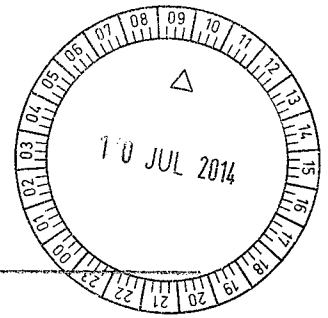




**Hon Mike Nahan MLA
Treasurer; Minister for Energy;
Citizenship and Multicultural Interests**



Our ref: 48-06478

Hon Ken Travers MLC
Chair
Standing Committee on Estimates and
Financial Operations
Parliament House
PERTH WA 6000

Attn: Ms Hannah Moore
Committee Clerk

Dear Mr Travers

QUESTIONS ON NOTICE – 2014-15 ESTIMATES HEARING

In relation to the Department of Treasury's 2014-15 Budget estimates hearing of 10 June 2014, please find attached the following:

- supplementary information, as requested at the hearing; and
- responses to the additional questions submitted after the hearing, as advised in your correspondence dated 13 June 2014.

I am aware that this information will be published on the Parliament website.

Yours sincerely

**DR MIKE NAHAN MLA
TREASURER**

Att.

cc Minister for Mental Health (representing the Treasurer)

ESTIMATES AND FINANCIAL OPERATIONS COMMITTEE
QUESTIONS ON NOTICE – SUPPLEMENTARY INFORMATION

Date of Hearing: 10 June 2014

Department of Treasury

Supplementary Information No A1

The Hon Ken Travers MLC asked –

Page 78 of budget paper No 3 identifies a number of specific national purpose agreements that will soon expire. On what date will they expire? Will they all expire in the 2014–15 financial year; and, if so, on what dates will they expire? Are they the only ones that will expire in 2014–15?

[...]

What will be the total loss of revenue to the State as a result of the expiry of those national partnership agreements over the forward estimates?

Answer:

Please refer to the below overview for the rolling schedule of expiry dates of National Partnership agreements.

**Expiry dates of National Partnership Agreements that were in Existence
at the Time of the 2014-15 State Budget (8 May 2014)**

Agreement	As at State Budget	Commonwealth Budget ^(a)	Impact on State Budget Smillion
Health Infrastructure – Fiona Stanley Hospital State Rehabilitation Service	14 May 2014	no change	-
Central Institute of Technology	31 May 2014	no change	-
Financial Assistance for Long-Stay Older Patients	30 Jun 2014	no change	-
Hospital and Health Workforce Reform – Activity Based Funding	30 Jun 2014	no change	-
Veteran Community to Access Community Care Services	30 Jun 2014	no change	-
Empowering Local Schools	30 Jun 2014	no change	-
Improving Literacy and Numeracy	30 Jun 2014	no change	-
Investing in Focus Schools	30 Jun 2014	no change	-
National Quality Agenda for Early Childhood Education and Care	30 Jun 2014	30 Jun 2015	0.9 ^(b)

Agreement	As at State Budget	Commonwealth Budget ^(a)	Impact on State Budget \$million
School Pathways Program	30 Jun 2014	30 Jun 2015	0.5
Indigenous Early Childhood Development – Element 1	30 Jun 2014	no change	-
Remote Service Delivery	30 Jun 2014	no change	-
Nation Building Program (includes Black Spots)	30 Jun 2014	30 Jun 2019	_(c)
Rockingham Strategic Regional Centre – Sustainable Development Demonstration Project	30 Jun 2014	no change	-
Pilot of Drought Reform Measures in Western Australia	30 Jun 2014	no change	-
Stage Two of the COAG Strategy on Water and Wastewater in Remote (including Indigenous) Communities	30 Jun 2014	no change	-
Legal Assistance Services	30 Jun 2014	30 Jun 2015	_(b)(c)
Homelessness	30 Jun 2014	30 Jun 2015	_(c)
Joint Group Training Project	30 Jun 2014	no change	-
National Perinatal Depression Initiative	30 Jun 2014	30 Jun 2015	_(b)(c)
Improving Public Hospital Services – New Sub-acute Beds Guarantee	31 Aug 2014	30 Jun 2014	*
Indigenous Clearinghouse	30 Sep 2014	no change	-
Busselton General Dental Clinic	10 Oct 2014	no change	-
TAFE Fee Waivers for Childcare Qualifications	31 Dec 2014	no change	-
Natural Disaster Resilience	30 Jun 2015	30 Jun 2017	_(c)
Low SES School Communities	30 Jun 2015	no change	-
Universal Access to Early Childhood Education	30 Jun 2015	no change	_(b)
More Support for Students with Disabilities	30 Jun 2015	no change	-
Health Infrastructure – Midland Health Campus	1 Aug 2015	no change	-
Bringing Renal Dialysis and Support Services Closer to Home, Western Australia	1 Nov 2015	no change	-
Training Places for Single and Teenage Parents	1 Dec 2015	1 Jan 2015	-2.6
Treating More Public Dental Patients	1 Dec 2015	no change	-
Point of Care Network for Rural and Remote Regions of Western Australia	14 Jan 2016	no change	-
Certain Concessions for Pensioners and Seniors Card Holders	30 Jun 2016	30 Jun 2014	-52.5 ^(d)
Water for the Future – National Framework for Compliance and Enforcement Systems	30 Jun 2016	no change	-
Supporting National Mental Health Reform	30 Jun 2016	no change	-
Rheumatic Fever Strategy	30 Jun 2016	no change	-
OzFoodNet	30 Jun 2016	no change	-
National Bowel Cancer Screening Program – Follow-up Function	30 Jun 2016	no change	-

Agreement	As at State Budget	Commonwealth Budget ^(a)	Impact on State Budget \$million
Improving Public Hospital Services – National Emergency Access Target	30 Jun 2016	30 Jun 2015	*
Improving Public Hospital Services – National Elective Surgery Target	30 Jun 2016	30 Jun 2015	*
Strengthening Cancer Services in Regional Western Australia	31 Jul 2016	no change	-
Pathology Laboratories in Regional Western Australia	13 Jan 2017	no change	-
Narrogin General Dental Clinic	15 Jan 2017	no change	-
Fire Services Levy	30 Jun 2017	no change	-
Skills Reform	30 Jun 2017	no change	-(e)
Moneysmart Teaching	30 Jun 2017	no change	-
Preventive Health	30 Jun 2018	30 Jun 2014	-16.0
Remote Indigenous Housing	30 Jun 2018	no change	-

- (a) Exact expiry dates changed by the Commonwealth Budget are inferred.
- (b) Under negotiation, funding may continue further.
- (c) No impact as State Budget had assumed extension beyond expiry.
- (d) Certain Concessions for Pension and Seniors Card Holders: the State Budget assumed that the agreement would be extended beyond its expiry, as a result there is an additional impact of -\$55.9 million.
- (e) Skills Reform: the State Budget assumed that the agreement would be extended beyond its expiry, as a result there is an additional impact of -\$54.0 million.
- * Combined Improving Public Hospital Services impact of -\$32.4 million.

The total impact on the State Budget from changes in the assumed expiry of National Partnership agreements is -\$212.0 million. This figure reflects only the impact of changes in expiry dates in National Partnership agreements.

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Supplementary Information No A2

The Hon Ken Travers MLC asked –

Are you able to take it on notice and give us a comprehensive answer on what has caused the changes in the land and property sales in each of the years of the forward estimates between last year's forward estimates and this year's forward estimates?

Answer:

The change in estimated receipts from land and property sales data in the Asset Investment Program between the 2013-14 and 2014-15 Budgets is due to a change in the accounting treatment of various initiatives in the Housing Authority's Affordable Housing program, following finalisation of its 2013-14 annual report. These changes were noted in the 2013-14 *Annual Report on State Finances* (p. 21), the 2013-14 *Government Mid-year Financial Projections Statement* (footnote 10, p. 24), and in the Housing Authority's 2014-15 Budget Statements (Budget Paper No. 2: *Budget Statements*, footnotes to tables, pp. 521, 525, and 527).

PUBLIC

Supplementary Information No A3

The Hon Robin Chapple MLC asked –

Regarding the Railway Agreement (Western Australia) Amendment Bill 2014, introduced on 27 March into federal Parliament, how is WA's liability under this \$1.6 million loan accounted for in the 2014–15 Budget? How, if at all, will the expected passage of the above bill change the way the liability is accounted for by WA?

Answer:

Under the *Railway Agreement (Western Australia) Act 1961* (the Commonwealth Act), the Commonwealth has made a loan to the Western Australian Government for the construction of a standard gauge railway, primarily from Kalgoorlie to Perth. The outstanding balance of the loan was \$1.6 million at 30 June 2013 and \$1.25 million at 30 June 2014. The loan is reflected as a liability of the Public Transport Authority.

The *Railway Agreement (Western Australia) Amendment Bill 2014* (the Commonwealth Bill) amends the Commonwealth Act to enable early repayment of the loan by Western Australia; and repeal the Commonwealth Act 28 days after the loan repayment is made. By itself, the passage of the Commonwealth legislation does not alter the State's liability. In order for the State to repay the loan early, an amendment is required to the *Railway Standardisation Agreement Act 1961* (Western Australia). The State has not made any decision regarding repaying the loan early, however doing so would be net debt neutral. The loan is currently due to be repaid by 2041.

PUBLIC

Supplementary Information No A4

The Hon Ken Travers MLC asked –

Could Treasury give us an analysis of what provision is made in the GST payments with respect to additional cost structures in Western Australia?

Answer:

Please refer to Table 5-5 in the Commonwealth Grants Commission's (CGC) *Report on GST Revenue Sharing Relativities, 2014 Update*, page 72. This shows the contribution to each State's GST grant in 2014-15 from particular cost pressures such as indigeneity and interstate wage levels. The cost pressures are measured on a common policy basis and relative to the average costs across all States.

A copy of the report is available from the CGC website on https://cgc.gov.au/index.php?option=com_attachments&task=download&id=1905

PUBLIC

Supplementary Information No A5

The Hon Ken Travers MLC asked –

In the Government Mid-year Financial Projections Statement it seems to be the first time that that \$11.5 million figure occurs in the budget papers that I can recall, and that talked then about a one-off payment of \$27 million as a special dividend and taxes from the WA Land Authority, and that was expected in the 2013–14 financial year. Mind you, at that point you were also predicting that the \$11.5 million would be paid in the 2013–14 financial year. Then I noted last year that the budget papers said it would be paid in the 2014–15 financial year, and now I see you say it is going to be in the 2016-17 financial year. The Bold Park agreement is something that predates even my appearance in this chamber.

[...]

I would like to know whether we have actually booked the money from the WA Land Authority into the budget paper and why that amount keeps getting pushed back.

Answer:

As part of the 2014-15 Budget, LandCorp is forecast to pay \$11.5 million in 2016-17 to the Consolidated Account as a special dividend payment, with \$11.5 million to be paid to the Town of Cambridge from Treasury Administered in the same year.

The Department of the Environment and LandCorp is progressing the necessary planning approvals to facilitate development of the land. Subject to receipt of planning and environmental approvals, it is anticipated that development works will commence mid-2015 with all subdivided residential lots to be settled by mid-2017.

PUBLIC

Supplementary Information No A6

The Hon Sue Ellery MLC asked –

Can you give me the reference for that report; it was the evaluation of the Building the Education Revolution? Was there a specific reference?

Answer:

The reference requested is *Building the Education Revolution Implementation Taskforce: Final Report* (July 2011).

PUBLIC

Supplementary Information No A7

Withdrawal of Commonwealth funding commitment to Oakajee Port project ...

The Hon Ken Travers MLC asked –

Can you confirm whether that is right or wrong?

Answer:

The 2014-15 Commonwealth Budget does contain a \$339 million contribution towards the development of Oakajee Port common user facilities, including water, power and road infrastructure to support the port.

This commitment from the Commonwealth Government is not specifically identified in its Budget Papers, but rather forms part of a global commitment to infrastructure investment in Western Australia over the forward estimates period.

PUBLIC

Supplementary Information No A8

The Hon Martin Aldridge MLC asked –

I notice at least one reference I can find in budget paper No 3 where financial information has been omitted on a commercial-in-confidence basis. I refer to page 190 of budget paper No 3, and it relates to BGC and the Perth Arena. I am just wondering whether Treasury could provide some advice on how many occurrences within the budget we find financial information omitted on a commercial-in-confidence basis.

Answer:

There are no other occurrences.

PUBLIC

Supplementary Information No A9

The Hon Ken Travers MLC asked –

Why have we seen such a significant decline between last June and this year in terms of agencies complying with that framework? You have gone from 40 per cent to 27 per cent. It is in your performance indicators on page 610.

Answer:

The composition of agencies making up the top 90% of the capital works program (by value) has changed between the two years.

Agencies that were compliant in 2012-13 that are no longer in the top 90% of capital allocation in 2013-14 are thus not included in the count for this year. However, none of these agencies have necessarily 'lost' their compliance.

The decline from 40% to 27% can be explained as follows:

The 40% is as per our annual report for 2012-13 and the 27% was the figure at the time of the estimates hearing (10 June 2014). This figure has since been revised upwards to 38%, based on updated information received as part of the financial year-end process and may be subject to further adjustments.

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