



Annual Report 2005-06



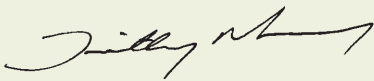
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The Hon E S RIPPER BA, Dip Ed, MLA
TREASURER OF WESTERN AUSTRALIA

2005-06 Annual Report

In accordance with section 68 of the *Financial Administration and Audit Act*, I have pleasure in presenting the Department of Treasury and Finance's Annual Report for the year ended 30 June 2006 for your information and presentation to Parliament.

We have prepared this report in accordance with the requirements of section 66 of the *Financial Administration and Audit Act*, section 31 of the *Public Sector Management Act* and other relevant written laws.



Timothy Marney
UNDER TREASURER

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Under Treasurer's Review

What a year! It has been one of the most buoyant on record for the Western Australian economy. This has brought some real challenges for the Department of Treasury and Finance, including the need to:

- ◆ keep up with the task of revenue collection and law enforcement, and to maintain levels of customer satisfaction in an environment of significant strain on our resources;
- ◆ continue to drive the reform of the State's procurement settings and practice to ensure best value for money for the State's taxpayers; and
- ◆ focus beyond the boom and advise Government of appropriate strategies for economic and financial management for the longer-term benefit of Western Australians.

The Department has been able to rise to these challenges and deliver excellent results to Government over the past year.

Some of the key achievements of the Department's people include:

- ◆ Legislative and tax regime changes, including the preparation of a draft Bill to replace the *Financial Administration and Audit Act 1985* which had become outdated;
- ◆ Keeping up with the demand for economic and financial advice to Government across a range of areas and initiatives;
- ◆ The return of procurement reform savings of \$114 million to the Government in 2005-06 for re-allocation to areas of priority. During the year, the Government Procurement unit was elevated to a business unit in its own right — the Office of Government Procurement;
- ◆ Development of the Strategic Asset Management Framework to improve asset management and capital investment across the State public sector;
- ◆ Improvements to the Revenue Online pay-roll tax system, to enable monthly electronic lodgement and payment for high value taxpayers;
- ◆ Involvement in the development of regulatory frameworks and access arrangements in utility markets, particularly rail, gas and electricity, and with the electricity reform process and water market reform;
- ◆ Our team in State Fleet won the Australasian Fleet Managers Association National Fleet Environment Award for 2006;
- ◆ Publication of the interim report of the State Tax Review, following extensive community consultation; and
- ◆ Significant progress on the development of a State Infrastructure Strategy which will address the needs for the next 20 years.

Under Treasurer's Review (continued)


The Department adopted a new function during the year with the Office of Native Title joining us as a sub-department. This and other changes have meant the Department's staffing level has risen to 807, 40 more for than at the same time last year. We welcome the people of the Office of Native Title.

I would like to thank the people at the Department who have delivered excellence to Government and the people of Western Australia over the past year.

It has been quite an heroic effort and has typified our commitment to:

- ◆ **Delivering excellence;**
- ◆ **Teamwork; and**
- ◆ **Flexibility, fun and reward in the work environment.**

I look forward to a similarly challenging year ahead.



Timothy Marney

UNDER TREASURER



Treasury and Finance at a Glance

Our Vision

Employer of choice. Provider of choice.

Our Mission

To provide quality economic and financial advice, financial management, fair and equitable revenue law administration and effective government procurement.

Outcomes/Services

The outcomes we seek to achieve and the services we deliver are detailed in the Performance Assessment section of this report.

Our Operations

Legislation that governs the Department's operations:

- ◆ the *Public Sector Management Act 1994* for our general administration;
- ◆ the *Constitution Act 1889* and the *Constitution Acts Amendment Act 1899* provide the framework under which we operate;
- ◆ the *Government Financial Responsibility Act 2000* places reporting obligations on the Department in respect to the State's finances;
- ◆ the *Financial Administration and Audit Act 1985*, and associated Treasurer's Instructions, provides the powers for our officers to operate in government finance, control and accountability matters; and
- ◆ the *State Supply Commission Act 1991* through a delegation to the Under Treasurer provides the power to establish and manage contacts.

A list of the Acts we administered in 2005-06 is shown in Appendix A.

Responsible Minister

Hon E S Ripper, BA, Dip Ed, MLA, Deputy Premier; Treasurer; Minister for Government Enterprises; Minister Assisting the Minister for Public Sector Management.

Treasury and Finance at a Glance (continued)

Our Structure

The Department of Treasury and Finance consists of five structural areas:

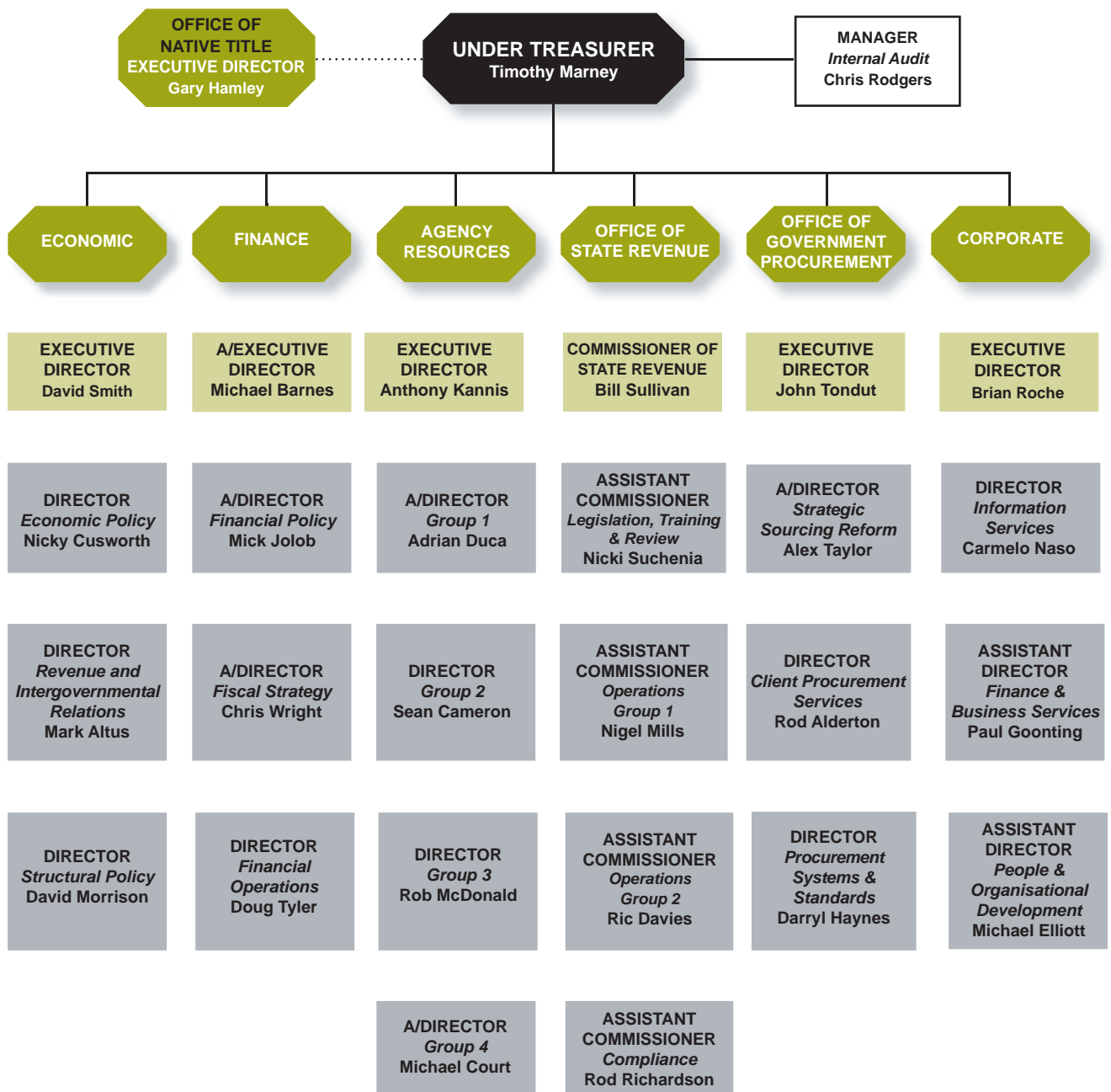
- ◆ Economic;
- ◆ Finance;
- ◆ Agency Resources;
- ◆ Office of State Revenue; and
- ◆ Office of Government Procurement.

In addition to these five structural areas, we have a Corporate Services Business Unit that coordinates the administration and strategic development of the Department, and a wide range of activities that, in combination, ensure we deliver services effectively to our customers. Corporate Services also provides accounting and payroll services to several smaller government agencies – the Office of Energy, Economic Regulation Authority, Gas Disputes Arbitration and the Independent Market Operator.

On 7 April 2006, the Office of Native Title was transferred to the Department, as part of changes to the Department of the Premier and Cabinet.



Organisational structure as at 30 June 2006



Our People

Staffing

At 30 June 2006, the Department employed 807 full-time equivalent staff, compared with 767 at the same time last year. The increase is due mainly to the transfer of staff from the Office of Native Title. A number of staff from the Department of Health were also recruited as part of current procurement reforms.

Training and Development

In line with our vision as Employer of Choice. Provider of Choice we continued to support and develop our employees by providing opportunities for continuous learning in an environment in which they can fulfil their potential.

Despite challenges from the tightening labour market, we explored innovative recruitment methods to engage high calibre employees, as well as developing strategies to retain and further develop existing staff.

We also continued to support the highly successful Induction, Mentoring and Leadership and Management Development programs.

During the year, we arranged many training activities in professional, technical, wellness and personal development.

The majority of training courses are conducted in-house, reducing costs, assisting staff access and increasing participation.

There is a 'general' training stream that offers our staff access to a range of courses of study and a 'procurement' stream that provides staff with access to programs of study specific to strategic procurement.

The Department continued to provide and fund relevant learning programs for staff at both vocational and tertiary levels.

During 2005-06, the Under Treasurer initiated an Educational Development Program that offers support for staff in undertaking university level qualifications. This program helps us to achieve our goals of attracting, retaining and developing employees and improves the Department's knowledge and skill base now and into the future.



Safety, Health and Welfare

The Department's performance in relation to the safety and health of employees is monitored through workers' compensation and rehabilitation statistics which are summarised below.

Workers' Compensation Indicators 2005-06

	2004-05	2005-06
Frequency rate ^(a)	9.5	0.07
Estimated cost of claims ^(b)	0.11	0.02
Premium rate (per cent) ^(c)	0.29	0.31
Rehabilitation success rate	n. a.	n. a.

^(a) Relates the number of lost time incidents, where one or more days were lost, to total hours worked.

^(b) Cost incurred per \$100 of our annual payroll.

^(c) Premium is calculated as a proportion of our annual payroll.

n.a. denotes not applicable

Donations to Charity

The last Friday of each month is designated '*casual for a cause day*'. Staff are encouraged to come to work dressed 'smart casual' and to make a gold coin donation which is given to a different charity each month. More than \$5,300 was raised during 2005-06 and directed to a range of charities including CanTeen, SIDS and Kids WA, the Royal Society for the Prevention of Cruelty to Animals and the Salvation Army.

Our Customers

Our major customer groups are:

- ◆ the Western Australian Government and Parliament;
- ◆ the community, taxpayers and their agents;
- ◆ State Government agencies; and
- ◆ local industry and suppliers to Government.

Our Customer Commitment

Our customer service charter sets out our commitment to our customers and the service standards our customers can expect when dealing with us.

Our customers can expect:

- ◆ our service to be professional and staff to take pride in the delivery of our service;
- ◆ all advice and decisions from the Department to be clearly explained, well founded, relevant and timely;
- ◆ our officers to be properly trained to deliver a high standard of service;
- ◆ the name of the officer dealing with each customer to always be provided to establish clear points of contact for a coordinated and effective service;
- ◆ our officers to act ethically and legally with the utmost integrity, and treat people with impartiality, fairness and respect; and
- ◆ a clear understanding by our staff of the services required by our customers.

Achieving Customer Focus

In 2005-06, customer relationships continued to be a key focus.

Our objective is to increase the openness and transparency of these relationships. To achieve this, we seek to improve communication and promote relationships with our customers. The outcomes include increased satisfaction of our customers, a reduction in the number of customer complaints and increased visits to our website.



Our Effectiveness

To gauge our customer effectiveness, a client/stakeholder survey is conducted each year. The results provide valuable feedback about areas for improvement. The results of the survey for 2005-06 are outlined in the Performance Assessment section of this report.

Customer Feedback

The Department's complaints feedback system is part of a whole-of-government initiative to assist people to provide feedback about any State Government product or service.

It provides customers with an assurance that issues raised will be investigated, and to provide an opportunity for continuous improvement in delivering our services.

All forms of feedback, including complaints, compliments and suggestions are recorded electronically and addressed. Responses are provided to all clients.

To 30 June 2006, we received 163 submissions. There were 101 complaints, 33 compliments and 29 suggestions. All submissions were reviewed and addressed, including complaints about service delivery. There were a number of complaints about policy issues, such as taxation levels, which the Department was unable to address directly as they relate to the Executive Government's policy settings rather than services provided by the Department of Treasury and Finance.

Meeting the State Government's Strategic Outcomes

The Government's *Better Planning: Better Services – A Strategic Framework for the Western Australian Public Sector (2003)* sets out a number of goals for agencies.

Goal 1 – People and Communities

The Department assists the government of the day to achieve its objectives and to protect the interests of the people of Western Australia.

Disability Services

The Department is committed to ensuring that people with disabilities, their families and their carers have full access to the range of services and facilities we provide. Our Disability Services Plan seeks to ensure that:

- ◆ our functions and services meet the needs of people with disabilities;
- ◆ our buildings and facilities are fully accessible;
- ◆ information is provided in formats that meet the communication needs of people with disabilities;
- ◆ our staff deliver advice and services with a full awareness and understanding of the needs of people with disabilities; and
- ◆ opportunities are provided for people with disabilities to participate in public consultations, grievance mechanisms and decision-making processes that are available to other members of the public.

During 2005-06, we received one approach for our services to be modified to meet the needs of people with disabilities.

Our Disability Services Plan is accessible through our Internet site www.dtf.wa.gov.au

Cultural Diversity and Language Services Outcomes

The Department accepts calls through the Translating and Interpreter Service from clients for whom English is not a first language. The Department has a number of bilingual staff who can provide assistance.

An accredited consultant translates documents which are submitted by clients in languages other than English.

We have fact sheets in Malay and Chinese, related to two of the Office of State Revenue's tax lines.

The TTY telephone number for hearing-impaired clients is listed under the 'Department of Treasury and Finance' in the White Pages.



Youth Outcomes

The Graduate Development Program provides the Department with well-qualified staff and continues to operate successfully, with graduates placed into the operational business units through three streams.

To develop our graduates we:

- ◆ provide an introduction to the Department's operations;
- ◆ provide on-the-job training to facilitate their transition from graduates to well-developed professionals;
- ◆ provide each with a 'buddy' for ongoing support;
- ◆ provide exposure to a wide variety of issues with which the Department is involved;
- ◆ develop their skills and abilities so they can contribute effectively towards the Department's business objectives and can progress through the classification levels; and
- ◆ provide access to graduate employer networks.

In 2005-06, 20 graduates joined the Department and 16 graduates from the previous year's graduate intake were offered permanent positions.

To complement the Graduate Development Program, the Office of Government Procurement ran a ten-week pilot Procurement Vacation Program at the end of the second semester in 2005. The program targeted undergraduate and postgraduate students entering their penultimate year of study in 2006. They were studying a range of disciplines (including degrees in procurement, commerce, business, law, economics or related areas).

Six students received a 10-week paid employment opportunity to gain experience in the business of government procurement, and to work with procurement professionals in a number of wide-ranging and challenging roles.

Substantive Equality

The Department's commitment to promoting equality and inclusion extends beyond meeting the minimum statutory obligations contained in anti-discrimination legislation.

To be a provider of choice we are committed to engaging with and meeting community needs.

To be an employer of choice we are committed to equipping and developing our staff to respond effectively to the diverse needs of the community they serve.

Meeting the State Government's Strategic Outcomes (continued)

We are working towards achieving 'substantive equality' that will ensure that our activities meet the needs of all individuals and groups.

An assessment process (initially in the Office of Government Procurement) will identify and subsequently eliminate or minimise any unintended systemic discrimination that may be embedded in our policies, procedures and practices.

Goal 2 – The Economy

The Department provides advice and analysis on the State's economy, State revenues, structural economic reforms, governance of major public utilities and intergovernmental financial relations.

We also provide policy advice, analysis and services in relation to financial management and reporting, accounting policy, asset financing and cash management for the Western Australian public sector. In addition, we deliver various online services and undertake a contracting and tendering role for government.

Through the Office of State Revenue, the Department assesses and collects a range of statutory-based revenues, including stamp duties, land tax and pay-roll tax, and revenue collected on behalf of other agencies or other jurisdictions.

A comprehensive report of our work in all areas of the economy can be found under the headings for the business units (Economic, Finance, Agency Resources, Office of State Revenue, Office of Government Procurement and Office of Native Title) later in this report.

Goal 3 – The Environment

Greenhouse Gas Offset Program

The Department, through State Fleet, has played a key leadership role in shaping whole-of-government greenhouse policy for the government's vehicle fleet.

The policy involves:

- ◆ requiring government agencies to use four-cylinder cars unless there is a business need for a larger engine;
- ◆ where six-cylinder cars are required, 25 per cent of eligible vehicles must be LPG-powered; and
- ◆ a carbon emissions offset program that will offset the emissions of the government fleet and make it 'carbon neutral'.



In addition to offsetting the fleet's greenhouse gas emissions, the carbon-neutral program has other benefits including fighting salinity, encouraging biodiversity, re-establishing native habitats and managing nutrient run-off. It is also financially sustainable, in that the overall program, particularly the move to four-cylinder cars, is saving millions of dollars in fleet costs as well as helping to protect the environment.

This program won the Australasian Fleet Managers Association 2006 National Environment Award. It was recognised as excellent in its own right and an example to others that being environmentally responsible can also be cost effective.

Sustainability Program

The Department's Sustainability Action Plan (SAP) outlines our commitment to sustainable practices within our operations to ensure they are consistent with the State Government's Sustainability Code of Practice.

The Department's Sustainability Action Committee, which reports to the executive, monitors and encourages implementation of the SAP.

Significant progress was made during the year, especially in reducing energy consumption and gas emissions through more effective fleet management and by incorporating sustainability principles in the public sector and the Department's procurement processes.

The Department participates in the Departments of the Environment and Planning and Infrastructure's TravelSmart Program to reduce car use and encourage alternative modes of travel.

Waste Paper Recycling

The Department participates in the government-sponsored paper recycling program that removes office waste paper for recycling and contributes towards the State's waste management and recycling objectives.

During 2005-06, 28.4 tonnes of waste paper was collected for recycling.

Meeting the State Government's Strategic Outcomes (continued)

EnergySmart Initiatives

The EnergySmart program is an initiative of the State Government to reduce levels of energy consumption by implementing strategies and alternatives. During 2005-06, the Department:

- ◆ Completed installation of energy efficient triphospher light tubes to replace standard fluorescent tubes.
- ◆ Ran an energy savings month in March 2006, achieving an average 25 per cent saving compared with the previous March.
- ◆ Researched the use of voltage regulators for office lighting, but these proved to be uneconomical.

Despite these efforts, energy consumption rose, through:

- ◆ Greater area of floor space being occupied;
- ◆ A rise in office operating hours;
- ◆ An 80 per cent increase (121,000 kWh) in energy usage in the Department's computer server storage facilities as a result of increased operational storage capacity and usage; and
- ◆ Higher staffing levels. However, energy consumption did show a 23 per cent drop for the final four months of the year compared with the same period in the previous year, indicating that the Department's strategies are starting to have a positive effect.

EnergySmart Government Program Results

Performance indicators	2001-02 (Base Year)	2002-03	2003-04	2004-05 ⁽¹⁾	2005-06	Variation to Base Year %
Total Energy Consumption (Giga Joules)	4,045	4,286	4,348	5,657	6,027	+49%
Total Energy Cost (\$)	182,952	181,646	187,318	236,315	250,977	+37%
Total Greenhouse Gas Emissions (Tonnes of CO ₂)	1,034	1,095	1,090	1,414	1,507	+45%
Mega Joules per Square Metre of Occupied Area	316	336	327	398	415	+31%
Mega Joules per Number of Staff	7,097	7,390	7,369	8,456	7,848	+11%

⁽¹⁾ The 2004-05 results have been revised upwards from those previously published to reflect energy usage not accounted for that year.



Goal 4 – The Regions

Regional Policy Implementation

The Department is represented on the Regional Policy Implementation Group, responsible for implementing the Government's Regional Development Policy. The Department has specific responsibility for ensuring specific outcomes of the policy.

This section details the outcomes relevant to the Department.

Outcome

Ensure the public interest test for the National Competition Policy fully takes into account regional issues, views and potential impacts in every case.

While public interest tests for National Competition Policy are the responsibility of portfolio ministers, the Department has developed guidelines for implementing the public interest test.

These guidelines have been adopted by the Government and are designed to improve the practical application of the test and to make its main components explicit. Public interest includes, but is not limited to:

- ◆ the environment;
- ◆ employment;
- ◆ social welfare;
- ◆ regional development;
- ◆ consumer interests;
- ◆ business competitiveness; and
- ◆ economic efficiency.

Outcome

Review the scope and level of community service obligations (CSOs) and make changes as necessary.

An annual review of community service obligations was undertaken through the budget process. In determining the allocation of a new CSO, the responsible minister makes a submission to Cabinet outlining:

- ◆ the reason for the CSO;
- ◆ who is to receive the CSO;

Meeting the State Government's Strategic Outcomes (continued)

- ◆ the cost; and
- ◆ the policy objectives of the CSO (among other things).

Outcome

Use the purchasing power of the government sector strategically to maximise the benefits of improving the infrastructure for all regional Western Australians.

The Department is responsible for leading the Government's program of procurement reform, which involves an important regional dimension. This includes consideration of regional issues when developing and revising whole-of-government procurement policies and contracting arrangements.

During 2005-06, the Department finalised the establishment and staffing of Regional Buying Centres in the South West, Mid West and Goldfields-Esperance regions. The work of the buying centres was supported by creating local client councils and supplier advisory groups.

Goal 5 – Governance

The Department is committed to the highest standards of corporate governance.

We reviewed our governance arrangements and anticipate the revised arrangements will come into effect early in 2006-07.

Freedom of Information (FOI)

Under the *Freedom of Information Act 1992*, the Department must respond to applications for information within 45 days of receipt, unless an extension of time is granted.

We received 27 applications during the year. Three were disallowed and, for ten applications, the provision of documents was either exempted and/or edited. At 30 June 2006, two applications were still under consideration.

The average time to process applications was 36 days, a significant improvement on the previous year (44 days).

Where access to documents is refused, in part or in full, the applicant is notified of the reasons. Applicants have the right of appeal and may ask us to reconsider. They also have further appeal rights to the Information Commissioner.

There were no external reviews required by the Commissioner and only one internal review was conducted.

For information on FOI applications, see the Department's website at www.dtf.wa.gov.au



Recordkeeping Plan

The State Records Office approved the Department's Recordkeeping Plan, with the Retention and Disposal Schedule approved in July 2005.

We provided further information required by the State Records Commission on the status of the Vital Records Plan and the Disaster Management Plan.

The Vital Records Plan was finalised in November 2005 and action on the recommendations completed in March 2006. We reported on the status of the Disaster Management Plan in June 2006.

All new staff attend a one-and-a-half day induction program, which includes corporate systems, record-keeping obligations, records and document management business rules. One-on-one training on the Electronic Document and Records Management System (EDRMS) is provided and there are workflow and refresher training for business unit groups on specific requirements. A support service has been provided for each departmental location.

The EDRMS has been introduced across the Department. All departmental locations now register correspondence by imaging or profiling.

Advertising and Sponsorship

Under the *Electoral Act*, the Department is required to disclose expenditure made to advertising agencies, market research organisations, polling organisations, direct mail organisations and media advertising organisations.

For the year ended 30 June 2006, we incurred the following advertising costs:

- ◆ \$184,502 for the 2006-07 State Budget ;
- ◆ \$98,025 for staff vacancies;
- ◆ \$76,814 for tenders;
- ◆ \$18,006 for general taxation advertising;
- ◆ \$10,900 for customer satisfaction survey;
- ◆ \$6,500 for State Tax Review;
- ◆ \$4,198 for State Infrastructure Strategy; and
- ◆ \$4,000 for unclaimed monies.

Meeting the State Government's Strategic Outcomes (continued)

Public Interest Disclosures

The *Public Interest Disclosure Act 2003* facilitates disclosure of public interest information by providing protection for those who make disclosures and those who are the subject of disclosures.

Public Interest Disclosure procedures are available for staff to access. The Executive Director Corporate is the Department's Public Interest Disclosure Officer.

There were no disclosures during 2005-06.

Compliance with Public Sector Standards and Ethical Codes

The Department's policies, procedures and internal quality assurance processes are consistent with the guidelines issued by the Office of the Public Sector Standards Commissioner (OPSSC) and ensure compliance with the Human Resource Management Standards.

There were three claims of breach of standard lodged against the Recruitment, Selection and Appointment Standard during 2005-06. One claim was withdrawn and the remaining two claims were dismissed by the OPSSC.

The Department has a Code of Conduct based on the principles of natural justice, respect for persons and responsible care as embodied in the Western Australian Public Sector Code of Ethics.

Our Code of Conduct provides a guide for our officers in understanding their rights and obligations, including the ethical behaviours and values expected of them in undertaking their day-to-day duties. It also serves as a public demonstration by the Department and its officers of our commitment to professional integrity and accountability.

Equal Employment Opportunity Outcomes

In developing the objectives for our 2006-09 Equity and Diversity Plan, the Department undertook a study of flexible work practices. The study identified a number of flexible work arrangements that support the wide-ranging needs of staff. The information will help fulfil our commitment to providing a work/life balance for all employees.

The study highlighted a number of challenges to be met to make flexible work effective. While this has implications for the whole workforce, specific strategies for the Equal Employment Opportunity groups of 'women in management' and 'people with disabilities' will be developed.

A 'Women in DTF' forum was established to enable personal development, information sharing and networking opportunities.



We have a short-term placement program for people with disabilities. Since January 2006, a number of business units have provided opportunities and one candidate gained sufficient experience to obtain ongoing employment.

Corruption Prevention

As a result of an unauthorised release of confidential information to the media in relation to the State Government Budget, the Corruption and Crime Commission of Western Australia (CCC) carried out an investigation and tabled a report to Parliament in June 2005.

The report recommended a range of improvements to security arrangements. Many of the recommendations had already been implemented during the review process, and the outstanding actions were addressed during 2005-06.

All new employees are required to sign a Confidentiality Agreement and are given a comprehensive induction that provides information on the Public Sector Code of Ethics and the Department's Code of Conduct.

The Department has an Internal Audit unit that is the main mechanism for detecting fraud and developing associated risk management recommendations.

In the administration of the Department, I have complied with the Public Sector Standards in Human Resource Management, the Western Australian Public Sector Code of Ethics and our Code of Conduct.

Timothy Marney
UNDER TREASURER

Report on Operations – Economic

Activities

Provides advice and analysis on revenues, the economy, economic reforms, governance of major public utilities and intergovernmental financial relations.

Key Achievements

The efforts of the business unit focused on the Government's goal of developing a strong and competitive Western Australian economy – creating conditions conducive to investment and growth.

Specific activities centred on providing policy advice to maximise the performance of the State economy and helping achieve sustainable financial outcomes for the State.

To achieve this, our people:

- ◆ contributed to the electricity reform process, including the disaggregation of Western Power Corporation into four separate entities on 1 April 2006, and the expected introduction of new electricity market arrangements in the first quarter of 2006-07;
- ◆ contributed to water market reform, including advising on implementation of the Irrigation Review recommendations;
- ◆ provided advice on regulatory frameworks and access arrangements in utility markets, particularly rail, gas and electricity (for example, through participation in the electricity reform process and the independent regulation process of network access), as well as grain marketing reform through membership of the Grain Licensing Authority;
- ◆ contributed to the development of the Council of Australian Government's National Reform Agenda;
- ◆ provided economic analysis and policy advice to government on the economic impact of major resource projects, including through the application of advanced economic modelling techniques;
- ◆ published two research papers: The Structure of the Western Australian Economy and Business Investment in Western Australia;
- ◆ published regular assessments of trends in the Western Australian economy, including the Western Australia Economic Summary (quarterly) and Economic Notes following key data releases. The Economic Summary included feature articles on the revaluation of the Chinese Yuan, procurement reform in the Western Australian public sector, pressures, risks and uncertainties affecting Western Australia's economic outlook, and competition in Western Australia's food market; and;
- ◆ contributed to the formulation of the 2006-07 Budget and forward estimates (including economic forecasts) and provided advice to Cabinet's Expenditure Review Committee on areas including net payments from government business enterprises and capital investment initiatives.



To advance sustainable State financial outcomes, our people :

- ◆ completed a Review of Revenue Forecasting that examined past forecasting performance and the scope for improvement. A report was published in March 2006, and a number of recommendations implemented in the 2006-07 Budget;
- ◆ completed the first stage of the two-stage State Tax Review, and published the interim report of the Review;
- ◆ advised on Western Australia's response to the Commonwealth Treasurer's proposal that the States abolish a range of stamp duties subject to review under the Inter-Governmental Agreement on the Reform of Commonwealth-State Financial Relations;
- ◆ provided advice on administrative and policy matters relating to the Goods and Services Tax, including monitoring the performance of the Australian Taxation Office in administering the tax;
- ◆ advised on tax relief measures announced in March 2006 and in the 2006-07 Budget that were consistent with the responsible management of the State's finances;
- ◆ published a discussion paper on Commonwealth-State relations to increase public awareness and encourage debate;
- ◆ prepared submissions to the Commonwealth Grants Commission's 2010 Review of its methods of distributing GST revenue grants between the States, and coordinated a major submission to the Commission's Review of the Interstate Distribution of Local Road Grants;
- ◆ chaired an inter-jurisdictional working group seeking to promote better community outcomes from Commonwealth specific purpose payments to the States. A major focus of the group in 2005-06 was the scope for more flexibility in the next Commonwealth State Territory Disability Agreement;
- ◆ assisted with effective governance of State enterprises, such as the Water Corporation and Western Power Corporation (now four successor entities). This included providing ongoing advice to Ministers of affected portfolios;
- ◆ provided advice through submissions to the Economic Regulation Authority's Inquiries into Urban Water and Wastewater Pricing and Cost of Supplying Bulk Potable Water to Kalgoorlie-Boulder;
- ◆ finalised some of the outstanding National Competition Policy review and reform activity, with particular emphasis on minimising risks to 2005-06 payments to Western Australia; and
- ◆ negotiated Commonwealth-State assistance arrangements for local governments affected by the collapse of HIH Insurance.

Report on Operations – Finance

Activities

Provides high level advice on the Government's fiscal strategy, publishes regular reports on the State's finances, researches and develops new policies relating to the financial management framework for the Western Australian public sector, provides advice to agencies on interpretation and implementation of accounting standards, maintains the Treasurer's Accounts and manages the State Fleet operation.

Key Achievements

Across these activities, our people:

- ◆ Assisted the Government in delivering financial outcomes consistent with its financial targets, resulting in confirmation of the State's triple-A credit rating by major ratings agencies Standard & Poor's and Moody's Investor Services.
- ◆ The Department informed the Government's decision-making process with regular analysis and advice on issues that impact on the State's finances. Our regular budget updates to Cabinet's Expenditure Review Committee resulted in sound advice and whole-of-government financial management outcomes.
- ◆ Produced and published a number of key reports on the State's finances, including the:
 - ◆ 2004-05 Government Financial Results Report and Government of Western Australia Consolidated Financial Statements for the year ended 30 June 2005;
 - ◆ 2005-06 Government Mid-Year Financial Projections Statement (mid-year review);
 - ◆ 2006-07 Economic and Fiscal Outlook (Budget Paper No. 3); and
 - ◆ monthly and quarterly public sector financial outcomes publications.

The comprehensive scope of these publications assisted key stakeholders to assess the State's finances and the Government's financial management performance. The high standard of the reports saw Access Economics continue to rank Western Australia's fiscal transparency as the best of all State and Territories.

- ◆ Following Royal Assent of the *Financial Administration Legislation Amendment Act 2005* on 27 June 2005, the Department chaired a steering committee and several working groups to resolve issues and assist agencies with the accelerated financial reporting deadlines applicable from 1 January 2006.
- ◆ The steering committee and working groups provided guidance to agencies and Ministers' offices on the new reporting regime. This work also included:



- ♦ an overhaul of the existing whole-of-government financial publications, in preparation for the publication of a new Annual Report on State Finances in September 2006; and
- ♦ a process review and subsequent tightening of production of monthly and quarterly whole-of-government financial reports released after 1 January 2006, with the December 2005 and March 2006 reports released within the new 60-day reporting deadline, and the non-statutory monthly reports also released on a more timely basis.
- ◆ Developed the Financial Management Bill, which was tabled in Parliament as a Green Bill and referred to the Public Accounts Committee for review in November 2005. Following a positive report from the Public Accounts Committee, this Bill, in conjunction with the Auditor General Bill, was introduced in the Legislative Assembly on 29 June 2006 to replace the *Financial Administration and Audit Act 1985*, which has become progressively less suited to the modern public sector financial management environment.
- ◆ Assisted more agencies to adopt more relevant and useful government-desired outcomes, services and supporting key performance indicators. Major improvements were made for agencies including the Departments of Health, Treasury and Finance and the recently formed Department of Corrective Services.
- ◆ Developed and published model financial statements to assist agencies meet financial reporting requirements under Australian equivalents to International Financial Reporting Standards.
- ◆ Conducted two major agency forums on topical financial management issues to increase awareness and knowledge of financial management and accounting policies and practices in the State public sector.
- ◆ Implemented, in conjunction with the Department of Environment and Conservation (DEC), implemented a carbon neutral program to offset the CO₂ emitted by the government's passenger and light commercial vehicle fleet. The program comprises a tree-planting program with Men Of The Trees and revegetation arrangements with DEC.
- ◆ The excellence of the overall vehicle fleet environmental policy, with a major shift to four-cylinder vehicles, an LPG requirement for a proportion of six-cylinder vehicles, and the carbon neutral program, was recognised when State Fleet won the Australasian Fleet Managers Association National Fleet Environment Award for 2006.

Report on Operations – Agency Resources

Activities

Advises on and manages the allocation of taxpayers' resources to achieve government outcomes by providing quality strategic and operational advice to the Government and agencies on Resourcing, infrastructure and performance issues within the Western Australian Public Sector.

Key Achievements

In these activities, our people:

- ◆ Monitored the progress and assisted in the management of the 2005-06 Budget by providing regular reports and advice to Cabinet's Expenditure Review Sub-Committee.

Major areas of focus included:

- ◆ wages policy;
 - ◆ law and order;
 - ◆ health;
 - ◆ education;
 - ◆ the environment;
 - ◆ children and people with disabilities support;
 - ◆ housing and accommodation support; and
 - ◆ capital works proposals.
- ◆ Contributed to the formulation of the 2006-07 Budget and forward estimates, with process enhancements to increase the quality and timeliness of advice provided to government, including introducing a two-stage budget process which enhanced decision-making.
 - ◆ Continued to make every effort to improve and foster relationships with agencies in recognition of the important role that agencies play in the achievement of our core activities. Through regular visits to agencies, we developed a better understanding of agencies' business and the issues impacting upon them. This enabled us to improve the quality of our advice to both agencies and government.
 - ◆ Developed and implemented the Strategic Asset Management Framework, an integrated policy to improve asset management and capital investment across the State public sector.
 - ◆ Provided support to the State Infrastructure Strategy Reference Group, which was formed to oversee development of the Strategy which will identify and prioritise Western Australia's infrastructure needs



over the next 20 years. The group consists of representatives from the public and private sectors. The strategy is due to be released in 2007.

- ◆ Provided agencies and government with policy, financial and economic advice on a range of matters including the following:
 - ◆ in November 2005, the Government accepted the recommendations of the Mahoney Review of the Criminal Justice System. In this regard, Agency Resources made recommendations to the Expenditure Review Committee on the proposed response to the recommendations;
 - ◆ the Government has a large number of projects underway with significant economic and financial implications. The Department has a key role in providing independent advice to the Government on the progress of these projects, which include health, water, power and transport infrastructure. Specifically, Agency Resources has:
 - been represented on the steering committee for the New MetroRail project which oversees the State's largest capital works project;
 - monitored and provided reports to the Expenditure Review Committee on the progress of the CBD Courts project, which is to be delivered by way of a public private partnership;
 - assisted in the development of major proposals such as the development of a major port at Oakajee, the development of the Ord River Stage Two project and assisted the Office of Native Title in developing appropriate responses for government with regards to native title issues;
 - been involved in the Shared Land Information Platform Executive Committee which provides direction towards this cross-agency initiative aimed at providing seamless access to spatial information across the public sector; and
 - assisted in the development of an Expression of Interest for the development of the 140 William Street site in the centre of the Perth CBD.
- ◆ Effective reform of the Department of Health and public health system is critical. Agency Resources has a continuing involvement in the reform process, including the evaluation of business cases relating to the restructure of the State's health infrastructure system and advice on the progress of health reform relating to the Health Reform Committee (also known as the Reid Review) recommendations and other related issues. As part of this role, Agency Resources provided support and advice to the Under Treasurer in his role as co-chair of the Health Reform Implementation Steering Committee.
- ◆ The Government has an objective to ensure the efficiency and effectiveness of its agencies and, to this end, has established a rolling program of functional reviews. Agency Resources has assisted in providing advice on the structure and process for the review program as well as individual agency reviews.

Report on Operations – Office of Government Procurement

Activities

The Western Australian Government has been implementing a program of public sector reform, which is improving the way it buys goods and services and undertakes building maintenance.

Under the Procurement Reform program, the Department is overseeing implementation of a range of projects and initiatives directed at achieving cost savings and better procurement outcomes across the public sector.

In September 2005, the Program Management Office (PMO), established in 2004 to oversee the procurement reforms, was wound down to ensure that reforms to procurement become part of daily activities, not just an add on. The PMO's remaining activities were incorporated within the operations of a newly consolidated business unit – the Office of Government Procurement (OGP). The OGP's purpose is to lead a whole-of-government approach to procurement that meets agency business needs efficiently, manages risk, delivers value for money, and makes procurement reform an everyday consideration for agencies

Key Achievements

- ◆ Implemented an improved whole-of-government procurement savings 'harvest' model, through which \$114 million was returned to the Government in 2005-06 for allocation to areas of priority spending. This model has been applied across the forward estimates to 2008-09 to realise savings in public spending totalling \$495 million.
- ◆ Improved procurement decision-making, information sharing, performance measurement and reporting have been important focuses of the reform. As a result, since July 2005, the 24 largest spending agencies have received monthly Buying Behaviour Reports, which have helped them to maximise the benefits available under new and redeveloped whole-of-government contracts.
- ◆ The annual Procurement Reform Stakeholder Survey, conducted in late 2005, reported strong support for the reform program from Government Agency CEOs and their buyers.

Client Procurement Services

- ◆ Continued to deliver a quality tendering and contracting service to agencies, achieving a customer service satisfaction level of 91 per cent.
- ◆ Finalised the transition of the Department of Health's tendering and contracting function to the Department of Treasury and Finance, marking the completion of the procurement staff 'rebadging' initiative. The public sector now has a single team of procurement specialists applying consistent practices and standards for all State Supply Commission (SSC) Act buying.



- ◆ Established and resourced Regional Buying Centres in the South West, Mid West and Goldfields-Esperance regions, along with their respective local client councils and supplier advisory groups. This initiative will improve procurement outcomes for government operations located in regional WA and strengthens the Buy Local Policy by increasing opportunities for regional based business.
- ◆ Implemented new programs to develop the skills of procurement practitioners, including tertiary level studies in strategic procurement and a special program for all new procurement staff.

Strategic Procurement Services

- ◆ Our people developed and awarded 18 common use arrangements (CUAs), including the following (with contract values shown):
 - ◆ basic carriage telecommunications services (\$400 million);
 - ◆ uniforms (\$57 million);
 - ◆ groceries (\$45 million);
 - ◆ human resource services (\$30 million);
 - ◆ waste disposal (\$17 million);
 - ◆ metro courier services (\$10.5 million);
 - ◆ general hardware (\$4.3 million);
 - ◆ audio visual devices (\$6.4 million); and
 - ◆ disposal of Information Communications Technology (ICT) equipment.

Expenditure through CUAs in 2005-06 was valued at \$1,266 million. Overall customer satisfaction was 93.3 per cent, with 82.9 per cent of customers (up 2.4 percentage points on last year) satisfied that CUAs deliver value for money.

- ◆ Conducted 53 training courses and events to communicate, promote and increase awareness of the range of CUAs and procurement initiatives being led by the OGP. Over 2,200 government buyers attended these events, which included launches of new CUAs, Better Buying awareness sessions, Procuring Professional Advisory Services workshops, and a range of briefing sessions. Overall participant satisfaction with these events was 81.8 per cent, compared with 77.2 per cent the previous year
- ◆ Provided a specialist service for the procurement of ICT goods and services across 110 contracts with an estimated total value of around \$240 million, achieving a customer service satisfaction level of 93 per cent. This work included the purchase of a new gaming system for Lotterywest and preparations for the procurement of new information systems for the Department of Health.

Report on Operations – Office of Government Procurement

(continued)

- ◆ Significant industry consultation was undertaken on proposed revisions to the ICT General Conditions of Contract and Request documents. The revised documents will be finalised and launched in the first quarter of 2006-07.

Procurement Systems and Standards

- ◆ Created a new web-based Contract Development and Management System (CDMS) and deployed it to approximately 200 OGP staff. The CDMS is now used for all publicly tendered projects. The system deployment was delivered on time and on budget across all 28 OGP office locations.
- ◆ Worked with the Office of Shared Services (OSS) to develop whole-of-government product catalogues and e-procurement systems. These systems will provide online access to all common use contracts as agencies join the OSS.
- ◆ Developed and introduced the first Government Contract Directory using new e-book technology. A customised version of the directory was also developed for use in State schools.
- ◆ Created the Government Supplier Register (GSR) that uniquely identifies each supplier to government. The register will be used in conjunction with the shared services clusters to enable consolidated reporting of expenditure with suppliers across the public sector.
- ◆ Worked closely with the State Supply Commission to roll out the United Nations Standard Products and Services Code (UNSPSC) classification system for the 2005-06 Who Buys What report. This classification system will provide a more detailed view and a useful analysis of government expenditure on goods and services.
- ◆ Began decommissioning a number of eCommerce products currently offered to government agencies. Those to be moved to the private sector include SalesNet, WAFastPay and ProcureLink.



Report on Operations – Office of State Revenue

Activities

The assessment and collection of a range of statutory-based revenues, including stamp duties, land tax and pay-roll tax, and those that are collected on behalf of other agencies or other jurisdictions, and the assessment and payment of a range of grants and subsidies under both statutory and administrative schemes.

Key Achievements

- ◆ Undertook revenue law administration. Our people:
 - ◆ raised \$4.48 billion in revenue;
 - ◆ paid \$184 million in grants and subsidies;
 - ◆ answered 172,000 phone calls in relation to revenue and grant enquiries;
 - ◆ processed 508,640 stamp duty assessments, 103,143 land tax assessments, 74,880 pay-roll tax returns and associated payments;
 - ◆ reduced overdue debt associated with taxes and grants that were required to be repaid, from \$89.8 million to \$55.2 million. Just under \$12.3 million was written off.
 - ◆ completed 7,125 investigations that raised additional tax or recovered grants of \$46.8 million; and
 - ◆ developed draft legislation and implemented system and procedural changes to accommodate changes in Government policy.
- ◆ Improved revenue administration by:
 - ◆ developing further the systems and procedures to reduce compliance costs for people seeking to meet their State taxation obligations or to access grants or subsidies to which they may be entitled;
 - ◆ completing an examination of the replacement options for the Revenue Collection Information System (RCIS);
 - ◆ continuing to build and manage key customer relationships in a way that avoids duplicating contact with common customers and ensures relationships are managed in a coordinated manner; and
 - ◆ continuing to emphasise voluntary compliance through customer education initiatives.
- ◆ Improved the administration of stamp duties by:
 - ◆ commencing a review of the *Stamp Act 1921* in preparation for a re-write of the Act in more contemporary language having regard to current business practices and the outcomes of the State Tax Review;

Report on Operations – Office of State Revenue (continued)

- ♦ introducing a new Stamp Duty Document Assessment and Lodgement Form to streamline the document lodgement process;
 - ♦ creating a Technical Advice and Specialist Services branch to further develop the stamp duty expertise within the Office of State Revenue; and
 - ♦ expanding use of the Revenue On-Line (ROL) on-line stamping facility to eliminate the collection-by-return disc-based facility and manual return lodgements, thereby improving customer service and reducing compliance risk.
- ◆ Further improved the ROL pay-roll tax suite of services, including enhancing the pay-roll tax lodgement regime to accommodate mandatory monthly electronic lodgement and payment for high value taxpayers, and to facilitate lodgement of pay-roll tax returns on a quarterly basis.
 - ◆ Improved the land and financial taxes scheme through a land data management project. This dealt with matters identified in the analysis phase of a review of computing interfaces in respect of data sources and the processing of associated information.
 - ◆ Improved the administration of grant and subsidy schemes by:
 - ♦ continuing to liaise with the Commonwealth and other jurisdictions regarding the administration of the First Home Owner Grant (FHOG) scheme, including accessing information held by certain Commonwealth agencies to improve compliance;
 - ♦ continuing the work being undertaken to receive pensioner and seniors' data automatically from the Commonwealth and the Office of Seniors Interests and Volunteering; and
 - ♦ integrating the Life Support Equipment Energy Subsidy Scheme operations into the OSR, and finalising the supporting computer system for the scheme.
 - ◆ Provided legislative support services to the Treasurer and Members of Parliament associated with ten amending Bills and Acts and seven regulation changes.
 - ◆ Reviewed the *First Home Owner Grant Act 2000* and reported the outcome to the Treasurer.
 - ◆ Supported the consideration of the technical and administrative issues arising from submissions to the State Tax Review.
 - ◆ Participated in ongoing interjurisdictional revenue office initiatives aimed at improving operations in the areas of business practices, taxation law, compliance and FHOG administration.



Report on Operations – Office of Native Title

Activities

The Office of Native Title was transferred to the Department of Treasury and Finance on 7 April 2006.

Key activities include implementation of the State Government's native title policy; assessment of the evidentiary material provided by native title applicants in support of their native title claims (connection reports); negotiation of consent determinations and major land use agreements; and the provision of advice and support to other agencies to ensure that future acts are valid and comply with the *Native Title Act 1993 (Cth)*.

Key Achievements in 2005- 06

Our people assessed five connection reports:

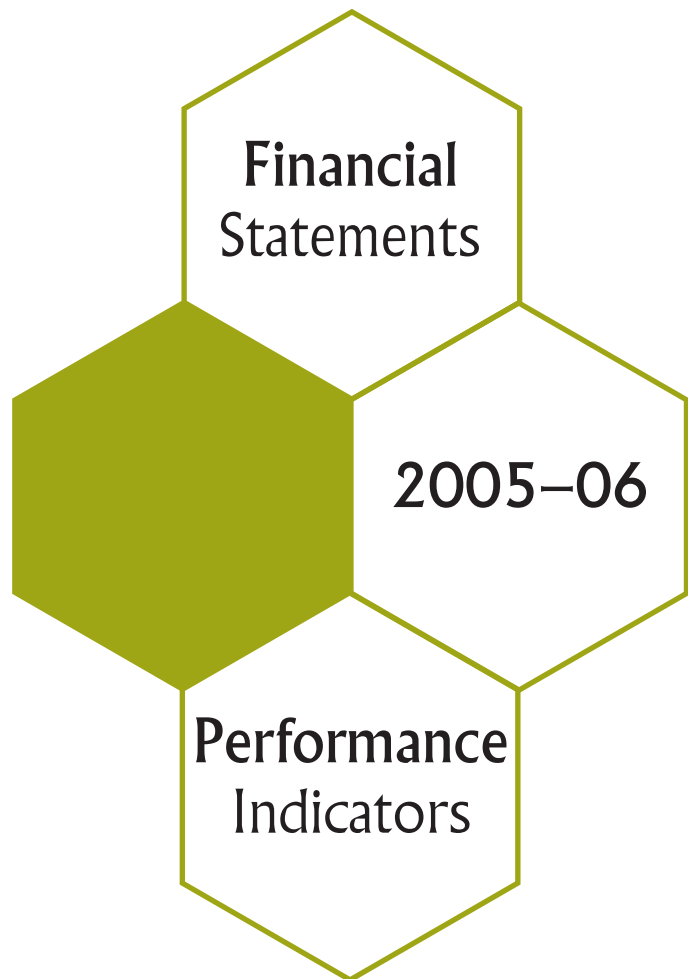
- ◆ Unguu native title determination application;
- ◆ Dambimangari native title determination application;
- ◆ Eastern Guruma native title determination application;
- ◆ Thudgari native title determination application; and
- ◆ Kariyarra native title determination application.

Made substantial progress towards the resolution of six native title determination applications:

- ◆ On 28 April the Federal Court handed down its final determination over the Rubibi Native Title Determination application. The determination area covers approximately 5,297 square kilometres of land in the Kimberley Region.
 - ◆ Determinations are pending for the Wongatha native title determination application, which is located in the Goldfields region and the Combined Metropolitan native title determination application.
 - ◆ Consent determinations are being finalised for the Ngarla, Miriuwung Gajerrong #4 and Noonkanbah native title determination applications.
- ◆ Substantial progress was made in the implementation of the Ord Final Agreement and the Burrup and Maitland Industrial Estates Agreement:
 - ◆ On 28 June (Satisfaction Date) responsibility for the Ord Final Agreement was transferred to the Miriuwung Gajerrong Traditional Owners, facilitating the first transfer of benefits (valued at approximately \$7 million).
 - ◆ The Murujuga Aboriginal Corporation was incorporated on 19 April. The Corporation will manage the benefits that flow from the Burrup and Maitland Industrial Estates Agreement on behalf of the Ngarluma Yindjibarndi, Yaburara Mardudhunera and Wong-goo-tt-oo people.

Report on Operations – Office of Native Title (continued)

- ◆ Finalised the Goldfields Regional Standard Heritage Agreement review and established the terms of reference established for a review of the Pilbara, Geraldton, Central Desert and South West Agreements.
- ◆ The Future Acts Unit began development of a new policy for land access in the post determination environment.
- ◆ Introduced a new publication Preparing Connection Material: A Practical Guide was released and distributed to Native Title Representative Bodies, independent anthropologists and historians involved in native title research.



Opinion of Auditor General



AUDITOR GENERAL

INDEPENDENT AUDIT OPINION

To the Parliament of Western Australia

DEPARTMENT OF TREASURY AND FINANCE FINANCIAL STATEMENTS AND PERFORMANCE INDICATORS FOR THE YEAR ENDED 30 JUNE 2006

Audit Opinion

In my opinion,

- (i) the financial statements are based on proper accounts and present fairly the financial position of the Department of Treasury and Finance at 30 June 2006 and its financial performance and cash flows for the year ended on that date. They are in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia and the Treasurer's Instructions;
- (ii) the controls exercised by the Department provide reasonable assurance that the receipt, expenditure and investment of moneys, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions; and
- (iii) the key effectiveness and efficiency performance indicators of the Department are relevant and appropriate to help users assess the Department's performance and fairly represent the indicated performance for the year ended 30 June 2006.

Scope

The Under Treasurer is responsible for keeping proper accounts and maintaining adequate systems of internal control, for preparing the financial statements and performance indicators, and complying with the Financial Administration and Audit Act 1985 (the Act) and other relevant written law.

The financial statements consist of the Income Statement, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement, Schedule of Expenses and Revenues by Service, Summary of Consolidated Fund Appropriations and Income Estimates, and the Notes to the Financial Statements.

The performance indicators consist of key indicators of effectiveness and efficiency.

Summary of my Role

As required by the Act, I have independently audited the accounts, financial statements and performance indicators to express an opinion on the financial statements, controls and performance indicators. This was done by testing selected samples of the evidence. Further information on my audit approach is provided in my audit practice statement. Refer "<http://www.audit.wa.gov.au/pubs/Audit-Practice-Statement.pdf>".

An audit does not guarantee that every amount and disclosure in the financial statements and performance indicators is error free. The term "reasonable assurance" recognises that an audit does not examine all evidence and every transaction. However, my audit procedures should identify errors or omissions significant enough to adversely affect the decisions of users of the financial statements and performance indicators.

D D R PEARSON
AUDITOR GENERAL
20 September 2006

4th Floor Dumas House 2 Havelock Street West Perth 6005 Western Australia Tel: 08 9222 7500 Fax: 08 9322 5664



Certification of Financial Statements

for the year ended 30 June 2006

The accompanying financial statements of the Department of Treasury and Finance have been prepared in compliance with the provisions of the *Financial Administration and Audit Act 1985* from proper accounts and records to present fairly the financial transactions for the financial year ending 30 June 2006 and the financial position as at 30 June 2006.

At the date of signing we are not aware of any circumstances which would render the particulars included in the financial statements misleading or inaccurate.

Tim Marney
ACCOUNTABLE OFFICER

11 September 2006

Paul Goonting
CHIEF FINANCE OFFICER

11 September 2006

Financial Statements

Income Statement

for the year ended 30 June 2006

	Note	2006 \$'000	2005 \$'000
COST OF SERVICES			
Expenses			
Employee benefits expense	5	55,160	49,938
Supplies and services	6	30,660	24,328
Depreciation and amortisation expense	7	3,873	4,197
Accommodation expenses	8	5,401	5,374
Grants and subsidies	9	940	50
Capital user charge	10	1,903	2,368
Loss on disposal of non-current assets	11	30	28
Other expenses	12	1,011	659
Total cost of services		98,978	86,942
Income			
	13		
User charges and fees		9,970	13,174
Commonwealth grants and contributions		8	42
Interest revenue		2	–
Other revenue		548	3,053
Total income other than income from State Government		10,528	16,269
NET COST OF SERVICES		88,450	70,673
INCOME FROM STATE GOVERNMENT			
	14		
Service appropriation		71,986	53,791
Liabilities assumed by the Treasurer		396	1,036
Resources received free of charge		10,391	9,187
Total income from State Government		82,773	64,014
DEFICIT FOR THE PERIOD		(5,677)	(6,659)

The Income Statement should be read in conjunction with the accompanying notes.



Balance Sheet

for the year ended 30 June 2006

	Note	2006 \$'000	2005 \$'000
ASSETS			
Current Assets			
Cash and cash equivalents	15	47,165	6,611
Restricted cash and cash equivalents	16	3,958	–
Receivables	17	2,667	2,759
Amounts receivable for services	18	4,506	2,115
Other current assets	19	483	958
Total Current Assets		58,779	12,443
Non-Current Assets			
Restricted cash and cash equivalents	16	181	–
Amounts receivable for services	18	12,366	12,896
Property, plant and equipment	20	3,864	3,678
Intangible assets	21	12,495	12,788
Total Non-Current Assets		28,906	29,362
TOTAL ASSETS		87,685	41,805
LIABILITIES			
Current Liabilities			
Payables	23	4,206	430
Provisions	24	12,510	11,477
Other current liabilities	25	1,406	418
Total Current Liabilities		18,122	12,325
Non-Current Liabilities			
Provisions	24	4,128	3,662
Total Non-Current Liabilities		4,128	3,662
Total Liabilities		22,250	15,987
NET ASSETS		65,435	25,818
EQUITY			
Contributed equity	26	66,609	21,315
Accumulated surplus/(deficit)		(1,174)	4,503
TOTAL EQUITY		65,435	25,818

The Balance Sheet should be read in conjunction with the accompanying notes.

Statement of Changes in Equity

for the year ended 30 June 2006

	Note	2006 \$'000	2005 \$'000
	26		
Balance of equity at start of period		25,818	32,077
CONTRIBUTED EQUITY			
Balance at start of period		21,315	20,915
Capital contribution		5,891	400
Other contribution by owners		39,403	–
Balance at end of period		66,609	21,315
ACCUMULATED SURPLUS (RETAINED EARNINGS)			
Balance at start of period		4,503	11,162
Net adjustment on transition to AIFRS		–	141
Restated balance at start of period		4,503	11,303
Deficit for the period		(5,677)	(6,800)
Balance at end of period		(1,174)	4,503
Balance of equity at end of period		65,435	25,818
Total income and expense for the period		(5,677)	(6,659)

The Statement of Changes in Equity should be read in conjunction with the accompanying notes.



Cash Flow Statement

for the year ended 30 June 2006

	Note	2006 \$'000	2005 \$'000
CASH FLOWS FROM STATE GOVERNMENT			
Service appropriation		68,136	49,813
Capital contributions		5,891	400
Other contributions by owners		39,403	–
Holding account drawdowns		1,988	1,131
Net cash provided by State Government		115,418	51,344
Utilised as follows:			
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Employee benefits		(53,619)	(47,299)
Supplies and services		(15,043)	(17,661)
Capital User Charge		(1,903)	(2,368)
Accommodation		(5,401)	(5,469)
Grants and subsidies		(940)	(50)
GST payments on purchases		(2,510)	(2,677)
GST payments to taxation authority		(1,349)	(1,096)
Other payments		(939)	(648)
Receipts			
User fees, charges and other revenue		11,260	16,470
Commonwealth grants and contributions		8	42
GST receipts on sales		679	1,242
GST receipts from taxation authority		2,556	2,198
Net cash used in Operating Activities	27(b)	(67,201)	(57,316)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of non-current physical assets		(3,524)	(2,143)
Net cash used in Investing Activities		(3,524)	(2,143)
Net increase/(decrease) in cash and cash equivalents		44,693	(8,115)
Cash and cash equivalents at the beginning of period		6,611	14,726
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	27(a)	51,304	6,611

The Cash Flow Statement should be read in conjunction with the accompanying notes.

Schedule of Income and Expenses by Service for the year ended 30 June 2006

	Resourcing of Services and Budget Development		Asset Management and Financing		Fiscal Management and Reporting		Financial Management Framework Development and Advice		Structural Policy Development and Advice	
	2006 \$000	2005 \$000	2006 \$000	2005 \$000	2006 \$000	2005 \$000	2006 \$000	2005 \$000	2006 \$000	2005 \$000
COST OF SERVICES										
Expenses										
Employee benefits expense	5,680	5,532	1,086	1,063	2,227	2,346	1,630	1,482	1,681	1,381
Supplies and services	860	837	280	274	648	684	187	170	280	230
Depreciation and amortisation expense	360	351	37	36	105	111	63	57	79	65
Accommodation expenses	735	716	79	77	455	479	186	169	261	214
Grants and subsidies	—	—	—	—	—	—	55	50	—	—
Capital user charge	79	77	4	4	21	22	13	12	16	13
Loss on disposal of assets	3	3	—	—	2	2	1	1	1	1
Other expenses	39	38	9	9	19	20	11	10	11	9
Total cost of services	7,756	7,554	1,495	1,463	3,477	3,664	2,146	1,951	2,329	1,913
Income										
User charges and fees	19	30	318	517	6	9	4	6	6	9
Commonwealth grants and contributions	—	—	—	2	—	—	—	—	—	—
Interest revenue	—	—	—	—	—	—	—	—	—	—
Other revenue	4	7	74	120	1	2	1	2	1	2
Total income other than income from State Government	23	37	392	639	7	11	5	8	7	11
NET COST OF SERVICES	7,733	7,517	1,103	824	3,470	3,653	2,141	1,943	2,322	1,902
INCOME FROM STATE GOVERNMENT										
Service appropriation	7,445	5,722	816	628	3,671	2,780	1,947	1,478	1,906	1,447
Liabilities assumed by the Treasurer	51	116	17	22	41	49	22	31	19	29
Resources received free of charge	42	32	16	16	13	10	9	7	12	9
Total income from State Government	7,538	5,870	849	666	3,725	2,839	1,978	1,516	1,937	1,485
Surplus/(deficit) for the period	(195)	(1,647)	(254)	(158)	255	(814)	(163)	(427)	(385)	(417)

Note: The Bureau Services relate to the provision of services to other agencies and do not form part of the outputs of the Department. The Schedule of Income and Expenses by Service should be read in conjunction with the accompanying notes.



	Economic, Revenue Intergovernmental Policy Development and Advice		Revenue Assessment and Collection		Grants and Subsidies Administration		Development and Implementation of Public Sector Procurement Arrangements and Systems		Native Title		Bureau Services		Total		
	2006 \$000	2005 \$000	2006 \$000	2005 \$000	2006 \$000	2005 \$000	2006 \$000	2005 \$000	2006 \$000	2005 \$000	2006 \$000	2005 \$000	2006 \$000	2005 \$000	2006 \$000
2,646	2,423	17,481	15,976	1,690	1,579	17,836	453	320	55,160	49,938					
686	628	13,394	12,240	331	309	8,915	134	41	30,660	24,328					
131	120	1,612	1,473	110	103	1,881	13	-	3,873	4,197					
448	410	2,219	2,028	119	111	1,170	-	-	5,401	5,374					
-	-	-	-	-	-	373	512	-	940	50					
20	18	1,067	975	109	102	1,145	-	-	1,903	2,368					
1	1	9	8	1	1	11	-	-	30	28					
23	21	326	298	12	12	240	208	2	1,011	659					
3,955	3,621	36,108	32,998	2,372	2,217	37,657	1,320	363	98,978	86,942					
11	17	968	2,366	214	322	8,129	9,602	295	9,970	13,174					
-	-	-	8	-	1	8	31	1	8	43					
-	-	-	-	-	-	2	-	-	2	-					
2	4	224	548	50	75	123	2,225	68	548	3,053					
13	21	1,192	2,922	264	398	8,262	11,858	364	10,528	16,270					
3,942	3,600	34,916	30,076	2,108	1,819	29,395	19,340	(1)	88,450	70,672					
3,613	2,740	29,145	22,880	1,820	1,385	14,731	-	-	71,986	53,791					
41	51	75	334	43	33	87	372	-	396	1,037					
24	18	10,264	8,981	8	12	3	102	-	10,391	9,187					
3,678	2,809	39,484	32,195	1,871	1,430	21,713	15,205	-	82,773	64,015					
(264)	(791)	4,568	2,119	(237)	(389)	(7,682)	(4,135)	-	(5,677)	(6,657)					

Summary of Consolidated Fund Appropriations and Revenue Estimates

for the year ended 30 June 2006

	2006 Estimate \$'000	2006 Actual \$'000	Variation \$'000	2006 Actual \$'000	2005 Actual \$'000	Variation \$'000
SERVICE DELIVERY						
Item 10 Net amount appropriated to deliver services	64,515	71,112	6,597	71,112	52,942	18,170
Amount Authorised by Other Statutes						
Salaries and Allowances Act 1975	874	874	–	874	849	25
Total appropriations provided to deliver services	65,389	71,986	6,597	71,986	53,791	18,195
Capital						
Capital Contribution	–	5,891	5,891	5,891	400	5,491
Total Capital Appropriation to deliver services	–	5,891	5,891	5,891	400	5,491
ADMINISTERED TRANSACTIONS						
Community Service Obligations						
Item 11 Electricity Corporation	49,649	44,018	(5,631)	44,018	46,178	(2,160)
Item 12 Forest Products Commission	1,070	1,070	–	1,070	1,070	–
Item 13 Water Corporation of Western Australia	340,416	339,821	(595)	339,821	288,253	51,568
Item 14 Western Australian Land Authority	22,922	25,420	2,498	25,420	22,444	2,976
Total Community Service Obligations	414,057	401,329	(3,728)	410,329	357,945	52,384
Grants Subsidies and Transfer Payments						
Aerial Shark Surveillance Program	–	127	127	127	131	(4)
Item 15 Albany Port Authority	151	151	–	151	173	(22)
Item 16 Armadale Redevelopment Authority	1,470	1,470	–	1,470	1,180	290
Item 17 Broome Port Authority	575	1,151	576	1,151	–	1,151
Item 18 First Home Owners' Assistance	123,100	123,009	(91)	123,009	124,757	(1,748)
Item 19 GST Administration Costs	59,300	60,105	805	60,105	58,480	1,625
Item 20 HIH Insurance Rescue Package	600	16	(584)	16	23	(7)
Item 21 Life Support Equipment – Electricity Subsidy Scheme	534	585	51	585	–	585
Item 22 Office of Health Review	1,223	1,390	167	1,390	1,197	193
Item 23 On-Road Diesel Subsidies	5,000	7,800	2,800	7,800	6,894	906
Item 24 Ord Enhancement and Global Benefits Scheme	9,865	–	(9,865)	–	–	–
Item 25 Pensioner Concessions – Emergency Services Levy	6,390	6,744	354	6,744	6,794	(50)
Item 26 Pensioner Concessions – Local Government and Water Rates	46,473	45,200	(1,273)	45,200	43,340	1,860
Item 27 Provision for Unfunded Liabilities in the Government Insurance Fund	4,030	4,055	25	4,055	2,535	1,520
Item 28 Refunds of Past Years Revenue Collections – Public Corporations	100	12,279	12,179	12,279	338	11,941
Item 29 Refund of Past Years Revenue Collections – All Other	11,000	19,359	8,359	19,359	12,763	6,596
Item 30 State Housing Commission – Emergency Services Levy	2,100	2,100	–	2,100	2,100	–
Item 31 State Housing Commission – General Housing Funding	5,000	5,000	–	5,000	8,000	(3,000)
Item 32 State Housing Commission – Indigenous Housing	18,483	18,483	–	18,483	18,483	–
Item 33 State Housing Commission – Subsidies for Housing	3,480	3,480	–	3,480	3,480	–
Item 34 State Property – Emergency Services Levy	9,324	8,866	(458)	8,866	7,662	1,204
Item 35 Water Corporation – State Water Strategy Rebate Scheme	9,000	11,940	2,940	11,940	8,372	3,568



Summary of Consolidated Fund Appropriations and Revenue Estimates

for the year ended 30 June 2006

	2006 Estimate \$'000	2006 Actual \$'000	Variation \$'000	2006 Actual \$'000	2005 Actual \$'000	Variation \$'000
Item 36 Water Corporation of Western Australia – Part Reimbursement of Land Sales	10	1,061	1,051	1,061	–	1,061
Item 37 Western Australian Building Management Authority - Interest	5,633	5,633	–	5,633	6,679	(1,046)
Item 38 Wine Equalisation Tax Rebate	2,400	–	(2,400)	–	–	–
Item 39 All Other Grants, Subsidies and Transfer Payments	3,812	3,116	(696)	3,116	3,166	(50)
HIH Insurance - Local Government Assistance	–	3,700	3,700	3,700	–	3,700
Stamp Duty Rebate Scheme	–	1,336	1,336	1,336	–	1,336
Fund the HMAS Sydney Foundation	–	100	100	100	–	100
Total Grants, Subsidies and Transfer Payments	329,053	348,256	19,203	348,256	316,547	31,709
Authorised by Other Statutes						
Gold Corporation Act 1987	55	26	(29)	26	23	3
Judges' Salaries and Pensions Act 1950	4,146	5,384	1,238	5,384	6,361	(977)
Parliamentary Superannuation Act 1970	7,950	5,873	(2,077)	5,873	9,205	(3,332)
State Superannuation Act 2000	469,005	440,901	(28,104)	440,901	436,624	4,277
Tobacco Control Act 1990	17,753	17,753	–	17,753	17,363	390
Unclaimed Money Act 1990	500	470	(30)	470	431	39
Unclaimed Money (Superannuation and RSA Providers) Act 2003	50	190	140	190	81	109
Western Australian Treasury Corporation Act 1986						
– Interest	30,812	13,483	(17,329)	13,483	27,773	(14,290)
– Loan Guarantee Fees	746	–	(746)	–	604	(604)
Loan (Financial Agreement) Act 1991						
– Interest	–	–	–	–	14,912	(14,912)
– Loan Guarantee Fees	–	–	–	–	294	(294)
Total Amounts Authorised by Other Statutes	531,017	484,080	(46,937)	484,080	513,671	(29,591)
Total Administered Recurrent Appropriation	1,274,127	1,242,665	(31,462)	1,242,665	1,188,163	54,502
ADMINISTERED CAPITAL						
Government Equity Contributions						
Item 121 Albany Port Authority	2,600	–	(2,600)	–	–	–
Item 122 Armadale Redevelopment Authority	3,000	3,000	–	3,000	3,000	–
Item 123 Broome Port Authority	1,250	1,500	250	1,500	–	1,500
Item 124 Department of Health	133,933	52,102	(81,831)	52,102	82,677	(30,575)
Item 125 Electricity Corporation	13,220	7,290	(5,930)	7,290	6,000	1,290
Item 126 Forest Products Commission	1,291	1,270	(21)	1,270	1,270	–
Item 127 Fremantle Port Authority	1,533	1,528	(5)	1,528	5,319	(3,791)
Item 128 Midland Redevelopment Authority	3,440	3,440	–	3,440	–	3,440
Item 129 State Housing Commission	15,000	15,000	–	15,000	19,105	(4,105)
Item 130 Western Australian Building Management Authority	7,626	7,626	–	7,626	7,375	251
Item 131 Western Australian Meat Industry Commission	1,596	1,596	–	1,596	–	1,596
Western Australian Land Authority	–	20,000	20,000	20,000	5,000	15,000
Total Government Equity Contributions	184,489	114,352	(70,137)	114,352	129,746	(15,394)

Summary of Consolidated Fund Appropriations and Revenue Estimates

for the year ended 30 June 2006

	2006 Estimate \$'000	2006 Actual \$'000	Variation \$'000	2006 Actual \$'000	2005 Actual \$'000	Variation \$'000
Authorised by Other Statutes						
Western Australian Treasury Corporation Act 1986 – Capital	–	244,000	244,000	244,000	168,661	75,339
Loan (Financial Agreement) Act 1991 – Capital	–	–	–	–	308,478	(308,478)
Total Capital Contributions Authorised by Other Statutes	–	244,000	244,000	244,000	477,139	(233,139)
Total Administered Capital Appropriations	184,489	358,352	173,863	358,352	606,885	(248,533)
TOTAL ADMINISTERED APPROPRIATIONS	1,524,005	1,678,894	154,889	1,678,894	1,849,239	(170,345)
DETAILS OF SERVICE EXPENDITURE						
Details of expenditure by services						
Resourcing of Services and Budget Development	7,620	7,756	136	7,756	7,554	202
Asset Management and Financing	2,237	1,495	(742)	1,495	1,463	32
Financial Management and Reporting	4,002	3,477	(525)	3,477	3,664	(187)
Financial Management Framework Development and Advice	1,789	2,146	357	2,146	1,951	195
Structural Policy Development and Advice	2,240	2,329	89	2,329	1,913	416
Economic, Revenue and Intergovernmental Policy Development and Advice	3,467	3,955	488	3,955	3,621	334
Revenue Assessment and Collection	32,179	36,108	3,929	36,108	32,998	3,110
Grants and Subsidies Administration	2,712	2,372	(340)	2,372	2,217	155
Development and Implementation of Public Sector Procurement Arrangements and Systems	29,272	37,657	8,385	37,657	31,198	6,459
Native Title	–	1,320	1,320	1,320	–	1,320
Bureau Services	–	363	363	363	363	–
Total Cost of Services	85,518	98,978	13,460	98,978	86,942	12,036
Less total income	(11,289)	(10,528)	761	(10,528)	(16,270)	5,742
Net Cost of Services	74,229	88,450	14,221	88,450	70,672	17,778
Adjustments*	(8,840)	(16,464)	(7,624)	(16,464)	(16,881)	417
Total appropriations provided to deliver services	65,389	71,986	6,597	71,986	53,791	18,195
Details of Capital Expenditure						
Purchase of non-current physical assets	2,541	3,524	(983)	3,524	2,143	1,381
Adjustments for other funding sources	(2,541)	2,367	(4,908)	2,367	(1,743)	4,110
Capital Contribution (appropriation)	–	5,891	(5,891)	5,891	400	5,491

* Adjustments comprise movements in cash balances and other accrual items such as receivables, payables and superannuation.



Summary of Consolidated Fund Appropriations and Revenue Estimates

for the year ended 30 June 2006

	2006 Estimate \$'000	2006 Actual \$'000	Variation \$'000	2006 Actual \$'000	2005 Actual \$'000	Variation \$'000
DETAILS OF INCOME ESTIMATES						
Sale of Goods and Services						
Sale of Goods and Services	29,133	32,097	2,964	32,097	23,317	8,780
	29,133	32,097	2,964	32,097	23,317	8,780
Taxation						
Stamp duty - insurance	295,500	299,108	3,608	299,108	279,928	19,180
Stamp duty - mortgages	109,700	173,624	63,924	173,624	139,595	34,029
Stamp duty - motor vehicles	298,500	342,244	43,744	342,244	302,525	39,719
Stamp duty - conveyancing and transfers	1,003,700	1,916,434	912,734	1,916,434	1,218,330	698,104
Stamp duty - share and marketable securities	–	63	63	63	4,975	(4,912)
Stamp duty - other financial and capital transactions	–	2	2	2	12	(10)
Stamp duty - rental business	28,000	31,966	3,966	31,966	29,010	2,956
Stamp duty - other	3,000	1,374	(1,626)	1,374	2,003	(629)
Payroll tax	1,247,000	1,358,958	111,958	1,358,958	1,226,202	132,756
Debits tax	8,000	8,435	435	8,435	99,555	(91,120)
Betting tax	55,671	63,198	7,527	63,198	56,771	6,427
Land tax	322,000	314,544	(7,456)	314,544	314,823	(279)
Metropolitan Region Improvement Tax	54,000	53,403	(597)	53,403	47,128	6,275
Off Road Diesel	–	–	–	–	499	(499)
	3,425,071	4,563,353	1,138,282	4,563,353	3,721,356	841,997
Commonwealth grants						
Goods and services	3,819,600	3,816,108	(3,492)	3,816,108	3,646,228	169,880
Compensation (companies regulation)	16,601	16,489	(112)	16,489	16,087	402
Competition reform payment	39,450	66,948	27,498	66,948	53,568	13,380
Debt redemption assistance	23,600	23,601	1	23,601	3,072	20,529
Local Government (Financial Assistance Grants)	109,012	111,072	2,060	111,072	104,958	6,114
Local Government (Road Funding)	75,279	76,334	1,055	76,334	72,379	3,955
Mirror taxes	18,500	17,381	(1,119)	17,381	16,137	1,244
Non-government Schools	500,618	543,804	43,186	534,804	503,247	40,557
Pensioner Concession Assistance	17,200	17,268	68	17,268	16,670	598
Other	9,526	375	(9,151)	375	12,344	(11,969)
	4,629,386	4,689,380	59,994	4,689,380	4,444,690	244,690
Dividends and Taxes						
Government Enterprises – Dividends	463,403	539,013	75,610	539,013	470,334	68,679
Income Tax - Tax Equivalent Regime	238,439	302,122	63,683	302,122	288,531	13,591
Local Government Rates - Tax Equivalent Regime	6,586	7,617	1,031	7,617	6,385	1,232
	708,428	848,752	140,324	848,752	765,250	83,502

Summary of Consolidated Fund Appropriations and Revenue Estimates

for the year ended 30 June 2006

	2006 Estimate \$'000	2006 Actual \$'000	Variation \$'000	2006 Actual \$'000	2005 Actual \$'000	Variation \$'000
Other Revenue						
Consolidated Fund revenue received from agencies	3,162,340	3,383,477	221,137	3,383,477	2,890,140	493,337
Capital User Charge	846,739	854,153	7,414	854,153	772,345	81,808
Interest	88,634	112,950	24,316	112,950	91,087	21,863
Loan Guarantee Fees	15,426	16,027	601	16,027	13,707	2,320
Pension Recoups	15,501	14,265	(1,236)	14,265	13,649	616
Consolidated Fund (superannuation reimbursement)	118,570	124,826	6,256	124,826	130,415	(5,589)
Other	11,397	14,412	3,015	14,412	16,381	(1,969)
	4,258,607	4,520,110	261,503	4,520,110	3,927,724	592,386
TOTAL INCOME ESTIMATES	13,050,625	14,653,692	1,603,067	14,653,692	12,882,337	1,771,355

* Adjustments comprise movements in cash balances and other accrual items such as receivables, payables and superannuation.



Notes to the Financial Statements

for the year ended 30 June 2006

1. Departmental mission and funding

The Department's mission is to provide quality economic and financial advice, financial management and government procurement, and to administer revenue laws fairly and equitably.

The Department is predominantly funded by parliamentary appropriation. Revenues controlled by the Department are net appropriated under the Financial Administration and Audit (Net Appropriations) Determination 2006. The financial statements encompass all funds through which the Department controls resources to carry out its functions.

In the process of reporting on the Department as a single entity, all intra-entity transactions and balances have been eliminated.

2. First time adoption of Australian equivalents to International Financial Reporting Standard

(a) General

This is the Department's first published financial statements prepared under Australian equivalents to International Financial Reporting Standards (AIFRS).

Accounting Standard AASB 1 'First-time Adoption of Australian Equivalents to International Financial Reporting Standards' has been applied in preparing these financial statements. Until 30 June 2005, the financial statements have been prepared under the previous Australian Generally Accepted Accounting Principles (AGAAP).

The Australian Accounting Standards Board (AASB) adopted the Standards of the International Accounting Standards Board (IASB) for application to reporting periods beginning on or after 1 January 2005 by issuing AIFRS which comprise a Framework for the Preparation and Presentation of Financial Statements, Australian Accounting Standards and the Urgent Issues Group (UIG) Interpretations.

The UIG Interpretations are adopted through AASB 1048 'Interpretation and Application of Standards' and are classified into those corresponding to IASB Interpretations and those only applicable in Australia.

The AASB has decided to maintain statements of accounting concepts (SAC 1 and SAC 2) and has continued to revise and maintain accounting standards and the UIG Interpretations that are of particular relevance to the Australian environment, especially those that deal more specifically with not-for-profit entity issues and/or do not have an equivalent IASB Standard or Interpretation.

In accordance with the option provided by AASB 1 paragraph 36A and exercised by Treasurer's Instruction TI 1101 'Application of Australian Accounting Standards and Other Pronouncements', financial instrument information prepared under AASB 132 and AASB 139 will apply from 1 July 2005 and consequently comparative information for financial instruments is presented on the previous AGAAP basis. All other comparative information has been prepared under the AIFRS basis.

(b) Early adoption of standards

The Department cannot early adopt an Australian Accounting Standard or UIG Interpretation unless specifically permitted by TI1101 'Application of Australian Accounting Standards and Other Pronouncements'. This TI requires the early adoption of revised AASB 119 'Employee Benefits' as issued in December 2004, AASB 2004-3 'Amendments to Australian Accounting Standards' and 2005-3 'Amendments to Australian Accounting Standards [AASB 119]'; AASB 2005-4 'Amendments to Australian Accounting Standard [AASB 139, AASB 132, AASB 1, AASB 1023 and AASB 1038]' and AASB 2005-6 'Amendments to Australian Accounting Standards [AASB 3]' to the annual reporting period beginning 1 July 2005. AASB 2005-4 amends AASB 139 'Financial Instruments: Recognition and Measurement' so that the ability to designate financial assets and financial liabilities at fair value is restricted. AASB 2005-6 excludes business combinations involving common control from the scope of AASB 3 'Business Combinations'.

3. Summary of significant accounting policies

(a) General Statement

The financial statements constitute a general purpose financial report which has been prepared in accordance with the Australian Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board as applied by the Treasurer's Instructions. Several of these are modified by the Treasurer's Instructions to vary application, disclosure, format and wording.

The Financial Administration and Audit Act 1985 and the Treasurer's Instructions are legislative provisions governing the preparation of financial statements and take precedence over the Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board.

Where modification is required and has a material or significant financial effect upon the reported results, details of that modification and the resulting financial effect are disclosed in the notes to the financial statements.

Notes to the Financial Statements

for the year ended 30 June 2006

(b) Basis of Preparation

The financial statements have been prepared in accordance with Accounting Standard AAS 29 'Financial Reporting by Government Departments' on the accrual basis of accounting using the historical cost convention.

The accounting policies adopted in the preparation of the financial statements have been consistently applied throughout all periods presented unless otherwise stated.

The financial statements are presented in Australian dollars and all values are rounded to the nearest thousand dollars (\$'000).

(c) Reporting Entity

The reporting entity comprises the Department of Treasury and Finance.

The Department administers assets, liabilities, income and expenses on behalf of government that are not controlled by, nor integral to the function of the Department. These administered balances and transactions are not recognised in the principal financial statements of the Department but schedules are prepared using the same basis as the financial statements.

(d) Superannuation Expense

The following elements are included in calculating the superannuation expense in the Income Statement:

- Defined benefit plans – Change in the unfunded employer's liability (i.e. current service cost and, actuarial gains and losses) assumed by the Treasurer in respect of current employees who are members of the Pension Scheme and current employees who accrued a benefit on transfer from that Scheme to the Gold State Superannuation Scheme (GSS); and
- Defined contribution plans – Employer contributions paid to the West State Superannuation Scheme (WSS), and the equivalent of employer contributions to the GSS.

Defined benefit plans – in order to reflect the true cost of services, the movements (i.e. current service cost and, actuarial gains and losses) in the liabilities in respect of the Pension Scheme and the GSS Scheme transfer benefits are recognised as expenses directly in the Income Statement. As these liabilities are assumed by the Treasurer, a revenue titled 'Liabilities assumed by the Treasurer' equivalent to the expense is recognised under Income from State Government in the Income Statement.

Defined contribution plans – in order to reflect the department's true cost of services, the Department is funded for the equivalent of employer contributions in respect of the GSS Scheme (excluding transfer benefits). These contributions were paid to the GESB during the year and placed in a trust account administered by the GESB on behalf of the Treasurer. The GESB subsequently paid these employer contributions in respect of the GSS Scheme to the Consolidated Fund.

(e) Leases

The Department has no finance leases. The Department holds operating leases for the rent of office accommodation and for leased motor vehicles, where the lessors effectively retain all of the risks and benefits incident to ownership of the items held under the operating leases. Equal instalments of the lease payments are charged to the Statement of Financial Performance over the lease term as this is representative of the pattern of benefits to be derived from the leased property.

(f) Income

Revenue

Revenue is measured at the fair value of consideration received or receivable. Revenue is recognised for the major business activities as follows:

Interest

Revenue is recognised as the interest is received.

Service Appropriations

Service appropriations are recognised as revenues in the period in which the Department gains control of the appropriated funds. The Department gains control of appropriated funds at the time those funds are deposited into the Department's bank account or credited to the holding account held by the State Government.



Notes to the Financial Statements

for the year ended 30 June 2006

Net Appropriation Determination

The Treasurer may make a determination providing for prescribed revenues to be retained for services under the control of the department. In accordance with the determination specified in the 2005-2006 Budget Statements, the Department retained \$10.528 million in 2006 (\$16.269 million in 2005) from the following:

- proceeds from fees and charges;
- Commonwealth grants and subsidies;
- interest revenue; and
- other departmental revenue.

Grants, donations, gifts and other non-reciprocal contributions

Revenue is recognised at fair value when the Department obtains control over the assets comprising the contributions that is usually when cash is received.

Other non-reciprocal contributions that are not contributions by owners are recognised at their fair value. Contributions of services are only recognised when a fair value can be reliably determined and the services would be purchased if not donated.

Where contributions recognised as revenues during the reporting period were obtained on the condition that they be expended in a particular manner or used over a particular period, and those conditions were undischarged as at the reporting date, the nature of, and amounts pertaining to, those undischarged conditions are disclosed in the notes.

Administered Revenue

Revenues resulting from taxation, territorial revenue, regulatory fees and fines, sale of goods and services, rent and interest are, where possible, recognised when the transaction or event, giving rise to the revenue occurs. In some instances, the revenue is not measurable until the cash is received.

The policies adopted for the recognition of the major types of administered revenues are as follows:

- land tax – on issue of assessment;
- pay-roll and betting taxes – on receipt of cash (self assessment method), plus on the issue of an assessment to amend a self assessed liability;
- stamp duty – on issue of assessment or on receipt of cash (self assessment method);
- Commonwealth grants – on receipt of cash;
- dividends – when they are declared by the paying entity;
- tax equivalent regime – as they accrue; and
- capital user charge – on receipt of cash (self assessment method) plus on the issue of an assessment.

Gains

Gains may be realised or unrealised and are usually recognised on a net basis. These include gains arising on the disposal of non-current assets and some revaluations of non-current assets.

(g) Resources Received Free of Charge or for Nominal Cost

Resources received free of charge or for nominal cost that can be reliably measured are recognised as revenues and as assets or expenses as appropriate, at fair value.

(h) Financial Instruments

The Department has two categories of financial instrument:

- Receivables (cash and cash equivalents, receivables); and
- non-trading financial liabilities (payables).

Notes to the Financial Statements

for the year ended 30 June 2006

Initial recognition and measurement of financial instruments is at fair value that normally equates to the transaction cost or the face value. Subsequent measurement is at amortised cost using the effective interest method.

The fair value of short-term receivables and payables is the transaction cost or the face value because there is no interest rate applicable and subsequent measurement is not required as the effect of discounting is not material.

(i) Cash and Cash Equivalents

For the purpose of the Cash Flow Statement, cash and cash equivalents includes restricted cash and cash equivalents. These are comprised of cash on hand and short-term deposits with original maturities of three months or less that are readily convertible to a known amount of cash and which are subject to insignificant risk of changes in value.

The accrued salaries suspense account consists of amounts paid annually into a suspense account over a period of ten financial years to largely meet the additional cash outflow in each eleventh year when 27 pay days occur instead of the normal 26. No interest is received on this account.

(j) Receivables

Receivables are recognised and carried at original invoice amount less an allowance for uncollectible amounts (i.e. impairment). The collectability of receivables is reviewed on an ongoing basis and any receivables identified as uncollectible are written-off. The allowance for uncollectible amounts (doubtful debts) is raised when there is objective evidence that the Department will not be able to collect the debts. The carrying amount is equivalent to fair value as it is due for settlement within 30 days.

(k) Amounts Receivable for Services (Holding Account)

The Department receives appropriation funding on an accrual basis that recognises the full annual cash and non-cash cost of services. The appropriations are paid partly in cash and partly as an asset (Holding Account receivable) that is accessible on the emergence of the cash funding requirement to cover items such as leave entitlements and asset replacement.

(l) Property, Plant and Equipment

Capitalisation/Expensing of assets

Items of plant and equipment and infrastructure costing over \$1,000 are recognised as assets and the cost of utilising assets is expensed (depreciated) over their useful lives. Items of property, plant and equipment costing less than \$1,000 are immediately expensed direct to the Income Statement (other than where they form part of a group of similar items which are significant in total).

Initial recognition and measurement

All items of plant and equipment are initially recognised at cost. For items of plant and equipment acquired at no cost, or for nominal consideration, the cost is their fair value at the date of acquisition.

Subsequent measurement

After recognition as an asset, the Department uses the cost model for all plant and equipment. Items of plant and equipment are carried at historical cost less accumulated depreciation and accumulated impairment losses.

Fair value for existing use assets is determined by reference to the cost of replacing the remaining future economic benefits embodied in the asset, i.e. the depreciated replacement cost.

The most significant assumptions in estimating fair value are made in assessing whether to apply the existing use basis to assets. Professional judgment by the valuer is required where the evidence does not provide a clear distinction between market type assets and existing use assets.

Depreciation

All non-current assets having a limited useful life are systematically depreciated over their estimated useful lives in a manner that reflects the consumption of their future economic benefits.

Depreciation on plant and equipment is calculated using the straight line method, using rates which are reviewed annually. Estimated useful lives for each class of depreciable asset are:

Computer equipment	3 to 5 years
Plant and equipment	5 years
Furniture and fittings	10 years
Leasehold improvements	10 years



Notes to the Financial Statements

for the year ended 30 June 2006

Works of art controlled by the Department are classified as property, plant and equipment. They are anticipated to have very long and indefinite useful lives. Their service potential has not, in any material sense, been consumed during the reporting period and so no depreciation has been recognised.

(m) Intangible Assets

Capitalisation/Expensing of assets

Acquisitions of intangible assets costing over \$1,000 and internally generated intangible assets costing over \$1,000 are capitalised. The cost of utilising the assets is expensed (amortised) over their useful life. Costs incurred below these thresholds are immediately expensed directly to the Income Statement.

All acquired and internally developed intangible assets are initially recognised at cost. For assets acquired at no cost or for nominal cost, the cost is their fair value at the date of acquisition.

The cost model is applied for subsequent measurement requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses.

The carrying value of intangible assets is reviewed for impairment annually when the asset is not yet in use, or more frequently when an indicator of impairment arises during the reporting year indicating that the carrying value may not be recoverable.

Amortisation for intangible assets with finite useful lives is calculated for the period of the expected benefit (estimated useful life) on the straight line basis using rates which are reviewed annually. All intangible assets controlled by the Department have a finite useful life and zero residual value. The expected useful lives for each class of intangible asset are:

Software	3 to 13 years
Web site costs	3 to 10 years

Computer Software

Software that is an integral part of the related hardware is treated as property, plant and equipment. Software that is not an integral part of the related hardware is treated as an intangible asset. Software costing less than \$1,000 is expensed in the year of acquisition.

Web site costs

Web site costs are charged as expenses when they are incurred unless they relate to the acquisition or development of an asset when they may be capitalised and amortised. Generally, costs in relation to feasibility studies during the planning phase of a web site, and ongoing costs of maintenance during the operating phase are expensed. Costs incurred in building or enhancing a web site, to the extent that they represent probable future economic benefits that can be reliably measured, are capitalised.

(n) Impairment of Assets

Property, plant, equipment and intangible assets are tested for any indication of impairment at each reporting date. Where there is an indication of impairment, the recoverable amount is estimated. Where the recoverable amount is less than the carrying amount, the asset is considered impaired and is written down to the recoverable amount and an impairment loss is recognised. As the Department is a not-for-profit entity, unless an asset has been identified as a surplus asset, the recoverable amount is the higher of an asset's fair value less costs to sell and depreciated replacement cost.

The risk of impairment is generally limited to circumstances where an asset's depreciation is materially understated or where the replacement cost is falling. Each relevant class of assets is reviewed annually to verify that the accumulated depreciation/amortisation reflects the level of consumption or expiration of asset's future economic benefits and to evaluate any impairment risk from falling replacement costs.

Intangible assets with an indefinite useful life and intangible assets not yet available for use are tested for impairment at each reporting date irrespective of whether there is any indication of impairment.

The recoverable amount of assets identified as surplus assets is the higher of fair value less costs to sell and the present value of future cash flows expected to be derived from the asset. Surplus assets carried at fair value have no risk of material impairment where fair value is determined by reference to market evidence. Where fair value is determined by reference to depreciated replacement cost, surplus assets are at risk of impairment and the recoverable amount is measured. Surplus assets at cost are tested for indications of impairment at each reporting date.

Notes to the Financial Statements

for the year ended 30 June 2006

(o) Payables

Payables are recognised when the department becomes obliged to make future payments as a result of a purchase of assets or services. The carrying amount is equivalent to fair value, as they are generally settled within 30 days.

(p) Provisions

Provisions are liabilities of uncertain timing and amount and are recognised where there is a present legal, equitable or constructive obligation as a result of a past event and when the outflow of economic benefits is probable and can be measured reliably. Provisions are reviewed at each balance sheet reporting date.

(i) Provisions - Employee Benefits

Annual Leave and Long Service Leave

The liability for annual and long service leave expected to be settled within 12 months after the end of the reporting date is recognised and measured at the undiscounted amounts expected to be paid when the liabilities are settled. Annual and long service leave expected to be settled more than 12 months after the end of the reporting date is measured at the present value of amounts expected to be paid when the liabilities are settled. Leave liabilities are in respect of services provided by employees up to the reporting date.

When assessing expected future payments consideration is given to expected future wage and salary levels including non-salary components such as employer superannuation contributions. In addition, the long service leave liability also considers the experience of employee departures and periods of service.

The expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

All annual leave and unconditional long service leave provisions are classified as current liabilities as the department does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Superannuation

The Government Employees Superannuation Board (GESB) administers the following superannuation schemes.

Employees may contribute to the Pension Scheme, a defined benefit pension scheme now closed to new members, or the Gold State Superannuation Scheme (GSS), a defined benefit lump sum scheme also closed to new members. The Department has no liabilities for superannuation charges under the Pension or the GSS Schemes as the liability has been assumed by the Treasurer.

Employees who are not members of either the Pension or the GSS Schemes become non-contributory members of the West State Superannuation Scheme (WSS), an accumulation fund. The department makes concurrent contributions to GESB on behalf of employees in compliance with the Commonwealth Government's Superannuation Guarantee (Administration) Act 1992. These contributions extinguish the liability for superannuation charges in respect of the WSS Scheme.

The GESB makes all benefit payments in respect of the Pension and GSS Schemes, and is recouped by the Treasurer for the employer's share.

(ii) Provisions – Other

Employment On-Costs

Employment on-costs, including workers' compensation insurance, are not employee benefits and are recognised separately as liabilities and expenses when the employment to which they relate has occurred. Employment on-costs are included as part of 'Other expenses' and are not included as part of the Department's 'Employee benefits expense'. The related liability is included in 'Employment on-costs provision'.

(q) Accrued Salaries

Accrued salaries represent the amount due to staff but unpaid at the end of the financial year, as the pay date for the last pay period for that financial year does not coincide with the end of the financial year. Accrued salaries are settled within a fortnight of the financial year end. The Department considers the carrying amount of accrued salaries to be equivalent to its net fair value.



Notes to the Financial Statements

for the year ended 30 June 2006

(r) **Contributed Equity**

UIG Interpretation 1038 'Contributions by Owners Made to Wholly-Owned Public Sector Entities' requires transfers in the nature of equity contributions to be designated by the Government (the owner) as contributions by owners (at the time of, or prior to transfer) before such transfers can be recognised as equity contributions. Capital contributions (appropriations) have been designated as contributions by owners by TI955 'Contributions by Owners made to Wholly Owned Public Sector Entities' and have been credited directly to Contributed Equity.

Transfer of net assets to/from other agencies are designated as contributions by owners where the transfers are non-discretionary and non-reciprocal.

(s) **Comparative Figures**

Comparative figures have been restated on the AIFRS basis except for financial instruments information, which has been prepared under the previous AGAAP Australian Accounting Standard AAS 33 'Presentation and Disclosure of Financial Instruments'. The transition date to AIFRS for financial instruments is 1 July 2005 in accordance with the exemption allowed under AASB 1, paragraph 36A and TI 1101.

4. Disclosure of changes in accounting policy and estimates

Future impact of Australian Accounting Standards not yet operative

The department cannot early adopt an Australian Accounting Standard or UIG Interpretation unless specifically permitted by TI 1101 'Application of Australian Accounting Standards and Other Pronouncements'. As referred to in Note 2, TI 1101 has only mandated the early adoption of revised AASB 119, AASB 2004-3, AASB 2005-3, AASB 2005-4 and AASB 2005-6. Consequently, the department has not applied the following Australian Accounting Standards and UIG Interpretations that have been issued but are not yet effective. These will be applied from their application date:

1. AASB 7 'Financial Instruments: Disclosures' (including consequential amendments in AASB 2005-10 'Amendments to Australian Accounting Standards [AASB 132, AASB 101, AASB 114, AASB 117, AASB 133, AASB 139, AASB 1, AASB 4, AASB 1023 and AASB 1038]'). This standard requires new disclosures in relation to financial instruments. The standard is required to be applied to annual reporting periods beginning on or after 1 January 2007. The standard is considered to result in increased disclosures of an entity's risks, enhanced disclosure about components of financial position and performance, and changes to the way of presenting financial statements, but otherwise there is no financial impact.
2. AASB 2005-9 'Amendments to Australian Accounting Standards [AASB 4, AASB 1023, AASB 139 and AASB 132]' (Financial guarantee contracts). The amendment deals with the treatment of financial guarantee contracts, credit insurance contracts, letters of credit or credit derivative default contracts as either an "insurance contract" under AASB 4 'Insurance Contracts' or as a "financial guarantee contract" under AASB 139 'Financial Instruments: Recognition and Measurement'. The Department does not undertake these types of transactions resulting in no financial impact when the standard is first applied. The standard is required to be applied to annual reporting periods beginning on or after 1 January 2006.
3. UIG Interpretation 4 'Determining whether an Arrangement Contains a Lease'. This Interpretation deals with arrangements that comprise a transaction or a series of linked transactions that may not involve a legal form of a lease but by their nature are deemed to be leases for the purposes of applying AASB 117 'Leases'. At reporting date, the department has not entered into any arrangements as specified in the Interpretation resulting in no impact when the Interpretation is first applied. The Interpretation is required to be applied to annual reporting periods beginning on or after 1 January 2006.

The following amendments are not applicable to the Department, as they will have no impact:

AASB

Amendment Affected Standards

2005-1	AASB139 (Cash flow hedge accounting of forecast intra-group transactions)
2005-5	'Amendments to Australian Accounting Standards [AASB1 and AASB139]'
2006-1	AASB121 (Net investment in foreign operations)
UIG 5	'Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds'.
UIG 6	'Liabilities arising from Participating in a Specific Market – Waste Electrical and Electronic Equipment'.
UIG 7	'Applying the Restatement Approach under AASB129 Financial Reporting in Hyperinflationary Economies'.
UIG 8	'Accounting for acquisitions – Recognition of Restructuring Costs as Liabilities'
UIG 9	'Accounting for Acquisitions – Recognition of Acquired Tax Losses'

Notes to the Financial Statements

for the year ended 30 June 2006

	2006	2005
	\$'000	\$'000
5. Employee benefits expense		
Wages and salaries	43,992	40,308
Superannuation	5,088	5,211
Long service leave	1,324	1,863
Annual Leave	3,760	1,654
Other related expenses	996	902
	55,160	49,938
6. Supplies and services		
Communications	1,805	1,869
Consultants and contractors	22,513	17,614
Consumables	332	311
Repairs and maintenance	518	189
Travel	542	483
Legal costs	1,781	1,114
Other	3,169	2,748
	30,660	24,328
7. Depreciation and amortisation expense		
<i>Depreciation</i>		
Computer equipment	1,557	1,842
Furniture and equipment	135	133
Office fit-out	303	240
Total depreciation	1,995	2,215
<i>Amortisation</i>		
Computer software	1,004	1,945
Intangibles - computer systems development	874	37
	1,878	1,982
	3,873	4,197
8. Accommodation expenses		
Lease rentals	4,870	4,949
Repairs and maintenance buildings	337	336
Cleaning and security	194	89
	5,401	5,374
9. Grants and subsidies		
Ex gratia payments	11	–
Grants	929	50
	940	50



Notes to the Financial Statements

for the year ended 30 June 2006

	2006 \$'000	2005 \$'000
10. Capital user charge		
The Government applies a levy for the use of its capital for the delivery of services. It is applied at 8% per annum on the net assets of the Department, excluding exempt assets, and is paid to the Government, via the Department, quarterly.		
Capital user charge	1,903	2,368
	1,903	2,368
11. Net gain/(loss) on disposal of non-current assets		
Loss on disposal of non-current assets		
Computer equipment	(20)	(11)
Furniture and equipment	(10)	(17)
	(30)	(28)
12. Other expenses		
Employment on-costs	523	188
Audit costs	488	471
	1,011	659
13. Income		
(a) User charges and fees		
Land Tax Enquiry Fees	3,391	2,798
Management Fees	1,621	1,658
Government Procurement Services	4,958	8,718
	9,970	13,174
(b) Commonwealth grants and contributions		
Commonwealth funding and contributions	8	42
	8	42
(c) Interest revenue		
Interest revenue	2	–
	2	–
(d) Other revenue		
Other revenue	548	3,053
	548	3,053
14. Income from State Government		
(a) Service appropriations		
Service appropriations are accrual amounts reflecting the full cost of services delivered. The appropriation revenue comprises a cash component and a receivable (asset). The receivable (holding account) comprises the depreciation expense for the year and any agreed increase in leave liability during the year.		
Service appropriations received during the year	71,986	53,791
	71,986	53,791

Notes to the Financial Statements

for the year ended 30 June 2006

	2006 \$'000	2005 \$'000
(b) Liabilities assumed by the Treasurer		
The assumption of the superannuation liability by the Treasurer is a notional revenue to offset the notional superannuation expense reported in respect of current employees who are members of the Pension Scheme and current employees who have a transfer benefit entitlement under the Gold State Superannuation Scheme.		
Superannuation liabilities assumed by the Treasurer	396	1,036
	396	1,036
(c) Resources received free of charge		
Resources received free of charge or for a nominal value, which can be reliably measured, are recognised as revenues and as assets or expenses as appropriate at fair value.		
Determined on the basis of the following information provided by agencies:		
Department of Employment and Training	–	19
State Solicitor's Office	1,338	842
Department of Land Information	9,053	8,146
Department of the Premier and Cabinet	–	180
	10,391	9,187
Total	82,773	64,014
15. Cash and cash equivalents		
Cash on hand	5	5
Cash at bank	47,160	6,606
	47,165	6,611
16. Restricted cash and cash equivalents		
Current		
Cash at bank – Burrup Maitland Trust Account	3,958	–
	3,958	–
Non-current		
Accrued Salaries Suspense Account	181	–
	181	–
	4,139	–
17. Receivables		
Current		
Accounts receivable for services supplied	1,929	2,814
Provision for doubtful debts	–	(81)
GST receivable	738	26
	2,667	2,759
18. Amounts receivable for services		
Current	4,506	2,115
Non-current	12,366	12,896
Total amounts receivable for services	16,872	15,011



Notes to the Financial Statements

for the year ended 30 June 2006

	2006 \$'000	2005 \$'000
19. Other current assets		
Prepayments	483	958
	483	958
20. Property, plant and equipment		
Furniture and equipment		
At cost	1,179	1,345
Accumulated depreciation	(790)	(946)
	389	399
Computer equipment		
At cost	7,449	9,488
Accumulated depreciation	(5,305)	(7,266)
	2,144	2,222
Office fit-out		
At cost	3,442	2,413
Accumulated depreciation	(2,286)	(1,915)
	1,156	498
Work in progress	175	559
	175	559
Total		
At cost	12,245	13,805
Accumulated depreciation	(8,381)	(10,127)
	3,864	3,678

Reconciliations of the carrying amounts of plant, equipment and leasehold improvements at the beginning and end of the current and previous financial year are set out below.

Furniture and equipment

At cost

Carrying amount at start of the year	399	304
Additions	138	245
Disposals	(13)	(17)
Depreciation expense	(135)	(133)
Carrying amount at end of the year	389	399

Computer equipment

At cost

Carrying amount at start of the year	2,222	2,883
Additions	1,501	1,192
Disposals	(22)	(11)
Depreciation expense	(1,557)	(1,842)
Carrying amount at end of the year	2,144	2,222

Notes to the Financial Statements

for the year ended 30 June 2006

	2006 \$'000	2005 \$'000
Office Fit-out		
At cost		
Carrying amount at start of the year	498	739
Additions	961	–
Disposals	–	–
Depreciation expense	(303)	(241)
Carrying amount at end of the year	<u>1,156</u>	<u>498</u>
Work in progress		
At cost		
Carrying amount at start of the year	559	65
Additions	399	494
Transfer to assets	(783)	–
Carrying amount at end of the year	<u>175</u>	<u>559</u>
Total carrying amount at start of the year	3,678	3,991
Additions 2,999	1,931	
Disposals (35)	(28)	
Transfer to assets	(783)	–
Depreciation expense	(1,995)	(2,216)
Carrying amount at end of the year	<u>3,864</u>	<u>3,678</u>
21. Intangible assets		
Computer systems development		
At cost	365	365
Accumulated amortisation	(176)	(140)
	<u>189</u>	<u>225</u>
Computer software		
At cost	25,165	23,773
Accumulated amortisation	(13,166)	(11,325)
	<u>11,999</u>	<u>12,448</u>
Work in progress	<u>307</u>	<u>115</u>
At cost	<u>307</u>	<u>115</u>
Total		
At cost	25,837	24,253
Accumulated depreciation	(13,342)	(11,465)
	<u>12,495</u>	<u>12,788</u>



Notes to the Financial Statements

for the year ended 30 June 2006

	2006 \$'000	2005 \$'000
Reconciliations of the carrying amount of intangible assets is set out below.		
Computer systems development		
Carrying amount at start of the year	225	262
Amortisation	(36)	(37)
Carrying amount at end of the year	189	225
Computer software		
Carrying amount at start of the year	12,448	14,273
Additions	1,391	120
Amortisation	(1,840)	(1,945)
Carrying amount at end of the year	11,999	12,448
Work in progress		
Carrying amount at start of the year	115	–
Additions	1,583	115
Transfers to computer software	(1,391)	–
Carrying amount at end of the year	307	115
Total intangibles		
Carrying amount at start of the year	12,788	14,535
Additions	2,974	235
Amortisation	(1,876)	(1,982)
Transfer to computer software	(1,391)	–
Carrying amount at end of the year	12,495	12,788
22. Impairment of assets		
There were no indications of impairment of plant and equipment, or intangible assets at 30 June 2006.		
The Department held no intangible assets with an indefinite useful life during the reporting period.		
23. Payables		
Trade	160	430
Sundry creditors	3,958	–
GST payable	88	–
	4,206	430

Notes to the Financial Statements

for the year ended 30 June 2006

	2006 \$'000	2005 \$'000
24. Provisions		
Current		
<i>Employee benefits provision</i>		
Annual leave	4,437	4,922
Long service leave	6,562	6,447
	<hr/> 10,999	<hr/> 11,369
<i>Other provisions</i>		
Employment on-costs	1,511	108
	<hr/> 1,511	<hr/> 108
	<hr/> 12,510	<hr/> 11,477
Non-current		
<i>Employee benefits provision</i>		
Long service leave	3,822	3,628
	<hr/> 3,822	<hr/> 3,628
<i>Other provisions</i>		
Employment on-costs	306	34
	<hr/> 306	<hr/> 34
	<hr/> 4,128	<hr/> 3,662
	<hr/> 16,638	<hr/> 15,139
<p>The settlement of annual and long service leave liabilities gives rise to the payment of employment on-costs including superannuation and workers' compensation premiums. The liability for such on-costs is included here. The associated expense is included under 'Other related expenses'.</p> <p>The carrying amount of employee benefits is approximate to the net fair value.</p>		
25. Other liabilities		
Accrued salaries	925	–
Accrued expenses	481	418
	<hr/> 1,406	<hr/> 418
26. Equity		
<p>Equity represents the residual interest in the net assets of the department. The Government holds the equity interest in the department on behalf of the community.</p>		
Contributed equity		
Balance at the start of the year	21,315	20,915
Capital contributions	5,891	400
Contribution by owner	39,403	–
Balance at the end of the year	<hr/> 66,609	<hr/> 21,315



Notes to the Financial Statements

for the year ended 30 June 2006

	2006 \$'000	2005 \$'000
Accumulated surplus		
Balance at the start of the year	4,503	11,162
Change in net assets	(5,677)	(6,659)
Balance at the end of the year	(1,174)	4,503

27. Notes to the Cash Flow Statement

(a) Reconciliation of Cash

Cash at the end of the financial year as shown in the Cash Flow Statement is reconciled to the related items in the Balance Sheet as follows:

Cash and cash equivalents	47,165	6,611
Restricted cash and cash equivalents	4,139	–
	51,304	6,611

(b) Reconciliation of net cost of services to net cash flows provided by/(used in) operating activities

Net cost of services	(88,450)	(70,814)
Non-cash items		
Depreciation and amortisation expense	3,873	4,197
Superannuation liability assumed by the Treasurer	396	1,036
Resources received free of charge	10,391	9,187
Loss on sale of property, plant and equipment	30	28
(Increase)/decrease in assets		
Current		
Accounts receivable	(2,576)	(1,886)
Other current assets	475	(628)
Non-current		
Non-current receivables	(530)	1,863
Increase/(decrease) in liabilities		
Current		
Current payables	1,220	(4,278)
Current provisions	1,033	2,049
Other current liabilities	988	(1,668)
Non-current provisions	466	1,061
Change in GST in receivables/payables	3,233	1,435
Net GST receipts/(payments)	2,250	1,102
Net cash used in operating activities	(67,201)	(57,316)

Notes to the Financial Statements

for the year ended 30 June 2006

	2006 \$'000	2005 \$'000
28. Resources provided free of charge		
During the year the following resources were provided to other agencies free of charge for functions outside the normal operations of the department:		
Department of Education and Training	1,661	1,534
Western Australia Police Service	590	516
Department of Conservation and Land Management	87	84
Western Australian Tourism Commission	101	102
Department of Fisheries	66	67
Department of Agriculture	139	151
Department of Justice	448	376
Department for Community Development	227	229
Disability Services Commission	227	229
Department of Culture and the Arts	84	82
Department for Planning and Infrastructure	280	238
Department of Land Information	285	279
Department of the Premier and Cabinet	66	67
Department of Consumer and Employment Protection	87	84
Department of Industry and Resources	323	317
Department of Housing and Works	–	3
	4,813	4,497
29. Commitments		
(a) Lease commitments		
Commitments in relation to leases contracted for at the reporting date but not recognised as liabilities are payable:		
Within one year	2,484	4,724
Later than one year and not later than five years	484	8,396
Later than five years	–	240
	2,968	13,360
Representing:		
Cancellable operating leases	255	201
Non-cancellable operating leases (b)	2,713	13,159
	2,968	13,360
(b) Non-cancellable operating lease commitments		
Commitments for minimum lease payments are payable as follows:		
Within one year	2,310	4,592
Later than one year and not later than five years	403	8,327
Later than five years	–	240
	2,713	13,159
30. Contingent liabilities and contingent assets		
The Department has no contingent liabilities as at 30 June 2006.		
31. Affiliated bodies		
The Department has no affiliated bodies.		



Notes to the Financial Statements

for the year ended 30 June 2006

	2006 \$'000	2005 \$'000
32. Events occurring after the balance sheet date		
The department is unaware of any event occurring after reporting date that would materially affect the financial statements.		
33. Remuneration of auditor		
The remuneration of the auditors includes fees paid for auditing the accounts, financial statements and performance indicators as set out below:		
Department of Treasury and Finance	314	273
Treasurer's Annual Statements	–	53
Consolidated Financial Statements	–	134
Annual Report on State Finances	175	–
	489	460

34. Remuneration of senior officers

The number of senior officers, whose total of fees, salaries, superannuation, and other benefits for the financial year, fall within the following bands is:

\$	Number of Senior Officers	
	2006	2005
90,001 – 100,000	–	1
100,001 – 110,000	–	1
120,001 – 130,000	1	–
130,001 – 140,000	1	–
150,001 – 160,000	–	1
160,001 – 170,000	1	–
180,001 – 190,000	–	1
190,001 – 200,000	3	–
210,001 – 220,000	–	1
220,001 – 230,000	–	1
250,001 – 260,000	–	1
270,001 – 280,000	–	1
400,001 – 410,000	1	–
The total remuneration of senior officers is:	1,424	1,504

The total remuneration includes the superannuation expense incurred by the Department in respect of senior officers. No senior officers are members of the Pension Scheme.

Notes to the Financial Statements

for the year ended 30 June 2006

35. Financial instruments

(a) Financial Risk Management Objectives and Policies

Financial instruments held by the Department are cash and cash equivalents, restricted cash and cash equivalents, receivables and payables. The Department has limited exposure to financial risks. The Department's overall risk management program focuses on managing the risks identified below.

Credit risk

The Department trades only with recognised, creditworthy third parties. The Department has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history. In addition, receivable balances are monitored on an ongoing basis with the result that the Department's exposure to bad debts is minimal. There are no significant concentrations of credit risk.

Liquidity risk

The Department has appropriate procedures to manage cash flow including drawdowns of appropriations by monitoring forecast cash flows to ensure that sufficient funds are available to meet its commitments.

Cash flow interest rate risk

The Department is not exposed to interest rate risk because cash and cash equivalents and restricted cash are non-interest bearing and have no borrowing, Treasurer's advance and finance leases.

(b) Financial Instrument Disclosures

Financial instrument information for the year ended 2005 has been prepared under the previous AGAAP Australian Accounting Standard AAS 33 'Presentation and Disclosure of Financial Instruments'. Financial instrument information from 1 July 2005 has been prepared under AASB 132 'Financial Instruments: Presentation' and AASB 139 'Financial Instruments: Recognition and Measurement'.

Interest rate risk exposure

The following table details the Department's exposure to interest rate risk as at the reporting date:

	Weighted average interest rate %	Variable interest rate \$000	Non Interest bearing \$000	Total \$000
2006				
Financial Assets				
Cash and cash equivalents	n.a.	–	47,165	47,165
Restricted cash and cash equivalents	n.a.	–	4,139	4,139
Receivables	n.a.	–	19,539	19,539
		–	70,843	70,843
Financial Liabilities				
Payables		–	1,173	1,173
		–	1,173	1,173
2005				
Financial Assets				
Cash and cash equivalents	n.a.	–	6,611	6,611
Receivables	n.a.	–	17,770	17,770
		–	24,381	24,381
Financial liabilities				
Payables	n.a.	–	430	430
		–	430	430

Fair values

The carrying amount of financial assets and financial liabilities recorded in the financial statements are not materially different from the net fair values.



Notes to the Financial Statements

for the year ended 30 June 2006

	2006 Estimate \$000	2006 Actual \$000	Variation \$000
36. Explanatory statement			
<p>The summary of Consolidated Fund Appropriations and Revenue Estimates discloses appropriations and other statutes expenditure estimates, the actual expenditures made and revenue estimates and payments into the Consolidated Fund and operating account, all on an accrual basis. The following are explanations of significant variations. A significant variation is one that is in excess of 10% of the principal amount. In respect of any item for which there is not a significant variation, no explanation is given.</p>			
(a) Significant variances between estimate and actual - Total			
Total appropriations provided to deliver services			
Appropriation provided	65,389	71,986	6,597
Capital contribution	–	5,891	5,891
<p>During 2005-06, the department received supplementary funding as a result of a reduction of retained revenues due to the abolition of supplier fees on common use arrangement contracts.</p>			
<p>During 2005-06 the department received capital contribution funding in the form of a section 25 transfer from the Department of the Premier and Cabinet as a result of the procurement reform transfer.</p>			
Revenue Assessment and Collection	32,179	36,108	3,929
<p>Increase in services received free of charge for services associated with the Department of Land Information and the State Solicitor's Office.</p>			
Development and implementation of public sector arrangements and systems	29,272	38,363	9,091
<p>During 2005-06 the department received capital contribution funding in the form of a section 25 transfer from the Department of the Premier and Cabinet as a result of the procurement reform transfer.</p>			
(b) Significant variances between actuals for 2005 and 2006 –			
Total appropriation to deliver services			
Appropriations	71,112	52,942	18,170
<p>During 2005-06, the department received supplementary funding as a result of a reduction of retained revenues due to the abolition of supplier fees on common use arrangement contracts. The department received further appropriation funding in the form of a section 25 transfer from the Department of the Premier and Cabinet as part of the procurement reform transfer.</p>			
Revenue Assessment and Collection	36,108	33,043	3,065
<p>Increase in services received free of charge for services associated with the Department of Land Information and the State Solicitor's Office.</p>			
Development and implementation of public sector arrangements and systems	38,363	31,248	7,115
<p>During 2005-06 the department received capital contribution funding in the form of a section 25 transfer from the Department of the Premier and Cabinet as a result of the procurement reform transfer.</p>			

Notes to the Financial Statements

for the year ended 30 June 2006

	2006 \$000	2005 \$000
37. Supplementary financial information		
Public property, revenue and debts due to the State were written off in accordance with section 45 of the Financial Administration and Audit Act 1985 under the authority of:		
(a) Write-offs by category		
Public assets	1	–
Debts due to the State	12,298	8,169
	12,299	8,169
(b) Write-offs by Authority		
Accountable Officer	499	233
Treasurer	3,105	1,198
Executive Council	8,695	6,738
	12,299	8,169
38. Trust accounts		
Aboriginal Advance Capital Account		
The purpose of the trust account is to hold funds received from the Commonwealth for assistance to Aboriginals for health, education, social support, community management and training projects, pending transfer to departments and authorities participating in the program.		
Balances at the start of the year	–	619
Receipts	–	–
Payments	–	(619)
Balance at the end of the year	–	–
Accrued Salaries		
The purpose of the trust account is to hold funds in accordance with section 27(2) of the Financial Administration and Audit Act.		
Balances at the start of the year	–	105,124
Receipts	12,388	–
Payments	–	(105,124)
Balance at the end of the year	12,388	–
BankWest Pension Trust		
The purpose of the trust account is to hold funds received from BankWest in satisfaction of its liabilities under the Superannuation and Family Benefits Act and other receipts.		
Balances at the start of the year	13,708	14,568
Receipts	2,219	2,231
Payments	(3,073)	(3,091)
Balance at the end of the year	12,854	13,708



Notes to the Financial Statements

for the year ended 30 June 2006

	2006 \$000	2005 \$000
Dairy Adjustment Program Account		
The purpose of the trust account is to hold funds received by the State, pursuant to the Commonwealth-State Dairy Adjustment Program Agreement of 1 September 1976.		
Balances at the start of the year	–	162
Receipts	–	–
Payments	–	(162)
Balance at the end of the year	–	–
Departmental Receipts in Suspense		
The purpose of the trust account is to hold funds pending identification of the purpose for which these monies were received pursuant to section 9(2)(c)(iv) of the Financial Administration and Audit Act.		
Balances at the start of the year	2	–
Receipts	22,084	649,097
Payments	(22,075)	(649,095)
Balance at the end of the year	11	2
Independent Schools – General Building Grants		
The purpose of the trust account is to hold funds received from the Commonwealth Department of Employment, Education, Training and Youth Affairs for recurrent capital grants to independent schools in accordance with the provisions of the State Grants (Schools Assistance) Act pending payment to independent schools.		
Balances at the start of the year	–	–
Receipts	17,635	10,595
Payments	(17,635)	(10,595)
Balance at the end of the year	–	–
Independent Schools – Recurrent Grants Schools Assistance Acts		
The purpose of the trust account is to hold funds received from the Commonwealth Department of Employment, Education, Training and Youth Affairs for recurrent capital grants to independent schools in accordance with the provisions of the State Grants (Schools Assistance) Act pending payment to independent schools.		
Balances at the start of the year	–	–
Receipts	502,063	476,140
Payments	(502,063)	(476,140)
Balance at the end of the year	–	–
Jervoise Bay Infrastructure Development Trust Account		
The purpose of the trust account is to hold funds received from the Commonwealth being a grant for the development of facilities at Jervoise Bay.		
Balances at the start of the year	8,061	13,698
Receipts	375	602
Payments	–	(6,239)
Balance at the end of the year	8,436	8,061

Notes to the Financial Statements

for the year ended 30 June 2006

	2006 \$000	2005 \$000
Local Authorities Tax Sharing Entitlements Account		
The purpose of the trust account is to hold funds received from the Commonwealth pursuant to the Local Government (Financial Assistance) Grants Act pending payment to local authorities.		
Balances at the start of the year	–	–
Receipts	187,406	177,337
Payments	(187,406)	(177,337)
Balance at the end of the year	<u>–</u>	<u>–</u>
Local Authorities – Shire Council Loans Sinking Fund		
The purpose of the trust account is to hold sinking fund contributions by local authorities, required to be paid to the Treasurer in accordance with section 615 of the Local Government Act, for the purpose of redeeming loans borrowed by local authorities for which a sinking fund is required to be established.		
Balances at the start of the year	431	405
Receipts	27	26
Payments	(306)	–
Balance at the end of the year	<u>152</u>	<u>431</u>
Mortgage Moneys Under Transfer of Land Act		
The purpose of the trust account is to hold funds paid to the Treasurer in accordance with section 126 of the Transfer of Land Act.		
Balances at the start of the year	39	15
Receipts	2	24
Payments	–	–
Balance at the end of the year	<u>41</u>	<u>39</u>
Non-Government Schools – Other Recurrent Grants		
The purpose of the trust account is to hold funds received from the Commonwealth Department of Employment, Education, Training and Youth Affairs for recurrent grants to non-government schools in accordance with the State Grants (Schools Assistance) Act pending payment to non-government schools.		
Balances at the start of the year	–	–
Receipts	24,106	16,512
Payments	(24,106)	(16,512)
Balance at the end of the year	<u>–</u>	<u>–</u>
Petroleum Subsidy Scheme Account		
The purpose of the trust account is to hold funds received from the Commonwealth pursuant to the Petroleum Products Subsidy Act, for subsidising shipping costs of approved fuel distributors, pending payment to approved grantees.		
Balances at the start of the year	48	50
Receipts	–	17
Payments	(8)	(19)
Balance at the end of the year	<u>40</u>	<u>48</u>



Notes to the Financial Statements

for the year ended 30 June 2006

	2006 \$000	2005 \$000
Public Bank Account Interest Earned Account		
The purpose of the trust account is to hold funds in accordance with section 9(2)(d) of the Financial Administration and Audit Act.		
Balances at the start of the year	3,287	3,310
Receipts	97,425	79,305
Payments	(88,083)	(79,328)
Balance at the end of the year	12,628	3,287
Statutory Authorities Investment Account		
The purpose of the trust account is to hold funds received from statutory authorities for investment purposes as provided by section 40(4) of the Financial Administration and Audit Act.		
Balances at the start of the year	97,305	91,664
Receipts	12,822	11,528
Payments	(5,150)	(5,887)
Balance at the end of the year	104,977	97,305
Departmental Receipts in Suspense – Office of State Revenue		
The purpose of the trust account is to hold funds, pursuant to section 9(2)(c)(iv) of the Financial Administration and Audit Act, pending identification of the purpose for which those monies were received or identification of where those monies are to be credited or paid.		
Balances at the start of the year	656	107
Receipts	–	2,541
Payments	–	(1,992)
Balance at the end of the year	656	656
Indian Ocean Territories		
The purpose of the trust account is to hold taxation collections pending transfer to the Commonwealth of Australia in accordance with the Service Level Agreement entered into with the Commonwealth.		
Balances at the start of the year	126	253
Receipts	1,398	1,358
Payments	(988)	(1,485)
Balance at the end of the year	536	126
39. Administered expenses and income		
Expenses		
Superannuation	76,623	607,804
Borrowing costs	47,668	76,267
Appropriations	11,187,838	10,441,901
Capital contribution	1,193,646	831,855
Grants, subsidies and transfers	1,050,410	1,001,146
Other expenses	18,654	16,657
Collections transferred to other agencies	40,723	35,280
Total administered expenses	13,615,562	13,010,910

Notes to the Financial Statements

for the year ended 30 June 2006

	2006 \$000	2005 \$000
Revenue		
Taxation	4,563,353	3,721,357
Commonwealth grants	4,689,380	4,444,690
Government enterprises		
Dividends	539,013	435,240
Tax equivalent receipts	309,739	294,916
Capital user charge	854,153	772,345
Interest	112,950	91,087
Pension recoups	14,265	13,649
Loan guarantee fees	16,027	13,707
Consolidated Fund (superannuation reimbursement)	124,826	130,415
Other revenue	5,786	16,381
Collections raised on behalf of other agencies	40,723	35,280
Community funding	102,291	97,640
Total administered income	11,372,506	10,066,707

Note: The item "Consolidated Fund Revenue received from agencies" (2005-06 \$3,162m budget, 2004-05 \$2,545m budget) identified in the Budget Papers as Treasury Administered has not been included in this schedule as the collection of those revenues is administered by other agencies and disclosed as administered revenues in the financial statements of the relevant agencies.

40. Administered assets and liabilities

Current assets

Cash resources	2,973,972	1,469,956
Investments	29,495	80,931
Treasurer's advances	16,362	8,706
Taxation receivable	192,410	121,927
Government enterprises		
– Dividends receivable	6,270	132,522
– Tax equivalents receivable	81,786	110,394
Recoverable advances	12,668	14,710
Other receivables	46,348	42,162
Total administered current assets	3,359,311	1,981,308

Non-current assets

Investments	281,905	298,933
Recoverable advances	104,417	117,376
Total Administered Non-Current Assets	386,322	416,309
Total Administered Assets	3,745,633	2,397,617



Notes to the Financial Statements

for the year ended 30 June 2006

	2006 \$000	2005 \$000
Current Liabilities		
Borrowings	49,318	244,000
Superannuation	32,834	30,818
Interest payable	9,642	6,897
Appropriations payable	182,842	163,526
Trust account liabilities	1,886,743	1,282,635
Other payables	14,442	29,413
Total Administered Current Liabilities	2,175,821	1,757,289
Non-Current Liabilities		
Borrowings	–	49,318
Superannuation	5,419,847	5,797,398
Appropriations payable	1,996,360	1,524,974
Other payables	42,532	45,218
Total Administered Non-Current Liabilities	7,458,739	7,416,908
Total Administered Liabilities	9,634,560	9,174,197

41 Supplementary funding

Supplementary funding approved and expended during 2005-06 was as follows:

	2006 Approved Amount \$000	2006 Amount Expended \$000
Item 13 - Water Corporation of Western Australia	374	–
Additional funding of \$0.4 million was approved for anticipated cost increases for some country water, sewerage and drainage activities that are subject to community service obligation (CSO) payment arrangements (i.e. activities that are otherwise not commercially viable). Lower than expected outcomes for a number of activities covered by the annual CSO arrangement meant that the additional funding was not required.		
Item 14 - Western Australian Land Authority	10,348	2,498
Increased CSO funding of \$10.3 million was approved for costs associated with a range of projects, including \$4 million for the release and development of land within the Marine Industry and Technology Precinct, \$3.7 million for land acquisition at Kemerton Core, and \$2.6 million for the relocation of evaporation ponds at the Mungari Industrial Park in the Goldfields. Only \$2.5 million the increased funding was expended, with the Kemerton land acquisition still to be finalised, and changes made to the timing of payments required for the Marine Industry and Technology Precinct.		
Item 17 - Broome Port Authority	576	576
Safety concerns with the Broome port jetty were addressed through urgent maintenance and upgrade works funded by provision of \$0.6 million from the Consolidated Fund.		

Notes to the Financial Statements

for the year ended 30 June 2006

	2006 Approved Amount \$000	2006 Amount Expended \$000
<p>Item 18 - First Home Owners Assistance</p> <p>Eligibility for a grant under the First Home Owners' Assistance Scheme was expanded in 2005-06, providing access to owners having a licence or right of occupancy granted by a local government. Together with the continuing strong housing market in Western Australia, an increased number of applications was expected during 2005-06 and additional funding of \$14.9 million was approved for this purpose. In the event, second half 2005-06 applications did not follow the anticipated trend and, combined with a significant increase in grants repaid to the State (reflecting a change in reporting from prior years), resulted in the additional funding not being required.</p>	14,900	–
<p>Item 19 - GST administration costs</p> <p>Costs incurred by the Australian Taxation Office (ATO) in collecting GST are recouped from the States in proportion to their population shares. Reflecting the determination of the State's share of 2005-06 costs and changes in the State's population growth rate, additional funding of \$1.7 million was required for this purpose. Of this amount, \$0.8 million was expended due to Western Australia's share of a reconciliation adjustment for higher ATO spending in the 2005-06 year.</p>	1,700	805
<p>Item 21 - Life Support Equipment Electricity Subsidy Scheme</p> <p>Additional funding was approved to allow payment of a second annual subsidy for the first year of the scheme, covering applicants registered before 1 July 2005 and whose entitlement commenced from 1 January 2005. A number of applicants were also entitled to a further subsidy for maintaining two life support machines. With the number of applicants actually paid the subsidy in 2005-06 less than the number estimated as being potentially eligible, only \$51,000 of the additional funding was required.</p>	466	51
<p>Item 22 - Office of Health Review</p> <p>Additional funding was approved to recoup the Office for a management initiated retirement payment to the Office's then Director during 2005-06.</p>	167	167
<p>Item 23 - On-road diesel subsidies</p> <p>Increased funding of \$3 million was approved to provide for a number of large eligible back-claims received during 2005-06.</p>	3,000	2,800
<p>Item 25 - Pensioner concessions – emergency services levy</p> <p>From 1 July 2005, eligibility for the emergency services levy (ESL) concession was extended to pensioners and seniors residing under 'lease for life' arrangements. The maximum eligible ESL was also increased by \$20 to \$195. These changes were expected to increase the number of applications for the concession, and supplementary funding of \$2.4 million was approved as a result. However, the impact of the changes was less than expected, with \$0.4 million of the additional funding required to meet all claims in 2005-06.</p>	2,434	354
<p>Item 26 - Pensioner concessions – local government and water rates</p> <p>Based on expenditure trends at the time of the December 2005 mid-year review, additional funding of \$2 million was approved to provide for extension of the concessions to 'lease for life' resident arrangements, anticipated increases in some local government rates in 2005-06, and an expected resultant increase in the number of pensioners and seniors applying for the concessions. The impact of these factors was less than anticipate, and additional funds were ultimately not required.</p>	2,027	–
<p>Item 27 - Provision for unfunded liabilities in the Government Insurance Fund</p> <p>The Insurance Commission of Western Australia experienced a marginal increase on budgeted net claims expenses in 2005-06.</p>	31	25



Notes to the Financial Statements

for the year ended 30 June 2006

	2006 Approved Amount \$000	2006 Amount Expended \$000
Item 28 - Refund of past years revenue collections – public corporations	14,514	12,179
Under National Taxation Equivalent Regime (NTER) agreements, agencies are entitled to receive reimbursements for overpayments of NTER instalments. Additional funding of \$14.5 million was approved to reimburse a number of agencies with eligible claims, including the Water Corporation (\$1.1 million) and Western Power (\$10.9 million). The disaggregation of Western Power into four successor entities from 1 April 2006 reduced the final outcome for Western Power by \$2.3 million, resulting in the under-spend against the approved increase.		
Item 29 - Refund of past years revenue collections – all other	11,359	8,359
In an environment of strong growth in tax revenue collections reflecting the strength of the State's economy, the magnitude of eligible State tax refunds has grown proportionately. Additional funding of \$11.4 million provided for a greater number of refund claims, and for growth in the magnitude of the eligible claims made in areas such as payroll tax, land tax and stamp duty on conveyancing. A number of claims for refunds were pending as at 30 June 2006, resulting in \$3 million of the increase not being drawn in 2005-06.		
Item 35 - Water Corporation of Western Australia – State Water Strategy rebate scheme	7,520	2,940
With increasing community awareness of the WaterWise Scheme in 2005-06, which provides rebates on the purchase of various water saving products, additional funding of \$7.5 million was approved to meet an expected increase in the number of customers lodging eligible claims. Actual claims were less than the number anticipated, with only \$2.9 million of the additional funding required to meet the increase in demand.		
Item 36 - Water Corporation of Western Australia – part reimbursement of land sales	1,635	1,051
Crown land vested in the Corporation but which is no longer required for operational purposes is returned to government for sale. Arrangements are in place to give around 40% of the net sale proceeds to the Corporation through appropriation. Actual surplus land sales finalised during 2005-06 on the Corporation's behalf were in excess of the budget estimate, with strong property market prices resulting in an approved additional funding reimbursement of \$1.6 million. Of this amount, \$1.1 million was paid in 2005-06 with the remainder to be reimbursed in 2006-07 following finalisation of some sales.		
Item 39 - All other grants, subsidies and transfer payments	200	–
Additional funding of \$0.2 million was provided to meet an increased number of claims under the Farm Loan Refinance Scheme, which reimburses stamp duty paid where an existing farm loan is replaced with a more attractive loan package. The additional reimbursements in 2005-06 were more than offset by lower demand across a range of other minor grants, subsidies and transfers provided for under this item.		
Item 123 - Broome Port Authority	250	250
Additional funding of \$0.3 million was approved to meet a shortfall in the cost of steel required to extend the jetty at the port of Broome.		
Aerial Shark Surveillance Program	163	127
Funding for this program expired in 2004-05. Following a review of its effectiveness, further funding was approved to continue the program during the 2005-06 summer season.		
HIH Insurance – assistance to local government	4,000	3,700
Following the Brookton-Pingelly bushfire in 1997, a number of claims for damages were lodged against the Shire of Brookton. A subsequent court case found the Shire to be negligent, exposing it to substantial liabilities due to the collapse of its then insurer, HIH Insurance. Under recently negotiated Commonwealth/State assistance arrangements for local governments adversely affected by the collapse of HIH Insurance, funding of \$4 million was approved to enable settlement of valid claims to be progressed. Payments totalling \$3.7 million were made in 2005-06, with the remainder likely to be paid in 2006-07.		

Notes to the Financial Statements

for the year ended 30 June 2006

	2006 Approved Amount \$000	2006 Amount Expended \$000
Search for HMAS Sydney (II)	500	100
<p>A State contribution of \$0.5 million was approved towards a project to locate the HMAS Sydney (II), an Australian naval vessel sunk by German forces off the Western Australian Geraldton coast during World War II, with all hands lost. An amount of \$0.1 million was paid by 30 June 2006, with the remainder to be made available through the Western Australian Tourism Commission during 2006-07.</p>		
Stamp Duty Rebate Scheme	6,000	1,336
<p>Funding of \$6 million was approved in 2005-06 to provide for a rebate of stamp duty paid by a land-owner when removing a family home from a company or trust structure. Since legislative amendments in 2001, land-owners planning to take advantage of the land tax exemption have been unable to unwind family homes from a company or trust accounts without also having to pay stamp duty on the property transfer. Around 5 per cent of the approximately 600 potentially eligible land-owners had applied for and received the rebate by 30 June 2006.</p>		
Western Australian Land Authority	49,000	20,000
<p>As part of a three-year \$81.1 million commitment, an equity injection of \$49 million was approved in August 2005 for the installation of additional infrastructure at the Australian Marine Complex – Common User Facility in Henderson, including a floating dock, a rail transfer system and an extension and upgrade of the existing wharves. The project is designed to meet the urgent needs of naval repair and maintenance contracts currently in place, and to enhance the State's ability to secure significant new contracts currently under negotiation. A revised construction timeframe has resulted in project expenditure totalling \$29 million of the amount approved for 2005-06 being deferred to 2006-07.</p>		



Notes to the Financial Statements

for the year ended 30 June 2006

42. Explanatory statements for administered items

The summary of Consolidated Fund Appropriations and Revenue Estimates discloses appropriations and other statutes expenditure, the actual expenditures made and the revenue estimates and revenue earned. The following table compares budget estimates and actual results for 2005-06 of items having significant variations, and explanations for the variations are given below. A significant variation is one that is in excess of 10% of the principal figure or \$5 million, whichever is the greater.

	2006 Estimate \$000	2006 Actual \$000	Variance \$000	2006 Actual \$000	2005 Actual \$000	Variance \$000
ADMINISTERED EXPENDITURE						
Community Service Obligations						
Item 13 Water Corporation of Western Australia	340,416	339,821	(595)	339,821	288,253	51,568
Grants, Subsidies and Transfers						
Item 28 Refunds of Past Years Revenue - Public Corporations	100	12,279	12,179	12,279	338	11,941
Authorised by Other Statutes						
Western Australian Treasury Corporation Act 1986						
– Interest	30,812	13,483	(17,329)	13,483	27,773	(14,290)
Loan (Financial Agreement) Act 1991						
– Interest	–	–	–	–	14,912	(14,912)
ADMINISTERED CAPITAL						
Government Equity Contributions						
Item 124 Department of Health	133,933	52,102	(81,831)	52,102	82,677	(30,575)
Western Australian Land Authority	–	20,000	20,000	20,000	5,000	15,000
Authorised by Other Statutes						
Western Australian Treasury Corporation Act 1986						
– Capital Repayments	–	244,000	244,000	244,000	168,661	75,339
Loan (Financial Agreement) Act 1991						
– Capital Repayments	–	–	–	–	308,478	(308,478)
ADMINISTERED REVENUE						
Taxation						
Stamp duty – mortgages	109,700	173,624	63,924	173,624	139,595	34,029
Stamp duty – motor vehicles	298,500	342,244	43,744	342,244	302,525	39,719
Stamp duty – conveyancing and transfers	1,003,700	1,916,434	912,734	1,916,434	1,218,330	698,104
Payroll tax	1,247,000	1,358,958	111,958	1,358,958	1,226,202	132,756
Debits tax	8,000	8,435	435	8,435	99,555	(91,120)
Commonwealth grants						
Competition reform payment	39,450	66,948	27,498	66,948	53,568	13,380
Debt redemption assistance	23,600	23,601	1	23,601	3,072	20,529
Other	9,526	375	(9,151)	375	12,344	(11,969)

Notes to the Financial Statements

for the year ended 30 June 2006

	2006 Estimate \$000	2006 Actual \$000	Variance \$000	2006 Actual \$000	2005 Actual \$000	Variance \$000
Dividends and Taxes						
Government Enterprises – Dividends	463,403	539,013	75,610	539,013	435,240	103,773
Income Tax - Tax Equivalent Regime	238,349	302,122	63,773	302,122	288,531	13,591
Other Revenue						
Consolidated Fund revenue received from agencies	3,162,340	3,383,477	221,137	3,383,477	2,890,140	493,337
Capital user charge	846,739	854,153	7,414	854,153	772,345	81,808
Interest	88,634	112,950	24,316	112,950	91,087	21,863

ADMINISTERED RECURRENT EXPENDITURE

Community Service Obligation Payments

Item 13 – Water Corporation of Western Australia

The increase of \$42.6 million in 2005-06 relative to the 2004-05 actual is mainly due to the impact of a review of actual losses incurred by the Corporation in providing country water, sewerage and drainage operations (with such reviews performed once every four years). In the intervening years, annual payments are based on a formula that derives an estimate of indexation-based proportional compensation for growth and asset replacement.

Grants, Subsidies and Transfer Payments

Item 28 – Refunds of Past Years Revenue Collections - Public Corporations

Under National Taxation Equivalent Regime (NTER) agreements, agencies are entitled to receive reimbursements for overpayments of NTER instalments. Compared to both the 2005-06 budget estimate and 2004-05 out-turn, the 2005-06 out-turn increased by around \$12 million, mainly due to refunds of income tax equivalent assessment credits to the former Electricity Corporation, which ceased operations on 31 March 2006 and was replaced by a number of successor entities as part of the Government's electricity reforms.

Authorised by Other Statutes

Western Australian Treasury Corporation Act 1986 – Interest

Surplus Consolidated Fund cash was applied to unscheduled debt repayments in September 2005. Accordingly, interest costs were lower than those in both the 2005-06 Budget and 2004-05 out-turn.

Loan (Financial Agreement) Act 1994 – Interest

Surplus Consolidated Fund cash was applied to unscheduled debt repayments in August 2004, including the repayment in full of borrowings raised under the Loan (Financial Agreement) Act 1991. Accordingly, and relative to the 2004-05 out-turn, there were no associated interest costs in 2005-06.

ADMINISTERED CAPITAL EXPENDITURE

Government Equity Contributions

Item 124 – Department of Health

Since the 2004-05 Budget, health reform capital expenditure has been centrally provisioned, with access to funds subject to government approval of business cases submitted by the Department of Health. The \$81.8 million variance between the 2005-06 budget estimate and out-turn is primarily due to delays in the progress of the department's various capital works projects. In addition, funding has been transferred from this item to the department's control, through an increase in direct capital contribution appropriation, allocating funds to support several projects for which a business case was approved during the year. The variance between 2005-06 and 2004-05 out-turns reflects the timing and magnitude of the projects centrally provisioned under this item.

Western Australian Land Authority

New funding of \$20.0 million was provided to the Authority in 2005-06 for installation of common-user infrastructure at the Australian Marine Complex in Henderson, including a floating dock, a rail transfer system and an extension and upgrade of existing wharves. This project was approved in August 2005, after release of the 2005-06 Budget. The 2005-06 allocation was unrelated to a \$5.0 million equity injection provided for land acquisition under the Townsite Development Program in 2004-05.



Notes to the Financial Statements

for the year ended 30 June 2006

Authorised by Other Statutes

Loan (Financial Agreement) Act 1991 – Capital Repayments

In August 2004, surplus Consolidated Fund cash was applied to an unscheduled capital repayment which extinguished all remaining loan liability under the Loan (Financial Agreement) Act 1991. With no remaining liability, there were no further payments in 2005-06.

Western Australian Treasury Corporation Act 1986 – Capital Repayments

Surplus Consolidated Fund cash was used to reduce the outstanding loan liability under the Western Australian Treasury Corporation Act 1986. Unscheduled capital repayments were made in August 2004 (\$168.7 million) and again in September 2005 (\$244.0 million), with the amounts paid determined as final surplus outcomes for the preceding financial years were determined.

ADMINISTERED REVENUE

Taxation

Debits tax

Relative to the 2004-05 out-turn, the 2005-06 out-turn was significantly lower due to the abolition of debits tax from 1 July 2005.

Payroll tax

The 2005-06 out-turn increased by \$132.8 million relative to 2004-05, mainly due to strong growth in wages and employment during 2005-06.

Stamp duty – conveyancing and transfers

In contrast to a forecast moderation in Western Australia's property market during 2005-06, very strong growth in property prices and a continued high level of property transfers was recorded during the year. Conveyance duty assessments on large commercial property transfers also increased substantially in 2005-06. As a result, the 2005-06 out-turn was \$912.7 million higher than the budget estimate, and \$698.1 million higher than the 2004-05 out-turn.

Stamp duty – mortgages

Stamp duty on mortgages was \$63.9 million higher than forecast at the time of the 2005-06 Budget and \$34.0 million higher than was recorded in 2004-05. This mainly reflects the very strong growth in Western Australia's property market during 2005-06, compared to the budget forecast based on an assumption that property market activity would stabilise at the high levels experienced in 2004-05.

Stamp duty – motor vehicles

Higher than expected growth in motor vehicle transfers was recorded in 2005-06, due to stronger economic conditions generally, including strong wages and employment growth and low unemployment. This was reflected in higher motor vehicle stamp duty collections in 2005-06, relative to both the 2005-06 Budget estimate and 2004-05 out-turn.

Commonwealth grants

Competition reform payments

Relative to both the 2005-06 Budget estimate and 2004-05 out-turn, the increase in grants received under National Competition Policy arrangements in 2005-06 reflects the two-year impact of reinstated payments suspended in 2004-05, chiefly due to progress in liberalising grain marketing arrangements and electricity reforms.

Debt redemption assistance

Western Australia's liability to the Commonwealth under the Financial Agreement Act 1995 was extinguished in July 2005. In accordance with the Agreement, the Commonwealth's debt redemption assistance payment to the State (in 2005-06) was calculated on the basis of the discounted value of all future notional Commonwealth contributions to the Debt Retirement Reserve Trust Account on the State's behalf. The increased 2005-06 out-turn relative to the 2004-05 out-turn reflects finalisation of this arrangement.

Other

The 2005-06 out-turn was \$11.9 million lower than for 2004-05, largely as a result of one-off grants received in 2004-05. These included \$9.5 million towards construction of the North Quay Rail Loop at the Port of Fremantle, and \$2.2 million to recoup 50 per cent of the cost of commencing Phase 1 of the Aboriginal and Remote Communities Power Supply Project, a joint Commonwealth/State-funded initiative.

Notes to the Financial Statements

for the year ended 30 June 2006

Dividends and Taxes

Government Enterprises – Dividends

Compared to the 2005-06 Budget estimates, revenue from dividends was up \$75.6 million, mainly due to higher than expected profitability for the Water Corporation (primarily resulting from higher developers' contributions - \$40.8 million) and the early payment of dividends by the Electricity Corporation arising from the electricity reform disaggregation process (the Electricity Corporation ceased operations on 31 March 2006 and was replaced by four successor entities - \$28.4 million).

Dividend revenue increased by \$103.8 million relative to the 2004-05 out-turn mainly due to higher than expected profitability for the Water Corporation (primarily resulting from higher sales – \$55.7 million) and the Western Australian Land Authority (due to higher land sales profits and a special dividend from the sale proceeds of Joondalup land for the freeway – \$18.8 million), together with the early payment of dividends by the Electricity Corporation arising from the electricity reform process (\$21.0 million).

Income tax – Tax Equivalent Regime

Compared to the 2005-06 Budget estimate, income tax equivalent revenue was up by \$63.8 million, mainly due to higher than expected profitability for the Water Corporation (primarily resulting from higher developers' contributions - \$21.6 million) and the Western Australian Land Authority (due to higher land sales profits - \$15.4 million). Revenue from the Electricity Corporation successor entities (\$20.4 million) partially offset by a \$13.5 million reduction due to reduced profitability for the Electricity Corporation (due to increased costs partially offset by higher revenue from electricity sales and developers' contributions), also contributed to the increase reflected in the 2005-06 out-turn.

Other Revenue

Consolidated Fund revenue received from agencies

The 2005-06 out-turn increased by \$493.3 million relative to 2004-05, largely attributable to increases in mining royalty revenue. Collections from iron ore royalties were \$214.8 million (or 32%) higher on the back of a substantial price increase in contracts negotiated in 2005, and petroleum royalty collections (received from the Commonwealth for the State's share of off-shore North-West Shelf production) increased by \$173.0 million (or 25%), largely as a result of a higher average oil price during 2005-06 than the price prevailing in 2004-05. Increases in Commonwealth tied grants for health-related services (\$21.4 million) also contributed to the higher 2005-06 out-turn.

Capital User Charge

The 2005-06 out-turn was \$81.8 million higher than 2004-05, largely attributable to the flow-on effect of annual revaluations of assets by a number of agencies, notably the Commissioner of Main Roads (including land under roads), the Department of Education and Training (for school buildings and associated infrastructure), and the Department of Health (for land and other fixed assets). An increase in capital user charge revenue from the Public Transport Authority followed the repayment of residual debt in 2005-06, left over from the 2000-01 sale of Westrail's freight division, using surplus Consolidated Fund cash from 2004-05.

Interest

Reflecting the impact on Consolidated Fund revenue collections from continued strength in the State's economy, higher than anticipated Public Bank Account cash balances were maintained during 2005-06, resulting in higher investment income. As a result, the 2005-06 interest out-turn exceeded both the budget estimate and the 2004-05 out-turn.



Notes to the Financial Statements

for the year ended 30 June 2006

43 Service delivery arrangement (Indian Ocean Territories)

	2006 \$000	2005 \$000
Revenue		
Commonwealth receipts	86	42
	<hr/>	<hr/>
	86	42
Expenditure		
Administration	8	11
Payroll and business franchise	26	18
Stamp duties, land taxes and financial taxes	4	5
Compliance	3	28
	<hr/>	<hr/>
	41	62
Surplus/(deficit) for the period	<hr/>	<hr/>
	45	(20)
Balance brought forward	27	47
Balance carried forward	<hr/>	<hr/>
	72	27

Notes to the Financial Statements

for the year ended 30 June 2006

44 Reconciliations explaining the transition to Australian equivalents to International Financial Reporting Standards (AIFRS)

(a) RECONCILIATION OF EQUITY AT THE DATE OF TRANSITION TO AIFRS: 1 JULY 2004

	Note	AGAAP 1 July 2004 \$000	AASB 138 \$000	AASB 119 \$000	Total Adjustment \$000	AIFRS 1 July 2004 \$000
ASSETS						
Current Assets						
Cash and cash equivalents	(1)	13,466	–	–	–	13,466
Restricted cash and cash equivalents		1,260	–	–	–	1,260
Other current assets	(3)	330	–	–	–	330
Receivables		3,099	–	–	–	3,099
Amounts receivable for services	(2)	1,131	–	–	–	1,131
Total Current Assets		19,286	–	–	–	19,286
Non-Current Assets						
Amounts receivable for services	(2)	11,033	–	–	–	11,033
Plant, equipment and leasehold		18,285	(14,534)	–	(14,534)	3,751
Intangible assets		262	14,534	–	14,534	14,796
Total Non-Current Assets		29,580	–	–	–	29,580
TOTAL ASSETS		48,866	–	–	–	48,866
LIABILITIES						
Current Liabilities						
Payables		2,951	–	–	–	2,951
Other liabilities	(4)	1,668	–	–	–	1,668
Provisions		7,937	–	1,891	1,891	9,828
Total Current Liabilities		12,556	–	1,891	1,891	14,447
Non-Current Liabilities						
Provisions		4,233	–	(1,891)	(1,891)	2,342
Total Non-Current Liabilities		4,233	–	–	–	2,342
Total Liabilities		16,789	–	–	–	16,783
EQUITY						
Contributed equity		20,915	–	–	–	20,915
Accumulated surplus		11,612	–	–	–	11,162
Total Equity		32,077	–	–	–	32,077
TOTAL LIABILITIES AND EQUITY		48,866	–	–	–	48,866

(1) Equivalent AGAAP line item 'Cash Assets' (AIFRS 'Cash and Cash Equivalents').

(2) Equivalent AGAAP line item 'Amounts receivable for outputs' (AIFRS 'Amounts receivable for services').

(3) Equivalent AGAAP line item 'Other Assets' (AIFRS 'Other Current assets').

(4) Equivalent AGAAP line item 'Other liabilities' (AIFRS 'Other current liabilities').



Notes to the Financial Statements

for the year ended 30 June 2006

(b) RECONCILIATION OF EQUITY AT THE END OF THE LAST REPORTING PERIOD UNDER PREVIOUS AGAAP: 30 JUNE 2005

	Note	AGAAP 2005 \$000	AASB 138 41.1(b) \$000	AASB 119 41.2(b) \$000	Total Adjustment \$000	AIFRS 2005 \$000
ASSETS						
Current Assets						
Cash and cash equivalents	(5)	6,611	–	–	–	6,611
Other current assets	(7)	958	–	–	–	958
Receivables		2,759	–	–	–	2,759
Amounts receivable for services	(6)	2,115	–	–	–	2,115
Total Current Assets		12,443	–	–	–	12,443
Non-Current Assets						
Amounts receivable for services	(6)	12,896	–	–	–	12,896
Plant, equipment and leasehold		16,241	(12,563)	–	(12,563)	3,678
Intangible assets		225	12,563	–	12,563	12,788
Total Non-Current Assets		29,362	–	–	–	29,362
TOTAL ASSETS		41,805	–	–	–	41,805
LIABILITIES						
Current Liabilities						
Payables		848	(418)	–	(418)	430
Other liabilities	(8)	–	418	–	418	418
Provisions		9,986	–	1,491	1,491	11,477
Total Current Liabilities		10,834	–	1,491	1,491	12,325
Non-Current Liabilities						
Provisions		5,294	–	(1,632)	(1,632)	3,662
Total Non-Current Liabilities		5,294	(418)	(1,632)	(1,632)	3,662
Total Liabilities		16,128	–	(141)	(141)	15,987
EQUITY						
Contributed equity		21,315	–	–	–	21,315
Accumulated surplus		4,362	–	141	141	4,503
Total Equity		25,677	–	141	141	25,818
TOTAL LIABILITIES AND EQUITY		41,805	–	–	–	41,805

(5) Equivalent AGAAP line item 'Cash Assets' (AIFRS 'Cash and Cash Equivalents').

(6) Equivalent AGAAP line item 'Amounts receivable for outputs' (AIFRS 'Amounts receivable for services').

(7) Equivalent AGAAP line item 'Other Assets' (AIFRS 'Other Current assets').

(8) Equivalent AGAAP line item 'Other liabilities' (AIFRS 'Other current liabilities').

Notes to the Financial Statements

for the year ended 30 June 2006

(c) RECONCILIATION OF INCOME STATEMENT (PROFIT OR LOSS) FOR YEAR ENDED 30 JUNE 2005

	Note	AGAAP 2004-05 \$000	AASB 119 41.2(c) \$000	Total Adjustment \$000	AIFRS 2004-05 \$000
COST OF SERVICES					
Expenses from ordinary activities					
Employee benefits expense		50,267	(329)	(329)	49,938
Supplies and services		24,849	(460)	(460)	24,389
Depreciation and amortisation expense	(9)	4,197	–	–	4,197
Accommodation expenses		5,374	–	–	5,374
Capital user charge		2,368	–	–	2,368
Other expenses		–	648	648	648
Loss on disposal of non-current assets		28	–	–	28
Total cost of services		87,083	(141)	(141)	86,942
Income					
User charges and fees		16,269	–	–	16,269
Total income other than income from State Government		16,269	–	–	16,269
NET COST OF SERVICES		70,814	(141)	(141)	70,673
INCOME FROM STATE GOVERNMENT					
Output appropriation		53,791	–	–	53,791
Liabilities assumed by the Treasurer	(10)	1,036	–	–	1,036
Resources received free of charge		9,187	–	–	9,187
Total income from State Government		64,014	–	–	64,014
DEFICIT FOR THE PERIOD		(6,800)	(141)	(141)	(6,659)

(9) Equivalent AGAAP line item 'Employee expenses' (AIFRS 'Employee benefits expense').

(10) Equivalent AGAAP 'Output appropriations (AIFRS 'Service appropriation').



Notes to the Financial Statements

for the year ended 30 June 2006

(d) RECONCILIATION OF CASH FLOW STATEMENT FOR YEAR ENDED 30 JUNE 2005

	Note	AGAAP 30 June 2005 \$000	AASB 119 41.2(d) \$000	Total Adjustment \$000	IFRS 30 June 2005 \$000
CASH FLOWS FROM STATE GOVERNMENT					
Service appropriation		49,813	–	–	49,813
Capital contributions		400	–	–	400
Holding account drawdowns		1,131	–	–	1,131
Net cash provided by State Government		51,344	–	–	51,344
Utilised as follows:					
CASH FLOWS FROM OPERATING ACTIVITIES					
Payments					
Employee benefits	(1)	(47,487)	188	188	(47,299)
Supplies and services		(18,171)	510	510	(17,661)
Capital user charge		(2,368)	–	–	(2,368)
Accommodation		(5,469)	–	–	(5,469)
Grants and subsidies		–	(50)	(50)	(50)
GST payments on purchases		(2,677)	–	–	(2,677)
GST payments to taxation authority		(1,096)	–	–	(1,096)
Other payments		–	(648)	(648)	(648)
Receipts					
User charges and fees		16,512	–	–	16,512
GST receipts on sales		1,242	–	–	1,242
GST receipts from taxation authority		2,198	–	–	2,198
Net cash provided by/(used in) operating activities		(57,316)	–	–	(57,316)
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of non-current physical assets		(2,143)	–	–	(2,143)
Net cash provided by/(used in) investing		(2,143)	–	–	(2,143)
Net increase/(decrease) in cash held		(8,115)			(8,115)
Cash and cash equivalents at beginning of period		14,726	–	–	14,726
CASH AND CASH EQUIVALENT ASSETS AT END OF PERIOD		6,611	–	–	6,611

(1) Equivalent AGAAP line item 'Employee costs' (AIFRS 'Employee benefits').

Notes to the Financial Statements

for the year ended 30 June 2006

44 Reconciliation explaining the transition to Australian equivalents to International Financial Reporting Standards (AIFRS)

Notes to the reconciliations

44.1 Intangible assets (AASB 138)

AASB 138 requires that software not integral to the operation of a computer must be disclosed as intangible assets. Intangible assets must be disclosed on the face of the balance sheet. All software has previously been classified as plant and equipment.

44.1a Adjustments to opening Balance Sheet (1 July 2004)

The department has transferred \$14,534,000 in software from plant and equipment to intangible assets. Leave provisions were reclassified in accordance with IFRS 119.

44.1b Adjustments to 30 June 2005 Balance Sheet

The department has transferred \$12,563,000 in software from plant and equipment to intangible assets.

44.1c Adjustments to the Income Statement for the period ended 30 June 2005

There was no net impact on the surplus for the year.

44.2 Employee benefits (AASB 119 and AASB 101)

AASB 101 requires that a liability must be classified as current where the entity does not have an unconditional right to defer settlement of the liability for at least twelve months beyond the reporting date. Consequently, all annual leave and long service leave entitlements (unconditional long service leave) must now be classified as current. Non-vested long service leave liability will be non-current to the extent that it does not become unconditional within 12 months from reporting date.

Employment on-costs are not included in employee benefits under AGAAP or AIFRS. However, under AGAAP employee benefits and on-costs are disclosed together on the face of the Income Statement as Employee costs. Under AIFRS employee benefits is the equivalent item disclosed on the face. On-costs have been transferred to other expenses.

44.3a Adjustments to opening Balance Sheet (1 July 2004)

All unconditional long service leave (\$1,891,000) previously reported as non-current liability has been reclassified to current liability.

44.3b Adjustments to 30 June 2005 Balance Sheet

All unconditional long service leave (\$1,491,000) previously reported as non-current liability has been reclassified to current liability. The application of discounting techniques to the measurement of annual leave has resulted in a reduction of the leave liability (\$141,000) and a consequent reduction in employee benefits and equity.

44.3c Adjustments to Income Statement for the period ended 30 June 2005.

The application of discounting techniques has resulted in a reduction in the employee benefits (\$141,000) disclosed for the period.

44.3d Adjustments to the Cash Flow Statement for the period ended 30 June 2005

Employment on-costs payments have been reclassified from employee benefits payments to other payments (\$188,000).



Certification of Performance Indicators

for the year ended 30 June 2006

I hereby certify that the performance indicators are based on proper records, are relevant and appropriate for assisting users to assess the Department of Treasury and Finance's performance, and fairly represent the performance of the Department for the financial year ended 30 June 2006.

Timothy Marney
UNDER TREASURER

11 September 2006

Performance Indicators

Performance Assessment

Our Outcomes

The outcomes the Department seeks to achieve are:

- ◆ government and public sector agencies are well informed on resource allocation issues;
- ◆ public sector financial management and reporting is accountable, transparent and timely;
- ◆ government, business and the community are well informed on economic policy;
- ◆ due and payable revenue is collected, and eligible grants, subsidies and rebates paid; and
- ◆ value for money from public sector procurement.

Our Services

The Department aims to achieve these outcomes through our ten services:

- Service 1: Resourcing of services and budget development
- Service 2: Asset management and financing
- Service 3: Fiscal management and reporting
- Service 4: Financial management framework development and advice
- Service 5: Structural policy development and advice
- Service 6: Economic, revenue and intergovernmental policy development and advice
- Service 7: Revenue assessment and collection
- Service 8: Grants and subsidies administration
- Service 9: Development and implementation of public sector procurement arrangements and systems
- Service 10: Native Title policy development, implementation and negotiation.

Measuring Our Performance

The Department measured its performance through statistically based information and survey based questionnaires.

Statistically based effectiveness indicators have been included to help measure performance in both outcome and service areas. The use of in-house statistical data complements the survey-based results and adds scope and objectivity to the sources of information used in measuring our performance.

The efficiency indicators have been sourced from information held in our internal service measurement systems.



In 2006, the Department commissioned an external consultant to carry out a survey to determine its economic and financial based effectiveness and efficiency. A self-completion questionnaire was sent to 112 clients/stakeholders.

A total of 92 responses were received from a final sample of 112 client/stakeholders. This is a response rate of 82 per cent and gives a maximum associated sample error of +/- 4.3 per cent at the 95 per cent confidence level.

The numbers sampled and response rates were as follows:

Client/Stakeholder Groupings	Total Number Surveyed	Response Number	Response Rate %
Chief Financial Officer	112	80	71
Asset Financing	2 *	2 *	100
Commercial Property	8	7	88
Inter-Govt Revenue or Economic Policy	8	8	100
Structural Policy	20	18	90
Total Department/Agency	112	92	82

* Please note that while two departments fit into this stakeholder group, three individuals from one particular department were interviewed to boost sample within this stakeholder group. A total of four individuals were therefore sampled.

Interview questions were designed specifically for each identified client/stakeholder group.

Performance measures covering revenue collection and assessments and the payment of grants and subsidies are sourced from in-house statistically based data collection processes.

The public sector procurement outcome and service indicators are based on a number of client surveys and statistically based information relating to contracting services and procurement systems products.

Performance Indicators (continued)

Effectiveness Indicators

Outcome 1: Government and public sector agencies are well informed on resource allocation issues

A key role of the Department is keeping public sector agencies well informed on resource allocation issues. This includes the annual budget process and production of budget papers, developments in capital investment planning and asset management and implementing recommendations from the Functional Review Taskforce (such as shared corporate services).

The indicator of effectiveness is the percentage of clients/stakeholders who believe that the Department has kept them well informed on resource allocation issues.

As a result of the change in the method of sampling, during 2005-06, all agencies were asked to rate the effectiveness of DTF in keeping clients/stakeholders well informed on resource allocation issues. The results were as follows:

2004-05 %	2004-05 Target %	2005-06 Target %	2005-06 Target %
63	75	59	80

The 54 responses to this question (out of a total of 112 surveyed) represent a response rate of 48 per cent for this indicator.

The significant variance between 2005-06 target and actual is mainly due to the fact that, when arriving at the target of 80 per cent, no formal assessment of stakeholders was carried out.

Outcome 2: Public sector financial management and reporting is accountable, transparent and timely

The Department is responsible for:

- ◆ the development and implementation of financial management and accounting policy in the Western Australian public sector;
- ◆ the provision of advice to agencies and government in relation to the implementation of financial reforms (such as accrual appropriations), changes to accounting policies, legislation review and interpreting existing accounting policy and the legislative framework for the Western Australian public sector;
- ◆ the central accounting and reporting requirements of government, including the preparation and publication of whole of government financial statements; and
- ◆ the provision of assistance with respect to major capital infrastructure projects (for example, Public Private Partnerships and the New Metro Rail project).

Public sector financial management and reporting is considered effective if it is seen to be accountable,



transparent and timely.

Indicators of effectiveness include:

- (a) the percentage of stakeholders who believe that the Department's guidance on accounting and financial policies assisted them to discharge their financial management and reporting obligations.

	2004-05 %	2005-06 %	2005-06 Target %
Financial Management ⁽¹⁾	63	67	75
Reporting ⁽²⁾	70	63	75

⁽¹⁾ The 76 responses to this question (out of a total of 112 surveyed) represent a response rate of 67 per cent for this indicator.

⁽²⁾ The 76 responses to this question (out of a total of 112 surveyed) represent a response rate of 67 per cent for this indicator.

The variance between 2005-06 target and actual is mainly due to the fact that when arriving at the target of 75 per cent, no formal assessment of stakeholders was carried out.

- (b) The percentage of agencies that met reporting timelines and information requirements.

The *Government Financial Responsibility Act 2000* requires the preparation and publication of quarterly financial results reports at the whole of government level. Agencies are required to submit data to the Department by the 15th day of the month following the end of each quarter, to facilitate the timely release of the quarterly financial results reports.

Whole of Government Returns

Period	Number of agency returns required	Agency returns received by due date	
		No.	%
2004-05			
September	145	100	69.0
December	145	89	61.4
March	146	116	79.5
June	147	93	63.3
2005-06			
September	143	82	57.3
December	144	102	70.8
March	143	111	77.6
June	148	86	58.1

The Department is working with agencies to improve the timeliness of whole of government financial reporting. For the reporting period, submissions by agencies were not as timely as anticipated and this was evident with an average 65.95 per cent of agencies meeting the quarterly reporting deadline throughout the year, compared with 68 per cent in 2004-05.

Performance Indicators (continued)

Outcome 3: Government, business and the community are well informed on economic policy

One of the key responsibilities of the Department is to ensure that government, business and the community are well informed on economic policy issues. This includes National Competition Policy reforms, utilities reform and regulation, commercial policy and financial performance of government business enterprises, business tax reform, Commonwealth-State relations and general issues impacting on the Western Australian economy.

Keeping government, business and the community well informed on economic policy is considered effective if:

- ◆ advice has been provided to stakeholders/clients in a timely manner;
- ◆ the majority of stakeholders/clients feel that the information provided on economic issues and trends was clear, complete and relevant, and served to assist them in their decision making; and
- ◆ economic policy advice provided to clients/stakeholders was accurate and consistent.

The indicator of effectiveness is the percentage of stakeholders who believe that the Department has kept them well informed on economic policy issues.

2004-05 %	2004-05 Target %	2005-06 %	2005-06 Target %
59	75	31	75

The 29 responses to this question (out of a total of 33 surveyed) represent a response rate of 89 per cent for this indicator.

The variance between 2005-06 target and actual is mainly due to the fact that when arriving at the target of 75 per cent, no formal assessment of stakeholders was carried out.

31 per cent of all clients who answered this question rated the DTF as effective. This is lower than the previous year and is mainly due to the majority of stakeholders providing a neutral response in relation to economic policy issues.

Outcome 4: Due and payable revenue is collected and eligible grants, subsidies and rebates paid

DTF, through the Office of State Revenue, administers a range of revenue laws on behalf of the government. This involves the collection of revenue raised and payment of grants and subsidies provided under those revenue laws, as well as a number of administrative based schemes.

The revenue collection effectiveness indicators provide a measure of the accuracy of the revenue assessment process, the level of compliance by self-assessed taxpayers and the timeliness of processing assessments, and are considered to be the key elements in the effective collection of revenue.

Indicators of effectiveness include:

(a) The percentage of assessments paid and returns lodged by the due date.

The proportion of assessments paid, and returns lodged by the due date, provides an indication of the level of compliance by those persons who make payments. Incorrect assessments paid and lodged can be an indication that persons have an insufficient knowledge of the tax laws. This indicator includes assessments for land tax, stamp duty instruments and returns based taxes for pay-roll tax, insurance, stamp duty rental and miscellaneous stamp duty.



2001-02 %	2002-03 %	2003-04 %	2004-05 %	2005-06 %	2005-06 Target %
87	88	83	86	80	87

Debits tax was abolished 1 July 2005 and is not included in the 2005-06 figures

(b) The extent to which all registered pay-roll tax persons audited had paid their correct liability.

The extent to which all audited persons submit pay-roll tax returns and pay their correct liability reflects the level of compliance in relation to revenue laws.

Liability for Pay-roll tax	Number investigated/audited	Actual Per cent compliant/ correct	Target Per cent compliant/correct
2002-03	964	33%	n.a*
2003-04	849	27%	30%
2004-05	764	38%	30%
2005-06	677	42%	43%

The percentage of compliance relates to persons found to have correctly declared their liability. Incorrect declarations include both under declarations and over declarations. The indicator is based on routine audits of 677 employers representing 6.8 per cent of the total registered 10,010 employers. As audits are often targeted, the compliance percentage is not necessarily indicative of all employers.

(c) The extent to which all registered stamp duty rental persons audited had paid their correct liability.

The extent to which all audited stamp duty rental persons pay their correct liability reflects the level of compliance in relation to revenue laws.

Liability for Stamp duty (rentals)	Number investigated/audited	Actual Per cent compliant/ correct	Target Per cent compliant/correct
2002-03	43	46.5%	n.a.*
2003-04	51	39.2%	40.0%
2004-05	148	39.1%	40.0%
2005-06	122	42.6%	38.0%

The percentage of compliance relates to persons found to have correctly declared their liability. Incorrect declarations include both under declarations and over declarations. It is based on a sample of 122 businesses representing 8.8 per cent of the total stamp duty rental registration base of 1,382. As audits are often targeted, the compliance percentage is not necessarily indicative of the duty base. Additional resources allocated to this were allocated to this activity in order to carry out more investigations.

(d) The extent to which all recipients of the First Home Owner Grant audited had been paid their correct grant.

The extent to which all recipients of grants and subsidies have been paid correctly reflects the level of compliance in relation to revenue laws.

Liability for First Home Owner Grant Scheme	Number investigated/audited	Actual Per cent compliant/ correct	Target Per cent compliant/correct
2002-03	479	99.0%	n.a*
2003-04	678	98.5%	98.0%

Performance Indicators (continued)

Liability for First Home Owner Grant Scheme	Number investigated/audited	Actual Per cent compliant/correct	Target Per cent compliant/correct
2004-05	687	98.9%	98.0%
2005-06	609	98.8%	99.0%

The percentage of compliance relates to the number of persons found to have correctly claimed a First Home Owner Grant (FHOG). Although all FHOG applicants are subject to both a pre-eligibility check and a later residency check, only 609 of the total FHOG applications base of 18,622 were formally investigated. Of those investigated, 386 were found to be eligible for the grant and 223 were either refused the grant or had to repay the grant.

(e) The extent to which all recipients of Pensioner and Senior Rebate Scheme subsidies audited claim the correct concession.

Liability for Pensioner and Seniors Rebate Scheme	Number investigated/audited	Actual Per cent compliant/correct	Target Per cent compliant/correct
2002-03	1,491	98.7%	n.a*
2003-04	2,789	n.a*	99.0%
2004-05	3,627	97.8%	99.0%
2005-06	4,573	98.6%	99.0%

The percentage of compliance relates to the number of pensioner and senior rebate claims found to be correct. It is based on an eligibility verification performed on all schedules received (4,573). Of the 564,151 individual pensioner and senior rebate claims included in the schedules processed, 556,345 were accepted.

There are no restrictions on local governments on how many schedules or when they submit schedules for reimbursement. A local government may choose to submit one schedule per year or several, depending on their internal processes. Also, once a schedule has been processed by OSR it may contain a number of rejected claims. These rejected claims will be corrected by local governments and resubmitted for payment.

Outcome 5: Value for money from public sector procurement

This outcome strives to deliver value for money procurement services and frameworks across the Western Australian public sector. Value for money is a key policy objective to ensure that public authorities achieve the best possible outcome for the amount of money spent when purchasing goods and services.

Value for money from public sector procurement is considered effective if:

- ◆ client agencies agree that their contracts were awarded on a value for money basis; and
- ◆ client agencies agree that common use contracting arrangements were awarded and managed on a value for money basis.



Indicators of effectiveness include:

(a) The extent to which client agencies agree that their contracts were awarded on a value for money basis.

2002-03 %	2003-04 %	2004-05 %	2005-06 %	2005-06 Target %
82	74	87	84	80

The 533 responses to this question out of a total of 599 surveyed represent a response rate of 89 per cent for this indicator.¹

(b) The extent to which client agencies agree that common use contracting arrangements were managed/awarded on a value for money basis.

2002-03 %	2003-04 %	2004-05 %	2005-06 %	2005-06 Target %
68	68	81	83	80

During 2005-06, there was a significant increase in the sample size surveyed due to the inclusion of common use contracts not included in the 2004-05 survey. The 2,165 responses to this question out of a total of 3,355 surveyed represent a response rate of 65% for this indicator.

Performance Indicators (continued)

Efficiency indicators (Audited)

Our efficiency indicators have been designed to measure the unit cost of the ten services.

Service 1: Resourcing of services and budget development

This service covers the ongoing liaison with agencies on issues impacting their business and the provision of advice and assistance through the budget process (such as budget circulars and budget briefing sessions). It also includes the provision of advice during the budget process to Ministers and non-ministerial members of the Expenditure Review Committee (such as bilateral and Expenditure Review Committee briefing notes).

Efficiency Indicators	2003-04	2004-05	2005-06
Cost per hour of advice (\$) ⁽¹⁾	220	115	213
Cost of producing budget papers (\$) ⁽²⁾	1,202,697	504,902	775,676

⁽¹⁾ The variation between financial years primarily reflects a change in the mix of outputs required by the Government during that year. It is noted that 2005-06 actual results are broadly consistent with 2003-04 results.

⁽²⁾ The preparation of budget papers in 2004-05 was a condensed process due to the shorter time being available as a result of the State Election in February 2005 and the decision to continue to deliver a May budget.

Service 2: Asset management and financing

This service covers the responsibility for provision of financial management advice and services to the public sector.

Efficiency Indicators	2003-04	2004-05	2005-06
Cost per hour of advice (\$) ⁽¹⁾	114	95	113

⁽¹⁾ The increase in the cost per hour of advice from 2004-05 to 2005-06 mainly reflects a lower number of hours spent on the management and investment of cash resources (due to staff shortages during the year), resulting in an increased unit cost.

Service 3: Fiscal management and reporting

This service covers the provision of fiscal policy advice and whole of government financial reporting that is relevant, accurate and timely.

Efficiency Indicators	2003-04	2004-05	2005-06
Cost per hour of advice (\$)	108	169	159
Cost of producing reports (\$) ⁽¹⁾	2,521,929	2,899,977	2,851,347

⁽¹⁾ Includes cost of producing Budget Paper 1 (Budget Speech), Budget Paper 3 and the Budget Overview.



The *Financial Administration Legislation Amendment Act 2005* imposed tighter deadlines on whole of government financial reporting with effect from 1 January 2006. To ensure that these deadlines were achieved, resources were redirected from other activities – such as advice to agencies – to the reporting function, with a resultant decrease in cost per hour of advice.

Service 4: Financial management framework development and advice

This service covers the ongoing development of, and the provision of advice on, the financial management framework within the public sector, including accounting policies and practices.

Efficiency Indicators	2003-04	2004-05	2005-06
Cost per hour of advice (\$) ⁽¹⁾	134	135	149

⁽¹⁾ The increase in the cost per hour of advice in 2005-06 compared to 2004-05 reflects reduced hours of advice to agencies, which in turn reflects a reduction in direct work hours due to staff vacancies and extended sick leave.

Service 5: Structural policy development and advice

This service covers the provision of information and advice relating to microeconomic (structural) policy reform including National Competition Policy reforms, utilities reform and financial performance and budget oversight of government business enterprises, contributions to the gas retail deregulation and establishment of the Independent Market Operator.

Efficiency Indicators	2003-04	2004-05	2005-06
Cost per hour of advice (\$) ⁽¹⁾	111	124	151

⁽¹⁾ The increased cost per hour of advice arises from higher total costs. The increased costs are associated with more strategic complex advice required on issues including Council of Australian Government (COAG) involvement, the Pilbara Rail access issues and the disaggregation of Western Power and its successor entities.

Service 6: Economic, revenue and intergovernmental policy development and advice

This service covers the Department's role in keeping government, business and the community well informed on economic, revenue and intergovernmental policy developments. This includes promoting a greater understanding of the Western Australian economy, the review of Commonwealth-State funding arrangements (special purpose payments and the Commonwealth Grants Commission) and State taxation (including revenue relief resources announced in 2004-05).

Efficiency Indicators	2003-04	2004-05	2005-06
Cost per hour of advice (\$) ⁽¹⁾	133	146	208
Cost of producing reports and publications ⁽²⁾	169,882	504,866	527,439

⁽¹⁾ The increased cost per hour of advice arises from higher total costs.

⁽²⁾ Increased costs are associated with the State Tax Review project undertaken on behalf of the State Government combined with the releasing of the Commonwealth-State Relations paper and the Revenue Forecasting Review. Advice on these issues is generally more complex and takes more time than more routine policy advice in these areas.

Performance Indicators (continued)

Service 7: Revenue assessment and collection

This service covers the assessment and collection of certain revenues payable to the State under a range of State revenue laws including those raised in accordance with the Land Tax Assessment Act, Land Tax Act, Metropolitan Region Improvement Tax Act, Debits Tax Assessment Act and the Debits Tax Act, Pay-roll Tax Assessment Act, Pay-roll Tax Act and the Stamp Act.

Efficiency Indicators	Actual 2003-04	Actual 2004-05	Actual 2005-06
Cost per return issued (\$) ⁽¹⁾	195	192	233
Cost per instrument assessed (\$) ⁽²⁾	25	30	23

⁽¹⁾ Cost per return issued increased marginally due to costs associated with returns-related system and process improvement projects.

⁽²⁾ Reduction in cost per instrument largely due to greater property market and associated activity, along with the implementation of ROL online stamping which allowed the inclusion of data unable to be captured previously.

Service 8: Grants and subsidies administration

This service covers the administration of the payment of concessions under the First Home Owner Grant Scheme and the Pensioner and Seniors Rebate Scheme.

Efficiency Indicators	Actual 2003-04	Actual 2004-05	Actual 2005-06
Cost per grant and subsidy processed			
First Home Owner Grant Applications (\$) ⁽¹⁾	110*	80	90
Pensioner and Seniors Claim Concession (\$)	1.47*	1.91	1.95

⁽¹⁾ The cost per FHOG application rose marginally due to a minor decrease in application numbers, when compared with the unusually strong 2004-05 performance.

Service 9: Development and implementation of public sector procurement arrangements and systems.

This service covers the development and management of whole of government contract frameworks as well as contracts to meet specific agency requirements.

Efficiency Indicators ⁽¹⁾	Actual 2003-04	Actual 2004-05	Actual 2005-06
Cost of developing, managing and promoting common use arrangements as a percentage of contract value (%)	0.7	0.6	0.6
Cost of developing and maintaining agency specific contracts as a percentage of contract value (%) ⁽²⁾	0.8	1.6	1.1

⁽¹⁾ The "Average cost per registered user of GEM" indicator has been discontinued as a result of the Office of Shared Services reforms in the area of electronic purchasing.

⁽²⁾ The 2003-04 figure of 0.8 per cent was an anomalous result due to a number of high value contracts in that year. A clearer comparison is gained when comparing the 2005-06 figure of 1.1 per cent to the previous values of 1.6 per cent, and 2.2 per cent for 2004-05 and 2002-03 respectively. The 2005-06 figure also includes one high value contract.



This service covers the Government's Native Title objectives through:

- ◆ resolution of Native Title determination applications and compensation applications wherever possible by agreement;
- ◆ resolution of Native Title matters in accordance with the requirements of the *Native Title Act 1993 (Cth)* and relevant case law;
- ◆ ensuring valid future acts that minimise the extinguishment or impairment of Native Title and minimise the State's exposure to compensation liability;
- ◆ developing, implementing and monitoring policies, procedures and practices across government that ensure Native Title matters are administered efficiently and consistently;
- ◆ concluding agreements that deal in a comprehensive way with the determination of Native Title, compensation and arrangements for future acts; and
- ◆ negotiating and participating in the implementation of project agreements.

On 7 April 2006, the Office of Native was transferred from the Department of the Premier and Cabinet to the Department of Treasury and Finance.

Efficiency Indicators	2005-06
Cost per number of native title determinations ⁽¹⁾	1,320,925

⁽¹⁾ The number of native title determinations from 7 April 2006 to 30 June 2006.

Performance Indicators (continued)

Service Measures (not audited)

Our performance in respect to each of these services in terms of quantity and cost is outlined in this section.

Service 1: Resourcing of services and budget development

Efficiency Measure	2004-05	2005-06	
		Target	Actual
Quantity			
Hours of advice to government ⁽¹⁾	22,541	15,000	14,199
Hours of advice to agencies	12,456	18,000	18,509
Hours to prepare budget papers ⁽²⁾	2,503	5,000	4,658
Cost			
Cost of advice to government (\$)	4,550,170	2,851,363	3,102,702
Cost of advice to agencies (\$)	2,514,667	3,421,636	3,878,378

⁽¹⁾ The variation between financial years primarily reflects a change in the mix of outputs required by the Government during that year. It is noted that 2005-06 actual results are broadly consistent with 2004-05 results.

⁽²⁾ The preparation of budget papers in 2004-05 was a condensed process due to the shorter time being available as a result of the State Election in February 2005 and the decision to continue to deliver a May budget. Having regard to the impact of Information Technology improvements, 2005-06 actual results are broadly consistent with 2004-05 results.

Service 2: Asset management and financing

Efficiency Measure	2004-05	2005-06	
		Target	Actual
Quantity			
Hours on fleet financing and leasing ⁽¹⁾	7,224	15,300	7,930
Hours on management and investment of cash resources ⁽²⁾	6,967	7,000	5,284
Cost			
Cost of fleet financing and leasing (\$) ⁽¹⁾	661,975	898,953	624,797
Cost of management and investment of cash resources (\$) ⁽²⁾	716,099	1,157,012	869,224

⁽¹⁾ Provision for additional resources to bring fleet facility management functions in-house did not eventuate during 2005-06, resulting in fewer hours and a lower cost than expected.

⁽²⁾ The number of hours on, and cost of, management and investment of cash resources was lower than budget due to staff shortages experienced during the year.



Service 3: Fiscal management and reporting

Efficiency Measure	2004-05	2005-06	
		Target	Actual
Quantity			
Number of reports ⁽¹⁾	24	23	21
Hours of advice to government	2,132	2,200	2,150
Hours of advice to agencies/other	2,435	3,000	1,793
Hours preparing budget papers ⁽²⁾	2,076	3,100	1,925
Hours preparing Mid-Year Review	1,043	1,000	871
Cost			
Cost of reports (\$) ⁽¹⁾	2,018,971	1,163,508	2,016,807
Cost of advice to government (\$)	293,669	190,392	278,180
Cost of advice to agencies/other (\$)	477,212	275,011	347,725
Cost of producing budget papers (\$) ⁽²⁾	697,463	2,247,054	660,678
Cost of producing Mid Year Review (\$)	183,543	126,928	173,863

⁽¹⁾ The *Financial Administration Legislation Amendment Act 2005* (FALAA) removed the need to produce the Treasurer's Quarterly Statements from 1 January 2006, resulting in a lower than expected number of reports during 2005-06. At the same time, the cost of producing reports was higher than expected during 2005-06, with resources switched from other activities (e.g. advice to agencies) to the reporting function, in order to meet the accelerated reporting deadlines imposed by the FALAA.

⁽²⁾ Relates to Budget Paper No. 3, the Budget Speech and the Budget Overview. The cost of producing these budget papers in 2005-06 was broadly the same as in 2004-05 but well down on the budget estimate, mainly reflecting the introduction of a new methodology which resulted in an over-estimate of the number of hours spent producing budget papers.

Performance Indicators [continued]

Service 4: Financial management framework development and advice

Efficiency Measure	2004-05	2005-06	
		Target	Actual
Quantity			
Hours of advice to government ⁽¹⁾	3,622	3,620	4,365
Hours of advice to agencies	11,325	11,658	10,068
Cost			
Cost of advice to government (\$) ⁽¹⁾	401,811	367,772	648,173
Cost of advice to agencies (\$)	1,552,523	1,421,004	1,498,094

⁽¹⁾ The hours, and cost, of advice to government were up in 2005-06 compared to both the 2004-05 actual and the budget estimate for 2005-06. This largely reflects accelerated efforts during 2005-06 on the development and introduction into Parliament of the Financial Management Bill 2006.

Service 5: Structural policy development and advice

Efficiency Measure	2004-05	2005-06	
		Target	Actual
Quantity			
Hours of advice to government ⁽¹⁾	5,958	7,409	6,196
Hours of advice to others ⁽²⁾	14,253	7,155	9,227
Cost			
Cost of advice to government (\$) ⁽¹⁾	601,763	703,237	936,237
Cost of advice to others (\$) ⁽²⁾	1,314,681	1,536,372	1,392,710

⁽¹⁾ Provision of strategic advice to Government on issues such as COAG, Pilbara Rail and Western Power disaggregation required higher costs despite only a slight increase in hours.

⁽²⁾ Advice to others, such as other departments, involved more hours than expected (but at a lower cost).



Service 6: Economic, revenue and intergovernmental policy development and advice

Efficiency Measure	2004-05	2005-06	
		Target	Actual
Quantity			
Hours of advice to government	11,322	9,800	7,706
Hours of advice to other parties	3,513	3,100	1,956
Number of reports/publications	56	90	314
Number of letters prepared	173	400	810
Hours on intergovernmental relations	11,853	9,150	6,782
Cost			
Cost of advice to government (\$)	1,230,944	1,547,120	1,345,885
Cost of advice to other parties (\$)	484,995	530,016	426,676
Cost of reports/publications (\$)	504,866	623,202	478,300
Cost of letters (\$)	58,811	50,000	49,138
Cost of intergovernmental relations (\$)	1,349,070	766,853	1,654,572

Performance Indicators (continued)

Service 7: Revenue assessment and collection

Efficiency Measure	2004-05	2005-06	
		Target	Actual
Quantity			
Number of land items assessed	1,339,055	1,350,000	1,371,801
Number of pay-roll tax returns issued	84,077	81,000	86,672
Number of debit tax returns issued	184	n.a.	n.a.
Number of stamp duty returns issued	18,293	14,500	15,164
Number of stamp duty instruments assessed ⁽¹⁾	548,267	508,000	962,197
Cost			
Cost per land tax item assessed (\$)	8.71	7.89	8.80
Cost per pay-roll tax return issued (\$)	94.73	101.25	98.93
Cost per stamp duty return issued (\$)	96.86	119.46	132.12
Cost per stamp duty instrument assessed (\$) ⁽²⁾	21.25	22.82	13.35

⁽¹⁾ Includes all original instruments, duplicates assessed for duty and instruments lodged where no duty is payable. Only original instruments self assessed under the disk based system are included. Instruments assessed by the Clerk of Courts and those self assessed under the paper based return system are not included.

The number of stamp duty instruments assessed increased due to greater property market and associated activity along with the implementation of ROL online stamping which allowed the inclusion of data unable to be captured previously.

⁽²⁾ The increase in cost for land tax was due, in part, to an increase in the land valuation charges.

Service 8: Grants and subsidies administration

Efficiency Measure	2004-05	2005-06	
		Target	Actual
Quantity			
Number of First Home Owners Grant (FHOG) applications processed	19,671	19,800	18,622
Number of pensioner/seniors concession claims processed	337,910	350,000	353,127
Cost			
Cost per FHOG application (\$)	80.16	95.88	90.45
Cost per pensioner and seniors concession claim (\$)	1.91	2.32	1.95



Service 9: Development and implementation of public sector procurement arrangements and systems

Our performance in respect to each of these services in terms of quantity, quality, timeliness and cost is outlined in this section.

The quality and timeliness measures were sourced from client/stakeholder surveys. The cost measures were obtained from our internal output management and financial information systems.

Efficiency Measure	2004-05	2005-06	
		Target	Actual
Quantity			
Value of agency specific contracts developed (\$m)	628	993	1,149
Number of agency specific contracts developed	1,177	1,700	1,583
Value of common use contracts managed (\$m)	1,122	1,200	1,266
Number of common use contracts managed	753	900	959
Number of external web links in OnlineWA	9,263	9,800	8,657
Volume of ServiceNet internet traffic (gigabytes)	68,116	75,500	95,837
Number of ConferWest conference hours	8,285	8,000	8,825
Cost			
Overall cost of developing agency specific contracts (\$m)	10	11	12
Overall cost of development, management and promotion of common use contracts (\$m)	7	7	7
Average cost of external web links in OnlineWA (\$)	51	50	52
Average cost per gigabyte of ServiceNet traffic (\$)	32	34	31
Average cost per ConferWest conference hour (\$)	76	87	67

Appendix A: Legislation Administered

The following is a list of the Acts of Parliament which are the responsibility of the Treasurer and were administered by the Department during 2005-06.

Advance Bank (Merger with St George Bank) Act 1998

To facilitate the merger of Advance Bank with St George Bank.

Advance Bank (Merger with St George Bank) (Taxing) Act 1998

To make provision for the payment of an amount to the Treasurer (following the merger of Advance Bank with St George Bank).

Anzac Day Act 1960

Recognises Anzac Day as a public holiday and establishes the Anzac Day Trust Fund.

Australia and New Zealand Banking Corp Limited (Town & Country) Act 1995

To facilitate the merger of the Australia and New Zealand Banking Group and Town & Country Bank. The Act provides for the transfer to the Australia and New Zealand Banking Group of the banking business of Town & Country Bank.

Appropriation (Consolidated Fund) Acts (Nos 1 and 2)

Annual acts authorising the Government to disburse funds from the Consolidated Fund and appropriate payments made under the authority of the *Treasurer's Advance Authorisation Act*.

Bank Mergers Act 1997

To allow provisions to be made for, or with respect to, mergers of banks by regulation and/or an order.

Bank Mergers (Taxing) Act 1997

To make provision for the payment of an amount instead of State taxes and charges, in relation to a merger provided for under the *Bank Mergers Act 1997*.

Debits Tax Act 2002

To impose a tax for certain debits made to accounts kept with financial institutions.

Debits Tax Assessment Act 2002

To provide for the collection and administration of debits tax imposed on financial institutions.

Economic Regulation Authority Act 2003

To provide for the establishment of the Economic Regulation Authority and its functions and powers.



Financial Administration and Audit Act 1985

To provide for the administration and audit of the public finances of the State and certain State agencies; provide for annual reporting by departments and statutory authorities; authorise and regulate the investment of certain public moneys; and provide for the office and functions of the Auditor General.

Financial Administration Legislation Amendment Act 2005

Amends sections of the *Financial Administration and Audit Act 1985* and the *Government Financial Responsibility Act 2000*, updating aspects of the financial management framework and the requirements for performance and financial reports produced by State agencies and for the whole-of-government.

Financial Agreement Act 1928

To approve an Agreement between the Commonwealth and the States relating to financial relations between the parties.

Financial Agreement Act 1995

To approve an Agreement between the Commonwealth and the States relating to financial relations between the parties.

Financial Relations Agreement (Consequential Provisions) Act 1999

Includes a substantial part of the Western Australian legislation required to give effect to the Intergovernmental Agreement on the Reform of Commonwealth-State Financial Relations (incorporating the Goods and Services Tax related national tax reforms).

First Home Owner Grant Act 2000

To encourage and assist home ownership by providing grants to first homeowners.

Government Financial Responsibility Act 2000

To establish a framework for government financial planning and reporting designed to enhance transparency and accountability in State financial policy, performance and reporting.

Judges' Salaries and Pensions Act 1950

To authorise the payment of specified salaries and pensions to judges of the Supreme Court and to make payment to their families.

Land Tax Act 2002

To impose a land tax in respect of certain land.

Land Tax Assessment Act 2002

To provide for the collection and administration of land tax.

Appendix A: Legislation Administered (continued)

Loan Act

An Act passed periodically, as required, to authorise the borrowing of a specified sum for public purposes.

Northern Mining Corporation (Acquisition) Act 1983

To enable the State of Western Australia to deal with the share capital of Northern Mining Corporation NL and to make advances to, and guarantee any financial obligations of, the company.

Pay-roll Tax Act 2002

To impose a tax in respect of certain wages paid by employers.

Pay-roll Tax Assessment Act 2002

To provide for the collection and administration of pay-roll tax.

Railways (Access) Act 1998

To promote competition in the operation of rail services through the establishment of a rail access regime, promoting the efficient use of, and investment in, railway facilities.

Rates and Charges (Rebates and Deferments) Act 1992

To provide relief to pensioners and seniors for local government and water charges by enabling authorities to allow rebates and deferment of payment for such charges.

State Bank of South Australia (Transfer of Undertaking) Act

To provide for the transfer of the undertaking of the State Bank of South Australia to the Bank of South Australia Limited.

Stamp Act 1921

To impose stamp duties in respect of certain instruments and transactions and to provide for the collection and administration of stamp duties.

State Enterprises (Commonwealth Tax Equivalents) Act 1996

To require State enterprises to pay to the Consolidated Fund amounts equivalent to Income and Sales Tax from which they are exempt under Commonwealth law.

State Entities (Payments) Act 1999

Ensures that State entities can operate as if they were subject to the Commonwealth's Goods and Services Tax legislation, as required by the Intergovernmental Agreement on the Reform of Commonwealth-State Financial Relations.



State Trading Concerns Act 1916

To regulate the establishment, carrying on and management of trading concerns by the State Government, and to authorise departments and statutory authorities to engage in certain revenue generating activities.

Taxation Administration Act 2003

To enhance the administration and enforcement of legislation dealing with State taxation by providing a single set of consistent rules applicable to all taxes collected by the State.

Treasurer's Advance Authorisation Act

An annual Act to authorise the Treasurer to make certain payments and advances, and to specify a limit for the payments and advances that may be authorised from the account.

Unclaimed Money Act 1990

To provide for the advertisement of unclaimed money and for the payment of that money into and out of the Consolidated Fund.

Unclaimed Money (Superannuation and RSA Providers) Act 2003

To enable unclaimed money held by certain superannuation and retirement savings account providers to be paid to the Treasurer, to provide for a register of such unclaimed money, and for related purposes.

WADC and WA Exim Corporation Repeal Act 1998

To provide for the cessation of business of Western Australian Development Corporation and Western Australian Exim Corporation.

WAGH Financial Obligations Act 1990

To appropriate an amount from the General Loan and Capital Works Fund in relation to Western Australian Government Holdings Limited.

Appendix B: Amendments to Legislation Administered

The following is a summary of legislative changes assented to in 2005-06 in respect of the legislation the Department administers within the Treasurer's portfolio.

Treasurer's Advance Authorisation Act 2005

Section 4(1) of the *Treasurer's Advance Authorisation Act 2005* was amended to provide for an increase in the approved limit for the Treasurer's Advance from \$300 million to \$500 million.

First Home Owner Grant Amendment Act 2004

This Act amends the *First Home Owner Grant Act 2000* to provide access to the first home owner grant to applicants who have a licence or right of occupancy granted by a local government. The amendments apply retrospectively from the date of commencement of the *First Home Owner Grant Act*, to ensure parity between applicants who have been granted a right to occupy land by the Commonwealth, the State, or a local government.

Revenue Laws Amendment Act 2005

This Act addresses a number of avoidance opportunities that have been identified, improves the efficiency of a number of concessions, exemptions and rebates for taxpayers, and improves the administration of the revenue legislation by correcting a number of minor anomalies.

Specifically, the Act amends the:

- ◆ pay-roll tax regime to:
 - ◆ clarify that section 31 also applies to businesses in the plural and to arrangements or agreements whether or not the duties, or the persons who are to carry out the duties, are specified.
- ◆ stamp duty regime to:
 - ◆ extend the definition of subsidiary in the land rich provisions to include situations where an entity has control of 50 per cent or more of the votes of a company's board or holds 50 per cent or more of the issued share capital of the company, or would be entitled to the distribution of a subsidiary's property to an extent equal to or greater than 50 per cent of the value of the distributable property;
 - ◆ ensure that where a transaction, or series of transactions, is disregarded by the Commissioner for the purposes of the land rich test, the transaction or transactions are also disregarded for the purposes of other provisions, such as determining the dutiable value of the land and chattels;
 - ◆ ensure that a debt associated with an uncompleted contract or agreement to dispose of an interest in land is not included in the calculation of the value of an entity's property for the purposes of the land rich provisions;



- ♦ ensure that a direct transfer between sister subsidiaries does not qualify for corporate reconstruction relief where an indirect transfer to achieve the restructure would not have qualified for relief;
- ♦ void a corporate reconstruction exemption and trigger the claw-back in circumstances where shares in a transferee company are transferred within a corporate group and a transfer of the property to the transferee following the share transfer would not have qualified for relief;
- ♦ allow corporate reconstruction relief in respect of a transfer of property from the transferor to an interposed company if that company received an exemption in respect of the interposition;
- ♦ clarify the operation of the corporate reconstruction pre-determination and offence provisions where a draft statement or instrument has not been provided to the Commissioner;
- ♦ deem, for the purposes of the corporate reconstruction provisions, a section 31B or 31C statement to be executed at the time the acquisition or transfer that is the subject of the statement actually occurs and ensure that the pre-association test is imposed at the time a relevant acquisition under the land rich provisions occurs;
- ♦ amend the definition of issued share capital so that non-profit organisations are able to access corporate reconstruction relief;
- ♦ repeal a number of sections that have become redundant following the abolition of marketable securities duty;
- ♦ extend the definition of 'related persons' for conditional contracts by including a definition of 'family members';
- ♦ amend the private unit trust provisions so that the exemption for the transfer of a marketable security is not applicable when assessing the duty payable under the provisions;
- ♦ ensure trustees of disabled beneficiaries are eligible for the concessional rate of stamp duty when purchasing property which will be a disabled beneficiary's principal place of residence;
- ♦ clarify that the threshold limits for the first home owner rate of stamp duty apply to the unencumbered value of the land and home, where the land includes a home, or the unencumbered value of the land, in the case of vacant land, and not to the value of a person's interest in the property that is being acquired;
- ♦ reinstate an exemption to ensure that a mortgage or other instrument, which transfers property as security for the mortgage, is not chargeable with conveyance duty;
- ♦ provide a nexus to Western Australia for mortgages that secure an insured person's rights under a policy of insurance;
- ♦ provide an exemption for goods hired in conjunction with a lease of, or right to occupy or use, land, regardless of whether the consideration is apportioned between the right to use the goods and the right to use the land; and

Appendix B: Amendments to Legislation Administered (continued)

- ♦ provide an exemption for an instrument that evidences a settlement or gift of property where an instrument evidencing a conveyance or transfer on sale of the property would be exempt from stamp duty.

Revenue Laws Amendment Act (No. 2) 2005

This Act amends the *Land Tax Assessment Act 2002*, the *Stamp Act 1921* and the *Taxation Administration Act 2003* to improve the administration of the revenue legislation and correct a number of anomalies. Specifically, the Act amends the:

- ◆ land tax regime to:
 - ♦ insert a requirement for owners of land to notify the Commissioner of any errors or omissions relating to land holdings or exemptions contained in land tax assessment notices and enable the Commissioner to apply penalty tax where such notification does not occur; and
 - ♦ ensure that a land tax rebate applies to land on which a private residence is being, or has been, constructed where two residences are owned at midnight on 30 June in a financial year and neither residence has been used to derive rent or other income.
- ◆ stamp duty regime to:
 - ♦ clarify the time period for making an application for a corporate reconstruction exemption.
- ◆ *Taxation Administration Act 2003* to:
 - ♦ clarify that the State Administrative Tribunal does not determine an objection and can only decide on matters raised under a referred objection as requested by the taxpayer; and
 - ♦ for the purposes of on-line endorsing of instruments, expressly authorise a responsible party to correct minor errors in a self-assessment, cancel the relevant stamp duty certificate and issue a new certificate in the context of a special tax return arrangement.

Revenue Laws Amendment Act (No. 3) 2005

This Act implements the 2005-06 Budget land tax measures. Specifically, the Act:

- ◆ introduces a new land tax scale for 2005-06 and subsequent financial years; and
- ◆ provides a 50 per cent land tax concession for land used for caravan park, park home park, or camping ground purposes for 2005-06 and subsequent years.



Stamp Amendment Act 2005

This Act amends the *Stamp Act 1921* to:

- ◆ provide that no duty is payable for vehicle licences granted or transferred to a motor vehicle dealer, where the vehicle is to be loaned for charitable or other specified purposes; and
- ◆ allow for an exemption from mortgage duty for mortgage refinancing loans undertaken by owner-occupiers of homes and small business owners.

Stamp Amendment (Assessment) Act 2005 and Stamp Amendment (Taxing) Act 2005

These Acts amend the *Stamp Act 1921* to:

- ◆ rewrite Part III F, which contains provisions relating to the duty payable in respect of policies of insurance, effective from 1 March 2006; and
- ◆ insert an exemption for policies of insurance that relate to property or risk outside of Australia with retrospective application from 1 July 1997.

Rates and Charges (Rebates and Deferments) Amendment Act 2005

This Act amends the *Rates and Charges (Rebates and Deferments) Act 1992* with effect from 1 July 2005 to:

- ◆ extend rebates to eligible pensioners and seniors residing in certain retirement villages who occupy their home on a long-term or lease-for-life arrangement and to owner-occupiers of park homes or caravans with a site lease of a minimum five years;
- ◆ extend concessions for seniors and pensioners to a broader range of court orders for property settlements in Western Australia; and
- ◆ recognise financial arrangements between de facto couples.

Judges' Salaries and Pensions Act 1950

Administrative amendments were made to the Act during the year to give clarification to certain clauses in terms of definitions and scope.

Financial Administration Legislation Amendment Act 2005

This Act was assented to on 27 June 2005 and introduced a number of amendments to:

- ◆ the *Financial Administration and Audit Act 1985*;
- ◆ the *Government Financial Responsibility Act 2000*; and
- ◆ through consequential amendments, various other Acts.

The legislative changes primarily involved streamlining and improving the timeliness of financial reporting at both the whole-of-government and agency levels.

Appendix C: Other Legislation

The Department collected taxes, duties and fees, and paid subsidies and rebates on behalf of other departments during 2005-06, in accordance with the legislation listed below.

Agriculture and Related Resources Protection Act 1976

To provide for the management, control and prevention of certain plants, animals and diseases, and to protect primary and related industries.

Cattle Industry Compensation Act 1965

To enable the payment of compensation to owners of cattle and carcasses of cattle in certain circumstances.

Emergency Services Levy Act 2002

To impose the emergency services levy determined under the *Fire and Emergency Services Authority of Western Australia Act 1998*.

Indian Ocean Territories (Administration of Laws) Act 1992

To enable State authorities (including the courts) to provide services and operate in respect of, and exercise jurisdiction in relation to Christmas Island and the Cocos (Keeling) Islands.

Metropolitan Region Improvement Tax Act 1959

To impose a tax in respect of certain land located within the metropolitan region.

Metropolitan Region Town Planning Scheme Act 1959

To provide for the planning and development of land within the metropolitan region, and the collection and administration of a Metropolitan Region Improvement Tax.

Perth Parking Management Act 1999

To provide for the management of parking in certain parts of the Perth metropolitan area and the collection and administration of licence fees levied on such parking.

Perth Parking Management (Taxing) Act 1999

To impose licence fees in respect of certain parking bays within the Perth metropolitan area.

Racing and Wagering Western Australia Act 2003

To provide for the operation of betting services on totalisators through Racing and Wagering Western Australia.



Racing and Wagering Western Australia Tax Act 2003

To impose a tax on money paid in respect of bets made through or with Racing and Wagering Western Australia.

The Department was also responsible for the collection of taxes, duties and fees and the payment of rebates in accordance with the following legislation:

Commonwealth Places (Mirror Taxes Administration) Act 1999;

Commonwealth Places (Mirror Taxes Administration) Regulations 2002;

Commonwealth Places (Mirror Taxes) Act 1998; and

Commonwealth Places (Mirror Taxes) (Modification of Applied Laws (WA)) Notice 2002.

Appendix D: Publications

The Department produced a number of publications in 2005-06, as listed below:

Corporate

- ◆ Annual Report 2004-05
- ◆ Treasury and Finance News (one edition)

Treasury

- ◆ Budget 2006-07:
 - ◆ Budget Speech – Budget Paper No. 1
 - ◆ Budget electronic version
 - ◆ Budget Overview
 - ◆ Budget Statements – Budget Paper No. 2, Volumes 1, 2 and 3
 - ◆ Economic and Fiscal Outlook – Budget Paper No. 3
 - ◆ Reader's Guide
- ◆ Business Investment in Western Australia
- ◆ Discussion Paper on Commonwealth-State Relations: An Economic and Financial Assessment of How Western Australia Fares (April 2006)
- ◆ Government Financial Results Report 2004-05
- ◆ Government Mid-Year Financial Projections Statement 2005-06
- ◆ Government of Western Australia Consolidated Financial Statements for the Year Ended 30 June 2005
- ◆ Interim Report of the State Tax Review
- ◆ Model Financial Statements
- ◆ Monthly Reports of General Government Finances (multiple publications)
- ◆ Overview of State Taxes
- ◆ Progress Report to the National Competition Council: Implementing National Competition Policy and Related Reforms in Western Australia (July 2005)
- ◆ Quarterly Economic Brief
- ◆ Quarterly Economic Summary (and regular summaries of major economic statistics)
- ◆ Quarterly Financial Results Reports (multiple publications)



- ◆ Register of Unclaimed Monies
- ◆ Review of Revenue Forecasting (March 2006)
- ◆ The Structure of the Western Australian Economy
- ◆ Treasurer's Annual and Quarterly Statements (last time published)
- ◆ Treasurer's Instructions
- ◆ Western Australian Government Fleet Policy and Guidelines – updated February 2006
- ◆ Western Australian Government's Submission to the Productivity Commission's Inquiry into First Home Ownership

Government Procurement

- ◆ Buying Smarter Brochures for Common Use Contracting Arrangements
- ◆ Government Contract Directory ebook
- ◆ Government Contract Directory – Schools edition ebook
- ◆ Guide to Goods and Services Tendering with Western Australian Government Agencies
- ◆ Procurement Matters for Buyers – Newsletters
- ◆ Procurement Matters for Suppliers – Newsletters
- ◆ Procurement Reform Progress Report 2005
- ◆ Procurement Reform Toolkit
- ◆ Procurement Reform Stakeholder Survey – 2005 Summary Report
- ◆ Procurement Reform Benefits Realisation Summary Report (2004-2005)
- ◆ Procurement Reform Benefits Realisation Full Report (2004-2005)
- ◆ Western Australian Government Credit Card Guidelines

Office of State Revenue

- ◆ Circulars – Stamp Duty, Land Tax, Pay-roll tax
- ◆ Commissioner's Practices
- ◆ Customer Service Charter
- ◆ Customer Service Charter 2004-05 Performance Report
- ◆ Land Tax 2005-06
- ◆ Life Support Equipment Energy Subsidy Information Sheet

Appendix D: Publications (continued)

- ◆ Online Stamping Guidelines
- ◆ Pay-roll Tax Annual Reconciliation Flyer
- ◆ Pay-roll Tax Calculation of Tax Payable Brochure
- ◆ Pay-roll Tax Fringe Benefits Brochure
- ◆ Pay-roll Tax General Information Brochure
- ◆ Pay-roll Tax Grouping Provisions Brochure
- ◆ Pay-roll Tax Superannuation Brochure
- ◆ Pay-roll Tax Wages Definition Brochure
- ◆ Pensioners and Seniors Concessions Brochure
- ◆ Revenue Online – Online Pay-roll Tax Brochure
- ◆ Revenue Online – Online Stamping Brochure
- ◆ Revenue Online Newsletter (three issues)
- ◆ Stamp Duty Fact Sheets
- ◆ Stamp Duty Rebate Scheme
- ◆ Stamp Duty Ruling



Customer Contact Details

Office Hours: Monday to Friday 8:00am to 5:00pm
Internet: www.dtf.wa.gov.au

Treasury

Location: 197 St Georges Terrace, Perth WA 6000
Switchboard: (08) 9222 9222
Customer Contact Line: (08) 9222 8866
Facsimile: (08) 9222 9117
E-mail: customer.service@dtf.wa.gov.au

Government Procurement

Location: 2 Havelock Street, West Perth WA 6005
Switchboard: (08) 9222 5555
Facsimile: (08) 9222 5444
GEM Service Centre: (08) 9222 5468

Office Of State Revenue

Location: 200 St Georges Terrace, Perth WA 6000
General correspondence and Stamp Duty payments: GPO Box T1600 PERTH WA 6845
Telephone: (08) 9262 1400
1300 368 364 (Country callers only)
Internet: www.osr.wa.gov.au
E-mail: osr@dtf.wa.gov.au
Lodgement and enquiries: 8:00am to 5:00pm
Payment and Document Stamping: 8:00am to 4:30pm

Stamp Duty

Telephone: (08) 9262 1100
Facsimile: (08) 9226 0834
E-mail: stampduty@dtf.wa.gov.au

Customer Contact Details (continued)

Revenue Online

Telephone: (08) 9262 1113
Facsimile: (08) 9262 1497
E-mail: online.stamping@dtf.wa.gov.au

Pay-roll Tax

Telephone: (08) 9262 1300
Facsimile: (08) 9262 1348
E-mail: payroll@dtf.wa.gov.au

Land Tax

Telephone: (08) 9262 1200
Facsimile: (08) 9226 0837
E-mail: landtax@dtf.wa.gov.au

Compliance

Telephone: (08) 9262 1350
Facsimile: (08) 9262 1399
Anonymous information: (08) 9262 1380

First Home Owner Grant

Telephone: (08) 9262 1299
1300 363 211 (Country callers only)
Facsimile: (08) 9262 1597
E-mail: firsthomegrant@dtf.wa.gov.au

Other Grants

Telephone: (08) 9262 1373