



Government of Western Australia
Department of the Premier and Cabinet

Annual Report 2011–2012



Produced and Published by
The Department of the Premier and Cabinet

Principal Address:

Dumas House

2 Havelock Street

WEST PERTH WA 6005

ISSN (Print): 1448–7306

ISSN (Online): 1448–7314

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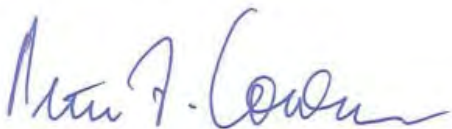
Statement of Compliance

For the year ended 30 June 2012

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 2012.

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



Peter Conran
DIRECTOR GENERAL

14 September 2012

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Director General's Foreword



The Department of the Premier and Cabinet (the Department) has had another busy 12 months supporting the Premier and the Members of Cabinet with quality policy advice and administrative support and services. Our work extends across the public sector, working collaboratively with our colleagues to address complex policy challenges. The Department's objective is to work closely and collaboratively with other agencies to resolve and coordinate responses to complex policy issues, and to assist in the implementation of the Government's agenda. We value the support and input from our public sector colleagues. Most pleasing has been the work done with other agencies in involving the not-for-profit sector and the wider community to ensure their concerns are addressed in the development of policy responses and in policy implementation. In particular, I recognise the continuing contribution of the Partnership Forum, involving not-for-profit sector leaders and Directors General.

A significant highlight of the last year for the Department was the hosting of the Commonwealth Heads of Government Meeting (CHOGM) in October 2011. Occurring as a part of this was the Royal Visit by Her Majesty Queen Elizabeth II and His Royal Highness The Duke of Edinburgh. CHOGM was the perfect opportunity for Perth and the whole State to show the leaders of many countries from across the globe just how wonderful Western Australia is to live, work and visit. The Department played a key role in coordinating the CHOGM event, working closely with the Commonwealth authorities and planning and organising the

accompanying cultural, social and business forums that attracted additional participants from across the Commonwealth. There was also a huge amount of planning involved in making the Royal Visit a great success as Her Majesty and His Royal Highness visited a very different — and very vibrant — Western Australia to their last visit and I acknowledge the efforts of everyone involved and thank them.

As highlighted above, in working with the Partnership Forum the Department has assisted with the development of sustainable funding and contracting reforms to make the provision of services more effective for those receiving services and easier for the not-for-profit partners delivering them. Throughout the year, the Department was involved in the roll-out of an increase in contracts for non-government service providers that will average 25 per cent by 2014–15. Meetings of the Partnership Forum continued with discussion and resolution of issues identified by all parties and progress on the implementation of the Delivering Community Services in Partnership Policy.

The hard work of the Department's Native Title Unit culminated in 2011–12 in the Government's offer to resolve all outstanding Native Title claims in the South West. This offer is the most sophisticated proposal in the history of Native Title claims and represents an important opportunity to provide social and economic advancement for Indigenous people.

Following the tragic fires in the Perth Hills and Margaret River in 2011, the Department provided key logistical and policy support to Mr Mick Keelty AO APM in both of his reviews into these events. Work in 2011–12 has also included providing support to the Bushfire Review Implementation Group which is overseeing the implementation of Mr Keelty's recommendations.

The provision of administrative support for Ministerial Offices and Members of Parliament is a significant part of the Department's role. The provision of accommodation, travel, information technology, motor vehicle and staffing services ensures the smooth operation of Executive Government and the Parliamentary system.

Finally, important work continued on the review of the approvals system, including supporting the Ministerial Taskforce to examine the issue and the development of a statutory approvals tracking system accessible by relevant agencies across Government.

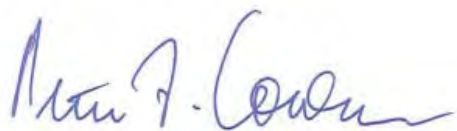
The year ahead

The introduction of a National Disability Insurance Scheme represents a great opportunity for people with disabilities and their families and carers. While the Commonwealth has recognised the advanced state of the disability services system in Western Australia compared to other jurisdictions, much work remains to be done to design and implement a system that ensures services are delivered locally and with support from families, volunteers and the not-for-profit sector.

The second significant issue involves obtaining a fair share of the GST revenue for the State. This issue will remain the cornerstone of all of our interactions with the Commonwealth. The Department will continue to support the Premier and Treasurer to convince the Commonwealth Government and the other states and territories that, without an equitable distribution of GST revenue, core principles of the Federation are threatened and Western Australia's place as the driver of economic growth for the rest of the nation is equally at risk.

The Kimberley Science and Conservation Strategy will be a focus of work during 2012–13. Efforts are continuing to establish a series of internationally significant marine parks as well as reducing the impact of feral pests on the land. The Department has developed good relations with Traditional Owners, pastoralists and non-government organisations to help the implementation of this important strategy.

The Department will also be preparing for the State General Election on 9 March 2013, providing policy and administrative support to the Premier and Ministers, assisting retiring Members of Parliament and preparing for possible outcomes of the election. Additionally, the Department undertakes an important role in advising the public sector on appropriate actions during the caretaker period.



Peter Conran
DIRECTOR GENERAL



About the Department

Responsible Minister

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

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 under the *Public Sector Management Act 1994* in 2001.

Legislation

The Department administers 30 pieces of legislation (listed in Appendix 1).

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

- Accountability and Integrity
- Enabling People to Achieve
- Identifying and Acting on Opportunities
- Collaboration

Our People

Senior Executive Team



Director General, Mr Peter Conran AM

Mr Peter Conran commenced as Director General of the Department of the Premier and Cabinet in November 2008. In this capacity, he leads 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: Coordination, Cabinet and Policy Division, Mr David Smith

Mr Smith has been Deputy Director General, Coordination, since August 2008. Prior to this, he was a member of the Corporate Executive of the Department of Treasury and Finance, with responsibility for economic policy. Mr Smith was in the Treasury Department 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: Strategic Issues, Cabinet and Policy Division

This position is vacant. Ms Rebecca Brown is currently acting in this position.



Assistant Director General: State Administration and Corporate Support, Mr Greg Moore

Mr Moore was appointed to the position of Assistant Director General, State Administration and Corporate Support, 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 the position of Assistant Director General, Security Planning and Coordination, 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: Strategic Issues, Ms Rebecca Brown

Ms Brown has been Executive Director, Strategic Issues Unit, since October 2009. Prior to this, she was a member of the Corporate Executive of the Department of Treasury and Finance. Ms Brown had been in the Treasury Department in a variety of positions for 12 years, and previously gained five years of experience in the Federal Treasury. Ms Brown is currently acting Deputy Director General, Strategic Issues, Cabinet and Policy Division, while Mr Tom Leeming acts in this position.



Executive Director: Intergovernmental Relations, 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 an English and literature teacher, and went on to a succession of policy leadership and management roles — from schooling and skills to workforce development and labour relations — 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, 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 ten-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: Strategic Review, Mr Stephen Home

Mr Home's appointment as Executive Director, Strategic Review, commenced in May 2010. For nine years prior to this he was Business Manager of the University of Western Australia's Oral Health Centre. Until 2001, Mr Home spent over 20 years in the Western Australian public service, holding senior positions in a number of agencies, including the Departments of Productivity and Labour Relations, Fisheries and Education. From January 1997 until June 2001, he was Executive Director of Human Resources within the Department of Education. Since 2 May 2011, he periodically acted in the position of Deputy Director General, Strategic Issues. Mr Richard May is currently acting in this position.



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.

Director: Constitutional Centre, Ms Betty O'Rourke

Ms O'Rourke was appointed as Director, Constitutional Centre of Western Australia, in February 2000. Ms O'Rourke had 15 years of experience as a teacher before spending the following six years as Head of Public Programs at the Western Australian Museum.



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 41 years of public sector experience and occupied various positions in the Department of State Services and State Print.



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 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 Government. 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, just prior to the General Election 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.



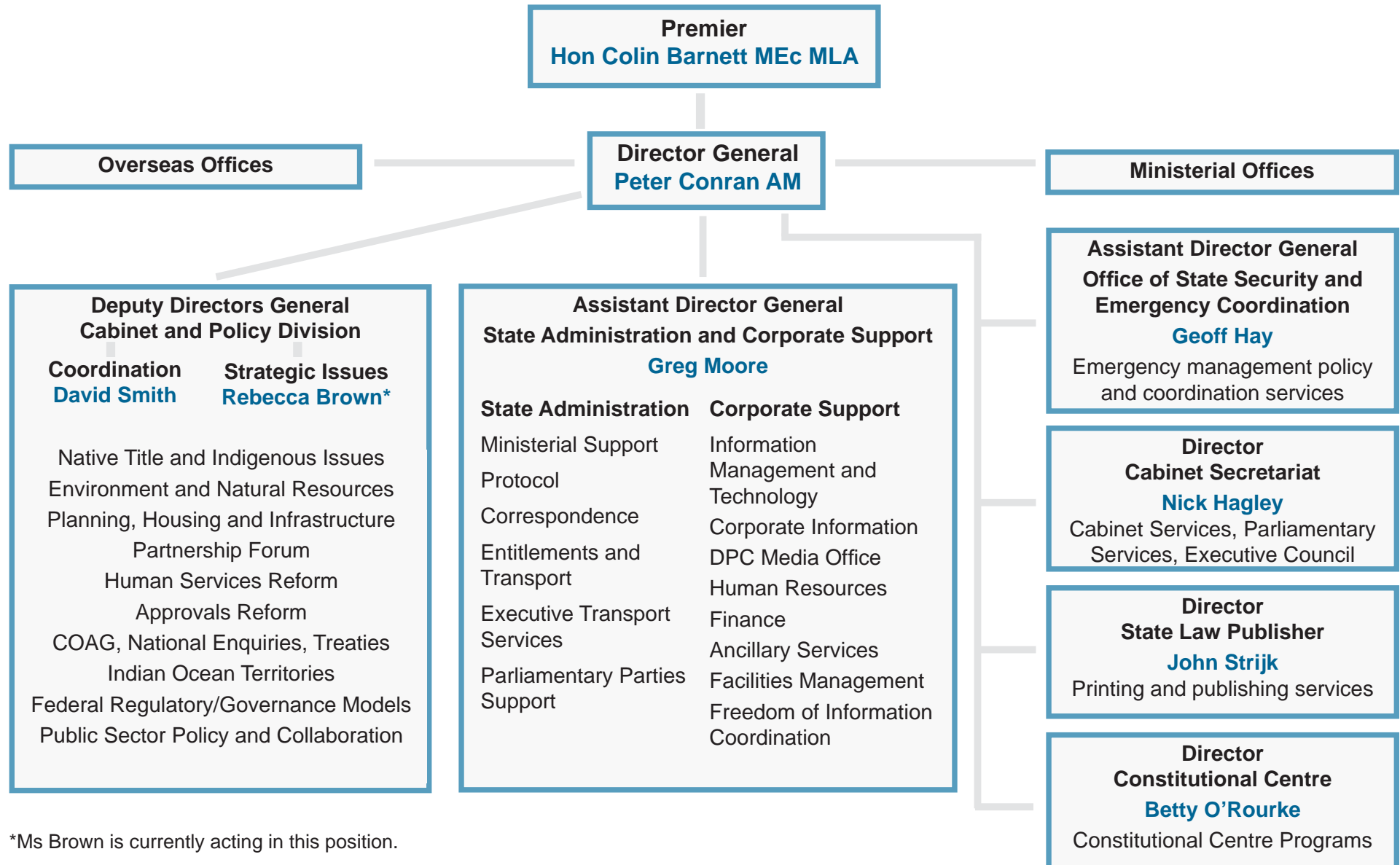
Director: State Administration, Ms Kathryn Andrews

Ms Andrews was appointed as Director, State Administration, in January 2012. Ms Andrews initially joined the Western Australian public service in 1984 and worked in the State Housing Commission, the Department of Conservation and Land Management and Treasury Department before commencing with the Department of the Premier and Cabinet in January 1994. She has over 28 years of public sector experience primarily in the human resources field.



Our Structure

Functional Structure



*Ms Brown is currently acting in this position.

Our Workplace

The Department employed an average of 485 full-time equivalent (FTE) employees during 2011–12, compared with 453 FTE in the previous year.

One of the Department's critical functions is to provide support to the Premier and Ministers, the Office of the Leader of the Opposition and the 95 Members of the Western Australian State Parliament.

In addition, the Department provides administrative support to overseas offices in London, Dubai and Tokyo.

The Department provides administrative support to the Presiding Officers of Parliament, who employed an average of 194 FTE Electorate Officers for Members of Parliament during 2011–12.

Employment Opportunities

The Department offers a range of career opportunities in work areas dealing with strategic policy, state security, project management, corporate support management, media monitoring and a range of other administrative functions.

Annually, the Department undertakes graduate recruitment to nurture and develop young people into more permanent vocations within the Department or the wider public service. Opportunities also exist for a range of traineeships including school-based and full-time business traineeships, entry-level employment and graduate entry to the Department.

It is the Department's aim to identify and attract people with potential skills, talent, integrity and enthusiasm as part of our resource strategy.

The Department received 1,529 applications for 92 advertised vacancies in 2011–12 and has recently streamlined recruitment processes to embrace new technology and enable applicants to apply online through the Jobs WA website (www.jobs.wa.gov.au).

Graduate and Trainee Programs

The graduate and trainee recruitment programs provide excellent opportunities for participants to learn about, and work in, a central agency at the heart of Government.

In 2011–12, the Department recruited seven graduates, including one Indigenous graduate, two full-time Indigenous business trainees and two school-based trainees.

Graduates and trainees are rotated through the various functional work areas. They are provided with specific training and development considered critical for the roles they undertake.

Interested candidates are encouraged to visit the Department's website, (www.dpc.wa.gov.au, under 'Work for Us'), for current vacancies.

Supporting People with Disabilities

The Department is committed to providing employment opportunities for supported work teams, comprised of people with varying levels of disability. This program started in 2007 and continued successfully in 2011–12, with two teams of three employees carrying out clerical and administrative work under the supervision of a Coordinator. The Coordinator supports the employees by matching their individual skills and ensuring tasks are completed correctly and in an efficient manner.

The key principles of this program are:

- providing on-the-job training and development opportunities for people with a disability
- expanding avenues for future employment prospects
- providing an opportunity for participants to interact with others in an office environment.

In 2012, two members of the supported work teams successfully gained full-time employment in administrative positions within the Department.

Support to the Community

The Department continues to promote workplace giving arrangements to allow employees to make direct pre-tax personal donations from their salary to 15 eligible charities.

On a weekly basis, the Department also promotes ‘free dress days’ to raise funds for charitable organisations and various causes nominated by employees. In 2011–12, staff raised \$7,858.80 for charities through this activity.

Both activities are well supported by the Department’s employees, and help to raise awareness of simple ways in which staff members can contribute to the wider society.



Image: (above) Staff from the Department began moving into Dumas House in West Perth during 2011–12.

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.

Government Goal

Results-Based Service Delivery

Greater focus on achieving results in key service delivery areas for the benefit of all Western Australians.



Agency-level Outcomes

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



Services

Administration of Executive Government Services.
Government Policy Management.

Key Service Areas

The Department's two agency-level outcomes are:

1. Executive Government receives appropriate support
2. 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 Strategic Plan, 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.
- Management and coordination of input and advice for intergovernmental negotiations with the Council of Australian Governments (COAG) and the Council for Australian Federation.
- Support for the Executive Council, Cabinet and Parliament processes.
- Emergency management policy advice.
- Whole-of-government management and coordination of security incidents and emergencies.
- Policy research, advice and development through the Land, Approvals and Native Title Unit.

Performance Management Framework

The Department operates under the guidance of the *Strategic Plan 2009–2012*, which sets the strategic direction through the Vision, Purpose and Goals necessary to achieve the high-level government goal of *Results-Based Service Delivery*. Key Performance Indicators (KPIs) allow the Department to assess and monitor its performance in areas identified as critical to our business. These KPIs are used to measure the Department's performance on both 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 Framework

Relationship to Government Goals

The following table demonstrates the relationship between the Department's services and desired outcomes, and the high-level government goal it contributes to. 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 Key Performance Indicators is located on pages 109–116. 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 Framework.

Changes to Outcome Based Management Framework

Following the transfer of the Native Title function into the Department on 1 April 2011, the Department's Outcome Based Management (OBM) Framework was reviewed to ascertain whether there were indicators required for this function that aligned more closely to the current Government's objectives.

As part of the review, two new Key Efficiency Indicators were developed to measure the activities of the Land, Approvals and Native Title Unit (LANTU), specifically the new Indigenous Land Use Agreement (ILUA) process.

The following indicators were approved by the Department of Treasury, effective for the 2012–13 reporting period:

- average cost per Government-managed Indigenous Land Use Agreement
- average cost per project-managed Indigenous Land Use Agreement.

The introduction of these two new indicators for 2012–13 do not affect the results of this annual report, however, they will replace the following current key indicators for the 2012–13 reporting period:

- 2.6 Average cost per Native Title application managed
- 2.7 Average time taken to achieve resolution of Prioritised Native Title applications.

Shared Responsibilities with Other Agencies

| | |
|---|---|
| Building a Sustainable Not-for-Profit Sector | <ul style="list-style-type: none"> ➤ Support to the Partnership Forum, a joint forum of public and community sector Chief Executive Officers, established to progress key initiatives to build a sustainable community sector. ➤ Key reforms to contracting arrangements between public agencies (eg. Department of Finance) and community sector organisations focused on improving outcomes for the Western Australian community. ➤ Reduce the administrative burden imposed on community sector organisations. |
| Native Title | <ul style="list-style-type: none"> ➤ Identifying inefficiencies in future <i>Act</i> management by Government agencies, including cultural heritage management. ➤ Assisted the Department of Indigenous Affairs in the review of the <i>Aboriginal Heritage Act 1972</i> and the drafting of the Due Diligence Heritage Guidelines. Guidelines are jointly sponsored by the Department of the Premier and Cabinet and the Department of Indigenous Affairs and were issued in November 2011. The Department continues to provide support to various agencies relating to heritage matters. ➤ Established the Inter-Agency Reference Group on Native Title and Aboriginal Heritage. The Department chairs the group and provides administrative support. ➤ Established the Native Title Agreement Implementation Group within the Department, comprising a project team dedicated to manage Native Title agreement implementation. |
| Approvals | <ul style="list-style-type: none"> ➤ Support the Ministerial Taskforce on Approvals, Development and Sustainability. ➤ Streamline approvals processes and remove administrative duplication. ➤ Assist, identify and remove structural and institutional impediments to growth relating to major resource, infrastructure, land and housing projects. |
| Commonwealth Heads of Government Meeting (CHOGM) and Associated Events | <ul style="list-style-type: none"> ➤ Provided security, health, traffic management and other services to assist the Commonwealth Government with the hosting of CHOGM. ➤ Facilitated participation in the events by the Western Australian community and Western Australian businesses. ➤ Raised the profile of Western Australia during CHOGM and improved the community's understanding of the Commonwealth. |
| Kimberley Science and Conservation Strategy | <ul style="list-style-type: none"> ➤ Chairing the Kimberley Science and Conservation Strategy Implementation Group, comprising of various agencies, to facilitate the achievement of key deliverables so that the natural and cultural values of the Kimberley are protected whilst the region fulfils its economic potential. |

Actual Results versus Budget Targets

The following table provides a comparison of the financial targets and outcomes against criteria included in the Resource Agreement between the Director General of the Department, the Premier; Minister for State Development, and the Treasurer.

| Financial Targets | 2011–12 Target \$000 | 2011–12 Actual \$000 | Variation \$000 |
|---|-------------------------|-------------------------|--------------------|
| Total cost of services (expense limit) (sourced from Income Statement) | 164,296 | 150,419 | (13,877) |
| Net cost of services (sourced from Income Statement) | 161,041 | 146,670 | (14,371) |
| Total equity (sourced from Statement of Financial Position) | 43,433 | 46,340 | 2,907 |
| Net increase/(decrease) in cash held (sourced from Cash Flow Statement) | 5,972 | 8,334 | 2,362 |
| | No. | No. | No. |
| Approved full-time equivalent (FTE) staff level (average annual) ^(a) | 737 | 685 | (52) |

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 2011–12 is lower than the target for 2011–12, arising from delays in the settlement of Native Title Grants during the year and the transfer of funding to the Department of Communities.

Net cost of services

The total net cost of services for 2011–12 is lower than the target for 2011–12, arising from delays in the settlement of Native Title Grants during the year.

Total equity

The total equity for 2011–12 is higher than the target for 2011–12 primarily due to the delays in payment of Land Approvals and Native Title Grants.

Net increase/(decrease) in cash

The total increase in cash for 2011–12 is higher than the target for 2011–12 primarily due to the delays in payment of Land Approvals and Native Title Grants.

Approved full-time equivalent (FTE) staff level (average)

The FTE reported is the average annual FTE.

Actual FTE for 2011–12 was lower than the target as a result of delays in filling vacant positions in both Service 1 and Service 2.



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

Support to the Premier

The Premier's Office is staffed by policy and media support, secretarial, and administrative employees under the guidance of the Chief of Staff.

Policy Officers advise the Premier on policy and related issues, and liaise with State Parliamentary Members, Ministers and staff in the Ministerial and overseas offices.

Premier's Office staff are the contact and liaison points for matters directly involving the Premier, attending meetings with or on his behalf, and following up matters arising from those 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 Advisers.

The Media Office consists of the Media Monitoring Unit, the Administration/Sub Editing Unit and a Government Communications Unit. It is responsible for the coordination of all Government advertising and marketing, as well as the daily Media Monitoring Services for Ministers and many Government agencies.

Community Comment Line and Correspondence

The Department's Correspondence Branch provides a range of services which enables 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 2011–12, Departmental officers responded to 1,603 telephone calls to the Community Comment Line and actioned 31,096 items of correspondence over the year.

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

The metropolitan number and postal address changed during 2012.

Support to Ministers, Ministerial Offices, Members of Parliament and the Leader of the Opposition

Ministerial Offices form part of the Department and each Minister is provided with appropriate policy and administrative staff. In addition, corporate and specialised support within the Department is provided to these offices to assist with staffing matters, accommodation, air charter services and budget matters.

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 125 submissions during the year in both formal and out-of-session meetings.

Security

Arrangements for the assessment and monitoring of security measures in Ministers' Offices and private residences were managed throughout the year.

Transport

Vehicle and driver services were provided throughout the year for the Premier, Ministers, the Leader of the Opposition, visiting overseas dignitaries and some Parliamentary Office holders. Operational leasing facilities were administered for the Public Sector Commission and Departmental vehicles.

Administration of entitlements

The Department provides a fully equipped Electorate Office and support to all Members of Parliament for the purpose of conducting their parliamentary and electorate duties.

In addition to this, Members receive a Base Electorate Allowance of \$60,770 to assist them in undertaking parliamentary duties and representing the needs of their electorates. This is administered by the Department of Parliamentary Services.

Travel

Members are also entitled to a Government-leased, private-plated motor vehicle for parliamentary, electorate and private use within Western Australia. A Member may elect to be paid \$22,650 per annum in lieu of a vehicle, payable with the Base Electorate Allowance.

Members are entitled to unlimited free travel and ancillary services (except meals) on Western Australian and Australian Government railways. Members are entitled to a sum of money, known as the 'imprest', for the purpose of undertaking travel associated with the legitimate parliamentary and/or electorate responsibilities of the Member. The amount for the four years of the 38th Parliament is \$24,534.

Members who represent the following electoral regions (and districts within) are entitled to an additional Charter Transport Allowance. This enables those Members to service their electorates using charter aircraft, (except where scheduled airlines are operating at reasonably convenient times), drive-yourself vehicles, or hiring a driver or taxi whilst undertaking electorate and/or parliamentary duties. The additional amounts are:

- Mining and Pastoral Region – \$44,300
- Agricultural Region – \$30,050
- Central Wheatbelt, Moore and Wagin – \$24,050
- Geraldton – \$10,250
- South West Region – \$24,050
- Albany, Blackwood Stirling – \$10,250

Members for these areas, whose electorates are served by scheduled air services, are also entitled to unlimited air travel to and from Perth and within their electorate.

Electorate Offices

The Department regularly conducts site visits to Parliamentary Electorate Offices to assist with any general maintenance requirements and to organise furniture and equipment. The site visits also include occupational safety and health inspections.

In 2011–12, the Department coordinated the relocation of two Members to new Parliamentary Electorate Offices. These offices are at various stages of completion.

Promotion of Western Australia's Interests Overseas

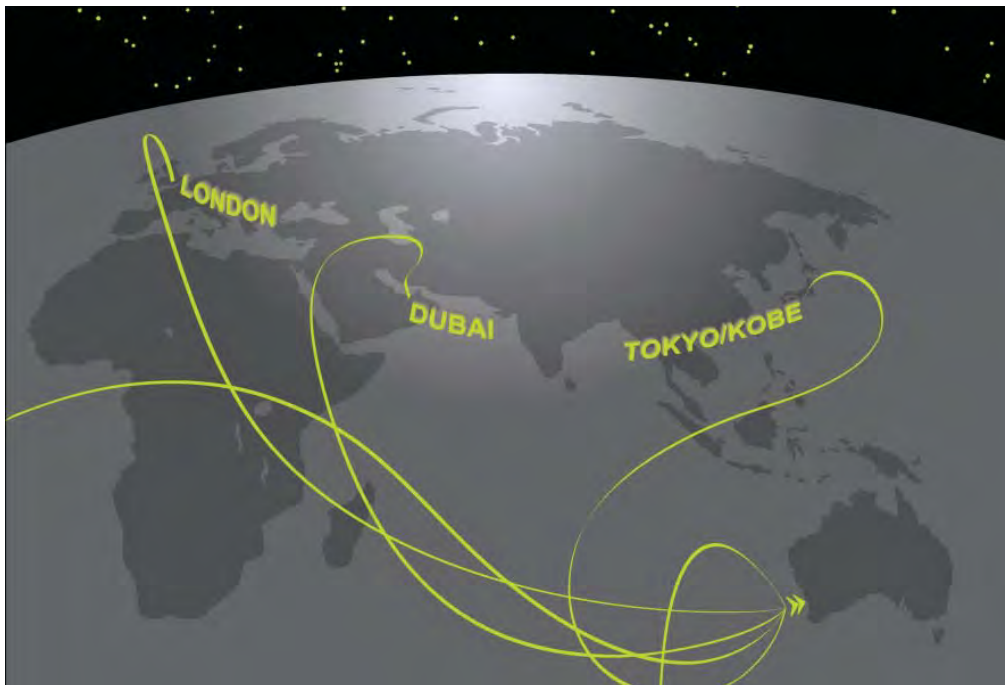
The Department has direct responsibility for three overseas offices.

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 Western Australian interests in the Middle East.



Key Achievements of the European Office

Trade and investment

The European Office continued to promote Western Australia as a destination for oil, gas and mineral investment and brought two delegations to the State in 2011–12. Working with Scottish Development International and the United Kingdom Energy Industries Council, the Office helped a business delegation of 50 companies visit and participate in the Australasian Oil and Gas 2012 conference and exhibition in Perth, in February 2012.

The Office also coordinated a visit by a 20-person Dutch industry delegation and a 12-person Norwegian delegation, both of whom were met and briefed by the Department of State Development.

The European Office supported two visits to Europe by the Chamber of Minerals and Energy (CME) to ascertain European interest in investment and/or commercial trading relationships for rare earths and lithium. The first visit (in November 2011) by the Chief Executive of the CME was specifically to Germany. The second visit (in May 2012) included representatives of various rare earths/lithium project developments and was to Germany, the United Kingdom (UK) and France.

In association with the Department of State Development, Department of Commerce, the Australian Marine Complex and the State Migration Centre, European Office staff exhibited at Offshore Europe 2011, held on 6–8 September 2011 in Aberdeen, Scotland. This was an opportunity to promote the State as an investment and business development location as well as addressing skills shortages.

A separate program of appointments and site visits was also arranged for a 28-person Western Australia business mission. The objective was to meet with the UK/European Engineering, Procurement, Construction, and Management (EPC/EPCM) business community to promote greater awareness of Western Australian engineering design and fabrication capability. The business mission visited Aberdeen, London, The Hague and Paris and met with most of Europe's EPC/EPCM industry.



Image: Staff from the European Office exhibiting at Offshore Europe 2011

Education and research

The European Office represented educational institutions from Perth at 22 education and recruitment fairs throughout Europe.

In conjunction with Austrade and the Department of Commerce (Innovation Services and Infrastructure Branch), staff from the European Office have developed innovation initiatives and priorities for Western Australia, including information communications and technology, biotechnology, renewable energy and clean technology. The Office hosted a 'Life Sciences' roundtable at Australia House to promote research currently underway in the State in regards to climate change and food security. The event attracted the Western Australia Chief Scientist, non-government organisations, UK politicians and academics from Australia and the UK.

Skilled migration

The European Office attended and presented at 34 significant migration events, in addition to assisting the Health Department of Western Australia (WA Health) in its specialised skilled recruitment. WA Health continued to deliver its overseas recruitment program, through the International Recruitment Bureau in the European Office.

The role of the Bureau is to attract, advise and source the skilled health professionals from the UK and Ireland needed to supplement staffing in WA Health, and prevent skills shortages occurring.

Improved information technology connectivity between the European Office and WA Health also assisted in sharing the increased workload between the UK Office and resources in Western Australia. This has allowed the European Office staff to concentrate on marketing and sourcing activities in the UK.

Extensive marketing activities by the European Office in the UK and Ireland resulted in a significant increase in the number of nurses being employed by Nursewest on working holiday visas.

The European Office attended Migration Information Days and Seminars held by migration agents in the UK and Ireland. To focus on migrants from the UK and Ireland, events were held in London, Newcastle, Bristol, Belfast, Cork, Limerick, Galway and Berlin.

Agriculture

The European Office continued to promote Western Australia's agri-food, beverage, fisheries and biotechnology industries through delegations to trade shows, arranging specific promotions, and helping explore prospective European markets on behalf of Western Australian companies at:

- European Seafood Exposition (Brussels, Belgium) – a delegation of Western Australian Government and industry participants attended the world's largest seafood exhibition
- *Australialive* activities (London, UK) – national promotion aimed at raising the profile of Australia as a supplier of high quality products and services and as an investment destination, with around 12 Western Australian wineries featuring prominently at key events
- Western Australia Day Wine Tasting 2011 (London, UK) – arranged and hosted a wine tasting featuring 30 different Western Australian wines.

Key Achievements of the Middle East Office

The Western Australian Trade Office (WATO) in the Middle East covers the Middle East, North and East Africa, with a focus on specific industries such as agri-business, mining, marine, oil and gas, education, investment and tourism.

WATO organised, coordinated and confirmed the attendance of VIPs from the Middle East, Pakistan and African Region in October 2011, for the Commonwealth Business Forum and Commonwealth Heads of Government Meeting (CHOGM) in Perth.

Following the success of CHOGM in Perth, the Middle East Office has built on several strong relationships with African Commonwealth nations.

The Director General and General Manager of Kenya National Highways Authority were encouraged to visit Perth to further discuss opportunities on cooperation/partnerships with Western Australia. The Office coordinated and organised the inward visit program to Perth by the Contractor's Registration Board, for 34 Chief Executives of Tanzanian construction companies.

Agriculture

A comprehensive program of appointments was organised for CBH Group with major wheat importers from United Arab Emirates and Saudi Arabia, as they discussed food security solutions offered by CBH.

The Office also coordinated a visit by Dr Sulaiman Al-Turki, Deputy Minister of Finance, who administers the barley import program in Saudi Arabia, to discuss feed barley and feed wheat with CBH.

The visit succeeded in creating a Memorandum of Understanding with CBH to facilitate a direct supply of barley to the Saudi Government, engineering support and information on the bulk head storage facilities and related equipment, and the examination of using water for agriculture from de-watering of mines in the North West of Western Australia.

In a significant outcome for Western Australian farmers, the Middle East Office, on behalf of Western Australian exporters, successfully lobbied the Saudi Government (and private feed mills) to offer a subsidy for the use of imported lupins in animal feed in Saudi Arabia.

Efforts also contributed to supporting 24 companies at the Gulf Food Exhibition (February 2012), the Middle East's largest food show in Dubai.

Other achievements

Middle East Office staff have developed a strong supporting relationship with Western Australian ship builder Austal as it builds its business base in the Gulf region. This has involved working with Austal in the United Arab Emirates, Qatar and Saudi Arabia.



Image: (left) The Hon Colin Barnett MLA, Premier of Western Australia, supporting the first Graduation event of Murdoch-United Arab Emirates (UAE) and the opening of the new Austal office in the United Arab Emirates



Image: (right) Attendees at the Western Australian Education promotion in Riyadh, Saudi Arabia

Key Achievements of the North Asia Office

2011 marked the 30th Anniversary of the Western Australian–Hyogo Sister–State relationship. The North Asia Office coordinated various activities related to the celebration of this anniversary, including a visit to Japan by the Premier, the exchange of official gifts and a Western Australian Parliamentary delegation visit to Japan.

Agriculture

The North Asia Office planned and coordinated visits to Japan by the Treasurer and Attorney General, and the Minister for Agriculture and Food. These visits were used to address issues in the State Development and Agriculture and Food portfolios and were successful in strengthening Western Australia's position in a number of projects and market access issues.

The Office also continued to work closely with the Department of Agriculture and Food and the Commonwealth Government to bring about market access in Japan for lupins for human consumption.

Trade and investment

The North Asia Office initiated and concluded a Memorandum of Understanding between the Japan Bank for International Cooperation (JBIC) and the Western Australian Department of State Development. The Memorandum of Understanding will provide Japanese investors with more ready access to JBIC funds for investments that are connected with the Japanese Government's priorities of resource and energy security.

Evidence of the benefit of the Memorandum of Understanding has already been seen in an equity and off-take position by a Japanese company in the Roy Hill iron ore project.



Image: (above) The Hon Colin Barnett MLA, Premier of Western Australia, with special guests from the Banshu Textile Project, celebrating the 30th Anniversary of the Western Australian–Hyogo Sister–State relationship

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.

The Department was responsible for either leading or assisting the Australian Government in the arrangement of 21 visitor programs during the year.

The visits coordinated by the Department fell into the following categories:

| Type of visit | Number of visits |
|---|------------------|
| Royal | 1 |
| Head of Government | 1 |
| Head of State | 3 |
| Sister State | 1 |
| Ambassadors and High Commissioners * | 12 |
| Calls on the Premier | 2 |
| Official overseas visits by the Premier | 1 |

**It should be noted that the usual program of Ambassadorial visits was suspended from June 2011 because of preparations for the Commonwealth Heads of Government Meeting, and State Royal Visit, in Perth, October 2011.*

Significant visits

Her Majesty Queen Elizabeth II and His Royal Highness The Duke of Edinburgh, 26–29 October 2011

The Department, in conjunction with the Ceremonial and Hospitality Branch (CERHOS) of the Department of the Prime Minister and Cabinet, assisted with the comprehensive duties of the Commonwealth Heads of Government Meeting (CHOGM), as well as other associated events involving Her Majesty The Queen and His Royal Highness The Duke of Edinburgh during their visit to Western Australia, including two reconnaissance visits by members of the Royal Household in 2011.

The Royal Visit was planned to provide opportunities for Her Majesty and His Royal Highness to meet Western Australians of all ages and walks of life. Major events in the Royal Visit program included:

- **Her Majesty's visit to Clontarf Aboriginal College:** an exciting event for the young Indigenous students of the College, many of whom are from rural and remote areas of the State. Her Majesty met with the students and was presented with an Australian Rules football and a 'take-away' meal of kangaroo stew and freshly baked scones wrapped up in a Western Australian tea towel.
- **The State Reception:** hosted by the Premier, this event was attended by some 1,700 Western Australians, representing a broad cross-section of the community. Approximately 150 students from over 70 schools throughout the State contributed a strong youth element to this occasion.
- **The 'Big Aussie Barbecue':** Her Majesty and His Royal Highness joined approximately 120,000 Western Australians who made their way to the Perth Esplanade for this event. The crowd featured a large number of young families and children, and broad television coverage made it possible for people throughout the State to experience this popular event.

See pages 32–41 for a further summary of CHOGM and associated activities.

Other Visits

- Governor of Hyogo Prefecture, Japan, 30th Anniversary of the Sister–State Relationship, 2 August 2011
- President of the Federal Republic of Nigeria, 24 October 2011
- Prime Minister of Trinidad and Tobago, 26 October 2011
- Prime Minister of Norway, 8 December 2011
- President of the Gabonese Republic, 1 April 2012.

Assistance was also provided with arrangements for the Premier's official visit to Singapore in March 2012.

Official Gifts

The Department is responsible for administering the Government's guidelines relating to accepting and giving of gifts by Ministers and, in line with these guidelines, maintains a register of gifts given and received by the Premier and Ministers.

The Protocol Branch is responsible for the selection, purchase and allocation of appropriate official gifts for presentation by the Premier to dignitaries visiting Western Australia and during overseas visits. The Branch also provides advice to Ministers on appropriate official gifts for presentation.

Hospitality, Ceremonial and Special Event Management

A total of 15 hospitality, ceremonial and special events were arranged during the year. These included receptions, dinners and luncheons for distinguished visitors, hosted by the Premier, or Ministers on his behalf, and community functions associated with Regional Cabinet meetings.

Major events arranged during the year included:

- State Reception for the Swearing-in of the 31st Governor of Western Australia, His Excellency Malcolm McCusker AC CVO QC, 1 July 2011
- State Reception for the 30th Anniversary of the Hyogo Sister–State Relationship, 5 August 2011
- State Reception for The Queen and The Duke of Edinburgh, 27 October 2011
- Premier's Reception for the Foreign Ministers attending CHOGM, 28 October 2011
- State Luncheon for the President of the Gabonese Republic, 3 April 2012.



Images from the Premier's Reception for the Foreign Ministers attending CHOGM: (left) The Hon Norman Moore MLC speaks to a member of the Malawi Foreign Minister's delegation at the Reception; (right) Surf lifesavers from Cottesloe Surf Life Saving Club and North Cottesloe Surf Life Saving Club taking part in a demonstration parade for delegates of the Reception.

Flag Allocation Scheme, Flag Loans and Student Presentation Packs

The Department continues to administer the Flag Allocation Scheme, introduced in 1997, whereby all Western Australian Members of Parliament receive an annual allocation of 10 State Flags for presentation to community organisations.

In addition, the Department continues to operate a flag loan service within the State. Through this service, the National, State and Aboriginal Flags are made available for short-term loan.

The Department also arranges the supply of insignia presentation packs for exchange students travelling overseas.

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 those who put themselves in harm's way to protect the lives or property of others.

The Chief of Protocol is Western Australia's representative on the Australian Bravery Decorations Council. A total of four awards were made to Western Australians throughout the year.

Future Directions

In 2012–13, the Department will:

- coordinate the arrangements for the visitors program, signing ceremony and State Dinner for the 25th Anniversary of the Western Australia–Zhejiang Sister–State Relationship
- facilitate the bi-annual Premier's Reception for Members of the Western Australian Consular Corps
- in conjunction with the City of Perth, facilitate the State/Civic Welcome Home Receptions for Members of the 2012 Western Australian Olympic and Paralympic Games Teams
- in conjunction with the Department of the Prime Minister and Cabinet, assist in planning the official visit program and State Reception for His Royal Highness The Crown Prince of Belgium in November 2012.

Management of Exhibitions and Programs at the Constitutional Centre

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 continues to take 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 the Centre opened in October 1997, over 400,000 students have participated in these programs.

In 2011–12, Education Officers visited Albany, Esperance, Kalgoorlie and Port Hedland as part of this program. Materials and programs for remote and regional schools continued to be distributed on a loan basis throughout the State.

The Centre also held two Schools Constitutional Conventions involving over 200 students from around the State. Fifteen of these students were selected to represent Western Australia at the National Schools Constitutional Convention held in Canberra.

Commonwealth Heads of Government Meeting 2011

As part of the Commonwealth Heads of Government Meeting (CHOGM) 2011, the Centre developed and delivered a schools program for years 6–10 in schools throughout the State. The program commenced at the beginning of the school term 1, February 2011 and, in the six months to 30 June 2011, saw around 12,000 students taking part in the program. From July–October 2011, a further 17,000 students participated in the program.

In addition to the schools program, two Schools CHOGMs were held for year 10 students. All secondary schools around the State were invited to nominate two year 10 students to represent one of the Commonwealth countries at this one-day event. In total, 106 schools took part — 28 of these schools were from regional areas — with a total of 212 students participating over the two days.

To enable schools in remote and outlying regional areas to participate in the CHOGM program, a self-guided program was developed to accompany a loan kit of the same materials being used by education staff.

A total of 72 classes (52 primary school classes and 20 secondary school classes) in 22 schools took advantage of the program, involving 2,160 students across the State.



Image: (right) Esperance students Ella Moir and Yebbie Issacs were judged to have produced the best country poster at the Schools CHOGM.

Public Programs

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

- 'Complex Laws in Legal Practice: Statutory Interpretation for Practitioners'
- 'Appointing Justices to the High Court of Australia and the US Supreme Court'
- 'Getting the Constitution to the People: an Empirical approach'
- 'Indigenous Recognition'
- 'The Constitutional Reform Agenda'
- 'Swelling the ranks of the peripatetic unemployed'
- 'The first decade of the High Court of Australia'.

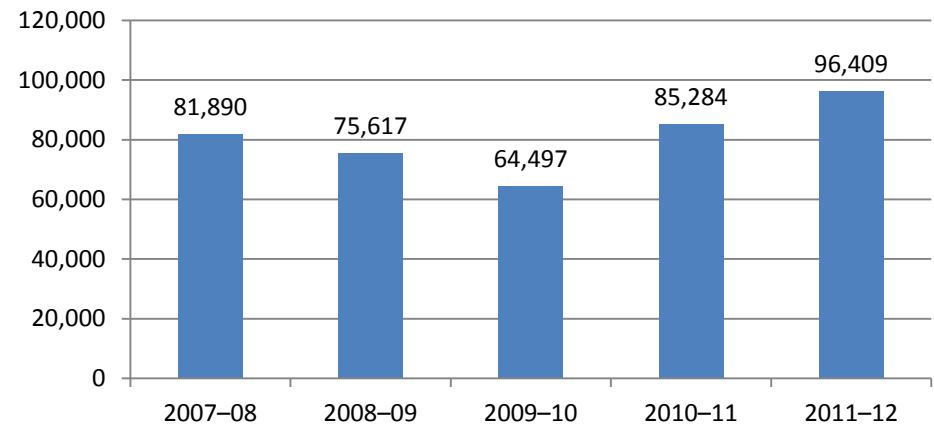
In addition, the Centre hosted a two-day national conference entitled, 'Power and Politics: New Dimensions of Federalism in Australia'. The proceedings were published in a special edition of *Public Policy*, a refereed journal put out by the John Curtin Institute of Public Policy.

The Mature Adults Learning Association conducted two ten-week seasons of adult education at the Centre.

Visitor figures for the Constitutional Centre to 30 June 2012

96,409 visitors. This is an increase of over 12,000 on the previous year and has occurred in schools programs as a result of the Schools CHOGM programs being run State-wide and the flow-on effect from this program.

Participants and Visitors: Public Programs



Website

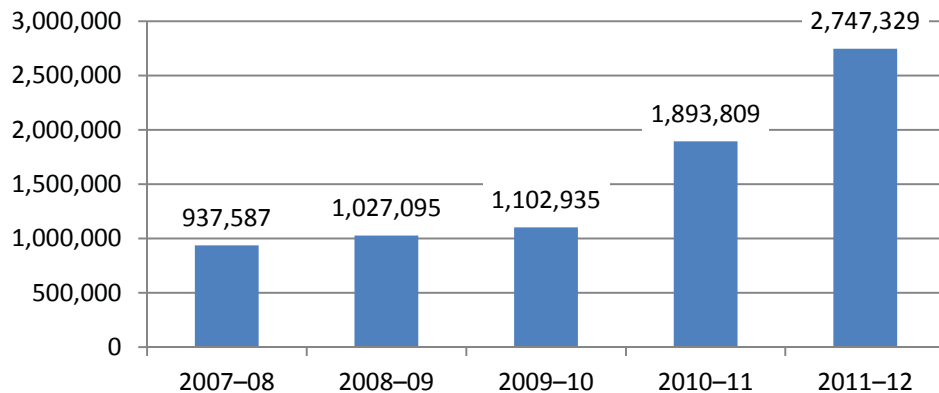
Traffic on the Centre's website (www.ccentre.wa.gov.au) continues to increase as schools use it as a key teaching resource for civics education programs. Usage again rose dramatically, with over 2.75 million pages of information downloaded, an increase of around 45 per cent on the previous year.

The Centre is also responsible for maintenance of the ANZAC website (www.anzac.dpc.wa.gov.au). This website contains the Western Australian Memorial Register, a comprehensive database of 321 war memorials throughout the State. In each entry, there is a description of the memorial and a list of those people commemorated.

Website visitors to 30 June 2012

2,747,329 pages downloaded. This is an increase of over 850,000 on the previous year. Usage continues to grow and some of the increase in this year can be attributed to the CHOGM profiles that formed part of the schools program run in 2010.

**Participants and Visitors:
Website Usage
(pages downloaded)**



Publishing Services for Parliament and Government

State Law Publisher (SLP) provided 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.

As the Government's official publisher, the SLP published 'under authority' of the Government Printer all State legislation and legislation materials.

Copies of these publications are available through a retail sales outlet and an online service on the SLP website (www.slp.wa.gov.au).

The SLP also provides free public access online to databases of various legislation materials and to an archive of previously published copies of the *Government Gazette*.

Industrial Relations

Industrial coverage of printing workers at the SLP who have historically been engaged under an industrial agreement with coverage by the Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union of Workers, has now changed to coverage under the Public Service Government Officers General Agreement (PSGOGA) under the Community and Public Sector Union/Civil Service Association of Western Australia (CPSU/CSA).

The change in industrial agreement was initiated to promote efficiency and in line with a trend across Government to minimise the number of low volume instruments, particularly those covering less than 20 employees.

The State Law Publisher Agreement was identified as one of those low volume agreements where alternative arrangements should be made due to the high cost of maintaining and administering an agreement with such a low number of employees (five employees).

This change in industrial agreement was considered to be a significant milestone in the history of the SLP which is a unit with its origins from the State Print, previously also known as the Government Printing Office, with a history dating back to around 1880.

The change will place all of the SLP printing professionals under the same industrial coverage and conditions of employment, which has significant administrative advantages for both the employees and the Department.

Electronic Uptake of the *Government Gazette*

A further eight years of previously published editions of the *Government Gazette* — comprising of around 18,000 pages — were scanned and added to the archive database. Free access is provided to the database on the SLP website which now contains copies of all Gazettes published since 1930. The *Government Gazette* dates back to 1950 and is fully text searchable — however prior years have a searchable index only due to the deteriorating condition of old paper copies.

Copy quality of older Gazettes has impeded the take-up rate. This project is planned to be continued as resources allow until all published Gazettes have been scanned.

Reprints Program

The reprints program continued over the past financial year with assistance provided by way of resources to the Parliamentary Counsel's Office.

In 2011–12, a total of 130 titles of legislation were consolidated and reprinted.

Titles that have extensive amendments and are in high demand are fast tracked through the reprint process. As a result, titles become far more user friendly — with all amendments consolidated, there is 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 SLP processed all tabled papers lodged in both Houses of Parliament for publication online on the Parliament of Western Australia website (www.parliament.wa.gov.au). This project commenced approximately 16 months ago to capture all tabled papers and to make these more easily available online to the people of Western Australia. The project was initiated by the Presiding Officers and Clerks of both Houses.

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

Commonwealth Heads of Government Meeting 2011

Introduction

As host location for the Commonwealth Heads of Government Meeting (CHOGM) and its associated events in October 2011, Western Australia (WA) and the residents of Perth experienced something rare.

CHOGM 2011 was the most significant event to be held in the State since the British Empire and Commonwealth Games were held in Perth in 1962.

On behalf of the community, the WA Premier and Government embraced the opportunity to host Her Majesty The Queen, His Royal Highness The Duke of Edinburgh and nearly one-quarter of the world's leaders.

CHOGM is the biennial meeting of Her Majesty Queen Elizabeth II, as Head of the Commonwealth, and the leaders of the 53 member nations that make up the Commonwealth.

While the Commonwealth Government had overall responsibility for the complex arrangements in the planning for CHOGM 2011, the WA Government provided key services and a number of initiatives to promote the State.

What is CHOGM?

The CHOGM is the Commonwealth's ultimate policy and decision-making forum. Commonwealth leaders meet to discuss global and Commonwealth issues such as international peace and security, democracy, health and the environment, and to agree on collective policies and initiatives.

CHOGMs have three broad objectives:

- To allow Commonwealth leaders to review international political and economic developments and to decide, where appropriate, what action the association will take, and then to issue a communiqué stating the Commonwealth position.
- To allow leaders to examine avenues for Commonwealth cooperation for development, considering both the work done over the previous two years, and agreeing priorities and programs for the future.
- An opportunity to strengthen the sense of the Commonwealth itself, as a stabilising association which has characteristics of friendship and business partnership.

Role of the Western Australian Government

The WA Government supported the Commonwealth Government through the provision of key services, including health and emergency services, security and traffic management. It was necessary that the State Government become involved so that essential services could be provided to allow the event to run smoothly.

Planning for the State's involvement was driven by five distinct objectives:

- A uniquely Western Australian experience for delegates
- Maximum exposure of WA
- Community and business participation in CHOGM events
- The WA community develops a better understanding of the Commonwealth
- A safe and secure event.

In addition, the WA Government supported a number of initiatives to promote the State and help the WA community and businesses to participate in CHOGM 2011 activities and opportunities.

These initiatives included:

- international sporting events
- the Schools CHOGM program
- arranging the community's participation in the three parallel events
- the Commonwealth Festival
- building the State Reception Centre as the venue for the Leaders' Retreat
- branding and marketing the State of WA.

The Role of DPC

At the State Government level, the main decision-making body for CHOGM planning was the WA CHOGM 2011 Steering Committee, which was chaired by the Director General of the Department of the

Premier and Cabinet, and consisted of senior representatives from:

- Department of the Premier and Cabinet
- Department of Culture and the Arts
- Tourism WA
- WA Police
- City of Perth
- Department of the Prime Minister and Cabinet.

Mr Mark Barnaba and Ms Sue Ash — who were appointed by the Premier to lead WA's involvement in the Commonwealth Business Forum and Commonwealth People's Forum, respectively — were also members of the WA Steering Committee, as was the Hon Donna Faragher MLC, Parliamentary Secretary to the Premier. Other stakeholders

attended as required.

The principal source of support and advice for the WA CHOGM 2011 Steering Committee was the State Director of CHOGM 2011, a position created by the Premier in February 2010 to coordinate efforts across the State to plan and prepare for CHOGM. The position was established in the Department of the Premier and Cabinet.

Ms Deirdre Willmott was appointed to this position from 2 February 2010, and Mr Richard Muirhead was invited by the Premier to take on the role from 19 July 2010 to 31 October 2011, after Ms Willmott resigned from the public sector.

A small team was established to support the State Director, consisting of:

- two full-time equivalents (FTEs) from the Office of State Security and Emergency Coordination (OSSEC) within the Department, funded from the OSSEC budget
- nine FTEs recruited from the Department and other agencies, funded from the CHOGM budget established by the Department — this was the peak size of the WA CHOGM team, reached in October 2011
- four FTEs working from the Protocol branch within the Department, funded from the CHOGM budget established by the Department.



Image: (above) The many events surrounding CHOGM were tremendously successful in showcasing Perth and Western Australia to the world.

The State Director chaired the WA CHOGM 2011 Coordination Group, which consisted of representatives from all agencies involved in CHOGM and CHOGM-related activities.

The following steering committees, sub-committees and working groups were established to oversee specific elements of WA's CHOGM planning:

- Media/Communications Working Group
- Commonwealth Festival Working Group
- Marketing Implementation Working Group
- Royal Visit Working Group Security Subcommittee (dealing with all services provided by the State for the Commonwealth Government, including traffic and public transport, emergency management and health services)
- Barbecue Stakeholder Working Group (established later in the planning process specifically to manage the coordination of the Big Aussie Barbecue).

Each of these groups reported to the WA CHOGM 2011 Steering Committee and most also had representatives on the WA CHOGM 2011 Coordination Group.

Image: (right) Her Majesty Queen Elizabeth II, escorted by the Hon Colin Barnett MLA, Premier of Western Australia, greets the crowd at the Big Aussie Barbecue

Planning

Security arrangements were incorporated into all aspects of planning for the many events.

The responsibility for providing security for CHOGM was shared between the Commonwealth Government and the WA Government.

Parallel events

Commonwealth Business Forum 25–27 October 2011

The Commonwealth Business Forum (CBF) is held every two years in the lead-up to CHOGM with the aim of promoting practices and policies for the enhancement of global trade and investment. The 2011 CBF followed the theme of *Partnering for Global Growth: The Commonwealth, The Indian Ocean and The Pacific Rim*.

The State Government recognised the importance of securing support and sponsorship of the CBF by the local business community and, in August 2010, the Premier announced that Mr Mark Barnaba, then Executive Chairman of Azure Capital Limited, would lead WA's involvement in the CBF.



Mr Barnaba played a crucial role in building support and sponsorship for the CBF. The level and calibre of the CBF sponsors and delegates are a credit to his personal efforts and involvement.

In total, more than 50 organisations sponsored the CBF, including the six principal sponsors: ANZ, BP, Fortescue, Perdaman, Rio Tinto and Woodside.

There were over 1,400 registered attendees, with participation from 53 countries, including significant delegations from China and Nigeria.

Commonwealth People's Forum 25–27 October 2011

The Commonwealth People's Forum (CPF) is held every two years in the lead-up to CHOGM, to bring together non-government groups from Commonwealth member countries to seek agreement and action on key issues facing the people of the Commonwealth.

The CPF is organised by the Commonwealth Foundation and a local civil society partner. In August 2010, the Commonwealth Foundation, with the agreement of the Premier and the Commonwealth Government, endorsed Ms Sue Ash and the Western Australian Council of Social Service (WACOSS) to be the local civil society partner, and to

coordinate WA and Australian non-government organisations' contribution to the CPF. At the time, Ms Ash was Chief Executive Officer of WACOSS.

Ms Ash chaired the Commonwealth People's Forum Steering Committee, which was formed in January 2011 to oversee logistical and policy arrangements for the CPF.

In November 2010, the Department of the Premier and Cabinet agreed to provide \$150,000 (excluding GST) to WACOSS, to cover staffing and office infrastructure costs incurred in organising the CPF.

Commonwealth Youth Forum 24–27 October 2011

The Commonwealth Youth Forum (CYF) is held every two years in the lead-up to CHOGM, with the aim to:

- develop young people's understanding of the Commonwealth and its values
- create a platform for young people to contribute to Commonwealth and CHOGM agendas
- promote networking and interchange between young people and their organisations.

Representatives from the Department of the Premier and Cabinet and Office for Youth WA had ongoing discussions regarding preparations for the CYF in the lead-up to the event.

The Department of the Premier and Cabinet provided some in-kind support to two young Western Australians appointed to the planning group.

The theme for the CYF was *Our Commonwealth, Our Future*.

The program included a mix of theme-based plenary sessions and workshops focusing on the following five sub-themes:

- Youth impact and participation in decision making
- Peace building and conflict management
- Environmental sustainability
- Health
- Youth enterprise, information and communications technology, sustainable livelihood and economy.

The CYF culminated in the development of a communiqué which was presented to Heads of Government at a Youth Dialogue Breakfast on 30 October 2011.

Public involvement

Western Australians were provided with the opportunity to participate in the CHOGM 2011 experience by taking part in official parallel events.

The State also delivered several initiatives to enable even more Western Australians to participate in the CHOGM celebrations and to ensure CHOGM delegates had a unique and memorable WA experience.

The Royal Visit provided opportunities for more than 100,000 people to see Her Majesty The Queen and His Royal Highness The Duke of Edinburgh.

State Government initiatives

In the early stages of planning, it was estimated that CHOGM and its associated events would attract approximately 4,000 people to Perth, including 1,000 media. This presented a number of opportunities to generate economic and cultural benefits for Perth and WA and to expose the virtues of the State to a global audience.

The activities described below were initiated by the State Government, and the Department played a key role in achieving them. The financial support for these initiatives was therefore entirely the responsibility of the State Government.

State Reception Centre

CHOGMs are unique in that the leaders meet for private, frank, and informal dialogue. Each summit includes a 'Retreat' held away from the conference room.

Drawing on the CHOGM 2011 Objectives, a venue was needed for the Retreat which showcased the city and provided delegates with a uniquely WA experience. Following consideration of many alternative venues, and in consultation with the Prime Minister, the Government decided to construct a suitable Retreat venue, now known as the State Reception Centre, on top of the State-owned Fraser's Restaurant and Function Centre in Kings Park.

With the cooperation of many agencies, the operators of Fraser's Restaurant and private sector contractors, the facility was designed and built in less than one year and was available to showcase Perth to the 53 world leaders attending the Retreat as well as the international media.

Additionally, the facility remains a legacy for the State, and provides the public with a unique function venue that has unparalleled views of the city and Swan River in a picturesque parkland setting.

Public holiday

Following a recommendation from WA Police, Cabinet decided to move the 2011 Queen's Birthday public holiday from Monday 3 October 2011 to Friday 28 October 2011.

This was primarily because the CHOGM protocols and timetable dictated that there would be many motorcades for Internationally Protected Persons during CHOGM. This meant that there would be a need to close St Georges Terrace for a period of time on Friday 28 October, significantly affecting public transport and road traffic in the Perth central business district.

It was decided to move the Queen's Birthday public holiday (from Monday 3 October) so that city workers and residents were not disrupted in attempting to reach their place of work on Friday 28 October.

Image: (right) A crowd of approximately 120,000 people attended the Big Aussie Barbecue on the Perth Foreshore



Commonwealth Festival

Recognising that security and logistic measures required for the protection of delegates and the efficient conduct of CHOGM may result in some inconvenience to the Perth community, the State Director of CHOGM and the WA CHOGM team discussed the possibility of staging some free community events to coincide with CHOGM.

The Department of the Premier and Cabinet provided the Department of Culture and the Arts (DCA) with a grant of \$1 million. DCA subsequently engaged the Perth International Arts Festival (PIAF) to develop and manage the Commonwealth Festival. Lotterywest also provided a grant of \$1.45 million to PIAF to cover the costs of this event.

The Festival included a variety of events over eight days from 23–30 October 2011. The focal point of the Festival was the ‘People’s Space’, a space designed to showcase the diversity of the Commonwealth, and where Western Australians and visitors could come to experience cultural activities from around the Commonwealth.

From 26–29 October, the People’s Space was located in the Perth Cultural Centre in Northbridge, and played host to the following activities:

- Royal Commonwealth Society Photographic Awards Exhibition
- Commonwealth Community Stage, featuring local bands with links to the Commonwealth
- Speakers’ Corner
- Charlie’s Artmobile
- Our Extraordinary Environment, showcasing Western Australia’s biodiversity
- Eating the Archives, featuring menus from past State occasions interpreted by Chef Hadleigh Troy
- Street Theatre
- Children’s activities
- WA craft and produce markets.



Image: (above) Scene from the Commonwealth Festival Opening Ceremony

Big Aussie Barbecue

It was proposed that a special public event be held in honour of Her Majesty The Queen and His Royal Highness The Duke of Edinburgh during their stay.

The event, hosted by the Premier of Western Australia, presented an opportunity for the community to engage with Her Majesty and His Royal Highness and serve as a celebratory public farewell.

The family-friendly event was held on the Perth Esplanade. Volunteers cooked sausage sizzles at numerous barbecue stalls throughout the venue, raising funds for nominated charities.

Originally planned for a crowd of 30,000–50,000, attendance numbers had swelled to an estimated 120,000 by 11am.

Enthusiastic crowds waved and cheered as the Royal Motorcade made its way slowly down St Georges Terrace, and along Riverside Drive before arriving at the Esplanade.

Following some brief formalities, Her Majesty and His Royal Highness, accompanied by the Premier and Mrs Barnett, made their way through a walkway to three barbecue stations.

Interacting with members of the public along the way, Her Majesty and His Royal Highness spoke with special guests and representatives from each of the four benefiting charities before departing to Perth Airport at noon.

Imagery from the event was broadcast live throughout Australia and internationally on a number of networks, including ABC1, BBC World News, the Australia Network, Sky TV, Channel 7 and Channel 9. Highlights were also featured worldwide on news programming and websites for days following the event.

The exposure for Perth was significant and the value will be measured as part of an overall media impact study commissioned for CHOGM.

Feedback received indicated that Her Majesty and His Royal Highness were extremely pleased with the event. All stakeholders reported encouraging feedback and general anecdotal comments received from those who attended were extremely positive.

A total of \$139,026.10 was raised for the charities on the day.

The Big Aussie Barbecue was a unique event, unlike anything held in Perth before.

Image: (right) The Big Aussie Barbecue attracted many Western Australian families



Schools CHOGM Program

To help raise community awareness about the Commonwealth, an education program for upper primary and junior secondary students was developed by the Constitutional Centre.

The program involved four main elements:

- curriculum materials for years 6/7 and years 8/9/10 giving them the history, structure and purpose of CHOGM
- two 'Student CHOGMs' involving 212 year 10 students from schools across Western Australia
- schools around the State being offered the opportunity to adopt a Commonwealth country, either as a whole school or as an individual class
- resources on the Constitutional Centre website for schools both in WA and across the rest of Australia.

Staff from the Constitutional Centre presented the program to 28,680 students from 379 schools.

The curriculum materials were developed in consultation with the Department of Foreign Affairs and Trade.

The materials were delivered to students in two ways: by Constitutional Centre staff visiting schools to deliver lessons; and by sending self-guided programs and materials to teachers in regional and remote schools.

The self-guided loan materials were sent to a total of 22 schools, including one interstate school in Victoria.

A total of 70 regional schools were visited by Constitutional Centre staff.

Feedback provided was extremely positive, with teachers commenting that the program was engaging and fun for students, raised their awareness and understanding of global issues, and provided a springboard for future learning.

The two Student CHOGLMs were held on 26–27 September 2011 at the Perth Convention and Exhibition Centre, in the same room that the CHOGLM 2011 executive sessions would later be held.

Each Student CHOGLM was attended by 106 students from 53 schools – two students per school. The two students representing each school researched issues in their school's allocated country, with a particular focus on the issues to be discussed as part of the Student CHOGLM program.

In total, 212 students from 106 schools participated.

The Constitutional Centre provided financial assistance for students from outside the metropolitan area to attend.

At the end of each day, students presented a final communiqué to His Excellency Mr Malcom McCusker AC CVO QC, Governor of Western Australia. The communiqué was subsequently provided to the Premier and Prime Minister.

The communiqués can be found in the Constitutional Centre's *Report on Education Program for CHOGLM 2011*.



Image: (above) Students attend the Schools CHOGLM at the Perth Convention and Exhibition Centre

Western Australian Knowledge Network

The State Government WA Knowledge Network initiative was aimed at progressing the objective of providing a uniquely WA experience for CHOGLM delegates.

Recognising that the State Government had no official access to CHOGLM delegates, the CHOGLM Team developed a model involving a team of Information Advisors, collectively known as the WA Knowledge Network, which was on call to provide local information where required.

The WA Knowledge Network team consisted of 22 staff provided by State Government agencies. From 24–31 October 2011, the team dealt with approximately 50 substantive requests and numerous simple enquiries from delegates, which resulted in a number of visits to State Government facilities and services, as well as tourism-related activities, including:

- facilitating meetings with local universities on overseas student opportunities
- arranging a visit to the Perth Seawater Desalination Plant at Kwinana
- coordinating a tour of local art galleries with opportunities to purchase WA art.

Feedback from Commonwealth Government liaison officers and CHOGM delegates indicated that the model was extremely useful and effective, and the service exceeded expectations on a number of occasions.

Media and communications

With more than 1,000 international and Australian media personnel in Perth for CHOGM, it was a rare and unique opportunity to promote WA through the eyes of the media.

Due to the scale of the event and the number of stakeholders involved, it was imperative that all communications activities relating to the State's involvement were tightly coordinated, and emerging issues effectively monitored and managed.

A number of communications plans were developed by the various key stakeholders.

The Department appointed a WA CHOGM Media Adviser to coordinate media opportunities regarding the State's involvement in CHOGM, to monitor CHOGM media coverage, and to be a central point of contact for any communications with the public regarding CHOGM events.



Image: (above) Fireworks at the Closing Ceremony of CHOGM

Report on Operations

Service 2: Government Policy Management

Policy Advice and Coordination for the Premier and Cabinet

Throughout the year, 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.

The Department provided policy advice and coordination by:

- participating in the development of the Strategic Energy Initiative and broader energy issues
- contributing advice to Government on Western Power's AA3 proposal and the Economic Regulation Authority's draft decision
- contributing to a State Government submission to the Commonwealth Energy White Paper
- participating on a Steering Group and working group assessing business cases
- coordinating the State's response on the Commonwealth Government's Clean Energy Future package (Carbon Tax) and associated legislation
- developing whole-of-government submissions relating to the Commonwealth Government's proposed:
 - » marine reserve networks and bio-regional plans for the South West and North West regions
 - » national heritage listing of the West Kimberley
 - » Draft National Wildlife Corridors Plan
- developing a whole-of-government submission to the *House of Representatives Inquiry into Biodiversity in a Changing Climate*
- participating in the inter-agency committee overseeing the delivery of the Fitzgerald National Park Improvement Project
- contributing to the development of a Cyber Security Framework for State Government operations.

Specific advice and coordination has been provided on the following projects:

- Implementation of superannuation reform
- The new major stadium for Perth
- Planning for the ANZAC Centenary in 2015 and the Dirk Hartog 400 year anniversary in 2016
- Infrastructure projects in Government
- Water supply planning
- National Broadband implementation
- The Square Kilometre Array
- Feed-in Tariff Scheme.

Leadership and Coordination of Cross-Agency Solutions to Complex Policy Issues

Building a Sustainable Not-for-Profit Sector

Partnership Forum

The Department provides executive support to the Partnership Forum, which was established in April 2010. The group'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. It is chaired by Professor Peter Shergold.

Over the past year, the Forum has adopted a set of partnership principles and behaviours.

This included a commitment to collaborative decision-making in the delivery of community services and to empowering service users in the design, planning and delivery of community services.

The Forum met three times in 2011–12.

The principles and behaviours that guide the Forum's work across a number of reform areas, include:

- oversight of sustainable funding and contracting reforms with the not-for-profit sector
- implementing the Delivering Community Services in Partnership Policy to build and support a more mature and streamlined contracting relationship between the public and not-for-profit sector
- promoting self-direction in the design and delivery of community services
- supporting the Social Innovation Grants Program and establishing the Social Enterprise Fund
- taking steps to redefine how the public and not-for-profit sector work together to develop policy, plan joint responses to community need and design services that are tailored to the needs of individuals and communities.

Sustainable Funding

The 2011–12 State Budget provided additional funding of \$604 million over four years to ensure a sustainable not-for-profit sector and to address a shortfall in the amount paid by Government to the sector for the services they provide. This funding comprised:

- \$491 million: to provide a funding increase to service agreements with the not-for-profit sector, resulting in an average 25 per cent increase to contracts by 2014–15

- \$96 million: to continue the Non-Government Human Services Sector Indexation Policy for payments to not-for-profit organisations, recognising the ongoing growth in costs for the not-for-profit sector
- \$18 million: for education, training and support to the public and not-for-profit sector to ensure the delivery of significant ongoing benefits through streamlined administrative arrangements.

In 2011–12, the Department has worked towards the roll-out of the average 25 per cent increase to contracts by 2014–15. This funding is being rolled out in two tranches:

- Component I: 15 per cent across the board price adjustment on all eligible not-for-profit community service contracts from 1 July 2011
- Component II: The second is a funding injection available from 1 July 2013, which is equivalent to an average increase of 10 per cent across eligible contracts and is linked to key contracting reforms.

Sustainable Contracting

The Delivering Community Services in Partnership Policy has been developed to improve outcomes for all Western Australians by building and supporting a more mature contracting relationship between the public and not-for-profit sector. The policy became effective from 1 July 2011.

Key aspects of the policy include:

- emphasising the need for genuine partnership between Government agencies and the not-for-profit sector
- providing an overview of the funding and contracting options available and guidance on when each should be used (to give clarity to the distinction between grants and service agreements)
- moving from funding not-for-profit organisations and prescribing inputs, services and costs in contracts, to a focus on achievement of outcomes, delivery of outputs and sustainable prices
- highlighting the need to reduce the unnecessary administrative burden in contracting activities.

The Department is involved in implementing the policy through the second tranche of funding, Component II, which is linked to key contracting reforms.

Social Innovation Grants Program

The Department provides support for the Social Innovation Grants Program, which was launched in January 2011.

The Program provides one-off grants to not-for-profit community sector organisations to develop and trial new ways of delivering community services that produce better outcomes for Western Australians in need.

The Social Innovation Grants Program has allocated funding of \$14 million over four years. To date, 18 projects totalling \$6.2 million have been funded by the program. Applications for round four grants closed on 24 February 2012.

Social Enterprise Fund

On 3 April 2012, the Hon Robyn McSweeney MLA, Minister for Community Services, launched the Social Enterprise Fund.

The Department provides support for the fund, which aims to increase the number, effectiveness and efficiency of social enterprises in Western Australia by supporting not-for-profit community sector organisations to establish new, or strengthen existing, social enterprises.

The State Government allocated \$10 million to establish the fund, which will be administered by the Department for Communities.

A consortium led by Social Ventures Australia and including Social Innovation in Western Australia, Social Traders, the Centre for Social Impact and the Western Australia Council of Social Service will work to provide a support service to applicants and grant recipients.

The first round of funding closed on 31 May 2012.

Management and coordination of input and advice for intergovernmental negotiations with the Council of Australian Governments (COAG) and the Council for Australian Federation

National Disability Insurance Scheme

In July 2011, the Productivity Commission completed its *Inquiry Report into Disability Care and Support*. The Commission recommended a new National Disability Insurance Scheme (NDIS) to provide long-term high quality care and support for people with significant disabilities.

In August 2011, the Council of Australian Governments (COAG) agreed on the need for major reform of disability services in Australia through an NDIS and established a Select Council of Treasurers and Disability Services Ministers to consider the recommendations of the Productivity Commission's report.

In April 2012, COAG released high-level principles to guide consideration of the Productivity Commission's recommendations regarding an NDIS, including foundation reforms, funding and governance.

The Department provides support to the Premier, the Treasurer and the Minister for Disability Services to assist the Select Council's work on an NDIS. Senior Officers from the Department are working closely with other Western Australian Government agencies, the Commonwealth Government and other State and Territory Governments on policy development and design of an NDIS.

Officers from the Department represent Western Australia on the Senior Officials Working Group, which reports to the Select Council on Disability Reform.

A key focus of the Department's work has been drawing on the experience of disability services in Western Australia to help design a scheme, which provides greater certainty of services and supports for Western Australians who have a disability, their families and carers.

This includes developing nationally consistent eligibility and assessment criteria, funding allocations, quality standards and data systems, and advocating for a scheme which is delivered locally and with support from families, volunteers and the not-for-profit sector.

Intergovernmental Relations

In 2011–12, the Department supported the Premier for meetings of COAG and the Council for Australian Federation, and related activities.

There were two meetings of COAG and three meetings of the Council for Australian Federation in 2011–12. 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 15 reports published by the Council in 2011–12.

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 Force Posture Review, with the final report released by the Commonwealth on 3 May 2012.

The Department also:

- coordinated the State Government's input into Commonwealth consultation on international instruments, including United Nations treaties and free trade agreements
- led negotiations with the Commonwealth in respect of State Government agencies providing services to asylum seekers, now held in three Commonwealth detention centres in Western Australia.

Service agreements were negotiated for provision of education services, child protection, health, police and emergency services. Negotiations are also being coordinated for the provision of additional State services to increasing numbers of detainees in the community.

Enhanced Scrutiny of Financial Agreements

A number of financial agreements were signed in 2011–12, under the auspice of the Intergovernmental Agreement on Federal Financial Relations (IGAFFR). These comprised:

- 10 new National Partnership Agreements (NPAs)
- five new Project Agreements
- six Components and two Omnibus Implementation Plans for existing NPAs.

Five NPAs are due to expire on or before 30 June 2013.

As the programs and activities undertaken can raise service levels, and create demand for ongoing funding to maintain those raised service levels, the Department will work with Treasury to determine the potential impacts of their expiry and management options for the State.

The Department has partnered with the Department of Treasury to design a rigorous pre-approval process for future agreements.

Mutual Recognition

The Department has undertaken a review of the *Trans-Tasman Mutual Recognition (Western Australia) Act 2007*. The review examined the operation and effect on Western Australia of the Commonwealth's *Trans-Tasman Mutual Recognition Act 1997* as adopted by the Western Australian Act.

The scheme is intended to reduce regulatory impediments to the sale of goods and registration of occupations across Australian States and New Zealand.

The Department advertised for submissions to the review and also sought submissions directly from a range of stakeholders. No significant issues were identified, and there were no submissions which recommended that Western Australia withdraw from the scheme. Therefore, the report recommended that Western Australia's adoption of the Commonwealth Act should continue. The report will be tabled in Parliament and legislation will be introduced to continue Western Australia's participation in the scheme.

COAG Health Reform

Following the COAG Agreement in August 2011 for new national health reform arrangements, the Department coordinated Western Australian negotiations to achieve cooperative State and Commonwealth legislation, to implement new transparency, governance and financing of the nation's health and hospital systems via a national funding pool.

The National Health Funding Pool Bill 2012 (WA) was introduced into State Parliament in June 2012 to ensure functionality for the State's role in planning, purchasing and delivering public hospital services to Western Australia, and avoid Commonwealth control or regulation of State funds.

Planning to Celebrate Historic Milestones

Work has commenced on researching and planning celebrations surrounding two significant historical milestones for the State.

In 2014, the nation will celebrate the centenary of the departure of the ANZAC troops from Albany. The Department has developed a report on the level of Western Australian Government support required towards the Albany celebrations, and to coordinate a State program of related activities and events.

In 2016 we will mark four hundred years since the landing of Dirk Hartog at Cape Inscription on Dirk Hartog Island. The Department provided secretariat support to a Committee chaired by the Hon Ken Baston MLC to prepare advice on the initial planning of key events to celebrate the Hartog anniversary. Consideration is being given to a range of proposals.

Boards and Committees

The Department partnered with the Public Sector Commission in late 2011–12 to undertake a comprehensive review of Government Boards and Committees to further reduce their number (where appropriate) and identify further areas for improvement in their administration. A report, including recommendations, is being finalised.

An accurate and correct list is also being prepared for inclusion in the database of Government Boards and Committees, and publication of the Register of Government Boards and Committees on the Western Australian Government website (www.gov.wa.au).

Support for the Executive Council, Cabinet and Parliament processes

The Department provided 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 the Economic and Expenditure Reform Cabinet Sub-Committee (EERC).

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.

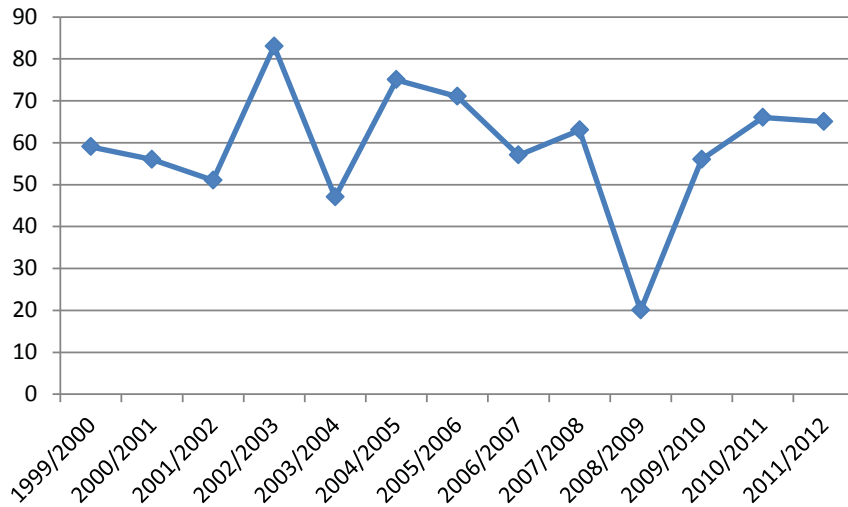
Support was provided for 47 Cabinet meetings, including regional or community Cabinet meetings in Katanning, Ballajura and Joondalup/Wanneroo.

Cabinet considered a total of 819 submissions.



Image: (above) Cabinet meeting at the Ballajura Community College in March 2012

Government Bills Passed 1999–2012



Executive Council

The services provided to Executive Council include:

- supporting the operation of the Council, including 26 regular Executive Council meetings and 11 extraordinary meetings, at which 741 submissions were considered
- facilitating three reconstitutions of the Ministry, on 6 December 2011, 12 June 2012 and 29 June 2012
- arranging the appointment of Parliamentary Secretaries on 8 July 2011, 12 June 2012 and 29 June 2012
- coordinating the Executive Council documentation relating to the appointment of the new Agent General of Western Australia.

Parliament

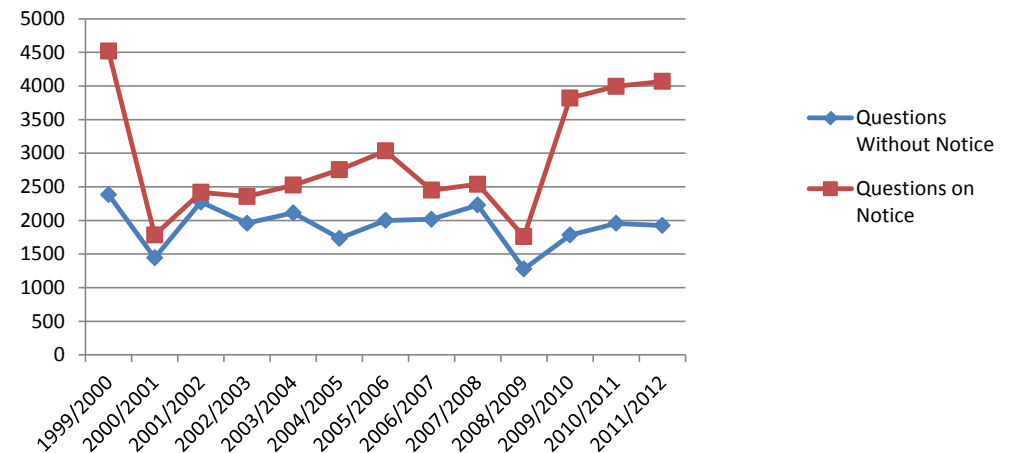
Support was also provided to the Government's legislative program, including Secretariat support for the Legislation Standing Committee of Cabinet.

The Cabinet Secretariat managed the Parliamentary Questions database, coordinating responses to 4,068 Parliamentary Questions on Notice and 1,924 Parliamentary Questions Without Notice.

The 2011 Spring Sittings commenced on 9 August 2011, and the 2012 Autumn sittings concluded on 28 June 2012.

Sixty five Government Bills were passed during the year.

Question With and Without Notice 1999–2012



Economic and Expenditure Reform Cabinet Sub-Committee

The Economic and Expenditure Reform Cabinet Sub-Committee met on 21 occasions in 2011–12. It considered 182 reports, including 85 submissions from Ministers. Forty one matters were also considered by the Treasurer under his delegated authority.

Emergency Management Policy Advice

Response to Independent Reports on Bushfires in the Perth Hills and Margaret River

In August 2011, the Government approved, in principle, the recommendations in *A Shared Responsibility – the Report of the Perth Hills Bushfire February 2011 Review* undertaken by Mr Mick Keelty AO APM.

The Government established the Bushfire Review Implementation Group to oversee the implementation of the recommendations. The Group is chaired by the Director General of the Department of the Premier and Cabinet. The Department provides policy, research and administrative support.

The following working groups have been established to support the work of the Implementation Group:

- Mitigation – Risk Definition Working Group
- Mitigation – Mitigation Responsibilities Working Group
- Response – Policy and Planning Working Group
- Response – Equipment and Skills Development Working Group
- Legislation and Departmental Structure Working Group.

In February 2012, the Premier tabled in Parliament *Appreciating the Risk – Report of the Special Inquiry into the November 2011 Margaret River Bushfire*, a review also undertaken by Mr Mick Keelty AO APM. The Government accepted the recommendations of this report and announced a number of additional actions (including gazettal of additional South West fire districts and the establishment of the Office of Bushfire Risk Management) which are being overseen by the Bushfire Review Implementation Group.

On 26 March 2012, Noetic Solutions Pty Ltd were engaged as the consultant for the Post-Incident Analysis (PIA) processes for Blackwood Fires 8 (Margaret River) and 11 (Nannup), which occurred in November 2011. The appointment of an independent consultant was a recommendation from the *Special Inquiry into the Margaret River Bushfire*. Noetic Solutions Pty Ltd provided the report for each PIA to the Department on 22 June 2012, and the reports are being considered by Government.

On 23 February 2012, the Premier announced a financial assistance package for property owners who incurred uninsured or under-insured losses as a result of the Margaret River bushfire in November 2011. The Department played a lead role in the development of the package, and is responsible for overseeing the assessment and approval of claims. It works closely with the RiskCover Division of the Insurance Commission of Western Australia with respect to these claims.

Whole-of-Government Management and Coordination of Security Incidents and Emergencies

The Department supports the State by:

- providing advice and support to the Premier on matters associated with security planning and emergency management in Western Australia
- providing representation on the National Counter-Terrorism Committee, the National Emergency Management Committee and the State Emergency Management Committee, as well as a number of working groups related to those Committees
- working in partnership with Western Australia Police to ensure that the State meets its obligations under national counter-terrorism arrangements.

Other significant areas of work in emergency management for 2011–12 have included:

Bushfire Relief

- Liaising with the Shire of Augusta–Margaret River in regard to Bushfire Relief Payments to residents affected by the Margaret River bushfire in November 2011
- Representing the Government on the Shire’s Emergency Recovery Committee, and the Financial Support and Lord Mayor’s Fund Sub-committees.

Countering Violent Extremism (CVE)

- Establishing and supporting an inter-agency Western Australian Countering Violent Extremism Reference Group
- Coordinating two CVE training workshops for frontline service delivery staff.

Policy Research, Advice and Development Through the Land, Approvals and Native Title Unit

Kimberley Science and Conservation Strategy

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

This includes the coordination and implementation of the \$63 million (over five years) of initiatives across seven Government agencies, and leading negotiations of Indigenous Land Use Agreement (ILUA) 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 Camden Sound Marine Park, which will protect key calving grounds for humpback whales
- The release of the Indicative Management Plan for the Eighty Mile Beach Marine Park
- Presenting State Government ILUA proposals to nine Traditional Owner groups, seeking their consent to the creation of new conservation reserves, intertidal marine park areas, and long-term ranger programs
- Partnering with Traditional Owners, pastoralists and non-government organisations to carry out prescribed burns over 973,060 hectares and cull 8,258 feral herbivores as part of the Landscape Conservation Initiative
- Finalising a \$12 million funding agreement with the Western Australian Marine Science Institute to deliver the Kimberley Marine Science Research Program
- Finalising a \$2.15 million partnership agreement with the Australian Wildlife Conservancy to deliver conservation projects at the Artesian Range (ex Charnley River pastoral lease) and Tableland pastoral lease, and support the Ecofire project over the next three years
- Commencement of road works and upgrades to tourism infrastructure along Kalumburu Road worth \$3.5 million
- Commencement of marketing for the Kimberley Aerial Highway, including national and international initiatives (social, print and broadcast media) with an audience reach to over 22 million people
- Awarding a \$700,000 contract to the Kimberley Institute of Training to produce barramundi fingerlings to be released into Lake Kununurra.

Image: (right) Charnley River Gorge in the Kimberley

Image courtesy of the Australian Wildlife Conservancy and W. Lawler

© Australian Wildlife Conservancy



Strategic 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 proposed development outlined in the *Directions Strategy for a City of 3.5 million*, under the *Environment Protection and Biodiversity Conservation Act 1999* (EPBC Act).

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 will evaluate the impact of 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*. It will also examine future basic raw material extraction, industrial land requirements, and necessary transport and infrastructure corridors.

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

Approvals Reform

The Department provides executive support to the Ministerial Taskforce on Approvals, Development and Sustainability and coordinates high-level strategic policy advice through various working groups such as the Directors General Working Group and Land Availability Working Group.

Major achievements

- Initiating the strategic assessment of the Perth and Peel Regions
- Completing Phase 1 of the Statutory Approvals Tracking System (StATS), which allows relevant agencies to track approvals for major projects across government
- Finalising the Western Australian Government's Environmental Offset Policy to improve consistency, transparency and accountability of Offsets arising from environmental approvals
- Progressing the development of Offset guidelines which will outline roles and responsibilities of agencies, proponents and statutory bodies, legislative requirements, assessment and decision-making processes, and auditing, monitoring and review processes
- Progressing reforms to the Lead Agency Framework to streamline the approvals process for major projects
- Progressing the development of an environmental Offsets register
- Monitoring the delivery of major government land development projects, including priority activity centres identified in *Directions 2031*.

Native Title

The Department provides policy and strategic advice to improve the efficiency of State approvals processes in managing Native Title and Aboriginal heritage.

Major achievements

- The Government's offer to resolve all Native Title claims in the South West with a comprehensive agreement with Noongar people in return for the surrender of Native Title rights and the adoption of a standard approach to Aboriginal heritage. The offer represents the most sophisticated proposal in the history of the *Native Title Act 1993* (Cwth) to resolve Native Title claims and, at the same time, provide a basis for the social and economic advancement of Indigenous people
- In partnership with the Department of Indigenous Affairs (DIA), the establishment of the Inter-Agency Reference Group on Native Title and Aboriginal Heritage to assist all State Government agencies to meet their obligations under the *Native Title Act 1993* and the *Aboriginal Heritage Act 1972*. The Reference Group is pivotal to whole-of-government policy and work practices related to Native Title and Aboriginal heritage
- The introduction of the Government ILUA into Native Title claim negotiations as a vehicle to improve long-term land management in areas where Native Title has been resolved, including the creation of new opportunities for Indigenous economic development.

Significant Issues 2011–12

The organisation and planning for the **Commonwealth Heads of Government Meeting** (CHOGM) and associated events was a significant challenge for the Department in 2011–12. The Department supported the CHOGM Director, who was appointed by the Premier to coordinate the State's activities, and the Steering Committee of State and Local Government agencies involved in the many events surrounding CHOGM — all of which were tremendously successful in showcasing Perth and Western Australia to the world.

Efforts to advance **Native Title reforms** progressed throughout 2011–12. A significant step was taken with the presentation of the State Government's offer concerning Native Title claims in the South West. This sophisticated proposal for a comprehensive agreement with the Noongar people aims to resolve claims and provide a basis for the social and economic advancement of Indigenous people.

The Department also worked in partnership with the Department of Indigenous Affairs to establish the Inter-Agency Reference Group on Native Title and Aboriginal Heritage. This group helps all State Government agencies to meet their obligations under the relevant legislation.

Developing and implementing reforms for the not-for-profit sector was a major focus of activities for the Department. This included providing support to the:

- Partnership Forum
- Social Enterprise Fund, launched in April 2012 and designed to increase the number, effectiveness and efficiency of social enterprises in Western Australia
- implementation of the Delivering Community Services in Partnership Policy, which sets out:
 - » available funding and contracting options
 - » the new focus on achievement of outcomes, delivery of outputs and sustainable prices
 - » reducing the unnecessary administrative burden in contracting activities.

In addition, the Department undertook a major role in responding to the recommendations of the two **bushfire reviews** conducted by Mr Mick Keelty AO APM in 2011.

Along with providing support to Mr Keelty during his inquiries, staff were also involved in facilitating the payment of compensation to those affected by these devastating events.

A team from the Department, supplemented by expertise from the Fire and Emergency Services Authority, the Department of Environment and Conservation, other Government agencies and Local Government, has been working throughout 2011–12 to ensure the Keelty recommendations are properly implemented.

With the establishment of the Office of Bushfire Risk Management and a new State Emergency Management Committee, work on this important initiative will gradually move away from the Department.

Performing a key coordination role in the **implementation of the Kimberley Science and Conservation Strategy**, the Department has worked closely with line agencies to deliver several critical achievements in 2011–12 including:

- creating the Camden Sound Marine Park
- releasing an indicative management plan for the Eighty Mile Beach Marine Park
- partnering with Traditional Owners, pastoralists and non-government organisations to conduct prescribed burns and cull 8,258 feral herbivores in the Kimberley region.



Disclosures and Legal Compliance

- **Opinion of the Auditor General**
- **Financial Statements**
 - Certification of Financial Statements
 - Notes to the Financial Statements
- **Additional Key Performance Indicator Information**
 - Certification of Key Performance Indicators
 - Performance Indicators and Effectiveness Indicators
- **Other Financial Disclosures**
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- **Other Legal Requirements**
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- **Freedom of Information**

Opinion of the Auditor General



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 2012, 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 2012 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 2012.

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 2012.

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 2012.

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 2012.

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 2012 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
17 September 2012

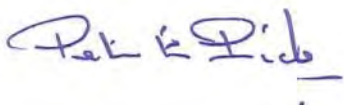


Certification of Financial Statements

For the year ended 30 June 2012

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 2012 and the financial position as at 30 June 2012.

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

16 July 2012



PETER CONRAN
ACCOUNTABLE AUTHORITY

16 July 2012

Statement of Comprehensive Income

for the year ended 30 June 2012

| <i>The Statement of Comprehensive Income should be read in conjunction with the accompanying notes. Refer to the 'Schedule of Income and Expenses by Service'.</i> | Note | 2012 | 2011 |
|--|------|----------------|----------------|
| | | \$000 | \$000 |
| COST OF SERVICES | | | |
| Expenses | | | |
| Employee benefits expense | 6 | 74,707 | 67,523 |
| Supplies and services | 7 | 32,651 | 25,248 |
| Depreciation and amortisation expense | 8 | 1,814 | 2,025 |
| Accommodation expenses | 9 | 19,601 | 18,023 |
| Grants and subsidies | 10 | 20,818 | 7,493 |
| Loss on disposal of non-current assets | 14 | 197 | 18 |
| Losses on foreign operation translation | | 28 | 322 |
| Losses on hedging | | 205 | 483 |
| Other expenses | 11 | 398 | 17 |
| Total cost of services | | 150,419 | 121,152 |
| Income | | | |
| Revenue | | | |
| User charges and fees | 12 | 2,030 | 2,407 |
| Sales | | 1,291 | 1,310 |
| Commonwealth grants and contributions | 13 | 428 | 258 |
| Total revenue | | 3,749 | 3,975 |
| Total income other than income from State Government | | 3,749 | 3,975 |
| NET COST OF SERVICES | | 146,670 | 117,177 |
| INCOME FROM STATE GOVERNMENT | | | |
| Service appropriation | | 150,475 | 110,641 |
| Resources received free of charge | | 2,664 | 1,658 |
| Royalties for Regions Fund | | 55 | 35 |
| Total income from State Government | 15 | 153,194 | 112,334 |
| SURPLUS/(DEFICIT) FOR THE PERIOD | | 6,524 | (4,843) |
| OTHER COMPREHENSIVE INCOME | | | |
| Gain/(Losses) on foreign exchange recognised directly in equity | | 533 | (2,974) |
| Total other comprehensive income | | 533 | (2,974) |
| TOTAL COMPREHENSIVE INCOME FOR THE PERIOD | | 7,057 | (7,818) |

Statement of Financial Position

as at 30 June 2012

The Statement of Financial Position should be read in conjunction with the accompanying notes.
Refer to the 'Schedule of Assets and Liabilities by Service'.

| | Note | 2012 | 2011 |
|--------------------------------------|------|---------------|---------------|
| | | \$000 | \$000 |
| ASSETS | | | |
| Current Assets | | | |
| Cash and cash equivalents | 27 | 40,625 | 32,713 |
| Inventories | 17 | 88 | 85 |
| Receivables | 18 | 2,249 | 1,328 |
| Amounts receivable for services | 19 | 1,412 | 1,289 |
| Other assets | 29 | 1,690 | 783 |
| Total current assets | | 46,064 | 36,198 |
| Non-Current Assets | | | |
| Restricted cash and cash equivalents | 16 | 1,704 | 1,310 |
| Amounts receivable for services | 19 | 22,068 | 20,779 |
| Property, plant and equipment | 20 | 4,372 | 4,992 |
| Intangible assets | 21 | 122 | 191 |
| Total non-current assets | | 28,266 | 27,273 |
| TOTAL ASSETS | | 74,330 | 63,469 |
| LIABILITIES | | | |
| Current Liabilities | | | |
| Payables | 23 | 7,385 | 4,997 |
| Provisions | 24 | 14,857 | 13,412 |
| Other current liabilities | 25 | 2,717 | 3,085 |
| Total current liabilities | | 24,959 | 21,494 |
| Non-Current Liabilities | | | |
| Provisions | 24 | 3,031 | 2,692 |
| Total non-current liabilities | | 3,031 | 2,692 |
| Total Liabilities | | 27,990 | 24,186 |
| Net Assets | | 46,340 | 39,283 |
| Equity | | | |
| Contributed equity | 26 | 34,615 | 34,615 |
| Hedging reserves | | (3,999) | (4,532) |
| Accumulated surplus/(deficiency) | | 15,724 | 9,200 |
| Total equity | | 46,340 | 39,283 |

Statement of Changes in Equity

for the year ended 30 June 2012

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

| | Note | Contributed equity | Reserves | Accumulated Surplus/ (deficit) | Total equity |
|---|------|--------------------|----------|-----------------------------------|--------------|
| Balance at 1 July 2010 | | 4,225 | (1,558) | 14,043 | 16,710 |
| Surplus/(deficit) | | | | (4,843) | (4,843) |
| Other comprehensive income for the year | | - | (2,974) | - | (2,974) |
| Total comprehensive income for the year | | - | (2,974) | (4,843) | (7,817) |
| Transactions with owners in their capacity as owners: | | | | | |
| Capital appropriations | | - | - | - | - |
| Other contributions by owners | | 30,390 | - | - | 30,390 |
| Distributions to owners | | - | - | - | - |
| Total | | 30,390 | - | - | 30,390 |
| Balance at 30 June 2011 | | 34,615 | (4,532) | 9,200 | 39,283 |
| 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 |

Statement of Cash Flows

for the year ended 30 June 2012

| <i>The Statement of Cash Flows should be read in conjunction with the accompanying notes</i> | Note | 2012 | 2011 |
|--|------|------------------|------------------|
| | | \$000 | \$000 |
| CASH FLOWS FROM STATE GOVERNMENT | | | |
| Service appropriation | | 147,031 | 107,283 |
| Holding account drawdowns | | 2,032 | 2,059 |
| Capital contributions | | - | - |
| Non-retained revenue distributed to owners | | (40) | 30,116 |
| Royalties for Regions Fund | | 55 | 35 |
| Net cash provided by State Government | | 149,078 | 139,493 |
| Utilised as follows: | | | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Payments | | | |
| Employee benefits | | (74,038) | (64,375) |
| Supplies and services | | (29,304) | (23,429) |
| Accommodation | | (18,641) | (18,342) |
| Grants and subsidies | | (21,515) | (7,109) |
| GST payments on purchases | | (5,301) | (4,553) |
| GST payments to taxation authority | | (555) | (667) |
| Other payments | | (103) | - |
| Receipts | | | |
| User charges and fees | | 1,106 | 1,641 |
| Sales of goods and services | | 2,138 | 2,486 |
| Commonwealth grants and contributions | | 428 | 339 |
| Interest received | | - | - |
| GST receipts on sales | | 522 | 651 |
| GST receipts from taxation authority | | 5,241 | 4,518 |
| Other receipts | | 106 | - |
| Net cash provided by/(used in) operating activities | 27 | (139,916) | (108,839) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Payments | | | |
| Purchase of non-current physical assets | | (849) | (1,255) |
| Receipts | | | |
| Proceeds from the sale of non-current physical assets | | 21 | - |
| Net cash provided by/(used in) investing activities | | (828) | (1,255) |
| Net increase/(decrease) in cash and cash equivalents | | 8,334 | 29,399 |
| Cash and cash equivalents at the beginning of period | | 34,023 | 4,888 |
| Effects of exchange rate changes on cash balances held in foreign currency | | (28) | (264) |
| CASH AND CASH EQUIVALENTS AT THE END OF PERIOD | 27 | 42,329 | 34,023 |

Schedule of Income and Expenses by Service

for the year ended 30 June 2012

| | Administration of Executive Government Services | | Government Policy Management | | Total | |
|---|---|----------------|------------------------------|---------------|----------------|----------------|
| | 2012 | 2011 | 2012 | 2011 | 2012 | 2011 |
| | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 |
| COST OF SERVICES | | | | | | |
| Expenses | | | | | | |
| Employee benefits expense | 60,154 | 57,008 | 14,553 | 10,515 | 74,707 | 67,523 |
| Supplies and services | 26,133 | 22,124 | 6,518 | 3,124 | 32,651 | 25,248 |
| Depreciation and amortisation expense | 1,399 | 1,654 | 415 | 371 | 1,814 | 2,025 |
| Accommodation expenses | 17,327 | 16,057 | 2,274 | 1,966 | 19,601 | 18,023 |
| Grants and subsidies | 4,512 | 6,818 | 16,306 | 675 | 20,818 | 7,493 |
| Loss on disposal of non-current assets | 92 | 18 | 105 | - | 197 | 18 |
| Loss on foreign exchange | 233 | 805 | - | - | 233 | 805 |
| Other expenses | 313 | 14 | 85 | 3 | 398 | 17 |
| Total cost of services | 110,163 | 104,498 | 40,256 | 16,654 | 150,419 | 121,152 |
| Income | | | | | | |
| User charges and fees | 1,776 | 2,008 | 254 | 399 | 2,030 | 2,407 |
| Sales | 1,291 | 1,310 | - | - | 1,291 | 1,310 |
| Commonwealth grants and contributions | - | - | 428 | 258 | 428 | 258 |
| Total income other than income from State Government | 3,067 | 3,318 | 682 | 657 | 3,749 | 3,975 |
| NET COST OF SERVICES | 107,096 | 101,180 | 39,574 | 15,997 | 146,670 | 117,177 |
| INCOME FROM STATE GOVERNMENT | | | | | | |
| Service appropriation | 110,221 | 95,439 | 40,254 | 15,202 | 150,475 | 110,641 |
| Resources received free of charge | 1,413 | 1,567 | 1,251 | 91 | 2,664 | 1,658 |
| Royalties for Regions Fund | 47 | 35 | 8 | - | 55 | 35 |
| Total income from State Government | 111,681 | 97,041 | 41,513 | 15,293 | 153,194 | 112,334 |
| Surplus/(deficit) for the period | 4,585 | (4,139) | 1,939 | (704) | 6,524 | (4,843) |

Schedule of Assets and Liabilities by Service

as at 30 June 2012

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

| | Administration of Executive Government Services | | Government Policy Management | | Total | |
|-------------------------------|--|---------------|---------------------------------|--------------|---------------|---------------|
| | 2012 | 2011 | 2012 | 2011 | 2012 | 2011 |
| | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 |
| ASSETS | | | | | | |
| Current assets | 38,680 | 32,480 | 7,384 | 3,718 | 46,064 | 36,198 |
| Non-current assets | 21,939 | 22,180 | 6,327 | 5,091 | 28,266 | 27,271 |
| Total assets | 60,619 | 54,660 | 13,711 | 8,809 | 74,330 | 63,469 |
| LIABILITIES | | | | | | |
| Current liabilities | 19,476 | 17,217 | 5,483 | 4,277 | 24,959 | 21,494 |
| Total non-current liabilities | 2,420 | 2,128 | 611 | 564 | 3,031 | 2,692 |
| Total liabilities | 21,896 | 19,345 | 6,094 | 4,841 | 27,990 | 24,186 |
| NET ASSETS | 38,723 | 35,315 | 7,617 | 3,968 | 46,340 | 39,283 |

Summary of Consolidated Account Appropriations and Income Estimates

for the year ended 30 June 2012

| | 2012 | 2012 | VARIANCE | 2012 | 2011 | VARIANCE |
|---|----------------|----------------|----------|----------------|----------------|---------------|
| | ESTIMATE | ACTUAL | | ACTUAL | ACTUAL | |
| | \$000 | \$000 | | \$000 | \$000 | |
| DELIVERY OF SERVICES | | | | | | |
| Item 5 Net amount appropriated to deliver services | 148,497 | 148,497 | - | 148,497 | 103,847 | 44,650 |
| Section 25 Transfer of service appropriation ^(a) | | | - | - | 4,925 | (4,925) |
| Amount Authorised by Other Statutes | | | | | | |
| - Salaries and Allowances Act 1975 | 1,978 | 1,978 | - | 1,978 | 1,869 | 109 |
| Total appropriations provided to deliver services | 150,475 | 150,475 | - | 150,475 | 110,641 | 39,834 |
| GRAND TOTAL | 150,475 | 150,475 | - | 150,475 | 110,641 | 39,834 |
| Details of Expenses by Service | | | | | | |
| Administration of Executive Government Services | 105,206 | 110,163 | (4,957) | 110,163 | 104,498 | 5,665 |
| Government Policy Management | 45,408 | 40,256 | 5,152 | 40,256 | 16,654 | 23,602 |
| Total cost of services | 150,614 | 150,419 | 195 | 150,419 | 121,152 | 29,267 |
| Less total income | (139) | (3,749) | 3,610 | (3,749) | (3,975) | 226 |
| Net cost of services | 150,475 | 146,670 | 3,805 | 146,670 | 117,177 | 29,493 |
| Adjustments | - | 3,805 | (3,805) | 3,805 | (6,536) | 10,341 |
| Total appropriations provided to deliver services | 150,475 | 150,475 | - | 150,475 | 110,641 | 39,834 |
| Capital Expenditure | | | | | | |
| Purchase of non-current physical assets | 3,337 | 849 | 2,488 | 849 | 1,255 | (406) |
| Adjustment for other funding sources | (3,337) | (849) | (2,488) | (849) | (1,255) | 406 |
| Capital Contribution (appropriation) | - | - | - | - | - | - |

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

Note 34 'Explanatory Statement' provides details of any significant variations between estimates and actual results for 2012 and between the actual results for 2011 and 2012.

(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 ending 30 June 2012

1. Australian Accounting Standards

General

The Department's financial statements for the year ended 30 June 2012 have been prepared in accordance with Australian Accounting Standards. The term 'Australian Accounting Standards' refers to Standards and Interpretations issued by the Australian Accounting Standard 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 make an early adoption of an Australian Accounting Standard unless specifically permitted by TI 1101 Application of Australian Accounting Standards and Other Pronouncements. No Australian Accounting Standards that have been issued or amended but not operative have been early adopted by the Department for the annual reporting period ended 30 June 2012.

2. Summary of Significant Accounting Policies

(a) General Statement

The Department is a not-for-profit 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 are legislative provisions governing 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 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.

(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, other than as a result of a restructure of administrative arrangements, in the nature of equity contributions 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 held at Treasury.

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

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 2011–12 Budget Statements, the Department retained \$9.456 million in 2012 (\$9.635 million in 2011) from the following:

- Proceeds from fees and charges
- Other departmental revenue
- GST input credits
- GST receipts on sales.

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.

Revenue

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. As such, items of 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.

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 |
|----------|---------|

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.

(h) Impairment of Assets

Property, plant and equipment and intangible assets are tested for any indication of impairment at each balance sheet date. 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. 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 the 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.

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.

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 Cash Flow Statement, 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 net fair value.

(m) Amounts Receivable for Services (Holding Account)

The Department receives appropriation funding on an accrual basis that recognises the full annual cash and non-cash cost of services. The appropriations are paid partly in cash and partly as an asset (Holding Account receivable) that is accessible on the emergence of the cash funding requirement to cover items such as 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 valued at cost unless they are no longer required, in which case they are valued at net realisable value.

See note 17 'Inventories'.

(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 allowable amount. 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 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 they are generally settled 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.

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 the 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 10 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.

Superannuation

The Government Employees Superannuation Board (GESB) and other funds administer public sector superannuation arrangements in Western Australia in accordance with legislative requirements. Eligibility criteria for membership in particular schemes for public sector employees varies 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 2012, existing members of the WSS or GESBS and new employees became able to choose their preferred superannuation fund.

The Department makes concurrent contributions to GESB or other funds on behalf of employees in compliance with the Commonwealth Government's *Superannuation Guarantee (Administration) Act 1992*. These contributions extinguish the 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'.

(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 fund. The employer contribution paid to the GESB in respect of the GSS is paid back into the Consolidated Account by the GESB.

(s) Resources Received Free of Charge or for Nominal Cost

Resources received free of charge or for nominal cost that can be reliably measured are recognised as income at fair value. Where the resource received represents a service that the Department would otherwise pay for, a corresponding expense is recognised. 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 date of the transactions. Monetary assets and liabilities denominated in foreign currencies are re-translated 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.

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 2011 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.

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 International Financial Reporting Standards (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.

| | | Operative for reporting periods beginning on/ after |
|--|--|---|
| <i>AASB 9 Financial Instruments</i> | <p>This Standard supersedes AASB 139 Financial Instruments: Recognition and Measurement, 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 January 2013 |
| <i>AASB 10 Consolidated Financial Statements</i> | <p>This Standard supersedes requirements under AASB 127 Consolidated and Separate Financial Statements and Int 112 Consolidation – Special Purpose Entities, introducing a number of changes to accounting treatments.</p> <p>The Standard was issued in August 2011. The Department has not yet determined the application or the potential impact of the Standard.</p> | 1 January 2013 |
| <i>AASB 11 Joint Arrangements</i> | <p>This Standard supersedes AASB 131 Interests in Joint Ventures, introducing a number of changes to accounting treatments.</p> <p>The Standard was issued in August 2011. The Department has not yet determined the application or the potential impact of the Standard.</p> | 1 January 2013 |
| <i>AASB 12 Disclosure of Interests in Other Entities</i> | <p>This Standard supersedes disclosure requirements under AASB 127 Consolidated and Separate Financial Statements and AASB 131 Interests in Joint Ventures.</p> <p>The Standard was issued in August 2011. The Department has not yet determined the application or the potential impact of the Standard.</p> | 1 January 2013 |
| <i>AASB 13 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> | 1 January 2013 |

| | | |
|---|--|-----------------------|
| <p><i>AASB 119 Employee Benefits</i></p> | <p>This Standard supersedes AASB 119 Employee Benefits, 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> | <p>1 January 2013</p> |
| <p><i>AASB 127 Separate Financial Statements</i></p> | <p>This Standard supersedes requirements under AASB 127 Consolidated and Separate Financial Statements, introducing a number of changes to accounting treatments.</p> <p>The Standard was issued in August 2011. The Department has not yet determined the application or the potential impact of the Standard.</p> | <p>1 January 2013</p> |
| <p><i>AASB 128 Investments in Associates and Joint Ventures</i></p> | <p>This Standard supersedes AASB 128 Investments in Associates, introducing a number of changes to accounting treatments.</p> <p>The Standard was issued in August 2011. The Department has not yet determined the application or the potential impact of the Standard.</p> | <p>1 January 2013</p> |
| <p><i>AASB 1053 Application of Tiers of Australian Accounting Standards</i></p> | <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> | <p>1 July 2013</p> |
| <p><i>AASB 2009-11</i></p> | <p><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></p> <p>[Modified by AASB 2010-7]</p> | <p>1 July 2013</p> |
| <p><i>AASB 2010-2</i></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> | <p>1 July 2013</p> |
| <p><i>AASB 2010-7</i></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> | <p>1 January 2013</p> |

| | | |
|-------------|--|----------------|
| AASB 2011-2 | <p><i>Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project – Reduced Disclosure Requirements [AASB 101 & 1054]</i></p> <p>This Standard removes disclosure requirements from other Standards and incorporates them in a single Standard to achieve convergence between Australian and New Zealand Accounting Standards for reduced disclosure reporting. There is no financial impact.</p> | 1 July 2013 |
| AASB 2011-6 | <p><i>Amendments to Australian Accounting Standards – Extending Relief from Consolidation, the Equity Method and Proportionate Consolidation – Reduced Disclosure Requirements [AASB 127, 128 & 131]</i></p> <p>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 comply with Australian Accounting Standards or Australian Accounting Standards – Reduced Disclosure Requirements. There is no financial impact.</p> | 1 July 2013 |
| AASB 2011-7 | <p><i>Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards [AASB 1, 2, 3, 5, 7, 9, 2009-11, 101, 107, 112, 118, 121, 124, 132, 133, 136, 138, 139, 1023 & 1038 and Int 5, 9, 16 & 17]</i></p> <p>This Standard gives effect to consequential changes arising from the issuance of AASB 10, AASB 11, AASB 127 Separate Financial Statements and AASB 128 Investments in Associates and Joint Ventures. The Department has not yet determined the application or the potential impact of the Standard.</p> | 1 January 2013 |
| AASB 2011-8 | <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 January 2013 |
| AASB 2011-9 | <p><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></p> <p>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.</p> | 1 July 2012 |

| | | |
|--------------|--|----------------|
| AASB 2011-10 | <p><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></p> <p>This Standard makes amendments to other Australian Accounting Standards and Interpretations as a result of issuing AASB 119 Employee Benefits in September 2011. The Department has not yet determined the application or the potential impact of the Standard.</p> | 1 January 2013 |
| AASB 2011-11 | <p><i>Amendments to AASB 119 (September 2011) arising from Reduced Disclosure Requirements</i></p> <p>This Standard gives effect to Australian Accounting Standards – Reduced Disclosure Requirements for AASB 119 (September 2011). There is no financial impact.</p> | 1 January 2013 |
| AASB 2012-1 | <p><i>Amendments to Australian Accounting Standards - Fair Value Measurement - Reduced Disclosure Requirements [AASB 3, 7, 13, 140 & 141]</i></p> <p>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.</p> | 1 July 2013 |

6. Employee Benefits Expense

| | 2012 | 2011 |
|--|---------------|---------------|
| | \$000 | \$000 |
| Wages and salaries ^(a) | 69,070 | 62,392 |
| Superannuation – defined contribution plans ^(b) | 5,637 | 5,131 |
| | <u>74,707</u> | <u>67,523</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

| | 2012 | 2011 |
|----------------------------|---------------|---------------|
| | \$000 | \$000 |
| Professional services | 11,919 | 5,966 |
| Travel | 2,998 | 3,344 |
| Other staff costs | 441 | 324 |
| Communications | 2,233 | 1,817 |
| Consumables | 3,745 | 3,205 |
| Lease of aircraft | 6,467 | 5,775 |
| Lease of motor vehicle | 2,057 | 2,205 |
| Advertising | 54 | 16 |
| Other administration costs | 2,737 | 2,596 |
| | <u>32,651</u> | <u>25,248</u> |

8. Depreciation and Amortisation Expenses

| | 2012 | 2011 |
|--|---------------------|---------------------|
| | \$000 | \$000 |
| Depreciation | | |
| Computer hardware | 255 | 224 |
| Furniture and fittings | 89 | 83 |
| Motor vehicles | 13 | 24 |
| Office equipment | 429 | 426 |
| Office establishment | 959 | 1,268 |
| Total depreciation | <u>1,745</u> | <u>2,025</u> |
| Amortisation | | |
| Intangible assets | | |
| Software | 69 | - |
| Total amortisation | <u>69</u> | <u>-</u> |
| Total depreciation and amortisation | <u><u>1,814</u></u> | <u><u>2,025</u></u> |

9. Accommodation Expenses

| | 2012 | 2011 |
|-----------------------------|---------------|---------------|
| | \$000 | \$000 |
| Lease rentals and outgoings | 19,601 | 18,023 |
| | <u>19,601</u> | <u>18,023</u> |

10. Grants and Subsidies

| | 2012 | 2011 |
|--------------------------------|---------------|--------------|
| | \$000 | \$000 |
| <u>Recurrent</u> | | |
| Subsidies and community grants | 12,546 | 593 |
| Government agency grants | 3,684 | 2,309 |
| External grants | 4,588 | 4,591 |
| | <u>20,818</u> | <u>7,493</u> |

11. Other Expenses

| | 2012 | 2011 |
|---------------------|------------|-----------|
| | \$000 | \$000 |
| Employment on-costs | 398 | 17 |
| | <u>398</u> | <u>17</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

| | 2012 | 2011 |
|---|--------------|--------------|
| | \$000 | \$000 |
| Contributions by Senior Officers to the Government Vehicle Scheme | 116 | 110 |
| Provision of services | 897 | 1,048 |
| Recoups | 474 | 832 |
| Other revenue | 543 | 417 |
| | <u>2,030</u> | <u>2,407</u> |

13. Commonwealth Grants and Contributions

| | 2012 | 2011 |
|--------------------------|--------------|--------------|
| | \$000 | \$000 |
| Indian Ocean Territories | <u>428</u> | <u>258</u> |
| | 428 | 258 |

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.

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

| | 2012 | 2011 |
|--|---------------------|--------------------|
| | \$000 | \$000 |
| <u>Cost of Disposal on Non-Current Assets</u> | | |
| Furniture and fittings | 164 | - |
| Motor vehicles | 21 | - |
| Office equipment | 4 | 10 |
| Office establishment | 29 | 8 |
| | <u>218</u> | <u>18</u> |
| <u>Proceeds from Disposal of Non-Current Assets</u> | | |
| Motor vehicles | 21 | - |
| | <u>21</u> | <u>-</u> |
| Net gain/(loss) | <u><u>(197)</u></u> | <u><u>(18)</u></u> |

15. Income from State Government

| | 2012 | 2011 |
|--|----------------|----------------|
| | \$000 | \$000 |
| Appropriation received during the year: | | |
| Service appropriations ^(a) | 150,475 | 110,641 |
| 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 | 272 |
| Department of Finance – lease administration services | 563 | 718 |
| Department of Finance – procurement services | 193 | 186 |
| Department of Finance – fitout depreciation | 417 | - |
| Department of the Attorney General – legal services | 1,245 | 466 |
| Landgate – spatial and valuation services | 33 | 16 |
| | <u>2,664</u> | <u>1,658</u> |
| Royalties for Regions Fund: | | |
| Regional Community Services Account ^(c) | 55 | 35 |
| | <u>153,194</u> | <u>112,334</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 Western Australian regional areas.

16. Restricted Cash and Cash Equivalent Assets

| | 2012 | 2011 |
|--|--------------|--------------|
| | \$000 | \$000 |
| <u>Non Current</u> | | |
| Accrued salaries suspense account ^(a) | 1,704 | 1,310 |
| | <u>1,704</u> | <u>1,310</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

| | 2012 | 2011 |
|----------------------------------|-----------|-----------|
| | \$000 | \$000 |
| <u>Current</u> | | |
| Inventories held for resale: | | |
| - Publications | 22 | 17 |
| Inventories not held for resale: | | |
| - Stationery stores and material | 66 | 68 |
| | <u>88</u> | <u>85</u> |

18. Receivables

| | 2012 | 2011 |
|----------------|--------------|--------------|
| | \$000 | \$000 |
| <u>Current</u> | | |
| Receivables | 1,607 | 878 |
| GST receivable | 642 | 450 |
| | <u>2,249</u> | <u>1,328</u> |

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

19. Amounts Receivable for Services (Holding Account)

| | 2012 | 2011 |
|-------------|---------------|---------------|
| | \$000 | \$000 |
| Current | 1,412 | 1,289 |
| Non-current | 22,068 | 20,779 |
| | <u>23,480</u> | <u>22,068</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

| | 2012 | 2011 |
|-------------------------------|---------------------|---------------------|
| | \$000 | \$000 |
| Computer Hardware | | |
| At cost | 1,277 | 1,445 |
| Accumulated depreciation | (659) | (981) |
| Accumulated impairment losses | - | - |
| | <u>618</u> | <u>464</u> |
| Furniture and Fittings | | |
| At cost | 391 | 674 |
| Accumulated depreciation | (332) | (361) |
| Accumulated impairment losses | - | - |
| | <u>59</u> | <u>313</u> |
| Motor Vehicles | | |
| At cost | 55 | 168 |
| Accumulated depreciation | (13) | (93) |
| Accumulated impairment losses | - | - |
| | <u>42</u> | <u>75</u> |
| Office Equipment | | |
| At cost | 2,895 | 2,812 |
| Accumulated depreciation | (1,511) | (1,585) |
| Accumulated impairment losses | - | - |
| | <u>1,384</u> | <u>1,227</u> |
| Office Establishment | | |
| At cost | 8,893 | 11,253 |
| Accumulated depreciation | (6,624) | (8,340) |
| Accumulated impairment losses | - | - |
| | <u>2,269</u> | <u>2,913</u> |
| Total | <u><u>4,372</u></u> | <u><u>4,992</u></u> |

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 and 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> |
| 2011 | | | | | | |
| Carrying amount at start of year | 211 | 263 | 44 | 1,301 | 3,735 | 5,554 |
| Additions | 477 | 133 | 55 | 362 | 472 | 1,499 |
| Transfers | - | - | - | - | (18) | (18) |
| Disposals | - | - | - | (10) | (8) | (18) |
| Depreciation | (224) | (83) | (24) | (426) | (1,268) | (2,025) |
| Carrying amount at end of year | <u>464</u> | <u>313</u> | <u>75</u> | <u>1,227</u> | <u>2,913</u> | <u>4,992</u> |

21. Intangible Assets

| | 2012 | 2011 |
|----------------------------------|------------|------------|
| | \$000 | \$000 |
| Computer Software | | |
| At cost | 569 | 587 |
| Accumulated amortisation | (447) | (396) |
| Accumulated impairment losses | - | - |
| | <u>122</u> | <u>191</u> |
| <u>Reconciliations:</u> | | |
| Computer Software | | |
| Carrying amount at start of year | 191 | - |
| Additions | - | 191 |
| Disposals | - | - |
| Amortisation expense | (69) | - |
| Carrying amount at end of year | <u>122</u> | <u>191</u> |

22. Impairment of Assets

There were no indications of impairment of property, plant and equipment, and intangible assets at 30 June 2012.

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

| | 2012 | 2011 |
|------------------|--------------|--------------|
| | \$000 | \$000 |
| <u>Current</u> | | |
| Trade payables | 1,029 | 401 |
| Accrued salaries | 1,443 | 1,648 |
| Accrued expenses | 4,913 | 2,948 |
| | <u>7,385</u> | <u>4,997</u> |

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

24. Provisions

| | 2012 | 2011 |
|---|---------------|---------------|
| | \$000 | \$000 |
| <u>Current</u> | | |
| Employee benefits provision | | |
| Annual leave ^(a) | 7,267 | 6,457 |
| Long service leave ^(b) | 7,551 | 6,930 |
| 48/52 Leave arrangements ^(c) | 32 | 19 |
| Deferred salary scheme | - | - |
| | <u>14,850</u> | <u>13,406</u> |
| Other provisions | | |
| Employment on-costs ^(c) | 7 | 6 |
| | <u>7</u> | <u>6</u> |
| | <u>14,857</u> | <u>13,412</u> |
| <u>Non-current</u> | | |
| Long service leave ^(b) | 3,030 | 2,691 |
| | - | - |
| | <u>3,030</u> | <u>2,691</u> |
| Other provisions | | |
| Employment on-costs ^(c) | 1 | 1 |
| | <u>1</u> | <u>1</u> |
| | <u>3,031</u> | <u>2,692</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:

| | 2012 | 2011 |
|---|--------------|--------------|
| | \$000 | \$000 |
| Within 12 months of the end of the reporting period | 4,363 | 3,670 |
| More than 12 months after the end of the reporting period | 2,936 | 2,796 |
| | <u>7,299</u> | <u>6,466</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:

| | 2012 | 2011 |
|---|---------------|--------------|
| | \$000 | \$000 |
| Within 12 months of the end of the reporting period | 3,755 | 3,342 |
| More than 12 months after the end of the reporting period | 6,826 | 6,279 |
| | <u>10,581</u> | <u>9,621</u> |

(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'.

| | 2012 | 2011 |
|--|--------------|--------------|
| | \$000 | \$000 |
| Movement in Other Provisions | | |
| <u>Employment on-cost provision</u> | | |
| Carrying amount at start of year | 7 | 6 |
| Additional provisions recognised | 1 | 1 |
| Payments/other sacrifices of economic benefits | - | - |
| Carrying amount at end of year | <u>8</u> | <u>7</u> |

25. Other Liabilities

| | 2012 | 2011 |
|--------------------------------|--------------|--------------|
| | \$000 | \$000 |
| Current | | |
| Derivative financial liability | 2,709 | 3,077 |
| Other liability | 8 | 8 |
| | <u>2,717</u> | <u>3,085</u> |

See also note 36 'Financial Instruments'.

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.

| | 2012 | 2011 |
|---|---------------|---------------|
| | \$000 | \$000 |
| Contributed equity | | |
| Balance at the start of the year | 34,615 | 4,225 |
| Contributions by owners: | | |
| Capital contributions ^(a) | - | - |
| Transfer of net assets from other agencies ^(b) | - | 30,390 |
| Total contributions by owners | <u>-</u> | <u>30,390</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>34,615</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*.

(b) Transfer of net assets from other agencies

The Department of the Attorney General – Office of Native Title transferred net assets of \$30 million to the Department in 2010–11.

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.

A restructure of administrative arrangement resulted in the function of the Office of Native Title being transferred from the Department of the Attorney General to the Department of the Premier and Cabinet with effect from 1 April 2011. For the reporting period, the Department of the Attorney General recognised the following expenses, income, assets, and liabilities attributed to the transferred activities (available on the following page):

| | 2012 | 2011 |
|--|----------------|----------------|
| | \$000 | \$000 |
| Expenses | | |
| Employee benefits expense | - | 2,334 |
| Supplies and services | - | 1,304 |
| Depreciation and amortisation expense | - | 26 |
| Accommodation expenses | - | 322 |
| Grants and subsidies | - | 45,714 |
| | <u>-</u> | <u>49,700</u> |
| Income | | |
| Grants and subsidies | - | - |
| Other revenue | - | 100 |
| | <u>-</u> | <u>100</u> |
| Income from State Government | | |
| Appropriation – recurrent | - | 51,534 |
| Resources received free of charge | - | 226 |
| | <u>-</u> | <u>51,760</u> |
| Assets | | |
| Current assets | - | 30,139 |
| Non-current assets | - | 1,159 |
| | <u>-</u> | <u>31,298</u> |
| Liabilities | | |
| Current liabilities | - | 715 |
| Non-current liabilities | - | 193 |
| | <u>-</u> | <u>908</u> |
| Hedging Reserve | | |
| Balance at the start of the year | (4,532) | (1,558) |
| Net revaluations increments/(decrements) | 533 | (2,974) |
| Balance at the end of the year | <u>(3,999)</u> | <u>(4,532)</u> |
| Accumulated surplus/(deficit) (Retained Earnings) | | |
| Balance at the start of the year | 9,200 | 14,043 |
| Transfer to Contributed Equity | - | - |
| Result for the period | 6,524 | (4,843) |
| Restated balance at the end of the year | <u>15,724</u> | <u>9,200</u> |

27. Notes to the Statement of Cash Flows

| | 2012 | 2011 |
|--|------------------|------------------|
| | \$000 | \$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 | 40,625 | 32,713 |
| Restricted cash and cash equivalents (<i>refer to note 16</i>) | 1,704 | 1,310 |
| | <u>42,329</u> | <u>34,023</u> |
| <u>Reconciliation of net cost of services to net cash flows provided by/(used in) operating activities</u> | | |
| Net cost of services | (146,670) | (117,177) |
| Non-cash items: | | |
| Depreciation and amortisation expense | 1,814 | 2,025 |
| Resources received free of charge | 2,664 | 1,658 |
| Net (gain)/loss on disposal of plant and equipment | 197 | 18 |
| Net (gain)/loss on foreign exchange | 233 | 805 |
| <u>(Increase)/decrease in assets:</u> | | |
| Current receivables ^(a) | (729) | 177 |
| Current inventories | (3) | 3 |
| Other current assets | (907) | (211) |
| <u>Increase/(decrease) in liabilities:</u> | | |
| Current payables ^(a) | 2,071 | 1,024 |
| Current provisions | 1,445 | 2,555 |
| Non current provisions | 339 | 341 |
| Other current liabilities | (177) | 45 |
| Change in GST in receivables/payables ^(b) | (193) | (102) |
| Net cash provided by/(used in) operating activities | <u>(139,916)</u> | <u>(108,839)</u> |

Key provided over page...

27. Notes to the Statement of Cash Flows (continued)

(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.

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:

| | 2012 | 2011 |
|---|--------------|--------------|
| | \$000 | \$000 |
| Department of Treasury and Finance – Library and Reception Services | - | 461 |
| Public Sector Commission | 1,134 | 1,351 |
| Ombudsman | 122 | 123 |
| | <u>1,256</u> | <u>1,935</u> |

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

29. Other Assets

| | 2012 | 2011 |
|-----------------------------|--------------|--------------|
| | \$000 | \$000 |
| Derivative Financial Assets | - | - |
| Prepayments | 1,690 | 783 |
| | <u>1,690</u> | <u>783</u> |

30. Commitments

| | 2012 | 2011 |
|---|---------------|---------------|
| | \$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 | 9,110 | 14,130 |
| Later than one year and not later than five years | 15,588 | 24,354 |
| Later than five years | 220 | 2,311 |
| | <u>24,918</u> | <u>40,795</u> |
| Motor vehicle leases as part of the 'whole-of-government' arrangement: | | |
| Within one year | 1,029 | 1,021 |
| Later than one year but not later than five years | 532 | 522 |
| Later than five years | - | - |
| | <u>1,561</u> | <u>1,543</u> |
| Accommodation leases occupied by the Department: | | |
| Within one year | 4,723 | 9,864 |
| Later than one year and not later than five years | 2,362 | 9,400 |
| Later than five years | 220 | 691 |
| | <u>7,305</u> | <u>19,955</u> |
| Aircraft leases used by the Department: | | |
| Within one year | 3,358 | 3,245 |
| Later than one year but not later than five years | 12,694 | 14,432 |
| Later than five years | - | 1,620 |
| | <u>16,052</u> | <u>19,297</u> |

These commitments are all inclusive of GST.

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.

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:

| | 2012 | 2011 |
|---|-----------------------|-----------------------|
| | \$000 | \$000 |
| 20,001 – 30,000 | - | 1 |
| 30,001 – 40,000 | 1 | 1 |
| 70,001 – 80,000 | 1 | - |
| 140,001 – 150,000 | 1 | 1 |
| 160,001 – 170,000 | 2 | - |
| 180,001 – 190,000 | 2 | 3 |
| 210,001 – 220,000 | 1 | - |
| 220,001 – 230,000 | 2 | - |
| 260,001 – 270,000 | - | 1 |
| 270,001 – 280,000 | 2 | 2 |
| 280,001 – 290,000 | - | 1 |
| 290,001 – 300,000 | - | 1 |
| 310,001 – 320,000 | - | 1 |
| 320,001 – 330,000 | 1 | - |
| 350,001 – 360,000 | - | 1 |
| 450,001 – 460,000 | - | 1 |
| 480,001 – 490,000 | 1 | - |
| The total remuneration of Senior Officers is: | <u><u>\$3,003</u></u> | <u><u>\$3,262</u></u> |

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.

32. Remuneration of Auditor

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

| | 2012 | 2011 |
|--|------------|------------|
| | \$000 | \$000 |
| Auditing the accounts, financial statements and performance indicators | <u>133</u> | <u>124</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

| | |
|----------|----------|
| <u>-</u> | <u>-</u> |
|----------|----------|

Gifts of public property

Gifts of public property provided by the Department

| | |
|-----------|-----------|
| <u>27</u> | <u>12</u> |
|-----------|-----------|

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.

a) Significant variances between actual results for 2011 and 2012

| | 2012 Actual \$000 | 2011 Actual \$000 | Variance \$000 |
|---|-------------------------|-------------------------|-------------------|
| Total appropriation provided to deliver services for the year | 150,475 | 110,641 | 39,834 |
| Total appropriations to deliver services for the year increased reflecting the increased expenditure required to support the Land, Approvals and Native Title Unit for a full year compared to three months in 2010–11 and appropriation deferred from 2010–11. | | | |
| Service expenditure | | | |
| 1. Administration of Executive Government Services | 110,163 | 104,498 | 5,665 |
| Increases over previous year arise from increased expenditure for Commonwealth Heads of Government Meeting held in October 2011. | | | |
| 2. Government Policy Management | 40,256 | 16,654 | 23,602 |
| The increase reflects full year expenditure for the Land, Approvals and Native Title Unit in 2012 compared to three months expenditure in 2010–11. | | | |
| 3. Adjustment | 3,805 | (6,536) | 10,341 |
| Adjustment variance arises primarily from a significant increase in Native Title grant payments during the year. | | | |

b) Significant variances between estimates and actuals for 2012

| | 2012 Estimates \$000 | 2012 Actual \$000 | Variance \$000 |
|---|----------------------------|-------------------------|-------------------|
| Service expenditure | | | |
| 1. Government Policy Management | 45,408 | 40,256 | 5,152 |
| The variance is due to grants underspent for Land, Approvals and Native Title Unit. | | | |

35. Special Purpose Accounts

The Gerald Frank Brown Memorial Trust

The purpose of this account is to hold money:

- bequeathed to the Government of Western Australia by Gerald Frank Brown and subsequently appropriated by Parliament
- 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.

| | 2012 | 2011 |
|---------------------------------------|--------------|--------------|
| | \$000 | \$000 |
| Balance at the start of the year | 197 | 238 |
| Receipts | 1 | 1 |
| Payments | (6) | (7) |
| Unrealised gain/(loss) on translation | 4 | (35) |
| Balance at the end of the year | <u>196</u> | <u>197</u> |

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

DPC – Donations and Bequests

The purpose of this account is to receive and hold in trust donations and bequests to be applied in such manner as specified by the contributor.

| | 2012 | 2011 |
|----------------------------------|--------------|--------------|
| | \$000 | \$000 |
| Balance at the start of the year | - | - |
| Receipts | - | 564 |
| Payments | - | (564) |
| Balance at the end of the year | <u>-</u> | <u>-</u> |

The account was set up in March 2011.

Murchison Radio-Astronomy Observatory ILUA – Benefits Package

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.

| | 2012 | 2011 |
|----------------------------------|--------------|--------------|
| | \$000 | \$000 |
| Balance at the start of the year | 8,530 | 8,424 |
| Receipts | 430 | 106 |
| Payments | - | - |
| Balance at the end of the year | <u>8,960</u> | <u>8,530</u> |

Murchison Radio-Astronomy Observatory ILUA-Benefits Package Trust Statement was transferred from the Department of the Attorney General at 1 April 2011.

DPC – Goolarabooloo Jabirr Jabirr Named Applicants Interest Bearing Trust Account

(GJJ Named Applicants Interest Bearing Account)

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.

| | 2012 | 2011 |
|----------------------------------|--------------|--------------|
| | \$000 | \$000 |
| Balance at the start of the year | - | - |
| Receipts | 3,545 | - |
| Payments | - | - |
| Balance at the end of the year | <u>3,545</u> | <u>-</u> |

The account was set up in September 2011.

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, creditworthy 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, which 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.

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.

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 |
|----------------|-----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Debit 4,005 | 975 | 910 | 840 | 923 | 357 | - |

2011 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 |
|----------------|-----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Debit 4,578 | 1,080 | 920 | 826 | 746 | 683 | 323 |

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 \$4,004,514 (2011: \$4,577,856). 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:

| | Ave Exchange Rate | | Foreign Currency Purchased | | Contract Value | | Fair Value | |
|---|-------------------|---------------|----------------------------|---------------|----------------|---------------|---------------|---------------|
| | 2012 \$000 | 2011 \$000 | 2012 \$000 | 2011 \$000 | 2012 \$000 | 2011 \$000 | 2012 \$000 | 2011 \$000 |
| Outstanding Contracts | | | | | | | | |
| Western Australian Treasury Corporation | | | | | | | | |
| < 1 year | 0.7667 | 0.7692 | 2,340 | 2,269 | 3,053 | 2,950 | (710) | (751) |
| 1 to 2 years | 0.7645 | 0.7667 | 2,363 | 2,340 | 3,091 | 3,053 | (639) | (653) |
| 2 to 3 years | 0.7624 | 0.7645 | 2,387 | 2,363 | 3,130 | 3,091 | (565) | (552) |
| 3 to 4 years | 0.7586 | 0.7624 | 2,917 | 2,387 | 3,845 | 3,130 | (595) | (469) |
| 4 to 5 years | 0.7610 | 0.7586 | 1,121 | 2,917 | 1,473 | 3,845 | (199) | (487) |
| > 5 years | - | 0.7610 | - | 1,121 | - | 1,473 | - | (165) |

(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:

| | 2012 \$000 | 2011 \$000 |
|--------------------------------------|---------------|---------------|
| Financial Assets | | |
| Cash and cash equivalents | 40,625 | 32,713 |
| Restricted cash and cash equivalents | 1,704 | 1,310 |
| Receivables ^(a) | 1,607 | 878 |
| Financial Liabilities | | |
| Financial liabilities | 7,393 | 5,005 |
| Derivatives – cash flow | 2,636 | 2,928 |
| Derivatives – FVTPL | 73 | 149 |

(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 | Interest Rate exposure | | | | Past due but not impaired | | | | | Impaired financial assets |
|--------------------------------------|--|------------------------|---------------------|------------------------|----------------------|---------------------------|------------|-------------|-----------|-------------------|---------------------------|
| | | Carrying Amount | Fixed interest rate | Variable interest rate | Non-interest bearing | Up to 1 month | 1–3 months | 3–12 months | 1–5 years | More than 5 years | |
| | | | | | | | | | | | |
| | % | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 |
| 30-Jun-12 | | | | | | | | | | | |
| 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> |
| 30-Jun-11 | | | | | | | | | | | |
| Financial Assets | | | | | | | | | | | |
| Cash and cash equivalents | 0.060 | 32,713 | - | 182 | 32,531 | - | - | - | - | - | - |
| Restricted cash and cash equivalents | | 1,310 | - | - | 1,310 | - | - | - | - | - | - |
| Receivables | | 878 | - | - | 878 | 125 | 104 | - | - | - | - |
| Amounts receivable for services | | 22,068 | - | - | 22,068 | - | - | - | - | - | - |
| | | <u>56,969</u> | <u>-</u> | <u>182</u> | <u>56,787</u> | <u>125</u> | <u>104</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

| | Weighted average effective interest rate | Interest Rate exposure | | | | | | Maturity date | | | | | |
|------------------------------------|--|------------------------|---------------------------|------------------------------|-----------------------------|-------------------------------|----------------------------|-----------------|--------------|--------------|--------------|--------------|-------------------------|
| | | Carrying Amount | Fixed interest rate | Variable interest rate | Non- interest bearing | Adjustment for Discount | Total Nominal Amount | Up to 1 year | 1–2 years | 2–3 years | 3–4 years | 4–5 years | More than 5 years |
| | | \$000 | \$000 | \$000 | \$000 | | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 | \$000 |
| 30-Jun-12 | | | | | | | | | | | | | |
| Financial Liabilities | | | | | | | | | | | | | |
| Payables | | 7,385 | - | - | - | - | - | 7,385 | - | - | - | - | - |
| Other liabilities | | 8 | - | - | 8 | - | - | - | - | - | - | 8 | 8 |
| Other liabilities - Derivatives | | 2,709 | - | - | 2,709 | (203) | - | 710 | 639 | 565 | 595 | 199 | - |
| | | <u>10,102</u> | <u>-</u> | <u>-</u> | <u>2,717</u> | <u>(203)</u> | <u>-</u> | <u>8,095</u> | <u>639</u> | <u>565</u> | <u>595</u> | <u>207</u> | <u>8</u> |
| 30-Jun-11 | | | | | | | | | | | | | |
| Financial Liabilities | | | | | | | | | | | | | |
| Payables | | 4,997 | - | - | 4,997 | - | - | 4,997 | - | - | - | - | - |
| Other liabilities | | 8 | - | - | 8 | - | - | - | - | - | - | - | 8 |
| Other liabilities - Derivatives | | 3,077 | - | - | 3,077 | - | - | 751 | 653 | 552 | 469 | 487 | 165 |
| | | <u>8,082</u> | <u>-</u> | <u>-</u> | <u>8,082</u> | <u>-</u> | <u>-</u> | <u>5,748</u> | <u>653</u> | <u>552</u> | <u>469</u> | <u>487</u> | <u>173</u> |

Interest rate and foreign exchange rate sensitivity analysis

The following tables represent 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 | Profit | Equity | Profit | Equity |
| | \$000 | \$000 | \$000 | \$000 | \$000 |
| 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> |
| 30-Jun-11 | | | | | |
| Financial Assets | | | | | |
| Cash and cash equivalents | 182 | (1.8) | (1.8) | 1.8 | 1.8 |
| Receivables | | | | | |
| Other financial assets | | | | | |
| | <u>182</u> | <u>(1.8)</u> | <u>(1.8)</u> | <u>1.8</u> | <u>1.8</u> |
| Financial Liabilities | | | | | |
| Payables | - | - | - | - | - |
| Other liabilities | - | - | - | - | - |
| | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |

Foreign exchange rate

| | Carrying Amount | -10% change | | +10% change | |
|---|-----------------|----------------|----------------|--------------|--------------|
| | | Profit | Equity | Profit | Equity |
| | | \$000 | \$000 | \$000 | \$000 |
| 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 |
| | <u>781</u> | <u>(78.1)</u> | <u>(78.1)</u> | <u>78.1</u> | <u>78.1</u> |
| Financial Liabilities | | | | | |
| Payables | 6 | (0.6) | (0.6) | 0.6 | 0.6 |
| Other liabilities | 8 | (0.8) | (0.8) | 0.8 | 0.8 |
| Other financial liabilities – Derivatives | 2,709 | (270.9) | (270.9) | 271 | 271 |
| | <u>2,723</u> | <u>(272.3)</u> | <u>(272.3)</u> | <u>272.3</u> | <u>272.3</u> |
| 30-Jun-11 | | | | | |
| Financial Assets | | | | | |
| Cash and cash equivalents | 477 | (47.7) | (47.7) | 47.7 | 47.7 |
| Receivables | 40 | (4.0) | (4.0) | 4.0 | 4.0 |
| | <u>517</u> | <u>(51.7)</u> | <u>(51.7)</u> | <u>51.7</u> | <u>51.7</u> |
| Financial Liabilities | | | | | |
| Payables | 6 | (0.6) | (0.6) | 0.6 | 0.6 |
| Other liabilities | 8 | (0.8) | (0.8) | 0.8 | 0.8 |
| Other financial liabilities – Derivatives | 3,077 | (307.7) | (307.7) | 307.7 | 307.7 |
| | <u>3,091</u> | <u>(309.1)</u> | <u>(309.1)</u> | <u>309.1</u> | <u>309.1</u> |

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

There were no significant events affecting the operations of the Department of the Premier and Cabinet after the balance sheet date.

38. Contingent Liabilities and Contingent Assets

Contingent Liabilities

There were no contingent liabilities at the report date.

Contingent Assets

The Appeal against the State was dismissed and costs awarded in favour of the State. The potential net benefit to the State is estimated at \$500,000.

Contaminated Sites

Under the *Contaminated Sites Act 2003* (the *Act*), 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

| | 2012 \$000 | 2011 \$000 |
|---------------------------|---------------|---------------|
| Current Assets | | |
| Cash and cash equivalents | 84 | 59 |

The Department's European Office held cash and sundry debtors on behalf of other agencies and organisations.

Audited Key Performance Indicators

Certification of Performance Indicators

For the year ended 30 June 2012

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 2012.



Peter Conran
ACCOUNTABLE AUTHORITY

16 July 2012

Performance Indicators

The Department delivers services to achieve the Government's Outcome Based Service Delivery Goal, 'Greater focus on achieving results in key service delivery areas for the benefit of all Western Australians'.

The Department's outcomes-based management structure has two agency-level outcomes:

Outcome 1: Executive Government receives appropriate support

(Service 1: Administration of Executive Government Services)

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

(Service 2: Government Policy Management)

The key effectiveness indicators reported against these outcomes were chosen for their ability to enable an assessment to be made of the extent to which the Department's activities are achieving, or have made substantial progress towards achieving, the approved agency-level outcomes.

Effectiveness Indicators

| Outcome: Executive government receives appropriate support | | | | |
|--|--|-------------------|-------------------|-------------------|
| | | 2010–11 Actual | 2011–12 Target | 2011-12 Actual |
| 1.1 | Targets for support services are met or exceeded | 99% | 92% | 90.0% |
| 1.2 | Service recipients' confirmation that services provided enable them to meet Executive Government's obligations | 3.6 | 3.5 | 3.6 |
| 1.3 | Printing and publishing services are secure, timely and confidential | 99.7% | 100% | 99.7% |

Key Effectiveness Indicator Explanatory Notes

1.1 Targets for support services are met or exceeded

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. The timeliness of service targets have been determined by the Department, having regard for the resources available to deliver each service and client expectations. The indicator reports the percentage of services that were delivered within the designated time frame. In this regard, all services are considered to be of equal importance.

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

This indicator is derived from a survey instrument provided to the Premier's Office, Ministerial Offices and the Leader of the Opposition's Office seeking feedback on the extent to which their expectations were met by services provided by the Department. The rating is a value between one and five, where:

- a value of one indicates that services were well below expectations
- a value of three indicates that services met expectations
- a value of five indicates that services were well above 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 13 of the 16 Ministerial Offices, as well as the Leader of the Opposition's Office, with a combined response rate of 83 per cent. Responses to the question seeking a general rating for all services delivered were used for the indicator. The response rate was impacted by the reconstitution of the Ministry that occurred during the survey period. The Department is unaware of any circumstances that might have caused the non-respondents to respond differently to those that did.

1.3 Printing and publishing services are secure, timely and confidential

This indicator reports the extent to which secure, timely and confidential printing and publishing is delivered. Parliamentary documents such as Hansard and Bills must be delivered to the respective Houses of Parliament within certain time frames. Some documents are not to be publicly released until tabled in Parliament (for example, Royal Commission and Inquiry proceedings), or prior to scheduled publishing dates (for example, *Government Gazette*).

Feedback from key clients and Departmental records are used to derive this indicator. The Premier and Ministers utilise these services in Parliament, therefore this indicator measures the Department's ability to provide appropriate support to Executive Government.

The Department did not reach its target for 2011–12 due to one breach of confidentiality, relating to the premature publishing of a *Government Gazette*. The Gazette was published one day earlier than required. An investigation revealed 'operator error' as the explanation for the breach. Steps have been taken to address this situation.

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

| | | 2010–11 Actual | 2011–12 Target | 2011–12 Actual |
|-----|--|-------------------|-------------------|-------------------|
| 2.1 | Proportion of Cabinet Submissions meeting or exceeding defined quality standards | 96% | 90% | 94% |
| 2.2 | Proportion of signed national agreements reflecting Cabinet agreed positions | 100% | 100% | 100% |
| 2.3 | Level of Commonwealth recurrent core services funding allocated to Western Australia over time | 27% | 22% | 17% |
| 2.4 | Percentage change in the number of outstanding Native Title claims awaiting resolution | 3.8% | -5% | -1.87% |

Key Effectiveness Indicators Explanatory Notes

2.1 Proportion of Cabinet Submissions meeting or exceeding defined quality standards

A key Departmental goal is to strengthen the policy capacity across the Government. This will be achieved by working with agencies to help them develop policy skills and competencies, and a better understanding of the Government's policy objectives.

The principal avenue for approval of agency-developed Government policy is by way of Cabinet submissions and, for this indicator, the quality of Cabinet policy submissions is assessed against a checklist covering quality, timeliness and rigour attributes.

The indicator reports the percentage of Cabinet submissions assessed as meeting all essential quality elements, and excludes submissions regarding appointments and similar non-policy matters.

2.2 Proportion of signed national agreements reflecting Cabinet agreed positions

Ensuring that Western Australian needs and interests are accommodated in national agreements is a Departmental objective to maximise the benefits to Western Australia from engagement with the Commonwealth. Signed national agreements are assessed to determine the extent to which they are consistent with Cabinet's agreed position on the matters addressed (including any agreement to requirements modified by way of response to Commonwealth negotiations).

The indicator is reported as the percentage of all agreements signed in the financial year.

2.3 Level of Commonwealth recurrent core services funding allocated to Western Australia over time

Maximising financial benefits to Western Australia from engagement with the Commonwealth includes increasing (or at the very least

maintaining) the level of Commonwealth funding to the core State service areas of health, education, skills development and training, housing and Indigenous services (excluding GST revenues or other non-core national partnership payments which may be subject to adjustment and/or equalisation) allocated to Western Australia .

Throughout 2011–12, there was a five per cent reduction in funding from the Commonwealth. This reduction in funding was primarily due to the winding down of the Building the Education Revolution (BER) Program (\$437 million received for the financial year) and also a reduction in funding for social housing (\$650 million), as well as regional road and rail funding (\$25 million).

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

The Department's Native Title Unit represents the State's interests 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 Department's Native Title Unit in assisting the process of resolving Native Title claims.

A total of 10 Native Title claims were determined (finalised) within the 2011–12 financial year, with eight additional claims being lodged, giving rise to a variance between the 2011–12 target of -5 per cent and the 2011–12 actual of -1.87 per cent.

Agency Services and Key Efficiency Indicators

The two services, Administration of Executive Government Services (Service 1) and Government Policy Management (Service 2) directly support delivery of agency-level outcomes and the Department's strategic goals.

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 clients for these services are 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: Administration of Executive Government Services | | | | |
|--|---|--------------------------------|--------------------------------|--------------------------------|
| | | 2010–11 Actual (\$'000s) | 2011–12 Target (\$'000s) | 2011–12 Actual (\$'000s) |
| 1.4 | Average operating cost per Ministerial Office (including Premier's Office and Leader of the Opposition) | 2,305 | 2,356 | 2,516 |
| 1.5 | Average cost of support provided per Ministerial Office (including Premier's Office) | 456 | 517 | 492 |
| 1.6 | Average cost of representing Western Australia's interests overseas (per region) | 1,532 | 1,641 | 1,717 |
| 1.7 | Average cost of entitlements per Member of Parliament | 361 | 362 | 367 |
| 1.8 | Average cost of support provided per Member of Parliament | 13 | 17 | 15 |
| 1.9 | Average cost per print image produced (cents per image) | 0.37 | 0.41 | 0.45 |

Key Efficiency Indicator Explanatory Notes

1.4 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 a full-time equivalent (FTE) basis.

Increase in the average operating cost per Ministerial Office is primarily due to normal Consumer Price Index (CPI) increases in salary and operating costs.

1.5 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).

This comprises services such as correspondence (including the Community Comment Line), protocol, executive transport, Ministerial Office coordination services and Government media services. The indicator also includes a proportion of the cost of executive support and corporate services allocated on an FTE basis.

The decrease in average cost of support provided per Ministerial Office for 2011–12 Actual is due to savings in projected accommodation and professional service costs, compared to the 2011–12 Target.

1.6 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.

1.7 Average cost of entitlements per Member of Parliament

The Department administers a range of entitlements determined by the Salaries and Allowances Tribunal as well as by Government. They include entitlements such as Electorate Office staffing and operational expenses, a fully serviced motor vehicle, imprest and electorate travel.

The indicator is the average cost of entitlements per Member, including executive and corporate support overheads allocated on an FTE basis.

1.8 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.

1.9 Average cost per print image produced

This key efficiency indicator is the average cost per printing image. A printing image is a single pass of a document through the printing machine producing an image on one side of the paper. The average cost includes a proportion of the cost of executive support and corporate services allocated on an FTE basis.

Services provided free of charge

Expenditure of \$10,807,433 in 2010–11 Actual; \$8,500,000 in 2011–12 Target; and \$21,569,385 in 2011–12 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 and the Parliamentary Commissioner for Administrative Investigations (Ombudsman) and 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 and Minister for State Development, 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 (COAG) 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: The Premier and Ministers receive high quality, rigorous and timely policy advice

| | | 2010–11 Actual (\$'000s) | 2011–12 Target (\$'000s) | 2011–12 Actual (\$'000s) |
|-----|---|--------------------------------|--------------------------------|--------------------------------|
| 2.5 | Average cost per Cabinet submission assessed | 32 | 37 | 44 |
| 2.6 | Average cost per agreement where Cabinet agreed positions are incorporated in final national agreements | 1,099 | 1,741 | 177 |
| 2.7 | Average cost per Native Title application managed | 11 | 95 | 74 |
| 2.8 | Average time taken to achieve resolution of Prioritised Native Title applications ** | 6.9 | 4.1 | 3 |

** Two determinations were made in the 2011–12 financial year. Both Yawinya and Nyangumarta were determined in May 2012.

Key Efficiency Indicators Explanatory Notes

2.5 Average cost per Cabinet submission assessed

This efficiency indicator reports the cost of resources allocated to the assessment and processing of Cabinet submissions, provision of advice and support to agencies and the review and commentary on Cabinet submissions. The average cost includes a proportion of the cost of executive support and corporate services allocated on an FTE basis.

The number of Cabinet submissions for 2011–12 reduced by 17 per cent compared to 2010–11, resulting in a significant increase in the average cost per Cabinet submission assessed.

2.6 Average cost per agreement where Cabinet's agreed positions are incorporated in final national agreements

The Department's objective is to ensure, to the extent possible, that national agreements signed by Western Australia are consistent with Cabinet's agreed position on the subject matter. While from time-to-time there will be national agreements that are accepted and signed by Western Australia that may not completely follow Cabinet's agreed position, decisions about the content of these agreements made by the Premier at COAG take into account circumstances that might not have been evident in earlier negotiations.

In such cases, the agreement is included in those counted for this indicator. The average cost includes a proportion of the cost of executive support and corporate services allocated on an FTE basis.

The average cost per agreement has reduced significantly, primarily as the expected number of agreements has increased from a 2011–12 Budget Target of five agreements to a 2011–12 Actual of 35 agreements.

2.7 Average cost per Native Title application managed

The average cost per Native Title application managed is lower than anticipated in 2011–12 compared to the 2011–12 Target, principally arising from a 45 per cent increase in applications.

This indicator will no longer be reported by the Department as from 1 July 2012. It has been replaced by two new key efficiency indicators:

- the average cost per Government-managed Indigenous Land Use Agreement
- the average cost per project-managed Indigenous Land Use Agreement.

2.8 Average time taken to achieve resolution of Prioritised Native Title applications

This efficiency indicator was reported by the Native Title function prior to its transfer to the Department. The 2009–10 Actual and 2010–11 Target data is that published in the Western Australia Department of the Attorney General 2009–10 Annual Report and 2010–11 Budget Statements.

This indicator will no longer be reported by the Department as from 1 July 2012. It has been replaced by two new key efficiency indicators:

- the average cost per Government-managed Indigenous Land Use Agreement
- the average cost per project-managed Indigenous Land Use Agreement.

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 the Department of Treasury.

Employment and Industrial Relations

Employee Profile

The annual average full-time employees (FTE) figure for the Department was 485, compared to last year's average of 453 FTEs.

As at 30 June 2012, our workforce was comprised of 65 per cent permanent employees and 35 per cent fixed-term contract employees.

Ninety three per cent of employees work full-time and seven per cent of employees work part-time.

In the Parliamentary Electorate Offices, an average of 194 FTE Electorate and Research Officers were engaged to support our State Members of Parliament during 2011–12. Fifty five per cent of employees worked on a full-time basis, with 44 per cent part-time employees. The remaining one per cent of employees were engaged on a casual employment arrangement as relief officers.

Industrial Relations

The Department worked collaboratively with the Department of Commerce to negotiate with the Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union of Workers and the Civil Service Association of Western Australia Incorporated (CPSU/CSA) to facilitate the transition of State Law Publisher's printing staff to a new industrial arrangement.

Subsequent to successful negotiations, the relevant employees are now employed under the general provisions of the Public Service Government Officers General Agreement 2011 and the newly established State Law Publisher Specific Agreement 2012.

This change impacted on five staff members who received the benefits of wider union coverage and better terms and conditions of employment similar to other public service employees. Through this process, which supports the Government's new direction in the rationalisation of industrial agreements, considerable administration costs are saved by discarding the need to manage a minor industrial agreement.

The State Law Publisher Agency Specific Agreement was registered on 19 June 2012. A copy can be found on the Western Australian Industrial Relations Commission website (www.wairc.wa.gov.au).

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 2011–12.

Governance Disclosure

Conflicts of Interest

The Department continues to assess Conflicts of Interest declarations made by staff, and promotes this requirement through the staff induction training, 'Accountability and Ethical Decision Making' training and through direct promotion of the Conflicts of Interest Policy and procedures.

During 2011–12, the Department's Conflicts of Interest Policy was improved to streamline the process for staff seeking approval to attend external events. Changes have since delivered value by minimising documentation while maintaining governance requirements, and providing clearer requirements to staff regarding the level of detail required when seeking approval.

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. Thirteen audits were scheduled and nine were completed during the 2011–12 financial year. The four audits not completed have been carried over to 2012–13.

External Audit

During 2011–12, 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

For 2011–12, RiskCover continued to deliver risk assessment workshops to assist with the development and updating of risk registers.

Significant inroads have been made during the year with the review of many registers to ensure currency and relevance to business areas. This activity has facilitated the improved understanding of risk management at the operational level and has enabled staff to manage risk appropriately within their area of responsibility.

Contact with a Lobbyist

During 2011–12, the Contact with Lobbyist procedures were reviewed to ensure that a clearer set of instructions were provided to staff should they have contact with a registered lobbyist.

Public Interest Disclosure

The Department continues to promote the presence of the Public Interest Disclosure Policy and procedures at induction training for staff.

During 2011–12 there were no Public Interest Disclosures presented to the Department.

Other Legal Requirements

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 | 191,053 |
| | Adcorp Australia Limited | |
| | Freeway Design | |
| | Impact Communications | |
| b. | Expenditure with market research | |
| c. | Expenditure on polling agencies | |
| d. | Expenditure with direct mail agencies | |
| e. | Expenditure with media advertising agencies | |
| | Total Expenditure | \$191,053 |

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

The Department's Corporate Information Branch moved to Dumas House in late January 2012 and was one of the earliest service areas to be relocated. The move involved many challenges to ensure services were provided for the remaining service areas at Governor Stirling Tower, and also to service areas that progressively relocated to Dumas House. Operations were minimally affected and services were maintained to ensure record keeping compliance was met.

The Department's and Ministers' Retention and Disposal Schedules were approved by the State Records Office in March 2012. Continuous ongoing TRIM training is provided to ensure the Department moves away from shared drives and relies more on the record keeping system to improve its business transactional activities.

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 |
|---|---|
| <p>Whether the efficiency and effectiveness of the organisation's record keeping systems have been evaluated or alternatively when such evaluation is proposed.</p> | <ul style="list-style-type: none"> ➤ An internal audit was carried out by the Department's internal auditors on SRC's principles, policies, standards and record keeping plan in November and December of 2011. There were no major issues and the Department complied with the SRC requirements. ➤ In 2011–12, the TRIM trainers conducted 170 sessions and 161.5 hours of training to support more than 430 licensed TRIM users. ➤ Records management procedures and the controlled vocabulary were reviewed and updated after the relocation to Dumas House. Updates were also carried out on the intranet. |
| <p>The nature and extent of the record keeping training program conducted by or for the organisation.</p> | <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: 94 enrolled and 86 per cent complete. For Ministerial Offices: 97 enrolled and 76 per cent complete. ➤ 69 records relating to internal publications were produced and published online and in print, including induction books, service updates and training manuals. |
| <p>Whether the efficiency and effectiveness of the record keeping training program has been reviewed or alternatively when this is planned to be done.</p> | <ul style="list-style-type: none"> ➤ The online Records Awareness Training continues to be the main induction tool for new employees to familiarise themselves with the record keeping requirements. It is a tool that enhances the Code of Conduct compliance. A refresher training course will be proposed for those who last did the training more than three years ago. |
| <p>Assurance that the organisation's induction program addresses employee roles and responsibilities in regard to their compliance with the organisation's Record Keeping Plan.</p> | <ul style="list-style-type: none"> ➤ The online Code of Conduct and Records Awareness Training sufficiently address the requirements of the organisation's induction program in regard to the record keeping program. A renewal of the Records Awareness Training contract is currently in progress. Further training in Accountability and Ethical Decisions programs educate employees in their awareness of the roles and responsibilities of their compliance with the Record Keeping Plan. |

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, as required under the *Disability Services Act 1993*, the Department reviewed the Disability Access and Inclusion Plan (DAIP) 2007–11 and drafted a new five-year plan to guide further improvements to access and inclusion.

This DAIP is effective from July 2011–June 2016. Within the six outcome areas, strategies have been identified where there is potential for improved access and inclusion.

The broad strategies provide flexibility to respond to emerging access and inclusion needs. The strategies are outlined in full and will be used to guide the identification of initiatives for the duration of this DAIP.

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

The Department has a strong commitment to promoting integrity in official conduct and aspires to lead by example to achieve high standards of monitoring to ensure compliance with the Public Sector Standards, the Western Australian Public Sector Code of Ethics and the Department's Code of Conduct. Our Corporate Executive, led by the Director General, promotes and practises these guidelines within the Department.

The Department maintains policies and formal guidelines, strategies, procedures and processes to support the application of the: Western Australian Public Sector Code of Ethics and Code of Conduct; the Public Sector Standards in Human Resource Management; and the Commissioner's Instructions.

The following identifies the significant action taken to monitor and ensure compliance and related issues that have arisen in 2011–12 in each of the areas outlined on the following page.

Significant Action to Monitor and Ensure Compliance with Public Sector Standards

Managers and staff are required to comply with the Public Sector Standards in Human Resource Management and Commissioner's Instructions. Examples of monitoring provisions implemented include:

- undertaking an individual review of each recruitment, selection and appointment process prior to final appointment decision, to ensure compliance with the Employment Standard and Commissioner's Instructions
- establishing a review process in relation to acting and secondment opportunities to ensure that an open, merit-based selection process is carried out, with no inadvertent extensions of employment arrangements that could result in long-term appointments without advertising
- establishing a monitoring process to ensure performance management processes are carried out annually for all employees.

Compliance Issues: No breach in the Employment Standard and Commissioner's Instructions has occurred in this financial year.

Significant Action to Monitor and Ensure Compliance with Western Australian Public Sector Code of Ethics

The Department's Code of Ethics is available on the intranet and is part of the induction of new staff.

Guidelines for Ethical and Accountable Decision Making have been developed as a ready reference for staff when dealing with a difficult situation related to the Code of Ethics and the Code of Conduct. Training is provided for all staff to improve the awareness and understanding of public sector accountability requirements.

Compliance Issues: There were two cases investigated in 2011–12. One matter was not substantiated and subsequently closed. The other case matter is still outstanding pending investigation.

Significant Action to Monitor and Ensure Compliance with Western Australia State Public Sector Code of Conduct

The Department's Code of Conduct is established in line with the Department's corporate values, with expected standards of personal conduct. All staff, contractors and consultants who carry out work for, or on, behalf of the Department are required to comply with the spirit of the Code of Conduct. This relies on the notion that everyone accepts personal responsibility for their behaviour, such behaviour being what the Department would expect of a person employed to serve the interests of the public of Western Australia.

Compliance Issues: There was one case investigated by the Department and found to be unsubstantiated and subsequently closed.

Government Policy Requirements

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

In November 2011, the Department refreshed its Elimination of Discrimination and Harassment Policy and procedures. In the revised policy, a commitment was made that the Department will make efforts to ensure that staff are aware of the policy framework for substantive equality and, that where direct services to the public are provided, the Department will ensure the substantive equality policy and principles are upheld and delivered. The element of easy access to the Department's public functions will be considered in all operational, strategic and Departmental plans.

Occupational Safety and Health (OSH) and Injury Management

The Department, through the 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 *Worker's Compensation and Injury Management Act 1981*.

Quarterly Occupational Safety and Health (OSH) and Workers Compensation reports are provided to the Corporate Executive. Workplace safety is included in induction courses and managers ensure employees follow safe work practices. OSH representatives assess the workplace every six months or as deemed appropriate for the relevant work areas.

An OSH Committee forms the key to OSH consultation within this Department. The Committee members, location and details are communicated to all employees so that members are easily accessible. Members are effectively utilised by both management and employees in the discussion and resolution of OSH issues.

The OSH Committee meets quarterly to:

- discuss and resolve OSH issues
- review incident reports
- report progress against the Department's OSH Management Plan.

The Department has an Injury Management System in place and is committed to providing injury management support to all who sustain a work-related injury or illness. The injury management process includes the establishment of return to work goals, required injury management interventions and the development of return to work plans.

A review of the Department’s OSH systems was conducted internally in 2011 against the elements of the OSH Management Plan and Policy. The results of the audit were used to develop an Injury Management System that was endorsed by the OSH Committee and approved by Corporate Executive.

During 2011–12, workplace inspections were conducted to identify risks within the Department with only minor risks being reported. Higher-risk work areas, such as the State Law Publisher, conduct inspections monthly.

Initiatives for 2012 include undertaking an external accredited assessment of the Department’s OSH management systems.

Occupational Safety and Health Performance Indicators

| Measure | Actual results | | Results against Target | |
|--|----------------|---------------|------------------------------|---|
| | 2009–10 | 2011–12 | Target | Comment on Results |
| Number of fatalities | 0 | 0 | 0 | |
| Lost time injury/disease incidence rate | 0 | 2 | 0 or 10% reduction | |
| Lost time injury/disease severity rate | 0 | 50% | 0 or 10% reduction | Involves long-term illness |
| Percentage of injured workers returned to work: | | | | |
| vi. within 13 weeks | 100% | 50% | Actual result to be stated | |
| vii. within 26 weeks | 100% | 50% | Greater than or equal to 80% | Involves long-term illness |
| Percentage of managers trained in occupational safety, health and injury-management responsibilities | Less than 50% | Less than 80% | Greater than or equal to 80% | OSH for Supervisors and Managers training has been included in the Department’s training calendar for 2012–13 |

Freedom of Information (FOI)

The Department aims to assist the public to access available documents held by this agency at the least possible cost.

Ninety-seven new valid applications were received during the year. Of these:

- three applications were transferred in full to another public sector agency for processing
- four applications were withdrawn by the applicant
- a further 11 applications were carried over from the previous year.

In 2011–12, the Department continued to provide Freedom of Information (FOI) support to the Salaries and Allowances Tribunal and Public Sector Commission as a bureau service.

The *Administration of Freedom of Information in Western Australia – Comprehensive Report*, a review by the Information Commissioner, recommended that: ‘Ministers may wish to explore with the Department of the Premier and Cabinet the option of a more formal shared capability to assist their offices in dealing with FOI applications, noting that responsibility for decisions on access must remain with the relevant Minister.’

As at 23 January 2012, the Department’s FOI Unit formally began providing assistance to Ministerial Offices in dealing with FOI applications.

Applications

The table below provides a breakdown of the FOI applications that were finalised during 2011–12. A more comprehensive breakdown of this agency's statistics is provided in the Information Commissioner of Western Australia's Annual Report available at www.foi.wa.gov.au.

| | 2011–12 | | | 2010–11 | | |
|-------------------------------------|------------|----------------------|--------------------------|-----------|----------------------|--------------------------|
| | Total | | | Total | | |
| Carried Over | 11 | - | - | 5 | - | - |
| Received | 97 | - | - | 66 | - | - |
| Total handled | 108 | - | - | 71 | - | - |
| Applications Decided in Year | | Personal Information | Non-Personal Information | | Personal Information | Non-Personal Information |
| Full Access | 11 | 4 | 7 | 2 | 1 | 1 |
| Edited Access | 59 | 1 | 58 | 42 | 0 | 42 |
| Deferred Access | 0 | 0 | 0 | 0 | 0 | 0 |
| Section 26 Refused Access | 11 | 1 | 10 | 0 | 0 | 0 |
| Access Refused | 6 | 1 | 5 | 12 | 0 | 12 |
| TOTAL DECISIONS | 87 | 7 | 80 | 56 | 1 | 55 |
| Transfer to other Agencies | 3 | - | - | 2 | - | - |
| Withdrawn | 4 | - | - | 2 | - | - |
| Total Applications Finalised | 94 | - | - | 60 | - | - |
| Carried Forward | 14 | - | - | 11 | - | - |

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 to make information available promptly, for 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:

The Manager, Freedom of Information
9th Floor, Dumas House
2 Havelock Street
West Perth WA 6005
Tel: (08) 6552 5591
Fax: (08) 6552 6730).

FOI application forms are available from the Department's FOI website (www.foi.dpc.wa.gov.au) or by contacting the Manager, Freedom of Information (details above).

Processing of Applications

The Department's FOI Unit is responsible for administering the processing of FOI applications within the agency. The Manager, Freedom of Information, 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.

| Fee type | Charge |
|--|--|
| Personal information about applicant | No fee |
| Application fee (for non-personal information) | \$30.00 |
| Time taken dealing with the application | \$30.00 per hour |
| Access time supervised by staff | \$30.00 per hour |
| Photocopying | \$30.00 per hour for staff time and 20c per copy |
| Staff time in transcribing information from a tape or other device | \$30.00 per hour |
| Duplicating a tape, film or computer information | Actual cost |
| 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 and Emergencies
- Strategic Management
- Technology and Communications
- Treaties
- Vice Regal

Broad categories of documents currently available to the public can be accessed through the Department of the Premier and Cabinet website (www.dpc.wa.gov.au) or by telephoning the Department's Freedom of Information 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
- 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, Freedom of Information, 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: Legislation Administered

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 2001

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

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

