

# LEGISLATIVE COUNCIL STANDING COMMITTEE ON ESTIMATES AND FINANCIAL OPERATIONS

## QUESTION PRIOR TO HEARING,

### Department of Jobs, Tourism, Science and Innovation

#### Committee asked:

1. On non-operational special purpose accounts:

(a) How many has your agency established under sections 16(1)(b) to (d) of the *Financial Management Act 2006*;

Answer: Answer: 7 Special Purpose Accounts have been established for JTSI

(b) In a table include:

- (i) the name of each account;
- (ii) when it was established;
- (iii) each account's purpose;
- (iv) balance as at 9 May 2019; and
- (v) the last 12 months of activity;

Answer:

Name of Account	When Established	Purpose of Account	Balance as at 30 June 2018	Balance as at 9 May 2019	Activity - Funds In 2018-19	Activity - Funds Out 2018-19
			\$000	\$000	\$000	\$000
Australia China Natural Gas Technology Partnership Fund	2004	The account holds funds received from the LNG industry, Commonwealth and State Governments for the purpose of training managers from the China natural gas industry, as well as joint Australia/China research programs.	1,054,000	859,000	-	195,000
Ashburton North Social Infrastructure Fund (Onslow Community Development Fund)	2011	This Special Purpose Account holds funds received from industry and Government for Social Infrastructure under the Ashburton North State Development Agreement (Wheatstone Project) in the township of Onslow.	733,000	471,000		262,000
Onslow Macedon Social Infrastructure Fund	2012	The accounts holds funds received from industry and the State for the provision of Social Infrastructure under the Macedon State Development Agreement (Domestic Gas) in the township of Onslow.	-	-	-	-
Ashburton North Social Infrastructure Fund (Administered)	2011	This Special Purpose Account holds funds received from industry and Government for Social Infrastructure under the Ashburton North State Development Agreement (Wheatstone Project) in the township of Onslow.	219,000	-	56,000	275,000
Ashburton North Critical Services Infrastructure Fund (Administered)	2011	The purpose of the special purpose account is to hold funds received from industry for the provision of Critical Services Infrastructure under the Ashburton North State Development Agreement (Wheatstone Project) in the township of Onslow.	16,760,000	10,000,000	29,766,000	36,526,000
Defence Science Centre	Approved May 2019 - not yet active	This account is to hold funds for the Defence Science Centre (DSC) which is a cooperative venture between the State and Commonwealth Governments and participating Western Australian universities. The DSC's purpose is to fund collaborative research projects, PhD students and industry internships relevant to Defence and the Defence Industry in Western Australia.	-	-	-	-
Special Project Fund	Pre 2010	This account holds funds received from industry, Commonwealth and State for the purpose of participating in significant projects to the mutual benefit of the providers and the State.	628,000	628,000	-	-

- (c) Describe the (1) governance mechanisms and (2) safeguards that are in place to meet the demands of section 16(2) of the *Financial Management Act 2006*; and

Answer:

The Department utilises the "Fund" accounting module within its Financial Management System to manage the Special Purpose Accounts. Under this process, a separate fund number is allocated to each Special Purpose Account and each transaction in and out of the account is coded with that number. This ensures the funds' cash reserves remain whole.

The fund accounting module satisfies the requirements of section 16(2) of the Financial Management Act which requires that "The accountable authority of an agency is to maintain records that enable the accountable authority to account separately for each agency special purpose account of the agency". Special Purpose Accounts are also reported separately in the agency's audited annual financial statements.

- (d) When was your agency last audited by the Office of the Auditor General primarily about special purpose accounts:

Answer:

JTSI, or its predecessor, DSD has not previously been audited by the Auditor General in respect of Special Purpose Accounts. However, we have recently received notice from the Office of the Auditor General that they are to commence an audit of the Department's management of its Special Purpose Accounts.

- (i) If applicable, what were the findings of that audit?

Answer:

Not Applicable



# LEGISLATIVE COUNCIL STANDING COMMITTEE ON ESTIMATES AND FINANCIAL OPERATIONS

## QUESTION PRIOR TO HEARING,

### Department of Jobs, Tourism, Science and Innovation

#### Hon Diane Evers MLC asked:

1. I refer to the Income Statement on page 199 of BP2 and I ask:

(a) Please provide a breakdown of 'Other Expenses' for all years;

Answer:

	2018-19	2018-19	2019-20	2020-21	2021-22	2022-23
	Budget	Estimated	Budget	Forward	Forward	Forward
Breakup of "Other Expenses"		Actual	Estimate	Estimate	Estimate	Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
575900007 - Administration Expenses	823	823	838	838	838	838
575900006 - Advertising & Promotion Expenses (incl Brand WA)	1,632	1,632	3,712	152	252	252
575900013 - All Other Expenses	1,979	1,979	1,802	1,802	1,802	1,802
575900023 - Audit Fees	307	307	306	306	306	306
575400002 - Equipment Repairs & Maintenance - Expense	136	136	137	137	137	137
575400001 - Operating Lease - Motor Vehicles - Expense	251	251	94	91	78	76
575500001 - Payments to Cons Acct (Loan Receipts)	-	1,032	3,238	1,486	1,783	2,141
	5,128	6,160	10,127	4,812	5,196	5,552

(b) Please provide a breakdown of 'Other Revenue' for all years;

Answer:

	2018-19	2018-19	2019-20	2020-21	2021-22	2022-23
	Budget	Estimated	Budget	Forward	Forward	Forward
Breakup of "Other Revenue"		Actual	Estimate	Estimate	Estimate	Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Other revenue						
470000001 - Interest Revenue	250	250	250	250	250	250
484000501 - Chevron Receipts - Onslow CDF	1,500	1,500	1,500	1,500	1,500	1,500
484000501 - Australia China Gas Fund SPA Receipts	430	430	429	0	0	0
484000501 - Tourism Revenue - Other	1,040	1,040	800	800	800	800
484000501 - Other Contributions and Revenue	835	2,156	1,615	1,479	1,409	1,315
	4,055	5,376	4,594	4,029	3,959	3,865

(c) What does 'Other Appropriations' under Income from State Government refer to; and

Answer: It refers to appropriations for approved funding for the Future Energy CRC and the National Collaborative Research Infrastructure Strategy. Funding for these two initiatives has been approved, but is being held back in "Treasury Administered" until such time as the projects have been approved by the Commonwealth and other related parties. Once approved, the funding will be released.

(d) Please provide a breakdown of the Grants and subsidies Income across all years and an explanation on what is driving significantly higher income in 2019-20?

Answer:

	2018-19	2018-19	2019-20	2020-21	2021-22	2022-23
Breakup of "Grants and Subsidies Income" and explanation of variance between years.	Budget	Estimated	Budget	Forward	Forward	Forward
	\$'000	Actual	Estimate	Estimate	Estimate	Estimate
		\$'000	\$'000	\$'000	\$'000	\$'000
Grants and Subsidies Income						
International Marketing Boost - Tourism finite funding from the Burswood Park Board	0	2,000	7,000	0	0	0
Aviation New Market Development - Tourism finite funding from the Burswood Park Board		1,740	2,610	1,750	1,650	2,250
Commonwealth Grant - National Water Infrastructure	438	438				
Camping with custodians - Tourism WA		99	14			
	438	4,277	9,624	1,750	1,650	2,250

The variation between years is due to the timing and finite nature of the Tourism projects.

**QUESTION PRIOR TO HEARING,**

**Department of Jobs, Tourism, Science and Innovation**

**Hon Tim Clifford MLC asked:**

1. I refer to the Gorgon Gas CO2 Injection Project on page 200 of Budget Paper 2, Volume 1. From the 2019/20 financial year to the 2022/23 financial year in the forward estimates, \$400,000 is budgeted to be spent in grants and subsidies on the Gorgon Gas CO2 Injection Project.

Can the Department please detail what the funding will be spent on, considering that no gas has been injected since the Gorgon field first flowed in February 2017, despite it being part of the project's environmental regulations?

Answer:

The Gorgon Joint Venture (GJV) is invoiced \$110,000, inclusive of GST, each year by the Department of Jobs, Tourism Science and Innovation (JTSI) subject to clause 8(a)(i) of the *Barrow Island Act 2003* Section 13 Approval.

The Section 13 Approval granted in 2009 authorises the GJV to inject Carbon Dioxide beneath Barrow Island subject to conditions, which includes the payment of the \$110,000 annual fee.

The money is to cover the States anticipated reasonable routine (non-investigative) costs and expenses in administering the Section 13 Approval and to regulate the Carbon Dioxide Injection Project subject to the *Petroleum Pipelines Act 1969*.

Over the four year period, \$400,000, exclusive of GST, is expected to be collected and used for this purpose.

