

QUESTIONS TAKEN ON NOTICE

MAJOR PROJECTS PORTFOLIO

1. Please explain the variations between the 2010-11 Budget, 2010-11 revised estimate and 2011-12 Budget figures for the total output cost for the Major Projects output, and the value to the state of the Kew residential development land sales. (*Pages 10-11 of the Major Projects portfolio transcript*)

Response:

Refer to page 10 of the Major Projects portfolio transcript, question 6.1 of the Department of Business and Innovation response to the 2011-12 PAEC Budget Estimates questionnaire and Budget Paper Number 3, page 153, note f.

The 2010-11 target for major projects total output cost was \$11 million, however the 2010-11 expected outcome is \$106.8 million and the target for 2011-12 is \$123.7 million.

The reason for the difference of \$95.8 million between the 2010-11 target and the 2010-11 expected outcome is predominantly due to the Kew Residential Services development. Previously the cost of goods sold for the Kew Residential Services project - land sales, was not included in the outputs. This cost is now also included in the 2011-12 Budget.

The difference between the 2010-11 Budget and the 2011-12 Budget is mainly due to the inclusion of the cost of goods sold in the budget (refer previous paragraph) and funding for the Flinders Street Station design competition.