ATTACHMENT B

ESTIMATES AND FINANCIAL OPERATIONS COMMITTEE

SUPPLEMENTARY INFORMATION

Friday, 10 September 2010

Supplementary Information No B1

Hon Ljiljanna Ravlich asked for a progress report on the 18 recommendations contained in the Economic Audit Committee's final report that directly impact on the Department of Treasury and Finance (DTF), or that the DTF has a responsibility for the implementation of.

Answer:

Recommendations 5, 7, 8
Implementation planning has been completed. Corresponding work plans have been embedded in the core business of the DTF.

As noted by the Under Treasurer during the Budget Estimates Hearings on 10 September 2010, performance reporting and evaluation is core business of DTF.

Recommendations 13, 14 and 15
Development of the *Collaboration for Community* policy is well underway and has progressed through the work of the Partnership in Procurement Working Group and the Community Building Steering Group. It is anticipated that the *Collaboration for Community* policy will be finalised in early 2011 with the associated implementation plan to be presented to Cabinet for approval shortly thereafter.

This work is being overseen by the Partnership Forum (comprising government Directors General and community sector leaders, chaired by Professor Peter Shergold).

Recommendations 9 and 23
Implementation planning continues for these recommendations.

Recommendations 42 and 43
The Executive Coordinating Committee has endorsed development of an implementation plan for recommendations 42 and 43 with a submission to Cabinet expected in early 2011.

Recommendations 19-22 and 24
Implementation planning has been completed. Corresponding work plans have been embedded in the core business of the DTF. The revised Strategic Asset Management Framework, which is currently being finalised, incorporates the tenets of these recommendations.

Recommendations 28-32 and 35
Work is underway to consider the legislative implications of recommendation 28, and planning work continues on recommendations 29 to 32 and 35.

Supplementary Information No B2

Hon Ljiljanna Ravlich asked for the time frame and resource requirements for implementation of the 18 recommendations contained in the Economic Audit Committee's final report that directly impact on the Department of Treasury and Finance (DTF), or that the DTF has a responsibility for the implementation of. If that information is not available in respect of those18 recommendations, list that that is the case next to each one of those recommendations.

Answer:

The implementation of recommendations that are the responsibility of the DTF are being coordinated by a central Economic Audit Implementation unit within the Office of the Under Treasurer. This unit is a temporary unit of five FTEs drawn from existing resources across the DTF.

As recommendations are being progressed, implementation work plans are being filtered into the core business of individual DTF business units. Any resourcing requirements over and above existing resource levels will be submitted to Government on a case-by-case basis as part of robust implementation plans.

Supplementary Information No B3

Hon Ljiljanna Ravlich asked: In relation to these five projects, that work is still under way. As I understand, you have five projects where you have actually had a look at this suitability of a PPP and you are at different stages of the process in each of those five. What we are seeking information on is where you are up to and the date for when your PPP evaluation will be complete?

Answer:

- Midland Health Campus – PPP evaluation complete, PPP procurement recommended;
- New Prisons Infrastructure: Eastern Goldfields Prison Redevelopment – PPP evaluation complete, PPP procurement recommended;
- Albany Health Campus – PPP evaluation complete, PPP deemed not suitable;
- Busselton Hospital – options for private sector involvement considered, PPP deemed not suitable;
- Queen Elizabeth II Medical Centre Car Park (QEII Car Park) – PPP evaluation complete, PPP procurement recommended; and
- New Children's Hospital – PPP evaluation ceased following Government's decision to not use private financing for the procurement.

Supplementary Information No B4

Hon Ken Travers asked: As part of the request for proposal and the expression of interest if you go to tender, will that be a requirement that the prices be set? There was a suggestion that the companies themselves would be able to set the price; I am sure I heard or saw somewhere the suggestion that the owner of the car park would be able to determine the price of the parking that is charged in that new car park. Are you saying that is not going to be the case?

Answer:

The operator of the QEII Car Park will not have ultimate power to set car parking prices. Prices and a price escalation regime will be agreed to with the operator during the tender process. This regime will be developed with regard to government policy such as the Department of Health's *Access and Parking Strategy for Health Campuses in the Perth Metropolitan Area* of April 2010. The operator will not be able to increase parking charges above agreed amounts without approval from Government.

Supplementary Information No B5

Answer:

Please refer to Attachment C

Supplementary Information No B6

Answer:

Please refer to Attachment C

Supplementary Information No B7

Answer:

The actual State Fleet - 'Cost of Service' for 2009-10 was $83m.

The 10% fleet cost reduction initiative and the related $42.2m in expected cost savings represent savings agencies are expected to make by reducing the size of their fleet or if this is not possible by reducing their fleet costs. The $42.2m has already been adjusted against agency budgets for 2009-10 and the forward estimate years.

There are related impacts on State Fleet's budget given that a reduction in vehicles numbers will help to reduce the State Fleet - 'Cost of Service'. However, with the majority of vehicles reductions occurring in the latter part of 2009-10 a full year impact on State Fleet costs has not yet occurred.

In addition, a factor that contributes to an increase in the State Fleet - 'Cost of Service' is the ongoing inflationary trend of new vehicle prices (approximately 4% per annum), particularly for those more expensive 'fit for purpose' commercial vehicles.

Some TAFE Colleges still have College funded vehicles which are being replaced with State Fleet vehicles as they fall due for disposal. These additional vehicles will add to the State Fleet - 'Cost of Service' although overall they are cost neutral to government. Further, State Fleet has more recently assisted some agencies with the purchase of some 'special' vehicles needs mainly heavy commercial fit for purpose type vehicles. Examples are the Department of Corrective Services 'Secure Fleet' (i.e. prisoner escort vehicles) involving approximately 41 vehicles with the expenses related to these vehicles adding to the State Fleet – 'Cost of Service'.

The actual State Fleet – 'Income' for 2009-10 was $104m.

With regard to State Fleet – 'Income' the main factor behind the 2009-10 result was an unexpected and extraordinary improvement in the second hand vehicle market. As a consequence, sales income went from $0.7m in 2008-09 to $9.4m for 2009-10. This dramatic turnaround in sales returns helped to increase State Fleet – 'Income' to $104m.

Supplementary Information No B8

Answer:

Department of Treasury and Finance does not have details of what vehicles are considered frontline and/or emergency services as this is determined by each agency based on operational circumstances/need.

Under the fleet reduction initiative vehicles used by frontline personnel were protected from the reduction and Police and emergency services vehicles were unaffected. However, the expectation is that the required savings will still be achieved in other areas of those agencies' fleets.

Police and Fire and Emergency Services are key agencies affected in this regard and their position is briefly summarised as follows:

- Police have achieved their target for 2009-10 through reductions from across Police portfolios and districts, with the emphasis on vehicles used for administration purposes. Further, Police have instigated a number of cost saving strategies aimed at reducing fleet costs without compromising frontline services. An example being the replacement of high performance vehicles with more cost effective alternatives with the same safety features; and

- Fire and Emergency Services have advised that due to the operational nature of their fleet it will be difficult to reduce their fleet by the required 18 vehicles without impacting frontline services. Instead they have undertaken to reduce their 'pool' vehicles by 5 and confirmed they will achieve the equivalent fleet cost savings for the other 13 vehicles.

Supplementary Information No B9

Answer:

WA Government Fleet Policy and Guidelines outline that agencies should choose the most appropriate vehicle for its intended use. Vehicles must be fit for purpose to be able to do the job required of them and should provide overall best value for money – taking account of whole of life costs and relevant operational, environmental and safety considerations.

Recently, the Fleet Steering Committee (FSC) endorsed an annual reduction in the CO_2 thresholds for both Passenger and Sports Utility Vehicles - steering agencies towards more fuel efficient and environmentally friendly vehicles. Another recent outcome of the FSC deliberations was a move toward tightening of the minimum safety standard for vehicles.

Generally, agencies will establish the type of vehicle required to meet their operational need from State Fleet's published Vehicle Selection Matrix, which only includes vehicles that meet the current minimum safety requirements and indicates whether vehicles meet the environmental emission thresholds.

Agencies then usually work with their contracted Fleet Manager who provide whole of life cost assessments of those vehicles under consideration to assist with vehicle selection. Whole of life costs take into account:

- Purchase price, finance costs, depreciation and resale;
- Fringe Benefits Tax (where applicable);
- Fuel costs;
- Maintenance costs; and
- Insurance, registration and management fees.

Agencies must then balance their operational need with safety, environmental and cost factors to select the most appropriate vehicle(s).

Supplementary Information No B10

Answer:

Please refer to Attachment D table for a listing of the 45 Gateway Reviews referenced in the Budget Papers.

Supplementary Information No B11

Hon Liz Behjat asked: I understand what you are saying about the definition of CSOs, under Treasurer. I can understand then why we see Synergy, Horizon Power, the Water Corporation and the Western Australian Land Authority. But I do not know why the Forest Products Commission is subject to a CSO. Can you clarify that for me. Given Synergy and Horizon Power are there, why would not Alinta be there?

Answer:

Please refer to Attachment D.

Supplementary Information No B12-13

Hon Ken Travers asked about the Escalation factors underpinning the Capital Works Program estimates for the 2010-11 Budget

Answer:

A revised model for forecasting construction cost escalation for non-residential buildings (e.g. hospitals, schools, police stations, prisons, fire stations etc.), was developed by DTF for use by Western Australian public sector agencies. It should be noted that other sectors also find the model useful as a surrogate in the absence of sector specific cost escalation forecasts and where appropriate they use the model or adapt and adjust it to suit their circumstances.

The revised forecasting model was first applied to the 2010-11 Budget process.

The model is based on a combination of multivariate (Macroeconomic Forecasting model) and subjective (qualitative) forecasting methods. The Macroeconomic Forecasting component of the model is used to provide forecasts for the first two years of the forward estimates and the qualitative component is applied to forecasts for the third and fourth years of the forward estimates and out-years, where applicable.

The use of this two-model approach is supported by extensive research within other jurisdictions of Australia and abroad which indicates that the most useful forecasts are derived by combining stable, simple models that capture empirically the most important economic data, with judgement informed by an array of non-model and non-quantitative information.

The Forecast Annual Escalation Rates, used for calculation and review of cost escalation forecasts for non-residential building projects as part of the 2010/11 Budget, are as follows:

Forecast Annual Escalation Rate

2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
%	%	%	%	%	%	%	%
-5.57	0.61	3.59	3.73	4.96	5.12	5.12	5.12

With respect to actual data on the Building Cost Index that has been released post budget please find at Attachment E a copy of the "Building Cost Index – Perth" for the period to June 2010 and issued in July 2010.

Supplementary Information No B14

Hon Ljiljanna Ravlich asked who owns the Optima Centre, and also asked if that building has an energy rating.

Answer:

An agreement for lease was entered into with the Herdsman Joint Venture Pty Ltd on 5 May 2010 for 13,242 sqm of office accommodation in the Optima Centre, 16 Parkland Road, Herdsman Business Park.

The shareholders in the Herdsman Joint Venture Pty Ltd are Macquarie Bank (80%) and Dale Alcock (20%).

Under the agreement to lease, the lessor is required to maintain a 4.5 Star NABERS base building energy rating during the term of the lease. The lessee (Government) is required to achieve a 4 Star Green Star fitout design rating. Fitout design development and documentation is well advanced – with the fitout design close to achieving a 5 Star Green Star rating.

Supplementary Information No B15-B16

Hon Ken Travers: Are you able to give us at least a rough figure of how much of that $100 million is about the reduction in floor space versus the other things like the decentralisation?

Hon Ljiljanna Ravlich: I would like just like to see the mathematics of it because you must have come to that final figure of $25 million by undertaking that. Whether it is a comparator or a cost-benefit analysis, does not really matter to me, so long as that is demonstrable.

Answer:

In June 2009, the Works Reform Business Solution Plan set a 10% improvement target for Government office accommodation – which would result in a saving of $15 million per annum by 2014.

In June 2010, the Government Office Accommodation Master Planning discussion paper (Master Plan) suggested that an annual saving of $20 to $25 million is possible by 2015. The benchmark against which this saving is to be measured is the piecemeal approach to leasing and fitout arrangements that was the norm before the Works Reform program changed to the master planning model.

Recurrent savings will be achieved under the Master Plan by:

- reducing the space that is leased per workpoint and sharing facilities (such as reception and meeting rooms) in major office buildings;

- decentralising some Government office accommodation from more expensive Perth central business district (CBD) leases into metropolitan centres; and
- consolidating accommodation into a much smaller number of buildings managed by DTF, and taking better advantage of Government's considerable buying power in negotiating leases.

There will also be capital savings from avoiding the piecemeal approach to fitout that has been occurring as agencies restructure or relocate.

Reducing the Space that is Leased Per Workpoint

The current average fitout for office space across the portfolio is around 19 sqm per workpoint.

The majority of the savings under the new Master Plan will come from reducing the space that is leased per workpoint. Over the next four to five years, Government will potentially lease about 175,000 sqm of new office accommodation (140 William Street, the Optima Centre, the Old Treasury Building development, Parliamentary Precinct, and in three or four suburban activity centres) and re-fit about 25,000 sqm of existing office space in Dumas House and Albert Facey House – a total of 200,000 sqm. This office space will be fitted out to a 15 sqm per workpoint standard.

Hence, if the public sector employees moving to this new office space relocate from existing office space fitted out at the average of 19 sqm per workpoint, the total vacated space would be about 253,000 sqm – giving a net office space reduction of 53,000 sqm.

The potential office space saving of 53,000 sqm, at a typical rent cost of $450 per sqm per year, would deliver a recurrent saving of $23.8 million per year.

Decentralisation

Long-term trends show that lease rates in the CBD are typically 30% higher than rates in the Perth metropolitan area. Relocation of around 15 to 20% (60,000 to 80,000 sqm) of CBD and CBD fringe Government office accommodation to metropolitan activity centres should generate lease cost savings. The level of savings will not be known until procurement processes for new office buildings in metropolitan activity centres are completed.

Consolidation

Savings will be achieved from the first steps in consolidating Government office accommodation.

A procurement process was commenced in January 2008, seeking 30,000 sqm of leased office accommodation for the Department of the Premier and Cabinet and the DTF – as replacement office accommodation for Governor Stirling Tower.

The procurement process was extensive, involving negotiations at differing times with two preferred proponents. In March 2009, the procurement process was cancelled. At that time, the then preferred proponent was asking over $750 per sqm per year for a new building in the CBD.

The additional 27,850 sqm of office accommodation leased earlier this year at 140 William Street (14,600 sqm) and the Optima Centre (13,250 sqm) is essentially replacement office accommodation for Governor Stirling Tower which was not achieved through the previous (aborted) procurement process. Excellent long-term lease rates have been negotiated in both instances – averaging $520 per sqm per year (a total of $14.5 million per year).

Through better leveraging of Government's considerable buying power, and decentralising some Government office accommodation from the Perth CBD into a metropolitan centre (the Optima Centre in Herdsman Business Park), replacement office accommodation for Governor Stirling Tower has been obtained for $14.5 million per year, as opposed to $21 million per year (or higher) if Government had proceeded with more expensive Perth CBD lease rates offered in the earlier procurement process – a saving of at least $6.5 million per year.

<u>Economic Modelling</u>

The DTF conducted an economic assessment of the approach outlined in the Master Plan. A general equilibrium modelling approach was adapted to assess the effects of the master planning approach on the Western Australian and Perth economy.

Major modelling results include:

- the reduction in office space and resultant cost savings associated with the implemented Master Plan are equivalent to a productivity enhancement in the public sector;

- the direct effect of a productivity improvement in the public sector is to increase the sector's competitiveness and expand demand for public services; and

- cost reductions associated with more efficient use of Government office accommodation are likely to flow through to other industries, enabling them to reduce prices and increase output. The expansion of industries (including the public sector) may in turn increase their demand for intermediate inputs from supplier industries. As a result, the productivity improvement in the public sector would have a positive impact on the economy.

In terms of the major macroeconomic effects that would accrue from master planning, the modelling concluded:

- the Western Australian economy, as measured by Gross State Product (GSP), is projected to increase on average by $10.5 million per year between 2012-13 and 2030-31 (in 2007-08 prices and undiscounted) relative to the levels in the reference case, while investment, private consumption and exports are projected to increase by $2.1 million, $1.3 million and $0.7 million respectively;

- over the whole simulation period (2012-13 to 2030-31), total (cumulative) increases for Western Australia resulting from the Master Plan are projected to be

$199 million (in 2007-08 prices and undiscounted) for GSP, $41 million for investment, $24 million for private consumption and $13 million for exports;

- over the whole simulated period (2012-13 to 2030-31), 110 average annual new jobs are estimated to be generated in Western Australia as a result of the Master Plan; and

- as the Master Plan aims to reduce the floor space occupied by Government rather than the total number of public servants in the Perth CBD (and its fringe – of East Perth and West Perth), the total number of public sector workers in office accommodation in the CBD will remain more or less the same. In addition, the space the Government will vacate in the CBD or its fringe (by way of reduced leases on existing office buildings, or of existing Government owned office buildings that the Government will sell) will be readily utilised by the private sector, either as office space, or developed for other purposes (e.g. more housing in East Perth). Therefore, the net economic impact on the Perth CBD area of the Master Plan is positive. Any negative impacts, if any, are likely to be negligible, and will be more than offset by the economic benefits to the Western Australian economy as a whole.

It should be noted that the modelling focussed only on the productivity improvement associated with the cost savings, and did not take into account all possible benefits that are likely to be generated by implementing the Master Plan. For example, the decentralisation is likely to improve the efficiency of the public transport system – with a reduction in some of the current morning and evening peak, and greater use of the transport system in the opposite direction (where the capacity is now underutilised).

An agreement for lease was entered into with the Herdsman Joint Venture Pty Ltd on 5 May 2010 for 13,242 sqm of office accommodation in the Optima Centre, 16 Parkland Road, Herdsman Business Park.

Supplementary Information No B17

Hon Ken Travers: I am interested in the modelling that was done on arriving at the figure of 25 in terms of your projection for growth in rentals.

Answer:

General Government Sector agencies now occupy about 350,000 sqm of office accommodation in the Perth CBD and CBD fringe (East Perth and West Perth).

In total, it is proposed to relocate around 15 to 20% (60,000 to 80,000 sqm) of existing CBD and CBD fringe Government office accommodation to metropolitan activity centres, plus Bunbury, by 2015. The 290,000 to 270,000 sqm of CBD and CBD fringe office accommodation remaining following decentralisation will be aggregated and consolidated into about 15 to 20 leased or Government owned buildings, fitted out to a standard of 15 sqm per workpoint wherever possible. The remaining 290,000 to 270,000 sqm of office space will therefore accommodate between 19,300 and 18,000 public sector employees – broadly equivalent to the number of public sector employees currently accommodated in the CBD and CBD fringe.

The 60,000 to 80,000 sqm of new office accommodation in metropolitan activity centres to be leased over the next three to five years will – in effect – accommodate future public sector employment growth. At 15 sqm per workpoint, this allows for 4,000 to 5,300 public sector employees over five years. To the extent that space is available following accommodation of public sector employment growth, the new office space can also accommodate some rationalisation and consolidation of existing Government office accommodation across the metropolitan area.

The Perth CBD and CBD fringe contains about 2.25 million sqm of office accommodation. General Public Sector agencies currently occupy 350,000 sqm (15.5%) of this office space. A reduction in office space occupied of 60,000 to 80,000 sqm will only reduce the Government's office accommodation presence in the CBD and CBD fringe to 12 to 13%.

The reduction in Government's office accommodation presence in the CBD and CBD fringe will be implemented over a three to five year period. The space Government will vacate (by way of reduced piecemeal leases in existing office buildings and the sale of Government owned office buildings) should be readily utilised by the private sector, either as office space, or developed for other purposes (e.g. a hotel or more housing in East Perth). Therefore, the net economic impact on the Perth CBD of the Master Plan is positive. Negative impacts, if any, are likely to be negligible and will be more than offset by the economic benefits to the Western Australian economy as a whole.

Appendix – Supplementary Information B5 and B6

Agency	Fleet Size (Leased) 30/06/2009	Fleet Size (Leased) 30/06/2010	Achieved 2010 Target
Agriculture and Food (Dept of)	465	405	Yes
Animal Resources Authority	4	5	No
Armadale Redevelopment Authority	5	5	Yes
Art Gallery of WA (Part of Culture and Arts)	6	6	Yes
Attorney General (Dept of the)	261	244	Yes
Auditor General (Office of)	13	12	Yes
Botanic Gardens and Parks Authority	21	23	No
Builders Registration Board (Part of Commerce)	12	12	Yes
Building and Construction Industry Training Board	3	4	No
Burswood Park Board (The)	4	4	Yes
Central Institute of Technology	38	37	Yes
Challenger Institute of Technology	19	23	No
Chemistry Centre (WA)	7	8	No
Child Protection (Dept for)	586	584	No
Commerce (Dept of)	240	230	No
Commissioner for Children and Young People	4	3	Yes
Commissioner of Main Roads	437	413	No
Communities (Dept for)	58	55	Yes
Construction Industry LSL Payments Board	2	2	Yes
Corrective Services (Dept of)	444	463	No
Corruption and Crime Commission	16	17	Yes
Country High School Hostels Authority	3	2	Yes
Culture and the Arts (Dept of)	10	10	Yes
Curriculum Council	13	12	Yes
CY O'Connor College of TAFE	4	21	No
Disability Services Commission	409	387	Yes
Durack Institute of Technology	2	7	No
East Perth Redevelopment Authority	6	6	Yes
Economic Regulation Authority	15	14	No
Education (Dept of)	574	502	Yes
Education Services (Dept of)	8	8	No
Electoral Commission (WA)	4	4	Yes
Energy (Office of)	5	5	Yes
Environment and Conservation (Dept of)	771	725	Yes
Environmental Protection Authority (Office of)	8	8	Yes
Equal Opportunity Commission	1	1	Yes
Fire and Emergency Services Authority of WA	189	183	No
Fisheries (Dept of)	103	98	Yes
Forest Products Commission	173	135	Yes
Fremantle Port Authority	63	65	Yes
Gascoyne Development Commission	5	6	No
Goldfields-Esperance Development Commission	2	2	Yes
Great Southern Development Commission	5	4	Yes
Great Southern TAFE	17	19	No
Hairdressers Registration Board WA	3	3	Yes
Health (WA)	2181	2117	Yes
Health Promotion Foundation (WA)	3	4	No
Heritage Council of WA	2	2	Yes
Housing (Dept of)	218	207	No
Indigenous Affairs (Dept of)	40	41	No
Industrial Relations Commission (Dept of the Registrar, WA)	11	8	Yes
Information Commissioner (Office of the)	1	1	Yes
Inspector of Custodial Services (Office of the)	6	6	Yes
Kimberley Development Commission	5	5	Yes
Kimberley TAFE	33	33	Yes
Land Authority (WA) (Landcorp)	34	35	No

Agency	Fleet Size (Leased) 30/06/2009	30/06/2010	Achieved 2010 Target
Land Information Authority (WA)	75	69	Yes
Law Reform Commission of WA	1	1	Yes
Legal Aid Commission of WA	10	13	No
Legislative Assembly (Dept of)	2	2	Yes
Legislative Council (Dept of)	2	2	Yes
Library Board of WA	2	2	Yes
Local Government (Dept of)	21	19	No
Lotteries Commission	25	25	No
Meat Industry Authority (WA)	5	4	Yes
Midland Redevelopment Authority	7	4	Yes
Mid-West Development Commission	3	3	Yes
Mines and Petroleum (Dept of)	165	157	Yes
Museum (WA)	17	21	No
Painters Registration Board	3	3	Yes
Parliamentary Comm'n for Administrative Investigations	4	3	Yes
Parliamentary Inspector of the Corruption and Crime Commission (Office of)	1	1	-
Parliamentary Services Department	2	2	Yes
Peel Development Commission	6	6	Yes
Perth Market Authority	2	2	Yes
Perth Theatre Trust	4	4	Yes
Pilbara Development Commission	4	4	Yes
Pilbara TAFE	27	25	Yes
Planning (Dept for)	57	55	Yes
Planning Commission (WA)	29	20	Yes
Police (WA)	1506	1420	Yes
Polytechnic West	50	70	No
Potato Marketing Corporation of WA	5	5	No
Premier & Cabinet (Dept of the)	191	179	Yes
Public Prosecutions (Office of the Director of)	28	25	Yes
Public Sector Commission	18	10	Yes
Public Sector Standards Commissioner (Office of)	7	4	Yes
Public Transport Authority of WA	164	154	Yes
Racing, Gaming & Liquor (Dept of)	11	12	No
Regional Development and Lands (Dept of)	16	27	No
Rottnest Island Authority	14	14	Yes
Salaries and Allowance Tribunal	1	1	Yes
Screen West (Inc)	1	1	Yes
Small Business Development Corporation	7	7	Yes
South West Development Commission	12	12	Yes
South West Regional College of TAFE	7	18	No
Sport & Recreation (Dept of)	45	42	No
Sports Centre Trust WA (Venues West)	15	11	Yes
State Development (Dept of)	27	23	No
Swan River Trust	10	10	Yes
Synergy (Electricity Retail Corporation)	20	20	No
Tourism Commission (WA)	30	28	Yes
Training and Workforce Development (Dept of)	50	70	No
Transport (Dept of)	142	131	Yes
Treasury and Finance (Dept of)	142	143	No
Treasury Corporation (WA)	2	1	Yes
Water (Dept of)	147	132	Yes
Water Corporation	977	1056	No
West Coast Institute of Training	12	13	Yes
Wheatbelt Development Commission	9	9	No
Zoological Parks Authority	8	7	Yes

Gateway Reference	Project	Agency	Gate	Value (million)
WA0045	QEII Carpark	Health	BUSINESS CASE	TBA
WA0044	Karratha High School - Stage 2	Education and Training	BUSINESS CASE	$46
WA0043	Applecross High School	Education and Training	BUSINESS CASE	$56
WA0042	Governor Stirling SHS	Education and Training	BUSINESS CASE	$63
WA0041	Court Security and Custodial Services	Corrective Services	BUSINESS CASE	$400
WA0040	The Hub	Public Transport Authority	BUSINESS CASE	$300
WA0039	Dampier Highway	Main Roads	BUSINESS CASE	$100
WA0038	Student Management Information System (STIMS)	Education and Training	BUSINESS CASE	$16
WA0037	Perth Police Complex	Police	BUSINESS CASE	$113
WA0036	District Court Building	Attorney General	BENEFITS EVALUATION	$200
WA0035	Pharmacy Management Application (PMA)	Health	READINESS FOR SERVICE	$23
WA0034	OSR - Revenue Collection Information System Replacement	Treasury and Finance	BUSINESS CASE	$20
WA0033	Integrated Services Arrangements	Main Roads	READINESS FOR MARKET	$3,500
WA0032	Great Eastern Hwy-Roe Hwy	Main Roads	BUSINESS CASE	$100
WA0031	Esperance Port Access	Main Roads	STRATEGIC ASSESSMENT - PROJECT	$180
WA0030	Mitchell Freeway Extension - Hodges Drive to Burns Beach Road	Main Roads	BENEFITS EVALUATION	$170
WA0029	HR Payroll System	Health	READINESS FOR SERVICE	$54
WA0028	EDRMS	Public Transport Authority	READINESS FOR SERVICE	$3
WA0027	Central Monitoring Room	Public Transport Authority	BUSINESS CASE	$7
WA0026	South Perth Station	Public Transport Authority	BUSINESS CASE	$32
WA0025	Carnarvon Power Station	Power	BUSINESS CASE	$80
WA0024	Inner Harbour Deepening Project	Fremantle Ports	TENDER DECISION	$220
WA0023	Fiona Stanley Hospital	Health	TENDER DECISION	$1,700
WA0022	WA Museum Project	Culture and the Arts	BUSINESS CASE	$500
WA0021	Joondalup Health Campus	Health	READINESS FOR MARKET	$220
WA0020	Passenger Services	Planning and Infrastructure	BUSINESS CASE	$10
WA0019	Geraldton Southern Transport Corridor - Stage 2	Main Roads	TENDER DECISION	$88
WA0018	iLand	Landgate	STRATEGIC ASSESSMENT - PROGRAM	$25
WA0017	Pharmacy Management Application (PMA)	Health	TENDER DECISION	$23
WA0016	Fremantle Traffic Bridge	Main Roads	BUSINESS CASE	$80
WA0015	Infrastructure Services Transition Project	Landgate	READINESS FOR SERVICE	$100

Attachment D

WA0014	Goldfields Replacement Prison - Stage 1 - Secure Unit	Corrective Services	BUSINESS CASE	$88
WA0013	Dampier Highway	Main Roads	STRATEGIC ASSESSMENT - PROJECT	$100
WA0012	Goldfields Highway - Lake Raeside	Main Roads	TENDER DECISION	$23
WA0011	Midland Health Campus	Health	BUSINESS CASE	$360
WA0010	Lancelin Cervantes	Main Roads	READINESS FOR MARKET	$110
WA0009	OSR - Revenue Collection Information System Replacement	Treasury and Finance	BUSINESS CASE	$20
WA0008	Geraldton Southern Transport Corridor - Stage 2	Main Roads	READINESS FOR MARKET	$88
WA0007	Infrastructure Services Transition Project	Landgate	TENDER DECISION	$100
WA0006	Fiona Stanley Hospital	Health	BUSINESS CASE	$1,700
WA0005	Forms and Labels Printing Management System	Health	READINESS FOR MARKET	$3
WA0004	HR Payroll System	Health	BUSINESS CASE	$54
WA0003	Electronic Land Development Process (eLDP)	Planning and Infrastructure	READINESS FOR MARKET	$22
WA0002	Patient Administration System	Health	BUSINESS CASE	$90
WA0001	Pharmacy Management Application (PMA)	Health	READINESS FOR MARKET	$23
			Value of projects	$9,101

BUILDING MANAGEMENT and WORKS
Department of Treasury and Finance
BUILDING COST INDEX - PERTH

File BB 576/87

These indices reflect fluctuations in the cost of non-residential building in the Perth metropolitan area.
Indices are based on figures calculated using the cost index system operated by Building Management and Works.

The current government tender market for metropolitan works is indicating significant interest and competitive pricing.

This index does NOT include GST.

YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	Annual Increase (Calendar Year)	Annual Increase (Financial Year)	Average Annual Increases	Average Annual Increases Last Ten Years
1975	24.8	25.0	25.3	25.7	26.5	27.4	27.6	28.8	29.2	29.4	30.1	30.3	23.0%			
1976	30.5	30.7	31.8	32.1	32.5	32.7	33.2	33.5	33.6	34.1	34.3	35.1	15.4%	19.3%		
1977	35.2	35.4	35.8	36.6	36.6	37.4	37.6	37.6	37.6	38.1	39.2	39.3	12.5%	14.4%		
1978	39.6	39.7	40.0	40.7	41.0	41.0	41.0	41.0	41.1	41.3	41.1	41.1	5.1%	9.6%		
1979	41.6	41.2	41.2	40.9	41.0	41.1	41.5	41.4	41.5	41.8	41.5	41.4	-0.5%	0.2%		
1980	41.4	42.1	42.6	42.7	42.9	43.0	43.2	43.6	44.2	44.2	44.2	44.2	7.2%	4.6%		
1981	44.4	46.0	46.2	47.2	47.3	48.2	48.7	49.0	48.5	49.2	49.5	50.5	13.7%	12.1%		
1982	50.5	51.1	52.2	53.2	53.8	54.7	55.4	58.3	58.4	58.4	58.4	59.0	16.8%	13.5%		
1983	59.0	59.0	59.0	59.0	59.0	59.2	59.3	60.3	60.5	60.6	61.5	61.5	5.1%	8.2%		
1984	62.0	62.0	62.3	62.3	62.8	63.4	63.5	63.6	63.6	64.4	64.4	64.5	5.3%	7.1%		
1985	65.3	65.6	66.3	66.9	67.8	69.6	72.5	73.2	73.5	74.3	74.6	75.7	18.7%	9.8%		
1986	77.5	77.9	79.0	79.7	80.8	80.8	82.2	82.9	82.9	83.6	83.6	83.6	8.4%	16.1%		
1987	84.0	84.5	84.5	84.5	84.5	85.0	86.0	86.0	86.0	88.0	88.0	88.0	4.8%	5.2%		
1988	88.0	88.0	89.0	89.0	89.0	89.0	90.0	91.0	92.0	94.0	94.0	94.0	8.0%	4.7%		
1989	95.0	95.0	95.0	97.0	98.0	98.0	98.0	98.0	100.0	100.0	101.0	103.0	8.4%	10.1%		
1990	103.0	103.0	103.0	104.0	104.0	105.0	105.0	105.0	105.0	106.0	106.0	106.0	1.9%	7.1%		
1991	105.0	105.0	105.0	105.0	106.0	105.0	105.0	105.0	105.0	105.0	105.0	105.0	0.0%	0.0%		
1992	105.0	105.0	105.0	105.0	105.0	105.0	105.0	105.0	105.0	105.0	105.0	105.0	0.0%	0.0%		
1993	105.0	105.0	105.0	105.0	105.0	105.0	105.0	105.0	105.0	105.0	105.0	105.0	0.0%	0.0%		
1994	105.0	105.0	105.0	106.0	106.0	106.0	106.0	106.0	106.0	106.0	106.0	106.0	1.0%	1.0%		
1995	106.0	106.0	106.0	106.0	106.0	106.0	106.0	106.0	106.0	106.0	107.0	107.0	1.0%	0.0%		
1996	107.1	107.1	107.1	108.6	108.6	108.6	109.0	109.0	109.0	109.3	109.3	109.3	3.2%	2.8%		
1997	110.5	110.5	110.5	111.7	111.7	111.7	111.7	111.7	111.7	111.7	111.7	111.8	1.8%	2.5%		
1998	112.5	113.2	113.9	113.9	113.9	113.9	113.9	113.9	114.3	114.3	114.3	114.3	2.3%	2.0%		
1999	115.1	115.1	115.1	115.1	115.1	115.1	116.0	116.5	117.0	117.1	117.2	117.3	1.9%	1.8%		
2000	117.3	117.6	118.3	118.6	118.9	119.1	119.2	119.3	119.4	119.7	120.0	120.3	-0.4%	2.8%		
2001	116.8	116.8	116.8	116.8	116.8	116.8	117.3	117.5	118.0	118.0	118.0	118.0	1.2%	-1.6%		
2002	118.2	118.4	118.6	119.2	119.8	120.5	119.2	119.7	120.2	120.7	121.0	122.5	5.0%	1.6%		
2003	124.1	125.1	126.1	126.6	127.2	128.9	129.3	129.6	129.8	130.9	132.0	133.1	7.7%	8.5%		
2004	133.6	134.4	135.1	136.2	137.3	140.4	142.2	144.0	145.8	147.6	149.8	152.6	15.2%	10.0%		
2005	153.9	155.2	156.7	157.5	158.6	159.5	160.8	161.8	162.9	163.0	163.1	163.2	7.8%	13.1%		
2006	165.9	168.5	171.2	173.3	175.1	177.5	178.6	179.6	180.6	181.8	183.0	184.1	12.0%	11.1%		
2007	185.8	187.5	189.2	190.9	192.7	194.6	196.1	197.7	199.3	201.0	202.7	204.4	11.0%	9.8%		
2008	206.2	208.0	209.8	210.9	212.0	213.1	212.5	211.6	211.3	207.5	204.5	201.5	-2.8%	8.4%		
2009	200.5	199.5	198.5	197.2	195.9	194.6	193.2	191.8	190.4	189.9	189.5	189.0	-5.7%	-9.1%	6.2%	5.1%
2010	189.0	189.0	189.0	189.0	189.0	189.0										
2011																
2012																
2013																
2014																
2015																
2016																
2017