017-18 Actual	2018-19 Budget ^(a)	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 590,471	\$'000 282,637	\$'000 340,900	\$'000 318,603	1
Less Income	333,479	136,299	163,459	136,694	2
Net Cost of Service	256,992	146,338	177,441	181,909	
Employees (Full-Time Equivalents)	989	961	993	1,014	
Efficiency Indicators					
Average cost of a transition care day provided by contracted non-government organisations/service providers ^(b)	\$312	\$312	\$311	\$321	
Average cost per bed-day for specified residential care facilities, flexible care (hostels) and nursing home type residents ^(c)	\$557	\$294	\$301	\$315	
Average cost per bed-day for Western Australian Quadriplegic Centre specialist accommodation	\$750	\$818	\$945	\$1,091	3
Average cost per Western Australian Quadriplegic Centre community client for clinical and related services ^(d)	\$90	\$87	\$87	n/a	
Average cost per home-based:					
Hospital day of care	\$314	\$319	\$312	\$321	
Occasion of service	\$129	\$119	\$130	\$129	
Average cost per client receiving contracted palliative care services ^(e)	\$5,500	\$6,046	\$6,064	\$5,900	
Average cost per day of care for non-acute admitted continuing care	\$474	\$710	\$661	\$666	
Average cost to support patients who suffer specific chronic illness and other clients who require continuing care	\$21	\$27	\$27	\$27	

- (a) The 2018-19 Budget Total Cost of Service and income have been recast to account for PathWest now being reported separately as Service 7, Pathology Services.
- (b) To be comparable with the 2017-18 Actual, this efficiency indicator has been calculated for the 2018-19 Estimated Actual and 2019-20 Budget on the assumption of full capacity to ensure activity aligns to expenditure. The 2018-19 Budget has also been recast for comparability purposes.
- (c) The 2019-20 Budget for this efficiency indicator assumes the continuation of the Multi-Purpose Services (MPS) Program funding which is yet to be recognised in the current approved budget settings.
- (d) As a result of the transition of the Quadriplegic Centre's Community Nursing Services to South Metropolitan Health Service Spinal Outreach Service this efficiency indicator has been removed from 2019-20 onwards.
- (e) The 2017-18 Actual and 2018-19 Budget for this efficiency indicator have been recast to ensure comparability following a revision in the counting of palliative care activity in 2018-19.

Explanation of Significant Movements

(Notes)

- The increase in the 2018-19 Estimated Actual compared with the 2018-19 Budget is mainly due to additional funding from the Commonwealth for the delivery of its Home Support Program and to support the transition of HACC services, and the receipt of funding for the Aged Care Assessment Program (ACAP) following publication of the 2018-19 Budget. The decrease in the 2019-20 Budget Target compared with the 2018-19 Estimated Actual is a result of the MPS Agreement expenditure not yet reflected in the 2019-20 Budget settings.
- The increase in the 2018-19 Estimated Actual compared with the 2018-19 Budget is mainly due to additional funding for the Commonwealth Home Support Program and the receipt of ACAP funding following publication of the 2018-19 Budget. The decrease in the 2019-20 Budget Target compared with the 2018-19 Estimated Actual is a result of the MPS Agreement funding not yet reflected in the 2019-20 budget settings.
- The increase in this efficiency indicator is the result of a decrease in activity with no change to fixed costs. The reduction in activity is due to a review of the model of care for services delivered by the Quadriplegic Centre. This review has resulted in planning to close the Quadriplegic Centre at the end of 2020 with this service to be replaced with more contemporary models of care.

6. Public and Community Health Services

The provision of health care services and programs delivered to increase optimal health and wellbeing, encourage healthy lifestyles, reduce the onset of disease and disability, reduce the risk of long-term illness as well as detect, protect and monitor the incidence of disease in the population. Public and Community Health Services includes public health programs, Aboriginal health programs, disaster management, environmental health, the provision of grants to non-government organisations for public and community health purposes, emergency road and air ambulance services, services to assist rural-based patients travel to receive care, and State-wide pathology services provided to external Western Australian agencies.

	2017-18 Actual	2018-19 Budget ^(a)	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 895,568	\$'000 755,903	\$'000 780,534	\$'000 795,579	
Less Income	133,189	118,341	149,805	137,235	1
Net Cost of Service	762,379	637,562	630,729	658,344	
Employees (Full-Time Equivalents)	2,505	2,534	2,628	2,648	
Efficiency Indicators					
Average cost per person of delivering population health programs by population health units	\$108	\$104	\$110	\$110	
Cost per person of providing preventative interventions, health promotion and health protection activities that reduce the incidence of disease or injury	\$43	\$38	\$37	\$37	
Average cost per breast screening	\$165	\$165	\$156	\$158	
Cost per trip for road-based ambulance services, based on the total accrued costs of these services for the total number of trips	\$465	\$433	\$476	\$494	2
Cost per trip of patient emergency air-based transport based on the total accrued costs of these services for the total number of trips	\$7,121	\$7,244	\$7,432	\$7,624	
Average cost per trip of Patient Assisted Travel Scheme (PATS)	\$440	\$431	\$467	\$463	

(a) The 2018-19 Budget Total Cost of Service and income have been recast to account for PathWest now reported separately as Service 7, Pathology Services.

Explanation of Significant Movements

(Notes)

1. The increase in the 2018-19 Estimated Actual compared with the 2018-19 Budget is due to increases in Commonwealth funding for the Health Innovation Fund Stage 1 Agreement and the Commonwealth Own Purpose Expenditure - Indigenous Health Multiple Schedule Funding Agreement.
2. The increase in this efficiency indicator between the 2018-19 Budget and the 2018-19 Estimated Actual is due to improved recognition of demand growth for these services and associated funding requirements.

7. Pathology Services

The provision of State-wide external diagnostic services across the full range of pathology disciplines, inclusive of forensic biology and pathology services to other Western Australian Government agencies and services provided to the public by PathWest. This service also includes the operational costs of PathWest in delivering services to both Health Service Providers and the public.

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 301,567	\$'000 312,954	\$'000 309,350	\$'000 313,702	
Less Income	77,032	75,120	75,464	76,867	
Net Cost of Service	224,535	237,834	233,886	236,835	
Employees (Full-Time Equivalents)	1,649	1,595	1,643	1,665	
Efficiency Indicators					
Average cost of pathology services per test panel ^(a)	\$28	\$28	\$28	\$28	

(a) The average cost of pathology services per test panel is a newly established efficiency indicator to be reported from 2019-20 onwards. The 2017-18 Actual, 2018-19 Budget and 2018-19 Estimated Actual have been recast for comparability purposes.

8. Community Dental Health Services

Dental health services include the school dental service (providing dental health assessment and treatment for school children); the adult dental service for financially, socially and/or geographically disadvantaged people and Aboriginal people; additional and specialist dental; and oral health care provided by the Oral Health Centre of Western Australia to holders of a Health Care Card. Services are provided through government-funded dental clinics, itinerant services and private dental practitioners participating in the metropolitan, country and orthodontic patient dental subsidy schemes.

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 109,917	\$'000 104,711	\$'000 104,957	\$'000 94,977	1
Less Income	24,584	20,311	21,869	12,263	1
Net Cost of Service	85,333	84,400	83,088	82,714	
Employees (Full-Time Equivalents)	733	691	722	730	
Efficiency Indicators					
Average cost per patient visit of WA Health provided dental health programs for:					
School children	\$198	\$184	\$187	\$181	
Socio-economically disadvantaged adults ^(a)	\$272	\$283	\$275	\$267	

(a) The 2019-20 Budget Target for this efficiency indicator assumes the continuation of the National Partnership Agreement on Public Dental Services for Adults funding which is yet to be recognised in the current approved budget settings.

Explanation of Significant Movements

(Notes)

1. The decrease in the 2019-20 Budget Target compared with the 2018-19 Estimated Actual is a result of funding under the National Partnership Agreement on Public Dental Services for Adults not yet reflected in the 2019-20 Budget settings on the basis that the agreement has not yet been signed.

9. Small Rural Hospital Services

Provides emergency care and limited acute medical/minor surgical services in locations 'close to home' for country residents/visitors by small and rural hospitals classified as block funded. Includes community care services aligning to local community needs.

	2017-18 Actual	2018-19 Budget ^(a)	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 248,719	\$'000 266,428	\$'000 266,525	\$'000 277,328	
Less Income	103,620	124,282	121,640	115,331	
Net Cost of Service	145,099	142,146	144,885	161,997	
Employees (Full-Time Equivalents)	1,148	1,126	1,132	1,143	
Efficiency Indicators					
Average cost per rural and remote population (selected small rural hospitals) ^(b)	\$401	\$369	\$410	\$422	1

(a) The 2018-19 Budget Total Cost of Service and income have been recast to account for PathWest now being reported separately as Service 7, Pathology Services.

(b) The expenditure associated with the provision of Pathology Services is included in the calculation of the efficiency indicator, as it forms part of the cost of delivery of hospital services.

Explanation of Significant Movements

(Notes)

- The increase in this efficiency indicator reflects the impact of a decrease in the regional population estimates coupled with the high fixed operating costs of these services which do not benefit from economies of scale.

10. Health System Management - Policy and Corporate Services

The provision of strategic leadership, policy and planning services, system performance management and purchasing linked to the State-wide planning, budgeting and regulation processes. Health System Policy and Corporate Services includes corporate services inclusive of statutory financial reporting requirements, overseeing, monitoring and promoting improvements in the safety and quality of health services and system-wide infrastructure and asset management services.

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 196,013	\$'000 183,943	\$'000 182,804	\$'000 194,067	
Less Income	10,134	7,329	6,308	4,529	1
Net Cost of Service	185,879	176,614	176,496	189,538	
Employees (Full-Time Equivalents)	777	793	809	809	
Efficiency Indicators					
Average cost of public health regulatory services per head of population	\$4	\$4	\$4	\$4	
Average cost per Health Service Provider full-time equivalent worker for the Department to deliver the system manager functions providing strategic leadership, planning and support	\$5,103	\$5,069	\$4,689	\$5,042	

Explanation of Significant Movements

(Notes)

- The variance between the 2018-19 Estimated Actual and 2018-19 Budget is a result of a decrease in interstate charges. The decrease in the 2019-20 Budget Target compared with 2018-19 Estimated Actual relates to a decline in services delivered by the Department and charged to organisations outside of WA Health.

11. Health Support Services

The provision of purchased health support services to WA Health entities inclusive of corporate recruitment and appointment; employee data management; payroll services; worker's compensation calculation and payments, and processing of termination and separation payments. Health Support Services includes finance and business systems services; information and communications technology (ICT) services; workforce services; project management of system-wide projects and programs; and the management of the supply chain and whole-of-health contracts.

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 253,176	\$'000 236,217	\$'000 249,318	\$'000 241,570	
Less Income	1,198	509	1,241	1,269	1
Net Cost of Service	251,978	235,708	248,077	240,301	
Employees (Full-Time Equivalents)	1,020	969	1,020	937	
Efficiency Indicators					
Average cost of accounts payable services per transaction	\$8	\$8	\$8	\$8	
Average cost of accounts receivable services per transaction ^(a)	\$16	\$16	\$16	n/a	
Average cost of payroll and support services to Health Support Services' clients	\$903	\$903	\$964	\$955	
Average cost of supply services by purchasing transaction	\$38	\$38	\$39	\$38	
Average cost of providing ICT services to Health Support Services' clients	\$4,626	\$4,494	\$4,795	\$4,790	

(a) As a result of the devolution of the Accounts Receivable function to Health Service Providers, this efficiency indicator has been removed from 2019-20 onwards.

Explanation of Significant Movements

(Notes)

1. The increase in the 2018-19 Estimated Actual compared with the 2018-19 Budget is due to additional funding from the Australian Digital Health Agency associated with the 'My Health Record' project.

Asset Investment Program

To ensure that Western Australians have access to safe and quality health care delivered in world class health facilities, approximately \$6 billion has been committed for investment projects. This includes the upgrade and redevelopment of Western Australian hospitals and health-related facilities. A key component of this investment is a significant injection of capital funding into hospital redevelopment, new equipment, ICT and expansion of country hospitals.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-19 \$'000	2018-19 Estimated Expenditure \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
WORKS IN PROGRESS							
Hospitals, Health Centres and Community Facilities							
Ausman	5,725	626	450	5,099	-	-	-
Broome Regional Resource Centre - Redevelopment							
Stage 1	41,811	41,600	-	211	-	-	-
Busselton Health Campus	114,983	113,383	633	1,600	-	-	-
Carnarvon Hospital Redevelopment	25,282	23,535	50	1,747	-	-	-
District Hospital Investment Program	160,004	154,830	23,000	5,174	-	-	-
Eastern Wheatbelt District (including Merredin) - Stage 1	7,881	6,298	5,000	1,583	-	-	-
Election Commitments							
Fiona Stanley Hospital (FSH) Birthing Centre	1,825	1,712	1,712	113	-	-	-
Geraldton Health Campus Redevelopment	73,336	800	800	2,500	6,500	36,654	26,882
Joondalup Health Campus (JHC) Development Stage 2	158,744	117	-	5,668	60,835	47,706	25,243
Osborne Park Hospital	24,806	1,120	1,120	6,400	11,200	3,400	2,686
Royal Health Hospital (RPH) Mental Health							
Observation Area (MHOA)	11,584	2,149	2,149	6,555	2,150	730	-
St John of God Midland Mental Health Emergency							
Centre	4,928	950	950	3,778	200	-	-
Esperance Health Campus Redevelopment	31,848	31,840	2,461	-	-	8	-
FSH - Development	1,584,466	1,584,334	676	132	-	-	-
Fremantle General Dental Clinic	2,584	2,542	2,413	42	-	-	-
Fremantle Hospital and Health Service Reconfiguration	2,583	2,433	-	150	-	-	-
Harvey Health Campus Redevelopment	12,410	11,777	-	633	-	-	-
Hedland Regional Resource Centre - Stage 2	136,237	134,872	-	1,365	-	-	-
Karratha Health Campus - Development	173,118	165,688	23,030	1,800	5,298	332	-
Kings Park Link Bridge	6,700	500	500	4,100	2,100	-	-
Metropolitan Plan Implementation Peel Health Campus							
Development Stage 1	5,090	683	154	1,600	1,500	1,307	-
Emergency Department Reconfiguration	4,900	1,000	1,000	3,900	-	-	-
Narrogin Helipad	800	300	300	500	-	-	-
Newman Health Service Redevelopment Project	47,427	4,412	3,000	22,000	21,015	-	-
Nickol Bay Hospital Demolition	7,760	500	500	7,260	-	-	-
North West Health Initiative							
Carnarvon Aged and Palliative Care Facility	16,577	15	15	5,700	9,048	1,814	-
Derby Community Health Service	3,672	45	35	2,200	1,427	-	-
Tom Price Hospital Redevelopment	5,250	20	20	230	5,000	-	-
Onslow Hospital	36,409	30,302	5,000	6,107	-	-	-
Osborne Park Hospital - Reconfiguration Stage 1	273	261	-	-	12	-	-
PathWest - Laboratory Equipment and Asset							
Replacement/Maintenance	3,000	1,650	1,000	1,350	-	-	-
Perth Children's Hospital (PCH) - Development	1,134,265	1,129,265	6,329	5,000	-	-	-
Primary Health Centres Demonstration Program	32,331	18,758	3,900	13,573	-	-	-
Queen Elizabeth II Medical Centre Hospital Avenue	5,376	4,526	4,016	850	-	-	-
Reconfiguring the Western Australian Spinal Cord							
Injury Service	35,738	163	-	14,200	17,476	3,899	-
Remote Indigenous Health	24,168	20,062	3,000	2,924	1,182	-	-
Renal Dialysis - Capital	1,950	201	-	1,749	-	-	-
Renal Dialysis and Support Services	44,269	31,570	5,580	8,000	4,699	-	-
RPH Fire Risk	9,625	1,255	1,255	6,850	1,520	-	-
RPH Helipad	6,351	376	248	5,500	475	-	-
Sarich Neuroscience Research Institute Centre	35,479	35,395	2,977	84	-	-	-
Sir Charles Gairdner Hospital (SCGH) - Redevelopment							
Stage 1	7,565	3,565	-	4,000	-	-	-
Small Hospital and Nursing Post Refurbishment Program	95,969	84,555	7,500	11,414	-	-	-
Strengthening Cancer Services - Regional Cancer							
Patient Accommodation	4,430	3,830	1,020	600	-	-	-
Strengthening Cancer Services in Regional							
Western Australia - Northam Cancer Centre	3,500	2,900	2,400	600	-	-	-
Upper Great Southern District (including Narrogin) -							
Stage 1	10,497	5,379	5,000	5,118	-	-	-

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-19 \$'000	2018-19 Estimated Expenditure \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
ICT Equipment and Infrastructure							
Continued Roll-out of the Patient Administration System	11,150	8,691	4,532	2,400	52	7	-
Enterprise Medical Imaging Platform (PACS-RIS)	46,333	6,466	4,979	10,487	18,945	10,435	-
Enterprise Medical Imaging Platform (PACS-RIS) - AGFA Remediation	7,277	6,299	5,391	474	504	-	-
FSH ICT							
Commissioning	30,656	29,911	3,525	745	-	-	-
Intensive Care Clinical Information Systems	4,180	3,853	192	327	-	-	-
Pharmacy Automation	8,769	7,583	488	1,186	-	-	-
HealthNext	32,047	10,423	10,423	15,649	5,975	-	-
Infection Prevention and Control System	2,382	886	794	1,445	51	-	-
Minor Works Program	12,187	7,187	3,880	5,000	-	-	-
PathWest Laboratory Information Systems	44,009	22,238	13,052	18,183	3,588	-	-
PCH	163,004	158,504	6,114	4,500	-	-	-
Psychiatric Services Online Information System	3,849	1,478	1,478	1,059	1,154	158	-
Replacement of the Monitoring of Drugs and Dependence System	1,253	645	635	608	-	-	-
Medical Equipment Replacement Program	493,819	445,432	29,698	25,887	22,500	-	-
Other Projects							
Country - Transport Initiatives	1,760	500	500	1,260	-	-	-
Enhancing Health Services for the Pilbara in Partnership with Industry	7,338	7,245	-	-	-	93	-
Minor Buildings Works	152,415	149,063	4,336	3,352	-	-	-
WA Country Health Service Picture Archiving and Communication System - Regional Resource Centre	6,223	4,253	100	1,970	-	-	-
COMPLETED WORKS							
Equipment							
King Edward Memorial Hospital (KEMH) - Dishwasher	117	117	117	-	-	-	-
Medical Accounts Assessment System	814	814	229	-	-	-	-
Replacement of MRx Defibrillators	1,535	1,535	773	-	-	-	-
Hospitals, Health Centres and Community Facilities							
Albany Hospice Car Park	659	659	29	-	-	-	-
Armadale Kelmscott Hospital - Development	11,344	11,344	877	-	-	-	-
Bunbury, Narrogin and Collie Hospitals - Pathology Laboratories Redevelopment	6,665	6,665	2,135	-	-	-	-
Country Staff Accommodation - Stage 3	27,408	27,408	171	-	-	-	-
CT Scanner for PathWest at State Mortuary (SCGH)	1,045	1,045	1,045	-	-	-	-
Digital Innovation - Capital	5,252	5,252	1,382	-	-	-	-
East Kimberley Development Package	38,607	38,607	235	-	-	-	-
Government Office Accommodation Reform Program	30	30	30	-	-	-	-
Government Office Accommodation Reform Program - Bennett Street	660	660	660	-	-	-	-
Graylands Hospital Redevelopment - High Priority Ligature Risk Remediation	96	96	96	-	-	-	-
JHC MHOA	4,563	4,563	106	-	-	-	-
Kalamunda District Community Hospital Infrastructure Upgrade	1,195	1,195	281	-	-	-	-
Kalgoorlie Regional Resource Centre - Redevelopment Stage 1	57,230	57,230	789	-	-	-	-
KEMH - Holding	1,263	1,263	207	-	-	-	-
National Partnership Agreement - Improving Public Hospital Services	86,144	86,144	2,238	-	-	-	-
Point of Care Network for Pathology Testing	551	551	10	-	-	-	-
RPH Redevelopment Stage 1	14,780	14,780	1,016	-	-	-	-
St John of God Midland Public Hospital	348,583	348,583	252	-	-	-	-
Strengthening Cancer Services in Regional Western Australia							
Geraldton Cancer Centre	3,768	3,768	37	-	-	-	-
Narrogin Cancer Centre	2,000	2,000	1,750	-	-	-	-
ICT Equipment and Infrastructure							
FSH							
da Vinci System	4,950	4,950	4,950	-	-	-	-
Facilities Management Services Contract Asset Solution	15,076	15,076	12,604	-	-	-	-
i.Pharmacy	1,148	1,148	167	-	-	-	-
Other Projects							
Country - Staff Accommodation - Stage 4	8,124	8,124	1,959	-	-	-	-
North Metropolitan Health Service Critical Infrastructure Project	1,742	1,742	1,742	-	-	-	-
NEW WORKS							
Equipment							
Albany Radiation Oncology	13,125	-	-	1,000	3,600	6,800	1,725
Election Commitment - Renal Dialysis Service at Newman Hospital	1,300	-	-	-	1,300	-	-

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-19 \$'000	2018-19 Estimated Expenditure \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
Hospitals, Health Centres and Community Facilities							
Automated Controlled Substance Storage.....	800	-	-	800	-	-	-
Bentley Health Service Redevelopment	7,254	-	-	2,297	3,063	1,894	-
Election Commitment							
Culturally Appropriate Housing Facility	1,219	-	-	527	346	346	-
Fremantle Hospital Acute Mental Health Beds.....	15,630	-	-	1,865	3,457	8,249	2,059
Kalgoorlie Health Campus Magnetic Resonance Imaging Suite	6,276	-	-	3,000	2,501	775	-
Redevelopment of Bunbury Hospital.....	11,012	-	-	1,890	1,890	2,840	4,392
RPH Intensive Care Unit.....	22,685	-	-	3,403	11,342	7,940	-
Dongara Aged Care.....	1,000	-	-	500	500	-	-
East Metropolitan Health Service - Fire Safety Upgrades	7,000	-	-	1,457	3,250	2,293	-
Fremantle Hospital							
Reconfiguration Stage 1	2,000	-	-	-	2,000	-	-
F Block Upgrade	900	-	-	900	-	-	-
Theatre Upgrade.....	4,162	-	-	1,000	3,162	-	-
FSH ICT.....	39,300	-	-	39,300	-	-	-
Jurien Bay Helipad.....	668	-	-	200	468	-	-
KEMH Critical Infrastructure	15,184	-	-	3,015	6,584	5,585	-
Laverton Hospital.....	4,000	-	-	871	3,129	-	-
Rockingham Hospital Cladding.....	3,200	-	-	3,200	-	-	-
South Metropolitan Health Service - Moss Lodge.....	500	-	-	232	268	-	-
Total Cost of Asset Investment Program	5,994,741	5,178,100	245,197	339,948	251,266	143,265	62,987
Loan and Other Repayments.....			57,312	74,703	58,769	51,073	47,706
Total.....	5,994,741	5,178,100	302,509	414,651	310,035	194,338	110,693
FUNDED BY							
Capital Appropriation			100,263	202,242	115,211	71,465	52,451
Commonwealth Grants.....			8,141	4,369	-	-	-
Other Grants and Subsidies			1,100	9,100	7,100	-	-
Funding Included in Department of Treasury							
Administered Item.....			17,127	54,872	121,532	74,167	25,243
New Children Hospital			7,437	5,000	-	-	-
Internal Funds and Balances.....			105,631	58,475	11,931	598	-
Drawdowns from Royalties for Regions Fund			62,810	80,593	54,261	48,108	32,999
Total Funding.....			302,509	414,651	310,035	194,338	110,693

Financial Statements

1. The implementation of new accounting standard AASB 16: *Leases* significantly impacts the Statement of Financial Position by bringing arrangements previously classified as operating leases on to the balance sheet. On the Income Statement, previous rental expenses for operating leases are removed and replaced with interest expense for the lease obligation and a depreciation cost for the right of use asset. Further information on AASB 16 and other new accounting standards impacting the Budget are detailed in a feature box in Budget Paper No. 3.

Income Statement

2. The estimated Total Cost of Services is projected to increase by \$140.3 million (1.6%) between the 2018-19 Estimated Actual and the 2019-20 Budget Estimate. The increase in forecast expenditure is largely attributable to growth in recurrent core hospital and non-hospital services expenditure, partially offset by the expiry of time-limited programs and variations in expenditure on financial products (depreciation and expensing of capital expenditure). The implementation of AASB 16 has also contributed to an increase in the estimated Total Cost of Services, resulting in a reduction in accommodation expenses and an increase in finance costs. The reduction in income for grants and subsidies is primarily driven by the transfer of aged care services delivered by the State under the Home and Community Care program to the Commonwealth-delivered Home Support Program as part of the transition to the National Disability Insurance Scheme.

Statement of Financial Position

3. The estimated total net asset position (equity) is expected to increase by \$343 million between the 2018-19 Estimated Actual and the 2019-20 Budget Estimate. Total assets are projected to increase by \$908.3 million and liabilities are projected to increase by \$565.3 million. The projected increase in total assets and liabilities are mainly attributable to the implementation of AASB 16 and a number of significant health infrastructure projects in 2019-20 including:

- 3.1. Fiona Stanley Hospital ICT (\$39.3 million);
- 3.2. Medical Equipment Replacement Program (\$25.9 million);
- 3.3. Newman Health Service Redevelopment Project (\$22 million);
- 3.4. PathWest Laboratory Information Systems (\$18.2 million);
- 3.5. HealthNext (\$15.6 million);
- 3.6. Reconfiguring the Western Australian Spinal Cord Injury Service (\$14.2 million);
- 3.7. Primary Health Centres Demonstration Program (\$13.6 million);
- 3.8. Small Hospital and Nursing Post Refurbishment Program (\$11.4 million);
- 3.9. Enterprise Medical Imaging Platform (PACS-RIS) (\$10.5 million); and
- 3.10. Renal Dialysis and Support Services (\$8 million).

Statement of Cashflows

4. The estimated cash balance at 30 June 2020 of \$755.3 million is \$70.9 million lower compared to 30 June 2019. The movement is a result of a decrease in revenue relating to grants and subsidies, delays in Commonwealth agreements and the repurposing of cash reserves for capital projects.

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

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
COST OF SERVICES							
Expenses							
Employee benefits ^(b)	4,919,358	5,020,907	5,115,963	5,184,552	5,206,153	5,330,397	5,536,416
Grants and subsidies ^(c)	47,185	76,772	76,772	77,722	79,493	81,023	83,552
Supplies and services	1,009,748	758,080	768,039	759,388	789,423	827,293	814,076
Accommodation	106,813	57,833	59,384	34,978	39,930	45,897	47,732
Depreciation and amortisation	344,379	405,065	406,787	434,243	426,355	405,687	395,790
Direct patient support costs	959,853	1,017,708	1,035,654	1,053,507	1,073,690	1,099,701	1,139,267
Indirect patient support costs	236,465	209,860	215,363	219,720	223,247	226,013	234,410
Visiting medical practitioner costs	139,075	130,693	134,127	136,918	139,219	140,882	146,182
Private sector contract costs	804,045	810,576	820,984	842,611	872,025	885,041	917,152
Finance and interest costs	10,954	10,917	10,917	40,286	39,657	38,891	37,927
Other expenses	437,175	309,158	350,201	350,578	411,562	478,873	495,847
TOTAL COST OF SERVICES	9,015,050	8,807,569	8,994,191	9,134,503	9,300,754	9,559,698	9,848,351
Income							
Sale of goods and services	355,200	341,924	342,304	346,265	351,379	358,865	358,978
Grants and subsidies	462,129	179,521	241,050	186,792	150,622	142,328	126,465
National Health Reform Agreement	1,981,061	2,060,366	2,070,447	2,173,772	2,308,883	2,436,925	2,591,578
Service Delivery Agreement	683,642	699,135	699,135	719,067	741,435	766,570	792,974
Other revenue	398,859	421,212	421,212	435,991	452,295	452,294	452,294
Resources received free of charge - Commonwealth	36,822	48,335	48,335	49,257	50,934	50,934	50,934
Total Income	3,917,713	3,750,493	3,822,483	3,911,144	4,055,548	4,207,916	4,373,223
NET COST OF SERVICES	5,097,337	5,057,076	5,171,708	5,223,359	5,245,206	5,351,782	5,475,128
INCOME FROM STATE GOVERNMENT							
Service appropriations	5,060,671	4,947,630	5,020,073	5,111,058	5,134,811	5,228,103	5,349,719
Resources received free of charge	2,077	6,888	6,888	6,888	6,888	6,888	6,888
Royalties for Regions Fund:							
Regional Community Services Fund	24,881	56,972	72,395	80,255	71,228	70,588	70,588
Regional Infrastructure and Headworks Fund	38,365	38,313	26,444	24,540	20,509	20,509	20,509
Other appropriations	-	-	-	900	14,638	22,197	27,424
TOTAL INCOME FROM STATE GOVERNMENT	5,125,994	5,049,803	5,125,800	5,223,641	5,248,074	5,348,285	5,475,128
SURPLUS/(DEFICIENCY) FOR THE PERIOD	28,657	(7,273)	(45,908)	282	2,868	(3,497)	-

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

(b) The full-time equivalents for 2017-18 Actual, 2018-19 Estimated Actual and 2019-20 Budget Estimate are 36,496, 37,038 and 37,449 respectively.

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

DETAILS OF CONTROLLED GRANTS AND SUBSIDIES

	2017-18	2018-19	2018-19	2019-20	2020-21	2021-22	2022-23
	Actual	Budget	Estimated	Budget	Forward	Forward	Forward
	\$'000	\$'000	Actual	Estimate ^(a)	Estimate	Estimate	Estimate
			\$'000	\$'000	\$'000	\$'000	\$'000
Aged and Continuing Care Services	5,080	18,499	18,499	8,368	8,559	8,723	8,995
Community Dental Health Services	12	59	59	20	20	21	21
Health Support Services	2,455	3,316	3,316	4,043	4,136	4,215	4,347
Health System Management	7,185	14,795	14,795	11,835	12,104	12,337	12,723
Mental Health Services	310	84	84	510	522	532	548
Public and Community Health Services	30,486	38,336	38,336	50,214	51,359	52,348	53,982
Public Hospital Admitted Services	879	1,650	1,650	1,449	1,482	1,510	1,557
Public Hospital Emergency Services	57	1	1	95	97	99	102
Public Hospital Non-Admitted Services	91	16	16	151	154	157	162
Small Rural Hospital Services	630	16	16	1,037	1,060	1,081	1,115
TOTAL	47,185	76,772	76,772	77,722	79,493	81,023	83,552

(a) The 2019-20 Budget Estimate and forward estimates period have been projected on a similar proportion as the 2017-18 Actual, noting the figures are indicative and the Health Service Providers have discretion in determining these amounts in future periods.

STATEMENT OF FINANCIAL POSITION ^(a)
(Controlled)

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
CURRENT ASSETS							
Cash assets.....	681,397	320,305	547,802	481,427	466,005	462,343	462,343
Restricted cash.....	268,819	277,436	245,571	240,997	240,997	240,564	240,564
Holding account receivables.....	-	3,819	107	214	321	428	428
Receivables.....	212,574	245,406	211,044	211,044	211,044	211,044	211,044
Inventories.....	39,068	41,396	39,068	39,068	39,068	39,068	39,068
Other.....	28,045	31,533	27,360	26,647	25,906	25,906	25,906
Assets held for sale.....	215	12,489	215	215	215	215	215
Total current assets.....	1,230,118	932,384	1,071,167	999,612	983,556	979,568	979,568
NON-CURRENT ASSETS							
Holding account receivables.....	3,135,681	3,536,927	3,540,639	3,974,775	4,401,023	4,806,604	5,202,393
Property, plant and equipment.....	7,811,862	7,872,976	7,669,536	8,233,918	8,087,102	7,851,534	7,566,588
Receivables.....	8,648	6,692	8,648	8,648	8,648	8,648	8,648
Intangibles.....	245,147	287,919	225,883	207,234	189,472	171,960	142,086
Restricted cash.....	32,889	19,154	32,889	32,889	32,889	32,889	32,889
Total non-current assets.....	11,234,227	11,723,668	11,477,595	12,457,464	12,719,134	12,871,635	12,952,604
TOTAL ASSETS.....	12,464,345	12,656,052	12,548,762	13,457,076	13,702,690	13,851,203	13,932,172
CURRENT LIABILITIES							
Employee provisions.....	907,794	837,303	907,794	907,794	907,794	907,794	907,794
Salaries and wages.....	77,405	70,029	77,405	77,405	77,405	77,405	77,405
Payables.....	436,915	452,746	436,915	436,915	436,915	436,915	436,915
Borrowings and leases.....	-	-	-	45,738	37,519	32,251	19,441
Other.....	68,925	71,447	60,723	2,496	3,065	3,520	4,052
Total current liabilities.....	1,491,039	1,431,525	1,482,837	1,470,348	1,462,698	1,457,885	1,445,607
NON-CURRENT LIABILITIES							
Employee provisions.....	210,536	206,388	210,536	210,536	210,536	210,536	210,536
Borrowings and leases.....	122,251	66,342	73,141	650,955	610,347	573,430	555,984
Total non-current liabilities.....	332,787	272,730	283,677	861,491	820,883	783,966	766,520
TOTAL LIABILITIES.....	1,823,826	1,704,255	1,766,514	2,331,839	2,283,581	2,241,851	2,212,127
EQUITY							
Contributed equity.....	7,368,375	7,785,249	7,556,012	7,898,719	8,189,723	8,383,463	8,494,156
Accumulated surplus/(deficit).....	255,208	184,758	209,300	209,582	212,450	208,953	208,953
Reserves.....	3,016,936	2,981,790	3,016,936	3,016,936	3,016,936	3,016,936	3,016,936
Total equity.....	10,640,519	10,951,797	10,782,248	11,125,237	11,419,109	11,609,352	11,720,045
TOTAL LIABILITIES AND EQUITY.....	12,464,345	12,656,052	12,548,762	13,457,076	13,702,690	13,851,203	13,932,172

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

STATEMENT OF CASHFLOWS ^(a)
(Controlled)

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
CASHFLOWS FROM STATE GOVERNMENT							
Service appropriations	4,705,562	4,542,565	4,616,538	4,676,815	4,708,456	4,822,415	4,953,930
Capital appropriation	200,255	114,920	100,263	202,242	115,211	71,465	52,451
Administered equity contribution	2,631	54,904	17,127	54,872	121,532	74,167	25,243
Royalties for Regions Fund:							
Regional Community Services Fund	24,881	62,904	73,347	85,928	77,310	77,388	72,313
Regional Infrastructure and Headworks Fund	233,277	211,902	88,302	99,460	68,688	61,817	51,783
Receipts paid into Consolidated Account	(19,073)	-	-	-	-	-	-
Other	27,000	1,290	7,437	5,000	-	-	-
Administered appropriations	-	-	-	900	14,638	22,197	27,424
Net cash provided by State Government	5,174,533	4,988,485	4,903,014	5,125,217	5,105,835	5,129,449	5,183,144
CASHFLOWS FROM OPERATING ACTIVITIES							
Payments							
Employee benefits	(4,844,179)	(5,020,908)	(5,115,964)	(5,184,553)	(5,206,153)	(5,330,397)	(5,536,416)
Grants and subsidies	(47,184)	(76,772)	(76,772)	(77,722)	(79,493)	(81,023)	(83,552)
Supplies and services	(986,834)	(742,273)	(752,224)	(759,387)	(789,409)	(827,293)	(814,076)
Accommodation	(105,545)	(57,833)	(59,384)	(34,010)	(39,930)	(45,897)	(47,732)
Direct patient support costs	(915,425)	(1,006,895)	(1,024,841)	(1,053,503)	(1,073,690)	(1,099,701)	(1,148,181)
Indirect patient support costs	(234,591)	(209,864)	(215,367)	(219,606)	(222,898)	(226,013)	(234,410)
Visiting medical practitioner costs	(137,973)	(130,693)	(134,127)	(137,032)	(139,333)	(140,882)	(146,182)
Private sector contract costs	(804,045)	(809,890)	(820,297)	(841,903)	(862,628)	(868,931)	(896,341)
GST payments	(409,830)	(282,117)	(282,117)	(282,117)	(282,117)	(282,117)	(282,117)
Finance and interest costs	(10,977)	(10,917)	(10,917)	(40,286)	(39,657)	(38,890)	(37,928)
Other payments	(431,777)	(271,551)	(312,603)	(286,400)	(353,645)	(427,926)	(449,481)
Receipts ^(b)							
Grants and subsidies	462,129	179,521	241,050	186,792	150,622	142,328	126,465
National Health Reform Agreement	1,981,061	2,060,366	2,070,447	2,173,772	2,308,883	2,436,925	2,591,578
Sale of goods and services	387,247	332,924	333,304	337,265	342,379	349,630	358,537
Service Delivery Agreement	994,325	1,035,752	1,035,752	1,067,277	1,101,730	1,126,865	1,153,269
GST receipts	410,590	282,117	282,117	282,117	282,117	282,117	282,117
Other receipts	84,039	84,595	84,595	87,781	92,000	91,999	91,999
Net cash from operating activities	(4,608,969)	(4,644,438)	(4,757,348)	(4,781,515)	(4,811,222)	(4,939,206)	(5,072,451)
CASHFLOWS FROM INVESTING ACTIVITIES							
Purchase of non-current assets	(356,954)	(353,933)	(245,197)	(339,948)	(251,266)	(143,265)	(62,987)
Net cash from investing activities	(356,954)	(353,933)	(245,197)	(339,948)	(251,266)	(143,265)	(62,987)
CASHFLOWS FROM FINANCING ACTIVITIES							
Repayment of borrowings and leases	(64,094)	(57,312)	(57,312)	(74,703)	(58,769)	(51,073)	(47,706)
Other payments	(2,572)	-	-	-	-	-	-
Net cash from financing activities	(66,666)	(57,312)	(57,312)	(74,703)	(58,769)	(51,073)	(47,706)
NET INCREASE/(DECREASE) IN CASH HELD	141,944	(67,198)	(156,843)	(70,949)	(15,422)	(4,095)	-
Cash assets at the beginning of the reporting period	841,161	684,093	983,105	826,262	755,313	739,891	735,796
Cash assets at the end of the reporting period	983,105	616,895	826,262	755,313	739,891	735,796	735,796

(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)

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
Grants and Subsidies							
Commonwealth Grants	414,926	126,011	167,137	109,448	91,011	89,792	74,594
National Health Reform Agreement							
National Health Reform Agreement	1,981,061	2,060,366	2,070,447	2,173,772	2,308,883	2,436,925	2,591,578
GST Receipts							
GST Input Credits	68,531	72,461	45,058	46,472	47,931	49,436	50,987
GST Receipts on Sales	2,243	1,914	2,468	2,539	2,612	2,686	2,763
Other Receipts							
Proceeds from Services Provided by Environmental Health Services	2,696	2,534	2,713	2,767	2,810	2,852	2,901
Proceeds from Services Provided by Miscellaneous Services	7,723	7,982	8,163	8,201	8,262	6,444	6,543
TOTAL	2,477,180	2,271,268	2,295,986	2,343,199	2,461,509	2,588,135	2,729,366

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

Agency Special Purpose Account Details

STATE POOL SPECIAL PURPOSE ACCOUNT

Account Purpose: The State Pool Special Purpose Account provides a mechanism to receive Commonwealth funding for State hospitals and State funding for activity-based hospital services as required under the National Health Reform Agreement.

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000
Opening Balance.....	-	-	-	-
Receipts:				
State Contribution (WA Health)	1,743,262	2,453,779	2,491,116	2,536,777
State Contribution (Mental Health Commission).....	177,213	178,235	170,829	175,576
Commonwealth Contribution	2,174,129	2,251,621	2,267,445	2,375,232
	4,094,604	4,883,635	4,929,390	5,087,585
Payments:				
Payment to Providers	3,815,871	4,596,038	4,640,184	4,786,529
Payments to State Managed Fund (WA Health).....	192,644	207,362	199,998	209,844
Payments to State Managed Fund (Mental Health Commission)	86,089	80,235	89,208	91,212
CLOSING BALANCE.....	-	-	-	-

STATE MANAGED FUND SPECIAL PURPOSE ACCOUNT

Account Purpose: The State Managed Fund Special Purpose Account provides a mechanism to receive Commonwealth funding from the State Pool Special Purpose Account for non-activity based hospital services and State funding for non-activity based hospital services as required under the National Health Reform Agreement.

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000
Opening Balance.....	-	-	-	-
Receipts:				
State Contribution (WA Health)	252,969	301,295	301,733	310,423
State Contribution (Mental Health Commission).....	188,428	175,745	189,129	195,669
Commonwealth Contribution (via State Pool Account).....	192,644	207,362	199,998	209,844
Commonwealth Contribution (State Managed Fund via Mental Health Commission) ^(a)	78,933	73,096	81,239	83,099
	712,974	757,498	772,099	799,035
Payments:				
Payment to Providers	712,974	757,498	772,099	799,035
CLOSING BALANCE.....	-	-	-	-

(a) The Commonwealth and State contributions into the WA Health State Managed Fund has been adjusted to exclude block funding for specific programs from the Mental Health Commission State Managed Fund Special Purpose Account.

Division 22 Mental Health Commission

Part 5 Health

Appropriations, Expenses and Cash Assets

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
DELIVERY OF SERVICES							
Item 52 Net amount appropriated to deliver services.....	695,846	706,647	697,472	710,334	724,727	737,182	771,034
Amount Authorised by Other Statutes							
- Salaries and Allowances Act 1975.....	809	809	809	809	809	811	813
Total appropriations provided to deliver services	696,655	707,456	698,281	711,143	725,536	737,993	771,847
ADMINISTERED TRANSACTIONS							
Item 53 Mental Health Advocacy Service	2,627	2,668	2,668	2,719	2,806	2,883	2,978
Item 54 Mental Health Tribunal.....	2,660	2,590	2,623	2,677	2,763	2,834	2,924
Item 55 Office of the Chief Psychiatrist.....	2,943	3,029	3,029	3,127	3,211	3,305	3,421
TOTAL ADMINISTERED TRANSACTIONS	8,230	8,287	8,320	8,523	8,780	9,022	9,323
CAPITAL							
Item 126 Capital Appropriation (a)	-	-	-	1,349	1,459	1,571	1,693
TOTAL APPROPRIATIONS	704,885	715,743	706,601	721,015	735,775	748,586	782,863
EXPENSES							
Total Cost of Services	894,909	918,403	918,406	942,125	960,909	986,659	1,018,902
Net Cost of Services (b)	696,493	725,424	716,095	737,961	745,934	761,127	793,329
CASH ASSETS (c)	39,334	28,338	37,443	37,226	37,006	36,788	36,570

(a) Additional capital appropriation is provided to fund lease repayments and is not reflected in the Asset Investment Program table.

(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 2018-19 Budget to Parliament on 10 May 2018, are outlined below:

	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
New Initiatives					
Election Commitments					
Response to Methamphetamine Action Plan Taskforce Report					
Crisis Intervention Centre - Midland.....	-	200	1,530	1,546	1,562
Kimberley Alcohol and Other Drug Services					
Four Low Medical Withdrawal Beds	-	172	708	725	744
Youth Services	-	-	212	3,052	5,954
Short-term Safe Places for Critical Intervention Planning	-	200	-	-	-
Western Australian Recovery Colleges	-	213	908	1,063	1,370

	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
Ongoing Initiatives					
Continuation of the Transitional Housing and Support Program.....	-	655	662	669	685
Election Commitment - Response to Methamphetamine Action Plan Taskforce Report					
Continuation of the North West Drug and Alcohol Support Program	-	-	6,500	6,686	6,877
Expansion of Existing Transitional Housing and Support Program.....	-	155	156	158	162
Frontline Worker Training	-	150	152	155	157
Mental Health Police Co-Response Regional Program	-	200	-	-	-
Peer Education Program	-	110	113	116	118
School Drug Education and Road Awareness Program	-	254	260	267	273
Strong Spirit Strong Mind Workforce Training	-	224	227	230	233
Mental Health Court Diversion and Support Program	-	2,890	2,994	-	-
Methamphetamine Action Plan - Community Treatment Facilities	-	-	-	1,572	1,612
Revision to Road Trauma Trust Account - Alcohol Interlocks Assessment and Treatment Funding	-	1,457	1,494	1,531	1,569
Revision to Step Up/Step Down Mental Health Facility					
Broome	-	(2,270)	(2,294)	-	-
Bunbury	-	(2,374)	(760)	-	-
Karratha	-	(2,759)	-	-	-
Step Up/Step Down Mental Health Facility in Kalgoorlie	-	-	-	892	2,614
Suicide Prevention 2020: Together We Can Save Lives	-	5,353	2,746	-	-
Other					
Adjustment to Salaries Cap - Revision to 2021-22 Salaries Expenses	-	-	-	(552)	-
Indexation for Non-Salary Expenses	-	-	-	-	166
Mental Health Public Hospital Services	-	(305)	(661)	(1,033)	(885)
Non-Government Human Services Sector Indexation Adjustment	(1,017)	(993)	(1,005)	(1,032)	(1,032)
Revision to Own-Source Revenue Estimates					
Alcohol Think Again	400	-	-	-	-
Blood Borne Virus Treatment Service.....	137	-	-	-	-
Governance of the Mental Health Network	60	62	63	-	-
Keyworker Plus and Keyworker Plus Regional	170	-	-	-	-
Mobile Clinical Outreach Team	706	-	-	-	-
Parents, Young People and Alcohol Campaign	449	720	742	-	-
Quitline Aboriginal Liaison Team	274	-	-	-	-
Royal Australian and New Zealand College of Psychiatrists Specialist Training Program	103	-	-	-	-
Strong Spirit Strong Minds	1,130	-	-	-	-
Youth Focus	160	163	165	167	170
Voluntary Targeted Separation Scheme - Tranche Two Savings	(145)	(147)	(149)	(151)	(151)

Significant Issues Impacting the Agency

Methamphetamine Action Plan

Immediate Response to the Methamphetamine Action Plan Taskforce Report

1. On 26 November 2018, the State Government provided an immediate response to the Taskforce Report outlining six key actions that will contribute to a safer community and that could be immediately progressed within existing budget settings:
 - 1.1. the expansion of the Police Co-response to cover the full Perth metropolitan area;
 - 1.2. a trial of compulsory crisis intervention;
 - 1.3. the development of a mental health emergency centre in Midland;
 - 1.4. make help easier to find with the development of a one-stop shop to better support individuals and families;
 - 1.5. evaluation of the current school-based alcohol and other drug (AOD) program; and
 - 1.6. the development of the full Government response to the Taskforce Report.

Full Government Response to the Methamphetamine Action Plan Taskforce Report

2. Cross-government initiatives have been developed and have informed the development of the full Government response to the Taskforce Report to contribute to a safer community. Funding has been allocated through this Budget process of \$40.5 million for the Commission and \$2 million for WA Health for the continuation and expansion of evidence-based programs and planning for new services.
3. The response to the Methamphetamine Action Plan Taskforce Report includes funding for the expansion of specialist drug services in the Kimberley which was also a 2017 election commitment. Following consultation with consumers, families and stakeholders, the Government has provided funding of \$31.6 million from 2019-20 to 2022-23 for the continuation of the North West Drug and Alcohol Support Program within the Kimberley, Pilbara and Mid West regions, comprehensive youth alcohol and drug services, and low-medical withdrawal beds.

South West Residential Rehabilitation Service

4. The expansion of specialist drug services in the South West was a 2017 election commitment. A request for tender was undertaken in 2018 to expand low-medical and residential rehabilitation beds by up to 33. A contract has been awarded for 19 beds and the Commission is currently undertaking negotiations for a further 12 beds.

Prevention

Suicide Prevention 2020: Together We Can Save Lives

5. Two key initiatives of Suicide Prevention 2020 include Think Mental Health and the Aboriginal Family Wellbeing Pilot Project. A 2018-19 evaluation of the Think Mental Health campaign indicated strong performance against the campaign objectives. The Aboriginal Family Wellbeing program has delivered training to Aboriginal workers and community members across Western Australia, including the Central Desert, Goldfields, Kimberley and Kununurra.
6. Government has provided a further \$8.1 million for the continuation of this strategy for a further 18 months prior to the release of the new strategy.

New Suicide Prevention Strategy

7. The Commission will be formulating a new Suicide Strategy during 2019-20, which will take into consideration the following:
 - 7.1. developments in the suicide prevention literature;
 - 7.2. capacity development achieved through the Suicide Prevention 2020 strategy;
 - 7.3. suicide prevention investment by the Commonwealth Government in Western Australia, including through the WA Primary Health Alliance; and
 - 7.4. the approval by the Council of Australian Governments, and release of the Fifth National Mental Health and Suicide Prevention Plan.

Strong Spirit Strong Mind Aboriginal Programs (SSSMAP) as Registered Training Organisation (RTO)

8. In 2018, the SSSMAP won the Western Australian Small Training Provider of the Year. A SSSMAP submission to be a RTO was successful and approved by the Australian Skills Quality Authority and SSSMAP is now registered to provide Certificate III in Community Services (CHC32015) and Certificate IV in Alcohol and Other Drugs (CHC43215) until 2026.

Public Education to Prevent and Reduce Risky Alcohol Consumption and Related Harm (Alcohol Think Again)

9. In March 2018, the Preventive Health Summit recommended the continuation of Western Australia's evidence-based public education campaign to prevent and reduce risky alcohol consumption and related harm. In 2018-19, Healthway agreed to three year funding for the Alcohol Think Again, Alcohol and Young People campaign. In 2019-20, the nationally acclaimed Alcohol Think Again public education campaign addressing alcohol and health will enter a new phase incorporating data gained from previous campaign evaluations.

Health Services

Access to Secure Beds

10. The current hospital system in Western Australia has capacity for 795 mental health beds, with 345 of these beds being secure. Patient flow reports indicate a small number of mental health patients wait an extended period of time for a specialised mental health bed when presenting at hospital emergency departments (EDs).

11. A new mental health patient flow model was recently announced by the State Government which will help people with mental health issues move out of EDs into a more appropriate place, in addition to enabling hospitals to see the live data on the number of patients waiting for admission and mental health bed capacity at other hospitals. The State Government is also considering other ways to relieve the pressure on EDs and to support those with mental health issues to access treatment, such as Mental Health Observation Areas, increasing the number of acute mental health beds, and identifying accommodation and community services support needs. This follows the release of the draft Western Australian Mental Health, Alcohol and Other Drug Accommodation and Support Strategy 2018-2025 (the draft Strategy) for consultation.

Forensic Accommodation (Youth and State)

12. The Commission will continue to work together with Health Service Providers and Government agencies to explore all options for improved pathways to care for forensic children and youth, and to identify short to medium-term options for the establishment of appropriate infrastructure for this service.
13. Modelling from the Western Australian Mental Health, Alcohol and Other Drug Services Plan 2015-2025 (the Plan) indicates that a significant number of additional secure acute and sub-acute forensic mental health beds will be needed by 2025. As an interim measure, the Commission is working with Health Services Providers to improve service delivery, noting the prioritisation in forensic mental health services is for children and youth.

Divestment of Graylands and Links to Accommodation Strategy

14. The decommissioning of, and reinvestment of, services from Graylands and Selby Older Adult Hospital are key reform areas in the Plan. The final decommissioning of existing services at Graylands and Selby is anticipated to occur by the end of 2025. Funding of \$3 million has been allocated to WA Health to undertake detailed planning for the decommissioning and reconfiguration of mental health services and progression of divestment activities at the Graylands Hospital site.

Community Bed-Based Services

State-wide Survey of Publicly Funded Mental Health Inpatients - Supporting the Need for More Community Beds - Stepped Care

15. The Plan highlights the need for additional community bed-based and support services to reduce excess reliance upon acute hospital beds. The draft Strategy also identifies a need for timely access to a range of appropriate accommodation and support options for people with mental health and/or AOD issues.
16. To establish a robust evidence base, the Commission is undertaking a State-wide mental health inpatient survey snapshot to determine the proportion of inpatients that could be discharged if the appropriate community bed-based services and supports were available.

Evaluation of Publicly Funded Mental Health Community-Based Services

17. In 2018-19, the Commission has allocated \$326.2 million across Health Service Providers to provide mental health community treatment services across the State. To enhance transparency in relation to the delivery of these services and identify opportunities for improvements in efficiency and effectiveness, an evaluation is being conducted. The findings will inform the Commission's future planning and purchasing decisions.

Community Support

Recovery Colleges

18. The Government election commitment to establish Recovery Colleges is being implemented, with \$3.6 million being provided over the next four years. They are designed to offer assistance and support to individuals to help them maintain personal recovery and to live well in the community, and are a priority in the Plan. An Expert Panel, together with the Commission, co-designed a draft model of service, which will see the Recovery Colleges operate using a hub and satellite design.

Mental Health Court Diversion and Support Program

19. The Government has allocated the Commission \$5.9 million from 2019-20 to 2020-21 towards the Mental Health Court Diversion and Support Program (including Start Court and Links). Further evaluation will occur to support continuation of the program beyond 2020-21.

Other Significant Issues

Western Australian Mental Health, Alcohol and Other Drug Services Plan 2015-2025: Better Choices. Better Lives (Draft Plan Update 2018)

20. The Western Australian Mental Health, Alcohol and Other Drug Services Plan 2015-2025 Draft Plan Update 2018 was released for feedback in February 2019 and includes updated modelling and a summary of progress towards actions outlined in the original plan. Following review and incorporation as appropriate of feedback received, the final Plan Update 2018 is anticipated to be released mid-2019.

Accommodation and Support Strategy

21. The Commission has developed the draft Accommodation and Support Strategy, which provides a framework to guide stakeholders in the development of appropriate accommodation and support for people with mental health and AOD issues. The draft strategy is currently being refined based on the feedback received during consultation. Consultation with key stakeholders continues in order to foster cross-agency collaboration to implement the strategy. The final strategy is anticipated to be released in mid-2019 following Cabinet approval.

Workforce Strategic Framework

22. The Commission has developed a draft Mental Health, Alcohol and Other Drug Workforce Strategic Framework 2019-2025 (Workforce Strategic Framework), which aims to guide the growth and development of an appropriately qualified and skilled workforce that will provide individualised, high-quality mental health and AOD services and programs for the Western Australian community.
23. Community consultation for the draft Workforce Strategic Framework took place from 20 July 2018 to 29 August 2018. A broad range of feedback was received and, where appropriate, has been incorporated. It is anticipated that the Workforce Strategic Framework will be finalised later in 2019.

Western Australian Alcohol and Drug Interagency Strategy 2018-2022

24. The Western Australian Alcohol and Drug Interagency Strategy 2018-2022 was released by the Commission on 29 January 2019, and provides a guide for Government, non-government and the community in addressing the adverse impacts of AOD-related problems in Western Australia. It is aligned to key national and State policies and strategies to ensure consistency and complementary action. The implementation, monitoring and review of the strategy is the responsibility of the Commission in collaboration with key agencies through the Drug and Alcohol Strategic Senior Officers Group (DASSOG). DASSOG agencies have developed Agency Support Plans that more specifically outline their portfolio activities aligned to the key strategic areas and annually report on key milestones and achievements.

Community Step Up/Step Down Services

25. The Government has committed to the development of step up/step down services across Western Australia. Step up/step down services are currently operational in Joondalup (22 beds) and Rockingham (10 beds), with the first regional step up/step down service in Western Australia opened in Albany (six beds) on 15 October 2018. A further five services are planned across regional Western Australia and will be located in Broome (six beds), Bunbury (10 beds), Karratha (six beds), Kalgoorlie (10 beds) and Geraldton (10 beds). It is anticipated that the majority of these step up/step down beds will be operational in 2020.

National Disability Insurance Scheme (NDIS)

26. The Commission continues to work with all relevant agencies to ensure the effective transition to the NDIS in Western Australia. While the rate of transition remains slower than originally expected, the inclusion of individuals with psychosocial disability remains a core component of the Scheme. As part of this work, the Commission is also mindful that many people with psychosocial disability may not be eligible for the NDIS and is committed to ensuring those individuals are able to access the services they require in the future. Discussions are taking place with the Commonwealth Government in regards to the Commission's 'in-kind programs'. Many of the people in these programs are, or will become, NDIS participants, and the Commission is working with the relevant individuals, service providers and government agencies to help make the transition as smooth as possible.

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 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.	Improved mental health and wellbeing.	1. Prevention
	Reduced incidence of use and harm associated with alcohol and other drug (AOD) use.	
	Accessible, high-quality and appropriate mental health and AOD treatments and supports.	2. Hospital Bed-Based Services 3. Community Bed-Based Services 4. Community Treatment 5. Community Support

Service Summary

Expense	2017-18 Actual ^(a) \$'000	2018-19 Budget ^(a) \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
1. Prevention	15,685	13,342	15,014	13,075	11,451	9,133	9,284
2. Hospital Bed-Based Services	383,315	391,755	393,365	403,127	415,396	428,978	443,362
3. Community Bed-Based Services	48,500	57,170	56,262	67,175	66,187	70,280	69,866
4. Community Treatment	401,172	406,614	404,250	408,025	416,679	427,249	443,998
5. Community Support	46,237	49,522	49,515	50,723	51,196	51,019	52,392
Total Cost of Services	894,909	918,403	918,406	942,125	960,909	986,659	1,018,902

(a) The Commission has reviewed and realigned its cost structure to its services and has recast the 2017-18 Actual and 2018-19 Budget for comparative purposes.

Outcomes and Key Effectiveness Indicators ^(a)

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Outcome: Improved mental health and wellbeing:					
Percentage of the population with high or very high levels of psychological distress ^(b)	9.9%	≤9.9%	12.2%	≤12.2%	
Outcome: Reduced incidence of use and harm associated with AOD use:					
Percentage of the population aged 14 years and over reporting recent use of alcohol at a level placing them at risk of lifetime harm ^(c)	18.4%	≤18.4%	18.4%	≤18.4%	
Percentage of the population aged 14 years and over reporting recent use of illicit drugs ^(c)	16.8%	≤16.8%	16.8%	≤16.8%	
Rate of hospitalisation for AOD use ^(d)	988.3	<988.3	969	<969	
Outcome: Accessible, high quality and appropriate mental health and AOD treatments and supports:					
Readmissions to hospital within 28 days of discharge from acute specialised mental health units ^(e)	18.1%	≤12%	17.6%	≤12%	1
Percentage of contacts with community-based public mental health non-admitted services within seven days post-discharge from public mental health inpatient units ^(f)	75.7%	≥75%	80.7%	≥75%	
Percentage of closed AOD treatment episodes completed as planned ^(g)	72.3%	≥76%	70.7%	≥76%	
Percentage of contracted non-government mental health or AOD services that met an approved standard ^(h)	80.5%	95%	85.7%	≥90%	
Percentage of the population receiving public clinical mental health care or AOD treatment ⁽ⁱ⁾	3.1%	≥3.1%	3.1%	≥3.2%	

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

(b) This indicator uses the Kessler Psychological Distress Scale (K10), which is a measure of non-specific psychological distress (e.g. negative emotional states). Data is sourced from the Australian Bureau of Statistics National Health Survey, which is conducted every three years. Results from the 2017-18 survey are presented and the 2019-20 Budget Target is based on the 2017-18 results.

(c) This indicator presents information on the Western Australian prevalence rate for illicit drugs and alcohol. Prevalence of recent use (in the last year) of illicit drugs and consumption of alcohol at levels associated with long-term risk of harm for those aged 14 years and over are sourced from the National Drug Strategy Household Survey, which is conducted every three years. Results from the 2019 survey are presented and the 2019-20 Budget Target is based on the 2019 results.

(d) The 2018-19 Estimated Actual is based on data from the 2017 calendar year due to quality assurance and checking of hospitalisation data.

(e) A readmission for any of the separations identified as 'in scope' is defined as an admission to any acute specialised mental health inpatient unit in Western Australia and includes admissions to specialised mental health inpatient units in publicly funded private hospitals. This indicator is constructed using the national definition and target. Readmission rates are also affected by other factors, such as the cyclic and episodic nature of some illnesses or other issues that are beyond the control of the health system. Data for the 2018-19 Estimated Actual relates to the most recent available data (September 2017 to August 2018).

(f) This indicator reports on clients who were followed up by community-based public mental health non-admitted services within seven days following discharge from acute public mental health inpatient units only. Data for the 2018-19 Estimated Actual relates to the most recent available data (July 2017 to June 2018) because WA Health is now sourcing data from the Mental Health Information Data collection instead of the Mental Health Information System, which needs to be linked by the Data Linkage Branch. This will allow for the most robust estimate of seven days post-discharge follow-up.

(g) This is an indicator of the quality of AOD treatment supports and reports the percentage of closed episodes in AOD treatment services that were completed as planned. It provides an indication of the extent to which treatment objectives are likely to be achieved. Data for the 2018-19 Estimated Actual relates to the most recent available data (December 2017 to November 2018).

(h) This is a new indicator consolidating the previous two indicators: 'Percentage of contracted non-government mental health services that met the National Standards for Mental Health Services through independent evaluation' and 'Percentage of contracted non-government AOD services that met an approved accreditation standard'.

(i) This is a new indicator consolidating the previous two indicators: 'Percentage of the population receiving public clinical mental health care' and 'Percentage of the population receiving public AOD treatment'. Data for the 2018-19 Estimated Actual relates to the most recent available data (July 2017 to June 2018).

Explanation of Significant Movements

(Notes)

1. The target for this indicator is aspirational and has been determined at a national level. Since 2014, readmission rates in Western Australia have been impacted by the introduction of new models of care such as Hospital in the Home and associated data recording and reporting practices. The Commission has implemented a monitoring program for this key effectiveness measure and is regularly reviewing current results with WA Health to further improve performance and enhance data capture.

Services and Key Efficiency Indicators

1. Prevention

Prevention in the mental health and AOD sectors includes activities to promote positive mental health, raise awareness of mental illness, prevent suicide and raise awareness about the potential harms of AOD use in the community.

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 15,685	\$'000 13,342	\$'000 15,014	\$'000 13,075	1
Less Income	2,425	295	2,447	1,198	1
Net Cost of Service	13,260	13,047	12,567	11,877	
Employees (Full-Time Equivalents)	26	21	24	22	
Efficiency Indicators					
Average cost per capita spent on mental health and AOD prevention, promotion and protection activities ^(a)	\$6.63	\$5.54	\$6.19	\$5.40	2

(a) This is a new indicator consolidating the previous two indicators: 'Cost per capita to enhance mental health and wellbeing and prevent suicide (illness prevention, promotion and protection activities)' and 'Cost per capita of the population 14 years and above for initiatives that delay the uptake and reduce the harm associated with alcohol and other drugs'.

Explanation of Significant Movements

(Notes)

1. The decrease in the Total Cost of Service and income is primarily attributable to externally funded grant agreements that are yet to be finalised and, as a result, the associated costs and income are not reflected in the 2019-20 Budget Target.
2. The 2018-19 Estimated Actual for this indicator is significantly above the 2018-19 Budget target because when the target was set (for the 2018-19 Budget Estimate in 2017-18) specified external funding sources, which eventuated at the start of the financial year, could not be included. This includes funding for projects such as the Strong Spirit Strong Mind Metro Project and campaign and evaluation funding from Healthway. As such, the target was an underestimate of Prevention spend.

2. Hospital Bed-Based Services

Hospital Bed-Based Services include mental health acute inpatient units, sub-acute inpatient units, forensic units and Hospital in the Home. They also include the high medical AOD detoxification unit at Next Step.

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 383,315	\$'000 391,755	\$'000 393,365	\$'000 403,127	
Less Income	114,962	113,983	115,837	120,196	
Net Cost of Service	268,353	277,772	277,528	282,931	
Employees (Full-Time Equivalents)	87	86	80	78	
Efficiency Indicators					
Average cost per purchased bed-day in specialised mental health units	\$1,492	\$1,510	\$1,521	\$1,537	
Average cost per purchased bed-day in Hospital in the Home mental health units ^(a)	\$1,456	\$1,547	\$1,449	\$1,463	
Average cost per purchased bed-day in forensic mental health units	\$1,387	\$1,437	\$1,293	\$1,356	1

(a) This is a new indicator consolidating the previous two indicators: 'Average cost per purchased bed-day in acute specialised mental health units and 'Average cost per purchased bed-day in sub-acute specialised mental health units'. This includes the Next Step AOD withdrawal service.

Explanation of Significant Movements

(Notes)

- The 2018-19 Estimated Actual for this indicator is significantly under the 2018-19 Budget target due to a higher than anticipated number of bed-days likely due to high occupancy in the majority of beds in forensic wards.

3. Community Bed-Based Services

Community Bed-Based Services are focused on providing recovery-oriented services and residential rehabilitation in a home-like environment.

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 48,500	\$'000 57,170	\$'000 56,262	\$'000 67,175	1
Less Income	20	-	3	4	
Net Cost of Service	48,480	57,170	56,259	67,171	1
Employees (Full-Time Equivalents)	16	16	16	15	
Efficiency Indicators					
Average cost per purchased bed-day in mental health 24-hour and non-24-hour staffed community bed-based services ^(a)	\$248	\$250	\$251	\$256	
Average cost per purchased bed-day in step up/step down community bed-based units	\$535	\$541	\$548	\$550	
Average cost per completed treatment episode in AOD residential rehabilitation services	\$11,770	\$12,780	\$11,718	\$13,351	2

(a) This is a new indicator consolidating the previous two indicators: 'Average cost per purchased bed-day for 24-hour staffed community bed-based services' and 'Average cost per purchased bed-day for non-24-hour staffed community bed-based services'.

Explanation of Significant Movements

(Notes)

- The increase in Community Bed-Based Services expenditure in the 2019-20 Budget Target primarily relates to an increase in construction activity for several step up/step down mental health facilities.
- The increase in the 2019-20 Budget Target is due to the opening of the residential rehabilitation facility in the South West, which is a relatively more expensive service compared to other existing residential rehabilitation facilities.

4. Community Treatment

Community Treatment provides clinical care in the community for individuals with mental health and AOD problems. These services generally operate with multidisciplinary teams, and include specialised and forensic community clinical services.

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 401,172	\$'000 406,614	\$'000 404,250	\$'000 408,025	
Less Income	80,991	78,701	83,853	82,765	
Net Cost of Service	320,181	327,913	320,397	325,260	
Employees (Full-Time Equivalents)	135	129	124	121	
Efficiency Indicators					
Average cost per purchased treatment day of ambulatory care provided by public clinical mental health services ^(a)	\$466	\$463	\$460	\$463	
Average cost per completed treatment episode in community-based AOD services	\$1,689	\$1,725	\$1,699	\$1,718	

(a) A treatment day refers to any day on which one or more community contacts are recorded for a consumer during their episode of care. An episode is the period of care between the start and end of treatment.

5. Community Support

Community Support services provide individuals with mental health and AOD problems access to the help and support they need to participate in their community. These services include peer support, home in reach, respite, recovery and harm reduction programs.

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 46,237	\$'000 49,522	\$'000 49,515	\$'000 50,723	
Less Income	18	-	171	1	1
Net Cost of Service	46,219	49,522	49,344	50,722	
Employees (Full-Time Equivalents)	7	7	7	6	
Efficiency Indicators					
Average cost per hour for community support provided to people with mental health issues	\$133	\$133	\$119	\$122	2
Average cost per episode of care in safe places for intoxicated people ^(a)	\$375	\$371	\$396	\$408	

(a) Safe places for intoxicated individuals (sobering up centres), provide residential care overnight for intoxicated individuals. An episode is defined as an admission to a sobering up centre which may be for a few hours or overnight.

Explanation of Significant Movements

(Notes)

1. WA Primary Health Alliance provided the Commission additional once-off funding in 2018-19 for the Keyworker Plus and Keyworker Plus Regional program.
2. The 2018-19 Estimated Actual for this indicator is significantly under the 2018-19 Budget target due to a higher than anticipated number of community support hours being provided than when the target was set.

Asset Investment Program

- The Commission has been allocated \$5.9 million over the forward estimates period for the construction of a 10-bed community mental health step up/step down facility in Geraldton.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-19 \$'000	2018-19 Estimated Expenditure \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
NEW WORKS							
Election Commitment - Step Up/Step Down Mental Health Facility in Geraldton.....	5,930	-	-	1,508	4,176	246	-
Total Cost of Asset Investment Program	5,930	-	-	1,508	4,176	246	-
FUNDED BY							
Drawdowns from Royalties for Regions Fund			-	1,508	4,176	246	-
Total Funding.....			-	1,508	4,176	246	-

Financial Statements

- The implementation of new accounting standard AASB 16: *Leases* significantly impacts the Statement of Financial Position by bringing arrangements previously classified as operating leases on to the balance sheet. On the Income Statement, previous rental expenses for operating leases are removed and replaced with interest expense for the lease obligation and a depreciation cost for the right of use asset. Further information on AASB 16 and other new accounting standards impacting the Budget are detailed in a feature box in Budget Paper No. 3.

Income Statement

Expenses

- Total Cost of Services is estimated to increase by \$23.7 million in 2019-20 compared to the 2018-19 Estimated Actual. This is primarily attributable to an increase in purchased public health services of \$19.9 million and increases in services purchased from non-government organisations of \$6.2 million. These are being partially offset by reduced expenditure relating to externally funded grant agreements that are yet to be finalised and reflected in the 2019-20 Budget Estimate.

Income

- Income from the State Government is anticipated to increase by \$23.5 million in 2019-20 compared to the 2018-19 Estimated Actual. This is primarily due to an increase of \$15.5 million in State funding for the purchase of public health services from Health Service Providers and an increase of \$10.6 million from Royalties for Regions to fund step up/step down mental health facilities in Karratha, Bunbury and Kalgoorlie and AOD low medical withdrawal and residential rehabilitation beds in the South West.

INCOME STATEMENT ^(a)
(Controlled)

	2017-18	2018-19	2018-19	2019-20	2020-21	2021-22	2022-23
	Actual	Budget	Estimated	Budget	Forward	Forward	Forward
	\$'000	\$'000	Actual	Estimate	Estimate	Estimate	Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
COST OF SERVICES							
Expenses							
Employee benefits ^(b)	37,487	33,422	34,795	34,236	34,282	34,453	34,917
Grants and subsidies ^(c)	2,486	2,353	6,033	11,146	521	127	127
Supplies and services	165,511	178,421	173,789	173,425	180,502	181,395	186,834
Accommodation	2,387	2,509	2,509	248	239	239	239
Depreciation and amortisation	494	341	341	2,000	2,009	2,010	2,009
Finance and interest costs	-	-	-	369	321	265	202
Service Delivery Agreement - WA Health	683,642	699,135	699,135	719,067	741,435	766,570	792,974
Other expenses	2,902	2,222	1,804	1,634	1,600	1,600	1,600
TOTAL COST OF SERVICES	894,909	918,403	918,406	942,125	960,909	986,659	1,018,902
Income							
Grants and subsidies	4,980	1,429	5,018	2,402	2,464	1,698	1,739
National Health Reform Agreement	193,068	191,255	196,998	201,460	212,209	223,532	223,532
Other revenue	368	295	295	302	302	302	302
Total Income	198,416	192,979	202,311	204,164	214,975	225,532	225,573
NET COST OF SERVICES	696,493	725,424	716,095	737,961	745,934	761,127	793,329
INCOME FROM STATE GOVERNMENT							
Service appropriations	696,655	707,456	698,281	711,143	725,536	737,993	771,847
Resources received free of charge	3,428	4,097	4,097	4,159	4,221	4,221	4,221
Royalties for Regions Fund:							
Regional Community Services Fund	6,613	13,513	10,401	18,222	15,528	18,550	16,898
Regional Infrastructure and Headworks Fund	-	-	1,280	4,075	284	-	-
TOTAL INCOME FROM STATE GOVERNMENT	706,696	725,066	714,059	737,599	745,569	760,764	792,966
SURPLUS/(DEFICIENCY) FOR THE PERIOD	10,203	(358)	(2,036)	(362)	(365)	(363)	(363)

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

(b) The Commission's full-time equivalents for 2017-18 Actual, 2018-19 Estimated Actual and 2019-20 Budget Estimate are 271, 251, and 242 respectively.

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

DETAILS OF CONTROLLED GRANTS AND SUBSIDIES

	2017-18	2018-19	2018-19	2019-20	2020-21	2021-22	2022-23
	Actual	Budget	Estimated	Budget	Forward	Forward	Forward
	\$'000	\$'000	Actual	Estimate	Estimate	Estimate	Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Department of Communities							
Bunbury Step Up/Step Down	-	230	2,367	2,193	-	-	-
Kalgoorlie Step Up/Step Down	-	-	1,280	4,075	284	-	-
Karratha Step Up/Step Down	-	230	1,592	4,641	-	-	-
Other	97	-	-	-	-	-	-
Youth Crisis Accommodation Support	448	-	-	-	-	-	-
Department of Education - Suicide Prevention Strategy	327	363	-	-	-	-	-
Non-Government Grants							
Ice Breakers Program	180	180	180	-	-	-	-
Other	564	343	614	237	237	127	127
Prevention and Anti-Stigma	200	153	-	-	-	-	-
Suicide Prevention Strategy	670	854	-	-	-	-	-
TOTAL	2,486	2,353	6,033	11,146	521	127	127

STATEMENT OF FINANCIAL POSITION ^(a)
(Controlled)

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
CURRENT ASSETS							
Cash assets.....	32,614	23,199	32,254	31,892	31,527	31,309	31,091
Restricted cash.....	6,720	5,139	5,189	5,334	5,479	5,479	5,479
Receivables.....	603	491	603	603	603	603	603
Other.....	45	46	45	45	45	45	45
Total current assets.....	39,982	28,875	38,091	37,874	37,654	37,436	37,218
NON-CURRENT ASSETS							
Holding account receivables.....	5,827	6,168	6,168	8,168	10,177	12,187	14,196
Property, plant and equipment.....	21,602	22,720	21,261	30,855	33,143	31,430	29,476
Total non-current assets.....	27,429	28,888	27,429	39,023	43,320	43,617	43,672
TOTAL ASSETS	67,411	57,763	65,520	76,897	80,974	81,053	80,890
CURRENT LIABILITIES							
Employee provisions.....	5,828	6,060	6,040	6,185	6,330	6,475	6,620
Payables.....	1,763	3,900	1,797	1,797	1,797	1,797	1,797
Other.....	-	5	-	-	-	-	-
Total current liabilities.....	7,591	9,965	7,837	7,982	8,127	8,272	8,417
NON-CURRENT LIABILITIES							
Employee provisions.....	2,193	1,998	2,092	2,092	2,092	2,092	2,092
Borrowings and leases	-	-	-	8,737	7,399	5,879	4,241
Total non-current liabilities.....	2,193	1,998	2,092	10,829	9,491	7,971	6,333
TOTAL LIABILITIES	9,784	11,963	9,929	18,811	17,618	16,243	14,750
EQUITY							
Contributed equity.....	32,135	26,739	32,135	34,992	40,627	42,444	44,137
Accumulated surplus/(deficit).....	25,492	18,453	23,456	23,094	22,729	22,366	22,003
Reserves	-	608	-	-	-	-	-
Total equity	57,627	45,800	55,591	58,086	63,356	64,810	66,140
TOTAL LIABILITIES AND EQUITY	67,411	57,763	65,520	76,897	80,974	81,053	80,890

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

STATEMENT OF CASHFLOWS ^(a)
(Controlled)

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
CASHFLOWS FROM STATE GOVERNMENT							
Service appropriations	696,314	707,115	697,940	709,143	723,527	735,983	769,838
Capital Appropriation	-	-	-	1,349	1,459	1,571	1,693
Royalties for Regions Fund:							
Regional Community Services Fund	6,613	13,513	10,401	18,222	15,528	18,550	16,898
Regional Infrastructure and Headworks Fund	-	976	1,280	5,583	4,460	246	-
Net cash provided by State Government	702,927	721,604	709,621	734,297	744,974	756,350	788,429
CASHFLOWS FROM OPERATING ACTIVITIES							
Payments							
Employee benefits	(37,144)	(33,277)	(34,650)	(34,091)	(34,137)	(34,308)	(34,772)
Grants and subsidies	(2,453)	(2,353)	(6,033)	(11,146)	(521)	(127)	(127)
Supplies and services	(163,839)	(174,451)	(169,819)	(169,382)	(176,399)	(177,292)	(182,731)
Accommodation	(2,618)	(2,478)	(2,478)	(230)	(221)	(221)	(221)
Finance and interest costs	-	-	-	(369)	(321)	(265)	(202)
Service Delivery Agreement - WA Health	(683,642)	(699,135)	(699,135)	(719,067)	(741,435)	(766,570)	(792,974)
Other payments	(2,694)	(2,126)	(1,708)	(1,536)	(1,500)	(1,500)	(1,500)
Receipts ^(b)							
Grants and subsidies	4,597	1,429	5,018	2,402	2,464	1,698	1,739
National Health Reform Agreement	193,068	191,255	196,998	201,460	212,209	223,532	223,532
Other receipts	528	295	295	302	302	302	302
Net cash from operating activities	(694,197)	(720,841)	(711,512)	(731,657)	(739,559)	(754,751)	(786,954)
CASHFLOWS FROM INVESTING ACTIVITIES							
Purchase of non-current assets	(153)	(976)	-	(1,508)	(4,176)	(246)	-
Net cash from investing activities	(153)	(976)	-	(1,508)	(4,176)	(246)	-
CASHFLOWS FROM FINANCING ACTIVITIES							
Repayment of borrowings and leases	-	-	-	(1,349)	(1,459)	(1,571)	(1,693)
Net cash from financing activities	-	-	-	(1,349)	(1,459)	(1,571)	(1,693)
NET INCREASE/(DECREASE) IN CASH HELD	8,577	(213)	(1,891)	(217)	(220)	(218)	(218)
Cash assets at the beginning of the reporting period	30,757	28,551	39,334	37,443	37,226	37,006	36,788
Cash assets at the end of the reporting period	39,334	28,338	37,443	37,226	37,006	36,788	36,570

(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 Commission. 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)

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
Grants and Subsidies							
Other Grant Funding	4,416	1,429	5,018	2,402	2,464	1,698	1,739
National Health Reform Agreement							
Commonwealth Grants	193,249	191,255	196,998	201,460	212,209	223,532	223,532
Other Receipts							
Other Revenue	528	295	295	302	302	302	302
TOTAL	198,193	192,979	202,311	204,164	214,975	225,532	225,573

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

DETAILS OF ADMINISTERED TRANSACTIONS

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
INCOME							
Other							
Administered Appropriation	8,230	8,287	8,320	8,523	8,780	9,022	9,323
Other Revenue	2	-	-	-	-	-	-
Services Received Free of Charge	1,183	1,068	1,068	1,089	1,116	1,144	1,144
TOTAL ADMINISTERED INCOME	9,415	9,355	9,388	9,612	9,896	10,166	10,467
EXPENSES							
Other							
Mental Health Advocacy Service	2,998	3,020	3,020	3,082	3,176	3,258	3,351
Mental Health Tribunal	3,068	2,907	2,940	3,016	3,100	3,170	3,250
Office of the Chief Psychiatrist	3,510	3,428	3,428	3,533	3,628	3,734	3,850
TOTAL ADMINISTERED EXPENSES ^(a)	9,576	9,355	9,388	9,631	9,904	10,162	10,451

(a) The Administered Entities full-time equivalents for the 2017-18 Actual, 2018-19 Estimated Actual and 2019-20 Budget Estimate are 30, 30 and 30 respectively.

Agency Special Purpose Account Details**STATE MANAGED FUND SPECIAL PURPOSE ACCOUNT**

Account Purpose: The State Health Funding Special Purpose Account provides a mechanism to receive Commonwealth funding for mental health related activity from the State Pool Special Purpose Account for non-activity based hospital services and State funding for non-activity based hospital services, as required under the National Health Reform Agreement.

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000
Opening Balance	-	-	-	-
Receipts:				
Appropriations	191,009	188,565	202,880	209,668
Other	86,089	80,235	89,208	91,212
	277,098	268,800	292,088	301,127
Payments	277,098	268,800	292,088	301,127
CLOSING BALANCE	-	-	-	-

Health and Disability Services Complaints Office

Part 5 Health

Asset Investment Program

- To support the implementation of the National Code of Conduct for Health Care Workers, \$300,000 will be spent in 2019-20 to procure a new case management system.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-19 \$'000	2018-19 Estimated Expenditure \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
NEW WORKS							
Case Management System	300	-	-	300	-	-	-
Total Cost of Asset Investment Program	300	-	-	300	-	-	-
FUNDED BY							
Funding Included in Department of Treasury							
Administered Item.....			-	100	-	-	-
Internal Funds and Balances.....			-	200	-	-	-
Total Funding.....			-	300	-	-	-

Animal Resources Authority

Part 5 Health

Asset Investment Program

1. The Authority's Asset Investment Program of \$200,000 relates to routine asset replacement at the Animal Resources Centre facility.
2. Asset investment expenditure is \$1.5 million higher than the 2018-19 Budget Estimate mainly due to tender delays associated with the procurement of the autoclave, which has resulted in a reflow of expenditure from 2017-18.
3. An additional \$179,000 will be spent on immediate capital upgrades in 2018-19 in relation to cooling towers (\$114,000), which are an integral part of the facility's heating, ventilation and air conditioning system, and to address urgent works in the Authority's rolling maintenance programs (\$65,000). The additional works are funded from an equity contribution from the Consolidated Account.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-19 \$'000	2018-19 Estimated Expenditure \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
COMPLETED WORKS							
Asset Replacement - 2018-19 Program	265	265	265	-	-	-	-
Autoclave	1,120	1,120	1,120	-	-	-	-
Cooling Towers	218	218	199	-	-	-	-
Ventilated Cages	115	115	88	-	-	-	-
NEW WORKS							
Asset Replacement							
2019-20 Program	200	-	-	200	-	-	-
2020-21 Program	200	-	-	-	200	-	-
2021-22 Program	200	-	-	-	-	200	-
2022-23 Program	200	-	-	-	-	-	200
Total Cost of Asset Investment Program	2,518	1,718	1,672	200	200	200	200
FUNDED BY							
Funding Included in Department of Treasury Administered Item			1,299	-	-	-	-
Internal Funds and Balances			373	200	200	200	200
Total Funding			1,672	200	200	200	200

Part 6

Education and Training

Introduction

The Education and Training portfolio delivers and regulates education for Western Australian students. This includes the early childhood education and care sector, primary and secondary schools in the government and non-government school sectors, and the TAFE sector. The portfolio ensures that all students across Western Australia have access to a quality education for a bright future, developing a skilled workforce that meets the State's economic and community needs.

The portfolio is contributing to the achievement of the following Our Priorities and associated targets:

- A Strong Economy
 - creating jobs;
- A Bright Future
 - increasing student reading and numeracy;
 - increasing participation in STEM;
- Aboriginal Wellbeing
 - reducing the over-representation of Aboriginal people in custody; and
- Regional prosperity
 - delivering strong regional economies.

Summary of Recurrent and Asset Investment Expenditure

Agency	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000
Education		
– Total Cost of Services	5,138,537	5,241,086
– Asset Investment Program	482,967	452,810
Training and Workforce Development		
– Total Cost of Services	554,672	577,616
– Asset Investment Program	19,344	21,300
TAFE Colleges		
– Asset Investment Program	14,026	8,664

Ministerial Responsibilities

Minister	Agency	Services
Minister for Education and Training	Education	<ol style="list-style-type: none"> 1. Public Primary Education 2. Public Secondary Education 3. Regulation and Non-Government Sector Assistance 4. Support to the School Curriculum and Standards Authority
	Training and Workforce Development	<ol style="list-style-type: none"> 1. Workforce Planning and Development 2. Development of Vocational Education and Training Policy and Programs 3. Jobs and Skills Centre Services 4. Skilled Migration, Including Overseas Qualification Assessment 5. Apprenticeship and Traineeship Administration and Regulation 6. Procurement of Training 7. Recruitment and Management of International Students 8. Infrastructure Management for TAFE Colleges 9. Support Services to TAFE Colleges 10. Regulatory Services to Registered Training Organisations
	TAFE Colleges	n/a

Division 23 Education

Part 6 Education and Training

Appropriations, Expenses and Cash Assets

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
DELIVERY OF SERVICES							
Item 56 Net amount appropriated to deliver services.....	4,051,999	4,041,976	4,063,017	4,066,704	4,157,678	4,287,810	4,493,942
Amount Authorised by Other Statutes							
- Salaries and Allowances Act 1975.....	1,675	1,538	1,443	1,443	1,443	1,454	1,460
Total appropriations provided to deliver services	4,053,674	4,043,514	4,064,460	4,068,147	4,159,121	4,289,264	4,495,402
ADMINISTERED TRANSACTIONS							
Item 57 Amount provided for Administered Grants, Subsidies and Other Transfer Payments.....	449,980	451,223	454,256	451,873	447,023	445,721	437,879
CAPITAL							
Item 127 Capital Appropriation	262,626	251,781	248,980	343,494	173,217	130,397	119,583
TOTAL APPROPRIATIONS	4,766,280	4,746,518	4,767,696	4,863,514	4,779,361	4,865,382	5,052,864
EXPENSES							
Total Cost of Services	5,351,934	5,090,961	5,138,537	5,241,086	5,383,509	5,588,844	5,888,557
Net Cost of Services (a).....	4,330,851	4,045,542	4,064,266	4,083,009	4,146,778	4,285,101	4,492,047
CASH ASSETS (b).....	649,221	558,482	575,799	559,481	591,719	611,520	624,704

(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 2018-19 Budget to Parliament on 10 May 2018, are outlined below:

	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
New Initiatives					
National School Reform Agreement - State Contribution to Government Schools.....	-	-	-	30,807	99,963
Response to the Methamphetamine Action Plan Taskforce Report - School Drug Education Program	-	254	260	267	272
Science, Technology, Engineering and Mathematics Enterprise Schools Project	475	925	462	100	-
Ongoing Initiatives					
Adjustment to Commonwealth Grants					
National School Chaplaincy Program	7,729	7,729	7,729	7,729	-
Universal Access to Early Childhood Education	18,050	44,754	25,296	-	-
Other Commonwealth Grants	(171)	166	(80)	98	306
Adjustment to State Government Grants.....	184	(83)	(285)	(476)	(476)
Growth Funding - Revisions to Student Enrolment and Cost Growth Forecast.....	21,889	40,491	62,931	78,831	(8,903)
Revision to Royalties for Regions Program	5,050	447	756	462	17
Road Safety and Drug Education	614	1,434	1,400	1,506	1,506

	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
Other					
2019-20 Tariffs, Fees and Charges	-	1,152	1,029	1,370	1,751
Capping of Leave Liabilities	(11,587)	-	-	-	-
Government Office Accommodation Reform Program	(94)	(83)	(70)	(56)	(56)
Government Regional Officer Housing	(1,895)	(5,816)	(7,352)	(9,457)	(7,623)
Moora Residential College Operating Costs	189	378	378	378	378
National Assessment Program - Literacy and Numeracy (NAPLAN) Online ...	671	1,435	-	-	-
Non-Government Human Services Sector Indexation Adjustment	(104)	(107)	(109)	(112)	659
Revision to Depreciation and Amortisation	(1,604)	(6,829)	(886)	1,122	4,374
Revision to Low Interest Loans Scheme	(296)	234	(3)	(129)	1,216
Revision to Own-Source Revenue	407	406	1,183	1,183	1,183
Salaries and Allowances Tribunal Determination	(95)	(95)	(95)	(84)	-
Settlement of Residential Colleges Loan	(692)	(692)	(692)	(692)	(692)
Transfer of Oracle Licences from the Department of Planning, Lands and Heritage	97	99	101	103	105
Transfer of Scholarships to the Department of Jobs, Tourism, Science and Innovation	(37)	(39)	(39)	(39)	(39)
Transfer of the Training Accreditation Council Secretariat to the Department of Training and Workforce Development	(1,620)	(2,711)	(2,724)	(2,737)	(2,750)
Upgrade and Maintenance Costs to Tuart College for Western Australian Football Commission Accommodation	106	215	220	225	230
Voluntary Targeted Severance Scheme	3,990	-	-	(9,007)	-

Significant Issues Impacting the Agency

- Given the high expectations of success for every student, the Department's priorities include:
 - having senior secondary students on learning pathways that explicitly connect to further training or higher education;
 - building student interest, aspiration, participation and capability in science, technology, engineering and mathematics (STEM);
 - improving student writing, reading and numeracy;
 - focus on growth in student achievement as well as standards; and
 - providing deliberate opportunities for students to develop critical thinking, creativity and entrepreneurship.
- Best possible teaching practices remain a key focus, including supporting teachers to cater for the needs of academically able primary students, and the development of the Centre for Excellence in the Explicit Teaching of Literacy.
- The next enterprise bargaining agreements for the Public Service and Government Officers General Agreement 2019 are underway. Separate logs of claims are expected from the Civil Service Association. Bargaining parameters are being developed based on the Public Sector Wages Policy and Statement 2017.
- The increased complexity of the role and the issues of community that so often impact students and staff has impacted the health and wellbeing of school leaders, as the recent Principal Health and Wellbeing report indicated. The Department's focus includes continuing the corporate health program, offering confidential wellness assessments and health and wellbeing workshops. At the same time, the Department's Leadership Strategy includes initiatives to strengthen the skills, capacity and wellbeing of our school leaders.
- Improved engagement and educational outcomes for Aboriginal students remain disproportionately low in comparison with non-Aboriginal students. Priorities for public schools include using the Aboriginal Cultural Standards Framework to improve outcomes for Aboriginal students, develop research partnerships, continue KindiLink for a further three years and progressively implement KindiLink across all schools involved in the Kimberley Schools Project. Embedding Aboriginal histories, cultures and languages in classroom practice is also a priority.
- An ongoing focus in the early years on improving health and wellbeing of children is required to ensure all Western Australian children have a solid foundation for education. Identifying target groups of students where connected intervention across multiple agencies will generate positive outcomes will be a key focus in meeting the targets of Our Priorities.

7. The number of teachers with expertise in teaching STEM remains a challenge. Strategies include professional learning for teachers in secondary subject areas, for example the Leap Program, attraction of teachers through initiatives such as Teach for Australia and working closely with universities to advocate for secondary teaching. An additional investment from the State Government to implement the STEM Enterprise Schools Program will also assist in addressing the challenge.
8. The wellbeing, resilience, emotional regulation and behaviour of children and young people continue to be challenging community issues that have an impact on the safety of students and staff in schools. Priorities include the 10 point action plan on addressing violence, better alignment and integration of services for at-risk students and a pilot of alternate learning settings for the most violent students.
9. To meet the increased need to support students with autism, additional specialist programs are being set up in public schools to provide a seamless education across Kindergarten to Year 12. With the increase in the number of students requiring support through the disability allocation, funding distributed to schools each year is increasing.
10. With continuing high demand for vocational education and training in schools, a plan is being implemented to improve quality of training in schools and strengthen the focus on supporting future job prospects for students.
11. Following the tabling of the report 'Setting the Stage for Improvement: Department of Education's Management of Student Attendance', further work has commenced to improve student attendance, with a focus on partnerships with stakeholders from across Government and the broader community.
12. Of the 409 recommendations from the Royal Commission into Institutional Responses to Child Sexual Abuse, many are directly or indirectly relevant to, or impact on, the operations of schools and the Department.
13. An investment of \$452.8 million will be spent in 2019-20 to deliver new schools and expand existing ones to meet student enrolment growth across the State. This investment will also provide upgrades to existing schools to address an ageing asset portfolio and strengthen the delivery of education services. This significant capital investment supports local jobs to strengthen the State's economy.
14. The State Government signed the National School Reform Agreement in December 2018, ensuring Western Australia receives a fairer share of Commonwealth education funding. As part of the National School Reform Agreement, the Department has committed to delivering a number of education reforms, including enhanced measures to individually assess student progress, implementation of a leadership strategy and new public school review process, and the provision of resources to increase the capacity of teachers to embed the Aboriginal Cultural Standards Framework in classrooms.
15. Following release of the Government's whole-of-government vision of Sharing Prosperity, work is already underway in developing a plan, in collaboration with other agencies, to meet the Our Priorities targets. Specifically, the focus is on a new way of working across the public sector to improve the outcomes for all young people in Western Australia as defined by the targets of a bright future, Aboriginal wellbeing and a safer community.

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

The Department has revised its Outcome Based Management (OBM) structure to reflect its current operations. The Services and Key Performance Information for the 2017-18 Actual and 2018-19 Budget have been restated where possible for comparability purposes and are unaudited.

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
Strong Communities: Safe communities and supported families.	School students across Western Australia have access to high quality education.	1. Public Primary Education 2. Public Secondary Education 3. Regulation and Non-Government Sector Assistance 4. Support to the School Curriculum and Standards Authority

Service Summary ^(a)

Expense	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
1. Public Primary Education.....	3,132,637	2,940,323	2,963,926	3,002,863	3,090,131	3,212,071	3,398,970
2. Public Secondary Education.....	2,102,971	2,033,295	2,045,574	2,114,067	2,177,540	2,268,903	2,383,600
3. Regulation and Non-Government Sector Assistance	83,165	84,148	94,810	90,718	83,102	75,001	72,966
4. Support to the School Curriculum and Standards Authority	33,161	33,195	34,227	33,438	32,736	32,869	33,021
Total Cost of Services.....	5,351,934	5,090,961	5,138,537	5,241,086	5,383,509	5,588,844	5,888,557

(a) The decrease in expense growth for the 2018-19 Budget is due to the 2017-18 Actual reflecting the non-cash adjustment relating to a decrement in the value of the buildings.

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

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target ^(c)	Note
Outcome: School students across Western Australia have access to high quality education:					
Rate of participation in education (proportion of persons aged 15 to 17 years in some form of education).....	96.2%	97%	96.2%	97%	1
Retention in public schooling (proportion of Year 8 public school cohort studying in Year 12).....	80.1%	81%	81.4%	82%	
Western Australian Certificate of Education (WACE) achievement rate by Year 12 public school students ^(d)	79.5%	80%	80.5%	81%	2
Year 3 public school students achieving proficiency ^(d) in:					
Reading	67.3%	68%	70%	71%	3
Numeracy	67.6%	68%	69.2%	70%	3
Year 5 public school students achieving proficiency ^(d) in:					
Reading	65%	66%	68.4%	69%	3
Numeracy	64.5%	65%	66.3%	67%	3
Year 7 public school students achieving proficiency ^(d) in:					
Reading	62.6%	63%	64.3%	65%	3
Numeracy	61.1%	62%	62.1%	63%	3
Year 9 public school students achieving proficiency ^(d) in:					
Reading	64.3%	66%	71.1%	72%	3
Numeracy	65.3%	66%	70.5%	71%	3

(a) Further information about the key effectiveness indicators is available from the Department's website.

(b) The Department has revised its OBM structure to reflect its current operations. Performance against the superseded indicators and targets from the 2018-19 Budget will be reported in the Department's 2018-19 Annual Report.

(c) The 2019-20 Budget Target is based on the higher of the 2017-18 Actual and the 2018-19 Estimated Actual, rounded up to the next integer.

(d) This is a new key effectiveness indicator. The 2017-18 Actual and 2018-19 Budget have been recast for comparability purposes based on the Department's revised OBM reporting structure and are unaudited.

Explanation of Significant Movements

(Notes)

1. The participation rate for 2017-18 Actual reported here is different from that reported in the Department's 2017-18 Annual Report because it incorporates university data that had not yet been released for the Annual Report. The final revised rate for 2017-18 will be reported in the Department's 2018-19 Annual Report.
2. The WACE achievement rate has replaced the secondary graduation rate as a key effectiveness indicator. The WACE achievement rate is calculated by longitudinally tracking the number of individual Year 12 public school students who achieve the WACE. By contrast, the secondary graduation rate was an apparent rate that did not longitudinally track the WACE outcome of each individual student.
3. To achieve proficiency, students must meet much higher standards of reading and numeracy than the national minimum standards previously reported as key effectiveness indicators. The proficiency standards were developed by the Australian Curriculum, Assessment and Reporting Authority in consultation with State and territory education jurisdictions to indicate the proportion of students who demonstrate the literacy or numeracy skills that most students should have acquired by that year of schooling. As such, proficiency standards represent far better indicators of the quality of students' learning than national minimum standards.

Services and Key Efficiency Indicators

1. Public Primary Education

This service provides access to education in public schools for persons aged generally from four years and six months to 11 years and six months.

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
	\$'000	\$'000	\$'000	\$'000	
Total Cost of Service	3,132,637	2,940,323	2,963,926	3,002,863	1
Less Income	574,678	594,599	610,439	662,031	2
Net Cost of Service	2,557,959	2,345,724	2,353,487	2,340,832	
Employees (Full-Time Equivalents)	23,683	24,066	23,737	23,924	
Efficiency Indicators					
Cost per student full-time equivalents (primary) ^(a)	\$15,341	\$15,384	\$15,523	\$15,582	

(a) This is an existing efficiency indicator; however, the 2017-18 Actual and 2018-19 Budget figures vary from previously published figures due to a change in the calculation methodology as a result of the Department's revised OBM reporting structure.

Explanation of Significant Movements

(Notes)

1. The decrease in expenditure for the 2018-19 Budget is due to the 2017-18 Actual reflecting the non-cash adjustment relating to a decrement in the value of the buildings.
2. The increase in income from the 2018-19 Estimated Actual to the 2019-20 Budget Target is primarily due to Western Australia signing the National School Reform Agreement, resulting in additional Commonwealth funding.

2. Public Secondary Education

This service provides access to education in public schools for persons aged generally from 11 years and six months. It includes the provision of accommodation, care and services for students from rural and remote areas who have to board away from home to attend a public school.

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
	\$'000	\$'000	\$'000	\$'000	
Total Cost of Service	2,102,971	2,033,295	2,045,574	2,114,067	1
Less Income	399,879	407,448	412,976	446,708	2
Net Cost of Service	1,703,092	1,625,847	1,632,598	1,667,359	
Employees (Full-Time Equivalents)	14,809	15,141	15,063	15,319	
Efficiency Indicators					
Cost per student full-time equivalents (secondary) ^(a)	\$18,724	\$18,870	\$19,003	\$19,018	

(a) This is an existing efficiency indicator; however, the 2017-18 Actual and 2018-19 Budget figures vary from previously published figures due to a change in the calculation methodology as a result of the Department's revised OBM reporting structure.

Explanation of Significant Movements

(Notes)

1. The decrease in expenditure for the 2018-19 Budget is due to the 2017-18 Actual reflecting the non-cash adjustment relating to a decrement in the value of the buildings.
2. The increase in income from the 2018-19 Estimated Actual to the 2019-20 Budget Target is primarily due to Western Australia signing the National School Reform Agreement, resulting in additional Commonwealth funding.

3. Regulation and Non-Government Sector Assistance

This service provides regulatory and assistance services, as required by legislation or government policy, to support provision of quality services by non-government schools, universities and teachers across all Western Australian schools. It also includes the provision of accommodation, care and services for students from rural and remote areas who have to board away from home to attend a non-government school.

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 83,165	\$'000 84,148	\$'000 94,810	\$'000 90,718	
Less Income	43,555	40,790	47,867	46,347	1
Net Cost of Service	39,610	43,358	46,943	44,371	
Employees (Full-Time Equivalents)	217	214	207	205	2
Efficiency Indicators					
Cost of non-government school regulatory services per non-government school	\$8,169	\$7,824	\$7,757	\$7,841	
Cost of teacher regulatory services per teacher ^(a)	\$96	\$107	\$107	\$109	

(a) This is an existing efficiency indicator; however, the 2017-18 Actual and 2018-19 Budget figures vary from previously published figures due to a change in the calculation methodology as a result of the Department's revised OBM reporting structure.

Explanation of Significant Movements

(Notes)

1. The increase in income from the 2018-19 Budget to the 2018-19 Estimated Actual is primarily due to the extension of Commonwealth funding provided under the National Partnership Agreement for Universal Access to Early Childhood Education. The increase is also attributable to ongoing Commonwealth Government funding under the National Partnership for the National School Chaplaincy Program.
2. The reduction from the 2018-19 Budget to 2019-20 Budget Target is primarily due to the section 25 transfer of 12 FTEs from the Training Accreditation Council Secretariat to the Department of Training and Workforce Development.

4. Support to the School Curriculum and Standards Authority

This service provides resources to the School Curriculum and Standards Authority to assist it to perform its statutory functions under the *School Curriculum and Standards Authority Act 1997*.

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 33,161	\$'000 33,195	\$'000 34,227	\$'000 33,438	
Less Income	2,971	2,582	2,989	2,991	
Net Cost of Service	30,190	30,613	31,238	30,447	
Employees (Full-Time Equivalents)	127	127	143	143	1
Efficiency Indicators					
Cost per student of support to the School Curriculum and Standards Authority ^(a)	\$76	\$75	\$77	\$75	

(a) This is a new efficiency indicator. The 2017-18 Actual and 2018-19 Budget figures have been recast as a result of the Department's revised OBM reporting structure.

Explanation of Significant Movements

(Notes)

1. The increase in FTEs is mainly due to the realignment of existing funding from goods and services to salaries to support the continued delivery of services to the School Curriculum and Standards Authority.

Asset Investment Program

1. The Government of Western Australia is committed to providing a bright future for all young people by improving the health, wellbeing and education of our children in the early years, improving student reading and numeracy, and increasing participation in STEM. Through the State Government's investment in infrastructure, the Department is delivering facilities to assist in meeting these goals.
2. The Department's planned Asset Investment Program in 2019-20 totals \$452.8 million and primarily relates to providing education facilities to meet enrolment growth and enhance opportunities for all children. This significant capital investment will shape our State, providing local jobs and regional prosperity to strengthen the State's economy.

Election Commitments - Investing in School Infrastructure

Secondary Schools

3. Construction will continue on the new Inner City College (planning name) at Kitchener Park in Subiaco. The school will open for the start of the 2020 school year as a local intake secondary school (\$70.6 million).

Redevelopment and Upgrades of Secondary Schools

4. A redevelopment of Balcatta Senior High School to substantially expand and upgrade facilities and increase accommodation will continue (\$50 million).
5. Construction will commence at Darling Range Sports College, providing upgrades to the school's design and technology, visual arts, canteen, music, general classrooms and toilets (\$10 million).
6. Planning will commence for a major upgrade at John Forrest Secondary College to replace outdated specialist facilities (\$50 million).
7. Kinross College will benefit from works commencing to refurbish facilities (\$2.5 million).
8. Works continue at Morley Senior High School, constructing a new multi-purpose space (\$1.5 million).
9. Planning will commence to provide new classrooms to cater for increased enrolments and to upgrade various specialist facilities at Mount Lawley Senior High School (\$4 million).
10. Works continue on an \$8.4 million redevelopment at Southern River College including a new sports hall, dance and drama studio, and the refurbishment of science and design and technology rooms.
11. Construction will commence at Wanneroo Secondary College for a new sports hall and hardcourts (\$5 million).

Performing Arts Centres

12. Construction is well advanced on the performing arts centre at Melville Senior High School (\$4.5 million).
13. Construction of performing arts centres at Ballajura Community College (\$5 million) and Ocean Reef Senior High School (\$5 million) will commence during 2019.
14. Planning will commence for performing arts centres at Belmont City College (\$5 million) and Belridge Secondary College (\$5 million).

Primary Schools

15. Construction will continue on the permanent facilities for four new primary schools to open in 2020 at Baldivis North, Banksia Grove (Grandis Primary School), Byford South and Caversham South. The estimated total cost for these schools, including an early childhood facility that opened in 2019 at Banksia Grove, is \$74.5 million.
16. Construction will commence in 2019-20 to meet the Government's commitment for new primary schools at Brabham and Southern River (Stage 1). These schools will open in 2021 at a cost of \$25.6 million.
17. A \$15 million project to rebuild the Yanchep Lagoon Primary School will also commence.
18. The \$12 million Investing in Science program continues, allowing 200 primary schools to convert existing classrooms to science laboratories.

Early Learning Centres

19. Construction continues for a new early learning centre at Ballajura Primary School (\$3.2 million).
20. Planning will commence for an early learning centre at Kinross Primary School (\$1.6 million).

Parent and Child Centre

21. The election commitment to construct a \$1.8 million parent and child centre in Ellenbrook is being delivered with the commencement of planning for a centre at Arbor Grove Primary School.

Upgrades of Regional Schools

22. Construction will commence for new specialist facilities and increased student accommodation at Broome Senior High School (\$19.3 million).
23. Planning has commenced for a new cafeteria and a flexible learning space at Bunbury Senior High School (\$5 million).
24. Construction has commenced at Collie Senior High School for a building with additional classrooms and specialist facilities (\$7.5 million) to open during Term 4, 2019.
25. Construction will commence for new science facilities to replace transportable classrooms at Eaton Community College (\$5 million).
26. At Eaton Primary School, construction has commenced on new classrooms with specialist early childhood facilities to replace transportable classrooms (\$3 million) for the opening of the 2020 school year.
27. Construction will commence for new early learning facilities at Flinders Park Primary School (\$2.5 million).
28. Planning will commence for refurbished and upgraded facilities at Mount Lockyer Primary School, providing a modern learning environment for students (\$3 million).
29. Construction on upgraded facilities will commence at South Bunbury Primary School (\$3 million). In addition, a \$2.5 million upgrade to early childhood facilities has commenced.
30. Aligned to the Government's goal of increased participation in STEM, construction will commence at Newton Moore Senior High School to provide a new STEM centre (\$3 million).
31. Construction continues for the final stage of the amalgamation of Carnarvon Community College (\$26.6 million).

Other Asset Investment Projects*Primary Schools*

32. Planning has commenced for three new primary schools to open in 2021 at Baldivis South (Parkland Heights), Harrisdale North and Sunningdale (Yanchep) (\$52.6 million).
33. A further \$154.9 million has been allocated over the period 2019-20 to 2022-23 to construct new primary schools. This includes funding for a new primary school to open in Burns Beach in 2022.
34. Planning will commence for a permanent two-storey building at Victoria Park Primary School (\$7.1 million) to provide the school with increased accommodation capacity to meet enrolment growth.

Secondary Schools

35. Construction continues on the Butler North Senior High School (\$48.4 million), which is scheduled to open in 2020.
36. Construction will commence for the second stage of Yanchep Secondary College, which is estimated to cost \$13.7 million.
37. Construction continues for the Stage 2 build at Cape Naturaliste College (\$30.1 million), due to open for the start of the 2020 school year.
38. Construction will continue for additional and updated facilities at Margaret River Senior High School, due to open in 2020 (\$30 million).
39. Construction continues for additional facilities at Carine Senior High School (\$18.8 million).

Residential Colleges

40. The Commonwealth Government has provided funding under the Community Development Grants Program for the redevelopment of Moora Residential College (\$8.7 million).

Land Acquisition Costs

41. \$21 million in funding has been provisioned for the acquisition of land for primary schools and to contribute to site infrastructure costs.
42. Up to \$20 million in funding has been provided to purchase land for a new high school.

Other School Facilities

43. Provision of \$9.5 million has been made in 2019-20 for administration upgrades, library resource centres, toilet upgrades/replacements and covered assembly areas.
44. Funding of \$1 million has been allocated to continue the playground equipment and shade structure program for a further year.

Transportable Classrooms

45. Additional funding has been allocated for the construction of transportable classrooms to assist in meeting normal temporary short to medium-term fluctuations in enrolments (\$6.1 million).

Capital Improvements

46. Additional funding has been made available for programs for capital improvements for plaster glass ceilings (\$5.7 million), roof replacements (\$5 million) and school alarm upgrades (\$2.5 million).

Information and Communications Technology

47. Over the next two years, the Department will continue the development of a fully web-based, enterprise Student Information System (WebSIS) for schools.
48. The Department will complete the development of a Kindergarten to Year 12 Student Records Management System in 2020.
49. The Department will complete the development of the Online Curriculum Programming Tool in 2019.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-19 \$'000	2018-19 Estimated Expenditure \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
WORKS IN PROGRESS							
Additional Stages at Secondary Schools							
Cape Naturaliste College (Stage 2)	30,100	22,000	17,579	8,100	-	-	-
Shenton College (Stage 2)	46,100	44,300	22,681	1,800	-	-	-
Yanchep Secondary College (Stage 2)	13,700	600	600	9,000	4,100	-	-
Additions and Improvements to Residential Colleges -							
Minor Works Program	2,678	702	702	494	494	494	494
Additions and Improvements to Secondary Schools							
Albany Secondary Education Support Centre	9,825	400	400	4,500	3,925	1,000	-
Carine Senior High School	18,770	15,470	13,969	3,300	-	-	-
Carnarvon Community College - Completion of							
Amalgamation	26,550	21,050	15,897	3,500	2,000	-	-
Harrisdale Senior High School	4,000	3,000	3,000	1,000	-	-	-
Margaret River Senior High School	30,000	21,500	19,673	6,000	2,500	-	-
Election Commitments							
Additions and Improvements to Primary Schools							
Ballajura Primary School	3,200	2,000	1,784	800	400	-	-
Eaton Primary School	3,000	1,000	1,000	2,000	-	-	-
Flinders Park Primary School - Early Childhood	2,500	500	500	2,000	-	-	-
Investing in Science	12,000	6,000	5,113	3,000	3,000	-	-
Mount Hawthorn Primary School	4,500	4,000	2,523	500	-	-	-
South Bunbury Primary School - Upgrades	3,000	1,000	1,000	2,000	-	-	-
Additions and Improvements to Secondary Schools							
Balcatta Senior High School - Redevelopment	50,000	3,000	2,503	28,500	14,000	4,500	-
Ballajura Community College - Performing Arts Centre	5,000	1,000	1,000	3,000	1,000	-	-
Broome Senior High School - New Facilities	19,325	1,000	1,000	6,000	9,325	3,000	-
Bunbury Senior High School - Upgrades	5,000	3,000	2,857	2,000	-	-	-
Collie Senior High School - New Facilities	7,500	6,000	5,571	1,500	-	-	-

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-19 \$'000	2018-19 Estimated Expenditure \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
Darling Range Sports College - New and Upgraded Facilities	10,000	500	500	6,000	3,500	-	-
Eaton Community College - New Facilities	5,000	500	500	4,000	500	-	-
Melville Senior High School - Performing Arts Centre....	4,500	3,500	3,226	500	500	-	-
Morley Senior High School - Upgrades	1,500	1,000	1,000	500	-	-	-
Newton Moore Senior High School - STEM Centre	3,000	500	500	2,000	500	-	-
Ocean Reef Senior High School - Performing Arts Centre	5,000	2,000	2,000	3,000	-	-	-
Southern River College - New and Upgraded Facilities....	8,400	3,744	3,500	4,156	500	-	-
Wanneroo Secondary College - Upgrades.....	5,000	250	250	1,750	3,000	-	-
New Primary Schools							
Aspiri Primary School.....	18,700	17,700	7,327	1,000	-	-	-
Baldivis North Primary School.....	16,300	6,240	6,000	8,850	1,210	-	-
Brabham Primary School	18,490	1,860	1,860	8,880	7,750	-	-
Byford (Lawrence Way) Primary School	18,900	8,246	7,900	9,100	1,554	-	-
Caversham South Primary School	17,300	7,881	7,500	8,600	819	-	-
Grandis Primary School	18,800	8,985	8,800	8,600	1,215	-	-
Southern Grove Primary School	22,100	20,100	11,721	2,000	-	-	-
Yanchep Lagoon Primary School - Rebuild	15,000	500	500	6,500	6,000	2,000	-
New Secondary Schools - Inner City College	70,564	40,352	36,000	27,448	2,764	-	-
Furniture and Fittings Program	25	5	5	5	5	5	5
Information and Communications Technology (ICT)							
K-12 Student Records Management System.....	2,847	2,447	1,926	400	-	-	-
Student Information System	18,785	12,577	6,913	5,420	788	-	-
Teacher Registration Board of Western Australia							
Capital Expenditure	352	192	40	40	40	40	40
Upgrade and Replacement Program	150	30	30	30	30	30	30
Land Acquisition							
Land Acquisition General.....	47,239	26,239	26,239	21,000	-	-	-
Land for Primary Schools	65,477	37,477	7,000	7,000	7,000	7,000	7,000
Miscellaneous							
Air Conditioning Replacement Program.....	20,000	6,000	3,000	5,000	3,000	3,000	3,000
Ember Screens	3,400	2,000	2,000	1,400	-	-	-
Ember Screens - Regional.....	3,350	1,900	1,900	1,450	-	-	-
Fire Services Upgrade	1,800	1,200	995	600	-	-	-
Gas Heater Replacement Program.....	5,250	2,250	782	750	750	750	750
Infrastructure Power Upgrades	24,815	6,315	3,284	9,500	3,000	3,000	3,000
Perimeter Security Fencing Program	3,600	2,000	171	1,600	-	-	-
Plaster Glass Ceilings.....	7,700	2,000	2,000	5,700	-	-	-
Playground Equipment and Shade Structures	5,800	4,800	1,000	1,000	-	-	-
Power Supply Upgrade.....	3,082	1,330	544	813	313	313	313
Roof Replacement Program	12,971	7,971	633	5,000	-	-	-
Sewer Connections.....	5,174	2,774	600	600	600	600	600
Small Asset Capital Purchases.....	361,266	178,856	45,602	45,602	45,602	45,603	45,603
Transportable Classrooms.....	26,056	7,604	4,613	4,613	4,613	4,613	4,613
Universal Access Program to Early Childhood Education	46,416	42,216	6,108	3,000	1,200	-	-
New Primary Schools							
Aveley North Primary School and Education Support Centre	24,145	21,145	11,721	3,000	-	-	-
Baldivis (Parkland Heights) Primary School	17,045	1,860	1,860	8,170	7,015	-	-
Harrisdale North Early Childhood Facility (2020).....	2,200	1,200	1,200	1,000	-	-	-
Harrisdale North Primary School	18,310	2,860	2,860	8,880	6,570	-	-
Oakwood Primary School	19,700	18,700	9,632	1,000	-	-	-
Sunningdale (Yanchep) Primary School	17,265	1,860	1,860	8,170	7,235	-	-
New Secondary Schools							
Butler North Senior High School.....	48,400	27,016	23,900	13,000	6,884	1,500	-
South Baldivis Senior High School	47,980	39,180	11,807	8,800	-	-	-
Other School Facilities							
Administration Upgrade	10,062	1,962	384	2,025	2,025	2,025	2,025
Canteens	1,020	-	-	405	205	205	205
Covered Assembly Areas	11,315	3,063	2,063	2,063	2,063	2,063	2,063
Early Childhood Program.....	7,755	3,855	3,178	-	900	1,500	1,500
Ground Developments.....	1,891	659	336	308	308	308	308
Hyogo Prefecture Cultural Centre.....	2,700	2,300	2,300	400	-	-	-
Interim Schools	1,875	615	415	315	315	315	315
International School of Western Australia.....	21,600	11,260	9,379	10,340	-	-	-
Library Resource Centres	10,825	2,565	2,065	2,065	2,065	2,065	2,065
Remote Community Schools	5,343	1,643	1,446	925	925	925	925
Student Services Improvements	8,406	2,274	1,400	3,033	1,033	1,033	1,033
Toilet Replacement Program	10,835	3,475	1,340	3,340	1,340	1,340	1,340
Western Australian Schools Public Private Partnership							
Retained Costs	33,214	25,486	6,998	3,965	1,668	1,318	752

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-19 \$'000	2018-19 Estimated Expenditure \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
COMPLETED WORKS							
Additional Stages at Secondary Schools							
Byford Secondary College (Stage 3)	15,900	15,900	2,227	-	-	-	-
Joseph Banks Secondary College (Stage 2)	21,075	21,075	3,683	-	-	-	-
Additions and Improvements to Primary Schools							
Carnarvon Community College	17,406	17,406	1,738	-	-	-	-
Highgate Primary School	5,455	5,455	288	-	-	-	-
Inglewood Primary School	3,500	3,500	758	-	-	-	-
Wembley Primary School	3,500	3,500	599	-	-	-	-
West Leederville Primary School	3,500	3,500	485	-	-	-	-
Additions and Improvements to Residential Colleges							
Broome Residential College Stage 2	11,700	11,700	200	-	-	-	-
City Beach Residential College	6,440	6,440	4,868	-	-	-	-
Additions and Improvements to Secondary Schools							
Armadale Senior High School	4,000	4,000	102	-	-	-	-
Cecil Andrews Senior High School	4,500	4,500	275	-	-	-	-
Churchlands Senior High School - Additional Facilities	34,564	34,564	1,574	-	-	-	-
Fremantle College	30,000	30,000	1,078	-	-	-	-
Kalgoorlie-Boulder Community High School - Redevelopment - Stage 1	40,566	40,566	152	-	-	-	-
Revitalising Public Secondary Education in the Geraldton Area							
Champion Bay Senior High School	20,000	20,000	6,578	-	-	-	-
Geraldton Senior High School	5,000	5,000	958	-	-	-	-
West Coast Secondary Education Support Centre	4,280	4,280	44	-	-	-	-
Election Commitments							
Additions and Improvements to Primary Schools							
Beaumaris Primary School - Perimeter Fence	200	200	200	-	-	-	-
Camboon Primary School - Minor Upgrades	250	250	250	-	-	-	-
Caversham Primary School - Undercover Area	1,000	1,000	703	-	-	-	-
Currambine Primary School - Perimeter Fence	200	200	200	-	-	-	-
Glen Huon Primary School	1,500	1,500	1,439	-	-	-	-
North Morley Primary School - Library	1,500	1,500	1,160	-	-	-	-
South Ballajura Primary School - Staff Toilet Upgrade	200	200	107	-	-	-	-
Tapping Primary School - Minor Upgrades	400	400	101	-	-	-	-
Weld Square Primary School - Administration	1,500	1,500	1,500	-	-	-	-
Yokine Primary School - Administration Upgrades	350	350	350	-	-	-	-
Additions and Improvements to Secondary Schools - Canning Vale College - Upgrades							
	2,000	2,000	1,896	-	-	-	-
New Primary Schools							
Grandis Primary School - Early Childhood Annex	3,200	3,200	3,200	-	-	-	-
ICT Upgrade and Replacement - Online Curriculum							
Programming Tool	740	740	236	-	-	-	-
Miscellaneous							
Bore Replacement	1,500	1,500	74	-	-	-	-
Plasterglass Ceilings - Regional Program	1,500	1,500	1,500	-	-	-	-
Transportable Classrooms Additional Program 2019	2,100	2,100	2,100	-	-	-	-
New Primary Schools							
Alkimos Primary School	13,999	13,999	240	-	-	-	-
Doubleview Primary School - Rebuild	15,400	15,400	2,888	-	-	-	-
Honeywood Primary School	15,300	15,300	1,286	-	-	-	-
Rapids Landing Primary School	17,100	17,100	13	-	-	-	-
Wellard Primary School	15,300	15,300	2,373	-	-	-	-
New Secondary Schools							
Harrisdale Senior High School	51,211	51,211	2,200	-	-	-	-
Willetton Senior High School - Replacement (Stage 1)	37,604	37,604	30	-	-	-	-
Yanchep Secondary College	42,908	42,908	2,077	-	-	-	-
Other School Facilities - Japanese Language School	4,350	4,350	1,272	-	-	-	-
NEW WORKS							
Additions and Improvements to Primary Schools - Victoria Park Primary School							
	7,130	-	-	3,490	3,210	430	-
Additions and Improvements to Residential Colleges - Moora Residential College							
	8,700	-	-	4,350	4,350	-	-
Election Commitments							
Additions and Improvements to Primary Schools							
Arbor Grove Primary School - Parent and Child Centre ...	1,750	-	-	750	1,000	-	-
Kinross Primary School - Early Childhood	1,600	-	-	1,000	600	-	-
Mount Lockyer Primary School - Upgrades	3,000	-	-	3,000	-	-	-
Additions and Improvements to Secondary Schools							
Belmont City College - Performing Arts Centre	5,000	-	-	2,000	3,000	-	-
Belridge Secondary College - Performing Arts Centre	5,000	-	-	2,000	3,000	-	-
John Forrest Secondary College - Redevelopment	50,000	-	-	1,500	10,000	8,800	29,700
Kinross College - Upgrades	2,500	-	-	2,500	-	-	-
Mount Lawley Senior High School - Specialist Facilities	4,000	-	-	4,000	-	-	-

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-19 \$'000	2018-19 Estimated Expenditure \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
New Primary Schools							
Burns Beach Primary School	15,600	-	-	-	7,000	8,600	-
Southern River Precinct 3 Primary School	7,150	-	-	3,000	4,150	-	-
Southern River Precinct 3 Primary School - Stage 2	12,765	-	-	-	1,270	6,135	5,360
Land Acquisition - Secondary School Site	20,000	-	-	20,000	-	-	-
Miscellaneous							
School Alarm System Upgrades	2,500	-	-	2,500	-	-	-
Transportable Classrooms - Additional Program 2020	6,100	-	-	6,100	-	-	-
New Primary Schools Opening 2022-2025 (Locations to be Determined)	219,321	-	-	2,400	19,186	48,800	56,135
Other School Facilities - Central Reserve Schools	615	-	-	615	-	-	-
Total Cost of Asset Investment Program	2,378,172	1,265,239	482,967	452,810	234,814	163,310	169,174
FUNDED BY							
Capital Appropriation			246,929	293,114	123,223	80,033	68,045
Commonwealth Grants			5,500	4,350	4,350		
Drawdowns from the Holding Account			18,529	18,529	18,529	17,834	17,834
Funding Included in Department of Treasury Administered Item			26,900	22,000	10,000	8,800	29,700
Internal Funds and Balances			55,020	22,165	14,360	7,040	7,992
Other			45,602	45,602	45,602	45,603	45,603
Drawdowns from Royalties for Regions Fund			84,487	47,050	18,750	4,000	-
Total Funding			482,967	452,810	234,814	163,310	169,174

Financial Statements

- The implementation of new accounting standard AASB 16: *Leases* significantly impacts the Statement of Financial Position by bringing arrangements previously classified as operating leases on to the balance sheet. On the Income Statement, previous rental expenses for operating leases are removed and replaced with interest expense for the lease obligation and a depreciation cost for the right of use asset. Further information on AASB 16 and other new accounting standards impacting the Budget are detailed in a feature box in Budget Paper No. 3.

Income Statement

Expenses

- The Total Cost of Services is estimated to increase by \$102.5 million (2%) in the 2019-20 Budget compared to the 2018-19 Estimated Actual. This is mainly due to the impact of AASB 16 changes, in addition to forecast student enrolment growth and cost growth in 2019-20.

Income

- The total income is forecast to increase by \$83.8 million (7.8%) in the 2019-20 Budget compared to 2018-19 Estimated Actual, reflecting the Commonwealth Quality Schools funding published in the Commonwealth 2019-20 Budget.

Statement of Financial Position

- Total equity is expected to increase by \$0.5 billion (3.3%) between the 2018-19 Estimated Actual and the 2019-20 Budget, primarily due to the adoption of AASB 16 from 1 July 2019. This reflects a projected increase in total assets of \$1.4 billion (8.8%), which is partially offset by an increase in total liabilities of \$0.9 billion (59.6%).

Statement of Cashflows

- The 2019-20 Budget closing cash assets balance of \$559.5 million represents a decrease of \$16.3 million (2.8%) in comparison to the 2018-19 Estimated Actual of \$575.8 million. This is predominately attributed to a recashflow of capital projects.

INCOME STATEMENT ^(a)
(Controlled)

	2017-18	2018-19	2018-19	2019-20	2020-21	2021-22	2022-23
	Actual	Budget	Estimated	Budget	Forward	Forward	Forward
	\$'000	\$'000	Actual	Estimate	Estimate	Estimate	Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
COST OF SERVICES							
Expenses							
Employee benefits ^(b)	3,834,417	3,872,227	3,904,944	3,899,926	3,983,418	4,167,814	4,429,459
Supplies and services	865,246	944,629	962,741	957,671	1,014,943	1,041,468	1,079,150
Grants and subsidies ^(c)	42,030	32,483	31,822	28,875	21,854	15,985	13,516
Depreciation and amortisation	188,154	203,620	202,016	271,798	276,416	276,620	278,866
Finance and interest costs	25,293	33,990	33,002	78,804	82,698	82,697	83,306
Other expenses	396,794	4,012	4,012	4,012	4,180	4,260	4,260
TOTAL COST OF SERVICES	5,351,934	5,090,961	5,138,537	5,241,086	5,383,509	5,588,844	5,888,557
Income							
User contributions, charges and fees	148,953	148,559	147,069	148,457	155,679	160,999	161,380
Grants and contributions	76,154	55,372	76,764	77,818	59,064	26,207	18,686
Quality Schools Funding	660,130	737,400	739,700	826,200	918,100	1,014,300	1,113,700
Other revenue	113,404	81,849	86,348	83,141	81,128	79,847	79,847
Interest	22,442	22,239	24,390	22,461	22,760	22,390	22,897
Total Income	1,021,083	1,045,419	1,074,271	1,158,077	1,236,731	1,303,743	1,396,510
NET COST OF SERVICES	4,330,851	4,045,542	4,064,266	4,083,009	4,146,778	4,285,101	4,492,047
INCOME FROM STATE GOVERNMENT							
Service appropriations	4,053,674	4,043,514	4,064,460	4,068,147	4,159,121	4,289,264	4,495,402
Grants from State Government agencies	11,635	5,692	4,796	6,246	5,575	5,029	4,934
Resources received free of charge	14,958	14,517	14,517	15,020	15,597	15,597	15,597
Royalties for Regions Fund:							
Regional Community Services Fund	13,481	20,841	19,755	24,215	24,144	24,162	24,162
Regional Reform Funds	1,196	9,543	14,214	4,443	3,740	-	-
TOTAL INCOME FROM STATE GOVERNMENT	4,094,944	4,094,107	4,117,742	4,118,071	4,208,177	4,334,052	4,540,095
SURPLUS/(DEFICIENCY) FOR THE PERIOD	(235,907)	48,565	53,476	35,062	61,399	48,951	48,048

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

(b) The full-time equivalents for 2017-18 Actual, 2018-19 Estimated Actual and 2019-20 Budget Estimate are 38,836, 39,150 and 39,591 respectively.

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

DETAILS OF CONTROLLED GRANTS AND SUBSIDIES

	2017-18	2018-19	2018-19	2019-20	2020-21	2021-22	2022-23
	Actual	Budget	Estimated	Budget	Forward	Forward	Forward
	\$'000	\$'000	Actual	Estimate	Estimate	Estimate	Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Children and Young People with Disability -							
Non-Government Sector Support	1,447	1,660	1,660	1,660	1,660	1,660	1,660
Indian Ocean Territories	2,453	1,300	1,300	1,325	1,352	1,352	1,352
National School Chaplaincy Program ^(a)	2,570	-	2,469	2,469	2,469	2,469	-
Other	15,277	15,981	8,323	5,407	3,953	3,611	3,511
Scholarships/Sponsorships	876	907	907	907	907	907	907
Student Allowances	7,237	6,281	6,281	6,107	6,013	5,986	6,086
Universal Access to Early Childhood							
Education - Non-Government Sector	12,170	6,354	10,882	11,000	5,500	-	-
TOTAL	42,030	32,483	31,822	28,875	21,854	15,985	13,516

(a) Commonwealth funding under the National Partnership on the National School Chaplaincy Program will continue to 2022; however, the State allocation for 2022-23 has not yet been determined by the Commonwealth.

STATEMENT OF FINANCIAL POSITION ^(a)
(Controlled)

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
CURRENT ASSETS							
Cash assets.....	593,436	505,746	517,565	491,807	502,264	505,308	503,259
Restricted cash.....	28,825	13,657	18,271	14,076	21,755	21,630	21,630
Holding account receivables.....	19,673	19,673	19,673	19,673	18,978	18,978	18,857
Receivables.....	52,555	43,610	52,654	64,726	52,852	52,931	53,010
Loans to schools.....	31,329	32,685	30,257	32,520	35,197	38,237	41,413
Other.....	16,055	16,153	16,055	16,055	16,055	16,055	16,055
Assets held for sale.....	4,219	769	4,219	4,219	4,219	4,219	4,219
Total current assets.....	746,092	632,293	658,694	643,076	651,320	657,358	658,443
NON-CURRENT ASSETS							
Holding account receivables.....	2,701,398	2,924,565	2,921,922	3,173,969	3,431,329	3,688,971	3,948,980
Property, plant and equipment.....	11,266,693	11,955,474	11,613,383	12,709,202	12,690,327	12,599,782	12,523,661
Intangibles.....	11,532	26,023	20,219	20,075	19,306	18,345	17,383
Restricted cash.....	26,960	39,079	39,963	53,598	67,700	84,582	99,815
Loans to schools.....	268,145	290,992	294,240	311,800	326,176	337,231	345,145
Other.....	-	1,108	-	-	-	-	-
Total non-current assets.....	14,274,728	15,237,241	14,889,727	16,268,644	16,534,838	16,728,911	16,934,984
TOTAL ASSETS.....	15,020,820	15,869,534	15,548,421	16,911,720	17,186,158	17,386,269	17,593,427
CURRENT LIABILITIES							
Employee provisions.....	588,515	586,671	609,359	609,359	609,359	609,359	609,359
Payables.....	103,415	116,883	103,733	128,843	146,096	161,096	171,456
Borrowings and leases.....	47,316	44,375	46,244	98,023	100,213	103,301	110,671
Other.....	11,492	12,747	11,492	14,135	11,492	11,492	11,492
Total current liabilities.....	750,738	760,676	770,828	850,360	867,160	885,248	902,978
NON-CURRENT LIABILITIES							
Employee provisions.....	185,849	212,916	191,846	191,846	191,846	191,846	191,846
Borrowings and leases.....	465,864	552,540	553,814	1,378,557	1,372,829	1,362,704	1,354,801
Other.....	242	48	242	242	242	242	242
Total non-current liabilities.....	651,955	765,504	745,902	1,570,645	1,564,917	1,554,792	1,546,889
TOTAL LIABILITIES.....	1,402,693	1,526,180	1,516,730	2,421,005	2,432,077	2,440,040	2,449,867
EQUITY							
Contributed equity.....	13,855,492	6,625,285	14,215,580	14,628,124	14,830,091	14,973,288	15,122,571
Accumulated surplus/(deficit).....	(237,365)	94,112	(183,889)	(137,409)	(76,010)	(27,059)	20,989
Reserves.....	-	7,623,957	-	-	-	-	-
Total equity.....	13,618,127	14,343,354	14,031,691	14,490,715	14,754,081	14,946,229	15,143,560
TOTAL LIABILITIES AND EQUITY.....	15,020,820	15,869,534	15,548,421	16,911,720	17,186,158	17,386,269	17,593,427

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

STATEMENT OF CASHFLOWS ^(a)
(Controlled)

	2017-18	2018-19	2018-19	2019-20	2020-21	2021-22	2022-23
	Actual	Budget	Estimated	Budget	Forward	Forward	Forward
	\$'000	\$'000	Actual	Estimate	Estimate	Estimate	Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
CASHFLOWS FROM STATE GOVERNMENT							
Service appropriations	3,838,110	3,801,270	3,824,094	3,796,427	3,882,783	4,012,644	4,216,536
Capital appropriation	262,626	251,781	248,980	343,494	173,217	130,397	119,583
Administered equity contribution	-	40,400	26,900	22,000	10,000	8,800	29,700
Holding account drawdowns	34,606	19,673	19,842	19,673	19,673	18,978	18,978
State Government grants	8,602	5,692	4,796	6,246	5,575	5,029	4,934
Royalties for Regions Fund:							
Regional Community Services Fund	13,481	20,841	19,755	24,215	24,144	24,162	24,162
Regional Infrastructure and Headworks Fund	46,660	96,987	84,487	47,050	18,750	4,000	-
Regional Reform Fund	1,196	9,543	14,214	4,443	3,740	-	-
Net cash provided by State Government	4,205,281	4,246,187	4,243,068	4,263,548	4,137,882	4,204,010	4,413,893
CASHFLOWS FROM OPERATING ACTIVITIES							
Payments							
Employee benefits	(3,809,429)	(3,833,209)	(3,877,787)	(3,874,826)	(3,966,141)	(4,152,814)	(4,419,099)
Supplies and services	(845,911)	(930,040)	(948,152)	(942,571)	(999,284)	(1,025,870)	(1,063,552)
Grants and subsidies	(51,093)	(32,483)	(31,822)	(28,875)	(21,854)	(15,985)	(13,516)
GST payments	(122,181)	(108,241)	(108,241)	(108,241)	(108,241)	(108,241)	(108,241)
Finance and interest costs	(17,650)	(26,412)	(25,403)	(70,636)	(74,546)	(74,595)	(75,204)
Other payments	(137)	-	-	-	-	-	-
Receipts ^(b)							
User contributions, charges and fees	136,914	148,519	147,029	148,417	155,640	160,999	161,380
Grants and contributions	76,154	55,372	76,764	79,906	68,991	26,207	18,686
Quality Schools Funding	660,130	737,400	739,700	826,200	918,100	1,014,300	1,113,700
GST receipts	123,100	108,142	108,142	108,142	108,142	108,142	108,142
Other receipts	82,505	81,749	81,749	83,041	80,431	79,847	79,847
Interest receipts	14,738	17,349	17,081	17,519	17,926	17,475	17,860
Net cash from operating activities	(3,752,860)	(3,781,854)	(3,820,940)	(3,761,924)	(3,820,836)	(3,970,535)	(4,179,997)
CASHFLOWS FROM INVESTING ACTIVITIES							
Purchase of non-current assets	(378,163)	(468,700)	(482,967)	(452,810)	(234,814)	(163,310)	(169,174)
Proceeds from sale of non-current assets	453	-	4,499	-	-	-	-
Net cash from investing activities	(377,710)	(468,700)	(478,468)	(452,810)	(234,814)	(163,310)	(169,174)
CASHFLOWS FROM FINANCING ACTIVITIES							
Repayment of borrowings and leases	(64,505)	(50,589)	(85,977)	(134,315)	(119,187)	(119,567)	(120,752)
Loans advanced to non-government schools	(52,698)	(57,100)	(57,100)	(57,100)	(57,100)	(57,100)	(57,100)
Proceeds from borrowings	52,557	57,100	94,436	92,182	89,515	86,485	83,370
Repayments of loans by non-government schools	32,910	32,685	31,838	34,101	36,778	39,818	42,944
Net cash from financing activities	(31,736)	(17,904)	(16,803)	(65,132)	(49,994)	(50,364)	(51,538)
NET INCREASE/(DECREASE) IN CASH HELD	42,975	(22,271)	(73,143)	(16,318)	32,238	19,801	13,184
Cash assets at the beginning of the reporting period	-	580,753	649,221	575,799	559,481	591,719	611,520
Net cash transferred to/from other agencies	606,246	-	(279)	-	-	-	-
Cash assets at the end of the reporting period	649,221	558,482	575,799	559,481	591,719	611,520	624,704

(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)

	2017-18	2018-19	2018-19	2019-20	2020-21	2021-22	2022-23
	Actual	Budget	Estimated	Budget	Forward	Forward	Forward
	\$'000	\$'000	Actual	Estimate	Estimate	Estimate	Estimate
			\$'000	\$'000	\$'000	\$'000	\$'000
Grants and Contributions							
Quality Schools Funding.....	660,130	737,400	739,700	826,200	918,100	1,014,300	1,113,700
Universal Access to Early Childhood							
Education (including Capital)	46,987	32,200	46,300	46,900	32,600	-	-
Chaplaincy Program ^(b)	7,607	-	7,729	7,729	7,729	7,729	-
Indian Ocean Territories	14,261	14,615	14,863	15,156	15,300	15,478	15,686
Capital Grant - Moora Residential College	-	-	-	4,350	4,350	-	-
Other Commonwealth Grants	7,260	8,557	7,833	5,732	8,973	2,961	2,961
User Contributions, Charges and Fees							
Schools Charges and Fees	96,460	109,988	109,646	112,608	116,003	119,061	119,062
Physical Education Camp School Receipts...	2,270	1,201	1,201	340	348	355	363
Regulatory Fees - Training Accreditation.....	1,172	1,376	688	-	-	-	-
Teacher Registration Board Fees	5,983	5,988	5,988	5,845	6,109	6,099	5,951
Fees							
Agricultural Colleges	3,092	4,241	4,241	4,532	4,639	4,755	4,874
Canning College	6,366	5,966	5,966	6,992	7,588	7,933	8,294
Other	1,110	2,391	2,391	2,260	4,096	5,224	5,506
Residential Colleges	11,364	9,564	9,564	7,587	7,767	8,442	8,160
Swimming Classes	674	648	648	1,445	1,327	1,367	1,407
TAFE International	7,179	6,300	5,433	5,545	6,500	6,500	6,500
GST Receipts							
GST Input Credits	119,650	100,792	100,627	101,016	101,016	101,016	101,016
GST Receipts on Sales	3,246	6,990	6,822	6,805	6,805	6,805	6,805
Other Receipts							
Other Receipts	31,346	30,858	29,511	29,511	25,775	25,875	25,875
Developers Contribution	4,753	7,000	7,000	7,000	7,000	7,000	7,000
Interest Received	14,738	17,349	17,081	17,519	17,926	17,475	17,860
Schools							
Donations	17,702	18,370	18,370	18,847	19,318	19,801	19,801
Other Receipts	27,148	23,878	25,210	26,025	26,680	25,513	25,513
TOTAL	1,090,498	1,145,672	1,166,812	1,259,944	1,345,949	1,403,689	1,496,334

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

(b) Commonwealth funding under the National Partnership on the National School Chaplaincy Program will continue to 2022; however, the State allocation for 2022-23 has not yet been determined by the Commonwealth.

DETAILS OF ADMINISTERED TRANSACTIONS

	2017-18	2018-19	2018-19	2019-20	2020-21	2021-22	2022-23
	Actual	Budget	Estimated	Budget	Forward	Forward	Forward
	\$'000	\$'000	Actual	Estimate	Estimate	Estimate	Estimate
			\$'000	\$'000	\$'000	\$'000	\$'000
INCOME							
Other							
Service Appropriation	449,980	451,223	454,256	451,873	447,023	445,721	437,879
TOTAL ADMINISTERED INCOME	449,980	451,223	454,256	451,873	447,023	445,721	437,879
EXPENSES							
Grants to Charitable and Other Public Bodies							
Per Capita Grants to Non-Government							
Schools	402,573	405,197	410,356	408,134	403,698	402,689	394,940
Supplementation Grants to Special							
Education Schools	27,435	31,447	29,391	29,229	28,814	28,520	28,426
Funding for Schools of Special Needs -							
Medical and Mental Health and Sensory....	6,662	4,862	4,862	4,862	4,862	4,862	4,862
Psychology Services Grant	4,605	4,605	4,605	4,605	4,605	4,605	4,605
Capital Grant to Catholic Education							
Western Australia	3,000	-	-	-	-	-	-
Students at Risk	1,289	1,273	1,273	1,273	1,273	1,273	1,273
Australian Music Examinations Board	181	181	181	181	181	181	181
All Other Grants	128	158	88	89	90	91	92
Other							
Return of Prior Year Cash Surplus	15,000	-	-	-	-	-	-
Superannuation - Higher Education							
Institutions	3,445	3,500	3,500	3,500	3,500	3,500	3,500
TOTAL ADMINISTERED EXPENSES	464,318	451,223	454,256	451,873	447,023	445,721	437,879

Division 24 **Training and Workforce Development**

Part 6 **Education and Training**

Appropriations, Expenses and Cash Assets

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
DELIVERY OF SERVICES							
Item 58 Net amount appropriated to deliver services.....	351,736	354,238	355,024	335,419	353,967	367,064	370,447
Amount Authorised by Other Statutes							
- Salaries and Allowances Act 1975.....	1,815	1,815	1,815	1,815	1,815	1,825	1,835
Total appropriations provided to deliver services	353,551	356,053	356,839	337,234	355,782	368,889	372,282
CAPITAL							
Item 128 Capital Appropriation	237	-	-	3,060	3,248	2,567	2,165
TOTAL APPROPRIATIONS	353,788	356,053	356,839	340,294	359,030	371,456	374,447
EXPENSES							
Total Cost of Services	560,338	561,439	554,672	577,616	599,650	619,274	625,518
Net Cost of Services ^(a)	365,145	358,343	331,714	350,961	366,022	384,604	418,025
CASH ASSETS ^(b)	85,882	82,314	95,074	113,241	135,395	151,888	138,353

(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 2018-19 Budget to Parliament on 10 May 2018, are outlined below:

	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
New Initiative					
Employer Incentive Scheme and Additional Apprenticeship and Traineeship Training Places	4,658	24,165	44,586	53,406	55,554
Ongoing Initiative					
Adjustments to Commonwealth Grants	(1,299)	(1,107)	(1,066)	(1,339)	1,111
Other					
Government Office Accommodation Reform Program	(95)	(106)	(104)	(103)	(103)
Indexation for Non-Salary Expenses	-	-	-	-	1,456
Non-Government Human Services Sector Indexation Adjustment	(45)	(45)	(46)	(48)	177
Regional Workers Incentives Allowance Payments.....	121	121	121	121	121
Repositioning of Expenses for Training Delivery	(4,000)	4,000	-	-	-
Review of Departmental Functions.....	-	(3,798)	(3,838)	(3,877)	(3,917)
Revision to International Student Training Activity Estimates.....	(7,819)	(9,179)	(10,760)	(12,212)	(11,504)
Revisions to Own-Source Revenue and Commercial Activity Expense Estimates.....	92	92	92	91	476
Streamlined Budget Process Incentive Funding.....	-	3,145	-	-	-
Transfer of the Training Accreditation Council Secretariat from the Department of Education	1,620	2,711	2,724	2,737	2,750

Significant Issues Impacting the Agency

1. Subject to the passage of legislation, an Employer Incentive Scheme will be introduced on 1 July 2019 to grow apprenticeships and traineeships and make it more affordable for employers to take on apprentices and trainees. The scheme will be funded by changes to payroll tax legislation and will extend incentive payments to small businesses who were ineligible for payroll tax exemptions, increasing the number of employers that will receive support to create jobs for apprenticeships and traineeships.
2. A funding boost of up to \$110 million over four years is available to create jobs for apprenticeships and traineeships after signing up to the National Partnership on the Skilling Australians Fund. This is expected to increase the number of apprenticeship and traineeship commencements by around 20,000 over four years above the agreed activity baseline.
3. A new approach to catering for the specific training needs of enterprises will be piloted in the allied health and social assistance sectors to support the large forecast employment growth in this sector over the next five years. The Enterprise Training program will assist enterprises to partner with registered training organisations (RTOs) to develop customised programs for existing workers and will prioritise regional delivery.
4. To boost international education and support the State International Education Strategy, a new graduate migration stream has been added to the State Nominated Migration program to assist in attracting international students to Western Australia.
5. Whole-of-government strategies to support jobs growth and the diversification of Western Australia's economy will be supported through setting priorities for publicly funded training and workforce planning. Examples of whole-of-government initiatives include Our Priorities, the STEM Skills Strategy, METRONET, the Western Australian Defence and Defence Industries Strategic Plan, and the Future Battery Industry Strategy.
6. To support regional jobs growth, regional labour market reviews are being undertaken to assist regional TAFE Colleges to align their training programs with current and future skill needs and future jobs growth in the regions.
7. A State-wide network of Jobs and Skills Centres has been established to provide a one-stop shop service for jobseekers, potential students and employers to access career, training and employment assistance. Where appropriate, Jobs and Skills Centres have partnered with local service providers to deliver career and job services to local and remote communities. Jobs and Skills Centres are complemented by a comprehensive website resource that includes a jobs notice board, qualification lists and a course search feature.

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 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
Future Jobs and Skills: Grow and diversify the economy, create jobs and support skills development.	A skilled workforce that meets the State's economic and community needs.	1. Workforce Planning and Development 2. Development of Vocational Education and Training Policy and Programs 3. Jobs and Skills Centre Services 4. Skilled Migration, Including Overseas Qualification Assessment
	A flexible, responsive, innovative and quality training system.	5. Apprenticeship and Traineeship Administration and Regulation 6. Procurement of Training 7. Recruitment and Management of International Students 8. Infrastructure Management for TAFE Colleges 9. Support Services to TAFE Colleges 10. Regulatory Services to RTOs

Service Summary

Expense	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
1. Workforce Planning and Development	9,409	10,413	10,344	10,036	10,067	10,098	10,129
2. Development of Vocational Education and Training Policy and Programs.....	7,225	8,131	6,829	7,096	7,133	7,170	7,208
3. Jobs and Skills Centre Services	12,230	13,008	13,792	12,996	13,003	13,010	13,018
4. Skilled Migration, Including Overseas Qualification Assessment	1,123	1,712	1,263	1,304	1,312	1,321	1,330
5. Apprenticeship and Traineeship Administration and Regulation.....	9,401	9,604	8,400	7,693	7,741	7,789	7,838
6. Procurement of Training	443,972	441,786	443,780	464,715	483,972	500,277	502,955
7. Recruitment and Management of International Students.....	34,638	36,011	28,876	30,302	32,747	35,734	38,963
8. Infrastructure Management for TAFE Colleges.....	7,181	2,942	4,211	3,997	4,009	4,020	4,032
9. Support Services to TAFE Colleges	35,159	37,832	34,747	35,507	35,681	35,854	36,028
10. Regulatory Services to RTOs ^(a)	-	-	2,430	3,970	3,985	4,001	4,017
Total Cost of Services.....	560,338	561,439	554,672	577,616	599,650	619,274	625,518

(a) The Training Accreditation Council Secretariat was transferred from the Department of Education on 1 January 2019. The 2018-19 Estimated Actual reflects six month estimates to 30 June 2019.

Outcomes and Key Effectiveness Indicators ^(a)

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Outcome: A skilled workforce that meets the State's economic and community needs:					
Extent to which Jobs and Skills Centre services provided to individuals and businesses result in career, employment or training outcomes	63.1%	62%	62.4%	62%	
Proportion of State-nominated skilled migrants employed in priority occupations after arrival.....	52.1%	70%	70%	70%	1
Outcome: A flexible, responsive, innovative and quality training system:					
Proportion of delivery in training aligned with State priority occupations	63%	65%	62%	65%	
Proportion of graduates satisfied with the overall quality of training	88.7%	89%	87.8%	90%	
Percentage of RTOs compliant with the Standards for RTOs 2015	n/a	n/a	99%	100%	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 proportion of State-nominated skilled migrants employed in priority occupations after arrival increases between the 2017-18 Actual and the 2018-19 Estimated Actual largely due to volatility in the survey population, delays in the timing between skilled migrants registering for the survey and changes to the priority occupations list.
2. The indicator has been introduced to reflect the transfer of the Training Accreditation Council Secretariat from the Department of Education on 1 January 2019.

Services and Key Efficiency Indicators

1. Workforce Planning and Development

The Department works closely with industry, the community and across Government in gathering and analysing workforce data and intelligence to identify the State's workforce development and training priorities.

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 9,409	\$'000 10,413	\$'000 10,344	\$'000 10,036	
Less Income ^(a)	51	90	37	15	
Net Cost of Service	9,358	10,323	10,307	10,021	
Employees (Full-Time Equivalents) ^(b)	32	34	33	31	
Efficiency Indicators					
Average cost per industry and stakeholder contact.....	\$2,115	\$2,332	\$2,152	\$2,090	

(a) Income decreases between the 2018-19 Budget and the 2018-19 Estimated Actual and between the 2018-19 Estimated Actual and the 2019-20 Budget Target largely due to a reduction in own-source revenue not linked to a specific service and allocated across services.

(b) The 2017-18 Actual and the 2018-19 Estimated Actual reflect paid FTEs at the end of the period. The 2018-19 Budget and the 2019-20 Budget Target reflect the approved establishment.

2. Development of Vocational Education and Training Policy and Programs

The Department develops policies and programs that promote the effective and efficient operation of the State's vocational education and training system. Policy and program development is aligned to the Department's strategic direction for workforce development and training including higher education and the school sector.

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 7,225	\$'000 8,131	\$'000 6,829	\$'000 7,096	1
Less Income ^(a)	311	114	40	18	
Net Cost of Service	6,914	8,017	6,789	7,078	
Employees (Full-Time Equivalents) ^(b)	38	43	35	37	2
Efficiency Indicators					
Average cost of meeting major policy milestones.....	\$25,087	\$29,040	\$29,309	\$28,382	

(a) Income decreases between the 2018-19 Budget and the 2018-19 Estimated Actual and between the 2018-19 Estimated Actual and the 2019-20 Budget Target largely due to a reduction in own-source revenue not linked to a specific service and allocated across services.

(b) The 2017-18 Actual and the 2018-19 Estimated Actual reflect paid FTEs at the end of the period. The 2018-19 Budget and the 2019-20 Budget Target reflect the approved establishment.

Explanation of Significant Movements

(Notes)

1. The Total Cost of Service decreases between the 2018-19 Budget and the 2018-19 Estimated Actual primarily due to changes in the organisational structure and associated overhead cost allocation.
2. Employees (FTEs) decrease between the 2018-19 Budget and the 2018-19 Estimated Actual due to the review of departmental functions and vacant positions.

3. Jobs and Skills Centre Services

Jobs and Skills Centre Services provide education and training information, career guidance to the Western Australian community, as well as employment, training and mentoring services to Aboriginal people and communities. Under the Government's election commitment, these services have largely been transitioned to 'Jobs and Skills Centres' located at the TAFE Colleges.

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 12,230	\$'000 13,008	\$'000 13,792	\$'000 12,996	1
Less Income ^(a)	33	35	5	1	
Net Cost of Service	12,197	12,973	13,787	12,995	
Employees (Full-Time Equivalents) ^(b)	20	13	10	7	2
Efficiency Indicators					
Average cost per jobs and skills centre individual and business client contact.....	\$354	\$359	\$445	\$419	3

(a) Income decreases between the 2018-19 Budget and the 2018-19 Estimated Actual and between the 2018-19 Estimated Actual and the 2019-20 Budget Target largely due to a reduction in own-source revenue not linked to a specific service and allocated across services.

(b) The 2017-18 Actual and the 2018-19 Estimated Actual reflect paid FTEs at the end of the period. The 2018-19 Budget and the 2019-20 Budget Target reflect the approved establishment.

Explanation of Significant Movements

(Notes)

1. The Total Cost of Service increases between the 2018-19 Budget and the 2018-19 Estimated Actual and decreases between the 2018-19 Estimated Actual and the 2019-20 Budget Target largely due to the transition to the Jobs and Skills Centres function.
2. Employees (FTEs) decrease between the 2018-19 Estimated Actual and the 2019-20 Budget Target due to the review of departmental functions and a restructure of operations resulting from the transition to Jobs and Skills Centres.
3. The average cost per Jobs and Skills Centre individual and business client contact increases between the 2018-19 Budget and the 2018-19 Estimated Actual primarily due to an increase in the Total Cost of Service and a change in client contacts resulting from the transition to the Jobs and Skills Centre function.

4. Skilled Migration, Including Overseas Qualification Assessment

Skilled Migration, Including Overseas Qualification Assessment assesses applications from intending skilled migrants to Western Australia, and assesses post-secondary qualifications gained overseas for Western Australian residents. The service aims to facilitate skilled migration to Western Australia to supplement the local workforce and enable overseas trained residents to access education, training and employment through recognition of overseas qualifications.

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 1,123	\$'000 1,712	\$'000 1,263	\$'000 1,304	1
Less Income ^(a)	188	155	146	137	
Net Cost of Service	935	1,557	1,117	1,167	
Employees (Full-Time Equivalents) ^(b)	8	10	8	9	
Efficiency Indicators					
Average cost to administer migration applications and overseas qualification assessments	\$427	\$685	\$518	\$450	2

- (a) Income decreases between the 2018-19 Budget and the 2018-19 Estimated Actual and between the 2018-19 Estimated Actual and the 2019-20 Budget Target largely due to a reduction in own-source revenue not linked to a specific service and allocated across services.
- (b) The 2017-18 Actual and the 2018-19 Estimated Actual reflect paid FTEs at the end of the period. The 2018-19 Budget and the 2019-20 Budget Target reflect the approved establishment.

Explanation of Significant Movements

(Notes)

1. The Total Cost of Service decreases between the 2018-19 Budget and the 2018-19 Estimated Actual and increases between the 2018-19 Estimated Actual and the 2019-20 Budget primarily due to changes in the organisational structure and associated overhead cost allocation.
2. The average cost to administer migration applications and overseas qualifications assessments decreases between the 2018-19 Budget and 2018-19 Estimated Actual largely due to the decrease in the Total Cost of Service. The average cost to administer migration applications and overseas qualifications assessments decreases between the 2018-19 Estimated Actual and the 2019-20 Budget Target largely due to an expected increase in migration applications in the first full year of the State Nominated Migration program.

5. Apprenticeship and Traineeship Administration and Regulation

Apprenticeship and Traineeship Administration and Regulation includes registration of training contracts and administration of contract variations, educating participants on training contract and legislation requirements, dispute resolution and monitoring of legislative compliance.

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 9,401	\$'000 9,604	\$'000 8,400	\$'000 7,693	1
Less Income ^(a)	102	156	61	24	
Net Cost of Service	9,299	9,448	8,339	7,669	
Employees (Full-Time Equivalents) ^(b)	60	59	54	48	2
Efficiency Indicators					
Average cost per active training contract	\$285	\$290	\$279	\$244	3

(a) Income decreases between the 2018-19 Budget and the 2018-19 Estimated Actual and between the 2018-19 Estimated Actual and the 2019-20 Budget Target largely due to a reduction in own-source revenue not linked to a specific service and allocated across services.

(b) The 2017-18 Actual and the 2018-19 Estimated Actual reflect paid FTEs at the end of the period. The 2018-19 Budget and the 2019-20 Budget Target reflect the approved establishment.

Explanation of Significant Movements

(Notes)

1. The Total Cost of Service decreases between the 2018-19 Budget and the 2018-19 Estimated Actual primarily due to efficiencies from a new information and communications technology (ICT) system and changes in the organisational structure and associated overhead cost allocation.
2. Employees (FTEs) decrease between the 2018-19 Budget and the 2019-20 Budget Target primarily due to the review of departmental functions and staffing and ICT system efficiencies.
3. The average cost per active training contract decreases between the 2018-19 Estimated Actual and the 2019-20 Budget Target mainly due to staffing and ICT system efficiencies and an expected increase in the number of training contracts associated with the introduction of the Employer Incentive Scheme and programs being established to meet the National Partnership on the Skilling Australians Fund milestones.

6. Procurement of Training

Procurement of Training comprises the purchasing of training delivery services from the TAFE Colleges and private training providers in accordance with the State's priorities and the State Training Plan. The service is differentiated according to the major Jobs and Skills WA funding categories and now includes the cost of grants and administration associated with the Employer Incentive Scheme.

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 443,972	\$'000 441,786	\$'000 443,780	\$'000 464,715	1
Less Income ^(a)	155,025	159,843	187,210	189,245	2
Net Cost of Service	288,947	281,943	256,570	275,470	
Employees (Full-Time Equivalents)	55	57	59	69	3
Efficiency Indicators					
Cost per student curriculum hour: ^(b)					4
Diploma and above	\$9.75	\$9.67	\$11.80	\$12.11	
Apprenticeships and traineeships (Certificate IV and below)	\$14.53	\$14.50	\$16.09	\$17.26	
Priority industry training (Certificate I to Certificate IV)	\$12.92	\$12.82	\$12.60	\$12.95	
General industry training (Certificate I to Certificate IV)	\$15.84	\$15.82	\$16.03	\$16.39	
Foundation skills courses	\$17.77	\$17.62	\$17.86	\$18.36	

(a) The 2017-18 Actual and the 2018-19 Estimated Actual reflect paid FTEs at the end of the period. The 2018-19 Budget and the 2019-20 Budget Target reflect the approved establishment.

(b) The cost per student curriculum hour is derived using calendar year training delivery data.

Explanation of Significant Movements

(Notes)

1. The Total Cost of Service increases between the 2018-19 Budget and the 2018-19 Estimated Actual and between the 2018-19 Estimated Actual and the 2019-20 Budget Target primarily due to the introduction of the Employer Incentive Scheme and the delivery of additional apprenticeships and traineeships training places.
2. Income increases between the 2018-19 Budget and the 2018-19 Estimated Actual primarily due to revenue from the new National Partnership on the Skilling Australians Fund.
3. Employees (FTEs) increase between the 2018-19 Estimated Actual and the 2019-20 Budget Target largely due to the operational requirements of the Employer Incentive Scheme.
4. The cost per student curriculum hour increases between the 2018-19 Budget and the 2018-19 Estimated Actual primarily due to a change in the student mix. The increase between 2018-19 Estimated Actual and the 2019-20 Budget Target is primarily due to the introduction of the Employer Incentive Scheme.

7. Recruitment and Management of International Students

Recruitment and Management of International Students involves the marketing of Western Australian TAFE Colleges and public schools offshore and onshore, and managing admissions, compliance and the welfare of international students according to relevant legislation.

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 34,638	\$'000 36,011	\$'000 28,876	\$'000 30,302	1
Less Income ^(a)	33,830	35,926	28,421	29,515	2
Net Cost of Service	808	85	455	787	
Employees (Full-Time Equivalents)	38	41	36	42	3
Efficiency Indicators					
Average cost of recruitment and management per FTE international student	\$1,567	\$1,546	\$1,400	\$1,471	

(a) The 2017-18 Actual and the 2018-19 Estimated Actual reflect paid FTEs at the end of the period. The 2018-19 Budget and the 2019-20 Budget Target reflect the approved establishment.

Explanation of Significant Movements

(Notes)

1. The Total Cost of Service decreases between the 2018-19 Budget and the 2018-19 Estimated Actual primarily due to lower than anticipated levels of international student training activity.
2. Income decreases between the 2018-19 Budget and the 2018-19 Estimated Actual primarily due to lower than anticipated levels of international student training activity.
3. Employees (FTEs) increase between the 2018-19 Estimated Actual and the 2019-20 Budget Target primarily due to the filling of vacant positions.

8. Infrastructure Management for TAFE Colleges

Infrastructure Management for TAFE Colleges includes the maintenance, administration and strategic development of land and buildings used to deliver publicly funded training in campuses across the State.

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 7,181	\$'000 2,942	\$'000 4,211	\$'000 3,997	1
Less Income ^(a)	20	34	14	6	
Net Cost of Service	7,161	2,908	4,197	3,991	
Employees (Full-Time Equivalents) ^(b)	13	13	12	11	
Efficiency Indicators					
Average cost to administer training infrastructure per TAFE College	\$548,016	\$487,656	\$723,360	\$698,646	2

(a) Income decreases between the 2018-19 Budget and the 2018-19 Estimated Actual and between the 2018-19 Estimated Actual and the 2019-20 Budget Target largely due to a reduction in own-source revenue not linked to a specific service and allocated across services.

(b) The 2017-18 Actual and the 2018-19 Estimated Actual reflect paid FTEs at the end of the period. The 2018-19 Budget and the 2019-20 Budget Target reflect the approved establishment.

Explanation of Significant Movements

(Notes)

1. The Total Cost of Service increases between the 2018-19 Budget and the 2018-19 Estimated Actual and then decreases between the 2018-19 Estimated Actual and 2019-20 Budget Target mainly due to the reallocation of expenditure relating to centrally coordinated maintenance in 2018-19.
2. The average cost to administer training infrastructure per TAFE College increases between the 2018-19 Budget and the 2018-19 Estimated Actual mainly due to the reallocation of expenditure relating to centrally coordinated maintenance in 2018-19.

9. Support Services to TAFE Colleges

Support Services to TAFE Colleges include the supply, management and maintenance of ICT, finance and human resource services.

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 35,159	\$'000 37,832	\$'000 34,747	\$'000 35,507	
Less Income ^(a)	5,633	6,743	6,320	6,277	
Net Cost of Service	29,526	31,089	28,427	29,230	
Employees (Full-Time Equivalents) ^(b)	176	192	169	174	1
Efficiency Indicators					
Average cost to administer support services per TAFE College	\$7,031,814	\$7,566,326	\$6,949,315	\$7,101,431	

(a) Income decreases between the 2018-19 Budget and the 2018-19 Estimated Actual and between the 2018-19 Estimated Actual and the 2019-20 Budget Target largely due to a reduction in own-source revenue not linked to a specific service and allocated across services.

(b) The 2017-18 Actual and the 2018-19 Estimated Actual reflects paid FTEs at the end of the period. The 2018-19 Budget and the 2019-20 Budget Target reflect the approved establishment.

Explanation of Significant Movements

(Notes)

1. Employees (FTEs) decrease between the 2018-19 Budget and the 2018-19 Estimated Actual due to the review of departmental functions and vacant positions. Employees (FTEs) increase between the 2018-19 Estimated Actual and 2019-20 Budget Target primarily due to the filling of vacant positions.

10. Regulatory Services to Registered Training Organisations (RTOs) ^(a)

The Training Accreditation Council (the Council) has the statutory responsibility for providing regulatory services to RTOs operating solely in Western Australia. The Council is established under the *Vocational Education and Training Act 1996* and is supported by the Department through the services of the Council Secretariat. Regulatory Services to RTOs include quality assurance and recognition of vocational education and training services.

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
	\$'000	\$'000	\$'000	\$'000	
Total Cost of Service	-	-	2,430	3,970	1
Less Income	-	-	704	1,417	1
Net Cost of Service	-	-	1,726	2,553	
Employees (Full-Time Equivalents)	-	-	14	16	
Efficiency Indicators					
Cost of regulatory services per RTO	n/a	n/a	\$11,855	\$19,364	2

(a) The Council Secretariat was transferred from the Department of Education on 1 January 2019.

Explanation of Significant Movements

(Notes)

1. The Total Cost of Service and income increase between the 2018-19 Estimated Actual and the 2019-20 Budget Target as the 2018-19 Estimated Actual reflects six month estimates to 30 June 2019 while the 2019-20 Budget Target is for the full year.
2. The increase in the cost of regulatory services per RTO between the 2018-19 Estimated Actual and the 2019 Budget Target is because whilst the number of RTOs has remained unchanged between the 2018-19 Estimated Actual and 2019-20 Budget Target, the cost of regulatory services for the 2018-19 Estimated Actual is for six months compared to the 2019-20 Budget Target, which is for the full year. The indicator is not directly comparable to the previous indicator reported by the Department of Education for the 2018-19 Budget.

Asset Investment Program

1. The Department's planned Asset Investment Program supports local jobs and regional prosperity to strengthen the State's economy.
2. Works that are expected to be completed in 2018-19 include the following projects:
 - 2.1. \$13 million ICT Student Management System for the training sector;
 - 2.2. \$12.4 million South Metropolitan TAFE - Engineering Training Centre at Munster;
 - 2.3. \$0.2 million election commitment for project planning and preparation of the business case for the Plan for Collie-Preston: Collie TAFE major upgrade;
 - 2.4. \$1.1 million Muresk Agricultural Skills Development Pathway program; and
 - 2.5. \$6.3 million Training Record System and Quality Business System.
3. Works with estimated expenditure continuing in 2019-20 include the following projects:
 - 3.1. \$67.7 million Remedial Works program (over 2018-19 to 2022-23), which will be used for a range of essential projects to upgrade ageing infrastructure and better equip TAFE Colleges so that students and industry have access to contemporary and industry relevant training infrastructure; and
 - 3.2. \$17.9 million Esperance New Replacement Campus to provide industry relevant training facilities to support the training and workforce development needs of the Esperance region.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-19 \$'000	2018-19 Estimated Expenditure \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
WORKS IN PROGRESS							
Remedial Works Program ^(a)	101,379	47,429	13,737	14,200	10,900	13,550	15,300
South Regional TAFE Esperance New Replacement Campus	17,850	600	600	7,100	8,400	1,750	-
COMPLETED WORKS							
ICT Student Management System for the Training Sector	12,999	12,999	4,095	-	-	-	-
New Buildings and Additions at TAFE Colleges							
Election Commitment - Plan for Collie-Preston: Collie TAFE Major Upgrade	200	200	200	-	-	-	-
South Metropolitan TAFE - Engineering Training Centre (Munster)	12,416	12,416	215	-	-	-	-
Regional Capital Works Initiative - Muresk Agricultural Skills Development	1,095	1,095	225	-	-	-	-
Training Record System and Quality Business System	6,300	6,300	272	-	-	-	-
Total Cost of Asset Investment Program	152,239	81,039	19,344	21,300	19,300	15,300	15,300
FUNDED BY							
Internal Funds and Balances			3,619	-	-	-	-
Drawdowns from Royalties for Regions Fund			425	6,000	4,000	-	-
Commonwealth Recurrent Funding for Capital Purposes			15,300	15,300	15,300	15,300	15,300
Total Funding			19,344	21,300	19,300	15,300	15,300

(a) A net transfer of \$0.5 million from the Department's Remedial Works Program is reflected in the TAFE Colleges' Asset Investment Programs where purchases are required at a local level to meet specific training requirements.

Financial Statements

1. The implementation of new accounting standard AASB 16: *Leases* significantly impacts the Statement of Financial Position by bringing arrangements previously classified as operating leases on to the balance sheet. On the Income Statement, previous rental expenses for operating leases are removed and replaced with interest expense for the lease obligation and a depreciation cost for the right of use asset. Further information on AASB 16 and other new accounting standards impacting the Budget are detailed in a feature box in Budget Paper No. 3.

Income Statement

Expenses

2. The \$64.6 million, or 11.6%, increase in the Total Cost of Services between the 2018-19 Estimated Actual and the 2021-22 Forward Estimate is primarily due to additional training places for apprenticeships and traineeships and the Employer Incentive Scheme.

Income

3. The \$19.9 million, or 9.8%, increase in total income between the 2018-19 Budget and the 2018-19 Estimated Actual is primarily due to revenue under the National Partnership on the Skilling Australians Fund.

Statement of Financial Position

4. The \$69.6 million, or 84.6%, overall increase in total cash assets between the 2018-19 Budget and the 2021-22 Forward Estimate primarily reflects the timing of revenue under the National Partnership on the Skilling Australians Fund.
5. The \$34.3 million, or 21.4%, increase in total equity between the 2018-19 Estimated Actual and the 2019-20 Budget Estimate is primarily due to the operating surpluses generated by the timing of the National Partnership on the Skilling Australians Fund cashflows.

Statement of Cashflows

6. Movements in cash in the Statement of Cashflows reflect changes as noted above for the Statement of Financial Position.

INCOME STATEMENT ^(a)
(Controlled)

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
COST OF SERVICES							
Expenses							
Employee benefits ^(b)	56,151	53,268	52,530	49,555	50,093	50,506	50,985
Grants and subsidies ^(c)	431,403	435,483	436,794	458,677	483,136	500,869	503,857
Supplies and services	24,122	26,768	26,143	28,140	24,663	25,278	26,489
Accommodation	6,226	8,010	6,820	2,307	2,571	3,516	3,979
Depreciation and amortisation	2,455	3,164	3,164	6,867	6,833	5,577	5,084
Finance costs	-	-	-	1,386	1,264	1,142	1,045
Service Delivery Agreement - International Student Fees	24,839	25,069	20,464	21,283	22,347	23,687	25,107
Other expenses	15,142	9,677	8,757	9,401	8,743	8,699	8,972
TOTAL COST OF SERVICES	560,338	561,439	554,672	577,616	599,650	619,274	625,518
Income							
Sale of goods and services	762	834	745	745	745	745	745
Regulatory fees and fines	-	-	688	1,409	1,132	1,171	1,171
Grants and subsidies	152,491	158,500	185,401	187,293	193,134	192,361	163,411
International Student Course Fees	32,427	34,924	27,105	28,189	29,598	31,374	33,147
Other revenue	9,513	8,838	9,019	9,019	9,019	9,019	9,019
Total Income	195,193	203,096	222,958	226,655	233,628	234,670	207,493
NET COST OF SERVICES	365,145	358,343	331,714	350,961	366,022	384,604	418,025
INCOME FROM STATE GOVERNMENT							
Service appropriations	353,551	356,053	356,839	337,234	355,782	368,889	372,282
Resources received free of charge	495	294	294	294	294	294	294
Royalties for Regions Fund: Regional Community Services Fund	3,621	3,328	3,696	46,722	47,222	47,036	47,036
Regional Infrastructure and Headworks Fund	446	800	548	-	-	-	-
TOTAL INCOME FROM STATE GOVERNMENT	358,113	360,475	361,377	384,250	403,298	416,219	419,612
SURPLUS/(DEFICIENCY) FOR THE PERIOD	(7,032)	2,132	29,663	33,289	37,276	31,615	1,587

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

(b) The full-time equivalents for 2017-18 Actual, 2018-19 Estimated Actual and 2019-20 Budget Estimate are 440, 430 and 444 respectively.

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

DETAILS OF CONTROLLED GRANTS AND SUBSIDIES

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
Contracts and Agreements for the Delivery of Training and Employment Services by TAFE Colleges, Private Training Providers and the Western Australian Academy of Performing Arts at Edith Cowan University	408,498	420,824	417,503	426,907	434,848	448,132	451,684
Other Grants and Subsidies	22,905	14,659	19,291	31,770	48,288	52,737	52,173
TOTAL	431,403	435,483	436,794	458,677	483,136	500,869	503,857

STATEMENT OF FINANCIAL POSITION ^(a)
(Controlled)

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
CURRENT ASSETS							
Cash assets.....	53,813	39,722	61,550	73,542	89,817	106,132	92,419
Restricted cash.....	31,669	42,392	33,124	39,299	45,178	45,356	45,534
Receivables.....	5,995	9,465	5,995	5,995	5,995	5,995	6,116
Other.....	2,924	2,815	2,924	2,924	2,924	2,924	2,924
Total current assets.....	94,401	94,394	103,593	121,760	143,914	160,407	146,993
NON-CURRENT ASSETS							
Holding account receivables.....	41,363	45,027	45,301	52,668	60,001	66,078	71,662
Property, plant and equipment.....	30,868	34,903	29,888	70,068	66,706	62,493	58,732
Intangibles.....	15,547	18,531	18,614	17,314	16,014	14,714	13,414
Restricted cash.....	400	200	400	400	400	400	400
Other.....	325	678	325	325	325	325	325
Total non-current assets.....	88,503	99,339	94,528	140,775	143,446	144,010	144,533
TOTAL ASSETS.....	182,904	193,733	198,121	262,535	287,360	304,417	291,526
CURRENT LIABILITIES							
Employee provisions.....	10,588	11,251	11,382	12,060	12,738	13,416	14,215
Payables.....	520	1,890	520	520	520	520	520
Other.....	22,976	28,937	22,976	52,371	49,294	46,791	44,649
Total current liabilities.....	34,084	42,078	34,878	64,951	62,552	60,727	59,384
NON-CURRENT LIABILITIES							
Employee provisions.....	2,594	2,910	2,747	2,747	2,747	2,747	2,747
Other.....	10	13	10	10	10	10	10
Total non-current liabilities.....	2,604	2,923	2,757	2,757	2,757	2,757	2,757
TOTAL LIABILITIES.....	36,688	45,001	37,635	67,708	65,309	63,484	62,141
EQUITY							
Contributed equity.....	-	(53,364)	(15,393)	(14,633)	(24,685)	(37,418)	(50,553)
Accumulated surplus/(deficit).....	146,216	197,223	175,879	209,460	246,736	278,351	279,938
Reserves.....	-	4,873	-	-	-	-	-
Total equity.....	146,216	148,732	160,486	194,827	222,051	240,933	229,385
TOTAL LIABILITIES AND EQUITY.....	182,904	193,733	198,121	262,535	287,360	304,417	291,526

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

STATEMENT OF CASHFLOWS ^(a)
(Controlled)

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
CASHFLOWS FROM STATE GOVERNMENT							
Service appropriations	351,062	352,389	352,901	329,867	348,449	362,812	366,698
Capital appropriation	237	-	-	3,060	3,248	2,567	2,165
Royalties for Regions Fund:							
Regional Community Services Fund	4,043	3,553	3,921	46,722	47,222	47,036	47,036
Regional Infrastructure and Headworks Fund	846	1,000	748	6,000	4,000	-	-
Receipts paid into Consolidated Account	(33,126)	-	-	-	-	-	-
Net cash provided by State Government	323,062	356,942	357,570	385,649	402,919	412,415	415,899
CASHFLOWS FROM OPERATING ACTIVITIES							
Payments							
Employee benefits	(56,405)	(52,595)	(51,698)	(48,992)	(49,530)	(49,943)	(50,422)
Grants and subsidies	(429,440)	(435,483)	(436,794)	(458,677)	(483,136)	(500,869)	(503,857)
Supplies and services	(25,343)	(26,013)	(25,947)	(28,128)	(24,651)	(25,266)	(26,437)
Accommodation	(6,260)	(8,285)	(7,095)	(2,582)	(2,846)	(3,791)	(4,254)
GST payments	(15,565)	(20,821)	(20,821)	(20,821)	(20,821)	(20,821)	(20,821)
Finance costs	-	-	-	(1,386)	(1,264)	(1,142)	(1,045)
Service Delivery Agreement - International Student Fees	(24,601)	(25,069)	(20,464)	(21,283)	(22,347)	(23,687)	(25,107)
Other payments	(10,989)	(11,070)	(9,476)	(8,729)	(8,071)	(8,027)	(8,340)
Receipts ^(b)							
Regulatory fees and fines	-	-	688	1,409	1,132	1,171	1,171
Grants and subsidies	152,191	158,500	185,401	187,293	193,134	192,361	163,411
Sale of goods and services	660	834	745	745	745	745	745
GST receipts	15,351	20,821	20,821	20,821	20,821	20,821	20,821
Other receipts	35,123	43,762	36,124	37,208	38,617	40,393	42,166
Net cash from operating activities	(365,278)	(355,419)	(328,516)	(343,122)	(358,217)	(378,055)	(411,969)
CASHFLOWS FROM INVESTING ACTIVITIES							
Payments							
Purchase of non-current assets	(35,351)	(17,783)	(19,344)	(21,300)	(19,300)	(15,300)	(15,300)
Receipts							
Proceeds from sale of non-current assets	66	-	-	-	-	-	-
Net cash from investing activities	(35,285)	(17,783)	(19,344)	(21,300)	(19,300)	(15,300)	(15,300)
CASHFLOWS FROM FINANCING ACTIVITIES							
Payments							
Other payments	-	-	-	(3,060)	(3,248)	(2,567)	(2,165)
Net cash from financing activities	-	-	-	(3,060)	(3,248)	(2,567)	(2,165)
NET INCREASE/(DECREASE) IN CASH HELD	(77,501)	(16,260)	9,710	18,167	22,154	16,493	(13,535)
Cash assets at the beginning of the reporting period	161,883	98,574	85,882	95,074	113,241	135,395	151,888
Net cash transferred to/from other agencies	1,500	-	(518)	-	-	-	-
Cash assets at the end of the reporting period	85,882	82,314	95,074	113,241	135,395	151,888	138,353

(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)

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
Regulatory Fees and Fines							
Regulatory Fees	-	-	688	1,409	1,132	1,171	1,171
Grants and Subsidies							
Commonwealth Capital	15,300	15,300	15,300	15,300	15,300	15,300	15,300
Commonwealth Recurrent	136,891	143,200	170,101	171,993	177,834	177,061	148,111
Sale of Goods and Services							
Sale of Goods and Services	660	834	745	745	745	745	745
GST Receipts							
GST Receipts	15,351	20,821	20,821	20,821	20,821	20,821	20,821
Other Receipts							
International Student Delivery	26,994	34,924	27,105	28,189	29,598	31,374	33,147
Interest Receipts	1,063	1,266	905	905	905	905	905
Other Receipts	7,066	7,572	8,114	8,114	8,114	8,114	8,114
TOTAL	203,325	223,917	243,779	247,476	254,449	255,491	228,314

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

DETAILS OF ADMINISTERED TRANSACTIONS

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
INCOME							
Other							
Temporary Worker (Skilled) Visa Holder (Subclass 457) and Temporary Skill Shortage Visa Holder (Subclass 482) Child School Fees	4,014	5,360	4,346	4,346	4,346	4,346	3,028
TOTAL ADMINISTERED INCOME	4,014	5,360	4,346	4,346	4,346	4,346	3,028
EXPENSES							
Other							
Payments to the Consolidated Account	4,014	5,360	4,346	4,346	4,346	4,346	3,028
TOTAL ADMINISTERED EXPENSES	4,014	5,360	4,346	4,346	4,346	4,346	3,028

TAFE Colleges

Part 6 Education and Training

Asset Investment Program

1. The five TAFE Colleges are undertaking Asset Investment Programs in 2019-20 comprising various refurbishments and improvements to accommodation and infrastructure, as well as the replacement of equipment for training and minor works. This program supports local jobs across the State.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-19 \$'000	2018-19 Estimated Expenditure \$'000	2019-20 Budget Estimate \$'000	2020-21 Forward Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000
CENTRAL REGIONAL TAFE							
WORKS IN PROGRESS							
Asset Replacement Program ^(a)	8,261	2,461	1,540	1,450	1,450	1,450	1,450
Total Cost of Asset Investment Program	8,261	2,461	1,540	1,450	1,450	1,450	1,450
NORTH METROPOLITAN TAFE							
WORKS IN PROGRESS							
Asset Replacement Program ^(a)	12,177	6,777	4,266	1,350	1,350	1,350	1,350
Critical Remedial Works and Refurbishment Aberdeen Street and Leederville Campuses	1,450	950	950	500	-	-	-
Accommodation and Infrastructure - Building Renewal and Improvements	5,500	1,100	1,100	1,100	1,100	1,100	1,100
COMPLETED WORKS							
McLarty Campus Remedial Works	1,462	1,462	587	-	-	-	-
Total Cost of Asset Investment Program	20,589	10,289	6,903	2,950	2,450	2,450	2,450
NORTH REGIONAL TAFE							
WORKS IN PROGRESS							
Asset Replacement Program	5,475	2,875	970	650	650	650	650
Total Cost of Asset Investment Program	5,475	2,875	970	650	650	650	650
SOUTH METROPOLITAN TAFE							
WORKS IN PROGRESS							
Asset Replacement Program ^(a)	18,052	7,532	3,401	2,630	2,630	2,630	2,630
Total Cost of Asset Investment Program	18,052	7,532	3,401	2,630	2,630	2,630	2,630
SOUTH REGIONAL TAFE							
WORKS IN PROGRESS							
Asset Replacement Program	5,402	1,535	1,212	984	961	961	961
Total Cost of Asset Investment Program	5,402	1,535	1,212	984	961	961	961
Total Cost of TAFE Colleges Asset Investment Program	57,779	24,692	14,026	8,664	8,141	8,141	8,141
FUNDED BY							
Internal Funds and Balances			14,026	8,664	8,141	8,141	8,141
Total Funding			14,026	8,664	8,141	8,141	8,141

(a) A net transfer of \$0.5 million from the Department of Training and Workforce Development's Remedial Works Program is reflected in the TAFE Colleges' Asset Replacement Programs where purchases are required at a local level to meet specific training requirements.

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