

Division 44 Commerce

Part 9 Attorney General; Minister for Commerce

Appropriations, Expenses and Cash Assets

	2013-14 Actual \$'000	2014-15 Budget \$'000	2014-15 Estimated Actual \$'000	2015-16 Budget Estimate \$'000	2016-17 Forward Estimate \$'000	2017-18 Forward Estimate \$'000	2018-19 Forward Estimate \$'000
DELIVERY OF SERVICES							
Item 56 Net amount appropriated to deliver services	88,558	79,427	70,727	65,387	64,953	65,213	65,442
Amount Authorised by Other Statutes - Salaries and Allowances Act 1975	1,157	1,189	1,189	1,219	1,249	1,280	1,280
Total appropriations provided to deliver services.....	89,715	80,616	71,916	66,606	66,202	66,493	66,722
ADMINISTERED TRANSACTIONS							
Amount provided for Administered Grants, Subsidies and Other Transfer Payments	-	556	206	-	-	-	-
CAPITAL							
Capital Appropriation	3,000	-	-	-	-	-	-
TOTAL APPROPRIATIONS	92,715	81,172	72,122	66,606	66,202	66,493	66,722
EXPENSES							
Total Cost of Services.....	174,168	163,092	164,784	165,801	165,754	177,691	158,096
Net Cost of Services (a)	100,144	80,483	87,691	78,862	77,959	87,688	66,274
CASH ASSETS (b)	207,428	199,129	189,967	186,164	179,907	180,066	181,455

(a) Represents Total Cost of Services (expenses) less retained revenues applied to the agency's services. Reconciliation to the 'Total appropriations provided to deliver services' includes adjustments related to movements in cash balances and other accrual items such as resources received free of charge, receivables, payables and superannuation.

(b) As at 30 June each financial year.

Spending Changes

All recurrent spending changes, other than cashflow timing changes and non-discretionary accounting adjustments, impacting on the agency's Income Statement since presentation of the 2014-15 Budget to Parliament on 8 May 2014, are outlined below:

	2014-15 Estimated Actual \$'000	2015-16 Budget Estimate \$'000	2016-17 Forward Estimate \$'000	2017-18 Forward Estimate \$'000	2018-19 Forward Estimate \$'000
1% General Government Efficiency Dividend	(600)	(700)	(700)	(800)	(800)
15% Procurement Savings.....	-	(1,269)	(1,267)	(1,281)	(1,302)
2015-16 Tariffs, Fees and Charges	-	3,882	4,206	4,540	5,435
Accommodation Expense.....	935	732	876	1,990	2,370
Agency Expenditure Review Savings Measure					
Building Commission	-	(1,560)	(1,590)	(1,689)	(1,512)
Consumer Protection.....	-	(1,321)	(1,347)	(1,430)	(1,281)
EnergySafety	-	(578)	(590)	(626)	(561)
Industry and Technology	-	(1,173)	(1,196)	(1,271)	(1,138)
Labour Relations	-	(91)	(93)	(99)	(88)
WorkSafe	-	(1,008)	(1,028)	(1,092)	(977)
Alzheimers Australia Loan Extension	262	-	-	-	-
Building Commission - Operating Expense.....	-	2,500	2,660	2,330	2,100
Consumer Protection - Grants Expense	(5,479)	(5,436)	(5,580)	(5,457)	(5,581)
EnergySafety - Business Plan	512	759	1,811	2,175	2,447
ICT Savings and Reform	(196)	(403)	(413)	(423)	-
Industry and Innovation - Grants Expense.....	240	-	-	-	-

	2014-15 Estimated Actual \$'000	2015-16 Budget Estimate \$'000	2016-17 Forward Estimate \$'000	2017-18 Forward Estimate \$'000	2018-19 Forward Estimate \$'000
Operating Expense	-	4,857	4,857	4,857	4,857
Strategic Information Plan	-	918	1,172	1,086	1,056
Targeted Voluntary Separation Scheme ^(a)	1,740	-	-	-	-
Workforce Renewal Policy	(236)	(1,933)	(3,969)	(6,108)	(8,355)
WorkSafe - Operating Expenditure	1,750	1,800	1,851	1,904	1,958

- (a) Preliminary cost required to make payments to staff departing prior to the closure of the Targeted Voluntary Separation Scheme at 30 April 2015. The final cost of the Scheme will be known once staff leave the public sector and will be published in the 2014-15 Annual Report on State Finances. Agency savings flowing from the Scheme will be dependent on the final costs and will be allocated to agency budgets as part of the 2015-16 Mid-year Review.

Significant Issues Impacting the Agency

Reducing Costs without Compromising Standards

- Consistent with the Government's focus on reducing red tape, the Consumer Protection Division will be responsible for implementing a number of policy decisions that seek to reduce costs for businesses and government, without compromising existing standards. The Government is proposing to abolish the licensing of employment agents and replace it with a negative licensing scheme that will retain the existing level of protection for job seekers.

Electronic Bonds Transactions

- The Consumer Protection Division will be moving to an electronic system of rental bond lodgement and disbursement during 2015-16. A pilot of this system commenced in March 2015 with the cooperation of a small group of real estate agents. Tenants will benefit from the implementation of this system through improved timeliness of bond disposals, while property managers, private landlords and the Government will benefit from reduced transaction costs.

Modernising Corporate and Business Structures

- The Consumer Protection Division will be engaged in the implementation of proposed new legislation affecting different corporate and business structures. The Associations Incorporation Bill 2014 was introduced into Parliament in September 2014 and is expected to be enacted and implemented during 2015-16, which will introduce new governance arrangements for over 17,000 incorporated associations. The Government proposes to introduce a new Limited Partnership Bill into Parliament in 2015, which will enable Western Australian investors to access Commonwealth Government incentives for venture capital investment through incorporated limited partnerships. The Government also proposes to introduce amendments to the *Co-operatives Act 2009* to facilitate inter-state trading by Western Australian co-operatives and provide for a modern, nationally consistent regulatory regime for Western Australian co-operatives.

Continued Enhancement of Housing and Tenancy Laws

- Housing and tenancy will continue to be an area of focus for the Consumer Protection Division, with the first stage of the Government's retirement villages reforms completed in April 2015. In 2015-16, work will continue on the second stage reforms to implement the balance of recommendations of the statutory review of retirement villages legislation. Work will continue on the review of the *Residential Parks (Long-stay Tenants) Act 2006*, with the focus being on the drafting of amendments to that Act to implement the review. The Department will also work with the Department of the Attorney General to implement the recommendations of the Western Australian Law Reform Commission to amend the *Residential Tenancies Act 1987* to address difficulties faced by tenants who are affected by family or domestic violence. Consultation on the need to regulate boarding and lodging arrangements will continue during 2015-16.

Building Services Levy

- The Building Commission is funded through regulatory fees and the Building Services Levy (BSL). The BSL will be applied at a rate of 0.137% of the value of building work at the time of granting a building or demolition permit for work subject to a minimum levy of \$61.65. The Building Commission will also deliver a number of key projects and reforms, including:
 - the design and implementation of electronic reporting by permit authorities;
 - providing the National Construction Code free and online;
 - the ‘Instant Start’ red tape reduction measures;
 - the tiering of registration requirements for builders and painters; and
 - uniform coverage of building and painting regulation across the State.

Review of Plumbing Regulation

- The Department is developing a suite of reforms to Western Australia’s plumbing legislation in line with the recommendations of an independent review commissioned by the Government in 2013-14. New legislation and supporting regulations are expected to be ready in 2016, which seek to modernise plumbing regulation in Western Australia by introducing greater flexibility, removing unnecessary red tape, and improving national consistency in the application of modern technical plumbing standards.

Energy Safety Act

- The *EnergySafety Act 2006* is being re-written to remove inconsistencies between various Acts and the suite of legislation associated with the *Electricity Industry Act 2004*. The reforms will provide for:
 - the appropriate sharing of information with other Western Australian investigation agencies and energy related safety agencies in Australia and New Zealand;
 - the rationalisation of statutory responsibilities for the control of vegetation near power lines;
 - expiry dates for certificates of competency for gas fitting;
 - updating the systems for approval of electrical equipment as part of a new national scheme; and
 - merging the *Electricity Act 1945*, *Gas Standards Act 1972*, parts of the *Energy Coordination Act 1994* and the *Energy Safety Act 2006* into a consolidated and simpler Act.

High-Voltage Switch Maintenance

- The electrically caused explosion of a high voltage switch at the Morley Galleria Shopping Centre has revealed an important safety hazard for maintenance electricians. The EnergySafety Division has issued an order stipulating that such switches must not be opened until completely isolated and electrically dead. Electrical contractors and property owners likely to be affected will be alerted and their compliance monitored.

Work Health and Safety Bill

- A Western Australian version of the model Work Health and Safety Bill developed by Safe Work Australia for implementation by Australian States and Territories was released for public comment. Following closure of the public comment period on 30 January 2015, the State Government is reviewing the comments made to consider the best legislation for Western Australian workplaces.

Coordination and Governance of Public Sector Labour Relations

- The Department is responsible for the central coordination of public sector labour relations. The Public Sector Directorate of the Labour Relations Division continues to coordinate negotiations for public sector industrial agreements within the parameters prescribed under the Public Sector Wages Policy Statement 2014. To date, 21 industrial agreements covering almost 50,000 public sector employees (including police officers, firefighters, doctors, public servants and government officers) have been registered in the 2014-15 reporting period.

Labour Relations Legislation Amendment and Repeal Bill 2012

- The draft Labour Relations Legislation Amendment and Repeal Bill 2012 was tabled in Parliament in November 2012 as a Green Bill for the purposes of public consultation. The Department has provided advice to Government on stakeholder feedback, as well as possible amendments to the Green Bill. Once Government has approved the proposed changes, the Department will be responsible for progressing the changes.

Local Content

- Whilst a number of factors continue to work against local manufacturers, the Industry and Innovation Division continues to implement the Local Industry Participation Framework. The Department plays an active role in chairing both the Chevron Wheatstone and Woodside Browse Local Content Steering Committees. Departmental officers also attend the Chevron Gorgon and Shell Round Tables to ensure local content activity is high on the agenda with major project proponents. Such relationships continue to ensure an open and equitable market for local suppliers whilst also assisting to increase their international competitiveness. Government infrastructure projects also provide opportunities across the State.

Defence Industry and the Australian Marine Complex (AMC)

- The Industry and Innovation Division continues to work together with Western Australian industry to pursue opportunities to supply components, defence systems and maintenance to the existing and future submarine fleet, and to increase its role in construction and maintenance of the naval surface fleet. The ability of Western Australian industry to provide defence contracting services to the full range of vessels relies on access to the required capacity through the AMC Common User Facilities. The Industry and Innovation Division will continue to implement recommendations contained in the State's response to the Defence White Paper 2015, and in the State's response to the 2015 Senate Inquiry into the Future of Australia's Naval Shipbuilding Industry.

Resource Agreement

The following performance information (financial and non-financial) is the subject of a Resource Agreement signed by the Minister, Accountable Authority and Treasurer under Part 3, Division 5 of the *Financial Management Act 2006*.

Outcomes, Services and Key Performance Information

Relationship to Government Goals

Broad government goals are supported at agency level by specific outcomes. Agencies deliver services to achieve these outcomes. The following table illustrates the relationship between the agency's services and desired outcomes, and the government goal it contributes to. The key effectiveness indicators measure the extent of impact of the delivery of services on the achievement of desired outcomes. The key efficiency indicators monitor the relationship between the service delivered and the resources used to produce the service.

Government Goals	Desired Outcomes	Services
Results-Based Service Delivery: Greater focus on achieving results in key service delivery areas for the benefit of all Western Australians.	A fair trading environment that protects consumers and traders in Western Australia.	1. Consumer Protection
	Community in which the use of electricity and gas is regulated and safe.	3. Energy Safety
Financial and Economic Responsibility: Responsibly managing the State's finances through the efficient and effective delivery of services, encouraging economic activity and reducing regulatory burdens on the private sector.	Western Australian industry is competitive in targeted priority and emerging sectors.	2. Industry and Technology
	Buildings and plumbing installations that are safe, sustainable and respond to community needs.	6. Building Commission
Social and Environmental Responsibility: Ensuring that economic activity is managed in a socially and environmentally responsible manner for the long-term benefit of the State.	Shape and influence industrial relations systems in Western Australia.	4. Labour Relations
	A workplace operated in a safe and healthy manner.	5. WorkSafe

Service Summary

Expense	2013-14	2014-15	2014-15	2015-16	2016-17	2017-18	2018-19
	Actual \$'000	Budget \$'000	Estimated Actual \$'000	Budget Estimate \$'000	Forward Estimate \$'000	Forward Estimate \$'000	Forward Estimate \$'000
1. Consumer Protection	58,315	67,942	61,963	61,850	60,554	60,855	61,426
2. Industry and Technology	33,137	14,328	23,166	21,339	29,967	40,220	18,959
3. Energy Safety	14,051	16,206	14,046	15,059	16,302	16,886	17,224
4. Labour Relations	13,107	10,819	9,966	9,214	7,974	8,083	8,186
5. WorkSafe	30,522	30,468	30,008	31,535	27,461	27,833	28,186
6. Building Commission	25,036	23,329	25,635	26,804	23,496	23,814	24,115
Total Cost of Services	174,168	163,092	164,784	165,801	165,754	177,691	158,096

Outcomes and Key Effectiveness Indicators ^(a)

	2013-14	2014-15	2014-15	2015-16	Note
	Actual ^(b)	Budget ^(b)	Estimated Actual	Budget Target	
Outcome: A fair trading environment that protects consumers and traders in Western Australia:					
The extent to which traders comply with regulatory requirements	97%	93%	95%	95%	
The extent of consumer confidence in Western Australia's trading environment	74%	75%	75%	75%	
Outcome: Western Australian industry is competitive in targeted priority and emerging sectors:					
The extent to which clients and key stakeholders consider that the division's services contribute to innovative industry development	88%	75%	75%	75%	
Outcome: Community in which the use of electricity and gas is regulated and safe:					
The number of electricity-related serious injuries and fatalities per million population	8	n/a	12	nil	1
The number of gas-related serious injuries and fatalities per million population	11	n/a	4	nil	1
Outcome: Shape and influence industrial relations systems in Western Australia:					
The extent to which employers comply with the requirements of labour relations laws	67%	n/a	67%	67%	
Outcome: A workplace operated in a safe and healthy manner:					
The extent to which workplaces meet occupational safety and health criteria in priority areas (to indicate that workplaces are operated in a safe and healthy manner)	68%	n/a	69%	72%	
Outcome: Buildings and plumbing installations that are safe, sustainable and respond to community needs:					
The extent of compliance with construction standards	99%	n/a	99%	99%	

(a) Further detail in support of the key effectiveness indicators is provided in the agency's Annual Report.

(b) With the implementation of a revised Outcome Based Management (OBM) framework, the 2013-14 Actual results have been recast for comparative purposes. Where the indicator is new, no historic 2014-15 Budget figure is available.

Explanation of Significant Movements

(Notes)

1. The Budget targets are set at zero for these indicators as the desired outcome to be achieved is to have no serious injuries and fatalities.

Services and Key Efficiency Indicators

1. Consumer Protection

The provision of consumer protection advice, information, education and business regulation services to the Western Australian community.

	2013-14 Actual ^(a)	2014-15 Budget ^(b)	2014-15 Estimated Actual	2015-16 Budget Target	Note
Total Cost of Service.....	\$'000 58,315	\$'000 67,942	\$'000 61,963	\$'000 61,850	1
Less Income.....	28,671	37,795	29,831	32,216	
Net Cost of Service.....	29,644	30,147	32,132	29,634	
Employees (Full Time Equivalents).....	321	354	326	359	
Efficiency Indicators ^{(c) (d)}					
Average Cost per Client Contact to Provide Information and Advice.....	\$2.66	\$2.72	\$2.89	\$2.95	
Average Cost per Policy Project.....	\$226,759	\$365,529	\$228,017	\$277,655	2
Average Cost per Inspection or Investigation.....	\$549.39	\$781.72	\$638.58	\$793.44	3
Average Cost per Registration or Licence.....	\$17.67	\$21.02	\$18.44	\$19.00	

(a) The 2013-14 Actual results are derived for the agency's Annual Report.

(b) The 2014-15 Budget results have been recast for consistency with the costing basis used for all Services in the new OBM structure for 2015-16.

(c) The Efficiency Indicators exclude grants paid to external parties.

(d) A revised OBM structure has been implemented for 2015-16. The Consumer Protection Service and the above efficiency indicators were included in the previous OBM structure.

Explanation of Significant Movements

(Notes)

1. The decrease in Total Cost of Service between the 2014-15 Budget and the 2014-15 Estimated Actual of \$5.9 million (8.8%) recognises reduced expenditure on grants relating to the property industries.
2. The Average Cost per Policy Project is expected to increase by \$49,638 (21.7%) from the 2014-15 Estimated Actual to the 2015-16 Budget Target. This is due to the unexpected increase in minor legislative and other policy projects in 2014-15, with the expectation that this will return to a more consistent level of activity in 2015-16.
3. The Average Cost per Inspection or Investigation is expected to increase by \$154.86 (24.3%) from the 2014-15 Estimated Actual to the 2015-16 Budget Target. This is primarily due to an expected decrease in inspections in line with changing regulatory requirements. Minimal changes are expected to the number of investigations undertaken.

2. Industry and Technology

Contributes to the State's economy by promoting industry and technology. Services include:

- supporting industry development through research and infrastructure;
- promoting Western Australian industry opportunities and capabilities; and
- providing policy development advice.

	2013-14 Actual ^(a)	2014-15 Budget ^(b)	2014-15 Estimated Actual	2015-16 Budget Target	Note
Total Cost of Service.....	\$'000 33,137	\$'000 14,328	\$'000 23,166	\$'000 21,339	1
Less Income.....	3,166	1,752	3,200	2,927	
Net Cost of Service.....	29,971	12,576	19,966	18,412	
Employees (Full Time Equivalents).....	38	19	30	17	
Efficiency Indicators ^(c)					
Average Cost per Industry and Technology Project Managed ^(d)	\$310,277	\$223,667	\$326,469	\$347,023	2

(a) The 2013-14 Actual result is derived for the agency's Annual Report.

(b) The 2014-15 Budget results have been recast for consistency with the costing basis used for all Services in the new OBM structure for 2015-16.

(c) The Efficiency Indicator excludes grants paid to external parties.

(d) A revised OBM structure has been implemented for 2015-16. The Industry and Technology Service and the above efficiency indicator was included in the previous OBM structure.

Explanation of Significant Movements

(Notes)

1. The increase in Total Cost of Services between the 2014-15 Budget and the 2014-15 Estimated Actual of \$8.8 million (61.7%) is largely due to a change in the timing of Royalties for Regions grant expenditure.
2. The Average Cost per Industry and Technology Project Managed is estimated to increase by \$102,802 (46%) from the 2014-15 Budget to the 2014-15 Estimated Actual. This is due to a reduction in the number of projects managed.

3. Energy Safety

The provision of regulatory services to the Western Australian community through licensing and compliance activities in the area of energy safety.

	2013-14 Actual ^(a)	2014-15 Budget ^(a)	2014-15 Estimated Actual	2015-16 Budget Target	Note
Total Cost of Service.....	\$'000 14,051	\$'000 16,206	\$'000 14,046	\$'000 15,059	
Less Income.....	11,789	14,170	13,231	13,764	
Net Cost of Service.....	2,262	2,036	815	1,295	
Employees (Full Time Equivalents).....	59	77	63	64	
Efficiency Indicators					
Average Cost of Regulatory Services.....	\$3,419	\$4,507	\$3,413	\$4,630	1
Average Cost of Provision of Licensing Services.....	\$120.39	\$148.62	\$156.69	\$188.00	2

(a) With the implementation of a revised OBM structure in 2015-16, this is a newly defined Service which in previous years was incorporated in the 'Safety and Employment Protection and Construction Standards' Service found in the former OBM structure. As such, the 2013-14 Actual and the 2014-15 Budget results have been recast for comparative purposes.

Explanation of Significant Movements

(Notes)

1. The Average Cost of Regulatory Services is expected to increase by \$1,217 (35.7%) from the 2014-15 Estimated Actual to the 2015-16 Budget Target. This is primarily due to a decrease (21%) in the number of regulatory services expected to be required.
2. The Average Cost of Provision of Licensing Services is expected to increase by \$31.31 (20%) from the 2014-15 Estimated Actual to the 2015-16 Budget Target. This is primarily due to a decrease (11%) in the number of licences expected to be issued as a consequence of the cyclical nature of licence renewals.

4. Labour Relations

To assist private and public sector workplaces to be economically sustainable and fair by providing our stakeholders and clients with expert labour relations advice, education and regulation.

	2013-14 Actual ^(a)	2014-15 Budget ^(a)	2014-15 Estimated Actual	2015-16 Budget Target	Note
	\$'000	\$'000	\$'000	\$'000	
Total Cost of Service.....	13,107	10,819	9,966	9,214	
Less Income.....	93	189	-	-	
Net Cost of Service.....	13,014	10,630	9,966	9,214	
Employees (Full Time Equivalents).....	59	52	60	44	
Efficiency Indicators ^(b)					
Average Cost per Hour of Policy Advice.....	\$361.09	\$411.56	\$385.44	\$311.83	1
Average Cost per Client Contact to Provide Information and Advice.....	\$2.22	\$2.62	\$1.86	\$2.00	
Average Cost per Inspection or Investigation.....	\$7,910	\$5,975	\$7,379	\$6,645	2

(a) With the implementation of a revised OBM structure in 2015-16, this is a newly defined Service which in previous years was incorporated in the 'Safety and Employment Protection and Construction Standards' Service found in the former OBM structure. As such, the 2013-14 Actual and the 2014-15 Budget results have been recast for comparative purposes.

(b) The Efficiency Indicators exclude grants paid to external parties.

Explanation of Significant Movements

(Notes)

- The Average Cost per Hour of Policy Advice is expected to decrease by \$73.60 (19.1%) from the 2014-15 Estimated Actual to the 2015-16 Budget Target. This is due primarily to the expected increase in policy hours (13%) attributed to the planned Wages Policy Review, coupled with more efficient work practices.
- The Average Cost per Inspection and Investigation is expected to decrease by \$733.99 (9.9%) from the 2014-15 Estimated Actual to the 2015-16 Budget Target. This is due to the expected small increase in compliance inspections (3%), coupled with more efficient work practices.

5. WorkSafe

The provision of advice, information, education, licencing and enforcement services to the Western Australian community in the area of occupational safety and health.

	2013-14 Actual ^(a)	2014-15 Budget ^(a)	2014-15 Estimated Actual	2015-16 Budget Target	Note
	\$'000	\$'000	\$'000	\$'000	
Total Cost of Service.....	30,522	30,468	30,008	31,535	
Less Income.....	8,553	9,331	8,832	11,521	1
Net Cost of Service.....	21,969	21,137	21,176	20,014	
Employees (Full Time Equivalents).....	182	172	179	182	
Efficiency Indicators ^(b)					
Average Cost per Client Contact to Provide Information and Advice.....	\$2.72	\$3.02	\$3.29	\$3.20	
Average Cost per Inspection or Investigation.....	\$909.71	\$1,018.84	\$824.87	\$826.01	2
Average Cost per Registration or Licence.....	\$36.71	\$39.69	\$38.18	\$41.28	

(a) With the implementation of a revised OBM structure in 2015-16, this is a newly defined Service which in previous years was incorporated in the 'Safety and Employment Protection and Construction Standards' Service found in the former OBM structure. As such, the 2013-14 Actual and the 2014-15 Budget results have been recast for comparative purposes.

(b) The Efficiency Indicators exclude grants paid to external parties.

Explanation of Significant Movements

(Notes)

- Income is expected to increase by \$2.7 million (30.4%) in the 2015-16 Budget Target compared to the 2014-15 Estimated Actual, due largely to growth in the level of fees and charges collected.
- The Average Cost per Inspection or Investigation has decreased by \$193.97 (19%) from the 2014-15 Budget to the 2014-15 Estimated Actual. This is primarily due to a decline in costs combined with an increase in the number of inspections or investigations expected to be undertaken.

6. Building Commission

The provision of reform, regulatory and dispute resolution services that enable the building and plumbing industries to efficiently deliver buildings that are safe, sustainable and respond to community needs.

	2013-14 Actual ^(a)	2014-15 Budget ^(a)	2014-15 Estimated Actual	2015-16 Budget Target	Note
Total Cost of Service.....	\$'000 25,036	\$'000 23,329	\$'000 25,635	\$'000 26,804	
Less Income	21,752	19,372	21,999	26,511	1
Net Cost of Service.....	3,284	3,957	3,636	293	
Employees (Full Time Equivalents).....	134	141	137	157	2
Efficiency Indicators ^(b)					
Average Cost per Audit, Inspection or Investigation.....	\$1,839	\$1,621	\$1,946	\$2,000	3
Average Cost per Registration or Licence Issued	\$783.28	\$602.47	\$770.38	\$783.50	4
Average Time to Resolve a Complaint	20 weeks	n/a	20 weeks	20 weeks	

(a) With the implementation of a revised OBM structure in 2015-16, this is a newly defined Service which in previous years was incorporated in the 'Safety and Employment Protection and Construction Standards' Service found in the former OBM structure. As such, the 2013-14 Actual and the 2014-15 Budget results have been recast for comparative purposes.

(b) The Efficiency Indicators exclude grants paid to external parties.

Explanation of Significant Movements

(Notes)

- Income is expected to increase by \$4.5 million (20.5%) in the 2015-16 Budget Target compared to the 2014-15 Estimated Actual, primarily due to an increase in the Building Services Levy and fees and charges revenues.
- The expected increase in the number of Full Time Equivalents (FTE) between the 2014-15 Estimated Actual and the 2015-16 Budget reflects a more accurate attribution of overhead costs and FTE for the Building Commission, as well as additional FTE to implement reforms for the building and plumbing industries (funded by an increase in the Building Services Levy).
- The Average Cost per Audit, Inspection or Investigation is expected to increase by \$325 (20%) from the 2014-15 Budget to the 2014-15 Estimated Actual. This is largely due to an anticipated slowing of building approvals and construction activity, combined with a general increase in Building Commission costs.
- The Average Cost per Registration or License Issued is expected to increase by \$167.91 (27.9%) from the 2014-15 Budget to the 2014-15 Estimated Actual. This is largely due to changes in service cost allocations across the Department following the implementation of a revised OBM structure, offset by an increase in the number of licences and registrations expected to be issued.

Asset Investment Program

The 2015-16 Asset Investment Program (AIP) totals \$8 million, including \$5.5 million to deliver the Department's revised Strategic Information Plan.

The Department has a high reliance on information and communications technology (ICT) in the delivery of its regulatory services, with ICT forming a significant component of the Department's overall AIP. The Department is progressing with a range of initiatives to modernise its ICT, and improve online access to services and information.

An amount of \$1.2 million in 2015-16 has been approved to complete the replacement of the Compliance Management System (CMS) for the EnergySafety Division. This system will replace the current electricity and gas inspection data systems, which no longer have technical support, and will deliver greater efficiency through the use of mobile technologies.

A collection of former ICT programs have reached their conclusion and have been replaced by a contemporary definition of the Department's information technology requirements, titled Strategic Information Plan under New Works.

A technology upgrade program relating to the Building Commission Division commences with \$1.3 million in 2015-16 for works to address regulatory reform in the industry, and enable efficiency improvements in collaboration with local governments and other government agencies.

	Estimated Total Cost \$'000	Estimated Expenditure to 30-6-15 \$'000	2014-15 Estimated Expenditure \$'000	2015-16 Budget Estimate \$'000	2016-17 Forward Estimate \$'000	2017-18 Forward Estimate \$'000	2018-19 Forward Estimate \$'000
WORKS IN PROGRESS							
ICT Infrastructure - EnergySafety CMS	2,450	1,250	1,250	1,200	-	-	-
COMPLETED WORKS							
Accommodation Infrastructure - Departmental Facilities	2,187	2,187	42	-	-	-	-
Bentley Technology Park - Stage 1 Implementation.....	8,375	8,375	1,883	-	-	-	-
Business Systems Development and Enhancement							
WorkSafe Information System Environment.....	2,744	2,744	181	-	-	-	-
ICT Infrastructure							
Asset Replacement	2,199	2,199	838	-	-	-	-
Consumer Protection - Bonds Electronic Transaction							
System	550	550	550	-	-	-	-
Customer Focused Service Delivery.....	1,976	1,976	751	-	-	-	-
ICT Works to Facilitate Accommodation Relocation.....	3,015	3,015	2,222	-	-	-	-
Service Improvement	911	911	698	-	-	-	-
System Stabilisation.....	5,192	5,192	470	-	-	-	-
Other Works							
The Decommissioning of the Office of Shared Services	593	593	42	-	-	-	-
Southern Precinct.....	1,865	1,865	1,423	-	-	-	-
NEW WORKS							
ICT Infrastructure							
Building Commission - Regulation Reform.....	4,850	-	-	1,300	2,100	1,100	350
Strategic Information Plan	15,702	-	-	5,465	4,824	3,188	2,225
Total Cost of Asset Investment Program.....	52,609	30,857	10,350	7,965	6,924	4,288	2,575
FUNDED BY							
Drawdowns from the Holding Account.....			2,800	2,800	399	3,188	2,225
Internal Funds and Balances.....			7,550	5,165	6,525	1,100	350
Total Funding.....			10,350	7,965	6,924	4,288	2,575

Financial Statements

Income Statement

Income

Income in the 2015-16 Budget Estimate is estimated to be \$87.4 million compared to \$77.5 million in the 2014-15 Estimated Actual. This increase (12.7%) is primarily due to increased regulatory revenues expected from the building and property industries and WorkSafe initiatives. Increased contributions are also expected from property industry special purpose accounts.

Income from State Government in the 2015-16 Estimated Budget (\$80.9 million) is expected to be higher than the 2014-15 Estimated Actual (\$78.6 million), primarily due to new grants initiatives.

INCOME STATEMENT ^(a) (Controlled)

	2013-14 Actual \$'000	2014-15 Budget \$'000	2014-15 Estimated Actual \$'000	2015-16 Budget Estimate \$'000	2016-17 Forward Estimate \$'000	2017-18 Forward Estimate \$'000	2018-19 Forward Estimate \$'000
COST OF SERVICES							
Expenses							
Employee benefits ^(b)	95,946	89,550	91,016	91,799	92,967	91,586	90,443
Grants and subsidies ^(c)	26,219	20,017	21,103	20,999	18,998	28,561	6,937
Supplies and services	19,158	29,544	30,289	30,874	31,093	31,292	32,894
Accommodation	16,636	10,052	10,987	10,924	10,804	13,226	13,791
Depreciation and amortisation	5,692	6,740	3,879	3,730	4,419	5,470	6,412
Other expenses	10,517	7,189	7,510	7,475	7,473	7,556	7,619
TOTAL COST OF SERVICES	174,168	163,092	164,784	165,801	165,754	177,691	158,096
Income							
Sale of goods and services	8,426	5,111	5,063	5,146	5,231	5,318	5,318
Regulatory fees and fines	60,145	68,847	65,780	75,097	74,861	76,024	77,732
Grants and subsidies	292	174	145	145	145	45	45
Other revenue	5,161	8,477	6,105	6,551	7,558	8,616	8,727
Total Income	74,024	82,609	77,093	86,939	87,795	90,003	91,822
NET COST OF SERVICES	100,144	80,483	87,691	78,862	77,959	87,688	66,274
INCOME FROM STATE GOVERNMENT							
Service appropriations	89,715	80,616	71,916	66,606	66,202	66,493	66,722
Resources received free of charge	1,039	752	752	752	752	752	752
Royalties for Regions Fund:							
Regional Community Services Fund	98	1,723	628	1,641	1,644	1,648	151
Regional Infrastructure and Headworks Fund	16,839	5,000	5,342	11,857	10,000	20,000	-
TOTAL INCOME FROM STATE GOVERNMENT	107,691	88,091	78,638	80,856	78,598	88,893	67,625
SURPLUS/(DEFICIENCY) FOR THE PERIOD ...	7,547	7,608	(9,053)	1,994	639	1,205	1,351

(a) Full audited financial statements are published in the agency's Annual Report.

(b) The Full Time Equivalents for 2013-14 Actual, 2014-15 Estimated Actual and 2015-16 Budget Estimate are 793, 795 and 823 respectively. In some cases the figures for 2013-14 and 2014-15 may differ from previously published figures due to changes in calculation methodology.

(c) Refer to the Details of Controlled Grants and Subsidies table below for further information.

DETAILS OF CONTROLLED GRANTS AND SUBSIDIES

	2013-14	2014-15	2014-15	2015-16	2016-17	2017-18	2018-19
	Actual	Budget	Estimated	Budget	Forward	Forward	Forward
	\$'000	\$'000	Actual	Estimate	Estimate	Estimate	Estimate
			\$'000	\$'000	\$'000	\$'000	\$'000
Asbestos Disease Society.....	100	100	100	100	100	98	98
Australian Building Codes Board.....	316	299	299	300	300	300	300
Employment Law Centre Western Australia.....	424	440	440	-	-	-	-
Farmsafe Western Australia Alliance.....	70	70	70	70	70	69	69
Industry and Innovation.....	-	-	240	-	-	-	-
Property Industry	7,259	12,308	6,829	6,872	6,728	6,594	6,470
Royalties for Regions.....	18,050	6,500	12,825	13,357	11,500	21,500	-
Seniors Housing Information Service.....	-	300	300	300	300	-	-
TOTAL	26,219	20,017	21,103	20,999	18,998	28,561	6,937

STATEMENT OF FINANCIAL POSITION ^(a)
(Controlled)

	2013-14	2014-15	2014-15	2015-16	2016-17	2017-18	2018-19
	Actual	Budget	Estimated	Budget	Forward	Forward	Forward
	\$'000	\$'000	Actual	Estimate	Estimate	Estimate	Estimate
			\$'000	\$'000	\$'000	\$'000	\$'000
CURRENT ASSETS							
Cash assets.....	26,844	16,693	20,227	16,863	18,073	23,503	24,047
Restricted cash	178,135	179,987	167,291	166,852	159,385	154,114	154,959
Holding account receivables.....	2,800	2,800	2,800	399	3,188	2,225	2,663
Receivables	1,776	2,782	1,776	1,776	1,776	1,776	1,776
Other.....	17,152	8,167	15,251	15,371	17,422	15,686	15,892
Assets held for sale.....	-	1,750	-	-	-	-	-
Total current assets	226,707	212,179	207,345	201,261	199,844	197,304	199,337
NON-CURRENT ASSETS							
Holding account receivables.....	6,882	7,237	7,961	11,292	12,263	14,828	17,677
Property, plant and equipment.....	42,767	37,697	45,123	44,459	44,668	43,996	43,528
Intangibles	8,262	13,567	12,335	17,234	19,530	19,020	15,651
Restricted cash	2,449	2,449	2,449	2,449	2,449	2,449	2,449
Other.....	7,748	11,119	9,475	9,390	7,253	6,755	6,029
Total non-current assets	68,108	72,069	77,343	84,824	86,163	87,048	85,334
TOTAL ASSETS	294,815	284,248	284,688	286,085	286,007	284,352	284,671
CURRENT LIABILITIES							
Employee provisions	20,174	20,678	19,652	19,652	19,652	19,652	19,652
Payables.....	1,876	2,515	1,876	1,876	1,876	1,876	1,876
Other.....	12,294	15,041	12,294	12,294	12,294	12,294	12,294
Total current liabilities	34,344	38,234	33,822	33,822	33,822	33,822	33,822
NON-CURRENT LIABILITIES							
Employee provisions	3,708	4,625	3,654	3,654	3,654	3,654	3,654
Other.....	8,861	7,390	8,861	8,861	8,861	8,861	8,861
Total non-current liabilities	12,569	12,015	12,515	12,515	12,515	12,515	12,515
TOTAL LIABILITIES.....	46,913	50,249	46,337	46,337	46,337	46,337	46,337
EQUITY							
Contributed equity	79,865	79,949	79,367	78,770	78,053	75,193	74,161
Accumulated surplus/(deficit).....	158,151	148,088	149,098	151,092	151,731	152,936	154,287
Reserves.....	9,886	5,962	9,886	9,886	9,886	9,886	9,886
Total equity	247,902	233,999	238,351	239,748	239,670	238,015	238,334
TOTAL LIABILITIES AND EQUITY	294,815	284,248	284,688	286,085	286,007	284,352	284,671

(a) Full audited financial statements are published in the agency's Annual Report.

STATEMENT OF CASHFLOWS ^(a)
(Controlled)

	2013-14	2014-15	2014-15	2015-16	2016-17	2017-18	2018-19
	Actual	Budget	Estimated	Budget	Forward	Forward	Forward
	\$'000	\$'000	Actual	Estimate	Estimate	Estimate	Estimate
			\$'000	\$'000	\$'000	\$'000	\$'000
CASHFLOWS FROM STATE GOVERNMENT							
Service appropriations.....	85,822	74,811	68,037	62,876	62,043	61,703	61,210
Capital appropriation	3,000	-	-	-	-	-	-
Holding account drawdowns.....	2,200	2,800	2,800	2,800	399	3,188	2,225
Royalties for Regions Fund:							
Regional Community Services Fund	98	1,723	628	1,641	1,644	1,648	151
Regional Infrastructure and Headworks Fund	16,839	5,000	5,342	11,857	10,000	20,000	-
Net cash provided by State Government	107,959	84,334	76,807	79,174	74,086	86,539	63,586
CASHFLOWS FROM OPERATING ACTIVITIES							
Payments							
Employee benefits.....	(99,514)	(90,074)	(92,116)	(91,799)	(92,967)	(91,586)	(90,443)
Grants and subsidies.....	(26,219)	(20,017)	(21,103)	(20,999)	(18,998)	(28,561)	(6,937)
Supplies and services	(20,490)	(27,047)	(27,792)	(30,357)	(30,577)	(30,773)	(32,370)
Accommodation	(16,636)	(9,571)	(9,830)	(9,643)	(9,403)	(10,723)	(10,934)
Other payments.....	(15,043)	(11,944)	(12,679)	(11,091)	(11,208)	(12,396)	(12,818)
Receipts ^(b)							
Regulatory fees and fines.....	62,852	68,021	64,954	75,097	74,861	76,024	77,732
Grants and subsidies.....	292	174	145	145	145	45	45
Sale of goods and services.....	2,353	6,297	6,249	5,140	5,225	5,312	5,312
GST receipts.....	3,687	2,570	2,570	2,570	2,570	2,570	2,570
Other receipts	5,160	8,600	5,684	5,925	6,933	7,996	8,221
Net cash from operating activities	(103,558)	(72,991)	(83,918)	(75,012)	(73,419)	(82,092)	(59,622)
CASHFLOWS FROM INVESTING ACTIVITIES							
Purchase of non-current assets.....	(3,995)	(5,298)	(10,350)	(7,965)	(6,924)	(4,288)	(2,575)
Proceeds from sale of non-current assets.....	1,750	-	-	-	-	-	-
Other receipts	-	-	498	597	717	2,860	1,032
Net cash from investing activities.....	(2,245)	(5,298)	(9,852)	(7,368)	(6,207)	(1,428)	(1,543)
CASHFLOWS FROM FINANCING ACTIVITIES							
Other payments.....	-	-	(498)	(597)	(717)	(2,860)	(1,032)
Net cash from financing activities.....	-	-	(498)	(597)	(717)	(2,860)	(1,032)
NET INCREASE/(DECREASE) IN CASH HELD	2,156	6,045	(17,461)	(3,803)	(6,257)	159	1,389
Cash assets at the beginning of the reporting period	208,072	193,084	207,428	189,967	186,164	179,907	180,066
Net cash transferred to/from other agencies.....	(2,800)	-	-	-	-	-	-
Cash assets at the end of the reporting period	207,428	199,129	189,967	186,164	179,907	180,066	181,455

(a) Full audited financial statements are published in the agency's Annual Report.

(b) A determination by the Treasurer, pursuant to section 23 of the *Financial Management Act 2006*, provides for the retention of some cash receipts by the Department. Refer to the Net Appropriation Determination table below for further information. Other receipts are retained under the authority of other relevant Acts of Parliament.

NET APPROPRIATION DETERMINATION ^(a)

	2013-14	2014-15	2014-15	2015-16	2016-17	2017-18	2018-19
	Actual	Budget	Estimated	Budget	Forward	Forward	Forward
	\$'000	\$'000	Actual	Estimate	Estimate	Estimate	Estimate
			\$'000	\$'000	\$'000	\$'000	\$'000
Regulatory Fees and Fines							
Regulatory Fees and Fines.....	62,852	68,021	64,954	75,097	74,861	76,024	77,732
Grants and Subsidies							
Grants and Subsidies.....	292	174	145	145	145	45	45
Sale of Goods and Services							
Sale of Goods and Services.....	2,353	6,297	6,249	5,140	5,225	5,312	5,312
GST Receipts							
GST Receipts.....	3,687	2,570	2,570	2,570	2,570	2,570	2,570
Other Receipts							
Other Receipts.....	5,160	8,600	5,684	5,925	6,933	7,996	8,221
TOTAL	74,344	85,662	79,602	88,877	89,734	91,947	93,880

(a) The moneys received and retained are to be applied to the Department's services as specified in the Budget Statements.

DETAILS OF ADMINISTERED TRANSACTIONS

	2013-14	2014-15	2014-15	2015-16	2016-17	2017-18	2018-19
	Actual	Budget	Estimated	Budget	Forward	Forward	Forward
	\$'000	\$'000	Actual	Estimate	Estimate	Estimate	Estimate
			\$'000	\$'000	\$'000	\$'000	\$'000
INCOME							
Taxation							
Regulatory Fees.....	1,819	1,626	1,571	-	-	-	-
Fines							
Regulatory Fines.....	139	250	250	250	250	250	250
Other							
Home Indemnity Insurance							
Appropriation.....	-	350	-	-	-	-	-
Miscellaneous.....	-	888	-	-	-	-	-
Premiums.....	20,095	7,000	19,715	42,041	18,784	14,804	13,120
Interest.....	-	-	346	1,027	1,545	1,520	1,047
Rental Accommodation Account Interest....	10,667	6,615	11,376	16,211	17,127	20,164	21,141
Other Interest.....	-	-	168	164	158	147	136
Travel Agents Appropriation.....	-	206	206	-	-	-	-
Other Revenues.....	402	-	520	533	546	530	509
TOTAL ADMINISTERED INCOME	33,122	16,935	34,152	60,226	38,410	37,415	36,203
EXPENSES							
Grants to Charitable and Other Public Bodies							
Rental Accommodation Account Grants.....	4,934	2,946	3,608	3,666	3,806	3,958	4,057
Other							
Home Indemnity Insurance							
Administration.....	-	2,100	-	-	-	-	-
Claims.....	-	5,250	23,236	28,880	23,514	20,677	16,495
Interest Expense.....	-	106	-	-	-	-	-
Payments to the Consolidated Account.....	11,014	1,876	13,593	414	408	397	386
Rental Accommodation Account.....	8,761	5,351	9,590	9,819	10,054	10,167	10,319
Travel Agents Refund.....	-	206	206	-	-	-	-
Other Expenses.....	6,193	-	-	-	-	-	-
TOTAL ADMINISTERED EXPENSES	30,902	17,835	50,233	42,779	37,782	35,199	31,257