



WESTERN AUSTRALIA
STATE BUDGET
2019-20

BUDGET
PAPER
NO. 2

Budget Statements
Volume 2

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 2

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

2019-20 Budget Statements
(Budget Paper No. 2 Volume 2)
© Government of Western Australia

Excerpts from this publication may be reproduced, with appropriate acknowledgement, as permitted under the *Copyright Act 1968*.

For further information please contact:

Department of Treasury
Locked Bag 11 Cloisters Square WA 6850
Telephone: +61 8 6551 2777
Facsimile: +61 8 6551 2500
Email: info@treasury.wa.gov.au
Website: www.ourstatebudget.wa.gov.au

Published May 2019
Kevin J. McRae, Government Printer

ISSN 1448-2630

2019-20 BUDGET

BUDGET STATEMENTS

TABLE OF CONTENTS

	Volume	Page
Chapter 1: Consolidated Account Expenditure Estimates.....	1	1
Chapter 2: Net Appropriation Determinations.....	1	23
Chapter 3: Agency Information in Support of the Estimates	1	27
PART 1		
PARLIAMENT		
Parliament	1	31
Parliamentary Commissioner for Administrative Investigations	1	51
PART 2		
GOVERNMENT ADMINISTRATION		
Premier and Cabinet	1	63
Public Sector Commission	1	76
Governor's Establishment	1	85
Western Australian Electoral Commission	1	91
Salaries and Allowances Tribunal	1	100
Commissioner for Equal Opportunity	1	106
Commissioner for Children and Young People	1	114
Office of the Information Commissioner	1	121
WorkCover WA Authority	1	127
Registrar, Western Australian Industrial Relations Commission	1	128
PART 3		
FINANCIAL ADMINISTRATION		
Treasury	1	139
Western Australian Treasury Corporation	1	158
Office of the Auditor General.....	1	159
Finance	1	169
Insurance Commission of Western Australia	1	183
Gold Corporation	1	184
PART 4		
JOBS AND ECONOMIC DEVELOPMENT		
Jobs, Tourism, Science and Innovation	1	189
Primary Industries and Regional Development.....	1	205
Mines, Industry Regulation and Safety	1	223
Western Australian Meat Industry Authority.....	1	237
Small Business Development Corporation.....	1	238
Rural Business Development Corporation	1	247
Economic Regulation Authority	1	253
Forest Products Commission	1	260
Racing and Wagering Western Australia	1	261
Western Australian Greyhound Racing Association	1	262
Burswood Park Board	1	263

PART 5 HEALTH

WA Health	1	267
Mental Health Commission	1	292
Health and Disability Services Complaints Office	1	307
Animal Resources Authority	1	308

PART 6 EDUCATION AND TRAINING

Education	1	311
Training and Workforce Development	1	328
TAFE Colleges	1	344

PART 7 COMMUNITY SAFETY

Western Australia Police Force	2	353
Justice	2	367
Legal Aid Commission of Western Australia	2	384
Fire and Emergency Services	2	385
Office of the Director of Public Prosecutions	2	400
Corruption and Crime Commission	2	409
Chemistry Centre (WA)	2	416
Office of the Inspector of Custodial Services	2	425
Parliamentary Inspector of the Corruption and Crime Commission	2	432

PART 8 COMMUNITY SERVICES

Communities	2	443
Keystart Housing Scheme Trust	2	465
Local Government, Sport and Cultural Industries	2	466
Western Australian Sports Centre Trust	2	494
Western Australian Institute of Sport	2	504
Lotteries Commission	2	505
Metropolitan Cemeteries Board	2	506

PART 9 TRANSPORT

Transport	2	509
Commissioner of Main Roads	2	526
Public Transport Authority of Western Australia	2	543
METRONET Projects Under Development	2	559
Fremantle Port Authority	2	560
Kimberley Ports Authority	2	562
Mid West Ports Authority	2	563
Pilbara Ports Authority	2	564
Southern Ports Authority	2	565

PART 10 ENVIRONMENT

Water and Environmental Regulation	2	569
Biodiversity, Conservation and Attractions	2	587

PART 11
PLANNING AND LAND USE

Planning, Lands and Heritage	2	607
Western Australian Planning Commission	2	623
Western Australian Land Information Authority	2	634
Western Australian Land Authority	2	644
Metropolitan Redevelopment Authority	2	646
Heritage Council of Western Australia	2	647
National Trust of Australia (WA)	2	654

PART 12
UTILITIES

Synergy	2	663
Western Power	2	665
Horizon Power	2	668
Water Corporation	2	670
Bunbury Water Corporation	2	672
Busselton Water Corporation	2	673

CHAPTER 3

AGENCY INFORMATION IN SUPPORT OF THE ESTIMATES

Part 7 - 12

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 7

Community Safety

Introduction

The Community Safety portfolio delivers services to ensure a safe and secure community. This includes metropolitan, regional, remote and specialist policing services, road safety awareness, a fair and just legal system, corrective services, and a timely and effective response to emergency management.

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

- A Safer Community
 - reducing youth reoffending;
 - reducing illicit drug use; and
- Aboriginal Wellbeing
 - reducing the over-representation of Aboriginal people in custody.

Summary of Recurrent and Asset Investment Expenditure

Agency	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000
Western Australia Police Force		
– Total Cost of Services	1,556,864	1,581,360
– Asset Investment Program	51,892	86,976
Justice		
– Total Cost of Services	1,484,855	1,638,266
– Asset Investment Program	86,832	110,266
Legal Aid Commission of Western Australia		
– Asset Investment Program	405	1,497
Fire and Emergency Services		
– Total Cost of Services	431,873	449,286
– Asset Investment Program	32,512	50,767
Office of the Director of Public Prosecutions		
– Total Cost of Services	46,529	47,168
– Asset Investment Program	425	2,250

Agency	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000
Corruption and Crime Commission		
– Total Cost of Services	27,374	28,444
– Asset Investment Program	2,200	1,700
Chemistry Centre (WA)		
– Total Cost of Services	28,018	28,797
– Asset Investment Program	2,500	2,500
Office of the Inspector of Custodial Services		
– Total Cost of Services	3,568	3,629
– Asset Investment Program	26	-
Parliamentary Inspector of the Corruption and Crime Commission		
– Total Cost of Services	839	850
– Asset Investment Program	-	-

Ministerial Responsibilities

Minister	Agency	Services
Minister for Police; Road Safety	Western Australia Police Force	<ol style="list-style-type: none"> 1. Metropolitan Policing Services 2. Regional and Remote Policing Services 3. Specialist Policing Services 4. Road Safety Commission
Attorney General; Minister for Commerce	Justice	<ol style="list-style-type: none"> 1. Court and Tribunal Services 2. Advocacy, Guardianship and Administration Services 3. Trustee Services 4. National Redress Scheme for Institutional Child Sexual Abuse 5. Births, Deaths and Marriages 6. Services to Government 7. Legal Aid Assistance
Minister for Emergency Services; Corrective Services	Justice	<ol style="list-style-type: none"> 8. Adult Corrective Services 9. Youth Justice Services
	Fire and Emergency Services	<ol style="list-style-type: none"> 1. Community Awareness, Education and Information Services 2. Compliance and Technical Advisory Services 3. Training and Organisational Resourcing Services 4. Frontline Services 5. Emergency Management Advice and Consultation
	Office of the Inspector of Custodial Services	<ol style="list-style-type: none"> 1. Inspection and Review of Custodial Services
Attorney General; Minister for Commerce	Legal Aid Commission of Western Australia	n/a
	Office of the Director of Public Prosecutions	<ol style="list-style-type: none"> 1. Criminal Prosecutions 2. Confiscation of Assets
	Corruption and Crime Commission	<ol style="list-style-type: none"> 1. Assessing All Allegations of Serious Misconduct Received 2. Investigating Allegations of Serious Misconduct
	Parliamentary Inspector of the Corruption and Crime Commission	<ol style="list-style-type: none"> 1. Evaluation of the Effectiveness and Appropriateness of Corruption and Crime Commission Operations
Minister for Water; Fisheries; Forestry; Innovation and ICT; Science	Chemistry Centre (WA)	<ol style="list-style-type: none"> 1. Commercial and Scientific Information and Advice 2. Emergency Response Management 3. Research and Development

Division 25 **Western Australia Police Force** ¹

Part 7 **Community Safety**

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 59 Net amount appropriated to deliver services	1,305,103	1,367,361	1,361,126	1,384,498	1,344,952	1,360,078	1,370,981
Amount Authorised by Other Statutes							
- Salaries and Allowances Act 1975	4,825	4,825	4,825	4,825	4,825	4,843	4,864
Total appropriations provided to deliver services	1,309,928	1,372,186	1,365,951	1,389,323	1,349,777	1,364,921	1,375,845
ADMINISTERED TRANSACTIONS							
Item 60 Amount provided for Administered Grants, Subsidies and Other Transfer Payments ^(a)	-	-	-	16,094	-	-	-
CAPITAL							
Item 129 Capital Appropriation	36,093	18,582	16,085	88,099	112,860	78,690	70,869
TOTAL APPROPRIATIONS	1,346,021	1,390,768	1,382,036	1,493,516	1,462,637	1,443,611	1,446,714
EXPENSES							
Total Cost of Services	1,505,240	1,555,086	1,556,864	1,581,360	1,517,117	1,530,379	1,531,353
Net Cost of Services ^(b)	1,337,786	1,385,544	1,393,827	1,423,273	1,360,156	1,376,125	1,378,255
Adjusted Total Cost of Services ^(c)	1,438,734	1,490,738	1,485,969	1,517,016	1,472,390	1,485,525	1,496,581
CASH ASSETS ^(d)	95,090	75,200	77,710	50,277	65,883	69,719	94,470

- (a) Administered Transactions funding of \$16.1 million represents the Western Australia Police Force Redress Scheme to recognise and support former police officers medically retired due to a work-related illness or injury.
- (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) Adjusted Total Cost of Services excludes Road Trauma Trust Account (RTTA) grants for road safety initiatives delivered by other entities. These grants are considered on an annual basis and contribute to the variability in the Total Cost of Services recorded from 2019-20 to 2022-23. Further detail is provided in the Total Cost of Services - Reconciliation Table.
- (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					
Digital Policing - Mobility	-	8,424	6,111	8,204	8,409
Election Commitments					
Carnarvon Police and Community Youth Centre (PCYC)	-	500	550	-	-
Family and Domestic Violence Monitoring Unit	-	807	1,528	1,566	1,606
Family and Domestic Violence Officer Training and Code of Practice	-	2,070	-	-	-
Royal Commission (Child Sexual Abuse) - Digitisation of Historical Criminal Records	-	299	-	-	-

¹ 'Western Australia Police Force' includes persons appointed to the Police Force under Part I of the *Police Act 1892* and employees of the Police Service, which is the agency principally assisting the Minister for Police in the administration of the *Police Act 1892*. For the purposes of the 2019-20 Budget, Budget Paper No. 2 references to Western Australia Police Force are interchangeable with references to Western Australia Police in the Appropriation Bills.

	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
Kununurra PCYC.....	-	698	619	633	-
Mental Health Court Diversion and Support Program	-	234	237	-	-
PathWest Relocation.....	3,411	503	527	550	574
RTTA					
Automated Traffic Enforcement - Camera Maintenance Program	-	2,743	2,660	2,705	2,751
Integrated Cycling Incident Reporting Facility.....	-	120	120	-	-
Learner Log Book App.....	-	462	-	-	-
Sustainability Funding for PCYC	-	4,000	3,000	-	-
Transfer of Transcription of Evidentiary Material by the Office of the Director of Public Prosecutions to Western Australia Police Force.....	-	830	830	830	830
West Kimberley Youth and Resilience Hub	50	1,286	-	-	-
Ongoing Initiatives					
Cost and Demand Forecasts.....	(20,500)	30,000	-	-	-
Living Safe Together Intervention Program	180	-	-	-	-
Proceeds of Crime.....	1,550	1,550	1,550	-	-
RTTA					
Alcohol Interlocks Assessment and Treatment Services	-	1,457	1,494	1,531	1,569
Enhanced Speed Enforcement Administration Costs (Department of Transport)	-	2,560	2,537	2,608	2,679
Increased Impaired (Alcohol and Drug) Driving Detection	-	-	1	-	(144)
Infringement Management Operations - Administration Costs	-	3,159	3,384	3,614	3,465
Intersections Program.....	(1,145)	(6,155)	3,650	3,650	(60)
People Walking and Riding Program	-	144	101	144	213
Run-Off Road Crashes Program.....	-	(1,219)	1,900	1,900	-
Supporting Implementation and Results Focus Program.....	-	438	-	-	39
Other					
2019-20 Tariffs, Fees and Charges	-	1,381	1,381	1,381	1,381
Government Office Accommodation Reform Program	(1,521)	(1,436)	(1,262)	(1,202)	(1,202)
Government Regional Officer Housing	641	(1,536)	(1,740)	(772)	220
GovNext - Information and Communications Technology and Cloud Transition	-	10,200	-	-	(3,600)
Indexation for Non-Salary Expenses	-	-	-	-	2,413
National Domestic Violence Order Scheme	(480)	-	-	-	-
Regional Workers Incentives Allowance Payments.....	285	285	285	285	2,497

Significant Issues Impacting the Agency

1. To provide trusted and valued policing services for Western Australia, the Western Australia Police Force is committed to enforcing the law, preventing crime, and managing emergencies, which are the three pillars that remain core capabilities for the agency. The Western Australia Police Force will achieve this by ensuring our people, processes, infrastructure, equipment and technology are agile, flexible and robust. The Western Australia Police Force will enhance frontline safety and mobility through personal issue body armour and body-worn cameras that will mitigate risk and improve efficiency. The agency will continue to implement the Digital Policing program to optimise and consolidate policing services and capability through emerging digital technology.
2. Illicit drug use, particularly methamphetamine (meth), can have a devastating impact on individuals and Western Australian communities, and is a causal factor of criminal behaviour. Organised crime entities influence and control the Western Australian illicit drug markets. As part of the Government's Meth Action Plan, the Western Australia Police Force has established a Meth Border Force to disrupt the supply chain and alleviate the harm caused by illicit drugs. The agency will continue to establish strong relationships with Federal law enforcement agencies to combat the supply of drugs, and to target criminal networks to further reduce meth-related harm in the community. Additionally, the agency will increase its focus on proceeds of crime.
3. Family violence continues to have an impact on the community of Western Australia. The Western Australia Police Force is committed to responding to family violence incidents and will ensure perpetrators are held to account and victims continue to receive support. To enhance this response, all frontline officers will receive family violence training. Ongoing assistance to high-risk families requires a multi-agency approach and the Western Australia Police Force will continue to build on the effectiveness of our agency Family Violence Teams. The introduction of electronic monitoring of offenders will strengthen this work. The Western Australia Police Force State Family Violence Division will continue to work with our strategic partner agencies, non-government organisations and researchers to develop standards and strategic advice to reduce the impact of family violence within the Western Australian community.

4. The Western Australia Police Force will focus on building positive relationships with all young people in the community and work towards strengthening partnerships, such as with the Federation of Western Australia Police and Community Youth Centres, and leverage opportunities to support those programs that improve the lives of young people and reduce youth offending in the State. The Western Australia Police Force will work with partner agencies to identify ways to divert youth from offending through successful early intervention, diversion and prevention strategies that better the outcomes for our youth and the wider community.
5. The Western Australia Police Force is playing its part in achieving better outcomes for Aboriginal and Torres Strait Islander people, and reducing offending and victimisation. The agency has established an Aboriginal Affairs Division and will continue to engage with Aboriginal communities to build better relationships and work together to achieve these outcomes.
6. To reduce the road toll and trauma, the Western Australia Police Force will target unsafe driver behaviour through continued enforcement, including detection of alcohol and drug-impaired drivers; speeding, distracted, careless and reckless drivers; and non-use of restraints or helmets.
7. The National Terrorism Threat for Australia remains at 'probable'. The Western Australia Police Force will continue to foster a culture of security whilst developing and enhancing collaborative relationships with partner agencies. The agency is a member of the State Emergency Management Committee and contributes to ensuring Western Australia is well positioned to manage emergency incidents. The agency will strengthen community engagement and improve our capability and capacity to respond to threats and incidents, especially within crowded places and mass gatherings, to ensure the safety and security of the Western Australian community.
8. Cybercrime is a serious and prevalent threat to the Western Australian community, and the economic impact of cybercrime is extensive. The Western Australia Police Force faces a significant challenge in relation to its ability to enforce applicable laws, as offenders are able to remain anonymous or are located offshore. There is also a higher level of complexity surrounding cybercrime investigations. The Western Australia Police Force is building capability to address the increasing threat of cybercrime to the community.
9. The welfare of the Western Australian police workforce is paramount and recent welfare, health and safety reforms will be built upon, including through legislative reform. To be more responsive to, and representative of, the Western Australian community, the Western Australia Police Force is committed to increasing diversity and creating an inclusive environment to attract, develop and retain talent.
10. Most Western Australians are road users. Road safety remains a shared responsibility between Government and the community. Data shows that road safety programs and initiatives are contributing to reducing road fatalities and trauma. There have been improvements, such as the reduction in metropolitan deaths and in crashes involving drink driving and fatigue. However, the number of fatalities in our regions remains far too high. In 2019-20, continuing and new initiatives are being supported to improve road safety outcomes, including impaired driver detection, speed enforcement, road intersection improvements, the run-off road crashes program, and further works on Indian Ocean Drive.
11. A new State road safety strategy to reduce death and serious injury on Western Australia's roads will be developed in 2019-20 for implementation beyond 2020. Led by the Road Safety Council, and supported by the Road Safety Commission, community consultation will inform the new strategy.
12. Community awareness and education aims to change road user behaviour. The Road Safety Commission will continue to deliver campaigns providing educational and enforcement messages.

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.	Contribute to community safety and security.	1. Metropolitan Policing Services 2. Regional and Remote Policing Services 3. Specialist Policing Services
	Improve coordination and community awareness of road safety in Western Australia.	4. Road Safety 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. Metropolitan Policing Services.....	550,696	577,211	559,384	558,222	544,171	551,471	556,384
2. Regional and Remote Policing Services.....	400,615	414,855	417,258	422,629	410,888	415,146	417,509
3. Specialist Policing Services.....	473,348	482,566	493,264	519,419	501,314	502,610	506,351
4. Road Safety Commission ^(a)	80,581	80,454	86,958	81,090	60,744	61,152	51,109
Total Cost of Services.....	1,505,240	1,555,086	1,556,864	1,581,360	1,517,117	1,530,379	1,531,353

(a) Road safety projects and programs delivered by the Western Australia Police Force and funded via the Road Trauma Trust Account (RTTA) have been eliminated from Service 4 - Road Safety Commission. Service 4 comprises external grants expenditure to other entities and the operational costs of the Road Safety Commission. Road safety projects funded via the RTTA and delivered by the Western Australia Police Force are included in Service 3.

Total Cost of Services - Reconciliation Table

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
Total Cost of Services.....	1,505,240	1,555,086	1,556,864	1,581,360	1,517,117	1,530,379	1,531,353
Less:							
RTTA Grants to Other Entities ^(a)	66,506	64,348	70,895	64,344	44,727	44,854	34,772
Adjusted Total Cost of Services	1,438,734	1,490,738	1,485,969	1,517,016	1,472,390	1,485,525	1,496,581

(a) The Western Australia Police Force distributes RTTA grants to other State Government agencies, local governments and non-government organisations. These grants are included in Service 4 in the Service Summary table.

Outcomes and Key Effectiveness Indicators ^(a)

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Outcome: Contribute to community safety and security:					
Rate of offences against the person (excluding family violence-related offences) per 100,000 people	817.7	810	790	810	
Rate of offences against property (excluding family violence-related offences) per 100,000 people	5,747.9	6,200	5,700	6,200	
Percentage of sworn police officer hours available for frontline policing duties	74.5%	75%	74.6%	75%	
Percentage of priority one and two incidents in the metropolitan area responded to within 12 minutes	83.3%	80%	84%	80%	
Percentage of priority three incidents in the metropolitan area responded to within 60 minutes	83.5%	80%	82%	80%	
Percentage of family and domestic-related incidents where an offender was processed for an offence against the person within seven days	77.4%	75%	77%	75%	
Percentage of offences against the person investigations finalised within 60 days	88.4%	85%	88%	85%	
Percentage of offences against property investigations finalised within 30 days	91%	90%	90%	90%	
Percentage of traffic law enforcement contacts made by police officers that target Category A offences ^(b)	98.7%	90%	98%	90%	
The percentage of the community who were 'satisfied' or 'very satisfied' with the service received during their most recent contact with police	83.7%	82%	84%	82%	
The percentage of the community who 'agreed' or 'strongly agreed' that they have confidence in police	84.9%	85%	83%	85%	
Outcome: Improve coordination and community awareness of road safety in Western Australia:					
Effectiveness of road safety awareness campaigns	79%	70%	74%	70%	1

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

(b) Category A offences include driving under the influence of alcohol/drugs, careless/dangerous/reckless driving, non-speed camera speeding offences, no authority to drive/unlicensed vehicle, use of mobile phones whilst driving and non-wearing of seatbelts/restraints/helmets.

Explanation of Significant Movements

(Notes)

1. The 2017-18 Actual result was due to the motorcycle safety campaign 'Ride to Arrive', which achieved 81% awareness, and the drink driving campaigns 'Just a bit worried' and 'Grow up', which achieved 77% awareness.

Services and Key Efficiency Indicators

1. Metropolitan Policing Services

General policing services provided by districts within the metropolitan region including crime prevention, maintaining public order, and responding to and investigating criminal and general incidents.

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 550,696	\$'000 577,211	\$'000 559,384	\$'000 558,222	
Less Income	18,320	13,650	13,282	13,677	1
Net Cost of Service	532,376	563,561	546,102	544,545	
Employees (Full-Time Equivalents)	3,756	3,734	3,634	3,697	
Efficiency Indicators					
Average cost of metropolitan policing services per person in the Perth metropolitan area	\$270	\$281	\$273	\$268	

Explanation of Significant Movements

(Notes)

- The decrease in income between the 2017-18 Actual and the 2018-19 Budget is mainly due to a significant increase in processing of hoon and no motor drivers licence recoups in 2017-18 as a result of the amendments to the vehicle impoundment legislation introduced in January 2017, which significantly reduced existing backlogs.

2. Regional and Remote Policing Services

General policing services provided by districts within regional Western Australia including crime prevention, maintaining public order, and responding to and investigating criminal and general incidents.

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 400,615	\$'000 414,855	\$'000 417,258	\$'000 422,629	
Less Income	20,031	16,120	19,660	17,340	1
Net Cost of Service	380,584	398,735	397,598	405,289	
Employees (Full-Time Equivalents)	2,031	2,001	2,037	2,073	
Efficiency Indicators					
Average cost of regional and remote policing services per person in regional Western Australia	\$746	\$759	\$765	\$765	

Explanation of Significant Movements

(Notes)

- Changes in income between the 2017-18 Actual, 2018-19 Budget and 2018-19 Estimated Actual mainly relate to the timing of a Commonwealth grant provided for officer accommodation, office space and child-friendly interview rooms in remote Western Australia.

3. Specialist Policing Services

Specialist policing services include: major crime, serious and organised crime, sex crime, commercial crime, licensing enforcement, forensic, intelligence, traffic enforcement, and counter-terrorism and emergency response.

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 473,348	\$'000 482,566	\$'000 493,264	\$'000 519,419	
Less Income	26,091	24,430	27,435	25,766	1
Net Cost of Service	447,257	458,136	465,829	493,653	
Employees (Full-Time Equivalents)	2,840	2,767	2,888	2,959	
Efficiency Indicators					
Average cost of specialist services per person in Western Australia.....	\$183	\$185	\$190	\$197	

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 a new agreement with Justice for Proceeds of Crime funding, and Commonwealth funding received for a grant to be provided to Police and Community Youth Centres for the Indigenous Advancement Strategy - West Kimberley Youth and Resilience Hub Project.

4. Road Safety Commission

The objective of this program is to improve coordination and community awareness of road safety in Western Australia.

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 80,581	\$'000 80,454	\$'000 86,958	\$'000 81,090	1,2
Less Income	103,012	115,342	102,660	101,304	3
Net Cost of Service	(22,431)	(34,888)	(15,702)	(20,214)	
Employees (Full-Time Equivalents)	21	25	32	32	4
Efficiency Indicators					
Percentage of Road Safety Commission projects completed on time	78%	90%	95%	90%	5
Percentage of Road Safety Commission projects completed on budget.....	100%	95%	96%	95%	

Explanation of Significant Movements

(Notes)

1. The increase in Total Cost of Service from the 2018-19 Budget to the 2018-19 Estimated Actual is due to the \$5.2 million carryover and recashflow of various projects under the Regional Run-Off Road Crashes program and \$1.3 million for the Metropolitan Intersections project.
2. The decrease in Total Cost of Service from the 2018-19 Estimated Actual to the 2019-20 Budget Target is primarily due to the completion of one-off funding provided in 2018-19 for various projects.
3. The decrease in income between the 2018-19 Budget and the 2018-19 Estimated Actual reflects lower than anticipated traffic infringement revenue from red light and speed cameras.
4. The increase in full-time equivalent positions from the 2018-19 Budget to the 2018-19 Estimated Actual primarily reflects the impact of a restructure of the Road Safety Commission, which was approved in the 2018-19 Mid-year Review.
5. The 2017-18 Actual result was due to a number of campaigns not being delivered on time, mainly as a result of timing of legislative amendments and review of the recidivist campaign causing a scheduling delay.

Asset Investment Program

1. To support the delivery of the Western Australia Police Force services, the approved Asset Investment Program (AIP) for 2019-20 totals \$87 million. Significant projects include:
 - 1.1. Digital Policing - Mobility: This project will provide police officers in the field with more timely and accurate information to facilitate improved decision-making, resulting in better officer and public safety outcomes. It will enable officers to spend more time within the community by reducing administrative tasks generally performed when they return to their stations and will increase time efficiency and productivity. The capital funding is to create the information and communications technology (ICT) platform for device systems connectivity.
 - 1.2. Capel Police Station: This project, an election commitment, will meet the needs of the community of Capel, and contribute to policing the inland areas surrounding Bunbury. Construction is scheduled for 2019-20.
 - 1.3. Armadale Courthouse and Police Complex: The purpose of this project is to address the rapidly growing demand for Western Australia Police Force and Department of Justice services in the South East Metropolitan District and especially the Armadale Sub-District. Construction is scheduled to commence in 2019-20 and expected to be completed in 2022.
 - 1.4. Multi-functional Police Facility Air Conditioning System Replacements: Multi-functional Police Facilities are located in remote communities in the north of Western Australia. These facilities co-locate officers of the police, courts and child protection services. Funding has been allocated from the Royalties for Regions program for the replacement of failing air conditioning systems that are not suitable for remote locations. The five facilities scheduled for replacements are Warburton, Kalumburu, Blackstone, Warakurna and Warmun. Works are underway at Warmun and Kalumburu, with the remaining three sites expected to be completed in 2019-20.
2. The figures in the AIP table include project expenditure relating to investing activities only and exclude related recurrent expenditure disclosed through the Income Statement.

	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							
Fleet and Equipment Purchases - New and Replacement							
Fleet and Equipment Replacement - 2018-2021 Program	21,319	6,919	6,919	7,200	7,200	-	-
Helicopter Replacement ^(a)	26,900	756	756	4,666	151	21,327	-
ICT Infrastructure							
Community Safety Network - Regional Radio Network							
Replacement Program	56,294	55,021	5,314	1,273	-	-	-
ICT Optimisation - 2017-2021 Program	31,601	18,403	12,000	7,000	6,198	-	-
State-wide CCTV Network	2,374	2,098	502	276	-	-	-
Police Facilities							
Additions and Alterations to Existing Facilities							
Election Commitment - Meth Border Force	6,330	2,940	2,111	3,390	-	-	-
Officer Accommodation, Office Space and Child Friendly Interview Rooms in Remote Western Australia	3,754	1,200	1,200	2,554	-	-	-
Westralia Square Accommodation	5,566	3,666	248	-	-	1,900	-
New and Replacement							
Armadale Courthouse and Police Complex	73,646	1,488	1,488	15,680	46,614	9,864	-
Election Commitment - Capel Police Station	8,000	600	600	7,400	-	-	-
Optus Stadium Deployment Centre	741	633	180	-	-	108	-
Upgrades							
Custodial Facilities Upgrade - 2018-2021 Program	7,920	2,640	2,640	2,640	2,640	-	-
Multi-functional Policing Facilities Air Conditioning Replacement	12,650	2,850	2,850	9,800	-	-	-
Police Station Upgrade - 2018-2021 Program	15,808	4,260	4,260	7,288	4,260	-	-
Police Radio Network - Commonwealth Legislated							
Radio Frequency Change	9,805	7,352	6,280	2,453	-	-	-
Road Trauma Trust Account (RTTA)							
Automatic Number Plate Recognition - Technology							
Refresh	906	756	756	150	-	-	-
Breath and Drug Bus Replacement	656	156	156	500	-	-	-
Expansion of Automated Traffic Enforcement Strategy	9,196	8,023	440	1,173	-	-	-
Speed Camera Replacement Program	14,493	5,761	572	7,657	1,075	-	-

	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							
Fleet and Equipment Purchases - New and Replacement - CCTV Cameras for Hoons.....	79	79	29	-	-	-	-
ICT Infrastructure - Core Business Systems - Development 2011-2015	34,658	34,658	515	-	-	-	-
Police Facilities							
Additional and Alterations to Existing Facilities - Major Refurbishment and Upgrade - 2015-16 to 2018-19 Program	14,918	14,918	61	-	-	-	-
Boost to Police Resources - Accommodation Infrastructure Upgrades	48,412	48,412	628	-	-	-	-
Upgrades							
Custodial Facilities Upgrade - 2015-2018 Program	10,448	10,448	904	-	-	-	-
Police Station Upgrade - 2015-2018 Program	9,869	9,869	483	-	-	-	-
NEW WORKS							
Fleet and Equipment Purchases - New and Replacement							
Replacement - 2022-2024 Program.....	18,115	-	-	-	-	6,615	4,300
Royal Commission - Specialist Child Interview Recording Equipment	442	-	-	442	-	-	-
ICT Infrastructure							
Criminal Organisations Control Bill 2011 - ICT Systems.....	757	-	-	-	757	-	-
Digital Policing - Mobility	3,410	-	-	3,410	-	-	-
ICT Optimisation - 2022-2024 Program	12,300	-	-	-	-	2,000	3,300
National Domestic Violence Order Scheme.....	2,024	-	-	2,024	-	-	-
Police Facilities - Upgrades							
Custodial Facilities Upgrade - 2022-2024 Program	7,920	-	-	-	-	2,640	2,640
Police Station Upgrade - 2022-2024 Program	11,880	-	-	-	-	3,960	3,960
Total Cost of Asset Investment Program	483,191	243,906	51,892	86,976	68,895	48,414	14,200
FUNDED BY							
Capital Appropriation			16,085	30,188	53,214	16,547	6,600
Asset Sales			30	-	-	25	-
Commonwealth Grants			3,754	-	-	-	-
Drawdowns from the Holding Account			19,669	18,866	14,351	19,721	7,600
Internal Funds and Balances			(1,400)	11,995	255	1,900	-
Other			1,924	9,480	1,075	10,221	-
Drawdowns from Royalties for Regions Fund			11,830	16,447	-	-	-
Total Funding			51,892	86,976	68,895	48,414	14,200

(a) Partially funded from the RTTA.

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 Income Statement shows an increase in the Total Cost of Services of \$24.5 million in the 2019-20 Budget when compared to the 2018-19 Estimated Actual, mainly attributable to additional funding provided for the Digital Policing - Mobility project, grants to support Police and Community Youth Centres (PCYCs), the Stopping Family and Domestic Violence election commitment, the impact of the new leasing standard AASB 16 and funding to meet cost pressures.

Income

3. Income Statement revenue has decreased by \$4.9 million when comparing the 2018-19 Estimated Actual of \$163 million to the 2019-20 Budget of \$158.1 million. This is mainly attributable to a decrease in anticipated revenue from grants and subsidies.

Statement of Financial Position

4. Total assets are increasing over the forward estimates period, reflecting the purchase of fixed assets under the approved Asset Investment Program (offset by depreciation) as well as the accumulation of the Road Trust Trauma Account (RTTA) cash balances not yet allocated to projects.

Statement of Cashflows

5. The net decrease in cash held of \$27.4 million in the 2019-20 Budget Estimate compared to the 2018-19 Estimated Actual is mainly due to an increase in purchasing of non-current assets in the 2019-20 Budget year.

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)	1,088,194	1,101,180	1,102,981	1,064,900	1,073,681	1,089,737	1,105,804
Grants and subsidies ^(c)	70,864	66,009	74,322	72,078	50,146	46,737	36,022
Supplies and services	158,370	163,142	165,208	169,859	127,509	129,104	125,531
Accommodation	57,507	69,125	71,145	38,580	38,891	38,491	39,016
Depreciation and amortisation	57,124	67,052	59,952	138,920	139,837	139,750	139,711
Finance and interest costs	-	-	-	26,396	24,915	23,511	22,282
Other expenses	73,181	88,578	83,256	70,627	62,138	63,049	62,987
TOTAL COST OF SERVICES	1,505,240	1,555,086	1,556,864	1,581,360	1,517,117	1,530,379	1,531,353
Income							
Sale of goods and services	2,556	6,000	4,100	6,026	6,053	6,053	6,053
Regulatory fees and fines	16,669	16,473	16,473	17,854	17,854	17,854	17,854
Grants and subsidies	7,190	2,526	9,346	2,461	2,461	911	911
RTTA revenue	101,214	112,643	99,960	98,804	97,647	96,490	95,334
Other revenue	39,825	31,900	33,158	32,942	32,946	32,946	32,946
Total Income	167,454	169,542	163,037	158,087	156,961	154,254	153,098
NET COST OF SERVICES	1,337,786	1,385,544	1,393,827	1,423,273	1,360,156	1,376,125	1,378,255
INCOME FROM STATE GOVERNMENT							
Service appropriations	1,309,928	1,372,186	1,365,951	1,389,323	1,349,777	1,364,921	1,375,845
Resources received free of charge	2,688	4,264	2,664	4,264	4,264	4,264	4,264
Royalties for Regions Fund: Regional Community Services Fund	15,451	18,899	18,247	19,525	18,848	18,694	18,694
TOTAL INCOME FROM STATE GOVERNMENT	1,328,067	1,395,349	1,386,862	1,413,112	1,372,889	1,387,879	1,398,803
SURPLUS/(DEFICIENCY) FOR THE PERIOD	(9,719)	9,805	(6,965)	(10,161)	12,733	11,754	20,548

(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 8,648, 8,591 and 8,761 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
CCTV Mandurah War Memorial Fund	-	350	350	-	-	-	-
CCTV Network Infrastructure Fund	1,075	-	1,055	-	-	-	-
Community Safety and Crime Prevention Partnership Fund	958	1,250	1,591	1,250	1,250	1,250	1,250
Emergency Alert Phase 4	-	61	61	-	-	-	-
Indigenous Advancement Strategy - West Kimberley Youth and Resilience Hub Project	-	-	50	1,286	-	-	-
Annual Grant Funding to PCYC	937	-	-	-	-	-	-
Local Projects Local Jobs Grant	134	-	320	-	-	-	-
Other Grants	1,254	-	-	-	-	-	-
Carnarvon and Kununurra PCYCs	-	-	-	1,198	1,169	633	-
Road Safety Initiatives Government Organisations	63,694	61,454	68,001	61,394	41,714	41,758	31,623
Non-government Organisations	2,812	2,894	2,894	2,950	3,013	3,096	3,149
Sustainability Funding for PCYC	-	-	-	4,000	3,000	-	-
TOTAL	70,864	66,009	74,322	72,078	50,146	46,737	36,022

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.....	19,891	16,534	10,831	4,996	3,598	1,698	1,698
Restricted cash - RTTA	52,814	41,441	44,262	27,671	41,346	43,752	65,173
Restricted cash - other.....	13,979	4,616	10,008	798	797	797	797
Holding account receivables.....	19,669	17,093	18,866	14,351	19,721	7,600	14,200
Receivables	10,109	9,753	11,509	11,509	11,509	11,509	11,509
Other.....	8,962	10,409	8,962	8,962	8,962	8,962	8,962
Total current assets.....	125,424	99,846	104,438	68,287	85,933	74,318	102,339
NON-CURRENT ASSETS							
Holding account receivables.....	503,245	553,204	544,331	668,900	789,016	921,166	1,046,677
Property, plant and equipment.....	945,746	973,490	951,679	1,503,820	1,459,700	1,396,228	1,297,209
Intangibles	61,176	47,111	46,958	31,885	15,249	2,856	(15,508)
Restricted cash.....	8,406	12,609	12,609	16,812	20,142	23,472	26,802
Total non-current assets.....	1,518,573	1,586,414	1,555,577	2,221,417	2,284,107	2,343,722	2,355,180
TOTAL ASSETS	1,643,997	1,686,260	1,660,015	2,289,704	2,370,040	2,418,040	2,457,519
CURRENT LIABILITIES							
Employee provisions.....	174,565	177,477	170,268	174,471	178,674	182,877	187,080
Payables.....	19,940	21,806	19,940	19,940	19,940	19,940	19,940
Borrowings and leases	-	-	-	133,060	110,524	86,228	57,575
Other.....	16,318	9,748	16,318	16,318	16,318	16,318	16,318
Total current liabilities.....	210,823	209,031	206,526	343,789	325,456	305,363	280,913
NON-CURRENT LIABILITIES							
Employee provisions.....	67,176	58,751	67,176	67,176	67,176	67,176	67,176
Borrowings and leases	-	-	-	398,041	371,117	348,741	321,253
Other.....	1,248	44	1,248	1,248	1,248	1,248	1,248
Total non-current liabilities.....	68,424	58,795	68,424	466,465	439,541	417,165	389,677
TOTAL LIABILITIES	279,247	267,826	274,950	810,254	764,997	722,528	670,590
EQUITY							
Contributed equity.....	787,636	1,101,748	814,916	919,462	1,032,322	1,111,037	1,181,906
Accumulated surplus/(deficit).....	262,619	(19,902)	255,654	245,493	258,226	269,980	290,528
Reserves	314,495	336,588	314,495	314,495	314,495	314,495	314,495
Total equity	1,364,750	1,418,434	1,385,065	1,479,450	1,605,043	1,695,512	1,786,929
TOTAL LIABILITIES AND EQUITY	1,643,997	1,686,260	1,660,015	2,289,704	2,370,040	2,418,040	2,457,519

(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	1,243,530	1,305,134	1,305,999	1,250,403	1,209,940	1,225,171	1,236,134
Capital appropriation	36,093	18,582	16,085	88,099	112,860	78,690	70,869
Holding account drawdowns	14,318	19,669	19,669	18,866	14,351	19,721	7,600
Royalties for Regions Fund:							
Regional Community Services Fund	15,451	18,899	18,247	19,525	18,848	18,694	18,694
Regional Infrastructure and Headworks Fund	11,607	17,103	11,830	16,447	-	-	-
Receipts paid into Consolidated Account	(3,662)	-	(665)	-	-	-	-
Net cash provided by State Government	1,317,337	1,379,387	1,371,165	1,393,340	1,355,999	1,342,276	1,333,297
CASHFLOWS FROM OPERATING ACTIVITIES							
Payments							
Employee benefits	(1,073,822)	(1,096,977)	(1,104,278)	(1,057,697)	(1,066,478)	(1,082,534)	(1,098,601)
Grants and subsidies	(77,809)	(66,009)	(74,322)	(72,078)	(50,146)	(46,737)	(36,022)
Supplies and services	(145,763)	(155,626)	(156,607)	(165,769)	(123,543)	(125,351)	(121,659)
Accommodation	(58,239)	(69,125)	(70,745)	(38,180)	(38,491)	(38,491)	(39,016)
GST payments	(41,963)	(29,911)	(32,911)	(32,911)	(32,911)	(32,911)	(32,911)
Finance and interest costs	-	-	-	(26,396)	(24,915)	(23,511)	(22,282)
Other payments	(55,166)	(88,288)	(89,351)	(67,351)	(58,738)	(59,036)	(59,093)
Receipts ^(b)							
Regulatory fees and fines	16,455	16,473	16,473	17,854	17,854	17,854	17,854
Grants and subsidies	3,267	2,526	9,346	2,461	2,461	911	911
Sale of goods and services	2,226	6,000	3,000	3,026	3,053	3,053	3,053
GST receipts	44,918	29,911	32,911	32,911	32,911	32,911	32,911
RTTA receipts	100,332	112,643	99,960	98,804	97,647	96,490	95,334
Other receipts	28,067	28,358	29,176	29,440	29,444	29,444	29,444
Net cash from operating activities	(1,257,497)	(1,310,025)	(1,337,348)	(1,275,886)	(1,211,852)	(1,227,908)	(1,230,077)
CASHFLOWS FROM INVESTING ACTIVITIES							
Purchase of non-current assets	(72,385)	(57,265)	(51,892)	(86,976)	(68,895)	(48,414)	(14,200)
Proceeds from sale of non-current assets	215	30	695	-	-	25	-
Net cash from investing activities	(72,170)	(57,235)	(51,197)	(86,976)	(68,895)	(48,389)	(14,200)
CASHFLOWS FROM FINANCING ACTIVITIES							
Repayment of borrowings and leases	-	-	-	(57,911)	(59,646)	(62,143)	(64,269)
Net cash from financing activities	-	-	-	(57,911)	(59,646)	(62,143)	(64,269)
NET INCREASE/(DECREASE) IN CASH HELD	(12,330)	12,127	(17,380)	(27,433)	15,606	3,836	24,751
Cash assets at the beginning of the reporting period	107,420	63,073	95,090	77,710	50,277	65,883	69,719
Cash assets at the end of the reporting period	95,090	75,200	77,710	50,277	65,883	69,719	94,470

(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 Western Australia Police Force. 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	9,839	10,017	10,017	10,853	10,853	10,853	10,853
Departmental	6,616	6,456	6,456	7,001	7,001	7,001	7,001
Grants and Subsidies							
Departmental	1,469	401	3,287	1,951	1,951	401	401
Commonwealth - Other	1,798	2,125	6,059	510	510	510	510
Sale of Goods and Services							
Departmental	2,226	6,000	3,000	3,026	3,053	3,053	3,053
GST Receipts							
GST Input Credits	42,397	27,523	27,523	27,523	27,523	27,523	27,523
GST Receipt on Sales	2,521	2,388	5,388	5,388	5,388	5,388	5,388
Other Receipts							
Departmental	24,248	25,269	26,087	26,510	26,511	26,511	26,511
Commonwealth - Other	2,322	1,889	1,889	1,930	1,933	1,933	1,933
TOTAL	93,436	82,068	89,706	84,692	84,723	83,173	83,173

(a) The moneys received and retained are to be applied to the Western Australia Police Force'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							
Firearms Licensing Infringements	114	100	100	100	100	100	100
Minor Infringement Penalties	736	710	710	710	710	710	710
Other							
All Other Income ^(a)	-	-	-	16,094	-	-	-
Sale of Lost, Stolen and Forfeited Property	859	600	600	600	600	600	600
TOTAL ADMINISTERED INCOME	1,709	1,410	1,410	17,504	1,410	1,410	1,410
EXPENSES							
Other							
All Other Expenses ^(b)	113	250	250	16,344	250	250	250
Receipts Paid into the Consolidated Account	1,596	1,160	1,160	1,160	1,160	1,160	1,160
TOTAL ADMINISTERED EXPENSES	1,709	1,410	1,410	17,504	1,410	1,410	1,410

(a) Additional income of \$16.1 million represents funding for the Redress Scheme to recognise and support former police officers medically retired due to a work-related illness or injury.

(b) Additional expenditure of \$16.1 million relates to payments associated with the Redress Scheme.

Division 26 **Justice**

Part 7 **Community Safety**

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 61 Net amount appropriated to deliver services.....	1,219,363	1,177,286	1,170,944	1,255,602	1,222,561	1,198,644	1,192,004
Amount Authorised by Other Statutes							
- Children's Court of Western Australia Act 1988	423	405	405	405	405	406	407
- Criminal Injuries Compensation Act 2003	26,548	31,817	31,817	31,817	31,817	31,817	31,817
- District Court of Western Australia Act 1969	12,954	13,098	13,098	13,098	13,098	13,133	13,169
- Judges' Salaries and Pensions Act 1950	10,657	10,836	10,836	10,836	10,836	10,862	10,889
- Salaries and Allowances Act 1975.....	32,505	33,701	33,701	34,153	34,159	33,867	33,980
- Solicitor General Act 1969.....	631	594	594	594	594	595	596
- State Administrative Tribunal Act 2004.....	5,846	5,878	5,878	5,878	5,878	5,899	5,924
- Suitor's Fund Act 1964.....	47	31	31	31	31	31	31
Total appropriations provided to deliver services	1,308,974	1,273,646	1,267,304	1,352,414	1,319,379	1,295,254	1,288,817
CAPITAL							
Item 130 Capital Appropriation	19,237	18,859	19,039	59,398	47,792	48,717	52,624
TOTAL APPROPRIATIONS	1,328,211	1,292,505	1,286,343	1,411,812	1,367,171	1,343,971	1,341,441
EXPENSES							
Total Cost of Services	1,576,743	1,472,098	1,484,855	1,638,266	1,553,129	1,531,050	1,519,848
Net Cost of Services ^(a)	1,412,992	1,302,521	1,315,412	1,463,121	1,374,550	1,349,259	1,334,400
CASH ASSETS ^(b).....	81,371	59,441	79,106	81,325	84,573	87,390	89,346

(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					
Bail Support Program	-	1,042	1,907	1,798	1,825
Election Commitments					
Kimberley Juvenile Justice Strategy	-	300	300	300	-
Royal Commission (Child Sexual Abuse) - National Redress Scheme.....	19,714	81,337	25,663	24,441	21,771
Expanded Electronic Monitoring.....	-	3,018	11,641	16,530	15,558
Fines Diversion Trial.....	-	430	2,320	2,602	2,485
Improved Access to Rehabilitation Programs.....	-	4,695	7,678	8,155	8,047
Legal Aid - Bail Support Program	-	800	1,625	1,649	1,674

	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					
Coroner's Court Demand Pressures	-	1,348	1,368	1,388	1,408
Criminal Enforcement Team	-	2,305	2,329	2,355	2,380
Election Commitment - Royal Commission (Child Sexual Abuse) - Civil Litigation Team	400	1,268	1,268	-	-
Enhanced Driver Training and Education for Regional and Remote Communities Program	72	170	1,545	1,546	1,546
Integrated Courts Management System	65	209	362	-	-
Justice Services Expenditure	(3,759)	32,706	17,336	15,747	27,861
Law Reform Commission Reviews	469	-	-	-	-
Legal Aid					
Indexation for Non-Salary Expenses	-	-	-	-	231
Legal Aid Services Expenditure	-	3,509	4,128	4,782	5,172
Mental Health Court Diversion and Support Program	-	231	237	-	-
Mental Health Court Diversion and Support Program	-	1,047	1,063	-	-
Resolution of Native Title in the South West of Western Australia (Settlement)	-	192	-	-	-
State Solicitor's Office Demand Pressures	-	973	975	990	1,004
Other					
Government Office Accommodation Reform Program	(193)	(802)	(3,647)	(3,497)	(3,497)
Government Regional Officer Housing	(293)	(1,651)	(4,643)	(4,567)	(3,355)
Indexation for Non-Salary Expenses	-	-	-	-	3,087
Non-Government Human Services Sector Indexation Adjustment	(215)	(218)	(223)	(227)	-
Regional Workers Incentives Allowance	179	179	179	179	2,277
RiskCover Premiums	1,927	10,297	-	-	-
Voluntary Targeted Separation Scheme	(6,263)	(6,324)	(6,386)	(6,476)	(6,476)

Significant Issues Impacting the Agency

1. The Department is working to reduce the over-representation of Aboriginal people within, or at risk of, entering the justice system. In particular, the Department will implement a number of initiatives focused on reducing avoidable remand through increased bail support and access to legal representation, increasing sentencing flexibility, increasing appropriate access to parole, where safe to do so, and expanding the use of electronic monitoring. These initiatives will help to address Aboriginal over-representation in the justice system and enhance community safety.
2. The Department will focus on legislative reforms to bail legislation, amendments to fines enforcement legislation and the provision of funding towards the operation of a Custody Notification Service.
3. The Government will introduce a Criminal Law (Mental Impairment) Bill to increase options available to the courts to include community-based options, introduce limitation periods for custody orders and empower the Mentally Impaired Accused Review Board to make decisions about leave and release.
4. The Government's law reform agenda will continue to strengthen the justice system's focus on providing the community with greater levels of safety through new anti-consorting legislation and the management of high risk offenders by a board. The Government is also progressing a Family Violence Reform Bill to address the recommendations of the Law Reform Commission's Report into Family Violence and hold perpetrators more accountable.
5. Growth in the adult prisoner population continues to place pressure on the custodial estate's existing assets and infrastructure. The Bunbury and Casuarina Prison Expansion Projects have commenced to provide an additional 672 beds, consistent with the Department's Custodial Infrastructure Plan to meet short-term demand.
6. The Department has made further improvements to its governance and emergency management preparedness across the prison estate in response to the riot at Greenough Regional Prison, including significant repairs, security improvements and equipment upgrades.
7. The Department is committed to improving the existing women's prison estate; \$12.3 million has been provided to increase security and separation for the existing women's precinct at Greenough Regional Prison.
8. The Department is increasing regional recruitment and regional training to support the infrastructure expansion within Western Australian prisons. A State-wide bulk recruitment campaign targeting people from diverse backgrounds will provide a readily available pool of prison officers.

9. The Department has also commenced planning for a further 344 beds at Casuarina Prison and for the future replacement of Broome Regional Prison.
10. As part of the Government's Methamphetamine Action Plan, the Department continues to strengthen its efforts to break the cycle of alcohol and drug-related crime by providing an alcohol and other drug (AOD) rehabilitation facility for female prisoners at Wandoo and delivering a second AOD rehabilitation facility for men at Casuarina Prison.
11. The Department continues to strengthen security measures to detect and prevent drugs from entering Western Australian prisons. As part of the Western Australian Prisons Drug Strategy, the Department is enhancing alternate drug detection methods such as oral fluid and body sample testing, as well as wastewater sampling.
12. The State Solicitor's Office has established a team to respond to civil claims against the State of Western Australia currently being received in relation to the Government's reform to remove statutory limitation periods for historical child sexual abuse.
13. The Commissioner for Victims of Crime has established the Redress Coordination Unit to operate the National Redress Scheme for Institutional Child Sexual Abuse for the State of Western Australia.
14. The Department is reviewing the Criminal Injuries Compensation Scheme operating in Western Australia, with a view to simplifying and streamlining the process that applicants must follow to seek an award of criminal injuries compensation.
15. The persistent demand on the Office of the Public Advocate for its statutory services has continued, with a growth in referrals by the State Administrative Tribunal as a result of the ageing population and increasing numbers of people with an intellectual disability or mental illness who require a guardian.
16. The Public Trustee continues to experience increasing demand for its services, as well as an increase in the number of people referred by the State Administrative Tribunal.
17. The Registry of Births, Deaths and Marriages will implement change of name processes and strengthen identification and enrolment processes, maximising Western Australia's contribution to the national identity and security agenda.
18. The Government has introduced the Legislation Bill 2018 to enable the Parliamentary Counsel's Office to modernise the processes for publishing Western Australian legislation, making it more accessible, efficient and cost-effective.
19. Surveys of legal need show that access to justice is an issue for hard-to-reach people including people living in regional and remote areas. Legal Aid Western Australia is working to remove barriers to accessing justice by using video technology to set up virtual offices in areas without Legal Aid offices, and by establishing Health Justice partnerships with major hospitals and medical services. These initiatives will take the law to where it is needed.
20. Legal Aid Western Australia is working to address demand for legal representation in the protection and care jurisdiction of the Children's Court by increasing grants of aid, with an emphasis on early referrals to independently mediated Signs of Safety conferences, which promote child safety and enable parents and the Department of Communities to resolve disputes and achieve care arrangements that are in the best interests of the children.

Resource Agreement

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

Outcomes, Services and Key Performance Information ^(a)

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.	An efficient, accessible court and tribunal system.	1. Court and Tribunal Services
	Trustee, guardianship and administration services are accessible to all Western Australians.	2. Advocacy, Guardianship and Administration Services 3. Trustee Services 4. National Redress Scheme for Institutional Child Sexual Abuse
	Western Australian birth, death and marriage certificates are accurate and accessible.	5. Births, Deaths and Marriages
	Government receives quality and timely legal, legislative drafting and publication services.	6. Services to Government
	Equitable access to legal services and information.	7. Legal Aid Assistance
	A safe, secure and decent corrective services which contributes to community safety and reduces offenders' involvement in the justice system.	8. Adult Corrective Services 9. Youth Justice Services

(a) The Outcome Based Management structure has been revised since the 2018-19 Budget, with material changes to the outcomes, services and key performance indicators footnoted.

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. Court and Tribunal Services	417,412	384,761	384,824	405,799	406,669	406,114	412,046
2. Advocacy, Guardianship and Administration Services	7,881	6,474	7,733	7,845	7,963	8,104	8,424
3. Trustee Services	23,632	23,906	24,407	25,090	24,711	25,185	25,794
4. National Redress Scheme for Institutional Child Sexual Abuse ^(a)	n/a	n/a	19,714	81,337	25,663	24,441	21,771
5. Births, Deaths and Marriages	8,067	9,987	9,022	9,824	8,560	8,571	8,704
6. Services to Government	67,407	57,540	58,423	62,583	63,962	63,679	66,858
7. Legal Aid Assistance	47,772	43,998	43,998	44,935	46,385	47,277	48,407
8. Adult Corrective Services	905,159	844,798	841,618	902,685	871,760	851,406	833,704
9. Youth Justice Services	99,413	100,634	95,116	98,168	97,456	96,273	94,140
Total Cost of Services	1,576,743	1,472,098	1,484,855	1,638,266	1,553,129	1,531,050	1,519,848

(a) This is a new service; therefore, comparable data is not available.

Outcomes and Key Effectiveness Indicators ^(a)

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Outcome: An efficient, accessible court and tribunal system:					
Supreme Court					
Criminal - time to trial.....	32 weeks	28 weeks	36 weeks	28 weeks	1
Civil - time to finalise non-trial matters	19 weeks	19 weeks	19 weeks	19 weeks	
District Court - Criminal - time to trial.....	36 weeks	32 weeks	41 weeks	32 weeks	2
State Administrative Tribunal - time to finalise.....	12 weeks	15 weeks	13 weeks	15 weeks	3
Family Court of Western Australia - time to finalise non-trial matters	46 weeks	27 weeks	48 weeks	27 weeks	4
Magistrates Court - Criminal and Civil - time to trial	25 weeks	19 weeks	25 weeks	19 weeks	5
Coroner's Court - time to trial	120 weeks	128 weeks	152 weeks	128 weeks	6
Fines Enforcement Registry - percentage of fines satisfied within 12 months					
Fines and costs.....	33%	35%	31%	35%	7
Infringements.....	52%	57%	51%	57%	8
Outcome: Trustee, guardianship and administration services are accessible to all Western Australians:					
Percentage of guardians of last resort allocated in one day	94%	95%	85%	95%	9
Percentage of Western Australian deceased estates administered by the Public Trustee.....	4.4%	4%	4.2%	4%	
Percentage of clients who have services provided by the Public Trustee under an operating subsidy	56%	50%	54%	50%	
Percentage of requests for information under the National Redress Scheme responded to within eight weeks ^(b)	n/a	n/a	n/a	50%	
Outcome: Western Australian birth, death and marriage certificates are accurate and accessible:					
Percentage of certificates of birth, death or marriage issued within two days.....	92%	90%	90%	90%	
Extent to which births, deaths and marriages source information is recorded error free.....	98%	97%	98%	97%	
Outcome: Government receives quality and timely legal, legislative drafting and publication services:					
Extent to which government agencies are satisfied with legal services.....	100%	90%	95%	95%	
Extent to which legislation is drafted in a timely manner to effect the Government's legislative program	98%	95%	100%	95%	
Extent to which legislation is published in a timely manner ^(b)	n/a	n/a	n/a	98%	
Outcome: Equitable access to legal services and information:					
Percentage of eligible applicants who receive a grant of legal aid	86%	85%	88%	85%	
Percentage of people who are provided with a duty lawyer service	20%	20%	21%	20%	
Percentage of people receiving an outcome from Infoline services ^(b)	n/a	n/a	n/a	69%	
Outcome: A safe, secure and decent corrective services which contributes to community safety and reduces offenders' involvement in the justice system:					
Number of escapes					
Adult	2	nil	10	nil	10
Youth	nil	nil	nil	nil	
Rate of serious assault per 100 prisoners - adult	0.66	<0.48	1.65	<0.48	11
Average out of cell hours - adult.....	12	12	11.47	12	
Successful completion of community correction orders - adult.....	63.8%	64%	63.2%	64%	
Successful completion of community-based orders - youth.....	57.1%	68%	56.5%	68%	12
Rate of return - offender programs - adult	36.7%	39%	41.1%	39%	
Rate of return to detention - youth.....	58.7%	50%	54.4%	50%	

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

(b) These are new key effectiveness indicators; therefore, comparable data is not available.

Explanation of Significant Movements

(Notes)

1. The 2018-19 Estimated Actual exceeds the 2018-19 Budget due to the high criminal workload as a result of an increased number of committals for trial.
2. The 2018-19 Estimated Actual exceeds the 2018-19 Budget primarily due to a continual increase in the criminal workload as a result of an increased number of committals for trial, which has an impact on trial availability.
3. The 2018-19 Estimated Actual is lower than the 2018-19 Budget as a result of the State Administrative Tribunal's continued active case management. This includes the facilitation of direction hearings, expediting the first appearance, restricting the number of mediation sessions held for individual matters and applying closer scrutiny of requests to vacate or adjourn hearings.
4. The 2018-19 Estimated Actual is higher than the 2018-19 Budget due to long-term growth in the complexity and volume of final order parenting applications, growth in the number of these applications finalised by court order, and the reallocation of magistrates to trial work to help address the delay to trial, thereby reducing the Family Court's capacity to hear non-trial matters.
5. The 2018-19 Estimated Actual is higher than the 2018-19 Budget due to growth in the overall number of matters proceeding to trial and an increase in the number of criminal charges per case. The Chief Magistrate has put in place measures to manage the increased demand by utilising additional magistrates in court locations with the highest demand. Two additional magistrates were appointed in late 2018, which is anticipated to reduce the time to trial in the Magistrates Court.
6. The 2018-19 Estimated Actual is higher than the 2018-19 Budget as the Coroner's Court has prioritised older and more complex inquest cases (cases older than 128 weeks).
7. The 2018-19 Estimated Actual is lower than the 2018-19 Budget primarily due to an increased average debt per case due to an increase in fees. This is evidenced by a decreasing number of fines being paid in full, an increase in the number of 'time to pay' arrangements being entered into, the increasing proportion of transactions made via Centrelink deduction and a decrease in the number of finalisations via Warrant of Commitment issued for debtors not already serving a term of imprisonment.
8. The 2018-19 Estimated Actual is lower than the 2018-19 Budget primarily due to an increased average debt per case due to an increase in fees. This is evidenced by a decreasing number of fines being paid in full, an increase in the number of 'time to pay' arrangements being entered into and the increasing proportion of transactions made via Centrelink deduction.
9. The 2018-19 Estimated Actual is lower than the 2018-19 Budget due to the ongoing and increasing demand for services of the Public Advocate, which has resulted in a higher overall workload.
10. The 2018-19 Estimated Actual exceeds the 2018-19 Budget due to 10 medium security escapes during one incident in July 2018.
11. Managing a prisoner cohort is complex and assaults may be attributed to several factors. The rate of serious assaults is highly variable due to the small number of incidents.
12. The 2018-19 Estimated Actual is lower than the 2018-19 Budget due to a high number of young people reoffending or failing to comply with conditions of their order. When young people do not comply with orders and pose a risk to the community, breach action is warranted in line with the relevant legislation and departmental procedures.

Services and Key Efficiency Indicators

1. Court and Tribunal Services

A prime task of the justice system in serving the community is the determination of cases brought before a court or tribunal. This service relates to financing the cost of delivering court facilities, administrative support and judicial staff to enable these determinations to be made. Part of this function also involves the delivery of court counselling services and a range of civil and criminal enforcement services.

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 417,412	\$'000 384,761	\$'000 384,824	\$'000 405,799	
Less Income	101,475	106,917	106,477	112,247	
Net Cost of Service	315,937	277,844	278,347	293,552	
Employees (Full-Time Equivalents) ^(a)	1,137	1,223	1,188	1,209	
Efficiency Indicators ^(b)					
Supreme Court - Criminal - cost per case	\$40,347	\$46,151	\$56,906	\$128,744	1
Supreme Court - Civil - cost per case	\$11,068	\$11,462	\$11,061	\$12,957	2
Court of Appeal - cost per case	\$21,856	\$21,094	\$23,314	\$23,185	3
District Court - Criminal - cost per case	\$16,627	\$17,055	\$16,987	\$16,945	
District Court - Civil - cost per case	\$4,250	\$3,909	\$4,277	\$4,296	
State Administrative Tribunal - cost per case	\$3,766	\$4,005	\$3,808	\$4,432	4
Family Court - cost per case	\$2,057	\$2,156	\$2,158	\$1,916	5
Magistrates Court - Criminal - cost per case	\$673	\$660	\$688	\$689	
Magistrates Court - Civil - cost per case	\$598	\$560	\$583	\$592	
Coroner's Court - cost per case	\$5,648	\$5,613	\$5,775	\$5,810	
Children's Court - Criminal - cost per case	\$499	\$535	\$530	\$532	
Children's Court - Civil - cost per case	\$1,692	\$1,877	\$1,796	\$1,802	
Fines Enforcement Registry - cost per enforcement	\$26	\$28	\$30	\$31	

(a) This includes judicial staff that are not employees of the Department.

(b) Cost per case is calculated as the total gross cost divided by finalisations (with the exception of the Fines Enforcement Registry indicator which is based on lodgements). This measures the average cost per case for all matters finalised by the Court (including matters finalised without trial and those finalised administratively). As such, this is not a measure of the cost per trial. A trial matter itself could be expected to cost significantly in excess of the average cost figures outlined in this table.

Explanation of Significant Movements

(Notes)

1. The 2018-19 Estimated Actual is higher than the 2018-19 Budget due to the reduction in the number of finalisations as a result of the *Court Jurisdiction Legislation Amendment Act 2018*, which came into effect on 1 January 2019. This removes all offences except homicide-related matters from the jurisdiction of the Supreme Court, therefore reducing finalisations by approximately 23%. The increase in the 2019-20 Budget Target from the 2018-19 Estimated Actual is due to the implementation of the new accounting standard AASB 16: *Leases* and a reduction in the number of finalisations.
2. The increase from the 2018-19 Estimated Actual to the 2019-20 Budget Target is due to the implementation of AASB 16.
3. The 2018-19 Estimated Actual is higher than the 2018-19 Budget due to an overestimation of budgeted finalisations.
4. The increase from the 2018-19 Estimated Actual to the 2019-20 Budget Target is due to the implementation of AASB 16.
5. The 2019-20 Budget Target is lower than the 2018-19 Estimated Actual and the 2018-19 Budget mainly due to an increase in the estimated finalisations for 2019-20 and a reduction in costs.

2. Advocacy, Guardianship and Administration Services

Advocacy, guardianship and administration services protect and promote the financial interests and welfare of people with decision-making disabilities by providing:

- access to investigation and advocacy services;
- appropriate appointment of guardians and administrators and appropriate interventions in relation to Enduring Powers of Attorney and Enduring Powers of Guardianship;
- guardianship and administration community education services; and
- guardianship and administration services provided by the Public Advocate.

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 7,881	\$'000 6,474	\$'000 7,733	\$'000 7,845	
Less Income	2	42	42	42	
Net Cost of Service	7,879	6,432	7,691	7,803	
Employees (Full-Time Equivalents)	54	53	58	65	
Efficiency Indicators					
Average cost of providing advocacy and guardianship services	\$1,789	\$1,392	\$1,597	\$1,514	1

Explanation of Significant Movements

(Notes)

1. The increase in the average cost of providing advocacy and guardianship services in the 2018-19 Estimated Actual compared to the 2018-19 Budget is due to changes in indirect costs apportioned to the Office of the Public Advocate and increased demand for the services provided.

3. Trustee Services

The Public Trustee is a statutory authority within the provisions of the *Financial Management Act 2006*. It provides a funds management and investment service. It acts as trustee or financial administrator pursuant to the orders of courts or tribunals. It also administers the estates of people who die with or without a will, in accordance with the terms of the will or the relevant law and under the authority of the Supreme Court. The Public Trustee offers high quality, personalised trustee services to meet the needs of all sectors of the Western Australian community.

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 23,632	\$'000 23,906	\$'000 24,407	\$'000 25,090	
Less Income	22,257	24,611	24,601	24,341	
Net Cost of Service	1,375	(705)	(194)	749	
Employees (Full-Time Equivalents)	168	170	173	175	
Efficiency Indicators					
Average cost per deceased estate administered	\$2,815	\$2,586	\$2,370	\$2,574	
Average cost per trust managed	\$1,808	\$1,850	\$1,929	\$1,928	
Average cost per will prepared	\$653	\$659	\$638	\$616	

4. National Redress Scheme for Institutional Child Sexual Abuse

The National Redress Scheme for Institutional Child Sexual Abuse (the Scheme) provides support to people who experienced institutional child sexual abuse. The Scheme:

- acknowledges that many children were sexually abused in Australian institutions;
- holds institutions accountable for this abuse; and
- helps people who have experienced institutional child sexual abuse gain access to counselling and psychological services, a direct personal response, and a monetary payment.

This service relates to the administration of Western Australia's participation in the Scheme through the Redress Response Coordination Unit. The Redress Unit is responsible for the coordination of requests for information between the Commonwealth Redress Scheme Operator and the responsible State Government agency, the facilitation of direct personal responses for all State Government agencies and Western Australia's Scheme payments to the Commonwealth.

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 n/a	\$'000 n/a	\$'000 19,714	\$'000 81,337	
Less Income	n/a	n/a	-	-	
Net Cost of Service	n/a	n/a	19,714	81,337	
Employees (Full-Time Equivalents)	n/a	n/a	8	7	
Efficiency Indicators					
Average cost per claim ^(a)	n/a	n/a	\$67,951	\$67,951	

(a) This is a new key efficiency indicator; therefore, comparable data is not available.

5. Births, Deaths and Marriages

The purpose of the Registrar of Births, Deaths and Marriages is to create and permanently store birth, death and marriage records to enable the public to obtain documentary proof of key life events for legal, personal and historical purposes and also to enable approved organisations to obtain information for research and statistical purposes.

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 8,067	\$'000 9,987	\$'000 9,022	\$'000 9,824	
Less Income	7,635	9,098	9,084	9,141	
Net Cost of Service	432	889	(62)	683	
Employees (Full-Time Equivalents)	50	54	50	50	
Efficiency Indicators					
Average cost of registration services	\$1.95	\$2.37	\$2.15	\$2.30	

6. Services to Government ^(a)

Services directly provided by the Department to support the outcomes and activities of other government agencies.

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 67,407	\$'000 57,540	\$'000 58,423	\$'000 62,583	
Less Income	7,452	7,013	7,702	7,458	
Net Cost of Service	59,955	50,527	50,721	55,125	
Employees (Full-Time Equivalents)	286	428	302	317	
Efficiency Indicators					
Average cost per legal matter ^(b)	\$4,464	\$4,200	\$4,100	\$4,400	

(a) This includes the cost of shared services provided to other agencies, including the Law Reform Commission, Commissioner for Children and Young People and Parliamentary Inspector of the Corruption and Crime Commission.

(b) This indicator is calculated by dividing the State Solicitor's Office Total Cost of Services by the number of recorded matters.

7. Legal Aid Assistance

The community and target groups require access to and the provision of quality legal services. This service responds to the demand for legal assistance through application of priority guidelines. This is achieved through the provision of eligibility and merit tests to enable legal representation to be provided to legally aided clients by grants of aid and assignment of cases to in-house or private practitioners. Legal advice, duty lawyer services and community legal education is provided to assist the wider community to access fair solutions to legal problems at the earliest opportunity.

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 47,772	\$'000 43,998	\$'000 43,998	\$'000 44,935	
Less Income	-	-	-	-	
Net Cost of Service	47,772	43,998	43,998	44,935	
Employees (Full-Time Equivalents)	282	336	303	325	
Efficiency Indicators					
Average cost per legal representation	\$4,166	\$3,859	\$3,759	\$3,814	1
Average cost per legal information service	\$61	\$57	\$63	\$59	
Average cost per legal advice	\$236	\$240	\$245	\$245	
Average cost per application for a grant of legal aid processed	\$401	\$418	\$401	\$401	

Explanation of Significant Movements

(Notes)

- The increase in the average cost per legal information service in the 2018-19 Estimated Actual compared to the 2018-19 Budget is due to unusual staff turnover and the costs of training 23 new Infoline officers, which is partially offset by the introduction of a new Infoline chat service in February 2019.

8. Adult Corrective Services

An adult offender system that:

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

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 905,159	\$'000 844,798	\$'000 841,618	\$'000 902,685	
Less Income	23,927	21,385	20,758	21,065	
Net Cost of Service	881,232	823,413	820,860	881,620	
Employees (Full-Time Equivalents)	3,857	3,880	3,915	4,034	
Efficiency Indicators					
Cost per day of keeping an offender in custody	\$299	\$279	\$285	\$301	1
Cost per day of managing an offender through community supervision	\$34	\$33	\$28	\$29	

Explanation of Significant Movements

(Notes)

1. The decrease in the cost per day of managing an offender through community supervision in the 2018-19 Estimated Actual compared to the 2018-19 Budget reflects a correction in the allocation of indirect costs, which were overstated for this efficiency measure in the 2018-19 Budget, combined with a higher than expected average daily population during 2018-19.

9. Youth Justice Services

An accessible and equitable juvenile offender system which:

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

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 99,413	\$'000 100,634	\$'000 95,116	\$'000 98,168	
Less Income	1,003	511	779	851	
Net Cost of Service	98,410	100,123	94,337	97,317	
Employees (Full-Time Equivalents)	573	590	590	590	
Efficiency Indicators					
Cost per day of keeping a young person in detention	\$935	\$821	\$979	\$967	1
Cost per day of managing a young person through community supervision	\$91	\$94	\$88	\$89	

Explanation of Significant Movements

(Notes)

1. The increase in the cost per day of keeping a young person in detention in the 2018-19 Estimated Actual compared to the 2018-19 Budget is due to a lower than estimated number of young people in detention.

Asset Investment Program

1. To support the delivery of the Department's services, a total of \$110.3 million is budgeted to be spent on asset investment in 2019-20, which includes the following:
 - 1.1. \$56.7 million to construct four additional accommodation units (512 beds), upgrade utilities and expand support buildings at Casuarina Prison. A portion of the expansion will facilitate delivery of a male alcohol and other drugs (AOD) facility;
 - 1.2. \$8.4 million to provide a further 344 beds and support infrastructure at Casuarina Prison;
 - 1.3. \$3.3 million to upgrade the security infrastructure and management systems at Casuarina Prison;
 - 1.4. \$11.3 million to construct an additional unit (160 beds), upgrade utilities and expand support buildings at Bunbury Regional Prison;
 - 1.5. \$9.3 million to provide increased security and separation for the existing female precinct at Greenough Regional Prison;
 - 1.6. \$1.4 million to plan for a new regional prison in Broome;
 - 1.7. \$2.2 million to improve the safety of judicial officers, employees and court users at the Supreme Court;
 - 1.8. \$1.6 million for information and communications technology (ICT) upgrades, including the Registry of Births, Deaths and Marriages modernisation of the Western Australian Registry System;
 - 1.9. \$1.4 million for audiovisual facilities in court locations across metropolitan and regional areas, which are aimed at improving service delivery to regional sites, as well as reducing risks associated with transporting people in custody over long distances; and
 - 1.10. \$1.5 million to upgrade the State Administrative Tribunal's online case management system for strata dispute resolutions.

	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							
Administrative							
Information Projects							
Corporate Information Management Systems.....	12,714	10,010	698	676	676	676	676
ICT Infrastructure Upgrade	30,862	25,950	1,167	1,228	1,228	1,228	1,228
Replacement of Western Australian Registration System	5,301	4,971	1,843	330	-	-	-
Physical Infrastructure - Replacement Office and Other Equipment.....	11,820	2,652	2,181	2,292	2,292	2,292	2,292
Community Corrections							
Office Accommodation - Goldfields Esperance (Kalgoorlie).....	450	180	180	270	-	-	-
Office Establishment and Refurbishment.....	4,240	904	792	834	834	834	834
Courts							
Building Infrastructure and Maintenance	8,881	3,757	1,217	1,281	1,281	1,281	1,281
Court and Judicial Security	10,329	8,009	550	580	580	580	580
Court Audio/Visual Maintenance and Enhancements.....	21,205	15,497	1,356	1,427	1,427	1,427	1,427
Custodial							
Building Infrastructure and Maintenance							
Adult Facilities.....	44,228	33,200	2,619	2,757	2,757	2,757	2,757
Youth Facilities.....	5,179	3,783	332	349	349	349	349
Building Upgrades and Replacement	82,600	68,944	3,243	3,414	3,414	3,414	3,414
Bunbury Regional Prison Expansion	23,658	12,400	12,400	11,258	-	-	-
Casuarina Prison Expansion - Stage 1	96,322	37,894	37,669	56,663	1,765	-	-
Casuarina Prison Expansion - Stage 2	182,727	880	880	8,367	54,080	104,800	14,600
Election Commitment - Methamphetamine Action Plan - Drug Testing							
	600	450	432	150	-	-	-
Prison Industries - Mobile Plant	4,221	1,429	663	698	698	698	698

	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							
Administrative - Information Projects							
ICT Systems - Life Extension and Upgrades -							
Administered Equity	5,850	5,850	7	-	-	-	-
State Solicitor's Office - Legal Practice Systems	500	500	395	-	-	-	-
Upgrading of Alesco, Financial and Budgeting System	3,944	3,944	250	-	-	-	-
Courts							
Fitzroy Crossing Courthouse	174	174	174	-	-	-	-
Kununurra, Broome and Karratha Courthouses	40,351	40,351	893	-	-	-	-
Custodial							
Acacia Wastewater Treatment Plant	1,300	1,300	657	-	-	-	-
Cell Upgrade and Ligature Minimisation Program	4,267	4,267	881	-	-	-	-
Community Safety Network	497	497	125	-	-	-	-
Custodial Infrastructure Program - Administered Equity	137,658	137,658	7,974	-	-	-	-
Election Commitment - Methamphetamine Action Plan - Wandoo Facility Infrastructure	9,584	9,584	7,254	-	-	-	-
NEW WORKS							
Courts							
State Administrative Tribunal - Case Management							
System Upgrade	1,500	-	-	1,500	-	-	-
Supreme Court (Stirling Gardens) Building Upgrades	2,177	-	-	2,177	-	-	-
Custodial							
Casuarina Prison - Security System Upgrade	3,273	-	-	3,273	-	-	-
Greenough Regional Prison - Female Unit Upgrade	12,347	-	-	9,342	2,939	66	-
Regional Prison Planning	1,400	-	-	1,400	-	-	-
Total Cost of Asset Investment Program	770,159	435,035	86,832	110,266	74,320	120,402	30,136
FUNDED BY							
Capital Appropriation			10,426	21,873	6,850	3,977	3,911
Drawdowns from the Holding Account			11,047	11,625	11,625	11,625	11,625
Funding Included in Department of Treasury							
Administered Item			46,523	65,030	55,845	104,800	14,600
Internal Funds and Balances			5,700	480	-	-	-
Drawdowns from Royalties for Regions Fund			13,136	11,258	-	-	-
Total Funding			86,832	110,266	74,320	120,402	30,136

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 increase in Total Cost of Service for the 2019-20 Budget Estimate (\$153.4 million or 10.3%) is mainly due to the National Redress Scheme for Institutional Child Sexual Abuse, growth in the adult prisoner population and the impact of AASB 16. The reduction in Total Cost of Services over the forward estimates period reflects the impact of approved savings measures, including the Agency Expenditure Review savings targets.

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)	796,540	740,740	739,725	761,200	736,268	712,155	688,462
Grants and subsidies ^(c)	94,226	94,583	111,249	174,884	121,615	121,929	121,620
Supplies and services	342,114	350,207	343,763	355,151	368,232	377,154	387,141
Accommodation	95,667	98,238	98,045	58,303	57,236	55,315	54,300
Depreciation and amortisation	58,746	61,608	61,608	115,599	111,129	111,146	111,175
Finance and interest costs	36,025	35,906	35,906	69,935	68,146	65,954	63,615
Other expenses	153,425	90,816	94,559	103,194	90,503	87,397	93,535
TOTAL COST OF SERVICES	1,576,743	1,472,098	1,484,855	1,638,266	1,553,129	1,531,050	1,519,848
Income							
Sale of goods and services	35,371	39,619	39,684	39,663	40,110	40,321	40,749
Regulatory fees and fines	75,680	80,592	80,563	86,689	88,534	90,222	92,205
Grants and subsidies	14,852	15,432	15,432	15,426	15,426	15,426	15,426
Other revenue	33,271	29,357	29,187	28,790	29,859	31,172	32,418
Resources received free of charge - Commonwealth	4,577	4,577	4,577	4,577	4,650	4,650	4,650
Total Income	163,751	169,577	169,443	175,145	178,579	181,791	185,448
NET COST OF SERVICES	1,412,992	1,302,521	1,315,412	1,463,121	1,374,550	1,349,259	1,334,400
INCOME FROM STATE GOVERNMENT							
Service appropriations	1,308,974	1,273,646	1,267,304	1,352,414	1,319,379	1,295,254	1,288,817
Resources received free of charge	4,327	3,828	3,828	3,825	3,825	3,825	3,825
Liabilities assumed by the Treasurer ^(d)	25,785	16,450	16,450	16,450	16,450	16,450	16,450
Royalties for Regions Fund:							
Regional Community Services Fund	9,372	8,918	9,097	9,541	9,752	9,808	4,056
Other appropriations	113	-	-	-	-	-	-
Other revenues	-	-	19,714	81,337	25,663	24,441	21,771
TOTAL INCOME FROM STATE GOVERNMENT	1,348,571	1,302,842	1,316,393	1,463,567	1,375,069	1,349,778	1,334,919
SURPLUS/(DEFICIENCY) FOR THE PERIOD	(64,421)	321	981	446	519	519	519

(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 6,407, 6,587 and 6,772 respectively.

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

(d) Following a change in accounting policy, effective from 31 December 2018, notional superannuation will no longer be recognised in the financial statements.

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
Accused Costs Payments.....	3,359	1,379	1,379	1,379	1,379	1,379	1,379
Criminal Injuries Compensation Payments.....	26,548	31,817	31,817	31,817	31,817	31,817	31,817
Ex-Gratia and Act of Grace Payments.....	2,828	-	-	-	-	-	-
Legal Aid Assistance Grant.....	47,772	43,998	43,998	44,935	46,385	47,277	48,407
National Redress Scheme.....	-	-	18,478	80,414	24,981	23,752	21,499
Other Grants, Subsidies and Transfer Payments...	2,509	4,626	3,026	3,506	3,771	3,862	4,676
Prisoner Gratuity Payments.....	11,210	12,763	12,551	12,833	13,282	13,842	13,842
TOTAL	94,226	94,583	111,249	174,884	121,615	121,929	121,620

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	\$'000	\$'000
CURRENT ASSETS							
Cash assets.....	72,722	46,382	70,939	72,543	75,166	77,983	79,939
Restricted cash.....	3,887	8,855	2,790	2,790	2,790	2,790	2,790
Holding account receivables.....	11,047	11,625	11,625	11,625	11,625	11,625	11,625
Receivables.....	16,284	15,609	16,284	16,284	16,284	16,284	16,284
Other.....	4,944	3,888	4,944	4,944	4,944	4,944	4,944
Assets held for sale.....	-	1,200	-	-	-	-	-
Total current assets.....	108,884	87,559	106,582	108,186	110,809	113,626	115,582
NON-CURRENT ASSETS							
Holding account receivables.....	404,971	458,843	457,080	561,054	660,558	760,079	859,629
Property, plant and equipment.....	2,216,279	2,328,243	2,244,413	2,987,055	2,955,512	2,970,425	2,893,718
Intangibles.....	10,583	5,147	7,673	6,870	6,170	5,470	4,770
Restricted cash.....	4,762	4,204	5,377	5,992	6,617	6,617	6,617
Other.....	1,963	2,579	1,963	1,963	1,963	1,963	1,963
Total non-current assets.....	2,638,558	2,799,016	2,716,506	3,562,934	3,630,820	3,744,554	3,766,697
TOTAL ASSETS	2,747,442	2,886,575	2,823,088	3,671,120	3,741,629	3,858,180	3,882,279
CURRENT LIABILITIES							
Employee provisions.....	143,014	141,245	143,629	144,244	144,869	145,494	146,119
Payables.....	89,705	72,823	91,270	92,908	94,546	96,184	96,996
Borrowings and leases.....	-	-	-	27,249	29,687	32,279	33,718
Other.....	8,866	11,691	9,719	10,532	11,531	12,664	14,233
Total current liabilities.....	241,585	225,759	244,618	274,933	280,633	286,621	291,066
NON-CURRENT LIABILITIES							
Employee provisions.....	25,522	30,949	27,922	27,922	27,922	27,922	27,922
Borrowings and leases.....	397,436	387,862	387,970	1,069,555	1,030,208	986,735	938,647
Other.....	1,161	950	1,161	1,161	1,161	1,161	1,161
Total non-current liabilities.....	424,119	419,761	417,053	1,098,638	1,059,291	1,015,818	967,730
TOTAL LIABILITIES	665,704	645,520	661,671	1,373,571	1,339,924	1,302,439	1,258,796
EQUITY							
Contributed equity.....	2,146,159	1,502,290	2,224,857	2,360,543	2,464,180	2,617,697	2,684,920
Accumulated surplus/(deficit).....	(64,421)	(2,415)	(63,440)	(62,994)	(62,475)	(61,956)	(61,437)
Reserves.....	-	741,180	-	-	-	-	-
Total equity	2,081,738	2,241,055	2,161,417	2,297,549	2,401,705	2,555,741	2,623,483
TOTAL LIABILITIES AND EQUITY	2,747,442	2,886,575	2,823,088	3,671,120	3,741,629	3,858,180	3,882,279

(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	1,244,348	1,209,638	1,203,296	1,236,815	1,208,250	1,184,108	1,177,642
Capital appropriation	19,237	18,859	19,039	59,398	47,792	48,717	52,624
Administered equity contribution	3,086	52,119	46,523	65,030	55,845	104,800	14,600
Holding account drawdowns	15,218	11,047	11,321	11,625	11,625	11,625	11,625
Royalties for Regions Fund:							
Administered	-	19,158	-	-	-	-	-
Regional Community Services Fund	9,372	8,918	9,097	9,541	9,752	9,808	4,056
Regional Infrastructure and Headworks Fund	1,605	736	13,136	11,258	-	-	-
Other	-	-	19,714	81,337	25,663	24,441	21,771
Administered appropriations	113	-	-	-	-	-	-
Net cash provided by State Government	1,292,979	1,320,475	1,322,126	1,475,004	1,358,927	1,383,499	1,282,318
CASHFLOWS FROM OPERATING ACTIVITIES							
Payments							
Employee benefits	(762,854)	(720,778)	(720,260)	(744,135)	(719,193)	(695,080)	(671,387)
Grants and subsidies	(83,016)	(94,608)	(98,552)	(161,740)	(107,913)	(107,615)	(107,306)
Supplies and services	(330,124)	(346,240)	(343,293)	(354,681)	(367,762)	(376,684)	(386,671)
Accommodation	(88,380)	(92,939)	(93,468)	(53,653)	(52,586)	(50,665)	(49,650)
GST payments	(78,969)	(51,721)	(61,300)	(61,300)	(61,300)	(61,300)	(61,300)
Finance and interest costs	(36,025)	(34,633)	(33,360)	(67,325)	(65,486)	(64,156)	(62,819)
Other payments	(76,462)	(90,197)	(88,957)	(97,659)	(87,299)	(83,762)	(89,759)
Receipts ^(b)							
Regulatory fees and fines	75,680	80,592	80,563	86,689	88,534	90,222	92,205
Grants and subsidies	14,852	15,432	15,432	15,426	15,426	15,426	15,426
Sale of goods and services	35,350	39,619	39,684	39,663	40,110	40,321	40,749
GST receipts	79,719	53,359	61,300	61,300	61,300	61,300	61,300
Other receipts	18,313	29,357	16,490	15,646	16,157	16,858	18,104
Net cash from operating activities	(1,231,916)	(1,212,757)	(1,225,721)	(1,321,769)	(1,240,012)	(1,215,135)	(1,201,108)
CASHFLOWS FROM INVESTING ACTIVITIES							
Purchase of non-current assets	(34,345)	(94,613)	(86,832)	(110,266)	(74,320)	(120,402)	(30,136)
Proceeds from sale of non-current assets	52	-	-	-	-	-	-
Net cash from investing activities	(34,293)	(94,613)	(86,832)	(110,266)	(74,320)	(120,402)	(30,136)
CASHFLOWS FROM FINANCING ACTIVITIES							
Repayment of borrowings and leases	(9,722)	(11,838)	(11,838)	(40,750)	(41,347)	(45,145)	(49,118)
Net cash from financing activities	(9,722)	(11,838)	(11,838)	(40,750)	(41,347)	(45,145)	(49,118)
NET INCREASE/(DECREASE) IN CASH HELD	17,048	1,267	(2,265)	2,219	3,248	2,817	1,956
Cash assets at the beginning of the reporting period	64,323	58,174	81,371	79,106	81,325	84,573	87,390
Cash assets at the end of the reporting period	81,371	59,441	79,106	81,325	84,573	87,390	89,346

(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
Regulatory Fees and Fines							
District Court Fees	6,260	6,936	6,936	7,630	7,782	7,938	8,097
Family Court Fees	6,092	6,670	6,670	6,671	6,871	6,871	7,077
Fines Enforcement Registry Fees	43,904	46,143	46,143	49,383	50,372	51,380	52,407
Jurors Infringement Fees	9	7	7	9	9	8	8
Magistrates Court Fees	8,153	9,143	9,114	9,833	10,074	10,330	10,647
Sheriff's Office Fees	318	270	270	297	303	309	315
State Administrative Tribunal Fees	746	790	790	869	886	904	922
Supreme Court Fees	10,198	10,633	10,633	11,997	12,237	12,482	12,732
Grants and Subsidies							
Commonwealth Grants	14,345	14,953	14,953	14,947	14,947	14,947	14,947
Departmental	507	479	479	479	479	479	479
Sale of Goods and Services							
Other Receipts	349	1,627	1,692	1,002	831	749	749
Proceeds from Sale of Industry Goods	2,487	2,500	2,500	2,500	2,500	2,500	2,500
Public Trustee Contributions - Estate Fees and Other Revenue	19,612	20,122	20,122	20,756	21,236	21,673	22,101
Registry Births, Deaths and Marriages Fees	7,634	9,088	9,088	9,123	9,261	9,117	9,117
State Solicitor Fees	5,268	6,282	6,282	6,282	6,282	6,282	6,282
GST Receipts							
GST Input Credits	75,037	48,371	56,800	56,800	56,800	56,800	56,800
GST Receipts on Sales	4,682	4,988	4,500	4,500	4,500	4,500	4,500
Other Receipts							
Proceeds from Prison Canteen Sales	-	12,207	-	-	-	-	-
Public Trustee Contribution - Common Account Surplus Interest	2,645	3,998	3,998	3,579	3,642	3,600	3,400
Recoup of Building Disputes Revenue	1,733	2,000	1,800	1,800	1,800	1,800	1,800
Recoup of Criminal Injury Awards	1,548	1,776	1,776	1,776	1,776	1,776	1,776
Recoup of Legal Costs	412	300	300	400	400	400	400
Recoup of Other Costs	5,981	4,064	3,604	3,264	3,712	4,455	5,901
Recoup of Prisoner Telephone Calls	3,713	4,118	4,118	4,122	4,122	4,122	4,122
Recoup of Residential Tenancy Payments	1,973	696	696	696	696	696	696
Recoup of Salary Costs	308	198	198	9	9	9	9
TOTAL	223,914	218,359	213,469	218,724	221,527	224,127	227,784

(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							
Other							
Confiscation of Assets	8,482	11,000	11,000	11,000	11,000	11,000	11,000
Fines and Penalties	39,681	34,250	34,250	34,250	34,250	34,250	34,250
Other Revenue	113,754	10,204	10,204	10,204	10,204	10,204	10,204
Speed and Red Light Fines	20,485	22,528	20,703	21,010	21,316	21,621	21,928
TOTAL ADMINISTERED INCOME	182,402	77,982	76,157	76,464	76,770	77,075	77,382
EXPENSES							
Grants to Charitable and Other Public Bodies							
Grants Paid from the Confiscation Proceeds Account	1,669	4,000	3,000	4,000	4,000	4,000	4,000
Other							
Confiscation Expenses Paid from the Confiscation Proceeds Account	7,958	7,000	8,000	7,000	7,000	7,000	7,000
Other Expenses	105,838	900	900	900	900	900	900
Payment to Road Trauma Trust Account	20,484	22,528	20,703	21,010	21,316	21,621	21,928
Receipts Paid into the Consolidated Account	43,755	43,554	43,554	43,554	43,554	43,554	43,554
TOTAL ADMINISTERED EXPENSES	179,704	77,982	76,157	76,464	76,770	77,075	77,382

Legal Aid Commission of Western Australia

Part 7 Community Safety

Asset Investment Program

1. The Commission's Asset Investment Program (AIP) for 2019-20 is estimated at \$1.5 million, primarily comprising of a computer hardware and software replacement program. The AIP will be funded from internal cash balances.

	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 Hardware and Software Replacement Program....	11,838	5,650	285	1,014	1,750	1,750	1,674
Office Refurbishment and Fit-outs.....	3,623	2,285	120	483	495	240	120
Total Cost of Asset Investment Program	15,461	7,935	405	1,497	2,245	1,990	1,794
FUNDED BY							
Internal Funds and Balances.....			405	1,497	2,245	1,990	1,794
Total Funding.....			405	1,497	2,245	1,990	1,794

Division 27 Fire and Emergency Services

Part 7 Community Safety

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 62 Net amount appropriated to deliver services.....	30,548	22,771	22,168	23,715	23,311	21,924	22,267
Amount Authorised by Other Statutes - Salaries and Allowances Act 1975.....	1,041	1,041	1,041	1,041	1,041	1,045	1,048
Total appropriations provided to deliver services	31,589	23,812	23,209	24,756	24,352	22,969	23,315
ADMINISTERED TRANSACTIONS							
Item 63 Western Australia Natural Disaster Relief and Recovery Arrangements	102,900	45,000	48,622	244,347	45,000	45,000	45,000
CAPITAL							
Capital Appropriation.....	33	-	-	-	-	-	-
TOTAL APPROPRIATIONS	134,522	68,812	71,831	269,103	69,352	67,969	68,315
EXPENSES							
Total Cost of Services	409,474	429,881	431,873	449,286	452,805	453,960	453,524
Net Cost of Services ^(b)	26,218	17,684	14,414	17,583	22,149	21,510	15,933
CASH ASSETS ^(c)	64,590	43,459	69,771	51,170	46,979	39,700	36,116

(a) The 2017-18 Actual financial data has been recast for comparative purposes due Machinery of Government changes to amalgamate the Department of Fire and Emergency Services and the Office of Emergency Management from 1 July 2018.

(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					
Multi-purpose Facility in Collie.....	-	477	1,225	1,770	1,784
Ongoing Initiatives					
Aerial Surveillance (Linescanner).....	650	-	-	-	-
Bushfire Mitigation Activity Fund - Department of Planning, Lands and Heritage (DPLH) Grants	3,001	928	-	-	-
ChemCentre - Emergency Response Services	-	1,500	1,500	1,500	1,500
Emergency Alert System Phase 4.....	-	1,067	288	272	256
Engagement of Sponsorship Liaison Officer	-	142	143	144	145
Local Government Grants Scheme	331	429	534	683	839
Mitigation Activity on Behalf of DPLH on Unallocated Crown Land	450	500	500	500	500
Transfer of Natural Disaster Recovery Arrangements from the Commissioner of Main Roads.....	130	131	133	134	135
Other					
Indexation for Contract Expenses	-	-	494	1,834	2,147
Indexation for Non-Salary Expenses	-	-	-	-	69
National Partnership Agreement - Prepared Communities.....	600	-	-	-	-
Voluntary Targeted Separation Scheme	(221)	(223)	(225)	(227)	(229)

Significant Issues Impacting the Agency

Emergency Management Landscape

1. The Department is facing a changing emergency management landscape, impacted by climate, demographical, societal and technological changes. Subsequently, the Department's planning directions will focus on shared stakeholder responsibility in community emergency management and enhanced communication and regional coordination. In addition, the Department will continue to collaborate with other agencies to ensure information and communications technologies are designed and delivered collaboratively, cost effectively and in a timely manner.

Bushfire Management

2. The Department is committed to continuously improving bushfire management capability within the State in conjunction with key stakeholders. A total of \$25.8 million will be spent on enhancing bushfire management, including rural fire management in 2019-20, \$6.2 million on the Bushfire Centre of Excellence (BCoE), \$13 million on bushfire mitigation, \$4.3 million on bushfire risk management planning and \$2.4 million on rural fire support. This additional funding has been included in the overall budget for the Rural Fire Division, which is disclosed under the table titled 'Rural Fire Division'.
3. The BCoE was announced in April 2018 to enhance the State's rural fire capability, enable greater collaboration across the emergency services sector and strengthen relationships with emergency services volunteers. Functional design of the BCoE is well underway, informed by extensive stakeholder consultation, and will be constructed at the Peel Business Park, Nambeelup within the Shire of Murray.

Legacy Firefighting Foams

4. The Department will pursue strategies with relevant stakeholders to continue investigations at its current and former sites, into the possible presence of chemical residue from legacy firefighting foams. Blood testing has been made available to all past and present employees and volunteers who may have been exposed to these chemical residues through contaminated equipment or sites.

Investment in the South West Region - Collie

5. The Department will increase fire and emergency capabilities and capacity in the South West region, with \$8 million of Royalties for Regions funding to be invested on establishing a Multi-purpose Facility in Collie for emergency driving training, regional fleet maintenance and management and Level 3 Incident Control. This will better support multi-agency operations, reduce risk and improve response, training, communication and emergency management. The new multi-purpose facility will create long-term and sustainable employment and contribute to economic development in the region.

Emergency Services Act

6. Drafting of the new Emergency Services Act is anticipated to commence in 2019-20. The proposed legislation will amalgamate and modernise current emergency services Acts, and clarify the Department and community's responsibilities for prevention, preparedness, response and recovery.

Natural Disaster Risk Reduction Framework

7. Climate change continues to manifest itself through increased likelihood and impact of natural hazards such as cyclones, storms, flooding and bushfires. The Natural Disaster Risk Reduction Framework has been endorsed by all Australian jurisdictions. Funding negotiations are ongoing to support this new mitigation and resilience strategy, through a renewed National Partnership Agreement.

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.	Minimised occurrence and impact of preventable emergencies.	1. Community Awareness, Education and Information Services 2. Compliance and Technical Advisory Services
	An operational workforce that is trained and equipped to respond.	3. Training and Organisational Resourcing Services
	Minimised impact from emergencies through timely and effective response.	4. Frontline Services
	Effective strategic coordination of emergency management.	5. Emergency Management Advice and Consultation

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. Community Awareness, Education and Information Services.....	8,953	9,636	8,547	8,806	8,835	8,846	8,978
2. Compliance and Technical Advisory Services.....	20,145	30,404	30,800	53,019	50,950	47,842	48,323
3. Training and Organisational Resourcing Services.....	103,020	99,897	99,207	95,360	97,704	97,279	100,082
4. Frontline Services.....	266,572	278,195	286,134	285,225	289,512	295,550	291,651
5. Emergency Management Advice and Consultation.....	10,784	11,749	7,185	6,876	5,804	4,443	4,490
Total Cost of Services.....	409,474	429,881	431,873	449,286	452,805	453,960	453,524

Outcomes and Key Effectiveness Indicators ^(a)

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Outcome: Minimised occurrence and impact of preventable emergencies:					
Number of accidental residential fires per 100,000 households	56	65	60	65	
Proportion of building plans assessed within specified timeframes	98%	95%	97%	95%	
Outcome: An operational workforce that is trained and equipped to respond:					
Number of operational personnel endorsed as Level 3 Incident Controllers	23	22	23	22	
Proportion of assets within specified replacement period parameters.....	85%	85%	84%	85%	
Proportion of first round Local Government Grant Scheme offers accepted	72%	70%	72%	70%	
Outcome: Minimised impact from emergencies through timely and effective response:					
Proportion of responses to incidents in Emergency Service Levy 1 and Emergency Service Levy 2 areas within target timeframes	91%	90%	86%	90%	
Proportion of the Department's volunteer turnouts within target timeframes	92%	90%	90%	90%	
Proportion of structure fires confined to the object or room of origin	76%	72%	76%	72%	
Proportion of Level 2 and Level 3 bushfires where no structures are lost or significantly damaged	96%	95%	97%	95%	
Outcome: Effective strategic coordination of emergency management:					
Stakeholder assessment of strategic coordination and quality of emergency management.....	73%	68%	68%	68%	

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

Services and Key Efficiency Indicators**1. Community Awareness, Education and Information Services**

Provision of generic and targeted awareness, education and information programs to increase community awareness of preventable and natural emergency hazards, and support community stakeholders' involvement in minimising their impact.

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
	\$'000	\$'000	\$'000	\$'000	
Total Cost of Service	8,953	9,636	8,547	8,806	1
Less Income	8,534	9,346	8,044	8,241	1
Net Cost of Service	419	290	503	565	
Employees (Full-Time Equivalents)	20	20	14	14	
Efficiency Indicators					
Average cost per Western Australian household to deliver emergency hazard information and awareness programs.....	\$8.17	\$8.68	\$9.57	\$8.68	2

Explanation of Significant Movements

(Notes)

1. The decrease in the 2018-19 Estimated Actual Total Cost of Service compared to the 2018-19 Budget is due to an internal transfer of employees to Frontline Services. The decrease in income for the same period is due to the reallocation of the Emergency Service Levy (ESL), which funds these positions.
2. The variance between the 2018-19 Budget and 2018-19 Estimated Actual is due to an 11% reduction in the projected number of households in Western Australia based on 2016 Australian Bureau of Statistics census data released on 14 March 2019.

2. Compliance and Technical Advisory Services

Provision of advice and technical support services to assist community stakeholders in minimising preventable emergencies, such as structure fire and hazard materials incidents, and mitigating the impact of natural hazards emergencies such as bushfire, cyclone and flood.

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 20,145	\$'000 30,404	\$'000 30,800	\$'000 53,019	1
Less Income	19,204	29,487	32,869	50,121	1,2
Net Cost of Service	941	917	(2,069)	2,898	
Employees (Full-Time Equivalents)	60	67	68	92	
Efficiency Indicators					
Average cost per building plan assessed	\$256	\$335	\$345	\$350	
Average cost per engaged local government to support bushfire risk management	\$125,664	\$263,695	\$263,695	\$270,000	

Explanation of Significant Movements

(Notes)

1. The 2019-20 Budget Target Total Cost of Service is higher than the 2018-19 Estimated Actual predominantly due to an increase in bushfire mitigation funding support for local government activities to reduce bushfire threats in their communities, as well as to treat bushfire risks on unallocated Crown land, and costs for the establishment of the Bushfire Centre of Excellence in 2019-20. The increase in income for the same period is due to increased ESL in respect of these cost increases.
2. The 2018-19 Estimated Actual income has increased compared to the 2018-19 Budget due to funding for local governments to undertake bushfire mitigation treatments, including planned burns, weed control, mechanical clearing, fire breaks and access roads.

3. Training and Organisational Resourcing Services

Services provided to ensure that frontline emergency personnel, including volunteers, have the required skills, equipment and facilities to effectively support the community in times of emergency.

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 103,020	\$'000 99,897	\$'000 99,207	\$'000 95,360	1
Less Income	98,210	96,472	93,372	89,249	1
Net Cost of Service	4,810	3,425	5,835	6,111	
Employees (Full-Time Equivalents)	143	154	149	157	
Efficiency Indicators					
Average cost per participant to deliver Pathways training	\$1,102	\$1,700	\$1,565	\$1,700	2

Explanation of Significant Movements

(Notes)

1. The decrease in the 2019-20 Budget Target Total Cost of Service compared to the 2018-19 Estimated Actual is due to a \$5.2 million reduction in Local Government Grants Scheme capital grants for crew protection works, offset by a \$1.2 million increase in costs related to the increased FTEs. The decrease in income for the same period is due to reduced ESL in respect of service delivery.
2. The increase in the 2018-19 Budget average cost per participant to deliver Pathways training compared to the 2017-18 Actual is due to an expected lower number of training participants. Similarly, the decrease in the 2018-19 Estimated Actual compared to 2018-19 Budget is due to a higher number of training participants than budgeted.

4. Frontline Services

Services provided to the community by uniformed, frontline personnel, including volunteers, in relation to preparing, preventing and responding to emergency incidents.

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 266,572	\$'000 278,195	\$'000 286,134	\$'000 285,225	1
Less Income	254,120	273,482	279,193	280,533	1
Net Cost of Service	12,452	4,713	6,941	4,692	
Employees (Full-Time Equivalents)	1,351	1,432	1,456	1,443	
Efficiency Indicators					
Average cost to deliver Frontline Services per Western Australian	\$102.26	\$105.40	\$108	\$110	

Explanation of Significant Movements

(Notes)

1. The increase in the 2018-19 Estimated Actual Total Cost of Service compared to the 2018-19 Budget is due to an internal reallocation of employees across the Department with a large proportion being allocated to Frontline Services. The increase in income for the same period is due to increased ESL in respect to the reallocation.

5. Emergency Management Advice and Consultation

Provision of committee support for State Emergency Management Committee, policy and legislation development and review, State-recovery functions, advice/assistance, information sharing and awareness building, community engagement and capacity building.

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 10,784	\$'000 11,749	\$'000 7,185	\$'000 6,876	1
Less Income	3,188	3,410	3,981	3,559	
Net Cost of Service	7,596	8,339	3,204	3,317	
Employees (Full-Time Equivalents)	34	48	13	13	1
Efficiency Indicators					
Average hourly cost of providing Emergency Management Advice and Consultation	\$58	\$54	\$50	\$54	

Explanation of Significant Movements

(Notes)

1. The decrease in the 2018-19 Estimated Actual Total Cost of Service compared to the 2018-19 Budget is due to an internal reallocation of employees across the Department, with a large proportion being allocated to Frontline Services.

Asset Investment Program

1. The Department's Asset Investment Program (AIP) for 2019-20 totals \$50.8 million, comprising new works of \$5.7 million and works in progress of \$45.1 million. The AIP is established in conjunction with the application of a resource-to-risk/fit-for-purpose model to determine the infrastructure needs to effectively deliver emergency services throughout the State. This process recognises demographic shifts and changing community safety issues.
2. An overview of the 2019-20 program is as follows:
 - 2.1 \$20.7 million has been allocated for ongoing vehicle replacement programs in line with the Department's maintenance and serviceable life replacement strategies;
 - 2.2 investment in land and buildings works of \$27.1 million, including \$4.2 million for the commencement of the Department's new Multi-purpose Facility in Collie and \$1.3 million for the upgrade and replacement of ageing volunteer fire stations in Margaret River, Northampton and Halls Creek; and
 - 2.3 \$3 million has been allocated for new and replacement plant and equipment, including \$850,000 for the new Multi-purpose Facility in Collie.

	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							
Land and Building Works							
Career Fire Rescue Service (CFRS) Cockburn Fire Station.....	9,120	1,315	1,245	7,210	595	-	-
CFRS Kensington Fire Station.....	7,970	600	600	7,170	200	-	-
Urgent Minor Works.....	56,872	18,076	6,007	7,151	4,954	5,078	5,205
Volunteer Fire Rescue Service (VFRS)/Volunteer Fire and Emergency Service (VFES) Upgrade and Replacement Program ^(a)	22,600	1,300	1,300	1,300	2,000	2,000	2,000
Plant and Equipment Works - Equipment Replacement Program.....	28,290	11,135	2,076	2,155	2,000	2,000	2,000
Vehicle Programs							
CFRS Combined Ladder Platform Half Life Refurbishment.....	2,474	214	-	-	500	-	-
CFRS Incident Control Vehicle Replacement Program	6,673	486	-	1,758	1,050	1,104	352
CFRS Urban Pump Replacement Program.....	38,053	22,972	-	512	2,679	2,400	3,450
Information and Communications Technology Support Replacement Program.....	1,484	492	-	-	410	320	-
Light Tanker Replacement Program.....	38,095	8,474	-	3,695	3,718	2,008	6,759
Personnel Transport, Training and Fleet Asset Replacement Program.....	1,105	278	278	-	709	-	118
VFES Unit Fleet Replacement Program.....	25,328	14,275	1,636	3,574	2,014	1,151	700
VFRS Road Crash Rescue Trailer Replacement Program	2,301	441	441	451	255	268	281
VFRS Urban Tanker Replacement Program.....	45,827	6,745	2,951	10,135	3,948	4,065	6,176
COMPLETED WORKS							
Intangible Asset Development							
Computer Aided Dispatch Replacement Project.....	18,025	18,025	5,728	-	-	-	-
Volunteer Portal.....	1,250	1,250	681	-	-	-	-
Land and Building Works							
Armadale Regional Office.....	1,365	1,365	1,365	-	-	-	-
CFRS Vincent Fire Station.....	18,081	18,081	200	-	-	-	-
Plant and Equipment Works							
CFRS Radio Equipment Replacement.....	2,756	2,756	1,104	-	-	-	-
Mobile Data Terminal Replacement Program.....	4,808	4,808	3,414	-	-	-	-
Vehicle Programs - Fire Crew Protection - Appliance Modification.....							
	7,074	7,074	3,486	-	-	-	-

	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							
Land and Building Works - Multi-purpose Facility in Collie.....	6,616	-	-	4,206	2,410	-	-
Plant and Equipment Works - Multi-purpose Facility in Collie.....	850	-	-	850	-	-	-
Vehicle Programs - CFRS Specialist Equipment Tender and Pod Carrier Replacement Program.....	3,145	-	-	600	-	-	-
Total Cost of Asset Investment Program	350,162	140,162	32,512	50,767	27,442	20,394	27,041
Loan and Other Repayments.....			6,239	6,239	6,239	2,440	2,440
Total.....	350,162	140,162	38,751	57,006	33,681	22,834	29,481
FUNDED BY							
Asset Sales			1,500	-	-	-	-
Borrowings			6,038	159	-	-	-
Internal Funds and Balances.....			13,500	26,683	11,129	6,658	-
Emergency Services Levy			17,713	25,108	20,142	16,176	29,481
Drawdowns from Royalties for Regions Fund			-	5,056	2,410	-	-
Total Funding.....			38,751	57,006	33,681	22,834	29,481

(a) Gingin Volunteer Fire Station is also being replaced with funding provided via a capital grant to the local government as disclosed in the 'Details of Controlled Grants and Subsidies' table.

Financial Statements

1. The 2017-18 Actual financial data has been recast for comparative purposes due to Machinery of Government changes to amalgamate the Department of Fire and Emergency Services and the Office of Emergency Management 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 2019-20 Total Cost of Services is forecast to increase by \$17.4 million compared to the 2018-19 Estimated Actual. This is predominantly due to the following:
 - 3.1. \$9.9 million related to award increases (\$2.8 million), standard cost escalations and the impact of previous policy decisions (\$7.1 million). This represents a 2.3% increase from the 2018-19 Estimated Actual;
 - 3.2. \$3.9 million relating to the Bushfire Mitigation works to be conducted in 2019-20 mainly associated with cashflow timing differences for works funded through Emergency Services Levy and spending changes relating to the Royalties for Regions funded works administered on behalf of the Department of Planning, Lands and Heritage (DPLH);
 - 3.3. \$1.5 million to fund the cost of emergency response services provided by ChemCentre;
 - 3.4. \$1.1 million for the Emergency Alert System Phase 4;
 - 3.5. \$477,000 related to the Multi-purpose Facility in Collie;
 - 3.6. \$331,000 for the Local Government Grants Scheme; and
 - 3.7. \$142,000 for the engagement of a Sponsorship Liaison Officer to manage the emergency rescue sponsorship arrangements.

Income

4. The increase in total income between the 2019-20 Budget Estimate and the 2018-19 Estimated Actual of \$14.2 million is mainly as a result of:
 - 4.1. \$10.3 million to provide for the impact of previous policy decisions, including \$1.5 million for the equalisation of the Volunteer Marine Rescue Services, \$5.7 million for the Rural Fire Division, and \$0.8 million for the enhanced Bushfire Risk Management Planning;
 - 4.2. \$3.4 million increase in funds for Emergency Alert System Phase 4 (\$1.1 million); an increase in Local Government Grants Scheme (\$0.8 million); to provide for the cost of ChemCentre's emergency response services to the Department (\$1.5 million); and
 - 4.3. \$477,000 in Royalties for Regions funding towards the Multi-purpose Facility in Collie.

Statement of Financial Position

5. Total assets are expected to increase by a net \$30.4 million from the 2018-19 Estimated Actual to the 2019-20 Budget Estimate. This largely reflects:
 - 5.1. an increase in Holding Account receivables (\$8.3 million);
 - 5.2. expenditure as per the AIP including Cockburn and Kensington Career Fire Rescue Service Stations (\$14.4 million), urgent facility works and replacement (\$7.2 million), Multi-purpose Facility in Collie (\$5.1 million) and ongoing vehicle and replacement programs (\$24.1 million);
 - 5.3. a partial offset through depreciation and amortisation and disposal of assets of \$10.2 million; and
 - 5.4. a net decrease in cash assets of \$18.6 million due to the deferral of spending from 2018-19 to 2019-20.

Statement of Cashflows

6. The decrease in cash balances of \$18.6 million between the 2018-19 Estimated Actual and the 2019-20 Budget Estimate is predominantly due to increased cash outflows in 2019-20 caused by deferred expenditure from 2018-19.

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
COST OF SERVICES							
Expenses							
Employee benefits ^(b)	215,835	219,819	219,658	222,914	225,676	228,501	231,133
Grants and subsidies ^(c)	54,064	60,671	59,962	64,869	67,501	65,421	66,521
Supplies and services	69,564	75,879	78,713	80,420	79,107	84,284	79,298
Accommodation	14,266	11,924	11,924	9,600	10,243	10,396	10,399
Depreciation and amortisation	18,407	25,412	25,412	32,019	32,134	27,657	27,667
Finance and interest costs	1,798	1,794	1,794	2,456	2,151	2,073	1,635
Other expenses	35,540	34,382	34,410	37,008	35,993	35,628	36,871
TOTAL COST OF SERVICES	409,474	429,881	431,873	449,286	452,805	453,960	453,524
Income							
Sale of goods and services	12,079	8,390	8,390	9,344	8,528	8,528	8,528
Emergency Services Levy	356,004	391,392	391,522	405,140	405,015	407,104	416,895
Grants and subsidies	10,317	8,786	13,468	13,565	13,456	13,161	8,511
Other revenue	4,856	3,629	4,079	3,654	3,657	3,657	3,657
Total Income	383,256	412,197	417,459	431,703	430,656	432,450	437,591
NET COST OF SERVICES	26,218	17,684	14,414	17,583	22,149	21,510	15,933
INCOME FROM STATE GOVERNMENT							
Service appropriations	31,589	23,812	23,209	24,756	24,352	22,969	23,315
Resources received free of charge	1,414	2,273	2,273	2,273	2,273	2,273	2,273
Royalties for Regions Fund: Regional Community Services Fund ^(d)	14,428	5,834	5,453	1,603	1,175	1,126	1,126
TOTAL INCOME FROM STATE GOVERNMENT	47,431	31,919	30,935	28,632	27,800	26,368	26,714
SURPLUS/(DEFICIENCY) FOR THE PERIOD	21,213	14,235	16,521	11,049	5,651	4,858	10,781

(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 1,608, 1,700 and 1,719 respectively.

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

(d) Relates to funding received for the South West Emergency Rescue Service, Emergency Services Volunteer Fuel Card, Regional District Allowance and Fire Crew Protection for 2018-19, and the Emergency Services Volunteer Fuel Card, Regional District Allowance and project costs in establishing the Multi-Purpose Facility in Collie for 2019-20. Please note, Royalties for Regions funding of \$7.5 million to support the capital build of the Multi-purpose Facility in Collie is recognised as part of Contributed Equity in the Statement of Financial Position.

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
All West Australians Reducing Emergencies							
Program	178	215	215	200	200	200	200
ChemCentre - Emergency Response Services	-	-	-	1,500	1,500	1,500	1,500
Emergency Alert Upgrade Contribution	344	-	-	-	-	-	-
Fire Crew Protection	6,304	5,246	5,246	-	-	-	-
Local Government - Community Emergency							
Service Managers	2,382	2,695	2,617	2,643	2,669	2,696	2,763
Local Government Emergency Services Grants...	33,995	31,830	32,161	33,055	33,976	34,460	35,149
National Bushfire Mitigation Program	214	112	112	-	-	-	-
Natural Disaster Resilience Program	1,706	3,241	3,241	2,432	2,200	1,243	1,243
Other	2,329	2,297	2,068	2,063	2,066	2,070	2,101
Rural Fire Division							
Bushfire Centre of Excellence Facility	-	-	-	1,310	3,240	-	-
Bushfire Mitigation Activity Fund - DPLH	980	-	3,001	928	-	-	-
Bushfire Mitigation - ESL	-	5,950	829	11,190	9,660	10,815	10,977
Bushfire Risk Management Planning	1,590	1,299	1,388	1,388	1,388	1,388	1,409
Shire of Gingin	-	-	700	700	-	-	-
Shire of Trayning	200	-	450	-	-	-	-
Surf Life Saving Western Australia	1,381	1,381	1,381	1,381	1,381	1,381	1,381
Volunteer Fuel Card	609	1,023	1,171	1,070	1,070	1,000	1,000
Volunteer Marine Rescue Service	1,852	5,382	5,382	5,009	8,151	8,668	8,798
TOTAL	54,064	60,671	59,962	64,869	67,501	65,421	66,521

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.....	58,815	41,561	67,675	47,972	43,220	38,966	34,810
Restricted cash.....	4,492	237	227	195	3,551	163	163
Receivables.....	5,181	9,048	5,199	5,229	5,229	5,229	5,229
Other.....	6,207	12,355	5,664	5,634	5,634	5,634	5,634
Total current assets.....	74,695	63,201	78,765	59,030	57,634	49,992	45,836
NON-CURRENT ASSETS							
Holding account receivables.....	38,817	46,566	46,566	54,839	63,112	69,988	76,861
Property, plant and equipment.....	372,831	388,603	372,519	415,327	400,392	399,047	406,247
Intangibles.....	13,015	19,216	21,588	19,535	17,282	15,029	15,029
Restricted cash.....	1,283	1,661	1,869	3,003	208	571	1,143
Total non-current assets.....	425,946	456,046	442,542	492,704	480,994	484,635	499,280
TOTAL ASSETS	500,641	519,247	521,307	551,734	538,628	534,627	545,116
CURRENT LIABILITIES							
Employee provisions.....	27,807	30,179	28,206	29,146	29,622	27,048	27,534
Payables.....	16,024	8,940	16,049	16,044	16,044	15,692	15,692
Borrowings and leases	2,440	2,589	2,440	6,696	5,918	6,167	4,282
Other.....	423	517	436	441	441	441	441
Total current liabilities.....	46,694	42,225	47,131	52,327	52,025	49,348	47,949
NON-CURRENT LIABILITIES							
Employee provisions.....	10,160	10,028	10,196	10,202	10,208	10,208	10,208
Borrowings and leases	36,556	40,406	36,355	42,202	33,758	28,307	24,656
Other.....	223	220	223	223	223	223	223
Total non-current liabilities.....	46,939	50,654	46,774	52,627	44,189	38,738	35,087
TOTAL LIABILITIES	93,633	92,879	93,905	104,954	96,214	88,086	83,036
EQUITY							
Contributed equity ^(b)	357,028	369,831	361,976	370,305	360,288	359,557	359,557
Accumulated surplus/(deficit).....	5,800	12,732	21,246	32,295	37,946	42,804	53,585
Reserves	44,180	43,805	44,180	44,180	44,180	44,180	48,938
Total equity	407,008	426,368	427,402	446,780	442,414	446,541	462,080
TOTAL LIABILITIES AND EQUITY	500,641	519,247	521,307	551,734	538,628	534,627	545,116

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

(b) Includes an injection of \$7.5 million in Royalties for Regions funding over two financial years (2019-20 and 2020-21), to provide for the build of the Multi-purpose Facility in Collie.

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	24,675	16,063	15,460	16,483	16,079	16,093	16,442
Capital appropriation	33	-	-	-	-	-	-
Royalties for Regions Fund:							
Regional Community Services Fund	14,428	5,753	5,372	6,659	3,585	1,126	1,126
Regional Infrastructure and Headworks Fund	1,562	-	-	-	-	-	-
Net cash provided by State Government	40,698	21,816	20,832	23,142	19,664	17,219	17,568
CASHFLOWS FROM OPERATING ACTIVITIES							
Payments							
Employee benefits	(217,556)	(219,360)	(219,179)	(221,971)	(225,197)	(231,430)	(230,647)
Grants and subsidies	(45,103)	(60,671)	(59,962)	(64,869)	(67,501)	(65,421)	(63,763)
Supplies and services	(63,370)	(69,396)	(72,278)	(75,701)	(74,513)	(83,801)	(79,706)
Accommodation	(11,668)	(11,791)	(11,791)	(9,706)	(10,351)	(10,504)	(10,507)
GST payments	(19,026)	(8,794)	(8,794)	(8,794)	(8,794)	(8,794)	(8,794)
Finance and interest costs	(1,887)	(1,794)	(1,794)	(2,456)	(2,151)	(2,072)	(1,635)
Other payments	(37,540)	(35,243)	(35,243)	(37,060)	(36,100)	(35,659)	(36,901)
Receipts ^(b)							
Emergency Services Levy	355,915	391,392	391,522	406,041	405,015	407,104	416,895
Grants and subsidies	11,911	7,886	12,568	12,665	12,556	12,261	7,611
Sale of goods and services	11,911	9,290	9,290	9,343	9,428	9,428	8,528
GST receipts	19,458	8,794	8,794	8,794	8,794	8,794	8,794
Other receipts	2,844	2,751	3,201	3,456	3,459	3,459	3,667
Net cash from operating activities	5,889	13,064	16,334	19,742	14,645	3,365	13,542
CASHFLOWS FROM INVESTING ACTIVITIES							
Purchase of non-current assets	(37,429)	(34,818)	(32,512)	(50,767)	(27,442)	(20,394)	(27,041)
Proceeds from sale of non-current assets	8,511	1,500	1,500	-	-	-	-
Net cash from investing activities	(28,918)	(33,318)	(31,012)	(50,767)	(27,442)	(20,394)	(27,041)
CASHFLOWS FROM FINANCING ACTIVITIES							
Repayment of borrowings and leases	(9,390)	(11,639)	(11,639)	(16,277)	(16,458)	(12,869)	(13,053)
Proceeds from borrowings	-	11,438	11,438	5,559	5,400	5,400	5,400
Net cash from financing activities	(9,390)	(201)	(201)	(10,718)	(11,058)	(7,469)	(7,653)
NET INCREASE/(DECREASE) IN CASH HELD	8,279	1,361	5,953	(18,601)	(4,191)	(7,279)	(3,584)
Cash assets at the beginning of the reporting period	56,311	37,195	64,590	69,771	51,170	46,979	39,700
Net cash transferred to/from other agencies	-	4,903	(772)	-	-	-	-
Cash assets at the end of the reporting period	64,590	43,459	69,771	51,170	46,979	39,700	36,116

(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 Receipts	5,459	2,735	3,985	2,762	2,790	2,818	2,818
National Partnership Agreement Receipts							
Provision of Fire Services	1,446	1,498	1,498	1,550	1,604	1,661	1,661
Natural Disaster Resilience Program	1,566	3,132	3,132	3,132	3,132	3,132	3,132
Road Trauma Trust Grant	-	-	-	4,650	4,650	4,650	-
Other Grants	3,440	521	3,953	571	380	-	-
GST Receipts							
GST Input Credits	17,125	7,544	7,544	7,544	7,544	7,544	7,544
GST Receipts on Sales	2,333	1,250	1,250	1,250	1,250	1,250	1,250
Other Receipts							
Other Sundry Receipts	2,844	3,095	3,201	3,456	3,459	3,459	3,667
TOTAL	34,213	19,775	24,563	24,915	24,809	24,514	20,072

(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							
Western Australia Natural Disaster Relief and Recovery Arrangements (WANDRRA) ^(a)	102,900	45,000	48,622	244,347	45,000	45,000	45,000
TOTAL ADMINISTERED INCOME	102,900	45,000	48,622	244,347	45,000	45,000	45,000
EXPENSES							
Grants to Charitable and Other Public Bodies							
WANDRRA ^(b)	125,835	45,000	151,000	110,330	45,000	45,000	45,000
TOTAL ADMINISTERED EXPENSES	125,835	45,000	151,000	110,330	45,000	45,000	45,000

(a) The WANDRRA are jointly funded by State and Commonwealth Governments and administered by the Department to provide assistance to the communities to recover from an eligible natural disaster event. Administered appropriation in 2019-20 represents additional funding to meet the claims made by stakeholders as a result of major flooding events that occurred in 2016-17 and 2017-18. Please note as of 1 November 2018 the new Commonwealth guidelines have been implemented and are referred to as the Disaster Recovery Funding Arrangements.

(b) Grants expense is recognised as it is incurred in 2018-19 and 2019-20. The majority of claims relate to reimbursement to the Commissioner of Main Roads for the restoration of essential public assets which will occur in 2019-20.

RURAL FIRE DIVISION

	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
The Office of Bushfire Risk Management	-	1,026	633	1,218	1,229	1,241	1,253
Land Use Planning Services	-	724	739	579	583	588	593
Bushfire Technical Services	-	915	689	1,008	1,012	1,021	1,029
Bushfire Risk Management							
Planning.....	-	3,578	3,578	3,108	3,125	3,142	3,158
Bushfire Mitigation - Emergency Services							
Levy	-	5,950	2,950	11,190	9,660	10,815	10,977
Bushfire Mitigation Activity Fund - DPLH							
Grants ^(b)	-	-	3,001	928	-	-	-
DPLH Unallocated Crown Land Mitigation.....	-	450	450	500	500	500	500
Department of Education Bushfire Risk							
Management Services	-	282	238	286	289	292	295
Bushfire Centre of Excellence	-	500	500	6,170	7,308	4,072	-
Rural Fire Executive	-	780	723	809	816	824	831
TOTAL RURAL FIRE DIVISION	-	14,205	13,501	25,796	24,522	22,495	18,636

(a) The Rural Fire Division commenced from 1 July 2018.

(b) The Department administers bushfire mitigation activity grant funding on behalf of the DPLH. The funding for this initiative is provided to DPLH from the Royalties for Regions program. These figures reflect the allocation of funding to the Department to date.

Division 28 Office of the Director of Public Prosecutions

Part 7 Community Safety

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 64 Net amount appropriated to deliver services.....	34,669	36,046	36,681	37,745	35,983	36,757	38,029
Amount Authorised by Other Statutes							
- Salaries and Allowances Act 1975.....	3,715	3,740	3,740	3,315	3,315	3,325	3,340
Total appropriations provided to deliver services	38,384	39,786	40,421	41,060	39,298	40,082	41,369
CAPITAL							
Item 131 Capital Appropriation ^(a)	-	-	-	2,567	2,750	3,735	3,289
TOTAL APPROPRIATIONS	38,384	39,786	40,421	43,627	42,048	43,817	44,658
EXPENSES							
Total Cost of Services	43,798	45,894	46,529	47,168	45,406	46,190	47,477
Net Cost of Services ^(b)	36,862	40,544	41,179	41,818	40,056	40,840	42,127
CASH ASSETS ^(c)	5,827	3,354	6,628	5,099	4,695	4,835	4,975

(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
Ongoing Initiatives					
Public Prosecutions Services Expenditure	767	3,964	4,676	5,411	6,579
Reclassification of Asset Investment to Recurrent Expense	100	100	100	100	-
Special Prosecution Division	-	2,823	-	-	-
Transcription Services Transfer to Western Australia Police Force.....	-	(830)	(830)	(830)	(830)
Other					
Indexation for Non-Salary Expenses	-	-	-	-	74
Voluntary Targeted Separation Scheme	(232)	(234)	(235)	(238)	(238)

Significant Issues Impacting the Agency

1. The Office continues to fulfil its responsibility of prosecuting the most serious offences committed against the State's criminal laws.
2. During 2018-19, the Office conducted an extensive legal practice that included a significant number of high profile, resource-intensive murder and drug-related prosecutions. This includes progressing the prosecution of Bradley Robert Edwards (related to the Western Australia Police Force's Macro Taskforce), which has the potential to be one of the longest and most complex criminal cases ever conducted in Western Australia. In response to this, the Office has been provided with additional funding in 2019-20, with any future funding requirements to be addressed as the case progresses.
3. The Office's new indictable caseload is projected to increase in 2019-20, with 3,270 new indictable cases expected over the full year, compared to 3,064 received in 2018-19. Provision has been made to address this growth through the funding provided in the Public Prosecutions Services Expenditure spending change.
4. Notwithstanding the increases in core workload, the Office continues to record an overall conviction rate of 93%, achieved through early and effective case management, the appropriate exercise of prosecutorial discretion and by thoroughly preparing matters for trial.
5. The Office continues to manage an appellate practice that has been consistently busy throughout the past two fiscal years.
6. The Office's involvement in *Dangerous Sexual Offenders Act 2006* (the Act) matters continues to grow cumulatively. As at 1 April 2019, 48 offenders were either detained in custody under a continuing detention order or had been released into the community under strict supervisory conditions. This compares to just three offenders subject to orders in 2006-07, which was the first year of operation of the Act.
7. The Office is conducting a review of suitable future office premises, as the current lease expires in 2020. Working closely with the Department of Finance's Government Office Accommodation and Building Management and Works, the Office's accommodation project will address the future accommodation needs for a modern prosecution service.
8. The Office continues to manage its response to the increasing use of technology in the criminal justice system. Digitisation, automation and data collaboration are key initiatives that the Office will be undertaking over the forward estimates period, in line with the Government's Digital WA Strategy. Investment in the readiness of the Office to support digitisation of records, service automation, workflow management and data exchange are key outcomes of these initiatives to provide a better prosecution service for the State.

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.	That the people of Western Australia are provided with a fair and just criminal prosecution service.	1. Criminal Prosecutions 2. Confiscation of Assets

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. Criminal Prosecutions	40,707	42,644	43,279	43,918	42,156	42,940	44,227
2. Confiscation of Assets	3,091	3,250	3,250	3,250	3,250	3,250	3,250
Total Cost of Services	43,798	45,894	46,529	47,168	45,406	46,190	47,477

Outcomes and Key Effectiveness Indicators ^(a)

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Outcome: That the people of Western Australia are provided with a fair and just criminal prosecution service:					
Early advice to court on charges - indictment filed within three months of committal	68.3%	85%	70%	85%	1
Establishing a case to answer	100%	98%	100%	98%	2
Convictions after trial	70.1%	50%	66%	50%	3
Application for a declaration of confiscations filed within four months of the drug trafficker declaration	5%	60%	5%	60%	4

(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 full year percentage of indictments filed within three months of committal is projected to increase for the second year running, to 70%. These increases have been achieved at a time when the number of indictments due has also grown from 2,521 in 2017-18 to an estimated 2,600 in 2018-19. The indictments filed to date in 2018-19 have been filed with the court an average of 75 days from committal.
2. The Office's case assessment and trial preparation process is extremely robust and has repeatedly proved to be capable of identifying unsuitable cases at an early stage and taking appropriate action, henceforth establishing a case to answer 100% of the time.
3. The increase in convictions after trial from the 2018-19 Budget to the 2018-19 Estimated Actual reflects the competence of the Office in terms of case management, trial preparation and advocacy.
4. The Confiscations team has received a high number of drug trafficking declarations which involve confiscated land. The preparation of the applications for confiscation in these matters is particularly complex and a backlog of these applications is being addressed by the assignment of resources from other duties. The 2018-19 Estimated Actual is lower than the 2018-19 Budget due to a range of factors, including the progress of police investigations to establish the ownership of property, the tracking of associated criminal charges and assets and the resolution of issues with third parties who may claim an interest in seized property.

Services and Key Efficiency Indicators

1. Criminal Prosecutions

The Office conducts prosecutions against people accused of serious breaches of the State's criminal laws. These prosecutions are principally conducted on indictment in the Supreme and District Courts sitting at Perth and also in major regional locations. Prosecutions are conducted on behalf of the State, independently of external influences and in accordance with the law and the Office's Statement of Prosecution Policy and Guidelines 2018.

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 40,707	\$'000 42,644	\$'000 43,279	\$'000 43,918	
Less Income	2,636	2,100	2,100	2,100	
Net Cost of Service	38,071	40,544	41,179	41,818	
Employees (Full-Time Equivalents)	229	244	261	264	
Efficiency Indicators					
Cost per prosecution	\$14,171	\$15,000	\$14,125	\$15,000	

2. Confiscation of Assets

The Office institutes and conducts proceedings in a fair and just manner to confiscate property acquired as a result of criminal activity, property used for criminal activity and property of declared drug traffickers. The cost to operate the Office's Confiscations team and manage confiscations legal work is generally recouped from the Confiscation Proceeds Account established under the *Criminal Property Confiscation Act 2000*.

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 3,091	\$'000 3,250	\$'000 3,250	\$'000 3,250	
Less Income	4,300	3,250	3,250	3,250	
Net Cost of Service	(1,209)	-	-	-	
Employees (Full-Time Equivalents)	16	16	16	16	
Efficiency Indicators					
Ratio of cost to return	36.4%	25%	25%	25%	

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 Program.....	513	513	50	-	-	-	-
Replacement of Computers, Servers, Telephony, and Photocopiers.....	1,673	1,673	375	-	-	-	-
NEW WORKS							
Desktop Devices	575	-	-	200	125	125	125
Digital Transformation and Service Enhancement	600	-	-	350	150	100	-
Disaster Recovery, Offsite Emergency and Information and Communications Technology Equipment	250	-	-	250	-	-	-
Electronic Document Records Management System Upgrade.....	700	-	-	100	250	100	250
Electronic Evidence Management Systems	550	-	-	250	100	100	100
Furniture and Fittings, Portable and Attractive Items, Including Dictation and Transcript Equipment	550	-	-	250	100	100	100
Legal Practice Management System.....	1,150	-	-	250	300	450	150
Print and Photocopy Services	700	-	-	250	100	250	100
Prosecution Services - Video Recording and Conferencing.....	300	-	-	150	-	150	-
Telephony Services.....	200	-	-	200	-	-	-
Total Cost of Asset Investment Program	7,761	2,186	425	2,250	1,125	1,375	825
FUNDED BY							
Capital Appropriation.....			-	-	-	794	144
Drawdowns from the Holding Account			1,000	500	500	500	600
Internal Funds and Balances.....			(575)	1,750	625	81	81
Total Funding.....			425	2,250	1,125	1,375	825

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 for the 2019-20 Budget Estimate is higher than the 2018-19 Estimated Actual due to unavoidable costs incurred in meeting increased criminal caseloads in addition to high profile, resource-intensive murder and drug-related prosecutions.

Income

- Service appropriations have increased from the 2018-19 Estimated Actual due to additional funding provided for cost and demand forecasts as well as special funding provided for the prosecution of Bradley Robert Edwards.

Statement of Financial Position

- Cash assets decrease in 2019-20 due to their use to partially fund the Office's Asset Investment Program.

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)	32,363	34,342	34,686	35,635	34,566	35,540	36,702
Supplies and services	4,173	3,887	3,939	2,664	2,695	2,754	2,847
Accommodation	3,355	3,440	3,501	967	762	723	714
Depreciation and amortisation	642	644	652	3,544	3,905	3,719	3,781
Finance and interest costs	-	-	-	361	276	186	85
Other expenses	3,265	3,581	3,751	3,997	3,202	3,268	3,348
TOTAL COST OF SERVICES	43,798	45,894	46,529	47,168	45,406	46,190	47,477
Income							
Grants and subsidies	6,783	5,300	5,300	5,300	5,300	5,300	5,300
Other revenue	153	50	50	50	50	50	50
Total Income	6,936	5,350	5,350	5,350	5,350	5,350	5,350
NET COST OF SERVICES	36,862	40,544	41,179	41,818	40,056	40,840	42,127
INCOME FROM STATE GOVERNMENT							
Service appropriations	38,384	39,786	40,421	41,060	39,298	40,082	41,369
Resources received free of charge	1,059	1,000	1,000	1,000	1,000	1,000	1,000
TOTAL INCOME FROM STATE GOVERNMENT	39,443	40,786	41,421	42,060	40,298	41,082	42,369
SURPLUS/(DEFICIENCY) FOR THE PERIOD	2,581	242	242	242	242	242	242

(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, 277 and 280 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.....	5,607	3,249	6,408	4,879	4,475	4,615	4,755
Holding account receivables.....	1,100	600	500	500	500	600	600
Receivables.....	167	130	167	167	167	167	188
Total current assets.....	6,874	3,979	7,075	5,546	5,142	5,382	5,543
NON-CURRENT ASSETS							
Holding account receivables.....	4,301	4,530	4,629	7,729	11,183	14,344	17,555
Property, plant and equipment.....	1,421	2,015	1,302	9,917	6,671	3,967	630
Intangibles.....	30	7	(70)	780	1,480	2,130	2,611
Restricted cash.....	220	105	220	220	220	220	220
Total non-current assets.....	5,972	6,657	6,081	18,646	19,554	20,661	21,016
TOTAL ASSETS.....	12,846	10,636	13,156	24,192	24,696	26,043	26,559
CURRENT LIABILITIES							
Employee provisions.....	6,492	6,490	6,492	6,256	6,020	5,784	5,430
Payables.....	621	452	621	621	689	804	804
Other.....	224	171	224	224	224	224	224
Total current liabilities.....	7,337	7,113	7,337	7,101	6,933	6,812	6,458
NON-CURRENT LIABILITIES							
Employee provisions.....	1,594	1,561	1,594	1,630	1,666	1,702	1,756
Borrowings and leases.....	-	-	-	8,840	6,284	3,539	524
Other.....	3	3	3	3	3	3	3
Total non-current liabilities.....	1,597	1,564	1,597	10,473	7,953	5,244	2,283
TOTAL LIABILITIES.....	8,934	8,677	8,934	17,574	14,886	12,056	8,741
EQUITY							
Contributed equity.....	7,138	7,294	7,206	9,160	11,910	15,645	18,934
Accumulated surplus/(deficit).....	(3,226)	(5,335)	(2,984)	(2,742)	(2,500)	(2,258)	(2,016)
Other.....	-	-	-	200	400	600	900
Total equity.....	3,912	1,959	4,222	6,618	9,810	13,987	17,818
TOTAL LIABILITIES AND EQUITY.....	12,846	10,636	13,156	24,192	24,696	26,043	26,559

(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	37,765	39,058	39,693	37,460	35,344	36,321	37,558
Capital appropriation	-	-	-	2,567	2,750	3,735	3,289
Holding account drawdowns	600	1,100	1,000	500	500	500	600
Net cash provided by State Government	38,365	40,158	40,693	40,527	38,594	40,556	41,447
CASHFLOWS FROM OPERATING ACTIVITIES							
Payments							
Employee benefits	(32,102)	(34,342)	(34,686)	(35,635)	(34,566)	(35,540)	(36,702)
Supplies and services	(2,733)	(2,349)	(2,401)	(1,171)	(1,197)	(1,256)	(1,349)
Accommodation	(3,332)	(3,440)	(3,501)	(967)	(762)	(723)	(714)
GST payments	(985)	(934)	(934)	(840)	(840)	(840)	(840)
Finance and interest costs	-	-	-	(361)	(276)	(186)	(85)
Other payments	(3,683)	(4,051)	(4,229)	(4,449)	(3,666)	(3,739)	(3,831)
Receipts ^(b)							
Grants and subsidies	6,783	5,300	5,300	5,300	5,300	5,300	5,300
GST receipts	968	934	934	834	834	834	834
Other receipts	142	50	50	50	50	50	50
Net cash from operating activities	(34,942)	(38,832)	(39,467)	(37,239)	(35,123)	(36,100)	(37,337)
CASHFLOWS FROM INVESTING ACTIVITIES							
Purchase of non-current assets	(493)	(1,100)	(425)	(2,250)	(1,125)	(1,375)	(825)
Net cash from investing activities	(493)	(1,100)	(425)	(2,250)	(1,125)	(1,375)	(825)
CASHFLOWS FROM FINANCING ACTIVITIES							
Repayment of borrowings and leases	-	-	-	(2,567)	(2,750)	(2,941)	(3,145)
Net cash from financing activities	-	-	-	(2,567)	(2,750)	(2,941)	(3,145)
NET INCREASE/(DECREASE) IN CASH HELD	2,930	226	801	(1,529)	(404)	140	140
Cash assets at the beginning of the reporting period	2,897	3,128	5,827	6,628	5,099	4,695	4,835
Cash assets at the end of the reporting period	5,827	3,354	6,628	5,099	4,695	4,835	4,975

(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
Grants and Subsidies							
Contribution from the Confiscation Proceeds Account.....	6,783	5,300	5,300	5,300	5,300	5,300	5,300
GST Receipts							
GST Input Credits.....	962	932	932	832	832	832	832
GST Receipts on Sales	6	2	2	2	2	2	2
Other Receipts							
Employee Contributions to Employee Vehicle Scheme.....	51	50	50	50	50	50	50
Other Receipts.....	91	-	-	-	-	-	-
TOTAL	7,893	6,284	6,284	6,184	6,184	6,184	6,184

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

Division 29 **Corruption and Crime Commission**

Part 7 **Community Safety**

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 65 Net amount appropriated to deliver services.....	28,980	26,565	26,565	27,635	27,561	27,651	27,897
Amount Authorised by Other Statutes - Corruption and Crime Commission Act 2003.....	502	502	502	502	502	503	504
Total appropriations provided to deliver services	29,482	27,067	27,067	28,137	28,063	28,154	28,401
CAPITAL							
Item 132 Capital Appropriation ^(a)	-	-	-	958	1,047	1,147	1,246
TOTAL APPROPRIATIONS	29,482	27,067	27,067	29,095	29,110	29,301	29,647
EXPENSES							
Total Cost of Services	28,730	27,374	27,374	28,444	28,370	28,461	28,708
Net Cost of Services ^(b)	28,576	27,334	27,334	28,404	28,330	28,421	28,668
CASH ASSETS ^(c)	5,822	2,379	5,642	5,464	5,286	5,108	4,930

(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	-	-	-	-	66
Streamlined Budget Process Incentive Funding	-	250	-	-	-

Significant Issues Impacting the Agency

1. In July 2018, legislation was passed to amend the *Criminal Property Confiscation Act 2000* and the *Corruption, Crime and Misconduct Act 2003* to grant the Commission powers to investigate, initiate and conduct civil confiscation proceedings relating to unexplained wealth. Since the legislation was proclaimed the Commission has received referrals from various sources.

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 integrity of the Public Sector continuously improves and the incidence of misconduct is reduced.	1. Assessing All Allegations of Serious Misconduct Received 2. Investigating Allegations of Serious Misconduct

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. Assessing All Allegations of Serious Misconduct Received	5,842	4,880	6,007	6,426	6,411	6,437	6,497
2. Investigating Allegations of Serious Misconduct	22,888	22,494	21,367	22,018	21,959	22,024	22,211
Total Cost of Services.....	28,730	27,374	27,374	28,444	28,370	28,461	28,708

Outcomes and Key Effectiveness Indicators ^(a)

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Outcome: The integrity of the public sector continuously improves and the incidence of misconduct is reduced:					
Number of allegations received	5,051	4,500	4,500	4,500	
Allegations as a percentage of people employed within public authorities under the Commission's jurisdiction	2.6%	2.3%	2.3%	2.3%	
Number of investigations	62	50	55	50	
Number of reports published	13	24	24	40	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. The increase between the 2018-19 Budget and the 2019-20 Budget Target reflects a more informed and accurate representation of the Commission's activity, based on the counting methodology introduced in 2017-18.

Services and Key Efficiency Indicators

1. Assessing all Allegations of Serious Misconduct Received

The Commission has responsibility for assessing all allegations of serious misconduct within the public sector and ensuring that they are appropriately dealt with either by the Commission or another public authority.

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 5,842	\$'000 4,880	\$'000 6,007	\$'000 6,426	1
Less Income	26	7	7	7	
Net Cost of Service	5,816	4,873	6,000	6,419	
Employees (Full-Time Equivalents)	29	32	32	32	
Efficiency Indicators					
Percentage of assessments completed within 28 days	n/a	80%	63%	80%	2
Average cost of assessment	\$1,157	\$1,084	\$1,335	\$1,428	1

Explanation of Significant Movements

(Notes)

1. The variance between the 2018-19 Budget and the 2019-20 Budget Target is attributed to a more accurate cost allocation across salaries and accommodation expenses.
2. The 2018-19 Estimated Actual result is lower than expected as a result of staff turnover within the assessment team during the year.

2. Investigating Allegations of Serious Misconduct

The Commission investigates matters which are serious and significant and where it believes it can have the most impact in improving the integrity of the public sector.

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 22,888	\$'000 22,494	\$'000 21,367	\$'000 22,018	1
Less Income	128	33	33	33	2
Net Cost of Service	22,760	22,461	21,334	21,985	
Employees (Full-Time Equivalents)	91	93	93	93	
Efficiency Indicators					
Percentage of investigations completed within 12 months	80%	80%	80%	80%	3
Average time (days) to complete an investigation into serious misconduct....	317	350	350	350	

Explanation of Significant Movements

(Notes)

1. The 2017-18 Actual compared to the 2018-19 Estimated Actual is higher, primarily due to the Commission relocating its head office to Northbridge, resulting in additional accommodation charges in 2017-18, pending expiry of the lease at the Perth CBD location. The 2019-20 Budget Target compared to the 2018-19 Estimated Actual is higher, mainly as a result of Streamlined Budget Process incentive funding and the implementation of new accounting standard AASB 16: *Leases*.
2. The 2018-19 Estimated Actual compared to the 2017-18 Actual is lower, mainly as a result of gains made from the disposal of non-current assets.
3. The average days to complete an investigation can vary considerably depending on the complexity of the matter.

Asset Investment Program

1. The Commission's Asset Investment Program provides for the replacement of business systems and equipment across the Budget and the forward estimates period.

	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							
Buildings and Operational Security - 2018-19 Program	641	641	641	-	-	-	-
Business Support Systems - 2018-19 Program.....	479	479	479	-	-	-	-
Information and Communications Technology (ICT) Systems - 2018-19 Program.....	425	425	425	-	-	-	-
Office Equipment and Replacement - 2018-19 Program.....	15	15	15	-	-	-	-
Operations Support Equipment - 2018-19 Program	640	640	640	-	-	-	-
NEW WORKS							
Buildings and Operational Security							
2020-21 Program.....	400	-	-	-	400	-	-
2021-22 Program.....	402	-	-	-	-	402	-
2022-23 Program.....	100	-	-	-	-	-	100
Business Support Systems							
2019-20 Program.....	230	-	-	230	-	-	-
2020-21 Program.....	440	-	-	-	440	-	-
2021-22 Program.....	100	-	-	-	-	100	-
2022-23 Program.....	200	-	-	-	-	-	200
ICT Systems							
2019-20 Program.....	75	-	-	75	-	-	-
2020-21 Program.....	560	-	-	-	560	-	-
2021-22 Program.....	95	-	-	-	-	95	-
2022-23 Program.....	200	-	-	-	-	-	200
Office Equipment and Replacement							
2019-20 Program.....	40	-	-	40	-	-	-
2022-23 Program.....	100	-	-	-	-	-	100
Operations Support Equipment							
2019-20 Program.....	1,355	-	-	1,355	-	-	-
2020-21 Program.....	300	-	-	-	300	-	-
2021-22 Program.....	1,103	-	-	-	-	1,103	-
2022-23 Program.....	1,100	-	-	-	-	-	1,100
Total Cost of Asset Investment Program	9,000	2,200	2,200	1,700	1,700	1,700	1,700
FUNDED BY							
Drawdowns from the Holding Account			2,200	1,700	1,700	1,700	1,700
Total Funding.....			2,200	1,700	1,700	1,700	1,700

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.

Statement of Cashflows

- The cashflows from State Government reduced in 2017-18 with the return of surplus cash of \$6.2 million to the Consolidated Account.

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)	18,361	18,835	18,805	19,217	19,193	19,332	19,556
Supplies and services	3,969	2,317	2,647	2,976	3,009	3,009	3,075
Accommodation	4,580	2,982	2,882	1,135	1,135	1,135	1,135
Depreciation and amortisation	1,131	2,198	2,198	3,497	3,505	3,505	3,505
Finance and interest costs	-	-	-	908	867	819	776
Other expenses	689	1,042	842	711	661	661	661
TOTAL COST OF SERVICES	28,730	27,374	27,374	28,444	28,370	28,461	28,708
Income							
Other revenue	154	40	40	40	40	40	40
Total Income	154	40	40	40	40	40	40
NET COST OF SERVICES	28,576	27,334	27,334	28,404	28,330	28,421	28,668
INCOME FROM STATE GOVERNMENT							
Service appropriations	29,482	27,067	27,067	28,137	28,063	28,154	28,401
Resources received free of charge	98	25	25	25	25	25	25
TOTAL INCOME FROM STATE GOVERNMENT	29,580	27,092	27,092	28,162	28,088	28,179	28,426
SURPLUS/(DEFICIENCY) FOR THE PERIOD	1,004	(242)	(242)	(242)	(242)	(242)	(242)

(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 120, 125 and 125 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.....	5,692	2,149	5,432	5,174	4,996	4,818	4,640
Holding account receivables.....	2,200	2,200	2,200	1,700	1,700	1,700	1,700
Receivables.....	218	274	216	212	212	212	212
Other.....	976	728	976	976	912	848	651
Total current assets.....	9,086	5,351	8,824	8,062	7,820	7,578	7,203
NON-CURRENT ASSETS							
Holding account receivables.....	15,679	15,677	15,677	17,974	19,779	21,584	23,389
Property, plant and equipment.....	4,167	8,712	4,011	22,586	20,491	19,183	17,728
Receivables.....	141	139	141	141	141	141	141
Intangibles.....	82	328	240	318	606	204	204
Restricted cash.....	130	230	210	290	290	290	290
Total non-current assets.....	20,199	25,086	20,279	41,309	41,307	41,402	41,752
TOTAL ASSETS	29,285	30,437	29,103	49,371	49,127	48,980	48,955
CURRENT LIABILITIES							
Employee provisions.....	3,473	2,871	3,533	3,593	3,593	3,593	3,593
Payables.....	102	66	102	102	102	102	102
Borrowings and leases	-	-	-	915	985	1,078	1,079
Other.....	71	58	71	71	71	71	71
Total current liabilities.....	3,646	2,995	3,706	4,681	4,751	4,844	4,845
NON-CURRENT LIABILITIES							
Employee provisions.....	877	668	877	877	877	877	877
Borrowings and leases	-	-	-	18,577	17,458	16,312	15,282
Total non-current liabilities.....	877	668	877	19,454	18,335	17,189	16,159
TOTAL LIABILITIES	4,523	3,663	4,583	24,135	23,086	22,033	21,004
EQUITY							
Contributed equity.....	13,325	13,325	13,325	14,283	15,330	16,478	17,724
Accumulated surplus/(deficit).....	11,437	13,449	11,195	10,953	10,711	10,469	10,227
Total equity	24,762	26,774	24,520	25,236	26,041	26,947	27,951
TOTAL LIABILITIES AND EQUITY	29,285	30,437	29,103	49,371	49,127	48,980	48,955

(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	27,943	24,869	24,869	24,640	24,558	24,649	24,896
Capital appropriation	-	-	-	958	1,047	1,147	1,246
Holding account drawdowns	3,127	2,200	2,200	1,700	1,700	1,700	1,700
Receipts paid into Consolidated Account	(6,158)	-	-	-	-	-	-
Net cash provided by State Government	24,912	27,069	27,069	27,298	27,305	27,496	27,842
CASHFLOWS FROM OPERATING ACTIVITIES							
Payments							
Employee benefits	(17,434)	(18,775)	(18,745)	(19,157)	(19,133)	(19,272)	(19,496)
Supplies and services	(4,066)	(2,317)	(2,647)	(2,976)	(3,009)	(3,009)	(3,075)
Accommodation	(4,580)	(2,976)	(2,876)	(1,129)	(1,129)	(1,129)	(1,129)
GST payments	(1,239)	(1,090)	(1,090)	(1,112)	(1,112)	(1,112)	(1,112)
Finance and interest costs	-	-	-	(908)	(867)	(819)	(776)
Other payments	(689)	(1,023)	(823)	(692)	(642)	(642)	(642)
Receipts							
GST receipts	1,311	1,092	1,092	1,116	1,116	1,116	1,116
Other receipts	123	40	40	40	40	40	40
Net cash from operating activities	(26,574)	(25,049)	(25,049)	(24,818)	(24,736)	(24,827)	(25,074)
CASHFLOWS FROM INVESTING ACTIVITIES							
Purchase of non-current assets	(3,411)	(2,200)	(2,200)	(1,700)	(1,700)	(1,700)	(1,700)
Proceeds from sale of non-current assets	134	-	-	-	-	-	-
Net cash from investing activities	(3,277)	(2,200)	(2,200)	(1,700)	(1,700)	(1,700)	(1,700)
CASHFLOWS FROM FINANCING ACTIVITIES							
Repayment of borrowings and leases	-	-	-	(958)	(1,047)	(1,147)	(1,246)
Net cash from financing activities	-	-	-	(958)	(1,047)	(1,147)	(1,246)
NET INCREASE/(DECREASE) IN CASH HELD	(4,939)	(180)	(180)	(178)	(178)	(178)	(178)
Cash assets at the beginning of the reporting period	10,761	2,559	5,822	5,642	5,464	5,286	5,108
Cash assets at the end of the reporting period	5,822	2,379	5,642	5,464	5,286	5,108	4,930

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

Division 30 **Chemistry Centre (WA)**

Part 7 **Community Safety**

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 66 Net amount appropriated to deliver services.....	6,411	6,476	6,476	5,043	5,104	5,017	5,244
Amount Authorised by Other Statutes							
- Salaries and Allowances Act 1975.....	251	251	251	251	251	252	253
Total appropriations provided to deliver services	6,662	6,727	6,727	5,294	5,355	5,269	5,497
CAPITAL							
Item 133 Capital Appropriation	1,740	1,000	2,500	2,500	2,500	2,500	2,500
TOTAL APPROPRIATIONS	8,402	7,727	9,227	7,794	7,855	7,769	7,997
EXPENSES							
Total Cost of Services	27,904	26,450	28,018	28,797	29,043	29,099	29,526
Net Cost of Services ^(a)	7,342	7,698	8,519	7,588	7,598	7,413	7,594
CASH ASSETS ^(b)	2,786	1,763	2,765	2,288	2,272	2,055	2,017

(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					
Cost and Demand Update	1,220	1,409	1,526	1,227	1,369
Depreciation Update.....	270	109	331	553	760
Indexation of Non-Salary Expenses	-	-	-	-	23

Significant Issues Impacting the Agency

Research and Development

1. Research, innovation and development is essential to the Centre to mitigate risks to Western Australia associated with public health, justice, racing and sustainable industry. It contributes to maintaining and enhancing the Centre's role in the scientific community. Significant issues in this area in 2019-20 include:
 - 1.1. creating validated proteomics assays to detect a range of protein and peptide substances that include enzymes, hormones, drugs, toxins and poisons of clinical and post-mortem interest to justice agencies and the racing industry;
 - 1.2. scientifically validated and National Association of Testing Authorities accredited tools to assess produce from new industries, such as those that have been developed in the hemp and medicinal cannabis sectors. The work undertaken by the Centre will assist Western Australian producers to gain market acceptance;
 - 1.3. developing techniques to determine where dust in the environment has come from. This work enables businesses, such as those involved in mineral export or manufacture, to more responsibly manage impact on the environment and public health;
 - 1.4. a leaching assessment methodology validated by the Centre that allows mineral extraction by-products and waste materials to be more appropriately assessed. This continues to be enhanced and it is now possible to more accurately determine long-term impacts on the environment and open up environmentally responsible applications for re-purposing materials; and
 - 1.5. validating scientific procedures to determine the origin of honey. This enables Western Australian producers to gain a premium price in the market, grow their industry and attract investment to the State. The Centre is also working with national and international researchers in this field.

Managing and Growing Commercial Business

2. The Centre's commercial business defrays the cost of providing essential services to both Government and non-government customers. In addition, work in this area ensures essential skill sets are maintained, essential equipment is available in a state of readiness and suitably qualified staff can be attracted and retained. The Centre's targeted research and development and industry collaboration has also generated commercial benefit for Western Australia, such as improving leaching assessments allowing reuse of mining by-product and waste, thereby reducing cost of disposals.

Education and Collaboration

3. The Centre plays an important role in the State's science, technology, engineering and mathematics portfolio. In addition to directly supporting educators in the secondary and tertiary sectors, including co-supervision of post-graduate students, the Centre continues to contribute scientific expertise in its collaborative work with State, national and international entities. Significant issues for 2019-20 are:
 - 3.1. providing scientifically informed knowledge to State Government inter-agency groups in critical environmental areas of water purity, pesticides, fluoride and the impact and assessment of perfluoroalkyl substances and similar compounds;
 - 3.2. collaborating with national groups focused on the standardisation of techniques in forensic science, chemical hazard identification and export accreditation;
 - 3.3. contributing to international group efforts to standardise methods associated with food accreditation, forensic science, soil leaching and agronomic assessment; and
 - 3.4. the Centre's participation in and contribution to multi-agency collaborative initiatives is critical to the provision of State-wide coverage for chemical-biological-radiological related Emergency Response services.

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.	Quality scientific advice.	1. Commercial and Scientific Information and Advice
	Quality emergency response.	2. Emergency Response Management
Future Jobs and Skills: Grow and diversify the economy, create jobs and support skills development.	Quality research and development.	3. Research and 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. Commercial and Scientific Information and Advice	23,669	21,789	23,582	24,238	24,445	24,492	24,852
2. Emergency Response Management	2,137	3,100	2,022	2,078	2,096	2,100	2,131
3. Research and Development	2,098	1,561	2,414	2,481	2,502	2,507	2,543
Total Cost of Services.....	27,904	26,450	28,018	28,797	29,043	29,099	29,526

Outcomes and Key Effectiveness Indicators ^(a)

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Outcome: Quality scientific advice:					
Client satisfaction	88%	80%	80%	80%	
Proficiency rating for the accredited services	88%	95%	95%	95%	
Outcome: Quality emergency response:					
Average mobilisation time for emergency response incidents	16 minutes	20 minutes	20 minutes	20 minutes	1
Availability of emergency response workforce to meet agreed inter-agency requirements	100%	100%	100%	100%	1
Outcome: Quality research and development:					
Client satisfaction	83%	80%	80%	80%	
Contribution to scientific forums	72	60	60	60	1

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

Explanation of Significant Movements

(Notes)

- The Centre's key performance indicators were reviewed in 2018-19 with new measures introduced from the 2018-19 financial year onwards to ensure the Centre continues to clearly report on its key services and performance. The 2017-18 Actual and 2018-19 Estimated Actual results are indicative and remain subject to audit review.

Services and Key Efficiency Indicators**1. Commercial and Scientific Information and Advice**

Development and delivery of quality scientific information and advice, on a commercial basis, to Government, industry and the community.

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 23,669	\$'000 21,789	\$'000 23,582	\$'000 24,238	1
Less Income	19,303	17,454	18,282	18,479	1
Net Cost of Service	4,366	4,335	5,300	5,759	
Employees (Full-Time Equivalents)	97	104	104	102	
Efficiency Indicators					
Average cost of providing Commercial and Scientific Information and Advice per applicable FTE ^(a)	\$225,420	\$240,000	\$226,000	\$240,000	

- (a) The efficiency indicator for this service was reviewed and a new measure introduced from the 2018-19 financial year to ensure the Centre continues to clearly report on its key services and performance. The 2017-18 Actual and 2018-19 Estimated Actual results are indicative and remain subject to audit review. The 2019-20 Budget Target has been approved by the Centre's Board, subject to audit review.

Explanation of Significant Movements

(Notes)

- The increase in the 2018-19 Estimated Actual compared to the 2018-19 Budget is a consequence of continuing to only recognise the direct cost of the Emergency Response activities as per Service 2 below. Further, the adoption of AASB 16: *Leases* will contribute an expected \$0.7 million to the Total Cost of Service in 2019-20.

2. Emergency Response Management

Specialist technical advice and support to Government and industry in managing the risks arising from unmanaged chemical-biological-radiological releases.

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 2,137	\$'000 3,100	\$'000 2,022	\$'000 2,078	1
Less Income	-	-	-	1,500	
Net Cost of Service	2,137	3,100	2,022	578	
Employees (Full-Time Equivalents)	6	8	7	7	
Efficiency Indicators					
Average cost to maintain an emergency response capability per Western Australian	\$0.82	\$0.85	\$0.77	\$0.80	

Explanation of Significant Movements

(Notes)

- The Emergency Response Management service will be partially funded by the Department of Fire and Emergency Services in 2019-20.

3. Research and Development

Delivery of quality project-based knowledge, know-how and/or intellectual property relevant to State development, public health and safety, or the delivery of the Centre's other services.

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 2,098	\$'000 1,561	\$'000 2,414	\$'000 2,481	1
Less Income	1,259	1,298	1,217	1,230	
Net Cost of Service	839	263	1,197	1,251	
Employees (Full-Time Equivalents)	7	5	6	6	
Efficiency Indicators					
Publications per Research and Development FTE	5.65	4	4	4	

Explanation of Significant Movements

(Notes)

1. The higher Total Cost of Service compared to the 2018-19 Budget is attributable to continued research and development activity tied to the ongoing Cooperative Research Centre (CRC) Honey Bee Products as well as the commencement the new CRC Fighting Food Waste project.

Asset Investment Program

1. In 2019-20, the Asset Investment Program totals \$2.5 million, to be spent on the acquisition of replacement key scientific equipment to ensure the Centre continues to provide high quality specialised services across Government and non-government clients with greater accuracy and efficiency.

	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							
Capital Equipment Replacement - 2018-19 Program	2,500	2,500	2,500	-	-	-	-
NEW WORKS							
Capital Equipment Replacement							
2019-20 Program	2,500	-	-	2,500	-	-	-
2020-21 Program	2,500	-	-	-	2,500	-	-
2021-22 Program	2,500	-	-	-	-	2,500	-
2022-23 Program	2,500	-	-	-	-	-	2,500
Total Cost of Asset Investment Program	12,500	2,500	2,500	2,500	2,500	2,500	2,500
FUNDED BY							
Capital Appropriation			2,500	2,500	2,500	2,500	2,500
Total Funding			2,500	2,500	2,500	2,500	2,500

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 for Total Cost of Services of \$28.8 million is \$0.8 million more than the 2018-19 Estimated Actual. This is primarily due to the implementation of AASB 16, which will result in an additional \$0.7 million in interest and depreciation expenses in 2019-20. The interest expenses will gradually reduce as the lease liability decreases over the course of the lease term resulting in a cost neutral position.

Income

3. Commencing in 2019-20, \$1.5 million in funding from the Department of Fire and Emergency Services will be received to partially fund the Centre's Emergency Response Service. Consequently, the Centre's service appropriation will be reduced by \$1.5 million per annum with the savings redirected to capital appropriation to fund essential asset replacement.

Statement of Financial Position

4. Total assets for the 2019-20 Budget Estimate will increase by \$33 million compared to the 2018-19 Estimated Actual. The increase is mainly attributable to:
 - 4.1. the implementation of AASB 16 and the recognition of \$32.2 million right of use assets related to the Centre's leased accommodation;
 - 4.2. an equivalent recognition of \$32.8 million in lease liability as a result of AASB 16 is responsible for an overall \$32.7 million increase in the 2019-20 Budget Estimate total liabilities as compared to the 2018-19 Estimated Actual; and
 - 4.3. an increase in property, plant and equipment attributable to the \$1.5 million per annum increase in capital appropriation to fund essential asset replacement.

Statement of Cashflows

5. The 2019-20 Budget Estimate cash balance is \$462,000 lower than the 2018-19 Estimated Actual primarily due to drawdowns of cash received in advance of services delivered in prior years as well as some research and development related payments to external parties.

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)	15,047	14,833	14,960	15,116	15,004	15,158	15,374
Supplies and services	2,750	2,095	2,634	2,562	2,621	2,620	2,653
Accommodation	5,682	5,711	5,739	1,415	1,424	1,432	1,441
Depreciation and amortisation	1,417	1,455	1,713	5,180	5,522	5,557	5,800
Finance and interest costs	-	-	-	1,500	1,373	1,240	1,100
Other expenses	3,008	2,356	2,972	3,024	3,099	3,092	3,158
TOTAL COST OF SERVICES	27,904	26,450	28,018	28,797	29,043	29,099	29,526
Income							
Sale of goods and services	19,832	18,695	19,442	21,150	21,385	21,624	21,870
Other revenue	730	57	57	59	60	62	62
Total Income	20,562	18,752	19,499	21,209	21,445	21,686	21,932
NET COST OF SERVICES	7,342	7,698	8,519	7,588	7,598	7,413	7,594
INCOME FROM STATE GOVERNMENT							
Service appropriations	6,662	6,727	6,727	5,294	5,355	5,269	5,497
TOTAL INCOME FROM STATE GOVERNMENT	6,662	6,727	6,727	5,294	5,355	5,269	5,497
SURPLUS/(DEFICIENCY) FOR THE PERIOD	(680)	(971)	(1,792)	(2,294)	(2,243)	(2,144)	(2,097)

(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 110, 117 and 115 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.....	2,786	1,763	2,765	2,288	2,272	2,055	2,017
Receivables.....	2,519	2,545	2,438	2,463	2,493	2,523	2,554
Other.....	259	331	259	258	258	258	248
Total current assets.....	5,564	4,639	5,462	5,009	5,023	4,836	4,819
NON-CURRENT ASSETS							
Property, plant and equipment.....	4,714	4,594	5,586	38,629	35,629	32,610	29,383
Intangibles.....	459	390	374	353	367	353	303
Other.....	3,477	3,813	3,867	4,260	4,655	5,053	5,452
Total non-current assets.....	8,650	8,797	9,827	43,242	40,651	38,016	35,138
TOTAL ASSETS	14,214	13,436	15,289	48,251	45,674	42,852	39,957
CURRENT LIABILITIES							
Employee provisions.....	2,450	2,464	2,450	2,450	2,450	2,450	2,450
Payables.....	555	315	856	855	855	855	855
Borrowings and leases.....	-	-	-	2,879	3,008	3,123	3,252
Other.....	1,393	1,153	1,381	1,237	1,294	1,151	1,008
Total current liabilities.....	4,398	3,932	4,687	7,421	7,607	7,579	7,565
NON-CURRENT LIABILITIES							
Employee provisions.....	1,083	864	1,083	1,083	1,083	1,083	1,083
Borrowings and leases.....	-	-	-	29,943	26,843	23,612	20,246
Total non-current liabilities.....	1,083	864	1,083	31,026	27,926	24,695	21,329
TOTAL LIABILITIES	5,481	4,796	5,770	38,447	35,533	32,274	28,894
EQUITY							
Contributed equity.....	11,026	12,026	13,526	16,026	18,526	21,026	23,526
Accumulated surplus/(deficit) ^(b)	(2,293)	(3,386)	(4,007)	(6,222)	(8,385)	(10,448)	(12,463)
Total equity	8,733	8,640	9,519	9,804	10,141	10,578	11,063
TOTAL LIABILITIES AND EQUITY	14,214	13,436	15,289	48,251	45,674	42,852	39,957

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

(b) Accumulated surplus/(deficit) does not agree to the aggregate of surplus/(deficiency) for the period and surplus/(deficiency) as at the end of the previous reporting period due to deferred tax expense arising from the Centre's deficit position.

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	6,662	6,727	6,727	5,294	5,355	5,269	5,497
Capital appropriation	1,740	1,000	2,500	2,500	2,500	2,500	2,500
Holding account drawdowns	560	-	-	-	-	-	-
Net cash provided by State Government	8,962	7,727	9,227	7,794	7,855	7,769	7,997
CASHFLOWS FROM OPERATING ACTIVITIES							
Payments							
Employee benefits	(14,775)	(14,677)	(14,940)	(15,038)	(14,924)	(15,077)	(15,351)
Supplies and services	(2,470)	(2,086)	(2,634)	(2,562)	(2,621)	(2,620)	(2,653)
Accommodation	(5,834)	(5,977)	(6,004)	(1,682)	(1,656)	(1,665)	(1,647)
GST payments	(2,024)	(1,860)	(1,953)	(1,942)	(1,986)	(1,990)	(2,014)
Finance and interest costs	-	-	-	(1,500)	(1,373)	(1,240)	(1,100)
Other payments	(3,259)	(2,446)	(2,693)	(3,034)	(3,145)	(3,137)	(3,163)
Receipts							
Sale of goods and services	19,956	18,599	19,524	20,925	21,355	21,394	21,639
GST receipts	2,063	1,860	1,952	1,942	1,986	1,989	2,014
Other receipts	673	-	-	-	-	-	-
Net cash from operating activities	(5,670)	(6,587)	(6,748)	(2,891)	(2,364)	(2,346)	(2,275)
CASHFLOWS FROM INVESTING ACTIVITIES							
Purchase of non-current assets	(2,409)	(1,000)	(2,500)	(2,500)	(2,500)	(2,500)	(2,500)
Net cash from investing activities	(2,409)	(1,000)	(2,500)	(2,500)	(2,500)	(2,500)	(2,500)
CASHFLOWS FROM FINANCING ACTIVITIES							
Repayment of borrowings and leases	-	-	-	(2,880)	(3,007)	(3,140)	(3,260)
Net cash from financing activities	-	-	-	(2,880)	(3,007)	(3,140)	(3,260)
NET INCREASE/(DECREASE) IN CASH HELD	883	140	(21)	(477)	(16)	(217)	(38)
Cash assets at the beginning of the reporting period	1,903	1,623	2,786	2,765	2,288	2,272	2,055
Cash assets at the end of the reporting period	2,786	1,763	2,765	2,288	2,272	2,055	2,017

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

Division 31 Office of the Inspector of Custodial Services

Part 7 Community Safety

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 67 Net amount appropriated to deliver services	3,297	3,307	3,371	3,295	3,275	3,321	3,351
Amount Authorised by Other Statutes							
- Salaries and Allowances Act 1975	247	247	247	247	247	249	250
Total appropriations provided to deliver services	3,544	3,554	3,618	3,542	3,522	3,570	3,601
CAPITAL							
Item 134 Capital Appropriation ^(a)	2	-	-	227	235	244	251
TOTAL APPROPRIATIONS	3,546	3,554	3,618	3,769	3,757	3,814	3,852
EXPENSES							
Total Cost of Services	3,658	3,641	3,568	3,629	3,609	3,657	3,688
Net Cost of Services ^(b)	3,656	3,636	3,563	3,624	3,604	3,652	3,683
CASH ASSETS ^(c)	394	421	338	319	290	271	252

- (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	-	-	-	-	10
Streamlined Budget Process Incentive Funding	-	33	-	-	-
Voluntary Targeted Separation Scheme	(73)	(73)	(74)	(75)	(77)

Significant Issues Impacting the Agency

- The Office's inspection and liaison visits in 2018-19 continue to be driven by significant workload increases brought about by:
 - rising prisoner population numbers;
 - the critical incident at Greenough Regional Prison; and
 - additional monitoring of Bunbury Regional Prison due to major building expansions.
- In line with the Government's Digital WA Strategy, the Office has transitioned its information and communications technology infrastructure to the GovNext network.

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 Parliament, Minister and other stakeholders are informed on the performance of custodial services.	1. Inspection and Review of Custodial 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. Inspection and Review of Custodial Services.....	3,658	3,641	3,568	3,629	3,609	3,657	3,688
Total Cost of Services.....	3,658	3,641	3,568	3,629	3,609	3,657	3,688

Outcomes and Key Effectiveness Indicators ^(a)

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Outcome: The Parliament, Minister and other stakeholders are informed on the performance of custodial services:					
Number of recommendations made	164	150	100	100	1
Percentage of recommendations accepted	90%	80%	80%	80%	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 number of recommendations in the 2018-19 Estimated Actual is below the 2018-19 Budget because the Office operates on a three year inspection cycle for each prison, juvenile detention centre, court custody centre and prescribed lockup. The number of recommendations made may vary depending on which facilities are inspected in a given year and the complexity of each inspection.
2. The majority of the Office's recommendations were either supported, partially supported, or support existing initiatives. Only 16 of the 164 recommendations were not supported in the 2017-18 Actual.

Services and Key Efficiency Indicators

1. Inspection and Review of Custodial Services

Inspection of prisons, court custody centres, juvenile detention centres, coordination of the independent visitors' scheme and review of custodial services.

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 3,658	\$'000 3,641	\$'000 3,568	\$'000 3,629	
Less Income	2	5	5	5	
Net Cost of Service	3,656	3,636	3,563	3,624	
Employees (Full-Time Equivalents)	20	18	18	18	
Efficiency Indicators					
Average cost per report	\$205,137	\$245,000	\$205,000	\$245,000	1
Average cost per independent visitors' scheme report	\$2,693	\$2,500	\$2,000	\$2,000	2
Average cost per liaison visit	\$10,599	\$10,000	\$10,000	\$10,000	

Explanation of Significant Movements

(Notes)

1. The decrease in the average cost per report in the 2018-19 Estimated Actual compared to the 2018-19 Budget represents an increase in the forecast number of reports for the year.
2. The decrease in the average cost per independent visitors' scheme report in the 2018-19 Estimated Actual compared to the 2018-19 Budget represents a compositional shift in the delivery of the Independent Visitor Coordinator Role.

Asset Investment Program

1. From 2019-20, the asset investment funding of \$26,000 per annum has been reallocated to recurrent expenditure to comply with Australian Accounting Standards and the Office's asset capitalisation policy.

	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 - Office Equipment - 2018-19 Program	26	26	26	-	-	-	-
Total Cost of Asset Investment Program	26	26	26	-	-	-	-
FUNDED BY							
Drawdowns from the Holding Account			26	-	-	-	-
Total Funding			26	-	-	-	-

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)	2,478	2,515	2,442	2,452	2,465	2,465	2,493
Supplies and services	625	473	473	501	470	522	532
Accommodation	316	328	328	83	86	88	89
Depreciation and amortisation	29	-	-	242	243	243	243
Finance and interest costs	-	-	-	30	22	14	6
Other expenses	210	325	325	321	323	325	325
TOTAL COST OF SERVICES	3,658	3,641	3,568	3,629	3,609	3,657	3,688
Income							
Other revenue	2	5	5	5	5	5	5
Total Income	2	5	5	5	5	5	5
NET COST OF SERVICES	3,656	3,636	3,563	3,624	3,604	3,652	3,683
INCOME FROM STATE GOVERNMENT							
Service appropriations	3,544	3,554	3,618	3,542	3,522	3,570	3,601
Resources received free of charge	78	88	88	88	88	88	88
TOTAL INCOME FROM STATE GOVERNMENT	3,622	3,642	3,706	3,630	3,610	3,658	3,689
SURPLUS/(DEFICIENCY) FOR THE PERIOD	(34)	6	143	6	6	6	6

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

(b) The full-time equivalents for the 2017-18 Actual, 2018-19 Estimated Actual and the 2019-20 Budget Estimate are 20, 18 and 18 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.....	372	414	316	297	268	249	230
Holding account receivables.....	2	26	-	-	-	-	-
Receivables.....	265	43	265	265	265	265	265
Other.....	67	32	67	67	67	67	67
Total current assets.....	706	515	648	629	600	581	562
NON-CURRENT ASSETS							
Holding account receivables.....	179	183	183	453	724	995	1,266
Property, plant and equipment.....	3	82	29	755	512	293	50
Restricted cash.....	22	7	22	22	22	22	22
Total non-current assets.....	204	272	234	1,230	1,258	1,310	1,338
TOTAL ASSETS	910	787	882	1,859	1,858	1,891	1,900
CURRENT LIABILITIES							
Employee provisions.....	672	514	498	498	498	498	498
Payables.....	144	56	147	150	143	146	149
Other.....	33	83	33	33	33	33	33
Total current liabilities.....	849	653	678	681	674	677	680
NON-CURRENT LIABILITIES							
Employee provisions.....	115	142	115	115	115	115	115
Borrowings and leases	-	-	-	741	506	286	35
Total non-current liabilities.....	115	142	115	856	621	401	150
TOTAL LIABILITIES	964	795	793	1,537	1,295	1,078	830
EQUITY							
Contributed equity.....	274	274	274	501	736	980	1,231
Accumulated surplus/(deficit).....	(328)	(282)	(185)	(179)	(173)	(167)	(161)
Total equity	(54)	(8)	89	322	563	813	1,070
TOTAL LIABILITIES AND EQUITY	910	787	882	1,859	1,858	1,891	1,900

(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	3,544	3,526	3,590	3,272	3,251	3,299	3,330
Capital appropriation	2	-	-	227	235	244	251
Holding account drawdowns	24	26	26	-	-	-	-
Net cash provided by State Government	3,570	3,552	3,616	3,499	3,486	3,543	3,581
CASHFLOWS FROM OPERATING ACTIVITIES							
Payments							
Employee benefits	(2,379)	(2,515)	(2,616)	(2,452)	(2,465)	(2,465)	(2,493)
Supplies and services	(691)	(381)	(381)	(409)	(388)	(430)	(440)
Accommodation	(317)	(328)	(328)	(83)	(86)	(88)	(89)
GST payments	(117)	(42)	(42)	(42)	(42)	(42)	(42)
Finance and interest costs	-	-	-	(30)	(22)	(14)	(6)
Other payments	(244)	(326)	(326)	(322)	(324)	(326)	(326)
Receipts ^(b)							
GST receipts	105	42	42	42	42	42	42
Other receipts	2	5	5	5	5	5	5
Net cash from operating activities	(3,641)	(3,545)	(3,646)	(3,291)	(3,280)	(3,318)	(3,349)
CASHFLOWS FROM INVESTING ACTIVITIES							
Purchase of non-current assets	(2)	(26)	(26)	-	-	-	-
Net cash from investing activities	(2)	(26)	(26)	-	-	-	-
CASHFLOWS FROM FINANCING ACTIVITIES							
Repayment of borrowings and leases	-	-	-	(227)	(235)	(244)	(251)
Net cash from financing activities	-	-	-	(227)	(235)	(244)	(251)
NET INCREASE/(DECREASE) IN CASH HELD	(73)	(19)	(56)	(19)	(29)	(19)	(19)
Cash assets at the beginning of the reporting period	467	440	394	338	319	290	271
Cash assets at the end of the reporting period	394	421	338	319	290	271	252

(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 Receipts from Australian Taxation Office.....	105	42	42	42	42	42	42
Other Receipts							
Other Receipts.....	2	5	5	5	5	5	5
TOTAL	107	47	47	47	47	47	47

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

Division 32 **Parliamentary Inspector of the Corruption and Crime Commission**

Part 7 **Community Safety**

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 68 Net amount appropriated to deliver services	528	518	518	529	523	516	511
Amount Authorised by Other Statutes - Corruption and Crime Commission Act 2003	179	179	179	179	179	180	181
Total appropriations provided to deliver services	707	697	697	708	702	696	692
CAPITAL							
Item 135 Capital Appropriation ^(a)	-	-	-	84	92	100	109
TOTAL APPROPRIATIONS	707	697	697	792	794	796	801
EXPENSES							
Total Cost of Services	789	839	839	850	844	838	834
Net Cost of Services ^(b)	789	839	839	850	844	838	834
CASH ASSETS ^(c)	398	327	351	304	257	210	165

- (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	-	-	-	-	1

Significant Issues Impacting the Agency

1. The appointment process for two Acting Parliamentary Inspectors has been finalised following the expiration of terms in December 2018. Mr John Anthony Chaney was appointed and the appointment of Mr Matt Howard SC has been renewed.

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.	An informed Parliament on the integrity of the Corruption and Crime Commission.	1. Evaluation of the Effectiveness and Appropriateness of Corruption and Crime Commission Operations

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. Evaluation of the Effectiveness and Appropriateness of Corruption and Crime Commission Operations.....	789	839	839	850	844	838	834
Total Cost of Services.....	789	839	839	850	844	838	834

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 the integrity of the Corruption and Crime Commission:					
Number of reports completed and tabled in Parliament within target timeframes.....	1	1	1	1	

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

Services and Key Efficiency Indicators

1. Evaluation of the Effectiveness and Appropriateness of Corruption and Crime Commission Operations

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 789	\$'000 839	\$'000 839	\$'000 850	
Less Income	-	-	-	-	
Net Cost of Service	789	839	839	850	
Employees (Full-Time Equivalents)	2	2	2	2	
Efficiency Indicators					
Average cost per investigation/case	\$7,356	\$9,229	\$9,305	\$9,520	1
Cost of audit function as a percentage of total cost of operations	41%	45%	39%	45%	2

Explanation of Significant Movements

(Notes)

1. The 2018-19 Estimated Actual and 2019-20 Budget Target are higher than the 2017-18 Actual average cost per investigation/case, reflecting a decrease in the number of investigations finalised.
2. The 2019-20 Budget Target for the cost of audit function as a percentage of total cost of operations is higher than the 2018-19 Estimated Actual due to an expected increase in the amount of time allocated to the audit function.

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)	418	452	452	455	455	457	460
Supplies and services	190	175	193	209	206	203	200
Accommodation	118	128	128	5	5	5	5
Depreciation and amortisation	32	32	32	129	129	129	129
Finance and interest costs	-	-	-	12	9	6	2
Other expenses	31	52	34	40	40	38	38
TOTAL COST OF SERVICES	789	839	839	850	844	838	834
NET COST OF SERVICES	789	839	839	850	844	838	834
INCOME FROM STATE GOVERNMENT							
Service appropriations	707	697	697	708	702	696	692
Resources received free of charge	156	142	142	142	142	142	142
TOTAL INCOME FROM STATE GOVERNMENT	863	839	839	850	844	838	834
SURPLUS/(DEFICIENCY) FOR THE PERIOD	74	-	-	-	-	-	-

(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 2, 2 and 2 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.....	398	327	351	304	257	210	165
Receivables.....	5	4	5	5	5	5	5
Other.....	10	1	10	10	10	10	10
Total current assets.....	413	332	366	319	272	225	180
NON-CURRENT ASSETS							
Holding account receivables.....	195	227	227	356	485	614	743
Property, plant and equipment.....	222	190	190	448	319	190	61
Total non-current assets.....	417	417	417	804	804	804	804
TOTAL ASSETS	830	749	783	1,123	1,076	1,029	984
CURRENT LIABILITIES							
Employee provisions ^(b)	308	311	264	220	176	132	90
Payables.....	17	14	17	17	17	17	17
Borrowings and leases	-	-	-	91	99	108	3
Total current liabilities.....	325	325	281	328	292	257	110
NON-CURRENT LIABILITIES							
Employee provisions ^(b)	21	15	18	15	12	9	6
Borrowings and leases	-	-	-	212	112	3	-
Other.....	1	-	1	1	1	1	1
Total non-current liabilities.....	22	15	19	228	125	13	7
TOTAL LIABILITIES	347	340	300	556	417	270	117
EQUITY							
Contributed equity.....	160	160	160	244	336	436	544
Accumulated surplus/(deficit).....	323	249	323	323	323	323	323
Total equity	483	409	483	567	659	759	867
TOTAL LIABILITIES AND EQUITY	830	749	783	1,123	1,076	1,029	984

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

(b) Leave liability balances are being managed to within the approved cap across the forward estimate period.

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	675	665	665	579	573	567	563
Capital appropriation	-	-	-	84	92	100	109
Net cash provided by State Government	675	665	665	663	665	667	672
CASHFLOWS FROM OPERATING ACTIVITIES							
Payments							
Employee benefits	(412)	(452)	(499)	(502)	(502)	(504)	(505)
Supplies and services	(46)	(33)	(51)	(68)	(65)	(62)	(59)
Accommodation	(118)	(128)	(128)	(5)	(5)	(5)	(5)
GST payments	(20)	-	(16)	(16)	(16)	(16)	(16)
Finance and interest costs	-	-	-	(12)	(9)	(6)	(2)
Other payments	(27)	(52)	(34)	(39)	(39)	(37)	(37)
Receipts ^(b)							
GST receipts	18	-	16	16	16	16	16
Other receipts	1	-	-	-	-	-	-
Net cash from operating activities	(604)	(665)	(712)	(626)	(620)	(614)	(608)
CASHFLOWS FROM FINANCING ACTIVITIES							
Repayment of borrowings and leases	-	-	-	(84)	(92)	(100)	(109)
Net cash from financing activities	-	-	-	(84)	(92)	(100)	(109)
NET INCREASE/(DECREASE) IN CASH HELD	71	-	(47)	(47)	(47)	(47)	(45)
Cash assets at the beginning of the reporting period	327	327	398	351	304	257	210
Cash assets at the end of the reporting period	398	327	351	304	257	210	165

(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	18	-	16	16	16	16	16
Other Receipts							
Other Receipts	1	-	-	-	-	-	-
TOTAL	19	-	16	16	16	16	16

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

Part 8

Community Services

Introduction

The Community Services portfolio works with communities to support people with disabilities, vulnerable families, children and young people at risk and seniors. The portfolio particularly focuses on breaking disadvantage to improve lives and cultivating vibrant, inclusive communities through sport, culture and arts industries.

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 youth reoffending;
 - reducing illicit drug use;
- A Liveable Environment
 - building METRONET and increasing housing opportunities nearby;
- Aboriginal Wellbeing
 - reducing the over-representation of Aboriginal people in custody; and
- Sustainable Health Review.

Summary of Recurrent and Asset Investment Expenditure

Agency	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000
Communities		
– Total Cost of Services	3,433,292	3,443,951
– Asset Investment Program	211,830	218,132
Keystart Housing Scheme Trust		
– Asset Investment Program	3,159	1,150
Local Government, Sport and Cultural Industries		
– Total Cost of Services	295,341	286,174
– Asset Investment Program	158,661	95,415

Agency	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000
Western Australian Sports Centre Trust		
– Total Cost of Services	257,173	243,591
– Asset Investment Program	17,666	16,201
Western Australian Institute of Sport		
– Asset Investment Program	143	143
Lotteries Commission		
– Asset Investment Program	3,624	3,400
Metropolitan Cemeteries Board		
– Asset Investment Program	9,617	4,332

Ministerial Responsibilities

Minister	Agency	Services
Minister for Child Protection; Women's Interests; Prevention of Family and Domestic Violence; Community Services Minister for Seniors and Ageing; Volunteering; Sport and Recreation	Communities	<ol style="list-style-type: none"> 1. Community Services 2. Homelessness Support Services 3. Earlier Intervention and Family Support Services 4. Preventing and Responding to Family and Domestic Violence 5. Child Protection Assessments and Investigations 6. Care Arrangements and Support Services for Children in the Chief Executive Officer's Care
Minister for Housing; Veterans Issues; Youth; Asian Engagement	Communities	<ol style="list-style-type: none"> 7. Rental Housing 8. Home Loans 9. Land and Housing Supply
Minister for Environment; Disability Services; Electoral Affairs	Communities	<ol style="list-style-type: none"> 10. Supporting People with Disability to Access Services and Participation in their Community 11. Living Supports and Care for People with Disability
Minister for Housing; Veterans Issues; Youth; Asian Engagement	Keystart Housing Scheme Trust	n/a
Minister for Local Government; Heritage; Culture and the Arts	Local Government, Sport and Cultural Industries	<ol style="list-style-type: none"> 1. Regulation and Support of Local Government 3. Arts Industry Support 4. Research, Policy Development, Information and Support 5. Corporate and Asset and Infrastructure Support to the Culture and Arts Portfolio and Government 6. Cultural Heritage Management and Conservation 7. Cultural Heritage Access and Community Engagement and Education 8. Collection Services 9. Public Library Services 10. Library, Literacy and Community Engagement 11. Venue Management Services 12. Collections Management, Research and Conservation Services 13. Collections Effectively Documented and Digitised 14. Public Sites, Public Programs and Collections Accessed On-site 15. Online Access to Collections, Expertise and Programs 16. Museum Services to the Regions
Minister for Tourism; Racing and Gaming; Small Business; Defence Issues; Citizenship and Multicultural Interests	Local Government, Sport and Cultural Industries	<ol style="list-style-type: none"> 2. Promotion and Support of Multiculturalism 17. Licensing - Evaluation and Determination of Applications 18. Compliance Audits and Inspections
Minister for Seniors and Ageing; Volunteering; Sport and Recreation	Local Government, Sport and Cultural Industries	<ol style="list-style-type: none"> 19. Industry Leadership and Infrastructure Development 20. Building Capacity and Participation 21. Recreation Camps Management
	Western Australian Sports Centre Trust	<ol style="list-style-type: none"> 1. Deliver Training and Competition Facilities for High Performance Sport 2. Provision of Venues and Precincts Delivering Quality Sport and Entertainment Experiences
	Western Australian Institute of Sport	n/a
Premier; Minister for Public Sector Management; State Development, Jobs and Trade; Federal-State Relations	Lotteries Commission	n/a
Minister for Local Government; Heritage; Culture and the Arts	Metropolitan Cemeteries Board	n/a

Division 33 **Communities**

Part 8 **Community Services**

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 69 Net amount appropriated to deliver services.....	1,636,534	1,720,787	1,705,036	1,767,965	1,643,171	1,689,845	1,750,442
Amount Authorised by Other Statutes							
- Salaries and Allowances Act 1975.....	516	492	492	492	492	493	494
Total appropriations provided to deliver services	1,637,050	1,721,279	1,705,528	1,768,457	1,643,663	1,690,338	1,750,936
ADMINISTERED TRANSACTIONS							
Item 70 Amount provided for Administered Grants, Subsidies and Other Transfer Payments.....	300	300	300	300	300	300	300
CAPITAL							
Item 136 Capital Appropriation	5,779	2,106	2,756	36,352	31,380	30,548	30,696
TOTAL APPROPRIATIONS	1,643,129	1,723,685	1,708,584	1,805,109	1,675,343	1,721,186	1,781,932
EXPENSES							
Total Cost of Services	3,181,159	3,244,931	3,433,292	3,443,951	3,207,769	3,240,207	3,269,648
Net Cost of Services ^(a)	1,831,880	1,824,456	1,721,873	2,006,218	1,728,307	1,689,111	1,820,856
CASH ASSETS ^(b).....	412,428	188,379	336,230	307,226	345,343	392,338	267,786

(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					
Commonwealth Redress Scheme - State Support Activities	507	679	347	351	340
Development of the State Disability Plan ^(a)	-	500	-	-	-
Election Commitments					
Family and Domestic Violence One Stop Hubs	-	-	3,817	3,912	4,010
Pets in Crisis.....	-	100	102	105	108
Preventing Elder Abuse ^(b)	-	1,420	300	300	300
Royal Commission (Child Sexual Abuse) - Policy and Program Development.....	-	1,808	1,823	-	-
Geraldton Alternative Settlement Agreement - Implementation Costs	-	338	491	499	486
Reconfiguration of the Spinal Cord Injury Service	(33)	(244)	(65)	-	-

	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					
Aboriginal Community Connectors (formerly Aboriginal Community Patrols).....	-	6,530	-	-	-
Adjustments to Commonwealth Grants					
Commonwealth-State Agreement on Remote Housing	46,400	74,600	-	-	-
National Housing and Homelessness Agreement	14,584	20,235	21,416	12,818	16,100
On-payments to the National Disability Insurance Agency	117,410	174,082	-	-	-
State-administered National Disability Insurance Scheme (NDIS) ^(a)	7,000	-	-	-	-
Community and Neighbourhood Development Funding	-	1,000	1,044	-	-
Increased Investment in Systemic and Individual Advocacy	-	4,500	-	-	-
Kimberley Family Violence Service	-	1,081	-	-	-
National Rental Affordability Scheme	(2,489)	11,883	12,124	12,250	12,223
NDIS Transition Team ^(a)	-	2,300	-	-	-
North West Aboriginal Housing Fund	2,872	3,229	3,546	2,821	12,650
Quality and Safeguarding - Additional Evaluators for Disability Services	-	1,100	-	-	-
Remote Communities and Town Based Reserves Projects	-	2,037	-	-	-
Seniors Cost of Living Rebate	(1,500)	(694)	(642)	(626)	(675)
Youth Supported Accommodation Assistance Program	452	-	-	-	-
Other					
2019-20 Tariffs, Fees and Charges	439	534	1,004	849	1,346
Adjustment to Salaries Cap	2,398	7,596	(1,075)	243	3,306
Capping of Leave Liabilities at 2011-12 Levels	(500)	(500)	(500)	(500)	(500)
Government Office Accommodation Reform Program	(784)	(838)	(819)	(367)	(367)
Indexation for Non-Salary Expenses	-	-	-	-	2,364
Non-Government Human Services Sector Indexation Adjustment	(3,636)	(1,979)	(1,298)	(1,333)	4,815
Transfer of Metropolitan Migrant Resource Centre to Department of Local Government, Sport and Cultural Industries	(62)	(126)	(129)	(132)	(132)
Transfer of Native Welfare Files function to Department of Local Government, Sport and Cultural Industries	(33)	(34)	(34)	(34)	(35)
Transfer of Seniors Recreation Council funding to Department of Local Government, Sport and Cultural Industries	-	(78)	(80)	(82)	(84)
Voluntary Targeted Separation Scheme	(10,398)	(10,502)	(10,605)	(10,757)	(10,757)

(a) These initiatives have been funded through reprioritisation.

(b) The \$2.3 million over the period 2019-20 to 2022-23 includes \$1.2 million of new funding and \$1.1 million of existing funding that has been reprioritised.

Significant Issues Impacting the Agency

1. To deliver on the State Government's reform of human services across Western Australia, the Department's Strategic Plan 2019-23 (the Plan) focuses the Department's efforts in three areas: supporting individuals and families to lead their best life; mobilising local solutions; and transforming our agency to better meet the needs of people we serve. In order to implement the Plan, the Department has been developing an annual plan that will commence from 1 July 2019. This annual plan will also set out how the Department will collaborate across Government and the community to achieve the whole-of-government targets in the Our Priorities: Sharing Prosperity program. The Department's work supports multiple priorities: a bright future; a safer community; a liveable environment; and Aboriginal wellbeing.
2. In response to the recommendations of the Royal Commission into Institutional Responses to Child Sexual Abuse, the Department will progress significant legislative reform and a range of initiatives to address 104 recommendations that the Department is responsible for leading. This work supports a safer community and includes: contributing to a whole-of-government strategy for independent oversight of institutions providing child-related services; collaborating with other States and the Commonwealth in developing a National Framework for supporting child safe organisations; addressing the complex issue of children with harmful sexual behaviours; legislative provision to expand mandatory reporting requirements; improving information sharing; helping develop a model for a Reportable Conduct Scheme; and modifying the interface between the Working with Children Check system with the National Reference system.
3. On 5 April 2019, the Commonwealth Government announced the establishment of a Royal Commission into Violence, Abuse, Neglect and Exploitation of People with a Disability. The State Government supports the Royal Commission, which will offer an opportunity for people with disability to share their experiences and set a clear national direction on how to build safer and more inclusive communities. The Department intends to be an active contributor to the Royal Commission and will support Western Australians to participate.

4. Since the State Government entered into a bilateral agreement in December 2017 with the Commonwealth Government for the National Disability Insurance Agency (NDIA) to deliver the National Disability Insurance Scheme (NDIS) in Western Australia, both Governments have acknowledged the challenge currently experienced in the transition of State clients into the NDIS. The transfer of State clients progressed slower than anticipated in the first six months of the agreement; however, it has since accelerated due to collaborative work between the Department and State and Commonwealth agencies.
 - 4.1. While the transition progresses, the Government will continue the second tranche of the \$20.3 million Sector Transition Fund by providing \$8.5 million in 2019-20 to safeguard the sustainability of the disability sector in Western Australia and provide funding to the Department to maintain support for individuals who have experienced delayed entry into the NDIS. This includes additional investment in advocacy services to ensure that people with disability, their families and carers are supported during the transition. Further to this, the Government has committed to developing the State Disability Plan (the Plan), which is a 10 year plan to build an inclusive community that supports and empowers people with disability. The Plan will be for all Western Australians who want to live in an inclusive community.
5. As at 28 February 2019, 5,317 children were in out-of-home care, 55% of whom are Aboriginal children. In response to the increasing rate of children entering out-of-home care, the Department continues to implement the Building a Better Future: Out-of-Home Care Reform which will deliver an out-of-home care system that is: focused on the needs of the child; a coordinated and flexible service system; a safe system held to high quality standards; and a legislative framework supporting best child outcomes. In recognition of the increasing rate of children entering out-of-home care, the Department is also focused on providing earlier and more intensive engagements and intervention as part of the Building Safe and Strong Families: Earlier Intervention and Family Support Strategy.
6. It is estimated that between 2% and 10% of older Western Australians - between 9,800 and 49,000 people - may experience some form of elder abuse. In response, the Government has endorsed the State joining the National Plan to Respond to the Abuse of Older Australians 2019-2023 (the National Plan). The Government has committed to spending \$2.3 million to deliver a safer community and commence a number of initiatives that support the National Plan and progress delivery of the Government's election commitments to respond to elder abuse. The Department will develop community education and awareness campaigns; fund advocacy and legal services and the State-wide Elder Abuse Helpline; and initiate a range of inclusion, participation and education activities.
7. The Commonwealth Government has provided the State Government with \$121 million, which will assist with delivering some critical services and investment for remote communities in 2018-19 and 2019-20. The absence of Commonwealth funding beyond this period presents a substantial financial shortfall that will undermine the State's capacity to continue to deliver services and provide critical investment in remote communities. To support the Government's commitment to remote communities and regional prosperity, the Department will work closely with key service and central government agencies to develop service options for ongoing infrastructure and essential service delivery in remote communities. The Department will also pursue further integration of services and functions for remote communities through ongoing implementation of Machinery of Government changes.
8. The North West Aboriginal Housing Fund (NWAHF) has been established to invest in initiatives that increase housing options, increase opportunities for educational attainment and job stability, and empower Aboriginal people and communities. The NWAHF directly supports improvements to Aboriginal wellbeing. In partnership with Aboriginal people and organisations, the Department is currently building 50 homes in Kununurra, Halls Creek and Wyndham that are aligned with improved Aboriginal employment outcomes. A further 40 existing houses in South Hedland are being refurbished and repurposed as transitional housing for Aboriginal families. An expression of interest process has commenced to identify the next tranche of community-led NWAHF initiatives.
9. Target 120, a Government election commitment, is a new approach and early intervention strategy for young people identified most at risk of entering the formal justice system and becoming repeat offenders. It aims to increase community safety by providing young people and their families with intensive, coordinated and timely access to the services required to make positive changes. In partnership with community, government and non-government agencies, the program will be rolled out across 11 metropolitan and regional locations over a four year period. Five locations commenced service delivery in 2018-19 and a further three are scheduled for implementation in 2019-20. Target 120 is an initiative that contributes to the Government's priority area of a safer community under the Our Priorities: Sharing Prosperity Program.

10. One in five children aged four years and under in Western Australia is considered developmentally vulnerable, as measured by the Australian Early Development Census. The Early Years Initiative (the Initiative) announced on 3 March 2018 is a commitment to working collaboratively and innovatively with our partners in the community to improve the development, health and learning of children from conception to four years and create lasting change. It is a 10 year partnership that brings together community leaders, government, researchers, business and philanthropic organisations to empower communities to support and assess the needs of children and families, so they have the opportunity and confidence to flourish. In December 2018, the Central Great Southern Shires of Katanning, Broomehill-Tambellup, Kojonup and Gnowangerup were selected to be the first partner communities to join the Initiative. The remaining partner communities are expected to be announced in 2019. The Initiative is a demonstration of how the State Government will partner with others to achieve the early childhood health and wellbeing target under the Our Priorities: Sharing Prosperity Program.
11. The State is committed to addressing housing affordability, creating inclusive communities and driving economic growth. The Department is working across Government and partnering with the private sector and non-government organisations to deliver the \$394 million METRONET Social and Affordable Housing and Jobs Package (the Package). The new dwellings within the Package are aligned to the delivery of METRONET. The Department has engaged partners and identified projects to deliver the Package and has already achieved major milestones, including the appointment of a development partner for Pier Street Perth. This work will help the Government to meet its Our Priorities targets for a strong economy and a liveable environment.
12. The Department continues to support regional Western Australia, including through the ongoing implementation of Machinery of Government changes that will see regional executive directors appointed in each region of the State. These structural changes will be supported by work under the Strategic Plan to ensure that the regional executive directors can make decisions and deliver supports that make sense for that region, in partnership with local leaders and organisations, other agencies and tiers of government, and service providers.
13. In September 2017, the Government announced the commencement of construction on the Fremantle Kings Square Renewal project and relocation of 1,500 public sector employees from the Perth CBD to the newly constructed premises. The Department will relocate its head office to the purpose-built Kings Square location in the second quarter of 2020. The location of government services to the area has already resulted in a boost to jobs and the Fremantle economy and will continue when staff move into the new offices.

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

The Department has implemented a new Outcome Based Management structure to provide a better reflection of its amalgamated service delivery methodology. The new structure includes changes to service categories, which have been restated where possible. Results for services under the previous structure will be available in the Department's annual report.

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.	Access to quality services that enable active participation in the Western Australian community by individuals and families.	1. Community Services
	Families and individuals experiencing family and domestic violence, homelessness or other crises are assisted to build their capabilities and be safe.	2. Homelessness Support Services 3. Earlier Intervention and Family Support Services 4. Preventing and Responding to Family and Domestic Violence
	Children and young people needing protection are safe from abuse and harm.	5. Child Protection Assessments and Investigations
	Children and young people in the Chief Executive Officer's (CEO's) care receive a high quality of care and have much improved life outcomes.	6. Care Arrangements and Support Services for Children in the CEO's Care
	Affordable housing options are available to eligible Western Australians.	7. Rental Housing 8. Home Loans 9. Land and Housing Supply
	Life is enhanced for people with disability in the Western Australian community.	10. Supporting People with Disability to Access Services and Participate in their Community 11. Living Supports and Care for People with Disability

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. Community Services.....	133,934	136,754	133,375	145,240	151,510	150,280	147,004
2. Homelessness Support Services.....	54,641	38,050	52,051	53,015	51,823	44,160	46,131
3. Earlier Intervention and Family Support Services	75,855	81,773	81,358	84,733	87,327	86,101	84,278
4. Preventing and Responding to Family and Domestic Violence.....	49,717	47,332	46,099	49,227	54,866	51,817	51,532
5. Child Protection Assessments and Investigations.....	84,671	86,388	82,162	84,547	85,416	89,789	99,051
6. Care Arrangements and Support Services for Children in the CEO's Care.....	387,273	396,183	386,032	401,281	414,832	434,335	448,977
7. Rental Housing	1,008,153	927,481	1,010,946	892,482	805,393	824,886	847,671
8. Home Loans	115,552	141,275	136,319	157,646	175,416	186,765	199,521
9. Land and Housing Supply.....	243,301	318,049	259,737	264,358	411,840	372,573	310,876
10. Supporting People with Disability to Access Services and Participate in their Community	327,437	206,820	279,343	194,608	95,747	91,914	91,907
11. Living Supports and Care for People with Disability.....	700,625	524,568	588,612	369,962	125,118	121,181	126,549
12. Contribution to the NDIS ^(a)	-	379,322	379,322	763,233	757,458	786,406	816,151
13. Government Trading Enterprise Efficiency Dividend	-	(39,064)	(2,064)	(16,381)	(8,977)		
Total Cost of Services.....	3,181,159	3,244,931	3,433,292	3,443,951	3,207,769	3,240,207	3,269,648

(a) Cash payments to the NDIA, which operates the NDIS. Note that this reflects the Department's cash contributions only. The Department, and other State departments, also provide in-kind contributions through existing services and programs.

Outcomes and Key Effectiveness Indicators ^(a)

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Outcome: Access to quality services that enables active participation in the Western Australian community by individuals and families:					
Percentage of assessed early childhood education and care services that met or exceeded national standards.....	68%	70%	68%	70%	
The take-up rate of Seniors Card	96%	95%	95%	95%	
Proportion of Working with Children Cards issued within 30 days of lodgement where the applicant had no criminal record.....	98%	95%	99%	95%	
Proportion of decisions finalised within 60 days where the applicant for a Working with Children Card had a criminal record.....	97%	95%	98%	95%	
Outcome: Families and individuals experiencing family and domestic violence (FDV), homelessness or other crises are assisted to build their capabilities and be safe:					
Percentage of homelessness clients with some or all goals achieved at the completion of a homelessness service support period	82%	85%	82%	85%	
Percentage of clients who received an earlier intervention and family support service whose child(ren) did not enter care within 12 months of service completion	88%	90%	86%	90%	
Percentage of departmental clients who were assessed and received a response as a result of a FDV incident and did not require another FDV-related response within 12 months.....	75%	80%	75%	80%	
Outcome: Children and young people needing protection are safe from abuse and harm:					
Improved safety - Proportion of children not subject to a subsequent substantiation of harm within 12 months of a previous substantiation of harm	88%	95%	90%	95%	
Improved safety - Proportion of children not subject to a substantiation of harm 12 months after an assessment of harm that was unsubstantiated	93%	95%	93%	95%	
Outcome: Children and young people in the CEO's care receive a high quality of care and have much improved life outcomes:					
Proportion of Aboriginal children in the CEO's care placed in accordance with the Aboriginal and Torres Strait Islander Child Placement Principle	64%	80%	65%	80%	1
Proportion of children in the CEO's care with comprehensive care planning undertaken within set timeframes.....	81%	90%	84%	90%	
Outcome: Affordable housing options are available to eligible Western Australians:					
Responsiveness - total housing assistances provided relative to the public rental waiting list	1.22	1.48	1.25	1.23	2
Waiting times for accommodation - applicants housed:					
Average	113 weeks	110 weeks	93 weeks	120 weeks	3
Median.....	60 weeks	70 weeks	45 weeks	60 weeks	3
Outcome: Life is enhanced for people with disability in the Western Australian community:					
Proportion of quality evaluations which met national disability standards	90%	90%	85%	85%	
Percentage of disability service users who achieved their individual plan outcomes	79%	80%	78%	78%	
Proportion of the population in need who received disability services ^(b)	46%	70%	72%	69%	4
Proportion of disability service users who achieved community participation outcomes.....	76%	77%	74%	74%	

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

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

Explanation of Significant Movements

(Notes)

1. The number and proportion of Aboriginal children in care continues to increase at a higher rate than the number of available placement options with Aboriginal carers or relatives. While the application of the principle is generally in the child's best interests, there are other factors that must be considered in placement decisions to ensure a child's safety and wellbeing.
2. The 2018-19 Estimated Actual is lower than the 2018-19 Budget mostly due to the number of forecast vacancies within existing public housing stock being lower than expected.
3. The 2018-19 Estimated Actual and the 2018-19 Budget are lower than the 2017-18 Actual due to a greater focus on allocations to priority listed applicants associated with the Social Housing Investment Package in that year. The 2019-20 Budget Target sees a return to a historically normal level of wait times.
4. The 2017-18 Actual reflects a higher target population of individuals in need in that year as a result of the roll-out of the Commonwealth-administered NDIS. As a result of the December 2017 agreement to transition to the national scheme, the Department provided services to fewer individuals in 2017-18 than estimated as individuals accessed the Commonwealth-administered scheme instead of services funded directly by the Department. The increases in the 2018-19 Budget, 2018-19 Estimated Actual and 2019-20 Budget Target reflect a reduced target population for the Department as more individuals are expected to be supported through the NDIA scheme as it rolls out across the State. By 2019-20, it is expected that the majority of individuals will have transitioned to the NDIS, further reducing the number of State service users.

Services and Key Efficiency Indicators

1. Community Services ^(a)

Provision of community services across Western Australia: Working with Children Checks to increase child safety, regulation and quality assurance of early education and care services, and delivery of benefits and concessions including Seniors Card and other support services.

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
	\$'000	\$'000	\$'000	\$'000	
Total Cost of Service	133,934	136,754	133,375	145,240	
Less Income	17,779	10,562	18,904	22,441	1
Net Cost of Service	116,155	126,192	114,471	122,799	
Employees (Full-Time Equivalents)	269	257	254	252	
Efficiency Indicators					
Average cost per licenced child care service for regulation and support	\$9,484	\$9,932	\$7,371	\$9,540	
Average management cost per Seniors Card	\$6.87	\$7.80	\$5.51	\$6.95	
Average cost per Working with Children Card application processed ^(b)	\$30	\$36	\$32	\$35	

(a) This is a new service that aggregates parts or all of the following 2018-19 services: homelessness and other support services; Working with Children Checks; regulation and support of the early education and care sector; payments to individuals; delivery of community services, grants and resources; and some items previously reflected as overheads.

(b) The number of Working with Children applications for the 2017-18 Actual, 2018-19 Budget, 2018-19 Estimated Actual and 2019-20 Budget are 131,029, 125,000, 135,600 and 139,000 respectively.

Explanation of Significant Movements

(Notes)

1. The movement in income between the 2017-18 Actual, 2018-19 Budget, 2018-19 Estimated Actual and the 2019-20 Budget Target is mostly due to the re-profiling of income related to the Regional Reform Fund.

2. Homelessness Support Services ^(a)

A range of accommodation and related support services for individuals and families who are homeless or at risk of homelessness.

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 54,641	\$'000 38,050	\$'000 52,051	\$'000 53,015	
Less Income	29,963	15,576	29,336	25,430	1
Net Cost of Service	24,678	22,474	22,715	27,585	
Employees (Full-Time Equivalents)	18	8	8	8	
Efficiency Indicators					
Average cost per homelessness support service client ^(b)	\$3,385	\$2,292	\$3,295	\$3,313	2

(a) This new service excludes all 'other support services' included in the 2018-19 Budget (e.g. Hardship Utility Grant Scheme (HUGS); Financial Counselling; Bereavement Assistance Program; Aboriginal Community Patrols; and Emergency Management) which are now incorporated into the new Community Services service.

(b) The number of clients for the 2017-18 Actual, 2018-19 Budget, 2018-19 Estimated Actual and 2019-20 Budget Target are 16,184, 16,600, 15,795 and 16,000 respectively.

Explanation of Significant Movements

(Notes)

1. The 2018-19 Budget for expenditure and income is lower than the 2017-18 Actual due to cessation of Commonwealth funding under the National Partnership Agreement on Homelessness (NPAH). When the 2018-19 Budget Target was set, additional Commonwealth funding through the National Housing and Homelessness Agreement (NHHA) had not yet been agreed. The 2018-19 Estimated Actual and 2019-20 Budget Target are higher than the 2018-19 Budget primarily due to the reinstatement of funding for homelessness support services under the NHHA. The decrease in income from the 2018-19 Estimated Actual to the 2019-20 Budget Target is due to homelessness-related funding from the Commonwealth pertaining to 2017-18 being received in 2018-19.
2. The 2018-19 Budget is lower than the 2017-18 Actual, the 2018-19 Estimated Actual and the 2019-20 Budget Target due to cessation of Commonwealth funding under the NPAH on 30 June 2018.

3. Earlier Intervention and Family Support Services

Earlier and more intense services to divert children and young people from the child protection system and prevent them from needing to enter care.

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 75,855	\$'000 81,773	\$'000 81,358	\$'000 84,733	
Less Income	350	3,425	672	280	1
Net Cost of Service	75,505	78,348	80,686	84,453	
Employees (Full-Time Equivalents)	311	280	277	277	
Efficiency Indicators					
Average cost per earlier intervention and family support case ^(a)	\$6,162	\$5,931	\$6,836	\$6,572	2

(a) The number of cases for the 2017-18 Actual, 2018-19 Budget, 2018-19 Estimated Actual and the 2019-20 Budget Target are 12,515, 14,000, 12,109 and 13,059 respectively.

Explanation of Significant Movements

(Notes)

1. The 2018-19 Estimated Actual is lower than the 2018-19 Budget primarily due to Regional Reform Fund-related expenditure being re-profiled to Service 1. The 2019-20 Budget Target is lower than the 2018-19 Estimated Actual due to the cessation of Commonwealth funding for the Support for Family Safety in the Kimberley program.
2. The average cost per earlier intervention and family support case has increased from the 2018-19 Budget to the 2018-19 Estimated Actual mainly due to increases in case complexity.

4. Preventing and Responding to Family and Domestic Violence

A range of services to people experiencing, or at risk of, family and domestic violence (FDV), including the provision of crisis accommodation, counselling and community-based response teams that provide coordinated agency responses to FDV incidents.

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 49,717	\$'000 47,332	\$'000 46,099	\$'000 49,227	
Less Income	11,180	13,515	19,345	19,497	1
Net Cost of Service	38,537	33,817	26,754	29,730	
Employees (Full-Time Equivalents)	34	29	29	29	
Efficiency Indicators					
Average cost per family and domestic violence case ^(a)	\$2,953	\$2,996	\$3,014	\$3,116	

(a) The number of cases for the 2017-18 Actual, 2018-19 Budget, 2018-19 Estimated Actual and 2019-20 Budget Target are 16,813, 15,800, 15,297 and 15,800 respectively.

Explanation of Significant Movements

(Notes)

1. The increase in income from the 2017-18 Actual to the 2018-19 Budget is due to increased payments from the Regional Reform Fund. The increase in the 2018-19 Estimated Actual is due to the profiling of income received under the NHHA to this service.

5. Child Protection Assessments and Investigations

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

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 84,671	\$'000 86,388	\$'000 82,162	\$'000 84,547	
Less Income	594	5,688	460	473	1
Net Cost of Service	84,077	80,700	81,702	84,074	
Employees (Full-Time Equivalents)	503	517	514	518	
Efficiency Indicators					
Average cost per child involved in child protection cases ^(a)	\$4,750	\$4,582	\$4,353	\$4,320	

(a) The number of cases for the 2017-18 Actual, 2018-19 Budget, 2018-19 Estimated Actual and 2019-20 Budget Target are 17,510, 18,000, 19,471 and 20,000 respectively.

Explanation of Significant Movements

(Notes)

1. The 2018-19 Budget value included income from the Regional Reform Fund. This income has been re-profiled and recorded against Service 1 for the 2018-19 Estimated Actual and the 2019-20 Budget Target.

6. Care Arrangements and Support Services for Children in the CEO's care ^(a)

Provision of safe and stable care arrangements and other support services for the safety, support and wellbeing of children and young people in the care of the CEO.

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 387,273	\$'000 396,183	\$'000 386,032	\$'000 401,281	
Less Income	1,627	14,829	1,012	1,038	1
Net Cost of Service	385,646	381,354	385,020	400,243	
Employees (Full-Time Equivalents)	1,323	1,361	1,372	1,424	
Efficiency Indicators					
Average cost per day of a foster care arrangement ^(b)	\$131	\$135	\$126	\$127	
Average cost per day of a residential-based care arrangement ^(c)	\$1,673	\$1,676	\$1,527	\$1,715	2
Average cost per day of an exceptionally complex needs care arrangement ^(d)	\$1,611	\$1,767	\$1,522	\$1,496	3
Average cost per day of a secure care arrangement ^(e)	\$5,055	\$4,198	\$4,463	\$5,006	4
Average cost per day to plan for and support a child in the CEO's care ^(f)	\$61	\$60	\$56	\$55	

- (a) This is a new service which is an amalgamation of the following services from the 2018-19 Budget: Care Arrangements for Children in the CEO's care, and Support Services for Children in the CEO's care.
- (b) The number of days of foster care arrangements for the 2017-18 Actual, 2018-19 Budget, 2018-19 Estimated Actual and 2019-20 Budget Target are 1,519,744, 1,563,000, 1,632,880 and 1,650,000 respectively.
- (c) The number of days of residential-based care arrangements for the 2017-18 Actual, 2018-19 Budget, 2018-19 Estimated Actual and the 2019-20 Budget Target are 31,740, 32,000, 34,048 and 34,500 respectively.
- (d) The number of days of exceptionally complex needs care arrangements for the 2017-18 Actual, 2018-19 Budget, 2018-19 Estimated Actual and the 2019-20 Budget Target are 8,314, 7,500, 9,325 and 9,500 respectively.
- (e) The number of days of secure care arrangements for the 2017-18 Actual, 2018-19 Budget, 2018-19 Estimated Actual and the 2019-20 Budget Target are 1,172, 1,400, 1,290 and 1,300 respectively.
- (f) The total number of days in the CEO's care for the 2017-18 Actual, 2018-19 Budget, 2018-19 Estimated Actual and the 2019-20 Budget Target are 1,769,716, 1,750,000, 1,850,190 and 1,900,000 respectively.

Explanation of Significant Movements

(Notes)

1. The 2018-19 Budget value included income from the Regional Reform Fund. This income has been re-profiled and recorded against Service 1 for the 2018-19 Estimated Actual and the 2019-20 Budget Target.
2. The increase in the average cost per day of a residential-based care arrangement from the 2018-19 Estimated Actual to the 2019-20 Budget Target is due to increasing complexity of the needs of children entering residential-based care.
3. The decrease in the average cost per day of an exceptionally complex needs care arrangement from the 2018-19 Budget to the 2018-19 Estimated Actual is a result of an increase in the number of placements being offered by some existing service providers.
4. The decrease in the average cost per day of a secure care arrangement from the 2017-18 Actual to the 2018-19 Budget is the result of a decrease in the total number of days for children in secure care and a reduction in the referrals. The increase from the 2018-19 Estimated Actual to the 2019-20 Budget Target is due to higher spend on improving secure care.

7. Rental Housing ^(a)

Provision of housing to eligible Western Australians through Public Housing, Community Housing Managed Properties, Rental Housing for Key Workers in regional Western Australia, Government Regional Officers' Housing and properties for remote Aboriginal Communities.

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
	\$'000	\$'000	\$'000	\$'000	
Total Cost of Service	1,008,153	927,481	1,010,946	892,482	1
Less Income	552,739	569,756	831,124	529,863	
Net Cost of Service	455,414	357,725	179,822	362,619	2
Employees (Full-Time Equivalents)	1,415	1,421	1,362	1,350	
Efficiency Indicators					
Average operating cost per public rental property	\$15,631	\$15,658	\$15,204	\$14,550	
Average operating cost per government regional officers' housing (GROH) rental property	\$25,170	\$27,710	\$27,598	\$14,929	3

(a) In addition to the Public Housing, Community Housing Managed Properties, Rental Housing for Key Workers in regional Western Australia and properties for remote Aboriginal Communities, this service now also encompasses costs associated with GROH which provides government employees with suitable and appropriate housing in regional and remote areas to support the delivery of public services such as education and policing.

Explanation of Significant Movements

(Notes)

1. The 2019-20 Budget Target is lower than the 2018-19 Estimated Actual primarily due to the implementation of AASB 16: *Leases*, as well as higher expenditure on remote communities in 2018-19.
2. The 2018-19 Budget Net Cost of Service varies from the 2017-18 Actual primarily due to a subdued rental market resulting in lower rental revenue in 2017-18, as well as the delivery of planned asset transfers to the community housing sector in 2017-18.

The 2018-19 Estimated Actual for the Net Cost of Service varies from the 2018-19 Budget largely due to delays in reaching agreement with the Commonwealth on timeframes for remote housing milestones under the National Partnership on Remote Housing, and the receipt of \$121 million in Commonwealth funding for remote housing in 2018-19. The associated expenses are planned to be spent across the forward estimates period.

The 2018-19 Estimated Actual varies from the 2019-20 Budget largely due to the receipt of \$121 million in Commonwealth funding for remote housing in 2018-19 along with the remaining \$130 million under the National Partnership on Remote Housing agreement being receipted in 2018-19. This is partially offset by a decrease in associated expenses in 2019-20.

3. The variance in the operating cost per GROH rental property is mostly due to the implementation of the new accounting standard AASB 16: *Leases* in 2019-20, which requires the recognition of a lease liability for a lease previously classified as an operating lease under AASB 117.

8. Home Loans

Enabling the financing of home ownership for eligible applicants.

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
	\$'000	\$'000	\$'000	\$'000	
Total Cost of Service	115,552	141,275	136,319	157,646	
Less Income	162,738	196,694	181,719	200,834	
Net Cost of Service	(47,186)	(55,419)	(45,400)	(43,188)	1
Employees (Full-Time Equivalents)	26	21	18	18	
Efficiency Indicators					
Average operating cost per current loan account ^(a)	\$2,540	\$2,644	\$2,567	\$2,501	

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

Explanation of Significant Movements

(Notes)

1. The 2018-19 Estimated Actual varies from the 2018-19 Budget mostly due to a lower Keystart profit distribution reflecting changes in the market interest rate forecasts.

9. Land and Housing Supply

Development of land for housing and provision of housing for sale to the Western Australian housing market.

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
	\$'000	\$'000	\$'000	\$'000	
Total Cost of Service	243,301	318,049	259,737	264,358	
Less Income	285,882	413,890	308,103	332,152	
Net Cost of Service	(42,581)	(95,841)	(48,366)	(67,794)	1
Employees (Full-Time Equivalents)	93	106	101	101	
Efficiency Indicators					
Average operating cost per lot developed	\$33,680	\$25,867	\$37,416	\$22,746	2
Average operating cost per property sold	\$32,325	\$15,906	\$27,821	\$26,647	3

Explanation of Significant Movements

(Notes)

1. The 2018-19 Estimated Actual varies from the 2018-19 Budget mostly due to lower sales forecast from softening market conditions. The 2019-20 Budget Target Net Cost of Service varies from the 2018-19 Estimated Actual mainly due to the completion of new stages of projects resulting in higher forecast lot production sales in 2019-20.
2. The 2018-19 Estimated Actual is higher than 2018-19 Budget due to lower lot production levels resulting from softer than expected market conditions. The 2019-20 Budget Target is lower than the 2018-19 Estimated Actual due to higher lot production levels forecast in 2019-20 which relates to new stages of projects reaching completion in 2019-20.
3. Both the 2017-18 Actual and the 2018-19 Estimated Actual are higher than the 2018-19 Budget. This is due to a reduced number of homes sold in response to subdued market conditions and declining sales values relative to when the 2018-19 Budget was established.

10. Supporting People with Disability to Access Services and Participate in their Community ^(a)

This service area assists people with disability to identify their personal goals and have choice and control in decision-making through a planning process; and provides them with opportunities to develop their potential for full social independence through the use of supports and assistive technology.

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
	\$'000	\$'000	\$'000	\$'000	
Total Cost of Service	327,437	206,820	279,343	194,608	1
Less Income	90,542	49,042	102,063	103,992	
Net Cost of Service	236,895	157,778	177,280	90,616	
Employees (Full-Time Equivalents)	507	531	508	508	2
Efficiency Indicators					
Proportion of individual plans commenced within the required timeframe	83%	70%	75%	75%	3
Average cost per service activity for community participation for people with disability	\$10,943	\$ 7,314	\$9,742	\$7,213	4

- (a) This is a new service which is an amalgamation of the following disability services from the 2018-19 Budget: Planning and Coordination; Community Participation; and Advocacy, Access and Inclusion. This new service more appropriately reflects the Department's disability service supports given the changing focus of disability services resulting from the transition to the Commonwealth-administered NDIS.

Explanation of Significant Movements

(Notes)

- These costs exclude payments made to the NDIA. The movement between the 2017-18 Actual, 2018-19 Budget, 2018-19 Estimated Actual and 2019-20 Budget Target is due to the impact of the transition of State clients to the Commonwealth-administered NDIS. State expenditure on disability services is directly influenced by the NDIS transition (which itself is dependent on a number of factors, including eligibility assessment and NDIA capacity), and this is reflected in the estimated variances for the Total Cost of Service, income, FTEs and efficiency indicators.
- The variances between the 2017-18 Actual, 2018-19 Budget, 2018-19 Estimated Actual and 2019-20 Budget Target reflect the impact of the transition to the Commonwealth-administered NDIS. The number of FTEs is directly influenced by the intake of State-supported individuals to the Commonwealth-administered NDIS over the transition period.
- The variance between the 2017-18 Actual, 2018-19 Budget, 2018-19 Estimated Actual and 2019-20 Budget Target is due to greater than expected efficiency in 2017-18. For 2019-20, the Budget Target is consistent with historical levels.
- The forecast decrease in average cost per service activity in the 2019-20 Budget Target reflects the continual transition of clients, and their associated services and supports, to the NDIA. The transfer of the budget for this service is not directly proportional to the transfer of service users.

11. Living Supports and Care for People with Disability ^(a)

These services include a range of supported accommodation and community services that enable people with disability to live as independently as possible in their community with the support of general and specialised support and services.

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 700,625	\$'000 524,568	\$'000 588,612	\$'000 369,962	1
Less Income	195,885	127,498	218,681	201,733	
Net Cost of Service	504,740	397,070	369,931	168,229	
Employees (Full-Time Equivalents)	857	895	856	856	2
Efficiency Indicators					
Average cost per service activity for community living support for people with disability	\$170,141	\$133,482	\$147,777	\$112,575	3
Average cost per service activity for independent living support for people with disability	\$31,853	\$24,343	\$28,132	\$20,057	3
Average cost per service activity for therapy and specialised care for people with disability	\$7,785	\$4,994	\$6,854	\$5,145	3
Average cost per service activity for residential services for people with disability	\$220,514	\$162,895	\$194,912	\$179,770	3

(a) This is a new service which is an amalgamation of the following disability services from the 2018-19 Budget: Residential Services; Community Living Support; Independent Living Support; and Therapy and Specialised Care. This new service more appropriately reflects the Department's disability service supports given the changing focus of disability services resulting from the transition to the Commonwealth-administered NDIS.

Explanation of Significant Movements

(Notes)

- These costs exclude payments made to the NDIA. The movement between the 2017-18 Actual, 2018-19 Budget, 2018-19 Estimated Actual and 2019-20 Budget Target is due to the impact of the transition of State clients to the Commonwealth-administered NDIS. State expenditure on disability services is directly influenced by the NDIS transition (which itself is dependent on a number of factors, including eligibility assessment and NDIA capacity), and this is reflected in the estimated variances for the Total Cost of Service, income, FTEs and efficiency indicators.
- The variances between the 2017-18 Actual, 2018-19 Budget, 2018-19 Estimated Actual and 2019-20 Budget Target reflect the impact of the transition to the Commonwealth-administered NDIS. The number of FTEs is directly influenced by the intake of State-supported individuals to the Commonwealth-administered NDIS over the transition period.
- The forecast decrease in average cost per service activity in the 2019-20 Budget Target reflects the continual transition of clients, and their associated services and supports, to the NDIA. The transfer of the budget for this service is not directly proportional to the transfer of service users.

Asset Investment Program

1. The Department's Asset Investment Program for 2019-20 is approximately \$218.1 million. Significant programs in 2019-20 include:
 - 1.1. The METRONET Social and Affordable Housing and Jobs Package that will deliver an additional 1,390 new transit-aligned homes, including 320 social housing dwellings, 400 affordable purchase opportunities and up to 300 with universal design features;
 - 1.2. \$11.4 million for social housing investment under the Construction and Purchase of Houses Program;
 - 1.3. The development of 1,422 housing lots, including 927 lots developed with joint venture partners. Significant land development will support affordable, public and community housing through metropolitan and regional areas; and
 - 1.4. \$38.5 million for the acquisition of suitable land to meet supply for current and future housing programs, and to maintain a stream of affordable land supply for homebuyers.

	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							
Broome Move to Town Program.....	12,917	12,581	11,808	306	30	-	-
Disability Services Social Housing Program.....	25,244	21,374	4,393	3,870	-	-	-
East Kimberley Transitional Housing Project - North West Aboriginal Housing Fund (NWAHF).....	32,306	10,646	9,690	11,931	9,729	-	-
Election Commitments							
Family and Domestic Violence (FDV) Refuges.....	5,000	1,500	1,500	3,500	-	-	-
METRONET Social and Affordable Housing and Jobs Package.....	40,975	956	956	12,499	27,520	-	-
Reconfiguration of the Spinal Cord Injury Service.....	7,166	683	683	5,114	1,369	-	-
West Pilbara Plan - Roebourne Refurbishments.....	2,612	2,580	2,580	30	2	-	-
Step Up/Step Down Mental Health Facilities							
Bunbury.....	4,309	1,447	1,424	2,862	-	-	-
Kalgoorlie.....	5,639	1,280	1,280	4,075	284	-	-
Karratha.....	4,414	31	16	2,960	1,423	-	-
COMPLETED WORKS							
Broome Aboriginal Short Stay Accommodation Facility	20,285	20,285	4,407	-	-	-	-
Election Commitment - Collie Crisis Accommodation.....	470	470	470	-	-	-	-
Computer Hardware and Software Program	5,938	5,938	5,938	-	-	-	-
Construction and Purchase of GROH Program.....	7,364	7,364	7,364	-	-	-	-
Construction and Purchases of Houses Program.....	9,755	9,755	9,755	-	-	-	-
Crisis Accommodation Program	6,390	6,390	6,390	-	-	-	-
Housing for Workers Program	45	45	45	-	-	-	-
Land							
Acquisition Program.....	38,000	38,000	38,000	-	-	-	-
Development Program.....	53,722	53,722	53,722	-	-	-	-
Estate Improvement Land Redevelopment Program.....	5,112	5,112	5,112	-	-	-	-
Holding Costs Program.....	206	206	206	-	-	-	-
Redevelopment Program.....	10,596	10,596	10,596	-	-	-	-
Loan to Homebuyers							
Affordable Housing Shared Equity Program	14,006	14,006	14,006	-	-	-	-
Goodstart Shared Equity Program.....	13,000	13,000	13,000	-	-	-	-
Minor Works Program.....	2,119	2,119	2,119	-	-	-	-
Offices Program	4,006	4,006	4,006	-	-	-	-
Social Housing Investment Package	313,950	313,950	2,364	-	-	-	-
NEW WORKS							
Broome Step Up/Step Down Mental Health Facility	5,989	-	-	-	5,989	-	-
Computer Hardware and Software Program	21,994	-	-	5,737	5,547	5,355	5,355
Construction and Purchase of GROH Program.....	75,000	-	-	10,000	10,000	35,001	19,999
Construction and Purchases of Houses Program.....	152,095	-	-	11,423	19,275	64,104	57,293
Crisis Accommodation Program	49,815	-	-	6,500	14,315	15,000	14,000
Hedland Transitional Housing Project (NWAHF).....	2,000	-	-	1,000	500	500	-
Land							
Acquisition Program.....	310,500	-	-	38,500	88,500	78,700	104,800
Development Program.....	485,045	-	-	73,094	120,897	148,103	142,951
Estate Improvement Land Redevelopment Program.....	9,246	-	-	2,759	2,559	2,364	1,564
Holding Costs Program.....	649	-	-	182	178	144	145
Redevelopment Program.....	6,210	-	-	1,595	2,343	1,136	1,136

	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
Loan to Homebuyers							
Goodstart Shared Equity Program	52,000	-	-	13,000	13,000	13,000	13,000
Affordable Housing Shared Equity Program	14,223	-	-	4,642	3,179	4,353	2,049
Minor Works Program	3,200	-	-	800	800	800	800
Offices Program	6,556	-	-	1,639	1,639	1,639	1,639
Working with Children Application and Assessment System	114	-	-	114	-	-	-
Total Cost of Asset Investment Program	1,840,182	558,042	211,830	218,132	329,078	370,199	364,731
FUNDED BY							
Capital Appropriation			2,756	9,602	3,434	2,130	2,130
Asset Sales			260,103	313,110	442,235	414,636	392,857
Borrowings			31,502	56,370	11,246	-	-
Commonwealth Grants			40,529	-	-	-	-
Internal Funds and Balances			(135,220)	(172,502)	(131,096)	(47,135)	(30,324)
Drawdowns from the Holding Account			68	68	68	68	68
Drawdowns from Royalties for Regions Funding			2,243	1,000	-	-	-
Other			9,849	10,484	3,191	500	-
Total Funding			211,830	218,132	329,078	370,199	364,731

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 is forecast to increase by \$10.7 million (0.3%) in 2019-20 compared to the 2018-19 Estimated Actual. The forecast increase is primarily related to increased investment in systemic and individual advocacy and expenditure related to the NDIS decommissioning team.

Income

3. Total income is forecast to decrease by \$273.7 million (16%) in 2019-20 compared to the 2018-19 Estimated Actual primarily due to:
 - 3.1. Commonwealth funding from the National Partnership Agreement on Remote Housing ceasing in 2018-19; and
 - 3.2. The transition of State clients to the NDIA-administered NDIS, resulting in a reduction in Commonwealth grant funding passing through the State in 2019-20 (with the Commonwealth increasingly providing its funding directly to the NDIA as the NDIS transition progresses).

Statement of Financial Position

4. The Department's equity (net assets) is expected to decrease by \$144.4 million (1.1%) in 2019-20 compared to the 2018-19 Estimated Actual. This movement is primarily related to non-cash depreciation expenditure from the Department's housing portfolio.

Statement of Cashflows

5. The 2019-20 net cash holdings for the Department is forecast to be \$307.2 million, a decrease of \$29 million (8.6%) compared to the 2018-19 Estimated Actual of \$336.2 million. The forecast decrease is mainly the net effect of:
 - 5.1. the majority of the \$121 million Commonwealth payment under the National Partnership Agreement on Remote Housing received in 2018-19 being spent in 2019-20; and
 - 5.2. an increase in sales proceeds of Housing Authority assets.

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)	625,367	610,617	600,980	603,458	573,831	571,975	580,566
Grants and subsidies ^(c)	176,258	178,471	175,254	175,580	183,756	195,741	196,051
Supplies and services ^(d)	1,484,758	1,567,235	1,665,938	1,598,550	1,424,690	1,408,833	1,382,934
Accommodation	252,147	223,890	221,950	189,057	188,299	193,728	197,390
Depreciation and amortisation	149,486	172,805	152,674	194,880	207,048	216,200	231,191
Finance and interests costs	131,044	157,103	157,223	188,084	204,434	210,104	221,117
Cost of land sold	49,378	107,885	60,551	80,468	159,418	145,783	159,963
Net assets transferred out	40,531	-	5,403	-	-	-	-
Efficiency dividend	-	(39,064)	(2,064)	(16,381)	(8,977)	-	-
Other expenses	272,190	265,989	395,383	430,255	275,270	297,843	300,436
TOTAL COST OF SERVICES	3,181,159	3,244,931	3,433,292	3,443,951	3,207,769	3,240,207	3,269,648
Income							
Sale of goods and services ^(e)	258,782	413,332	305,676	369,770	592,696	617,492	614,441
Regulatory fees and fines	482	-	-	-	-	-	-
Grants and subsidies	453,714	313,750	716,125	426,670	220,332	203,380	202,471
Interest revenue	91,161	121,236	121,356	153,727	170,282	181,347	193,361
Rent	393,632	429,903	428,086	370,905	373,275	375,075	374,577
Dividend contribution	64,178	71,253	59,647	57,208	54,731	53,007	51,060
Other revenue	87,330	71,001	80,529	59,453	68,146	120,795	12,882
Total Income	1,349,279	1,420,475	1,711,419	1,437,733	1,479,462	1,551,096	1,448,792
NET COST OF SERVICES	1,831,880	1,824,456	1,721,873	2,006,218	1,728,307	1,689,111	1,820,856
INCOME FROM STATE GOVERNMENT							
Service appropriations	1,637,050	1,721,279	1,705,528	1,768,457	1,643,663	1,690,338	1,750,936
Resources received free of charge	12,634	8,656	8,454	8,665	8,711	8,711	8,711
Royalties for Regions Fund:							
Regional Community Services Fund	18,302	16,722	12,011	72,171	62,197	60,730	58,496
Regional and State-wide Initiatives	4,327	4,671	4,493	-	-	-	-
Regional Infrastructure and Headworks Fund	-	-	-	-	-	-	874
Other revenues	-	-	507	679	347	351	340
TOTAL INCOME FROM STATE GOVERNMENT	1,672,313	1,751,328	1,730,993	1,849,972	1,714,918	1,760,130	1,819,357
SURPLUS/(DEFICIENCY) FOR THE PERIOD	(159,567)	(73,128)	9,120	(156,246)	(13,389)	71,019	(1,499)

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

(b) The full-time equivalents for 2017-18 Actual, 2018-19 Estimated Actual and the 2019-20 Budget Estimate are 5,373, 5,394 and 5,427 respectively.

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

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

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

DETAILS OF CONTROLLED GRANTS AND SUBSIDIES

	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
Child Protection							
Out of Home Care, Foster Carer and Family Support Grants	121,737	125,094	125,094	129,652	138,845	149,156	149,156
Other Child Protection Grants	611	695	695	550	550	550	550
Community Services							
Bereavement Assistance	927	705	705	705	705	705	705
Community Gardens	99	100	100	100	100	100	100
Dalyellup Family Centre	-	-	-	1,500	-	-	-
Enhanced Transition to School Project	500	-	-	-	-	-	-
Grandcarers Support Grants	736	1,050	1,050	1,050	1,050	1,050	1,050
Hardship and Utility Grants Scheme (HUGS)	16,258	16,000	16,000	10,000	10,000	10,000	10,000
Local Projects Local Jobs	1,657	-	-	-	-	-	-
Regional Community Child Care Development Fund	1,188	1,342	1,292	-	-	-	-
Disability Services							
Individualised Disability Services	1,028	1,011	1,011	1,011	1,011	1,011	1,011
Prevention of Family and Domestic Violence (FDV)							
Culturally Appropriate Services to FDV Victims	-	-	416	427	437	445	336
FDV Support	894	186	186	186	186	186	186
Our Watch Program	-	123	123	126	129	129	129
Respectful Relationships	-	-	260	267	273	277	168
Housing							
Community Support Schemes	2,423	5,807	3,464	2,982	3,513	3,587	4,164
Seniors							
Seniors Cost of Living Rebates	23,188	25,269	23,769	25,935	25,868	27,456	27,407
Volunteering Grants	103	30	30	30	30	30	30
Women's Interest Grants	240	85	85	85	85	85	85
Youth							
Cadets WA	1,183	869	869	869	869	869	869
Youth Support Grants	441	105	105	105	105	105	105
Other Grants	3,045	-	-	-	-	-	-
TOTAL	176,258	178,471	175,254	175,580	183,756	195,741	196,051

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	\$'000	\$'000
CURRENT ASSETS							
Cash assets.....	351,905	127,139	297,578	266,793	303,041	348,130	221,634
Restricted cash.....	57,082	57,361	33,417	33,367	33,367	33,367	33,367
Holding account receivables.....	68	68	68	68	68	68	68
Receivables.....	212,646	159,248	196,150	421,260	355,218	297,583	241,808
Loans and advances.....	684,885	1,228,702	744,334	812,132	808,826	803,363	797,603
Assets held for sale.....	28,053	30,429	28,053	21,677	21,677	21,677	21,677
Other.....	414,970	455,065	435,547	512,872	637,334	675,962	768,800
Total current assets.....	1,749,609	2,058,012	1,735,147	2,068,169	2,159,531	2,180,150	2,084,957
NON-CURRENT ASSETS							
Holding account receivables.....	165,446	184,392	181,197	226,975	276,004	324,336	372,166
Property, plant and equipment.....	12,457,656	12,813,016	12,191,847	12,167,437	11,699,458	11,456,321	11,251,312
Intangibles.....	44,467	36,519	33,643	26,553	21,701	20,648	18,924
Restricted cash.....	3,441	3,879	5,235	7,066	8,935	10,841	12,785
Receivable.....	75	600	75	75	75	75	75
Loan and advances.....	3,271,045	3,153,341	3,588,678	4,025,005	4,031,633	4,027,308	4,030,714
Other.....	663,573	677,640	713,196	730,356	800,418	891,627	1,018,981
Total non-current assets.....	16,605,703	16,869,387	16,713,871	17,183,467	16,838,224	16,731,156	16,704,957
TOTAL ASSETS.....	18,355,312	18,927,399	18,449,018	19,251,636	18,997,755	18,911,306	18,789,914
CURRENT LIABILITIES							
Employee provisions.....	123,567	128,127	124,141	126,655	128,189	130,168	132,147
Payables.....	50,186	42,006	35,154	28,980	29,397	28,587	27,777
Borrowings and leases.....	267,877	103,066	267,877	267,877	267,877	267,877	267,877
Other.....	77,965	77,079	81,108	79,327	74,811	74,811	74,811
Total current liabilities.....	519,595	350,278	508,280	502,839	500,274	501,443	502,612
NON-CURRENT LIABILITIES							
Employee provisions.....	25,169	27,365	25,170	25,170	25,170	25,170	25,170
Borrowings and leases.....	4,783,611	5,122,502	4,905,370	5,857,844	5,588,588	5,399,403	5,247,645
Other.....	8,795	6,197	8,795	8,795	8,795	8,795	8,795
Total non-current liabilities.....	4,817,575	5,156,064	4,939,335	5,891,809	5,622,553	5,433,368	5,281,610
TOTAL LIABILITIES.....	5,337,170	5,506,342	5,447,615	6,394,648	6,122,827	5,934,811	5,784,222
EQUITY							
Contributed equity.....	2,678,120	2,571,022	2,652,261	2,664,092	2,695,421	2,725,969	2,756,665
Accumulated surplus/(deficit).....	2,863,237	2,522,612	2,872,357	2,716,111	2,702,722	2,773,741	2,772,242
Reserves.....	7,476,785	8,327,423	7,476,785	7,476,785	7,476,785	7,476,785	7,476,785
Total equity.....	13,018,142	13,421,057	13,001,403	12,856,988	12,874,928	12,976,495	13,005,692
TOTAL LIABILITIES AND EQUITY.....	18,355,312	18,927,399	18,449,018	19,251,636	18,997,755	18,911,306	18,789,914

(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	1,620,727	1,704,424	1,689,173	1,722,611	1,594,565	1,641,938	1,703,038
Capital appropriation.....	5,779	2,106	2,756	36,352	31,380	30,548	30,696
Holding account drawdowns.....	4,178	68	604	68	68	68	68
Royalties for Regions Fund:							
Regional Community Services Fund.....	18,302	16,722	12,011	72,171	62,197	60,730	58,496
Regional and State-wide Initiatives	4,327	4,671	4,493	-	-	-	-
Regional Infrastructure and Headworks Fund	8,132	2,500	2,243	1,000	-	-	874
Other cashflows from Government	-	-	507	679	347	351	340
Net cash provided by State Government	1,661,445	1,730,491	1,711,787	1,832,881	1,688,557	1,733,635	1,793,512
CASHFLOWS FROM OPERATING ACTIVITIES							
Payments							
Employee benefits	(647,857)	(610,652)	(601,515)	(601,738)	(573,168)	(570,963)	(579,554)
Grants and subsidies	(177,387)	(178,471)	(175,254)	(175,580)	(183,756)	(195,741)	(196,051)
Supplies and services ^(b)	(1,414,545)	(1,620,115)	(1,646,505)	(1,726,536)	(1,559,466)	(1,628,140)	(1,744,525)
Accommodation	(264,823)	(234,800)	(233,065)	(200,375)	(199,384)	(204,831)	(208,271)
Finance and interest costs	(126,462)	(157,105)	(156,270)	(188,084)	(204,435)	(210,104)	(221,117)
GST payments	(147,311)	(88,012)	(95,848)	(67,958)	(51,650)	(52,655)	(51,836)
Efficiency dividend	-	39,064	2,064	16,381	8,977	-	-
Other payments	(327,177)	(321,500)	(437,888)	(398,373)	(240,633)	(264,199)	(275,402)
Receipts ^(c)							
Grants and subsidies	439,597	313,750	716,125	426,670	220,332	203,380	202,471
Sale of goods and services ^(d)	263,090	385,798	312,816	378,760	600,360	624,314	616,953
Rent receipts	386,026	429,903	428,086	370,905	373,275	375,075	374,577
Interest receipts	87,538	121,238	120,403	153,727	170,283	181,347	193,361
Dividend/State contributions received.....	77,502	64,362	64,178	59,647	57,208	54,731	53,007
GST receipts	159,333	88,012	95,848	67,958	51,650	52,655	51,836
Other receipts	94,301	94,691	80,327	108,511	119,121	173,762	67,919
Net cash from operating activities	(1,598,175)	(1,673,837)	(1,526,498)	(1,776,085)	(1,411,286)	(1,461,369)	(1,716,632)
CASHFLOWS FROM INVESTING ACTIVITIES							
Purchase of non-current assets	(90,010)	(108,378)	(104,194)	(102,002)	(114,601)	(139,752)	(114,135)
Proceeds from sale of non-current assets	154,256	170,006	131,927	147,494	151,042	98,908	65,710
Net cash from investing activities	64,246	61,628	27,733	45,492	36,441	(40,844)	(48,425)
CASHFLOWS FROM FINANCING ACTIVITIES							
Repayment of borrowings and leases.....	(1,968,959)	(884,519)	(884,519)	(1,438,526)	(1,496,840)	(1,377,316)	(1,973,007)
Other finance payments.....	(2,532,818)	(1,056,328)	(1,005,576)	(1,793,261)	(1,213,322)	(1,185,029)	(1,817,646)
Proceeds from borrowings.....	2,547,224	1,056,878	1,006,278	1,830,495	1,224,568	1,185,029	1,817,646
Other finance proceeds	1,895,000	600,000	600,000	1,270,000	1,209,999	1,192,889	1,820,000
Net cash from financing activities	(59,553)	(283,969)	(283,817)	(131,292)	(275,595)	(184,427)	(153,007)
NET INCREASE/(DECREASE) IN CASH HELD.....	67,963	(165,687)	(70,795)	(29,004)	38,117	46,995	(124,552)
Cash assets at the beginning of the reporting period	315,946	354,066	412,428	336,230	307,226	345,343	392,338
Net cash transferred from other agencies	28,519	-	(5,403)	-	-	-	-
Cash assets at the end of the reporting period	412,428	188,379	336,230	307,226	345,343	392,338	267,786

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

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

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

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

NET APPROPRIATION DETERMINATION (a) (b)

	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 Contributions	1,490	-	-	-	-	-	-
Essential and Municipal Services Improvement in Remote Aboriginal Communities	2,000	25,000	9,059	12,271	16,576	8,055	3,974
National Housing and Homeless Agreement ^(c)	40,199	27,353	48,005	44,878	45,695	38,899	39,557
National Initiatives Women's Safety Package ..	730	176	176	-	-	-	-
Provision of Services to the Commonwealth in Respect of Indian Ocean Territories	268	599	599	599	599	599	599
Support for Family Safety in the Kimberley ..	400	400	400	-	-	-	-
Unaccompanied Humanitarian Minors	17	33	33	33	33	33	33
Western Australian Natural Disaster Relief and Recovery Arrangement	495	-	-	-	-	-	-
Youth Supported Accommodation Assistance Program - Grant from Mental Health Commission	448	-	452	-	-	-	-
Other Grants and Contributions	3,717	1,193	1,193	1,206	680	680	680
Sale of Goods and Services							
Adoptions Fees	49	93	93	93	93	93	93
Regulatory Fees and Services Rendered	525	567	567	583	612	612	612
Working With Children Screening Fees	7,614	7,450	8,421	8,723	8,848	9,023	9,202
Fines and Penalties	482	-	-	-	-	-	-
Other	10	-	-	-	-	-	-
GST Receipts							
GST Input Credits	41,703	35,402	43,490	44,126	42,385	43,153	42,315
GST Receipts On Sales	510	73	73	77	82	82	82
Other Receipts							
Other Receipts	3,687	731	731	773	817	817	817
TOTAL	104,344	99,070	113,292	113,362	116,420	102,046	97,964

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

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

(c) Prior to 2018-19, this comprised the National Affordable Housing Agreement, National Partnership Agreement Funding for Homelessness and National Partnership Agreement on Pay Equity. These agreements have been subsumed under the National Housing and Homelessness Agreement from 2018-19 onwards.

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	300	300	300	300	300	300	300
TOTAL ADMINISTERED INCOME	300	300	300	300	300	300	300
EXPENSES							
Other							
Payment to Anzac Day Trust	300	300	300	300	300	300	300
TOTAL ADMINISTERED EXPENSES	300	300	300	300	300	300	300

Agency Special Purpose Account Details

MUNICIPAL AND ESSENTIAL SERVICES ACCOUNT

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

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000
Opening Balance.....	41,517	-	6,701	-
Receipts	-	-	-	-
	41,517	-	6,701	-
Payments	34,816	-	6,701	-
CLOSING BALANCE.....	6,701	-	-	-

Keystart Housing Scheme Trust

Part 8 Community Services

Asset Investment Program

1. The Trust's Asset Investment Program (AIP) helps to ensure the provision of sustainable housing outcomes by assisting Western Australians into affordable home ownership, and totals \$4.6 million across the forward estimates period.
2. The AIP includes an ongoing information and communications technology (ICT) development program that supports the delivery of its key lending 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 Systems.....	16,747	12,147	3,159	1,150	1,150	1,150	1,150
Total Cost of Asset Investment Program	16,747	12,147	3,159	1,150	1,150	1,150	1,150
FUNDED BY							
Internal Funds and Balances.....			3,159	1,150	1,150	1,150	1,150
Total Funding.....			3,159	1,150	1,150	1,150	1,150

Division 34 **Local Government, Sport and Cultural Industries**

Part 8 Community Services

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 71 Net amount appropriated to deliver services	115,722	110,262	116,880	111,602	103,540	103,469	104,026
Item 72 Art Gallery of Western Australia	9,196	8,239	8,031	8,091	7,970	8,026	8,162
Item 73 Contribution to Community Sporting and Recreation Facilities Fund ...	15,119	19,000	12,000	15,000	15,000	13,000	12,000
Item 74 Library Board of Western Australia	31,687	31,432	28,840	28,821	28,326	26,792	27,079
Item 75 Perth Theatre Trust	9,277	8,154	9,187	9,262	9,094	7,491	7,666
Item 76 Western Australian Museum	23,318	22,225	21,553	24,141	35,210	37,679	38,084
Amount Authorised by Other Statutes							
- Lotteries Commission Act 1990	31,136	31,918	33,288	32,730	33,154	33,456	33,636
- Salaries and Allowances Act 1975	1,019	530	634	634	634	636	641
Total appropriations provided to deliver services	236,474	231,760	230,413	230,281	232,928	230,549	231,294
ADMINISTERED TRANSACTIONS							
Item 77 Amount provided for Administered Grants, Subsidies and Other Transfer Payments	50,475	56,152	46,590	38,401	38,656	38,754	38,762
CAPITAL							
Item 137 Capital Appropriation ^(a)	90,424	153,965	115,277	87,890	23,704	10,795	4,505
Item 138 Art Gallery of Western Australia	10,218	218	218	218	218	218	218
TOTAL APPROPRIATIONS	387,591	442,095	392,498	356,790	295,506	280,316	274,779
EXPENSES							
Total Cost of Services	287,508	288,636	295,341	286,174	290,191	283,388	283,901
Net Cost of Services ^(b)	245,559	253,086	257,077	249,156	246,513	239,192	239,527
CASH ASSETS ^(c)	129,003	77,141	85,951	84,258	85,144	84,868	84,868

(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					
Regional Arts and Cultural Investment Program	-	4,977	4,998	4,998	4,914
Other					
City of Perth - Inquiry Panel.....	-	1,900	-	-	-
Election Commitments					
Albany Artificial Surf Reef Transferred to the Department of Primary Industries and Regional Development (DPIRD).....	(250)	-	-	-	-
Entry Statement and Signage for Bunbury Transferred to DPIRD	(200)	-	-	-	-
Kalgoorlie Motorsport Precinct.....	-	50	-	-	-
Government Office Accommodation Reform Program	(62)	(34)	(30)	(26)	(26)
Government Regional Officer Housing	(2)	(4)	(4)	(3)	(3)
Indexation for Non-Salary Expenses	-	-	-	-	902
Non-Government Human Services Sector Indexation Adjustment	-	-	-	-	13
Regional Workers Incentives Allowance Payments.....	(6)	(6)	(6)	(6)	(6)
Relocation of the Western Australian Football Commission	5,600	-	-	-	-
Revisions to Lotteries Commission Act 1990 Estimates	1,370	814	1,010	1,222	916
Revisions to Own-Source Revenue Estimates	2,504	1,859	1,331	1,756	1,539
Streamlined Budget Process Incentive Funding	-	1,556	-	-	-
Transfer of Metropolitan Migrant Resource Centre from the Department of Communities (Communities).....	62	126	129	132	132
Transfer of Native Welfare File Function from Communities	33	34	34	34	35
Transfer of Perth Cultural Centre from Metropolitan Redevelopment Authority....	1,427	1,537	1,632	-	-
Transfer of Seniors Recreation Council Funding from Communities	-	78	80	82	84
Voluntary Targeted Severance Scheme.....	(2,400)	(2,427)	(2,453)	(2,490)	(804)

Significant Issues Impacting the Agency

1. The Local Government Legislation Amendment Bill 2019 is the first step in the Government's commitment to transform local government. The Department is implementing key reforms including candidate and councillor training, universal codes of conduct, and standards for Chief Executive Officer recruitment and performance review. The public submission period for the next phase of the review closed on 31 March 2019. More than 3,000 responses were received following a six month consultation period which included more than 100 workshops across Western Australia. The Department is now reviewing those submissions to inform the development of the new Local Government Act.
2. The Government is committed to ensuring dogs are bred in appropriate conditions that meet their health, social and behavioural needs. The Department has undertaken significant community, local government sector and stakeholder engagement to inform how best to implement measures to stop puppy farming in Western Australia. Over 4,700 submissions were received. The project has been supported by a working group comprising a range of government, industry and community representatives.
3. Last year saw the most significant liquor licensing changes in over a decade with the introduction and assent to the amendments of the *Liquor Control Act 1988* (the Act), with key tourism and hospitality benefits. This includes the Chief Executive Officer of Tourism Western Australia being granted the same powers as the Police Commissioner and Chief Health Officer in significant liquor licensing decisions before the Director of Liquor Licensing. The range of changes to this legislative reform were well received by industry, the community and the health sector, but also provided the platform for further change, with a statutory review of the Act to be undertaken within five years of assent.
4. In addition, with the assent to the *Liquor Control Act 1988* (the Act) amendments, new regulations will be put into place to combat the saturation of the community with large packaged liquor outlets, as well as the density of smaller-sized outlets, in response to community and local government feedback. Further regulations will be introduced to assist police to eliminate 'sly-grogging' from communities at greatest risk by allowing them to immediately dispose of any liquor exceeding a prescribed limit, within prescribed areas in the State. The Act will close the gap on the delivery of alcohol in circumstances where juveniles may inadvertently access liquor, supporting the Act's objective of harm minimisation.

5. In January 2019, following an inquiry to consider the ongoing extent of alcohol-related harm in the Pilbara region, the Director of Liquor Licensing determined to impose new liquor restrictions across the region. The planned effective date for restrictions is 27 May 2019. A review of the decision to impose restrictions has been made to the Liquor Commission. Restrictions are intended to be reviewed after they have been in operation for two years.
6. In line with the Government's West Pilbara Trauma Response Plan to address deeply entrenched community issues, a Banned Drinkers Register (the Register) trial, focusing on problem drinkers who have attracted the attention of police, will commence in the Pilbara as soon as practicable. The proposal incorporates an electronic system designed to identify persons who are not permitted to purchase liquor. Learning from the Northern Territory, Queensland and other similar projects, the Department will pilot the Register in the Pilbara to identify gaps in managing alcohol problems with the aim of targeting and assisting the people with the greatest need. The Register trial, along with the liquor restrictions in the Pilbara, will act as complementary measures to try to combat harm from alcohol misuse.
7. The Coroner's report into Aboriginal Youth Suicide in the Kimberley, released on 7 February 2019, included a recommendation for the implementation of consistent Kimberley-wide liquor restrictions. As a consequence of the Coroner's recommendation, the Director of Liquor Licensing will be engaging with stakeholders in the Kimberley to consider the effectiveness of the current restrictions.
8. The Department is continuing to develop its licensing systems to deliver more services online. Online services will shortly include all applications for permanent liquor licences and will provide the ability for applications to be lodged at any time. Further improvements will allow applicants to be able to track the progress of their applications from submission to final approval.
9. The Department is contributing to the formulation and drafting of new legislation relating to the potential sale of the Western Australian TAB and to establish a new regulatory framework for a private operator.
10. With the introduction of a point of consumption tax in Western Australia, the Government has assured \$3.7 million per annum indexed over the forward estimates period as a replacement for the revenue formally derived through sports betting with the TAB. This has provided greater certainty of funding available to community sport and recreation through the Sports Wagering Account.
11. The Department has commenced implementing the \$3 million Contemporary Music Fund, providing funding and opportunities for music artists and enabling safer and more vibrant venues. This will considerably improve the economic and social output of the contemporary music industry.
12. The new Regional Arts and Culture Investment Program (RACIP) will deliver almost \$20 million in funding to regional Western Australia over the next four years. This investment will strengthen regional economies by providing employment opportunities in the creative sector. The program will increase the capacity for the regions to engage with arts and culture, improving the social cohesion, liveability and vibrancy of local communities.
13. The RACIP will empower communities to engage with arts and culture, building the social cohesion, liveability and vibrancy of the regions. Over \$1 million will be allocated to leverage creative and cultural planning, allowing regional local governments to develop the creative and cultural industries in line with community needs. The program will increase inclusion in arts and cultural activities through supporting arts and disability practices and culturally and linguistically diverse arts practices.
14. The RACIP program complements the Government's \$8 million investment in the Regional Exhibitions Touring Boost, which is already delivering the State Collection to our regional galleries. The Art Gallery of Western Australia, in partnership with ART ON THE MOVE, will deliver a series of travelling exhibitions as part of this election commitment. The aim of the Regional Exhibitions Touring Boost is to share Western Australian culture more widely within the State ensuring that our regional communities get access to the highest quality arts experiences and can attract visitors, by touring more high-quality visual arts exhibitions.
15. The New Museum content design for exhibitions and other interior spaces focuses on contemporary and engaging museum experiences. Exhibit production has commenced, and the new facilities' exhibition and other interior spaces will be fitted out during 2020. The Government allocated \$250,000 per annum over four years, commencing in 2018-19, to support the promotion and attraction of visitors to regional museums and collections, maximising the value of these cultural resources to their own communities and as tourism assets. Working in collaboration with the Collections Sector Working Group, representing galleries, libraries, archives and museums, the Western Australian Museum has advanced planning and delivery of three initiatives: Training, Collections WA and Visitor Portal for Collections.

16. Works are underway to modernise His Majesty's Theatre's infrastructure and public spaces to maintain it as a world-class premier venue for opera, dance and theatre. Works to the Theatre's public areas will improve public amenity, whilst providing more hospitality opportunities, making the venue tourist ready and ensuring its future as the home of the West Australian Opera and West Australian Ballet.
17. To meet growing community demand for access to information in digital format, the State Library of Western Australia (SLWA) is increasing its capacity to collect, create and manage digital format materials and skill its workforce accordingly. The SLWA is planning to address the need for a digital preservation management system to store, preserve and make accessible these digital materials for future generations.
18. As part of the implementation of the WA Public Libraries Strategy, the Library Board of Western Australia is leading the development of a new model to support public library service delivery in Western Australia. The new model will guide the evolution of public library services so that they remain efficient, sustainable and relevant to meet the knowledge, literacy and learning needs of Western Australians today and into the future.
19. A review of practices relating to weight cutting of contestants is being undertaken by the Combat Sports Commission. The review made a number of recommendations relating to the safety and welfare of contestants when preparing for, and participating in, a contest. The Commission is currently in the process of implementing its dehydration and weight cutting strategy and anticipates this to be achieved during 2019-20.
20. Investment in the Community Sporting and Recreation Facilities Fund assists local government and community sporting clubs to develop sport and recreation facilities to support participation. The Government has prioritised the development of female-friendly change room facilities to support the growth in women's football, cricket, hockey, netball and many other sports. Projects supported include the Wanneroo City Soccer Club, Lilac Hill Pavilion in the City of Swan, Melville Hockey Club and Koorana Reserve in the City of Rockingham.
21. In 2019-20, the Government is implementing a targeted policy to increase the number of women on Boards in Western Australia's sport and active recreation governing bodies. The establishment of the Gender Diversity Advisor Group by the Department and the Case for Change report outlines the economic, cultural and social benefits to be found with a more balanced leadership structure.
22. Western Australia adopted a coordinated and collaborative, cross-agency approach to progress the implementation of recommendations from the Royal Commission into Institutional Responses to Child Sexual Abuse. The Department is proactively working with peak industry bodies across its sectors to consult and advise on the potential impacts of proposed child safeguarding reforms.
23. Western Australia is home to people originating from more than 190 countries, speaking over 240 languages, including Aboriginal languages, and identifying with more than 130 faith groups. With almost one-third of Western Australia's population born overseas, cultural, linguistic and religious diversity is at the heart of our identity. While this contributes to Western Australia being a thriving State, it also brings challenges. The Department will focus resources on building intercultural understanding, encouraging mutual respect and countering racism and discrimination. In recognition of the importance of multiculturalism, and to ensure that Western Australians from culturally and linguistically diverse backgrounds have equitable access to appropriate services in order to actively participate in and contribute to the economic, social and cultural development of our State, a Multicultural Policy Framework for the Western Australian public sector is being developed, with implementation to be driven by the Office of Multicultural Interests.

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

Government Goals	Desired Outcomes	Services
Better Places: A quality environment with liveable and affordable communities and vibrant regions.	Enhance cultural identity and understanding by promoting and ensuring the widest possible use of museum content and collections.	14. Public Sites, Public Programs and Collections Accessed On-site 15. Online Access to Collections, Expertise and Programs 16. Museum Services to the Regions
	To promote, monitor and enforce responsible and lawful gambling and liquor services in accordance with the legislation.	17. Licensing - Evaluation and Determination of Applications 18. Compliance Audits and Inspections
	A strong and diverse sport and recreation system in Western Australia that is accessible, encourages maximum participation and develops talent.	19. Industry Leadership and Infrastructure Development 20. Building Capacity and Participation 21. Recreation Camps 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. Regulation and Support of Local Government.....	16,797	12,522	14,040	13,066	10,583	10,326	10,523
2. Promotion and Support of Multiculturalism.....	6,950	6,812	6,969	7,071	6,941	6,944	6,973
3. Arts Industry Support.....	12,720	18,327	18,672	19,532	19,572	19,411	19,258
4. Research, Policy Development, Information and Support.....	15,318	20,970	21,210	22,087	22,145	21,996	21,880
5. Corporate and Asset and Infrastructure Support to the Culture and Arts Portfolio and Government.....	25,035	19,354	24,369	24,231	22,635	22,494	21,868
6. Cultural Heritage Management and Conservation.....	827	961	889	902	811	873	887
7. Cultural Heritage Access and Community Engagement and Education.....	11,784	11,228	10,172	10,231	9,207	9,902	10,062
8. Collection Services.....	9,927	10,438	9,772	9,736	9,376	8,974	9,099
9. Public Library Services.....	16,038	14,540	14,204	14,152	13,631	13,046	13,228
10. Library, Literacy and Community Engagement.....	9,159	10,000	8,716	8,684	8,363	8,005	8,117
11. Venue Management Services.....	17,771	17,463	18,444	19,947	18,538	17,012	18,059
12. Collections Management, Research and Conservation Services.....	10,318	10,163	10,086	9,510	10,016	10,497	10,368
13. Collections Effectively Documented and Digitised.....	1,821	1,784	1,770	1,683	1,681	1,762	1,740
14. Public Sites, Public Programs and Collections Accessed On-site.....	12,233	10,053	9,978	11,891	30,005	31,445	31,059
15. Online Access to Collections, Expertise and Programs.....	640	610	666	751	752	788	778
16. Museum Services to the Regions.....	5,712	6,064	5,960	5,722	5,723	5,998	5,925
17. Licensing - Evaluation and Determination of Applications.....	8,157	6,878	7,098	7,171	7,290	7,494	7,730
18. Compliance Audits and Inspections.....	8,156	6,878	7,098	7,172	7,289	7,494	7,730
19. Industry Leadership and Infrastructure Development.....	44,345	45,221	46,080	33,006	26,979	19,660	18,788
20. Building Capacity and Participation.....	45,666	49,213	50,035	50,387	49,460	50,073	50,439
21. Recreation Camps Management.....	8,134	9,157	9,113	9,242	9,194	9,194	9,390
Total Cost of Services.....	287,508	288,636	295,341	286,174	290,191	283,388	283,901

Outcomes and Key Effectiveness Indicators (a) (b)

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Outcome: Local governments are capable and well-governed:					
Percentage of local governments with no action taken against them under the Department's compliance framework.....	29%	55%	50%	55%	
Percentage of local governments with integrated planning and reporting plans reviewed.....	38%	25%	27%	25%	
Outcome: Western Australia is recognised as a vibrant and effective multicultural society:					
Percentage of organisations and individuals who report that the Office of Multicultural Interests has a positive impact on the promotion and support of multiculturalism	89%	80%	80%	80%	
Percentage of community grants for multicultural organisations acquitted against identified outcomes	93%	85%	85%	85%	
Outcome: A sustainable arts and cultural sector that enhances social and economic wellbeing:					
Number of Department funded works presented and/or developed (annually).....	12,673	11,411	11,411	11,448	
Number of paid attendances to funded organisations works.....	813,387	743,164	743,164	780,322	
Ratio of Government funding to other income	1:6.12	1:3.61	1:3.61	1:3.34	
Public value of the contribution of arts and culture to the State's identity and community	71	68	68	68	
Outcome: Efficient and effective services to the Culture and Arts portfolio and Government:					
Percentage of annual infrastructure maintenance budget expended on portfolio infrastructure maintenance requirements.....	98%	95%	95%	95%	
Outcome: Western Australia's State Art Collection asset is developed, appropriately managed and preserved:					
Percentage of collection stored to the required standard	98%	97%	96%	97%	
Outcome: Western Australia's State Art Collection and works of art on loan are accessible:					
Number of people accessing the collection:					
Total number of visitors	375,698	325,000	288,750	315,250	1
Total number of online visitors to website.....	204,696	200,000	178,340	185,540	1
Percentage of visitors satisfied with visit overall.....	91%	93%	93%	93%	
Outcome: Western Australia's cultural and documentary collections are acquired, preserved and accessible:					
Percentage increase in items added to the collection ^(c)	-18.7%	0%	21.6%	-15.6%	2
Proportion of heritage collections maintained within set standards	85%	96%	89%	90%	
Percentage increase in the usage of the collections on-site and online ^(d)	-3.2%	1.1%	1.5%	0%	3
Outcome: The Western Australian public library network is supported through access to library materials and services:					
The extent to which Western Australians are provided with access to library materials	0.9	0.95	0.98	1	
Outcome: The Western Australian community benefits from engaging with the State Library's services:					
Percentage of clients satisfied with the State Library's collections and services	93%	92%	93%	92%	
Percentage of Western Australians who actively engage with the State Library's services	96%	85%	85%	87%	

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Outcome: Effectively managed performing arts venues attracting optimal utilisation:					
Attendance rate across principal performance spaces	563,193	465,000	485,000	470,000	
Average subsidy per attendee for Perth Theatre Trust funded programs.....	\$3	\$3	\$1	\$3	4
Outcome: Sustainable care and development of the State's museum collections for the benefit of present and future generations:					
Percentage of collection stored to the required standard	99%	99%	99%	99%	
Percentage of the collection accessible online	18%	19%	19%	19%	
Proportion of the State collection documented and digitised	26%	26%	27%	27%	
Outcome: Enhance cultural identity and understanding by promoting and ensuring the widest possible use of museum content and collections:					
Number of people engaging with and accessing museum content and collections:	2,158,423	1,759,703	1,913,854	1,977,023	
Total number of visitors	878,887	692,703	731,444	697,023	
Total number of online visitors to website	1,279,536	1,067,000	1,182,410	1,280,000	5
Percentage of visitors to Museum sites satisfied with services	97%	98%	97%	97%	
Outcome: To promote, monitor and enforce responsible and lawful gambling and liquor services in accordance with the legislation:					
Percentage of audit and inspections that comply with requirements and statutory criteria ^(e)	97%	94%	97%	95%	
Outcome: A strong and diverse sport and recreation system in Western Australia that is accessible, encourages maximum participation and develops talent:					
Satisfaction rating of policy development and leadership provided by the Department	89%	85%	85%	85%	
Satisfaction rating of the Department's consultation advice to clients	85%	90%	90%	90%	
Satisfaction rating of the Department's grant's management	84%	85%	85%	85%	
Satisfaction rating of the Department's programs, initiatives and resources	90%	90%	90%	90%	
Western Australian participation in organised sport and active recreation	57%	56%	56%	56%	
Satisfaction rating of recreation camps management and service delivery	94%	87%	87%	87%	

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

(b) The previously reported outcome 'Government records and the State archives are appropriately managed and accessible' and its related key performance indicators are no longer reported given difficulties in accurately calculating these measures. The State Records Office has subsequently been included within the 'Corporate and Asset and Infrastructure Support to the Culture and Arts Portfolio and Government' service which has been restated to reflect this change.

(c) The State Library of Western Australia aims to acquire a significant collection of the State's documentary heritage. Items are acquired through donation, purchase and legal deposit, but the number of items acquired each year is dependent on publishing output and the availability of private collections for acquisition. The negative percentage change represents fewer items being added to heritage collections when compared to the previous year. Collections counted in this measure are books, magazines, maps, films, oral histories, sound recordings, microfilms and pictorial images. This measure does not take into account all new items added to heritage collections. For example, more than 25 metres of private archive documents are acquired for heritage collections each year, representing a significant resourcing focus that is not reflected in this key performance indicator.

(d) The purpose of collecting Western Australia's documentary heritage is to make it accessible for people to use. While much of the heritage collection is only available in physical format from within the State Library of Western Australia, increasingly, collections are being digitised to make them accessible online through the Library's internet presence. Material that is born digital is also being collected and made available. This key performance indicator does not include usage of digitised Western Australian newspapers made available through the National Library of Australia's Trove discovery service. Each year there are more than 3.5 million page views of this Western Australian content.

(e) The effectiveness indicator 'Percentage of audit and inspections that comply with requirements and statutory criteria' had previously been reported as 'Licensees/service providers that comply with audit requirements and statutory criteria'. The description was amended to better reflect the indicator and did not involve a change in the methodology of its calculation.

Explanation of Significant Movements

(Notes)

1. The decrease in the 2018-19 Estimated Actual compared to the 2018-19 Budget for total number of visitors is due to below target attendance for temporary exhibitions and total number of online visitors has decreased due to the late launch of a new website.
2. The increase in the 2018-19 Estimated Actual compared to the 2018-19 Budget is mainly due to additional resources being allocated in 2018-19 to increase processing of heritage materials. The decrease in the 2019-20 Budget Target compared to the 2018-19 Estimated Actual and the 2018-19 Budget is mainly due to fewer resources expected to be required to process heritage materials. The level of resourcing changes year on year due to fluctuations in the number of heritage materials available for the State Library to acquire.
3. Investment in new digital content subscriptions has seen an increase in usage of online collections in the 2018-19 Estimated Actual which is expected to remain steady in 2019-20.
4. The decrease in the 2018-19 Estimated Actual compared to the 2018-19 Budget is mainly due to sold-out performances at State Theatre Centres and His Majesty's Theatre.
5. The increase in the 2018-19 Estimated Actual and 2019-20 Budget Target compared to the 2018-19 Budget is mainly due to an increased number of collections available online through the museum's website.

Services and Key Efficiency Indicators**1. Regulation and Support of Local Government**

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

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 16,797	\$'000 12,522	\$'000 14,040	\$'000 13,066	1
Less Income	254	403	398	419	
Net Cost of Service	16,543	12,119	13,642	12,647	1
Employees (Full-Time Equivalents)	52	51	50	50	
Efficiency Indicators					
Average cost per local government for regulation and support	\$98,803	\$86,051	\$91,496	\$90,129	

Explanation of Significant Movements

(Notes)

1. The increase in the 2018-19 Estimated Actual compared to the 2018-19 Budget is mainly due to the carryover of funds related to Royalties for Regions projects that were not fully delivered in 2017-18.

2. Promotion and Support of Multiculturalism

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

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 6,950	\$'000 6,812	\$'000 6,969	\$'000 7,071	
Less Income	58	8	103	141	1
Net Cost of Service	6,892	6,804	6,866	6,930	
Employees (Full-Time Equivalents) ^(a)	25	25	25	25	
Efficiency Indicators					
Average cost per project to support and promote multiculturalism	\$110,916	\$111,717	\$102,120	\$106,917	
Number of grants and service agreements per full-time equivalents	36	25	33	33	2

(a) The Office of Multicultural Interests has 18 direct full-time equivalents and a portion of full-time equivalents related to corporate service overheads.

Explanation of Significant Movements

(Notes)

1. The increase in the 2018-19 Estimated Actual compared to the 2018-19 Budget is mainly due to external grant funding received to deliver specific programs.
2. The increase in the 2018-19 Estimated Actual compared to the 2018-19 Budget is mainly due to additional grants being administered within the existing full-time equivalent workforce.

3. Arts Industry Support

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

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 12,720	\$'000 18,327	\$'000 18,672	\$'000 19,532	
Less Income	680	120	120	45	1
Net Cost of Service	12,040	18,207	18,552	19,487	
Employees (Full-Time Equivalents)	11	15	15	14	
Efficiency Indicators					
Grants operations expense as a percentage of direct grants approved	5.1%	4.5%	3.6%	3.5%	2

Explanation of Significant Movements

(Notes)

1. The reduction in the 2019-20 Budget Target compared to the 2018-19 Estimated Actual is mainly due to cessation of the existing Service Delivery Agreement with the Commonwealth which is subject to renegotiation.
2. The reduction in the 2019-20 Budget Target and the 2018-19 Estimated Actual compared to the 2018-19 Budget is due to the exclusion of a grant program in the calculations of the efficiency indicator. The efficiency indicator for the 2018-19 Budget would have been 3.7% had the grant program been included.

4. Research, Policy Development, Information and Support

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

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 15,318	\$'000 20,970	\$'000 21,210	\$'000 22,087	
Less Income	797	240	240	165	1
Net Cost of Service	14,521	20,730	20,970	21,922	
Employees (Full-Time Equivalents)	25	28	26	27	
Efficiency Indicators					
Research, Policy Development, Information and Support expense as a percentage of direct grants approved	5.1%	4.5%	3.6%	3.5%	2

Explanation of Significant Movements

(Notes)

1. The reduction in the 2019-20 Budget Target compared to the 2018-19 Estimated Actual is mainly due to cessation of the existing Service Delivery Agreement with the Commonwealth which is subject to renegotiation.
2. The reduction in the 2019-20 Budget Target and the 2018-19 Estimated Actual compared to the 2018-19 Budget is due to the exclusion of a grant program in the calculations of the efficiency indicator. The efficiency indicator for the 2018-19 Budget would have been 3.7% had the grant program been included.

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

Managing cultural infrastructure on behalf of the Government of Western Australia and the provision of centralised services to the Culture and Arts portfolio and other agencies.

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 25,035	\$'000 19,354	\$'000 24,369	\$'000 24,231	1
Less Income	721	1,234	1,676	1,235	2
Net Cost of Service	24,314	18,120	22,693	22,996	
Employees (Full-Time Equivalents) ^(a)	99	119	126	126	
Efficiency Indicators					
Average cost of service per full-time equivalent ^(b)	\$21,597	\$15,975	\$23,569	\$22,003	3

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

(b) The average cost of service per full-time equivalent incorporates the full-time equivalents for the whole Culture and the Arts Portfolio.

Explanation of Significant Movements

(Notes)

1. The increase in the 2018-19 Estimated Actual and the 2019-20 Budget Target compared to the 2018-19 Budget is mainly due to the addition of the State Records Office and additional information and communications technology service delivery.
2. The increase in income in the 2018-19 Estimated Actual compared to the 2018-19 Budget is mainly due to receipt of prior year rent revenue from the State Library of Western Australia and Cultural Centre car parks.
3. The increase in the average cost of service per full-time equivalent in the 2018-19 Estimated Actual and the 2019-20 Budget Target compared to the 2018-19 Budget is mainly due to additional information and communications technology service delivery and the Voluntary Targeted Separation Scheme.

6. Cultural Heritage Management and Conservation

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

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 827	\$'000 961	\$'000 889	\$'000 902	
Less Income	302	244	249	-	
Net Cost of Service	525	717	640	902	1
Employees (Full-Time Equivalents)	4	4	3	3	
Efficiency Indicators					
Average cost of managing the collection per art gallery object.....	\$46.35	\$53.68	\$49.58	\$50.19	

Explanation of Significant Movements

(Notes)

1. The increase in Net Cost of Service in the 2019-20 Budget Target compared to the 2018-19 Budget and 2018-19 Estimated Actual is mainly due to multi-year sponsored projects concluding in 2018-19.

7. Cultural Heritage Access and Community Engagement and Education

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

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 11,784	\$'000 11,228	\$'000 10,172	\$'000 10,231	
Less Income	4,320	2,855	2,850	3,128	
Net Cost of Service	7,464	8,373	7,322	7,103	1
Employees (Full-Time Equivalents)	47	49	46	46	
Efficiency Indicators					
Average cost of art gallery services per art gallery access.....	\$20.35	\$21.39	\$21.78	\$20.43	

Explanation of Significant Movements

(Notes)

1. The reduction in Net Cost of Service in the 2018-19 Estimated Actual compared to the 2018-19 Budget is mainly due to the transfer of the building maintenance budget to Service 5.

8. Collection Services

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

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 9,927	\$'000 10,438	\$'000 9,772	\$'000 9,736	
Less Income	598	439	661	582	1
Net Cost of Service	9,329	9,999	9,111	9,154	
Employees (Full-Time Equivalents)	59	73	50	54	2
Efficiency Indicators					
Cost per new item added to the collection	\$422.31	\$514.19	\$338.61	\$399.84	3

Explanation of Significant Movements

(Notes)

1. The increase in income in the 2018-19 Estimated Actual and the 2019-20 Budget Target compared to the 2018-19 Budget is mainly due to additional own-source revenues received.
2. The reduction in the 2018-19 Estimated Actual compared to the 2018-19 Budget mainly relates to changes in the methodology used to allocate full-time equivalents amongst State Library services, Machinery of Government changes and the Voluntary Targeted Separation Scheme.
3. The decrease in cost per new item added to the collection in the 2018-19 Estimated Actual and the 2019-20 Budget Target compared to the 2018-19 Budget is mainly due to decreasing Total Cost of Service while increasing the number of collection items acquired.

9. Public Library Services

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

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 16,038	\$'000 14,540	\$'000 14,204	\$'000 14,152	
Less Income	404	343	534	481	1
Net Cost of Service	15,634	14,197	13,670	13,671	
Employees (Full-Time Equivalents)	41	41	33	36	2
Efficiency Indicators					
Average cost of administering services to public libraries	\$69,793	\$62,668	\$60,961	\$60,738	

Explanation of Significant Movements

(Notes)

1. The increase in income in the 2018-19 Estimated Actual and the 2019-20 Budget Target compared to the 2018-19 Budget is mainly due to additional own-source revenues received.
2. The reduction in the 2018-19 Estimated Actual compared to the 2018-19 Budget mainly relates to changes in the methodology used to allocate full-time equivalents amongst State Library services, Machinery of Government changes and the Voluntary Targeted Separation Scheme.

10. Library, Literacy and Community Engagement

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

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 9,159	\$'000 10,000	\$'000 8,716	\$'000 8,684	1
Less Income	838	462	878	646	2
Net Cost of Service	8,321	9,538	7,838	8,038	
Employees (Full-Time Equivalents)	51	38	43	47	3
Efficiency Indicators					
Cost per engagement with State Library of Western Australia services	\$3.68	\$4.53	\$3.93	\$3.84	4

Explanation of Significant Movements

(Notes)

1. The decrease in the 2018-19 Estimated Actual and the 2019-20 Budget Target compared to the 2018-19 Budget is mainly due to Machinery of Government changes, resulting in a funding transfer from the State Library to the Department.
2. The increase in the 2018-19 Estimated Actual and the 2019-20 Budget Target compared to the 2018-19 Budget is mainly due to additional own-source revenues received.
3. The increase in the 2018-19 Estimated Actual compared to the 2018-19 Budget is mainly due to changes in the methodology used to allocate full-time equivalents amongst State Library services.
4. The decrease in the 2018-19 Estimated Actual and the 2019-20 Budget Target compared to the 2018-19 Budget is mainly due to the decrease in Total Cost of Service allocated to Library, Literacy and Community Engagement service.

11. Venue Management Services

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

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 17,771	\$'000 17,463	\$'000 18,444	\$'000 19,947	
Less Income	7,696	7,478	8,281	8,448	1
Net Cost of Service	10,075	9,985	10,163	11,499	2
Employees (Full-Time Equivalents)	102	97	95	95	
Efficiency Indicators					
Average cost per attendee	\$32.46	\$37.55	\$38.03	\$42.44	2

Explanation of Significant Movements

(Notes)

1. The increase in income in the 2018-19 Estimated Actual and the 2019-20 Budget Target compared to the 2018-19 Budget is mainly due to higher ticketing fee revenue.
2. The increase in the 2019-20 Budget Target compared to the 2018-19 Estimated Actual is due to an increase in funding allocations for the building maintenance program.

12. Collections Management, Research and Conservation Services

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

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 10,318	\$'000 10,163	\$'000 10,086	\$'000 9,510	
Less Income	2,656	1,632	1,632	1,384	1
Net Cost of Service	7,662	8,531	8,454	8,126	
Employees (Full-Time Equivalents)	68	73	73	73	
Efficiency Indicators					
Average cost per object of managing the museum collection.....	\$1.27	\$1.24	\$1.23	\$1.15	

Explanation of Significant Movements

(Notes)

1. The reduction in income in the 2019-20 Budget Target compared to the 2018-19 Estimated Actual is mainly due to completion of externally funded research projects.

13. Collections Effectively Documented and Digitised

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

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 1,821	\$'000 1,784	\$'000 1,770	\$'000 1,683	
Less Income	469	285	285	242	1
Net Cost of Service	1,352	1,499	1,485	1,441	
Employees (Full-Time Equivalents)	12	13	13	13	
Efficiency Indicators					
Average cost per object of documenting and digitising the State collection ...	\$0.85	\$0.82	\$0.81	\$0.75	

Explanation of Significant Movements

(Notes)

1. The reduction in income in the 2019-20 Budget Target compared to the 2018-19 Estimated Actual is mainly due to completion of externally funded research projects.

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

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

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 12,233	\$'000 10,053	\$'000 9,978	\$'000 11,891	1
Less Income	4,076	2,159	2,159	1,722	
Net Cost of Service	8,157	7,894	7,819	10,169	
Employees (Full-Time Equivalents)	61	64	64	84	1
Efficiency Indicators					
Average cost of museum services per museum access	\$21.25	\$28.50	\$24.65	\$30.04	2

Explanation of Significant Movements

(Notes)

1. The increase in the 2019-20 Budget Target compared to the 2018-19 Estimated Actual is mainly due to additional costs being incurred in advance of the opening of the New Museum in Perth.
2. The decrease in the 2018-19 Estimated Actual compared to the 2018-19 Budget is due to an increase in visitations for the successful virtual reality Antarctica Experience show. The increase in the 2019-20 Budget Target compared to the 2018-19 Estimated Actual is mainly due to additional costs being incurred in advance of the opening of the New Museum in Perth.

15. Online Access to Collections, Expertise and Programs

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

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 640	\$'000 610	\$'000 666	\$'000 751	
Less Income	67	-	-	-	
Net Cost of Service	573	610	666	751	1
Employees (Full-Time Equivalents)	7	6	6	7	
Efficiency Indicators					
Average cost of museum services per museum access	\$0.32	\$0.34	\$0.32	\$0.36	1

Explanation of Significant Movements

(Notes)

1. The increase in the 2019-20 Budget Target compared to the 2018-19 Estimated Actual is mainly due to additional costs being incurred in advance of the opening of the New Museum in Perth.

16. Museum Services to the Regions

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

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 5,712	\$'000 6,064	\$'000 5,960	\$'000 5,722	
Less Income	1,071	800	800	788	
Net Cost of Service	4,641	5,264	5,160	4,934	
Employees (Full-Time Equivalents)	27	29	29	29	
Efficiency Indicators					
Average cost per access	\$18.84	\$17.83	\$18.24	\$19	

17. Licensing - Evaluation and Determination of Applications

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

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 8,157	\$'000 6,878	\$'000 7,098	\$'000 7,171	
Less Income	6,756	5,052	5,327	5,421	
Net Cost of Service	1,401	1,826	1,771	1,750	
Employees (Full-Time Equivalents)	46	46	45	45	
Efficiency Indicators					
Average cost of determining applications	\$476	\$430	\$442	\$448	

18. Compliance Audits and Inspections

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

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 8,156	\$'000 6,878	\$'000 7,098	\$'000 7,172	
Less Income	4,279	5,051	5,326	5,421	
Net Cost of Service	3,877	1,827	1,772	1,751	
Employees (Full-Time Equivalents)	46	45	45	45	
Efficiency Indicators					
Average cost of conducting inspections	\$759	\$893	\$927	\$897	

19. Industry Leadership and Infrastructure Development

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

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 44,345	\$'000 45,221	\$'000 46,080	\$'000 33,006	
Less Income	438	85	85	85	
Net Cost of Service	43,907	45,136	45,995	32,921	1
Employees (Full-Time Equivalents)	41	43	41	41	
Efficiency Indicators					
Average cost of providing consultancy (policy, advocacy and infrastructure) to organisations	\$10,080	\$10,324	\$10,906	\$10,202	
Average cost of providing the contact services (policy, advocacy and infrastructure)	\$670	\$942	\$1,390	\$1,164	2
Average cost to manage infrastructure grants	\$2,545	\$2,175	\$2,021	\$2,302	

Explanation of Significant Movements

(Notes)

1. The reduction in the 2019-20 Budget Target compared to the 2018-19 Estimated Actual is mainly due to once-off grant payments in 2018-19 relating to the West Australian Football Commission and Tennis West relocations.
2. The increase in the 2018-19 Estimated Actual compared to the 2018-19 Budget is mainly due to decreased contacts for infrastructure projects including major stadia, as well as refinements in service delivery regimes.

20. Building Capacity and Participation

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

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 45,666	\$'000 49,213	\$'000 50,035	\$'000 50,387	
Less Income	1,005	1,742	1,742	1,744	
Net Cost of Service	44,661	47,471	48,293	48,643	
Employees (Full-Time Equivalents)	66	66	66	66	
Efficiency Indicators					
Average cost of providing consultancy (organisational development and participation) to organisations	\$13,565	\$18,080	\$18,647	\$17,946	
Average cost of providing the contact services (organisational development and participation)	\$344	\$587	\$840	\$798	1
Average cost to manage sport and recreation development grants	\$2,026	\$2,739	\$3,433	\$3,021	2

Explanation of Significant Movements

(Notes)

1. The increase in the 2018-19 Estimated Actual and 2019-20 Budget Target compared to the 2018-19 Budget is mainly due to decreased contacts as a result of refinements in service delivery regimes, and continued implementation of service agreements with community organisations to provide services on behalf of the Department.
2. The increase in the 2018-19 Estimated Actual and 2019-20 Budget Target compared to the 2018-19 Budget is mainly due to the consolidation of grant programs including the Annual Grant Program not being offered in 2018-19 thus decreasing the total number of grants managed. The Department has undertaken a Strategic Funding Review in 2018-19 to guide the future investment in the sport and recreation industry and, as a result, no new funding programs have been introduced.

21. Recreation Camps Management

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

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 8,134	\$'000 9,157	\$'000 9,113	\$'000 9,242	
Less Income	4,464	4,918	4,918	4,921	
Net Cost of Service	3,670	4,239	4,195	4,321	
Employees (Full-Time Equivalents)	58	58	58	58	
Efficiency Indicators					
Average cost per bed night	\$55	\$54	\$58	\$56	
Average cost per participation	\$25	\$27	\$28	\$28	

Asset Investment Program

1. To support the delivery of the Department's services, asset investment in 2019-20 will include the following:
 - 1.1. \$79.3 million to continue the delivery of the New Museum Project in 2019-20 at an estimated total project cost of \$395.7 million, including \$5.9 million of costs met via recurrent funding;
 - 1.2. \$9.6 million for library materials for the Public Libraries and the State Reference Library;
 - 1.3. \$2.8 million to upgrade the His Majesty's Theatre Orchestra Pit Lift;
 - 1.4. \$2.2 million for His Majesty's Theatre Front of House improvements;
 - 1.5. \$952,000 for HBF Park development contingency;
 - 1.6. \$218,000 for ongoing Art Gallery art acquisition;
 - 1.7. \$200,000 for the Regional Collections Development Program; and
 - 1.8. \$160,000 for ongoing plant and equipment replacement.

	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							
New State Museum	390,050	284,395	143,507	79,288	19,780	6,587	-
Perth Rectangular Stadium - Development (HBF Park)	94,162	93,210	430	952	-	-	-
Perth Theatre Trust - His Majesty's Theatre Orchestra Pit	3,120	317	317	2,803	-	-	-
Front of House	3,380	1,228	1,228	2,152	-	-	-
Regional Collections Development Program	800	200	200	200	200	200	-
COMPLETED WORKS							
Art Gallery - Art Acquisition							
2015-16 Program	230	230	35	-	-	-	-
2016-17 Program	218	218	218	-	-	-	-
2017-18 Program	218	218	218	-	-	-	-
2018-19 Program	218	218	218	-	-	-	-
Camps Plant and Equipment Ongoing Replacement - 2018-19 Program	65	65	65	-	-	-	-
Department - Global Provision							
Improvement of Culture and Arts Service Delivery							
Infrastructure - Fit-for-Purpose	3,885	3,885	313	-	-	-	-
Tuart College - Fit-out Works	2,236	2,236	2,236	-	-	-	-
Library							
Public Library Materials - 2018-19 Program	8,340	8,340	8,340	-	-	-	-
State Reference Library Materials							
2017-18 Program	3	3	3	-	-	-	-
2018-19 Program	1,117	1,117	1,117	-	-	-	-
Program Equipment - 2018-19 Program	95	95	95	-	-	-	-
State Netball Centre - Construction	23,715	23,715	121	-	-	-	-

	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							
Art Gallery - Art Acquisition							
2019-20 Program	218	-	-	218	-	-	-
2020-21 Program	218	-	-	-	218	-	-
2021-22 Program	218	-	-	-	-	218	-
2022-23 Program	218	-	-	-	-	-	218
Camps Plant and Equipment Ongoing Replacement							
2019-20 Program	65	-	-	65	-	-	-
2020-21 Program	65	-	-	-	65	-	-
2021-22 Program	65	-	-	-	-	65	-
2022-23 Program	65	-	-	-	-	-	65
Library							
Public Library Materials							
2019-20 Program	8,524	-	-	8,524	-	-	-
2020-21 Program	8,347	-	-	-	8,347	-	-
2021-22 Program	8,347	-	-	-	-	8,347	-
2022-23 Program	8,347	-	-	-	-	-	8,347
State Reference Library Materials							
2019-20 Program	1,118	-	-	1,118	-	-	-
2020-21 Program	1,225	-	-	-	1,225	-	-
2021-22 Program	1,225	-	-	-	-	1,225	-
2022-23 Program	1,225	-	-	-	-	-	1,225
Program Equipment							
2019-20 Program	95	-	-	95	-	-	-
2020-21 Program	95	-	-	-	95	-	-
2021-22 Program	95	-	-	-	-	95	-
2022-23 Program	95	-	-	-	-	-	95
Total Cost of Asset Investment Program	571,722	419,690	158,661	95,415	29,930	16,737	9,950
FUNDED BY							
Capital Appropriation			115,495	84,461	19,998	6,805	218
Drawdowns from the Holding Account			9,801	9,802	9,732	9,732	9,732
Internal Funds and Balances			33,165	952	-	-	-
Drawdowns from Royalties for Regions Fund			200	200	200	200	-
Total Funding			158,661	95,415	29,930	16,737	9,950

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 Department's Total Cost of Services in the 2019-20 Budget Estimate reduces by \$9.2 million compared to the 2018-19 Estimated Actual mainly due to once-off grants payments in relation to Western Australian Football Commission relocation (\$5.6 million) and Optus Stadium (\$2.5 million).

Income

3. The decrease in total income of \$1.2 million in the 2019-20 Budget Estimate compared to the 2018-19 Estimated Actual is mainly due to one-off grant income received by the State Library of Western Australia and Western Australian Museum together with the timing of rent revenues from the State Library and Cultural Centre car parks.

Statement of Financial Position

4. The reduction in cash assets of \$1.5 million in the 2019-20 Budget Estimate compared to the 2018-19 Estimated Actual is mainly due to the drawdown of cash reserves for approved carryover expenditure.

Statement of Cashflows

5. The movement in capital appropriation and the corresponding movement in the purchase of non-current assets from the 2019-20 Budget Estimate and across the forward estimates period mainly reflects the expenditure profile for the construction of the New Museum.

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)	103,119	97,413	95,747	97,655	99,653	100,479	101,931
Grants and subsidies ^(c)	80,916	101,613	115,520	104,126	97,242	89,580	88,430
Supplies and services	45,838	37,906	29,248	31,948	29,059	29,416	29,114
Accommodation	20,616	20,845	22,303	16,955	19,863	19,429	19,548
Depreciation and amortisation	22,209	22,006	22,006	26,037	34,847	35,092	34,948
Finance and interest costs	-	-	-	813	680	535	382
Other expenses	14,810	8,853	10,517	8,640	8,847	8,857	9,548
TOTAL COST OF SERVICES	287,508	288,636	295,341	286,174	290,191	283,388	283,901
Income							
Sale of goods and services	21,958	21,398	21,742	21,584	27,241	27,985	28,240
Regulatory fees and fines	6,739	5,746	6,296	6,482	6,577	6,672	6,668
Grants and subsidies	4,847	2,127	2,965	2,310	2,729	2,609	2,486
Other revenue	8,405	6,279	7,261	6,642	7,131	6,930	6,980
Total Income	41,949	35,550	38,264	37,018	43,678	44,196	44,374
NET COST OF SERVICES	245,559	253,086	257,077	249,156	246,513	239,192	239,527
INCOME FROM STATE GOVERNMENT							
Service appropriations	236,474	231,760	230,413	230,281	232,928	230,549	231,294
Resources received free of charge	1,544	1,318	1,318	1,334	1,334	1,334	1,334
Royalties for Regions Fund:							
Country Local Government Fund	2,223	-	-	-	-	-	-
Regional Community Services Fund	11,610	17,935	13,519	17,040	13,086	7,368	7,234
Regional Infrastructure and Headworks Fund	325	325	325	140	140	140	140
Perth Stadium Account	5,775	-	2,500	-	-	-	-
TOTAL INCOME FROM STATE GOVERNMENT	257,951	251,338	248,075	248,795	247,488	239,391	240,002
SURPLUS/(DEFICIENCY) FOR THE PERIOD	12,392	(1,748)	(9,002)	(361)	975	199	475

(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 948, 952 and 984 respectively.

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

DETAILS OF CONTROLLED GRANTS AND SUBSIDIES (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
Arts Organisations, Projects and Programs.....	15,440	28,965	29,650	29,021	29,134	29,285	29,375
Beach Emergency Numbering System ^(b)							
Metropolitan	-	125	125	128	131	-	-
Regional	1	208	411	213	219	-	-
Bunbury Bowling Club Wheelchair Access.....	200	-	-	-	-	-	-
Centennial Park Sporting and Event Precinct.....	3,000	3,922	3,422	500	-	-	-
Collie Mineworkers Memorial Pool Enclosure.....	150	-	-	1,850	-	-	-
Community Pool Revitalisation.....	384	-	-	-	-	-	-
Community Sporting and Recreation							
Facilities Fund.....	11,010	18,340	14,889	14,340	14,340	12,471	11,471
Companion Animal Shelters	200	200	200	200	200	200	200
Contemporary Music Fund	-	500	500	1,000	1,000	500	-
Country Local Government Fund	1,400	-	-	-	-	-	-
Creative Regions Program	6,417	4,185	4,191	-	-	-	-
Eaton Bowling Club Upgrade	50	1,950	-	1,950	-	-	-
Entry Statement and Signage Bunbury	1	200	-	-	-	-	-
Local Projects Local Jobs Program	7,327	1,076	3,434	325	-	-	-
Motoring South West Marketing Campaign	-	100	100	-	-	-	-
Motorplex Complex Albany.....	-	250	250	-	5,500	-	-
Multi-purpose Outdoor Courts	-	-	-	1,940	-	-	-
Office of Multicultural Interests							
Community Grants.....	831	560	655	693	560	560	560
Community Languages Program	856	1,113	1,113	1,113	1,113	1,113	1,113
Kaleidoscope Project	-	95	93	-	-	-	-
Optus Stadium - Tennis West.....	-	-	2,500	-	-	-	-
Other Cultural Programs.....	2,186	1,211	1,234	1,324	1,324	1,324	1,324
Regional Arts and Cultural Investment							
Program	-	-	-	4,740	4,760	4,760	4,680
Regional Athlete Support Program.....	888	1,000	1,065	1,000	-	-	-
Regional Collections Development Program.....	-	250	50	50	50	50	-
Regional Exhibition Touring Boost	500	500	500	1,750	1,750	1,750	1,750
Sports Financial Grants	15,824	17,596	15,596	12,886	9,486	9,441	9,441
Sports Lotteries Account	14,101	15,117	15,802	15,523	15,735	15,886	15,976
State Library of Western Australia - Regional							
Funding Model	-	-	140	140	140	140	140
Upgrade Surf Life Saving Club Dalyellup	-	300	300	-	-	-	-
Upgrades to Hay Park	150	3,850	2,500	1,350	-	-	-
Water Playground Kununurra	-	-	-	590	-	-	-
Western Australian Football Commission							
Funding.....	-	-	11,200	11,500	11,800	12,100	12,400
Relocation.....	-	-	5,600	-	-	-	-
TOTAL	80,916	101,613	115,520	104,126	97,242	89,580	88,430

(a) Items related to election commitments previously shown under the item 'Sport and Recreation' have been disaggregated within the 2019-20 Budget Statements to itemise individual projects.

(b) Items previously titled 'Rapid Response Signs' have been retitled 'Beach Emergency Numbering System' to reflect the revised project naming.

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.....	73,957	38,818	37,241	35,699	36,202	35,626	35,626
Restricted cash.....	48,828	32,017	42,260	41,863	42,009	42,009	42,009
Holding account receivables.....	10,430	11,160	9,802	9,223	8,394	7,665	6,936
Receivables.....	6,801	5,573	6,790	6,779	6,768	6,768	6,768
Other.....	3,253	3,199	3,253	3,253	3,253	3,253	3,253
Total current assets.....	143,269	90,767	99,346	96,817	96,626	95,321	94,592
NON-CURRENT ASSETS							
Holding account receivables.....	124,527	135,806	137,167	153,981	179,925	206,014	231,959
Property, plant and equipment.....	1,435,730	1,630,632	1,582,462	1,685,171	1,696,390	1,690,462	1,680,738
Intangibles.....	8,330	7,147	7,813	7,247	6,782	6,135	4,819
Restricted cash.....	704	843	936	1,182	1,419	1,719	1,719
Other.....	7,784	8,078	14,713	14,713	14,713	14,713	14,713
Total non-current assets.....	1,577,075	1,782,506	1,743,091	1,862,294	1,899,229	1,919,043	1,933,948
TOTAL ASSETS.....	1,720,344	1,873,273	1,842,437	1,959,111	1,995,855	2,014,364	2,028,540
CURRENT LIABILITIES							
Employee provisions.....	15,924	17,385	15,991	16,477	16,753	16,753	16,753
Payables.....	17,386	27,245	16,879	15,904	15,429	14,954	14,954
Other.....	4,143	4,646	4,143	4,143	4,143	4,143	4,143
Total current liabilities.....	37,453	49,276	37,013	36,524	36,325	35,850	35,850
NON-CURRENT LIABILITIES							
Employee provisions.....	4,177	4,206	4,274	4,371	4,468	4,468	4,468
Borrowings and leases.....	-	-	-	19,509	15,789	11,775	7,500
Other.....	27	239	27	27	27	27	27
Total non-current liabilities.....	4,204	4,445	4,301	23,907	20,284	16,270	11,995
TOTAL LIABILITIES.....	41,657	53,721	41,314	60,431	56,609	52,120	47,845
EQUITY							
Contributed equity.....	842,967	1,288,471	964,857	1,053,174	1,077,347	1,088,560	1,093,283
Accumulated surplus/(deficit) ^(b)	344,815	(13,860)	335,338	334,502	335,002	334,726	334,726
Reserves ^(b)	490,905	544,941	500,928	511,004	526,897	538,958	552,686
Total equity.....	1,678,687	1,819,552	1,801,123	1,898,680	1,939,246	1,962,244	1,980,695
TOTAL LIABILITIES AND EQUITY.....	1,720,344	1,873,273	1,842,437	1,959,111	1,995,855	2,014,364	2,028,540

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

(b) Accumulated surplus/(deficit) does not agree to the aggregate of surplus/(deficiency) for the period and surplus/(deficiency) as at the end of the previous reporting period due to bequests and donated works of art income being transferred to reserves in the Statement of Financial Position (\$475,000) in the years from 2018-19 to 2022-23. The amount transferred to reserves in 2017-18 was \$108,000.

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	215,861	209,754	208,407	204,244	198,081	195,457	196,346
Capital appropriation	100,642	154,183	115,495	88,108	23,922	11,013	4,723
Administered equity contribution	-	6,500	-	-	-	-	-
Holding account drawdowns	11,427	10,430	9,994	9,802	9,732	9,732	9,732
Royalties for Regions Fund:							
Country Local Government Fund	2,223	-	-	-	-	-	-
Regional Community Services Fund	11,610	17,935	13,719	17,240	13,286	7,568	7,234
Regional Infrastructure and Headworks Fund	325	325	325	140	140	140	140
Receipts paid into Consolidated Account	-	-	(7)	-	-	-	-
Perth Stadium Account	112,039	-	9,989	-	-	-	-
Net cash provided by State Government	454,127	399,127	357,922	319,534	245,161	223,910	218,175
CASHFLOWS FROM OPERATING ACTIVITIES							
Payments							
Employee benefits	(105,497)	(97,131)	(95,465)	(96,954)	(99,162)	(100,479)	(101,931)
Grants and subsidies	(93,775)	(101,613)	(115,520)	(104,126)	(97,242)	(89,580)	(88,430)
Supplies and services	(43,200)	(36,067)	(27,409)	(30,510)	(27,136)	(27,557)	(27,255)
Accommodation	(19,867)	(20,688)	(22,146)	(16,954)	(19,862)	(19,429)	(19,548)
GST payments	(33,633)	(26,241)	(24,529)	(22,828)	(21,137)	(19,534)	(19,166)
Finance and interest costs	-	-	-	(813)	(680)	(535)	(382)
Other payments	(11,616)	(10,110)	(11,860)	(9,837)	(10,028)	(9,857)	(10,548)
Receipts ^(b)							
Regulatory fees and fines	6,603	5,746	6,296	6,482	6,577	6,672	6,668
Grants and subsidies	4,136	2,127	2,965	2,310	2,729	2,609	2,486
Sale of goods and services	22,476	21,360	21,704	21,546	27,203	27,985	28,240
GST receipts	35,114	26,252	24,540	22,839	21,148	19,534	19,166
Other receipts	6,262	6,317	7,299	6,680	7,169	6,930	6,980
Net cash from operating activities	(232,997)	(230,048)	(234,125)	(222,165)	(210,421)	(203,241)	(203,720)
CASHFLOWS FROM INVESTING ACTIVITIES							
Purchase of non-current assets	(134,534)	(171,113)	(158,661)	(95,415)	(29,930)	(16,737)	(9,950)
Other payments	(224)	-	-	-	-	-	-
Other receipts	2,594	-	-	-	-	-	-
Net cash from investing activities	(132,164)	(171,113)	(158,661)	(95,415)	(29,930)	(16,737)	(9,950)
CASHFLOWS FROM FINANCING ACTIVITIES							
Repayment of borrowings and leases	-	-	-	(3,647)	(3,924)	(4,208)	(4,505)
Other payments - Optus Stadium	(61,068)	-	(6,929)	-	-	-	-
Net cash from financing activities	(61,068)	-	(6,929)	(3,647)	(3,924)	(4,208)	(4,505)
NET INCREASE/(DECREASE) IN CASH HELD	27,898	(2,034)	(41,793)	(1,693)	886	(276)	-
Cash assets at the beginning of the reporting period	-	79,175	129,003	85,951	84,258	85,144	84,868
Net cash transferred to/from other agencies	101,105	-	(1,259)	-	-	-	-
Cash assets at the end of the reporting period	129,003	77,141	85,951	84,258	85,144	84,868	84,868

(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) (b)

	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							
Liquor Fees Revenue	6,603	5,746	6,296	6,485	6,584	6,683	6,683
Grants and Subsidies							
Direct Grants and Subsidies Receipts	347	447	357	360	364	364	364
Provision of Services to the Commonwealth.....	280	256	346	346	256	256	256
Sale of Goods and Services							
Provision of Services to the Racing and Gaming Industries.....	4,210	4,269	4,269	4,269	4,269	4,269	4,269
Revenue Received for the Provision of Accommodation and Recreation Programs	4,554	4,930	4,930	4,930	4,930	4,930	5,004
Other.....	251	588	721	621	504	516	519
GST Receipts							
GST Input Credits.....	30,309	24,763	22,881	21,206	19,548	17,891	17,539
GST Receipts on Sales	1,596	1,489	1,671	1,645	1,612	1,655	1,627
Other Receipts							
Rental Income	175	928	1,577	1,148	1,153	935	935
Other Receipts.....	1,884	1,689	1,651	1,656	1,663	1,659	1,668
TOTAL	50,209	45,105	44,699	42,666	40,883	39,158	38,864

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

(b) The Art Gallery of Western Australia, Perth Theatre Trust, Library Board of Western Australia and Western Australian Museum are statutory authorities and, as a result, are excluded from the Net Appropriation Determination.

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							
Taxation							
Casino Tax.....	60,963	71,000	71,000	71,000	71,000	71,000	71,000
Other							
Appropriation.....	49,636	55,304	45,742	37,548	37,796	37,894	37,894
Combat Sports Commission Appropriation.....	839	848	848	853	860	860	868
TOTAL ADMINISTERED INCOME	111,438	127,152	117,590	109,401	109,656	109,754	109,762
EXPENSES							
Grants to Charitable and Other Public Bodies							
Grants to Individuals Problem Gambling.....	500	500	500	500	500	500	500
Statutory Authorities							
Grants to Racing and Wagering Western Australia	15,598	17,754	10,392	2,200	2,200	2,200	2,200
Subsidies and Concessions							
Subsidies to Gambling and Betting Agencies and Bookmakers.....	33,538	37,050	34,850	34,848	35,096	35,194	35,194
Other							
Combat Sports Commission Expenditure ...	750	848	848	853	860	860	868
Receipts Paid into the Consolidated Account	60,041	71,000	71,000	71,000	71,000	71,000	71,000
TOTAL ADMINISTERED EXPENSES	110,427	127,152	117,590	109,401	109,656	109,754	109,762

Agency Special Purpose Account Details

ARTS LOTTERIES SPECIAL PURPOSE ACCOUNT

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

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000
Opening Balance.....	-	-	-	-
Receipts:				
Appropriations	15,568	15,959	16,644	16,365
	15,568	15,959	16,644	16,365
Payments	15,568	15,959	16,644	16,365
CLOSING BALANCE.....	-	-	-	-

COMMUNITY SPORTING AND RECREATION FACILITIES SPECIAL PURPOSE ACCOUNT

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

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000
Opening Balance.....	81	81	3,549	3,549
Receipts:				
Appropriations	15,138	19,000	12,000	15,000
	15,219	19,081	15,549	18,549
Payments	11,670	19,000	12,000	15,000
CLOSING BALANCE.....	3,549	81	3,549	3,549

SPORTS LOTTERIES SPECIAL PURPOSE ACCOUNT

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

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000
Opening Balance.....	103	103	1,047	1,047
Receipts:				
Appropriations	15,568	15,959	16,644	16,365
	15,671	16,062	17,691	17,412
Payments	14,624	15,959	16,644	16,365
CLOSING BALANCE.....	1,047	103	1,047	1,047

LOGUE BROOK RECREATION OFFSET TRUST ACCOUNT

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

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000
Opening Balance.....	59	59	50	50
Receipts:				
Other	1	-	-	-
	60	59	50	50
Payments	10	-	-	-
CLOSING BALANCE.....	50	59	50	50

Division 35 Western Australian Sports Centre Trust

Part 8 Community Services

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 78 Net amount appropriated to deliver services.....	75,393	80,038	83,049	95,189	95,898	85,989	85,104
Total appropriations provided to deliver services	75,393	80,038	83,049	95,189	95,898	85,989	85,104
CAPITAL							
Item 139 Capital Appropriation	14,651	13,778	14,576	17,544	15,877	19,485	17,553
TOTAL APPROPRIATIONS	90,044	93,816	97,625	112,733	111,775	105,474	102,657
EXPENSES							
Total Cost of Services	185,440	205,070	257,173	243,591	239,719	212,846	212,631
Net Cost of Services ^(a)	75,820	74,908	89,261	90,112	91,334	78,871	80,540
CASH ASSETS ^(b)	80,107	28,053	78,111	76,302	75,415	75,528	75,641

(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					
VenuesWest Security Infrastructure Upgrades.....	-	260	-	51	-
Ongoing Initiatives					
Optus Stadium Revised Financial Forecast ^(a)	34,128	23,617	18,756	(1,459)	(1,436)
Perth Motorplex Management	5,353	5,186	5,186	-	-
RAC Arena Revised Financial Forecast	(1,503)	(1,503)	(1,503)	(1,503)	(1,503)
Other					
2019-20 Tariffs, Fees and Charges	-	153	156	159	161
Update to Depreciation Expense ^(b)	14,165	13,525	13,597	13,597	13,597
Voluntary Targeted Separation Scheme	(40)	(41)	(41)	(42)	(42)

(a) After one year of operations at Optus Stadium, additional costs required to operate the Stadium and run events have been factored into 2018-19, 2019-20 and 2020-21. This additional expenditure is partly offset by additional revenue of \$63 million over the same period. Revised costs for Optus Stadium for 2021-22 and 2022-23 will be considered in the 2020-21 Budget process when future events have been confirmed.

(b) Depreciation has been adjusted to better reflect the costs associated with Optus Stadium with the different classification of asset types and depreciation rates.

Significant Issues Impacting the Agency

1. Concerted and collaborative efforts to attract world-class sport and entertainment events to Perth are paying off. Optus Stadium will host a calendar of sporting events never before seen in one year, with Manchester United playing twice, the Bledisloe Cup between the Wallabies and the All Blacks, and the Rugby League State of Origin - all happening in the midst of the 2019 AFL season before the focus turns to the ICC Men's T20 World Cup.
2. The performance of RAC Arena, HBF Park and HBF Stadium is expected to be sustained with success in terms of attracting music acts and sporting events to Perth. Across the entire portfolio of 13 venues, VenuesWest expects to service approximately six million patrons, many of which are high-performance Western Australian athletes pursuing a place in the Australian team heading for the Olympics in Japan in 2020.
3. As the owner and manager of venues, security remains a key aspect of delivering great venue experiences in an ever-changing environment. In addition to continually working with the Western Australia Police Force and other essential service providers, VenuesWest will commence a program of infrastructure upgrades across its higher profile venues to mitigate the risk of hostile vehicles. The organisational capacity and capability to prepare, react and recover from any security incident has never been more important.
4. The interim management of the Perth Motorplex venue will continue whilst the long-term future of the asset is determined. The venue's improved operating performance supports the sale or lease to a private sector operator and the management of a transition of business in some form is expected over the next year.
5. As asset managers, VenuesWest manages a large portfolio of State assets at various stages in their lifecycle. Being able to understand the condition of those assets over time is critical to managing the tension between the need to generate commercial revenues, meet world-class standards and plan for asset maintenance and renewal. A comprehensive program to undertake whole of asset condition assessments will be embarked upon in 2019-20. This will assist in understanding and making informed decisions regarding the allocation of resources to ensure safety, restore assets and sustain their ongoing performance in alignment with the State's expectations.
6. The need to enhance the patron experience through the use of technology is increasing and the challenge for sport and entertainment venues to meet customer expectations for on-demand technology consumption is essential in order to enhance the live experience in an environment where event and sport viewing is increasingly happening at home through mainstream and alternative media channels.
7. Consumer concerns relating to the ticket resale market have grown significantly with the advances in technology and the sophistication of the reselling marketplace. Scalpers are utilising sophisticated software to bypass computer security systems to purchase large numbers of tickets and the industry has necessarily absorbed the cost of greater monitoring efforts to minimise the detrimental impact on genuine fans who may miss out or pay inflated prices for events.

Resource Agreement

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

Outcomes, Services and Key Performance Information

Relationship to Government Goals

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

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

Service Summary

Expense	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. Deliver Training and Competition Facilities for High Performance Sport	113,815	135,728	178,683	166,370	162,944	140,997	141,123
2. Provision of Venues and Precincts Delivering Quality Sport and Entertainment Experiences.....	71,625	69,342	78,490	77,221	76,775	71,849	71,508
Total Cost of Services.....	185,440	205,070	257,173	243,591	239,719	212,846	212,631

Outcomes and Key Effectiveness Indicators ^(a)

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Outcome: Sustainable, accessible and profitable state assets delivering sport, recreation and entertainment opportunities for Western Australians:					
Percentage of targeted sports where venues meet international competition standards.....	83%	89%	89%	89%	1
High performance sport user satisfaction	93%	90%	90%	90%	
Level of patronage.....	4.7 million	5.1 million	5.7 million	5.8 million	2
Customer satisfaction.....	82%	88%	90%	90%	3

(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 2018-19 Budget reflects the addition of Track Cycling as a compliant, targeted sport after improvements were made to the Midvale SpeedDome in 2018-19.
2. The success of Optus Stadium in securing world-class events has been influential, bolstering attendances. This is anticipated to be high again in 2019-20.
3. Customer satisfaction levels at most venues are exceeding budget targets, with noticeable positive results being achieved at HBF Arena, Optus Stadium and Champion Lakes Regatta Centre.

Services and Key Efficiency Indicators

1. Deliver Training and Competition Facilities for High Performance Sport

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

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
	\$'000	\$'000	\$'000	\$'000	
Total Cost of Service	113,815	135,728	178,683	166,370	1
Less Income	55,446	75,566	110,901	97,707	2
Net Cost of Service	58,369	60,162	67,782	68,663	
Employees (Full-Time Equivalents)	268	284	351	351	3
Efficiency Indicators					
The subsidy VenuesWest provide to high performance sport and training competition	76%	45%	73%	72%	4

Explanation of Significant Movements

(Notes)

1. The increase in Total Cost of Services in the 2018-19 Budget compared with the 2017-18 Actual primarily reflects the costs associated with the first full year of operations of Optus Stadium. The increase in Total Cost of Services in the 2018-19 Estimated Actual compared with the 2018-19 Budget primarily reflects updated costs associated with Optus Stadium that were underestimated in the 2018-19 Budget.
2. The increase in income in the 2018-19 Budget compared with the 2017-18 Actual primarily reflects the revenues associated with the first full year of operations of Optus Stadium. The increase in income in the 2018-19 Estimated Actual compared with the 2018-19 Budget primarily reflects updated revenues associated with Optus Stadium that were underestimated in the 2018-19 Budget.
3. The increase in FTEs in the 2018-19 Budget compared with the 2017-18 Actual primarily reflects FTEs associated with the first full year of operations of Optus Stadium. The increase in FTEs in the 2018-19 Estimated Actual compared with the 2018-19 Budget primarily reflects FTEs associated with Optus Stadium related to in-sourced catering staff that were not included in the 2018-19 Budget.
4. The estimate set for the 2018-19 Budget is lower than the 2018-19 Estimated Actual and 2019-20 Budget Target due to a changed methodology in the calculation of this KPI after the change in the outcome-based management structure. Based on the calculation methodology applied in the 2018-19 Estimated Actual and the 2019-20 Budget Target, the 2018-19 Budget measure would be 72%.

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

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

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 71,625	\$'000 69,342	\$'000 78,490	\$'000 77,221	1
Less Income	54,174	54,596	57,011	55,772	
Net Cost of Service	17,451	14,746	21,479	21,449	
Employees (Full-Time Equivalents)	291	308	316	316	2
Efficiency Indicators					
Commercial expense ratio	82%	79%	88%	87%	

Explanation of Significant Movements

(Notes)

1. The increase in Total Cost of Services in the 2018-19 Estimated Actual compared with the 2018-19 Budget primarily reflects costs associated with Optus Stadium that were underestimated in the 2018-19 Budget.
2. The increase in FTE in the 2018-19 Budget compared with the 2017-18 Actual primarily reflects FTEs associated with the first full year of operations of Optus Stadium. The increase in FTEs in the 2018-19 Estimated Actual compared with the 2018-19 Budget primarily reflects FTEs associated with Optus Stadium related to in-sourced catering staff that were not included in the 2018-19 Budget.

Asset Investment Program

1. The Asset Investment Program for the 2019-20 Budget totals \$16.2 million, reflecting capital upgrades and maintenance across VenuesWest's asset portfolio. This is \$1.5 million less than the 2018-19 Estimated Expenditure of \$17.7 million and is predominantly due to the completion of the HBF Arena Expansion project in 2018-19.

	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							
Capital Upgrades and Maintenance - 2017-18 Program.....	11,017	9,017	2,056	2,000	-	-	-
Optus Stadium - Computers and Office Equipment.....	10,194	3,311	206	179	1,112	2,537	3,055
Optus Stadium DBFM Site Finalisation	1,345	1,186	1,186	159	-	-	-
Perth Motorplex Upgrades.....	1,708	798	798	420	490	-	-
WA Athletics Stadium.....	3,398	333	333	513	-	2,552	-
COMPLETED WORKS							
Capital Upgrades and Maintenance - 2018-19 Program.....	9,579	9,579	9,579	-	-	-	-
HBF Arena Expansion Projects	24,108	24,108	1,408	-	-	-	-
Optus Stadium Park LED Screen	2,100	2,100	2,100	-	-	-	-
NEW WORKS							
Capital Upgrades and Maintenance							
2019-20 Program.....	10,110	-	-	10,110	-	-	-
2020-21 Program.....	11,110	-	-	-	11,110	-	-
2021-22 Program.....	10,110	-	-	-	-	10,110	-
2022-23 Program.....	10,110	-	-	-	-	-	10,110
Security Infrastructure Upgrades.....	5,395	-	-	2,820	-	2,575	-
Total Cost of Asset Investment Program	110,284	50,432	17,666	16,201	12,712	17,774	13,165
FUNDED BY							
Capital Appropriation ^(a)			1,430	4,376	2,559	6,069	4,012
Drawdowns from the Holding Account			4,700	4,700	4,700	4,700	4,700
Internal Funds and Balances.....			11,536	7,125	5,453	7,005	4,453
Total Funding.....			17,666	16,201	12,712	17,774	13,165

- (a) The variation in the capital appropriation of \$13.1 million in 2018-19, \$13.2 million in 2019-20, \$13.3 million in 2020-21, \$13.4 million in 2021-22 and \$13.5 million in 2022-23 between the Asset Investment Program table and the Appropriations, Expenses and Cash Assets table relates primarily to the principal repayments for the finance lease for Optus Stadium. This repayment is reflected in the Cashflows from Financing Activities section of the Statement of Cashflows.

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 the 2018-19 Budget compared to the 2017-18 Actual mainly reflects the costs associated with the operations of Optus Stadium for its first full year of operations. The increase in Total Cost of Services in the 2018-19 Estimated Actual compared to the 2018-19 Budget and in the 2020-21 Forward Estimate compared to the 2021-22 Forward Estimate mainly reflects increased costs associated with the operation of Optus Stadium factored in for 2018-19, 2019-20 and 2020-21 after a year's worth of expenditure data has been collected. Revised costs for Optus Stadium for 2021-22 and 2022-23 will be considered in the 2020-21 Budget process.

Income

3. The increase in total income from the 2017-18 Actual to the 2019-20 Budget Estimate mainly reflects revenue associated with the operations of Optus Stadium for a full year (compared to six months in 2017-18) and updated consolidated Optus Stadium revenues in line with revised operator forecasts.
4. The increase in service appropriation in the 2018-19 Estimated Actual and the 2019-20 Budget Estimate mainly reflects full years of depreciation and financing costs associated with the Optus Stadium Design, Build, Finance and Maintain contract, compared to only six months in 2017-18.
5. The increase in total income in the 2018-19 Budget compared to the 2017-18 Actual mainly reflects the revenue associated with the operations of Optus Stadium for its first full year of operations. The increase in total income in the 2018-19 Estimated Actual compared to the 2018-19 Budget and in the 2020-21 Forward Estimate compared to the 2021-22 Forward Estimate mainly reflects increased revenue associated with the operation of Optus Stadium factored in for 2018-19, 2019-20 and 2020-21 after a year's worth of revenue data has been collected. Revised revenue for Optus Stadium for 2021-22 and 2022-23 will be considered in the 2020-21 Budget process.

Statement of Financial Position

6. The decrease in current assets in the 2018-19 Estimated Actual compared with the 2018-19 Budget and the increase in current assets in the 2018-19 Estimated Actual compared to the 2018-19 Budget mainly reflect the consolidation of Optus Stadium and RAC Arena assets that were not included in the 2018-19 Budget.
7. The decrease in current liabilities in the 2018-19 Estimated Actual compared with the 2018-19 Budget and the increase in current liabilities in the 2018-19 Estimated Actual compared to the 2018-19 Budget mainly reflect the consolidation of Optus Stadium and RAC Arena liabilities that were not included in the 2018-19 Budget.
8. The decrease in non-current borrowings over the budget estimates period is the result of the repayment of the finance lease liability associated with the Optus Stadium Design, Build, Finance and Maintain contract.

Statement of Cashflows

9. The increase in operating payments and receipts in the 2018-19 Estimated Actual compared to the 2018-19 Budget and in the 2020-21 Forward Estimate compared to the 2021-22 Forward Estimate mainly reflects increased cashflows associated with the operation of Optus Stadium factored in for 2018-19, 2019-20 and 2020-21 after a year's worth of actual financial data has been collected. Revised cashflows for Optus Stadium for 2021-22 and 2022-23 will be considered in the 2020-21 Budget process.
10. The reduction in net cash from investing activities outflows in the 2018-19 Budget compared to the 2017-18 Actual reflects the completion of the HBF Arena Expansion project in 2017-18.

11. The increase in net cash from investing activities outflows in the 2018-19 Estimated Actual compared the 2018-19 Budget mainly reflects the spending of carryover amounts from 2017-18 and the Optus Stadium Amphitheatre LED screen project.
12. The increase in net cash from investing activities outflows in the 2021-22 Forward Estimate compared to the 2020-21 Forward Estimate mainly reflects the replacement of the Athletics Track at the WA Athletics Stadium and the Security Infrastructure Upgrade.

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)	46,598	38,314	55,220	52,234	53,139	38,632	38,916
Supplies and services	47,369	60,675	76,646	67,558	64,941	59,319	58,322
Accommodation	9,875	11,415	13,749	13,996	13,960	11,511	11,511
Depreciation and amortisation	51,500	52,734	66,899	66,988	66,993	66,992	66,993
Finance and interest costs	16,342	32,212	31,050	29,611	27,501	26,578	26,999
Other expenses	13,756	9,720	13,609	13,204	13,185	9,814	9,890
TOTAL COST OF SERVICES	185,440	205,070	257,173	243,591	239,719	212,846	212,631
Income							
Sale of goods and services	89,980	103,260	133,176	121,608	116,819	105,049	105,717
Grants and subsidies	1,499	-	2,500	-	-	-	-
Other revenue	18,141	26,902	32,236	31,871	31,566	28,926	26,374
Total Income	109,620	130,162	167,912	153,479	148,385	133,975	132,091
NET COST OF SERVICES	75,820	74,908	89,261	90,112	91,334	78,871	80,540
INCOME FROM STATE GOVERNMENT							
Service appropriations	75,393	80,038	83,049	95,189	95,898	85,989	85,104
TOTAL INCOME FROM STATE GOVERNMENT	75,393	80,038	83,049	95,189	95,898	85,989	85,104
SURPLUS/(DEFICIENCY) FOR THE PERIOD	(427)	5,130	(6,212)	5,077	4,564	7,118	4,564

(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 559, 667 and 667 respectively.

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	\$'000	\$'000
CURRENT ASSETS							
Cash assets.....	79,380	26,725	77,119	75,039	74,152	74,265	74,378
Restricted cash.....	727	1,328	992	1,263	1,263	1,263	1,263
Holding account receivables.....	4,700	4,700	4,700	4,700	4,700	4,700	4,700
Receivables.....	11,545	2,123	11,545	11,545	11,545	11,545	11,545
Other.....	5,201	8,723	5,201	5,201	5,201	5,201	5,201
Total current assets.....	101,553	43,599	99,557	97,748	96,861	96,974	97,087
NON-CURRENT ASSETS							
Holding account receivables.....	168,697	216,731	216,731	278,993	341,259	403,525	465,792
Property, plant and equipment.....	1,922,402	1,953,680	1,869,461	1,815,824	1,757,137	1,700,798	1,638,062
Intangibles.....	1,637	695	2,412	2,412	2,412	2,412	2,412
Total non-current assets.....	2,092,736	2,171,106	2,088,604	2,097,229	2,100,808	2,106,735	2,106,266
TOTAL ASSETS	2,194,289	2,214,705	2,188,161	2,194,977	2,197,669	2,203,709	2,203,353
CURRENT LIABILITIES							
Employee provisions.....	4,194	3,046	4,194	4,194	4,194	4,194	4,194
Payables.....	9,509	1,973	9,509	9,509	9,509	9,509	9,509
Borrowings and leases.....	-	-	-	92	93	93	92
Other.....	78,475	19,900	78,717	78,959	78,959	78,959	78,959
Total current liabilities.....	92,178	24,919	92,420	92,754	92,755	92,755	92,754
NON-CURRENT LIABILITIES							
Employee provisions.....	954	868	954	954	954	954	954
Borrowings and leases.....	403,088	403,087	389,943	377,267	363,981	350,603	337,167
Total non-current liabilities.....	404,042	403,955	390,897	378,221	364,935	351,557	338,121
TOTAL LIABILITIES	496,220	428,874	483,317	470,975	457,690	444,312	430,875
EQUITY							
Contributed equity.....	1,567,550	1,605,256	1,583,470	1,601,015	1,616,892	1,636,377	1,653,930
Accumulated surplus/(deficit).....	67,635	79,055	61,423	66,500	71,064	78,182	82,746
Reserves.....	62,884	101,520	59,951	56,487	52,023	44,838	35,802
Total equity.....	1,698,069	1,785,831	1,704,844	1,724,002	1,739,979	1,759,397	1,772,478
TOTAL LIABILITIES AND EQUITY	2,194,289	2,214,705	2,188,161	2,194,977	2,197,669	2,203,709	2,203,353

(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	33,659	27,304	30,315	28,227	28,932	19,023	18,137
Capital appropriation	14,651	13,778	14,576	17,544	15,877	19,485	17,553
Holding account drawdowns	4,700	4,700	4,700	4,700	4,700	4,700	4,700
Net cash provided by State Government	53,010	45,782	49,591	50,471	49,509	43,208	40,390
CASHFLOWS FROM OPERATING ACTIVITIES							
Payments							
Employee benefits	(45,311)	(38,314)	(55,220)	(52,233)	(53,139)	(38,632)	(38,916)
Supplies and services	(37,446)	(59,373)	(75,181)	(66,164)	(63,547)	(58,012)	(57,014)
Accommodation	(9,792)	(11,415)	(13,749)	(14,025)	(13,989)	(11,541)	(11,541)
GST payments	(9,872)	(1,460)	(1,460)	(1,460)	(1,460)	(1,460)	(1,460)
Finance and interest costs	(10,885)	(32,212)	(31,050)	(29,608)	(27,496)	(26,572)	(26,993)
Other payments	(11,748)	(11,023)	(15,075)	(14,601)	(14,580)	(11,123)	(11,198)
Receipts							
Grants and subsidies	1,499	-	2,500	-	-	-	-
Sale of goods and services	111,792	103,261	133,177	121,607	116,819	105,049	105,717
GST receipts	9,797	1,460	1,460	1,460	1,460	1,460	1,460
Other receipts	18,136	27,144	32,478	32,113	31,566	28,926	26,374
Net cash from operating activities	16,170	(21,932)	(22,120)	(22,911)	(24,366)	(11,905)	(13,571)
CASHFLOWS FROM INVESTING ACTIVITIES							
Purchase of non-current assets	(25,683)	(10,118)	(17,666)	(16,201)	(12,712)	(17,774)	(13,165)
Other receipts	4,646	-	1,345	-	-	-	-
Net cash from investing activities	(21,037)	(10,118)	(16,321)	(16,201)	(12,712)	(17,774)	(13,165)
CASHFLOWS FROM FINANCING ACTIVITIES							
Repayment of borrowings and leases	(4,424)	(13,146)	(13,146)	(13,168)	(13,318)	(13,416)	(13,541)
Net cash from financing activities	(4,424)	(13,146)	(13,146)	(13,168)	(13,318)	(13,416)	(13,541)
NET INCREASE/(DECREASE) IN CASH HELD	43,719	586	(1,996)	(1,809)	(887)	113	113
Cash assets at the beginning of the reporting period	36,388	27,467	80,107	78,111	76,302	75,415	75,528
Cash assets at the end of the reporting period	80,107	28,053	78,111	76,302	75,415	75,528	75,641

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

Western Australian Institute of Sport

Part 8 Community Services

Asset Investment Program

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

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-19 \$'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	143	143	143	-	-	-	-
NEW WORKS							
Asset Replacement							
2019-20 Program	143	-	-	143	-	-	-
2020-21 Program	143	-	-	-	143	-	-
2021-22 Program	143	-	-	-	-	143	-
2022-23 Program	143	-	-	-	-	-	143
Total Cost of Asset Investment Program	715	143	143	143	143	143	143
FUNDED BY							
Internal Funds and Balances			143	143	143	143	143
Total Funding			143	143	143	143	143

Lotteries Commission

Part 8 Community Services

Asset Investment Program

1. Lotterywest's Asset Investment Program totals \$3.4 million in 2019-20 and \$14.2 million over the forward estimates period.
2. Lotterywest will invest:
 - 2.1. \$2.1 million developing business operating systems;
 - 2.2. \$8.4 million in new systems and products to respond to evolving customer expectations;
 - 2.3. \$300,000 to investigate grant management systems to facilitate integration of Lotterywest and Healthway grant programs;
 - 2.4. \$2.6 million maintaining information and communications technology (ICT) infrastructure environments and renewing plant and equipment, and \$300,000 for relocating Lotterywest's primary data centre to an externally managed facility in Malaga;
 - 2.5. \$1.8 million in security measures in response to increasing cyber risk; and
 - 2.6. \$300,000 to develop a concept store for proposed changes to retail distribution models.

	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							
Gaming - 2018-19 Program	324	324	324	-	-	-	-
Network - 2018-19 Program	750	750	750	-	-	-	-
Operating System - 2018-19 Program	600	600	600	-	-	-	-
Plant and Equipment - 2018-19 Program	200	200	200	-	-	-	-
Security - 2018-19 Program	1,500	1,500	1,500	-	-	-	-
Software - 2018-19 Program	250	250	250	-	-	-	-
NEW WORKS							
Business Systems							
Business System Program	1,050	-	-	300	550	100	100
Membership Enhancements	1,000	-	-	250	250	250	250
Gaming Systems							
Game Channel Development	1,500	-	-	650	300	-	550
Game Product Development	900	-	-	250	150	-	500
Gaming System Releases	500	-	-	250	250	-	-
Gaming System Renewal	5,000	-	-	-	-	-	5,000
Gaming System Test Environments	450	-	-	-	450	-	-
Grants Management System Investigation	300	-	-	300	-	-	-
ICT Infrastructure							
Infrastructure Asset Management Program	2,600	-	-	800	700	1,000	100
Relocation of Heytesbury House Data Centre	300	-	-	-	300	-	-
Plant and Equipment							
Infrastructure Asset Management Program	300	-	-	-	300	-	-
Mobile Retailing	150	-	-	150	-	-	-
Renewal Program	1,500	-	-	200	200	400	700
Property - Concept Store	300	-	-	-	300	-	-
Security - Cyber Security Uplift Program	1,750	-	-	250	750	-	750
Total Cost of Asset Investment Program	21,224	3,624	3,624	3,400	4,500	1,750	7,950
FUNDED BY							
Asset Sales			-	3,400	975	-	-
Internal Funds and Balances			3,624	-	3,525	1,750	7,950
Total Funding			3,624	3,400	4,500	1,750	7,950

Metropolitan Cemeteries Board

Part 8 Community Services

Asset Investment Program

- The Board's Asset Investment Program (AIP) totals \$27.6 million across the forward estimates period and provides quality public services in line with community expectations. The AIP also supports the Board's strategic goal to ensure the State's metropolitan cemetery system is financially sustainable over the long term.
- In 2019-20, the AIP totals \$4.3 million and is focused on development works such as:
 - improving the grounds across all sites - \$1.2 million;
 - upgrades at all chapels - \$0.6 million; and
 - restoring the Fremantle mausoleum - \$0.3 million.
- Across the forward estimates period, key projects to be delivered include upgrades to mausoleums, improvements to gardens, and the refurbishment of chapels and other cemetery buildings.

	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 and Infrastructure - 2018-19 Program.....	6,133	6,133	6,133	-	-	-	-
Burials, Entombments and Memorials - 2018-19 Program.....	765	765	765	-	-	-	-
Cremators - 2018-19 Program.....	724	724	724	-	-	-	-
Fleet, Plant and Equipment - 2018-19 Program	1,995	1,995	1,995	-	-	-	-
NEW WORKS							
Building and Infrastructure.....	16,184	-	-	2,042	2,273	5,322	6,547
Burials, Entombments and Memorials.....	4,499	-	-	1,231	535	1,375	1,358
Cremators.....	2,185	-	-	195	220	1,585	185
Fleet, Plant and Equipment	4,766	-	-	864	1,292	1,047	1,563
Total Cost of Asset Investment Program	37,251	9,617	9,617	4,332	4,320	9,329	9,653
FUNDED BY							
Internal Funds and Balances.....			9,617	4,332	4,320	9,329	9,653
Total Funding.....			9,617	4,332	4,320	9,329	9,653

Part 9

Transport

Introduction

The Transport portfolio delivers an accessible, reliable and safe transport system across all modes of transport, including road, rail, bus, ferry, freight, shipping, boating, cycling and active transport. It ensures an integrated transport network that facilitates economic and regional development, and focuses on long-term planning and investment in transport infrastructure for the State's future.

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

- A Strong Economy
 - creating jobs;
- A Liveable Environment
 - building METRONET and increasing housing opportunities nearby; 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
Transport		
– Total Cost of Services	444,257	554,997
– Asset Investment Program	35,873	38,284
Commissioner of Main Roads		
– Total Cost of Services	1,346,728	1,489,935
– Asset Investment Program	1,222,169	1,265,111
Public Transport Authority of Western Australia		
– Total Cost of Services	1,479,389	1,558,662
– Asset Investment Program	483,426	1,169,372
METRONET Projects Under Development		
– Asset Investment Program	-	61,000

Agency	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000
Fremantle Port Authority		
– Asset Investment Program	69,475	41,785
Kimberley Ports Authority		
– Asset Investment Program	21,422	8,775
Mid West Ports Authority		
– Asset Investment Program	12,612	8,900
Pilbara Ports Authority		
– Asset Investment Program	163,149	56,784
Southern Ports Authority		
– Asset Investment Program	10,560	23,138

Ministerial Responsibilities

Minister	Agency	Services
Minister for Transport; Planning	Transport	1. Strategic Transport Policy and Integrated Planning 2. Driver and Vehicle Services 3. Coastal Infrastructure 4. Marine Safety 5. On-demand Transport
	Commissioner of Main Roads	1. Infrastructure for State Development 2. Road System Management 3. Road Efficiency Improvements 4. Road Network Maintenance 5. Road Safety 6. Infrastructure for Community Access
	Public Transport Authority of Western Australia	1. Metropolitan and Regional Passenger Services 2. Country Passenger Rail and Road Coach Services 3. Regional School Bus Services 4. Rail Corridor and Residual Freight Issues Management
	METRONET Projects Under Development	n/a
Minister for Regional Development; Agriculture and Food; Ports; Minister Assisting the Minister for State Development, Jobs and Trade	Fremantle Port Authority	n/a
	Kimberly Ports Authority	n/a
	Mid West Ports Authority	n/a
	Pilbara Ports Authority	n/a
	Southern Ports Authority	n/a

Division 36 **Transport**

Part 9 **Transport**

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 79 Net amount appropriated to deliver services.....	58,519	77,301	73,589	204,692	45,005	33,868	31,666
Amount Authorised by Other Statutes							
- Salaries and Allowances Act 1975.....	1,257	1,257	894	894	894	896	899
Total appropriations provided to deliver services	59,776	78,558	74,483	205,586	45,899	34,764	32,565
ADMINISTERED TRANSACTIONS							
Item 80 Western Australian Coastal Shipping Commission	100	100	100	100	100	100	100
CAPITAL							
Item 140 Capital Appropriation	18,287	17,489	20,634	35,310	16,277	19,968	21,823
TOTAL APPROPRIATIONS	78,163	96,147	95,217	240,996	62,276	54,832	54,488
EXPENSES							
Total Cost of Services	377,429	436,152	444,257	554,997	422,990	420,643	423,330
Net Cost of Services ^(a)	40,716	99,411	99,492	210,795	45,490	35,476	33,178
CASH ASSETS ^(b)	110,173	107,404	118,437	162,007	199,582	238,157	276,732

(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					
On-demand Transport Reform - Assistance for Regional Taxi Operators	3,100	-	-	-	-
Public Transport Cost and Service Optimisation Program.....	-	470	570	-	-
Service Western Australia (ServiceWA) Pilot	-	1,363	2,574	567	-
Ongoing Initiatives					
Election Commitments					
Continuation of the Principal Shared Path Program	-	-	-	-	20,000
Fremantle Container Rail Subsidy Increase	650	650	-	-	-
METRONET Program Management Costs	1,117	1,117	-	-	-
Westport Planning	1,039	1,179	5,000	5,000	-
Other					
Connected Portfolio Project.....	127	-	-	-	-
Enhanced Speed Enforcement Administration Costs.....	-	2,560	2,537	2,608	2,679
Government Office Accommodation Reform Program	85	23	(834)	(770)	(715)
Indexation for Non-Salary Expenses	-	-	-	-	63
Indian Ocean Territories Services Delivery Agreement.....	261	261	261	261	261
Intergovernmental Agreement on Identity Matching Services	225	-	-	-	-

	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
Memorandum of Understanding - Provision of Digital Evidence to Western Australia Police Force.....	131	-	-	-	-
Port Hedland Marina	3,000	2,000	-	-	-
Port of Wyndham Operating Agreement.....	452	1,968	-	-	-
Senior Executive Service Reduction Reallocation within the Transport Portfolio	750	750	750	750	750
Tariffs, Fees and Charges	221	(4,757)	7,632	16,765	23,412
Voluntary Targeted Separation Scheme	(423)	(426)	(431)	(438)	(438)

Significant Issues Impacting the Agency

On-demand Transport

1. Implementation of the On-demand Transport reform continues in 2019-20, with legislation governing the operation of taxis and charter vehicles across Western Australia planned to be repealed in mid-2019. The transition of hire or reward vehicles to the new authorisation framework builds on the new rules and safety obligations for on-demand booking services that commenced in February 2019.
2. From July 2019, the restrictions on how Perth and regional taxis can operate, and in what number, will be removed, allowing fair competition within the taxi and charter sector and greater choices for the travelling public. New online application processes and reduced annual fees for vehicle authorisation will be introduced.
3. In 2019-20, Perth taxi plate owners will begin to receive payments from the Government's buy-back scheme. It will also be the first full financial year of the on-demand passenger transport levy through which the buy-back scheme is funded.

Cycling Infrastructure

4. The most recent cycling data shows cycling demand in Perth has grown in 2018 compared to 2017, with trips in the Perth CBD increasing by 2%. Strong growth in cycling has been observed where new infrastructure has been provided. Cycling traffic on the Tonkin Highway Principal Shared Path (PSP) near the Perth Airport has grown by 23%. Similarly, cycling traffic on the Graham Farmer Freeway PSP near Matagarup Bridge and the Perth Stadium has grown by 49% compared to 2017 levels.
5. The Government's continued investment in cycling infrastructure will attract more cyclists by providing a safe and connected path network in Perth. The allocated funding will result in \$20 million for the PSP expansion program, \$3 million for the Safe Active Streets program, and \$5 million for the Perth and Regional Bike Network Grants program in 2019-20.

Coastal Infrastructure

6. Demand for coastal infrastructure continues to grow with the ongoing need for new or improved facilities in both metropolitan and regional locations to cater for both recreational and commercial boating demands. The Department is currently progressing the planning for an unprecedented number of significant maritime related projects to ensure this demand is met.

Westport Planning

7. The Westport Taskforce was established to develop a long-term integrated solution to Perth and the surrounding regions' ports, freight and logistics needs. The Westport Taskforce will develop the Westport: Port and Environs Strategy to provide guidance to Government, to ensure that Perth and the South West's future trade and logistics requirements are met.
8. The Westport Taskforce has completed Stage 1 of the project with the release of the What We Have Found So Far Report in December 2018 and has now commenced Stage 2. Stage 2 will see the completion of the multi-criteria analysis, which will result in a short list of infrastructure options.

Driver and Vehicle Services

9. The Department continues to explore and implement initiatives that deliver improved customer and compliance outcomes. Initiatives underway and/or planned for 2019-20 include:
 - 9.1. introduction of e-billing and personalisation of messages to improve convenience, payment outcomes and communication with customers;
 - 9.2. completing the trial of an enhanced delivery model for Practical Driving Assessments that offers improved productivity, extended hours of operation and improved focus on road safety outcomes through positively influencing driver behaviour;
 - 9.3. providing a leadership role in the commencement of the ServiceWA pilot bringing together a range of transactions from across Government into a single service point by leveraging the Department's established capability in this area;
 - 9.4. expanding the trial of national document verification services to validate identity documents used to obtain a drivers licence and connect to the National Driver Licence Facial Recognition service to prevent fraud, better capture disqualified drivers and support national crime and counter-terrorism efforts as part of the State's commitment to the National Identity Security Strategy;
 - 9.5. working closely with associated agencies across Australia to introduce a practical legislative framework for connected and automated vehicles by 2020. This includes national coordination of standards, regulation and data handling requirements to set the highest standards of community safety and interoperability between states and territories of what is internationally standardised technology;
 - 9.6. introduction of an increased range of online functionality to improve the customer experience including the e-learner log book; improved fleet management capabilities; digital forms; a single change of address platform; and support for whole-of-government online initiatives; and
 - 9.7. working with service provider partners to introduce body-worn cameras to improve compliance in the conduct of heavy vehicle Practical Driving Assessments performed on the Department's behalf.

Aviation

10. The 2017 Parliamentary Inquiry into Regional Airfares in Western Australia found that there are community concerns about airfares on unregulated air routes. The Department is leading the implementation of the Economics and Industry Standing Committee's recommendations, focusing on identifying initiatives that will increase the availability of affordable airfares. The Department is collaborating with agencies, airlines and community stakeholders to help inform the review of the State Aviation Strategy and identify opportunities for improvements in regional aviation.

Freight

11. The Government is investigating and implementing a number of initiatives to help reduce congestion and improve the efficiency of the entire container freight supply chain. The Government is committed to increasing the volume of freight on rail, and has increased the container rail subsidy in order to encourage the use of rail transport and reduce the impact of an increasing freight task on metropolitan roads. New leases for the Inner Harbour container terminals and North Quay Rail Terminal are expected to improve the integration of port and landside operations and make more effective use of the container rail subsidy.
12. Western Australian exporters rely on the efficient and safe transportation of freight to support their competitiveness in the global marketplace. The Government continues to work with industry to identify and address export supply chain constraints (both infrastructure and policy) in regional Western Australia. The Revitalising Agricultural Region Freight Strategy is being developed to identify challenges facing the agricultural sector and opportunities to improve the efficiency and productivity of Western Australia's agricultural supply chains.

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
Future Jobs and Skills: Grow and diversify the economy, create jobs and support skills development.	Integrated transport systems that facilitate economic development.	1. Strategic Transport Policy and Integrated Planning
Strong Communities: Safe communities and supported families.	Vehicles and road users that meet established vehicle standards and driver competencies to deliver safe vehicles and safe drivers.	2. Driver and Vehicle Services
Better Places: A quality environment with liveable and affordable communities and vibrant regions.	An accessible and safe transport system.	3. Coastal Infrastructure 4. Marine Safety 5. On-demand Transport

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. Strategic Transport Policy and Integrated Planning	63,832	102,880	97,566	98,066	75,236	68,178	65,195
2. Driver and Vehicle Services.....	195,177	209,741	210,414	212,973	222,809	226,855	231,289
3. Coastal Infrastructure	59,783	71,322	81,668	67,789	66,809	67,894	68,862
4. Marine Safety	30,437	26,754	25,433	31,414	31,317	31,585	31,690
5. On-demand Transport	28,200	25,455	29,176	144,755	26,819	26,131	26,294
Total Cost of Services.....	377,429	436,152	444,257	554,997	422,990	420,643	423,330

Outcomes and Key Effectiveness Indicators ^(a)

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Outcome: Integrated transport systems that facilitate economic development:					
Percentage of containerised freight transported via rail in relation to total metropolitan container movements to and from Fremantle Port	16.1%	16.3%	20.2%	19%	1
Percentage of regional Local Government Areas (LGAs) that have access to regular public transport air services between the LGA and Perth	91.6%	93.5%	91.6%	91.6%	
Outcome: Vehicles and road users that meet established vehicle standards and driver competencies to deliver safe vehicles and safe drivers:					
Percentage of vehicle examinations completed in accordance with the Australian Design Rules (Safe Vehicles)	95.3%	100%	96.3%	100%	
Percentage of drivers licences issued that comply with the Graduated Driver Training and Licensing System (Safe Drivers)	94.3%	100%	96.5%	100%	
Percentage of drivers licence cards issued within 21 days of completed application	100%	100%	100%	100%	
Outcome: An accessible and safe transport system:					
Percentage of multi-purpose taxi journeys carrying passengers in wheelchairs which meet the waiting time standard ^(b)	n/a	n/a	97.9%	90%	
Percentage of time maritime infrastructure is fit for purpose when required....	99.8%	99.7%	99.5%	99.7%	
Rate of reported incidents (accidents) on the water per 10,000 registered recreational vessels	9.9	10.9	10.6	10.7	

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

(b) Due to the recent On-demand Transport reform, this new efficiency indicator replaces the no longer current indicator 'percentage by which the waiting time standard, for metropolitan area taxis, is met'.

Explanation of Significant Movements

(Notes)

1. The increase between the 2018-19 Budget and the 2018-19 Estimated Actual is primarily due to the greater than forecast demand for rail freight services as a result of the increase to the Fremantle container rail subsidy.

Services and Key Efficiency Indicators

1. Strategic Transport Policy and Integrated Planning

This service contributes towards the provision of leadership for strategic transport management, development and protection of economic nodes and networks through the provision of a range of services, including:

- analysis, planning and implementation of urban infrastructure projects and models to manage future travel demands;
- strategic policy development which supports the achievement of sustainable, effective and practical solutions for Western Australian transport networks and addresses capacity issues;
- policy advice and strategic transport solutions to Government;
- representation and negotiation, on behalf of the State Government, at national level transport-related forums to produce positive outcomes that promote and protect Western Australian interests;
- program management and delivery of major intermodal infrastructure planning and development activities that assists in economic development;
- quality assurance and assessment of the return on investment for Government funds in transport projects; and
- monitoring industry and public demand-growth to provide best practice transport channels and access which alleviates environmental impacts.

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 63,832	\$'000 102,880	\$'000 97,566	\$'000 98,066	
Less Income	66,332	63,140	64,257	67,535	
Net Cost of Service	(2,500)	39,740	33,309	30,531	
Employees (Full-Time Equivalents)	113	118	126	130	
Efficiency Indicators					
Average cost per policy hour for strategic transport policy development	\$94	\$125	\$148	\$118	
Average cost per planning hour for integrated transport planning development	\$108	\$159	\$191	\$148	

2. Driver and Vehicle Services

This service contributes towards the provision of safe, accessible, sustainable and efficient transport services and systems through the provision of driver licensing and vehicle registration services for:

- setting motor vehicle standards in accordance with national and State Government requirements, examining motor vehicles for compliance with those standards and registering and transferring compliant motor vehicles;
- setting standards and requirements for the issue of a drivers licence in accordance with State Government legislation and national identity and security and privacy policies;
- assessing driver competency, issuing and renewing drivers licences in accordance with national and State Government requirements and driver competency standards;
- securing and maintaining a database of registered vehicles and drivers, and managing vehicle identification numbers, to support the enforcement of road traffic and other relevant laws;
- collecting revenue on behalf of Government; and
- informing and educating road users about driver licensing, vehicle registration and related requirements.

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 195,177	\$'000 209,741	\$'000 210,414	\$'000 212,973	
Less Income	198,812	207,920	208,128	210,802	
Net Cost of Service	(3,635)	1,821	2,286	2,171	
Employees (Full-Time Equivalents)	934	954	962	916	
Efficiency Indicators					
Average cost per vehicle and driver transaction	\$17	\$18	\$18	\$18	
Average cost per vehicle inspection performed by vehicle examination centres	\$360	\$170	\$99	\$115	
Average cost per vehicle inspection delivered through authorised inspection stations	\$126	\$138	\$127	\$139	
Average cost per driver assessment	\$107	\$109	\$113	\$117	

3. Coastal Infrastructure

This service contributes towards the Department's outcome of an accessible and safe transport system through a range of coastal infrastructure services, including:

- planning, building and managing new and existing land and water-based maritime facilities;
- the provision of coastal engineering advice and solutions for new and existing land and water-based maritime facilities; and
- the provision of oceanographic, hydrographic, cartographic and geographic information.

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 59,783	\$'000 71,322	\$'000 81,668	\$'000 67,789	
Less Income	42,163	39,828	46,032	40,255	
Net Cost of Service	17,620	31,494	35,636	27,534	
Employees (Full-Time Equivalents)	104	110	116	119	
Efficiency Indicators					
Average cost per day per maritime infrastructure asset managed	\$81	\$85	\$86	\$85	

4. Marine Safety

This service contributes towards the safe and sustainable use of navigable waters through the provision of a range of marine safety regulatory and education services, including:

- regulation and administration of marine industry service and safety standards, including on water compliance patrols;
- licensing of recreational vessels, marine safety education, navigational services and aids in accordance with relevant legislation; and
- marine protection through provision of a pollution response team.

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 30,437	\$'000 26,754	\$'000 25,433	\$'000 31,414	
Less Income	22,083	21,371	21,518	22,010	
Net Cost of Service	8,354	5,383	3,915	9,404	
Employees (Full-Time Equivalents)	116	123	123	119	
Efficiency Indicators					
Average cost per private recreational vessel registration	\$140	\$154	\$145	\$174	
Cost to maintain marine pollution response preparedness per registered vessel	\$31	\$31	\$32	\$41	

5. On-demand Transport

This service contributes towards the provision of safe, accessible and sustainable personal on-demand transport services and systems through the provision of services for:

- setting and monitoring standards for on-demand transport vehicles;
- authorising on-demand booking services;
- administering subsidies for taxi users, student and pensioner travel schemes; and
- investigating complaints from on-demand transport patrons, operators and drivers.

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 28,200	\$'000 25,455	\$'000 29,176	\$'000 144,755	1
Less Income	7,323	4,482	4,830	3,600	
Net Cost of Service	20,877	20,973	24,346	141,155	
Employees (Full-Time Equivalents)	50	54	55	57	
Efficiency Indicators					
Cost per on-demand transport authorisation ^(a)	n/a	n/a	n/a	\$350	

(a) Due to the recent On-demand Transport reform, this new efficiency indicator replaces the no longer current indicator 'cost of regulation per taxi plate administered'.

Explanation of Significant Movements

(Notes)

1. The movement in the Total Cost of Service between the 2018-19 Estimated Actual and the 2019-20 Budget Estimate is primarily due to an increase in grants and subsidies for the On-demand Transport Voluntary Taxi Plate Buy-back Scheme.

Asset Investment Program

1. The Department's Asset Investment Program for 2019-20 is \$38.3 million. Major projects include the following:

Transforming Bunbury's Waterfront - Stage 2 (Jetty Road)

- 1.1. This project will undertake upgrades to the Jetty Road causeway to provide the enabling infrastructure for installation of new boat pens for future Stages 3a and 3b. The works involve the reconstruction of the rock revetments, reconstruction of the access road including new parking bays, multi-use pathways, drainage, feature landscaping, public toilets, lighting and services upgrades. The reconstruction of the rock revetments was completed in 2018-19 with the remaining works commencing mid-2019.

On-demand Transport Business System Enhancement

- 1.2. This project will develop system enhancements necessary to support the regulatory functions expected of the Department under a fully reformed on-demand transport industry. The project will enhance and corporately align the business systems needed for the annual authorisation and oversight of on-demand transport booking and dispatch services, vehicles and drivers. Enhancements will also be undertaken to support the ongoing education, enforcement and audit of all stakeholders in the safety chain of accountability.

Maritime Facilities Program

- 1.3. This program comprises asset replacement and additional public maritime infrastructure throughout the State to meet current and future boating requirements. Significant projects planned to be undertaken in 2019-20 include continuation of improvements and asset replacement works within Two Rocks Marina, reconstruction of the Onslow (Beadon Creek) Maritime Facility rock training wall and the replacement of the damaged weir at the Bandy Creek Boat Harbour in Esperance.

Driver and Vehicle Services Reform Program

- 1.4. This program of works will modernise Driver and Vehicle Services' information systems by implementing new technology that increases the number of transactions customers can conduct without face-to-face attendance at licensing centres. This program also enhances licensing centre facilities to improve customer service.

Information and Communications Infrastructure

- 1.5. This is a program for the development and ongoing maintenance of information and communications infrastructure and applications for the Department and shared projects on behalf of the Department of Planning, Lands and Heritage. The program includes asset upgrade and replacement of data storage, networks, servers, communications hardware and corporate information systems.

	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							
Coastal Infrastructure - Transforming Bunbury's Waterfront - Stage 2 (Jetty Road)	9,877	3,704	3,532	6,173	-	-	-
Driver and Vehicle Services - Intergovernmental Agreement on Identity Matching Services	2,612	1,352	1,352	1,260	-	-	-
On-demand Transport - Business System Enhancement....	14,300	6,820	5,330	5,540	1,940	-	-
COMPLETED WORKS							
Business Information Systems - Information and Communications Infrastructure - 2018-19 Program	5,569	5,569	5,569	-	-	-	-
Coastal Infrastructure - Maritime Facilities - 2018-19 Program	13,185	13,185	13,185	-	-	-	-
Corporate - Accommodation and Refurbishment - 2018-19 Program	771	771	771	-	-	-	-
Driver and Vehicle Services - Reform - 2018-19 Program	4,707	4,707	4,707	-	-	-	-

	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
Marine Safety							
Marine Oil Pollution Response Equipment -							
Enhancement/Replacement - 2018-19 Program	133	133	133	-	-	-	-
Navigational Aids - 2018-19 Program	505	505	505	-	-	-	-
Vessel Replacement - 2018-19 Program	420	420	420	-	-	-	-
Minor Works - 2018-19 Program	369	369	369	-	-	-	-
NEW WORKS							
Business Information Systems - Information and							
Communications Infrastructure							
2019-20 Program	4,000	-	-	4,000	-	-	-
2020-21 Program	3,374	-	-	-	3,374	-	-
2021-22 Program	5,215	-	-	-	-	5,215	-
2022-23 Program	6,525	-	-	-	-	-	6,525
Coastal Infrastructure - Maritime Facilities							
2019-20 Program	11,315	-	-	11,315	-	-	-
2020-21 Program	7,840	-	-	-	7,840	-	-
2021-22 Program	8,743	-	-	-	-	8,743	-
2022-23 Program	9,180	-	-	-	-	-	9,180
Corporate - Accommodation and Refurbishment							
2019-20 Program	603	-	-	603	-	-	-
2020-21 Program	592	-	-	-	592	-	-
2021-22 Program	779	-	-	-	-	779	-
2022-23 Program	818	-	-	-	-	-	818
Driver and Vehicle Services - Reform							
2019-20 Program	6,013	-	-	6,013	-	-	-
2020-21 Program	2,150	-	-	-	2,150	-	-
2021-22 Program	3,200	-	-	-	-	3,200	-
2022-23 Program	3,200	-	-	-	-	-	3,200
ServiceWA Pilot	1,710	-	-	1,425	285	-	-
Marine Safety							
Marine Oil Pollution Response Equipment -							
Enhancement/Replacement							
2019-20 Program	200	-	-	200	-	-	-
2020-21 Program	200	-	-	-	200	-	-
2021-22 Program	200	-	-	-	-	200	-
2022-23 program	200	-	-	-	-	-	200
Navigational Aids							
2019-20 Program	721	-	-	721	-	-	-
2020-21 Program	854	-	-	-	854	-	-
2021-22 Program	872	-	-	-	-	872	-
2022-23 Program	912	-	-	-	-	-	912
Vessel Replacement							
2019-20 Program	580	-	-	580	-	-	-
2020-21 Program	580	-	-	-	580	-	-
2021-22 Program	580	-	-	-	-	580	-
2022-23 Program	580	-	-	-	-	-	580
Minor Works							
2019-20 Program	454	-	-	454	-	-	-
2020-21 Program	522	-	-	-	522	-	-
2021-22 Program	379	-	-	-	-	379	-
2022-23 Program	408	-	-	-	-	-	408
Total Cost of Asset Investment Program	135,947	37,535	35,873	38,284	18,337	19,968	21,823
FUNDED BY							
Capital Appropriation			20,634	20,310	16,277	19,968	21,823
Funding Included in Department of Treasury							
Administered Item			-	5,220	1,940	-	-
Internal Funds and Balances			9,232	7,185	-	-	-
Other			2,475	1,322	120	-	-
Drawdowns from Royalties for Regions Fund			3,532	4,247	-	-	-
Total Funding			35,873	38,284	18,337	19,968	21,823

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 movement in the Total Cost of Services between the 2018-19 Estimated Actual and the 2019-20 Budget Estimate is primarily due to an increase in grants and subsidies for the On-demand Transport Voluntary Taxi Plate Buy-back Scheme.

Income

3. The increase in income between the 2018-19 Estimated Actual and the 2019-20 Budget Estimate is primarily due to revenue from Main Roads for cycling grants to local governments.

Statement of Financial Position

4. Restricted cash is increasing over the forward estimates period as the allocation of expenditure from the Perth Parking Licensing Account is yet to be determined.

Statement of Cashflows

5. The increase in service appropriation in the 2019-20 Budget Estimate compared to the 2018-19 Estimated Actual is primarily due to the On-demand Transport Voluntary Taxi Plate Buy-back Scheme.
6. The 2019-20 Budget Estimate for capital appropriation includes funding for the expected ongoing operational costs of managing the proposed Port Hedland Marina.
7. The administered equity contribution reflects funding to be applied to the development of the business information systems required to regulate the on-demand transport 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)	137,355	140,738	141,142	143,641	144,940	145,790	143,840
Grants and subsidies ^(c)	91,559	132,012	127,571	236,433	98,011	90,589	94,078
Supplies and services	71,154	84,043	94,463	90,352	89,410	90,531	88,330
Accommodation	26,766	28,583	28,667	17,651	17,457	17,262	17,153
Depreciation and amortisation	21,590	22,368	22,327	35,332	36,380	34,822	34,824
Finance and interest costs	-	-	-	3,300	3,486	3,121	2,714
Other expenses	29,005	28,408	30,087	28,288	33,306	38,528	42,391
TOTAL COST OF SERVICES	377,429	436,152	444,257	554,997	422,990	420,643	423,330
Income							
Sale of goods and services	24,403	27,168	27,168	28,054	30,137	32,029	33,989
Regulatory fees and fines	203,922	212,185	213,486	214,556	230,159	235,556	240,364
Grants and subsidies	19,627	10,110	10,838	13,984	28,045	28,000	26,195
Taxation	57,890	58,225	58,225	58,911	60,081	60,081	60,081
Other revenue	30,871	29,053	35,048	28,697	29,078	29,501	29,523
Total Income	336,713	336,741	344,765	344,202	377,500	385,167	390,152
NET COST OF SERVICES	40,716	99,411	99,492	210,795	45,490	35,476	33,178
INCOME FROM STATE GOVERNMENT							
Service appropriations	59,776	78,558	74,483	205,586	45,899	34,764	32,565
Resources received free of charge	1,710	1,989	1,989	1,989	1,989	1,989	1,989
Royalties for Regions Fund: Regional Community Services Fund	36,649	42,914	46,542	34,447	35,447	34,448	34,349
TOTAL INCOME FROM STATE GOVERNMENT	98,135	123,461	123,014	242,022	83,335	71,201	68,903
SURPLUS/(DEFICIENCY) FOR THE PERIOD	57,419	24,050	23,522	31,227	37,845	35,725	35,725

(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 1,317, 1,382 and 1,341 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
Active Traffic Management.....	2,228	2,250	2,250	2,250	2,250	2,250	2,250
Australian Maritime Safety Authority	460	250	600	240	-	-	-
Aviation (Public Air Route) Subsidies	380	1,500	500	500	1,500	500	500
Bicycle Boulevards (Safe Active Streets Program).....	3,896	3,000	3,507	3,000	3,000	3,000	-
Coastal Projects and Zone Management	757	1,057	1,057	1,057	1,057	1,057	1,057
Community Police	1,284	1,300	1,300	1,300	1,300	1,300	1,300
Country Age Pension Fuel Card Scheme.....	26,163	30,923	30,923	30,891	30,891	30,891	30,891
East Perth Multi-Modal Transport Initiatives	1,749	-	-	-	-	-	-
Emergency Vehicle Insurance.....	161	-	-	-	-	-	-
Fare Subsidies (Pensioners)	1,465	1,589	1,589	1,589	1,589	1,589	1,589
Fremantle Container Rail Subsidy.....	3,549	5,250	5,900	5,900	5,250	1,169	-
Local Projects Local Jobs.....	1,405	788	1,154	-	-	-	-
Marine Communications.....	667	670	670	670	670	670	670
Multi-purpose Taxi - Vehicle Modification Grant.....	180	345	345	345	345	345	345
National Transport Reforms	309	300	300	300	300	300	300
On-demand Transport Reform Regional Reform.....	-	390	390	-	-	-	-
Transition Assistance Package.....	2,245	-	-	-	-	-	-
Voluntary Taxi Plate Buy-back Scheme.....	-	-	-	118,320	-	-	-
Other Grants and Subsidies	867	230	230	230	210	210	210
Port of Wyndham.....	1,928	1,988	2,222	2,569	1,988	1,988	1,988
Public Transport Authority - CAT Bus Services.....	14,894	15,690	16,216	16,055	15,292	15,292	15,292
Recreational Boat Facilities	1,805	6,730	9,538	500	2,500	1,500	1,500
Regional Airport Development Scheme	2,059	18,966	7,584	11,622	1,935	1,935	1,935
Regional Taxi Transition Fund.....	-	-	3,100	-	-	-	-
Student Fare Concessions	1,399	1,241	1,241	1,241	1,241	1,241	1,241
Taxi User Co-Payment	2,262	1,959	1,959	1,959	1,959	1,959	1,959
Taxi User Subsidy Scheme	9,932	8,826	8,826	8,826	8,826	8,826	8,826
Western Australian Bicycle Network (including Principal Shared Path Network)	9,515	26,770	26,170	27,069	15,908	14,567	22,225
TOTAL	91,559	132,012	127,571	236,433	98,011	90,589	94,078

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.....	31,004	13,164	16,214	8,454	5,355	3,137	1,069
Restricted cash.....	78,144	93,369	100,842	151,816	191,949	232,082	272,215
Receivables.....	15,204	9,230	15,204	15,204	15,204	15,204	15,204
Other.....	5,630	6,114	5,630	5,630	5,630	5,630	5,630
Assets held for sale.....	7,757	-	7,757	7,757	7,757	7,757	7,757
Total current assets.....	137,739	121,877	145,647	188,861	225,895	263,810	301,875
NON-CURRENT ASSETS							
Holding account receivables.....	236,457	256,332	256,291	279,583	303,880	325,829	346,941
Property, plant and equipment.....	427,856	450,433	434,683	532,836	517,199	503,826	492,318
Intangibles.....	36,184	28,670	35,403	35,627	33,841	33,060	32,279
Restricted cash.....	1,025	871	1,381	1,737	2,278	2,938	3,448
Total non-current assets.....	701,522	736,306	727,758	849,783	857,198	865,653	874,986
TOTAL ASSETS.....	839,261	858,183	873,405	1,038,644	1,083,093	1,129,463	1,176,861
CURRENT LIABILITIES							
Employee provisions.....	21,366	23,580	21,722	22,078	22,434	22,790	23,146
Payables.....	19,930	20,881	19,930	19,930	19,930	19,930	19,930
Other.....	713	530	713	3,713	713	713	713
Total current liabilities.....	42,009	44,991	42,365	45,721	43,077	43,433	43,789
NON-CURRENT LIABILITIES							
Employee provisions.....	5,973	6,559	5,973	5,973	5,973	5,973	5,973
Borrowings and leases.....	-	-	-	85,879	76,910	67,231	56,725
Other.....	81	183	81	81	81	81	81
Total non-current liabilities.....	6,054	6,742	6,054	91,933	82,964	73,285	62,779
TOTAL LIABILITIES.....	48,063	51,733	48,419	137,654	126,041	116,718	106,568
EQUITY							
Contributed equity.....	499,071	510,646	509,337	554,114	572,331	592,299	614,122
Accumulated surplus/(deficit).....	290,224	293,556	313,746	344,973	382,818	418,543	454,268
Reserves.....	1,903	2,248	1,903	1,903	1,903	1,903	1,903
Total equity.....	791,198	806,450	824,986	900,990	957,052	1,012,745	1,070,293
TOTAL LIABILITIES AND EQUITY.....	839,261	858,183	873,405	1,038,644	1,083,093	1,129,463	1,176,861

(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	39,901	58,683	54,649	182,294	21,602	12,815	11,453
Capital appropriation	18,287	17,489	20,634	35,310	16,277	19,968	21,823
Administered equity contribution	-	200	-	5,220	1,940	-	-
Royalties for Regions Fund:							
Regional Community Services Fund	36,649	42,914	46,542	34,447	35,447	34,448	34,349
Regional Infrastructure and Headworks Fund	3,488	7,779	3,532	4,247	-	-	-
Receipts paid into Consolidated Account	-	(13,900)	(13,900)	-	-	-	-
Net cash provided by State Government	98,325	113,165	111,457	261,518	75,266	67,231	67,625
CASHFLOWS FROM OPERATING ACTIVITIES							
Payments							
Employee benefits	(139,353)	(140,382)	(140,786)	(143,285)	(144,584)	(145,434)	(143,484)
Grants and subsidies	(86,923)	(132,012)	(127,571)	(236,433)	(98,011)	(90,589)	(94,078)
Supplies and services	(71,002)	(80,698)	(91,118)	(87,112)	(86,136)	(87,242)	(85,030)
Accommodation	(29,159)	(28,583)	(28,667)	(17,651)	(17,457)	(17,262)	(17,153)
GST payments	(23,114)	(26,706)	(26,706)	(26,706)	(26,706)	(26,706)	(26,706)
Finance and interest costs	-	-	-	(3,300)	(3,486)	(3,121)	(2,714)
Other payments	(29,265)	(29,764)	(31,443)	(29,539)	(34,591)	(39,828)	(43,702)
Receipts ^(b)							
Regulatory fees and fines	204,061	212,185	213,486	216,256	228,459	235,556	240,364
Grants and subsidies	12,986	10,110	10,838	13,984	28,045	28,000	26,195
Sale of goods and services	24,430	27,168	27,168	28,054	30,137	32,029	33,989
Taxation	57,890	58,225	58,225	58,911	60,081	60,081	60,081
GST receipts	23,003	26,706	26,706	26,706	26,706	26,706	26,706
Other receipts	30,293	29,053	35,048	29,997	27,778	29,501	29,523
Net cash from operating activities	(26,153)	(74,698)	(74,820)	(170,118)	(9,765)	1,691	3,991
CASHFLOWS FROM INVESTING ACTIVITIES							
Purchase of non-current assets	(25,422)	(32,405)	(35,873)	(38,284)	(18,337)	(19,968)	(21,823)
Proceeds from sale of non-current assets	89	7,500	7,500	-	-	-	-
Net cash from investing activities	(25,333)	(24,905)	(28,373)	(38,284)	(18,337)	(19,968)	(21,823)
CASHFLOWS FROM FINANCING ACTIVITIES							
Repayment of borrowings and leases	-	-	-	(9,546)	(9,589)	(10,379)	(11,218)
Net cash from financing activities	-	-	-	(9,546)	(9,589)	(10,379)	(11,218)
NET INCREASE/(DECREASE) IN CASH HELD	46,839	13,562	8,264	43,570	37,575	38,575	38,575
Cash assets at the beginning of the reporting period	70,872	93,842	110,173	118,437	162,007	199,582	238,157
Net cash transferred to/from other agencies	(7,538)	-	-	-	-	-	-
Cash assets at the end of the reporting period	110,173	107,404	118,437	162,007	199,582	238,157	276,732

(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
Regulatory Fees and Fines							
Motor Drivers Licence Fees	59,349	66,250	66,250	69,442	70,683	69,699	67,436
Motor Vehicle Recording Fee	60,659	58,567	58,567	55,502	59,621	64,474	69,617
Motor Vehicle Plate Fees	14,240	13,509	13,509	15,106	15,303	15,504	15,707
Motor Vehicle Transfer Fees	9,784	9,816	9,816	8,963	9,074	9,187	9,301
Motor Vehicle Inspection Fees	14,179	18,707	18,707	19,630	19,926	20,376	20,836
Other Driver and Vehicle Services Fees	6,877	6,146	6,147	5,968	6,077	6,189	6,304
Boat Registration Fees	18,780	19,641	19,641	20,258	20,761	21,016	21,405
Other Marine Safety Fees	1,320	1,837	1,837	1,820	1,852	1,884	1,917
Jetty Licences and Coastal Facility Fees	12,962	13,530	14,610	16,345	18,183	18,815	19,129
On-demand Services Revenue	5,911	4,182	4,402	3,222	6,979	8,412	8,712
Grants and Subsidies							
Grants and Contributions Received	12,986	10,110	10,838	13,984	28,045	28,000	26,195
Sale of Goods and Services							
Sale of Goods and Services	24,430	27,168	27,168	28,054	30,137	32,029	33,989
Taxation							
Perth Parking Levy	57,890	58,225	58,225	58,911	60,081	60,081	60,081
GST Receipts							
GST Input Credits	15,642	18,825	18,825	18,825	18,825	18,825	18,825
GST Receipts on Sales	7,361	7,881	7,881	7,881	7,881	7,881	7,881
Other Receipts							
Rents and Leases	17,121	17,561	17,553	17,404	17,404	17,404	17,404
Service Delivery Agreement	3,849	1,967	5,688	3,357	1,967	1,967	1,967
Interest Revenue	689	296	296	296	296	296	296
Other Revenue	8,634	9,229	11,511	8,940	8,111	9,834	9,856
TOTAL	352,663	363,447	371,471	373,908	401,206	411,873	416,858

(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							
Taxation							
Motor Vehicle Licence Fees.....	894,449	911,322	945,846	980,044	1,035,523	1,109,987	1,185,953
On-demand Transport Levy	-	2,500	2,500	29,500	29,500	29,500	28,000
Fines							
Final Demand Fees.....	2,364	2,469	2,469	2,459	2,508	2,558	2,610
Other Fines	28,666	23,028	23,028	23,028	23,028	23,028	23,028
Plate and Transfer Infringements.....	8,190	8,474	8,474	8,355	8,235	8,117	8,001
Speed and Red Light Fines.....	79,837	90,114	79,256	77,793	76,330	74,868	73,405
Other							
Appropriation.....	100	100	100	100	100	100	100
Collection of Interstate Licence Fees	3,298	-	-	-	-	-	-
Off Road Vehicle Fees.....	59	60	60	106	120	133	147
TOTAL ADMINISTERED INCOME	1,016,963	1,038,067	1,061,733	1,121,385	1,175,344	1,248,291	1,321,244
EXPENSES							
Statutory Authorities							
Western Australian Coastal Shipping Commission	100	100	100	100	100	100	100
Other							
All Other Expenses	3,722	-	-	-	-	-	-
Payments to Consolidated Account.....	932,383	947,792	982,316	1,043,386	1,098,794	1,173,190	1,247,592
Payments to Off Road Vehicle Trust Account	58	61	61	106	120	133	147
Payments to Road Trauma Trust Account....	79,837	90,114	79,256	77,793	76,330	74,868	73,405
TOTAL ADMINISTERED EXPENSES	1,016,100	1,038,067	1,061,733	1,121,385	1,175,344	1,248,291	1,321,244

Division 37 Commissioner of Main Roads

Part 9 Transport

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 81 Net amount appropriated to deliver services.....	332,019	323,019	318,553	349,411	370,224	369,569	366,944
Amount Authorised by Other Statutes							
- Road Traffic Act 1974.....	565,348	659,253	654,319	748,093	775,666	830,245	774,183
- Salaries and Allowances Act 1975.....	425	425	425	425	425	425	426
Total appropriations provided to deliver services	897,792	982,697	973,297	1,097,929	1,146,315	1,200,239	1,141,553
CAPITAL							
Capital Appropriation.....	-	3,000	-	-	-	3,318	-
- Road Traffic Act 1974.....	336,556	260,253	299,027	239,451	267,357	287,243	419,271
TOTAL APPROPRIATIONS	1,234,348	1,245,950	1,272,324	1,337,380	1,413,672	1,490,800	1,560,824
EXPENSES							
Total Cost of Services	1,263,566	1,281,944	1,346,728	1,489,935	1,307,259	1,281,464	1,281,145
Net Cost of Services ^(a)	167,372	207,918	389,706	518,748	658,473	692,350	337,768
CASH ASSETS ^(b)	534,799	366,813	330,842	174,909	228,748	273,705	321,729

(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					
Abernethy Road Upgrade	-	4,000	18,000	4,500	-
Duncan and Gordon Downs Road Upgrades	-	20,000	28,800	2,200	500
Lloyd Street Extension.....	800	3,900	8,900	6,400	-
Shorehaven Boulevard.....	100	800	1,800	2,300	-
Wheatbelt Secondary Freight Routes.....	-	100	1,000	1,300	13,640
Ongoing Initiatives					
Additional Third-Party Works.....	30,705	2,500	2,500	2,500	2,500
Asset Retirements and Depreciation Update.....	35,418	1,911	(12,271)	(8,589)	(15,236)
Brearley Avenue Road Works	-	12,400	-	-	-
Collie-Preston Road Upgrades - Transfer to the Department of Biodiversity, Conservation and Attractions	(200)	(3,000)	(100)	-	-
Heavy Vehicle Operations - Revenue Revision.....	(684)	(860)	(1,100)	(1,100)	(1,100)
Heavy Vehicle Safety and Productivity Program	250	500	568	-	-
Lease Renegotiation - Great Eastern Highway Office Accommodation	(1,296)	(1,285)	(1,274)	(1,263)	(1,263)
METRONET - Bayswater Train Station Road Related Works	-	9,958	31,865	25,177	-
Motor Vehicle Licence Fee Revenue Update	-	7,155	13,705	23,622	8,508
Operational Expense - Recurrent to Capital.....	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)
Principal Shared Path Program Continuation	-	-	-	-	(20,000)
Western Australia Natural Disaster Relief and Recovery Arrangements Update ...	89,246	65,199	(133)	(134)	(135)

	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 Interstate Road Transport Act 1985 - Revenue Update.....	(2,300)	(2,800)	(2,800)	(2,800)	(2,800)
Commonwealth Revenue Revision (Recurrent to Capital)	-	-	(20,000)	(25,885)	-
Indexation for Non-Salary Expenses	-	-	-	-	7,094
Senior Executive Service Reduction within the Transport Portfolio	(500)	(500)	(500)	(500)	(500)
Voluntary Targeted Separation Scheme	(2,259)	(2,280)	(2,302)	(2,302)	(2,334)

Significant Issues Impacting the Agency

1. Main Roads continues to drive the strategic direction Keeping WA Moving to move beyond the traditional three to five year planning horizon. Keeping WA Moving positions Main Roads to respond in a fast-changing world. It continues to set the direction for the next 10, 20 and even 30 years into the future.
2. Continuing the strong collaboration as a Transport portfolio is vital to the work Main Roads undertakes. Main Roads has a specific focus on the considerable benefits offered by a cohesive, integrated approach to the planning, investment and delivery of the State's transport system.
3. Succession planning and changing business requirements requires constant vigilance on workforce planning and development of appropriate training programmes to upskill Main Roads employees. Both the graduate program and the route management program are examples of Main Roads providing targeted, competency-based training in various areas of the business to ensure the workforce has the right skills at the right time.
4. The number of people that are killed or seriously injured on the State's road network is a significant concern and not acceptable. Main Roads' Road Safety Management System applies Safe System principles in order to manage the interaction between the road, travel speed, the vehicle and road user to assist in addressing road trauma. Main Roads is working with the Western Australian Local Government Association to develop a Road Safety Management System model that is appropriate for local governments. Main Roads continues to work collaboratively with the Western Australia Police Force and the Road Safety Commission to reduce the level of road trauma across Western Australia.
5. Progress has been made to increase the number of Aboriginal employment and business opportunities across the civil construction industry. Recent examples include the success that has been achieved on the Wyndham Spur Road project in the Kimberley region. Main Roads is continuing to build the provision of three years of ongoing road construction opportunities to enable a pool of skilled workers to be developed in the Kimberley region. The objective is to create a skilled workforce and enable Aboriginal service businesses to support Main Roads' ongoing program of works.
6. Congested roads affect travel time, impacting on the State's economy and the wellbeing of Western Australians. The avoidable cost of Perth's congestion in 2018 was estimated to be \$1.6 billion. Main Roads has, through the new Road Network Operations Centre, incorporated the use of 'big data' to measure and monitor various road network performance indicators. This data is used to improve planning and real-time operations supporting informed decision-making. Through new technologies and smarter operations, coupled with traditional civil widening, Main Roads continues to focus on reducing the impact of congestion by optimising the existing infrastructure assets.
7. Geographic isolation and vast distances mean that Western Australia depends heavily on the efficient movement of freight. Main Roads collaborates in the development of the Westport: Port and Environs Strategy which will provide a long-range vision to guide the planning, development and growth of both the Inner and Outer Harbours. In regional areas, efficient transport networks, including access to ports, is vital to sustain and grow economic activity. As the population and economy grows, a continued focus on multi-modal solutions is required.
8. The Commonwealth Government has put in place a new determination regarding the Recovery from Disaster Events. Main Roads has worked closely with the Department of Fire and Emergency Services to not only ensure that the State's road assets (State and local government owned) are restored to pre-disaster functionality but also to ensure that the State is able to maximise its claim for Commonwealth support.
9. Main Roads continues to monitor potential transport developments such as connected and automated vehicles, electric vehicles, ride sharing and micro mobility. Collaboration at State, national and international levels is ongoing to understand the possibilities and implications on the road network and the broader integrated land transport system. Predicting when the impact of these technologies will reach critical mass is a significant issue for urban and transport planners internationally.

10. Main Roads has put in place a new five year agreement with local government, which reinforces the strong working relationship between local governments and the State. There is a recognised need for cooperation and coordination between agencies with an interest in roads. This will ensure that the most efficient and effective use can be made of the funds available for roads and that the best possible outcomes are achieved.
11. The identification of new skills and capabilities required by the road sector to meet future growth and needs is evolving with an understanding of the new technologies. Austroads has undertaken research across Australia and New Zealand; however, this work has still to be advanced at a national level.
12. Main Roads continues to support Open Data principles aligned to the Western Australian Whole of Government Open Data Policy by releasing both historical and near real-time data through the Main Roads Open Data, Maps and Apps Portal. Providing access to data sources and collaborating with industry, consultants and academia facilitates the aim of contributing to enhanced economic and social benefits. Participation in a Transport portfolio project aligned to data also ensures that access to open data is optimised.
13. Main Roads recognises that Western Australia is a biodiversity hotspot and has unique environmental values. Protecting environmental values is imbedded in Main Roads' business. The Main Roads environmental management system and environmental policy establishes objectives of environmental protection, impact minimisation, conservation of natural resources and a commitment to enhanced environmental performance. Main Roads works collaboratively with the Departments of Water and Environmental Regulation, and Biodiversity, Conservation and Attractions to ensure environmental values are protected at the same time as meeting road safety objectives.

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
Future Jobs and Skills: Grow and diversify the economy, create jobs and support skills development.	Facilitate economic and regional development.	1. Infrastructure for State Development
Better Places: A quality environment with liveable and affordable communities and vibrant regions.	Reliable and efficient movement of people and goods.	2. Road System Management 3. Road Efficiency Improvements
	A well maintained road network.	4. Road Network Maintenance
Strong Communities: Safe communities and supported families.	A safe road environment.	5. Road Safety
	Improved community access and roadside amenity.	6. Infrastructure for Community Access

Total Cost of Services - Reconciliation to Service Summary Table

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
Total Cost of Services	1,263,566	1,281,944	1,346,728	1,489,935	1,307,259	1,281,464	1,281,145
Add:							
Road Infrastructure Capital Works ^(a)	1,054,044	1,332,881	1,222,169	1,265,111	806,593	852,826	1,272,309
Less:							
Local Government Network Expenditure							
State Road Funds to Local Government							
Agreement ^(b)	(183,917)	(181,578)	(162,264)	(216,008)	(207,104)	(221,997)	(237,190)
Major Works on Local Government							
Roads ^(c)	(94,712)	(76,000)	(44,643)	(45,342)	(37,193)	(2,000)	-
Disaster Recovery on Local Government							
Roads ^(d)	(142,609)	(42,000)	(150,977)	(109,580)	(44,250)	(44,250)	(44,250)
Non-cash Expenditure							
Road Infrastructure Depreciation ^(e)	(350,909)	(378,871)	(375,766)	(406,886)	(427,416)	(426,570)	(423,831)
Road Transfers and Retirements ^(f)	(54,199)	(58,647)	(97,170)	(83,733)	(8,850)	(13,387)	(9,482)
Adjusted Total Cost of Services	1,491,264	1,877,729	1,738,077	1,893,497	1,389,039	1,426,086	1,838,701

(a) Road Infrastructure Capital Works reflects road works expenditure capitalised to infrastructure which is not reflected in the Income Statement in accordance with Australian Accounting Standard AASB 1055.

(b) A new State Road Funds to Local Government Agreement was signed in October 2018. This Agreement will run until the end of 2022-23.

(c) The Major Works on Local Government Roads include works on the Mandurah Traffic Bridge, Nicholson Road Grade Separation, Stephenson Avenue, Broome-Cape Leveque and Outback Way.

(d) Natural Disaster Expenditure on Local Government Roads estimates reflect a base notional allocation, which is updated when actual natural disaster event expenditure is recouped.

(e) Road Infrastructure Depreciation includes amortisation of intangibles.

(f) Road Transfers and Retirements reflect retired non-current fixed assets expense and expenditure related to non-current fixed assets transferred to local authorities, both of which are non-cash transactions.

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. Infrastructure for State Development.....	458,406	505,295	446,304	459,282	277,593	407,621	476,531
2. Road System Management	144,460	144,596	151,895	144,816	139,197	148,058	153,386
3. Road Efficiency Improvements	268,594	542,003	472,226	584,344	337,882	243,398	558,702
4. Road Network Maintenance	411,096	440,460	433,569	413,887	390,817	392,698	394,560
5. Road Safety.....	182,015	211,608	202,253	191,659	169,421	160,159	154,466
6. Infrastructure for Community Access.....	26,693	33,767	31,830	99,509	74,129	74,152	101,056
Adjusted Total Cost of Services	1,491,264	1,877,729	1,738,077	1,893,497	1,389,039	1,426,086	1,838,701

Outcomes and Key Effectiveness Indicators ^(a)

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Outcome: Facilitate economic and regional development:					
Return on construction expenditure.....	3.3	3.8	4	4	
Outcome: Reliable and efficient movement of people and goods:					
Community satisfaction	88%	90%	90%	90%	
Road network permitted for use by heavy freight vehicles					
B-Doubles 27.5m	97%	97%	97%	97%	
Double road trains 27.5m	97%	97%	97%	97%	
Double road trains 36.5m	80%	80%	80%	80%	
Triple road trains 53.5m	45%	45%	45%	45%	
Network configuration - roads.....	92%	90%	92%	90%	
Network configuration - bridges.....					
Strength	94%	93%	93%	93%	
Width	96%	96%	96%	96%	
Outcome: A well maintained road network:					
Smooth travel exposure.....	n/a	97%	97%	n/a	1
Community satisfaction with road maintenance	82%	90%	90%	90%	
Preventative maintenance indicator	84%	85%	84%	85%	
Outcome: A safe road environment:					
Community satisfaction with road safety	88%	90%	90%	90%	
Blackspot location indicator	7.92	7.66	7.4	6.81	
Outcome: Improved community access and roadside amenity:					
Percentage of the year that 100% of the Main Roads' State road network is available	87%	95%	91%	95%	
Community satisfaction with cycleways and pedestrian facilities	89%	90%	90%	90%	

(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 is based on the percentage of travel undertaken on the State road network meeting specific roughness criteria. In 2011, it was agreed to only capture data used for this reporting on a biennial basis. The period 2019-20 is a non-reporting period; the next result will be reported in 2020-21.

Services and Key Efficiency Indicators

1. Infrastructure for State Development

The objective of this service is to expand the road network in accordance with Government transport and land use strategies that will facilitate the economic and regional development of the State. These works are mostly aimed at increasing the capacity of the road network through the addition of new links, which include town bypasses.

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 458,406	\$'000 505,295	\$'000 446,304	\$'000 459,282	1
Less Income	585,085	426,392	357,401	365,076	2
Net Cost of Service	(126,679)	78,903	88,903	94,206	
Employees (Full-Time Equivalents)	117	115	118	118	
Efficiency Indicators					
Percentage of projects completed on time	75%	90%	80%	90%	
Percentage of projects completed on budget	100%	90%	90%	90%	

Explanation of Significant Movements

(Notes)

1. The reduction in the Total Cost of Service between the 2018-19 Budget and the 2018-19 Estimate Actual is due mainly to lower expenditure on the Great Northern Highway - Muchea to Wubin works than previously forecast.
2. Income is mainly from Commonwealth funding provided from National Partnership Agreements. In 2017-18, income is above the Total Cost of Service due mainly to the Commonwealth GST equalisation payment made to Western Australia where funds were received ahead of works' expenditure.

2. Road System Management

The objective of this service is to optimise real-time management of the network, provide traveller information and support delivery of projects. Works include activities of the traffic operation centre, heavy vehicle operation activities, metropolitan and regional road asset management, road user and customer services, emergency telephones, street lighting, intelligent transport systems, traffic signals and road advisory services to the community.

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 144,460	\$'000 144,596	\$'000 151,895	\$'000 144,816	
Less Income	21,055	12,878	16,610	10,955	
Net Cost of Service	123,405	131,718	135,285	133,861	
Employees (Full-Time Equivalents)	581	568	586	585	
Efficiency Indicators					
Average cost of network management per million vehicle kilometres travelled	\$5,388	\$5,540	\$6,116	\$5,983	

3. Road Efficiency Improvements

The objective of this service is to improve the efficiency, capacity and utilisation of the existing road network. Improvements include providing a road of improved standard through geometric improvements, road widening, bridge strengthening and intersection improvements including roundabouts and interchanges.

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 268,594	\$'000 542,003	\$'000 472,226	\$'000 584,344	1,2,3
Less Income	122,744	331,318	201,246	244,261	4
Net Cost of Service	145,850	210,685	270,980	340,083	
Employees (Full-Time Equivalents)	95	93	97	97	
Efficiency Indicators					
Percentage of projects completed on time	83%	90%	80%	90%	
Percentage of projects completed on budget	100%	90%	90%	90%	

Explanation of Significant Movements

(Notes)

1. The increase in the Total Cost of Service between the 2017-18 Actual and the 2018-19 Budget is due mainly to increased expenditure on projects including Armadale Road (Anstey Road to Tapper Road), Great Northern Highway (Wyndham Spur and Maggie's Jump Up), Mitchell Freeway (Burns Beach Road to Hester Avenue) and Transforming Freeways (Roe Highway to Narrows Bridge).
2. The reduction in the Total Cost of Service between the 2018-19 Budget and the 2018-19 Estimated Actual is due to lower expenditure for a number of projects than previously forecast. These included Mitchell Freeway (Hutton Street to Cedric Street), Great Northern Highway (New Norcia Bypass), Bunbury Outer Ring Road and Reid Highway (Altona Road to West Swan Road).
3. The increase in the Total Cost of Service between the 2018-19 Estimated Actual and the 2019-20 Budget is due mainly to increased expenditure on projects including Leach Highway (Carrington Street to Stirling Highway) and Reid Highway (Altona Road to West Swan Road).
4. The movement in Income is due mainly to Commonwealth funding provided under National Partnership Agreements for individual projects. The funding is recovered on the basis of milestone achievements.

4. Road Network Maintenance

The objective of this service is to maintain the existing road and bridge network by maximising asset life and minimising whole of life costs. Works include routine maintenance (crack patching, patching of potholes, control of declared plants and weeds, graffiti removal and litter collections), periodic maintenance (repairs to pavements, culverts and bridge decks, sealing and resealing of road surfaces and replacing line markings), rehabilitation works where the primary reason for the works is due to pavement failure and managing and administering various Integrated Service Arrangements.

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 411,096	\$'000 440,460	\$'000 433,569	\$'000 413,887	1
Less Income	119,104	71,454	99,192	86,282	2
Net Cost of Service	291,992	369,006	334,377	327,605	
Employees (Full-Time Equivalents)	146	144	148	148	
Efficiency Indicators					
Average cost of road network maintenance per lane kilometre of network	\$9,129	\$6,800	\$7,836	\$7,950	

Explanation of Significant Movements

(Notes)

1. The increase in the Total Cost of Service between the 2017-18 Actual and the 2018-19 Budget is due mainly to works on the South Coast Highway, Indian Ocean Drive and minor works undertaken on behalf of third parties, while the reduction to the 2019-20 Budget is due to completion of these works.
2. Income for Road Network Maintenance reflects Commonwealth maintenance funding and third-party contributions for works undertaken by Main Roads.

5. Road Safety

The objective of this service is to reduce the road fatality rate to be the lowest in Australia, minimise road factors contributing to road trauma and reduce the serious crash injury rate. Works undertaken have safety as the foremost factor and include the State and national Black Spot programs and various projects that improve safety on the existing road network including passing lanes.

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 182,015	\$'000 211,608	\$'000 202,253	\$'000 191,659	1
Less Income	80,031	97,943	89,473	102,891	
Net Cost of Service	101,984	113,665	112,780	88,768	
Employees (Full-Time Equivalents)	52	50	53	53	
Efficiency Indicators					
Percentage of projects completed on time	89%	90%	88%	90%	
Percentage of projects completed on budget	92%	90%	100%	90%	

Explanation of Significant Movements

(Notes)

1. The minor increase in the Total Cost of Service between the 2017-18 Actual and the 2018-19 Budget is due mainly to an increase in expenditure within the Regional Road Safety Program.

6. Infrastructure for Community Access

The objective of this service is to provide infrastructure that will improve personal mobility and community access, including increasing the quality of access where appropriate, providing levels of access commensurate with community expectations and meeting minimal levels of appropriate access. Works include providing access to remote communities, pedestrian facilities, cyclist facilities, vulnerable road users' facilities, road user amenities, public transport integration and improvements such as new bridges to address flood closures.

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 26,693	\$'000 33,767	\$'000 31,830	\$'000 99,509	1
Less Income	15,835	6,525	11,544	52,142	
Net Cost of Service	10,858	27,242	20,286	47,367	
Employees (Full-Time Equivalents)	28	28	29	29	
Efficiency Indicators					
Percentage of projects completed on time	64%	90%	75%	90%	
Percentage of projects completed on budget	100%	90%	100%	90%	

Explanation of Significant Movements

(Notes)

1. The increase in the Total Cost of Service between the 2018-19 Estimated Actual and the 2019-20 Budget is due mainly to additional road works to be undertaken that are associated with the METRONET program of works.

Asset Investment Program

1. Investment in the road network to enhance and expand the existing asset is crucial for Main Roads to deliver services that benefit the community and respond to current and future levels of demand. An integrated transport network makes provision for freight, commercial, public transport services and passenger vehicles as well as providing mobility access and active transport options for cyclists and pedestrians. Main Roads actively works within the Transport portfolio to coordinate and collaborate to deliver multi-modal transport solutions that support a progressive and developing State.

Tonkin Highway Corridor Upgrade

2. The works will include the extension of Stage 3, Thomas Road to South Western Highway, which incorporates the construction of a 14 km four-lane extension of Tonkin Highway from Thomas Road to South Western Highway south of Mundijong Road. The preferred option is at-grade intersections at Thomas Road, Orton Road, Mundijong Road and South Western Highway, and a grade-separated interchange at Bishop Road to allow for continued rail operation of the Perth to Bunbury Rail Line. The project will cater for the safe movement of regional traffic, particularly heavy vehicles, by providing a purpose-built route connecting Tonkin Highway with South Western Highway. This will maintain and enhance community amenity in Mundijong and Byford by deviating traffic away from the urban areas. It will also reduce congestion by reducing the volume of regional traffic on the existing road network and accommodate demand from increased population and economic activity in the region.
3. The upgrade works will also include the widening between Guildford Road to Great Eastern Highway, commonly referred to as the Tonkin Gap. This will also provide the initial accommodation works for construction of the METRONET Morley-Ellenbrook Line and the construction of collector-distributor roads between Collier Road and Great Eastern Highway. It will widen the existing bridges over Railway Parade, Guildford Road and Dunstone Road; provide modifications to Great Eastern Highway Interchange; and new reconfiguration and widening of the existing Redcliffe Bridge. The works will also include the construction of a new footbridge over Railway Parade and Guildford Road.
4. The third component of the Tonkin Highway corridor works will be the construction of grade separations at Hale Road, Welshpool Road and Kelvin Road. The works will cater for projected traffic volumes up to 2031 and be suitable to convert to All Lane Running after 2031 to, effectively, create a fourth traffic lane in each direction on Tonkin Highway.

Mitchell Freeway Extension, Hester Avenue to Romeo Road

5. This 5.6 km extension of the Mitchell Freeway includes north on and south off-ramps at the Hester Avenue interchange; an interchange at Lukin Drive; construction of a rail tunnel for the rail line to exit the freeway medium at Butler and freeway terminus at Romeo Road, with northbound off-ramp and southbound on-ramp. The project also includes the construction of Romeo Road from Marmion Avenue to Wanneroo Road and principal shared paths on the western side of the freeway and along Romeo Road. The project will provide improvements to current congestion levels and significantly improve connectivity via a major increase in the capacity of the regional transport network. The project will also support economic development within the North West corridor of the metropolitan area, particularly the Alkimos and Yanchep centres, by alleviating existing and future capacity pressures on the existing road network and transferring traffic to a safer and more efficient freeway environment.

Roe Highway, Great Eastern Highway Bypass, Grade-Separated Interchange (including Abernethy Road)

6. This project will construct a grade-separated interchange at the intersection of Roe Highway and Great Eastern Highway Bypass and incorporate a grade-separated interchange at Abernethy Road with Great Eastern Highway Bypass. Grant funding has also been provided to construct Lloyd Street to Great Eastern Highway Bypass and upgrade Abernethy Road. The project will reduce congestion and delays, and improve safety for traffic travelling to and from the Hazelmere/Forrestfield area. It will reduce impediments to productivity growth by ensuring existing infrastructure is optimised and connects the community to jobs and goods to markets, unlocking further opportunities for economic development.

Leach Highway, Welshpool Road Grade Separation

7. The project will construct an interchange with a bridge carrying Leach Highway over Welshpool Road, including duplication of the Leach Highway bridge over rail south of the interchange. This project will provide more capacity for traffic movements at the intersection, reduce congestion and improve safety. With reduced stop/start travel, there will be a reduction in noise and air pollution, travel time savings, reduced vehicle operating costs and fewer vehicle collisions.

Great Northern Highway - Construct New Alignment (Bindoon Bypass)

8. The Bindoon Western Bypass will provide a two-lane highway of a comparable standard to the upgrade works that are underway on the Great Northern Highway between Muchea to Wubin. The works include a 10 metre wide sealed bypass 45.6 km in length to the west of Bindoon, with connections to existing roads and overtaking lanes. This project seeks to provide enhanced freight transport from Perth to the North West of the State by removing constraints associated with heavy vehicles travelling through the Bindoon town site and down Bindoon Hill. This project will remove the final restriction to enabling access by triple road trains (53.5 metre vehicles) to travel within 58 km of Perth (at Muchea) linking with the NorthLink project.

Queen Victoria Street - Swan River Crossing (Fremantle Road and Rail Bridge)

9. This project will include the construction of a 257 metre long, four-lane (two each way) concrete road bridge with a three-track rail bridge (two passenger tracks, one freight track). It will provide for the safe passage of vehicles, cyclists and pedestrians across the bridge and vessels under the bridge. The project will also improve freight rail access by removing the passenger rail conflict and improve the productivity of the Port of Fremantle's inner harbour through improved landside port access.

Albany Ring Road

10. The Albany Ring Road extends from Albany Highway to Princess Royal Drive and includes construction of 10 km of new carriageway. The project will improve access to Albany Port and remove the conflict between heavy vehicles servicing the Port and general commuter and tourism traffic. The project will support the ongoing development and growth of Albany and provide a sustainable transport route to the international export facility at Albany Port.

Bunbury Outer Ring Road (BORR)

11. This project will involve the completion of the northern connection to Forrest Highway and southern connection to Bussell Highway. Stages 2 and 3 of the BORR will link the four major highways radiating from Bunbury on the outer edge of the city's development to the planned Bunbury Port Access Road and will also provide an effective bypass of Bunbury for inter-regional traffic. Construction of the BORR will provide more efficient freight access to the Port of Bunbury, reduce congestion, improve travel times and road safety on the local road network and strengthen Bunbury's position as a regional industrial hub and tourist destination for the South West region.

Karratha to Tom Price Road

12. This project will complete the construction and sealing of the remaining 155 km of road connecting the communities of Karratha and Tom Price. Outcomes of the project will include improved access to mining, tourism, pastoral land, and local access for nearby Aboriginal communities. Completion of these final two stages (Stages 3 and 4) will reduce the journey between the two towns by approximately 56 km and result in travel time savings of around two hours. Safety will be improved through geometric and surface improvements and result in fewer road closures due to wet weather events.

	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							
Armada Road - Anstey Road to Tapper Road	145,000	96,346	53,918	41,457	6,247	650	300
Aubin Grove Train Station Precinct	28,426	28,332	176	94	-	-	-
Capitalisation of Reseal Program	562,622	276,886	66,906	68,050	70,430	72,540	74,716
Charles Street Bus Bridge	31,626	31,243	158	100	100	100	83
Coolgardie - Esperance Highway - Esperance Port Access	117,346	116,596	661	500	250	-	-
Dampier Highway - Balmoral Road to Burrup Peninsula Road (Stages 2-6) - Construct Second Carriageway	108,488	108,203	164	100	100	85	-
Department of Transport - Principal Shared Path Program	84,899	19,830	19,830	17,529	13,408	12,067	22,065
Election Commitments							
Albany Ring Road	175,000	1,007	592	993	50,000	62,000	50,000
Armada Road Bridge - North Lake Road Flyover	237,000	63,081	60,509	81,082	80,758	9,262	2,817
Bunbury Outer Ring Road - Stages 2 and 3	852,000	8,044	4,864	30,750	27,500	42,000	241,830
Coolgardie-Esperance Highway - Widening, Overlay and Reconstruction	40,000	16	-	10,000	25,000	4,984	-

	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
Great Eastern Highway - Anzac Drive to Gatacre Drive - Dualing	14,000	9,600	9,110	4,400	-	-	-
Karratha-Tom Price Road - Stages 3 and 4	310,000	7,463	7,000	46,877	8,000	22,000	22,000
Leach Highway - Carrington Street to Stirling Highway	118,000	5,700	5,464	57,300	55,000	-	-
Reid Highway - Altone Road to West Swan Road - Construction of Dual Carriageway	70,000	17,000	14,297	53,000	-	-	-
Roe Highway - Kalamunda Road - Grade-Separated Interchange	86,000	13,279	11,172	51,308	21,413	-	-
South Highway - Upgrade between Albany and Jerramungup - Stage 1	30,000	11,000	10,804	19,000	-	-	-
Wanneroo Road Joondalup Drive - Grade-Separated Interchange	50,000	21,643	17,877	25,914	2,443	-	-
Ocean Reef Road Grade Separation	64,800	36,747	21,000	26,228	1,825	-	-
Gibb River Road - Derby - Gibb River - Wyndham - Improve Formation and Gravel	105,727	71,123	8,962	8,240	8,530	8,785	9,049
Great Eastern Highway - Walgoolan to Coolgardie - Upgrade and Widening	32,486	32,133	174	353	-	-	-
Great Northern Highway Muchea to Wubin Stage 2	347,241	274,098	76,714	67,217	5,926	-	-
Newman to Katherine Corridor - Broome to Kununurra Upgrade Stage 1	87,500	110	110	1,750	3,225	4,400	14,655
Karel Avenue - Farrington Road to Berrigan Drive - Construct Dual Carriageway	15,000	8,088	6,393	6,632	175	105	-
Kwinana Freeway Access to Murdoch Activity Centre	112,500	100,186	54,000	12,314	-	-	-
Manning Road - On-ramp Construction	35,000	18,295	2,477	15,250	1,455	-	-
Russell Road to Roe Highway - Widening Northbound Lanes	49,000	19,566	17,000	29,084	350	-	-
Transforming Freeways - Roe Highway to Narrows Bridge - Smart Freeways	47,000	22,232	20,844	12,621	12,147	-	-
Mitchell Freeway Burns Beach Road to Hester Avenue	216,488	210,591	8,508	5,300	297	300	-
Cedric Street to Vincent Street - Southbound Widening	40,000	30,500	28,519	9,500	-	-	-
Hutton Street to Cedric Street - Northbound Widening	15,000	2,000	2,000	13,000	-	-	-
National Highway Upgrade Program	40,441	33,698	1,722	6,743	-	-	-
North West Coastal Highway - Minilya to Barradale	106,115	103,849	14	63	25	2,178	-
Northern Australia Roads and Beef Road Programs - Great Northern Highway Ord River - Halls Creek to Warmun	58,898	10,195	9,898	36,912	11,191	600	-
NorthLink WA Section 1 - Tonkin Highway Grade Separations	231,200	203,606	11,902	23,780	3,400	414	-
Sections 2 and 3 - Swan Valley Bypass	787,700	701,360	260,102	82,618	2,722	1,000	-
Onslow Road - Post Construction Upgrade	67,480	44,162	18,895	23,318	-	-	-
Regional Road Safety Program	55,250	34,586	22,062	20,664	-	-	-
Road Safety Commission LED School Zone Lights	59,935	43,935	4,000	4,000	4,000	4,000	4,000
Metropolitan Intersections Crash Program	67,066	46,925	4,300	3,841	6,650	6,650	3,000
Run-Off Road Crashes Road Improvements	230,049	163,668	25,318	17,581	16,900	16,900	15,000
Rural Intersection Advanced Warning Signs	1,180	100	100	1,000	20	60	-
Safety Review - Indian Ocean Drive	23,000	13,000	12,307	10,000	-	-	-
Wheatbelt Safety Review Program - Great Eastern Highway and Great Southern Highway	23,470	13,050	6,800	10,420	-	-	-
Roe Highway - Tonkin Highway to Welshpool Road, Upgrade	41,000	40,550	1,096	250	200	-	-
Safer Roads and Bridges Program	423,228	262,341	29,412	42,655	38,250	39,400	40,582
South Western Highway - Donnybrook to Greenbushes	23,692	18,392	5,104	5,150	150	-	-
COMPLETED WORKS							
Bridges Renewal Program Ashton Avenue - Bridge 903	11,000	11,000	4,163	-	-	-	-
Coalling Brook - Bridge 24 and Williams River - Bridge 25	12,000	12,000	10,498	-	-	-	-
Building and Equipment - 2018-19 Program	26,250	26,250	26,250	-	-	-	-
Bussell Highway Margaret River Perimeter Road	47,583	47,583	3,208	-	-	-	-
Vasse to Newtown	21,211	21,211	562	-	-	-	-
Capitalised Operational Costs - 2018-19 Program	81,295	81,295	81,295	-	-	-	-
Election Commitment - Wanneroo Road Duplication Stage 3 - Joondalup Drive to Flynn Drive	31,000	31,000	12,286	-	-	-	-
Great Eastern Highway - Bilgoman Road to Mundaring	34,600	34,600	14,419	-	-	-	-
Great Northern Highway - Muchea to Wubin, Bindi Bindi Curves	40,000	40,000	993	-	-	-	-
Kwinana Freeway - Roe Highway to Russell Road - Widening Southbound	54,564	54,564	2,697	-	-	-	-
Minor Works (includes Black Spot and Urgent Minor Works) - 2018-19 Program	20,056	20,056	20,056	-	-	-	-

	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
Mitchell Freeway - Hepburn Avenue to Hodges Drive	23,703	23,703	624	-	-	-	-
New Lord Street - Reid Highway to Gnangara Road Duplication	49,000	49,000	14,197	-	-	-	-
Northern Australia Roads and Beef Roads Programs Great Northern Highway							
Bow River Bridge Replacement	23,242	23,242	16,049	-	-	-	-
Wyndham Spur and Maggie's Jump Up	48,140	48,140	33,561	-	-	-	-
Marble Bar Road - Coongan Gorge Realignment	34,480	34,480	31,615	-	-	-	-
Perth - Bunbury Highway - Bunbury Port Access Road Stage Two - Construct and Seal Including Bridges	39,272	39,272	219	-	-	-	-
Queen Victoria Street - Fremantle Traffic Bridge Replacement - Planning, Design and Maintenance Works	20,429	20,429	196	-	-	-	-
Road Safety Commission - Toodyay Road Improvements	20,600	20,600	1,280	-	-	-	-
Wheatbelt Safety Review Program	7,208	7,208	4,766	-	-	-	-
NEW WORKS							
Buildings and Equipment							
2019-20 Program	18,963	-	-	18,963	-	-	-
2020-21 Program	19,625	-	-	-	19,625	-	-
2021-22 Program	20,215	-	-	-	-	20,215	-
2022-23 Program	20,821	-	-	-	-	-	20,821
Capitalised Operational Costs							
2019-20 Program	79,062	-	-	79,062	-	-	-
2020-21 Program	83,283	-	-	-	83,283	-	-
2021-22 Program	85,668	-	-	-	-	85,668	-
2022-23 Program	88,088	-	-	-	-	-	88,088
Great Eastern Highway Upgrade Program Stage 1 - Walgoolan Southern Cross Section	18,000	-	-	18,000	-	-	-
Great Northern Highway - Bindoon Bypass - Construct New Alignment	275,000	-	-	-	2,500	7,500	79,500
Leach Highway and Welshpool Road Grade Separated Interchange	93,000	-	-	-	-	23,000	50,000
Minor Works (includes Black Spot and Urgent Minor Works)							
2019-20 Program	41,882	-	-	41,882	-	-	-
2020-21 Program	51,759	-	-	-	51,759	-	-
2021-22 Program	29,712	-	-	-	-	29,712	-
2022-23 Program	23,254	-	-	-	-	-	23,254
Mitchell Freeway - Extension - Hester Avenue to Romeo Road	215,000	-	-	4,000	30,000	110,000	65,500
Pinjarra Heavy Haulage Deviation - Stage 1	27,500	-	-	100	100	11,400	13,500
Provision for Road Projects Under Development - METRONET-related Road Projects Under Development	209,145	-	-	60,166	8,359	46,131	94,489
Queen Victoria Street - Swan River Crossings (Fremantle Road and Rail Bridge) - Combined Road and Rail Solution	230,000	-	-	4,000	10,000	14,000	50,000
Roe Highway - Great Eastern Highway Bypass Including Abernethy Road	180,000	-	-	-	4,000	10,000	15,000
Smart Freeways -Transforming Freeways - Kwinana Freeway Corridor	100,000	-	-	-	-	4,000	10,000
Thomas Road and Nicholson Road Oakford	20,000	-	-	1,000	4,000	7,000	7,000
Tonkin Highway Corridor Upgrades - Tonkin Highway Gap; Grade Separations at Hale, Welshpool and Kelvin Roads; and Stage 3 Extension	1,161,000	-	-	33,000	114,880	173,720	255,060
Total Cost of Asset Investment Program	10,204,463	4,039,988	1,222,169	1,265,111	806,593	852,826	1,272,309
FUNDED BY							
Capital Appropriation			299,027	239,451	267,357	290,561	419,271
Commonwealth Grants			513,760	467,416	359,874	377,145	719,420
Drawdowns from the Holding Account			38,936	31,065	-	-	-
Internal Funds and Balances			180,179	377,340	121,282	120,751	55,843
Other			143,656	119,195	37,080	41,385	48,775
Drawdowns from Royalties for Regions Fund			46,611	30,644	21,000	22,984	29,000
Total Funding			1,222,169	1,265,111	806,593	852,826	1,272,309

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 as per the Income Statement differs from the adjusted Total Cost of Services as per the Service Summary Table. The latter includes capitalised road works expenditure and excludes several expense groupings, including road infrastructure depreciation, State road funds provided for significant works on local government roads, natural disaster funding applied to local roads, road transfers to local governments and road retirements. These expense groupings have been excluded to provide a clearer picture of the cost of works undertaken on the State roads network.

Income

3. The movement between years in the sale of goods and services is due mainly to changes in the level of works to be carried out on behalf of third parties (local governments, principal shared paths and works for other agencies).
4. The majority of grants and subsidies income comes from the Commonwealth Government and fluctuates according to its contribution to the Asset Investment Program in each particular year. Whilst the works may be capital in nature, the grants are shown as receipts in the Income Statement.
5. Other revenue includes road assets transferred to the State from third parties, including local governments.

Statement of Financial Position

6. Restricted cash includes funding that is currently unallocated; however, is set aside for METRONET road-related works. 2018-19 and 2019-20 also includes the last of the GST equalisation payments received for road works.
7. Current receivables in the 2018-19 Estimated Actual are well above the long-term average due mainly to payments made to local governments under the Western Australian Natural Disaster Relief and Recovery Arrangements.

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)	74,174	75,223	67,505	68,283	68,966	69,517	70,255
Grants and subsidies ^(c)	271,178	237,411	288,517	267,781	250,552	235,877	222,400
Supplies and services	477,013	515,067	491,341	627,139	515,214	499,916	518,571
Accommodation	17,652	21,155	19,859	17,612	17,804	17,804	18,088
Depreciation and amortisation	350,909	378,871	375,766	406,886	427,416	426,570	423,831
Finance and interest costs	-	-	-	932	888	824	737
Other expenses	72,640	54,217	103,740	101,302	26,419	30,956	27,263
TOTAL COST OF SERVICES	1,263,566	1,281,944	1,346,728	1,489,935	1,307,259	1,281,464	1,281,145
Income							
Sale of goods and services	119,311	65,245	96,224	77,202	42,523	41,182	50,980
Grants and subsidies	949,848	952,248	816,102	879,868	592,146	533,815	878,280
Other revenue	27,035	56,533	44,696	14,117	14,117	14,117	14,117
Total Income	1,096,194	1,074,026	957,022	971,187	648,786	589,114	943,377
NET COST OF SERVICES	167,372	207,918	389,706	518,748	658,473	692,350	337,768
INCOME FROM STATE GOVERNMENT							
Service appropriations	897,792	982,697	973,297	1,097,929	1,146,315	1,200,239	1,141,553
Resources received free of charge	1,672	2,700	2,700	2,700	2,700	2,700	2,700
Royalties for Regions Fund:							
Regional Community Services Fund	6,128	29,913	8,890	32,936	20,896	2,795	295
Regional Infrastructure and Headworks Fund	-	12,600	6,936	11,414	6,250	2,200	-
TOTAL INCOME FROM STATE GOVERNMENT	905,592	1,027,910	991,823	1,144,979	1,176,161	1,207,934	1,144,548
SURPLUS/(DEFICIENCY) FOR THE PERIOD	738,220	819,992	602,117	626,231	517,688	515,584	806,780

(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 1,019, 1,031 and 1,030 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
Aglime Route	-	8,000	6,836	3,164	-	-	-
Bayswater Station	-	-	-	9,958	31,865	25,177	-
Bridges Renewal Program Round Three	2,304	4,147	4,147	-	-	-	-
Department of Transport Cycling Grants	-	3,000	3,000	3,000	5,340	5,340	5,340
Election Commitments	3,500	18,500	18,000	-	-	-	-
Heavy Vehicle Safety and Productivity Program - Round Six	-	-	3,000	3,032	-	-	-
Local Government Commodity Freight Routes	-	10,000	-	10,000	-	-	-
Local Road Grants and Subsidies	98,251	114,048	106,442	122,697	119,847	111,560	107,920
Other	1,860	500	500	500	500	500	500
Principal Shared Paths	-	-	-	-	10,000	10,000	20,000
Road Assets Transferred	-	24,216	13,216	-	-	-	-
Stephenson Avenue Extension	560	13,000	2,000	8,000	40,000	40,000	33,000
Western Australia Natural Disaster Relief and Recovery Arrangements Funding Applied to Local Government Roads Network	164,703	42,000	131,376	107,330	42,000	42,000	42,000
Wheatbelt Secondary Freight Routes	-	-	-	100	1,000	1,300	13,640
TOTAL	271,178	237,411	288,517	267,781	250,552	235,877	222,400

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.....	283,740	272,273	181,164	106,236	116,231	86,562	111,313
Restricted cash.....	251,059	94,540	149,678	68,673	112,517	187,143	210,416
Holding account receivables.....	38,936	45,767	31,065	-	-	-	-
Receivables.....	105,600	73,788	200,771	54,517	46,311	45,605	44,899
Other.....	24,870	33,241	24,870	24,870	24,870	24,870	24,870
Assets held for sale.....	11,621	1,579	11,621	11,621	11,621	11,621	11,621
Total current assets.....	715,826	521,188	599,169	265,917	311,550	355,801	403,119
NON-CURRENT ASSETS							
Holding account receivables.....	2,502,858	2,780,110	2,790,346	3,139,757	3,509,981	3,879,550	4,246,494
Property, plant and equipment.....	44,146,680	46,831,075	45,619,279	47,193,462	48,369,543	49,570,148	51,107,261
Receivables.....	238	1,147	238	238	238	238	238
Intangibles.....	14,826	9,147	12,906	10,816	9,112	7,664	6,397
Other.....	88,120	16,446	5,775	5,775	5,775	5,775	5,775
Total non-current assets.....	46,752,722	49,637,925	48,428,544	50,350,048	51,894,649	53,463,375	55,366,165
TOTAL ASSETS.....	47,468,548	50,159,113	49,027,713	50,615,965	52,206,199	53,819,176	55,769,284
CURRENT LIABILITIES							
Employee provisions.....	34,134	32,717	34,134	34,134	34,134	34,134	34,134
Payables.....	11,982	12,464	13,035	14,088	15,141	16,194	17,247
Other.....	302,321	277,405	304,156	325,191	308,626	309,661	311,496
Total current liabilities.....	348,437	322,586	351,325	373,413	357,901	359,989	362,877
NON-CURRENT LIABILITIES							
Employee provisions.....	4,867	4,986	4,867	4,867	4,867	4,867	4,867
Borrowings and leases.....	-	-	-	19,479	17,387	15,675	12,856
Other.....	58	48	58	58	58	58	58
Total non-current liabilities.....	4,925	5,034	4,925	24,404	22,312	20,600	17,781
TOTAL LIABILITIES.....	353,362	327,620	356,250	397,817	380,213	380,589	380,658
EQUITY							
Contributed equity.....	5,052,391	5,364,319	5,398,285	5,668,380	5,956,737	6,270,282	6,718,553
Accumulated surplus/(deficit).....	14,426,502	15,087,799	15,028,619	15,531,250	16,048,938	16,564,522	17,371,302
Reserves.....	27,636,300	29,379,381	28,244,566	29,018,525	29,820,318	30,603,790	31,298,778
Other.....	(7)	(6)	(7)	(7)	(7)	(7)	(7)
Total equity.....	47,115,186	49,831,493	48,671,463	50,218,148	51,825,986	53,438,587	55,388,626
TOTAL LIABILITIES AND EQUITY.....	47,468,548	50,159,113	49,027,713	50,615,965	52,206,199	53,819,176	55,769,284

(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	568,932	659,678	654,744	748,518	776,091	830,670	774,609
Capital appropriation	336,556	263,253	299,027	239,451	267,357	290,561	419,271
Holding account drawdowns	32,300	38,936	38,936	31,065	-	-	-
Royalties for Regions Fund:							
Regional Community Services Fund	3,095	29,913	8,890	32,936	20,896	2,795	295
Regional Infrastructure and Headworks Fund	135,155	70,297	53,547	42,058	27,250	25,184	29,000
Net cash provided by State Government	1,076,038	1,062,077	1,055,144	1,094,028	1,091,594	1,149,210	1,223,175
CASHFLOWS FROM OPERATING ACTIVITIES							
Payments							
Employee benefits	(73,667)	(75,223)	(67,505)	(68,283)	(68,966)	(69,517)	(70,255)
Grants and subsidies	(251,228)	(213,195)	(275,301)	(267,781)	(250,552)	(235,877)	(222,400)
Supplies and services	(486,085)	(508,948)	(483,926)	(619,735)	(507,821)	(492,534)	(511,189)
Accommodation	(18,275)	(21,155)	(21,155)	(21,612)	(21,804)	(21,804)	(22,088)
GST payments	(149,346)	(147,054)	(147,054)	(147,054)	(147,054)	(147,054)	(147,054)
Finance and interest costs	-	-	-	(932)	(888)	(825)	(737)
Other payments	(13,406)	(20,307)	(20,307)	(15,375)	(15,364)	(15,353)	(15,565)
Receipts							
Grants and subsidies	927,327	952,248	713,724	914,516	573,746	533,015	878,280
Sale of goods and services	128,704	72,688	103,667	84,644	50,965	42,124	51,922
GST receipts	148,325	146,808	146,808	146,808	146,808	146,808	146,808
Other receipts	21,949	14,117	14,117	14,117	14,117	14,117	14,117
Net cash from operating activities	234,298	199,979	(36,932)	19,313	(226,813)	(246,900)	101,839
CASHFLOWS FROM INVESTING ACTIVITIES							
Purchase of non-current assets	(1,054,044)	(1,332,881)	(1,222,169)	(1,265,111)	(806,593)	(852,826)	(1,272,309)
Proceeds from sale of non-current assets	3,387	-	-	-	-	-	-
Net cash from investing activities	(1,050,657)	(1,332,881)	(1,222,169)	(1,265,111)	(806,593)	(852,826)	(1,272,309)
CASHFLOWS FROM FINANCING ACTIVITIES							
Repayment of borrowings and leases	-	-	-	(4,163)	(4,349)	(4,527)	(4,681)
Net cash from financing activities	-	-	-	(4,163)	(4,349)	(4,527)	(4,681)
NET INCREASE/(DECREASE) IN CASH HELD	259,679	(70,825)	(203,957)	(155,933)	53,839	44,957	48,024
Cash assets at the beginning of the reporting period	275,120	437,638	534,799	330,842	174,909	228,748	273,705
Cash assets at the end of the reporting period	534,799	366,813	330,842	174,909	228,748	273,705	321,729

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

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							
Taxation							
Permits - Oversize Vehicles and Loads	7,459	8,184	7,500	7,500	7,500	7,500	7,500
TOTAL ADMINISTERED INCOME	7,459	8,184	7,500	7,500	7,500	7,500	7,500
EXPENSES							
Grants to Charitable and Other Public Bodies							
Receipts Paid into the Consolidated Account	7,459	8,184	7,500	7,500	7,500	7,500	7,500
TOTAL ADMINISTERED EXPENSES	7,459	8,184	7,500	7,500	7,500	7,500	7,500

Division 38 **Public Transport Authority of Western Australia**

Part 9 **Transport**

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							
Amount Authorised by Other Statutes							
- Salaries and Allowances Act 1975.....	359	359	359	359	359	360	361
Total appropriations provided to deliver services	359	359	359	359	359	360	361
CAPITAL							
Item 141 Capital Appropriation	159,825	484,555	466,053	704,375	570,875	562,876	269,628
Item 142 Capital Appropriation METRONET Projects Under Development...	-	526,700	2,400	287,002	188,200	250,700	290,000
TOTAL APPROPRIATIONS	160,184	1,011,614	468,812	991,736	759,434	813,936	559,989
EXPENSES							
Total Cost of Services	1,469,916	1,491,188	1,479,389	1,558,662	1,574,473	1,718,008	1,713,262
Net Cost of Services ^(a)	1,176,516	1,213,096	1,189,026	1,229,700	1,238,706	1,311,029	1,396,006
CASH ASSETS ^(b)	223,606	608,356	395,262	650,124	496,596	183,046	110,743

(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					
Armadale Line Capacity Planning	-	6,500	4,500	-	-
Public Transport Cost and Service Optimisation Program.....	140	1,310	880	-	-
Ongoing Initiative					
Election Commitment - METRONET Program Management Costs	198	192	-	-	-
Other					
Bus Service Contracts Efficiency.....	(1,100)	(1,051)	(1,110)	(987)	(917)
Externally Funded Services and Works.....	1,488	428	-	-	-
Indexation for Non-Salary Expenses	-	-	-	-	6,828
Karel Avenue Road Bridge Project.....	-	6,650	-	-	-
Payroll Tax	2,908	3,006	3,128	3,224	3,292
Regional Workers Incentive Allowance Payments	(3)	(3)	(3)	(3)	(3)
Revised Electricity Expenses	(1,193)	(2,603)	(3,683)	(3,614)	(2,395)
Revised Fuel Expenses.....	3,667	2,988	4,255	4,795	5,191
Revised Interest Expenses.....	(8,991)	(19,716)	(17,312)	(10,622)	1,344
RiskCover Contribution Adjustment.....	(358)	1,179	778	844	1,181
School Bus Additional Service Days	-	-	1,953	2,668	1,368
Senior Executive Service Reduction Reallocation within the Transport Portfolio.....	(250)	(250)	(250)	(250)	(250)
Voluntary Targeted Separation Scheme	(381)	(387)	(393)	(400)	(400)

Significant Issues Impacting the Agency

1. Total patronage on Perth's public transport system slipped 0.7% in 2017-18. The decline continued a softer trend that has occurred since 2013-14. This Budget seeks to improve the trend and grow patronage by encouraging behavioural change in patrons, making public transport more attractive and by creating new jobs and wealth for the State. Marginal patronage growth of 0.1% is forecast for 2019-20.
2. The Transperth urban passenger network carries over 140 million passengers per annum. Without this network, Perth could not function. By the start of 2019-20, the network will be serviced by 96 A-Series railcars and 234 B-Series railcars operating across the network. The Authority's budget includes funding for an additional 102 railcars for the METRONET Stage 1 expansion and an additional 144 railcars to replace the ageing A-Series railcars, which will be progressively retired from around 2026. This will bring total procurement to 246 railcars and the Authority is working closely with manufacturers and other relevant authorities to maximise local content, creating local jobs and strengthening the local economy.
3. The Government's METRONET vision will transform Perth's public transport network. The Authority's budget provides funding for the construction of the Forrestfield-Airport Link, the Thornlie-Cockburn Link, the Yanchep Rail Extension, the removal of level crossings at Denny Avenue and on the Inner Armadale Line.
4. The Request for Proposals for the Thornlie-Cockburn Link and Yanchep Rail Extension competitive alliance closed late 2018. Following an extensive evaluation process, two proponents have been shortlisted for further consideration and development of the projects. It is expected that a contract will be awarded to the successful tenderer in the second half of the 2019 calendar year, with construction set to commence shortly after.
5. For the Morley-Ellenbrook Line, the focus for 2019-20 will be to complete the Project Definition Plan and facilitate a Government investment decision. Forward works for the planned Morley-Ellenbrook Line will be undertaken as part of the Bayswater Station project.
6. Concept designs have been released for the new Bayswater Station and the removal of the level crossing at Denny Avenue in Kelmscott. Construction tenders for these projects will be awarded in 2019-20.
7. Completing the Forrestfield-Airport Link is a key part of the METRONET plan, creating a 20 minute direct link between the eastern foothills and the CBD, as well as the wider public transport network via the airport. Three new stations are under construction as part of the new rail link at Redcliffe, Airport Central and Forrestfield. Planning is underway to upgrade the Claremont Station and construct the associated rail turnback facilities. About 2,000 jobs will be created over the life of the project, including in the manufacturing and construction industries. Due to delays in the work previously announced, completion is now expected in 2021.
8. The Authority is planning for the introduction of new technology across the urban passenger rail infrastructure network and its train fleet to enable increased train service frequency. This Budget provides for further planning and procurement preparation for the Automatic Train Control system. A new Automatic Train Control system would replace life-expired systems with an integrated contemporary system solution, before their obsolescence impacts the safe and reliable provision of public transport services, and improve the resilience of train operations.
9. With a fleet of over 1,630 Transperth and Transregional buses, the Authority needs to ensure that buses are safe, efficient and reliable. The Authority does this by staying abreast of new technologies, by maintaining rigorous maintenance standards and through a rolling bus replacement program. The Authority has awarded a new contract to Volvo buses for the next 10 year bus replacement program which will see an estimated 900 new technology buses purchased over the 10 year contract period commencing in October 2019. The bus body and interior will be manufactured in Perth and continue jobs for about 160 workers throughout the supply chain.
10. The Authority recognises that passengers are entitled to feel comfortable and safe in using bus, rail and ferry services. To ensure this, the Authority maintains a team of highly trained and effective security and customer service personnel. Additionally, the Authority ensures that all infrastructure and rolling stock have adequate lighting and are monitored by CCTV cameras.

11. Safe access to the Authority's many stations and bus ports is critical. The Authority ensures that appropriate systems, processes, resources (particularly customer service and security staff) and communications are in place to safely guide and control regular patronage and further tailors these to meet specific needs of the very large crowds that result from special events such as football games and concerts. The Authority also recognises that some passengers are particularly vulnerable to slips, trips and falls in using the many escalators that provide access and egress for railway stations and bus ports. To help safeguard these passengers, the Authority has increased the presence of customer service personnel at escalators and embarked on a series of marketing campaigns to educate elderly passengers on better options to use, such as lifts, or guidance on the safe usage of escalators.
12. Transperth passengers' first experience in accessing Transperth's fully integrated bus, train and ferry public transport system is via the Authority's ticketing system, SmartRider. The SmartRider card and ticketing system has been operational since 2007 and has been highly successful due to its simplicity and quick transaction times. Whilst not readily obvious to passengers, the technology is dated. Work is progressing to upgrade the existing SmartRider ticketing system.
13. The provision of safe and cost-effective public transport services to regional Western Australia remains a priority for Government. Despite experiencing a decline in inter-regional patronage over recent years, more than 373,000 trips were made on Transwa services in 2017-18. Accordingly, the Authority continues to invest in Transwa services and to look for opportunities to enhance the services. This investment in our towns and regions includes the purchase of a new Australind railcar fleet and the upgrade of Yarloop, Cookernup and North Dandalup train stations.

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
Better Places: A quality environment with liveable and affordable communities and vibrant regions.	Accessible, reliable and safe public transport system.	1. Metropolitan and Regional Passenger Services 2. Country Passenger Rail and Road Coach Services 3. Regional School Bus Services
	Protection of the long-term functionality of the rail corridor and railway infrastructure.	4. Rail Corridor and Residual Freight Issues 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. Metropolitan and Regional Passenger Services.....	1,121,613	1,156,020	1,142,480	1,229,538	1,253,091	1,392,685	1,397,917
2. Country Passenger Rail and Road Coach Services	50,154	52,457	53,377	54,985	55,823	56,572	56,899
3. Regional School Bus Services.....	127,867	128,373	129,921	134,946	136,563	140,526	139,410
4. Rail Corridor and Residual Freight Issues Management	170,282	154,338	153,611	139,193	128,996	128,225	119,036
Total Cost of Services.....	1,469,916	1,491,188	1,479,389	1,558,662	1,574,473	1,718,008	1,713,262

Outcomes and Key Effectiveness Indicators ^(a)

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Outcome: Accessible, reliable and safe public transport system:					
Use of public transport - passengers per service kilometre:					
Metropolitan bus services	1.14	1.16	1.15	1.15	
Metropolitan train services	2.8	2.93	2.86	2.87	
Metropolitan ferry services	12.89	13.45	13.3	13.3	
Regional bus services	0.527	0.537	0.518	n/a	1
Intra-town regional bus services	n/a	n/a	n/a	0.693	1
Country passenger rail services	0.189	0.193	0.19	0.193	2
Country passenger road coach services	0.059	0.059	0.059	0.059	
Inter-town country bus services	n/a	n/a	n/a	0.013	1
Accessible public transport - the proportion of street addresses within the Perth Public Transport Area which are within 500 metres of a Transperth stop providing an acceptable level of service	85%	85%	85%	85%	
Metropolitan and regional passenger services reliability:					
Bus services within four minutes of scheduled time	86%	85%	86%	85%	
Train arriving within four minutes of scheduled time	96%	95%	96%	95%	
Ferries arriving within three minutes of scheduled time	95%	96%	96%	96%	
Country passenger rail and road coach services reliability:					
Prospector arriving within 15 minutes of scheduled time	50%	80%	68%	80%	3
Australind arriving within 10 minutes of scheduled time	83%	90%	90%	90%	
MerredinLink arriving within 10 minutes of scheduled time	79%	90%	87%	90%	3
AvonLink arriving within 10 minutes of scheduled time	98%	90%	95%	90%	
Road Coaches arriving within 10 minutes of scheduled time	97%	95%	96%	95%	
Satisfaction with school bus availability at arrival/departure time	99%	99%	99%	99%	
Level of overall customer satisfaction - customer satisfaction index:					
Metropolitan bus services	89%	88%	89%	89%	
Metropolitan train services	94%	92%	92%	92%	
Metropolitan ferry services	99%	99%	99%	99%	
Country passenger rail and road coach services	92%	92%	92%	92%	
Customer perception of safety - independent external surveys:					
Train station - daytime	99%	96%	96%	96%	
On-board train - daytime	98%	97%	97%	97%	
Train station - night-time	76%	70%	70%	70%	
On-board train - night-time	82%	76%	76%	76%	
Bus station - daytime	98%	98%	98%	98%	
On-board bus - daytime	99%	99%	99%	99%	
Bus station - night-time	82%	75%	75%	75%	
On-board bus - night-time	87%	83%	82%	82%	
Level of notifiable safety occurrences - notifiable occurrences:					
Category A occurrences per million passenger boardings	0.43	0.23	0.33	0.27	4
Category A occurrences per million train kilometres	1.11	0.72	0.84	0.76	4
Category B occurrences per million passenger boardings	21.37	12.26	30.25	16.06	5
Category B occurrences per million train kilometres	55.28	37.1	77.66	45.01	5
Regional school bus services - notifiable occurrences (accidents) reported each school year	24	19	12	19	6
Return on construction expenditure	n/a	n/a	1.5	1.6	7
Outcome: Protection of the long-term functionality of the rail corridor and railway infrastructure:					
Number of lease breaches	nil	nil	nil	nil	

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

Explanation of Significant Movements

(Notes)

- From 1 July 2019, the Authority will realign its operations whereby all inter-town services will be managed by its Country Passenger Rail and Road Coach services. The previous 'Regional Bus Services' effectiveness indicator will be split into two indicators - 'Intra-town Regional Bus Services' and 'Inter-town Country Bus Services' effectiveness indicators.
- The 2018-19 Estimated Actual has reduced compared to the 2018-19 Budget mainly as a result of the Australind train being out of service for four months in 2018-19 due to major repairs.
- The 2018-19 Estimated Actual for the Prospector and the MerredinLink reliability has reduced compared to the 2018-19 Budget due to a number of delays associated with crossings and track-related issues as a result of maintenance work undertaken by Arc Infrastructure. These works are largely complete with fewer delays anticipated in 2019-20.
- The 2019-20 Budget Target for notifiable safety occurrences is based on the average annual number of occurrences over the last five years. For the 2018-19 Estimated Actual, most notifiable occurrences relate to public behaviour on the Authority's network which is beyond the Authority's control, and there was a notable increase in these occurrences in 2018-19.
- The increase in the 2018-19 Estimated Actual compared to the 2018-19 Budget is due to an increase in the occurrences of incidents including slips, trips and falls, trespass, and level crossing occurrences.
- The 2018-19 Estimated Actual has reduced compared to the 2018-19 Budget due to improved education of school bus drivers on the importance of adopting a safe system approach to road safety.
- The new effectiveness indicator measures the weighted average economic benefit to the community that is delivered by relevant asset investment projects.

Services and Key Efficiency Indicators

1. Metropolitan and Regional Passenger Services

Provision of customer focused, safe and cost effective passenger transport to the Metropolitan area and regional towns.

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 1,121,613	\$'000 1,156,020	\$'000 1,142,480	\$'000 1,229,538	1
Less Income	253,000	242,512	252,995	293,073	2
Net Cost of Service	868,613	913,508	889,485	936,465	
Employees (Full-Time Equivalents)	1,474	1,591	1,584	1,665	
Efficiency Indicators					
Average cost per passenger kilometre:					
Transperth bus operations	\$1.28	\$1.30	\$1.28	\$1.35	3
Transperth train operations	\$0.56	\$0.58	\$0.58	\$0.63	3
Transperth ferry operations	\$1.28	\$1.52	\$1.52	\$1.54	
Average cost per 1,000 place kilometres:					
Regional bus services	\$73.40	\$74.50	\$74.01	n/a	4
Intra-town regional bus services	n/a	n/a	n/a	\$87.11	4

Explanation of Significant Movements

(Notes)

1. The Total Cost of Service in the 2019-20 Budget Target increased by \$87.1 million (7.6%) from the 2018-19 Estimated Actual due to:
 - a one-off increase in the METRONET - Yanchep Rail Extension funded by the Western Australian Planning Commission (WAPC) (\$30 million);
 - escalation of bus contract costs (\$13.1 million);
 - increased depreciation expense (\$12.6 million);
 - additional service operating costs for the Forresterfield-Airport Link (\$12.3 million);
 - increased interest expense (\$10.5 million);
 - the Karel Avenue road bridge transferred to local government (\$6.7 million);
 - the Armadale Line capacity planning (\$6.5 million);
 - escalation of contractor costs (\$5.5 million); and
 - escalation of labour costs (\$3.5 million).

This was offset by a decrease in expenditure due to:

- the rolling efficiency dividend (\$8.6 million);
- public sector wages policy (\$2.2 million);
- reduced fuel expense (\$2 million); and
- a reduction in expensing of assets transferred to local government (\$1 million).

2. Income in the 2019-20 Budget Target increased by \$40.1 million from the 2018-19 Estimated Actual. The increase is mainly attributable to:
 - a one-off receipt from WAPC for the METRONET - Yanchep Rail Extension project (\$30 million);
 - a one-off receipt from Main Roads for the METRONET - Bayswater Station project (\$10 million);
 - increased Transperth fare revenue (\$6.1 million); and
 - a one-off receipt of interest earned on METRONET Commonwealth funding received in advance (\$2.1 million).

This is offset by a decrease due to:

- a reduction in Commonwealth funding in 2018-19 (\$6.7 million); and
- a reduction in funding for external works undertaken for third parties (\$1.2 million).

3. The increase in the efficiency indicators in the 2019-20 Budget Target compared to the 2018-19 Estimated Actual is mainly due to the increase in the Total Cost of Service, as explained in Note 1.
4. From 1 July 2019, the Authority will realign its operations whereby all inter-town services will be managed by its Country Passenger Rail and Road Coach services. The 'Regional Bus Services' efficiency indicator will be split into two efficiency indicators - 'Intra-town Regional Bus Services' managed by Metropolitan and Regional Passenger Services and 'Inter-town Country Bus Services' managed by Country Passenger Rail and Road Coach Services.

2. Country Passenger Rail and Road Coach Services

Provision of customer focused, safe and cost effective passenger transport to regional communities.

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 50,154	\$'000 52,457	\$'000 53,377	\$'000 54,985	1
Less Income	10,939	10,475	10,875	11,204	2
Net Cost of Service	39,215	41,982	42,502	43,781	
Employees (Full-Time Equivalents)	134	137	135	135	
Efficiency Indicators					
Average cost per passenger kilometre:					
Transwa rail	\$0.60	\$0.57	\$0.57	\$0.56	
Transwa road coaches	\$0.26	\$0.27	\$0.29	\$0.31	
Average cost per 1,000 place kilometres - inter-town country bus services	n/a	n/a	n/a	\$18.03	3

Explanation of Significant Movements

(Notes)

- The Total Cost of Service in the 2019-20 Budget Target increased by \$1.6 million (3%) from the 2018-19 Estimated Actual due to:
 - increased interest expense (\$1.2 million);
 - escalation of contractor costs (\$0.7 million); and
 - escalation of labour costs (\$0.3 million).

This was offset by a decrease in expenditure due to:

 - reduced depreciation expense (\$0.2 million);
 - reduced fuel expense (\$0.2 million); and
 - public sector wages policy (\$0.2 million).
- The income in the 2019-20 Budget Target increased by \$0.3 million from the 2018-19 Estimated Actual, which is mainly attributable to the Transwa fare increase.
- From 1 July 2019, the Authority will realign its operations whereby all inter-town services be managed by its Country Passenger Rail and Road Coach services. The 'Regional Bus Services' efficiency indicator will be split into two efficiency indicators - 'Intra-town Regional Bus Services' managed by Metropolitan and Regional Passenger Services and 'Inter-town Country Bus Services' managed by Country Passenger Rail and Road Coach Services.

3. Regional School Bus Services

Provision of regional school bus transport to Western Australian school students.

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 127,867	\$'000 128,373	\$'000 129,921	\$'000 134,946	1
Less Income	5,129	5,265	5,265	5,265	
Net Cost of Service	122,738	123,108	124,656	129,681	
Employees (Full-Time Equivalents)	39	36	37	37	
Efficiency Indicators					
Average cost per contracted kilometre - school bus services	\$3.81	\$3.77	\$3.87	\$3.95	

Explanation of Significant Movements

(Notes)

1. The Total Cost of Service in the 2019-20 Budget Target increased by \$5 million (3.9%) from the 2018-19 Estimated Actual due to:

- increased school bus service days (\$3.2 million);
- escalation of bus contract costs (\$2.8 million);
- escalation of contractor costs (\$0.1 million); and
- escalation of labour costs (\$0.1 million).

This was offset by a decrease in expenditure due to:

- decreased fuel expense (\$0.6 million).
- decreased depreciation expense (\$0.3 million);
- the rolling efficiency dividend (\$0.2 million); and
- public sector wages policy (\$0.1 million).

4. Rail Corridor and Residual Freight Issues Management ^(a)

Managing the rail freight corridor and infrastructure leased to the private sector and associated freight transport issues.

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 170,282	\$'000 154,338	\$'000 153,611	\$'000 139,193	1
Less Income	24,332	19,840	21,228	19,420	2
Net Cost of Service	145,950	134,498	132,383	119,773	
Employees (Full-Time Equivalents)	30	33	31	30	
Efficiency Indicators					
Total cost of managing the rail freight corridor and residual freight issues	\$170,282	\$154,338	\$153,611	\$139,193	

(a) Under the terms and conditions of the Railway Infrastructure Lease, an independent inspection of the Railway Infrastructure is carried out every five years.

Explanation of Significant Movements

(Notes)

1. The Total Cost of Service in the 2019-20 Budget Target decreased by \$14.4 million (9.4%) from the 2018-19 Estimated Actual due to:

- decreased depreciation expense (\$11.6 million);
- completion of the Nicholson Road grade separation project in 2018-19 (\$3.6 million);
- the rolling efficiency dividend (\$0.4 million);
- decreased fuel expense (\$0.1 million); and
- public sector wages policy (\$0.1 million).

This was offset by an increase in expenditure due to:

- escalation of contractor costs (\$0.6 million);
- escalation of labour costs (\$0.6 million); and
- increased interest expense (\$0.2 million).

2. The total income in the 2019-20 Budget Target decreased by \$1.8 million from the 2018-19 Estimated Actual. The decrease is mainly attributable to:

- the completion of the Nicholson Road grade separation project in 2018-19 (\$1.2 million);
- a reduction in interest revenue (\$0.7 million); and
- a reduction in funding from external works undertaken for third parties (\$0.2 million).

This is offset by an increase in rent revenue (\$0.3 million).

Asset Investment Program

METRONET - Yanchep Rail Extension

1. \$420.2 million will be invested to extend the northern suburbs rail line to Yanchep. An additional \$100 million will be expended by the Western Australian Planning Commission (WAPC). In 2019-20, an estimated total of \$149.2 million will be expended, consisting of \$119.2 million by the Authority and \$30 million by the WAPC. The total cost includes the construction of three new stations at Yanchep, Eglinton and Alkimos, with bus interchanges and park and ride facilities.

METRONET – Thornlie-Cockburn Link

2. \$535.8 million will be spent to extend the Thornlie rail line to Cockburn. In 2019-20, an estimated \$158.9 million will be expended. The total cost includes the construction of two new stations at Nicholson Road and Ranford Road, with park and ride facilities and bus interchanges.

Railcar Acquisition for METRONET and A-Series Railcar Replacement

3. \$1.6 billion will be spent to procure new Transperth railcars. In 2019-20, an estimated \$134 million will be expended. In total, 246 railcars will be procured to provide for METRONET Stage 1 projects (102 railcars) and to replace A-Series railcars (144 railcars). The new railcars will be six-car sets, which provide additional passenger capacity compared to the three-car sets currently in operation. This program of works also provides for the construction of a manufacturing facility.

METRONET - Rail Line Planning

4. \$39.8 million will be spent to undertake planning for the Morley-Ellenbrook rail line and extension of the Armadale line to Byford. In 2019-20, an estimated \$18.4 million will be expended.

METRONET - Level Crossing Removal

5. \$76.5 million will be spent to remove the rail level crossing at Denny Avenue (Kelmscott) and to plan for the future removal of level crossings at Caledonian Avenue (Maylands), and at Hamilton Street, Wharf Street and William Street (between Queens Park and Beckenham). In 2019-20, an estimated \$43.7 million will be expended.

METRONET - Level Crossing Removal - Inner Armadale Line

6. \$415 million will be spent to remove the rail level crossings on the Inner Armadale Line at Mint Street, Oats Street and Welshpool Road (between Victoria Park and Bentley). In 2019-20, an estimated \$17.5 million will be expended on works including detailed planning and project definition.

METRONET - New Stations and Existing Station Upgrades

7. \$83.9 million will be spent on new stations and upgrading existing stations. Of this, \$35.8 million will be spent on planning and preliminaries for new stations (\$24.3 million in 2019-20). Planning will be undertaken for a new station on the Mandurah line and for the relocation of the Midland station to the Midland town centre. Works will also be undertaken to upgrade existing train stations (\$48.1 million), including \$10.5 million toward the Claremont Station precinct in 2019-20. Existing stations will be upgraded to improve disability access, CCTV, lighting, station access and pathways.

METRONET - Forrestfield-Airport Link

8. The Forrestfield-Airport Link is well advanced. Three new stations will be built as part of the new rail link: Redcliffe Station, Airport Central Station and Forrestfield Station. As part of the \$1.9 billion project, the Authority will make upgrades to Claremont Station, including associated rail turnback facilities. The Authority will also construct a multi-deck car park at Forrestfield. In 2019-20, an estimated \$315 million will be expended.

METRONET - Bayswater Station

9. \$146.2 million will be spent on the new Bayswater Station to accommodate the new Forrestfield-Airport Link services and provide forward works for the planned Morley-Ellenbrook Line. In 2019-20, an estimated \$17 million will be expended.

METRONET - Automatic Train Control - Project Definition

10. A total of \$18.8 million will be spent to undertake additional business case work and procurement planning for a future investment in an Automatic Train Control (ATC) system. In 2019-20, an estimated \$9.6 million will be expended. An ATC system would replace the existing Transperth rail network signalling system and allow increased service frequencies to meet rail demand forecast under long-term transport planning.

Australind Train Service - Rail Future Fund

11. \$32 million will be spent to purchase a new Australind railcar fleet and upgrade the Yarloop, Cookernup and North Dandalup train stations on the Bunbury rail line. In 2019-20, an estimated \$12.2 million will be expended. The stations upgrades include construction of high level platforms and improved disability access.

Mandurah Train Station Car Park

12. \$32.1 million will be spent to construct a multi-storey car park at Mandurah train station and replace part of the existing station parking facilities. Detailed planning and project definition will commence in 2019-20, following confirmation from the Commonwealth Government of the 50% contribution to match existing State Government funding. In 2019-20, an estimated \$2.6 million will be expended.

Rail to Kemerton Industrial Park

13. \$10 million will be spent for planning, land acquisition and as a contribution towards the construction of a rail link from the existing Bunbury freight line to Kemerton Industrial Park. In 2019-20, an estimated \$3 million will be expended.

SmartRider System Asset Replacement and Technology Update

14. \$33.8 million will be spent to replace SmartRider system assets and update the technology used by the system. In 2019-20, an estimated \$18.3 million will be expended.

Transperth Rail 'At Grade' Crossing Improvement Project

15. \$23.2 million will be spent to improve level crossings on the Fremantle, Midland and Armadale rail lines. In 2019-20, an estimated \$2.7 million will be expended. The works will improve safety, reduce traffic delays and upgrade pedestrian crossings to comply with Commonwealth disability standards under the *Disability and Discrimination Act 1992 (Commonwealth)*.

Optus Stadium Transport Project

16. The \$366.4 million transport package to service Optus Stadium including the Swan River pedestrian bridge is now commissioned and operational. An amount of \$7 million will be spent in 2019-20 to support the final closeout activities of the project including minor works.

Radio System

17. \$138.1 million is provided over the forward estimates period to replace the obsolete analogue radio system used by the Authority to operate its passenger rail services with a modern digital radio system capable of serving the Authority's foreseeable needs over the next 20 years. In 2019-20, an estimated \$59.6 million will be expended.

Future Urban Railcar Procurement

18. Thirty new B-Series railcars have been delivered over a two-year period commencing in 2017-18 at a cost of \$122.7 million to provide services between Forrestfield and Claremont. The Authority will also spend \$90 million relocating Arc Infrastructure from Bellevue to a new maintenance facility, of which \$33.2 million has been spent on purchasing land at Kenwick to enable the relocation. \$17.1 million was spent upgrading the Nowergup depot to assist with the increased operational demand of the new railcars. It is anticipated that \$37.7 million will be expended in 2019-20.

	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							
Bus Infrastructure Program							
Bus Priority Projects	18,976	18,519	2,037	457	-	-	-
SmartRider System Asset Replacement and Technology Update	33,821	15,558	15,330	18,263	-	-	-
Bus Replacement Program							
New Bus Replacement Program	626,526	-	-	50,075	65,278	102,808	61,326
Regional Bus Acquisition	71,983	66,280	5,581	5,703	-	-	-
Common Infrastructure Program - Minor Capital Works Program in Progress	6,505	2,939	2,939	3,566	-	-	-
Freight Program - Election Commitment - Rail to Kemerton Industrial Park	10,000	1,500	1,500	3,000	5,500	-	-
Major Projects							
Aubin Grove Station	66,753	65,753	20	1,000	-	-	-
Election Commitment - Mandurah Station - New Parking Bays	32,085	-	-	2,624	29,461	-	-
METRONET							
Automatic Train Control - Project Definition	18,789	6,809	4,225	9,611	2,369	-	-
Bayswater Station (Forrestfield-Airport Link Services and Morley-Ellenbrook Line Forward Works)	146,198	4,730	4,730	17,000	69,532	54,936	-
Forrestfield-Airport Link	1,861,000	947,637	218,504	314,967	294,058	304,338	-
Level Crossing Removal Program	76,530	6,373	5,481	43,653	26,338	166	-
Level Crossing Removal Program - Inner Armadale Line	415,000	-	-	17,500	60,000	65,000	65,000
New Stations and Existing Station Upgrades	83,886	12,412	10,778	34,743	923	-	11,631
Rail Line Planning	39,753	20,120	16,644	18,359	1,274	-	-
Railcar Acquisition	508,199	5,398	3,785	80,035	50,000	80,199	124,000
Thornlie-Cockburn Link	535,797	25,030	18,810	158,887	150,141	201,739	-
Yanchep Rail Extension	420,170	17,819	12,479	119,249	199,421	83,681	-
Optus Stadium Transport Project	366,401	359,430	8,148	6,971	-	-	-
Perth City Link	576,469	572,580	4,392	3,889	-	-	-
Radio Systems Replacement	138,074	28,401	19,524	59,604	24,914	25,155	-
Operational Business Support Systems Program							
Business Support Upgrades	63,346	51,392	11,201	9,236	1,100	1,618	-
CCTV Systems Program	23,895	1,527	972	4,368	7,300	9,000	1,700
Train Control Remote Terminal Unit Five Year Life Extension	4,593	2,251	617	1,795	547	-	-
Parking Facilities In Progress	4,079	2,275	800	1,804	-	-	-
Rail Infrastructure Program							
Election Commitment - Rail Futures Fund (Upgrade to Cookernup and North Dandalup Train Stations and Completion of Yarloop)	2,000	1,200	841	800	-	-	-
Escalator Replacements	28,138	27,633	12,153	505	-	-	-
Rail Infrastructure In Progress	233,789	95,886	17,859	65,416	24,623	15,968	24,296
Resilience Package	59,877	47,451	8,878	10,526	1,900	-	-
Transperth Urban Passenger Rail 'At Grade' Crossing Improvement Project	23,246	2,572	1,604	2,712	5,777	5,793	6,392
Railcar Program							
Election Commitment - Rail Futures Fund (Australind Railcar Replacement)	30,000	1,110	1,110	11,373	12,417	5,100	-
Future Urban Railcar Procurement	229,861	173,060	21,962	37,715	19,086	-	-
Railcar Replacement	1,059,500	1,500	1,500	53,966	25,000	70,700	65,008
COMPLETED WORKS							
Bus Replacement Program	308,344	308,344	37,390	-	-	-	-
Common Infrastructure Program - Minor Capital Works Program	25,765	25,765	2,986	-	-	-	-
Major Projects - Edgewater Multi-Storey Car Park	22,110	22,110	6	-	-	-	-
Mount Claremont Bus Depot Acquisition	5,741	5,741	5,672	-	-	-	-
Rail Station Upgrades	8,384	8,384	364	-	-	-	-
Vessel Replacement Program - Transperth Ferry Acquisition	2,604	2,604	2,604	-	-	-	-

	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							
Common Infrastructure Program - Minor Capital Works Program	10,500	-	-	-	3,500	3,500	3,500
Operational Business Support Systems Program Business Support Upgrades	16,054	-	-	-	-	3,554	6,000
Parking Facilities Program	5,000	-	-	-	1,000	2,000	2,000
Rail Infrastructure Program	200,755	-	-	-	35,587	43,632	55,448
Total Cost of Asset Investment Program	8,420,496	2,958,093	483,426	1,169,372	1,117,046	1,078,887	426,301
Loan and Other Repayments			137,798	182,009	174,790	127,436	133,397
Total	8,420,496	2,958,093	621,224	1,351,381	1,291,836	1,206,323	559,698
FUNDED BY							
Capital Appropriation			164,103	361,825	463,575	199,176	164,828
Borrowings			247,005	468,204	393,550	440,657	138,441
Drawdowns from the Holding Account			69,285	154,933	114,240	102,765	81,326
Internal Funds and Balances			(170,845)	(4,759)	149,928	69,748	70,303
Other			6,650	9,958	31,865	25,177	-
Drawdowns from Royalties for Regions Fund			3,076	17,931	31,378	5,100	-
Funding Included in Department of Treasury - New Perth Stadium			-	739	-	-	-
Capital Appropriation - Other			25,700	16,000	11,300	47,000	104,800
Capital Appropriation - Sourced from Commonwealth (METRONET and Related Projects)			276,250	326,550	96,000	316,700	-
Total Funding			621,224	1,351,381	1,291,836	1,206,323	559,698

Financial Statements

1. The implementation of new accounting standard AASB 16: *Leases* 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 Total Cost of Services in the 2019-20 Budget Estimate is forecast to increase by \$79.3 million (5.4%) from the 2018-19 Estimated Actual.

Income

3. The total income in the 2019-20 Budget Estimate is forecast to increase by \$38.6 million (13.3%) from the 2018-19 Estimated Actual. This is mainly attributable to a one-off receipt from the WAPC for the METRONET - Yanchep Rail Extension project (\$30 million) and a receipt from Main Roads for the METRONET - Bayswater Station project (\$10 million).

Statement of Financial Position

4. The total equity in the 2019-20 Budget Estimate is forecast to increase by \$613.8 million from the 2018-19 Estimated Actual. This comprises a projected increase in total assets of \$926.3 million and an increase in total liabilities of \$312.5 million.
5. The Authority's statement shows accumulated deficits across the forward estimates period as accrual appropriation is not being provided to fund depreciation. It has been determined that there is no need to provide the significant accrual appropriation that would be required to fund depreciation.

Statement of Cashflows

6. Proceeds from borrowings in the 2018-19 Estimated Actual have decreased by \$428.3 million from the 2018-19 Budget, which is predominantly attributable to the deferral of capital expenditure within the forward estimates period.

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)	178,260	197,759	198,865	213,160	222,729	228,728	232,411
Grants and subsidies ^(c)	539,452	554,384	558,290	567,083	567,093	573,997	573,391
Supplies and services	231,280	200,845	203,321	235,167	220,013	303,262	242,213
Accommodation	33,109	30,562	29,369	28,941	33,311	36,366	37,585
Depreciation and amortisation	372,719	382,745	369,452	374,019	379,611	409,930	454,799
Finance and interest costs	86,640	99,699	90,708	103,953	121,497	134,841	141,640
Other expenses	28,456	25,194	29,384	36,339	30,219	30,884	31,223
TOTAL COST OF SERVICES	1,469,916	1,491,188	1,479,389	1,558,662	1,574,473	1,718,008	1,713,262
Income							
Sale of goods and services	204,576	206,393	206,776	213,171	233,703	241,462	246,829
Regulatory fees and fines	3,867	3,940	3,940	3,940	3,940	3,940	3,940
Grants and subsidies	17,892	15,705	24,099	26,028	47,172	40,484	15,307
Other revenue	67,065	52,054	55,548	85,823	50,952	121,093	51,180
Total Income	293,400	278,092	290,363	328,962	335,767	406,979	317,256
NET COST OF SERVICES	1,176,516	1,213,096	1,189,026	1,229,700	1,238,706	1,311,029	1,396,006
INCOME FROM STATE GOVERNMENT							
Service appropriations	359	359	359	359	359	360	361
Resources received free of charge	728	-	-	-	-	-	-
Royalties for Regions Fund:							
Regional Community Services Fund	10	13	10	10	10	79,936	79,936
Other appropriations (operating subsidy)	812,143	834,456	829,627	872,019	899,383	854,898	869,682
TOTAL INCOME FROM STATE GOVERNMENT	813,240	834,828	829,996	872,388	899,752	935,194	949,979
SURPLUS/(DEFICIENCY) FOR THE PERIOD	(363,276)	(378,268)	(359,030)	(357,312)	(338,954)	(375,835)	(446,027)

(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 1,677, 1,787 and 1,867 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
Department of Transport - Optus Stadium							
Jetty	4,500	-	-	-	-	-	-
Local Government	12,636	-	-	-	-	-	-
METRONET Office Expenses	951	1,518	1,588	1,589	1,532	1,536	1,536
Metropolitan and Regional Town Services							
Bus Operators	382,651	410,212	414,166	415,752	415,269	420,441	421,089
Ferry Services	1,237	1,372	1,300	1,562	1,560	1,580	1,582
Regional Bus Services	16,709	18,614	17,497	-	-	-	-
Intra-town Regional Bus Services	-	-	-	16,603	16,584	16,791	16,816
Country Passenger Services - Inter-town							
Country Bus Services	-	-	-	990	1,000	1,000	1,000
Regional School Bus Services							
Conveyance Allowance	2,266	2,312	2,312	2,333	2,356	2,371	2,371
School Bus Services	118,502	120,356	121,427	128,254	128,792	130,278	128,997
TOTAL	539,452	554,384	558,290	567,083	567,093	573,997	573,391

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.....	205,087	61,805	114,051	84,494	82,614	82,613	77,310
Restricted cash.....	15,418	542,728	278,110	562,529	410,881	97,332	30,332
Holding account receivables.....	122,641	75,917	160,658	198,497	206,504	190,728	179,043
Receivables.....	28,833	31,624	28,833	28,833	28,833	28,833	28,833
Other.....	32,217	32,356	32,217	32,217	32,217	32,217	32,217
Assets held for sale.....	2,860	-	2,860	2,860	2,860	2,860	2,860
Total current assets.....	407,056	744,430	616,729	909,430	763,909	434,583	350,595
NON-CURRENT ASSETS							
Holding account receivables.....	619,946	544,029	512,644	319,872	197,625	110,636	40,995
Property, plant and equipment.....	7,743,267	8,562,222	7,854,233	8,677,795	9,423,960	10,098,053	10,070,979
Intangibles.....	13,035	5,198	15,054	17,850	12,230	10,258	11,562
Restricted cash.....	3,101	3,823	3,101	3,101	3,101	3,101	3,101
Total non-current assets.....	8,379,349	9,115,272	8,385,032	9,018,618	9,636,916	10,222,048	10,126,637
TOTAL ASSETS.....	8,786,405	9,859,702	9,001,761	9,928,048	10,400,825	10,656,631	10,477,232
CURRENT LIABILITIES							
Employee provisions.....	44,476	42,566	44,476	42,918	42,918	42,918	42,918
Payables.....	86,613	81,734	85,729	85,729	85,729	85,729	85,729
Borrowings and leases.....	137,798	160,688	197,827	211,929	169,751	146,183	177,849
Other.....	29,997	30,183	29,997	29,997	29,997	29,997	29,997
Total current liabilities.....	298,884	315,171	358,029	370,573	328,395	304,827	336,493
NON-CURRENT LIABILITIES							
Employee provisions.....	7,328	7,294	7,328	7,328	7,328	7,328	7,328
Borrowings and leases.....	2,125,713	2,643,379	2,174,891	2,480,325	2,741,047	3,077,548	3,050,348
Other.....	178,833	172,610	173,367	167,901	162,435	156,969	151,503
Total non-current liabilities.....	2,311,874	2,823,283	2,355,586	2,655,554	2,910,810	3,241,845	3,209,179
TOTAL LIABILITIES.....	2,610,758	3,138,454	2,713,615	3,026,127	3,239,205	3,546,672	3,545,672
EQUITY							
Contributed equity.....	4,659,972	5,690,834	5,131,501	6,102,588	6,701,241	7,025,415	7,293,043
Accumulated surplus/(deficit).....	(1,775,410)	(2,166,362)	(2,134,440)	(2,491,752)	(2,830,706)	(3,206,541)	(3,652,568)
Reserves.....	3,291,085	3,196,776	3,291,085	3,291,085	3,291,085	3,291,085	3,291,085
Total equity.....	6,175,647	6,721,248	6,288,146	6,901,921	7,161,620	7,109,959	6,931,560
TOTAL LIABILITIES AND EQUITY.....	8,786,405	9,859,702	9,001,761	9,928,048	10,400,825	10,656,631	10,477,232

(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	812,502	834,815	829,986	872,378	899,742	855,258	870,043
Capital appropriation	159,825	1,011,255	468,453	991,377	759,075	813,576	559,628
Holding account drawdowns	58,285	122,641	69,285	154,933	114,240	102,765	81,326
Royalties for Regions Fund:							
Regional Community Services Fund	10	13	10	10	10	79,936	79,936
Regional Infrastructure and Headworks Fund	276	5,624	3,076	17,931	31,378	5,100	-
Other	98,175	739	-	739	-	-	-
Net cash provided by State Government	1,129,073	1,975,087	1,370,810	2,037,368	1,804,445	1,856,635	1,590,933
CASHFLOWS FROM OPERATING ACTIVITIES							
Payments							
Employee benefits	(177,788)	(197,759)	(198,865)	(214,718)	(222,729)	(228,728)	(232,411)
Grants and subsidies	(530,340)	(554,384)	(558,290)	(567,083)	(567,093)	(573,997)	(573,391)
Supplies and services	(239,320)	(200,845)	(204,205)	(235,167)	(220,013)	(303,262)	(242,213)
Accommodation	(30,628)	(30,562)	(29,369)	(28,941)	(33,311)	(36,366)	(37,585)
GST payments	(132,904)	(179,801)	(154,417)	(204,588)	(182,448)	(144,215)	(135,707)
Finance and interest costs	(87,766)	(99,699)	(90,708)	(103,953)	(121,497)	(134,841)	(141,640)
Other payments	(23,697)	(24,205)	(28,395)	(29,689)	(30,219)	(30,884)	(31,223)
Receipts							
Regulatory fees and fines	3,711	3,940	3,940	3,940	3,940	3,940	3,940
Grants and subsidies	18,039	15,705	24,099	26,028	47,172	40,484	15,307
Sale of goods and services	207,303	206,393	206,776	213,171	233,703	241,462	246,829
GST receipts	139,191	179,801	154,417	204,588	182,448	144,215	135,707
Other receipts	59,301	46,588	50,082	80,357	45,486	115,627	45,714
Net cash from operating activities	(794,898)	(834,828)	(824,935)	(856,055)	(864,561)	(906,565)	(946,673)
CASHFLOWS FROM INVESTING ACTIVITIES							
Purchase of non-current assets	(557,879)	(1,160,312)	(483,426)	(1,169,372)	(1,117,046)	(1,078,887)	(426,301)
Net cash from investing activities	(557,879)	(1,160,312)	(483,426)	(1,169,372)	(1,117,046)	(1,078,887)	(426,301)
CASHFLOWS FROM FINANCING ACTIVITIES							
Repayment of borrowings and leases	(160,490)	(316,524)	(319,569)	(332,125)	(372,177)	(322,303)	(188,118)
Other payments	(1,800)	-	-	(40,000)	(191,800)	(494,502)	(292,000)
Proceeds from borrowings	283,761	857,080	428,776	615,046	587,611	632,072	189,856
Net cash from financing activities	121,471	540,556	109,207	242,921	23,634	(184,733)	(290,262)
NET INCREASE/(DECREASE) IN CASH HELD	(102,233)	520,503	171,656	254,862	(153,528)	(313,550)	(72,303)
Cash assets at the beginning of the reporting period	318,569	87,853	223,606	395,262	650,124	496,596	183,046
Net cash transferred to/from other agencies	7,270	-	-	-	-	-	-
Cash assets at the end of the reporting period	223,606	608,356	395,262	650,124	496,596	183,046	110,743

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

METRONET Projects Under Development

Part 9 Transport

Asset Investment Program

1. A \$1.3 billion provision, including \$1 billion over the forward estimates period, is incorporated for the Morley-Ellenbrook line and extension of the Armadale line to Byford. Once detailed costings of these METRONET projects are complete, the provision will be allocated to the relevant delivery agency.
2. The \$1 billion provision over the forward estimates period is funded from a \$774.5 million contribution from the Commonwealth, \$243.8 million capital appropriation paid to the METRONET account and \$21 million from the Metropolitan Region Improvement Fund.
3. Refer to Budget Paper No. 3 for an overview of investment in METRONET.

	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							
METRONET Projects Under Development.....	1,326,902	-	-	61,000	191,800	494,502	292,000
Total Cost of Asset Investment Program	1,326,902	-	-	61,000	191,800	494,502	292,000
FUNDED BY							
Commonwealth Funding Held in METRONET Special Purpose Account			-	40,000	191,800	250,700	292,000
Capital Appropriation Funding Held in METRONET Special Purpose Account ^(a)			-	-	-	243,802	-
Metropolitan Region Improvement Fund			-	21,000	-	-	-
Total Funding			-	61,000	191,800	494,502	292,000

- (a) This provision is part funded by the sale of Landgate's shareholding in Property Exchange Australia Limited to be transferred to the METRONET Special Purpose Account in 2019-20.

Fremantle Port Authority

Part 9 Transport

Asset Investment Program

1. The Authority's Asset Investment Program for 2019-20 to 2022-23 totals \$207.9 million. Major approved projects planned or underway include:
 - 1.1. Kwinana Bulk Terminal (KBT) - \$9.6 million (2019-20) and \$39.4 million (2020-21 to 2022-23) is planned to be spent on the replacement and upgrade of assets at KBT to facilitate the ongoing import, export and storage of bulk materials for customers;
 - 1.2. Kwinana Bulk Jetty (KBJ) - the projected growth of the export and import of bulk commodities at KBJ requires an additional spend of \$5 million in (2019-20) and \$34.5 million (2020-21 to 2022-23) on improved product handling infrastructure and equipment. This investment will improve the utilisation of the Jetty;
 - 1.3. Fremantle Inner Harbour Berths Upgrades - \$14.9 million (2020-21 to 2021-22) is planned to be spent on continuing upgrades to certain berths in the Inner Harbour to accommodate larger vessels and to allow for heavy duty use; and
 - 1.4. Fremantle Waterfront Implementation Plan including the commercial precinct - the objective of this project is to undertake the works and provide the services associated with the developments and land uses identified in the Fremantle Waterfront Masterplan for the western end of Victoria Quay. Expenditure of \$3 million (2019-20) and \$12.2 million (2020-21 to 2022-23) is subject to the Authority being able to secure private sector interest in the development through a planned Expressions of Interest process.

	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							
Fremantle Waterfront Project Commercial Precinct							
Access and Services	4,279	1,329	-	-	2,950	-	-
Inner Harbour							
Deepening of the Inner Harbour Stage 1	107,655	97,415	-	-	-	10,240	-
Overseas Passenger Terminal	10,234	3,004	1,611	1,400	-	-	1,330
North Quay							
Berth Upgrades - Western Stage	74,213	69,522	-	-	4,691	-	-
Environmental Improvement Program	3,600	3,100	298	300	-	200	-
Land Acquisitions	25,400	18,200	18,040	-	1,700	5,500	-
Outer Harbour - Kwinana Bulk Terminal							
Civil and Mechanical Assets Upgrade	4,849	3,251	300	1,598	-	-	-
Dust Control and Roadworks	2,386	1,386	-	1,000	-	-	-
Infrastructure, Equipment Replacement and Upgrade	39,659	10,659	1,500	3,050	9,000	11,050	1,300
Land Acquisition	33,232	32,000	32,000	1,232	-	-	-
Replacement and Relocation of Operations/Maintenance Offices and Workshop	3,901	1,901	1,847	2,000	-	-	-
Plant and Equipment							
Mobile Truck Mounted Capstans	700	200	-	-	250	-	-
Replacement of Navigational Aids	3,977	1,840	200	200	130	500	547
Rous Head Seawall Construction and Extension - Stage 2	52,042	51,327	431	715	-	-	-
Victoria Quay							
Fremantle Waterfront Implementation Plan	16,226	3,953	-	3,000	3,273	3,000	3,000
Berth H Fender Replacement	3,800	100	100	1,200	2,500	-	-
COMPLETED WORKS							
Inner and Outer Harbour Security Upgrades Stage 2	3,000	3,000	3,000	-	-	-	-
Inner Harbour							
Replacement of Mechanical Plant	490	490	490	-	-	-	-
Rous Head - Replace Street Lighting (West)	1,250	1,250	1,250	-	-	-	-
Shore Tension Mooring System	4,650	4,650	476	-	-	-	-
Minor Works - 2018-19 Program	3,810	3,810	3,810	-	-	-	-

	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
Outer Harbour							
Kwinana Bulk Jetty							
Fire Fighting Foam System.....	4,043	4,043	1,235	-	-	-	-
Replace/Upgrade Transformer and Switchgear.....	4,700	4,700	2,656	-	-	-	-
Kwinana Bulk Terminal - Upgrade Rail Infrastructure and Replacement of Other Plant.....	501	501	231	-	-	-	-
NEW WORKS							
Inner and Outer Harbour Water Minimisation (Environmental).....	3,900	-	-	200	1,500	900	1,300
Inner Harbour							
Provision of Alternative Vehicular Access.....	1,000	-	-	-	-	1,000	-
Replacement of High Voltage Cable from Main Substation to Substation 4.....	550	-	-	550	-	-	-
Minor Works							
2019-20 Program.....	7,840	-	-	7,840	-	-	-
2020-21 Program.....	6,000	-	-	-	6,000	-	-
2021-22 Program.....	6,000	-	-	-	-	6,000	-
2022-23 Program.....	12,000	-	-	-	-	-	12,000
North Quay - Berth - Heavy Duty Pad.....	7,900	-	-	-	-	7,900	-
Outer Harbour							
Kwinana Bulk Jetty - Export/Import Infrastructure.....	39,500	-	-	5,000	4,000	10,500	20,000
Kwinana Bulk Terminal							
Bulk Handling Equipment.....	12,000	-	-	2,000	10,000	-	-
High Voltage Power System Upgrade.....	6,000	-	-	3,000	3,000	-	-
Replacement of JC01 Conveyor.....	5,000	-	-	-	5,000	-	-
Plant and Equipment - Replace Floating Plant.....	15,000	-	-	7,500	-	-	-
Victoria Quay - Motor Vehicle Decking.....	15,900	-	-	-	-	2,000	13,900
Total Cost of Asset Investment Program	547,187	321,631	69,475	41,785	53,994	58,790	53,377
FUNDED BY							
Borrowings			12,000	14,000	33,000	38,000	28,000
Internal Funds and Balances.....			57,425	27,735	20,944	20,740	25,327
Other			50	50	50	50	50
Total Funding.....			69,475	41,785	53,994	58,790	53,377

Kimberley Ports Authority

Part 9 Transport

Asset Investment Program

1. The Authority's 2019-20 Asset Investment Program includes spending of:
 - 1.1. \$1.3 million to finalise the Entrance Point boating facilities upgrade;
 - 1.2. \$5.9 million for a replacement marine crane; and
 - 1.3. \$1.6 million for minor works.

	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							
Major Port Infrastructure - Boating Facilities Upgrade	2,987	1,687	1,687	1,300	-	-	-
COMPLETED WORKS							
Major Port Infrastructure							
Channel Dredging	15,300	15,300	14,300	-	-	-	-
Gangway at Broome Port	750	750	637	-	-	-	-
Wharf Essential Works (Electrical Upgrade)	729	729	630	-	-	-	-
Wharf Extension of Life	23,364	23,364	1,878	-	-	-	-
Minor Works - 2018-19 Program	2,290	2,290	2,290	-	-	-	-
NEW WORKS							
Major Port Infrastructure - Crane Acquisition	5,900	-	-	5,900	-	-	-
Minor Works							
2019-20 Program	1,575	-	-	1,575	-	-	-
2020-21 Program	1,575	-	-	-	1,575	-	-
2021-22 Program	1,575	-	-	-	-	1,575	-
2022-23 Program	1,575	-	-	-	-	-	1,575
Total Cost of Asset Investment Program	57,620	44,120	21,422	8,775	1,575	1,575	1,575
FUNDED BY							
Funding Included in Department of Treasury							
Administered Item			2,500	5,900	-	-	-
Internal Funds and Balances			7,685	1,575	1,575	1,575	1,575
Drawdowns from Royalties for Regions Fund			11,237	1,300	-	-	-
Total Funding			21,422	8,775	1,575	1,575	1,575

Mid West Ports Authority

Part 9 Transport

Asset Investment Program

1. The Authority's Asset Investment Program over the period 2019-20 to 2022-23 includes:
 - 1.1. \$3.6 million for the first stages of an improved port-wide firefighting system; and
 - 1.2. \$23.4 million for minor works projects, which will be applied to the upgrading of the Authority's services and civil infrastructure, security, environmental systems and computer systems and equipment replacement.

	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							
Comprehensive Rehabilitation Works to Berth 3							
Extension and Berth 4 Structures	7,906	7,906	6,372	-	-	-	-
Information and Communications Technology Software							
Upgrade.....	2,500	2,500	117	-	-	-	-
Miscellaneous Works - 2018-19 Program.....	6,123	6,123	6,123	-	-	-	-
NEW WORKS							
Miscellaneous Works							
2019-20 Program.....	6,900	-	-	6,900	-	-	-
2020-21 Program.....	5,500	-	-	-	5,500	-	-
2021-22 Program.....	5,500	-	-	-	-	5,500	-
2022-23 Program.....	5,500	-	-	-	-	-	5,500
Port-wide Firefighting System.....	3,600	-	-	2,000	1,600	-	-
Total Cost of Asset Investment Program	43,529	16,529	12,612	8,900	7,100	5,500	5,500
FUNDED BY							
Borrowings			6,662	398	294	-	-
Internal Funds and Balances.....			5,950	8,502	6,806	5,500	5,500
Total Funding.....			12,612	8,900	7,100	5,500	5,500

Pilbara Ports Authority

Part 9 Transport

Asset Investment Program

1. The Authority's 2019-20 Asset Investment Program totals \$56.8 million for the provision of major and minor works, Berth 3 Deck Replacement at Port Hedland, construction of port infrastructure at the Port of Ashburton and capital projects funded by the Port Improvement Rate (PIR) at the Port of Port Hedland.
2. The PIR was established to fund critical capital improvements necessary to sustain the long-term operation and development of the Port of Port Hedland. The PIR-funded projects Integrated Marine Operations Centre and Channel Marker Replacement Program have forecast expenditure of \$8.1 million and \$11.9 million respectively in 2019-20. The PIR-funded Channel Risk Optimisation Project is scheduled for completion in 2018-19.
3. Chevron's handover of the Port of Ashburton infrastructure was completed during 2018-19. Works to provide a gatehouse, security systems and supporting utility infrastructure were recently awarded, with forecast expenditure of \$5 million and project completion scheduled for 2019-20. Development planning is underway for an earthworks project, which is expected to take 18 months to complete. These earthworks will support future development of the multi-user facilities.
4. The Port Hedland Berth 3 Deck Replacement project has forecast expenditure of \$12.2 million and is scheduled for completion in 2019-20.
5. The minor works program, excluding the Port of Ashburton, totals \$17.3 million in 2019-20 and \$53.7 million over the forward estimates period. The program provides for replacement of mobile plant and office equipment, upgrades to safety, information and communications technology, electrical and other equipment, and infrastructure (civil and marine).

	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							
Port of Ashburton							
Minor Works	7,467	2,034	2,034	2,302	1,052	1,014	1,065
Port Infrastructure Construction Project.....	32,400	11,626	11,126	5,000	8,000	7,774	-
Port of Port Hedland							
Berth 3 Deck Replacement.....	33,274	21,095	19,987	12,179	-	-	-
Port Improvement Rate							
Channel Marker Replacement Program.....	39,550	27,695	19,436	11,855	-	-	-
Integrated Marine Operations Centre.....	55,782	47,658	14,645	8,124	-	-	-
COMPLETED WORKS							
Minor Works - 2018-19 Program	14,430	14,430	14,430	-	-	-	-
Port of Port Hedland - Port Improvement Rate - Channel Risk Optimisation Project.....	104,943	104,943	81,491	-	-	-	-
NEW WORKS							
Minor Works							
2019-20 Program.....	17,324	-	-	17,324	-	-	-
2020-21 Program.....	17,325	-	-	-	17,325	-	-
2021-22 Program.....	18,191	-	-	-	-	18,191	-
2022-23 Program.....	18,140	-	-	-	-	-	18,140
Total Cost of Asset Investment Program	358,826	229,481	163,149	56,784	26,377	26,979	19,205
FUNDED BY							
Internal Funds and Balances.....			41,464	19,365	18,377	19,205	19,205
Other			121,685	37,419	8,000	7,774	-
Total Funding.....			163,149	56,784	26,377	26,979	19,205

Southern Ports Authority

Part 9 Transport

Asset Investment Program

1. The Authority's 2019-20 Asset Investment Program of \$23.1 million includes:
 - 1.1. \$7.4 million across three ports for the replacement of plant and equipment, improvements to port infrastructure and other civil works;
 - 1.2. \$8.9 million to upgrade capacity at the Port of Bunbury's Berth 8 to provide flexibility and trade facilitation benefits to meet future trade demands whilst maintaining berth utilisation; and
 - 1.3. \$6.9 million to upgrade Shed 4 at the Port of Esperance to improve operational flexibility at the Esperance Port and provide it with a multi-user storage and export facility that could cater to commodities other than iron ore, such as spodumene, gypsum, potash and aggregate.

	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							
Minor Works - 2018-19 Program							
Port of Albany	1,000	1,000	1,000	-	-	-	-
Port of Bunbury	6,000	6,000	3,450	-	-	-	-
Port of Esperance	4,750	4,750	4,750	-	-	-	-
Port of Esperance - Port Road Upgrades	5,734	5,734	1,360	-	-	-	-
NEW WORKS							
Southern Ports Authority - Minor Works							
2019-20 Program	7,405	-	-	7,405	-	-	-
2020-21 Program	9,000	-	-	-	9,000	-	-
2021-22 Program	9,000	-	-	-	-	9,000	-
2022-23 Program	9,000	-	-	-	-	-	9,000
Port of Bunbury - Berth 8 Capacity Upgrade	8,882	-	-	8,882	-	-	-
Port of Esperance - Shed 4 Upgrade	6,851	-	-	6,851	-	-	-
Total Cost of Asset Investment Program	67,622	17,484	10,560	23,138	9,000	9,000	9,000
FUNDED BY							
Internal Funds and Balances			10,560	23,138	9,000	9,000	9,000
Total Funding			10,560	23,138	9,000	9,000	9,000

Part 10

Environment

Introduction

The Environment portfolio works to create better places for the community with a quality environment. It provides facilities and experiences for the community to enjoy and appreciate Western Australia's natural landscapes and attractions, including Kings Park and Bold Park, Rottnest Island, Perth Zoo, Swan and Canning Riverpark, national parks and other lands and waters. Importantly, the portfolio delivers effective regulation to protect the environment and ensure investment and development is underpinned by sustainable management of the State's resources for the long-term benefit of the State.

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

- A Strong Economy
 - creating jobs;
- A Liveable Environment
 - increasing conservation for future generations; 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
Water and Environmental Regulation		
– Total Cost of Services	179,671	177,058
– Asset Investment Program	13,535	16,506
Biodiversity, Conservation and Attractions		
– Total Cost of Services	393,142	402,149
– Asset Investment Program	41,574	51,671

Ministerial Responsibilities

Minister	Agency	Services
Minister for Water; Fisheries; Forestry; Innovation and ICT; Science	Water and Environmental Regulation	<ol style="list-style-type: none"> 1. Water Information and Advice 2. Water Planning, Allocation and Optimisation 3. Water Regulation, Licensing and Industry Governance
Minister for Environment; Disability Services; Electoral Affairs	Water and Environmental Regulation	<ol style="list-style-type: none"> 4. Environmental Regulation 5. Water and Environment Policy 6. Waste Strategies 7. Environmental Impact Assessment Services to the Environmental Protection Authority (EPA) 8. Environmental Management Services to the EPA 9. Compliance Monitoring Services to the Minister
	Biodiversity, Conservation and Attractions	<ol style="list-style-type: none"> 1. Visitor Services and Public Programs Provided at Kings Park and Bold Park 3. Visitor Services and Public Programs Provided at Perth Zoo 4. Visitor Services and Public Programs Provided in the Swan and Canning Riverpark 5. Visitor Services and Public Programs Provided in the National Parks and Other Lands and Waters 6. Conserving Habitats, Species and Ecological Communities (Shared Ministerial Responsibility) 7. Research and Conservation Partnerships 8. Implementation of the Forest Management Plan 9. Prescribed Burning and Fire Management 10. Bushfire Suppression
Minister for Tourism; Racing and Gaming; Small Business; Defence Issues; Citizenship and Multicultural Interests	Biodiversity, Conservation and Attractions	<ol style="list-style-type: none"> 2. Visitor Services and Public Programs Provided at Rottnest Island 6. Conserving Habitats, Species and Ecological Communities (Shared Ministerial Responsibility)

Division 39 **Water and Environmental Regulation**

Part 10 **Environment**

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 82 Net amount appropriated to deliver services.....	92,490	82,407	82,610	83,936	86,873	87,336	88,548
Amount Authorised by Other Statutes							
- Salaries and Allowances Act 1975.....	402	402	402	402	402	402	403
Total appropriations provided to deliver services	92,892	82,809	83,012	84,338	87,275	87,738	88,951
CAPITAL							
Item 143 Capital Appropriation	10,264	4,654	4,654	9,940	10,106	10,998	11,376
TOTAL APPROPRIATIONS	103,156	87,463	87,666	94,278	97,381	98,736	100,327
EXPENSES							
Total Cost of Services	173,408	170,560	179,671	177,058	167,916	165,930	167,531
Net Cost of Services ^(a)	48,587	45,774	50,822	49,010	38,908	38,284	39,619
CASH ASSETS ^(b)	70,129	81,996	64,324	60,525	64,214	68,335	75,261

(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 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					
Murujuga Rock Art Strategy	-	649	-	-	-
National On-Farm Drought Infrastructure Rebate Scheme.....	1,600	1,420	1,600	-	-
Ongoing Initiatives					
Resourcing For Environmental Protection Authority Assessments.....	1,398	1,864	-	-	-
Royalties for Regions	(694)	1,210	(18)	(18)	77
Other					
Election Commitment - Container Deposit Scheme	-	925	1,117	572	576
Funding Reclassification Associated with Environment Online	951	-	-	-	-
Funding State Solicitor Office Fees for Eclipse Settlement	1,600	-	-	-	-
Government Office Accommodation Change to Joondalup.....	(877)	(718)	(447)	(166)	125
Indexation for Non-Salary Expenses	-	-	-	-	230
National Water Infrastructure Development Fund Commonwealth.....	1,688	-	-	-	-
Native Vegetation Offsets Account.....	-	3,000	-	-	-
Pilbara Environmental Offset Fund.....	(1,519)	-	-	-	-
Resourcing for Water Licensing Service.....	(178)	471	469	468	1,200
Smart Farming Partnership	453	725	721	466	-

Significant Issues Impacting the Agency

A Strong Economy

1. In 2019-20, the Department will continue to develop and deliver on the Government's priority to create a 'one-stop shop' for industry and developers by integrating and streamlining Western Australia's water and environmental regulation. A new Regulatory Capability Division has been established to drive the identification of regulatory innovation and integration initiatives for the Department's regulatory reform program. This division will also be responsible for implementing the Environment Online initiative to consolidate the existing Water Online portal and create a streamlined application process for both applicants and the Department.
2. As part of an improved cost recovery model for environmental regulation services, increased fees for Industry Regulation were delivered in accordance with the 2018-19 Budget. Separately, extensive consultation was undertaken in relation to a proposed improved cost recovery for fees for native vegetation clearing permit applications.
3. An additional \$3.3 million in funding has been provided to the Department to help tackle the steep increase in State-significant proposals requiring assessment by the Environmental Protection Authority. The additional resources are being used to carry out environmental assessments of significant proposals such as mining, oil and gas, infrastructure, processing plants and irrigated agriculture across the State, and will ensure projects are not delayed through the assessment process, enabling them to move into construction, development and production phases as quickly as possible.

A Liveable Environment

4. The Government released the Waste Avoidance and Resource Recovery Strategy 2030 on 10 February 2019, which includes targets for the avoidance and recovery of waste, and the protection of the environment from the negative impacts of poor waste management practices. The waste strategy target to increase the State-wide material recovery from waste to 75% by 2030 has been included in Our Priorities: Sharing Prosperity, which are whole-of-government targets announced to deliver better outcomes for all Western Australians. The Department is playing a key role in coordinating actions by government agencies to better manage waste.
5. The Department is continuing to support the Government's election commitment to introduce a container deposit scheme for commencement in early 2020. The scheme will help reduce litter and encourage a recycling culture in Western Australia, create employment and provide business opportunities, and enable charities and community organisations to raise money to fund their important community work. The appointment of a scheme coordinator and making of regulations to support the amendments to the *Waste Avoidance and Resource Recovery Act 2007* will allow for the establishment of the collection network.
6. The Department is supporting the Government to build on the success of the ban on lightweight plastic bags to reduce the harm caused by plastic waste and the Premier's instruction to government agencies to stop buying avoidable single-use plastic items such as plastic cups, straws, plates and cutlery. During the year, the Department will lead consultation with the community on additional measures to reduce single-use plastic.
7. The Department is coordinating the development of a State Climate Policy by early 2020. A Directors General Steering Group is guiding the development of the policy. An issues paper will facilitate stakeholder and community consultation and inform the policy. The Department is also working with other agencies in developing climate initiatives and strategies such as the uptake of electric vehicles, carbon sequestration and efficient use of water resources.
8. The Independent Scientific Panel Inquiry into Hydraulic Fracture Stimulation in Western Australia provided its report to the Western Australian Government. The Government has established a Senior Officials Steering Group to develop a work program and deliver an implementation plan in response to the findings of the Independent Scientific Panel Inquiry. The Department and the Department of Mines, Industry Regulation and Safety are joint chairs of the steering group coordinating the implementation of the Government's response to the inquiry. The Department is responsible for implementing a number of the recommendations.
9. Murujuga is home to one of the largest collections of rock art in the world and is of immense significance to Aboriginal people and of significant State, national and international heritage value. To protect the rock art, the Department is supporting the implementation of the Murujuga Rock Art Strategy in partnership with the Murujuga Aboriginal Corporation. This strategy will deliver the design and implementation of a world's best practice scientific rock art monitoring and analysis program to monitor, evaluate and report on changes and trends in the integrity of the rock art on the Murujuga.

10. As a result of a changing climate, since 1975, the South West of Western Australia has experienced a 15% decline in average annual rainfall. This affects Perth groundwater resources, which provide more than 40% of scheme supplies and almost all of the water supply used for parks, sports grounds and agriculture, and one in four domestic gardens. To take the next step in adjusting to climate change and provide long-term supply, amenity and environmental benefits for the community, the Department is developing a new Gnangara water allocation plan. The plan, with a pathway to adjust groundwater use to better reflect changes to rainfall, will be released for public comment in 2019. In parallel, the Department is collaborating with local governments and other partners on longer term water supply strategies for local areas across the Perth and Peel region where there is not enough sustainable ground water to meet future supply needs.
11. The Department will continue to promote water-sensitive urban design principles and advocate a Waterwise approach to urban development. It will work with major developers and Government agencies to ensure that significant projects, such as METRONET, incorporate water-sensitive design elements and that scientific advice is incorporated in the early stages of developments in areas constrained by excess water or insufficient water.
12. The Department will continue work in at-risk estuaries with a focus on reducing the source and supply of nutrients. The Revitalising Geopraphe Waterways Initiative will be continued with additional funding. Water quality improvement plans will be completed for the Peel Harvey estuary, Vasse Wonnerup and Wilson Inlet. A comprehensive estuary protection plan will also be developed for the Peel Harvey, fulfilling the Government's election commitment.
13. The Department will continue scientific assessment and consultation for a water allocation plan for the Fitzroy River to support the Government's commitment to no dams, a catchment management plan and a National Park, and contribute to achieving the objectives for the Fitzroy River contained in the Government's Plan for the Kimberley.
14. The Establishing and Maintaining Native Vegetation Offsets Account (Offsets Account) was established for the purpose of establishing or maintaining native vegetation (offset) as a condition of a permit to clear native vegetation, under the *Environmental Protection Act 1986*. The Department may require an offset to counterbalance residual significant environmental impacts expected from clearing authorised under a clearing permit.

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
Better Places: A quality environment with liveable and affordable communities and vibrant regions.	Western Australia's growth and development is supported by the sustainable management of water resources for the long-term benefit of the State.	1. Water Information and Advice 2. Water Planning, Allocation and Optimisation 3. Water Regulation, Licensing and Industry Governance
	Emissions, discharges and clearing of native vegetation are effectively regulated to avoid unacceptable risks to public health and the environment.	4. Environmental Regulation
	Development and implementation of strategic policy and legislation that promoted sustainable water and environmental outcomes.	5. Water and Environment Policy
	Waste avoided and the recovery of materials from landfill maximised.	6. Waste Strategies
	Quality advice to the Environmental Protection Authority (EPA) and Minister for Environment (the Minister) on significant proposals and environmental issues.	7. Environmental Impact Assessment Services to the EPA 8. Environmental Management Services to the EPA
	Compliance with Ministerial statement implementation conditions are monitored effectively.	9. Compliance Monitoring Services to the Minister

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. Water Information and Advice	41,647	36,562	39,601	38,652	38,032	37,636	37,872
2. Water Planning, Allocation and Optimisation.....	40,027	32,011	38,406	38,302	35,112	34,277	34,124
3. Water Regulation, Licensing and Industry Governance	17,419	18,593	17,801	17,557	17,046	17,013	17,918
4. Environmental Regulation.....	36,685	38,496	42,369	40,158	38,597	38,516	38,875
5. Water and Environment Policy	4,608	5,405	4,693	4,845	4,389	4,381	4,431
6. Waste Strategies	19,922	23,983	25,484	24,902	24,298	23,689	23,806

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
7. Environmental Impact Assessment Services to the EPA.....	8,878	9,440	8,080	9,115	8,002	7,983	8,048
8. Environmental Management Services to the EPA	3,138	3,958	1,966	2,251	1,821	1,817	1,834
9. Compliance Monitoring Services to the Minister	1,084	2,112	1,271	1,276	619	618	623
Total Cost of Services.....	173,408	170,560	179,671	177,058	167,916	165,930	167,531

Outcomes and Key Effectiveness Indicators ^(a)

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Outcome: Western Australia's growth and development is supported by the sustainable management of water resources for the long-term benefit of the State:					
Proportion of stakeholders who perceive the department to be effectively managing the State's water as a resource for sustainable, productive use.....	63.5%	60%	52%	60%	
Proportion of priority growth areas that have a water supply planning strategy	75%	43%	46%	100%	1
Outcome: Emissions, discharges and clearing of native vegetation are effectively regulated to avoid unacceptable risks to public health and the environment:					
Percentage of regulatory compliance activities completed as planned	78%	100%	120%	100%	2
Percentage of potential environmental risks identified during compliance monitoring program that are rectified within two months.....	48%	80%	50%	80%	3
Outcome: Development and implementation of strategic policy and legislation that promoted sustainable water and environmental outcomes:					
Percentage of advice and recommendations that met Ministerial approval, without the need for significant modification	97%	95%	95%	95%	
Outcome: Waste avoided and the recovery of materials from landfill maximised:					
Percentage of municipal solid waste reported as diverted from landfill through recycling compared to waste strategy target in the Perth Metropolitan Region.....	33%	50%	40%	50%	4
Percentage of commercial and industrial waste reported as diverted from landfill through recycling compared to the State-wide waste strategy target	46%	55%	45%	55%	5
Percentage of construction and demolition waste reported as diverted from landfill through recycling compared to the State-wide waste strategy target.....	77%	60%	75%	60%	5
Outcome: Quality advice to the EPA the Minister on significant proposals and environmental issues:					
The EPA's satisfaction with the Department's environmental impact assessment (EIA) services, during the year, in line with best practice principles of EIA.....	97%	80%	85%	80%	
Percentage of project-specific conditions which did not require significant change following the appeal process.....	94%	80%	85%	80%	
Percentage of assessments that met agreed timelines	92%	75%	80%	75%	
The EPA's satisfaction with the Office of the Environmental Protection Authority's provision of environmental management services during the year.....	90%	80%	85%	80%	
Outcome: Compliance with Ministerial statement implementation conditions are monitored effectively:					
The number of Ministerial statements audited compared to targets	100%	100%	100%	100%	

(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 2017-18 Actual represents a total of 12 water supply plan strategies against the planned 16 identified priority growth areas as part of the four year program commenced under the former Department of Water in 2013-14. The 2018-19 Estimated Actual is expected to deliver on budget representing six of the 13 priority growth area water plan strategies. The 2019-20 Estimates are based on achieving 11 out of 11 water plan strategies.
2. The 2017-18 Actual was lower than expected as compliance resources targeted areas of highest risk during this period with matters more complex and protracted than general compliance activities further impacted by staff vacancies. The 2018-19 Estimated Actual is expected to overachieve against the 2018-19 Budget due to an increased number of inspections for landfill levy compliance. The 2019-20 Budget Target is planned to achieve 100% of target.
3. The 2018-19 Estimated Actual is expected to be lower than the 2018-19 Budget due to prioritising of prescribed premises compliance at areas of greatest risk, where the resolution of non-compliance is often protracted and relies on third-party action to become compliant. The 2019-20 Budget Target is projected to be higher than 2018-19 Estimated Actual reflecting the Department's focused efforts on resolving non-compliance issues.
4. The data used to calculate these indicators are based on the Recycling Activity in Western Australia 2017-18 report. The 2019-20 Budget Target is set against the 2012 Waste Strategy targets set for 2019-20. These annual reports allow comparison of performance across years. The 2018-19 Estimated Actual shows an increase over the 2017-18 Actual, reflecting a change in the services and improved waste collection infrastructure being provided by local governments to households. The roll-out of the Better Bins program is expected to continue to have a positive impact on diversion rates.
5. The data used to calculate these indicators are based on the Recycling Activity in Western Australia 2017-18 report. The 2019-20 Budget Target is set against the 2012 Waste Strategy targets set for 2019-20. These annual reports allow comparison of performance across years.

Services and Key Efficiency Indicators

1. Water Information and Advice

The Department enables investment decisions of regional and State significance through the provision of data and information on the quantity, quality, location of and demand for water across the State. The information also underpins policy advice for consideration by Government and supports other government agencies and stakeholders in their planning for future economic growth and urban and rural development.

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 41,647	\$'000 36,562	\$'000 39,601	\$'000 38,652	1
Less Income	3,849	1,531	3,591	3,538	
Net Cost of Service	37,798	35,031	36,010	35,114	
Employees (Full-Time Equivalents)	220	210	210	210	
Efficiency Indicators					
Proportion of statutory referrals from decision-making authorities where advice is provided within target timeframes ^(a)	95%	97%	95%	95%	
Average cost per statutory referral assessment	\$13,072	\$11,912	\$14,922	\$14,477	
Average cost per water measurement site managed	\$8,754	\$7,085	\$7,637	\$7,467	

(a) Decision-making authorities include the Departments of Water and Environmental Regulation; Planning, Lands and Heritage; Mines, Industry Regulation and Safety; and Local Government, Sport and Cultural Industries. The target timeframe is 35 business days.

Explanation of Significant Movements

(Notes)

1. The decrease in the Total Cost of Service between the 2017-18 Actual and the 2018-19 Budget is due to voluntary severance and restructuring costs in 2017-18.

2. Water Planning, Allocation and Optimisation

The Department undertakes and facilitates water planning, allocation and optimisation to ensure that the sustainable management of water resources for the long-term benefit of the State relies on good science. This includes planning and allocating water for sustainable productive use, protecting public drinking water sources and ensuring the sustainability of water resources and their dependent ecosystems.

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 40,027	\$'000 32,011	\$'000 38,406	\$'000 38,302	1
Less Income	6,627	1,972	4,722	4,496	2
Net Cost of Service	33,400	30,039	33,684	33,806	
Employees (Full-Time Equivalents)	119	128	128	130	
Efficiency Indicators					
Average cost per plan, report or guidance document to support water planning, allocation and optimisation	\$417,794	\$334,511	\$358,235	\$342,767	3
Average cost per hour of scientific support for water planning, allocation and optimisation	\$196	\$194	\$218	\$222	

Explanation of Significant Movements

(Notes)

1. The reduction in the Total Cost of Service between the 2017-18 Actual and the 2018-19 Budget is mainly due to the reduction in Rural Water Grants and Water for Food program (Royalties for Regions projects) from 2017-18 onwards.
2. The decrease in income between the 2017-18 Actual and the 2018-19 Budget is due to transfer of Water for Food program from Royalties for Regions to the Department of Primary Industries and Regional Development.
3. The decrease in the average cost per plan, report or guidance document to support water planning, allocation and optimisation between the 2017-18 Actual and 2018-19 Budget is due to a reduction in the Total Cost of Service as a result of the transfer of the Water for Food program from Royalties for Regions to the Department of Primary Industries and Regional Development.

3. Water Regulation, Licensing and Industry Governance

The Department is responsible for regulation to ensure that investment, growth and development is underpinned by sustainable management of the State's water resources for the long-term benefit of the State. This service includes the management of water licensing and the management of the legislation governing the operations of water service providers.

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 17,419	\$'000 18,593	\$'000 17,801	\$'000 17,557	
Less Income	832	1,382	1,124	1,578	
Net Cost of Service	16,587	17,211	16,677	15,979	
Employees (Full-Time Equivalents)	113	109	109	113	
Efficiency Indicators					
Average cost of assessing a water licence application by risk assessment category:					1
Low risk	\$1,071	\$2,236	\$4,079	\$3,834	
Medium risk	\$14,297	\$7,604	\$6,215	\$5,111	
High risk	\$28,762	\$15,655	\$8,103	\$6,389	
Average time taken (days) to assess a licence application by risk assessment category:					1
Low risk	73	65	55	65	
Medium risk	134	75	147	75	
High risk	158	95	228	95	
Average cost of compliance monitoring and enforcement action	\$743	\$413	\$548	\$610	

Explanation of Significant Movements

(Notes)

1. The difference between the risk assessment categories for the 2017-18 Actual, 2018-19 Budget and 2018-19 Estimated Actual are due to changes in risk assignment methodology to more accurately represent the contemporary distribution of licences assessed across each risk category.

4. Environmental Regulation

The Department seeks to prevent, control and abate activities that have the potential to cause pollution or environmental harm. It has adopted a risk-based approach to delivering its regulatory role, which broadly fits into three main functions:

- approvals and licensing;
- monitoring, audit and compliance inspections; and
- enforcement, including complaint and incident investigation.

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 36,685	\$'000 38,496	\$'000 42,369	\$'000 40,158	
Less Income	25,265	32,582	33,430	32,487	1
Net Cost of Service	11,420	5,914	8,939	7,671	
Employees (Full-Time Equivalents)	208	245	245	246	2
Efficiency Indicators					
Average cost per works approval and licence application	\$55,962	\$68,503	\$67,278	\$62,184	
Average cost per native vegetation clearing permit application	\$34,405	\$28,428	\$40,437	\$40,192	3

Explanation of Significant Movements

(Notes)

1. The increase in income between the 2017-18 Actual and the 2018-19 Budget is mainly due to increased revenue relating to Native Vegetation Offset Account.
2. The increase in full-time equivalents between the 2017-18 Actual and the 2018-19 Budget, 2018-19 Estimated Actual and 2019-20 Budget Target is due to the engagement of additional staff to manage the new clearing and industry regulation fees.
3. The decrease in the average cost per native vegetation clearing permit application between the 2017-18 Actual and the 2018-19 Budget is due to the increase in the number of applications being processed.

5. Water and Environment Policy

The Department develops and implements policies and strategies that promote sound water and environmental outcomes.

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 4,608	\$'000 5,405	\$'000 4,693	\$'000 4,845	
Less Income	605	577	719	708	
Net Cost of Service	4,003	4,828	3,974	4,137	
Employees (Full-Time Equivalents)	26	39	39	39	
Efficiency Indicators					
Average cost per hour of policy advice and recommendations	\$89	\$114	\$73	\$76	1

Explanation of Significant Movements

(Notes)

1. The decrease in average cost per hour of policy advice and recommendations between the 2018-19 Budget and 2018-19 Estimated Actual is due to the number of hours of policy advice and recommendations being underestimated.

6. Waste Strategies

The Department works with the Waste Authority to facilitate the avoidance of waste and maximising recovery of materials from landfill.

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 19,922	\$'000 23,983	\$'000 25,484	\$'000 24,902	1
Less Income	87,257	84,705	85,031	85,012	
Net Cost of Service	(67,335)	(60,722)	(59,547)	(60,110)	
Employees (Full-Time Equivalents)	47	47	47	47	
Efficiency Indicators					
Cost of landfill levy compliance as a percentage of landfill levy income collected	1.31%	1.99%	2.27%	1.97%	2

Explanation of Significant Movements

(Notes)

1. The 2017-18 Actual was less than budgeted for waste management strategies and programs due to program delays.
2. The increase in the cost of landfill levy compliance as a percentage of landfill levy income collected from the 2017-18 Actual is due to increased resources being allocated to levy collection activities.

7. Environmental Impact Assessment Services to the Environmental Protection Authority

The Department conducts, for the EPA, environmental impact assessments of significant proposals and schemes.

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 8,878	\$'000 9,440	\$'000 8,080	\$'000 9,115	
Less Income	271	1,423	173	171	
Net Cost of Service	8,607	8,017	7,907	8,944	
Employees (Full-Time Equivalents)	48	48	58	58	
Efficiency Indicators					
Cost per standardised unit of assessment output	\$34,681	\$31,467	\$26,933	\$30,383	

8. Environmental Management Services to the Environmental Protection Authority

The Department develops, for the EPA, statutory policies, guidelines and strategic advice to manage environmental impacts and protect the environment.

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 3,138	\$'000 3,958	\$'000 1,966	\$'000 2,251	
Less Income	81	408	45	44	
Net Cost of Service	3,057	3,550	1,921	2,207	1
Employees (Full-Time Equivalents)	18	16	19	19	
Efficiency Indicators					
Cost per standardised unit of environmental management services output	\$31,377	\$39,577	\$19,656	\$22,511	1

Explanation of Significant Movements

(Notes)

1. The decrease in Net Cost of Service and cost per standardised unit of environmental management services output from the 2018-19 Budget to the 2018-19 Estimated Actual is due to a reduction in the number of complex guidelines developed in 2018-19 compared to the number anticipated when the 2018-19 Budget was developed.

9. Compliance Monitoring Services to the Minister

The Department audits the compliance with conditions set under Ministerial approvals and undertakes enforcement actions as appropriate.

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 1,084	\$'000 2,112	\$'000 1,271	\$'000 1,276	1
Less Income	34	206	14	14	
Net Cost of Service	1,050	1,906	1,257	1,262	
Employees (Full-Time Equivalents)	12	12	13	13	
Efficiency Indicators					
Average cost per environmental audit completed	\$18,069	\$35,207	\$21,183	\$21,267	1

Explanation of Significant Movements

(Notes)

1. The decrease in the Total Cost of Service and average cost per environmental audit completed from the 2018-19 Budget to the 2018-19 Estimated Actual is due to costs to undertake environmental audits in 2018-19 being lower than expected.

Asset Investment Program

1. The Department will spend \$16.5 million on its Asset Investment Program (AIP) in 2019-20 and \$58.6 million over the forward estimates period. This supports the delivery of its services and the rolling program to update plant, equipment and computer software, including for the groundwater investigation and bore monitoring program.
2. The AIP includes the acquisition of Priority 1 land adjacent to public drinking water supply areas.
3. The Department will also spend approximately \$8 million over a four year period on the Environment Online project that will provide customers with a 'one-stop shop' portal to perform business with the Department for environmental-related approvals.

	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							
Land Acquisition - Land Purchase in Priority 1 Areas							
2018-19 Program.....	1,328	1,328	1,328	-	-	-	-
Plant, Equipment and Minor Works - 2018-19 Program	1,090	1,090	1,090	-	-	-	-
Port Hedland Dust Taskforce Report.....	486	486	486	-	-	-	-
Replace and Maintain Monitoring Bores - 2018-19 Program	3,144	3,144	3,144	-	-	-	-
Replace and Maintain River Gauging Stations -							
2018-19 Program	1,504	1,504	1,504	-	-	-	-
State Groundwater Investigation Program -							
2018-19 Program	4,425	4,425	4,425	-	-	-	-
Water Modelling - 2018-19 Program	1,558	1,558	1,558	-	-	-	-
NEW WORKS							
Environment Online.....	8,073	-	-	2,874	2,272	2,927	-
Land Acquisition - Land Purchase in Priority 1 Areas							
2019-20 Program.....	2,410	-	-	2,410	-	-	-
2020-21 Program.....	1,000	-	-	-	1,000	-	-
2021-22 Program.....	1,000	-	-	-	-	1,000	-
2022-23 Program.....	1,000	-	-	-	-	-	1,000
Plant, Equipment and Minor Works							
2019-20 Program.....	1,346	-	-	1,346	-	-	-
2020-21 Program.....	1,410	-	-	-	1,410	-	-
2021-22 Program.....	1,410	-	-	-	-	1,410	-
2022-23 Program.....	1,410	-	-	-	-	-	1,410
Replace and Maintain Monitoring Bores							
2019-20 Program.....	3,144	-	-	3,144	-	-	-
2020-21 Program.....	3,144	-	-	-	3,144	-	-
2021-22 Program.....	3,424	-	-	-	-	3,424	-
2022-23 Program.....	3,424	-	-	-	-	-	3,424
Replace and Maintain River Gauging Stations							
2019-20 Program.....	1,504	-	-	1,504	-	-	-
2020-21 Program.....	1,504	-	-	-	1,504	-	-
2021-22 Program.....	1,504	-	-	-	-	1,504	-
2022-23 Program.....	1,504	-	-	-	-	-	1,504
State Groundwater Investigation Program							
2019-20 Program.....	3,841	-	-	3,841	-	-	-
2020-21 Program.....	3,651	-	-	-	3,651	-	-
2021-22 Program.....	3,651	-	-	-	-	3,651	-
2022-23 Program.....	3,651	-	-	-	-	-	3,651
Water Modelling							
2019-20 Program.....	1,387	-	-	1,387	-	-	-
2020-21 Program.....	1,408	-	-	-	1,408	-	-
2021-22 Program.....	1,408	-	-	-	-	1,408	-
2022-23 Program.....	1,408	-	-	-	-	-	1,408
Total Cost of Asset Investment Program	72,151	13,535	13,535	16,506	14,389	15,324	12,397
FUNDED BY							
Capital Appropriation.....			4,654	6,228	6,060	6,582	6,582
Drawdowns from the Holding Account			6,307	5,994	6,057	5,815	5,815
Internal Funds and Balances.....			2,574	4,284	2,272	2,927	-
Total Funding.....			13,535	16,506	14,389	15,324	12,397

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 the Total Cost of Services between the 2018-19 Budget and the 2018-19 Estimated Actual is due to approved increased resourcing across several key initiatives such as the container deposit scheme and resourcing to support the Environmental Protection Authority and the Commonwealth-funded National Water Infrastructure Development Fund.

Income

3. The increase in total income between the 2018-19 Budget and the 2018-19 Estimated Actual is mainly due to the realignment of the Commonwealth National Water Infrastructure Development Fund from Administered to Controlled.

Statement of Financial Position

4. The decrease in restricted cash between the 2018-19 Estimated Actual and the 2019-20 Budget Estimate is largely due to the utilisation of funds from the Waste Avoidance and Resource Recovery Account for the container deposit scheme.

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)	98,814	92,227	95,419	95,752	94,241	94,927	96,554
Grants and subsidies ^(c)	18,463	15,145	18,433	15,372	12,552	11,152	11,152
Supplies and services	28,250	35,296	37,927	35,334	27,732	27,231	27,381
Accommodation	9,695	9,658	9,658	2,032	2,060	2,060	2,060
Depreciation and amortisation	10,380	15,666	15,666	23,127	25,995	25,373	25,365
Finance and interest costs	-	-	-	3,167	3,044	2,895	2,727
Other expenses	7,806	2,568	2,568	2,274	2,292	2,292	2,292
TOTAL COST OF SERVICES	173,408	170,560	179,671	177,058	167,916	165,930	167,531
Income							
Sale of goods and services	5,199	-	-	-	-	-	-
Regulatory fees and fines	25,029	30,898	30,720	32,610	33,394	34,198	34,930
Grants and subsidies	6,568	4,189	7,930	5,767	5,943	3,777	3,311
Landfill levy	75,509	83,000	83,000	83,000	83,000	83,000	83,000
Other revenue	12,516	6,699	7,199	6,671	6,671	6,671	6,671
Total Income	124,821	124,786	128,849	128,048	129,008	127,646	127,912
NET COST OF SERVICES	48,587	45,774	50,822	49,010	38,908	38,284	39,619
INCOME FROM STATE GOVERNMENT							
Service appropriations	92,892	82,809	83,012	84,338	87,275	87,738	88,951
Resources received free of charge	1,708	1,734	1,734	1,743	1,743	1,743	1,743
Royalties for Regions Fund:							
Regional Community Services Fund	77	95	77	1,677	77	77	77
Regional Infrastructure and Headworks Fund	8,210	9,011	8,335	5,962	-	-	-
TOTAL INCOME FROM STATE GOVERNMENT	102,887	93,649	93,158	93,720	89,095	89,558	90,771
SURPLUS/(DEFICIENCY) FOR THE PERIOD	54,300	47,875	42,336	44,710	50,187	51,274	51,152

(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 811, 868 and 875 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
Contaminated Sites Management Account							
Grants	383	650	650	-	-	-	-
Grants Other	413	-	-	-	-	-	-
National On-Farm Water Infrastructure							
Rebate Scheme	-	-	1,600	1,220	1,400	-	-
National Partnership Payments	2,337	-	1,688	-	-	-	-
Rural Water Grants	4,474	1,950	1,950	687	687	687	687
State-wide Water Efficiency Measures	259	50	50	50	50	50	50
Vegetation Offsets Account	3,229	-	-	3,000	-	-	-
Waste Avoidance and Resource Recovery Account	5,128	9,998	9,998	9,998	9,998	9,998	9,998
Water Innovation Partnership	230	267	267	267	267	267	267
Water Sensitive Cities - Cooperative							
Research Centre	150	150	150	150	150	150	150
Watering Western Australia	1,860	2,080	2,080	-	-	-	-
TOTAL	18,463	15,145	18,433	15,372	12,552	11,152	11,152

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.....	5,512	17,691	4,998	5,110	7,314	8,191	14,401
Restricted cash.....	63,985	63,241	58,335	54,064	55,173	58,417	59,133
Holding account receivables.....	6,307	5,671	5,332	10,085	14,725	19,887	25,049
Receivables.....	30,457	3,624	30,457	30,457	30,457	30,457	30,457
Other.....	1,597	18,574	1,597	1,597	1,597	1,597	1,597
Assets held for sale.....	-	1,055	-	-	-	-	-
Total current assets.....	107,858	109,856	100,719	101,313	109,266	118,549	130,637
NON-CURRENT ASSETS							
Holding account receivables.....	30,965	41,171	41,299	53,679	68,977	83,373	97,761
Property, plant and equipment.....	337,524	332,874	337,610	402,097	394,712	366,712	338,441
Intangibles.....	24,866	24,393	22,175	21,421	17,695	25,716	30,810
Restricted cash.....	632	1,064	991	1,351	1,727	1,727	1,727
Other.....	-	923	534	534	534	534	534
Total non-current assets.....	393,987	400,503	402,609	479,082	483,645	478,062	469,273
TOTAL ASSETS.....	501,845	510,359	503,328	580,395	592,911	596,611	599,910
CURRENT LIABILITIES							
Employee provisions.....	20,143	19,599	20,177	20,214	20,249	20,284	20,319
Payables.....	1,235	4,224	1,235	1,235	1,235	1,235	1,235
Borrowings and leases.....	-	-	-	280	290	301	6
Other.....	6,370	2,346	6,385	6,400	6,415	6,430	6,445
Total current liabilities.....	27,748	26,169	27,797	28,129	28,189	28,250	28,005
NON-CURRENT LIABILITIES							
Employee provisions.....	5,027	4,093	5,027	5,026	5,026	5,026	5,026
Borrowings and leases.....	-	-	-	66,391	62,830	59,243	55,305
Other.....	1,704	1	1,704	1,704	1,704	1,704	1,704
Total non-current liabilities.....	6,731	4,094	6,731	73,121	69,560	65,973	62,035
TOTAL LIABILITIES.....	34,479	30,263	34,528	101,250	97,749	94,223	90,040
EQUITY							
Contributed equity.....	193,909	306,066	153,007	118,642	84,472	40,424	(3,246)
Accumulated surplus/(deficit).....	272,152	85,262	314,488	359,198	409,385	460,659	511,811
Reserves.....	1,305	88,768	1,305	1,305	1,305	1,305	1,305
Total equity.....	467,366	480,096	468,800	479,145	495,162	502,388	509,870
TOTAL LIABILITIES AND EQUITY.....	501,845	510,359	503,328	580,395	592,911	596,611	599,910

(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	77,120	66,932	67,346	61,211	61,280	62,365	63,586
Capital appropriation	10,264	4,654	4,654	9,940	10,106	10,998	11,376
Holding account drawdowns	7,354	6,307	6,307	5,994	6,057	5,815	5,815
Royalties for Regions Fund:							
Regional Community Services Fund	77	95	77	1,677	77	77	77
Regional Infrastructure and Headworks Fund	8,210	9,011	8,335	5,962	-	-	-
Receipts paid into Consolidated Account	(63,443)	(44,276)	(45,526)	(44,276)	(44,276)	(44,276)	(44,276)
Net cash provided by State Government	39,582	42,723	41,193	40,508	33,244	34,979	36,578
CASHFLOWS FROM OPERATING ACTIVITIES							
Payments							
Employee benefits	(99,215)	(92,178)	(95,370)	(95,701)	(94,191)	(94,877)	(96,504)
Grants and subsidies	(11,688)	(15,145)	(18,433)	(15,372)	(12,552)	(11,152)	(11,152)
Supplies and services	(23,525)	(31,606)	(35,114)	(32,347)	(24,445)	(23,663)	(23,522)
Accommodation	(9,699)	(9,668)	(8,791)	(2,042)	(2,070)	(2,070)	(2,070)
GST payments	(8,601)	(7,192)	(7,131)	(7,458)	(5,579)	(5,577)	(5,597)
Finance and interest costs	-	-	-	(3,167)	(3,044)	(2,895)	(2,727)
Other payments	(8,787)	(4,504)	(4,504)	(3,518)	(3,836)	(4,117)	(4,408)
Receipts ^(b)							
Regulatory fees and fines	24,675	30,898	30,720	32,610	33,394	34,198	34,930
Grants and subsidies	6,137	4,189	7,930	5,767	5,943	3,777	3,311
Landfill levy	73,971	83,000	83,000	83,000	83,000	83,000	83,000
GST receipts	7,360	7,192	7,131	7,468	5,589	5,587	5,607
Other receipts	6,812	6,599	7,099	6,671	6,671	6,671	6,671
Net cash from operating activities	(42,560)	(28,415)	(33,463)	(24,089)	(11,120)	(11,118)	(12,461)
CASHFLOWS FROM INVESTING ACTIVITIES							
Purchase of non-current assets	(15,742)	(14,516)	(13,535)	(16,506)	(14,389)	(15,324)	(12,397)
Proceeds from sale of non-current assets	320	-	-	-	-	-	-
Net cash from investing activities	(15,422)	(14,516)	(13,535)	(16,506)	(14,389)	(15,324)	(12,397)
CASHFLOWS FROM FINANCING ACTIVITIES							
Repayment of borrowings and leases	-	-	-	(3,712)	(4,046)	(4,416)	(4,794)
Net cash from financing activities	-	-	-	(3,712)	(4,046)	(4,416)	(4,794)
NET INCREASE/(DECREASE) IN CASH HELD	(18,400)	(208)	(5,805)	(3,799)	3,689	4,121	6,926
Cash assets at the beginning of the reporting period	-	82,204	70,129	64,324	60,525	64,214	68,335
Net cash transferred to/from other agencies	88,529	-	-	-	-	-	-
Cash assets at the end of the reporting period	70,129	81,996	64,324	60,525	64,214	68,335	75,261

(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 - Receipts	24,675	30,898	30,720	32,610	33,394	34,198	34,930
Grants and Subsidies							
Other Grants and Contributions	6,137	4,189	7,930	5,767	5,943	3,777	3,311
Landfill Levy							
Landfill Levy	73,971	83,000	83,000	83,000	83,000	83,000	83,000
GST Receipts							
GST Receipts	7,360	7,192	7,131	7,468	5,589	5,587	5,607
Other Receipts							
Interest Received	1,003	750	750	750	750	750	750
Pilbara Environmental Offsets Fund	-	2,000	2,500	2,000	2,000	2,000	2,000
Lease of Commercial Land and Buildings	528	344	344	346	346	346	346
Other Receipts	5,281	3,505	3,505	3,575	3,575	3,575	3,575
TOTAL	118,955	131,878	135,880	135,516	134,597	133,233	133,519

(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							
National Water Infrastructure Development Fund - Feasibility	-	1,623	-	-	-	-	-
Fines							
Regulatory Fines	100	155	155	155	155	155	155
TOTAL ADMINISTERED INCOME	100	1,778	155	155	155	155	155
EXPENSES							
Grants to Charitable and Other Public Bodies							
National Water Infrastructure Development Fund - Feasibility	-	1,623	-	-	-	-	-
Other							
Receipts Paid into the Consolidated Account	97	155	155	155	155	155	155
TOTAL ADMINISTERED EXPENSES	97	1,778	155	155	155	155	155

Agency Special Purpose Account Details

CONTAMINATED SITES MANAGEMENT ACCOUNT

Account Purpose: The purpose of the trust account is to enable investigation or remediation of any site where the State or a public authority (excluding Local Government) is responsible for remediation.

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000
Opening Balance.....	1,942	1,160	1,863	335
Receipts:				
Other	171	300	210	210
	2,113	1,460	2,073	545
Payments	250	650	1,738	208
CLOSING BALANCE.....	1,863	810	335	337

WASTE AVOIDANCE AND RESOURCE RECOVERY ACCOUNT

Account Purpose: The purpose of the trust account is to fund nominated programs and other waste management initiatives approved by the Minister for Environment on the advice of the Waste Authority of Western Australia.

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000
Opening Balance.....	33,246	37,996	38,582	39,332
Receipts:				
Other	19,862	21,500	21,500	22,000
	53,108	59,496	60,082	61,332
Payments	14,526	20,750	20,750	22,000
CLOSING BALANCE.....	38,582	38,746	39,332	39,332

RESERVE 31165 TRUST ACCOUNT

Account Purpose: The purpose of the trust account is to hold moneys to be used for the purposes of protecting the water resource values of Lake Argyle and the Ord River Dam, protecting the Lake Argyle wetland values and maintaining and enhancing the traditional culture of the Miriwung-Gajerrong people.

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000
Opening Balance.....	330	489	481	481
Receipts:				
Other	151	101	-	120
	481	590	481	601
Payments	-	590	-	10
CLOSING BALANCE.....	481	-	481	591

PILBARA ENVIRONMENTAL OFFSETS FUND

Account Purpose: The purpose of the trust account is to facilitate the coordinated delivery of environmental offset projects located within the Pilbara Interim Biogeographic Regionalisation for Australia and to hold moneys to be used for the purposes of delivering landscape scale conservation projects.

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000
Opening Balance.....	-	-	-	1,645
Receipts:				
Other	-	-	2,500	2,000
	-	-	2,500	3,645
Payments	-	-	855	2,305
CLOSING BALANCE.....	-	-	1,645	1,340

Division 40 **Biodiversity, Conservation and Attractions**

Part 10 **Environment**

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 83 Net amount appropriated to deliver services.....	254,112	239,344	237,857	238,173	240,070	242,705	246,142
Amount Authorised by Other Statutes							
- Salaries and Allowances Act 1975.....	375	375	625	625	625	627	632
Total appropriations provided to deliver services	254,487	239,719	238,482	238,798	240,695	243,332	246,774
CAPITAL							
Item 144 Capital Appropriation ^(a)	2,427	3,762	3,762	12,059	12,036	11,972	12,166
TOTAL APPROPRIATIONS	256,914	243,481	242,244	250,857	252,731	255,304	258,940
EXPENSES							
Total Cost of Services	394,729	396,303	393,142	402,149	402,759	400,279	398,905
Net Cost of Services ^(b)	252,684	255,257	250,292	257,493	257,032	254,260	252,396
CASH ASSETS ^(c)	137,204	112,611	130,754	133,308	136,163	139,229	142,048

- (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					
Collie Adventure Trails	-	50	135	160	150
Geraldton Alternative Settlement Agreement	-	64	2,275	2,312	2,350
Gibson Desert Nature Reserve	-	194	194	-	-
Plan for Our Parks					
Helena and Aurora Range	-	200	400	400	400
Houtman Abrolhos Islands National Park Management	-	630	810	1,180	1,180
Indigenous Land Use Agreements.....	-	2,500	2,450	-	-
Ongoing Initiatives					
Enhanced Prescribed Burning Program	-	5,500	5,500	5,500	5,500
Ngari Capes Marine Park	-	1,150	1,150	1,150	1,150
Plan for Our Parks - Ningaloo Coastal Reserve - Public Recreation and Joint Management Operations	-	1,300	1,300	1,300	1,300
Regional Workers Incentives Allowance Payments.....	51	51	51	51	51

	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					
Biodiversity Conservation Legislation Fees and Charges	30	130	130	130	130
Government Office Accommodation Reform Savings	(21)	(16)	(11)	(5)	-
Government Regional Officer Housing Review	(573)	(1,125)	(1,044)	(999)	(951)
Indexation of Non-Salary Expenses	-	-	-	-	801
Internal Reallocation to Fund Plan for Our Parks Commitments	-	(4,950)	-	-	-
Loss of Bureau Service Revenue from Department of Water and Environmental Regulation.....	(2,527)	(2,527)	(2,527)	(2,527)	(2,527)
Rottneest Island Authority - Forecast Update.....	4,271	5,203	6,048	6,434	6,824
Voluntary Targeted Separation Scheme	(699)	(963)	(974)	(991)	(221)

Significant Issues Impacting the Agency

Our Priorities: Sharing Prosperity Through a Liveable Environment, Aboriginal Wellbeing and Regional Prosperity

1. The Government has announced the Plan for Our Parks initiative as part of Our Priorities: Sharing Prosperity, a new program of targets to address important issues facing Western Australia. Plan for Our Parks seeks to secure a further five million hectares of new national parks, marine parks and other conservation reserves over the next five years. This will see the conservation estate increase by over 20%. The initiative will establish new and expanded parks from the Kimberley in the north, across Western Australia's rangelands, through population centres in Perth and Bunbury, to our southwest forests and a potential new marine park along our southern coastline. It will deliver on existing election commitments and priorities, and identifies new, visionary opportunities to work with Traditional Owners to create, jointly manage and expand our parks and reserves. Initial consultations with Traditional Owners and other stakeholders on the opportunities for new reserves under Plan for Our Parks will be undertaken in 2019.
2. The Government has provided an additional \$22 million over four years to support the continuation of the Department's Enhanced Prescribed Burning Program. This program reduces bushfire risks, improves community protection and increases firefighter safety when managing dangerous bushfires. This funding is in addition to and complements the Department's existing annual prescribed burning budget of approximately \$11 million per annum in the southwest of the State. This additional funding will support the Department's ability to achieve the target of 200,000 hectares of prescribed burning in the southwest of the State, which is the State's principal risk mitigation strategy for protecting the community from the devastating impacts of large bushfires across highly populated areas of Western Australia. This funding will allow for multiple burns to be undertaken when conditions are suitable and safe to do so and facilitate the necessary movement of staff between regions to provide additional resources for burning opportunities.
3. The Government has provided \$10.5 million over four years for the creation of the Preston River to Ocean and Leschenault Regional Parks in the Bunbury region. The new regional park will protect the area's biodiversity and cultural values while improving recreational opportunities for the residents of Bunbury and surrounds. It will create a continuous reserve of almost 900 hectares from the south of Bunbury west of the Preston River to the coast. The approved funding will also allow the Government to create the 2,297 hectare Leschenault Regional Park, which will extend along the Collie and Brunswick rivers westwards across the Swan Coastal Plain. A community advisory committee has been established and the management planning process for regional parks has commenced. In addition, three Aboriginal rangers have been employed to implement on-ground management actions.
4. A five year \$20 million Aboriginal Ranger Program was established in 2017 to capitalise on the economic and social benefits that employment provides in remote and regional Western Australian communities and to protect the environment. In the first round of the program, 13 Aboriginal groups shared \$8.5 million in funding. This resulted in the creation of 85 new jobs and 80 training positions for Aboriginal people, including 47 female ranger positions, to carry out work such as biodiversity monitoring and research, management of tourism and cultural sites, weeds and feral animals, prescribed burning, bushfire suppression and environmental protection works. Second round funding is being distributed in 2019 and a further round is placed for 2020. Grants are awarded on a multi-year basis.
5. A new Fitzroy River National Park will be created and managed jointly by the Department and Traditional Owners to protect the environment and culture of the Fitzroy River. The park is proposed to extend to the existing Geikie Gorge National Park along the Fitzroy River to the north and along the Margaret River to the east. Discussions with Traditional Owners to develop Indigenous Land Use Agreements to enable the creation of the park are underway. Consultation with pastoral lessees and other affected interest holders has also commenced.

6. A marine park will be established to include the fringing reefs of the Buccaneer Archipelago. The Department will continue the preparation of a management plan for the marine park with Traditional Owners and stakeholders which will facilitate employment of Aboriginal rangers for park management and opportunities for Aboriginal people to create sustainable economic enterprises.
7. Round two of the Community Rivercare Program provided funding to nine community volunteer groups, following on from the 17 community volunteer groups in the first round of the program. Recipient groups have local knowledge, experience and volunteer resources to complete restoration projects throughout the Swan Canning river system. Later in 2019-20 there will be an opportunity for other groups to apply for funding in round three of the program.
8. The Department will continue planning for expansion of the Wellington National Park, near Collie with a view to enhancing the potential tourism and recreation opportunities in the area. A public consultation process seeking views on this proposal resulted in a total of 46 submissions being received.
9. The Department's investment to improve access to and provide new visitor facilities in parks in the Collie-Preston region continues with the development of Lake Kepwari as a water-based tourism precinct, the establishment of more walk and cycle trails and the upgrade of tourist drive routes. These works will provide the foundations for future tourism investment and a significant economic driver to the regional community.
10. The Department will continue to assist with the addition of the Roe 8 road corridor into Beeliar Regional Park.

Joint Management and Visitor Services

11. As part of joint management arrangements with Traditional Owners at Murujuga National Park on the Burrup Peninsula, the Department will assist in the development of a Living Knowledge Centre and park infrastructure in collaboration with Woodside and Rio Tinto. A Tentative World Heritage listing nomination is being prepared with the Murujuga Aboriginal Corporation as the first step in the nomination of the Burrup Peninsula for World Heritage listing.
12. The Department will continue to jointly manage marine and terrestrial parks throughout the State and continue to negotiate Indigenous Land Use Agreements to facilitate expansion of the conservation estate under the Plan for Our Parks initiative.
13. Visitation to Department-managed lands and waters is remaining steady, with an estimated 20.4 million visits in 2018-19.
14. The Department will implement the Two Year Action Plan for Nature Based Tourism 2019-2020.
15. The Dwellingup Adventure Trails project will commence including the provision of new cycle, canoe and drive trails in Lane Poole Reserve and connecting with the new Dwellingup Trails Centre.
16. The Swan Canning River Protection Strategy continues to improve coordination across Government to protect and enhance the ecological and community benefits of the Swan Canning Riverpark. The Department will, with other partners, finalise the Perth Water Precinct Plan for the section of the Swan River and its foreshore between the Narrows and Windan bridges to provide strategic oversight for future improvement of the precinct, including tourism opportunities.
17. Hotel Rottnest is expected to commence construction of a significant extension in the 2019 calendar year that will add 80 new rooms and a conference centre.
18. New private developments on Rottnest Island, including the Discovery - Rottnest Island and Hotel Rottnest resorts, will increase competitive pressure on Rottnest Island Authority-operated visitor accommodation.
19. Maintenance and renewal of marine infrastructure, especially Rottnest Island's jetties, to improve visitor safety and operational efficiency is a priority. Works proposed include the relocation of barging operations away from the Main Jetty to the site of the former Army Jetty.
20. The reliability and capability of the Rottnest Island Authority's online booking system for accommodation and other visitor services is of paramount importance in ensuring the Island's ongoing competitiveness.
21. Construction of new café, function and catering facilities at the Perth Zoo, planned for commencement in late 2019, will significantly improve visitor facilities and amenity.
22. A new master plan will be developed for the Perth Zoo site. This will guide long-term development, infrastructure investment and inform priorities for staging.

23. Redevelopment of the main lake at Perth Zoo will improve sustainable water use on the site and provide opportunities for visitors to learn about the importance of wetlands to our environment.
24. Kings Park and Botanic Garden is the State's single most visited attraction. The high level of visitation places significant pressure on operations, on the landscape and on infrastructure which require high levels of maintenance and regular upgrades to meet the levels of demand and to maintain the status of the Park and Botanic Garden as world class attractions for tourists and places of significance and civic pride for the Western Australian community.
25. The Botanic Gardens and Parks Authority has provided a location for a long-term lease by volunteer groups operating in Kings Park and Botanic Garden that has enabled them, through the Friends of Kings Park, to secure \$2.4 million in Lotterywest funding to build a volunteer hub to support hands-on activities in the parkland areas, the Western Australian Botanic Garden and in the bushland areas. The facility is under construction and is expected to be completed by August 2019.

Biodiversity Science and Conservation

26. Western Australia has a highly significant biodiversity that faces threats and complex challenges, requiring integrated multi-disciplinary approaches to conservation and management that are underpinned by high quality science. The Department will continue to implement its Science Strategic Plan 2018-2021 to deliver scientific excellence across the agency to build and share the State's biodiversity knowledge and support effective conservation and management.
27. The remainder of the *Biodiversity Conservation Act 2016* and the Biodiversity Conservation Regulations 2018 commenced on 1 January 2019. The Department continues to focus on providing supporting information to implement the regulations, and education and awareness for those in the community affected by changes.
28. The Department will continue to apply adaptive management strategies to assist in meeting the challenges of climate change, particularly in response to the reduced rainfall and hotter conditions predicted for the South West.

Ecosystem Management including South West Forests

29. A range of threatening processes continue to impact the integrity and functioning of our natural ecosystems and biodiversity. The Department will, with support of industry sponsors and community groups, continue to protect fauna from invasive pests such as the European fox and feral cats through the delivery of the Western Shield wildlife recovery program. Invasive weeds and diseases will continue to be monitored, and management and control will focus on regional priorities and neighbouring land managers.
30. An expected upturn in proposed mining activities, especially lithium exploration, as well as Government economic diversification initiatives such as the Government's agricultural development programs, will require the Department to continue to provide suitable and timely advice as part of environmental impact assessment to mitigate and manage impacts on biodiversity.
31. The State's forests will continue to be managed to conserve plants and animals, provide for a sustainable timber industry, protect water catchments, enable recreation and tourism activities and allow mining and other public uses under the direction of the Forest Management Plan 2014-2023. The Department will, within existing resources, focus on implementing management responses detailed in the Conservation and Parks Commission mid-term performance review of the Forest Management Plan (April 2019).
32. The Department is working on a strategic approach for managing Western Australia's wild native sandalwood. Priority areas include licensing the take of the resource across private and public lands, including access by Traditional Owners and a sustained focus on control of illegal harvesting.
33. The Department will continue to work with other agencies to facilitate protection or development of State forest. The Department will continue to negotiate the implementation of a range of existing reserve recommendations, including those outlined in the Forest Management Plan.

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
Better Places: A quality environment with liveable and affordable communities and vibrant regions.	Community enjoyment, appreciation and understanding of attractions under the Department's care.	1. Visitor Services and Public Programs Provided at Kings Park and Bold Park 2. Visitor Services and Public Programs Provided at Rottnest Island 3. Visitor Services and Public Programs Provided at Perth Zoo 4. Visitor Services and Public Programs Provided in the Swan and Canning Riverpark 5. Visitor Services and Public Programs Provided in National Parks and Other Lands and Waters
	Plants and animals are conserved and habitat, ecosystem and landscape-scale conservation utilises evidenced-based science.	6. Conserving Habitats, Species and Ecological Communities 7. Research and Conservation Partnerships
	Sustainable use of forest resources.	8. Implementation of the Forest Management Plan
	Lands under the Department's care are managed to protect communities, visitors and built and natural assets from bushfire damage and planned fire is used to achieve other land, forest and wildlife management objectives.	9. Prescribed Burning and Fire Management 10. Bushfire Suppression

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. Visitor Services and Public Programs Provided at Kings Park and Bold Park.....	13,453	11,012	10,833	10,647	10,666	10,758	10,905
2. Visitor Services and Public Programs Provided at Rottnest Island.....	45,142	41,659	46,192	45,264	46,069	46,585	47,137
3. Visitor Services and Public Programs Provided at Perth Zoo.....	23,213	22,894	22,809	22,908	23,037	23,272	23,476
4. Visitor Services and Public Programs Provided in the Swan and Canning Riverpark.....	15,791	13,888	14,236	14,196	14,150	13,974	14,114
5. Visitor Services and Public Programs Provided in National Parks and Other Lands and Waters.....	100,804	91,810	92,728	100,445	100,702	95,938	91,944
6. Conserving Habitats, Species and Ecological Communities.....	69,460	76,433	73,131	73,549	73,424	73,940	74,516
7. Research and Conservation Partnerships.....	26,779	37,844	33,562	33,408	33,279	33,478	33,718
8. Implementation of the Forest Management Plan.....	16,613	21,918	19,227	19,271	19,216	19,332	19,452
9. Prescribed Burning and Fire Management.....	53,248	46,985	48,931	51,078	50,956	51,436	51,777
10. Bushfire Suppression.....	30,226	31,860	31,493	31,383	31,260	31,566	31,866
Total Cost of Services.....	394,729	396,303	393,142	402,149	402,759	400,279	398,905

Outcomes and Key Effectiveness Indicators ^(a)

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Outcome: Community enjoyment, appreciation and understanding of attractions under the Department's care:					
Average level of visitor satisfaction at Kings Park and Bold Park.....	99%	98%	95%	95%	1
Average level of visitor satisfaction at Rottnest Island.....	97%	97%	97%	97%	
Average level of visitor satisfaction at Perth Zoo.....	97%	97%	97%	97%	
Average level of visitor satisfaction in the Swan and Canning Riverpark.....	86.8%	90%	83.1%	85%	
Average level of visitor satisfaction in national parks and other lands and waters.....	92.5%	90%	90%	90%	
Outcome: Plants and animals are conserved and habitat, ecosystem and landscape-scale conservation utilises evidenced-based science:					
Proportion of critically endangered and endangered taxa and ecological communities that have a recovery plan.....	72.4%	72%	73.5%	73.5%	
Area of land baited for introduced predators.....	4,404,138 ha	4,347,107 ha	4,110,063 ha	4,082,563 ha	2
Outcome: Sustainable use of forest resources:					
Cumulative removal of jarrah and karri sawlogs by approved harvesting operations compared to limits in the Forest Management Plan.....	497,503 m ³	955,000 m ³	695,767 m ³	1,146,000 m ³	3
Outcome: Lands under the Department's care are managed to protect communities, visitors and built and natural assets from bushfire damage and planned fire is used to achieve other land, forest and wildlife management objectives:					
Proportion of planned Priority 1 prescribed burns achieved.....	67%	55%	55%	55%	
Proportion of South West bushfires contained to less than two hectares.....	82%	75%	75%	75%	

(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 satisfaction levels for the 2018-19 Estimated Actual and the 2019-20 Budget Target are calculated using a different methodology than employed in previous periods. If application of the previous period methodology was continued, the 2018-19 Estimated Actual and the 2019-20 Budget Target figures would both be 98%.
2. Reduction in area of land baited for the 2019-20 Budget Target is due to the discontinuation of the Mount Jackson and Nambung baiting cells and reduction of the Fortescue Marsh by 27,500 hectares due to removal of the Koodaideri envelope.
3. From 2014-15 and successive years, the target figure is a cumulative annual figure of 10% (that is, 10% through to 50% for years one through to five) of the total first and second grade jarrah and karri sawlog resource available for removal for the 10 year life of the 2014-2023 Forest Management Plan, which commenced on 1 January 2014. The annual and cumulative removals are lower than the pro-rata limits for both jarrah and karri sawlogs, reflecting market conditions for both sawlog and non-sawlog grades of timber.

Services and Key Efficiency Indicators**1. Visitor Services and Public Programs Provided at Kings Park and Bold Park**

Provide facilities, experiences and programs to visitors to Kings Park and Bold Park for their enjoyment and appreciation of natural, cultural and heritage values and to strengthen community understanding and support for conservation of plants, animals and habitats.

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 13,453	\$'000 11,012	\$'000 10,833	\$'000 10,647	
Less Income	5,501	6,484	6,477	6,566	
Net Cost of Service	7,952	4,528	4,356	4,081	
Employees (Full-Time Equivalents)	39	60	42	44	1
Efficiency Indicators					
Average cost per visitor at Kings Park and Bold Park	\$2.13	\$1.84	\$2.01	\$1.97	

Explanation of Significant Movements

(Notes)

1. The decrease in FTEs from the 2018-19 Budget is mainly due to internal transfers and redistributions across services.

2. Visitor Services and Public Programs Provided at Rottnest Island

Provide facilities, experiences and programs to visitors to Rottnest Island for their enjoyment and appreciation of natural, cultural and heritage values and to strengthen community understanding and support for maintaining the built and cultural heritage of the island while conserving natural marine and terrestrial habitats.

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 45,142	\$'000 41,659	\$'000 46,192	\$'000 45,264	1
Less Income	40,045	35,469	39,806	40,739	1
Net Cost of Service	5,097	6,190	6,386	4,525	
Employees (Full-Time Equivalents)	90	90	106	106	2
Efficiency Indicators					
Average cost per visitor at Rottnest Island	\$62	\$66.13	\$58.64	\$56.86	

Explanation of Significant Movements

(Notes)

1. Revenue and expense increases from the 2018-19 Budget to the 2018-19 Estimated Actual are primarily related to the growth in visitor numbers, with the introduction of a third ferry provider having a significant impact from November 2017.
2. The growth in FTEs from the 2018-19 Budget to the 2018-19 Estimated Actual is directly related to growth in visitation to Rottnest Island.

3. Visitor Services and Public Programs Provided at Perth Zoo

Provide facilities, experiences and educational programs to visitors to the Perth Zoo for their enjoyment and appreciation of natural, cultural and heritage values and to encourage positive behavioural change and community participation in the conservation of plants, animals and habitats.

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 23,213	\$'000 22,894	\$'000 22,809	\$'000 22,908	
Less Income	13,571	15,835	15,713	16,045	
Net Cost of Service	9,642	7,059	7,096	6,863	
Employees (Full-Time Equivalents)	141	141	140	140	
Efficiency Indicators					
Average cost per visitor at Perth Zoo	\$35.28	\$32.94	\$31.33	\$34.45	

4. Visitor Services and Public Programs Provided in the Swan and Canning Riverpark

Provide facilities, experiences and programs to visitors to the Swan and Canning Riverpark for their enjoyment and appreciation of natural, cultural and heritage values and to strengthen community understanding and support for conservation of plants, animals and habitats.

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 15,791	\$'000 13,888	\$'000 14,236	\$'000 14,196	
Less Income	4,561	3,180	3,180	3,212	
Net Cost of Service	11,230	10,708	11,056	10,984	
Employees (Full-Time Equivalents)	53	50	52	52	
Efficiency Indicators					
Average cost per hectare in the Swan and Canning Riverpark	\$2,158	\$1,896.75	\$1,944.28	\$1,938.81	

5. Visitor Services and Public Programs Provided in National Parks and Other Lands and Waters

Provide facilities, experiences and programs to visitors to national parks and other lands and waters for their enjoyment and appreciation of natural, cultural and heritage values and to strengthen community understanding and support for conservation of plants and animals.

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 100,804	\$'000 91,810	\$'000 92,728	\$'000 100,445	1
Less Income	33,905	31,559	31,559	31,859	
Net Cost of Service	66,899	60,251	61,169	68,586	
Employees (Full-Time Equivalents)	400	384	404	410	
Efficiency Indicators					
Average cost per hectare in national parks and other lands and waters	\$3.18	\$2.92	\$2.95	\$3.24	

Explanation of Significant Movements

(Notes)

1. The 2019-20 Budget Target is higher than the 2018-19 Estimated Actual mainly due to increased spending on various Plan for Our Parks initiatives.

6. Conserving habitats, species and ecological communities

Develop and implement programs for the conservation of biodiversity.

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 69,460	\$'000 76,433	\$'000 73,131	\$'000 73,549	
Less Income	7,549	8,045	7,980	8,116	
Net Cost of Service	61,911	68,388	65,151	65,433	
Employees (Full-Time Equivalents)	476	473	471	473	
Efficiency Indicators					
Average cost per hectare of wildlife habitat	\$2.20	\$2.05	\$2.31	\$2.32	

7. Research and conservation partnerships

Work with the community, industry, Traditional Owners and other stakeholders to deliver research and conservation outcomes.

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 26,779	\$'000 37,844	\$'000 33,562	\$'000 33,408	
Less Income	26,185	30,457	29,146	29,130	
Net Cost of Service	594	7,387	4,416	4,278	
Employees (Full-Time Equivalents)	113	111	103	103	
Efficiency Indicators					
Average cost per hectare of wildlife habitat	\$0.85	\$1.19	\$1.06	\$1.05	

8. Implementation of the Forest Management Plan

Manage State forests in accordance with the approved Forest Management Plan and provide services that support forest production activities.

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 16,613	\$'000 21,918	\$'000 19,227	\$'000 19,271	
Less Income	5,982	6,759	6,759	6,759	
Net Cost of Service	10,631	15,159	12,468	12,512	
Employees (Full-Time Equivalents)	124	131	126	126	
Efficiency Indicators					
Average cost per hectare of forest	\$12.91	\$16.98	\$14.98	\$14.92	

9. Prescribed Burning and Fire Management

Deliver prescribed burning and fire management to protect the community and enhance natural values.

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 53,248	\$'000 46,985	\$'000 48,931	\$'000 51,078	
Less Income	2,971	230	230	230	
Net Cost of Service	50,277	46,755	48,701	50,848	
Employees (Full-Time Equivalents)	265	255	255	255	
Efficiency Indicators					
Average cost per hectare burnt	\$10.89	\$16.57	\$15.34	\$16.01	1

Explanation of Significant Movements

(Notes)

1. Suitable conditions and significantly higher prescribed burning achievements in the non-forest regions, particularly the Kimberley, Pilbara and Mid West, led to substantial efficiencies of scale and higher total hectares burnt in 2017-18, resulting in a low average cost per hectare burnt in the 2017-18 Actual.

10. Bushfire Suppression

Suppress bushfires that threaten or occur on lands managed by the Department.

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 30,226	\$'000 31,860	\$'000 31,493	\$'000 31,383	
Less Income	1,775	3,028	2,000	2,000	
Net Cost of Service	28,451	28,832	29,493	29,383	
Employees (Full-Time Equivalents)	118	121	120	120	
Efficiency Indicators					
Average cost per hectare burnt	\$10.93	\$17.10	\$68.09	\$20.11	1

Explanation of Significant Movements

(Notes)

1. A significant decrease in the area of land burnt by bushfires on Department-managed land in the northern regions of the State have resulted in a higher average cost per hectare burnt for the 2018-19 Estimated Actual.

Asset Investment Program

1. The Department will continue with ongoing investment programs at the Perth Zoo, Rottnest Island, Kings Park and in national parks and other lands and waters across the State. The total Asset Investment Program for 2019-20 is \$51.7 million. The Department's new significant projects include:
 - 1.1. Rottnest Island Jetty Upgrades - \$16.2 million will be spent over the period 2019-20 to 2022-23 to upgrade jetties, including the main jetty and fuel jetty to address public safety and visitor amenity issues.
 - 1.2. Houtman Abrolhos Islands National Park - \$10 million will be spent over the period 2019-20 to 2020-21 to establish the Houtman Abrolhos Islands National Park.
 - 1.3. Collie Adventure Trails project - \$9.5 million will be spent over the period 2019-20 to 2022-23 to design, construct and maintain an extended adventure trails network and associated hub for the town of Collie.
 - 1.4. William Bay National Park - \$2.5 million will be spent in 2019-20 for the renewal of visitor infrastructure and visitor facilities.
2. The Kalbarri Skywalk and National Park Tourist Infrastructure project (estimated total cost of \$24 million) will be completed in 2019-20, including two new lookout structures overlooking the Murchison River Gorge in the Kalbarri National Park, providing a significant economic driver to the regional community.

	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							
Election Commitment - Collie-Preston Region - Upgrades to Local Roads.....	3,300	200	200	3,000	100	-	-
Park Improvement Program							
Election Commitments							
Lake Kepwari	3,000	525	365	2,475	-	-	-
Plan For Our Parks - Preston River to Ocean and Leschenault Regional Parks.....	5,496	1,374	1,374	1,374	1,374	1,374	-
Kalbarri Skywalk and National Park Tourist Infrastructure.....	24,049	18,870	8,244	5,179	-	-	-
Kimberley Science and Conservation Strategy							
Kimberley National Park and Oomeday National Park (Horizontal Falls).....	151	101	50	50	-	-	-
Marine Parks	348	298	120	50	-	-	-
Roebuck Bay Marine Park	590	570	304	20	-	-	-
New Kimberley National Parks	1,030	57	-	973	-	-	-
Public Recreation and Joint Management							
Arrangements for the Ningaloo Coast.....	3,255	2,002	600	1,253	-	-	-
Zoological Parks Authority - Facilities and Equipment - Water Infrastructure Management Project.....	11,901	10,567	753	700	634	-	-
COMPLETED WORKS							
Botanic Gardens and Parks Authority - Asset Replacement Program - 2018-19 Program.....	1,000	1,000	1,000	-	-	-	-
Conservation Land Acquisition - 2018-19 Program.....	340	340	340	-	-	-	-
Election Commitment - Lake Stockton	250	250	56	-	-	-	-
Enhanced Prescribed Burning.....	271	271	198	-	-	-	-
Fire Related Bridge Maintenance and Replacement - 2018-19 Program	1,791	1,791	1,791	-	-	-	-
Firefighting Fleet Replacement - 2018-19 Program.....	2,200	2,200	2,200	-	-	-	-
Koombana Park Facilities.....	11,404	11,404	4,284	-	-	-	-
Park Improvement Program							
2018-19 Program	3,900	3,900	3,900	-	-	-	-
Election Commitment - Wellington Dam Walk Trails.....	200	200	53	-	-	-	-
Gnangara Park Development - 2018-19 Program	400	400	400	-	-	-	-
Great Kimberley Marine Park	2,740	2,740	1,343	-	-	-	-
Marine Parks Management - Capes and Dampier.....	779	779	94	-	-	-	-
Plant and Equipment - 2018-19 Program	4,985	4,985	4,985	-	-	-	-
Rottnest Island Authority - Holiday and Tourism Facilities - 2018-19 Program.....	4,669	4,669	4,669	-	-	-	-
Tourism Road Improvement Program - 2018-19 Program.....	1,750	1,750	1,750	-	-	-	-
Zoological Parks Authority							
Animal Exhibits and Park Facilities							
2018-19 Program	1,375	1,375	1,375	-	-	-	-
Lion Exhibit Upgrade.....	3,470	3,470	1,026	-	-	-	-
Facilities and Equipment - Computer Equipment - 2018-19 Program	100	100	100	-	-	-	-

	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							
Botanic Gardens and Parks Authority - Asset							
Replacement Program							
2019-20 Program.....	1,000	-	-	1,000	-	-	-
2020-21 Program.....	1,000	-	-	-	1,000	-	-
2021-22 Program.....	1,000	-	-	-	-	1,000	-
2022-23 Program.....	1,000	-	-	-	-	-	1,000
Collie Adventure Trails	9,505	-	-	2,270	3,070	2,122	2,043
Conservation Land Acquisition							
2019-20 Program.....	360	-	-	360	-	-	-
2020-21 Program.....	380	-	-	-	380	-	-
2021-22 Program.....	400	-	-	-	-	400	-
2022-23 Program.....	420	-	-	-	-	-	420
Fire Related Bridge Maintenance and Replacement							
2019-20 Program.....	1,845	-	-	1,845	-	-	-
2020-21 Program.....	1,900	-	-	-	1,900	-	-
2021-22 Program.....	1,957	-	-	-	-	1,957	-
2022-23 Program.....	2,095	-	-	-	-	-	2,095
Firefighting Fleet Replacement							
2019-20 Program.....	2,200	-	-	2,200	-	-	-
2020-21 Program.....	2,200	-	-	-	2,200	-	-
2021-22 Program.....	2,200	-	-	-	-	2,200	-
2022-23 Program.....	2,200	-	-	-	-	-	2,200
Park Improvement Program							
2019-20 Program.....	4,100	-	-	4,100	-	-	-
2020-21 Program.....	4,300	-	-	-	4,300	-	-
2021-22 Program.....	4,500	-	-	-	-	4,500	-
2022-23 Program.....	4,750	-	-	-	-	-	4,750
Gnangara Park Development							
2019-20 Program.....	400	-	-	400	-	-	-
2020-21 Program.....	400	-	-	-	400	-	-
2021-22 Program.....	400	-	-	-	-	400	-
2022-23 Program.....	400	-	-	-	-	-	400
William Bay National Park Tourism Infrastructure.....	2,500	-	-	2,500	-	-	-
Plan for Our Parks							
Helena and Aurora Range National Park.....	570	-	-	270	300	-	-
Houtman Abrolhos Islands National Park	10,000	-	-	5,000	5,000	-	-
Ningaloo Coastal Reserve	1,500	-	-	-	500	500	500
Plant and Equipment							
2019-20 Program.....	6,732	-	-	6,732	-	-	-
2020-21 Program.....	7,348	-	-	-	7,348	-	-
2021-22 Program.....	7,749	-	-	-	-	7,749	-
2022-23 Program.....	8,129	-	-	-	-	-	8,129
Rottne Island Authority							
Holiday and Tourism Facilities							
2019-20 Program.....	4,265	-	-	4,265	-	-	-
2020-21 Program.....	4,265	-	-	-	4,265	-	-
2021-22 Program.....	4,265	-	-	-	-	4,265	-
2022-23 Program.....	4,265	-	-	-	-	-	4,265
Jetty Upgrades							
Barge Landing and Cargo Facilities	10,000	-	-	300	4,000	5,700	-
Fuel Jetty	500	-	-	500	-	-	-
Main Jetty.....	5,650	-	-	1,000	900	1,250	2,500
Tourism Road Improvement Program							
2019-20 Program.....	1,850	-	-	1,850	-	-	-
2020-21 Program.....	1,950	-	-	-	1,950	-	-
2021-22 Program.....	2,050	-	-	-	-	2,050	-
2022-23 Program.....	2,150	-	-	-	-	-	2,150
Zoological Parks Authority							
Animal Exhibits and Park Facilities							
2019-20 Program.....	1,905	-	-	1,905	-	-	-
2020-21 Program.....	1,905	-	-	-	1,905	-	-
2021-22 Program.....	1,905	-	-	-	-	1,905	-
2022-23 Program.....	1,905	-	-	-	-	-	1,905
Facilities and Equipment - Computer Equipment							
2019-20 Program.....	100	-	-	100	-	-	-
2020-21 Program.....	100	-	-	-	100	-	-
2021-22 Program.....	100	-	-	-	-	100	-
2022-23 Program.....	100	-	-	-	-	-	100
Total Cost of Asset Investment Program	239,414	76,188	41,574	51,671	41,626	37,472	32,457

	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
FUNDED BY							
Capital Appropriation			3,762	6,125	5,881	5,581	5,529
Asset Sales			500	500	500	500	500
Drawdowns from the Holding Account			10,879	10,737	11,802	12,480	13,320
Funding Included in Department of Treasury Administered Item			-	1,800	4,900	6,950	2,500
Internal Funds and Balances			14,299	8,515	8,499	7,965	8,065
Drawdowns from Royalties for Regions Fund			12,134	23,994	10,044	3,996	2,543
Total Funding			41,574	51,671	41,626	37,472	32,457

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 \$5.8 million between the 2018-19 Budget and the 2019-20 Budget Estimate, mainly due to depreciation and amortisation, finance and interest costs resulting from implementation of AASB 16 and other expenses.

Income

- Total income from State Government is projected to increase by \$4.7 million to \$262.4 million in the 2019-20 Budget Estimate, mainly due to project funding associated with Royalties for Regions (Regional Community Services Fund).

Statement of Financial Position

- The largest asset for the Department is land held for conservation and multiple uses, reported under property, plant and equipment. Restricted cash in specific purpose accounts funded by external parties represents the majority of the Department's cash holdings.

Statement of Cashflows

- Purchase of non-current assets is expected to increase from \$38.6 million in the 2018-19 Budget to \$51.7 million in the 2019-20 Budget Estimate. The increase of \$13.1 million is the result of increased expenditure on establishment of the Houtman Abrolhos Islands National Park, Rottnest Island Jetty upgrades, Collie Adventure Trails project and renewal of visitor infrastructure and visitor facilities at William Bay National Park.

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)	211,573	217,214	214,589	214,055	216,204	218,001	219,514
Grants and subsidies ^(c)	8,639	4,650	4,650	4,650	4,650	4,350	4,350
Supplies and services	100,715	99,644	89,782	100,606	98,815	94,796	91,732
Accommodation	8,130	7,127	8,906	4,392	4,404	4,411	4,417
Depreciation and amortisation	35,601	39,667	39,717	46,256	46,818	46,950	47,069
Finance and interest costs	-	-	-	1,795	1,801	1,700	1,601
Other expenses	30,071	28,001	35,498	30,395	30,067	30,071	30,222
TOTAL COST OF SERVICES	394,729	396,303	393,142	402,149	402,759	400,279	398,905
Income							
Sale of goods and services	63,124	71,778	72,845	74,064	74,952	75,332	75,716
Regulatory fees and fines	1,247	1,264	1,324	1,459	1,455	1,455	1,455
Grants and subsidies	31,888	28,955	28,955	29,139	29,139	28,945	28,945
Other revenue	45,786	39,049	39,726	39,994	40,181	40,287	40,393
Total Income	142,045	141,046	142,850	144,656	145,727	146,019	146,509
NET COST OF SERVICES	252,684	255,257	250,292	257,493	257,032	254,260	252,396
INCOME FROM STATE GOVERNMENT							
Service appropriations	254,487	239,719	238,482	238,798	240,695	243,332	246,774
Resources received free of charge	1,427	1,525	1,525	1,526	1,526	1,526	1,526
Royalties for Regions Fund: Regional Community Services Fund	21,545	16,513	12,217	22,097	20,145	14,412	8,962
TOTAL INCOME FROM STATE GOVERNMENT	277,459	257,757	252,224	262,421	262,366	259,270	257,262
SURPLUS/(DEFICIENCY) FOR THE PERIOD	24,775	2,500	1,932	4,928	5,334	5,010	4,866

(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 1,819, 1,819 and 1,829 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 Ranger Program	1,247	-	-	-	-	-	-
Conservation Council of Western Australia	120	-	-	-	-	-	-
Legal Aid Commission of Western Australia	100	-	-	-	-	-	-
Local Projects Local Jobs	176	-	-	-	-	-	-
Other	38	-	-	-	-	-	-
Swan and Canning Rivers Community Rivercare	-	300	300	300	300	-	-
Swan and Canning Rivers Management	6,000	3,950	3,950	3,950	3,950	3,950	3,950
Western Australia Museum - Nature Conservation Benefit	707	-	-	-	-	-	-
Wildlife Conservation	251	400	400	400	400	400	400
TOTAL	8,639	4,650	4,650	4,650	4,650	4,350	4,350

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.....	57,320	40,836	59,377	61,866	63,691	65,727	68,416
Restricted cash.....	76,475	63,097	66,998	66,093	66,153	66,213	66,273
Holding account receivables.....	10,879	10,737	10,737	11,802	11,802	13,320	2,020
Receivables.....	10,701	18,547	10,978	10,978	10,978	10,978	10,978
Other.....	10,244	11,019	10,244	10,128	10,128	10,128	10,128
Total current assets.....	165,619	144,236	158,334	160,867	162,752	166,366	157,815
NON-CURRENT ASSETS							
Holding account receivables.....	177,340	200,547	200,547	228,894	257,682	284,340	323,031
Property, plant and equipment.....	3,439,324	3,527,970	3,440,804	3,487,080	3,486,283	3,482,308	3,472,525
Receivables.....	131	272	131	131	131	131	131
Intangibles.....	1,233	1,274	1,159	1,159	835	511	187
Restricted cash.....	1,409	2,678	2,379	3,349	4,319	5,289	5,359
Other.....	2,000	6,073	2,000	2,000	2,000	2,000	2,000
Total non-current assets.....	3,621,437	3,738,814	3,647,020	3,722,613	3,751,250	3,774,579	3,803,233
TOTAL ASSETS.....	3,787,056	3,883,050	3,805,354	3,883,480	3,914,002	3,940,945	3,961,048
CURRENT LIABILITIES							
Employee provisions.....	38,187	38,803	38,479	38,887	39,173	39,459	39,745
Payables.....	8,913	13,224	9,074	9,074	9,074	9,074	9,074
Borrowings and leases.....	-	-	-	4,141	3,704	3,697	4,143
Other.....	22,794	22,904	22,814	22,704	22,714	22,724	22,734
Total current liabilities.....	69,894	74,931	70,367	74,806	74,665	74,954	75,696
NON-CURRENT LIABILITIES							
Employee provisions.....	8,123	8,417	8,123	8,123	8,123	8,123	8,123
Borrowings and leases.....	-	-	-	30,255	28,104	26,330	23,316
Other.....	722	836	722	816	816	816	816
Total non-current liabilities.....	8,845	9,253	8,845	39,194	37,043	35,269	32,255
TOTAL LIABILITIES.....	78,739	84,184	79,212	114,000	111,708	110,223	107,951
EQUITY							
Contributed equity.....	3,163,696	3,275,199	3,179,592	3,217,445	3,244,425	3,267,343	3,284,552
Accumulated surplus/(deficit).....	113,547	3,106	115,476	120,411	125,745	130,755	135,621
Reserves.....	431,074	520,561	431,074	431,624	432,124	432,624	432,924
Total equity.....	3,708,317	3,798,866	3,726,142	3,769,480	3,802,294	3,830,722	3,853,097
TOTAL LIABILITIES AND EQUITY.....	3,787,056	3,883,050	3,805,354	3,883,480	3,914,002	3,940,945	3,961,048

(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	222,043	205,775	204,538	198,649	200,105	202,676	206,063
Capital appropriation	2,427	3,762	3,762	12,059	12,036	11,972	12,166
Administered equity contribution	-	-	-	1,800	4,900	6,950	2,500
Holding account drawdowns	11,118	10,879	10,879	10,737	11,802	12,480	13,320
Royalties for Regions Fund:							
Regional Community Services Fund	24,233	19,263	14,239	26,563	23,215	16,534	11,005
Regional Infrastructure and Headworks Fund	2,069	10,991	10,112	19,528	6,974	1,874	500
Net cash provided by State Government	261,890	250,670	243,530	269,336	259,032	252,486	245,554
CASHFLOWS FROM OPERATING ACTIVITIES							
Payments							
Employee benefits	(213,139)	(216,928)	(214,359)	(214,153)	(216,391)	(218,185)	(219,695)
Grants and subsidies	(8,639)	(4,650)	(4,650)	(4,650)	(4,650)	(4,350)	(4,350)
Supplies and services	(88,465)	(86,731)	(76,919)	(86,266)	(84,872)	(80,968)	(78,014)
Accommodation	(8,128)	(7,161)	(8,940)	(4,116)	(4,126)	(4,132)	(4,137)
GST payments	(17,871)	(16,402)	(16,402)	(16,402)	(16,402)	(16,402)	(16,402)
Finance and interest costs	-	-	-	(1,795)	(1,801)	(1,700)	(1,601)
Other payments	(42,427)	(40,128)	(47,625)	(44,008)	(43,441)	(43,365)	(43,438)
Receipts ^(b)							
Regulatory fees and fines	1,247	1,264	1,324	1,459	1,455	1,455	1,455
Grants and subsidies	31,796	28,955	28,955	29,139	29,139	28,945	28,945
Sale of goods and services	63,949	72,809	73,985	75,302	76,263	76,643	77,027
GST receipts	18,134	16,405	16,405	16,405	16,405	16,405	16,405
Other receipts	51,444	38,865	39,433	39,613	39,736	39,843	39,948
Net cash from operating activities	(212,099)	(213,702)	(208,793)	(209,472)	(208,685)	(205,811)	(203,857)
CASHFLOWS FROM INVESTING ACTIVITIES							
Purchase of non-current assets	(39,971)	(38,597)	(41,574)	(51,671)	(41,626)	(37,472)	(32,457)
Proceeds from sale of non-current assets	1,070	500	500	500	500	500	500
Net cash from investing activities	(38,901)	(38,097)	(41,074)	(51,171)	(41,126)	(36,972)	(31,957)
CASHFLOWS FROM FINANCING ACTIVITIES							
Repayment of borrowings and leases	-	-	-	(6,139)	(6,366)	(6,637)	(6,921)
Net cash from financing activities	-	-	-	(6,139)	(6,366)	(6,637)	(6,921)
NET INCREASE/(DECREASE) IN CASH HELD	10,890	(1,129)	(6,337)	2,554	2,855	3,066	2,819
Cash assets at the beginning of the reporting period	126,314	113,740	137,204	130,754	133,308	136,163	139,229
Prior period adjustments	-	-	(113)	-	-	-	-
Cash assets at the end of the reporting period	137,204	112,611	130,754	133,308	136,163	139,229	142,048

(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) (b)

	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 and Fines.....	-	-	60	190	190	190	190
Grants and Subsidies							
Grants and Subsidies	28,956	26,835	26,835	27,029	27,029	26,835	26,835
Sale of Goods and Services							
Sale of Goods and Services	20,599	20,583	18,056	18,094	18,094	18,094	18,094
GST Receipts							
GST Input Credits.....	7,079	5,827	5,827	5,827	5,827	5,827	5,827
GST Receipts on Sales	4,893	5,500	5,500	5,500	5,500	5,500	5,500
Other Receipts							
Other Receipts.....	27,402	29,779	29,779	29,879	29,979	30,079	30,179
Interest Received.....	2,007	1,988	1,988	1,988	1,988	1,988	1,988
TOTAL	90,936	90,512	88,045	88,507	88,607	88,513	88,613

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

(b) The Botanic Gardens and Parks Authority, Rottne Island Authority and Zoological Parks Authority are statutory authorities and, as a result, are excluded from the Net Appropriation Determination.

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							
Fauna Royalties	20	60	30	-	-	-	-
Fines							
Receipts from Regulatory Fees and Fines	31	30	30	30	30	30	30
TOTAL ADMINISTERED INCOME	51	90	60	30	30	30	30
EXPENSES							
Other							
Receipts Paid into the Consolidated Account	51	90	60	30	30	30	30
TOTAL ADMINISTERED EXPENSES	51	90	60	30	30	30	30

Part 11

Planning and Land Use

Introduction

The Planning and Land Use portfolio delivers an effective and efficient planning system that supports the sustainable development of well-planned communities in Western Australia. The portfolio undertakes land asset management, cultural heritage conservation and management, Crown land and native title administration, land and location information and records administration, valuations, State-wide strategic planning and regulatory reform.

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

- A Strong Economy
 - creating jobs;
- A Liveable Environment
 - building METRONET and increasing housing opportunities nearby;
 - increasing conservation for future generations; 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
Planning, Lands and Heritage		
– Total Cost of Services	176,798	177,736
– Asset Investment Program	7,434	3,772
Western Australian Planning Commission		
– Total Cost of Services	52,005	50,052
– Asset Investment Program	57,376	86,847
Western Australian Land Information Authority		
– Total Cost of Services	132,697	123,948
– Asset Investment Program	14,062	20,759
Western Australian Land Authority		
– Asset Investment Program	220,946	201,368

Agency	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000
Metropolitan Redevelopment Authority		
– Asset Investment Program	46,020	44,733
Heritage Council of Western Australia		
– Total Cost of Services	3,840	2,970
– Asset Investment Program	-	-
National Trust of Australia (WA)		
– Total Cost of Services	8,179	8,085
– Asset Investment Program	1,562	1,284

Ministerial Responsibilities

Minister	Agency	Services
Minister for Transport; Planning	Planning, Lands and Heritage	1. Planning Services
Treasurer; Minister for Finance; Aboriginal Affairs; Lands	Planning, Lands and Heritage	2. Land Administration Services
Minister for Local Government; Heritage; Culture and the Arts	Planning, Lands and Heritage	3. Historical Heritage Services 4. Aboriginal Heritage Management
Treasurer; Minister for Finance; Aboriginal Affairs; Lands	Western Australian Land Information Authority	1. Land Administration 2. Valuations 3. Access to Government Location Information
	Western Australian Land Authority	n/a
Minister for Transport; Planning	Western Australian Planning Commission	1. Statutory Planning 2. Strategic Planning 3. Asset Management
	Metropolitan Redevelopment Authority	n/a
Minister for Local Government; Heritage; Culture and the Arts	Heritage Council of Western Australia	1. Cultural Heritage Conservation Services
	National Trust of Australia (WA)	1. Conservation and Management of Built Heritage 2. Heritage Services to the Community

Division 41 Planning, Lands and Heritage

Part 11 Planning and Land Use

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 84 Net amount appropriated to deliver services.....	107,752	92,293	94,846	91,530	92,510	92,032	89,934
Amount Authorised by Other Statutes							
- Salaries and Allowances Act 1975.....	975	722	722	722	722	725	732
Total appropriations provided to deliver services	108,727	93,015	95,568	92,252	93,232	92,757	90,666
CAPITAL							
Item 145 Capital Appropriation	2,391	2,485	3,485	9,732	10,102	10,774	11,404
TOTAL APPROPRIATIONS	111,118	95,500	99,053	101,984	103,334	103,531	102,070
EXPENSES							
Total Cost of Services	177,129	178,604	176,798	177,736	165,618	163,379	161,092
Net Cost of Services ^(a)	120,132	120,423	118,215	120,975	108,600	106,440	104,153
CASH ASSETS ^(b)	72,981	52,668	64,345	52,685	48,733	46,466	44,170

(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					
Commonwealth Grant to Fremantle Prison	125	-	-	-	-
Election Commitment - METRONET Precinct Planning	-	2,500	2,500	2,500	-
Essential and Municipal Services Upgrade Project Management	77	155	79	-	-
Gascoyne Food Bowl Initiative from Department of Primary Industries and Regional Development	200	-	-	-	-
Geraldton Alternative Settlement Agreement	552	2,082	5,570	5,273	4,943
Strata Titles Act 1985 Reform (STAR) Implementation Costs	-	-	120	120	120
Ongoing Initiatives					
Divestment Fund Expenditure to Align with Sales Forecast	-	(1,728)	(1,728)	(1,728)	(1,728)
Election Commitment - Divestment of Aboriginal Affairs Planning Authority and Aboriginal Lands Trust Estate	2,000	2,997	1,446	1,474	1,503
Resolution of Native Title in the South West of Western Australia (Settlement)	-	1,221	-	-	-
Update of Royalties for Regions Funding Profile.....	(37)	(37)	(37)	157	32
Other					
Government Office Accommodation Reform Program	(1,633)	(1,631)	(1,629)	(1,626)	(1,597)
Government Regional Officer Housing	(505)	(526)	(523)	(519)	(515)
Indexation for Non-Salary Expenses	-	-	-	-	346
Transfer of Oracle Licences to Department of Education.....	(97)	(99)	(101)	(103)	(105)

Significant Issues Impacting the Agency

Our Priorities: Sharing Prosperity - A liveable environment

1. The Department continues to support the METRONET taskforce and provide planning expertise and advice in relation to land use planning around proposed and existing station precincts to create vibrant and liveable communities. An implementation plan for building 150,000 new homes (45% increase) in proximity to train stations and high frequency bus routes by 2031 is in development. The release of Design WA Stage 1, and the work underway to develop the precinct policy as part of Stage 2, will ensure that all new developments within these locations are well designed and reflect the characteristics of the local area.

Strata Titles Act 1985 Reform (STAR) Implementation

2. The Department is working closely with the Western Australian Land Information Authority (Landgate) to implement the legal, policy and system changes required to administer the new Strata Titles Amendment Bill 2018 and the Community Titles Bill 2018. The new titles will help deliver key State Government priorities to provide a greater diversity of housing, particularly in proximity to major transport infrastructure, and create vibrant and liveable communities that meet the changing needs and life stages of Western Australians.

Review of the Aboriginal Heritage Act 1972

3. The review of the *Aboriginal Heritage Act 1972* is a key priority for the Department. A multi-phase approach, which includes three rounds of community consultation, has been identified to deliver a modern Act that recognises, protects, manages and celebrates the places and objects that are important to Aboriginal culture. The next phase will result in a Green Bill that captures feedback received through the first two rounds of public consultation.

Planning Reform

4. The Department continues to support the review of the planning system following the release of the Modernising Western Australia's Planning System Green Paper. The review aims to make the planning system easier to understand, more strategic, consistent and efficient. A Government response to the Green Paper is being developed.

Subi East

5. The Department is assisting LandCorp and the Metropolitan Redevelopment Authority to progress plans for the future development of Subi East. The project will turn the 35.6 hectares of land, which includes the former Subiaco Oval and Princess Margaret Hospital, into a thriving and connected inner-city hub that reflects the historical, cultural and heritage values of the area.

Pastoral Lands Reform

6. The Department has established a cross-government Steering Committee and Industry Working Group to provide strategic advice on pastoral reform measures aimed at enhancing social, environmental and economic outcomes in Western Australia's pastoral rangelands. A reform package is being developed in consultation with stakeholders for Government consideration.

Aboriginal Lands Trust

7. The Government will continue to facilitate the transfer of Aboriginal Lands Trust land and infrastructure assets to Aboriginal control in order to foster increased economic opportunities critical to the sustainability of Aboriginal communities in regional and remote Western Australia.

State Significant Indigenous Land Use Agreements

8. The Department is working closely with the Department of the Premier and Cabinet on a number of State-significant Indigenous Land Use Agreements, including the South West Native Title Settlement Agreement, Geraldton Alternative Settlement Agreement, and the Kariyarra and State Indigenous Land Use Agreement. The agreements aim to resolve native title and provide long-term benefits and opportunities for economic, social and cultural outcomes for Aboriginal people.

Preserving our Aboriginal Sites Grant Program

- The Department manages the Aboriginal Sites Grant Program which provides financial support to Aboriginal not-for-profit organisations to undertake projects that protect and preserve registered Aboriginal sites.

Northampton Townsite

- The Northampton Lead Tailings project continues to be progressed with support across a range of State Government agencies to remove, manage and safely dispose of lead tailings at properties within the town of Northampton.

Wittenoom Asbestos Management Area

- The Department is committed to finalising the closure of the Wittenoom town site. The Wittenoom Closure Bill 2019 will enable the Government to establish specific legislation to enable the compulsory acquisition of the remaining 17 privately owned lots in the former townsite.

Fremantle Prison

- The Department manages, conserves and operates the World Heritage listed Fremantle Prison to ensure the economic sustainability of Western Australia's most recognised and important historic tourism and compatible use asset. Future management of the site will be guided by the Heritage Management Plan 2018 and the Fremantle Master Plan 2019-20.

Land Asset Sales Program

- The program will continue to manage the divestment of surplus or underutilised State property to optimise the value and best use of these assets.

Swan Valley Planning Review

- The review of the Swan Valley Planning Framework will lead to the preparation of a new Bill and planning framework that protects the region's attributes.

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
Better Places: A quality environment with liveable and affordable communities and vibrant regions.	An effective planning system that supports the development of communities in Western Australia.	1. Planning Services
	An effective system for the administration of Crown land and the Aboriginal Lands Trust estate.	2. Land Administration Services
	An effective system for the conservation of cultural heritage places in Western Australia for the benefit of present and future generations.	3. Historical Heritage Services 4. Aboriginal Heritage 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. Planning Services.....	90,488	90,640	93,737	93,766	90,388	91,370	90,058
2. Land Administration Services.....	66,061	65,447	60,468	61,418	53,746	50,794	50,051
3. Historical Heritage Services.....	12,486	12,710	13,338	13,120	12,608	12,481	12,370
4. Aboriginal Heritage Management.....	8,094	9,807	9,255	9,432	8,876	8,734	8,613
Total Cost of Services.....	177,129	178,604	176,798	177,736	165,618	163,379	161,092

Outcomes and Key Effectiveness Indicators ^(a)

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Outcome: An effective planning system that supports the development of communities in Western Australia:					
Percentage of applications determined within statutory timeframes.....	90%	80%	92%	85%	1
Percentage of finalised appeals (excluding Development Assessment Panels (DAPs)) that are not upheld on review by the State Administrative Tribunal.	99%	95%	94%	95%	
Percentage of Local Planning Scheme amendments processed by the department under delegated authority and submitted to the Minister within the statutory timeframe (Basic 42 days, Standard 60 days, Complex 90 days).....	65%	60%	69%	60%	1
Percentage of DAP applications determined within the statutory timeframe.....	76%	73%	73%	75%	
Outcome: An effective system for the administration of Crown land and the Aboriginal Lands Trust estate:					
Percentage of land tenure change and interest documents validly lodged with the Western Australian Land Information Authority (Landgate).....	99%	98%	98%	97%	
Number of leases or divestments of Aboriginal Lands Trust estate land to direct Aboriginal control.	37	19	19	25	2
Outcome: An effective system for the conservation of cultural heritage places in Western Australia for the benefit of present and future generations:					
Percentage of visitors to Fremantle prison satisfied with services provided by the department.....	95%	93%	93%	90%	
Percentage of statutory approvals delivered to the Aboriginal Cultural Material Committee within set timeframes.	96%	95%	96%	95%	
Percentage of development/planning referrals processed within set timeframes.	96%	97%	97%	95%	
Percentage of nominations progressed to preliminary review within set timeframes.	n/a	n/a	n/a	90%	

(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 improved performance in the 2018-19 Estimated Actual is consistent with service level improvements and structural changes, noting that this is occurring due to conditions in the Western Australian property market.
2. The improved 2019-20 Budget Target can be attributed towards an increase in funding allocated towards the divestment of the Aboriginal Lands Trust. This target can vary between years due to differing complexities associated with each divestment.

Services and Key Efficiency Indicators

1. Planning Services

By shaping the pattern of development and influencing the location, scale, density, design and mix of land uses, integrated land use systems contribute to the Government's goal, 'Better Places' by:

- ensuring flexibility to meet the demands of a changing economy and market environments;
- maximising the use of existing infrastructure rather than incurring the costs of green fields infrastructure with its resulting impact on home affordability;
- ensuring that sufficient land is available for purchase for both residential and commercial, industrial/employment purposes;
- controlling lot sizes and therefore the costs of infrastructure required to service each lot;
- minimising land supply delays and the attendant costs by making accurate, timely decisions on redevelopment and subdivision proposals; and
- providing resources to the Western Australian Planning Commission to enable:
 - other acquisition and management of properties reserved under Perth's Metropolitan Region Scheme for important urban roads, controlled access highways, parks and recreational reserves, special uses and major land redevelopment projects; and
 - other special planning projects undertaken within the Perth metropolitan area.

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 90,488	\$'000 90,640	\$'000 93,737	\$'000 93,766	1
Less Income	48,200	49,912	49,935	48,355	
Net Cost of Service	42,288	40,728	43,802	45,411	
Employees (Full-Time Equivalents)	448	443	444	457	
Efficiency Indicators					
Average cost of planning services	\$13,957.47	\$14,685.40	\$15,211.44	\$15,216.27	2

Explanation of Significant Movements

(Notes)

1. The increase in the Total Cost of Service between the 2018-19 Budget and the 2018-19 Estimated Actual is due to a revised overhead allocation model under the updated Outcomes Based Management (OBM) structure which more clearly aligns with Government objectives, the Department's strategic direction and organisational and statutory functions.
2. The average cost of planning services has increased between the 2017-18 Actual and the 2018-19 Budget due to a reduction in the number of applications expected to be received.

2. Land Administration Services

Land Administration Services contributes to the Government's Goal, 'Better Places' by:

- administering Crown land to ensure that land is being utilised to its full value and potential;
- unlocking the land potential for the State;
- managing the risk of Crown land including managed and unmanaged Crown land;
- delivering primary land tenure for strategic infrastructure projects;
- ensuring that in the case of land subject to Native Title rights and interests, security of land tenure is provided by dealing with Native Title appropriately depending on the use and type of tenure proposed;
- administering the Government's Land Asset Sales Program, whereby surplus or underutilised Crown land assets are identified and prepared for sale. Sale of land enables the assets to be used for a higher and/or better use in a way that unlocks the full potential of the assets for the benefit of Western Australia; and
- supporting the Aboriginal Lands Trust, Aboriginal people, the Minister for Aboriginal Affairs, Government and key stakeholders in relation to the management of the Aboriginal Lands Trust estate by:
 - processing of land access approvals;
 - assisting with operational management and development of land;
 - management of strategic initiatives in accordance with the Aboriginal Land Trust strategic plan; and
 - facilitation of the transfer of land to the Aboriginal people.

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 66,061	\$'000 65,447	\$'000 60,468	\$'000 61,418	1
Less Income	4,804	3,998	4,252	4,185	
Net Cost of Service	61,257	61,449	56,216	57,233	
Employees (Full-Time Equivalents)	275	200	200	217	
Efficiency Indicators					
Average cost per square kilometre to administer Crown land and Aboriginal Lands Estate Trust Estate	\$23.28	\$23.41	\$21.42	\$20.53	2

Explanation of Significant Movements

(Notes)

1. The increase in Total Cost of Service between the 2018-19 Estimated Actual and the 2019-20 Budget Target is due to the alignment of workload forecasts for the South West Native Title Settlement (\$1.2 million) in 2019-20.

The decrease in Total Cost of Service between the 2018-19 Budget and the 2018-19 Estimated Actual is mainly due to the carryover of budgets relating to projects including: Northampton Lead Tailings Project (\$1.2 million), finalising the closure of the Wittenoom (\$2.5 million) and South West Native Title Settlement (\$0.8 million), and a reduction in Government Regional Officer Housing funding (\$0.5 million).

2. The reduction in the average cost per square kilometre to administer Crown land and the Aboriginal Lands Trust estate between the 2018-19 Budget and the 2018-19 Estimated Actual is due to a lower cost base resulting from the carryover of expenses related to projects.

As the grants and subsidies are excluded from this indicator, the reduction in the 2019-20 Budget Target is driven by exclusion of \$2.3 million of compensation costs relating to finalising the closure of the Wittenoom.

3. Historical Heritage Services

The Department manages historic heritage conservation on behalf of the Minister for Heritage and the Heritage Council of Western Australia. This service includes the assessment of places and precincts; registration of heritage places, development and planning referrals; Heritage Agreements; conservation and protection orders, heritage grants and awards.

This service aims to:

- conserve and interpret the applicable world, national, State and local heritage values of places under management (Fremantle Prison);
- promote a sustainable future for places under management through an integrated development framework, compatible uses and delivery of visitor standards consistent with being Western Australia's premier heritage sites; and
- promote heritage success stories and engagement with the State's heritage through media, publications, tourism and interpretation.

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 12,486	\$'000 12,710	\$'000 13,338	\$'000 13,120	1
Less Income	3,993	4,271	4,396	4,221	
Net Cost of Service	8,493	8,439	8,942	8,899	
Employees (Full-Time Equivalents)	58	59	59	60	
Efficiency Indicators					
Average cost of historical heritage services.	\$5,583.95	\$5,349.69	\$5,773.50	\$5,752.34	2
Average cost per visitor to Fremantle Prison	\$31.70	\$32.37	\$33.05	\$32.95	

Explanation of Significant Movements

(Notes)

1. The increase in Total Cost of Service between the 2018-19 Budget and the 2018-19 Estimated Actual is mainly due to the impact of revisions to the Department's overhead allocation model to more accurately align with organisational and statutory functions.
2. The average cost of historical heritage services has increased between the 2018-19 Budget and the 2018-19 Estimated Actual and is mainly due to an allocation of funding for the heritage component of the South West Native Title Settlement and the impact of revisions to the Department's overhead allocation model to more accurately align with organisational and statutory functions.

4. Aboriginal Heritage Management

By contributing to the Government's Goal of 'Better Places' the Aboriginal Heritage Management includes:

- supporting the Aboriginal Cultural Material Committee;
- advice on matters relating to Aboriginal heritage;
- processing of statutory approvals and administration of heritage sites register; and
- conducting site assessments, repatriations, site audits and advice.

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 8,094	\$'000 9,807	\$'000 9,255	\$'000 9,432	1
Less Income	-	-	-	-	
Net Cost of Service	8,094	9,807	9,255	9,432	
Employees (Full-Time Equivalents)	46	45	45	46	
Efficiency Indicators					
Average cost of Aboriginal heritage management services	\$5,997	\$7,840.67	\$7,393.65	\$7,258.33	2

Explanation of Significant Movements

(Notes)

1. The decrease in Total Cost of Service between the 2018-19 Budget and the 2018-19 Estimated Actual is mainly due to the carryover of the South West Native Title Settlement funding allocation into 2019-20 and the impact of revisions to the Department's overhead allocation model to more accurately align with organisational and statutory functions.
2. The average cost of Aboriginal heritage services has reduced between the 2018-19 Budget and 2018-19 Estimated Actual due to the carryover of South West Native Title Settlement funding.

Asset Investment Program

1. The Department's Asset Investment Program (AIP) for 2019-20 is \$3.7 million, comprised of accommodation, asset replacement, information and communications technology (ICT) asset replacement and the Strata Title Reform ICT project.
2. The AIP will fund a range of process improvements including but not limited to:
 - 2.1. Asset Replacement - This program will continue to ensure that back office corporate systems are supported and improve flexibility and mobility in work practices.
 - 2.2. ePlan - The continuation of the program to allow online lodgement and processing of planning applications.
 - 2.3. Strata Titles Act 1985 Reform (STAR) Implementation - The introduction of the *Strata Titles Amendment Act 2018* and the *Community Titles Act 2018* requires changes to the Department's business processes and information and geographic systems to support and implement the new application types.
 - 2.4. The Department will continue to develop back office corporate systems that support the Western Australian Planning Commission in its determination of land use applications and to reduce application processing delays.

	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 Refurbishment and Sustainability Initiatives.....	7,083	4,474	258	271	352	370	389
Asset Replacement - ICT	23,786	16,648	2,047	1,087	1,778	1,277	1,341
ICT Projects - ICT Infrastructure.....	37,783	23,214	2,399	1,814	1,905	2,000	2,100
COMPLETED WORKS							
ICT Projects - Workflow Management System	3,458	3,458	1,730	-	-	-	-
Acquisition of Land for East Perth Power Station Redevelopment.....	1,000	1,000	1,000	-	-	-	-
NEW WORKS							
ICT Projects - STAR Implementation	600	-	-	600	-	-	-
Total Cost of Asset Investment Program	73,710	48,794	7,434	3,772	4,035	3,647	3,830
FUNDED BY							
Capital Appropriation			3,485	3,210	3,473	3,647	3,830
Drawdowns from the Holding Account			562	562	562	-	-
Internal Funds and Balances.....			3,387	-	-	-	-
Total Funding.....			7,434	3,772	4,035	3,647	3,830

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 Total Cost of Services decreases by \$12.1 million between the 2019-20 Budget Estimate and the 2020-21 Forward Estimate. This decrease is mainly due to budget allocations in the 2019-20 Budget Estimate relating to Bushfire Risk Management (\$5.7 million), Northampton Lead Tailings Project (\$1.6 million), South West Native Title Settlement (\$2.7 million), GovNext transition (\$1 million) and financial implications resulting from the introduction of AASB 16 (\$1 million).

Income

3. The decrease in total income of \$1.8 million between the 2018-19 Estimated Actual and the 2019-20 Budget Estimate is due to a reduction in funding from the Western Australian Planning Commission following the completion of various strategic planning projects and asset management/preservation projects.

Statement of Financial Position

4. A decrease in cash assets of \$11.9 million between the 2018-19 Estimated Actual and 2019-20 Budget Estimate is due to the deferral of expenditure relating to a range of projects associated with the implementation of varying Acts and legislative changes.
5. The increase in intangible assets between the 2017-18 Actual and the 2018-19 Budget of \$1.3 million is due to the deferral of capital projects into 2018-19.

Statement of Cashflows

6. The \$11.7 million increase in cash assets at the end of the reporting period from the 2018-19 Budget to the 2018-19 Estimated Actual is due to the deferral of budgeted payments to the 2019-20 Budget Estimate and the forward estimates period.

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)	92,351	87,708	87,575	91,019	91,060	90,546	89,565
Grants and subsidies ^(c)	11,421	13,252	12,949	15,942	6,321	6,224	6,153
Supplies and services	31,242	45,725	46,034	41,714	40,118	38,735	37,852
Accommodation	14,636	15,130	13,504	4,270	4,268	4,265	4,265
Depreciation and amortisation	4,125	4,889	4,889	12,436	11,845	11,846	11,760
Finance and interest costs	-	-	-	1,457	1,240	989	723
Other expenses	23,354	11,900	11,847	10,898	10,766	10,774	10,774
TOTAL COST OF SERVICES	177,129	178,604	176,798	177,736	165,618	163,379	161,092
Income							
Sale of goods and services	4,911	5,483	5,560	5,812	5,736	5,657	5,657
Regulatory fees and fines	1,700	1,056	1,056	1,080	1,080	1,080	1,080
Grants and subsidies	1,608	126	451	126	126	126	126
Other revenue	48,778	51,516	51,516	49,743	50,076	50,076	50,076
Total Income	56,997	58,181	58,583	56,761	57,018	56,939	56,939
NET COST OF SERVICES	120,132	120,423	118,215	120,975	108,600	106,440	104,153
INCOME FROM STATE GOVERNMENT							
Service appropriations	108,727	93,015	95,568	92,252	93,232	92,757	90,666
Resources received free of charge	8,724	9,245	9,245	9,245	9,245	9,245	9,245
Royalties for Regions Fund: Regional Community Services Fund	4,807	5,294	5,257	6,024	257	257	32
TOTAL INCOME FROM STATE GOVERNMENT	122,258	107,554	110,070	107,521	102,734	102,259	99,943
SURPLUS/(DEFICIENCY) FOR THE PERIOD	2,126	(12,869)	(8,145)	(13,454)	(5,866)	(4,181)	(4,210)

(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 827, 748 and 780 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 Heritage Grants	290	250	250	250	250	250	250
Aboriginal Lands Trust Estate	1,700	-	2,000	2,997	1,446	1,474	1,503
Anketell Port and Strategic Industrial Area - Compensation for Lands Acquisition	51	1,818	1,818	1,818	1,818	1,818	1,818
Bushfire Risk Management Planning	3,407	5,000	5,000	5,767	-	-	-
Claremont North East Precinct Redevelopment.....	1,500	-	-	-	-	-	-
Coastal Zone Management	565	952	952	952	952	952	952
Cossack Townsite	120	120	120	120	120	120	120
Finalising Closure of Wittenoom Townsite.....	-	2,303	-	2,303	-	-	-
Fire Risk Management Contribution	450	450	450	450	450	450	450
Kariyarra Indigenous Land Use Agreement.....	-	1,174	1,174	100	100	100	-
Local Government and Tourism	51	60	60	60	60	60	60
Local Projects Local Jobs	431	-	-	-	-	-	-
Management of Araluen Botanic Park.....	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Other	720	125	125	125	125	-	-
Pia's Place Nature Playground.....	1,136	-	-	-	-	-	-
TOTAL	11,421	13,252	12,949	15,942	6,321	6,224	6,153

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.....	61,233	49,787	52,304	40,348	36,151	33,484	30,788
Restricted cash.....	11,748	1,964	11,748	11,748	11,748	11,748	11,748
Holding account receivables.....	562	528	562	682	682	34	34
Receivables.....	10,056	8,603	10,063	10,070	10,077	10,065	10,053
Other.....	1,782	4,057	1,782	1,782	1,782	1,782	1,782
Total current assets.....	85,381	64,939	76,459	64,630	60,440	57,113	54,405
NON-CURRENT ASSETS							
Holding account receivables.....	28,871	31,065	31,031	42,085	52,548	64,222	75,162
Property, plant and equipment.....	136,536	136,741	138,000	172,544	165,516	161,035	156,804
Intangibles.....	8,841	9,814	10,193	9,424	9,255	5,798	2,341
Restricted cash.....	-	917	293	589	834	1,234	1,634
Other.....	-	234	-	-	-	-	-
Total non-current assets.....	174,248	178,771	179,517	224,642	228,153	232,289	235,941
TOTAL ASSETS.....	259,629	243,710	255,976	289,272	288,593	289,402	290,346
CURRENT LIABILITIES							
Employee provisions.....	16,421	16,993	16,654	17,252	17,858	18,940	20,022
Payables.....	638	1,443	638	638	638	638	638
Other.....	11,639	11,428	11,639	11,639	11,639	11,639	11,639
Total current liabilities.....	28,698	29,864	28,931	29,529	30,135	31,217	32,299
NON-CURRENT LIABILITIES							
Employee provisions.....	4,153	5,164	4,648	5,143	5,638	5,638	5,638
Borrowings and leases.....	-	-	-	35,320	29,016	22,150	14,818
Other.....	38	19	38	38	38	38	38
Total non-current liabilities.....	4,191	5,183	4,686	40,501	34,692	27,826	20,494
TOTAL LIABILITIES.....	32,889	35,047	33,617	70,030	64,827	59,043	52,793
EQUITY							
Contributed equity.....	294,720	583,105	298,484	308,821	319,211	329,985	341,389
Accumulated surplus/(deficit).....	285,943	(18,783)	277,798	264,344	258,478	254,297	250,087
Reserves.....	1,988	252	1,988	1,988	1,988	1,988	1,988
Other.....	(355,911)	(355,911)	(355,911)	(355,911)	(355,911)	(355,911)	(355,911)
Total equity.....	226,740	208,663	222,359	219,242	223,766	230,359	237,553
TOTAL LIABILITIES AND EQUITY.....	259,629	243,710	255,976	289,272	288,593	289,402	290,346

(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	104,636	88,826	91,379	80,516	82,207	81,731	79,726
Capital appropriation	2,391	2,485	3,485	9,732	10,102	10,774	11,404
Holding account drawdowns	625	562	2,029	562	562	-	-
Royalties for Regions Fund: Regional Community Services Fund	4,807	5,294	5,257	6,024	257	257	32
Net cash provided by State Government	112,459	97,167	102,150	96,834	93,128	92,762	91,162
CASHFLOWS FROM OPERATING ACTIVITIES							
Payments							
Employee benefits	(90,200)	(87,045)	(86,912)	(89,991)	(90,032)	(89,518)	(88,537)
Grants and subsidies	(11,420)	(13,252)	(12,949)	(15,942)	(6,321)	(6,224)	(6,153)
Supplies and services	(29,585)	(37,053)	(37,362)	(32,895)	(31,291)	(29,903)	(29,016)
Accommodation	(14,635)	(14,635)	(13,009)	(3,672)	(3,670)	(3,668)	(3,668)
GST payments	(2,089)	(6,240)	(6,251)	(6,240)	(6,240)	(6,240)	(6,240)
Finance and interest costs	-	-	-	(1,457)	(1,240)	(989)	(723)
Other payments	(21,008)	(11,757)	(11,704)	(11,005)	(10,881)	(10,893)	(10,897)
Receipts ^(b)							
Regulatory fees and fines	1,700	1,056	1,056	1,080	1,080	1,080	1,080
Grants and subsidies	1,608	126	451	126	126	126	126
Sale of goods and services	1,505	6,336	6,336	6,510	6,510	6,510	6,510
GST receipts	4,348	6,233	6,244	6,233	6,233	6,233	6,233
Other receipts	48,456	50,671	50,748	49,053	49,310	49,231	49,231
Net cash from operating activities	(111,320)	(105,560)	(103,352)	(98,200)	(86,416)	(84,255)	(82,054)
CASHFLOWS FROM INVESTING ACTIVITIES							
Purchase of non-current assets	(3,502)	(6,387)	(7,434)	(3,772)	(4,035)	(3,647)	(3,830)
Proceeds from sale of non-current assets	25	-	-	-	-	-	-
Net cash from investing activities	(3,477)	(6,387)	(7,434)	(3,772)	(4,035)	(3,647)	(3,830)
CASHFLOWS FROM FINANCING ACTIVITIES							
Repayment of borrowings and leases	-	-	-	(6,522)	(6,629)	(7,127)	(7,574)
Net cash from financing activities	-	-	-	(6,522)	(6,629)	(7,127)	(7,574)
NET INCREASE/(DECREASE) IN CASH HELD	(2,338)	(14,780)	(8,636)	(11,660)	(3,952)	(2,267)	(2,296)
Cash assets at the beginning of the reporting period	-	67,448	72,981	64,345	52,685	48,733	46,466
Net cash transferred to/from other agencies	75,319	-	-	-	-	-	-
Cash assets at the end of the reporting period	72,981	52,668	64,345	52,685	48,733	46,466	44,170

(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 and Fines.....	1,700	1,056	1,056	1,080	1,080	1,080	1,080
Grants and Subsidies							
Grants and Subsidies	1,608	126	451	126	126	126	126
Sale of Goods and Services							
Development Application Panel Fees	1,260	1,361	1,361	1,585	1,585	1,585	1,585
Sale of Goods and Services	245	4,975	4,975	4,925	4,925	4,925	4,925
Service Delivery Agreement							
Receipts from Service Delivery Agreement ...	42,056	47,033	47,033	45,260	45,593	45,593	45,593
GST Receipts							
GST Receipts	4,348	6,233	6,244	6,233	6,233	6,233	6,233
Other Receipts							
Other Receipts.....	3,322	333	410	488	412	333	333
Pastoral Leases	3,078	3,205	3,205	3,205	3,205	3,205	3,205
Proceeds from Rental Properties.....	-	100	100	100	100	100	100
TOTAL	57,617	64,422	64,835	63,002	63,259	63,180	63,180

(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							
METRONET Sale of Land.....	-	-	-	-	-	-	104,800
Other Revenue.....	12,252	1,569	2,839	1,569	1,569	1,569	1,569
Rent Revenue	23,596	17,734	17,734	18,172	18,609	18,609	18,609
Sale of Land.....	22,571	26,526	30,526	34,512	32,375	23,000	15,000
TOTAL ADMINISTERED INCOME	58,419	45,829	51,099	54,253	52,553	43,178	139,978
EXPENSES							
Other							
Employee Expenses	4,356	951	2,518	2,532	2,532	2,532	2,532
Impairment Losses.....	64,197	-	-	-	-	-	-
Other Expenses	59,539	7,199	10,650	4,844	2,789	2,789	2,789
Payments to Consolidated Account	48,429	42,359	46,359	50,783	49,112	39,737	136,537
TOTAL ADMINISTERED EXPENSES	176,521	50,509	59,527	58,159	54,433	45,058	141,858

Agency Special Purpose Account Details

DAMPIER TO BUNBURY NATURAL GAS PIPELINE CORRIDOR SPECIAL PURPOSE ACCOUNT

Account Purpose: The Dampier to Bunbury Natural Gas Pipeline Corridor Special Purpose Account provides funds for the widening of the original corridor through the purchase of land and easement over land.

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000
Opening Balance.....	25,793	25,306	25,102	25,258
Receipts:				
Other	1,589	1,556	1,556	2,716
	27,382	26,862	26,658	27,974
Payments	2,280	6,583	1,400	5,809
CLOSING BALANCE.....	25,102	20,279	25,258	22,165

Division 42 Western Australian Planning Commission

Part 11 Planning and Land Use

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 85 Net amount appropriated to deliver services.....	5,936	5,848	5,848	5,904	5,850	5,850	5,905
Amount Authorised by Other Statutes							
- Metropolitan Region Improvement Tax Act 1959.....	93,326	84,649	89,948	88,971	88,963	90,298	92,554
Total appropriations provided to deliver services	99,262	90,497	95,796	94,875	94,813	96,148	98,459
CAPITAL							
Item 146 Capital Appropriation	5,504	5,400	5,400	5,400	5,400	5,400	5,400
TOTAL APPROPRIATIONS	104,766	95,897	101,196	100,275	100,213	101,548	103,859
EXPENSES							
Total Cost of Services	77,562	52,005	52,005	50,052	50,392	50,392	50,447
Net Cost of Services ^(a)	45,357	17,573	17,573	17,030	16,463	15,463	15,518
CASH ASSETS ^(b)	412,150	476,150	454,593	436,191	510,990	548,124	592,414

(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	-	-	-	-	55
Streamlined Budget Process Incentive Funding	-	55	-	-	-

Significant Issues Impacting the Agency

Design WA

- Design WA will ensure good design is at the centre of all development in Western Australia. The Department of Planning, Lands and Heritage (the Department), on behalf of the Commission, continues to progress the implementation program for Design WA Stage 1 following its release. The development of policies relating to precinct planning and medium density is a priority. These will become important tools for Western Australian towns and cities, especially for land use considerations around METRONET stations.

State Design Review Panel

2. The Commission is supporting the establishment of the State Design Review Panel, chaired by the Government Architect, as a key part of the implementation program for Design WA Stage 1.

METRONET

3. The Department, on behalf of the Commission, is supporting the work being undertaken to deliver METRONET by providing planning expertise and advice in relation to land use planning around proposed and existing station precincts. This work and the associated policies, including Design WA, will ensure these precincts become vibrant and liveable communities that meet the changing needs and life stages of Western Australians.

Implementation of *Perth and Peel@3.5 million*

4. The Department is preparing scoping documents in conjunction with other State Government agencies and local governments for the Planning Investigation Areas identified in the *Perth and Peel@3.5million* sub-regional planning and infrastructure frameworks; some sites will support the delivery of METRONET.

Land Acquisition

5. The Commission will continue its strategic land acquisition program, including the prioritisation of outstanding Bush Forever sites still in private ownership and the land assembly for METRONET sites. Funding has been provided to address hardship cases with priority given to properties within the Western Trade Coast industrial region.

State Planning Policy 3.6 - Development Contributions for Infrastructure

6. The Department, on behalf of the Commission, will progress the review of State Planning Policy 3.6 to revise the policy and guidelines to improve equity and transparency in relation to the progress of works undertaken through the policy.

Resource Agreement

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

Outcomes, Services and Key Performance Information

Relationship to Government Goals

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

Government Goal	Desired Outcome	Services
Better Places: A quality environment with liveable and affordable communities and vibrant regions.	An efficient and effective planning system that promotes sustainable use and development of land in Western Australia.	<ol style="list-style-type: none"> 1. Statutory Planning 2. Strategic Planning 3. Asset 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. Statutory Planning	15,861	16,123	16,123	16,938	17,054	17,054	17,073
2. Strategic Planning	5,639	9,765	9,765	9,190	9,252	9,252	9,262
3. Asset Management.....	56,062	26,117	26,117	23,924	24,086	24,086	24,112
Total Cost of Services.....	77,562	52,005	52,005	50,052	50,392	50,392	50,447

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 planning system that promotes sustainable use and development of land in Western Australia:					
The proportion of residential land in the metropolitan area that is capable of multiple dwellings within 400 metres and 800 metres of the capital city, a strategic metropolitan centre or a train station:					
400 metres.....	39.2%	36%	39%	39%	1
800 metres.....	30.6%	30%	31%	31%	
The proportion of residential land that is zoned R40 and above that is within 400 metres of a major regional centre					
	66.7%	64%	67%	67%	1
The percentage of subdivision applications determined within the statutory timeframe.....					
	83%	80%	90%	80%	2
The percentage of development applications determined within the statutory timeframe					
	75%	70%	83%	70%	2
The percentage of finalised appeals (excluding Development Assessment Panels) that are not upheld on review by the State Administrative Tribunal.....					
	98.6%	95%	94%	95%	
Vacancy rate of residential properties available for rent.....	5.9%	8%	4.4%	5%	3
Vacancy rate of commercial properties available for rent.....	8.2%	8%	5.2%	5%	3

(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 improved target between the 2018-19 Budget and the 2018-19 Estimated Actual is due to an increased emphasis on the work area in line with the Government priority of increasing density around transport nodes.
2. The improved performance in the 2018-19 Estimated Actual is consistent with service level improvements and structural changes, noting that this is occurring due to conditions in the Western Australian property market.
3. The reduction in the vacancy rate between the 2018-19 Budget and the 2018-19 Estimated Actual is due to the improved rental market conditions for properties owned by the Commission. These are expected to continue into the 2019-20 Budget Target.

Services and Key Efficiency Indicators

1. Statutory Planning

Utilisation of statutory, consultative, legislative, regulatory reform and coordination processes that facilitate the implementation of creative and innovative strategic regional and local plans and policies.

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 15,861	\$'000 16,123	\$'000 16,123	\$'000 16,938	
Less Income	14,435	14,174	14,174	15,577	1
Net Cost of Service	1,426	1,949	1,949	1,361	
Efficiency Indicators					
Average cost per statutory application	\$2,799	\$2,712	\$3,017	\$3,169	2

Explanation of Significant Movements

(Notes)

1. The increase in income between the 2018-19 Budget and the 2019-20 Budget Target is mainly due to a forecasted increase in subdivision applications.
2. The increase in the average cost per statutory application between the 2018-19 Budget and the 2018-19 Estimated Actual is due to an overall reduction in the total number of statutory applications forecasted to be received.

2. Strategic Planning

The development and advancement of planning strategies, policies and information systems that guide the State's long-term urban settlement, industrial and economic development, and the management of the environment, in ways that reflect the aspirations of the Western Australian community for a high quality of life.

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 5,639	\$'000 9,765	\$'000 9,765	\$'000 9,190	1
Less Income	3,378	3,573	3,573	3,904	2
Net Cost of Service	2,261	6,192	6,192	5,286	
Efficiency Indicators					
Average cost per hour for strategic planning	\$133.35	\$144.95	\$146.08	\$146.12	

Explanation of Significant Movements

(Notes)

1. The reduction in the Total Cost of Service between the 2018-19 Budget and the 2019-20 Budget Target is due to a decrease in expenditure from the Metropolitan Region Improvement Fund (MRIF) resulting from the completion of various strategic planning projects.
2. The increase in income between the 2018-19 Budget and the 2019-20 Budget Target is due to an increase in statutory planning fees and interest earned on the MRIF.

3. Asset Management

The acquisition, management and disposal of properties reserved under the Metropolitan, Peel and Greater Bunbury Region Schemes for primary and other regional roads, parks and recreation and regional open space areas, special uses including planning control areas and improvement plans and major land development projects.

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 56,062	\$'000 26,117	\$'000 26,117	\$'000 23,924	1
Less Income	14,392	16,685	16,685	13,541	2
Net Cost of Service	41,670	9,432	9,432	10,383	
Efficiency Indicators					
Average cost of service for the management of Whiteman Park per hectare managed	\$2,543	\$2,183.64	\$2,711.18	\$2,711.18	3
Average cost of service for the management of residential and commercial properties per property	\$18,973	\$18,210	\$18,332	\$16,793	4
Average cost of service for the management of reserved land (excluding Whiteman Park and residential and commercial properties) per hectare managed	\$468	\$504.58	\$379.03	\$379.03	5

Explanation of Significant Movements

(Notes)

1. The 2017-18 Actual of \$56 million includes a revaluation decrement for land of \$20.1 million and impairment loss for land of \$11.1 million. These expenditures relate to year-end adjustments and are not included in the 2018-19 Budget, the 2019-20 Budget Target or across the forward estimates period.

The Total Cost of Service has reduced between the 2018-19 Estimated Actual and the 2019-20 Budget Target due to the completion of asset management projects in 2018-19.

2. The decrease in income between the 2018-19 Budget and the 2019-20 Budget Target is due to a lower forecast amount of proceeds from land sales.
3. The average cost for the management of Whiteman Park has increased between the 2018-19 Budget and the 2019-20 Budget Target due to a decrease in the number of hectares managed. Land title has transferred to Main Roads to enable the construction of infrastructure projects.
4. The reduction of the average cost of the management of residential and commercial properties between the 2018-19 Budget and the 2019-20 Budget Target is due to funding asset management projects in 2018-19.
5. The average cost for the management of reserved land has reduced between the 2018-19 Budget and the 2019-20 Budget Target due to the increase in land managed by the Commission.

Asset Investment Program

1. The Commission's 2019-20 Asset Investment Program of \$86.8 million includes the acquisition of land reserved under the Metropolitan, Peel and Greater Bunbury Region Schemes and development of facilities on reserved land. The total cost of asset investment over the Budget and forward estimates period is \$307.4 million, which includes \$100 million of expenditure on the Commission's properties to support the METRONET project.

	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							
Buildings/Infrastructure.....	22,670	12,184	2,000	1,300	1,300	1,300	1,300
Other Minor Equipment	3,956	2,692	143	147	151	151	151
COMPLETED WORKS							
Acquisition of Land - 2018-19 Program	49,402	49,402	49,402	-	-	-	-
Regional Land Acquisitions - 2018-19 Program	5,831	5,831	5,831	-	-	-	-
NEW WORKS							
Acquisition of Land							
2019-20 Program.....	50,000	-	-	50,000	-	-	-
2020-21 Program.....	43,300	-	-	-	43,300	-	-
2021-22 Program.....	43,300	-	-	-	-	43,300	-
2022-23 Program.....	43,400	-	-	-	-	-	43,400
METRONET - Yanchep Rail Extension	100,000	-	-	30,000	-	70,000	-
Regional Land Acquisitions							
2019-20 Program.....	5,400	-	-	5,400	-	-	-
2020-21 Program.....	5,400	-	-	-	5,400	-	-
2021-22 Program.....	5,400	-	-	-	-	5,400	-
2022-23 Program.....	5,400	-	-	-	-	-	5,400
Total Cost of Asset Investment Program	383,459	70,109	57,376	86,847	50,151	120,151	50,251
FUNDED BY							
Capital Appropriation.....			5,400	5,400	5,400	5,400	5,400
Asset Sales			18,500	5,000	40,000	70,000	5,000
Internal Funds and Balances.....			33,476	76,447	4,751	44,751	39,851
Total Funding.....			57,376	86,847	50,151	120,151	50,251

Financial Statements

Income Statement

Expenses

1. The decrease in Total Cost of Services of \$1.9 million between the 2018-19 Budget and the 2019-20 Budget Estimate is due to the completion of various strategic planning projects and asset management projects.

Income

2. The reduction in total income of \$1.4 million between the 2018-19 Budget and the 2019-20 Budget Estimate is due to the net impact of increased fees and charges of \$1.1 million and a reduction of sale of land receipts of \$2.5 million.
3. The decrease in service appropriations between the 2018-19 Estimated Actual and the 2019-20 Budget Estimate is attributable to lower than forecasted Metropolitan Region Tax collections.

Statement of Financial Position

4. The increase in total assets of \$62.7 million between the 2018-19 Estimated Actual and the 2019-20 Budget Estimate is due to an increase in property, plant and equipment mainly through acquisitions.

Statement of Cashflows

5. The movement in cash assets at the end of the reporting period between the 2018-19 Estimated Actual and the 2019-20 Budget Estimate of \$18.5 million is mainly due to payments by the Commission on its assets to support METRONET.

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)	300	300	300	300	300	300	300
Supplies and services	256	553	553	506	563	563	563
Accommodation	50	-	-	55	-	-	-
Depreciation and amortisation	23,510	3,600	3,600	3,600	3,600	3,600	3,600
Other expenses	53,446	47,552	47,552	45,591	45,929	45,929	45,984
TOTAL COST OF SERVICES	77,562	52,005	52,005	50,052	50,392	50,392	50,447
Income							
Sale of goods and services	12,585	12,280	12,280	13,348	13,343	13,343	13,343
Other revenue	19,620	22,152	22,152	19,674	20,586	21,586	21,586
Total Income	32,205	34,432	34,432	33,022	33,929	34,929	34,929
NET COST OF SERVICES	45,357	17,573	17,573	17,030	16,463	15,463	15,518
INCOME FROM STATE GOVERNMENT							
Service appropriations	99,262	90,497	95,796	94,875	94,813	96,148	98,459
Resources received free of charge	211	450	450	450	450	450	450
TOTAL INCOME FROM STATE GOVERNMENT	99,473	90,947	96,246	95,325	95,263	96,598	98,909
SURPLUS/(DEFICIENCY) FOR THE PERIOD	54,116	73,374	78,673	78,295	78,800	81,135	83,391

(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.

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
Strategic Transport Evaluation Model (STEM) ^(a)	300	300	300	300	300	300	300
TOTAL	300	300	300	300	300	300	300

(a) The Commission's contribution for the development of STEM, a land use and transport network interaction model managed by the Department of Transport.

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.....	408,387	473,302	450,830	432,428	507,227	544,361	588,651
Restricted cash.....	3,763	2,848	3,763	3,763	3,763	3,763	3,763
Receivables.....	4,158	3,928	4,158	4,158	4,128	4,098	4,068
Other.....	19,693	10,984	19,693	19,693	19,693	19,693	19,693
Assets held for sale	1,526	3,475	1,526	1,526	1,526	1,526	1,526
Total current assets.....	437,527	494,537	479,970	461,568	536,337	573,441	617,701
NON-CURRENT ASSETS							
Holding account receivables.....	5,499	5,879	5,879	6,259	6,639	7,019	7,399
Property, plant and equipment.....	522,553	574,486	563,803	644,520	653,571	702,622	746,773
Intangibles	24,611	23,815	24,611	24,611	24,611	24,611	24,611
Total non-current assets.....	552,663	604,180	594,293	675,390	684,821	734,252	778,783
TOTAL ASSETS	990,190	1,098,717	1,074,263	1,136,958	1,221,158	1,307,693	1,396,484
CURRENT LIABILITIES							
Payables.....	441	111	441	441	441	441	441
Other.....	19,545	21,497	19,545	19,545	19,545	19,545	19,545
Total current liabilities.....	19,986	21,608	19,986	19,986	19,986	19,986	19,986
TOTAL LIABILITIES	19,986	21,608	19,986	19,986	19,986	19,986	19,986
EQUITY							
Contributed equity.....	16,481	23,165	21,881	6,281	11,681	17,081	22,481
Accumulated surplus/(deficit).....	962,496	1,063,555	1,041,169	1,119,464	1,198,264	1,279,399	1,362,790
Reserves	39,915	39,077	39,915	39,915	39,915	39,915	39,915
Other.....	(48,688)	(48,688)	(48,688)	(48,688)	(48,688)	(48,688)	(48,688)
Total equity	970,204	1,077,109	1,054,277	1,116,972	1,201,172	1,287,707	1,376,498
TOTAL LIABILITIES AND EQUITY	990,190	1,098,717	1,074,263	1,136,958	1,221,158	1,307,693	1,396,484

(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	98,882	90,117	95,416	94,495	94,433	95,768	98,079
Capital appropriation	5,504	5,400	5,400	5,400	5,400	5,400	5,400
Net cash provided by State Government	104,386	95,517	100,816	99,895	99,833	101,168	103,479
CASHFLOWS FROM OPERATING ACTIVITIES							
Payments							
Grants and subsidies	(300)	(300)	(300)	(300)	(300)	(300)	(300)
Supplies and services	(45)	(103)	(103)	(56)	(113)	(113)	(113)
Accommodation	(62)	-	-	(55)	-	-	-
GST payments	(2,669)	(3,330)	(3,330)	(3,330)	(3,330)	(3,330)	(3,330)
Other payments	(43,830)	(47,526)	(47,526)	(45,561)	(45,899)	(45,899)	(45,954)
Receipts							
Sale of goods and services	12,661	12,280	12,280	13,348	13,343	13,343	13,343
GST receipts	3,951	3,330	3,330	3,330	3,330	3,330	3,330
Other receipts	15,174	16,152	16,152	17,174	18,086	19,086	19,086
Net cash from operating activities	(15,120)	(19,497)	(19,497)	(15,450)	(14,883)	(13,883)	(13,938)
CASHFLOWS FROM INVESTING ACTIVITIES							
Purchase of non-current assets	(44,102)	(37,376)	(57,376)	(86,847)	(50,151)	(120,151)	(50,251)
Other payments	-	-	-	(21,000)	-	-	-
Proceeds from sale of non-current assets	4,330	18,500	18,500	5,000	40,000	70,000	5,000
Net cash from investing activities	(39,772)	(18,876)	(38,876)	(102,847)	(10,151)	(50,151)	(45,251)
NET INCREASE/(DECREASE) IN CASH HELD	49,494	57,144	42,443	(18,402)	74,799	37,134	44,290
Cash assets at the beginning of the reporting period	362,656	419,006	412,150	454,593	436,191	510,990	548,124
Cash assets at the end of the reporting period	412,150	476,150	454,593	436,191	510,990	548,124	592,414

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

Agency Special Purpose Account Details

METROPOLITAN REGION IMPROVEMENT ACCOUNT

Account Purpose: This account was established in December 1959 under the *Metropolitan Region Improvement Tax Act 1959* to provide funds for the Commission to manage the Metropolitan Region Scheme.

	2017-18 Actual \$'000	2018-19 Budget \$'000	2018-19 Estimated Actual \$'000	2019-20 Budget Estimate \$'000
Opening Balance.....	348,340	408,542	399,230	441,191
Receipts:				
Appropriations	93,326	84,649	89,948	88,971
Other	23,502	34,880	34,880	22,400
	465,168	528,071	524,058	552,562
Payments ^(a)	65,938	62,867	82,867	132,189
CLOSING BALANCE.....	399,230	465,204	441,191	420,373

(a) The increase in payments between the 2018-19 Budget and the 2018-19 Estimated Actual is due to the increased Asset Investment Plan expenditure for acquiring additional properties in 2018-19. The increase in the 2019-20 Budget Estimate relates to the Commission investing in METRONET related projects on its land.

Division 43 **Western Australian Land Information Authority**

Part 11 **Planning and Land Use**

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 86 Net amount appropriated to deliver services	31,303	34,452	35,280	33,407	32,311	34,877	35,328
Amount Authorised by Other Statutes							
- Salaries and Allowances Act 1975	337	337	337	337	337	338	339
- Transfer of Land Act 1893	-	-	12	-	-	-	-
Total appropriations provided to deliver services	31,640	34,789	35,629	33,744	32,648	35,215	35,667
TOTAL APPROPRIATIONS	31,640	34,789	35,629	33,744	32,648	35,215	35,667
EXPENSES							
Total Cost of Services	129,611	130,892	132,697	123,948	124,414	123,941	122,416
Net Cost of Services ^{(a)(b)}	20,344	8,165	(132,149)	4,079	4,490	(6,126)	(20,644)
CASH ASSETS ^(c)	10,007	4,900	13,312	12,065	15,931	12,535	13,480

- (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) The decrease in Net Cost of Services in the 2018-19 Estimated Actual is due to the sale of the Western Australian Land Information Authority's (Landgate) shareholding in Property Exchange Australia Ltd (PEXA Ltd) and Advava Ltd.
- (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
Ongoing Initiatives					
Landgate Partial Commercialisation Project	828	416	-	-	-
Strata Titles Act 1985 Reform (STAR) Implementation Costs	-	-	1,398	1,398	1,398
Other					
Indexation for Non-Salary Expenses	-	-	-	-	149
Strategic Development Plan 2019-20 to 2022-23 ^(a)	(269)	1,450	2,441	916	193

- (a) The increase in expenditure excludes National Tax Equivalent Regime and dividends.

Significant Issues Impacting the Agency

1. In June 2018, the Government announced it would commercialise a restricted part of the Landgate business. An open and competitive market process has commenced to find a suitable service provider to deliver automated titling services for a term of at least 40 years (and up to 50 years). Landgate, together with the Department of Treasury, State Solicitor's Office and specialist advisors, have undertaken significant work in progressing the commercialisation. The process is expected to be completed in late 2019.
2. The divestment of the State's PEXA Ltd shareholding during the 2018-19 financial year delivered a significant return to the State, with proceeds totalling over \$185 million with 100% of funds to be returned to the State via National Tax Equivalent Regime income tax and an interim dividend. The State's PEXA Ltd holding was previously an investment asset recorded on Landgate's balance sheet, now represented by a \$32 million reduction in Landgate's non-current assets from 2018-19. The return on investment realised through the sale is indicative of Landgate's performance with respect to effective financial management and the ability to diversify its revenue streams for the benefit of the State.
3. On behalf of the State, Landgate has been responsible for the transition from paper conveyancing to the electronic lodgement of documents, pursuant to the 2008 Council of Australian Governments (COAG) agreement for a more streamlined national economy. The State reached a significant milestone on 1 December 2018, with all eligible documents required to be lodged electronically from this date. In working to ensure the effective operation of electronic conveyancing systems in Western Australia, Landgate has worked closely with Electronic Lodgement Network Operators (ELNOs) to facilitate their integration with Western Australian systems and practices. Another significant milestone will be reached in 2019, with the State facilitating the introduction of a second ELNO which will further support the lodgement of conveyancing documents electronically, giving consumers greater choice in how they transact and improving competition among operators. The transition to electronic conveyancing has meant a reduced reliance on paper-based processes, improving the efficiency of Landgate's registration functions and contributing to a reduction in Landgate's overall cost of service.
4. Landgate is responsible for delivering Strata Title reform on behalf of the State Government and, in 2018, achieved a significant milestone in the passage of the Strata Title Amendment Bill 2018 and the Community Titles Bill 2018. Work is now underway to implement these reforms, including the drafting of associated regulations, systems reform, and education regarding key changes. Landgate has been working closely with other government agencies, key stakeholders, the community and industry in the drafting of the regulations, expected to be delivered for consideration by Parliament in the coming months. Landgate is working closely with other key agencies to develop and embed new systems and processes which will enable effective operation of the legislation. These reforms are significant and will help to deliver the Government's priorities with respect to 'A Liveable Environment', supporting METRONET by facilitating greater housing choice in close proximity to key transport links.

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
Sustainable Finances: Responsible financial management and better service delivery.	The State's administrative, commercial and social systems are supported by a land information base and certainty of ownership and other interests in land.	1. Land Administration
	Independent valuations support Governments' collection of rates and taxes, and management of property assets.	2. Valuations
Future Jobs and Skills: Grow and diversify the economy, create jobs and support skills development.	Coordinated capture and access to the State's location information.	3. Access to Government Location Information

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. Land Administration.....	87,380	89,714	90,600	85,605	85,927	85,601	84,548
2. Valuations.....	32,553	32,982	33,732	29,476	29,587	29,474	29,111
3. Access to Government Location Information.....	9,678	8,196	8,365	8,867	8,900	8,866	8,757
Total Cost of Services.....	129,611	130,892	132,697	123,948	124,414	123,941	122,416

Outcomes and Key Effectiveness Indicators ^(a)

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Outcome: The State's administrative, commercial and social systems are supported by a land information base and certainty of ownership and other interests in land ^(b):					
The Land Titles register is updated and maintained in a timely and accurate manner:					
Simple and correct documents are registered within two working days of lodgement	n/a	80%	80%	80%	
The number of adjusted Certificates of Title arising from identified errors as a percentage of the total Certificates of Title on the land titles register	n/a	≤1%	≤1%	≤1%	
The extent to which the currency and relevance of the Land Information Databases meet the needs of the Western Australian community:					
Completion rate of the annual topographic maintenance plan	n/a	100%	75%	95%	1
Completion rate of names and addressing jobs delivered within 10 business days	n/a	80%	80%	80%	
Completion rate of property boundary related jobs within the agreed benchmarks	n/a	98.2%	96%	98.2%	
Outcome: Independent valuations support Governments' collection of rates and taxes, and management of property assets:					
International standards for accuracy and uniformity of rating and taxing values are met:					
Median Ratio Test:					
Gross Rental Value	91.4%	>92.5%	>92.5%	>92.5%	
Unimproved Value	91.67%	>92.5%	>92.5%	>92.5%	
Coefficient of Dispersion:					
Gross Rental Value	4.33%	<7%	<7%	<7%	
Unimproved Value	7.68%	<15%	<15%	<15%	
Adjustments of rating and taxing values as a result of objections and appeals as a percentage of total values in force	0.019%	<0.2%	<0.2%	<0.2%	
Outcome: Coordinated capture and access to the State's location information:					
Overall satisfaction with the capture of, access to and useability of Government location information	75%	80%	80%	80%	

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

(b) As a result of reforms and changes to its operating model, the way Landgate delivers services has changed, which has led to the implementation of a revised Outcome Based Management framework. As a consequence, there is no comparative information available for the 2017-18 Actual for these key effectiveness indicators.

Explanation of Significant Movements

(Notes)

- 2018-19 is the first year of implementing and tracking this new measure for topographic maintenance, against a target of 100%. The variance between the 2018-19 Estimated Actual and the 2018-19 Budget is mainly due to existing resource limits in delivering required services. The 2019-20 Budget Target is reflective of a review in resource requirements in addition to enhanced capabilities through staff development.

Services and Key Efficiency Indicators

1. Land Administration

A land administration service that provides a land information base, certainty of ownership and other interests in land.

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 87,380	\$'000 89,714	\$'000 90,600	\$'000 85,605	1
Less Income	97,195	104,227	251,095	95,169	2
Net Cost of Service	(9,815)	(14,513)	(160,495)	(9,564)	
Employees (Full-Time Equivalents)	291	298	289	264	3
Efficiency Indicators					
Average cost of maintaining a land information base, certainty of ownership and other interests in land, per Certificate of Title ^(a)	\$60.31	\$61.18	\$61.78	\$57.80	1

(a) With the implementation of a revised Outcome Based Management framework the 2017-18 Actual results have been recast for comparative purposes.

Explanation of Significant Movements

(Notes)

1. The reduction in expenditure and average cost in the 2019-20 Budget Target when compared to the 2018-19 Estimated Actual has resulted from ongoing savings in salaries and information and communications technology related contracts being realised as a consequence of Landgate's internal reform program.
2. The increase in income from the 2017-18 Actual to the 2018-19 Estimated Actual has resulted mainly from the sale of Landgate's shareholding in PEXA Ltd in January 2019, which it held on behalf of the State of Western Australia.
3. As a result of reforms and changes to its operating model, the way Landgate services are delivered has changed. This has led to efficiencies in processes allowing Landgate to reduce its full-time equivalent employee numbers. Landgate expects to maintain its program of continuous improvement, which is anticipated to result in the further rationalisation of resource requirements across the forward estimates period.

2. Valuations

An impartial valuations service.

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 32,553	\$'000 32,982	\$'000 33,732	\$'000 29,476	1
Less Income	11,812	18,500	13,751	24,700	2
Net Cost of Service	20,741	14,482	19,981	4,776	
Employees (Full-Time Equivalents)	189	179	188	188	
Efficiency Indicators					
Average cost per valuation	\$23.65	\$22.90	\$23.43	\$13.40	2

Explanation of Significant Movements

(Notes)

1. As a result of reforms and changes to its operating model, the way services are delivered has changed. This has led to efficiencies in processes, which has resulted in realisation of savings.
2. The nature of the Gross Rental Value Metropolitan Triennial Program (Metropolitan Revaluation Program) leads to fluctuations in income and the average cost per valuation. As the 2019-20 Budget Target is the third and final year of the triennial program it attracts the highest level of income and activity, hence the increase above the 2018-19 Estimated Actual.

3. Access to Government Location Information

Effective access to land and location information can be demonstrated by improved data capture, access and useability of location information.

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 9,678	\$'000 8,196	\$'000 8,365	\$'000 8,867	
Less Income	260	-	-	-	
Net Cost of Service	9,418	8,196	8,365	8,867	
Employees (Full-Time Equivalents)	16	16	16	16	
Efficiency Indicators					
Average cost of maintaining and providing access to land and location datasets, per Shared Location Information Platform dataset ^(a)	\$2,072	\$1,854	\$1,675	\$1,673	

(a) With the implementation of a revised Outcome Based Management framework the 2017-18 Actual results have been recast for comparative purposes.

Asset Investment Program

1. The 2019-20 Asset Investment Program totalling \$20.8 million will focus on progressing key initiatives including the *Strata Titles Act 1985* reform program and continuing to enhance core service delivery software through its business reform initiatives program including the New Land Registry for Titles and Plans.
2. It is expected that more services will be delivered in an online environment allowing wider sharing across Government and business.

	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	1,736	1,736	1,736	-	-	-	-
Business Reform Initiatives 2018-19 Program ^(a)	8,388	8,388	8,388	-	-	-	-
Location Infrastructure 2018-19 Program ^(b)	3,738	3,738	3,738	-	-	-	-
Products and Services 2018-19 Program	200	200	200	-	-	-	-
NEW WORKS							
Asset Replacement	7,850	-	-	1,400	2,300	2,350	1,800
Business Reform Initiatives	34,582	-	-	10,079	8,559	7,297	8,647
Location Infrastructure	9,880	-	-	8,780	500	200	400
Products and Services	950	-	-	500	450	-	-
Total Cost of Asset Investment Program	67,324	14,062	14,062	20,759	11,809	9,847	10,847
FUNDED BY							
Drawdowns from the Holding Account			830	3,981	5,160	5,211	5,088
Internal Funds and Balances ^{(a)(b)}			13,232	9,288	6,649	4,636	5,759
Funding Included in Department of Treasury Administered Item			-	7,490	-	-	-
Total Funding			14,062	20,759	11,809	9,847	10,847

(a) This amount includes an amount of \$2 million in approved funding brought forward from 2020-21 and 2021-22.

(b) This amount includes \$0.5 million in approved funding that was carried forward from 2017-18.

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 of \$123.9 million is \$8.7 million lower than the 2018-19 Estimated Actual. This has resulted from the realisation of ongoing savings as a consequence of Landgate's internal reform program, which includes savings in salaries and information and communications technology related contracts. The 2018-19 Estimated Actual also includes a one-off minor loss recognised on the date of sale of the PEXA Ltd investment, resulting in a further reduction in expenses in the following budget year.

Income

3. The 2019-20 Budget Estimate total income of \$119.9 million is significantly lower than the 2018-19 Estimated Actual mainly as a result of a one-off gain in 2018-19 on the sale of an investment in PEXA Ltd that Landgate held on behalf of the State.
4. Excluding this gain on investment and a further realised gain on the sale of Landgate's subsidiary Advava Ltd, the forecast revenue increases by \$15.8 million in 2019-20. This is largely due to the cyclical nature of the triennial Metropolitan Revaluation Program, with the 2019-20 year being the third and final year which attracts the highest level of income and activity during the triennium.

Statement of Financial Position

5. Equity for the 2019-20 Budget Estimate is expected to increase by \$24.2 million to \$218.2 million in comparison to the 2018-19 Estimated Actual. This has resulted mainly from an increase in total assets of \$23.4 million. The increase in assets has resulted from the higher level of debtors due to the cyclical nature of the triennial Metropolitan Revaluation Program and increasing investments in held to maturity financial assets.

Statement of Cashflows

6. The 2019-20 Budget Estimate closing cash balance is marginally lower than the 2018-19 Estimated Actual as a result of increased expenditure on Landgate's asset investment plan and more funds being invested in held to maturity financial assets.

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)	65,209	61,136	62,814	59,420	56,948	55,063	52,983
Grants and subsidies ^(c)	139	117	124	124	124	124	124
Supplies and services	33,497	38,476	38,960	36,773	37,598	39,431	41,223
Accommodation	4,555	4,703	4,055	3,569	3,658	3,749	3,842
Depreciation and amortisation	13,938	14,875	14,875	15,446	18,114	18,032	16,505
Finance costs	1,264	934	934	753	363	174	173
Other expenses	11,009	10,651	10,935	7,863	7,609	7,368	7,566
TOTAL COST OF SERVICES	129,611	130,892	132,697	123,948	124,414	123,941	122,416
Income							
Sale of goods and services	103,676	113,728	99,481	116,266	115,658	125,408	137,237
Grants and subsidies	818	150	676	-	-	-	-
Other revenue ^(d)	4,773	8,849	164,689	3,603	4,266	4,659	5,823
Total Income	109,267	122,727	264,846	119,869	119,924	130,067	143,060
NET COST OF SERVICES	20,344	8,165	(132,149)	4,079	4,490	(6,126)	(20,644)
INCOME FROM STATE GOVERNMENT							
Service appropriations	31,640	34,789	35,629	33,744	32,648	35,215	35,667
Resources received free of charge	476	440	440	460	480	500	520
TOTAL INCOME FROM STATE GOVERNMENT	32,116	35,229	36,069	34,204	33,128	35,715	36,187
SURPLUS/(DEFICIENCY) FOR THE PERIOD	11,772	27,064	168,218	30,125	28,638	41,841	56,831
Income tax benefit/(expense) ^(e)	(4,014)	(8,116)	(49,664)	(8,299)	(8,512)	(12,206)	(16,942)
CHANGE IN SURPLUS/(DEFICIENCY) FOR THE PERIOD AFTER INCOME TAX EQUIVALENTS	7,758	18,948	118,554	21,826	20,126	29,635	39,889

(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 496, 493 and 468 respectively.

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

(d) The increase in 'other revenue' in the 2018-19 Estimated Actual is due to the sale of Landgate's shareholding in PEXA Ltd and Advava Ltd.

(e) The income tax expense in the 2018-19 Estimated Actual includes the income tax on the gains from the sale of Landgate's shareholding in PEXA Ltd and Advava Ltd.

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
Land Surveyors Licensing Board ^(a)	24	29	24	24	24	24	24
Other Grants and Subsidies	115	88	100	100	100	100	100
TOTAL	139	117	124	124	124	124	124

(a) This amount represents a grant paid by Landgate to the Land Surveyors' Licensing Board (the Board). The Board is an affiliated body but is not subject to the operational control of Landgate and reports to Parliament separately.

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.....	9,547	4,207	12,633	11,180	14,847	11,262	12,025
Restricted cash.....	7	7	7	7	7	7	7
Holding account receivables.....	830	3,800	3,981	5,160	5,211	5,088	9,007
Receivables.....	10,894	13,578	12,505	21,736	10,017	15,296	23,599
Other.....	47,413	20,862	22,025	17,270	20,331	29,128	18,460
Total current assets.....	68,691	42,454	51,151	55,353	50,413	60,781	63,098
NON-CURRENT ASSETS							
Holding account receivables.....	28,294	29,973	29,792	30,232	30,503	30,524	25,974
Property, plant and equipment.....	35,532	50,491	33,349	34,660	32,899	32,404	31,799
Intangibles.....	46,552	46,466	47,513	55,598	51,588	45,656	42,582
Restricted cash.....	453	686	672	878	1,077	1,266	1,448
Other.....	75,542	92,497	62,211	71,408	88,752	103,521	131,521
Total non-current assets.....	186,373	220,113	173,537	192,776	204,819	213,371	233,324
TOTAL ASSETS	255,064	262,567	224,688	248,129	255,232	274,152	296,422
CURRENT LIABILITIES							
Employee provisions ^(b)	10,520	9,980	9,894	9,650	9,221	8,828	8,447
Payables.....	3,427	3,770	6,398	6,792	6,962	7,426	7,979
Borrowings and lease liabilities.....	-	-	-	3,953	546	572	636
Other ^(b)	11,049	9,381	8,315	3,814	3,814	3,814	3,814
Total current liabilities.....	24,996	23,131	24,607	24,209	20,543	20,640	20,876
NON-CURRENT LIABILITIES							
Employee provisions.....	2,484	2,886	2,484	2,484	2,484	2,484	2,484
Borrowings and lease liabilities.....	7,909	3,408	3,408	3,055	2,942	2,815	2,672
Other.....	145	186	145	145	145	145	145
Total non-current liabilities.....	10,538	6,480	6,037	5,684	5,571	5,444	5,301
TOTAL LIABILITIES	35,534	29,611	30,644	29,893	26,114	26,084	26,177
EQUITY							
Contributed equity ^(c)	68,338	67,043	(76,258)	(75,240)	(85,890)	(98,139)	(117,598)
Accumulated surplus/(deficit) ^(d)	132,266	146,501	250,820	272,646	292,772	322,407	362,296
Reserves	18,926	19,412	19,482	20,830	22,236	23,800	25,547
Total equity	219,530	232,956	194,044	218,236	229,118	248,068	270,245
TOTAL LIABILITIES AND EQUITY	255,064	262,567	224,688	248,129	255,232	274,152	296,422

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

(b) Amounts have been reclassified since 2018-19 Budget, but agree in totality.

(c) The change in contributed equity in the 2018-19 Estimated Actual is due to the payment of the dividend from equity due to the return of PEXA Ltd proceeds to Government.

(d) The accumulated surplus in the 2018-19 Estimated Actual includes the gains on the sale of Landgate's shareholding in PEXA Ltd and Advava Ltd.

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	26,253	29,310	30,150	28,144	27,166	30,106	31,210
Administered equity contribution	-	-	-	7,490	-	-	-
Holding account drawdowns	4,666	830	830	3,981	5,160	5,211	5,088
Tax equivalent regime ^(b)	(5,469)	(6,405)	(48,107)	(7,981)	(8,496)	(11,901)	(16,550)
Dividend to Government ^(b)	(6,060)	(1,295)	(144,596)	(6,472)	(10,650)	(12,249)	(19,459)
Net cash provided by State Government	19,390	22,440	(161,723)	25,162	13,180	11,167	289
CASHFLOWS FROM OPERATING ACTIVITIES							
Payments							
Employee benefits	(67,662)	(61,709)	(63,440)	(59,664)	(57,377)	(55,456)	(53,364)
Grants and subsidies	(139)	(117)	(124)	(124)	(124)	(124)	(124)
Supplies and services	(31,369)	(38,461)	(38,915)	(36,084)	(37,003)	(39,336)	(41,126)
Accommodation	(4,366)	(4,703)	(4,055)	(4,212)	(4,160)	(3,749)	(3,842)
GST payments	(5,695)	(6,315)	(6,580)	(7,717)	(6,155)	(6,270)	(6,374)
Finance costs	(1,370)	(934)	(934)	(753)	(363)	(174)	(173)
Other payments	(6,671)	(10,211)	(9,261)	(7,403)	(7,129)	(6,868)	(7,046)
Receipts							
Sale of goods and services	116,287	103,553	94,749	113,820	124,146	112,627	139,667
GST receipts	5,373	6,315	6,580	7,717	6,155	6,270	6,374
Other receipts	3,043	4,196	3,956	3,603	4,266	4,659	5,823
Net cash from operating activities	7,431	(8,386)	(18,024)	9,183	22,256	11,579	39,815
CASHFLOWS FROM INVESTING ACTIVITIES							
Purchase of non-current assets	(13,790)	(11,562)	(14,062)	(20,759)	(11,809)	(9,847)	(10,847)
Other payments	(43,703)	-	(212)	(12,000)	(16,000)	(16,000)	(28,000)
Other receipts ^(c)	33,827	1,000	201,468	2,000	-	-	-
Net cash from investing activities	(23,666)	(10,562)	187,194	(30,759)	(27,809)	(25,847)	(38,847)
CASHFLOWS FROM FINANCING ACTIVITIES							
Other payments	(3,721)	(4,143)	(4,142)	(4,833)	(3,761)	(295)	(312)
Net cash from financing activities	(3,721)	(4,143)	(4,142)	(4,833)	(3,761)	(295)	(312)
NET INCREASE/(DECREASE) IN CASH HELD	(566)	(651)	3,305	(1,247)	3,866	(3,396)	945
Cash assets at the beginning of the reporting period	10,573	5,551	10,007	13,312	12,065	15,931	12,535
Cash assets at the end of the reporting period	10,007	4,900	13,312	12,065	15,931	12,535	13,480

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

(b) The Income Tax Equivalent and dividend payments in the 2018-19 Estimated Actual include the return of 100% of the proceeds from the sale of Landgate's shareholding in PEXA Ltd to Government.

(c) Other receipts include the proceeds from the sale of Landgate's shareholding in PEXA Ltd and Advava Ltd.

Western Australian Land Authority

Part 11 Planning and Land Use

Asset Investment Program

1. The planned Asset Investment Program for 2019-20 of \$201.4 million is targeted towards actual land releases and securing key approvals to enable future land releases to the market to meet the needs of Western Australian communities. This spend includes:
 - 1.1. \$73.8 million to be invested through the Industrial Land Authority to provide land and infrastructure for strategic, special and general industries throughout the State. A number of projects sit within this program and include Peel Business Park Nambeelup, Western Trade Coast (comprising Kwinana Industrial Area, Australian Marine Complex, Latitude 32 Industry Zone and Rockingham Industry Zone), Meridian Park Neerabup, Crossroad Industrial Estate Forrestdale, Shotts Strategic Industrial Area (SIA), Kemerton SIA and Broome Road Broome.
 - 1.2. \$94.4 million to be invested in the Metropolitan program to support the roll-out of METRONET and provide land for commercial investment in centres of activity and urban renewal and infill projects throughout Perth. Significant projects in this program include the marina at Ocean Reef, Alkimos Central, Cockburn Central West, Cockburn Coast Redevelopment, Murdoch Health and Knowledge Precinct and the redevelopment at the former Shenton Park Health Campus; and
 - 1.3. \$33.1 million to be invested through the Regional program to renew and revitalise cities and towns with coordinated releases of industrial and residential land and significant developments. Significant projects include the redevelopment of the Bunbury Waterfront, Port Hedland Spoilbank Marina and Albany Middleton Beach.
2. Over the forward estimates period, Government election commitments will be delivered, including \$31.5 million for the Peel Business Park, \$159.1 million for the Ocean Reef Marina and \$88.5 million for the Port Hedland Spoilbank Marina.
3. There is also targeted investment in a number of communities through the Regional Development Assistance Program to meet the land needs of local economies encouraging growth and attracting private investment.

	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							
Industrial Lands Authority Program							
Election Commitment - Peel Business Park, Nambeelup	44,080	12,531	11,662	20,461	6,220	4,868	-
Forrestdale Business Park.....	27,000	7,500	7,500	19,500	-	-	-
Industry and Infrastructure Acquisition and Development ...	1,176,469	1,059,780	45,842	33,826	28,174	15,626	39,063
Metropolitan Program							
Election Commitment - Ocean Reef Marina	164,090	5,014	4,056	5,729	36,553	88,562	28,232
Metropolitan Land Acquisition and Development.....	1,609,002	1,272,735	119,099	88,717	66,343	104,272	76,935
Regional Program							
Election Commitment - Port Hedland Spoilbank Marina.....	89,052	552	304	4,500	20,000	64,000	-
Regional Land Acquisition and Development	1,647,472	1,591,199	28,239	28,635	2,625	4,570	20,443
COMPLETED WORKS							
Regional Program - Election Commitment - Transforming Bunbury's Waterfront - Stage 3.....	4,292	4,292	4,244	-	-	-	-
Total Cost of Asset Investment Program	4,761,457	3,953,603	220,946	201,368	159,915	281,898	164,673
FUNDED BY							
Funding Included in Department of Treasury							
Administered Item.....			4,355	-	26,560	82,893	-
Borrowings			225,987	14,307	10,943	17,310	29,960
Internal Funds and Balances.....			(36,887)	138,665	93,772	135,711	134,713
Drawdowns from Royalties for Regions Fund			27,491	48,396	28,640	45,984	-
Total Funding.....			220,946	201,368	159,915	281,898	164,673

Metropolitan Redevelopment Authority

Part 11 Planning and Land Use

Asset Investment Program

1. In 2019-20, the Authority will invest:
 - 1.1. \$13.8 million to continue delivery of the Perth City Link project including finalising subdivision works to support land sales;
 - 1.2. \$23.5 million primarily to continue infrastructure and public domain works for the Waterbank precinct included within the Riverside Redevelopment Area in East Perth; and
 - 1.3. \$3 million for works in the Midland Redevelopment Area to be delivered by the Local Government Authority.
2. \$28 million over the forward estimates period, including \$2 million in 2019-20, will be invested to transition the East Perth Power Station site into an area suitable for development.
3. Armadale and Wungong works funded by Development Contribution Plans are no longer accounted for as Asset Investment Program expenditure.

	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							
Armadale Redevelopment Area - Armadale and Kelmscott Redevelopment Works	59,446	20,460	474	485	21	51	52
Central Perth Redevelopment Area							
Elizabeth Quay Redevelopment Works	416,901	414,023	4,104	1,039	1,839	-	-
Perth City Link Redevelopment Works	237,828	195,182	26,921	13,769	7,319	7,216	1,617
Riverside Redevelopment Works	135,908	106,177	10,847	23,486	5,845	242	-
Midland Redevelopment Area - Redevelopment Works	50,995	47,640	3,377	3,000	355	-	-
Minor Asset Purchases	16,895	11,743	297	954	501	353	353
NEW WORKS							
Central Perth Redevelopment Area - East Perth Power Station	28,000	-	-	2,000	13,000	13,000	-
Total Cost of Asset Investment Program	945,973	795,225	46,020	44,733	28,880	20,862	2,022
FUNDED BY							
Funding Included in Department of Treasury Administered Item			6,100	9,350	13,000	13,000	2,420
Borrowings			17,622	60,454	35,612	46,722	-
Other			22,298	(25,071)	(19,732)	(38,860)	(398)
Total Funding			46,020	44,733	28,880	20,862	2,022

Division 44 **Heritage Council of Western Australia**

Part 11 **Planning and Land Use**

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 87 Net amount appropriated to deliver services.....	1,421	1,390	1,390	1,390	1,377	1,377	1,390
Total appropriations provided to deliver services	1,421	1,390	1,390	1,390	1,377	1,377	1,390
TOTAL APPROPRIATIONS	1,421	1,390	1,390	1,390	1,377	1,377	1,390
EXPENSES							
Total Cost of Services	1,469	3,840	3,840	2,970	1,377	1,377	1,390
Net Cost of Services ^(a)	512	2,860	1,036	(1,110)	1,377	1,377	1,390
CASH ASSETS ^(b)	5,849	6,313	7,109	9,609	9,609	9,609	9,609

(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	-	-	-	-	13
Streamlined Budget Process Incentive Funding	-	14	-	-	-

Significant Issues Impacting the Agency

Heritage Act 2018

1. The Council and the Department of Planning, Lands and Heritage (the Department) continue to implement the *Heritage Act 2018* (the Act). The Act will ensure better protections for important heritage places, streamline processes and provide greater certainty for owners wishing to develop heritage places. The Department is progressing the Heritage Regulations 2019, the final step to enacting the revised Act, and the appointment of a new Heritage Council.

Heritage Grants Program

2. The Government is committed to protecting and enhancing the State's historic heritage and recognises the economic, social and environmental value of these assets. The Council, through the Department, supports the sustainability of heritage places through the allocation of \$1.2 million per annum towards the Heritage Grants Program, which strategically invests in our suburbs and regional areas to promote informed conservation while creating jobs in trades and heritage professions.

Heritage Works

3. The Government has an ownership interest in more than one-third of places listed in the State Register of Heritage Places. Many of these are well used, actively maintained and conserved; however, others sit idle. The management of the Heritage Works program remains a key priority for the Council as new projects to revitalise vacant Government-owned assets are planned and executed.

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.	Conservation of cultural heritage places in Western Australia, for the benefit of present and future generations.	1. Cultural Heritage Conservation 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. Cultural Heritage Conservation Services	1,469	3,840	3,840	2,970	1,377	1,377	1,390
Total Cost of Services	1,469	3,840	3,840	2,970	1,377	1,377	1,390

Outcomes and Key Effectiveness Indicators ^(a)

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Outcome: Conservation of cultural heritage places in Western Australia, for the benefit of present and future generations:					
Extent to which heritage places identified as having potential State significance have been assessed	77.5%	76%	76%	76%	
Extent to which development approvals issued for registered places are consistent with the Council advice to decision-making authorities	100%	100%	100%	100%	
Extent to which grant aid leverages additional investment in conservation projects	2.5:1	2:1	2:1	2:1	

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

Services and Key Efficiency Indicators

1. Cultural Heritage Conservation Services

Establish and maintain a comprehensive Heritage Register; provide conservation advice on development referrals and other relevant matters; develop the role of public authorities in conserving and managing heritage places; provide financial assistance and other conservation incentives; and provide publications, seminars and other promotional activities.

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 1,469	\$'000 3,840	\$'000 3,840	\$'000 2,970	1
Less Income	957	980	2,804	4,080	2
Net Cost of Service	512	2,860	1,036	(1,110)	
Efficiency Indicators					
Incidence of preliminary reviews proceeding to full assessment but resulting in decisions not to recommend interim registration	7.2%	6.5%	6.5%	6.5%	

Explanation of Significant Movements

(Notes)

1. The Total Cost of Service reduces by \$0.9 million from 2018-19 Estimated Actual to the 2019-20 Budget Target due to the expenditure profile of projects planned under the Heritage Works program.
2. Income increases from the 2018-19 Estimated Actual to the 2019-20 Budget Target by \$1.3 million due to the expected revenue contributions from the sales received from the Heritage Works program.

Financial Statements

Income Statement

Expenses

1. There is a reduction of \$0.9 million in supplies and services from the 2018-19 Estimated Actual and the 2019-20 Budget Estimate, followed by a further reduction of \$1.6 million in the 2020-21 Forward Estimate. The decrease is due to the anticipated expenditure requirements of projects planned for the Heritage Works program.

Income

2. Total income projected for the 2019-20 Budget Estimate is dependent on the timing of sales revenue contributions received from the Heritage Works program.

Statement of Financial Position

3. The restricted cash assets increase by \$2.5 million from the 2018-19 Estimated Actual to the 2019-20 Budget Estimate due to forecast receipts of sales revenue contributions received from the Heritage Works program.

Statement of Cashflows

4. There is a reduction of \$0.9 million in supplies and services from 2018-19 Estimated Actual to the 2019-20 Budget Estimate due to the expenditure requirements of projects planned under the Heritage Works program.
5. The total of receipts received from the sale of Heritage Works program projects depends on the timing of the completion of the planned projects and the receipt of the sale proceeds.
6. The increase in cash assets corresponds to the movements in the restricted cash balance as a result of the receipt of sales revenue contributions from projects planned under the Heritage Works program.

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	26	38	38	46	32	32	32
Grants and subsidies ^(b)	1,323	1,222	1,222	1,221	1,221	1,221	1,221
Supplies and services	2	2,562	2,562	1,685	102	102	102
Other expenses	118	18	18	18	22	22	35
TOTAL COST OF SERVICES	1,469	3,840	3,840	2,970	1,377	1,377	1,390
Income							
Grants and subsidies	-	980	980	4,080	-	-	-
Other revenue	957	-	1,824	-	-	-	-
Total Income	957	980	2,804	4,080	-	-	-
NET COST OF SERVICES	512	2,860	1,036	(1,110)	1,377	1,377	1,390
INCOME FROM STATE GOVERNMENT							
Service appropriations	1,421	1,390	1,390	1,390	1,377	1,377	1,390
TOTAL INCOME FROM STATE GOVERNMENT	1,421	1,390	1,390	1,390	1,377	1,377	1,390
SURPLUS/(DEFICIENCY) FOR THE PERIOD	909	(1,470)	354	2,500	-	-	-

(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.

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
Heritage Grants Program	1,323	1,222	1,222	1,221	1,221	1,221	1,221
TOTAL	1,323	1,222	1,222	1,221	1,221	1,221	1,221

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.....	463	422	463	463	463	463	463
Restricted cash.....	5,386	5,891	6,646	9,146	9,146	9,146	9,146
Receivables.....	31	21	31	31	31	31	31
Other.....	1,006	70	-	-	-	-	-
Total current assets.....	6,886	6,404	7,140	9,640	9,640	9,640	9,640
TOTAL ASSETS	6,886	6,404	7,140	9,640	9,640	9,640	9,640
CURRENT LIABILITIES							
Payables.....	1,377	1,476	1,277	1,277	1,277	1,277	1,277
Other.....	102	-	102	102	102	102	102
Total current liabilities.....	1,479	1,476	1,379	1,379	1,379	1,379	1,379
TOTAL LIABILITIES	1,479	1,476	1,379	1,379	1,379	1,379	1,379
EQUITY							
Contributed equity.....	(5,284)	-	(5,284)	(5,284)	(5,284)	(5,284)	(5,284)
Accumulated surplus/(deficit).....	10,691	4,928	11,045	13,545	13,545	13,545	13,545
Total equity	5,407	4,928	5,761	8,261	8,261	8,261	8,261
TOTAL LIABILITIES AND EQUITY	6,886	6,404	7,140	9,640	9,640	9,640	9,640

(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	1,421	1,390	1,390	1,390	1,377	1,377	1,390
Net cash provided by State Government	1,421	1,390	1,390	1,390	1,377	1,377	1,390
CASHFLOWS FROM OPERATING ACTIVITIES							
Payments							
Employee benefits	(26)	(38)	(38)	(46)	(32)	(32)	(32)
Grants and subsidies	(1,323)	(1,222)	(1,222)	(1,221)	(1,221)	(1,221)	(1,221)
Supplies and services	(1)	(2,562)	(2,562)	(1,685)	(102)	(102)	(102)
GST payments	(100)	-	-	-	-	-	-
Other payments	(121)	(18)	(18)	(18)	(22)	(22)	(35)
Receipts							
Grants and subsidies	-	980	980	4,080	-	-	-
GST receipts	169	-	-	-	-	-	-
Other receipts	100	-	-	-	-	-	-
Net cash from operating activities	(1,302)	(2,860)	(2,860)	1,110	(1,377)	(1,377)	(1,390)
CASHFLOWS FROM INVESTING ACTIVITIES							
Proceeds from sale of non-current assets	1,147	-	2,730	-	-	-	-
Net cash from investing activities	1,147	-	2,730	-	-	-	-
NET INCREASE/(DECREASE) IN CASH HELD	1,266	(1,470)	1,260	2,500	-	-	-
Cash assets at the beginning of the reporting period	4,583	7,783	5,849	7,109	9,609	9,609	9,609
Cash assets at the end of the reporting period	5,849	6,313	7,109	9,609	9,609	9,609	9,609

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

Division 45 **National Trust of Australia (WA)**

Part 11 **Planning and Land Use**

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 88 Net amount appropriated to deliver services.....	3,368	3,146	3,146	3,145	3,133	3,158	3,185
Total appropriations provided to deliver services	3,368	3,146	3,146	3,145	3,133	3,158	3,185
CAPITAL							
Item 147 Capital Appropriation	435	435	435	435	435	435	435
TOTAL APPROPRIATIONS	3,803	3,581	3,581	3,580	3,568	3,593	3,620
EXPENSES							
Total Cost of Services	8,269	7,740	8,179	8,085	7,872	7,830	7,875
Net Cost of Services ^(a)	1,056	3,179	2,317	2,637	2,648	3,201	3,228
CASH ASSETS ^(b)	6,118	5,221	5,879	5,640	5,640	5,440	5,240

(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
Ongoing Initiatives					
2019-20 Tariffs, Fees and Charges.....	-	27	27	27	27
Indexation for Non-Salary Expenses	-	-	-	-	15
Lotterywest Grant Funding	439	285	126	-	-
Streamlined Budget Process Incentive Funding	-	25	-	-	-

Significant Issues Impacting the Agency

1. The Trust will maintain its focus on the conservation, interpretation and adaptive re-use of heritage places.
2. The Trust will continue to work on enhancing the value, awareness and public participation in heritage through increased focus on community services and engagement, delivered through formal and non-formal schools, public education programs and events.
3. The increased focus on community services and engagement will see the Trust place greater emphasis on providing additional events and other community engagement activities.
4. The Trust will continue to promote public investment in heritage through its community-based public tax-deductible appeals, the work of its Aboriginal Foundations and its natural heritage conservation and stewardship programs.
5. The Trust will continue to enhance its volunteer programs to assist with the activation of Trust places.

Resource Agreement

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

Outcomes, Services and Key Performance Information

Relationship to Government Goals

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

Government Goal	Desired Outcome	Services
Better Places: A quality environment with liveable and affordable communities and vibrant regions.	Engage community support for the conservation of our natural, Aboriginal and historic heritage for the present and the future.	1. Conservation and Management of Built Heritage 2. Heritage Services to the Community

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. Conservation and Management of Built Heritage	3,632	3,887	4,008	3,986	4,038	4,017	4,047
2. Heritage Services to the Community	4,637	3,853	4,171	4,099	3,834	3,813	3,828
Total Cost of Services.....	8,269	7,740	8,179	8,085	7,872	7,830	7,875

Outcomes and Key Effectiveness Indicators ^(a)

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Outcome: Engage community support for the conservation of our natural, Aboriginal and historic heritage for the present and the future:					
Percentage of planned conservation performed to enable community access to Trust places	1.4%	1.8%	2.1%	1.8%	1
Number of people accessing, engaging, attending Trust places and receiving heritage services	32,856	28,990	28,859	33,148	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 2018-19 Estimated Actual percentage compared to the 2018-19 Budget percentage reflects a greater amount of conservation work being carried out than forecast in 2018-19. The amount of conservation work carried out is dependent on the amount of funding the Trust can source during each year.
2. The increase in the 2019-20 Budget Target compared to the 2018-19 Estimated Actual reflects the expectation that activities planned for 2019-20 will result in an increase in visitations to heritage sites.

Services and Key Efficiency Indicators**1. Conservation and Management of Built Heritage**

As a key service, the Trust conserves Government and community heritage properties and places, including the operation of a major public appeals program with a key focus on conservation works.

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 3,632	\$'000 3,887	\$'000 4,008	\$'000 3,986	
Less Income	5,213	2,807	2,990	2,778	
Net Cost of Service	(1,581)	1,080	1,018	1,208	
Employees (Full-Time Equivalents)	15	14	15	15	
Efficiency Indicators					
Average operating cost per place managed	\$33,018	\$35,336	\$38,171	\$37,962	

2. Heritage Services to the Community

The interpretation-heritage awareness and education service includes programs targeted at the general public, schools, professional development and training and community service.

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Target	Note
Total Cost of Service	\$'000 4,637	\$'000 3,853	\$'000 4,171	\$'000 4,099	
Less Income	2,000	1,754	2,872	2,670	1
Net Cost of Service	2,637	2,099	1,299	1,429	
Employees (Full-Time Equivalents)	15	14	14	14	
Efficiency Indicators					
Average operating cost per person accessing, engaging, attending Trust places and heritage services provided	\$141	\$133	\$145	\$124	

Explanation of Significant Movements

(Notes)

- The increase in 2018-19 Estimated Actual income compared to the 2018-19 Budget primarily relates to Aboriginal Foundations and Lotterywest grants provided to enable the Trust to undertake additional work on various heritage service projects and activities.

Asset Investment Program

- The Trust's Asset Investment Program includes the continuation of conservation and interpretation works of heritage places for the long-term social, economic and environmental benefit of the Western Australian community. The Trust will continue to maintain its information and communications technology program, including the ongoing development of online facilities to improve system functionality.

	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							
Property Restoration - Lotterywest Conservation Project	1,974	862	862	584	528	-	-
COMPLETED WORKS							
Asset Replacement - 2018-19 Program	50	50	50	-	-	-	-
Property Restoration - 2018-19 Program	650	650	650	-	-	-	-
NEW WORKS							
Asset Replacement							
2019-20 Program	50	-	-	50	-	-	-
2020-21 Program	50	-	-	-	50	-	-
2021-22 Program	50	-	-	-	-	50	-
2022-23 Program	50	-	-	-	-	-	50
Property Restoration							
2019-20 Program	650	-	-	650	-	-	-
2020-21 Program	650	-	-	-	650	-	-
2021-22 Program	650	-	-	-	-	650	-
2022-23 Program	650	-	-	-	-	-	650
Total Cost of Asset Investment Program	5,474	1,562	1,562	1,284	1,228	700	700
FUNDED BY							
Capital Appropriation			435	435	435	435	435
Drawdowns from the Holding Account			265	265	265	265	265
Internal Funds and Balances			862	584	528	-	-
Total Funding			1,562	1,284	1,228	700	700

Financial Statements

Income Statement

Expenses

1. The increase in supplies and services reflected in the 2018-19 Estimated Actual compared to the 2018-19 Budget relates to an increase in expenditure funded by Lotterywest grants on heritage service projects and activities.

Income

2. The increase in grants and subsidies reflected in the 2018-19 Estimated Actual compared to the 2018-19 Budget primarily relates to Lotterywest grants received for heritage service projects and activities.
3. The increase in other revenue reflected in the 2018-19 Estimated Actual compared to the 2018-19 Budget primarily relates to Aboriginal Foundations income to enable the Trust to undertake additional work on various heritage service projects and activities.

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)	3,183	2,828	2,870	2,899	2,904	2,902	2,932
Supplies and services	2,556	3,105	3,455	3,315	3,099	3,073	3,088
Accommodation	692	383	383	383	383	383	383
Depreciation and amortisation	687	650	650	655	655	655	655
Other expenses	1,151	774	821	833	831	817	817
TOTAL COST OF SERVICES	8,269	7,740	8,179	8,085	7,872	7,830	7,875
Income							
Sale of goods and services	153	173	173	200	200	200	200
Grants and subsidies	1,498	700	1,301	869	654	-	-
Other revenue	5,562	3,688	4,388	4,379	4,370	4,429	4,447
Total Income	7,213	4,561	5,862	5,448	5,224	4,629	4,647
NET COST OF SERVICES	1,056	3,179	2,317	2,637	2,648	3,201	3,228
INCOME FROM STATE GOVERNMENT							
Service appropriations	3,368	3,146	3,146	3,145	3,133	3,158	3,185
TOTAL INCOME FROM STATE GOVERNMENT	3,368	3,146	3,146	3,145	3,133	3,158	3,185
SURPLUS/(DEFICIENCY) FOR THE PERIOD	2,312	(33)	829	508	485	(43)	(43)

(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 30, 29 and 29 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.....	2,204	1,234	2,165	2,165	2,165	2,165	2,165
Restricted cash.....	3,914	3,987	3,714	3,475	3,475	3,275	3,075
Holding account receivables.....	265	265	265	265	265	265	265
Receivables.....	545	845	751	751	751	751	751
Other.....	82	140	82	82	82	82	82
Assets held for sale.....	-	585	-	-	-	-	-
Total current assets.....	7,010	7,056	6,977	6,738	6,738	6,538	6,338
NON-CURRENT ASSETS							
Holding account receivables.....	2,308	2,693	2,693	3,083	3,473	3,863	4,253
Property, plant and equipment.....	100,176	103,752	101,088	102,389	102,919	102,921	102,923
Intangibles.....	25	74	25	25	25	25	25
Other.....	74	-	74	74	74	74	74
Total non-current assets.....	102,583	106,519	103,880	105,571	106,491	106,883	107,275
TOTAL ASSETS.....	109,593	113,575	110,857	112,309	113,229	113,421	113,613
CURRENT LIABILITIES							
Employee provisions.....	534	585	534	534	534	534	534
Payables.....	497	477	497	491	491	491	491
Other.....	1,209	1,322	1,209	1,009	1,009	809	609
Total current liabilities.....	2,240	2,384	2,240	2,034	2,034	1,834	1,634
NON-CURRENT LIABILITIES							
Employee provisions.....	111	83	111	111	111	111	111
Other.....	1,128	1,302	1,128	1,128	1,128	1,128	1,128
Total non-current liabilities.....	1,239	1,385	1,239	1,239	1,239	1,239	1,239
TOTAL LIABILITIES.....	3,479	3,769	3,479	3,273	3,273	3,073	2,873
EQUITY							
Contributed equity.....	27,448	29,159	27,883	28,318	28,753	29,188	29,623
Accumulated surplus/(deficit).....	56,296	53,955	57,125	57,633	58,118	58,075	58,032
Reserves.....	22,370	26,692	22,370	23,085	23,085	23,085	23,085
Total equity.....	106,114	109,806	107,378	109,036	109,956	110,348	110,740
TOTAL LIABILITIES AND EQUITY.....	109,593	113,575	110,857	112,309	113,229	113,421	113,613

(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	2,718	2,496	2,496	2,490	2,478	2,503	2,530
Capital appropriation	435	435	435	435	435	435	435
Holding account drawdowns	265	265	265	265	265	265	265
Net cash provided by State Government	3,418	3,196	3,196	3,190	3,178	3,203	3,230
CASHFLOWS FROM OPERATING ACTIVITIES							
Payments							
Employee benefits	(3,245)	(2,821)	(2,863)	(2,892)	(2,897)	(2,895)	(2,925)
Supplies and services	(2,772)	(3,235)	(3,585)	(3,445)	(3,262)	(3,236)	(3,251)
Accommodation	(681)	(366)	(366)	(366)	(366)	(366)	(366)
GST payments	(580)	(270)	(270)	(270)	(270)	(270)	(270)
Other payments	(1,081)	(694)	(741)	(710)	(708)	(694)	(694)
Receipts							
Grants and subsidies	1,498	700	1,301	869	654	-	-
Sale of goods and services	12	173	173	200	200	200	200
GST receipts	602	270	270	270	270	270	270
Other receipts	4,620	3,508	4,208	4,199	4,429	4,288	4,306
Net cash from operating activities	(1,627)	(2,735)	(1,873)	(2,145)	(1,950)	(2,703)	(2,730)
CASHFLOWS FROM INVESTING ACTIVITIES							
Purchase of non-current assets	(1,394)	(700)	(1,562)	(1,284)	(1,228)	(700)	(700)
Proceeds from sale of non-current assets	22	-	-	-	-	-	-
Net cash from investing activities	(1,372)	(700)	(1,562)	(1,284)	(1,228)	(700)	(700)
NET INCREASE/(DECREASE) IN CASH HELD	419	(239)	(239)	(239)	-	(200)	(200)
Cash assets at the beginning of the reporting period	5,699	5,460	6,118	5,879	5,640	5,640	5,440
Cash assets at the end of the reporting period	6,118	5,221	5,879	5,640	5,640	5,440	5,240

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

Part 12

Utilities

Introduction

The Utilities portfolio comprises the six State-owned electricity and water utilities, providing homes and businesses with access to safe, reliable and efficient services. The portfolio maintains the capacity and reliability of its assets, and invests in infrastructure and new and emerging technologies to support the State. It plays a central role in the economic development of the State and in improving the living standards of the community.

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

- A Strong Economy
 - creating jobs; 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
Synergy		
– Asset Investment Program	48,945	40,725
Western Power		
– Asset Investment Program	716,520	849,714
Horizon Power		
– Asset Investment Program	96,865	61,651
Water Corporation		
– Asset Investment Program	706,132	699,986
Bunbury Water Corporation		
– Asset Investment Program	7,852	13,342
Busselton Water Corporation		
– Asset Investment Program	5,790	2,855

Ministerial Responsibilities

Minister	Agency	Services
Minister for Mines and Petroleum; Energy; Industrial Relations	Synergy	n/a
	Western Power	n/a
	Horizon Power	n/a
Minister for Water; Fisheries; Forestry; Innovation and ICT; Science	Water Corporation	n/a
	Bunbury Water Corporation	n/a
	Busselton Water Corporation	n/a

Synergy

Part 12

Utilities

Asset Investment Program

1. In 2019-20, Synergy will spend \$40.7 million on its Asset Investment Program, which is largely required to maintain the existing generation asset base. This investment in Synergy's existing generation asset base supports economic growth and jobs in the regions, where a significant portion of the asset base is located.

Generation

2. Synergy's generation portfolio is comprised of coal, gas, liquid fuel and renewable energy assets. Expenditure to maintain the capacity and reliability of these assets amounts to a total of \$39.5 million in 2019-20. Major investments include:
 - 2.1. \$10.8 million for various projects to support safety, efficiency and environmental targets at Muja Power Station, which includes developing new water supply sources for coal-fired generators and electrical switchboard upgrades;
 - 2.2. \$7.9 million for works to improve gas turbine reliability and security of supply. Major items include:
 - 2.2.1. \$5.9 million for the Cockburn Gas Turbine, mainly for the purchase and installation of parts required for the planned maintenance and upgrade of fire protection systems; and
 - 2.2.2. \$2 million for the Pinjar Gas Turbines, including the upgrade of Pinjar Gas Turbine Stage C exhausts;
 - 2.3. \$6.1 million for Collie Power Station, mainly for condenser re-tubing, cooling tower refurbishment, construction of fly ash dam cells, replacement and/or upgrade of gas outlet ducts, sootblower systems, battery banks, pump casing and various ongoing expenditure associated with maintaining the safe and reliable operation of the plant;
 - 2.4. \$11.7 million for various projects at Kwinana Power Station. Major works include the continuation of compliance works for rehabilitation and relocation of shared services in order to support other generation infrastructure located at the Kwinana site following the retirement of the Kwinana Power Station; and
 - 2.5. \$3 million for various smaller projects to deliver effective operations and management of Synergy's generation portfolio, including control system upgrades and the renewal of the Perron Quarry bore water supply pipeline.

Corporate

3. A total of \$1.2 million in 2019-20 has been allocated for the replacement and/or upgrade of information and communications technology (ICT) infrastructure associated with finance and human resources systems, as well as ongoing ICT capital expenditure requirements such as the replacement of end-of-life devices.

	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							
Corporate							
Business Systems Replacement	57,188	42,514	3,632	1,145	4,364	5,020	4,145
Property, Plant and Equipment.....	2,667	2,001	221	100	322	100	144
Generation							
Cockburn Gas Turbine.....	46,099	22,548	505	5,900	8,131	6,250	3,270
Collie Power Station	46,082	27,855	4,953	6,148	4,087	4,245	3,747
Kwinana Power Station.....	44,052	27,578	16,041	11,658	3,816	1,000	-
Muja C and D Power Station	145,523	102,183	15,758	10,774	10,854	10,700	11,012
Other Generation Infrastructure Projects	72,505	56,767	5,875	3,000	81	3,600	9,057
Pinjar Gas Turbine.....	22,739	13,876	450	2,000	2,000	3,000	1,863
Retail - System Enhancements	47,672	26,765	1,510	-	7,245	6,200	7,462
NEW WORKS							
Retail - Advanced Metering Infrastructure/AA4	10,100	-	-	-	4,700	5,400	-
Total Cost of Asset Investment Program	494,627	322,087	48,945	40,725	45,600	45,515	40,700
FUNDED BY							
Internal Funds and Balances.....			48,945	40,725	45,600	45,515	40,700
Total Funding.....			48,945	40,725	45,600	45,515	40,700

Western Power

Part 12 Utilities

Asset Investment Program

1. Western Power builds, maintains and operates the electricity network in the southwest of Western Australia. Electricity plays an essential role in developing the State's economy and improving the living standards of the community. Western Power's focus is to provide customers with access to a safe, reliable and efficient supply of electricity. Western Power will invest \$849.7 million in 2019-20 and a further \$2.4 billion across the forward estimates period.
2. Western Power's Asset Investment Program (AIP) is underpinned by its Asset Management Framework (the Framework), designed to meet the requirements of Western Power's licence obligations, good industry practice and relevant Australian standards. The Framework uses a risk-based approach coupled with a zone-based delivery to maximise the reduction in network risks for a given level of expenditure. Assets are given risk scores based on likelihood and consequence of individual asset failure, which are used to prioritise asset replacements.

New Access Arrangement

3. Western Power's 2017-22 Access Arrangement (AA4) proposal was submitted to the Economic Regulation Authority (ERA) on 2 October 2017. The AA4 proposal reflected Western Power's strategy to maintain overall safety of the network, meet agreed levels of reliability and deliver an efficient and sustainable financial position.
4. The AA4 submission built on Western Power's strong performance throughout the third regulatory period. This was enhanced by the commencement of Western Power's Business Transformation Program in 2015, which identified opportunities for improved performance. This included a focus on improving Western Power's asset management strategies, technological capability and operational productivity while maintaining safety and reliability levels.
5. As part of the AA4 process, the ERA reviewed whether there is a demonstrable need for investment proposed by Western Power and that the investment is efficient. The ERA's final determination on the AA4 submission was issued on 28 February 2019, and the AA4 prices and policies will commence on 1 July 2019.
6. The AIP forecast aligns with the ERA's Final Decision, with additional funding for the Advanced Metering Infrastructure (AMI) project, partially offset by some re-profiling of expenditure into 2022-23.

Advanced Metering Infrastructure

7. Western Power's AMI project provides for the installation of advanced 'communications-enabled' meters and the equipment required to collect the data they record.
8. The Government has approved an additional \$61.5 million for Western Power's AMI project from 2018-19 to 2021-22, bringing Western Power's total investment in metering to \$251 million over the period.
9. As these meters are rolled out, AMI will provide a wide range of benefits such as improving public safety, cost-saving benefits, providing greater information to customers allowing retailers to offer more innovative products and greater adoption of renewable energy, and better management of the network through the collection of additional network data.

Safety

10. The safety of the community and its staff is Western Power's most important priority. Investment in safety accounts for 33% of the forecast capital expenditure budget over the period 2019-20 to 2022-23. Western Power will commit \$262.5 million in 2019-20 to continue important safety programs including:
 - 10.1. \$235.2 million in 2019-20 to replace more than 2,100 km of the highest risk overhead conductors and replacing or reinforcing around 125,000 wooden power poles; and
 - 10.2. \$14 million on bushfire management programs, focusing on mitigating safety risks in the most fire-prone areas.

11. Western Power's asset safety objective for AA4 is to maintain the overall safety of the network with actual safety performance not deteriorating below recent historical levels. Safety performance is heavily influenced by external factors (such as adverse weather) and therefore the aim is to manage the factors that are within Western Power's control, such as ensuring the network assets are in good condition. Western Power has adopted a risk-based approach to asset replacement and renewal, targeting the poorest condition assets and identifying the treatments that achieve the greatest risk reduction per dollar invested.

Service

12. Service covers investment to ensure regulatory compliance, system reliability, asset replacement, metering, business support, information and communications technology (ICT) and building and site management (termed corporate real estate). Western Power will invest \$321.5 million on service-related projects in 2019-20. Key investments include:
 - 12.1. business support and ICT (\$80.2 million) - including the supporting infrastructure for advanced meters;
 - 12.2. corporate real estate (\$65 million) - to undertake upgrades and essential works within our property and depots;
 - 12.3. metering (\$39 million) - including the installation of advanced meters;
 - 12.4. regulatory compliance (\$41.2 million) - with upgrades to substation security and improvements to network reliability; and
 - 12.5. reliability driven asset replacement (\$96.1 million) - to reduce the risks of plant asset failure and ensuring service and operability are maintained.
13. Western Power's service incentive framework for the AA4 period will consolidate the improvements made over the past five years and maintain overall performance at the levels achieved at the end of the AA3 period.
14. Some parts of the network experience poorer service than others, particularly at the edge of the grid, and Western Power will target investment to improve performance in those areas.

Growth

15. Growth capital expenditure (both transmission and distribution) is typically one of the largest areas of investment for an energy network business. Western Power is committed to connecting customers and investing in infrastructure to support the State's economy, with \$216.2 million allocated for customer-driven works in 2019-20.
16. While growth across the South West Interconnected System as a whole has slowed, there are parts of the network such as Mandurah, Bunbury, and Busselton where growth is above average and localised investment in capacity is required. Western Power is focusing much of its growth-related investment in these areas, while augmenting the broader network to ensure the 1.1 million customers connected to it, and the approximately 96,000 new customers expected to connect over the next five years have reliable electricity supply.
17. Growth capital expenditure also includes projects driven by individual customers, which tend to be driven by economic conditions and traditionally represent a significant portion of the works program. Customer-driven capital expenditure includes all work associated with connecting customer loads or generators, and relocation of assets. Projects range from small residential connections (pole to pillar), through to network extensions to cater for large industrial customers.

State Underground Power Program

18. Under the current round of the State Underground Power Program (round six), Western Power, in partnership with the State Government and local councils, is improving customer experiences through investment in Western Australia's suburbs. Seventeen areas/suburbs in Perth will receive underground power. Around 18,000 properties will benefit from underground power in this round, with works expected to be completed by the end of the AA4 period. The projects selected in round six are: Floreat West, Floreat North, Floreat East, Kardinya South, Alfred Cove East, Melville North, South Perth, Collier, Manning, Victoria Park West, Victoria Park East, Carlisle North, Trigg, Menora, Maylands Central, South Lake East and Shelley West.

Future Network

19. Western Power is developing scenarios of potential network configurations based on different customer needs. Alternative solutions to traditional network approaches (including distributed energy resources and other emerging technology) will be considered where they are more cost-effective or more aligned to customer requirements.
20. Analysis of these scenarios will supplement the insights gathered through Western Power's ongoing trials of new and emerging technologies. These trials also see Western Power invest in regional towns. For example, building on the successful trial of six Stand-alone Power Systems (SPS) in the Great Southern in 2016 where customers were saved from over 90 hours of outages in their second year, Western Power recently awarded three contracts to supply 57 units for its SPS Round 1 roll-out. Two contracts were awarded to local renewable energy companies - Perth-based Hybrid Systems and BayWA. These companies will supply the modular and scalable units, ranging from less than 5 kilowatt hour (kWh) to supply electric fences and dam pumps, to 50 kWh for large-scale agricultural businesses. Once installed and commissioned, the ongoing servicing and operation of the SPS units, which combine solar and battery technology with a backup generator, will be provided by the vendors for a two year period.

Support for renewable energy investment

21. Western Power has developed and implemented the Generator Interim Access (GIA) solution, in consultation with the Australian Energy Market Operator and the Public Utilities Office (Treasury).
22. The GIA solution will assist connections to the State's main electricity grid that would have been unviable under the current unconstrained network access arrangement. The solution will allow access to around 900 megawatts (MW) of new renewable energy capacity with eight connection offers being made to generators, including several large-scale projects exceeding 100 MW of capacity.

	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 Initiative - State Underground Power Program	265,730	128,942	36,474	37,305	30,526	34,388	34,569
Growth							
Distribution							
Capacity Expansion	405,474	205,547	7,826	52,155	43,641	47,510	56,620
Customer Access	1,611,288	1,035,295	123,229	133,583	143,283	147,729	151,397
Transmission							
Capacity Expansion	148,352	120,848	14,813	14,087	5,984	2,626	4,806
Customer Driven	242,547	177,832	57,296	16,410	18,288	19,174	10,842
Other Asset Investment - Motor Vehicle Fleet and Mobile Plant	60,842	14,910	14,910	9,750	7,934	14,141	14,107
Safety							
Bushfire Mitigation	103,944	69,900	3,073	14,042	5,989	5,945	8,068
Conductor Management	809,720	518,719	47,163	62,841	69,101	79,462	79,597
Connection Management	217,162	161,769	4,971	13,288	13,975	13,562	14,568
Pole Management	2,121,671	1,434,649	153,799	172,365	175,166	168,409	171,082
Security							
Thermal Management	3,186	3,002	634	184	-	-	-
Voltage and Fault Level Management	6,319	4,147	157	2,172	-	-	-
Service							
Business Support and ICT	656,158	421,100	112,089	80,167	66,749	46,318	41,824
Corporate Real Estate	245,706	122,271	30,248	65,009	21,848	15,782	20,796
Metering	304,767	135,201	29,241	38,984	42,174	43,805	44,603
Regulatory Compliance	278,436	116,468	6,827	41,240	36,346	38,555	45,827
Reliability Driven Asset Replacement	829,321	422,132	73,770	96,132	90,377	107,790	112,890
Total Cost of Asset Investment Program	8,310,623	5,092,732	716,520	849,714	771,381	785,196	811,596
FUNDED BY							
Borrowings			222,401	290,516	219,414	179,219	245,558
Internal Funds and Balances			494,119	559,198	551,967	605,977	566,038
Total Funding			716,520	849,714	771,381	785,196	811,596

Horizon Power

Part 12 Utilities

Asset Investment Program

1. Horizon Power will invest \$61.6 million during 2019-20 and a further \$145.2 million across the forward estimates period. This investment in regional Australia will continue to focus on providing safe and reliable electricity supply to regional customers and supporting jobs in regional areas.

Asset Management Plan

A Liveable Environment

2. Horizon Power is forecast to invest \$38.4 million in 2019-20 and a further \$123.1 million over the forward estimates period to mitigate extreme and high risks associated with energy assets. This investment contributes towards ensuring regulatory compliance, reliability and capacity of all of Horizon Power's systems to support the safety, development and enhancement of communities throughout regional Western Australia.

Onslow Power

3. Horizon Power will invest \$2.8 million in 2019-20 to deliver power infrastructure to meet forecast demand in Onslow. This includes customer installed small-scale domestic and commercial rooftop photovoltaic and battery storage systems. This will be largely supported by a grant from the Department of Jobs, Tourism, Science and Innovation, in turn funded by payments from Chevron Australia, as part of the Ashburton North (Wheatstone Project) State Development Agreement.

Remote Communities Photovoltaics

Regional Prosperity

4. Horizon Power will invest \$11.6 million in 2019-20 to fund the installation of modular centralised solar and energy storage in remote Aboriginal communities known as Aboriginal Remote Community Power Supply Program towns currently powered by expensive fuel sources such as diesel.
5. The introduction of cheaper, alternative methods of installation due to a reduction of the civil and structural works required has now made these investments commercial. Furthermore, there will be significant emission reductions, decreased risk of service interruptions and increased potential for community partnerships.

	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							
Asset Management Plan							
Asset Replacement.....	139,164	76,740	14,542	14,851	15,400	15,771	16,402
Capacity.....	24,767	12,234	2,920	2,982	3,092	3,166	3,293
Knowledge and Technology Investment.....	47,292	24,793	5,242	5,353	5,551	5,684	5,911
Mobile Plant and Operational Fleet.....	42,500	27,091	3,849	3,637	3,794	3,899	4,079
Property Management.....	32,628	17,667	3,486	3,559	3,691	3,780	3,931
Regulatory Compliance.....	33,309	31,888	331	338	351	359	373
Reliability.....	41,311	34,092	1,681	1,717	1,781	1,824	1,897
Safety.....	142,233	117,168	5,839	5,963	6,184	6,332	6,586
Customer Funded Works - Other Customer Driven Works.....	169,110	138,213	8,466	8,835	9,046	9,263	3,753
Major Projects - Onslow Power Infrastructure Project - Power Station Upgrade.....	105,293	102,487	45,269	2,806	-	-	-
COMPLETED WORKS							
Major Projects							
Pilbara Power Project.....	25,361	25,361	46	-	-	-	-
Pilbara Underground Power Project.....	214,350	214,350	5,194	-	-	-	-
NEW WORKS							
Remote Communities Photovoltaics.....	11,610	-	-	11,610	-	-	-
Total Cost of Asset Investment Program.....	1,028,928	822,084	96,865	61,651	48,890	50,078	46,225
FUNDED BY							
Borrowings.....			19,111	1,950	20,950	21,933	23,072
Internal Funds and Balances.....			27,291	54,537	27,575	28,145	23,153
Other.....			50,463	5,164	365	-	-
Total Funding.....			96,865	61,651	48,890	50,078	46,225

Water Corporation

Part 12 Utilities

Asset Investment Program

1. In 2019-20, \$700 million has been committed to capital investment projects across the State. These projects will improve the Corporation's services and continue to ensure its customers have access to reliable, high quality water and wastewater services.

Expenditure in the Regions

2. Regional Western Australia will continue to benefit from the development and upgrading of water and wastewater infrastructure, with \$230.4 million committed in 2019-20 to a number of projects across the regions.
3. A total of \$134.9 million has been committed in 2019-20 on around 140 water projects, including:
 - 3.1. \$9.5 million on water quality improvements in the Murchison region, including installation of water treatment facilities in Cue, Meekatharra, Mount Magnet and Sandstone to improve the water quality in each town; and
 - 3.2. \$0.5 million towards building a new 3 million litre water storage tank in Collie. The project has an estimated total value of \$9.4 million.
4. A total of \$62.4 million will be spent in 2019-20 on around 80 wastewater projects, including:
 - 4.1. \$4.9 million to continue upgrading the Margaret River Wastewater Treatment Plant. The upgrade will double the wastewater treatment capacity to 3 million litres per day; and
 - 4.2. \$0.2 million towards upgrading the Brunswick Wastewater Treatment Plant. The upgrade will improve the treatment of wastewater and efficient operation of the plant. The project has an estimated total value of \$5.4 million.
5. Additionally, \$3.7 million has been committed for the Essential and Municipal Services Upgrade Program for Aboriginal communities in Mowanjum, Bayulu and Bidyadanga.

Expenditure in the Metropolitan Area

6. A total of \$338.6 million has been committed in 2019-20 to projects across the metropolitan area that ensure an ongoing supply of drinking water and the development of adequate facilities for the collection and treatment of the community's wastewater.
7. In 2019-20, \$182.7 million has been committed to water network and supply projects including \$58.9 million towards the Groundwater Replenishment Scheme. This investment will provide greater certainty for Perth's Integrated Water Supply Scheme, as it continues to be impacted by the effects of climate change. On completion, the expansion will double the capacity of the Scheme from 14 to 28 billion litres per year.
8. Other features of the metropolitan program include \$138.1 million in 2019-20 on wastewater treatment projects in both the northern and southern corridors, including:
 - 8.1. \$7.3 million on upgrading the Woodman Point Wastewater Treatment Plant to service areas south of the river and north of Kwinana. The upgrade will increase the capacity of the plant from 120 million litres per day to 180 million litres per day to cater for growth in these catchments; and
 - 8.2. \$1.9 million on upgrades at the Ellenbrook Barrambie Way wastewater pump station and pressure main to cater for growth in the area.
9. Additionally, \$0.5 million has been committed to address drainage and land matters at the Roselea Estate in Stirling to meet the Government's election commitment.

	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							
Capital Support Costs	138,044	26,095	26,095	27,453	27,623	28,162	28,711
Election Commitment - Essential and Municipal Services Upgrade Program	22,190	7,683	7,683	3,710	5,219	2,631	2,947
Irrigation and Drainage							
Country Drainage Capacity.....	23,119	2,377	2,377	13,619	1,821	501	4,801
Country Drainage Renewals.....	35,120	6,518	6,518	6,412	11,714	4,240	6,236
Election Commitment - Roselea Estate Drainage Upgrade.....	1,500	500	500	500	500	-	-
Irrigation.....	38,163	7,549	7,549	9,386	2,013	11,467	7,748
Metropolitan Drainage Capacity	21,212	4,393	4,393	13,602	1,692	1,074	451
Metropolitan Drainage Renewals.....	13,657	2,881	2,881	3,726	3,037	2,005	2,008
Service							
Business Support.....	312,958	39,948	39,948	64,312	66,215	68,681	73,802
Corporate Real Estate	91,717	22,925	22,925	17,150	17,125	17,246	17,271
Operational Information and Control.....	121,664	25,037	25,037	22,036	21,010	26,771	26,810
Wastewater Program							
Country Wastewater							
Margaret River Wastewater Treatment Plant Upgrade.....	20,430	15,406	13,262	4,904	120	-	-
Network Capacity.....	86,239	20,322	20,322	21,081	12,192	19,032	13,612
Network Renewals	34,406	8,495	8,495	8,410	6,827	5,622	5,052
Treatment Capacity.....	100,793	19,692	19,692	23,233	21,504	19,949	16,415
Treatment Renewals.....	14,677	1,669	1,669	4,813	3,301	2,849	2,045
Metropolitan Wastewater							
Ellenbrook Barramie Way Pressure Main	38,275	962	212	1,896	9,703	20,043	5,671
Network Capacity.....	311,137	62,664	62,664	59,044	74,232	65,727	49,470
Network Renewals	110,789	25,374	25,374	26,438	20,344	16,464	22,169
Treatment Capacity.....	224,051	18,602	18,602	30,793	61,158	48,198	65,300
Treatment Renewals	79,277	9,103	9,103	12,596	14,574	20,939	22,065
Woodman Point Wastewater Treatment Plant Upgrade (to 180 Megalitres/Day)	140,971	132,463	37,402	7,332	1,176	-	-
Water Programs							
Country Water							
Murchison Towns Water Treatment	16,998	4,471	4,471	9,522	3,005	-	-
Network Capacity.....	102,139	24,806	24,806	17,668	22,736	20,642	16,287
Network Renewals	198,454	26,968	26,968	30,701	32,075	40,792	67,918
Supply Capacity.....	318,246	42,509	42,509	68,000	89,085	87,748	30,904
Supply Renewals	39,658	7,883	7,883	8,982	7,844	8,704	6,245
Metropolitan Water							
Groundwater Replenishment Scheme Stage 2	294,816	223,787	116,011	58,943	12,086	-	-
Network Capacity.....	224,185	36,555	36,555	43,598	41,820	40,802	61,410
Network Renewals	147,631	40,485	40,485	29,629	24,726	21,689	31,102
Supply Capacity.....	179,005	27,903	27,903	29,788	39,480	36,860	44,974
Supply Renewals	111,787	15,838	15,838	20,709	23,362	18,080	33,798
Total Cost of Asset Investment Program	3,613,308	911,863	706,132	699,986	679,319	656,918	665,222
FUNDED BY							
Borrowings			70,000	110,000	65,000	35,000	30,000
Internal Funds and Balances.....			636,132	589,986	614,319	621,918	635,222
Total Funding.....			706,132	699,986	679,319	656,918	665,222

Bunbury Water Corporation

Part 12

Utilities

Asset Investment Program

1. Bunbury Water Corporation's (Aqwest) Asset Investment Program totals \$23.6 million across the forward estimates period. Aqwest will continue to deliver the infrastructure required to meet the water supply needs of the City of Bunbury and enhance the prosperity of the region.
2. The \$13.3 million investment in 2019-20 includes:
 - 2.1. \$8.9 million to complete the Glen Iris Water Treatment Plant. This project moves water abstraction and treatment away from the current low-quality coastal area to ensure Aqwest can provide for future supply requirements;
 - 2.2. \$2.5 million to refurbish and maintain existing reservoir and water treatment plant infrastructure; and
 - 2.3. \$1.2 million to replace ageing water mains.

	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							
Treatment Plants - Glen Iris Water Treatment Plant.....	14,980	6,054	4,386	8,926	-	-	-
COMPLETED WORKS							
Fleet, Information and Communications Technology (ICT) and Other - 2018-19 Program.....	473	473	473	-	-	-	-
Mains - 2018-19 Program.....	778	778	778	-	-	-	-
Reservoirs - 2018-19 Program.....	660	660	660	-	-	-	-
Services - 2018-19 Program.....	124	124	124	-	-	-	-
Treatment Plants - 2018-19 Program.....	1,431	1,431	1,431	-	-	-	-
NEW WORKS							
Fleet, ICT and Other.....	1,711	-	-	661	325	362	363
Mains.....	4,103	-	-	1,160	1,064	856	1,023
Reservoirs.....	4,200	-	-	800	600	2,300	500
Services.....	516	-	-	125	128	130	133
Treatment Plants.....	4,125	-	-	1,670	930	832	693
Total Cost of Asset Investment Program	33,101	9,520	7,852	13,342	3,047	4,480	2,712
FUNDED BY							
Borrowings			4,386	8,926	-	-	-
Internal Funds and Balances.....			3,466	4,416	3,047	4,480	2,712
Total Funding.....			7,852	13,342	3,047	4,480	2,712

Busselton Water Corporation

Part 12 Utilities

Asset Investment Program

1. The Corporation's Asset Investment Program (AIP) includes \$2.9 million allocated in 2019-20 and a total of \$13 million across the forward estimates period. This investment will enable the Corporation to continue to support a strong regional economy.
2. Key projects across the forward estimates period include:
 - 2.1. \$6.2 million for planned asset replacement and upgrades at a number of water treatment plants;
 - 2.2. \$1.3 million to upgrade operational building facilities, to function within a more sustainable environment; and
 - 2.3. \$1.2 million on filter replacements and remote monitoring, to operate services more efficiently.
3. The AIP ensures existing infrastructure is maintained and new infrastructure is provided to maintain water supplies and sustain growth.

	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, Land and Land Improvements - 2018-19 Program.....	75	75	75	-	-	-	-
Busselton Margaret River Regional Airport							
Pump Station - 2018-19 Program	484	484	484	-	-	-	-
Special Project - Airport Upgrade	329	329	329	-	-	-	-
New Connections and Meters - 2018-19 Program	532	532	532	-	-	-	-
New Mains and Services - 2018-19 Program	773	773	773	-	-	-	-
Office Equipment - 2018-19 Program	100	100	100	-	-	-	-
Plant, Mobile and Other Purchases - 2018-19 Program	322	322	322	-	-	-	-
Treatment Plants - 2018-19 Program	3,175	3,175	3,175	-	-	-	-
NEW WORKS							
Building, Land and Land Improvements	1,265	-	-	438	396	251	180
New Connections and Meters	2,146	-	-	492	454	467	733
New Mains and Services	2,016	-	-	544	392	385	695
Office Equipment	880	-	-	215	218	222	225
Plant, Mobile and Other Purchases	569	-	-	172	57	105	235
Treatment Plants	6,153	-	-	994	1,369	1,458	2,332
Total Cost of Asset Investment Program	18,819	5,790	5,790	2,855	2,886	2,888	4,400
FUNDED BY							
Internal Funds and Balances			5,790	2,855	2,886	2,888	4,400
Total Funding			5,790	2,855	2,886	2,888	4,400

	Vol	Page		Vol	Page
Animal Resources Authority.....	1	308	Office of the Inspector of Custodial Services....	2	425
Biodiversity, Conservation and Attractions	2	587	Parliamentary Commissioner for		
Bunbury Water Corporation	2	672	Administrative Investigations	1	51
Burswood Park Board	1	263	Parliamentary Inspector of the Corruption		
Busselton Water Corporation	2	673	and Crime Commission	2	432
Chemistry Centre (WA)	2	416	Parliamentary Services	1	45
Commissioner for Children and Young People ...	1	114	Pilbara Ports Authority	2	564
Commissioner for Equal Opportunity	1	106	Planning, Lands and Heritage.....	2	607
Commissioner of Main Roads	2	526	Premier and Cabinet	1	63
Communities	2	443	Primary Industries and Regional		
Corruption and Crime Commission	2	409	Development.....	1	205
Economic Regulation Authority.....	1	253	Public Sector Commission	1	76
Education	1	311	Public Transport Authority of Western		
Finance.....	1	169	Australia	2	543
Fire and Emergency Services	2	385	Racing and Wagering Western Australia.....	1	261
Forest Products Commission	1	260	Registrar, Western Australian Industrial		
Fremantle Port Authority	2	560	Relations Commission	1	128
Gold Corporation	1	184	Rural Business Development Corporation.....	1	247
Governor's Establishment	1	85	Salaries and Allowances Tribunal.....	1	100
Health and Disability Services Complaints			Small Business Development Corporation	1	238
Office.....	1	307	Southern Ports Authority	2	565
Heritage Council of Western Australia	2	647	Synergy	2	663
Horizon Power.....	2	668	TAFE Colleges	1	344
Insurance Commission of Western Australia	1	183	Training and Workforce Development	1	328
Jobs, Tourism, Science and Innovation	1	189	Transport.....	2	509
Justice	2	367	Treasury	1	139
Keystart Housing Scheme Trust	2	465	WA Health	1	267
Kimberley Ports Authority.....	2	562	Water and Environmental Regulation	2	569
Legal Aid Commission of Western Australia.....	2	384	Water Corporation.....	2	670
Legislative Assembly.....	1	39	Western Australia Police Force.....	2	353
Legislative Council	1	33	Western Australian Electoral Commission.....	1	91
Local Government, Sport and Cultural			Western Australian Greyhound Racing		
Industries	2	466	Association	1	262
Lotteries Commission.....	2	505	Western Australian Institute of Sport	2	504
Mental Health Commission	1	292	Western Australian Land Authority		
METRONET Projects Under Development.....	2	559	(LandCorp).....	2	644
Metropolitan Cemeteries Board	2	506	Western Australian Land Information		
Metropolitan Redevelopment Authority	2	646	Authority (Landgate)	2	634
Mid West Ports Authority.....	2	563	Western Australian Meat Industry Authority	1	237
Mines, Industry Regulation and Safety	1	223	Western Australian Planning Commission.....	2	623
National Trust of Australia (WA).....	2	654	Western Australian Sports Centre Trust.....	2	494
Office of the Auditor General.....	1	159	Western Australian Treasury Corporation	1	158
Office of the Director of Public Prosecutions	2	400	Western Power.....	2	665
Office of the Information Commissioner.....	1	121	WorkCover WA Authority	1	127

Cover photos courtesy of Department of Training and Workforce Development,
taken at Ausdrill Limited WA, used by permission; Public Transport Authority;
Department of Education; Department of Health; Department of the Premier and Cabinet.

