

EXPLANATORY MEMORANDUM

APPROPRIATION (CONSOLIDATED FUND) BILL (NO. 5) 2003

PURPOSE OF BILL

The purpose of this Bill is to appropriate from the Consolidated Fund, recurrent expenditure excesses approved during the 2002/03 financial year for expenditure in 2002/03.

Schedule 1 of the Bill identifies expenditure excesses approved for each item in 2002/03. The total recurrent excess and the amount sought in this Appropriation Bill is \$159,187,516.82.

This Bill is largely a machinery Bill and reflects recurrent expenditure excesses for new items created during 2002/03 and expenditure overruns as a result of policy decisions or unavoidable cost increases against existing items during the course of 2002/03. The overruns were first charged to the Treasurer's Advance Account in accordance with section 8 of the *Financial Administration and Audit Act 1985*, and section 5 of the *Treasurer's Advance Authorization Act 2002*.

To clear the Treasurer's Advance Account for the expenditure overruns, it is necessary to seek appropriation for these amounts. Accordingly, this Bill is the means by which Parliamentary approval to the use of the Treasurer's Advance Account and appropriation from the Consolidated Fund is achieved.

Attached are further details of the recurrent expenditure excesses as identified in Schedule 1 of the Bill.

**APPROPRIATION (CONSOLIDATED FUND) BILL (NO. 5)
2003**

Detailed Version

**DETAILS OF RECURRENT EXPENDITURE EXCESSES AND NEW ITEMS
FOR THE 2002/03 FINANCIAL YEAR**

	Expenditure Excess \$
<i>LEGISLATIVE COUNCIL</i>	<i>100,000.00</i>

Additional funding was required to meet the higher than budgeted expenditure associated with Committee's travel during 2002/03. Although it is possible to budget for the normal costs of committee operations, the cost of Committee travel depends on the subject matter of the inquiry.

In April 2003 the Environmental and Public Affairs Committee's travel expenditure amounted to \$112,592, however the agency accommodated some of this cost from within their existing budget appropriation.

<i>JOINT HOUSE COMMITTEE</i>	<i>213,000.00</i>
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These additional funds were required to assist the Department in meeting the capital user charge expense commitment for the financial year. This unbudgeted increase was associated with the revaluation of the parliamentary buildings.

There is no net impact on State's finances through the funding of additional capital user charge expenses, as the funds are returned to the Consolidated Fund, and are eliminated as part of the consolidation of intra-government transactions.

<i>PARLIAMENTARY COMMISSIONER FOR ADMINISTRATIVE INVESTIGATIONS</i>	<i>19,000.00</i>
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The additional funds were requested to enable the Parliamentary Commissioner for Administrative Investigations to meet a revised capital user charge expense. The unanticipated increase in budgeted expenditure was driven by an additional capital allocation to the agency to provide for the collocation with other accountable agencies in adherence to Recommendation 22 of the Report of the Taskforce Established to Review the Machinery of Western Australia's Government.

There is no net impact on State's finances through the funding of additional capital user charge expenses, as the funds are returned to the Consolidated Fund, and are eliminated as part of the consolidation of intra-government transactions.

<i>OFFICE OF THE PUBLIC SECTOR STANDARDS COMMISSIONER.....</i>	<i>292,000.00</i>
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These overruns in appropriation requirements were attributed to:

- additional accrual expenditure associated with employee entitlements (\$236,000); and
- the unanticipated costs associated with temporary accommodation that was required due to delays in the collocation between the Office of the Public Sector Standards Commissioner and several other accountability agencies (\$107,000).

These expenses were partially offset by a savings in the depreciation expenses for the agency (\$51,000).

TREASURY AND FINANCE - ELECTRICITY CORPORATION **2,926,000.00**

Pensioner and senior concession payments in the form of Community Service Obligations to Western Power Corporation exceeded budget estimates by \$2,727,000.

In addition, expenditure of \$302,000 related to the clearing of arrears owed by the Broome and Port Hedland Port Authorities. These arrears arose after the Port Authorities argued that they were not State instrumentalities under Western Power Corporation (Charges) By-laws and were not obliged to pay specified electricity tariffs.

These expenditures were partially offset by a savings in Air-conditioning Subsidies for Seniors (\$103,000).

TREASURY AND FINANCE - WATER CORPORATION OF WESTERN AUSTRALIA..... **513,437.00**

An increase in funds was required to meet an increase in the Water Corporation's Community Service Obligation payments for the year.

TREASURY AND FINANCE - WESTERN AUSTRALIAN LAND AUTHORITY **3,172,000.00**

The increased expenditure was related to additional Community Service Obligation (CSO) funding to the Western Australian Land Authority (LandCorp) pertaining to the townsite development function.

The townsite development function was transferred to LandCorp from the Department of Land Administration as part of the Machinery of Government reforms. However, the associated funding for this function was not factored into the budget at that time, pending a review of the townsite development program for 2002/03. Upon completion of this review additional CSO funding of \$3,172,000 was granted.

<i>TREASURY AND FINANCE - FIRST HOME OWNERS' ASSISTANCE.....</i>	<i>6,050,000.00</i>
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The Department of Treasury and Finance administers the First Home Owners' Scheme (FHOS) on behalf of the Commonwealth under agreed GST-related tax reforms. The FHOS provides assistance to eligible parties to purchase a first home and is fully funded by equivalent Commonwealth grants.

Applications exceeded expectations in 2002/03, with additional funds of \$6,050,000 required to bring the total FHOS grants paid to in excess of \$118 million.

<i>TREASURY AND FINANCE - GST ADMINISTRATION COSTS.....</i>	<i>15,945.00</i>
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Under the Intergovernmental Agreement on the Reform of Commonwealth-State Financial Relations, the States agreed to compensate the Commonwealth for the costs incurred by the Australian Taxation Office in administering the Goods and Services Tax (GST). These costs are shared by the States as determined by their population share.

An overspend on GST administration in 2001/02 of \$426,340 was reduced by a downward revision of the 2002/03 calculation, resulting in a net overrun of \$15,945.

TREASURY AND FINANCE - ON ROAD DIESEL SUBSIDIES	746,000.00
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The 2002/03 Budget provided \$4,090,000 funding for the On Road Diesel Subsidies. However, the additional costs were mainly attributed to:

- several retrospective claims dating back to July 2000 (\$310,000); and
- an increase in the number of litres claimed by major oil companies (\$436,000).

TREASURY AND FINANCE - PENSIONER CONCESSION ASSISTANCE.....	4,064,000.00
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The increase in expenditure was mainly attributed to the:

- number of claims increasing by 1,626 against the Pensioner Assistance Scheme;
- cost per claim increasing, as a result of an increase in the rates charged per property;
- full effect of the pro-rata claims from 1 July 2001; and
- expenses associated with claims made by local governments for past years (there in no restrictions on which periods local governments may claim for reimbursement).

TREASURY AND FINANCE - PROVISION FOR UNFUNDED LIABILITIES IN THE GOVERNMENT INSURANCE FUND.....	3,146,170.03
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The 2002/03 Budget provided \$6,660,000 funding for the Government Insurance Fund. However, insurance claims are inherently unpredictable and volatile and total claims for the year exceeded the budget estimate due to additional, and larger than expected, claims being made during 2002/03.

***TREASURY AND FINANCE - REFUND OF PAST YEARS
REVENUE COLLECTIONS - PUBLIC CORPORATIONS.***

5,377,911.69

The National Tax Equivalent Regime (NTER) is intended to promote competitive neutrality through the uniform application of income tax laws between NTER agencies and their privately held counterparts. Each NTER agency is assessed as to its income tax equivalent liability, and is required to pay instalments to the Department of Treasury and Finance.

Refunds were required to be made to the following Public Corporations due to discrepancies between the initial and final assessment of agencies liability:

- Western Australian Land Authority (LandCorp) (\$4,188,393.80). This large refund for LandCorp was driven by an overestimation of the initial assessed liability due to the transition from a state-based tax equivalent regime to the NTER;
- Esperance Port Authority (\$712,685.00);
- Bunbury Water Board (\$304,989.53);
- Dampier Water Board (\$114,413.00); and
- Busselton Water Board (\$84,632.90).

This expenditure was partially offset by lower than anticipated refunds of past year revenue collections to public corporations (\$27,202.54).

***TREASURY AND FINANCE - REFUND OF PAST YEARS
REVENUE COLLECTIONS - ALL OTHER.....***

4,635,000.00

The overspending related to refunds for several unexpected claims, where the refund was not made in the year of the assessment and collection. Due to the non-discretionary nature of this expenditure, it is difficult to predict the liability in any one year.

TREASURY AND FINANCE - AERIAL SHARK SURVEILLANCE PROGRAM.....	195,674.85
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In 2001/02 the Government commenced a "Shark Management Strategy", part of which was an aerial shark surveillance program undertaken by the Edith Cowan University. The "Shark Management Strategy" was reviewed to evaluate the success of the marine, aerial and beach patrols, and a decision was taken to extend the Strategy for a further three years.

Additional funding of \$195,674.85 was sought in 2002/03 for costs related to patrols undertaken in 2001/02 (\$106,370), and during the summer period in 2002/03 (\$89,304.85).

TREASURY AND FINANCE - STATE HOUSING COMMISSION - GENERAL HOUSING FUNDING.....	2,500,000.00
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A new item was created to provide supplementary funding of \$2,500,000 to the State Housing Commission in 2002/03 for the following purposes:

- Roebourne Enhancement Scheme. Funds were sought to facilitate a program of upgrading houses and removing asbestos debris and residue (\$2,000,000); and
- Supported Housing Assistance Program as part of the Government response to the State Homelessness Taskforces (\$500,000).

TREASURY AND FINANCE - EXTENDED PAYROLL TAX AMNESTY.....	3,958,524.62
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The additional expenditure related to ex-gratia payments made to individual taxpayers who had outstanding payroll tax assessments relating to contractor payments for periods prior to 1 July 1999. This additional funding

was sought following the extension of the payroll tax and contractors' amnesty administered payments scheme.

**TREASURY AND FINANCE - ORD IRRIGATION
SUBSIDY**

2,800,714.00

To assist the transfer of the irrigation business (Ord Stage 1 distribution system) from the Water Corporation to the Ord Irrigation Cooperative Ltd (OIC), a new expenditure item was created to allow for the payment of an operating subsidy to the OIC.

It was found that the transfer of the irrigation business from the public sector to the OIC was a good example of government policy of encouraging private sector participation in services that were traditionally the domain of the State.

**TREASURY AND FINANCE - TREASURER'S
INDEMNITIES - COMMUNITY INSURANCE FUND**

341,085.00

A new expenditure item was created to facilitate payments to the Insurance Commission of Western Australia of premiums relating to indemnities issued by the Treasurer for 'not for profit' associations.

Following the collapse of HIH Insurance, the Government made an undertaking to restore stability and public confidence in the insurance industry, and these funds were utilised in assisting community associations in securing insurance coverage, when they had been unable to source coverage from the open market. These funds were fully offset by Consolidated Fund receipts received from the various associations involved.

***TREASURY AND FINANCE - WATER CORPORATION
- STATE WATER STRATEGY REBATE SCHEME***

2,425,971.00

A new expenditure item was created to provide for the expenditure associated with the Waterwise Rebate Scheme. This strategy encouraged the general public to become more water efficient through the offer of a rebate for the use of water wise products and appliances. This Scheme, administered by the Water Corporation, is in conjunction with the State Government's Water Strategy.

***TREASURY AND FINANCE - ADMINISTERED
GRANTS, SUBSIDIES AND OTHER TRANSFER
PAYMENTS***

11,456.50

Additional funds were sought for an ex-gratia payment to M & J Pollard following a determination by government that a refund of stamp duty should be made. Two offers to purchase had been made on the same property following professional advice that the property be purchased in a company name, and the first offer was withdrawn. Stamp duty was imposed on both contracts.

Following the Review of State Business Taxes this anomaly will be removed in certain circumstances and as such it was considered fair to provide an ex-gratia payment of the stamp duty paid on the first contract.

OFFICE OF THE AUDITOR GENERAL.....

70,000.00

The Office of the Auditor General (OAG) sought additional funding of \$60,000 following the permanent transfer of an employee from the Department of Treasury and Finance (DTF) to the OAG. This was offset by a reduction in DTF's recurrent appropriation (\$60,000).

A further \$10,000 was required by the agency for accrual expenses associated with a revised depreciation expense for the 2002/03 year.

OFFICE OF ENERGY**1,827,000.00**

The increase in expenditure was mainly attributable to:

- funding provided to the Electricity Reform Implementation Unit to oversee the implementation of the recommendations of the Electricity Reform Taskforce (\$1,188,000);
- the development of Retail Market Rules to facilitate full retail contestability in the State's gas market (\$300,000). However this additional expenditure was fully offset by the transfer of funds from the Gas Corporation Account to the Consolidated Fund;
- additional depreciation costs following a review by the Office of its accounting treatment of assets (\$200,000);
- increased expenditure associated with the Capital User Charge, resulting from increased cash holdings due to delays in the Sustainable Energy Development Office grant program, and reduced liabilities stemming from staff transfers (\$159,000); and
- costs associated with the redeployment of a Gas Corporation employee, following the wind-up of that entity (\$80,000). This additional expenditure is fully offset by the transfer of residual Gas Corporation funds to the Consolidated Fund.

These were partially offset by reduction in the Office of Energy's existing appropriation of \$100,000 following the transfer of the expenditure associated with the Aboriginal and Remote Communities Power Pilot Supply Project to Western Power. Funding for this project is now to take the form of Community Service Obligation payments to Western Power.

<i>PERTH INTERNATIONAL CENTRE FOR APPLICATION OF SOLAR ENERGY</i>	<i>538,000.00</i>
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Additional funds were sought to provide for staff terminations payments, and costs associated with the winding-up of the agency. The functions of the Perth International Centre for Application of Solar Energy are absorbed into the Sustainable Energy Development Office under the Perth International Centre for Application of Solar Energy Bill 2003.

<i>AGRICULTURE.....</i>	<i>104,000.00</i>
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Additional funding of \$3,911,000 was sought to:

- fund the Dry Season 2002 Assistance Scheme. The \$3,700,000 cost of the Scheme was partially offset by existing funds of \$300,000, with \$3,400,000 sought from the Consolidated Fund. This Scheme was established to support farmers affected by the 2002 dry season and included:
 - direct assistant grants of up to \$6,000 per eligible farm business (\$3,300,000);
 - providing for extra resources to extend rural counselling services (\$300,000); and
 - costs associated with administering the scheme (\$100,000).
- assist the Department in its eradication program against the red imported ant (\$511,000).

These expenditure overruns were largely offset by a reduction in depreciation expense (\$3,807,000).

MID WEST DEVELOPMENT COMMISSION 10,500.00

Additional funding was sought to meet an increase in costs associated with employee entitlements (\$59,000).

These funds were partially offset by a reduction in the recurrent appropriation due to grants made by the Department of Local Government and Regional Development on behalf of the Mid West Development Commission (\$48,500).

HOUSING AND WORKS 3,173,000.00

The increased expenditure was mainly attributable to:

- operational costs associated with the transfer of the former Department of Contract and Management Services following Machinery of Government recommendations (\$2,800,000). However, this additional appropriation was fully offset by an increase in Consolidated Fund Revenue received through the proceeds of the sale of the Western Australian Building Management Authority's Welshpool Depot site;
- costs associated with the settlement of a claim against the government by Mr Laurence Whiteside for mesothelioma contracted as a result of exposure to asbestos during the construction of Dumas House (\$274,000);
- an additional capital user charge liability (\$135,000);
- additional depreciation expenditure (\$131,000);
- costs associated with the staging of an exhibition at the Fremantle Prison based on the escape of the Irish Fenians who were transported to Western Australia as convicts (\$100,000); and
- assist with establishing 2004 as the 'Year of the Built Environment' in conjunction with the Royal Institute of Architects (\$100,000).

These were partially offset by a reduction of \$367,000 due to savings resulting from a Voluntary Severance Scheme.

<i>PILBARA DEVELOPMENT COMMISSION.....</i>	826,000.00
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\$750,000 in additional appropriation was provided to the Pilbara Development Commission for the initial development and implementation of the Roebourne Enhancement Scheme.

A further \$76,000 was sought to meet an increase in the capital user charge liability driven by higher than anticipated cash balances resulting from delays in the construction of the Onslow Sea Wall.

<i>REGISTRAR, WESTERN AUSTRALIAN INDUSTRIAL RELATIONS COMMISSION - ADMINISTRATION OF THE FORMER COMMISSIONER OF WORKPLACE AGREEMENTS.....</i>	53,654.13
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A new expenditure item was created to make final accounts for the former Commissioner of Workplace Agreements.

This additional appropriation was fully offset by the return of funds from the Commissioner of Workplace Agreement's bank account to the Consolidated Fund.

JUSTICE 2,378,000.00

The increased expenditure was mainly attributable to:

- meet increased costs associated with workers compensation insurance (\$1,700,000);
- additional costs associated with service delivery through the Court Security and Custodial Services contract (\$1,400,000);
- ex-gratia payments made on behalf of the State to:
 - John Button (\$460,000);
 - Green (Mesothelioma settlement) (\$75,567);
 - Coppin (Mesothelioma settlement) (\$72,569);
 - Bostock and Ryan (\$60,000);
 - Jackson – Marquet vs Attorney General (\$31,000); and
 - Shire of Sandstone (\$1,800)
- an increase in the capital user charge (\$532,000); and
- facilitating the provision of additional support provided to prisoners upon their release back into the community in response to the recommendations of the State Homelessness Strategy Taskforce (\$340,000).

These additional expenditures are partially offset by savings of \$2,295,000 achieved by the Department through the following:

- the transfer of expensed capital to capital equity following the approval of the CBD Courts Project (\$1,973,000);
- the return of funding associated with the Public Trust Office Mortgage Investment Service (\$162,000); and
- a reduction in funding for the State Administrative Tribunal project costs (\$160,000).

OFFICE OF THE DIRECTOR OF PUBLIC PROSECUTIONS	200,000.00
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Additional funds were provided to meet the residual costs of the Confiscations Unit. This unit is partially funded through the seizure and sale of assets owned by criminals and deemed to have been acquired as a result of, or otherwise connected to, criminal activity.

CONSERVATION AND LAND MANAGEMENT	5,713,000.00
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The increase in expenditure was largely attributable to:

- additional funding to assist in wildfire suppression required due to the abnormal severity of the 2002/03 fire season (\$6,300,000);
- additional depreciation liability following a review of the depreciation requirements of the Department (\$900,000);
- unbudgeted public liability claims and associated legal costs (\$711,000);
- costs incurred in relation to the remediation of chemical contamination at Dwellingup resulting from the burial of chemical waste in the 1970s (\$527,000);
- the preparation of the Greenhouse Strategy including public consultation, document preparation, research and analysis and executive support (\$320,000);
- implementation of clearing controls provisions under the Environmental Protection Amendment Bill 2002, such as the mapping of roadside vegetation and management planning (\$240,000); and
- facilitation of an increased aerial fire fighting capacity in Western Australia through the leasing of two additional fixed wing water bombers in the lower southwest of Western Australia (\$200,000).

These additional expenditures were partially offset by the deferral of expenditure relating to the Salinity Strategy as a result of delays in finalising the agreement with the Commonwealth Government on the National Action Plan for Salinity and Water Quality (\$3,485,000).

ENVIRONMENTAL PROTECTION 4,098,000.00

The increased expenditure was largely attributable to:

- costs associated with the closure of the Brookdale Liquid Waste plant. The plant, which received and processed hazardous waste, was closed following community concerns regarding the waste being transported and treated in an urban area. Additional funds were required to compensate Cleanaway Technical Services, the operators of the plant, and to decommission the facility (\$3,700,000);
- meeting the Department's involvement in the implementation of the proposed clearing control legislation, facilitated through the creation of a permit system for the clearing of native vegetation (\$600,000);
- facilitating the provision of more resources for pollution licensing and enforcement (\$283,000); and
- providing a response to the Bellevue Enquiry (\$189,000).

These increased expenses were partially offset by savings of \$674,000 due to a reduction in depreciation and capital user charge expenses.

ZOOLOGICAL PARKS AUTHORITY..... 7,466,000.00

The 2002/03 State budget was predicted on the basis that the Zoological Gardens Board would continue to operate. In the course of the year the *Zoological Parks Authority Act 2001* was proclaimed which abolished the Zoological Gardens Boards and created the Zoological Parks Authority. Consequential to this proclamation, the funding that had been allocated to the Zoological Gardens Board was transferred to the Zoological Parks Authority.

The creation of the new item had no impact on the Consolidated Fund and simply reflected a rearrangement of the expenditure appropriations existing in the 2002/03 budget papers.

***FIRE AND EMERGENCY SERVICES AUTHORITY OF
WESTERN AUSTRALIA.....***

3,218,550.00

The increase in expenditure was predominantly attributed to:

- cover costs incurred by the Bush Fire Service associated with bushfire suppression in regional areas (\$1,117,000);
- providing additional staff and training to improve the State's capacity to manage a chemical, biological and radiological emergency (\$810,000);
- facilitate an increased aerial fire fighting capacity in Western Australia through the leasing of two additional heli-tankers to extinguish wild fires in inner and outer metropolitan areas (\$400,000);
- increased expenditure incurred by the State Emergency Service in responding to unpredictable events, including floods, cyclones and fire fighting support (\$354,660);
- unavoidable expenditure associated with payments for personal hardship and distress, and for subsidies provided to those with relief loans following a natural disaster (\$252,260);
- an Act of Grace payment to the estate of Mr Craig Sandy, a voluntary firefighter who died in a vehicle accident during a fire suppression operation at Lancelin on 26 January 2003 (\$177,630); and
- providing for salary increases for firefighters employed by the Bush Fire Services under a new Enterprise Bargaining Agreement (\$106,000).

PLANNING AND INFRASTRUCTURE 1,422,000.00

The overrun was mainly attributable to:

- restoring funding to the Department following an earlier reduction in appropriation in anticipation of a change to the structure of the Taxi User Subsidy Scheme (\$1,859,000);
- providing for additional Rail Transit Guards to facilitate the Department in meeting the election commitment to ensure that there is one guard on every train, and two guards after 7 pm (\$1,000,000);
- providing additional funds to continue the Air Service Subsidy, which subsidises essential air services for remote towns for economic and social reasons (\$670,000);
- providing additional funding for maintenance dredging as a safety measure. Increased expenditure was driven by a greater number of facilities requiring dredging, environmental concerns and additional costs associated with the 'Buy-Local' policy (\$390,000); and
- providing for costs associated with the Albany Spur Line. Although these funds were previously allocated to the Western Australian Government Railways Commission, legislative restrictions have required the funds to be transferred to the Department (\$170,000).

These additional requests are partially offset by savings (\$1,710,000) realised by the Department due to staff redundancies, and a further reduction in funding (\$957,000) due to pension and pre-transfer superannuation payments being transferred to the Department of Treasury and Finance.

MAIN ROADS 37,484,000.00

The overrun is mainly attributable to:

- an increase in depreciation expenditure (\$38,599,000) resulting from a revaluation of the roads (under the Department's control) upwards by over \$1 billion; and
- changes to the capital works program that required a transfer between the recurrent appropriation and the capital contribution of \$18,835,000. The increase in the recurrent appropriation is fully matched by a decrease in the capital contribution.

These additional funds were partially offset by a reduction in the Department's appropriation as a result of additional revenue collected under the *Road Traffic Act 1974* (\$19,804,000).

INDUSTRY AND RESOURCES 2,000,000.00

The increase in expenditure of \$2,740,000 relates to the refund of previous years' revenues stemming from the requirement to refund rentals paid on mining tenements after the applications are withdrawn or not granted. This additional expenditure was partially offset by savings of \$797,000 realised against other administered items.

An additional \$57,000 was sought for costs associated with the annual re-appropriation of rentals and royalties collected on mining and petroleum tenements situated on Aboriginal reserves.

WESTERN AUSTRALIAN TOURISM COMMISSION 350,000.00

Additional funding (\$200,000) was sought to assist with the bidding expenses associated with attracting and staging the World Indoor Athletics Championship in 2006, and to conduct a campaign to encourage increased tourism to the South West forest region (\$150,000).

SMALL BUSINESS DEVELOPMENT CORPORATION 60,000.00

Funding was sought to facilitate the formation of the Small Business Labour Relations Transition Centre to provide support to small businesses on matters specifically relating to industrial relations issues.

CURRICULUM COUNCIL 214,000.00

Additional funding was sought for an unfunded past service superannuation liability payable to the Government Employees Superannuation Board.

RECREATION CAMPS AND RESERVES BOARD 137,000.00

Additional funding was sought to meet some of the costs of the movement to the *Government Officers Salary Allowances and Conditions Award 1989* following the abolition of Workplace Agreements.

WESTERN AUSTRALIAN SPORTS CENTRE TRUST..... 3,295,000.00

The increase in expenditure was attributable to:

- a compensation payment to Western Australia Land Authority following the compulsory acquisition of land for the Kwinana Motorplex (\$3,002,000);
- additional expenditure associated with the capital user charge obligations (\$270,000); and
- additional depreciation costs (\$30,000).

These expenses were partially offset by a reduction in employee entitlements expenditure of \$7,000.

COMMUNITY DEVELOPMENT 2,404,923.00

The increased expenditure is mainly attributable to:

- additional expenditure associated with a range of initiatives aimed at tackling homelessness in the State. This funding is a result of the recommendations of the State Homelessness Taskforce (\$1,680,000);
- additional expenditure associated with a range of initiatives aimed at combating child abuse and family violence in Aboriginal communities in response to the recommendations made by the Gordon Inquiry (\$524,000); and
- funds sought to assist the Department in meeting the one per cent increase in the Superannuation Guarantee Charge levy (\$268,000).

These increased costs are partially offset by savings in relation to voluntary redundancies (\$85,077).

DISABILITY SERVICES COMMISSION ***502,000.00***

The increase in expenditure was attributable to:

- a public liability claim that occurred prior to the formation of RiskCover (\$392,000); and
- the payment of past service liability to the Government Employees Superannuation Board in respect of Gold State Super members who have exited the Government employees Superannuation Fund during the year (\$110,000).

CULTURE AND THE ARTS - LIBRARY BOARD OF WESTERN AUSTRALIA..... ***150,000.00***

Additional funding was provided for the acquisition of the Freycinet collection of art works.

CULTURE AND THE ARTS - PERTH THEATRE TRUST . ***85,000.00***

Additional funding was provided to assist the Perth Theatre Trust in meeting the extra payroll tax associated with its venue management contract.

There is no impact on the State's finances through the funding of additional payroll tax expenses, as the funds are returned to the Government in the form of tax revenue, and are eliminated as part of the consolidation of intra-government transactions.

HEALTH..... 5,691,000.00

The increase in expenditure was attributable to:

- \$5,880,000 for costs associated with projects approved under the National Health Development Fund. This additional appropriation is fully offset by an increase in Consolidated Fund revenue received from the Commonwealth Government under the Australian Health Care Agreement. These projects are aimed at improving patient outcomes, the delivery of public hospital services, and the integration of care between the public hospital service and the boarder health care community; and
- \$147,000 for costs associated with the Western Australian Medical Rescue Helicopter Service.

This additional funding is partially offset by savings resulting from a management initiated redundancy (\$159,000), and a reduction in the capital user charge commitment (\$177,000).

HEALTH - CONTRIBUTION TO HOSPITAL FUND..... 32,213,000.00

The increase in expenditure was mainly attributable to:

- increased costs associated with projects approved under the National Health Development Fund. This additional appropriation is fully offset by an increase in Consolidated Fund revenue received from the Commonwealth Government under the Australian Health Care Agreement. These projects are aimed at improving patient outcomes, the delivery of public hospital services, and the integration of care between the public hospital service and the boarder health care community (\$17,080,000). Projects approved include:
 - the implementation of the Picture Archive and Communication System (\$11,000,000);
 - the Tandem Mass Spectrometry (\$490,000); and

- expenditure associated with the primary Health Care reform Strategy (\$5,590,000).
- for cost and demand pressures experienced by the Department of Health in providing services in 2002/03 (\$16,100,000). These increased costs are largely attributed to:
 - increased nursing salary costs as a result of the Nursing Hours per patient Day Order;
 - the Winter Bed Strategy;
 - reducing ambulance bypass; and
 - the Bali tragedy.
- a range of initiatives aimed at tackling homelessness in the State as a result of the recommendations of the State Homelessness Taskforce (\$660,000);
- the relocation of the Sexual Assault Resource Centre and for the expansion of the Princess Margaret Child Protection Unit in response to the Gordon Inquiry (\$645,000); and
- increased costs associated with the Western Australian Medical Rescue Helicopter Service (\$299,000).

These costs were partially offset by savings associated with a reduction in the capital user charge expense (\$2,571,000).

TOTAL **159,187,516.82**