

## **CLAUSE NOTES**

### **APPROPRIATION (CONSOLIDATED FUND) BILL (NO. 3) 2002**

#### **PURPOSE OF BILL**

The purpose of this Bill is to appropriate from the Consolidated Fund, recurrent expenditure excesses approved during the:

- 1999/2000 financial year for expenditure in 1999/2000;
- 2000/01 financial year for expenditure in 2000/01; and
- 2001/02 financial year for expenditure in 2001/02.

Schedule 1 of the Bill identifies expenditure excesses approved for each item in 1999/2000. The total recurrent excess and the amount sought in this Appropriation Bill is \$129,131,221.79.

Schedule 2 of the Bill identifies expenditure excesses approved for each item in 2000/01. The total recurrent excess and the amount sought in this Appropriation Bill is \$346,593,096.73.

Schedule 3 of the Bill identifies expenditure excesses approved for each item in 2001/02. The total recurrent excess and the amount sought in this Appropriation Bill is \$223,119,996.57.

This Bill is largely a machinery Bill and reflects recurrent expenditure excesses for new items created during 1999/2000, 2000/01 and 2001/02 and expenditure overruns as a result of policy decisions or unavoidable cost increases against existing items during the course of 1999/2000, 2000/01 and 2001/02.

The overruns were first charged to the Treasurer's Advance Account in accordance with section 8 of the Financial Administration and Audit Act 1985, and section 5 of the annual Treasurer's Advance Authorization Acts (ie 1999, 2000 and 2001).

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

Further details of the recurrent expenditure excesses are outlined in Attachments 1, 2 and 3 which correspond with Schedules 1, 2 and 3 of the Bill respectively.

# APPROPRIATION (CONSOLIDATED FUND) BILL (NO. 3) 2002

## ATTACHMENT 1

### DETAILS OF RECURRENT EXPENDITURE EXCESSES AND NEW ITEMS FOR THE 1999/2000 FINANCIAL YEAR

	Expenditure Excess
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<b><i>PARLIAMENTARY COMMISSIONER FOR ADMINISTRATIVE INVESTIGATIONS.....</i></b>	<b>23,000.00</b>

The additional funds are sought in accordance with the 1% budget incentive scheme which rewarded agencies that achieved the desired outcomes of Government during 1998/99 within their approved budget allocations.

<b><i>PREMIER AND CABINET .....</i></b>	<b>3,449,000.00</b>
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The overrun was mainly attributable to:

- additional expenditure on the Safer WA Program (\$1,000,000);
- revised charge out arrangements for the Ministerial Air Charter (\$1,100,000);
- the reappropriation of the annual advertising rebates under the Non-Campaign Advertising Contract that had previously been credited to the Consolidated Fund (\$500,000);
- increased rents for Ministerial Offices in Dumas House (\$499,000);
- the restructure of Ministerial Portfolios (\$300,000); and

- the cost of the budget communication to Western Australian households (\$250,000).

These overspendings were partly offset by a cash flow adjustment to the provision for the Kalgoorlie Miners' and Prospectors' Hall of Fame (\$200,000).

**GOVERNMENT PROJECTS OFFICE..... 185,400.00**

The Consolidated Fund Estimates for 1999/2000 were compiled on the assumption that Treasury would pay the Government Projects Office (GPO) accommodation, telephone and insurance expenses and a notional charge for resources provided free of charge passed on to the GPO. It was agreed that GPO should pay these expenses with a corresponding reduction in Treasury's allocation (\$177,400). Additional funds of \$8,000 are sought in accordance with the 1% budget incentive scheme which rewarded agencies that achieved the desired outcomes of Government during 1998/99 within their approved budget allocation.

**GOVERNOR'S ESTABLISHMENT..... 92,000.00**

Expenditure was up due to urgent maintenance works at Government House in preparation for the Royal Visit of Her Majesty The Queen and His Royal Highness The Duke of Edinburgh (\$55,000) and removal and relocation expenses following the departure of the former Governor at the conclusion of his term of office (\$20,000). Additional funds of \$17,000 are sought in accordance with the 1% budget incentive scheme which rewarded agencies that achieved the desired outcomes of Government during 1998/99 within their approved budget allocation.

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**OFFICE OF THE AUDITOR GENERAL..... 191,000.00**

Outlays were higher than estimated due to increased rental rates for accommodation in Dumas House (\$126,000) and additional funds sought in accordance with the 1% budget incentive scheme which rewarded agencies that achieved the desired outcomes of Government during 1998/99 within their approved budget allocation (\$65,000).

**SALARIES AND ALLOWANCES TRIBUNAL..... 40,000.00**

The overrun was attributable to the cost of engaging remuneration consultants to advise the Tribunal (\$40,000).

**TREASURY – PAYMENT TO THE GOVERNMENT  
EMPLOYEES SUPERANNUATION BOARD FOR THE  
WEST STATE SUPERANNUATION SCHEME..... 4,051,563.81**

The Government Employees Superannuation Board has advised that the revised cost of concurrently funding the West State Superannuation Scheme in 1999/2000 exceeded the budget allocation.

**TREASURY – STATE HOUSING COMMISSION – FIRST  
HOME BUYERS SCHEME..... 443,560.00**

A new item was created for the promotion of the First Home Owners Scheme, which is an outcome of the Intergovernmental Agreement on the Reform of Commonwealth-State Financial Relations.

**OFFICE OF THE PUBLIC SECTOR STANDARDS  
COMMISSIONER ..... 19,000.00**

The additional funds are sought in accordance with the 1% budget incentive scheme which rewarded agencies that achieved the desired outcomes of Government during 1998/99 within their approved budget allocations.

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<b><i>GASCOYNE DEVELOPMENT COMMISSION .....</i></b>	<b>11,000.00</b>
<b><i>GOLDFIELDS-ESPERANCE DEVELOPMENT COMMISSION.....</i></b>	<b>13,000.00</b>
<b><i>GREAT SOUTHERN DEVELOPMENT COMMISSION....</i></b>	<b>11,000.00</b>
<b><i>KIMBERLEY DEVELOPMENT COMMISSION.....</i></b>	<b>14,000.00</b>
<b><i>MID WEST DEVELOPMENT COMMISSION.....</i></b>	<b>12,000.00</b>
<b><i>PEEL DEVELOPMENT COMMISSION.....</i></b>	<b>13,000.00</b>
<b><i>PILBARA DEVELOPMENT COMMISSION.....</i></b>	<b>13,000.00</b>
<b><i>SOUTH WEST DEVELOPMENT COMMISSION.....</i></b>	<b>22,000.00</b>
<b><i>WHEATBELT DEVELOPMENT COMMISSION.....</i></b>	<b>12,000.00</b>

For each of the above Development Commissions additional funds are sought in accordance with the 1% budget incentive scheme which rewarded agencies that achieved the desired outcomes of Government during 1998/99 within their approved budget allocations.

<b><i>SMALL BUSINESS DEVELOPMENT CORPORATION ....</i></b>	<b>54,000.00</b>
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The additional funds are sought in accordance with the 1% budget incentive scheme which rewarded agencies that achieved the desired outcomes of Government during 1998/99 within their approved budget allocations.

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**OFFICE OF ENERGY..... 361,000.00**

A Green Power Policy was announced to encourage the development of electricity generation from renewable energy sources by Western Power and Independent Power Producers (IPPs). The Government has committed to provide funds to match the customer premiums paid to Western Power or notionally paid at an equivalent premium rate to IPPs for products complying with the National Green Power Accreditation Scheme on a dollar for dollar basis up to \$1 million over the first five years of WA's Green Power program.

The matching payments will be paid into a new Sustainable Energy Development Fund to fund grants determined by the Alternative Energy Development Board and for administration costs incurred by the Office of Energy. The 1999/2000 payment was \$300,000.

Additional funds of \$61,000 are sought in accordance with the 1% budget incentive scheme which rewarded agencies that achieved the desired outcomes of Government during 1998/99 within their approved budget allocation.

**EDUCATION ..... 11,800,000.00**

The overspending was due to meeting the additional salary costs mainly as a result of higher than expected student enrolments and the full year impact of providing improved career paths for teachers (\$10,273,000) and reimbursement of revenue from property sales to manage the Local Area Education Plans (\$1,527,000).

**COUNTRY HIGH SCHOOL HOSTELS AUTHORITY..... 16,000.00**

The additional funds are sought in accordance with the 1% budget incentive scheme which rewarded agencies that achieved the desired outcomes of Government during 1998/99 within their approved budget allocations.

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***CURRICULUM COUNCIL*..... 62,000.00**

The additional funds are sought in accordance with the 1% budget incentive scheme which rewarded agencies that achieved the desired outcomes of Government during 1998/99 within their approved budget allocations.

***AGRICULTURE*..... 830,000.00**

The additional funds are sought in accordance with the 1% budget incentive scheme which rewarded agencies that achieved the desired outcomes of Government during 1998/99 within their approved budget allocations.

***AGRICULTURE PROTECTION BOARD* ..... 120,000.00**

The additional funds are sought in accordance with the 1% budget incentive scheme which rewarded agencies that achieved the desired outcomes of Government during 1998/99 within their approved budget allocations.

***FISHERIES* ..... 154,000.00**

The additional funds are sought in accordance with the 1% budget incentive scheme which rewarded agencies that achieved the desired outcomes of Government during 1998/99 within their approved budget allocations.

***MINERALS AND ENERGY*..... 313,000.00**

The additional funds are sought in accordance with the 1% budget incentive scheme which rewarded agencies that achieved the desired outcomes of Government during 1998/99 within their approved budget allocations.



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**MINERALS AND ENERGY – ADMINISTERED GRANTS  
AND TRANSFER PAYMENTS..... 4,095,000.00**

The additional funds were required to refund previous years' revenues, mainly for mining tenement rentals where applications had been withdrawn or titles not granted (\$4,040,000) and to pay rents and royalties collected on mining and petroleum tenements situated on Aboriginal reserves, with the amount required to be paid exceeding the budget allocation by \$55,000.

**CHEMISTRY CENTRE (WA)..... 1,580,000.00**

The overspending was due to:

- urgent funds required to pay outstanding creditors (\$520,000);
- shortfall in revenue due to reduced demand for services and the delayed start of bioprospecting (\$400,000);
- inability to absorb funding for scientific support for research centres and community projects (\$320,000);
- systems and equipment upgrades to comply with Y2K requirements (\$240,000); and
- salary productivity and bonus payments due to staff under the Department of Minerals and Energy's EBA (\$100,000).

**MINERALS AND ENERGY RESEARCH INSTITUTE OF  
WESTERN AUSTRALIA..... 6,000.00**

The additional funds are sought in accordance with the 1% budget incentive scheme which rewarded agencies that achieved the desired outcomes of Government during 1998/99 within their approved budget allocations.

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**WESTERN AUSTRALIAN TOURISM COMMISSION..... 129,000.00**

The additional funds are sought in accordance with the 1% budget incentive scheme which rewarded agencies that achieved the desired outcomes of Government during 1998/99 within their approved budget allocations.

**WESTERN AUSTRALIAN TOURISM COMMISSION – ADMINISTERED GRANTS TRANSFER PAYMENTS..... 950,197.98**

The overrun related to a dispute regarding a lease termination payment for the Rottnest Island Hotel between the Rottnest Island Authority and EBG Nominees whereby a pre-determined portion of monies spent on capital works and improvements was required to be repaid.

**RECREATION CAMPS AND RESERVES BOARD ..... 4,000.00**

The additional funds are sought in accordance with the 1% budget incentive scheme which rewarded agencies that achieved the desired outcomes of Government during 1998/99 within their approved budget allocations.

**SPORT AND RECREATION..... 61,000.00**

The additional funds are sought in accordance with the 1% budget incentive scheme which rewarded agencies that achieved the desired outcomes of Government during 1998/99 within their approved budget allocations.

**WESTERN AUSTRALIAN SPORTS CENTRE TRUST ..... 33,000.00**

The overspending related to a funding shortfall associated with the payment of RiskCover insurance premiums due to unavoidable stand alone premium increases which are outside the Trust's control.

**TRANSPORT**..... **18,409,000.00**

The overspending was mainly attributable to:

- funds for road related expenditure being transferred from Main Roads Western Australia to the Transport Co-ordination Fund (TCF). Due to doubt as to the validity of directly crediting these funds to the TCF it was agreed to pay the funds into the Consolidated Fund and arrange for supplementary funding for the corresponding amount (\$16,623,000);
- annual subsidy to the Port of Wyndham reflecting commercial arrangements for the port management (\$886,000);
- payment of settlement of public liability claim as recommended by the Crown Solicitor's Office (\$118,000);
- salary adjustment for a management initiated retirement package for the former Director General of Transport (\$272,000);
- establishment of the Emergency Support Scheme to provide financial relief to owner/operator transport drivers stranded by flooding from Cyclone Steve (\$70,000); and
- Transport being only partially funded for expenses and loss of revenue from the sale of special series number plates (\$670,000).

These costs were partly offset by the transfer of responsibility for the maintenance of navigation aids within ports from Transport to the various port authorities (\$230,000).

**CONSERVATION AND LAND MANAGEMENT..... 6,955,000.00**

The overspending was mainly attributable to:

- compensation for reductions in the volumes of native forest log production for jarrah, karri and native forest chiplogs which have reduced CALM's revenue base (\$4,600,000);
- restructuring arrangements associated with the proposed creation of the Conservation Commission of Western Australia and the Forests Products Commission (\$900,000);
- the cost of wildfire suppression exceeding the budget allocation by \$3.2 million. CALM has been able to absorb \$2.8 million of the total wildfire expenditure (\$400,000);
- expenditure on the Greenbushes tourism projects which form part of the Accelerated Restructure of the Forest Industry (\$300,000);
- project work relating to carbon sequestration and the attraction of new investment for the State's plantation program (\$236,000);
- additional funds in accordance with the 1% budget incentive scheme which rewarded agencies that achieved the desired outcomes of Government during 1998/99 within their approved budget allocations (\$190,000);
- the appointment of a Ministerial Advisory Group (the Ferguson Committee) to consider a range of aspects associated with karri and tingle forest management and practices, for which no provision had been made in the budget (\$155,000);
- establishment of the "Eco Action" campaign to promote greater community awareness of Government initiatives to protect the Western Australian environment (\$100,000); and

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- the unbudgeted cost of a review of CALM's plantation business operations and issues associated with the supply and usage of plantation timber (\$74,000).

***ENVIRONMENTAL PROTECTION*..... 186,000.00**

The additional funds are sought in accordance with the 1% budget incentive scheme which rewarded agencies that achieved the desired outcomes of Government during 1998/99 within their approved budget allocations.

***BOTANIC GARDENS AND PARKS AUTHORITY*..... 72,000.00**

The overspending was attributable to an industrial agreement settlement (\$30,000) and additional funds sought in accordance with the 1% budget incentive scheme which rewarded agencies that achieved the desired outcomes of Government during 1998/99 within their approved budget allocations (\$42,000).

***ZOOLOGICAL GARDENS BOARD*..... 23,000.00**

The additional funds are sought in accordance with the 1% budget incentive scheme which rewarded agencies that achieved the desired outcomes of Government during 1998/99 within their approved budget allocations.

***PRODUCTIVITY AND LABOUR RELATIONS* ..... 73,000.00**

The additional funds are sought in accordance with the 1% budget incentive scheme which rewarded agencies that achieved the desired outcomes of Government during 1998/99 within their approved budget allocations.

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**PRODUCTIVITY AND LABOUR RELATIONS –  
 WORKERS ASSISTANCE PACKAGE – FOREST  
 INDUSTRY..... 2,000,000.00**

A new expenditure item was created to facilitate top-up redundancy and termination payments for Whittaker employees and contractors, future forest industry redundancies and other assistance to displaced forest workers including retraining, relocation and redeployment. The funding required for 1999/2000 was \$2 million.

**COMMISSIONER OF WORKPLACE AGREEMENTS..... 42,000.00**

Outlays were higher than estimated due to an unfunded superannuation liability (\$24,000) and additional funds sought in accordance with the 1% budget incentive scheme which rewarded agencies that achieved the desired outcomes of Government during 1998/99 within their approved budget allocations (\$18,000).

**REGISTRAR, WESTERN AUSTRALIAN INDUSTRIAL  
 RELATIONS COMMISSION ..... 182,000.00**

The overrun was due to unexpected costs associated with retirement payments for two Commissioners and salary increases for Commission members (\$122,000) and additional funds sought in accordance with the 1% budget incentive scheme which rewarded agencies that achieved the desired outcomes of Government during 1998/99 within their approved budget allocations (\$60,000).

**WORKSAFE WESTERN AUSTRALIA..... 120,000.00**

The additional funds are sought in accordance with the 1% budget incentive scheme which rewarded agencies that achieved the desired outcomes of Government during 1998/99 within their approved budget allocations.

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**STATE REVENUE..... 900,000.00**

The overrun related to unbudgeted administration and set-up costs for the First Home Owners' Scheme (\$777,000) and additional funds sought in accordance with the 1% budget incentive scheme which rewarded agencies that achieved the desired outcomes of Government during 1998/99 within their approved budget allocations (\$123,000).

**STATE REVENUE - ADMINISTERED GRANTS AND TRANSFER PAYMENTS..... 4,000,000.00**

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

**VALUER GENERAL'S OFFICE ..... 39,000.00**

The additional funds are sought in accordance with the 1% budget incentive scheme which rewarded agencies that achieved the desired outcomes of Government during 1998/99 within their approved budget allocations.

**OFFICE OF RACING, GAMING AND LIQUOR ..... 31,000.00**

The additional funds are sought in accordance with the 1% budget incentive scheme which rewarded agencies that achieved the desired outcomes of Government during 1998/99 within their approved budget allocations.

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**LAND ADMINISTRATION..... 251,000.00**

The overspending related to approved arrangements whereby the proceeds from the sale of redundant portions of Scarborough Beach Road to the adjoining landowners are passed to the City of Stirling to reimburse its costs associated with the deviation and widening of the Road. The proceeds were first paid into the Consolidated Fund and supplementary funding is the only mechanism available to facilitate payment to the City of Stirling.

**FAIR TRADING..... 2,220,000.00**

The overspending was mainly attributable to:

- the appointment of supervisors to Global Finance and Rowena Nominees, trading as Graeme Grubb Finance Broker, and a probity auditor to provide an overseeing accounting role on the charges raised by the auditors (\$2,150,000);
- the funding in 1999/2000 of the Gunning Committee of Inquiry (\$420,000);
- the payment of a one off grant to the Builders' Registration Board which is short of funds as a result of the increased cost of financing the activities of the Building Disputes Committee, which deals with disputes between home owners and builders (\$200,000); and
- additional funding for the Finance Brokers Supervisory Board to carry out increased investigative work (\$101,000).

These costs were partly offset by savings in office rental due to a rent free period at the beginning of a lease for new premises (\$401,000) and the partial repayment of supplementary funding approved in 1998/99 for the Voluntary Severance Scheme (\$250,000).



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**POLICE SERVICES..... 6,708,500.00**

The increase in expenditure was mainly attributable to:

- Act of Grace payments and out of court settlements (\$852,000);
- cost pressures resulting from the direction of resources to additional and abnormal activities. The additional recurrent expenditure is to be offset by a corresponding reduction in capital expenditure in the year (\$2,000,000);
- additional funds sought in accordance with the 1% budget incentive scheme which rewarded agencies that achieved the desired outcomes of Government during 1998/99 within their approved budget allocations (\$3,620,000); and
- grants that had previously been treated as administered items are now considered to be controlled items. An equivalent saving is to be made against the administered appropriation (\$537,000).

These costs were partly offset by an increase in the amount drawn down under the Salaries and Allowances Act and consequential savings in recurrent expenditure of approximately \$300,000.

**FIRE AND EMERGENCY SERVICES AUTHORITY OF WESTERN AUSTRALIA..... 11,282,000.00**

The increase in expenditure was attributable to:

- costs incurred under the Natural Disaster Relief Arrangements as a result of Cyclones Vance, Elaine and Steve (\$9,000,000);
- additional expenses on emergency response and relief operations incurred by the State Emergency Services that exceeded the budget allocation (\$1,883,000);

- additional funds sought in accordance with the 1% budget incentive scheme which rewarded agencies that achieved the desired outcomes of Government during 1998/99 within their approved budget allocations (\$81,000);
- a payment to the Government Employees Superannuation Board for an unfunded past service superannuation liability (\$248,000); and
- costs relating to fire suppression exceeding the budget allocation (\$70,000).

**JUSTICE..... 4,824,000.00**

The increase in expenditure was largely attributable to:

- the unexpected and sustained growth in prisoner numbers and the consequential impact of accommodating and managing adults in custody (\$3,750,000);
- additional expenses incurred following the Casuarina Prison riot relating to construction within an existing prison, costs associated with the lock down of prisoners and subsequent costs relating to early cessation of the lock down (\$1,200,000);
- a large increase in Federal Court native title litigation work and other related issues due to the 1998 amendments to the Commonwealth Native Title Act and the passage of the Native Title (State Provisions) Act 1999 (\$1,000,000);
- increased payments to successful defendants in official prosecutions under the Official Prosecutions (Defendant Costs) Act 1973. As a result of a determination by the Legal Costs Committee the costs payable to successful defendants has increased by 300% (\$1,100,000);
- legal aid assistance for the estimated net cost of "Dietrich" applications (\$521,000);

- past service superannuation liability costs of retiring employees of the Public Trust Office (\$450,000);
- increased District Court sitting days to clear the backlog of cases with additional funds required to meet additional costs relating to witnesses, jural, transcript and other payments associated with the increased number of criminal trials (\$403,000);
- unbudgeted mesothelioma payments made on behalf of the State and as approved by the Attorney General (\$432,000); and
- various other costs relating to severance scheme payments, Act of Grace payments, recovery of unpaid fines and refund of past year moneys (\$918,000).

These expenses were partly offset by savings in the outsourcing of transportation of prisoners and security of the courts (\$4,950,000).

***COMMISSIONER FOR EQUAL OPPORTUNITY.....*** **9,000.00**

The additional funds are sought in accordance with the 1% budget incentive scheme which rewarded agencies that achieved the desired outcomes of Government during 1998/99 within their approved budget allocations. \$15,000 approved under the scheme was reduced by \$6,000 to offset additional expenditure under the amount authorised by the Salaries and Allowances Act 1975.

***OFFICE OF THE INFORMATION COMMISSIONER .....*** **11,000.00**

The additional funds are sought in accordance with the 1% budget incentive scheme which rewarded agencies that achieved the desired outcomes of Government during 1998/99 within their approved budget allocations.

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<b>OFFICE OF THE INSPECTOR OF CUSTODIAL SERVICES.....</b>	<b>77,000.00</b>
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The Office of the Inspector of Custodial Services was established under Part XA of the Prisons Act and designated a Department under section 35 of the Public Sector Management Act. A new expenditure item was created with effect from 1 June 2000.

<b>CULTURE AND THE ARTS – LIBRARY BOARD OF WESTERN AUSTRALIA.....</b>	<b>716,000.00</b>
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Under a split appropriation arrangement the Library Board’s budget allocation for salaries is appropriated to the Ministry for Culture and the Arts with other operating costs appropriated to the Board. Due to timing issues the salaries allocation included \$716,000 of operational funds. The increase in the Board’s allocation was offset by a corresponding saving in the Ministry’s expenditure.

<b>CULTURE AND THE ARTS – WESTERN AUSTRALIAN MUSEUM.....</b>	<b>760,000.00</b>
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The overrun was due to unfunded expenditure in respect of pension fund superannuation payments (\$410,000) and accounting arrangements and appropriations in relation to the Western Australian Museum and the Ministry for Culture and the Arts (\$350,000). The Ministry has an offsetting saving of \$350,000 against its appropriation.

<b>PLANNING – MIDLAND REDEVELOPMENT AUTHORITY.....</b>	<b>1,534,000.00</b>
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The Midland Redevelopment Authority was established and an administered expenditure item created to fund its commencement and operations for the year.

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**WESTERN AUSTRALIAN PLANNING COMMISSION.... 12,000.00**

The additional funds are sought in accordance with the 1% budget incentive scheme which rewarded agencies that achieved the desired outcomes of Government during 1998/99 within their approved budget allocations.

**WESTERN AUSTRALIAN DEPARTMENT OF TRAINING AND EMPLOYMENT..... 230,000.00**

The additional funds are sought in accordance with the 1% budget incentive scheme which rewarded agencies that achieved the desired outcomes of Government during 1998/99 within their approved budget allocations.

**HERITAGE COUNCIL OF WESTERN AUSTRALIA..... 178,000.00**

The overspending was attributable to past service superannuation liability (\$81,000), a new management and development strategy for the Cossack townsite (\$80,000) and additional funds sought in accordance with the 1% budget incentive scheme which rewarded agencies that achieved the desired outcomes of Government during 1998/99 within their approved budget allocations (\$17,000).

**NATIONAL TRUST OF AUSTRALIA (WESTERN AUSTRALIA) ..... 4,000.00**

The additional funds are sought in accordance with the 1% budget incentive scheme which rewarded agencies that achieved the desired outcomes of Government during 1998/99 within their approved budget allocations.

**ABORIGINAL AFFAIRS..... 131,000.00**

The additional funds are sought in accordance with the 1% budget incentive scheme which rewarded agencies that achieved the desired outcomes of Government during 1998/99 within their approved budget allocations.

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**OFFICE OF WATER REGULATION..... 259,000.00**

The increased outlays were due to subsidies paid to the South West Irrigation Management Co-operative Limited in accordance with the Operation Subsidy Deed (\$199,000) and to Kaiser Engineering Pty Ltd for the supply of water services in Coral Bay (\$10,000), and additional funds sought in accordance with the 1% budget incentive scheme which rewarded agencies that achieved the desired outcomes of Government during 1998/99 within their approved budget allocations (\$50,000).

**SWAN RIVER TRUST..... 23,000.00**

The additional funds are sought in accordance with the 1% budget incentive scheme which rewarded agencies that achieved the desired outcomes of Government during 1998/99 within their approved budget allocations.

**WATER AND RIVERS COMMISSION..... 428,000.00**

The increased outlays were due to the urgent investigation into flood management options and a flood damage assessment study for Moora (\$100,000) and additional funds sought in accordance with the 1% budget incentive scheme which rewarded agencies that achieved the desired outcomes of Government during 1998/99 within their approved budget allocations (\$328,000).

**HEALTH - CONTRIBUTION TO HOSPITAL FUND..... 23,763,000.00**

The additional funds are sought to enable the Metropolitan Health Service Board to meet unavoidable cost and demand pressures (\$20,000,000) and to meet the cost of medical malpractice claims arising out of events that occurred prior to the introduction of RiskCover on 1 July 1997 (\$3,763,000).

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**WESTERN AUSTRALIAN BUILDING MANAGEMENT AUTHORITY..... 117,000.00**

The additional funds are sought in accordance with the 1% budget incentive scheme which rewarded agencies that achieved the desired outcomes of Government during 1998/99 within their approved budget allocations.

**CONTRACT AND MANAGEMENT SERVICES ..... 4,895,000.00**

The increased spending related to the re-appropriation of the full sale proceeds from the sale of the Supply West warehouse operation in order to clear the Department of Contract and Management Services' liabilities and contribute to the recovery of sale-related expenses (\$4,782,000). Also, additional funds are sought in accordance with the 1% budget incentive scheme which rewarded agencies that achieved the desired outcomes of Government during 1998/99 within their approved budget allocations (\$113,000).

**STATE SUPPLY COMMISSION..... 29,000.00**

The additional funds are sought in accordance with the 1% budget incentive scheme which rewarded agencies that achieved the desired outcomes of Government during 1998/99 within their approved budget allocations.

**OFFICE OF CITIZENSHIP AND MULTICULTURAL INTERESTS..... 7,000.00**

The additional funds are sought in accordance with the 1% budget incentive scheme which rewarded agencies that achieved the desired outcomes of Government during 1998/99 within their approved budget allocations.

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**LOCAL GOVERNMENT ..... 1,642,000.00**

The increased outlays were due to the expense of appointing an Inquiry Panel in accordance with section 8.16 of the Local Government Act as a consequence of the suspension of the Council of the City of Cockburn (\$1,533,000), additional assistance to local governments with the implementation of National Competition Policy (\$65,000) and funds sought in accordance with the 1% budget incentive scheme which rewarded agencies that achieved the desired outcomes of Government during 1998/99 within their approved budget allocations (\$44,000).

**DISABILITY SERVICES COMMISSION ..... 4,017,000.00**

The increase in expenditure was largely attributable to:

- increases in workers' compensation insurance premiums (\$2,200,000);
- public liability claims related to incidents which occurred prior to the introduction of RiskCover (\$302,000);
- payment of past service superannuation liabilities (\$196,000); and
- funds sought in accordance with the 1% budget incentive scheme which rewarded agencies that achieved the desired outcomes of Government during 1998/99 within their approved budget allocations (\$1,319,000).

**FAMILY AND CHILDREN'S SERVICES ..... 2,788,000.00**

The increase in expenditure was largely attributable to:

- the bringing forward from 2000/01 of establishment costs for a Foundation for the Centre for Positive Ageing (\$300,000);



- preconference expenditure for the International Federation on Ageing Sixth Global Conference on Ageing to be held in Perth in 2002 (\$100,000);
- rectifying the accounting treatment of moneys received by the Women’s Policy Development Office in 1997/98 from the Commonwealth for domestic violence projects, which was spent by the Office but is required to be paid into the Consolidated Fund (\$208,000);
- the re-appropriation of moneys received from the Commonwealth in July 1998 and paid into the Consolidated Fund in recognition of the contribution made by the State’s Police Service to an Australian Federal Police operation leading to the arrest of nine people involved in a Sydney drug related syndicate. It was decided that these moneys should be used to fund specific programs, as required, as part of the WA Strategy Against Drug Abuse (\$257,000);
- the net cost of assistance in 1999/2000 to victims of natural disasters in Exmouth, Moora and Carnarvon (\$668,000); and
- funds sought in accordance with the 1% budget incentive scheme which rewarded agencies that achieved the desired outcomes of Government during 1998/99 within their approved budget allocations (\$1,303,000).

These costs were partly offset by an increase in the amount drawn down under the Salaries and Allowances Act and consequential savings in recurrent expenditure (\$48,000).

**TOTAL.....**

**129,131,221.79**

# APPROPRIATION (CONSOLIDATED FUND) BILL (NO. 3) 2002

## ATTACHMENT 2

### DETAILS OF RECURRENT EXPENDITURE EXCESSES AND NEW ITEMS FOR THE 2000/01 FINANCIAL YEAR

	Expenditure Excess
	\$
<b><i>PREMIER AND CABINET</i></b> .....	<b>10,523,000.00</b>

The overrun was mainly attributable to:

- termination payments to “Term of Government” and “Term of Minister” electorate officers following the result of the 2001 State election (\$7,400,000);
- the reappropriation, under agreed practice in line with the Cabinet decision of 5 October 1998, of the annual advertising rebates arising from significant discounts from Marketforce Productions and West Australian Newspapers under the non-campaign advertising contract (\$745,000);
- price escalation applied by the Ministerial Air Charter service operator under the terms of the contract plus higher fuel costs from extensive use of the aircraft (\$500,000);
- additional expenditure for the Kalgoorlie Miners’ and Prospectors’ Hall of Fame (\$500,000);
- the unbudgeted payment of copyright charges on a whole of government basis to meet the State’s statutory obligations for public sector agencies’ use of print copyright materials in 2000/01 (\$400,000);

- increased costs associated with the London and Tokyo offices mainly due to increased rental expenditure as a result of the weaker Australian dollar exchange rates (\$253,000);
- the cost of conducting a review into all aspects of thoroughbred, trotting and greyhound racing in Western Australia, including the role and structure of the Totalisator Agency Board (TAB). The total cost of the review was \$500,000 with the \$250,000 sought under this request being offset by a similar reduction in the budget allocation of the Department of Racing, Gaming and Liquor, and the remaining \$250,000 being provided by the TAB (\$250,000);
- set up costs in 2000/01 for the Royal Commission on Finance Broking (\$250,000);
- the payment of an approved Management Initiated Retirement package to the former Executive Director of the Department of Conservation and Land Management (\$222,000);
- the restructure of the Department of the Premier and Cabinet Policy Office to respond to the needs and policy priorities of the new Government (\$148,000); and
- the cost of urgent upgrades to the Electorate Office Information Management System (\$60,000).

These overspendings were partly offset by savings in travel, advertising and consultancy expenses (\$205,000).

\$

**GOVERNMENT PROJECTS OFFICE – ADMINISTERED  
GRANTS AND TRANSFER PAYMENTS..... 411,500.00**

A new item was created, with an expenditure limit of \$3.0 million to enable the City of Melville to be repaid \$6.0 million it spent on the Heathcote refurbishment, with payment being offset by proceeds from the sale of surplus Crown land within the location of the City of Melville. In addition, LandCorp is to be reimbursed for costs incurred during the sale process. Sale proceeds will be disbursed over two years and \$411,500 was paid out during 2000/01.

**SALARIES AND ALLOWANCES TRIBUNAL..... 83,000.00**

The additional funds were required to fund an unbudgeted termination payment comprising an amount for severance in accordance with the Public Sector Management (Redeployment and Redundancy) Regulations together with a payment for accrued leave liabilities.

**TREASURY – WATER CORPORATION OF WESTERN  
AUSTRALIA..... 7,335,471.32**

The Water Corporation receives community service obligation (CSO) payments for non-commercial country water schemes, the infill sewerage program and the provision of revenue concessions in the form of discounts and rebates to pensioners, seniors and various non-rateable bodies. The amount payable in 2000/01 exceeded the budgeted figure of \$218,632,000 by \$7,258,000.

In addition, the Water Corporation is disposing of surplus land with the net proceeds after disposal costs being shared on a 40/60 basis between the Corporation and consolidated revenue. A total of \$77,471.32 was reimbursed to the Corporation under this program.

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<b>TREASURY – WESTERN AUSTRALIAN GOVERNMENT RAILWAYS COMMISSION.....</b>	<b>7,248,021.77</b>
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Following the sale of the Westrail freight division, additional community service obligation (CSO) payments to the Western Australian Government Railways Commission (WAGR) were approved and paid.

<b>TREASURY – WESTERN AUSTRALIAN LAND AUTHORITY.....</b>	<b>4,559,003.00</b>
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LandCorp receives community service obligation (CSO) payments to fund government requests or directions to undertake works or services that are not in accordance with commercial principles. In implementing the Hope Valley-Wattleup Redevelopment Act the Government has committed to offer to purchase all residential properties in the Hope Valley and Wattleup townsites within three years. Funding of 10.0 million was made available to fund acquisitions in 2000/01 of which \$4,559,003 was paid out.

<b>TREASURY – PAYMENT TO THE GOVERNMENT EMPLOYEES SUPERANNUATION BOARD FOR THE WEST STATE SUPERANNUATION SCHEME.....</b>	<b>25,576,101.64</b>
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The Government Employees Superannuation Board has advised that the revised cost of concurrently funding the West State Superannuation Scheme in 2000/01 exceeded the budget allocation.

<b>TREASURY – STATE SUPPLY COMMISSION – STATE FLEET .....</b>	<b>35,000,000.00</b>
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A new item was created to enable the State to meet contractual payments of \$20 million under agreements associated with the renegotiation of the fleet lease transaction, with further contractual payments up to \$15 million to be made during the year.

\$

**TREASURY – GST ADMINISTRATION PAYMENTS .....** **17,800,000.00**

Additional funds were required in response to the Federal Treasurer’s request to meet a substantial increase in GST administration costs.

**TREASURY – GOLD CORPORATION.....** **245,000.00**

A new item was created for the provision of a \$245,000 community service obligation (CSO) payment to Gold Corporation to finance the investigation and development of remediation options for the former State Battery site at Northampton.

**RESOURCES DEVELOPMENT.....** **827,000.00**

The overrun was mainly attributable to:

- funding provided for the purchase of land and interests required for the Oakajee to Narngulu rail and service corridor (\$2,250,000);
- funding provided to meet Gas Pipeline Sale Steering Committee expenditure in relation to the creation of an east west infrastructure corridor that will link the North Eastern Goldfields to the proposed port at Oakajee (\$750,000);
- funding allocated for activities in relation to a proposed gas pipeline from Bunbury to Albany (\$6,000,000);
- financial assistance to support the continued operation of BHP’s hot briquetted iron facility at Port Hedland (\$1,700,000); and
- additional funding to effect the purchase of additional buffer land at Oakajee (\$1,405,000).

The above expenditure was offset by revised project cashflows due to project delays or project savings resulting in reduced expenditure in 2000/01 totalling \$11,176,000 and savings in travel, advertising and consultancy expenditure of \$102,000.

**OFFICE OF ENERGY.....** **355,000.00**

The increased expenditure resulted from:

- a Cabinet Decision to establish an Aboriginal Power Procurement Steering Committee and funding arrangements for the Office of Energy to conduct a pilot study (\$195,000);
- the cost of one redeployee remaining at the Office of Energy subsequent to the sale of AlintaGas (\$67,000); and
- the cost of administering the residual assets and liabilities arising from the sale of AlintaGas and the winding up of the Gas Corporation (\$148,000).

The above expenditure was offset by savings in travel, advertising and consultancy expenses (\$48,000) and an offsetting reduction in recurrent expenditure to an increase in Salaries and Allowances Act payments (\$7,000).

\$

**OFFICE OF ENERGY – GAS DISPUTES ARBITRATOR... 40,000.00**

**OFFICE OF ENERGY – WA INDEPENDENT GAS  
PIPELINES REGULATOR ..... 1,515,000.00**

New items were created for the repayment of the Treasurer’s Advance to the Gas Disputes Arbitrator and the WA Independent Gas Pipelines Access Regulator. The Advance consisted of \$825,000 that is not recoverable from industry due to the delay in the introduction of the relevant regulation in 1999/2000, plus \$730,000 for the estimated operating cashflow for a period of up to five months.

**AGRICULTURE..... 9,355,000.00**

The additional funds were sought for:

- the operation of the Carnarvon Farm Recovery Scheme (\$2,500,000);
- assistance for farmers adversely affected by dry seasonal conditions (\$5,625,000);
- the establishment of “BushBank”, a jointly funded State and Commonwealth initiative to enable the purchase of bushland that contains a high conservation value and would otherwise have been cleared or developed in some way (\$1,000,000); and
- the refund of stamp duty to dairy producers on loans arranged as part of the Commonwealth’s Dairy Industry Structural Adjustment Scheme. Under the Stamp Act the stamp duty payable on these loans cannot be waived and Cabinet agreed to refund the stamp duty paid (\$320,000).

These overspendings were partly offset by savings in travel, advertising and consultancy expenses (\$90,000).



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**AGRICULTURE – ADMINISTERED GRANTS AND TRANSFER PAYMENTS..... 8,756,000.00**

On 30 October 2000 Cabinet approved the reimbursement to grain growers of the difference between the 1999/2000 grain freight rates and the 2000/01 freight charges. The cost of this subsidy is \$8,756,000.

**AGRICULTURE PROTECTION BOARD ..... 4,883,000.00**

Increased funding was sought for:

- a shortfall in the operational costs of locust outbreak control (\$4,500,000); and
- a shortfall in funding for the Skeleton Weed Eradication Program arising from a decision not to implement a scheduled increase in the skeleton weed levy to reduce the burden on grain producers already adversely affected by seasonal conditions (\$385,000).

These increases were partly offset by savings in travel, advertising and consultancy expenses (\$2,000).

**WESTERN AUSTRALIAN TOURISM COMMISSION..... 832,000.00**

The additional funds were sought for:

- an increased contribution by the State towards Rally Australia to keep the rally running in Western Australia (\$750,000);
- past service liability for superannuation of an employee of the agency (\$72,000); and
- an increase in the loan facility that the Hotham Valley Tourist Railway has with the Western Australian Tourism Commission due to cashflow difficulties being experienced by the Railway (\$70,000).

These overspendings were partly offset by savings in travel, advertising and consultancy expenses (\$60,000).

\$

**RECREATION CAMPS AND RESERVES BOARD .....** **277,000.00**

The additional funds were sought to enable payment of an out of court settlement relating to a compensation claim (\$280,000) and court costs (\$1,000). This increased expenditure was partly offset by savings in travel, advertising and consultancy expenses (\$4,000).

**SPORT AND RECREATION.....** **346,000.00**

Increased funding was sought to:

- increase funding to Surf Life Saving Western Australia which has a contract with the State Government to provide a surveillance and rescue service on Western Australian beaches (\$250,000); and
- address deficiencies in the Department's organisational structure and accompanying resources which were found by an independent review to be not geared towards delivery of contemporary solutions in sports and recreation services (\$118,000).

These overspendings were partly offset by savings in travel, advertising and consultancy expenses (\$22,000).

**WESTERN AUSTRALIAN SPORTS CENTRE TRUST .....** **1,594,000.00**

The overspending relates to:

- funding provided to eliminate deficits in the operation of Arena Joondalup accumulated since the Trust assumed responsibility for its management in 1997/98 (\$1,015,000);
- an operating loss incurred by Arena Joondalup in 2000/01 (\$284,000);
- increased operating costs for Challenge Stadium due to urgent repairs and replacements being required to ensure that the venue remained operational (\$68,000); and

- additional costs in staging the Festival of Sport prior to the Sydney 2000 Olympic Games which was an initiative to encourage international teams to acclimatise in Perth and give Western Australians an opportunity to experience Olympic class competition without travelling to Sydney (\$240,000).

These overspendings were partly offset by savings in travel, advertising and consultancy expenses (\$13,000).

**TRANSPORT..... 35,353,000.00**

The overspending was mainly attributable to:

- the establishment of an incentive scheme of \$500 per vehicle for the purchase of liquid petroleum gas or dual-fuel vehicles or the conversion of existing vehicles for family use (\$2,385,000);
- a recurrent budget shortfall due mainly to an increase in both new and existing bus and train services over and above existing funding allocations (\$26,100,000);
- additional funding for rail safety initiatives which provide for upgrades to train stations, additional car parking and lighting, security guards on trains, video security and revenue enforcement barriers (\$4,330,000);
- a payment in settlement of Matrix Finance Group’s claim against the State arising from the award of the mandate to it to pursue a private financing package for the acquisition of Transperth buses (\$2,518,000); and
- the delay in proclaiming the Rail Regulation Act has meant that the Department requires supplementary funding to meet the operating costs of the Office of the Rail Regulator in 2000/01 (\$557,000).

These costs were partly offset by savings in travel, advertising and consultancy expenses (\$537,000).

\$

**ENVIRONMENTAL PROTECTION..... 1,392,000.00**

The additional funds were sought for:

- the joint State/Commonwealth organochlorine pesticide collection strategy (\$300,000);
- contaminated site remediation of Vela Luka Park (\$205,000), contaminated site assessment of former Albany Gasworks site (\$144,000), contaminated drum removal from Waste Control Pty Ltd (\$100,000) and contamination clean-up of Northampton lead (\$55,000);
- cost overrun in the remediation of the OMEX Petroleum site in Bellevue (\$453,000);
- a severance agreement for the Chief Executive Officer of the Department of Environmental Protection (\$173,000);
- the shortfall in the budget allocation for the Environmental Protection Authority Chairman’s salary and allowances which did not include the allowances for non-secure tenure and the motor vehicle (\$65,000); and
- financial management resourcing (\$50,000).

These costs were partly offset by savings in travel, advertising and consultancy expenses (\$153,000).

**ZOOLOGICAL GARDENS BOARD..... 553,000.00**

In response to a deteriorating financial position the Zoological Gardens Board prepared a new Five Year Business Plan to address deficiencies associated with the previous plan. Significant recurrent and capital funding is required to facilitate the ongoing operations of the Board with the 2000/01 shortfall estimated at \$553,000.

\$

**PRODUCTIVITY AND LABOUR RELATIONS ..... 236,519.00**

Additional funds were sought to:

- fund redundancy packages arising from the abolition of the Building and Construction Industry Task Force (\$182,962); and
- fund a management initiated redundancy package (\$115,557).

These costs were partly offset by savings of approximately \$62,000 achieved from other operations.

**COMMISSIONER OF WORKPLACE AGREEMENTS..... 596,860.00**

Additional were required for the management initiated retirement of the Commissioner, comprising a past service superannuation liability of \$424,860 and a redundancy package of \$211,000, of which \$39,000 was charged to the standing appropriation in accordance with the Salaries and Allowances Act.

**REGISTRAR, WESTERN AUSTRALIAN INDUSTRIAL RELATIONS COMMISSION ..... 119,000.00**

The overrun was due to unavoidable costs associated with the retirement of a Senior Commissioner (\$124,000). These costs were partly offset by savings in travel, advertising and consultancy expenses (\$5,000).

**CONSERVATION AND LAND MANAGEMENT..... 67,174,000.00**

The 2000/01 State budget was predicated on the basis of the necessary legislation being promulgated for the establishment of the Department of Conservation, the Conservation Commission of Western Australia and the Forest Products Commission prior to 1 July 2000. The 2000/01 budget papers reflected the establishment of these three agencies and provided recurrent funding of \$66,767,000. It was therefore necessary to continue the operation of the Department of Conservation and Land Management (CALM) and create a new item for its recurrent expenditure appropriation.

The creation of the new item had no net impact on the Consolidated Fund and simply reflected a rearrangement of the expenditure appropriations and revenue estimates existing in the 2000/01 budget papers. However, the total expenditure by CALM exceeded the original appropriation by \$407,000, due largely to increased costs of wildfire suppression.

**FAIR TRADING..... 9,825,000.00**

The overspending was mainly attributable to:

- the continuation of funding for the Supervisors and Liquidators of Global Finance and Grubb Finance (\$2,735,000);
- the provision of funding in 2000/01 to extend the Gunning Committee of Inquiry as well as enabling the Department to respond to both the Gunning and Legislative Council Select Committee Inquiries (\$2,068,000);
- the establishment and on-going operation of the Petroleum Pricing Unit in accordance with the Petroleum Products Amendment Act 2000 (\$1,920,000);

- the provision of funding to enable the Liquidator of Grubb Finance to commence recovery action against St George Bank; to initiate and conclude recovery action against Bosco and Massese, the auditor of Grubb Finance; to purchase insurance in respect of the St George Bank recovery action; to extend the services provided by the Probity Auditor; and to support other potential recovery actions by the Liquidator of Grubb Finance (\$1,600,000);
- the approval of funding to enable the implementation of the Gunning Inquiry’s recommendations which were related to the operation of the Finance Brokers Supervisory Board (\$1,479,000); and
- the payment for an independent consultant to assess and report on the cost and resourcing demands associated with the implementation of the Petroleum Products Prices Advisory Committee (\$40,000).

These costs were partly offset by savings in travel, advertising and consultancy expenses (\$17,000).

***POLICE SERVICE* ..... 1,680,000.00**

The increase in expenditure was mainly attributable to:

- the cost impact of higher fuel prices (\$1,125,000);
- Act of Grace payments (\$339,000);
- unbudgeted costs associated with Operation Isolate which policed the visit of the Rebels Outlaw Motorcycle Gang visit to Western Australia (\$330,000); and
- higher costs associated with additional traffic wardens (cross walk attendants) (\$214,000);
- legal expenses reimbursed to the Police Union, legal representation for former Commissioner Falconer and other legal settlements and costs (\$125,000);

- the cost of services of a forensic accountant to finalise reports required by the Director of Public Prosecutions for two high profile investigations under the Criminal Property Confiscation Act (\$101,000).

These costs were partly offset by the Police Service making savings of \$554,000 in other areas.

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

**9,470,000.00**

The increase in expenditure was attributable to:

- costs incurred under the Natural Disaster Relief Arrangements (NDRA) relating to natural disasters. These costs will be fully offset by funding from the Commonwealth under the Commonwealth/State NDRA arrangements (\$4,821,000);
- additional expenses on emergency response and relief operations incurred by the State Emergency Services that exceeded the budget allocation (\$2,500,000);
- costs incurred for bush fire suppression exceeding the base allocation (\$1,077,000);
- funding provided to the Shire of Broome for damage caused by Cyclone Rosita (\$500,000);
- Act of Grace payments made in accordance with section 37(5) of the Bush Fires Act to an injured Bush Fire volunteer and the estate of a deceased volunteer (\$334,000);
- a payment to the Government Employees Superannuation Board for an unfunded past service superannuation liability (\$117,000); and
- a loss incurred in 2000/01 by the Unexploded Ordnance Unit (\$200,000).

These costs were partly offset by savings in travel, advertising and consultancy expenses (\$79,000).



\$

**PLANNING..... 178,000.00**

Additional funds were required to pay for increased rental charges of \$200,000 for office accommodation. This cost was partly offset by savings in travel, advertising and consultancy expenses (\$22,000).

**STATE REVENUE..... 1,114,711.00**

The increase in expenditure was mainly attributable to:

- implementation of a credit card payments system for the payment of land tax and Metropolitan Regional Improvement Tax (\$160,000);
- funding of two permanent policy officers and a contract person to implement the Conveyance Duty tax regime to close down avoidance avenues and to facilitate the resulting increased legislative workload (\$262,000);
- an audit of the land tax database to review primary production exemption entitlements on land areas less than 10 hectares, to establish procedures to review rental bond information and public statutory authority data to verify residential exemption entitlements and to address a backlog of Department of Land Administration information (\$333,000);
- funding for an additional four revenue officers to implement a program for the recovery of outstanding debtors (\$250,000); and
- operational funding for the introduction of the on-road diesel fuel subsidy scheme and expanding it beyond its expected cessation date of 30 June 2000 (\$119,000).

\$

**ABORIGINAL AFFAIRS..... 477,893.00**

The additional funds were sought for:

- unbudgeted costs incurred in formal negotiations between the State Government and two groups of traditional land owners – the Balangarra people and the Spinifex people – in order to develop final agreements governing the future land ownership and community development (\$217,000); and
- severance packages for the Chief Executive Officer and the Executive Manager (\$299,428).

These costs were partly offset by savings in travel, advertising and consultancy expenses (\$38,535).

**WATER AND RIVERS COMMISSION..... 383,451.00**

The increased outlays were due to:

- the settlement of a claim for damages made by the owner of the Carnarvon Caravan Park, which was flooded from the Gascoyne River in 1995, claiming negligence and breach of duty with regard to expertise provided on flood protection (\$269,750);
- payment of a compensation claim under section 12E of the Country Areas Water Supply Act for refusal of an application to clear bush located in the Kent River catchment (\$83,836); and
- a Management Initiated Retirement of a senior executive of the Commission (\$119,865).

These costs were partly offset by savings in travel, advertising and consultancy expenses (\$90,000).

\$

**HEALTH.....** **600,000.00**

The Royal Flying Doctor Service had a proposal in place to replace four of its older aircraft, having identified funding sources and an associated debt servicing plan. As a result of the fall in value of the Australian dollar the price of the replacement aircraft increased and the sale price of the old aircraft fell. Assistance of \$600,000 was granted to enable the proposal to proceed.

**HEALTH – CONTRIBUTION TO HOSPITAL FUND.....** **68,800,000.00**

The additional funds were sought to:

- enable the Department to meet unavoidable cost and demand pressures (\$52,000,000);
- avoid a significant impact on budgeted service delivery as a result of planned savings from reforming service delivery arrangements not being achieved due to delays in implementing the reforms (\$15,000,000);
- provide for increases arising from negotiations for a new Nurses Enterprise Bargaining Agreement (\$1,500,000); and
- fund the restructuring of remuneration arrangements for Visiting Medical Practitioners, with the new arrangements to comprise a fixed component and a fee-for-service component (\$300,000).

**WESTERN AUSTRALIAN DEPARTMENT OF TRAINING AND EMPLOYMENT.....** **2,657,000.00**

The additional funds were sought to:

- meet projected cost and demand pressures resulting from the on-going upsurge in training activities (\$2,500,000);
- recoup expenditure on the Cadets Western Australia program (\$368,000); and
- fund a Management Initiated Retirement package for a senior executive (\$260,000).

These costs were partly offset by savings in travel, advertising and consultancy expenses (\$464,000) and a reduction in recurrent expenditure against an increase in Salaries and Allowances Act expenditure (\$7,000).

**CULTURE AND THE ARTS..... 1,520,000.00**

The overrun was due to:

- implementation of the recommendations of the Major Performing Arts Inquiry, which are the subject of a State/Commonwealth agreement, to restructure the major performing arts companies (\$1,781,000);
- financial assistance provided to the Really Useful Productions Pty Ltd regional tour of “CATS”, with an offsetting reduction being made to the Department of Commerce and Trade’s budget (\$200,000); and
- the provision of funding to clear interest accrued against a Treasurer’s Advance to ScreenWest for the production of “Kings in Grass Castles”(\$113,000).

These costs were partly offset by the amount of additional funding received by the Library Board of Western Australia for salaries (\$550,000) and savings in travel, advertising and consultancy expenses (\$24,000).

\$

**CULTURE AND THE ARTS – LIBRARY BOARD OF WESTERN AUSTRALIA..... 538,000.00**

Under a split appropriation arrangement the Library Board’s budget allocation for salaries is appropriated to the Ministry for Culture and the Arts with other operating costs appropriated to the Board. The request for supplementary funds was simply the mechanism of shifting the salaries allocation to the Library Board. The increase in the Board’s allocation was offset by a corresponding saving in the Ministry’s expenditure (\$550,000). This cost was partly offset by savings in travel, advertising and consultancy expenses (\$12,000).

**CULTURE AND THE ARTS – PERTH THEATRE TRUST. 603,000.00**

Additional funds were sought for the operational costs of the Swan Bells belltower for the period 10 December 2000 to 30 June 2001 to cover the free entry period and the delay in setting up the Swan Bells Foundation (\$620,000). This cost was partly offset by savings in travel, advertising and consultancy expenses (\$17,000).

**CULTURE AND THE ARTS – WESTERN AUSTRALIAN MUSEUM..... 497,000.00**

The overrun was due to unfunded expenditure in respect of pension fund superannuation payments (\$445,000) and payments made for past service liability for members in the pension scheme (\$65,000). This cost was partly offset by savings in travel, advertising and consultancy expenses (\$13,000).

**LOCAL GOVERNMENT ..... 98,000.00**

The additional funding was required for the conduct of an inquiry into the City of South Perth (\$120,000). This cost was partly offset by savings in travel, advertising and consultancy expenses (\$22,000).

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<b>LOCAL GOVERNMENT – REPAYMENT OF COSTS CITY OF COCKBURN .....</b>	<b>662,687.00</b>
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The State Government agreed to fund the cost of the City of Cockburn Inquiry and to recoup the City of Cockburn for amounts paid by it into the Consolidated Fund.

<b>DISABILITY SERVICES COMMISSION .....</b>	<b>977,556.00</b>
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The increase in expenditure was largely attributable to:

- the increase in the Superannuation Guarantee Charge (\$550,000); and
- payment of past service superannuation liabilities (\$450,000).

These costs were partly offset by savings in travel, advertising and consultancy expenses (\$22,444).

<b>FAMILY AND CHILDREN’S SERVICES .....</b>	<b>2,276,322.00</b>
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The increase in expenditure was largely attributable to:

- the number of children requiring departmental care increased by 9.5% and the number of disabled children in the care of the department increased by 3% in 2000/01, requiring additional funding to meet demand pressures (\$1,033,000);
- supplementary funding of \$500,000 being approved in relation to the Cadets Western Australia program, of which the Department of Training and Employment had claimed \$368,000 and the Department of Family and Children’s Services is claiming the balance (\$132,000);
- the payment of Management Initiated Retirement packages to three senior staff (\$346,269); and
- unavoidable cost pressures (\$1,000,000).

\$

These costs were partly offset by an increase in the amount drawn down under the Salaries and Allowances Act and offsetting savings in recurrent expenditure (\$67,026) savings in travel, advertising and consultancy expenses (\$167,921).

**CONTRACT AND MANAGEMENT SERVICES..... 1,249,000.00**

Additional funding was required to:

- maintain the required level of support and ensure proper management of the Centenary of Federation (\$245,000); and
- implement measures that will strengthen the whole of government online security infrastructure and services (\$1,055,000).

These costs were partly offset by savings in travel, advertising and consultancy expenses (\$51,000).

**TOTAL..... 346,593,096.73**

**APPROPRIATION (CONSOLIDATED FUND) BILL (NO. 3) 2002**

**ATTACHMENT 3**

\$

**DETAILS OF RECURRENT EXPENDITURE EXCESSES AND NEW ITEMS  
FOR THE 2001/2002 FINANCIAL YEAR**

Expenditure  
Excess

\$

***PREMIER AND CABINET*..... **3,893,000.00****

The overspending was mainly attributable to:

- c  
costs related to the Gordon Inquiry - complaints of child abuse and family violence in Aboriginal communities (\$1,250,000);
- a  
additional funding to assist with negotiation and infrastructure for the Native Title Agreements- Burrup and Maitland Industries Estate Project (\$1,025,000);
- M  
marketforce Rebates - annual reappropriation of advertising discounts and rebates under the non-campaign advertising contract (\$656,000);
- h  
higher than budgeted Gold State and West State superannuation costs (\$218,000); and
- h  
higher than budgeted capital user charge expense (\$482,000).



\$

..... **SALARIES AND**

The overrun was attributed to a severance payment.

<b>ROYAL COMMISSION INTO WHETHER THERE HAS BEEN ANY CORRUPT OR CRIMINAL CONDUCT BY WESTERN AUSTRALIAN POLICE OFFICERS .....</b>	<b>4,900,000.00</b>
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Following the establishment of the Royal Commission the resourcing requirements were reviewed, and further cost pressures for salaries and other expenses were identified by senior staff of the Commission.

<b>TREASURY AND FINANCE – WATER CORPORATION OF WESTERN AUSTRALIA .....</b>	<b>1,415,886.00</b>
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The Water Corporation receives community service obligation (CSO) payments for non-commercial country water schemes, the infill sewerage program and the provision of revenue concessions in the form of discounts and rebates to pensioners, seniors and various non-rateable bodies.

The amount payable for budgeted CSOs was less than the figure of \$238,781,000 published in the 2001/02 Budget Papers, by \$1,571,000. Unbudgeted CSOs in 2001/02 amounted to \$3,749,000. This was partially offset by a credit of \$762,000 into the Consolidated Fund reflecting an overpayment in 2000/01.

**TREASURY AND FINANCE – ADMINISTERED GRANTS, SUBSIDIES AND TRANSFER PAYMENTS....**

**77,100,000.00**

The overspending was mainly attributed to the:

- F  
 irst Home Owners Scheme (FHOS), which provides assistance to eligible parties to purchase a first home. The Department of Treasury and Finance administers the FHOS (this is fully funded by equivalent Commonwealth Grants). The 2001/02 Budget provided \$130,500,000 for the scheme, however due to a higher than expected level of demand for the grants, supplementary funding of (\$73,500,000) was sought; and

- R  
 efund of past year’s revenue collections, which includes overpayments, upheld objections to assessments, amended assessments and retracted contacts. The refunds provided exceeded the budgeted expectation of \$5,400,000 by \$3,600,000.

**TREASURY AND FINANCE – PAYMENT TO THE GOVERNMENT EMPLOYEES SUPERANNUATION BOARD.....**

**838,279.33**

The Government Employees Superannuation Board has advised that a “data verification” process has identified further claims including:

- a  
 n underpayment of West State Super (WSS) concurrent funding for various budget sector agencies in the period ended 30 June 2001;
- c  
 oncurrent funding of schemes other than the WSS during the period February 2001 to June 2002 for certain members of Parliament; and

- 

a

provision to cover other potential claims whilst the  
“data verification” process is ongoing.

\$

**TREASURY AND FINANCE – STATE HOUSING COMMISSION – ESSENTIAL SERVICES..... 410,000.00**

A once-off funding of \$410,000 was provided to the State Housing Commission for the State’s contribution to the flood mitigation works for the Kiwirrkurra Community.

**TREASURY AND FINANCE – TAX EQUIVALENT REGIME REFUND ..... 344,319.00**

A new item was created for the provision of a \$344,319 Tax Equivalent Regime Refund payment made to the Albany Port Authority in 2001/02.

**PERTH INTERNATIONAL CENTRE FOR APPLICATION OF SOLAR ENERGY ..... 53,000.00**

The overspending relates to the increase in the Capital User Charge and leave liability expenses (\$60,000). This was partially offset by savings achieved within the Department (\$7,000).

**WESTERN AUSTRALIAN BUILDING MANAGEMENT AUTHORITY..... 452,907.00**

Additional funding was required for the cost associated with the voluntary severance initiative (6 FTEs).

**CONSUMER AND EMPLOYMENT PROTECTION – ADMINISTERED GRANTS, SUBSIDIES AND TRANSFER PAYMENTS..... 27,000.00**

A new item was created within the Department of Consumer and Employment Protection, for the provision of \$27,000 representing ex-gratia payments for unpaid wages to the employees of MAES Limited.

**JUSTICE..... 14,479,889.00**

The increase in expenditure was largely attributable to:

- t  
he transfer of appropriation from Capital Contribution to Net amount appropriated to purchase outputs, was required to reflect the accounting treatment of approved capital works projects, originally classified as assets with no net impact on the total appropriations received in 2001/02 (\$9,887,000);
- e  
x-gratia payments made on behalf of the State mainly for mesothelioma settlements and legal representation costs for the prison officers union (\$2,037,000);
- c  
osts related to the Department’s Voluntary Severance Scheme (\$1,300,000);
- i  
ncreased operating costs associated with a contractor (Repcol) in executing warrants for outstanding court fees and fines (\$908,000);
- p  
rocessing of the Legal Aid Commission’s “Dietrich cases”. These are categorised as matters where the costs of legal representation exceeds \$20,000, and Government has the responsibility to ensure such cases receive a fair trial. (\$576,000);
- e  
stablishment costs of a Community Based Services office in Maddington (\$442,000);
- a  
wage parity adjustment for the Legal Aid Commission (\$428,000);

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- legal representation costs of police officers appearing as witnesses before the Police Royal Commission (\$225,000); and
- increase in capital user charge payments due to an upward revision in the net asset balance (\$220,000).

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These were partially offset by savings achieved across the Ministry of approximately \$1.6 million.

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**COMMISSIONER FOR EQUAL OPPORTUNITY..... 114,000.00**

Additional funding was required for a Management Initiated Redundancy for the former Commissioner (\$146,000). However, this was partially offset by a reduction in the level of depreciation funding (\$32,000).

**WESTERN AUSTRALIAN ELECTORAL COMMISSION.. 100,000.00**

The additional funds were sought as a result of the by-election held for the Legislative Assembly District of Merredin following the resignation of Hon Hendy Cowan.

**BOTANIC GARDENS AND PARKS AUTHORITY..... 163,000.00**

The overspending was related to the increase in capital user charge expense primarily due to a revaluation of non current assets at the end of the 2001/02 financial year.

**ENVIROMENTAL PROTECTION ..... 1,176,000.00**

The overrun is mainly attributable to:

- a  
Additional funding associated with the clean up costs of a fire at the premises of the Waste Control Pty Ltd in Bellevue (\$365,000);
- a  
An increase in capital user charge expense related to increased cash holdings due to delays in projects such as the Air Quality Management Plan and the Department's involvement in the North West Shelf (\$288,000);

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- due to the withdrawal of a primary sponsor, additional funding was sought to allow the Keep Australia Beautiful Council to continue its programs (\$189,000); and
- additional funding sought for non recoupable refunds with respect to pollution licensing (\$151,000)

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**POLICE SERVICE..... 5,550,000**

The increase in expenditure was mainly attributable to:

- funding of the Enterprise Bargaining Agreement which provided Police Sworn Officers with a 3% increase in salary upon registration and a second 3% increase payable on 1 July 2002 (\$4,210,000);
- lease costs adjustments (penalties) for vehicles returned before the lease period expires, and those returned with kilometres in excess of the amounts specified in the contract; (\$762,000);
- cost of Grace payments to the families of 4 police officers killed in a plane crash at Newman (\$644,000);
- higher than expected capital user charge expense (\$925,000); and
- redundancies for Unsworn Officers (\$400,000)

These costs were partially offset by:

- savings arising from delays in the DNA legislation (\$860,000); and
- funds recovered from British Aerospace, the prime contractor of CADCOM due to delays in the project (\$617,000).

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<b><i>FIRE AND EMERGENCY SERVICES AUTHORITY OF WESTERN AUSTRALIA</i></b> .....	<b>8,298,000.00</b>
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The increase in expenditure was mainly attributable to:

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costs incurred under the Natural Disaster Relief Arrangements (\$6,164,000);
- a  
additional costs of \$1,088,000 incurred for bush fire suppression, which exceeded the budget allocation of \$200,000;
- a  
additional expenses on emergency response and relief operations incurred by the State Emergency Services that exceeded the budgeted allocation (\$780,000);
- A  
receipt of Grace payments to Bush Fire Service Volunteers (\$172,000); and
- a  
capital user charge expense higher than budgeted (\$121,000).

These costs were partially offset by:

- s  
savings in travel, advertising and consultancy expenses (\$44,000); and
- M  
Management Initiated Retirement savings (\$13,000).

<b><i>TRANSPORT</i></b> .....	<b>714,000.00</b>
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Additional funding required for costs associated with:

- the extension of the Motor Vehicle Immobiliser Subsidy Scheme to 30 September 2001; and
- completion of the implementation of the Transport Executive Licensing Information System.

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**PLANNING..... 2,671,000.00**

Due to some technical delays, it was necessary to create and provide funding for the Ministry of Planning for the period 1 July 2001 to 4 September 2001.

\$2,671,000, specifically relates to the costs incurred by the Western Australian Planning Commission for this period.

**INDUSTRY AND TECHNOLOGY..... 8,700,000.00**

Additional funding was sought for the Business Exit Assistance Scheme (\$10,800,000). This was partly offset by funds allocated to the Wittenoon cleanup project (\$2,100,000), which was deferred until 2002/03.

**WESTERN AUSTRALIAN TOURISM COMMISSION..... 6,000.00**

The overspending was mainly attributable to:

- Tourism Promotion (\$200,000);
- an incentive package for Emirates to commence air services from Dubai to Perth (\$150,000); and
- an increased employer superannuation liability (\$84,000).

These costs were partly offset by savings in:

- advertising, travel and consultancy (\$25,000); and
- recovery of excess provision for capital user charge in 2001/02 (\$403,000).

**RECREATION CAMPS AND RESERVES BOARD ..... 563,000.00**

The overspending was due to the increase in the estimated capital user charge, depreciation and leave liability expense from that projected in the 2001/02 Budget papers.

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**WESTERN AUSTRALIAN SPORTS CENTRE TRUST .....** **250,000.00**

..... Additional funding w

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he loss of sponsorships and naming rights to Challenge Stadium and Arena Joondalup (\$270,000); and
- a  
n increase in Riskcover costs (\$100,000).

These costs were offset by savings due to the transfer of responsibility for Sport International WA to Sport and Recreation and other savings (\$120,000).

**DISABILITY SERVICES COMMISSION .....** **213,000.00**

Consistent with the Department of Treasury and Finance's process for supplementary funding effective 30 June 2001, the Commission sought additional funding for the past service superannuation liability of former employees. This amount was not included in the Commission's 2001/02 budget appropriation.

**PERTH THEATRE TRUST .....** **81,000.00**

An increase in expenditure due to variations in Payroll tax incurred by the Trust.

**HEALTH .....** **3,288,000.00**

The overspending was related to the Department's 2001/02 Voluntary Severance Scheme.

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**HEALTH – CONTRIBUTION TO HOSPITAL FUND..... 84,855,000.00**

The overspending was mainly attributable to:

- an increase in demand levels, aged care pressures, higher input costs and wage rises for nurses and allied staff (\$70,000,000);
- voluntary severances (\$10,305,000); and
- grants to Brightwater for capital redevelopment purposes (\$4,550,000).

**RACING, GAMING AND LIQUOR..... 2,320,716.24**

The increase is due to GST rebates payable to the Burswood Casino and the TAB, which exceeded the 2001/02 Budget allocation.

**TOTAL..... 223,119,996.57**