



Government of **Western Australia**
Department of **the Premier and Cabinet**

Department of the Premier and Cabinet

Annual Report

2012–2013

Produced and published by
The Department of the Premier and Cabinet

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Statement of Compliance

For the year ended 30 June 2013

Hon C J Barnett MEd MLA
PREMIER

In accordance with section 63 of the *Financial Management Act 2006*, I hereby submit for your information and presentation to the Parliament, the Annual Report for the Department of the Premier and Cabinet for the financial year ended 30 June 2013.

The Annual Report has been prepared in accordance with the provisions of the *Financial Management Act 2006*.



Peter Conran
DIRECTOR GENERAL

9 September 2013

Director General's Foreword

The focus for 2012–13 has been on collaborating with our colleagues from across both the public and non-government sectors to deliver solutions to important issues facing the Western Australian community, and also implementing the Government's agenda. Working closely with the non-government sector and the wider community has provided the Department with a clear insight into the key issues facing the State. This has enabled the Department to develop more innovative solutions with a sound understanding of the requirements for implementation.


One example of this has been the Department's work with the Commonwealth Government and the Disability Services Commission on the design of the National Disability Insurance Scheme (NDIS). Through this work, a proposal to launch a site in Western Australia based on the 'My Way' sites has been developed, and the Western Australian NDIS Reference Group has been established to provide advice to Government on implementing the NDIS in Western Australia. I commend the staff who have been working closely with Western Australian service providers and the community more generally to ensure the introduction of the NDIS builds on the local relationships and current infrastructure, providing continuity of support arrangements for people with a disability.



To improve alignment between the Department's and Government's priorities, and to support the changing role of the public sector, the Department's Cabinet and Policy Division was restructured during the year. The new structure will deliver better flexibility and capability in the way policy issues are addressed. As part of this restructure, the Council of Australian Governments (COAG) Secretariat was established to lead and coordinate Western Australia's response to intergovernmental matters relating to the COAG. The COAG Secretariat has been working with policy officers from across the public sector to ensure the Premier and senior officials are provided with advice and support from a whole-of-government perspective.

In March this year the State General Election took place, which saw the Western Australian public sector enter a caretaker period leading up to polling day. The Department administered the caretaker period, providing advice and guidance to agencies to ensure decisions did not bind an incoming government and the apolitical nature of the public sector was protected. Information sessions were held for Directors General and all public sector officers, with feedback highlighting the professionalism and responsiveness of the Department during this time. I commend all staff involved in this process and thank them for their efforts.

To prepare for an incoming government, the Department coordinated the delivery of briefings on key policy issues and election commitments for the elected government. The Department also extended its work to committing resources to establish the new Ministry and new Parliament which involved assisting five new Ministers, Ministerial Office staff as well as 21 Members of Parliament and their Parliamentary Electorate Office staff.



The work of the Department has also extended to assisting the Premier in bringing about improvements in the delivery of services to the community through a number of structural changes aimed at streamlining government operations. These reforms have included the establishment of the Department of Local Government and Communities, splitting the Department of Environment and Conservation to create the Department of Parks and Wildlife and the Department of Environment Regulation, creating a new Department of Lands, and merging the operations joining the Mental Health Commission and Drug and Alcohol Office. The Department has been working with the Public Sector Commission in overseeing the implementation of the new arrangements and ensuring a smooth transition.

The Year Ahead


The year ahead presents many opportunities for the Department to lead the improvement of outcomes for all Western Australians. Such important work will extend to delivering solutions that improve outcomes in a period of increasing demand, rising costs and reducing revenues. The Department will work with our public and non-government partners to devise alternative approaches to the delivery of community services in the areas of youth justice, aged care and Aboriginal affairs, among others, ensuring better long-term outcomes for all Western Australians.

Working closely with Directors General on issues relating to information and communications technology (ICT), collaboration, culture, leadership, deregulation and risk management will be an imperative for the Department.

The Department will also focus its efforts in the areas of Goods and Services Tax (GST) allocation and the NDIS, establishing a fairer methodology for allocating the GST, and launching an NDIS in Western Australia that will build on decades of local service provider relationships and infrastructure.

The year ahead also sees the establishment of a new Office of Science within the Department's structure, providing leadership in the science portfolio, and supporting the Premier in his role as Minister for Science. Important priorities for the office will be to develop a clear direction for science policy in Western Australia, build collaboration in the science sector, and provide coordination of the State Government's own science efforts. I welcome all the new staff of the Office of Science and look forward to an exciting year ahead.

I thank all staff for their efforts over the past year and look forward to building upon our recent successes in improving outcomes for both Government and the Western Australian community.



Peter Conran
DIRECTOR GENERAL



On Monday 3 June, 744 people participated in a community art project outside the Art Gallery of Western Australia to create two large format public artworks. Curated by Nomad Two Worlds, the project was conceived and overseen by West Australian Indigenous artists Clifton Bieundurry and Deborah Bonar.

Created on the day was this image, 'Celebration of Diversity', by Deborah Bonar. Ms Bonar's inspiration for her canvas was the diversity of both the landscape of Western Australia and the diversity of the cultures that now call Western Australia home.

*Nomad Two Worlds – Community Canvas Project
WA Day – Come Out & Play, Monday 3 June 2013, Perth Cultural Centre*

Image courtesy of Celebrate WA.



About the Department



Responsible Minister

The Department reports to the Hon C J Barnett MEd MLA, in his capacity as Premier; Minister for Science.

Chief Executive Officer

Mr Peter Conran AM is the Chief Executive Officer of the Department appointed under section 45 of the *Public Sector Management Act 1994* and is also the Accountable Authority, as prescribed in section 52 of the *Financial Management Act 2006*.

Authority for the Establishment of the Agency

The Department was established in 2001 under the *Public Sector Management Act 1994*.

Our Vision

We make a difference through leadership and innovation.

Our Purpose

We deliver high quality advice, services and support to enable the Premier and Government to serve the Western Australian community well.

Our Values

The Department is committed to the Public Sector Code of Ethics and is guided by our own Code of Conduct which includes these values:

- » Working with integrity
- » Focused on solutions
- » Collaborating with others
- » Leading improvement

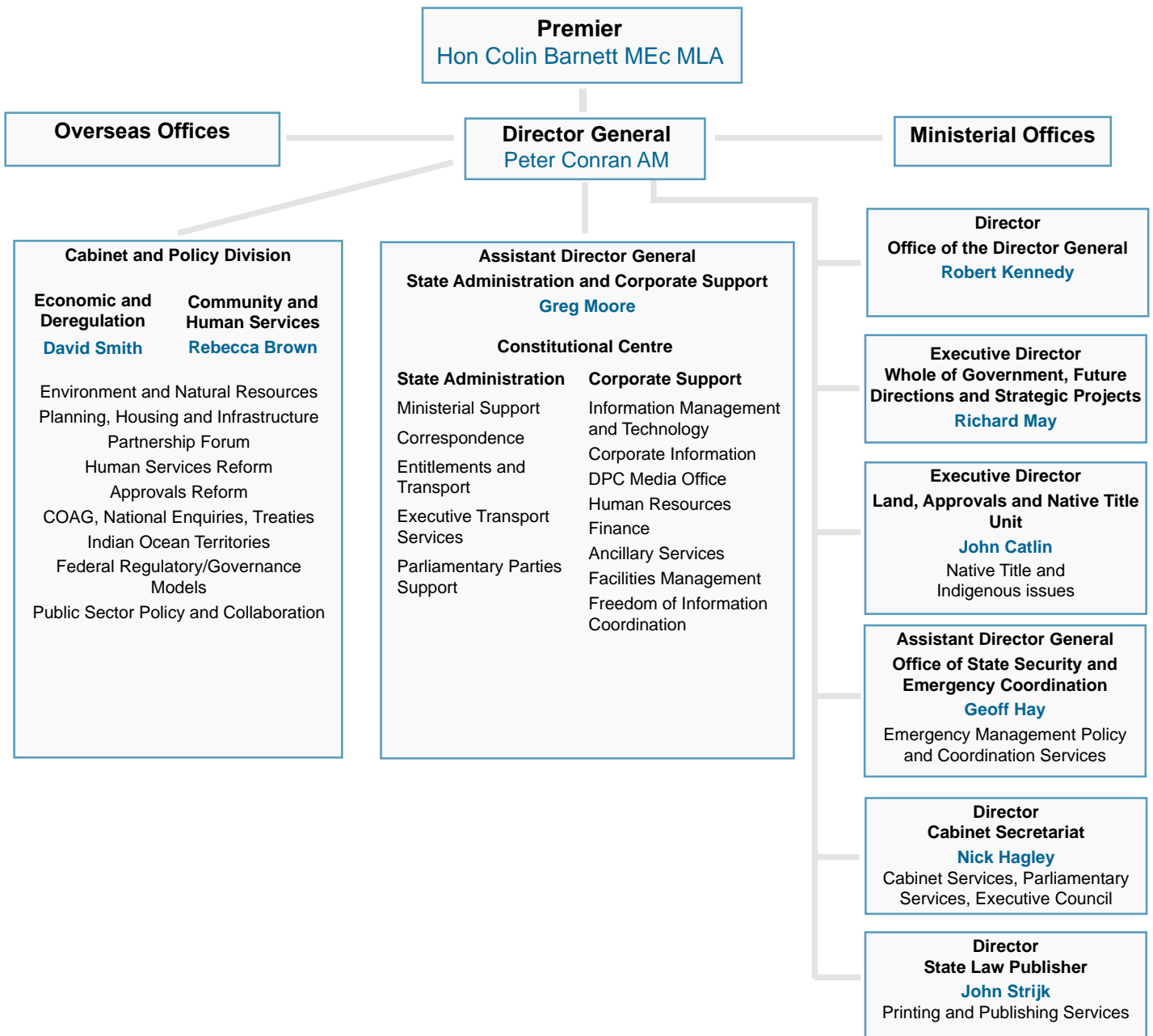
Legislation

The following is a list of the Acts of Parliament which are the responsibility of the Premier and are administered by the Department.

Agent General Act 1895
Alteration of Statutory Designations Act 1974
Armorial Bearings Protection Act 1979
Constitution Act 1889
Constitution Acts Amendment Act 1899
Daylight Saving Act 2006
Deputy Governor's Powers Act 1911
Discharged Servicemen's Badges Act 1967
Election of Senators Act 1903
Indian Ocean Territories (Administration of Laws) Act 1992
Machinery of Government (Miscellaneous Amendments) Act 2006
Members of Parliament (Financial Interests) Act 1992
Ministers' Titles Act 1925
Mutual Recognition (Western Australia) Act 2010
Parliamentary and Electorate Staff (Employment) Act 1992
Parliamentary Papers Act 1891
Parliamentary Privileges Act 1891
Returned Servicemen's Badges Act 1953
Royal Commission (Custody of Records) Act 1992
Royal Commission into Commercial Activities of Government Act 1992
Royal Commissions Act 1968
Royal Powers Act 1953
Royal Style and Titles Act 1947
Standard Time Act 2005
State Flag Act 2006
Taxation (Staff Arrangements) Act 1969
Terrorism (Commonwealth Powers) Act 2002
Trans-Tasman Mutual Recognition (Western Australia) Act 2007
Western Australia Day (Renaming) Act 2012

For other key legislation impacting on the Department's activities see Appendix 1 on page 152.

Our Structure



Our People – Senior Officers

DIRECTOR GENERAL

– Mr Peter Conran



Mr Peter Conran AM commenced as Director General of the Department of the Premier and Cabinet in November 2008 and was re-appointed for five years in May 2013. In this capacity, he has led the Department in advising and serving the Premier and Cabinet. Mr Conran has over 30 years of policy and leadership experience within the Western Australian, Northern Territory and Commonwealth Governments. His diverse positions have included Senior Advisor, Cabinet Secretary and Head of the Cabinet Policy Unit within the Office of the Prime Minister. Additionally, he has been Deputy Director General of this Department and Secretary of both the Department of the Chief Minister and the Attorney General's Department in the Northern Territory.

DEPUTY DIRECTOR GENERAL: Economic and Deregulation

– Mr David Smith



Mr Smith has been the Deputy Director General since August 2008. Prior to this, he was a member of the Corporate Executive of the Department of Treasury and Finance (DTF), with responsibility for economic policy. Mr Smith was in the DTF in a variety of positions for 12 years. In addition, he has over 20 years of experience in the Commonwealth public service, including the Department of the Prime Minister and Cabinet and an overseas posting with the Department of Foreign Affairs and Trade. He has also worked with a private economic consultancy in London.

DEPUTY DIRECTOR GENERAL: Community and Human Services

– Ms Rebecca Brown



Ms Brown has been the Deputy Director General since August 2012. Prior to this, Ms Brown was the Executive Director of the Strategic Issues Unit from October 2009, before which she was a member of the Corporate Executive of the Department of Treasury and Finance (DTF). Ms Brown had been in the DTF in a variety of positions for 12 years, and previously gained five years of experience in the Federal Treasury.

ASSISTANT DIRECTOR GENERAL: State Administration and Corporate Support
– Mr Greg Moore



Mr Moore was appointed to this position in June 2007. Prior to this appointment, Mr Moore was the Director, State Administration, within the State Administration and Corporate Support Division. Mr Moore has over 40 years of experience in the public sector and, before joining the Department of the Premier and Cabinet in 1987, he held positions in the Public Service Commission, Office of Industrial Relations and the Department of Labour and Industry.

ASSISTANT DIRECTOR GENERAL: Office of State Security and Emergency Coordination
– Mr Geoff Hay



Mr Hay was appointed to this position in July 2005, following periods in the positions of Assistant Director General, State Administration, and Assistant Director General, Public Sector Management. Mr Hay previously held the position of Assistant Under Treasurer at the Treasury Department. Mr Hay has over 30 years of experience in the public sector and, in addition to the Treasury Department, he has been employed by the Department of Corrective Services and the Fremantle Port Authority.

EXECUTIVE DIRECTOR: Economic and Deregulation
– Ms Lyn Genoni



Ms Genoni was appointed an Executive Director in 2010. She has over 30 years of public sector experience, with more than a decade in the area of Commonwealth and State relations. Ms Genoni commenced her career as a teacher, and went on to a succession of policy leadership and management roles in a number of government agencies. She served as an elected member of the State Council of the Institute of Public Administration Australia (IPAA) for ten years, and was awarded life membership of IPAA WA in 2007.

EXECUTIVE DIRECTOR: Land, Approvals and Native Title Unit
– Mr John Catlin



Mr Catlin has a lengthy background in Indigenous issues and resource management policy. Mr Catlin returned to the Department of the Premier and Cabinet in May 2010 after a 10-year absence during which he spent six years as a Member of the National Native Title Tribunal, two years as Manager of the Victorian Government's Native Title Unit, and a year in the mining industry in Queensland. He previously worked in the Department of the Premier and Cabinet, Department of Indigenous Affairs and the Department of Mines and Petroleum during the 1990s.

EXECUTIVE DIRECTOR: Whole of Government, Future Directions and Strategic Projects
- Mr Richard May



Mr May has over 25 years of experience in the State public service in a range of policy, funding, corporate services and Ministerial liaison positions in the Disability Services Commission (DSC); senior management experience in the Department of Indigenous Affairs (DIA), primarily in the delivery of services in regional locations; and senior management policy and corporate services experience in the Office of the Public Sector Standards Commission. Mr May has also worked on restructures in DSC, DIA and was seconded to work on the creation of the Department for Child Protection and Department for Communities. He has also held a number of positions in the Department of the Premier and Cabinet in Ministerial Offices.

EXECUTIVE DIRECTOR
- Mr Tony Rutherford



Mr Rutherford was appointed to the position of Executive Director in May 2011. Prior to this appointment, he had extensive experience in senior policy advisory roles in both State and Commonwealth Government offices and the Institute of Public Affairs, as a public affairs columnist for *The West Australian* newspaper, and in a private consulting practice.

EXECUTIVE DIRECTOR: Community and Human Services
- Tom Leeming



Mr Leeming has been Executive Director, Community and Human Services, since September 2011. He was previously in the Department of Treasury for five years in a variety of positions. Prior to moving to Western Australia in 2006, Mr Leeming worked in international development with the British and European Governments, advising southern and central African Governments on economic and social policy.

DIRECTOR: Cabinet Secretariat
- Mr Nick Hagley



Mr Hagley commenced as a Senior Parliamentary Officer in 1989, before moving to the Office of the former Minister for Police as Executive Officer in 1995. Returning to the Department, he was appointed Manager of the Parliamentary Services Branch and has also acted as Cabinet Secretary. In 2010, he was appointed Director of the Cabinet Secretariat and also Clerk of the Executive Council in May 2011.

DIRECTOR: Office of the Director General
- Mr Robert Kennedy



Mr Kennedy has worked in public sector agencies for over 15 years in both the State and Commonwealth Governments. Most of this time has been in central agencies in policy and administration roles. He joined the Department in 2003 and was appointed Director, State Administration, in 2008, when he joined the Corporate Executive. Mr Kennedy was appointed Director, Office of the Director General, in 2011 and is responsible for the Department's corporate governance functions and supporting the Director General.

DIRECTOR: State Law Publisher
- Mr John Strijk



Mr Strijk was appointed to the position of Manager, State Law Publisher and Government Printer, in June 1996, having previously acted in the position of Director, State Print. Mr Strijk has over 42 years of public sector experience and occupied various positions in the Department of State Services and State Print.

DIRECTOR: State Administration
- Ms Kathryn Andrews



Ms Andrews initially joined the Western Australian public service as part of the Graduate Program in January 1984 and worked in the human resources field in a number of departments including the State Housing Commission, the Department of Conservation and Land Management and Department of Treasury and Finance before coming to work for the Department of the Premier and Cabinet in January 1994. Ms Andrews was previously the Manager, Human Resource Services, within the Department prior to being appointed as Director, State Administration, in January 2012.

Image: 'Migrating Spirits', created by local artist Ron Gomboc, is now part of the Dumas House gardens





Our Workplace

The Department employed an average of 483 full-time equivalent (FTE) employees during 2012–13, compared to 485 FTE in the previous year.

The Department's critical function is to provide support to the Premier and Ministers and the Office of the Leader of the Opposition. The Department also provides support to the President of the Legislative Council and the Speaker of the Legislative Assembly who employ Electorate and Research Officers to provide office support to 95 Members of the Western Australian State Parliament.

Employment Opportunities

The Department offers a range of career opportunities in the areas of policy advice, project management, corporate support services and State security. Opportunities also exist for entry level positions, traineeships and university graduates.

The Department received 586 applications for 23 advertised vacancies throughout 2012–13. Other interested candidates were encouraged to visit the 'Work for Us' page of the Department's website for information on applying for vacancies within the Department.

The *Working at DPC* survey is conducted biennially to help the Department understand its most vital resource, and implement attraction and retention strategies, workforce planning strategies, and further improve the working environment for employees. The majority of the responses received in 2012 indicated a positive culture within the Department.

Graduate and Trainee Programs

The Department recruited three graduates and two school-based trainees in 2012–13.

The graduate and trainee recruitment programs provide excellent opportunities for young professionals to learn and develop new skills whilst working in a central government agency.

Graduates and trainees are rotated through various functional areas of the Department and are provided specific training and development that relates to the roles they undertake.

Supporting People with Disabilities

The Department is committed to providing employment opportunities for people with a disability through the Supported Work Team program and direct employment. The program, which was launched in 2007, continued successfully in 2012–13.

Two teams of three people are employed through the program. The teams work part-time, carrying out administrative duties under the supervision of a coordinator who matches their individual skills to tasks.

The key elements of the program are to:

- » provide on-the-job training and development opportunities for people with a disability
- » expand possibilities for future employment opportunities
- » provide opportunities for participants to interact with others in an office environment.

Employee Health and Wellbeing

The Department supports the health and wellbeing of our employees through a number of services. The Department offers free professional counselling services to all employees and their immediate families through its Employee Assistance Program (EAP).

In acknowledging the importance of a healthy workplace for our employees, the Department launched its Health at Work Program which provides employees easier access to a range of partially-funded wellness activities such as group fitness classes and health checks.

The Department has also pledged to support the One Life Suicide Prevention Strategy. As part of this pledge, the Department aims to increase awareness of, and consequently reduce, the stigma surrounding people with mental health issues. In 2012–13, further support was provided to staff by coordinating mental health first aid training held in-house and disseminating information regarding mental health to the Department's employees.

Support for the Community

The Department continues to support workplace giving arrangements which allows employees to make pre-tax personal donations from their salary to eligible charities.

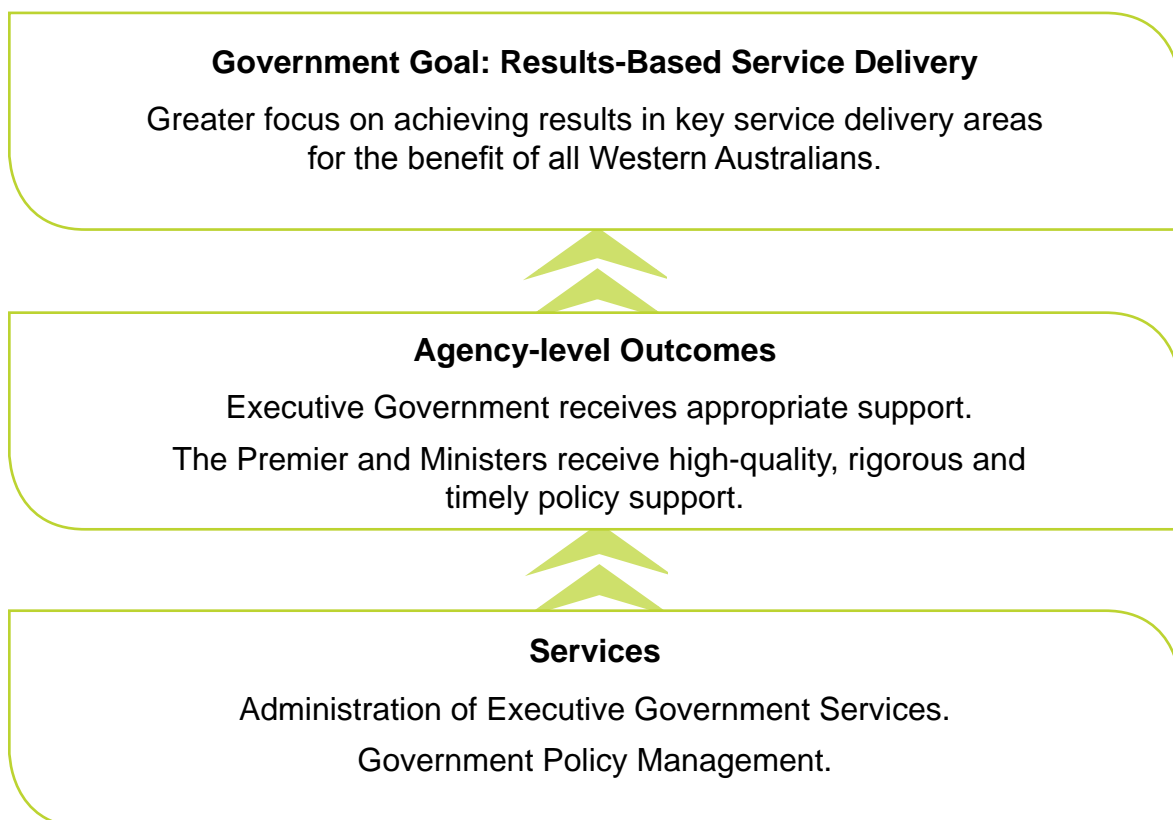
On a weekly basis, the Department supports 'free dress day' to raise funds for various charities nominated by employees. In 2012–13, \$7,225.40 was raised through this activity.

The Department also supports a number of other initiatives including group blood donations, which are organised throughout the year. Twelve staff members participated in Movember 2012 to raise \$778.25, promoting a positive community spirit within the organisation.

Our Goals

- » Deliver a high level of effective support and policy advice to meet the identified needs of Executive Government.
- » Show leadership and give support to agencies to identify and promote options for innovative service delivery to better reflect community needs.
- » Maximise benefits to Western Australians from engagement with the Commonwealth Government.
- » Strengthen policy capacity across Government.
- » Build the capability and commitment of our people, and the support processes and systems to deliver our goals.

Key Service Areas



The Department's two agency-level outcomes are:

- » Executive Government receives appropriate support
- » The Premier and Ministers receive high-quality, rigorous and timely policy support.

These outcomes directly relate to the purpose and goals set out in the Department's *Strategic Plan 2009–2012*, and the service structure to deliver these outcomes has been designed around the administrative and policy functions of the Department.

The Department's activities also contribute to the Government Goals:

- » Financial and Economic Responsibility
- » Social and Environmental Responsibility
- » State Building – Major Projects.

The key effectiveness and efficiency indicators report on the agency-level outcomes undertaken by these services.

Service 1: Administration of Executive Government Services

- » Administrative support to the Premier, Ministers, the Leader of the Opposition, and Members (and former Members) of Parliament.
- » Promotion of Western Australia's interests overseas; management of State occasions and official visits; and Constitutional Centre programs.
- » Publishing services for Parliament and Government.

Service 2: Government Policy Management

- » Policy advice and coordination for the Premier and Cabinet.
- » Leadership and coordination of cross-agency solutions to complex policy issues.
- » Policy research, advice and development through the Land, Approvals and Native Title Unit.
- » Management and coordination of input and advice for intergovernmental negotiations with the Council of Australian Governments and the Council for Australian Federation.
- » Emergency management policy advice.
- » Whole-of-government management and coordination of security incidents and emergencies.
- » Support for the Executive Council, Cabinet and Parliament processes.

Performance Management Framework

The Department operated under the guidance of its strategic vision, purpose and goals, which set the direction necessary to achieving the high-level Government Goal of *Results-Based Service Delivery*. Key performance indicators (KPIs) allow the Department to assess and monitor performance in areas identified as critical to our business. These KPIs are used to measure the Department's performance both on a quarterly and annual basis, ensuring the achievement of the relevant services, outcomes, and Government Goal as outlined in the table below.

Outcome Based Management Structure

Relationship to Government Goals

The following table demonstrates the relationship between the Department's services and desired outcomes, and the high-level Government Goal. Key effectiveness indicators measure the extent of impact of the delivery of services on the achievement of desired outcomes, and key efficiency indicators monitor the relationship between the service delivered and the resources used to produce the service. Collectively, the achievement of the outcomes and services will demonstrate how the Department contributes to achieving the high-level Government Goal of *Results-Based Service Delivery*.

Government Goal	Desired Outcomes	Services
Results-Based Service Delivery: Greater focus on achieving results in key service delivery areas for the benefit of all Western Australians	Executive Government receives appropriate support	Administration of Executive Government Services
	The Premier and Ministers receive high quality, rigorous and timely policy advice	Government Policy Management

Further detail relating to the audited KPI information is located on page 128. Results in this section show a comparison of key efficiency and key effectiveness targets and outcomes, forming part of the Department's Outcome Based Management structure.

Changes to the Outcome Based Management Structure

In the reporting period the Department undertook a review of its Outcome Based Management structure with a view to improving the measurement of the Department's performance in delivering support and advice to its key clients. The review was aimed at ensuring a more meaningful and simplified approach to the measurement of organisational performance and also addressed findings that arose from an audit undertaken by the Office of the Auditor General.

As part of the review, the following changes were approved by the Department of Treasury, effective for this reporting period:

Removal of the following key effectiveness indicators:

- » Printing and publishing services are secure, timely and confidential.
- » Proportion of signed national agreements reflecting Cabinet agreed positions.
- » Level of Commonwealth recurrent core services funding allocated to Western Australia over time.

Removal of the following key efficiency indicators:

- » Average cost per print image produced.
- » Average cost per Cabinet submission assessed.
- » Average cost per agreement where Cabinet agreed positions are incorporated in final national agreements.

Addition of the following key effectiveness indicator:

- » Service recipients' confirmation that high quality and timely policy advice is provided.

This new indicator replaces a number of indicators removed from the Department's Outcome Based Management structure, and has been introduced to improve the method for determining the extent of the Department's performance in delivering policy advice and support to its key clients, being the Premier and Ministers.



Shared Responsibilities with Other Agencies

Building a Sustainable Not-for-Profit Sector

- » Supporting the Partnership Forum, a group established to advance key initiatives to build a sustainable community sector, consisting of a joint forum of public and community sector Chief Executive Officers.
- » Improving outcomes for the Western Australian community by reforming contracting arrangements between public sector agencies and community sector organisations.
- » Reducing administrative restrictions imposed on community sector organisations.

Approvals

- » Assisting the Ministerial Taskforce on Approvals, Development and Sustainability.
- » Removing administrative duplication and streamlining approvals processes.
- » Assisting, identifying and removing structural and institutional impediments to growth relating to major resource, infrastructure, land and housing projects.

Strategic Assessment of the Perth–Peel Region

- » Leading the strategic assessment, involving the Department of Planning, former Department of Environment and Conservation, Office of the Environmental Protection Authority, Department of Mines and Petroleum and Department of Water.
- » Chairing the State Steering Committee which is comprised of the Chief Executive Officers of those agencies.

The Land, Approvals and Native Title Unit

- » Fostering a whole-of-government approach to Native Title policy.
- » Overseeing input by State Government agencies into Native Title claim negotiations and existing Native Title agreements, including the Ord Final Agreement, the Yawuru Agreement, and the Burrup and Maitland Industrial Estates Agreement.
- » Coordinating the Strategic Land Initiatives Group involving all key State land management agencies, and developing efficient strategies to address Native Title and heritage for major projects and land releases.
- » Producing the *Guide to Government Business under the Commonwealth Native Title Act 1993*.
- » With the Department of Aboriginal Affairs, convening the Inter-Agency Reference Group on Native Title and Aboriginal Heritage and producing the *Due Diligence Guidelines for Aboriginal Heritage*.
- » Working closely with individual State agencies to improve effective compliance with the *Commonwealth Native Title Act 1993*.

Kimberley Science and Conservation Strategy

- » Coordinating the implementation of the strategy's key deliverables by a number of agencies, including Native Title negotiations related to the new marine and national parks.



Agency Performance

Report on Operations

Service 1: Administration of Executive Government Services

Administrative Support to the Premier, Ministers, the Leader of the Opposition, and Members (and former Members) of Parliament.

Ministerial Support

The Ministerial Support Unit provides strategic advice and services in relation to human resource matters and operational issues to the Premier's Office and Ministerial Offices. They are also responsible for the management and operation of the Ministerial Air Charter.

The Department provided key services and support in the lead-up to, and immediately after, the 2013 State General Election by establishing offices and facilitating the appointment of staff for Ministers, assisting new Ministers and facilitating separation arrangements for contract staff as a result of the Election.

In 2012–13, the tender process for, and appointment of, an Aviation Consultant was completed.

Ministerial Merit Panel

The Ministerial Merit Panel assesses the merits of any intended staff secondment or appointment to a Ministerial Office. It advises on the classification and salary to be offered to ensure a consistent approach to the appointment process across Ministerial Offices.

The Ministerial Merit Panel considered 162 submissions during the year in both formal and out-of-session meetings.

Media Services

The Department's Media Office coordinates and distributes information to media, facilitates liaison between Cabinet Ministers and media outlets, and provides support to Ministerial Media Advisers.

Consisting of the Media Monitoring Unit, the Administration/Sub Editing Unit and a Government Communications Unit, the office is responsible for the coordination of all government advertising and marketing, as well as the daily media monitoring service for Ministers and government agencies.

In 2012–13, the Department installed a Media Room facility at Dumas House to meet the need for fast effective communications to the media and, in turn, the public. The Media Office manages its ongoing operation.

The Ministerial Media Statements website (www.mediastatements.wa.gov.au) attracted 736,044 visitors during the year. The website was upgraded in 2012 and an accessibility audit was conducted by an external agency to assist with compliance with the Web Content Accessibility Guidelines 2.0.



Image: Media clips from 2012–13

Administration of Entitlements

The Entitlements and Transport Branch continues to provide a fully equipped Electorate Office and support to all Members of Parliament for the purpose of conducting their parliamentary and electorate duties.

Following the State General Election in March 2013, the Department worked in conjunction with the Department of Finance to coordinate the establishment, relocation and fit-out of Electorate Offices. These Electorate Offices are currently at various stages of completion.

In addition, the Department regularly conducts site visits to Electorate Offices to liaise with Members and their staff and assist with any general maintenance requirements, organise furniture and equipment and conduct occupational safety and health inspections. Thirty-four site visits were conducted throughout the year.

Community Access

The Department's Correspondence Branch provides services which allow government agencies, businesses, community organisations and the general public to convey their views to the Premier and Western Australian Government via telephone, email and letter.

Throughout 2012–13, Departmental officers responded to 1,076 telephone calls to the Community Comment Line and actioned 27,624 items of correspondence.

The telephone numbers and address for the Community Comment Line and Correspondence Branch are:

Metropolitan: (08) 6552 6888
Country (toll free): 1800 198 274
Email: wa-government@dpc.wa.gov.au
Post: 2 Havelock Street
West Perth WA 6005

Facilities Management

The Facilities Management Branch works to assist in maximising the efficiency of the Department's accommodation needs within office accommodation policies.

The Department coordinated the relocation of two Ministers from Governor Stirling Tower to Dumas House in July 2012.

In addition, the Office of the Premier and Cabinet Room, and subsequent relocation of the staff and functions from Governor Stirling Tower, was completed, finalising the Department's move from Governor Stirling Tower.

The Office of State Security and Emergency Coordination and State Law Publisher will relocate to Dumas House during the second half of 2013.

The Corporate Information Branch provides record keeping advice, training and services to the Department, Ministerial Offices and to the Public Sector Commission.

As part of the office relocations, the Department provided support and advice on the collation and storage of archival and artwork collections, including the transfer of files and assets to Dumas House.

Freedom of Information

The Freedom of Information Unit coordinates the receipt and processing of all applications to access documents made under the *Freedom of Information Act 1992 (WA)* which relate to documents held by the Department and the Office of the Premier.

The Department also provides support to Ministerial Offices to process and complete their obligations under the Freedom of Information Act, which aims to:

- » provide quality and consistency to the Notice of Decisions
- » reduce the amount of complaints made to the Information Commissioner
- » reduce the time taken by Ministers Offices to respond to applications
- » provide Ministerial Officers with additional time to deal with core business.

In 2012–13, the Department introduced online freedom of information (FOI) training to enhance employees' awareness of their responsibilities and duties under the Act.

For more information on FOI, see the Information Statement on page 146.

Promotion of Western Australia's Interests Overseas

The Department has direct responsibility for overseas offices in three countries. These offices are responsible for identifying trade and development opportunities for Western Australia, and monitoring business developments and activities that are likely to have an impact on Western Australia's overseas interests.

The overseas offices develop and implement strategies to identify, promote, and exploit opportunities in a range of areas, including inward investment, primary and secondary industry trade, skilled migration, tourism, agriculture, resources and education. These offices are based in:

- » London, to promote interests across Europe
- » Tokyo and Kobe, to focus on North Asia
- » Dubai, to promote interests in the Middle East and Africa.



Image: Noriko Hirata (left) and Ai Nagamatsu from the Kobe Office in Japan promote the State of Western Australia

European Office

The European Office continued to promote Western Australia as a destination for oil, gas and mineral resources investment. In particular, the office worked with Scottish Development International and Energy Industries Council – the United Kingdom (UK) industry association – to bring a business delegation of 45 companies to Western Australia to participate at the Australasian Oil and Gas 2013 (AOG 2013) Conference and Exhibition in Perth, in February 2013.

Additional business delegations visiting Western Australia to coincide with AOG 2013 included Dutch, Norwegian, French and Italian representatives. The Departments of Commerce and State Development held a combined briefing at the event attended by over 180 company representatives.

At the request of the Department of State Development, the European Office attended the LNG 17 Conference and Exhibition in Houston, Texas, in April 2013 to support the visit by the Minister for Mines and Petroleum. The office organised meetings with the Chief Executive Officers of major European engineering, procurement, construction and management companies, as well as a breakfast event hosted by the Minister to meet with senior executives from 14 major European oil and gas service support sector companies.

The Agent General addressed two 'Unconventional Gas' conferences, one in Aberdeen, Scotland, in November 2012, the other in London, UK, in March 2013, reflecting the increasing interest in the UK and Europe in understanding the investment potential of shale and tight gas.

To complement the Premier's addition of the science portfolio, the office realigned the portfolio, developing three main priority focus areas:

- » the Square Kilometre Array (SKA)
- » the Digital Economy
- » Renewable Energy.

The office also:

- » attended the Innovate 2012 Conference in March 2013 and connected with the Daresbury Research Park, which led to a strong involvement with the UK SKA industry and associated meetings
- » attended the SKA Conference in Manchester, UK, in March 2013
- » organised and hosted the SKA and High Performance Computing Meeting with Tamryn Barker in London, UK, in April 2013
- » organised, hosted and chaired the SKA Networking event with John Humphreys in London, UK, in April 2013.



Image: the Australasian Oil and Gas Conference drew a strong contingent of European companies to the Perth Convention Centre in February 2013 (courtesy of IRO, Association of Dutch Suppliers in the Oil and Gas Industry)

North Asia Office

Major achievements of the North Asia Office in 2012–13 included the successful conclusion of a State Agreement for Mitsubishi Corporation and Buru Energy to develop natural gas resources in the Canning Basin, and the first memorandum of understanding meeting between the Japan Bank for International Cooperation and representatives of the Western Australian Government. The meeting was combined with a seminar on investment opportunities in Western Australia that generated a high level of interest in the resources sector and related infrastructure projects.

The office hosted a visit by the Deputy Premier; Minister for Health; Tourism. The visit promoted Western Australia as a tourism destination, encouraged the re-establishment of direct flights to Perth and activated a research exchange between Kobe Children's Hospital and Princess Margaret Hospital.

The office was also instrumental in the opening of a Perth office for the Bank of Tokyo-Mitsubishi UFJ, one of Japan's top three banks, as well as a Perth office for Nippon Steel Engineering and the expansion of the Perth office of major Japanese engineering company, JGC Corporation.

For the agricultural sector, the office successfully achieved market entry approval for Western Australian grapefruits and supported the Calbee Company's market access lobby for Western Australian ware potatoes.



Image (above): Staff from the Tokyo Office (left to right) Junko Akutsu, Craig Peacock, Keiko Yamaguchi, Yujun Ichikawa and Momoko Toyama

A major feature of the active Sister–State relationship with Hyogo Prefecture was the ongoing success of the Western Australia–Hyogo Banshu Fashion Textile Project and the renewal of the teacher exchange program between the respective Departments of Education.



Image (above): The Hyogo Friendship Garden was a gift to the people of Perth to mark the 30th anniversary of Western Australia's Sister–State relationship with the prefecture of Hyogo in Japan

Western Australian Trade Office – Middle East and Africa

The Western Australian Trade Office (WATO) – Middle East and Africa facilitates and encourages commercial, educational, investment and cultural ties between Western Australia and the Middle East and Africa regions. With a focus on specific industries such as agri-business, mining, oil and gas, marine, education, investment and tourism, the office has endeavoured to enhance the recognition of Australian companies, institutions and capabilities.

In September 2012, WATO Dubai, in conjunction with the CBH Group, brought a delegation of Western Australian wheat growers to Oman, Kuwait and the United Arab Emirates (UAE). This delegation, consisting of nine members, was led by senior management from the CBH Group along with the Commissioner, WATO. A business matching program and presentation was organised with customers and flour mills in Oman (Muscat and Salalah), Abu Dhabi and Kuwait.

The office coordinated a visit to Perth for the Chief Executive of Mawashi, Qatar's largest livestock importer, and other officials. The objective of the visit was to acquire investments into Western Australia and investigate opportunities for joint ventures.

In addition, the office organised the Saudi Agriculture Ministry's mission to Perth in March 2013. This was the first ever Saudi Agricultural mission to Western Australia, which was led by the Saudi Minister of Agriculture, H.E Dr Fahad A. Balghunaim and two Deputy Ministers. Various discussions pertaining to mutual interests and opportunities for cooperation were held with the Premier, Ministers, industry networks, relevant State Government departments, the University of Western Australia and the CBH Group.

Attendance at the Mining Indaba event, held in Cape Town, South Africa, in February 2013, served to raise Western Australia's profile extensively in Africa and offered significant networking opportunities. The global gathering represented more than 100 countries, and was committed to bringing together investors, mining executives, financiers and government delegations to advance the African mining investment value chain. Connections to key Western and Eastern Ministerial Government contacts and corporate/private sector players were supplied by the office.



Image: the Saudi Arabia delegation visiting Perth in March 2013

Western Australian capabilities were introduced to important government representatives, including the Ministers for Mines, Agriculture, Education and Trade, as well as government and private sector institutions such as the Commissioner of Mines, Kenya Agricultural Research Institute, Chamber of Commerce, East Africa Association and Kenya Private Sector Alliance.

On 2 July 2012, Qatar Airways, with full support from WATO Dubai, celebrated the inaugural flight to Perth, officially marking the start of thrice-weekly services to Western Australia.

Management of State Occasions and Official Visits

The Department continued its role of:

- » planning and coordinating official visits to the State
- » directing and arranging State hospitality functions and major government ceremonies and special events
- » arranging official gifts for presentation by the Premier
- » providing protocol advice to the Premier, Government and the public
- » being a focal point for liaison with the Consular Corps.

Type of visit	Number of visits
Royal	1
Overseas Ministerial	5
Sister–State	1
Ambassadors and High Commissioners*	10
Calls on the Premier	2
Official overseas visits by the Premier	1

In 2012–13, the Department coordinated and managed 19 separate visits by foreign dignitaries, including:

- » Australia–UK Ministerial (AUKMIN) Consultations (January 2013)
- » Australia–United States Ministerial (AUSMIN) Consultations (November 2012)
- » Crown Prince of Belgium Economic Mission (November 2012)
- » Zhejiang/Western Australia Sister–State Relationship (September 2012)

*It should be noted that the usual program of Ambassadorial visits was suspended during the Caretaker period prior to the March 2013 State General Election and recommenced May 2013.

Image:

The Hon Premier Colin Barnett and Mrs Barnett attend the visit to Western Australia by the Hon Hillary Rodham Clinton, US Secretary of State, and the Hon Leon E Panetta, US Secretary of Defense



In addition, the Department:

- » hosted three State Receptions
- » worked closely with Celebrate WA in the development of a range of community and cultural events to celebrate 'WA Day'
- » coordinated and managed the:
 - ◇ Olympic Welcome Home
 - ◇ Opening of State Parliament
 - ◇ State Funeral for the Hon Ernie Bridge MLA
 - ◇ Memorial Service for Mr Robert Juniper.



Australian Bravery Decorations Council

Australian Bravery Decorations date from the establishment of the Australian Honours system in 1975. The Decorations recognise acts of bravery by people whose selfless actions inspire us, those who put themselves in jeopardy to protect the lives or property of others.

A total of ten awards were made to Western Australians throughout the year.

The Director, State Administration, is Western Australia's representative on the Council.

Image: (above) Special guests attend the Western Australian of the Year Awards, presented by Celebrate WA on 1 June 2013 (from left):

- » John Poynton AM, Chairman, Celebrate WA;
 - » Rove McManus, Master of Ceremonies;
 - » Professor Bruce Robinson AM, 2013 Western Australian of the Year;
 - » His Excellency Malcolm McCusker AC CVO QC, Governor of Western Australia.
- (Courtesy of Celebrate WA)*



Image: (left) the Department's State Events Team at the Hyogo Friendship Garden within the Dumas House grounds.

Constitutional Centre Programs

The Constitutional Centre is responsible for helping to educate the community on the Western Australian and Commonwealth Constitutions, and the Federal system of government. The Constitutional Centre is a unique organisation in Australia.

School Education Programs

In addition to the programs conducted in the metropolitan area, the Constitutional Centre took programs to regional areas of the State, with education officers visiting areas not covered by current regional staffing. Programs are targeted at primary and secondary students and include free civics education and teacher resources.

Since opening in 1997, more than 450,000 students have participated in these programs.

In 2012–13, education staff visited Albany as part of this program. Material and programs for remote and regional schools continued to be distributed on a loan basis throughout the State, with 2,500 students and their teachers accessing programs in this format.

Two one-day Schools Constitutional Conventions were held, with more than 200 students attending. Fifteen of these students went on to be selected to represent Western Australia at the National Schools Constitutional Convention held in Canberra in March 2013.

A joint program with Government House saw the Governor's residence used by the Constitutional Centre's education officers as the place to run programs each term for upper primary students on the evolving role of the Governor from Governor Stirling to today.

Public Programs

During the year, the Constitutional Centre hosted a number of public forums and seminars, including:

- » 'The Western Australian Constitution: An Evolving Story'
- » 'Fixed term elections: Constitutional, Legal and Electoral Views'
- » 'Inside the White House: Appointing Justices to the US Supreme Court'.

The papers given at 'The Western Australian Constitution: An Evolving Story' were published in the April 2013 *UWA Law Review*.

In addition:

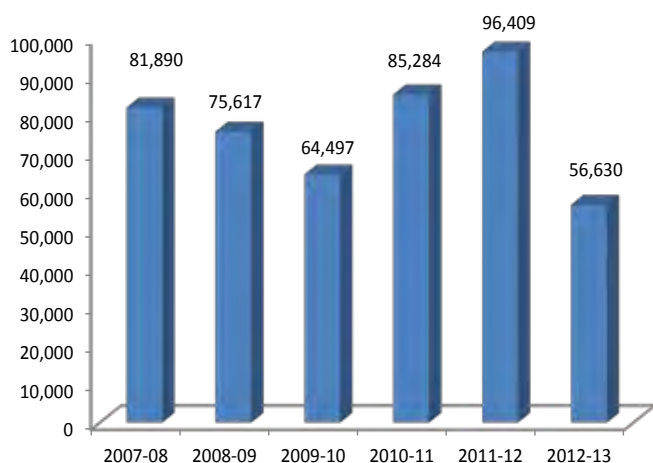
- » the Mature Age Learning Association conducted two ten-week semesters of adult education at the Centre
- » the Australasian Parliamentary Educators held a session of their annual conference at the Centre
- » a number of observer groups from interstate and overseas spent time at the Centre in the lead-up to the State Election in March, observing and participating in events taking place
- » a refurbishment of the Centre's exhibitions was completed.

Visitor Figures

There were 56,630 visitors to the Centre between 1 July 2012 and 30 June 2013.

These figures are down on previous years, following a peak created by the Centre running State-wide Schools Commonwealth Heads of Government Meeting (CHOGM) programs in 2011–12.

Number of Visitors to the Constitutional Centre from 2007–08 to 2012–13



Number of website visitors

The Constitutional Centre website (www.ccentre.wa.gov.au) attracted 73,651 visitors during the year.

This remains steady, with a higher volume of visitors coinciding with the start of each of the school terms and, in particular, the start of the school year. The website provides strong support for the teaching of civics education programs.

All Constitutional Centre publications are now available electronically.

Note: The reporting measurement used has moved away from the number of 'pages downloaded' as used in previous reports, in favour of considering the total number of visitors during the period.

Image: The heritage-listed Constitutional Centre building located in West Perth



Publishing Services for Parliament and Government.

As the Government's official publisher, the State Law Publisher publishes 'under authority' of the Government Printer, all State legislation and legislation materials.

State Law Publisher provides support for the Parliament of Western Australia with the printing and processing of all Chamber documents required for the operation of both Houses of Parliament. Support and assistance was also provided with the Bills and Tabled Papers databases.

Copies of these legislative publications are available through a retail sales outlet and an online service from the State Law Publisher website (www.slp.wa.gov.au).

The State Law Publisher also provides free online access to databases of various current and archived legislation materials.

Electronic Uptake of the Government Gazette

A further nine years – comprising of around 23,000 pages – of previously published editions of the *Western Australian Government Gazette* were scanned and added to the archive database in 2012–13.

Free access is provided to the database on the State Law Publisher website, which now contains copies of all Government Gazettes published since 1918. Gazettes dating back to 1950 are fully text searchable however prior years have a searchable index only due to the deteriorating condition of old paper copies.

Reprints Program

The reprints program continued over the year with resources provided to assist the Parliamentary Counsel's Office. A total of 116 titles of legislation were consolidated and reprinted.

Titles that have extensive amendments and are in high demand are fast-tracked through the reprint process. Titles with all amendments consolidated become more user friendly, with less volume and reduced purchase prices for users of these publications. Due to many in-demand legislation titles changing on a constant basis, this initiative will continue for the foreseeable future.

Tabled Papers

During the year, the State Law Publisher continued to process tabled papers lodged in both Houses of Parliament for publication on the Parliament of Western Australia website (www.parliament.wa.gov.au).

This commenced in 2011 as a result of the Presiding Officers and Clerks of both Houses initiating a project to capture all tabled papers and make these available online as part of making information more easily accessible by the community.

Tabled papers for both Houses of Parliament are now captured in electronic form wherever possible and, where material is not available electronically, papers are scanned and converted to electronic format to be added to the database.



On Monday 3 June, 744 people participated in a community art project outside the Art Gallery of Western Australia to create two large format public artworks. Curated by Nomad Two Worlds, the project was conceived and overseen by West Australian Indigenous artists Clifton Bieundurry and Deborah Bonar.

Created on the day was this image, 'The Spirit of Western Australia', by Clifton Bieundurry. Mr Bieundurry helped people of many cultures and heritage mark their story on this piece. His inspiration was taken from his Walmajarri culture.

*Nomad Two Worlds – Community Canvas Project
WA Day – Come Out & Play, Monday 3 June 2013, Perth Cultural Centre*

Image courtesy of Celebrate WA.

Report on Operations Service 2: Government Policy Management

Whole of Government, Future Directions and Strategic Projects

Throughout 2012–13, the Department worked closely with other government departments and the Premier's Office on a range of policy and project initiatives at a State and Federal level.

A dedicated Whole of Government, Future Directions and Strategic Projects section was created by the Department in 2012 to work with stakeholders to respond to specific government issues. This area works cooperatively with others on large and small scale projects to achieve shared outcomes.

Major achievements

- » Developed a Shark Mitigation Strategy for Western Australia in conjunction with the Department of Fisheries, former Department of Environment and Conservation and Department of Commerce
- » Developed the Western Australian Government's Concessions Portal (www.concessions.wa.gov.au) with the Department for Communities
- » Provided input into the Department of Planning's draft State Planning Strategy
- » Managed the visit to Western Australia by the United States Secretary of State and United States Secretary of Defense.

Planning to Celebrate Historic Milestones

In 2014, the Nation's four-year Anzac Centenary will be launched in Albany with an event commemorating the departure of ANZAC troops from Albany.

Planning and development activities for this national milestone include:

- » the design and development of the \$8.75 million Anzac Interpretive Centre at Albany
- » a \$5.83 million upgrade to the Memorial infrastructure at Mount Clarence
- » establishing a new committee to continue the work of the Albany Anzac Alliance planning events in Albany
- » planning for a range of other initiatives throughout the State for the Centenary.

In 2016, the State will celebrate the 400th Anniversary of Dirk Hartog's landing at Cape Inscription on Dirk Hartog Island.

Planning and development activities for this national milestone include:

- » the commitment of \$260,000 to support the Dutch Concertgebouw Orchestra to perform two concerts at the Perth Concert Hall in November 2013
- » the commitment of \$50,000 for the Western Australian Museum to prepare an interpretive display to be used at the performance and to subsequently travel in regional Western Australia
- » liaising with local and other stakeholders regarding activities and events to celebrate the anniversary in October 2016.

Future directions

The Department will continue work on the following active projects in 2013–14:

- » Planning for the Anzac Centenary commemoration in 2014
 - » An examination of veterans' issues and the implications for the new Veterans portfolio in government
 - » The formation of the new Office of Science within the Department
 - » Planning, consultation and monitoring of issues on the new Perth Stadium, in conjunction with the Department of Sport and Recreation and the Office of Strategic Projects
 - » Monitoring and supporting agencies in the implementation of the recommendations from independent reports into fires in the Perth Hills and Margaret River
 - » Assisting the Department of Treasury and RiskCover with the settlement of claims for losses made by those affected by the Margaret River bushfire
 - » Monitoring and coordinating the Government's response to the Special Inquiry, *St Andrew's Hostel Katanning: how the system and society failed our children*, which involves input from the Department of Education, the Public Sector Commission, and the Department for Communities
- » Working in partnership with:
 - ◇ the Department of Finance on the master planning strategy for the Sunset Hospital site in Dalkeith
 - ◇ Surf Life Saving WA on contractual arrangements for aerial patrols of beaches, jet ski initiative and a watchtower at Cottesloe beach
 - ◇ Scitech, the Department of Treasury, the Office of Strategic Projects and others on relocation plans for Scitech
 - ◇ University of Western Australia for the establishment of the USAsia Centre
 - ◇ Celebrate WA in the development of a range of community and cultural events to celebrate WA Day.

Image: Roving Aqua Sapiens at the WA Day – Come Out & Play event presented by Celebrate WA on Monday 3 June 2013 at the Perth Cultural Centre (Photo courtesy of Celebrate WA)



Economic and Deregulation Sub-division

The Economic and Deregulation Sub-division provides a focus on key priorities and pressure points for Government and Ministers with respect to the economy, industry, infrastructure, workforce, planning and the environment. Priorities include responding to the impacts of the State's economic and population growth, particularly in terms of skills and workforce development, and access and affordability of transport, water and energy services.

In 2012–13, priorities also included finance and budget monitoring, particularly in light of diminishing transfers from the Commonwealth, pressures on financing and building infrastructure and changing public sector service delivery responsibilities.

An emerging priority is applying risk management and strategic approaches to managing, planning and regulating risks to human health/safety and the environment.



Major achievements

- » Provided advice to the Premier and Cabinet on a range of energy policy matters, including national reform initiatives and Western Power's third access arrangement
- » Provided policy coordination on the Square Kilometre Array project, including advice on intergovernmental issues. The Department's new Office of Science will lead this project from 2013–14, and will continue to support the opportunities it promises for our understanding of the universe as well as the broader development of science and related industries in the State
- » Completed a review to rationalise State boards and committees, and improve their oversight. Outcomes achieved with the Public Sector Commission included the:
 - ◇ tabling of a report in Parliament
 - ◇ development of a more efficient and accurate database and public register of government-funded boards and committees
 - ◇ establishment of an electronic Interested Person's Register
- » Assisted responsible agencies with a range of environmental and natural resources management activities including:
 - ◇ Council of Australian Governments (COAG) activities
 - ◇ water supply planning.

Image: ASKAP telescope dishes at CSIRO's Murchison Radio-astronomy Observatory

Other Intergovernmental Relations

The Department continued to provide support to agencies in promoting Western Australia as a centre for defence industry development, defence servicing and an operational hub. The Department facilitates the Defence Consultative Forum to further strengthen the relationship between the Commonwealth Department of Defence and State Government agencies. This included the preparation of a Western Australian Government submission to the Defence White Paper 2013 released by the Commonwealth on 2 May 2013.

The Department also:

- » led negotiations with the Commonwealth in respect of State Government agencies providing services to asylum seekers released into the community, and those held in three Commonwealth detention centres in Western Australia
- » provided ongoing support and oversight to agreements between Commonwealth and State agencies for the provision of State services to communities in the Indian Ocean Territories.

Future directions

The Department will continue to provide advice to the Premier on the following issues in 2013–14:

- » Strategies to address impacts of economic and population growth on the State, including priority areas of energy and water policy, major transport projects and infrastructure coordination
- » Opportunities to streamline State regulations, and to keep regulatory oversight commensurate with the level of risk. In 2013–14, this will include advice about progressing COAG initiatives to reduce red tape. Advice on State priorities will include ongoing efforts to streamline development approvals, and an emerging demand for reducing unnecessary regulatory red tape for farmers
- » Critical Commonwealth–State matters, including:
 - ◇ Financial matters – the fair and equitable distribution of GST revenue and the implications for the State of retiring National Partnership Agreements and changes to the Federal Financial Relations InterGovernmental Agreement
 - ◇ COAG matters
- » Responses to Commonwealth legislative arrangements, to support State-determined priorities for the benefit of the Western Australian community. Priorities in 2013–14 include responding to the:
 - ◇ Royal Commission into Institutional Responses to Child Sexual Abuse
 - ◇ provision of State services to increasing numbers of asylum seekers.



Kimberley Science and Conservation Strategy

The Department continued to play a key coordination role in the implementation of the Kimberley Science and Conservation Strategy, which is designed to protect the Kimberley's natural and cultural heritage while allowing the region to fulfil its economic potential.

This included the coordination and implementation of the \$63 million (over five years) of initiatives across seven government agencies, and leading negotiations of Indigenous Land Use Agreements (ILUA) with Native Title parties relevant to the strategy's initiatives.

The Kimberley is recognised as one of Australia's 15 National Biodiversity Hotspots and its marine environment is internationally renowned as one of the world's most pristine and ecologically diverse.

Major achievements

- » Creation of the Eighty Mile Beach Marine Park, which will protect critical habitat for sawfish, dugongs and dolphins
- » Commencement of ILUA negotiations with the three Native Title groups along Eighty Mile Beach to establish joint management arrangements over the Marine Park between the Traditional Owners and the State
- » Commencement of ILUA negotiations with Dambimangari Traditional Owners relating to the establishment and joint management of Horizontal Falls and Lalang-garram Camden Sound marine parks, Horizontal Falls National Park and a number of other new conservation reserves
- » Commencement of planning for the creation and joint management of the Horizontal Falls Marine Park and Horizontal Falls National Park
- » Commencement of research projects under the \$12 million Kimberley Marine Research Program being delivered through the Western Australian Marine Science Institute
- » Release of first batch of Barramundi fingerlings into Lake Kununurra under the \$700,000 Lake Kununurra Barramundi Restocking Program
- » Significant expansion of the Kimberley Fire Program through the Landscape Conservation Initiative, which involves extensive partnerships with Traditional Owners, pastoralists and non-government organisations. Over 60 Traditional Owners, Indigenous rangers and ranger coordinators were engaged in planning, training and implementation of the fire program. This has supported the increase in the proportion of early dry season fires compared to late dry season fires each year over the past decade, indicating a substantial improvement in fire management. Late dry season fires historically made up more than 70 per cent of annual fire scars across the Kimberley region, but now comprise only 50 per cent of annual fire scars.

The Department will continue to lead implementation of the strategy. Delivery of the strategy's key initiatives involves seven government agencies, a number of complex Native Title matters and multi-portfolio statutory processes. The priority in 2013–14 and following years will be the creation of major new national parks in the Kimberley and the new Great Kimberley Marine Park, which will include the new Horizontal Falls Marine Park. The new parks will be jointly vested and managed with determined Native Title holders and include the creation of Australia's largest national park.

Strategic Environmental Assessment of the Perth and Peel Regions

In July 2011, the Western Australian Ministers for Planning and Environment signed an agreement with the Commonwealth Minister for Environment to undertake a strategic assessment of the Perth and Peel regions (SAPPR) under the *Environment Protection and Biodiversity Conservation Act 1999* (EPBC Act).

The SAPPR will evaluate and address the environmental impact of the future development that is envisaged under:

- » the three sub-regional structure plans that will support *Directions 2031* and the *Directions Strategy for a City of 3.5 million*, including future urban, industrial and infrastructure development
- » a revised State Planning Policy on basic raw materials.

The purpose of the strategic assessment is to:

- » significantly reduce the need for project-by-project assessment under the EPBC Act in the Perth–Peel region
- » deliver an effective, long-term and strategic response to key environmental issues in the Perth–Peel region, including Carnaby’s Cockatoo and water quality in the Peel–Harvey estuary
- » provide certainty to industry as to which areas can be developed and what the obligations will be in terms of environmental offsets
- » provide a certainty in terms of the availability of a long-term land supply to meet the needs of a city of 3.5 million people.

The strategic assessment is being led by the Department, in collaboration with the Department of Planning, former Department of Environment and Conservation, Department of Mines and Petroleum, Department of Water and the Office of the Environmental Protection Authority.

Major achievements

- » Advice was provided to the Ministers for Environment and Planning in August 2012 on the key issues that will need to be considered as part of the Strategic Assessment
- » A North West Response was developed in January 2013 by the State in response to the Commonwealth Department of Sustainability, Environment, Water, Population and Communities deferring decision-making on a number of EPBC Act referrals in Perth’s North West corridor until the State provided an outline of the State’s development and conservation intentions in the North West corridor. The response provided an outline of these intentions, including an overview of historical approaches to conservation in the region
- » A Stakeholder Reference Group (SRG) was established to allow regular engagement with key stakeholder groups prior to the public release of key policy and assessment documents. The SRG is comprised of representatives from the land development industry, environmental groups, local government, basic raw material industry and planning and environmental consulting industry. The inaugural meeting of the SRG was held on 29 November 2012, and was chaired by Dr Jim Limerick. As at 30 June 2013, the SRG had met on four occasions.

Community and Human Services Unit

The Community and Human Services Unit works to coordinate the delivery of community and human services across the Western Australian public sector. Key policy areas include health, disability services, mental health, youth and Aboriginal affairs.

The Department's relationship with other government agencies and service providers, in particular not-for-profit organisations, is central to its work. Through genuine collaboration, opportunities and ideas to improve service delivery to the State's most vulnerable people are identified and responded to.

Current priorities include developing the Government's relationship with the not-for-profit sector, leading negotiations with the Commonwealth on the National Disability Insurance Scheme, and community development aspects of the South West Native Title Agreement.

Image (below): Representatives of State Government agencies and the not-for-profit community sector at the Partnership Forum Conference in 2013

Partnership Forum

The Department provides executive support to the Partnership Forum, which was established in April 2010. The Forum's mission is to bring together leaders from State Government agencies and the not-for-profit community sector to improve outcomes for all Western Australians through a genuine partnership in the policy, planning and delivery of community services.

The Partnership Forum has 19 members, comprising senior representatives from State Government agencies and the not-for-profit community sector.

In 2012–13, the forum was chaired by Professor Peter Shergold.

Across 2012–13, the Partnership Forum continued to focus on issues relating to the roll-out of the \$604 million *Sustainable Funding and Contracting with the Not-for-Profit Sector* initiative that was allocated in the 2011–12 State Budget. Considerable progress has also been made in building the relationship between the public and not-for-profit sectors, improving levels of mutual trust and empowering service users in the design, planning and delivery of community services.



Major achievements

- » Organised and provided secretariat support for five Partnership Forum meetings and five Partnership Forum events
- » Provided advice to Cabinet on the allocation of the second tranche (Component II) of the Sustainable Funding and Contracting initiative, focused on supporting regional and remote service provision and addressing historical funding inequities
- » Successful evaluation of the Sustainable Funding and Contracting initiative. Findings included strong awareness and support, the allocation of 73 per cent of funding to staff salaries and benefits, and 72 per cent of organisations reporting being in a stronger or much stronger position than 12 months previously
- » Worked to progress a range of reforms overseen by the Partnership Forum including social innovation and enterprise and self-directed services
- » Engaged with the Western Australian not-for-profit sector on how best to influence and address the impact of the Commonwealth Government's not-for-profit reform agenda
- » Provided advice on a range of human service delivery areas involving collaboration and dialogue with not-for-profit and public sector organisations.

National Disability Insurance Scheme

In 2012–13, the Department worked with the Commonwealth Government and the Disability Services Commission on the design of the National Disability Insurance Scheme (NDIS). The Department also led negotiations with the Commonwealth Government on the launch of the NDIS in Western Australia.

The Department established a Western Australian NDIS Reference Group to provide advice to the Government on implementing the NDIS in the State.

Work was undertaken in conjunction with this group to ensure that the NDIS maximises choice and control for people with a disability, their families and carers, and builds on existing relationships with Western Australian service providers and the State's funding and contracting reforms, to safeguard people's current support arrangements.



Land, Approvals and Native Title Unit

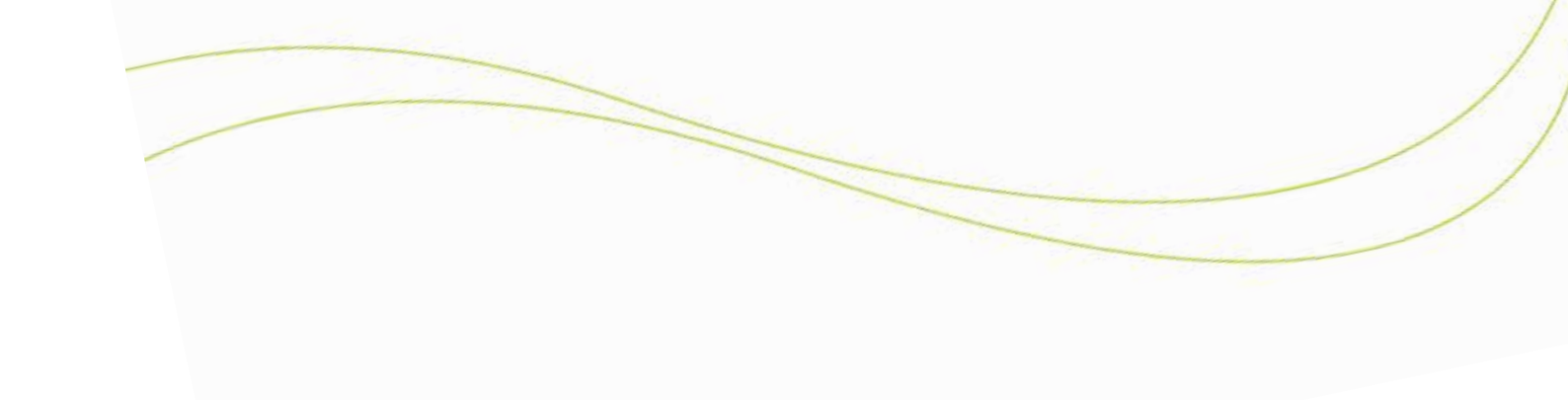
The Government continued with its aim to complete an agreement to settle all Native Title claims in the South West in 2013–14. Government will proceed with the expectation that the six principal Noongar claim groups will ratify agreements by 31 December 2013, with implementation of the overall agreement to commence on 1 July 2014.

The Department's role will be to coordinate final negotiations, finalise all drafting instructions and consult all relevant government agencies involved in implementation, from 2014–2026. The Department will oversee implementation from 1 July 2014.

During 2012–13, there were eight Native Title determinations covering an area of 22,610 square kilometres.

Major achievements

- » The State Activities Funding Agreement with the Kimberley Land Council (KLC) was signed on 25 October 2012. The Funding Agreement will streamline State Government processes relating to Aboriginal heritage and Native Title matters in the Kimberley region and set consistent consultation fees and meeting costs. The agreement mirrors key elements of the Government Standard Heritage Agreement. The implementation of the Funding Agreement will also strengthen the relationship between the KLC and the State
- » The State Land Initiatives Group was established to ensure policy consistency and economic efficiencies in Native Title and heritage negotiations for major Government projects and land releases
- » Submissions were prepared on behalf of the Western Australian Government to Commonwealth inquiries concerning the:
 - ◇ Native Title Amendment Bill 2012
 - ◇ Tax Laws Amendment (2012 Measures No 6) Bill 2012
- » The *Guide to Government Business under the Commonwealth Native Title Act 1993* was finalised, consolidating legal advice and policies that inform best practice Native Title management by government agencies. It aims to build consistency, accountability and cost effectiveness within Government and all matters linked to Native Title and cultural heritage
- » The *Due Diligence Guidelines* were developed as a tool to help government agencies involved with land use in assessing the likely impact of activities on Aboriginal heritage. Originally developed in 2011, the guidelines were re-launched in April 2013 to fit better with existing compliance requirements under the *Aboriginal Heritage Act 1972* (WA) and to better guide agencies in considering how previous land use and category of land activity is likely to impact on Aboriginal heritage.



Commencing in January 2012, the Metropolitan Heritage Protocol saw three Western Australian Government agencies agree with the South West Aboriginal Land and Sea Council and the Department of Aboriginal Affairs to trial new procedures where Aboriginal heritage may be impacted by government activities in the Perth metropolitan region.

The new procedures apply a consistent and balanced approach to government engagement when deciding whether to commission Aboriginal heritage surveys. Results of the trial indicate a significant reduction in the required number of surveys and subsequent section 18 applications under the *Aboriginal Heritage Act 1972 (WA)*.

COAG Secretariat

The COAG Secretariat was established in October 2012 to lead and coordinate Western Australia's response to intergovernmental matters. Working across the public sector, they ensure the Premier and senior officials are provided with high quality advice from a whole-of-government perspective.

A key role is in the provision of advice on intergovernmental matters to the Premier, senior officials and Cabinet. This includes COAG, meetings of senior officials, Council of Federations, COAG Reform Council, Review of Government Services, Treaties and Free Trade Agreements. The Department is also focused on designing, developing, implementing and supporting key initiatives and reforms aimed at building a Western Australian public sector for the future.

In 2012–13, the Department supported the Premier for meetings of COAG and the Council for Australian Federation, and related activities. There were three meetings of COAG and the Council for Australian Federation throughout the year, and a range of initiatives were considered by COAG out-of-session. The Department provided the formal point of contact for Western Australia's implementation of COAG agreements through State agencies, and for the State's responses to performance reporting by the COAG Reform Council. This included analysing and coordinating State input and comment for each of the 11 reports published by the Council during the year.

Major achievements

- » Capacity building events on COAG-related matters and public sector innovation
- » Coordinated the State Government's input into Commonwealth consultation on international instruments, including United Nations treaties and free trade agreements.

Future directions

- » Support Directors General in delivering key initiatives aimed at developing a better Western Australian public sector including initiatives covering: leadership, culture and collaboration; information and communications technology; deregulation and risk management
- » Develop initiatives and provide advice on creating a public sector that delivers outcomes that meet the expectations and needs of citizens within budget constraints. This includes developing an outcomes-focused approach to the budget process and advice on how public services can be designed better, based on other jurisdictional experiences
- » Continue to motivate public servants and build capacity through COAG-related and public sector innovation events
- » Continue to provide advice and support to the Premier at COAG and its related bodies, on critical Commonwealth–State relations matters.



Image: Christian Bason, Director of the Denmark-based innovation unit MindLab, speaks at the WA Public Sector Innovation Forum 2013 on new approaches to service design. The Forum was co-hosted by the Department's COAG Secretariat.

Regulatory and Competition Reform

The Department participated in the COAG Business Advisory Forum Taskforce, which was established to progress COAG's new national productivity-enhancing regulatory and competition reform agenda.

The Department also contributed to the development of a new National Compact between the Commonwealth, States and Territories and business – *A National Productivity Compact: Regulatory and Competition Reform for a more Competitive Australia*.

In pursuing these reforms, the Department:

- » coordinated a review of State programs to ensure that they comply with the Commonwealth's carbon reduction initiatives
- » worked with agencies to review development and major project approvals
- » ensured regulatory impact assessment processes are best practice.

Development Approvals Streamlining

The Department continued to support the Ministerial Taskforce and Directors General Committee coordinating approvals reform in Western Australia.

The Department was intensively engaged in negotiations with the Commonwealth to reduce Commonwealth duplication of State approvals process. These negotiations had made very promising progress until the Commonwealth unilaterally withdrew from the process at the December meeting of COAG.

Secretariat support to the Ministerial Taskforce on Approvals, Development and Sustainability will be provided, with priorities for consideration in 2013–14 including reducing unnecessary red tape and regulation for farmers and implementing the biodiversity offsets policy.

Mutual Recognition Arrangements

Legislation to continue Western Australia's participation in the Trans-Tasman Mutual Recognition Scheme for a further 10 years until 31 January 2023 was passed by the Western Australian Parliament and came into operation on 6 December 2012.

This followed on from a statutory review of the *Trans-Tasman Mutual Recognition (Western Australia) Act 2007* undertaken by the Department of the Premier and Cabinet, which recommended Western Australia's continued adoption of the *Trans-Tasman Mutual Recognition Act 1997* (Cth).



Office of State Security and Emergency Coordination

The Office of State Security and Emergency Coordination provides advice and support to the Premier on matters associated with security policy and planning and emergency management policy in Western Australia.

The Department will continue to monitor and support agencies, including the Department of Fire and Emergency Services, State Emergency Management Committee Secretariat, Department of Planning, Department of Environment Regulation and Department of Parks and Wildlife, in the implementation of the Keelty recommendations.

Bushfire Reform

Throughout 2012–13, the Department continued to work on the implementation of the recommendations made by Mr Mick Keelty AO APM in two reports: *A Shared Responsibility: The Report of the Perth Hills Bushfire February 2011 Review*; and *Appreciating the Risk: Report of the Special Inquiry into the November 2011 Margaret River Bushfire*.

Most of the outstanding recommendations will be addressed through initiatives being developed by the State Government, including:

- » a Bushfire Risk Management Planning Process, which involves an integrated tenure-blind system to reduce bushfire risk through improved land management, particularly by fuel load reduction
- » proposals to reduce bushfire risk through land use planning, including bushfire prone mapping, building standards and location and design of subdivisions.

In May 2013, Ms Kerry Sanderson AO was appointed as Chair of the Bushfire Review Implementation Group, which oversees the implementation of the Keelty recommendations. Ms Sanderson reports directly to the Minister for Emergency Services.

The Director General of the Department of the Premier and Cabinet was previously the Chair of the Implementation Group and remains a member.



Management and Coordination of Security Incidents and Emergencies

The Department works in partnership with Western Australia Police to ensure that the State meets its obligations under national counter-terrorism arrangements.

In addition, the Department provides representation on:

- » the Australia New Zealand Counter-Terrorism Committee
- » the Australia New Zealand Emergency Management Committee
- » the State Emergency Management Committee
- » a number of related working groups.

National Public Safety Broadband

In 2012–13, the Department took a lead role in coordinating the positions of the States and Territories on the development and implementation of a National Public Safety Broadband capability.

Further development of the national capability will now be led by COAG senior officials. The Department will work with public safety agencies to coordinate Western Australia's involvement in that work.

Executive Council, Cabinet and Parliament Processes

Following a period of over 28 years in the same location, Cabinet held its last meeting on the 25th floor of Governor Stirling Tower on 22 October 2012, before moving to its new home on the ground floor, 1 Parliament Place, West Perth.

The Cabinet Secretariat staff relocated to the same building and continue to provide procedural, operational and other services to the Cabinet, including:

- » programming Cabinet business and setting agendas
- » supporting the operation of the Executive Council
- » supporting the management of parliamentary business and the legislative program of the Government
- » administrative support to Cabinet Sub-Committees, including the Economic and Expenditure Reform Committee (EERC).



Image: Port Hedland Community Cabinet meeting held on 30 July 2012.

Cabinet

The Cabinet Secretariat continued to:

- » monitor submissions presented to Cabinet to ensure that they conform with the guidelines set down in the Cabinet Handbook
- » ensure that Cabinet members have information relating to issues that may impact on one or more of their agencies through the Cabinet referral process
- » provide advice to Ministers, departments and agencies on Cabinet operations and requirements
- » record and distribute Cabinet submissions and decisions in a secure manner
- » monitor and record appointments to government boards and committees and maintain a register of people who have expressed an interest in being appointed to a government board or committee.

Support was provided for 36 Cabinet meetings, including regional Cabinet meetings in Port Hedland and Albany. Cabinet considered a total of 663 submissions.

Parliament

The Cabinet Secretariat assisted in managing the Government’s legislative program, including administrative support for the Legislation Standing Committee of Cabinet.

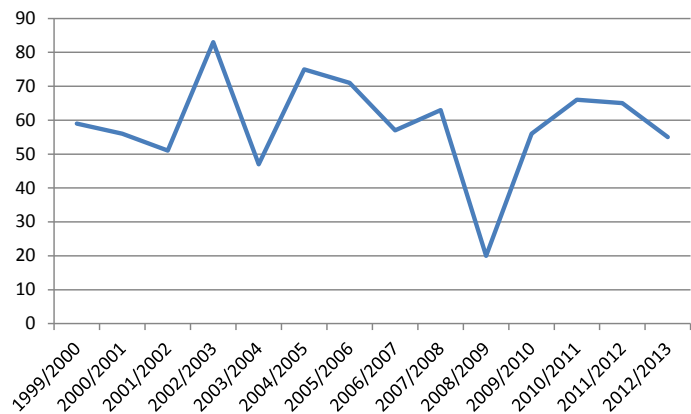
A total of 55 Bills were passed by the Western Australian Parliament in 2012–13. The 2012 Spring Sittings commenced on 7 August 2012 and concluded on 30 November 2012, which was the final sitting day of the 38th Parliament. Fifty Government Bills were passed in this period.

The 39th Parliament commenced on 11 April 2013. Five Government Bills were passed to 30 June 2013.

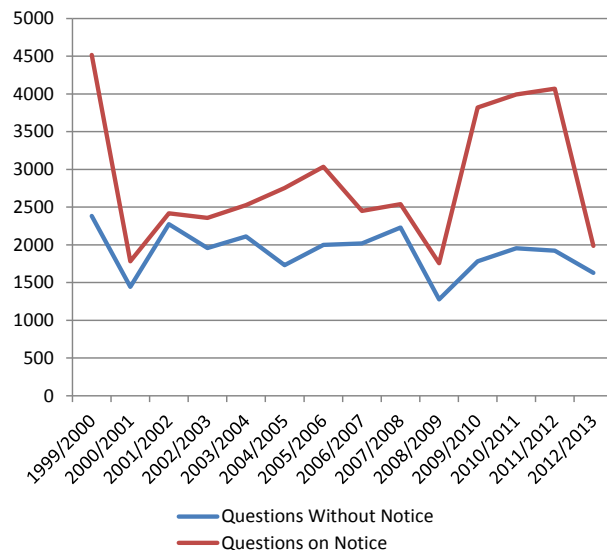
The Secretariat also managed the Parliamentary Questions database, coordinating responses to:

- » 1,986 Parliamentary Questions on Notice
- » 1,630 Parliamentary Questions Without Notice.

*Government Bills Passed
1999 – 2013*



*Questions With and Without Notice
1999–2013*





Executive Council

The services provided include:

- » supporting the operation of the Executive Council, including 25 regular Executive Council meetings and 11 extraordinary meetings at which 779 submissions were considered
- » assisting with the dissolution of the Legislative Assembly and the issuing of writs for the 2013 State Election
- » facilitating three reconstitutions of the Ministry, on 7 July 2012, 12 July 2012 and 21 March 2013
- » arranging the appointment of Parliamentary Secretaries on 21 March 2013.

Economic and Expenditure Reform Committee

The Economic and Expenditure Reform Committee met on 19 occasions. It considered 255 reports, including 131 submissions from Ministers.

Thirty-eight matters were also considered by the Treasurer under his delegated authority.

Aboriginal Affairs Cabinet Subcommittee

Secretarial support was provided to the Aboriginal Affairs Cabinet Subcommittee to assist in setting policy directions and ensuring coordination across Government in Aboriginal Affairs.

This includes working towards implementing and communicating the Community Development Plan for the South West settlement.

Ministerial Committee on Approvals

The Government has re-established a Ministerial Taskforce on Approvals, Development and Sustainability, chaired by the Premier.

The Department provides the secretariat and chairs a Directors General Group to support the Taskforce.

Image (overleaf): The Barnett Ministry, sworn in at Government House following the State General Election in March 2013



Actual Results versus Budget Targets

Financial Targets	2012–13 Target \$000	2012–13 Actual \$000	Variation \$000
Total cost of services (expense limit) (sourced from Income Statement)	178,834	160,343	18,491
Net cost of services (sourced from Income Statement)	175,443	156,967	18,476
Total equity (sourced from Statement of Financial Position)	45,705	46,866	(1,161)
Net increase/(decrease) in cash held (sourced from Cash Flow Statement)	-	(3,987)	3,987
	No.	No.	No.
Approved full-time equivalent (FTE) staff level (average annual) ^(a)	731	704	27

Further explanations are also provided in note 34 'Explanatory Statement to the Financial Statements'.

(a) Includes Electorate Office employees. The Department provides administrative support to Electorate Office staff who are employed by the Presiding Offices of Parliament.

Explanation of Significant Variances

Total cost of services

The total cost of services for 2012–13 is lower than target for 2012–13, principally arising from delays to the settlement of Native Title Grants associated with the Browse LNG project offset by cost increases as a consequence of the State General Election in March.

Net cost of services

The total cost of services for 2012–13 is lower than target for 2012–13, principally arising from delays to the settlement of Native Title Grants associated with the Browse LNG project.

Total equity

Total equity is higher than target for 2012–13 primarily due to a transfer of funds as a contribution by owners from the Department of Culture and the Arts.

Net increase/(decrease) in cash held

The net movement in cash for 2012–13 is lower than target primarily due to an increase in supplies and services expenditure funded from cash reserves.

Approved full-time equivalent (FTE)

The FTE for 2012–13 was lower than the target as a result of a delay in filling vacant positions.



Significant Issues

Significant Issues Impacting the Agency

Efforts were focused on working with the Commonwealth Government and the Disability Services Commission on the design of the **National Disability Insurance Scheme (NDIS)**. Work in this area has seen the development of a proposal to launch a site in Western Australia and the establishment of an NDIS Reference Group to provide advice to Government on NDIS implementation.

The Department administered the **Caretaker Conventions** as part of the State General Election held in March 2013. Public sector officers were briefed on the requirements of the caretaker conventions, aimed at protecting the apolitical nature of the public sector. Preparations for an incoming government saw the Department develop briefings on key policy issues and election commitments.

The Department supported the establishment of a **new Ministry and new Parliament**, including the introduction of five new Ministers, Ministerial Office staff and 21 Members and their Parliamentary Electorate Office staff.

Accommodation projects were finalised and contributed to the establishment of the new **Executive and Central Government Precinct** in West Perth. This saw the majority of Departmental staff move to their new premises in Dumas House along with the Premier and his staff moving to the Office of the Premier and Cabinet Room.

The Department has been working with the Public Sector Commission to oversee the implementation of new arrangements arising from the changes to the **Machinery of Government**, representing a number of structural changes to streamline government operations.

To support the Premier's new role as Minister for Science, the Department has been focusing its efforts on creating a new **Office of Science** within its structure. The new Office of Science will be critical to ensuring a clear direction for science policy in Western Australia and will lead the Square Kilometre Array project.

The Department engaged with the Western Australian not-for-profit sector, other Western Australian Government agencies and other State and Territory Governments to address the impact of a number of **reforms introduced by the Commonwealth Government**, in particular the establishment of the Australian Charities and Not-for-profits Commission (ACNC), and reforming Commonwealth taxation and regulatory settings on not-for-profit issues.

With regards to the **bushfire recommendations** that arose from the reviews undertaken in 2011 by Mr Mick Keelty AO APM, the Department has transitioned to a role of monitoring and supporting agencies in the implementation phase. The Department has been working to assist the Department of Fire and Emergency Services, State Emergency Management Committee Secretariat, Department of Planning, Department of Environment Regulation, and Department of Parks and Wildlife.

The Department took a lead role in coordinating the development of the States' and Territories' position on the development and implementation of a **National Public Safety Broadband** capability. Further development of the national capability will now be led by Council of Australian Governments (COAG) senior officials and the Department will work with public safety agencies to coordinate the State's involvement in that work.

Performing a key coordination role in the implementation of the **Kimberley Science and Conservation Strategy**, the Department has worked with public sector agencies to achieve the:

- » creation of the Eighty Mile Beach Marine Park
- » planning for the creation and joint management of the Horizontal Falls Marine Park and Horizontal Falls National Park
- » commencement of research projects under the \$12 million Kimberley Marine Research Program being delivered by the Australian Marine Science Institute
- » release of the first batch of Barramundi fingerlings into Lake Kununurra under the \$700,000 Lake Kununurra Barramundi Restocking Program.

In collaboration with the Department of Planning, the former Department of Environment and Conservation and the Office of the Environmental Protection Authority, the Department led the **Strategic Assessment of the Perth and Peel Regions**, achieving the:

- » submission of an Issues Paper in August 2012
- » submission of the North West Response outlining the State's development and conservation intentions in the North West sub-region, including an overview of historical approaches to conservation in the region
- » establishment of the Stakeholder Reference Group to allow regular engagement with key stakeholder groups prior to the public release of key policy and assessment documents. The inaugural meeting was held on 29 November 2012.

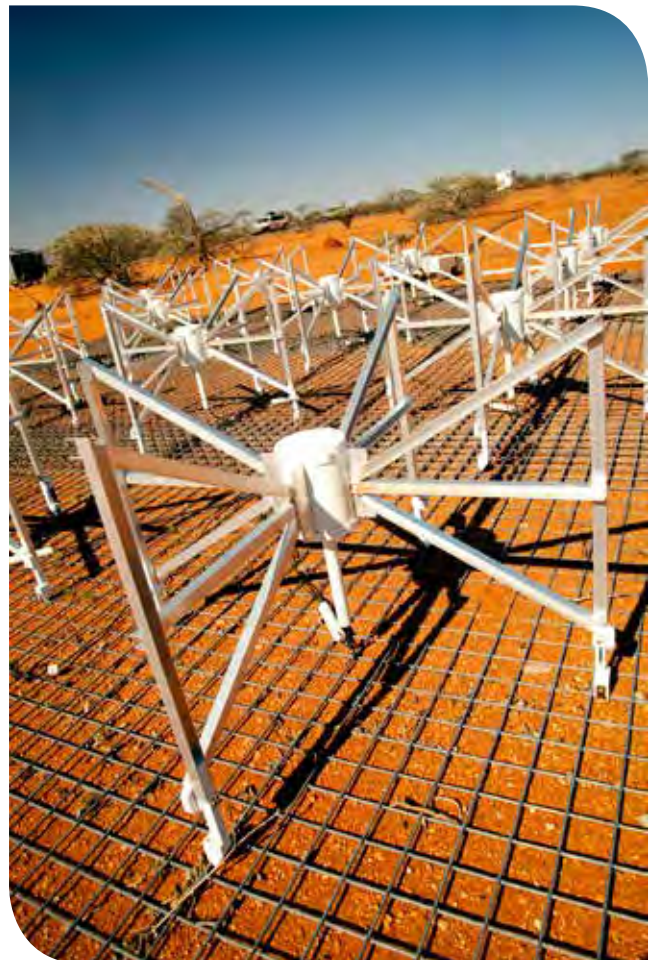


Image: One tile of 16 Murchison Widefield Array antennas at the Square Kilometre Array



Image: Architectural impression of the new Anzac Interpretive Centre to be built in Albany



Disclosures and Legal Compliance



Opinion of the Auditor General

INDEPENDENT AUDITOR'S REPORT

To the Parliament of Western Australia

DEPARTMENT OF THE PREMIER AND CABINET

Report on the Financial Statements

I have audited the accounts and financial statements of the Department of the Premier and Cabinet.

The financial statements comprise the Statement of Financial Position as at 30 June 2013, the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows, Schedule of Income and Expenses by Service, Schedule of Assets and Liabilities by Service, and Summary of Consolidated Account Appropriations and Income Estimates for the year then ended, and Notes comprising a summary of significant accounting policies and other explanatory information.

Director General's Responsibility for the Financial Statements

The Director General is responsible for keeping proper accounts, and the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards and the Treasurer's Instructions, and for such internal control as the Director General determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

As required by the Auditor General Act 2006, my responsibility is to express an opinion on the financial statements based on my audit. The audit was conducted in accordance with Australian Auditing Standards. Those Standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Department's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Director General, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements are based on proper accounts and present fairly, in all material respects, the financial position of the Department of the Premier and Cabinet at 30 June 2013 and its financial performance and cash flows for the year then ended. They are in accordance with Australian Accounting Standards and the Treasurer's Instructions.

Report on Controls

I have audited the controls exercised by the Department of the Premier and Cabinet during the year ended 30 June 2013.

Controls exercised by the Department of the Premier and Cabinet are those policies and procedures established by the Director General to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions.

Director General's Responsibility for Controls

The Director General is responsible for maintaining an adequate system of internal control to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of public and other property, and the incurring of liabilities are in accordance with the Financial Management Act 2006 and the Treasurer's Instructions, and other relevant written law.

Auditor's Responsibility

As required by the Auditor General Act 2006, my responsibility is to express an opinion on the controls exercised by the Department of the Premier and Cabinet based on my audit conducted in accordance with Australian Auditing and Assurance Standards.

An audit involves performing procedures to obtain audit evidence about the adequacy of controls to ensure that the Department complies with the legislative provisions. The procedures selected depend on the auditor's judgement and include an evaluation of the design and implementation of relevant controls.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the controls exercised by the Department of the Premier and Cabinet are sufficiently adequate to provide reasonable assurance that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions during the year ended 30 June 2013.

Report on the Key Performance Indicators

I have audited the key performance indicators of the Department of the Premier and Cabinet for the year ended 30 June 2013.


The key performance indicators are the key effectiveness indicators and the key efficiency indicators that provide information on outcome achievement and service provision.

Director General's Responsibility for the Key Performance Indicators

The Director General is responsible for the preparation and fair presentation of the key performance indicators in accordance with the Financial Management Act 2006 and the Treasurer's Instructions and for such controls as the Director General determines necessary to ensure that the key performance indicators fairly represent indicated performance.

Auditor's Responsibility

As required by the Auditor General Act 2006, my responsibility is to express an opinion on the key performance indicators based on my audit conducted in accordance with Australian Auditing and Assurance Standards.



An audit involves performing procedures to obtain audit evidence about the key performance indicators. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the key performance indicators. In making these risk assessments the auditor considers internal control relevant to the Director General's preparation and fair presentation of the key performance indicators in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the relevance and appropriateness of the key performance indicators for measuring the extent of outcome achievement and service provision.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the key performance indicators of the Department of the Premier and Cabinet are relevant and appropriate to assist users to assess the Department's performance and fairly represent indicated performance for the year ended 30 June 2013.

Independence

In conducting this audit, I have complied with the independence requirements of the Auditor General Act 2006 and Australian Auditing and Assurance Standards, and other relevant ethical requirements.

Matters Relating to the Electronic Publication of the Audited Financial Statements and Key Performance Indicators

This auditor's report relates to the financial statements and key performance indicators of the Department of the Premier and Cabinet for the year ended 30 June 2013 included on the Department's website. The Department's management is responsible for the integrity of the Department's website. This audit does not provide assurance on the integrity of the Department's website. The auditor's report refers only to the financial statements and key performance indicators described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these financial statements or key performance indicators. If users of the financial statements and key performance indicators are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial statements and key performance indicators to confirm the information contained in this website version of the financial statements and key performance indicators.



COLIN MURPHY
AUDITOR GENERAL
FOR WESTERN AUSTRALIA
Perth, Western Australia
12 August 2013



Financial Statements



Department of the Premier and Cabinet FINANCIAL STATEMENTS

for the year ended 30 June 2013

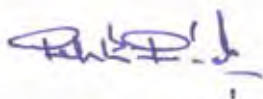
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Department of the Premier and Cabinet CERTIFICATION OF FINANCIAL STATEMENTS

for the year ended 30 June 2013

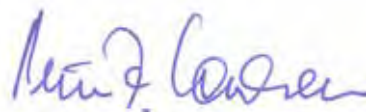
The accompanying financial statements of the Department of the Premier and Cabinet have been prepared in compliance with the provisions of the *Financial Management Act 2006* from proper accounts and records to present fairly the financial transactions for the financial year ended 30 June 2013 and the financial position as at 30 June 2013.

At the date of signing we are not aware of any circumstances, which would render any particulars included in the financial statements misleading or inaccurate.



P E PRIDE
CHIEF FINANCE OFFICER

7 August 2013



PETER CONRAN
ACCOUNTABLE AUTHORITY

7 August 2013

Statement of Comprehensive Income

for the year ended 30 June 2013

	Note	2013 \$000	2012 \$000
COST OF SERVICES			
Expenses			
Employee benefits expense	6	79,312	74,707
Supplies and services	7	31,966	32,651
Depreciation and amortisation expense	8	1,844	1,814
Accommodation expenses	9	19,672	19,601
Grants and subsidies	10	26,425	20,818
Loss on disposal of non-current assets	14	504	197
Losses on foreign currency translation		69	28
Losses on hedging		385	205
Other expenses	11	167	398
Total cost of services		160,343	150,419
Income			
Revenue			
User charges and fees	12	871	2,030
Sales		2,083	1,291
Commonwealth grants and contributions	13	411	428
Interest revenue		11	-
Total Revenue		3,376	3,749
Total income other than income from State Government		3,376	3,749
NET COST OF SERVICES		156,967	146,670
INCOME FROM STATE GOVERNMENT			
Service appropriation		145,530	150,475
Resources received free of charge		5,596	2,664
Royalties for Regions Fund		2,962	55
Total income from State Government	15	154,088	153,194
SURPLUS/(DEFICIT) FOR THE PERIOD		(2,880)	6,524
OTHER COMPREHENSIVE INCOME			
Gain/(Losses) on foreign exchange recognised directly in equity		1,541	533
Total other comprehensive income		1,541	533
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		(1,339)	7,057

Refer to the 'Schedule of Income and Expenses by Service'.

The *Statement of Comprehensive Income* should be read in conjunction with the accompanying notes.

Statement of Financial Position

as at 30 June 2013

	Note	2013 \$000	2012 \$000
ASSETS			
Current Assets			
Cash and cash equivalents	27	36,306	40,625
Inventories	17	77	88
Receivables	18	1,574	2,249
Amounts receivable for services	19	619	1,412
Other assets	29	1,035	1,690
Total Current Assets		39,610	46,064
Non-Current Assets			
Restricted cash and cash equivalents	16	1,967	1,704
Amounts receivable for services	19	24,710	22,068
Property, plant and equipment	20	2,596	4,372
Intangible assets	21	1,000	122
Total Non-Current Assets		30,273	28,266
TOTAL ASSETS		69,883	74,330
LIABILITIES			
Current Liabilities			
Payables	23	3,973	7,385
Provisions	24	14,549	14,857
Other current liabilities	25	1,561	2,717
Total Current Liabilities		20,083	24,959
Non-Current Liabilities			
Provisions	24	2,934	3,031
Total Non-Current Liabilities		2,934	3,031
TOTAL LIABILITIES		23,017	27,990
Net Assets		46,866	46,340
Equity			
Contributed equity	26	36,479	34,615
Hedging reserves		(2,458)	(3,999)
Accumulated surplus/(deficiency)		12,845	15,724
TOTAL EQUITY		46,866	46,340

Refer to the 'Schedule of Assets and Liabilities by Service'.

The *Statement of Financial Position* should be read in conjunction with the accompanying notes.

Statement of Changes in Equity

for the year ended 30 June 2013

	Note	Contributed equity	Reserves	Accumulated Surplus/ (deficit)	Total equity
Balance at 1 July 2011		34,615	(4,532)	9,200	39,283
Surplus/(deficit)				6,524	6,524
Other comprehensive income for the year			533		533
Total comprehensive income for the year		-	533	6,524	7,057
Transactions with owners in their capacity as owners:					-
Capital appropriations					-
Other contributions by owners					
Distributions to owners		-	-		-
Total			-	-	-
Balance at 30 June 2012		34,615	(3,999)	15,724	46,340
Balance at 1 July 2012		34,615	(3,999)	15,724	46,340
Surplus/(deficit)				(2,880)	(2,880)
Other comprehensive income for the year			1,541		1,541
Total comprehensive income for the year		-	1,541	(2,880)	(1,339)
Transactions with owners in their capacity as owners:					
Capital appropriations		864			864
Other contributions by owners		1,000			1,000
Distributions to owners		-	-		-
Total		1,864	-	-	1,864
Balance at 30 June 2013		36,479	(2,458)	12,844	46,865

The *Statement of Changes in Equity* should be read in conjunction with the accompanying notes.

Statement of Cash Flows

for the year ended 30 June 2013

	Note	2013 \$000	2012 \$000
CASH FLOWS FROM STATE GOVERNMENT			
Service appropriation		142,269	147,031
Holding account drawdowns		1,412	2,032
Capital contributions		864	-
Non-retained revenue distributed to owners		1,000	(40)
Royalties for Regions Fund		2,962	55
Net cash provided by State Government		148,507	149,078
Utilised as follows:			
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Employee benefits		(78,748)	(74,038)
Supplies and services		(27,954)	(29,304)
Accommodation		(20,767)	(18,641)
Grants and subsidies		(26,269)	(21,515)
GST payments on purchases		(6,182)	(5,301)
GST payments to taxation authority		(658)	(555)
Other payments		(99)	(103)
Receipts			
User charges and fees		927	1,106
Sales of goods and services		2,181	2,138
Commonwealth grants and contributions		198	428
Interest received		11	-
GST receipts on sales		634	522
GST receipts from taxation authority		6,033	5,241
Other receipts		103	106
Net cash provided by/(used in) operating activities	27	(150,589)	(139,916)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments			
Proceeds from the sale of non-current physical assets		295	21
Receipts			
Purchase of non-current physical assets		(2,200)	(849)
Net cash provided by/(used in) investing activities		(1,905)	(828)
Net increase/(decrease) in cash and cash equivalents		(3,987)	8,334
Cash and cash equivalents at the beginning of period		42,329	34,023
Effects of exchange rate changes on cash balances held in foreign currency		(69)	(28)
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	27	38,273	42,329

The *Statement of Cash Flows* should be read in conjunction with the accompanying notes.

Schedule of Income and Expenses by Service

for the year ended 30 June 2013

	Administration of Executive Government Services		Government Policy Management		Total	
	2013 \$000	2012 \$000	2013 \$000	2012 \$000	2013 \$000	2012 \$000
COST OF SERVICES						
Expenses						
Employee benefits expense	63,320	60,154	15,992	14,553	79,312	74,707
Supplies and services	23,278	26,133	8,688	6,518	31,966	32,651
Depreciation and amortisation expense	1,385	1,399	459	415	1,844	1,814
Accommodation expenses	16,605	17,327	3,067	2,274	19,672	19,601
Grants and subsidies	8,360	4,512	18,065	16,306	26,425	20,818
Loss on disposal of non-current assets	(3)	92	507	105	504	197
Loss on foreign exchange	454	233	-	-	454	233
Other expenses	109	313	58	85	167	398
Total cost of services	113,507	110,163	46,836	40,256	160,343	150,419
Income						
User charges and fees	621	1,776	250	254	871	2,030
Interest revenue	-	-	11	-	11	-
Sales	2,083	1,291	-	-	2,083	1,291
Commonwealth grants and contributions	-	-	411	428	411	428
Total income other than income from State Government	2,704	3,067	672	682	3,376	3,749
NET COST OF SERVICES	110,803	107,096	46,164	39,574	156,967	146,670
INCOME FROM STATE GOVERNMENT						
Service appropriation	102,950	110,221	42,580	40,254	145,530	150,475
Resources received free of charge	2,918	1,413	2,678	1,251	5,596	2,664
Royalties for Regions Fund	2,962	47	-	8	2,962	55
Total income from State Government	108,830	111,681	45,258	41,513	154,088	153,194
SURPLUS/(DEFICIT) FOR THE PERIOD	(1,974)	4,585	(906)	1,939	(2,880)	6,524

The *Statement of Cash Flows* should be read in conjunction with the accompanying notes.

Schedule of Assets and Liabilities by Service as at 30 June 2013

	Administration of Executive Government Services		Government Policy Management		Total	
	2013 \$000	2012 \$000	2013 \$000	2012 \$000	2013 \$000	2012 \$000
ASSETS						
Current assets	33,634	38,680	5,976	7,384	39,610	46,064
Non-current assets	24,127	21,939	6,146	6,327	30,273	28,266
Total assets	<u>57,761</u>	<u>60,619</u>	<u>12,122</u>	<u>13,711</u>	<u>69,883</u>	<u>74,330</u>
LIABILITIES						
Current liabilities	14,683	19,476	5,400	5,483	20,083	24,959
Total non-current liabilities	2,229	2,420	705	611	2,934	3,031
Total liabilities	<u>16,912</u>	<u>21,896</u>	<u>6,105</u>	<u>6,094</u>	<u>23,017</u>	<u>27,990</u>
NET ASSETS	<u>40,849</u>	<u>38,723</u>	<u>6,017</u>	<u>7,617</u>	<u>46,866</u>	<u>46,340</u>

The *Schedule of Assets and Liabilities by Service* should be read in conjunction with the accompanying notes.

Summary of Consolidated Account Appropriations and Income Estimates

for the year ended 30 June 2013

	2013 Estimate \$000	2013 Actual \$000	Variance \$000	2013 Actual \$000	2012 Actual \$000	Variance \$000
DELIVERY OF SERVICES						
Item 5 Net amount appropriated to deliver services	171,925	143,459	(28,467)	143,459	148,497	(5,039)
Section 25 Transfer of service appropriation ^(a)	-	-	-	-	-	-
Amount Authorised by Other Statutes						
- Salaries and Allowances Act 1975	2,038	2,071	33	2,071	1,978	93
Total appropriations provided to deliver services	<u>173,963</u>	<u>145,530</u>	<u>(28,434)</u>	<u>145,530</u>	<u>150,475</u>	<u>(4,946)</u>
Capital Appropriation	-	864	-	-	-	-
GRAND TOTAL	<u>173,963</u>	<u>146,394</u>	<u>(28,434)</u>	<u>145,530</u>	<u>150,475</u>	<u>(4,946)</u>
Details of Expenses by Service						
Administration of Executive Government Services	98,794	113,507	14,713	113,507	110,163	3,344
Government Policy Management	80,040	46,836	(33,204)	46,836	40,256	6,580
Total cost of services	178,834	160,343	(18,491)	160,343	150,419	9,924
Less total income	<u>(3,391)</u>	<u>(3,376)</u>	<u>15</u>	<u>(3,376)</u>	<u>(3,749)</u>	<u>373</u>
Net cost of services	175,443	156,967	(18,476)	156,967	146,670	10,297
Adjustments	(1,480)	(10,574)	(9,094)	(10,574)	3,805	(14,379)
Total appropriations provided to deliver services	<u>173,963</u>	<u>146,394</u>	<u>(27,570)</u>	<u>146,394</u>	<u>150,475</u>	<u>(4,082)</u>
Capital Expenditure						
Purchase of non-current physical assets	1,412	2,200	788	2,200	849	1,351
Adjustment for other funding sources	(1,412)	(1,336)	76	(1,336)	(849)	(487)
Capital Contribution (appropriation)	<u>-</u>	<u>864</u>	<u>864</u>	<u>864</u>	<u>-</u>	<u>864</u>

Summary of Consolidated Account Appropriations and Income Estimates

for the year ended 30 June 2013 (continued)

Adjustments comprise movements in cash balances and other accrual items such as receivables and payables.

Note 34 '*Explanatory statement*' provides details of any significant variations between estimates and actual results for 2013 and between the actual results for 2012 and 2013.

(a) AASB 1004.57 requires that where activities are transferred from one government agency to another government agency as a result of a restructure of administrative arrangements, the transferee government agency must disclose in the notes to the financial statements the expenses and revenues attributable to the transferred activities for the reporting period, showing separately those expenses and revenues recognised by the transferor government agency during the reporting period.



Notes to the Financial Statements

for the year ended 30 June 2013

Notes to the Financial Statements

1. Australian Accounting Standards

General

The Department's financial statements for the year ended 30 June 2013 have been prepared in accordance with Australian Accounting Standards. The term 'Australian Accounting Standards' includes Standards and Interpretations issued by the Australian Accounting Standards Board (AASB).

The Department has adopted any applicable, new and revised Australian Accounting Standards from their operative dates.

Early Adoption of Standards

The Department cannot early adopt an Australian Accounting Standard unless specifically permitted by TI 1101 Application of *Australian Accounting Standards and Other Pronouncements*. There has been no early adoption of Australian Accounting Standards that have been issued or amended (but not operative) by the Department for the annual reporting period ended 30 June 2013.

2. Summary of Significant Accounting Policies

(a) General Statement

The Department is a not-for-profit reporting entity that prepares general purpose financial statements in accordance with Australian Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the AASB as applied by the Treasurer's Instructions. Several of these are modified by the Treasurer's Instructions to vary application, disclosure, format and wording.

The *Financial Management Act 2006* and the Treasurer's Instructions impose legislative provisions that govern the preparation of financial statements and take precedence over Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the AASB.

Where modification is required and has had a material or significant financial effect upon the reported results, details of that modification and the resulting financial effect are disclosed in the notes to the financial statements.

(b) Basis of Preparation

The financial statements have been prepared on the accrual basis of accounting using the historical cost convention.

The accounting policies adopted in the preparation of the financial statements have been consistently applied throughout all periods presented unless otherwise stated.

The financial statements are presented in Australian dollars and all values are rounded to the nearest thousand dollars (\$'000).

Note 3 '*Judgements made by management in applying accounting policies*' discloses judgements that have been made in the process of applying the Department's accounting policies that have the most significant effect on the amounts recognised in the financial statements.

Note 4 '*Key sources of estimation uncertainty*' discloses key assumption made concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Notes to the Financial Statements

(c) Reporting Entity

The reporting entity comprises the Department.

Mission

The Department's mission is to support the Premier and Cabinet in achieving the Government's vision for all Western Australians, through leadership and coordination and the promotion of excellence in the public sector.

The Department is predominantly funded by Parliamentary appropriations. The financial statements encompass all funds through which the Department controls resources to carry on its functions.

Services

The Department provides the following services:

- » Service 1: Administration of Executive Government Services
- » Service 2: Government Policy Management

(d) Contributed Equity

AASB Interpretations 1038 '*Contributions by Owners Made to Wholly-Owned Public Sector Entities*' requires transfers in the nature of equity contributions, other than as a result of a restructure of administrative arrangements, to be designated by the Government (the owner) as contributions by owners (at the time of, or prior to transfer) before such transfers can be recognised as equity contributions. Capital contributions (appropriations) have been designated as contributions by owners by Treasurer's Instruction (TI) 955 '*Contributions by Owners made to Wholly Owned Public Sector Entities*' and have been credited directly to Contributed Equity.

The transfer of net assets to/from other agencies, other than as a result of a restructure of administrative arrangements, are designated as contributions by owners where the transfers are non-discretionary and non-reciprocal. See note 26 '*Equity*'.

(e) Income

Revenue recognition

Revenue is recognised and measured at the fair value of consideration received or receivable. Revenue is recognised for the major business activities as follows:

Sale of goods

Revenue is recognised from the sale of goods and disposal of other assets when the significant risks and rewards of ownership control transfer to the purchaser and can be measured reliably.

Provision of services

Revenue is recognised upon the delivery of the service to the client or by reference to the stage of completion of the transaction.

Interest

Revenue is recognised as the interest accrues.

Service Appropriations

Service Appropriations are recognised as revenues in the period in which the Department gains control of the appropriated funds. The Department gains control of appropriated funds at the time those funds are deposited into the Department's bank account or credited to the 'Amounts receivable for services' (holding account) held at Treasury.

See note 15 '*Income from State Government*' for further detail.

Notes to the Financial Statements

Net Appropriation Determination

The Treasurer may make a determination providing for prescribed receipts to be retained for services under the control of the Department. In accordance with the determination specified in the 2012–13 Budget Statements, the Department retained \$9.445 million in 2013 (\$9.541 million in 2012) from the following:

- » Proceeds from fees and charges
- » GST receipts on sales
- » Commonwealth grants
- » Other departmental revenue.

Grants, donations, gifts and other non-reciprocal contributions

Revenue is recognised at fair value when the Department obtains control over the assets comprising the contributions which is usually when cash is received.

Other non-reciprocal contributions that are not contributions by owners are recognised at their fair value. Contributions of services are only recognised when a fair value can be reliably determined and the services would be purchased if not donated.

Royalties for Regions funds are recognised as revenue at fair value in the period in which the Department obtains control over the funds. The Department obtains control of the funds at the time the funds are deposited into the Department's bank account.

Gains

Gains may be realised or unrealised and are usually recognised on a net basis. These include gains arising on the disposal of non-current assets.

(f) Property, Plant and Equipment

Capitalisation/expensing of assets

Items of property, plant and equipment costing \$5,000 or more are recognised as assets and the cost of utilising assets is expensed (depreciated) over their useful lives. Items of property, plant and equipment costing less than \$5,000 are immediately expensed direct to the statement of comprehensive income (other than where they form part of a group of similar items which are significant in total).

Initial recognition and measurement

All items of property, plant and equipment are initially recognised at cost.

For items of property, plant and equipment acquired at no cost or for nominal consideration, the cost is their fair value at the date of acquisition.

Subsequent measurement

The Department does not hold land, buildings or infrastructure assets. All property, plant and equipment are carried at historical cost less accumulated depreciation and accumulated impairment losses.

Depreciation

All non-current assets having a limited useful life are systematically depreciated over their estimated useful lives in a manner that reflects the consumption of their future economic benefits.

Notes to the Financial Statements

Depreciation is calculated using the straight line method, using rates which are reviewed annually. Estimated useful lives for each class of depreciable asset are:

Furniture and fittings	4–10 years
Plant and equipment	5–10 years
Computer hardware	3 years
Office establishment	4–10 years

Works of art controlled by the Department are classified as property, plant and equipment. They are anticipated to have very long and indefinite useful lives. Their service potential has not, in any material sense, been consumed during the reporting period and so no depreciation has been recognised.

(g) Intangible Assets

Capitalisation/expensing of assets

Acquisitions of intangible assets costing \$5,000 or more and internally generated intangible assets costing \$50,000 or more are capitalised. The cost of utilising the assets is expensed (amortised) over their useful lives. Costs incurred below these thresholds are immediately expensed directly to the statement of comprehensive income.

Intangible assets are initially recognised at cost. For assets acquired at no cost or for nominal cost, the cost is their fair value at the date of acquisition.

The cost model is applied for subsequent measurement requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses.

Amortisation for intangible assets with finite useful lives is calculated for the period of the expected benefit (estimated useful life) on the straight line basis using rates which are reviewed annually. All intangible assets controlled by the Department have a finite useful life and zero residual value. The expected useful lives for each class of intangible asset are:

Software	3 Years
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Computer software

Software that is an integral part of the related hardware is treated as property, plant and equipment. Software that is not an integral part of the related hardware is treated as an intangible asset. Software costing less than \$5,000 is expensed in the year of acquisition.

Website costs

Website costs are charged as expenses when they are incurred unless they relate to the acquisition or development of an asset when they may be capitalised and amortised. Generally, costs in relation to feasibility studies during the planning phase of a website, and ongoing costs of maintenance during the operating phase are expensed. Costs incurred in building or enhancing a website, to the extent that they represent probable future economic benefits that can be reliably measured, are capitalised.

Notes to the Financial Statements

(h) Impairment of Assets

Property, plant and equipment and intangible assets are tested for any indication of impairment at the end of each reporting period. Where there is an indication of impairment, the recoverable amount is estimated. Where the recoverable amount is less than the carrying amount, the asset is considered impaired and is written down to the recoverable amount and an impairment loss is recognised.

Where an asset measured at cost is written down to recoverable amount, an impairment loss is recognised in profit or loss. As the Department is a not-for-profit entity, unless an asset has been identified as a surplus asset, the recoverable amount is the higher of an asset's fair value less costs to sell and depreciated replacement cost.

The risk of impairment is generally limited to circumstances where an asset's depreciation is materially understated, where the replacement cost is falling or where there is a significant change in useful life. Each relevant class of assets is reviewed annually to verify that the accumulated depreciation/ amortisation reflects the level of consumption or expiration of asset's future economic benefits and to evaluate any impairment risk from falling replacement costs.

Intangible assets with an indefinite useful life and intangible assets not yet available for use are tested for impairment at the end of each reporting period irrespective of whether there is any indication of impairment.

The recoverable amount of assets identified as surplus assets is the higher of fair value less costs to sell and the present value of future cash flows expected to be derived from the asset.

Surplus assets carried at fair value have no risk of material impairment where fair value is determined by reference to market-based evidence. Where fair value is determined by reference to depreciated replacement cost, surplus assets are at risk of impairment and the recoverable amount is measured. Surplus assets at cost are tested for indications of impairment at the end of each reporting period.

See note 22 'Impairment of assets' for the outcome of impairment reviews and testing.

See note 2(o) 'Receivables' and note 18 'Receivables' for impairment of receivables.

(i) Leases

The Department has entered into a number of operating lease arrangements for the rent of the aircraft, office buildings and motor vehicles where the lessor effectively retains all of the risks and benefits incidental to ownership of the items held under the operating leases. Equal instalments of the lease payments are charged to the Income Statement over the lease term as this is representative of the pattern of benefits to be derived from the leased property.

(j) Financial Instruments

In addition to cash, the Department has two categories of financial instrument:

- » Loans and Receivables
- » Financial Liabilities measured at amortised cost

Notes to the Financial Statements

Financial instruments have been disaggregated into the following classes:

Financial Assets

- » Cash and cash equivalents
- » Restricted cash and cash equivalents
- » Receivable for services
- » Amount Receivable for services

Financial Liabilities

- » Payables
- » Other liabilities

Initial recognition and measurement of financial instrument is at fair value which normally equates to the transaction cost or the face value. Subsequent measurement is at amortised cost using the effective interest method.

The fair value of short-term receivables and payables is the transaction cost or the face value because there is no interest applicable and subsequent measure is not required as the effect of discounting is not material.

The Department enters into derivative financial instruments to manage its exposure to foreign exchange rate risk, by way of foreign exchange forward contracts. Further details of derivative financial instruments are disclosed in note 36 to the financial statements.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event, the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

The Department designates certain derivatives as either hedges of the fair value of recognised assets or liabilities or firm commitments (fair value hedges), hedges of highly probable forecast transactions or hedges of foreign currency risk of firm commitments (cash flow hedges), or hedges of net investments in foreign operations.

The fair value of hedging derivatives is classified as a non-current asset or a non-current liability if the remaining maturity of the hedge relationship is more than 12 months and as a current asset or a current liability if the remaining maturity of the hedge relationship is less than 12 months.

Derivatives not designated into an effective hedge relationship are classified as a current asset or a current liability.

Hedge accounting

The Department designates certain hedging instruments, which include derivatives, embedded derivatives and non-derivatives in respect of foreign currency risk, as either fair value hedges, cash flow hedges, or hedges of net investments in foreign operations.

Hedges of foreign exchange risk on firm commitments and highly probable forecast transactions are accounted for as cash flow hedges. At the inception of the hedge relationship the Department documents the relationship between the hedging instrument and hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Department documents whether the hedging instrument that is used in a hedging relationship is highly effective in offsetting changes in fair values or cash flows of the hedged item.

Notes to the Financial Statements

Hedge accounting is discontinued when the Department revokes the hedging relationship, the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. Any cumulative gain or loss deferred in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was deferred in equity is recognised immediately in profit or loss.

Note 36 contains details of the fair values of the derivative instruments used for hedging purposes. Movements in the hedging reserve in equity are also detailed in note 26.

(k) Cash and Cash Equivalents

For the purpose of the Statement of Cash Flows, cash and cash equivalent includes restricted cash and cash equivalents. These are comprised of cash on hand and short-term deposits with original maturities of three months or less that are readily convertible to a known amount of cash and which are subject to insignificant risk of changes in value.

(l) Accrued Salaries

The accrued salaries suspense account (see note 16 'Restricted cash and cash equivalents') consists of amounts paid annually into a suspense account over a period of 10 financial years to largely meet the additional cash outflow in each eleventh year when 27 pay days occur instead of the normal 26. No interest is received on this account.

Accrued salaries (refer note 23 'Payables') represent the amount due to staff but unpaid at the end of the financial year, as the pay date for the last pay period for that financial year does not coincide with the end of the financial year. Accrued salaries are settled within a fortnight of the financial year end. The Department considers the carrying amount of accrued salaries to be equivalent to its fair value.

(m) Amounts Receivable for Services (Holding Account)

The Department receives appropriation funding on an accrual basis. The appropriations are paid partly in cash and partly as an asset (Holding Account receivable). The accrued amount receivable is accessible on the emergence of the cash funding requirement to cover leave entitlements and asset replacement.

See also note 15 'Income from State Government' and note 19 'Amounts receivable for services'.

(n) Inventories

Inventories are measured at the lower of cost and net realisable value. Costs are assigned by the method most appropriate to each particular class of inventory, with the majority being valued on a first in first out basis.

Inventories not held for resale are measured at cost unless they are no longer required, in which case they are measured at net realisable value.

See note 17 'Inventories'.

Notes to the Financial Statements

(o) Receivables

Receivables are recognised and carried at original invoice amount less an allowance for uncollectible amounts (i.e. impairment). The collectability of receivables is reviewed on an ongoing basis and any receivables identified as uncollectible are written off against the allowance account. The allowance for uncollectible amounts (doubtful debts) is raised when there is objective evidence that the Department will not be able to collect the debts. The carrying amount is equivalent to fair value as it is due for settlement within 30 days.

See note 2(j) 'Financial Instruments' and note 18 'Receivables'.

(p) Payables

Payables are recognised at the amounts payable when the Department becomes obliged to make future payments as a result of a purchase of assets or services. The carrying amount is equivalent to fair value, as settlement is generally within 30 days.

See note 2(j) 'Financial Instruments' and note 23 'Payables'.

(q) Provisions

Provisions are liabilities of uncertain timing and amount and are recognised where there is a present legal, equitable or constructive obligation as a result of a past event and when the outflow of resources embodying economic benefits is probable and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at the end of each reporting period.

See note 24 'Provisions'.

(i) Provisions - Employee Benefits

All annual leave and long service leave provisions are in respect of employees' services up to the end of the reporting period.

Annual leave

The liability for annual leave expected to be settled within 12 months after the reporting period is recognised and measured at the undiscounted amounts expected to be paid when the liability is settled.

Annual leave not expected to be settled within 12 months after the end of the reporting period is recognised and measured at the present value of amounts expected to be paid when the liabilities are settled using the remuneration rate expected to apply at the time of settlement.

When assessing expected future payments consideration is given to expected future wage and salary levels including non-salary components such as employer superannuation contributions, as well as the experience of employee departures and periods of service. The expected future payments are discounted using market yields at the end of the reporting period on national government bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

The provision for annual leave is classified as a current liability as the Department does not have an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

Notes to the Financial Statements

Long service leave

The liability for long service leave expected to be settled within 12 months after the end of the reporting period is recognised and measured at the undiscounted amounts expected to be paid when the liability is settled.

Long service leave not expected to be settled within 12 months after the end of the reporting period is recognised and measured at the present value of amounts expected to be paid when the liabilities are settled using the remuneration rate expected to apply at the time of settlement.

When assessing expected future payments consideration is given to expected future wage and salary levels including non-salary components such as employer superannuation contributions, as well as the experience of employee departures and periods of service. The expected future payments are discounted using market yields at the end of the reporting period on national government bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

Unconditional long service leave provisions are classified as current liabilities as the Department does not have an unconditional right to defer settlement of the liability for at least 12 months after the end of reporting period. Pre-conditional and conditional long service leave provisions are classified as non-current liabilities because the Department has an unconditional right to defer the settlement of the liability until the employee has completed the requisite years of service.

Sick leave

Liabilities for sick leave are recognised when it is probable that sick leave paid in the future will be greater than the entitlement that will accrue in the future.

Past history indicates that on average, sick leave taken each reporting period is less than the entitlement accrued. This is expected to continue in future periods. Accordingly, it is unlikely that existing accumulated entitlements will be used by employees and no liability for unused sick leave entitlements is recognised. As sick leave is non-vesting, an expense is recognised in the Statement of Comprehensive Income for this leave as it is taken.

Deferred leave

The provision for deferred leave relates to Public Service employees who have entered into an agreement to self-fund an additional 12 months leave in the fifth year of the agreement. The provision recognises the value of salary set aside for employees to be used in the fifth year. This liability is measured on the same basis as annual leave. Deferred leave is reported as a current provision as employees can leave the scheme at their discretion at any time.

Purchased leave

The provision for purchased leave relates to Public Service employees who have entered into an agreement to self-fund up to an additional ten weeks leave per calendar year. The provision recognises the value of salary set aside for employees and is measured at the nominal amounts expected to be paid when the liabilities are settled. This liability is measured on the same basis as annual leave.

Notes to the Financial Statements

Superannuation

The Government Employees Superannuation Board (GESB) and other fund providers administer public sector superannuation arrangements in Western Australia in accordance with legislative requirements. Eligibility criteria for membership in particular schemes for public sector employees vary according to commencement and implementation dates. Eligible employees contribute to the Pension Scheme, a defined benefit pension scheme closed to new members since 1987, or the Gold State Superannuation Scheme (GSS), a defined benefit lump sum scheme closed to new members since 1995.

The GSS is a defined benefit scheme for the purposes of employees and whole-of-government reporting. However, it is a defined contribution plan for agency purposes because the concurrent contributions (defined contributions) made by the Department to GESB extinguishes the agency's obligations to the related superannuation liability.

The Department has no liabilities under the Pension Scheme or the GSS. The liabilities for the unfunded Pension Scheme and the unfunded GSS transfer benefits attributable to members who transferred from the Pension Scheme, are assumed by the Treasurer. All other GSS obligations are funded by concurrent contributions made by the Department to the GESB.

Employees commencing employment prior to 16 April 2007 who were not members of either the Pension Scheme or the GSS became non-contributory members of the West State Superannuation Scheme (WSS). Employees commencing employment on or after 16 April 2007 became members of the GESB Super Scheme (GESBS).

From 30 March 2013, existing members of the WSS or GESBS and new employees have been able to choose their preferred superannuation fund provider. The Department makes contributions to GESB or other funds on behalf of employees in compliance with the Commonwealth Government's *Superannuation Guarantee (Administration) Act 1992*. Contributions to these accumulation schemes extinguish the Department's liability for superannuation charges in respect of employees who are not members of the Pension Scheme or GSS.

The GESB makes all benefit payments in respect of the Pension and GSS Schemes, and is recouped from the Treasurer for the employer's share.

See also note 2(r) 'Superannuation expense'.

(ii) Provisions – Other

Employment on-costs

Employment on-costs, including workers' compensation insurance, are not employee benefits and are recognised separately as liabilities and expenses when the employment to which they relate has occurred. Employment on-costs are included as part of 'Other expenses' and are not included as part of the Department's 'Employee benefits expense'. The related liability is included in 'Employment on-costs provision'.

See note 11 'Other expenses' and note 24 'Provisions'.

Notes to the Financial Statements

(r) Superannuation Expense

The superannuation expense in the Statement of Comprehensive Income comprises of employer contributions paid to the GSS (concurrent contributions), the WSS, the GESBS or other superannuation funds. The employer contribution paid to the GESB in respect of the GSS is paid back into the Consolidated Account by the GESB.

(s) Assets and Services Received Free of Charge or for Nominal Cost

Assets or services received free of charge or for nominal cost that can be reliably measured are recognised as income at the fair value of the assets and/or the fair value of those services that the Department would otherwise pay for. A corresponding expense is recognised for services received. Receipts of assets are recognised in the Statement of Financial Position. Assets or services received from other State Government agencies are separately disclosed under 'Income from State Government' in the Statement of Comprehensive Income.

(t) Comparative Figures

Comparative figures are, where appropriate, reclassified to be comparable with the figures presented in the current financial year.

(u) Foreign Currency Translation

The Department has offices in North Asia, Europe and the Middle East.

Transactions denominated in a foreign currency are translated using the FOREX rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange current at balance sheet date. Exchange gains and losses are brought to account in determining the result for the year.

3. Judgements made by Management in Applying Accounting Policies

The preparation of financial statements requires management to make judgements about the application of accounting policies that have a significant effect on the amounts recognised in the financial statements. The Department evaluates these judgements regularly.

4. Key Sources of Estimation Uncertainty

The Department makes key estimates and assumptions concerning the future. These estimates and assumptions are based on historical experience and various other factors that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

Long Service Leave

In calculating the Department's long service leave provision, several estimations and assumptions have been made. These include expected future salary rates, salary inflation, discount rates, employee retention rates and expected future payments. Any changes in these estimations and assumptions may impact on the carrying amount of the long service leave provision.



Notes to the Financial Statements

5. Disclosure of Change in Accounting Policy and Estimates

Initial Application of an Australian Accounting Standard

The Department has applied the following Australian Accounting Standards effective for annual reporting periods beginning on or after 1 July 2012 that impacted on the Department.

AASB 1054 Australian Additional Disclosures

This Standard, in conjunction with *AASB 2011-1 Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project*, removes disclosure requirements from other Standards and incorporates them in a single Standard to achieve convergence between Australian and New Zealand Accounting Standards. There is no financial impact.

AASB 2009-12 Amendments to Australian Accounting Standards [AASB 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 & 1031 and Int 2, 4, 16, 1039 & 1052]

This Standard makes editorial amendments to a range of Australian Accounting Standards and Interpretations. There is no financial impact.

AASB 2010-4 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 1, 7, 101 & 134 and Int 13]

The amendments to AASB 7 clarify financial instrument disclosures in relation to credit risk. The carrying amount of financial assets that would otherwise be past due or impaired whose terms have been renegotiated is no longer required to be disclosed. There is no financial impact.

The amendments to AASB 101 clarify the presentation of the Statement of Changes in Equity. The disaggregation of other comprehensive income reconciling the carrying amount at the beginning and the end of the period for each component of equity can be presented in either the statement of Changes in Equity or the Notes. There is no financial impact.

AASB 2010-5 Amendments to Australian Accounting Standards [AASB 1, 3, 4, 5, 101, 107, 112, 118, 119, 121, 132, 133, 134, 137, 139, 140, 1023 & 1038 and Int 112, 115, 127, 132 & 1042]

This Standard makes editorial amendments to a range of Australian Accounting Standards and Interpretations. There is no financial impact.

Notes to the Financial Statements

AASB 2010-6 Amendments to Australian Accounting Standards – Disclosures on Transfers of Financial Assets [AASB 1 & 7]

This Standard introduces additional disclosure relating to transfers of financial assets in AASB 7. An entity shall disclose all transferred financial assets that are not derecognised and any continuing involvement in a transferred asset, existing at the reporting date, irrespective of when the related transfer transaction occurred. There is no financial impact.

AASB 2011-1 Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project [AASB 1, 5, 101, 107, 108, 121, 128, 132 & 134 and Int 2, 112 & 113]

This Standard, in conjunction with AASB 1054, removes disclosure requirements from other Standards and incorporates them in a single Standard to achieve convergence between Australian and New Zealand Accounting Standards. There is no financial impact.

AASB 2011-5 Amendments to Australian Accounting Standards – Extending Relief from Consolidation, the Equity Method and Proportionate Consolidation [AASB 127, 128 & 131]

This Standard extends the relief from consolidation, the equity method and proportionate consolidation by removing the requirement for the consolidated financial statements prepared by the ultimate or any intermediate parent entity to be IFRS compliant, provided that the parent entity, investor or venturer and the ultimate or intermediate parent entity are not-for-profit non-reporting entities that comply with Australian Accounting Standards. There is no financial impact.

Future Impact of Australian Accounting Standards not yet Operative

The Department cannot early adopt an Australian Accounting Standard unless specifically permitted by TI 1101 *Application of Australian Accounting Standards and Other Pronouncements*. Consequently, the Department has not applied early any following Australian Accounting Standards that have been issued that may impact the Department. Where applicable, the Department plans to apply these Australian Accounting Standards from their application date.

Notes to the Financial Statements

		Operative for reporting periods beginning on/ after
AASB 9 <i>Financial Instruments</i>	<p>This Standard supersedes AASB 139 <i>Financial Instruments: Recognition and Measurement</i>, introducing a number of changes to accounting treatments.</p> <p>The Standard was reissued in December 2010. The Department has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2015
AASB 13 <i>Fair Value Measurement</i>	<p>This Standard defines fair value, sets out a framework for measuring fair value and requires disclosures about fair value measurements. There is no financial impact.</p>	
AASB 119 <i>Employee Benefits</i>	<p>This Standard supersedes AASB 119 <i>Employee Benefits</i>, introducing a number of changes to accounting treatments.</p> <p>The Standard was issued in September 2011. The Department has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2013
AASB 1053 <i>Application of Tiers of Australian Accounting Standards</i>	<p>This Standard establishes a differential financial reporting framework consisting of two tiers of reporting requirements for preparing general purpose financial statements. There is no financial impact.</p>	1 Jul 2013
AASB 2009-11 <i>Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and Int 10 & 12]</i>	[Modified by AASB 2010-7]	1 Jul 2013

Notes to the Financial Statements

		Operative for reporting periods beginning on/ after
<p>AASB 2010-2</p> <p><i>Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements [AASB 1, 2, 3, 5, 7, 8, 101, 102, 107, 108, 110, 111, 112, 116, 117, 119, 121, 123, 124, 127, 128, 131, 133, 134, 136, 137, 138, 140, 141, 1050 & 1052 and Int 2, 4, 5, 15, 17, 127, 129 & 1052]</i></p>	<p>This Standard makes amendments to Australian Accounting Standards and Interpretations to introduce reduced disclosure requirements for certain types of entities. There is no financial impact.</p>	1 Jul 2013
<p>AASB 2010-7</p> <p><i>Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Int 2, 5, 10, 12, 19 & 127]</i></p>	<p>This Standard makes consequential amendments to other Australian Accounting Standards and Interpretations as a result of issuing AASB 9 in December 2010. The Department has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2015
<p>AASB 2011-8</p> <p><i>Amendments to Australian Accounting Standards arising from AASB 13 [AASB 1, 2, 3, 4, 5, 7, 9, 2009-11, 2010-7, 101, 102, 108, 110, 116, 117, 118, 119, 120, 121, 128, 131, 132, 133, 134, 136, 138, 139, 140, 141, 1004, 1023 & 1038 and Int 2, 4, 12, 13, 14, 17, 19, 131 & 132]</i></p>	<p>This Standard replaces the existing definition and fair value guidance in other Australian Accounting Standards and Interpretations as the result of issuing AASB 13 in September 2011. There is no financial impact.</p>	1 Jan 2013

Notes to the Financial Statements

		Operative for reporting periods beginning on/ after
AASB 2011-9 <i>Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income [AASB 1, 5, 7, 101, 112, 120, 121, 132, 133, 134, 1039 & 1049]</i>	This Standard requires to group items presented in other comprehensive income on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments). The Department has not yet determined the application or the potential impact of the Standard.	1 Jul 2013
AASB 2011-10 <i>Amendments to Australian Accounting Standards arising from AASB 119 (September 2011) [AASB 1, 8, 101, 124, 134, 1049 & 2011-8 and Int 14]</i>	This Standard makes amendments to other Australian Accounting Standards and Interpretations as a result of issuing AASB 119 <i>Employee Benefits</i> in September 2011. The Department has not yet determined the application or the potential impact of the Standard.	1 Jan 2013
AASB 2011-11 <i>Amendments to AASB 119 (September 2011) arising from Reduced Disclosure Requirements</i>	This Standard gives effect to Australian Accounting Standards – Reduced Disclosure Requirements for AASB 119 (September 2011). There is no financial impact.	1 Jul 2013
AASB 2012-1 <i>Amendments to Australian Accounting Standards - Fair Value Measurement - Reduced Disclosure Requirements [AASB 3, 7, 13, 140 & 141]</i>	This Standard establishes and amends reduced disclosure requirements for additional and amended disclosures arising from AASB 13 and the consequential amendments implemented through AASB 2011-8. There is no financial impact.	1 Jul 2013

Notes to the Financial Statements

		Operative for reporting periods beginning on/ after
AASB 2012-2 <i>Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities [AASB 7 & 132]</i>	This Standard amends the required disclosures in AASB 7 to include information that will enable users of an entity's financial statements to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with the entity's recognised financial assets and recognised financial liabilities, on the entity's financial position. There is no financial impact.	1 Jan 2013
AASB 2012-3 <i>Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities [AASB 132]</i>	This Standard adds application guidance to AASB 132 to address inconsistencies identified in applying some of the offsetting criteria, including clarifying the meaning of 'currently has a legally enforceable right of set-off' and that some gross settlement systems may be considered equivalent to net settlement. There is no financial impact.	1 Jan 2014
AASB 2012-6 <i>Amendments to Australian Accounting Standards – Mandatory Effective Date of AASB 9 and Transition Disclosures [AASB 9, 2009-11, 2010-7, 2011-7 & 2011-8]</i>	This Standard amends the mandatory effective date of AASB 9 <i>Financial Instruments</i> to 1 January 2015. Further amendments are also made to consequential amendments arising from AASB 9 that will now apply from 1 January 2015 and to consequential amendments arising out of the Standards that will still apply from 1 January 2013. There is no financial impact.	1 Jan 2013
AASB 2012-10 <i>Amendments to Australian Accounting Standards – Transition Guidance and Other Amendments [AASB 1, 5, 7, 8, 10, 11, 12, 13, 101, 102, 108, 112, 118, 119, 127, 128, 132, 133, 134, 137, 1023, 1038, 1039, 1049, & 2011-7 and Int 12]</i>	This Standard makes amendments to AASB 10 and related Standards to revise the transition guidance relevant to the initial application of those Standards, and to clarify the circumstances in which adjustments to an entity's previous accounting for its involvement with other entities are required and the timing of such adjustments. The Standard was issued in December 2012. The Department has not yet determined the application or the potential impact of the Standard.	1 Jan 2013

Notes to the Financial Statements

6. Employee Benefits Expense

	2013	2012
	\$000	\$000
Wages and salaries ^(a)	73,290	69,070
Superannuation – defined contribution plans ^(b)	6,022	5,637
	<u>79,312</u>	<u>74,707</u>

(a) Includes the value of the fringe benefit to the employee plus the fringe benefits tax component, leave entitlements including superannuation contribution component

(b) Defined contribution plans include West State, Gold State and GESB Super Scheme (contributions paid).

Employment on-costs expenses, such as workers' compensation insurance are included at note 11 'Other expenses'. The employment on-costs liability is included at note 24 'Provisions'.

7. Supplies and Services

Professional services	12,263	11,919
Consultants	1	-
Travel	3,043	2,998
Other staff costs	253	441
Communications	2,916	2,233
Consumables	2,210	3,745
Lease of aircraft	6,436	6,467
Lease of motor vehicle	1,679	2,057
Advertising	49	54
Other administration costs	3,118	2,737
	<u>31,966</u>	<u>32,651</u>

Notes to the Financial Statements

8. Depreciation and Amortisation Expense

	2013	2012
	\$000	\$000
Depreciation		
Computer hardware	385	255
Furniture and fittings	65	89
Motor vehicles	11	13
Office equipment	431	429
Office establishment	788	959
Total depreciation	<u>1,681</u>	<u>1,745</u>
Amortisation		
Intangible assets		
Software	163	69
Total amortisation	<u>163</u>	<u>69</u>
Total depreciation and amortisation	<u><u>1,844</u></u>	<u><u>1,814</u></u>

9. Accommodation Expenses

Lease rentals and outgoings	19,672	19,601
	<u>19,672</u>	<u>19,601</u>

10. Grants and Subsidies

<u>Recurrent</u>		
Subsidies and community grants	16,552	12,546
Act of Grace payments	900	-
Government agency grants	6,710	3,684
External grants	2,263	4,588
	<u>26,425</u>	<u>20,818</u>

Notes to the Financial Statements

11. Other Expenses

	2013	2012
	\$000	\$000
Employment on-costs	167	398
	<u>167</u>	<u>398</u>

Includes workers' compensation insurance and other employment on-costs. *The on-costs liability associated with the recognition of annual and long service leave liability is included at note 24 'Provisions'.*

Superannuation contributions accrued as part of the provision for leave are employee benefits and are not included in employment on-costs.

12. User Charges and Fees

Contributions by senior officers to the Government Vehicle Scheme	118	116
Provision of services	20	897
Recoups	405	474
Other revenue	327	543
	<u>871</u>	<u>2,030</u>

13. Commonwealth Grants and Contributions

Indian Ocean Territories	411	428
	<u>411</u>	<u>428</u>

The grants from the Commonwealth Department of Regional Australia, Local Government, Arts and Sport is to fund the salaries and on-costs for a state coordinator and an administrative officer. The terms of the grant specify that it is used to:

- » protect the State's legal, financial and political interests
- » provide a first point of contact in Indian Ocean Territories (IOT) matters for State agencies
- » facilitate the Commonwealth Government's objective of comparability of rights, standards and services in the IOT consistent with those of Western Australia.

Notes to the Financial Statements

14. Net Gain/(Loss) on Disposal of Non-Current Assets

	2013	2012
	\$000	\$000
<u>Cost of Disposal on Non-Current Assets</u>		
Furniture and fittings	4	164
Motor vehicles	-	21
Office equipment	74	4
Office establishment	741	29
	<u>819</u>	<u>218</u>
<u>Proceeds from Disposal of Non-Current Assets</u>		
Motor vehicles	-	21
Office establishment	250	-
Office equipment	65	-
	<u>315</u>	<u>21</u>
Net gain/(loss)	<u>(504)</u>	<u>(197)</u>

Notes to the Financial Statements

15. Income from State Government

	2013	2012
	\$000	\$000
Appropriation received during the year:		
Service appropriations ^(a)	145,530	150,475
Resources received free of charge ^(b)		
Determined on the basis of the following estimates provided by agencies:		
Department of Education and Training – staff secondment	-	213
Department of Finance – lease administration services	715	563
Department of Finance – procurement services	203	193
Department of Finance – fit-out depreciation	2,390	417
Department of the Attorney General – legal services	2,284	1,245
Landgate – spatial and valuation services	4	33
	<u>5,596</u>	<u>2,664</u>
Royalties for Regions Fund ^(c) :		
Regional Community Services Fund	126	55
Regional Infrastructure and Headworks Fund	2,836	-
	<u>2,962</u>	<u>55</u>
	<u>154,088</u>	<u>153,194</u>

(a) Service appropriations fund the net cost of services delivered. The appropriation revenue comprises a cash component and a receivable (asset). The receivable (holding account) comprises the depreciation expense for the year and any agreed increase in leave liability during the year.

(b) Where assets or services have been received free of charge or for nominal cost, the Department recognises revenues equivalent to the fair value of the assets and/or the fair value of those services that can be reliably measured and which would have been purchased if they were not donated, and those fair values shall be recognised as assets or expenses, as applicable. Contribution of assets or services in the nature of contributions by owners are recognised direct to equity.

(c) This is a sub-fund within the over-arching 'Royalties for Regions Fund'. The recurrent funds are committed to projects and programs in WA regional areas.

Notes to the Financial Statements

16. Restricted Cash and Cash Equivalent Assets

	2013	2012
	\$000	\$000
<u>Non Current</u>		
Accrued salaries suspense account ^(a)	1,967	1,704
	<u>1,967</u>	<u>1,704</u>

(a) Amount held in the suspense account is only to be used for the purpose of meeting the 27th pay in a financial year that occurs every 11 years.

17. Inventories

<u>Current</u>		
Inventories held for resale:		
- Publications	18	22
Inventories not held for resale		
- Stationery stores and material	59	66
	<u>77</u>	<u>88</u>

18. Receivables

<u>Current</u>		
Receivables	851	1,607
GST receivable	723	642
	<u>1,574</u>	<u>2,249</u>

See also note 2(o) 'Receivables' and note 36 'Financial Instruments'.

Notes to the Financial Statements

19. Amounts Receivable for Services (Holding Account)

	2013	2012
	\$000	\$000
Current	619	1,412
Non-current	24,710	22,068
	<u>25,329</u>	<u>23,480</u>

Represents the non-cash component of service appropriations. See note 2(m) 'Amounts Receivable for Services (Holding Account)'. It is restricted in that it can only be used for asset replacement or payment of leave liability.

20. Property, Plant and Equipment

Computer Hardware

At cost	1,688	1,277
Accumulated depreciation	(1,035)	(659)
Accumulated impairment losses	-	-
	<u>653</u>	<u>618</u>

Furniture and Fittings

At cost	529	391
Accumulated depreciation	(381)	(332)
Accumulated impairment losses	-	-
	<u>148</u>	<u>59</u>

Motor Vehicles

At cost	55	55
Accumulated depreciation	(23)	(13)
Accumulated impairment losses	-	-
	<u>32</u>	<u>42</u>

Office Equipment

At cost	2,380	2,895
Accumulated depreciation	(1,433)	(1,511)
Accumulated impairment losses	-	-
	<u>947</u>	<u>1,384</u>

Office Establishment

At cost	5,831	8,893
Accumulated depreciation	(5,015)	(6,624)
Accumulated impairment losses	-	-
	<u>816</u>	<u>2,269</u>

Total

	<u>2,596</u>	<u>4,372</u>
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Notes to the Financial Statements

20. Property, Plant and Equipment (continued)

Reconciliations

Reconciliations of the carrying amounts of plant, equipment and vehicles at the beginning and end of the current and previous financial year are set out below:

	Computer Hardware \$000	Furniture & Fittings \$000	Motor Vehicles \$000	Office Equipment \$000	Office Establishment \$000	Total \$000
2013						
Carrying amount at start of year	618	59	42	1,384	2,269	4,372
Additions	274	158	-	283	84	799
Transfers	146	-	-	(215)	(7)	(76)
Disposals	-	(4)	-	(74)	(741)	(819)
Depreciation	(385)	(65)	(11)	(431)	(788)	(1,680)
Carrying amount at end of year	<u>653</u>	<u>148</u>	<u>31</u>	<u>947</u>	<u>817</u>	<u>2,596</u>

	Computer Hardware \$000	Furniture & Fittings \$000	Motor Vehicles \$000	Office Equipment \$000	Office Establishment \$000	Total \$000
2012						
Carrying amount at start of year	464	313	75	1,227	2,913	4,992
Additions	408	-	-	590	345	1,343
Disposals	-	(165)	(20)	(4)	(29)	(218)
Depreciation	(254)	(89)	(13)	(429)	(960)	(1,745)
Carrying amount at end of year	<u>618</u>	<u>59</u>	<u>42</u>	<u>1,384</u>	<u>2,269</u>	<u>4,372</u>

Notes to the Financial Statements

21. Intangible Assets

	2013	2012
	\$000	\$000
Computer software		
At cost	1,594	569
Accumulated amortisation	(594)	(447)
Accumulated impairment losses	-	-
	<u>1,000</u>	<u>122</u>
<u>Reconciliations:</u>		
Computer software		
Carrying amount at start of year	122	191
Additions	988	-
Reclassifications	53	-
Disposals	-	-
Amortisation expense	(163)	(69)
Carrying amount at end of year	<u>1,000</u>	<u>122</u>

Notes to the Financial Statements

22. Impairment of Assets

There were no indications of impairment of property, plant and equipment, and intangible assets at 30 June 2013.

The Department held no goodwill or intangible assets with an indefinite useful life during the reporting period and at reporting date there were no intangible assets not yet available for use.

23. Payables

	2013	2012
	\$000	\$000
<u>Current</u>		
Trade payables	1,309	1,029
Revenue in advance	230	-
Accrued salaries	1,627	1,443
Accrued expenses	807	4,913
	<u>3,973</u>	<u>7,385</u>

See also note 2(p) 'Payables' and note 36 'Financial instruments'.

Notes to the Financial Statements

24. Provisions

	2013	2012
	\$000	\$000
<u>Current</u>		
Employee benefits provision		
Annual leave ^(a)	7,322	7,267
Long service leave ^(b)	7,188	7,551
48/52 Leave arrangements ^(d)	32	32
	<u>14,542</u>	<u>14,850</u>
Other provisions		
Employment on-costs ^(c)	7	7
	<u>7</u>	<u>7</u>
	<u>14,549</u>	<u>14,857</u>
<u>Non-current</u>		
Long service leave ^(b)	2,933	3,030
	-	-
	<u>2,933</u>	<u>3,030</u>
Other provisions		
Employment on-costs ^(c)	1	1
	<u>1</u>	<u>1</u>
	<u>2,934</u>	<u>3,031</u>

(a) Annual leave liabilities have been classified as current as there is no unconditional right to defer settlement for at least 12 months after the reporting period. Assessments indicate that actual settlement of the liabilities will occur as follows:

Within 12 months of the end of the reporting period	4,509	4,363
More than 12 months after the end of the reporting period	2,813	2,936
	<u>7,322</u>	<u>7,299</u>

(b) Long service leave liabilities have been classified as current where there is no unconditional right to defer settlement for at least 12 months after the reporting period. Assessments indicate that actual settlement of the liabilities will occur as follows:

Within 12 months of the end of the reporting period	3,053	3,755
More than 12 months after the end of the reporting period	7,070	6,826
	<u>10,123</u>	<u>10,581</u>

Notes to the Financial Statements

(c) The settlement of annual and long service leave liabilities gives rise to the payment of employment on-costs including workers' compensation insurance. The provision is the present value of expected future payments. The associated expense, apart from the unwinding of the discount (finance cost), is disclosed in note 11 '*Other expenses*'.

(d) Deferred salary scheme liabilities have been classified as current where there is no unconditional right to defer settlement for at least 12 months after the end of the reporting period. Actual settlement of the liabilities is expected to occur as follows:

	2013	2012
	\$000	\$000
Within 12 months of the end of the reporting period	-	-
More than 12 months after the end of the reporting period	32	32
	<u>32</u>	<u>32</u>

Movement in Other Provisions

Employment on-cost provision

Carrying amount at start of year	8	7
Additional provisions recognised	-	1
Payments/other sacrifices of economic benefits	-	-
Carrying amount at end of year	<u>8</u>	<u>8</u>

25. Other Liabilities

Current		
Derivative financial liability	1,553	2,709
Other liability	8	8
	<u>1,561</u>	<u>2,717</u>

See also note 36 '*Financial Instruments*'.

Notes to the Financial Statements

26. Equity

Equity represents the residual interest in the net assets of the Department. The Government holds the equity interest in the Department on behalf of the community.

	2013	2012
	\$000	\$000
Contributed equity		
Balance at the start of the year	34,615	34,615
Contributions by owners:		
Capital contributions ^(a)	864	-
Transfer of net assets from other agencies ^(b)	1,000	-
Total contributions by owners	<u>1,864</u>	<u>-</u>
Distributions to owners:		
Transfer of net assets to other agencies ^(b)	-	-
Total distributions to owners	<u>-</u>	<u>-</u>
Balance at the end of the year	<u>36,479</u>	<u>34,615</u>

(a) Capital appropriations

TI 955 *Contributions by Owners Made to Wholly Owned Public Sector Entities* designates capital appropriations as contributions by owners in accordance with AASB Interpretation 1038 *Contributions by Owners Made to Wholly-Owned Public Sector Entities*.

Notes to the Financial Statements

(b) Transfer of net assets from other agencies

The Department of Culture and the Arts contributed \$1 million to the Department during 2012–13.

AASB 1004 Contributions requires transfers of net assets as a result of a restructure of administrative arrangements to be accounted for as contributions by owners and distributions to owners.

Where activities are transferred from one agency to another agency as a result of a restructure of administrative arrangements, AASB 1004 (paragraph 57) requires the transferee agency to disclose the expenses and income attributable to the transferred activities for the reporting period, showing separately those expenses and income recognised by the transferor agency during the reporting period. Furthermore, AASB 1004 (paragraph 58) requires disclosures by class for each material transfer of assets and liabilities in relation to a restructure of administrative arrangements, together with the name of the counterparty transferor/transferee agency. In respect of transfers that are individually immaterial, the assets and liabilities are to be disclosed on an aggregate basis.

Under TI 955 non-discretionary and non-reciprocal transfers of net assets between State Government agencies have been designated as contributions by owners in accordance with AASB Interpretation 1038. Where the transferee agency accounts for a non-discretionary and non-reciprocal transfer of net assets as a contribution by owners, the transferor agency accounts for the transfer as a distribution to owners.

	2013	2012
	\$000	\$000
Hedging reserve		
Balance at the start of the year	(3,999)	(4,532)
Net revaluations increments/(decrements)	1,541	533
Balance at the end of the year	<u>(2,458)</u>	<u>(3,999)</u>
Accumulated surplus/(deficit) (Retained earnings)		
Balance at the start of the year	15,724	9,200
Transfer to contributed equity	-	-
Result for the period	<u>(2,879)</u>	<u>6,524</u>
Balance at the end of the year	<u><u>12,845</u></u>	<u><u>15,724</u></u>

Notes to the Financial Statements

27. Notes to the Statement of Cash Flows

	2013 \$000	2012 \$000
<u>Reconciliation of cash</u>		
Cash at the end of the financial year as shown in the Cash Flow Statement is reconciled to the related items in the Statement of Financial Position:		
Cash and cash equivalents	36,306	40,625
Restricted cash and cash equivalents (refer to note 16)	1,967	1,704
	<u>38,273</u>	<u>42,329</u>
<u>Reconciliation of net cost of services to net cash flows provided by/(used in) operating activities</u>		
Net cost of services	(156,967)	(146,670)
Non-cash items:		
Depreciation and amortisation expense	1,844	1,814
Resources received free of charge	5,596	2,664
Net (gain)/loss on disposal of plant and equipment	504	197
Net (gain)/loss on foreign exchange	454	233
<u>(Increase)/decrease in assets:</u>		
Current receivables ^(a)	756	(729)
Current inventories	11	(3)
Other current assets	655	(907)
<u>Increase/(decrease) in liabilities:</u>		
Current payables ^(a)	(3,412)	2,071
Current provisions	(308)	1,445
Non current provisions	(97)	339
Other current liabilities	-	(177)
Change in GST in receivables/payables ^(b)	375	(193)
Net cash provided by/(used in) operating activities	<u>(150,589)</u>	<u>(139,916)</u>

(a) Note that the Australian Taxation Office (ATO) receivable/payable in respect of GST and the receivable/payable in respect of the sale/purchase of non-current assets are not included in these items as they do not form part of the reconciling items.

(b) This reverses out the GST in receivables and payables.

At the end of the reporting period, the Department had fully drawn on all financing facilities, details of which are disclosed in the financial statements.

Notes to the Financial Statements

28. Resources Provided Free of Charge

During the year the following resources were provided to other agencies free of charge for functions outside the normal operations of the Department:

	2013	2012
	\$000	\$000
Department of Finance – Library Services	285	-
Department of Treasury – Library Services	167	-
Public Sector Commission	838	1,134
Ombudsman	86	122
	<u>1,376</u>	<u>1,256</u>

All the above expenses form part of the Department's net cost of services.

29. Other Assets

Prepayments	<u>1,035</u>	<u>1,690</u>
	<u>1,035</u>	<u>1,690</u>

Notes to the Financial Statements

30. Commitments

	2013	2012
	\$000	\$000
Lease commitments		
Commitments in relation to leases contracted for at the reporting date but not recognised in the financial statements are payable as follows:		
Non-cancellable operating lease commitments:		
Within one year	8,135	9,110
Later than one year and not later than five years	14,937	15,588
Later than five years	84	220
	<u>23,156</u>	<u>24,918</u>
Motor vehicle leases as part of the 'whole-of-government' arrangement:		
Within one year	770	1,029
Later than one year but not later than five years	266	532
Later than five years	-	-
	<u>1,036</u>	<u>1,561</u>
Accommodation leases occupied by the Department:		
Within one year	3,965	4,723
Later than one year and not later than five years	5,377	2,362
Later than five years	84	220
	<u>9,426</u>	<u>7,305</u>
Aircraft leases used by the Department:		
Within one year	3,400	3,358
Later than one year but not later than five years	9,294	12,694
Later than five years	-	-
	<u>12,694</u>	<u>16,052</u>

These commitments are all inclusive of GST.



Notes to the Financial Statements

30. Commitments (continued)

The Department has entered into a property lease which is a non-cancellable lease with a five-year term, with rent payable monthly in advance. Contingent rent provisions within the lease agreement require that the minimum lease payments shall be increased by the lower of CPI or four per cent per annum. An option exists to renew the lease at the end of the five-year term for an additional term of five years.

Notes to the Financial Statements

31. Remuneration of Senior Officers

Remuneration

The number of senior officers, whose total of fees, salaries, superannuation, non-monetary benefits and other benefits for the financial year, fall within the following bands are:

	2013	2012
30,001 – 40,000		1
70,001 – 80,000		1
140,001 – 150,000		1
150,001 – 160,000	1	-
160,001 – 170,000	1	2
170,001 – 180,000		-
180,001 – 190,000	2	2
190,001 – 200,000	1	
200,001 – 210,000	1	
210,001 – 220,000		1
220,001 – 230,000		2
230,001 – 240,000	1	-
240,001 – 250,000	1	-
250,001 – 260,000	2	
270,001 – 280,000		2
280,001 – 290,000	1	
320,001 – 330,000		1
340,001 – 350,000	1	
350,001 – 360,000	1	
480,001 – 490,000		1
500,001 – 510,000	1	

	2013 \$000	2012 \$000
The total remuneration of senior officers is:	<u>\$3,588</u>	<u>\$3,003</u>
Base remuneration and superannuation	\$3,265	\$2,641
Annual leave and long service leave accruals	\$99	\$220
Other benefits	<u>\$224</u>	<u>\$142</u>
	\$3,588	\$3,003

The total remuneration includes the superannuation expense incurred by the Department in respect of senior officers.

No senior officers are members of the Pension Scheme.

Notes to the Financial Statements

32. Remuneration of Auditor

Remuneration payable to the Auditor General for the financial year is as follows:

	2013	2012
	\$000	\$000
Auditing the accounts, financial statements and performance indicators	<u>138</u>	<u>133</u>

33. Supplementary Financial Information

Write-offs

During the financial year there were amounts written off under the authority of section 48 of the *Financial Management Act 2006*.

Amounts written off by the Accountable Authority

5	-
<u>5</u>	<u>-</u>

Gifts of public property

Gifts of public property provided by the Department

<u>3</u>	<u>27</u>
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Notes to the Financial Statements

34. Explanatory Statement

Significant variations between estimates and actual results for income and expense as presented in the financial statement titled *Summary of Consolidated Fund Appropriations and Income Estimates* are shown below. Significant variations are considered to be those greater than 10 per cent or \$5.0 million.

Significant Variances Between Actual Results for 2012 and 2013

	2013 Actual \$000	2012 Actual \$000	Variance \$000
1. Total appropriation provided to deliver services	145,530	150,475	(4,946)
Total appropriations to deliver services for the year decreased mainly due to savings measures endorsed by the Western Australian Government including the 2012–13 efficiency dividend and reduction in full-time equivalent ceiling.			
Service Expenditure			
2. Government Policy Management	46,836	40,256	6,580
The increase in 2012–13 expenditure compared to 2011–12 is mainly due to an increase in Land, Approvals and Native Title Unit grant expenditure and legal expenses.			
3. Adjustments	(10,574)	3,805	(14,379)
The decrease is due to an increase in funding sourced by non appropriation sources including Royalties For Regions, Resources Received Free of Charge from other government agencies and cash balances.			
Capital Expenditure			
4. Purchase of non-current physical assets	2,200	849	1,351
The increase is due to the purchase of financial management software following the decommissioning of the Office of Shared Services in addition to the regular asset replacement program for computer equipment.			
5. Capital Contribution	864	-	864
The increase is due to the purchase of financial management software being funded through a capital contribution. The asset replacement program is funded by drawdowns from the holding account.			

Notes to the Financial Statements

Significant Variances Between Estimates and Actuals for 2013

	2013 Actual \$000	2012 Actual \$000	Variance \$000
1. Total appropriation provided to deliver services	173,963	145,530	(28,434)
<p>Total appropriations to deliver services for the year decreased due to delays with the Browse Liquefied Natural Gas (LNG) Project economic benefits package and other Land, Approvals and Native Title Unit grants expenditure, together with additional savings measures endorsed by the Western Australian Government including a reduction in full-time equivalent ceiling. These decreases were partially offset by increases in community grants funding and funding for expenses consequent to the March 2013 State Election.</p>			
Service Expenditure			
1. Administration of Executive Government Services	98,794	113,507	14,713
<p>The increases are mainly due to expenses related to the March 2013 State Election, increases in community grants and increased allocation of resources received free of charge from other government agencies.</p>			
2. Government Policy Management	80,040	46,836	(33,204)
<p>The decrease is due to delays with the Browse LNG economic benefits package and Land, Approvals and Native Title Unit grants funding, partially offset by an increased allocation of resources received free of charge for legal expenses.</p>			
3. Adjustments	(1,480)	(10,574)	(9,094)
<p>The decrease is due to an increase in funding sourced by non appropriation sources including Royalties For Regions, Resources Received Free of Charge from other government agencies and cash balances.</p>			
Capital Expenditure			
4. Purchase of non-current physical assets	1,412	2,200	788
<p>The increase is due to the purchase of financial management software following the decommissioning of the Office of Shared Services.</p>			
5. Capital Contribution	-	864	864
<p>The increase is due to the purchase of financial management software being funded through a capital contribution. The asset replacement program is funded by drawdowns from the holding account.</p>			

Notes to the Financial Statements

35. Special Purpose Accounts

The Gerald Frank Brown Memorial Trust

Purpose of the Trust

To hold money:

- » bequeathed to the Government of Western Australia by Gerald Frank Brown and subsequently appropriated by Parliament; and
- » received from private organisations and persons for the provision of scholarships and studentships to young persons from the European Union to visit Western Australia and/or young persons from Western Australia to visit countries within the European Union to undertake approved educational activities for the purpose of promoting and enhancing the social, cultural, historical and economic ties between Western Australia and Europe.

	2013	2012
	\$000	\$000
Balance at the start of the year	196	197
Receipts	1	1
Payments	(9)	(6)
Unrealised gain/(loss) on translation	13	4
Balance at the end of the year	<u>201</u>	<u>196</u>

Overseas transactions have been translated in accordance with AASB 121, 'The Effects of Changes in Foreign Exchange Rates'.

Murchison Radio-Astronomy Observatory ILUA – Benefits Package

Purpose of the Trust

The purpose of this account is to hold moneys on behalf of the WY Claim Group pending execution of a Trust Deed under the Murchison Radio-Astronomy Indigenous Land Use Agreement.

Balance at the start of the year	8,960	8,530
Receipts	336	430
Payments	-	-
Balance at the end of the year	<u>9,296</u>	<u>8,960</u>

Murchison Radio-Astronomy Observatory ILUA – Benefits Package Trust Statement was transferred from Department of Attorney General at a April 2011.

Notes to the Financial Statements

DPC – Goolarabooloo Jabirr Jabirr Named Applicants Interest Bearing Trust Account (GJJ Named Applicants Interest Bearing Account)

Purpose of the Trust

The purpose of this account is to hold the State's contribution of \$3.5 million in an interest bearing trust account for, and on behalf, of the Native Title Claim Group until such time as the State and the Administrative Body Trustee Company execute the trust deeds as stipulated in the Agreement.

	2013	2012
	\$000	\$000
Balance at the start of the year	3,545	-
Receipts	138	3,545
Payments	(3,683)	-
Balance at the end of the year	<u>-</u>	<u>3,545</u>

The account was set up in September 2011.

Notes to the Financial Statements

36. Financial Instruments

(a) Financial Risk Management Objectives and Policies

Financial instruments held by the Department are cash and cash equivalents, restricted cash and cash equivalents, Treasurer's advances, receivables and payables and forward foreign-exchange contracts. All of the Department's cash is held in the public bank account (non-interest bearing) apart from restricted cash held in a special purpose account. The Department has limited exposure to financial risks. The Department's overall risk management program focuses on managing the risks identified below.

Credit risk

Credit risk arises when there is the possibility of the Department's receivables defaulting on their contractual obligations resulting in financial loss to the Department. The Department measures credit risk on a fair value basis and monitors risk on a regular basis.

The maximum exposure to credit risk at balance sheet date in relation to each class of recognised financial assets is the gross carrying amount of those assets inclusive of any provisions for impairment, as shown in the table at Note 36(c).

Credit risk associated with the Department's financial assets is minimal because the main receivable is the amounts receivable for services (holding account). For receivables other than government, the Department trades only with recognised, credit-worthy third parties.

The Department has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history. In addition, receivable balances are monitored on an ongoing basis with the result that the Department's exposure to bad debts is minimal. There are no significant concentrations of credit risk.

Allowance for impairment of financial assets is calculated based on objective evidence such as observable data indicating changes in client credit ratings. *For financial assets that are either past due or impaired, refer to Note 18 'Receivables'.*

Liquidity risk

The Department is exposed to liquidity risk through its trading in the normal course of business. Liquidity risk arises when the Department is unable to meet its financial obligations as they fall due.

The Department has appropriate procedures to manage cash flows including drawdowns of appropriations by monitoring forecast cash flows to ensure that sufficient funds are available to meet its commitments.

Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates and interest rates will affect the Department's income or the value of its holdings of financial instruments. There has been no change to the Department's exposure to market risks or the manner in which it manages and measures the risk.

Notes to the Financial Statements

Interest

Other than as detailed in the interest rate sensitivity analysis table at Note 36(c), the Department is not exposed to interest risk because apart from amounts in restricted cash, all other cash and cash equivalents are non-interest bearing, and have no borrowing other than the Treasurer's Advance (non-interest bearing).

Foreign currency

The Department undertakes certain transactions denominated in foreign currencies, hence exposures to exchange rate fluctuations arise. This is managed within approved policy parameters such as utilising forward foreign exchange contracts to hedge the exchange rate risk arising from foreign currency denominated lease and service contracts.

Forward foreign exchange contracts

The Department has entered into aircraft leases in USD with commitments to purchase aircraft spare parts and meet maintenance costs in USD over the life of the aircraft leases. The Department has entered into forward foreign exchange contracts to hedge the exchange rate risk arising from these anticipated future transactions, which where appropriate, are designated as cash flow hedges. In the circumstances where the Department is unable to designate the forward exchange contracts as a cash flow hedge, the contract by default, is categorised as Fair Value Through Profit or Loss (FVTPL).

Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are deferred in equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss as part of other expenses or other income.

Amounts deferred in equity are recycled in profit or loss in the periods when the hedged item is recognised in profit or loss. However, when the forecast transaction that is hedged results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously deferred in equity are transferred from equity and included in the initial measurement of the cost of the asset or liability.

2013 Recycled from Equity to Profit or Loss

Balance	<1 year	1–2 years	2–3 years	3–4 years	4–5 years	5–8 years
DR 2,463	788	720	653	302	-	-

2012 Recycled from Equity to Profit or Loss

Balance	<1 year	1–2 years	2–3 years	3–4 years	4–5 years	5–8 years
DR 4,005	975	910	840	923	357	-

Notes to the Financial Statements

As at reporting date the aggregate amount of unrealised losses under forward foreign exchange contracts deferred in the hedging reserve relating to the exposure on these anticipated future transactions is DR \$2,463,650 (2012: \$4,004,514). It is anticipated that the purchases will take place during the next five years at which stage the amount deferred in equity will be reclassified into profit or loss. The Department updates its forecast of foreign currency exposures at least as often as it performs hedge effectiveness testing and in accordance with accounting policy the Department reclassifies from the Cash Flow Reserve to Profit or Loss to the extent that foreign currency hedges are in excess of highly probable forecast transactions.

It is the policy of the Department to enter into forward foreign exchange contracts to cover specific foreign currency payments and receipts to approximately 100 per cent of the exposure generated. To the extent the foreign currency payments and receipts are no longer expected to occur the Department may from time to time have forward foreign exchange contracts in excess of the forecast foreign currency payments or receipts as originally forecast.

The following table details the forward foreign currency contracts outstanding as at reporting date:

	Average Exchange Rate		Foreign Currency Purchased		Contract Value		Fair Value	
	2013 \$000	2012 \$000	2013 \$000	2012 \$000	2013 \$000	2012 \$000	2013 \$000	2012 \$000
Outstanding Contracts								
Western Australian Treasury Corporation								
< 1 year	0.7645	0.7667	2,363	2,340	3,091	3,053	(513)	(710)
1 to 2 years	0.7624	0.7645	2,387	2,363	3,130	3,091	(442)	(639)
2 to 3 years	0.7586	0.7624	2,917	2,387	3,845	3,130	(454)	(565)
3 to 4 years	0.7610	0.7586	1,121	2,917	1,473	3,845	(145)	(595)
4 to 5 years		0.7610		1,121		1,473		(199)
> 5 years								

Notes to the Financial Statements

(b) Categories of Financial Instruments

In addition to cash and bank overdraft, the carrying amounts of each of the following categories of financial assets and financial liabilities at the balance sheet date are as follows:

	2013 \$000	2012 \$000
Financial Assets		
Cash and cash equivalents	36,306	40,625
Restricted cash and cash equivalents	1,967	1,704
Receivables ^(a)	851	1,607
Financial Liabilities		
Financial liabilities	3,973	7,393
Derivatives – Cash flow	1,428	2,636
Derivatives – FVTPL	125	73

(a) The amount of receivables excludes GST recoverable from ATO (statutory receivable).

(c) Financial Instrument Disclosures

Credit risk, liquidity risk and interest rate risk exposures

The following table details the Department's exposure to liquidity risk and interest rate risk at the balance sheet date. The Department's maximum exposure to credit risk at the balance sheet date is the carrying amount of the financial assets as shown on the following date. The table is based on information provided to senior management of the Department. The contractual maturity amounts in the table are representative of the undiscounted amounts at the balance sheet date. An adjustment for discounting has been made where material.

The Department does not hold any collateral as security or other credit enhancements relating to the financial assets it holds.

The Department does not hold any financial assets that had to have their terms renegotiated that would have otherwise resulted in them being past due or impaired.

Interest rate exposures and ageing analysis of financial assets^(a)

	Weighted average effective interest rate %	Carrying Amount \$000	Interest rate exposure			Past due but not impaired					
			Fixed interest rate \$000	Variable interest rate \$000	Non-interest bearing \$000	Up to 1 month \$000	1-3 months \$000	3-12 months \$000	1-5 years \$000	More than 5 years \$000	Impaired financial assets \$000
<u>30-Jun-13</u>											
Financial Assets											
Cash and cash equivalents		36,306	-	-	36,306	-	-	-	-	-	-
Restricted cash and cash equivalents		1,967	-	-	1,967	-	-	-	-	-	-
Receivables		851	-	-	851	595	10	-	-	-	-
Amounts receivable for services		25,329	-	-	25,329	-	-	-	-	-	-
		<u>64,452</u>	<u>-</u>	<u>-</u>	<u>64,452</u>	<u>841</u>	<u>10</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>30-Jun-12</u>											
Financial Assets											
Cash and cash equivalents	0.034	40,625	-	73	40,552	-	-	-	-	-	-
Restricted cash and cash equivalents		1,704	-	-	1,704	-	-	-	-	-	-
Receivables		1,607	-	-	1,607	870	62	-	-	-	-
Amounts receivable for services		23,480	-	-	23,480	-	-	-	-	-	-
		<u>67,416</u>	<u>-</u>	<u>73</u>	<u>67,343</u>	<u>870</u>	<u>62</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

(a) The amount of receivables excludes the GST recoverable from the ATO (statutory receivable).

Interest rate exposure and maturity analysis of financial liabilities

	Interest rate exposure					Maturity date					
	Weighted average effective interest rate %	Carrying Amount \$000	Fixed interest rate \$000	Variable interest rate \$000	Non-interest bearing \$000	Adjustment for Discount	Total Nominal Amount \$000	Up to 1 year \$000	1–2 years \$000	2–5 years \$000	More than 5 years \$000
30-Jun-13											
Financial Liabilities											
Payables		3,973	-	-	3,973	-	-	3,973	-	-	-
Other liabilities		8	-	-	8	-	-	-	-	-	8
Other liabilities – derivatives		1,553	-	-	1,553	(159)	-	534	478	700	-
		<u>5,534</u>	<u>-</u>	<u>-</u>	<u>5,534</u>		<u>-</u>	<u>4,507</u>	<u>478</u>	<u>700</u>	<u>8</u>
30-Jun-12											
Financial Liabilities											
Payables		7,385	-	-	-	-	-	7,385	-	-	-
Other liabilities		8	-	-	8	-	-	-	-	-	8
Other liabilities – derivatives		2,709	-	-	2,709	(203)	-	722	671	1,519	-
		<u>10,102</u>	<u>-</u>	<u>-</u>	<u>2,717</u>	<u>(203)</u>	<u>-</u>	<u>8,107</u>	<u>671</u>	<u>1,519</u>	<u>8</u>

Notes to the Financial Statements

Interest rate and foreign exchange rate sensitivity analysis

The following tables represents a summary of the interest rate and foreign exchange rate sensitivity of the Department's financial assets and liabilities at the balance sheet date on the surplus for the period and equity for a 100 basis points change in interest rates and 10 per cent change in foreign exchange rates. It is assumed that the change in interest rates is held constant throughout the reporting period.

Interest rate	-100 base point			+100 base point	
	Carrying Amount \$000	Profit \$000	Equity \$000	Profit \$000	Equity \$000
30-Jun-13					
Financial Assets					
Cash and cash equivalents	-	-	-	-	-
Receivables					
Other financial assets	-	-	-	-	-
Financial Liabilities					
Payables	-	-	-	-	-
Other liabilities	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
30-Jun-12					
Financial Assets					
Cash and cash equivalents	73	(0.7)	(0.7)	0.7	0.7
Receivables					
Other financial assets					
	<u>73</u>	<u>(0.7)</u>	<u>(0.7)</u>	<u>0.7</u>	<u>0.7</u>
Financial Liabilities					
Payables	-	-	-	-	-
Other liabilities	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Notes to the Financial Statements

Foreign exchange rate					
		-10% change		+10% change	
	Carrying Amount \$000	Profit \$000	Equity \$000	Profit \$000	Equity \$000
30-Jun-13					
Financial Assets					
Cash and cash equivalents	453	(45.3)	(45.3)	45.3	45.3
Receivables	160	(16.0)	(16.0)	16.0	16.0
Other financial assets – derivatives	-	-	-	0.0	0.0
	<u>613</u>	<u>(61.3)</u>	<u>(61.3)</u>	<u>61.3</u>	<u>61.3</u>
Financial Liabilities					
Payables	6	(0.6)	(0.6)	0.6	0.6
Provisions	-	-	-	0.0	0.0
Other liabilities	8	(0.8)	(0.8)	0.8	0.8
Other financial liabilities – derivatives	1,553	(96.0)	(1,020.0)	77.0	826.0
	<u>1,567</u>	<u>(97.4)</u>	<u>(1,021.4)</u>	<u>78.4</u>	<u>827.4</u>
30-Jun-12					
Financial Assets					
Cash and cash equivalents	215	(21.5)	(21.5)	21.5	21.5
Receivables	282	(28.2)	(28.2)	28.2	28.2
Other financial assets – derivatives	-	-	-	0.0	0.0
	<u>497</u>	<u>(49.7)</u>	<u>(49.7)</u>	<u>49.7</u>	<u>49.7</u>
Financial Liabilities					
Payables	6	(0.6)	(0.6)	0.6	0.6
Provisions	-	-	-	-	-
Other liabilities	8	(0.8)	(0.8)	0.8	0.8
Other financial liabilities – derivatives	2,709	(35.0)	(1,262.0)	28.0	1,017.0
	<u>2,723</u>	<u>(36.4)</u>	<u>(1,263.4)</u>	<u>29.4</u>	<u>1,018.4</u>



Notes to the Financial Statements

Fair values

All financial assets and liabilities recognised in the balance sheet, whether they are carried at cost or fair value, are recognised at amounts that represent a reasonable approximation of fair value unless otherwise stated in the applicable notes. For financial instruments that are measured at fair value (foreign exchange contracts), they are all classified as Level 2 in accordance with the following table:

- Level 1: fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable from the asset or liability, either directly (as prices) or indirectly (derived from prices)
- Level 3: fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

37. Events Occurring after the Balance Sheet Date

The Office of Science function was transferred in to the Department from the Department of Commerce on 1 July 2013.

Notes to the Financial Statements

38. Contingent Liabilities and Contingent Assets

Contingent Liabilities

The Department is subject to a number of claims. The likelihood of success or financial liability is not able to be determined at this time.

Contingent Assets

There were no contingent assets at the report date.

Contaminated Sites

Under the *Contaminated Sites Act 2003*, the Department is required to report known and suspected contaminated sites to the Department of Environment and Conservation (DEC). In accordance with the Act, DEC classifies these sites on the basis of the risk to human health, the environment and environmental values. Where sites are classified as contaminated – remediation required or possibly contaminated – investigation required, the Department may have a liability in respect of investigation or remediation expenses. The Department has no known or suspected contaminated sites.

39. Administered Assets and Liabilities

Current Assets	2013	2012
	\$000	\$000
Cash and cash equivalents	94	84

DPC London Office held cash and sundry debtors on behalf of other agencies and organisations.



Audited Key Performance Indicator Information

Certification of Key Performance Indicators

For the year ended 30 June 2013

I hereby certify that the performance indicators are based on proper records, are relevant and appropriate for assisting users to assess the Department of the Premier and Cabinet's performance, and fairly represent the performance of the Department of the Premier and Cabinet for the financial year ended 30 June 2013.



Peter Conran
ACCOUNTABLE AUTHORITY

7 August 2013

Performance Indicators

The Department delivers services to achieve the following Government Goals, which are:

1. Results-based service delivery
2. Greater focus on achieving results in key service delivery areas for the benefit of all Western Australians.

The Department's Outcome Based Management structure consists of two agency-level outcomes, and two agency-level services, which are:

Outcome 1: Executive Government receives appropriate support.

Outcome 2: The Premier and Ministers receive high quality, rigorous and timely policy advice.

Service 1: Administration of Executive Government services.

Service 2: Government Policy Management.

Key Effectiveness Indicators

The key effectiveness indicators reported were chosen for their ability to enable assessment to be made of the extent to which the Department's activities are achieving, or have made substantial progress towards achieving Outcome 1 and Outcome 2. Results are shown below.

Outcome 1: Executive Government Receives Appropriate Support

		2011–12 Actual	2012–13 Target	2012–13 Actual
1.1	Targets for support services are met or exceeded.	90%	92%	96%
1.2	Service recipients' confirmation that services provided enable them to meet Executive Government's obligations.	3.6	3.5	3.7

Note: A review of the Department's Outcome Based Management structure was undertaken during the 2012–13 reporting period. An outcome of the review was the approved removal of the key effectiveness indicator – *Printing and Publishing services are secure, timely and confidential*.



Key Effectiveness Indicator Explanatory Notes

1.1 Targets for support services are met or exceeded **Target – 92%**

This indicator reports the percentage of essential services delivered within designated timeframes. Data for this indicator is derived from transaction records maintained by the Department on a range of essential services provided to the Premier and Ministers, all of which bear equal importance. The timeliness of service targets has been determined based on:

- a. resources available to deliver each service
- b. client expectations.

1.2 Service recipients' confirmation that services provided enable them to meet Executive Government's obligations **Target – 3.5**

This indicator reports the satisfaction levels of services delivered to the Premier's Office, Ministerial Offices and the Leader of the Opposition's Office. The survey consists of two sections:

1. Policy Services
2. Corporate Services.

The Premier and all Ministers were provided with the survey consisting of Section 1 and 2, whilst the Leader of the Opposition was provided with the survey consisting of only Section 2, as the Department does not provide policy services to the Leader of the Opposition. Service recipients were provided with the option to provide their responses as ratings via either an online survey or hard copy survey. Responses measure the extent to which the expectations of service delivery by the Department were met.

The rating is a value between one and five, where a value of one indicates that services were well below expectations and five that services were well above expectations, while a value of three indicates that services met expectations. The data is reported in accordance with recommendations of the Australian Bureau of Statistics.

Responses for Section 1 and 2 were received from the Office of the Premier and 14 of the 16 Ministerial Offices, with responses from Section 2 received from the Leader of the Opposition's Office. Responses from each respondent were averaged, with the final result being the aggregation of all averages from across the total number of respondents. The Department is unaware of any circumstances that might have caused the non-respondents to respond differently to those that did.

Outcome 2: The Premier and Ministers Receive High Quality, Rigorous and Timely Policy Advice

		2011–12 Actual	2012–13 Target	2012–13 Actual
2.1	Service recipients' confirmation that high quality and timely policy advice is provided.	n/a	n/a	3.7
2.2	Percentage change in the number of outstanding Native Title claims awaiting resolution.	-1.87%	-5%	-1.91%

Note: A review of the Department's Outcome Based Management structure was undertaken during the 2012–13 reporting period. An outcome of the review was the approved addition of the key effectiveness indicator 2.1 above, enabling the Department to determine the extent of its performance in delivering policy advice to its key clients, being the Premier and Ministers.

This review also gave rise to the removal of the following key effectiveness indicators:


- » *Proportion of signed national agreements reflecting Cabinet agreed positions.*
- » *Level of Commonwealth recurrent core services funding allocated to Western Australia over time.*

Key Effectiveness Indicator Explanatory Notes

2.1 Service recipients' confirmation that high quality and timely policy advice is provided

This indicator reports the satisfaction levels of services delivered to the Premier's Office and Ministerial Offices. Service recipients are provided with the option to provide their responses as ratings via either an online survey or hard copy survey. Responses measure the extent to which the expectations of service delivery by the Department were met. The rating is a value between one and five, where a value of one indicates that services were well below expectations and five that services were well above expectations, while a value of three indicates that services met expectations. The data is reported in accordance with recommendations of the Australian Bureau of Statistics.

Responses were received from the Office of the Premier and 14 of the 16 Ministerial Offices. Responses from each respondent were averaged, with the final result being the aggregation of all averages from across the total number of respondents. The Department is unaware of any circumstances that might have caused the non-respondents to respond differently to those that did.



Note: Arising from the outcome of the 2013 State General Election a number of new Ministers were appointed to Office in March 2013 and were therefore given the option to indicate N/A for services they had not experienced due to being in the role for a short period of time. It is envisaged that over time there will be a greater breadth of these services being experienced by the Ministers who will in turn be in a position to respond accordingly.

The Department is unaware of any circumstances that might have caused the two non-respondents to respond differently to those that did.

2.2 Percentage change in the number of outstanding Native Title claims awaiting resolution

Target – -5%

The Department's Land, Approvals and Native Title Unit represents the State's interest in every Native Title determination application over land and water made under the provisions of the *Native Title Act 1993* (Cth).

This indicator is used to measure the effectiveness of the Land, Approvals and Native Title Unit in processing Native Title claims.

The variance between the 2012–13 Target of -5 per cent and the 2012–13 Actual of -1.91 per cent can be explained by the lodgement of several unanticipated Native Title claim applications.

Agency Services and Key Efficiency Indicators

The following two services directly support the delivery of agency-level outcomes and the Department's strategic goals:

- Service 1: Administration of Executive Government Services
- Service 2: Government Policy Management

The key efficiency indicators provide information on the cost of inputs required to deliver outcomes, and include all costs associated with the specific service. To report the total cost of service, corporate and executive support expenses are distributed across services on a full-time equivalent (FTE) basis and incorporated in reported key efficiency indicators. Grants and donations administered, and employee severances paid, are excluded from key efficiency indicators (as appropriate) where these expenses are not considered to be a cost of service delivery.

Service 1: Administration of Executive Government Services

The Department's principal client for these services is the Premier as the Head of Government, Cabinet Ministers and Members of Parliament. Services provided include, but are not limited to:

- » administrative support to the Premier
- » administrative policy advice and support to the Ministerial Offices and the Leader of the Opposition
- » promotion of Western Australia's interests overseas
- » communication of Government policies and activities
- » administration of entitlements for Members and former Members of Parliament
- » management of the State occasions and official visits program
- » a secure, confidential and time-critical printing and publishing service for Parliament and Government
- » management of exhibitions and programs at the Constitutional Centre.

The major activities undertaken in Service 1 are reflected in the following key efficiency indicators. Explanations for each indicator follow the table.

Service 1: Administration of Executive Government Services

		2011–12 Actual (\$'000s)	2012–13 Target (\$'000s)	2012–13 Actual (\$'000s)
1.3	Average operating cost per Ministerial Office (including Premier's Office and Leader of the Opposition).	2,516	2,389	2,537
1.4	Average cost of support provided per Ministerial Office (including Premier's Office).	492	508	500
1.5	Average cost of representing Western Australia's interests overseas (per region).	1,717	1,528	1,478
1.6	Average cost of entitlements per Member of Parliament.	367	363	370
1.7	Average cost of support provided per Member of Parliament.	15	14	18

Note: A review of the Department's Outcome Based Management structure was undertaken during the 2012–13 reporting period. An outcome of the review was the approved removal of the key efficiency indicator – *Average cost per print image produced*.



Key Efficiency Indicators Explanatory Notes

1.3 Average operating cost per Ministerial Office (including the Premier's Office and Leader of the Opposition)

This indicator reports the average operational expense for each office (including the Premier's Office and Leader of the Opposition) plus a proportion of the cost of executive support and corporate services allocated on an FTE basis.

This efficiency indicator includes all costs associated with the day-to-day operation of the Ministerial Offices including the Premier's Office and the Leader of the Opposition. Costs associated with end-of-contract payments have been excluded as they do not contribute to the delivery of service.

The average operating cost is six per cent higher than target due to increases in the Consumer Price Index (CPI) and other operating costs however is lower when compared to previous year expenditure.

1.4 Average cost of support provided per Ministerial Office (including the Premier's Office and Leader of the Opposition)

This indicator reports the average expense for all Executive Government support functions per Ministerial Office (including the Premier's Office and Leader of the Opposition) plus a proportion of the cost of executive support and corporate services allocated on an FTE basis.

Support to Ministerial Offices includes correspondence and the Community Access Line, protocol, executive transport, Ministerial Office coordination services and government media services.

Average costs for the year are in line with both the target and last year's costs.

1.5 Average cost of representing Western Australia's interests overseas (per region)

Overseas Offices are maintained in Europe (London), the Middle East (Dubai) and North Asia (Tokyo and Kobe) to attract foreign investment to Western Australia and promote Western Australian products and services. The indicator is the average operational expense for all regions plus a proportion of the cost of executive support and corporate services allocated on an FTE basis.

Western Australia is represented in three regions: Europe; the Middle East; and North Asia. The key efficiency indicator is average cost per region (the total cost divided by the number of regions).

Average costs are lower than expected principally as a result of higher exchange rates experienced during the year.

1.6 Average cost of entitlements per Member of Parliament

This indicator reports the average cost of entitlements per Member of Parliament. Entitlements are determined by the Salaries and Allowances Tribunal and the Government and include Electorate Office staffing and operational expenses, a fully serviced motor vehicle, imprest and electorate travel, and Former Members' entitlements. The indicator is the average cost per Member, including executive and corporate support overheads allocated on an FTE basis.

1.7 Average cost of support provided per Member of Parliament

This indicator reports the average expense for administrative support to Electorate Offices per Member, including a proportion of the cost of executive support and corporate services allocated on an FTE basis.

Average cost of support provided per Member of Parliament includes administration of entitlements, management of accommodation, and the salary of the assistant to the Party Whip, divided by the number of Members.

Services Provided Free of Charge

Expenditure of \$21,569,385 in 2011–12 Actual, \$58,700,000 in 2012–13 Target and \$32,159,463 in 2012–13 Actual for inquiries, commissions, non-core functions, community service obligations, miscellaneous grants and donations, severances and corporate services provided free of charge to the:

- » Public Sector Commission
- » Parliamentary Commissioner for Administrative Investigations (Ombudsman)
- » Department of Treasury
- » Department of Finance

is excluded from the key efficiency indicators reported for this service.

The corporate services costing allocation methodology applied since 1999–2000, to derive the estimated value of corporate services provided free of charge to external client agencies, is subject to regular review to ensure its efficacy.

Service 2: Government Policy Management

The Premier as the Head of Government; Minister for State Development; Science, is the principal client for this service. Services provided include, but are not limited to:

- » strategic policy advice and coordination to the Premier and Cabinet
- » leadership and coordination of cross-agency solutions to complex issues
- » managing and coordinating Western Australian Government input into intergovernmental negotiations, and advice on Government positions on federal reform, treaties, defence and other matters raised through the Council of Australian Governments and Council for Australian Federation
- » strategic, cross-portfolio advice on land, State and Commonwealth approvals and Indigenous issues
- » support for the functions of Cabinet and Parliament
- » support to the Executive Council
- » emergency management policy advice to the Premier, Ministers and government agencies, and whole-of-government management and coordination of significant security incidents and emergencies.

Outcome 2: The Premier and Ministers Receive High Quality, Rigorous and Timely Policy Advice

		2011–12 Actual (\$'000s)	2012–13 Target (\$'000s)	2012–13 Actual (\$'000s)
2.3	Average cost per Government Indigenous Land Use Agreement (ILUA) Managed (*)	n/a	94	355
2.4	Average cost per Project ILUA Managed (*)	n/a	653	463

* No figure provided for 2011–12 Actual due to the introduction of the key effectiveness indicator within the reporting period.

Note: A review of the Department's Outcome Based Management structure was undertaken during the 2012–13 reporting period. An outcome of the review was the approved removal of the following key effectiveness indicators:

- » *Average cost per Cabinet submission assessed*
- » *Average cost per agreement where Cabinet agreed positions are incorporated in final national agreements.*



Key Efficiency Indicators Explanatory Notes

2.3 Average cost per Government Indigenous Land Use Agreement (ILUA) managed

The objectives of the Government ILUA process is consistent with the State's strategic goal of *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*. It is anticipated that the Government ILUA will create greater efficiencies within Native Title approval processes, which in turn will promote economic activity and delivery of services to remote and regional areas of the State.

The average cost of Government ILUAs managed is higher than anticipated due to a decrease in the number under management when compared to the Target calculation resulting in a higher cost per agreement.

2.4 Average cost per Project ILUA managed

The Project ILUA process represents specific agreements negotiated with Native Title parties for either State significant projects or over smaller project areas.

The average cost of Project ILUAs managed is lower than anticipated due to resources planned in the Target average were not required during the year.



Ministerial Directives

Treasurer's Instruction 902 (12) requires disclosing information on any Ministerial Directives relevant to the setting of desired outcomes or operational objectives, the achievement of desired outcomes or operational objectives, investment activities and financing activities.

The Department did not receive any Ministerial Directives during the period 2012–13.

Other Financial Disclosures

Pricing Policies

Fees and charges for publications, *Government Gazette* advertising and subscription services are generally increased in line with the consumer price index as advised by the Department of Treasury. Rates are structured to recover all costs, including overheads and labour, and are part of the budget process with increases being approved by the responsible Minister and Department of Treasury.

Capital Works

The department incurred capital expenditure during the year of \$1.787 million with expenditure mainly on computing hardware and software

Employment and Industrial Relations

Employee Profile

The Department's annual average full-time equivalent (FTE) employee figure for 2012–13 was 483, compared to the previous year's average of 485.

As at 30 June 2013, our workforce was comprised of 88 per cent permanent employees, 11 per cent fixed term employees and one per cent casual employees. Of these employees, 85 per cent worked on a full-time basis and 15 per cent on a part-time basis.

In the Parliamentary Electorate Offices, an average of 184 FTE were engaged to support the State Members of Parliament during 2012–13, compared to an average of 192 FTE in the 2011–12 financial year.

Governance Disclosures

Conflicts of Interest

In 2012–13, the Department's Conflicts of Interest Policy was amended to incorporate important information that improved the support and guidance to staff in the identification, declaration, management and review of all conflicts of interest. The major changes related to self-managed superannuation funds, family trusts, volunteer work, quality assurance processes and some minor amendments to the declaration of gifts process. These changes now reflect:

- a. requirements set by the Public Sector Commissioner's Circular 2012-2 – *Self-managed Superannuation Funds – Outside Employment*
- b. findings arising from an audit of the Department's Gifts Policy, conducted by the Office of the Auditor General
- c. recommendations made by the Corruption and Crime Commission.

Contracts with Senior Officers

At the date of reporting, other than normal contracts of employment of service, no senior officers, or firms of which the senior officers are members, or entities in which senior officers have substantial interests, had any existing or proposed contracts with the Department and senior officers.

Internal Audit

Internal audit services are provided by an external service provider overseen by the Department's Internal Audit Committee and a senior officer of the Director General's Office with corporate governance responsibility. The results of all audits are reported to the Director General and the Internal Audit Committee. A senior officer from the Office of the Auditor General attends Internal Audit Committee meetings in an advisory capacity.

The Department's Internal Audit Committee met twice during the financial year. Eleven audits were scheduled and eight were completed during the 2012–13 financial year. Three audits are currently in progress and are expected to be completed in the early part of the 2013–14 financial year.

External Audit

During 2012–13, the Department assisted the Office of the Auditor General in a number of external audits. Addressing the recommendations of these audits remains the focus of the Department's external audit activities.



Risk Management

The Department's Risk Management Policy was reviewed in 2012–13 to improve risk management practices occurring across the Department. The new Risk Management Policy and Procedures were designed to support staff in effectively managing risk whilst simultaneously achieving all strategic and operational objectives.

The new Risk Management Policy and Procedures reflect:

- a. requirements set by the Public Sector Commissioner's Circular 2009-19 – *Risk Management and Business Continuity Planning*
- a. AS/NZS ISO 31000:2009 *Risk Management – Principles and Guidelines*
- a. Treasurer's Instruction 825.

Contact with a Lobbyist

The current Contact with a Lobbyist process continues to maintain the integrity of any contact between Department staff and registered lobbyists.

Other Legal Requirements

Statement of Compliance with the *State Records Act 2000* – section 19 and State Records Standards, Standard 2, Principle 6

The continuing support to the Department's remaining service areas and the Office of the Premier during the Dumas House relocation, and the last State General Election was a challenge for the staff of Corporate Information. It also presented an opportunity to market the benefits of a corporate information record keeping system. The consultation processes and advices on compliance requirements had improved the awareness of record keeping for staff in the Department and Ministerial Offices. Review of long-term storage collections and the disposal of temporary records to comply with the State's record keeping guidelines were carried out. Many unaudited assets from the Ministerial Office artwork collection were progressively catalogued. There is also more reliance on TRIM electronic document system to capture digital documentation.

Statement of Compliance with the State Records Commission Standards Standard 2 Principle 6

In accordance with State Records Commission (SRC) Standard 2 Principle 6 the following compliance information is provided:

SRC Requirement	Department Compliance Action
Whether the efficiency and effectiveness of the organisation's record keeping systems have been evaluated or alternatively when such evaluation is proposed.	<ul style="list-style-type: none"> » Due to limited storage space in the building, a review of long term offsite storage collections was carried out. Records due for disposal were processed to help cut costs in storage. » In 2012–13, the TRIM trainers conducted 221 sessions and 222 hours of training to support more than 442 licensed TRIM users. » Ongoing reviews have been carried out on records management procedures and business classification scheme. Updates were carried out on the file plan to complement new functions added to the Department.
The nature and extent of the record keeping training program conducted by or for the organisation.	<ul style="list-style-type: none"> » To ensure compliance of record keeping training, all employees are constantly reminded to complete their online Records Awareness Training. Participation statistics for the Department are 57 enrolled and 89 per cent complete. For Ministerial Offices, 69 enrolled and 75 per cent complete. » 55 records relating to internal publications were produced and published online and in print, including induction books, service updates and training manuals.
Whether the efficiency and effectiveness of the record keeping training program has been reviewed or alternatively when this is planned to be done.	<ul style="list-style-type: none"> » The record-keeping plan is due for renewal in 2015. The Dumas House relocation and the last State General Election have provided an impetus to staff to become more aware of the record keeping requirements. There is also more reliance to use TRIM electronic document management system as opposed to using the network shared drives.
Assurance that the organisation's induction program addresses employee roles and responsibilities in regard to their compliance with the organisation's Record Keeping Plan.	<ul style="list-style-type: none"> » New employees are contacted by email to complete an online Records Awareness Training program. Ongoing online Records Awareness Training continues to be an induction tool to new employees and supplements the recordkeeping component Principle 6 of the Code of Conduct.

Statement of Expenditure – *Electoral Act 1907*, Section 175ZE

In compliance with section 175ZE of the *Electoral Act 1907*, the Department of the Premier and Cabinet is required to report on expenditure incurred during the financial year in relation to advertising agencies, market research organisations, polling organisations, direct mail organisations and media advertising organisations.

	\$
a) Expenditure on advertising agencies	50,298
Adcorp Australia Limited	
Freeway Design	
Impact Communications	
Facebook	
b) Expenditure with market research	
c) Expenditure on polling agencies	
d) Expenditure with direct mail agencies	
e) Expenditure with media advertising agencies	
Total Expenditure	<u>50,298</u>

Statement of Compliance with Disability Access and Inclusion Plan Outcomes (*Disability Services Act 1993* – section 29 and Schedule 3 of the *Disability Services Regulations 2004*)

In 2011, the Department's Disability Access and Inclusion Plan was reviewed with the current proposed strategies scheduled until June 2016. The Department is fortunate to have a number of employees with a range of disabilities to assist in developing initiatives that are practicable. The Department also plays an active role in the Disability Employment in the Western Australian Public Sector Working Group facilitated by the Public Sector Commission.

Statement of Compliance with the Public Sector Standards and Ethical Codes (*Public Sector Management Act 1994*, section 31[1])

The Department is committed to promoting integrity in official conduct in the Public Service and achieving compliance with the Public Sector Standards, the Western Australian Code of Ethics and the Department's Code of Conduct. These guidelines are endorsed by the Corporate Executive and senior management and are practised within the Department.

To support the application of the Public Sector Standards, the Western Australian Code of Ethics and the Commissioner's Instructions, the Department has a number of formal policies, procedures and guidelines which are reviewed on a regular basis.

The following outlines the significant action taken to monitor and ensure compliance in each of the areas listed below:

Significant Actions Undertaken to Promote Compliance with the Public Sector Standards in Human Resource Management and Commissioner's Instructions

- » An individual review of each recruitment, selection and appointment process is undertaken prior to the final decision to ensure compliance with the Employment Standard and the Commissioner's Instructions.
- » Acting and secondment appointments are reviewed regularly to ensure compliance with the Employment Standard and Commissioner's Instructions and that open, merit-based selection processes are conducted when required.

- » Performance management processes are monitored to ensure that employees are undertaking a performance development plan at least annually in line with the Performance Management Standard.

Compliance Issues: There were no breaches in the Employment Standard in the 2012–13 financial year.

Significant Actions Undertaken to Promote Compliance with the Western Australian Public Sector Code of Ethics and the Department's Code of Conduct

The Department's Code of Conduct sets out the standards of conduct and integrity that are to be followed by the Department and all its employees. The Code is also developed in line with the minimum standards of conduct and integrity set out by the Western Australian Public Sector Code of Ethics.

The Department provides all new staff with a copy of the Code of Conduct along with training and guidelines on ethical and accountable decision making to ensure staff have the means to deal with situations relating to conduct and integrity. The Department's induction also covers these topics to support understanding.



Government Policy Requirements

Substantive Equality (Implementation of the Policy Framework for Substantive Equality)

The Department's commitment to the Substantive Equality Policy Framework is reflected in the Elimination of Discrimination and Harassment Policy and Procedures which is available to all staff via the DPC Intranet.

The Department ensures that the principles of the policy framework are upheld and management decisions are made taking into consideration equity, parity and fairness to the community.

Occupational Safety, Health and Injury Management

The Department, through the Corporate Executive, is committed to providing a healthy, safe and accident free workplace for all its employees, contractors and visitors by complying with the *Occupational Safety and Health Act 1984* and the *Workers' Compensation and Injury Management Act 1981*.

The Department's Occupational Safety and Health (OSH) Committee is the fundamental mechanism for consultation on OSH matters between employees and the Corporate Executive. The Committee is comprised of both employee and management representatives and meets every quarter to discuss and resolve safety and health issues, and review objectives, plans and procedures, in line with the Department's OSH Management Plan. It is the Department's aim for continuous review and improvement in workplace safety and health.

The Department undertook an internal assessment of its OSH Management Systems in 2011 and progress is underway to achieve the agreed outcomes. The Department has a documented Injury Management System in place in accordance with the *Workers' Compensation and Injury Management Act 1981* and this system assists the Department in providing injury management support to those who have sustained a work related injury or illness. This process involves identifying return to work goals and injury management interventions which are fundamental to a successful return to work program. Training on Injury Management was conducted for managers in May 2013 in line with the *Code of Practice: Occupational Safety and Health in the Western Australian Public Sector*.

Measure	Actual Results		Results against Target	
	2011–12	2012–13	Target	Comment on Results Achieved
Number of fatalities	0	0	0	
Lost time injury/disease incidence rate	2	0.4%	0 or 10% reduction	
Lost time injury/disease severity rate	50%	50%	0 or 10% reduction	
Percentage of injured workers returned to work:				
vi. within 13 weeks	50%	50%	Actual result to be stated	
vii. within 26 weeks	50%	50%	Greater than or equal to 80%	
Percentage of managers trained in occupational safety, health and injury management responsibilities	Less than 80%	Less than 80%	Greater than or equal to 80%	OSH training for managers and supervisors has been included in the training calendar for 2013–14



Freedom of Information

The Department's Freedom of Information (FOI) Unit aims to assist the public to access available documents held by this agency at the least possible cost.

Fifty-three new valid applications were received during 2012–13. Of these, two applications were withdrawn by the applicant. A further 14 applications were carried over from the previous year.

The table opposite provides a breakdown of the FOI applications that were finalised during this period. A more comprehensive breakdown of this agency's statistics is provided in the Information Commissioner of Western Australia's Annual Report.

In 2012–13 the Department continued to provide assistance to Ministerial Offices in dealing with their FOI applications.

Freedom of Information Applications

	2012–13			2011–12		
	Total			Total		
Carried Over	14	-	-	11	-	-
Received	53	-	-	97	-	-
Total handled	67	-	-	108	-	-
Applications Decided in Year		Personal Information	Non-Personal Information		Personal Information	Non-Personal Information
Full Access	11	6	5	11	4	7
Edited Access	25	3	22	59	1	58
Deferred Access	0	0	0	0	0	0
Section 26 Refused Access	10	2	8	11	1	10
Access Refused	7	2	5	6	1	5
TOTAL DECISIONS	53	13	40	87	7	80
Transfer to other Agencies	0	-	-	3	-	-
Withdrawn	2	-	-	4	-	-
Total Applications Finalised	55	-	-	94	-	-
Carried Forward	12	-	-	14	-	-



Freedom of Information – Information Statement

Freedom of Information Operations

The *Freedom of Information Act 1992* (FOI Act), which came into effect on 1 November 1993, created a general right of access to documents held by State and Local Government agencies. The FOI Act requires agencies to make available details about the kind of information they hold and enables persons to ensure that personal information held by government agencies about them is 'accurate, complete, up to date and not misleading'.

It is the aim of the Department of the Premier and Cabinet to make information available promptly, at the least possible cost and wherever possible documents will be provided outside the FOI process.

Receipt of FOI Applications

FOI applications, payments, correspondence and general inquiries may be directed to:

Manager, Freedom of Information
Level 9 Dumas House
2 Havelock Street
WEST PERTH WA 6005
Tel: (08) 6552 5591
|Fax: (08) 6552 6730

Application forms are available from the FOI website (www.foi.dpc.wa.gov.au) or by contacting the Manager, details above.

Processing of Applications

The Department's FOI Unit is responsible for administering the processing of FOI applications within the agency. The Manager, FOI, and Assistant FOI Coordinator liaise with the Department's designated decision makers/internal reviewers to facilitate the processing of all applications in accordance with the FOI Act.

The FOI Unit is the initial contact point for members of the community, applicants, third parties, the Office of the Information Commissioner and other public sector agencies for all FOI-related matters.

Fees and Charges

The rate of fees and charges are set under the *FOI Act*. Apart from the application fee for non-personal information, all charges are discretionary.

Fees and charges are:

Personal information about applicant	no fee
Application fee (for non-personal information)	\$30.00
Charge for time taken dealing with the application	\$30.00 per hour
Charge for access time supervised by staff	\$30.00 per hour
Charges for photocopying	\$30.00 per hour for staff time and 20c per copy
Charges for staff time in transcribing information from a tape or other device	\$30.00 per hour
Charge for duplicating a tape, film or computer information	actual cost
Charge for delivery, packaging and postage	actual cost

Rights of Review

The *FOI Act* provides that applicants who are dissatisfied with a decision of the Department have the right to have that decision reviewed. In accordance with section 40 of the *FOI Act*, internal review applications should be forwarded in writing to the Department within 30 calendar days after the date of the Department's initial Notice of Decision.

Following an internal review, if any matter remains in dispute, applicants are advised of their right to request the Information Commissioner to conduct an 'external review' of the matter. In certain instances, questions of law that arise in the course of dealing with a complaint may be referred to the Supreme Court. No fees or charges apply to internal or external reviews.




Documents held by the Agency

The Department can trace its history through records back to the colonial settlement of Western Australia. These historical records (archives) are available for research at the State Archives. Records about the Department's role and responsibilities will continue to be an important part of the State's history.

The Department's records are arranged using activities based classification and include information about the following functions and activities:

- Cabinet Support
- Civics
- Community Relations
- Community Response (correspondence received by the Premier on current issues)
- Contract Management
- Elected Members (*administrative support matters for elected members of the State Government*)
- Equipment and Stores
- Establishment
- Executive Council
- Federal Policy
- Financial Management
- Fleet Management
- Governance (legislative and parliamentary processes)
- Government Initiatives (projects of the elected government managed by the Department)
- Government Priorities
- Government Relations
- Honours
- Information Management
- Inquiries
- Intergovernmental Relations
- International Relations
- Ministers' Support (administrative support matters for Ministers)
- National Policy Reform
- Native Title
- Parliamentary Support
- Personnel
- Premier's Support (administrative support matters for the Premier)
- Protocol
- Property Management
- Publication
- Royal Commissions
- Royal Visits
- Security & Emergencies
- Strategic Management
- Technology & Communications
- Treaties
- Vice Regal



Broad categories of documents currently available to the public can be accessed through the Publications section of the Department of the Premier and Cabinet website (www.dpc.wa.gov.au) or by telephoning the Department's FOI Unit on (08) 6552 6326.

The Department's Library has an extensive collection of information. The broad subject areas covered by the Library include auditing, banking and taxation, economics, financial management, human resource planning, public finance, management, performance management, public administration, political science, training – executive development, sustainability and eGovernment.

The Library is not open to members of the public; however, access to library material can be obtained through inter-library arrangements.

Public Participation in the Formulation of Policy and Performance of Agency Functions

The Department's primary mission lies in the provision of services to the Premier and Cabinet. The avenues for public participation in the formulation of the agency's policy making and performance are limited and depend largely upon the nature of the particular portfolios held by the Premier of the day.

How to Apply to Amend your Personal Information

You can apply to the Manager, FOI, for correction or amendment of any documents containing your personal information.

The application must be in writing, and you must give as much information as you can to show how or why the Department's records are inaccurate, incomplete, out of date or misleading.

If the Department decides to amend the information it will usually alter the record, or add a further note in relation to the record.

The Department will inform you of its decision, and reasons, together with your right of review if you are not satisfied.



Appendix 1: **Other key legislation impacting on the Department's activities**

Corruption and Crime Commission Act 2003

Disability Services Act 1993

Equal Opportunity Act 1984

Financial Management Act 2006

Freedom of Information Act 1992

Industrial Relations Act 1979

Minimum Conditions of Employment Act 1993

Occupational Safety and Health Act 1984

Parliamentary Commissioner Act 1971

Public and Bank Holidays Act 1972

Public Interest Disclosure Act 2003

Public Sector Management Act 1994

State Records Act 2000

State Supply Commission Act 1991

Workers Compensation and Injury Management Act 1981

Workers Compensation Reform Act 2004