

## EXPLANATORY MEMORANDUM

### **APPROPRIATION (CONSOLIDATED FUND) BILL (NO. 4) 2004**

#### PURPOSE OF BILL

The purpose of this Bill is to appropriate from the Consolidated Fund capital expenditure excesses approved during the 2003/04 financial year for expenditure in 2003/04.

Schedule 1 of the Bill identifies expenditure excesses approved for each item in 2003/04. The total capital excess and the amount sought in this Appropriation Bill is \$81,776,310.87.

This Bill is largely a machinery Bill and reflects capital expenditure excesses for new items created during 2003/04 and expenditure overruns as a result of policy decisions or unavoidable cost increases against existing items during the course of 2003/04. The overruns are 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 *Treasurer's Advance Authorisation Act 2003*.

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 of Consolidated Fund is achieved.

Attached are further details of the capital expenditure excesses as identified in Schedule 1 of the Bill.

**APPROPRIATION (CONSOLIDATED FUND) BILL (NO. 4) 2004**

**DETAILS OF CAPITAL EXPENDITURE EXCESSES AND NEW ITEMS  
FOR THE 2003/04 FINANCIAL YEAR**

	Expenditure Excess \$
<i>JOINT HOUSE COMMITTEE .....</i>	233,000.00

Supplementary funds were provided to address accommodation costs associated with the completion of the northern extension of Parliament House.

<i>TREASURY AND FINANCE - FREMANTLE PORT AUTHORITY .....</i>	700,000.00
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Additional capital funds were approved to enable the commencement of the initial stages of a project to construct a direct rail loop to the North Quay in Fremantle.

<i>TREASURY AND FINANCE - EAST PERTH REDEVELOPMENT AUTHORITY.....</i>	3,020,000.00
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A new capital expenditure item was created to enable environmental remediation and building stabilisation works to commence at the East Perth Power Station.

<i>TREASURY AND FINANCE - ELECTRICITY CORPORATION .....</i>	1,415,310.87
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A new capital expenditure items was created for the reimbursement to the Electricity Corporation (trading as Western Power) of tax applicable to the grant funds received from the Australian Greenhouse Office for the Esperance Windfarm Project.

**OFFICE OF THE PARLIAMENTARY INSPECTOR OF  
THE CORRUPTION AND CRIME COMMISSION .....** 150,000.00

New capital funding was approved to meet accommodation fit-out and equipment costs associated with the establishment of the Office of the Parliamentary Inspector of the Corruption and Crime Commission.

**CONSERVATION AND LAND MANAGEMENT .....** 252,000.00

Additional capital funding was sought by the Department following sale proceeds of properties previously owned by the agency being returned to the Consolidated Fund. These funds are required to support the Department's approved capital works program.

**FIRE AND EMERGENCY SERVICES AUTHORITY OF  
WESTERN AUSTRALIA.....** 717,000.00

The additional capital funds sought by the Authority relate to the sale proceeds of properties previously owned by the agency. The funds were required to support the Authority's approved capital works program.

**LAND ADMINISTRATION.....** 1,480,000.00

The Crown Land functions undertaken by the Department of Land Administration have been transferred to the Department for Planning and Infrastructure. Additional funding was sought to assist the Department in meeting the costs associated with transferring the associated employee leave entitlements.

**PUBLIC TRANSPORT AUTHORITY OF WESTERN AUSTRALIA .....** 23,859,000.00

Additional capital funding was sought for meeting the repayment of the principal component of the Authority's loan with the Western Australian Treasury Corporation (\$21,559,000). Funding for principal repayments were previously provided to the Department for Planning and Infrastructure as a recurrent appropriation. However, due to changes in the funding arrangements relating to the introduction of accrual accounting, funding should now be through a capital appropriation.

Further supplementary funding was sought for the initial stages of a project to construct a direct rail loop to the North Quay in Fremantle, and the redevelopment of the Leighton marshalling yards with associated works (\$2,300,000).

**WESTERN AUSTRALIAN TOURISM COMMISSION .....** 1,515,000.00

Additional capital expenditure was incurred in relation to the relocation of the Commission's head office to 1 Mill Street. Planned fitout expenditure which had been approved for the 2004/05 budget was brought forward to meet the relocation fitout costs.

**WESTERN AUSTRALIAN SPORTS CENTRE TRUST.....** 540,000.00

Supplementary funds were provided to enable the construction of a new access road to Moore Drive and the sealing of a new carpark facility at Arena Joondalup.

**COMMUNITY DEVELOPMENT .....** 278,000.00

The additional expenditure was attributable to the return of sale proceeds from surplus land sold during 2003/04. These funds have been utilised in the undertaking of service delivery accommodation projects.

**CULTURE AND THE ARTS.....** 7,050,000.00

Additional capital funding was sought to facilitate the relocation of the Western Australian Museum from Francis Street in Northbridge to Kew Street in Welshpool (\$7,350,000). \$5,000,000 had been allocated in 2006/07 for capital works purposes, but was brought forward into 2003/04 to provide for the purchase of the property. A further \$2,350,000 had been allocated to the Western Australian Museum for the interim relocation of the Museum, and was transferred to the Department to centralise the purchase of the Welshpool property.

This additional capital expenditure was partially offset by the transfer of \$300,000 from capital funding to recurrent funding to provide for a grant to the Subiaco Theatre Trust.

**ART GALLERY OF WESTERN AUSTRALIA .....** 10,000.00

Additional capital funds were sought to meet the principal loan repayments owed to the Western Australian Treasury Corporation, reflecting a movement between interest expense and the principal repayment. This additional capital appropriation is directly offset by a reduction in recurrent appropriation.

**LIBRARY BOARD OF WESTERN AUSTRALIA .....** 77,000.00

Additional capital funds were sought to meet the principal loan repayments owed to the Western Australian Treasury Corporation, reflecting a movement between interest expense and the principal repayment. This additional capital appropriation is directly offset by a reduction in recurrent appropriation.

**HEALTH.....** 40,480,000.00

Supplementary funds were provided for:

- the reinstatement of cash reserves required to the cash cost of the additional pay period in 2003/04 as funding provided for this purpose has, due to prior periods' unfunded deficits, been consumed and spent on unbudgeted and unfunded service delivery (\$22,000,000);
- compulsory superannuation contributions for the 2001/02 and 2002/03 financial years resulting from changes in policy regarding the method of calculating the employer's compulsory contribution (\$9,000,000); and
- a return to the Department of the sale proceeds of surplus properties previously owned by the agency (\$9,480,000). These funds are required to support the Department's approved capital works program.

**TOTAL .....** **81,776,310.87**