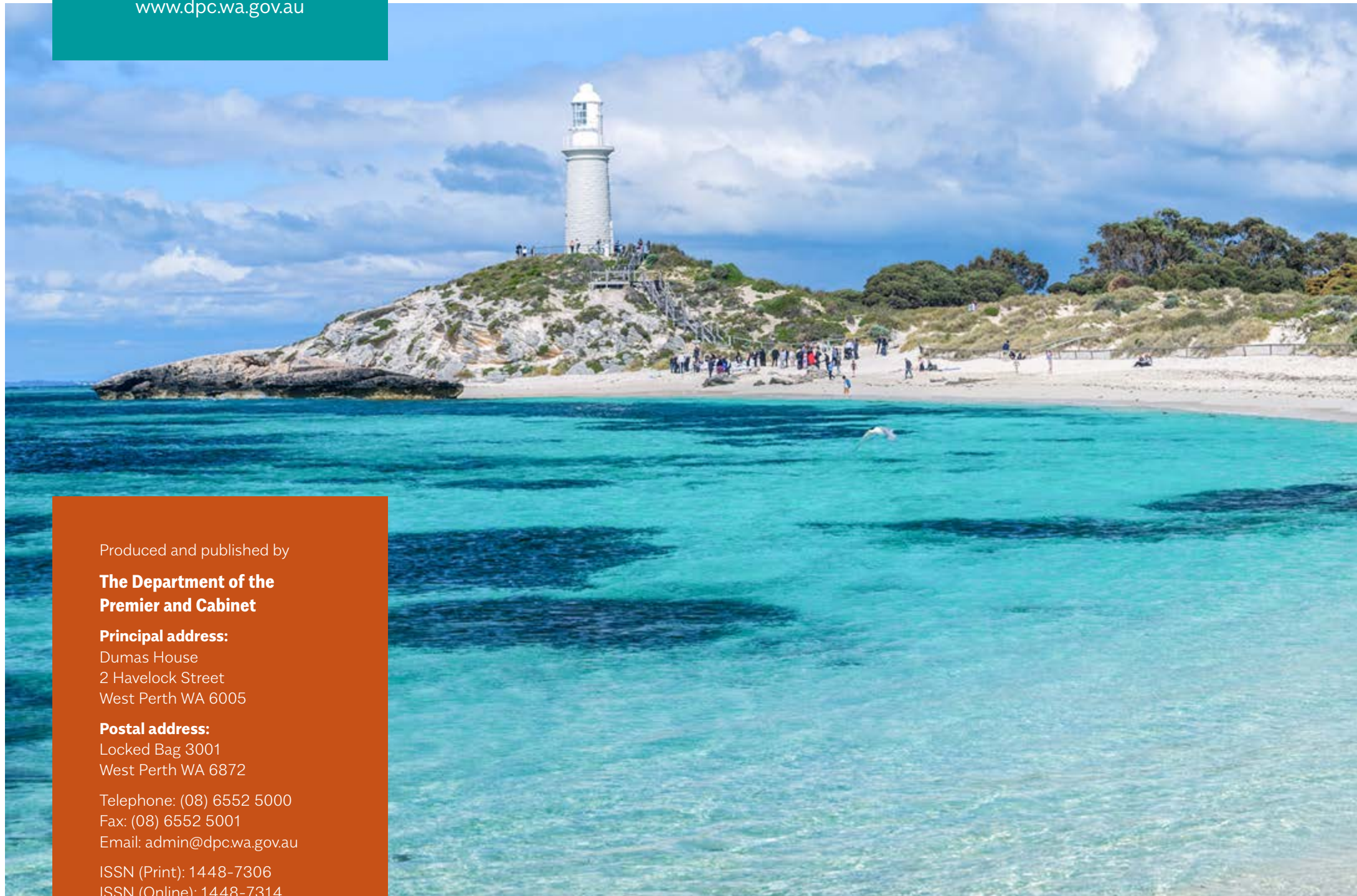


# Annual Report 2016-2017



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





Produced and published by

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Premier and Cabinet**

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ISSN (Print): 1448-7306  
ISSN (Online): 1448-7314





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Department of the Premier and Cabinet

# Statement of Compliance

for the year ended 30 June 2017

## **Hon M McGowan BA LLB MLA**

Premier; Minister for Public Sector Management; State Development, Jobs and Trade; Federal-State Relations

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 2017.

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



**Darren Foster**  
*Director General*





## About this Report

This report analyses our performance with regard to the services that the Department of the Premier and Cabinet provided during 2016-17. In that period these services included support to the Premier as head of the Western Australian Government and Minister for Federal-State Relations and Public Sector Management. The Department also provided quality policy and administrative advice and support to enable the Premier and Government to serve the Western Australian community. Until 30 June 2017, the Department supported the Office of Science and the Minister for Science, the Hon Dave Kelly MLA.

Our annual report has been structured around the following:

- » Overview of 2016-17
- » About the Department
- » Agency Performance
- » Significant Issues
- » Disclosures and Legal Compliance
- » Other Legal Requirements
- » Government Policy Requirements

This report has been prepared in accordance with the Public Sector Commission's Western Australian Public Sector Annual Reporting Framework for 2016-17.



## Director General's Overview

The year in review has been marked by transformation and renewal as the Department of the Premier and Cabinet transitions to serving a new Government. As a central agency, it has been vitally important the Department provides leadership throughout this period of change by continuing to deliver high level support to the Government of the day while supporting our staff and community as a whole.

This annual report demonstrates the Department's vast breadth of duties, highlighting a range of achievements throughout 2016–17.

### Supporting the Government

Since the March election of the McGowan Government, the Department has supported the Premier as Minister for Public Sector Management by facilitating several key public-sector reforms including Machinery of Government changes to improve service delivery, efficiency and affordability of the sector. Other public sector renewal measures supported by the Department include a Service Priority Review which is examining and reporting on the functions, operations and culture of the public sector and an Inquiry into Government Programs and Projects which will report on the governance arrangements, decision-making process and financial consequences of 26 programs and projects. The reforms are the largest in more than two decades and the Department will continue to encourage a culture of collaboration between agencies to deliver a positive outcome for the State in challenging financial circumstances.

Parallel to this work, the Department this year delivered high level policy advice on a number of issues including state security, infrastructure funding, GST matters and job creation.

A particular focus has been on working in partnership with community services to achieve better results for Western Australians in key areas such as disability services, Aboriginal affairs, justice, youth, child protection and community safety. Notably, the Department oversaw comparative trials of the National Disability Insurance Scheme in WA for the third year.

The Department also continued to lead the consultation on the Strategic Assessment of the Perth and Peel Regions which is considering the urban, industrial, rural residential and infrastructure needs and impacts on the region as we plan for future population growth. Revisions to the assessment are underway and further consultation is planned for the year ahead.

The Department has also progressed conservation management in Western Australia towards co-management with Traditional Owners. A significant achievement included the negotiation of nine Indigenous Land Use Agreements with Native Title holders to enable the creation of over 30,000 square kilometres of new Kimberley marine and terrestrial parks.

Providing procedural and operational services to the Cabinet including supporting the management of parliamentary business and the legislative program of the Government are also part of the Department's duties. In the past year, support was provided for 40 Cabinet meetings including a regional Cabinet meeting in Moora and community cabinet in Midland.

With the change in Government, the Ministerial Support Unit coordinated a smooth transition in Ministerial Offices and the State Ceremonial and Events team ensured the official opening of the fortieth Parliament, held in May, was marked by a ceremony steeped in tradition.

### Supporting the Community

The Department's work to strengthen connections with the community and support trade, industry, education and the arts spans local, national and international jurisdictions.

Commemorating the 400<sup>th</sup> anniversary of the Landing of Dirk Hartog at Cape Inscription in October 2016 was a particular highlight of the year, capturing the public's imagination with thousands attending a five-day festival in Denham. Thorough planning ensured the success of the occasion, which culminated with a two-day State visit of Their Majesties King Willem-Alexander and Queen Maxima of the Netherlands.

Another significant international visit this year was from His Excellency Mr Toshizo Ido, the Governor of Hyogo Prefecture, Japan who visited Perth to mark the 35<sup>th</sup> anniversary of the Sister State relationship between WA and the Hyogo prefecture.

The Constitutional Centre continued to provide educational programs to primary and secondary students across the State including hosting 240 enthusiastic Year 11 students who immersed themselves in debate and discussion at two Schools Constitutional Conventions. Fifteen of these students went on to represent WA at the 2017 National Schools Constitutional Convention held in Canberra in March.

On a solemn note, the Department worked closely with key groups to assist in the remediation and recovery efforts following the devastating bushfires in Yarloop and surrounding areas in the Shires of Harvey and Waroona in January 2016.

Nationally, the Department played an important role in negotiations with the Commonwealth and State public sector agencies for the provision of a wide range of state-type services to the citizens of Christmas Island and the Cocos (Keeling) Islands.

The Department's three international offices also continued their work in encouraging commercial, investment, educational and cultural ties to enhance the State's reputation.

### Supporting Science

The Office of Science continued to lead Western Australia's involvement in the Square Kilometre Array radio astronomy project as well as contribute to the planning and delivery of key awards and grants and working with organisations such as the WA Marine Science Institution, the WA Biodiversity Science Institute and the ChemCentre to deliver science priorities.

Achievements this year included the launch of the Premier's Fellowship Program and the Premier's Agriculture and Aquaculture Entrepreneurship Program.

### Supporting our People

As a central agency, it is important the Department sets the example in providing opportunities for professional development, supporting the health and well-being of employees and in encouraging diversity amongst our workforce.

As we work towards a new year, the vision of this Department is to cultivate an inclusive, collaborative culture across the public sector. Working together with other departments to meet the needs of the Government and the people of our State sits at the core of our functions.

On a personal note, this year's Annual Report marks my first as Director General of the Department of the Premier and Cabinet and I would like to take this opportunity to thank everyone in the Department for their support. I would also like to acknowledge the service and contributions made by former Director General Peter Conran, former Acting Director General David Smith and Deputy Directors General Richard May and Lyn Genoni this year.

I look forward to the year ahead as the Department works to support the Government in delivering positive outcomes for the State.



**Darren Foster**  
Director General

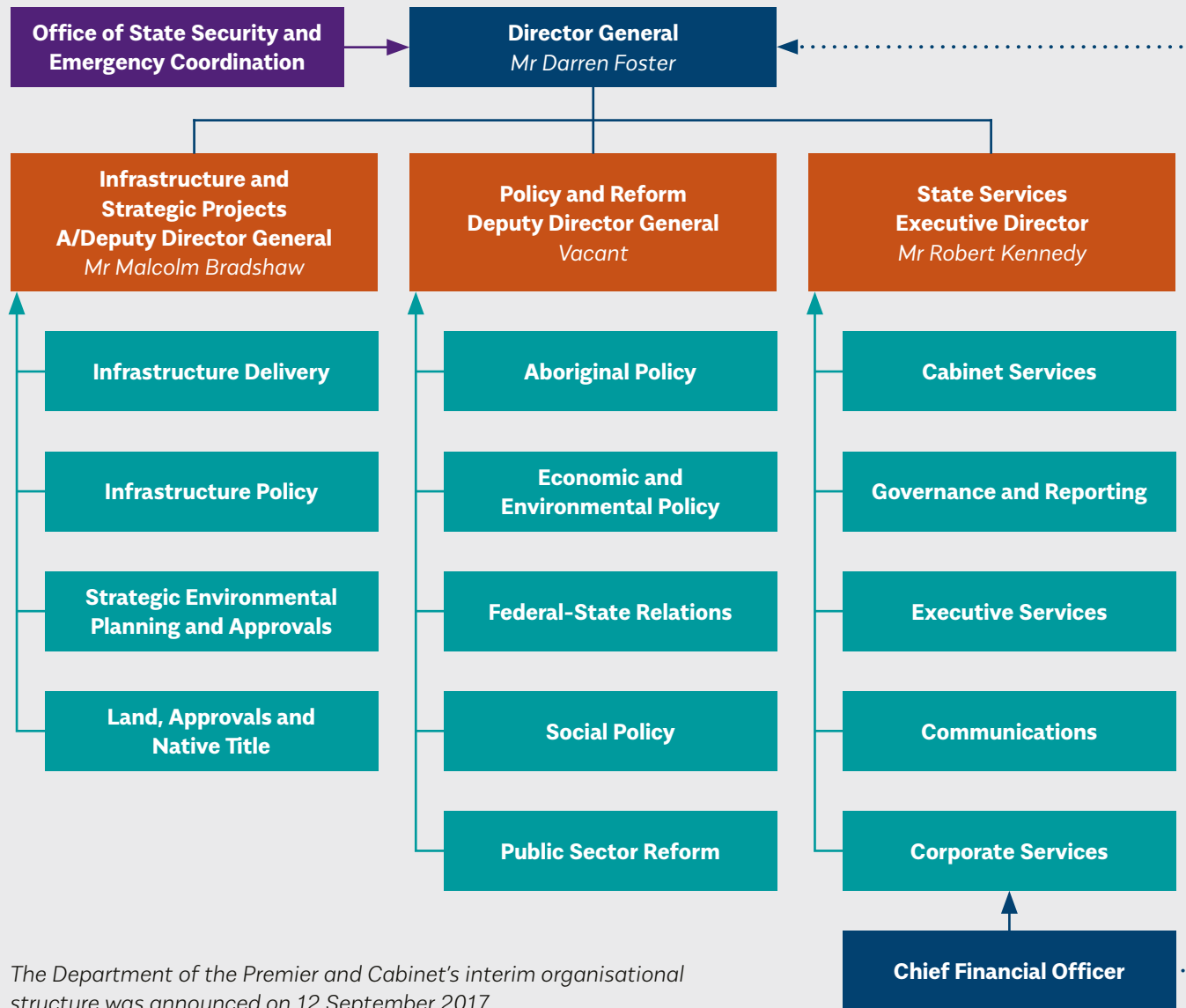
# 01

## About the Department





# Our Structure



### Responsible Minister

The Department reports to the Hon M McGowan BA LLB MLA, in his capacity as Premier; Minister for Public Sector Management; Federal-State Relations.

### Chief Executive Officer

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

### Authority for the Establishment of the Agency

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

The Department of the Premier and Cabinet's interim organisational structure was announced on 12 September 2017.



## Senior Officers



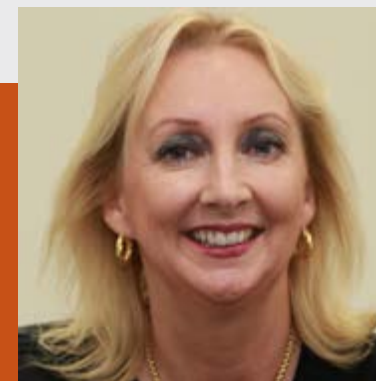
**Director General**  
**Mr Darren Foster**

Mr Foster joined the Department in March 2017 and was appointed as Director General in July 2017. Mr Foster has over 30 years of public sector experience as a senior policy and strategy adviser in Commonwealth, State and local governments, in areas as diverse as Environment, Treasury and Finance; Energy; Health; Education and Training; Tourism; Racing and Gaming and Native Title. Mr Foster has held senior roles in the Department of Fisheries and the Office of the Environmental Protection Authority, and the National Native Title Tribunal. Mr Foster holds a Bachelor of Arts (Communication and Cultural Studies) and a Postgraduate Diploma of Arts (History), and is an alumnus of the Australian and New Zealand School of Government Executive Fellows Program.



**A/Deputy Director General**  
**Mr Malcolm Bradshaw**

Mr Bradshaw has over 27 years of public sector experience in a number of agencies, including senior roles in the Departments of the Premier and Cabinet, Treasury, Housing and Works and the Legal Aid Commission. Mr Bradshaw also worked for two years in an executive role with the owner of Perth Airport. Much of his work in the public sector has been concerned with the planning, financing and delivery of major infrastructure assets. Mr Bradshaw is admitted as a Legal Practitioner in Western Australia and the Australian Capital Territory, and holds undergraduate and postgraduate qualifications in Arts, Law and Business from UWA, ANU and UNSW (AGSM).



**Assistant Director General**  
**– State Administration and**  
**Corporate Support**  
**Ms Kathryn Andrews**

Ms Andrews was appointed as the Assistant Director General State Administration and Corporate Support in May 2016. She has over 30 years of public sector experience and has worked in a number of Departments in the corporate support area. She was recruited to the Western Australian public service through the Graduate Program and has a Bachelor of Commerce degree. Ms Andrews was initially appointed to the Department of the Premier and Cabinet in January 1994 in the Human Resource Services Branch (HRSB) and has occupied the positions of Manager, HRSB and Director, State Administration. She is also a Clerk of Executive Council.





**Assistant Director General –  
Office of State Security and  
Emergency Coordination**  
**Mr Geoff Hay**

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



**Executive Director – Whole of  
Government, Future Directions  
and Strategic Projects**  
**Mr Robert Kennedy**

Mr Kennedy has worked in public sector agencies for over 20 years in both the State and Commonwealth Governments. Most of this time has been in central agencies in policy and administration roles. He joined the Department in 2003 and was appointed Director, State Administration, in 2008, when he joined the Corporate Executive. Mr Kennedy was appointed Executive Director in 2016 and is responsible for the Department's corporate governance functions and Strategic Projects.



**A/Executive Director – Community  
and Human Services**  
**Ms Jenni Perkins**

Ms Perkins joined the Department of the Premier and Cabinet as Acting Executive Director, Community and Human Services in June 2016. She brings to her role over 30 years' experience in social policy and community development which has included the not-for-profit sector and local and state government. With a degree in social work and a Masters in Public Policy, Ms Perkins has held senior executive positions in the State Government for the past 16 years, and has lead major reform agendas across the disability and community services sectors.



**A/Executive Director –  
Economic and Deregulation**  
**Mr Rosh Ireland**

Mr Ireland has been Acting Executive Director, Economic and Deregulation, since 6 December 2016, and has been a Director in the Cabinet and Policy Division since 2003. Mr Ireland has experience across the Western Australian, Queensland and Commonwealth Governments, providing strategic advice and leadership across many policy areas including approvals, infrastructure, natural resources, energy and the environment.



**Executive Director –  
Office of Science**  
**Ms Fiona Roche**

Ms Roche commenced as Executive Director within the Office of Science in August 2015. She has a long history of working in the government sector, particularly in central agencies with a policy coordination role. She has worked in senior roles in the Department of the Premier and Cabinet, and her recent background has involved a focus on governance, integrity and diversity. Ms Roche previously occupied the role of the Deputy Commissioner, Integrity Promotion within the Public Sector Commission.



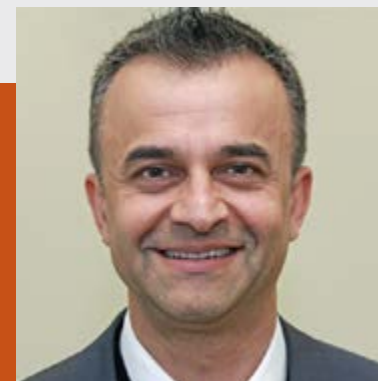
**Director – Cabinet Secretariat**  
**Mr Nick Hagley**

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 of the Premier and Cabinet, 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.



**Executive Director – Land,  
Approvals and Native Title Unit**  
**Mr Adrian Murphy**

Mr Murphy has over 20 years of experience in the resource sector, Indigenous affairs and land approvals. He has worked for Commonwealth and State government agencies, as well as in the non-government and private sectors. His experience has primarily been in the areas of strategic policy and systems development, and major project negotiations. Mr Murphy joined the Department of Mines and Petroleum in 2009, transferring to the Department of the Premier and Cabinet at the beginning of 2011.



**Director – Finance and  
Information Services**  
**Mr Gary Meyers**

Mr Meyers has over 25 years of experience in the State public service. Prior to commencing at the Department in January 2016, Mr Meyers was the Director of Finance and Business Support, and Chief Finance Officer at the Disability Services Commission (DSC). He was a key member of DSC's reform team established to implement, manage and report on the State's service delivery model (MyWay) as part of the National Disability Insurance Scheme trial being undertaken in Western Australia. Mr Meyers has also worked at the Department of Treasury and WorkCover, and is a Certified Practising Accountant.



### Senior Officers leaving the Department in 2016–17

The following Senior Officers left the Department in 2016–17:

#### **Mr Peter Conran AM**

*Director General 2008-2016*

Mr Conran retired in August 2016

#### **Mr David Smith**

*Acting Director General August 2016 – May 2017*

*Deputy Director General – Economic and Deregulation 2008-2016*

Mr Smith became Acting Director General, Department of Mines, Industry Regulation and Safety in May 2017

#### **Ms Lyn Genoni**

*Acting Deputy Director General – Economic and*

*Deregulation August 2016 – March 2017*

*Executive Director – Economic and Deregulation 2010-2016*

Ms Genoni was seconded to the Department of the Attorney-General (now Department of Justice) from March 2017

#### **Mr Richard May**

*Deputy Director General – Community and*

*Human Services 2015-2017*

Mr May went on leave from March 2017

#### **Mr John Strijk**

*Director – State Law Publisher 1996-2016*

Mr Strijk retired in February 2017

The McGowan Ministry, Parliamentary Secretaries, Parliamentary Secretary of the Cabinet and Her Excellency the Honourable Kerry Sanderson AC, Governor of Western Australia, after the Swearing in Ceremony at Government House.



# Strategic Plan 2013-17

## Our Vision

Improving outcomes through leadership, collaboration and innovation.

## Our Purpose

We provide quality policy and administrative advice and support to enable the Premier and Government to serve the Western Australian community well.

## Our People

Our people are central to what we do. We recognise and support their valuable contribution.

## Our Values

The Department is committed to the Public Sector Code of Ethics and will be guided by its Code of Conduct and the following values:

- » Working with integrity
- » Focussed on results
- » Collaborating with others
- » Leading improvement

## Our Goals

- » Providing leadership in all facets of policy development, from the progression of key sector reforms to developing innovative solutions to complex policy issues.

- » Leading and supporting our people through providing development opportunities and an engaging work environment to produce the best services and leaders for today and the future.
- » Providing implementation support through coordinating, monitoring and partnering.
- » Providing quality and timely policy advice to support the Premier and Cabinet.
- » Delivering quality and timely services to support the administration of Government.

## Key Service Areas

### Government Goal: Results-Based Service Delivery

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

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

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

### Agency-level Outcomes

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

These outcomes directly relate to the purpose and goals set out in the Department's Strategic Plan 2013-17, and the service structure to deliver these outcomes has been designed around the administrative and policy functions of the Department.

### Services

- » Administration of Executive Government Services
- » Government Policy Management

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

### Service 1: Administration of Executive Government Services

- » administrative support to the Premier;

- » administrative policy advice and support to Ministerial offices and the Leader of the Opposition;
- » promotion of Western Australia's interests overseas;
- » communication of Government policies and activities;
- » support for the Executive Council;
- » 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; and
- » management of exhibitions and programs at the Constitutional Centre.



**Service 2: Government Policy Management**

- » strategic policy advice and coordination to the Premier and Cabinet;
- » strategic policy advice and coordination to the Minister for Science (until 30 June 2017);
- » leadership and coordination of cross-agency solutions to complex issues;
- » managing and coordinating Western Australian Government input into intergovernmental negotiations and advice on Government positions on federal reform, treaties, defence and other matters raised through the Council of Australian Governments and the Council for the Australian Federation;
- » strategic, cross portfolio advice on land, State and Commonwealth approvals and Indigenous issues;
- » support for the functions of Cabinet and Parliament; and
- » emergency management policy advice to the Premier, Ministers and Government agencies, and whole-of-government management and coordination of significant security incidents and emergencies.

# Performance Management Framework

The Department operated under the guidance of its strategic vision, purpose and goals, which set the direction necessary to achieving the Government Goal of Results-Based Service Delivery.

Key performance indicators (KPIs) allow the Department to assess and monitor performance in areas identified as critical to our business. These KPIs are used to measure the Department’s performance both on a quarterly and annual basis, ensuring the delivery and achievement of the relevant services, outcomes, and Government Goal as outlined in the table below.

**Outcome Based Management Structure Relationship to Government Goal**

The following table demonstrates the relationship between the Department’s services and desired outcomes, and the high-level Government Goal of Results-Based Service Delivery. 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 Government Goal.

Further detail relating to the audited KPI information is located on page 94. Results in this section show a comparison of key efficiency and key effectiveness targets and outcomes, forming part of the Department’s Outcome Based Management structure.

**Changes to the Outcome Based Management Structure**

The Department’s Outcome Based Management Framework was revised for the year 2016-17, which resulted in the Department reporting four additional efficiency indicators.

**Shared Responsibilities with Other Agencies**

The Department did not deliver services jointly with other agencies in 2016-17, however the Department continues to work with many agencies to achieve Government outcomes.

Government Goal	Desired Outcomes	Services
<b>Results-Based Service Delivery:</b> 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

## Administered Legislation

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

<i>Alteration of Statutory Designations Act 1974</i>
<i>Armorial Bearings Protection Act 1979</i>
<i>Constitution Act 1889</i>
<i>Constitution Acts Amendment Act 1899</i>
<i>Daylight Saving Act 2006</i>
<i>Deputy Governor's Powers Act 1911</i>
<i>Discharged Servicemen's Badges Act 1967</i>
<i>Election of Senators Act 1903</i>
<i>Indian Ocean Territories (Administration of Laws) Act 1992</i>
<i>Machinery of Government (Miscellaneous Amendments) Act 2006</i>
<i>Members of Parliament (Financial Interests) Act 1992</i>
<i>Ministers' Titles Act 1925</i>
<i>Mutual Recognition (Western Australia) Act 2010</i>
<i>Noongar (Koorah, Nitja, Boordahwan) (Past, Present, Future) Recognition Act 2016</i>
<i>Parliamentary and Electorate Staff (Employment) Act 1992</i>
<i>Parliamentary Papers Act 1891</i>
<i>Parliamentary Privileges Act 1891</i>
<i>Public Sector Management Act 1994</i> <i>(Part 4 only; remainder of Act administered by the Premier principally assisted by the Public Sector Commission)</i>
<i>Returned Servicemen's Badges Act 1953</i>
<i>Royal Commission (Custody of Records) Act 1992</i>
<i>Royal Commission into Commercial Activities of Government Act 1992</i>
<i>Royal Commissions Act 1968</i>
<i>Royal Powers Act 1953</i>
<i>Royal Style and Titles Act 1947</i>

<i>Standard Time Act 2005</i>
<i>State Flag Act 2006</i>
<i>Succession to the Crown Act 2015</i>
<i>Taxation (Staff Arrangements) Act 1969</i>
<i>Terrorism (Commonwealth Powers) Act 2002</i>
<i>Trans-Tasman Mutual Recognition (Western Australia) Act 2007</i>
<i>Western Australia Day (Renaming) Act 2012</i>

### Other key legislation impacting on the Department's activities

<i>Corruption, Crime and Misconduct Act 2003</i>
<i>Disability Services Act 1993</i>
<i>Equal Opportunity Act 1984</i>
<i>Electoral Act 1907</i>
<i>Financial Management Act 2006</i>
<i>Freedom of Information Act 1992</i>
<i>Industrial Relations Act 1979</i>
<i>Minimum Conditions of Employment Act 1993</i>
<i>Occupational Safety and Health Act 1984</i>
<i>Parliamentary Commissioner Act 1971</i>
<i>Public and Bank Holidays Act 1972</i>
<i>Public Interest Disclosure Act 2003</i>
<i>Public Sector Management Act 1994</i>
<i>Salaries and Allowances Act 1975</i>
<i>State Records Act 2000</i>
<i>State Supply Commission Act 1991</i>
<i>Workers Compensation and Injury Management Act 1981</i>



The Premier, the Hon Mark McGowan MLA, being sworn in by Her Excellency the Honourable Kerry Sanderson AC, Governor of Western Australia, Government House Ballroom.





# 02

## Agency Performance

Fish Hook Bay, Rattnest Island.





## Strategic Goal 1: Leadership

Providing leadership in all facets of policy development, from the progression of key sector-reforms to developing innovative solutions to complex policy issues.

The Department provides policy advice and support on key priorities for Government and Ministers with respect to the economy, industry, infrastructure, planning and the environment. The reform of community and human services across the Western Australian public service is also an important focus, particularly in partnership with the not-for-profit sector.

### Promoting the State's Interests at the national level

The Department provides support and leadership to the Premier, Cabinet and the Department's senior officers in constructive engagement with the Commonwealth, advocating whole-of-government perspectives to advance the State's interests. A key focus in 2016–17 was promoting fundamental reform of the GST distribution arrangements.

The Department coordinates engagements with the Commonwealth on significant economic and social reforms to ensure improved outcomes for all Australians. In 2016–17, this included negotiations on the Commonwealth's Quality Schools reform package and support for a refresh of the Closing the Gap agenda that

focuses on a strength-based approach to support Indigenous advancement.

The Department supports the Premier in his membership on the Council of Australian Governments (COAG), which includes the Prime Minister, state and territory First Ministers and the President of the Australian Local Government Association and focuses on improving the current and future well-being of all Australians.

### Driving economic policy reform

The Department provides policy support for the Jobs and Economic Diversification Cabinet Sub-Committee, including for the implementation of election commitments under the Government's Plan for Jobs. A series of consortia have been held for the Premier, Ministers and Directors General to engage with a range of key industry growth sectors including tourism, defence industries, agribusiness and international education.

The Department is leading the drafting of the Western Australian Jobs Bill 2017, which is an election commitment in the Government's Plan for Jobs. This is aimed at improving local industry participation

in the supply of goods and services to government, with a particular focus on benefits to small and medium enterprises.

The Department provides support to the Premier on a range of major infrastructure matters, particularly infrastructure funding matters involving the Commonwealth. In 2016–17, this included representations regarding the GST, successfully seeking additional infrastructure funding as a GST "top up", and agreeing on variations to the National Partnership Agreement on Infrastructure Projects in Western Australia.

The coordination of State interaction with Infrastructure Australia, including updating the national Infrastructure Priority List is a priority and the Department is leading discussions with the Department of the Prime Minister and Cabinet regarding the new 'City Deals' initiative under the Commonwealth's Smart Cities Plan. The Department is developing proposals to implement the Government's commitment to establish Infrastructure Western Australia, develop a State Infrastructure Strategy, and introduce a mechanism for dealing with unsolicited proposals.

The Department supports the Premier as the State's representative to the Northern Australia Strategic Partnership, represented the State on the Northern Australia Senior Officers Group and assisted the Department of Treasury with policy development regarding the Northern Australia Infrastructure Facility.

The Department continues to contribute to regulatory reform initiatives and reducing red tape. After a bilateral agreement accrediting State assessments under the Commonwealth *Environment Protection and Biodiversity Conservation Act 1999* was signed in 2014, the Department led considerable work to negotiate an agreement for accrediting State approvals, however the Commonwealth was unable to pass legislative amendments that were needed for an approvals agreement to take effect. The Department managed WA input and voting on amendments to national competition law, which aimed to minimise new risks for Government entities that operate in markets.

The Department supported the Departments of Treasury and Finance in the development of the Intergovernmental Agreement on Competition and Productivity-Enhancing Reforms to assist in the implementation of the Competition Policy Review (the Harper Review). The Agreement was signed by the former Premier, the Hon Colin Barnett MLA, in December 2016. The Department continues to work with the Departments of Treasury and Finance in the development of a National Partnership Agreement for regulatory reform and regulatory reform proposals which will attract Commonwealth reward payments.

There was also a significant supporting role in the development of land tenure reform proposals that were a priority of the former Government. The agency also made a series of representations to the Commonwealth Government regarding regulation and administration of land based carbon projects supported under the Emissions Reductions Fund, particularly in relation to safety concerns with savannah burning projects.

### **Investing in the State's natural and cultural heritage**

The Kimberley Science and Conservation Strategy (the Strategy) is a multi-agency program across seven government agencies led by the Department of the Premier and Cabinet.

Through the Strategy the Department has progressed conservation management in Western Australia towards co-management with Traditional Owners. Amendments to legislation now allow for joint management of conservation estates with native title holders, as well as joint vesting of land based parks.

Nine Indigenous Land Use Agreements (ILUAs) have been negotiated with Native Title holders to enable the creation of over 30,000 square kilometres of new Kimberley marine parks, including at Eighty Mile Beach, Roebuck Bay, Horizontal Falls, Camden Sound, and North Kimberley, along with a number of terrestrial parks. The marine parks include 5,600 square kilometres of sanctuary zones.

The new parks are now being actively managed by the relevant Joint Management Bodies, comprising Traditional Owners and officers from the Department of Biodiversity, Conservation and Attractions.

The ILUAs allow for both direct and fee for service employment for Aboriginal rangers to work in the new marine and national parks. These positions are additional to traditional owners that have been engaged through the Strategy's Landscape Conservation Initiative to manage fire, feral animals and weeds across the Kimberley landscape.

The Strategy is also delivering significant new scientific information through the completion of 25 projects under the Kimberley Marine Research Program. This program, supported by a \$12 million investment by the State Government and delivered by the Western Australian Marine Science Institution, has involved researchers from across Australia and successfully combined western science with traditional ecological knowledge to inform joint management of the Kimberley marine park network and decisions impacting marine ecosystems and wildlife.







### Supporting the future growth of our State

The Department leads the Strategic Assessment of the Perth and Peel Regions (Strategic Assessment), in collaboration with the Departments of Planning, Lands and Heritage; Biodiversity, Conservation and Attractions; Mines, Industry Regulation and Safety; and Water and Environmental Regulation.

It is a cross government exercise aimed at delivering integrated land use, transport and conservation planning for the growth of the Perth and Peel regions to 3.5 million people. The Strategic Assessment will secure upfront approval under the Commonwealth *Environment Protection and Biodiversity Conservation Act 1999* (EPBC Act) for development required to support the growth of the Perth and Peel regions to a population of 3.5 million people, including urban, industrial, rural residential, basic raw materials and infrastructure development and EPBC Act approval for the harvesting of the pine plantations. The Strategic Assessment is also intended to streamline related State environmental approvals processes under the *Environmental Protection Act 1986*.

The draft Strategic Assessment documents were released for five months of public consultation in December 2015. 600 individual submissions were received along with 3000 pro-forma submissions. These submissions have been analysed through a cross agency process and work on the revisions of Strategic Assessment documentation is underway.



Top left: Indigenous Rangers and Biodiversity, Conservation and Attractions staff in the Kimberley.

Top Right: Carnaby's Black Cockatoo.

Middle: State International Education Consortium.

Bottom Left: State Agribusiness Consortium.

Bottom Right: Peel Harvey Estuary.

### **Working in partnership to achieve better outcomes for the community**

The Department supports the reform and delivery of community services across the Western Australian public sector with a particular focus on working in partnership with the community services sector to achieve better outcomes for Western Australians. Key policy areas include disability services, Aboriginal affairs, justice, youth, child protection and community safety. Strong relationships with other government agencies and not-for-profit service providers have developed to drive collaboration in policy development, service design and delivery of community services. Common themes include enhancing coordination of services across multiple government agencies, breaking down barriers between government departments and stakeholders, choice and control for service users, co-design of services, devolving decision making and providing greater flexibility to the local level.

During 2016–17, the Department provided oversight for the third year of the comparative trials of the National Disability Insurance Scheme (NDIS) in Western Australia and the expansion into new geographic areas. This included supporting negotiations to inform bilateral agreements between the State and Commonwealth Governments to effectively deliver the NDIS in Western Australia, and to transition responsibilities for aged care and disability services.

The Department provides secretariat support to the Community Safety and Family Support Cabinet Sub-Committee and leads coordination across government agencies to support the implementation of key policy commitments including the Methamphetamine Action Plan, Stopping Family and Domestic Violence, and Supporting Communities. This includes working with the community sector to help break down the barriers between government departments and stakeholders to support more integrated services.

The Department continues to coordinate State bilateral negotiations in Indigenous Affairs, promoting the State's interests on specific initiatives and advocating greater alignment of Commonwealth investment with State Government initiatives such as the Regional Services and Aboriginal Youth Investment reforms. In 2016–17, support was also provided to the Royal Commission into Institutional Responses to Child Sexual Abuse by coordinating Western Australia's participation in roundtable discussions, submissions to issues and consultation papers, and responses to notices to produce information. The Department is currently participating in the Inter-jurisdictional Committee to oversee the design of the Commonwealth Government's Redress Scheme.

### **Building Western Australia's scientific expertise and capabilities**

The Office of Science, in collaboration with researchers, academia, industry and government at the local, national and international level, is focussing on increasing the standing of Western Australia in the area of science.

The Office of Science plays a key leadership role in supporting the development of strategies identified in its science priority areas. These include:

- » The Premier's Science Fellowship Program
- » The Science and Agribusiness Connect (SAC) Program
- » The Square Kilometre Array (SKA) radio astronomy project
- » A wide range of grant and award programs

The Premier's Agriculture and Food Fellowship under the SAC Program was launched in late 2016 with the inaugural Fellowship awarded to Professor Simon Cook. Professor Cook is an expert in agricultural systems and natural resource management. In partnership with Curtin and Murdoch Universities Professor Cook is building and leading a research team in Western Australia to develop the State's capabilities in big data and agriculture and establish the Centre for Digital Agriculture in WA.

The Premier's inaugural Early-Mid Career Fellow under the SAC Program was awarded to Dr Fiona Evans in May 2017 and she will work with the Premier's Fellow to undertake applied agrifood research, specifically focusing on transforming broadacre farming in Western Australia by combining big data, agronomic and economic models.





The Office of Science launched the Premier's Agriculture and Aquaculture Entrepreneurship Program, part of the SAC Program, to foster innovation in the sector. Scholarship winners are developing their innovations through interstate and overseas exposure to international best practice and leaders in their field and will share their learnings in regional WA in the areas of shitake mushroom cultivation, soil liming, marron farming and drone crop surveying.

The Office of Science continues to lead Western Australia's involvement in the SKA radio astronomy project. This includes assisting the Australian SKA Office with a range of land access and tenure issues, and working to maximise benefits to Western Australia.

In addition, the State Government has made significant investment in radio astronomy research capacity, capability and infrastructure. Current funding of \$26 million for 2014–2019 supports the ongoing operations of the International Centre for Radio Astronomy Research (ICRAR) which has over 120 researchers advancing Western Australia's science efforts in the SKA project.

In 2016–17, the Office of Science managed funds applied to research into reducing the risk of shark attacks off our beaches.

The Applied Research Program – Shark Hazard Mitigation sponsored eight research projects. The State Government recently announced a trial subsidy scheme for a product that received research funding under the program which tested an independently verified shark repellent technology.

The Office of Science engaged with Cooperative Research Centre (CRC) proponents, securing State Government funding to support bids from the cyber security and food agility CRC's. The Office is developing a strategic approach to CRC's with the aim to build and support CRC capability in WA.

To raise the State's standing in the science, technology, engineering and mathematics (STEM) space, the Office of Science sponsored FameLab with Perth hosting the national finals for this international science communication competition. FameLab is open to early career researchers in STEM and is a valuable platform for promoting science as a career choice for youth and for communicating science discoveries to a broad public audience. In 2016–17, the Office of Science supported a range of other STEM engagement initiatives including Big Data Week, MicroBlitz and the WA Chinese Scientists Association Conference on Science, Technology and Innovation.



*Top: Her Excellency the Honourable Kerry Sanderson AC, Governor of Western Australia, with representatives from St Mary's Anglican Girls' School, John Curtin College of the Arts, the Department of the Premier and Cabinet and Scitech, at the launch of the 2017 Governor's School STEM Awards.*

*Bottom: Western Australian Chief Scientist Professor Peter Klinken FTSE AC and Ann Ritchie, wife of Ian Ritchie who was inducted, posthumously, to the WA Science Hall of Fame in 2016.*



*Western Australian Chief Scientist Professor Peter Klinken FTSE AC and Chevron Science Engagement Initiative winners and finalists at the 2016 Premier's Science Awards Ceremony.*

## The STEM Advisory Panel ... includes leaders from across industry, research and education sectors and complements other initiatives that raise community awareness of the importance of STEM for future workforce needs.

The STEM Advisory Panel, chaired by the Chief Scientist Professor Peter Klinken FTSE AC, was formed in June 2017. The Panel includes leaders from across industry, research and education sectors and complements other initiatives that raise community awareness of the importance of STEM for future workforce needs. A priority for the Panel going forward will be to develop and oversee the implementation of the State STEM Strategy.

The Office continues its contribution to the planning and delivery of key science engagement strategies and initiatives, including the Governor's School STEM Awards, the Premier's Science Awards and the Perth Science Festival.

The Office of Science continues its commitment to Scitech as Western Australia's premier science centre, and supported an independent evaluation panel to assess the Scitech 2018-2023 Business Plan which

will set the shape of the future for the operations of Scitech. The Office of Science will continue its work to support Government in the planning of a new location for Scitech.

The Office of Science is a member and sponsor of the Organising Committee for the Science on the Swan (SOS) Conference and Big Data Week (BDW). The SOS Conference is run collaboratively by all five Western Australian universities in partnership with WA medical research institutes, key teaching and research hospitals, the WA Department of Health and the Office of Science. The 2017 Conference "One Health" focused on integrated effort of multiple disciplines to seek root cause understanding of, and effective solutions to, emergent infectious and acquired diseases and marked the largest attendance for the Conference with over 300 delegates. BDW held in May 2017, showcases WA's digital capabilities and highlights how data is used to drive efficiency and promote learning.

In addition to the \$1 million provided over 5 years to the Perth Program Office of UNESCO's Intergovernmental Oceanographic Commission, additional funding was provided by the Office of Science to further the science underpinning marine conservation, management and economic development, as well as supporting the development and operation of a tsunami warning and mitigation system.

The Office of Science continues to work with sectors across the State through organisations such as the WA Marine Science Institution (WAMSI), the WA Biodiversity Science Institute (WABSI), Scitech and ChemCentre to deliver its science priorities. The Office of Science also regularly engages with stakeholders on a range of science priorities, including holding quarterly meetings with WA's five universities.

## Strategic Goal 2: Organisational Capability

Leading and supporting our people through providing development opportunities and an engaging work environment to produce the best services, and leaders for today and the future.

### Providing employment and career opportunities

To meet the broad range of work performed by the Department, people are the key to our success. Besides the usual management and administrative positions required to support the operations of an organisation, other professions employed include policy practitioners, project managers, scientific experts, researchers, analysts and chauffeurs.

In 2016–17, 17 positions were advertised, attracting 795 applications. Annually, the Department runs a Graduate program and four Graduate Development Officers were recruited in this financial year, to work mainly in the areas of policy support. In addition, one school based trainee was employed to work in support of corporate services functions.

Graduates and trainees are assigned to different functional areas over the period of their initial employment, to provide them with a broad range of work experience. In working with professionals and experts in their respective fields, graduates receive invaluable on-the-job coaching, mentoring

and experience to develop their inherent skills. Graduates are able to gain an insight to the operations of a central agency and the mechanics of bureaucratic processes necessary to support government. Trainees work towards attainment of an accredited Certificate in Government and Graduate Development Officers participate in the Public Sector Commission Graduate Development Program.

### Supporting people with disabilities

The Department continues to be committed in providing employment opportunities for people with a disability. The Supported Work Team Program established in 2007, provides part-time employment for five employees with various types of disability. These employees are assigned administrative work based on their capability and skills. In working as a team, the employees learn to work collaboratively with others in an office work environment. Some of these employees have been successful in gaining full-time employment in other areas in the public and private sector.

Further in support of people with disability, the Department launched a new Disability Access and Inclusion Plan in 2016. The Plan includes seven outcomes that outline strategies to ensure people with a disability have access to the same opportunities as others.

### Supporting and embracing cultural differences

The Department employs staff from 33 countries other than Australia. Nine percent of the total workforce come from a non-English speaking background.

To celebrate cultural diversity, in 2016–17 the Department organised events during NAIDOC week, on Harmony Day and in the Chinese New Year festive period. Morning teas were held and information on the event was delivered through presentations, information sheets and networking amongst staff and invited guests.

These events are part of the ongoing program facilitated to recognise the diverse cultures of our employees, to build mutual respect and understanding in order to form a cohesive workforce.



### **Supporting the health and well-being of employees**

The health and well-being of our workforce is valued by the Department. To ensure our employees are well supported in their work and personal lives, the Department has an established Employee Assistance Program. Through the program, employees are able to access confidential counselling services for personal or work related issues and to provide short-term psychological assistance for employees and their immediate family members who are in need.

The OSH Committee comprise management and employee representatives. This Committee meets to discuss the safety of the workplace regularly and its representatives conduct ongoing inspections on all departmental offices. All managers and supervisors in the Department are required to complete monitored online Occupational Safety and Health (OSH) training.

Since 2012, the Department has pledged support for the One Life Suicide Prevention Strategy (the Strategy) to achieve positive outcomes and better well-being for all West Australians. The Strategy outlines a significant State Government and community commitment to the prevention of suicide and self-harm. During the financial year, the Department continued to distribute suicide prevention awareness and stigma reducing messages to all staff through formal training for employees, lunchtime information sessions and publishing educational articles on related topics on the intranet.

The Department organises a number of health at work activities including lunchtime information sessions on healthy living topics and free influenza vaccinations. Other activities include the facilitation of individual health checks, mole scans, blood donations and yoga at work.

### **Supporting the community**

The Department has pledged support to Defence Force Reservists and is a listed Supportive Employer with the Defence Reserves Support Council. Defence Force Reservists called to serve their obligations are provided immediate access to leave.

On a weekly basis, the Department promotes 'free dress day' with funds raised going to various charities nominated by employees. In 2016–17, donations totalling \$3930.25 were raised through this activity.

Turtle Bay and the Duyfken.



## Strategic Goal 3: Implementation

Providing implementation support through coordinating, monitoring and partnering.

The Department provides support and advice to stakeholders on a diverse range of projects and initiatives across Government, at local, national and international levels. The focus, in this regard, is to enable the delivery of initiatives that contribute to growing the Western Australian economy and ultimately improve the lives of Western Australians.

### Promoting Western Australia's Interests overseas

The Department's three overseas offices (representing Europe, North Asia and the Middle East and Africa) pursued a number of trade and investment opportunities for Western Australia over the past year, acting as an important link for many industries to key overseas markets. This includes industries involved in maritime-related defence; wine and fine food production; mining; agriculture and international education.

### European Office

The European Office has an important role in connecting Western Australian businesses involved in the defence and naval shipbuilding industries. In 2016 the Agent General, with the former Minister for Commerce, the Hon Michael Mischin MLC, visited German and Dutch shipyards shortlisted for the Offshore Patrol Vessel SEA 1180 program, to promote the State as the build location for the project.



*High Commissioner to the United Kingdom, the Hon Alexander Downer AC, and Agent General for Western Australia, Mr John Atkins, at the opening of the Western Australian Garden at the Eden Project, Cornwall.*

In October 2016, the Office participated at the biennial Euronaval 2016 maritime defence exhibition to promote the State's participatory interest in various Australian maritime defence new-build programs, including SEA 1000 and SEA 1180.

In collaboration with Tourism WA, the Agent General attended the opening of the Western Australia Garden at the Eden Project, Cornwall in May 2017. Created in collaboration with Kings Park and Botanic Garden in Perth, this marks the biggest-ever transformation of the Eden Project's Mediterranean Biome and showcases the unique flora of the State as well as the skills and talents of staff from the Botanic Parks and Gardens Authority.

Building on the State's focus on innovation and technology, the European Office co-

organised and hosted the exhibition 'Tech Australia' as part of 'London Tech Week' June 2017, alongside other State Offices and Austrade. The event attracted over 250 representatives from the UK and Australian tech scenes including start-ups, media and investors and provided an excellent platform to display the successful industries operating in Western Australia.

With respect to trade development activities, the European Office also worked with a number of Western Australian companies across various industry sectors, particularly the oil and gas service support sector and the wine industry, to develop export opportunities and relationship-building for their products and services.



### North Asia Office

During 2016–17, the North Asia Office facilitated visits by the then Treasurer, the Hon Mike Nahan MLA, and Members of the Western Australian Legislative Council. The purpose of these visits was to meet with high level officers and executives in the public and private sectors to reaffirm and extend Western Australia's commitment to its relationship with Japan. The Treasurer conducted a highly successful seminar attended by key players in the financial sector in Japan. Following the seminar, meetings were held with a number of companies that have strategic relationships with the Western Australian Treasury Corporation.

Minerals and energy have long been the key pillars of Western Australia's relationship with Japan. The Office has now added agriculture as an additional pillar and in line with this facilitated the visits of over 30 different WA food companies including a 15 company strong mission to Foodex, Asia's largest food and beverage trade show. A number of export contracts were concluded as a result of this.

The development of the agriculture and food supply capability of the State's north has become a major factor in increasing supply and the Japanese Government is proactively supporting Japanese private sector investment in the region. A mission covering the North West and sponsored by Japan's Ministry of Agriculture, Food and Forestry reaffirmed this commitment.

With the Australia-Japan Free Trade Agreement now in place, our agricultural producers are reaping substantial benefits

of doing business with Japan. In addition to the Foodex mission, the Office arranged and hosted visits by numerous Western Australian producers, assisting many to identify importers for their products, ranging from fresh produce to olive oil and chia seeds. Equity investment has also emerged from these trade relationships, benefitting the expansion of a number of Western Australian SMEs.

The Office also hosted visits by the Western Australian Treasury Corporation, acting as an important link between the Treasury Corporation and the Japanese financial sector. The Office produces a monthly newsletter in Japanese that has become a valuable tool in dispersing information on the Western Australian economy and opportunities for investment.

Promotion of Western Australian education services is playing an increasingly important role in the activities of the Office. In 2016, the Office organised for an influential group of Japanese study abroad education agents to tour Western Australian facilities and interact with key industry figures. This is an ongoing project that has seen tangible results, with the number of Japanese students studying in Western Australia increasing year on year. A recent highlight is the Tokyo City University program that facilitates three-month stays at Edith Cowan University for 300 students per year and will now expand to other universities.

The establishment of a direct flight between Tokyo and Perth is an ongoing Office priority and 2016 saw the Office work with the Australian Ambassador to Japan to



*Western Australian food exporters in Tokyo prepare for Foodex, Asia's largest food trade fair.*

increase lobbying activity in this sector. As Japan's major airlines study the feasibility of re-establishing the route, the Office in conjunction with Tourism Western Australia, Perth Airports and the City of Perth continues to present a viable case. Direct flights will benefit not only the tourism and business travel sectors but also the high value and important live seafood trade between Japan and WA. Japan remains a strong customer for Western Australian seafood exporters and a direct flight will greatly enhance the trade.





Top: The Western Australian Lupins exhibition stand was opened by the Agriculture Consul from the Australian Consulate Dubai, Dr James Wallner, and Commissioner of the Western Australian Trade Office, Mr Pankaj Savara. Industry partners were also present at the ceremony.

Bottom: WATO hosted a high-level meeting at its Dubai Office with FST Company senior executives to further develop Iran's growing interest in the WA mining sector.

### Middle East and Africa Office

The role of the Western Australian Trade Office (WATO), based in Dubai, is to facilitate and encourage commercial, investment, educational and cultural ties between the Middle East and African regions and Western Australia. The team in Dubai focuses on the Middle East market through proactive business development in the United Arab Emirates (UAE), Saudi Arabia, Egypt and Iran. A representative, based in Nairobi, reports directly to the Commissioner and caters for East Africa related activities.

### Key WATO Initiatives

#### GIWA Package Assisting Small Exporters Lupin Middle East Project

Since the project's inception in the second quarter of 2016, WATO in coordination with the Grains Institute of Western Australia (GIWA) and the Western Australian lupin industry have completed:

- » Fact Finding Mission to the UAE by 2 representatives
- » Raising lupin profile to UAE and beyond through WATO coordinated marketing activities
- » Participation by lupin industry members through WATO support in the Gulfood Manufacturing exhibition to confirm lupin marketing and engagement efforts

The highlight of the coordinated efforts was a joint industry-WATO booth at the Gulfood Manufacturing exhibition, a subsidiary of Gulfood – the biggest food and beverage exhibition in the Middle East. The Western Australian Government in partnership with the Western Australian lupin industry, specifically Coorow Seeds, Golden West Foods, and The Lupin Co., exhibited under the banner of 'Western Australian Lupins'. Approximately 400 visitors attended the booth with over 130 enquiries recorded.

#### Western Australian Keynote Address at the Iran Mining Conference 2016

In light of Iran's return to the global market in early 2016, WATO successfully secured a key note speaking slot for the Department of Mines and Petroleum at the Iran Mining Summit in December 2016. The aim of the visit to Iran was to raise awareness of Western Australia's mining expertise and establish a network of those directly or indirectly involved in Iran's mining sector. The outcome of the positive response received by the Iranian Government and mineral industry has yielded a credible interest in investing in the Western Australian mining industry by Iran's steel manufacturing company. This company is showing significant interest in the State's magnetite reserves as a long-term supply for Iran's growing steel industry. A return visit by Iranian officials occurred in February 2017 with further visits planned for 2017-18.



*Top: Coordinated by WATO, Murdoch University exhibition booth at GFIA promoted the university's agriculture expertise to the UAE. Accompanied by the Commissioner of WATO, Mr Pankaj Savara, the Chairman of Saudi Australia Business Council, Mr Samir Gabbani (right) visited the Murdoch booth at GFIA.*

*Bottom: Commissioner of WATO, Mr Pankaj Savara, at Qantas Iftar event in Dubai, congratulating the Regional General Manager for Qantas Middle East, Mr Markus Svensson, on unprecedented ticket sales for its new non-stop Perth-London route.*

### **Al Dahra Agriculture Company Invests in WA's Glenvar Hay**

WATO has a long standing relationship with the Abu Dhabi based agriculture company Al Dahra Agriculture. After 12 months of ongoing discussions with both Animal Feed and Human Consumption divisions of Al Dahra Agriculture in partnership with the Department of Agriculture and Food, Western Australia, Al Dahra has established a foothold in Perth with the prospect of expansion. In November 2016, Al Dahra formally announced the acquisition of the majority shares of Glenvar Hay Pty Limited leading to the formation of a new entity Al Dahra Glenvar Hay Pty Limited.

### **Murdoch participates at the Global Forum on Innovation in Agriculture (GFIA)**

Through WATO support and coordination, Murdoch University participated at GFIA 2017 held in Abu Dhabi as an exhibitor and presenter. WATO further supported the three member delegation with an in-market visit program that included meetings with government and agriculture bodies, and site visits to the International Centre for Biosaline Agriculture (ICBA) and University of UAE's Agriculture Department.

### **COMESA Memorandum of Understanding Activities – Training Workshop by the Department of Mines and Petroleum**

Since the signing of the Common Market for Eastern and Southern Africa (COMESA) Memorandum of Understanding in 2014, WATO Nairobi has successfully implemented training and capacity building mining programs run by the Department of Mines and Petroleum (now Mines, Industry Regulation and Safety) in Kenya, Ethiopia, Zambia, Zimbabwe and Nigeria. In each of these countries, a two-day workshop was held entitled 'Policy Capacity Building Workshop for a Successful and Sustainable Mining Sector'. These workshops were sponsored by the Australian Government and jointly coordinated with the respective national ministry. In total, the workshops were attended by more than 160 representatives from government, non-government and the private sector.

### **Qantas opens greater trade opportunities with new routes to Perth**

Qantas has officially announced its first non-stop flight from London to Perth commencing 25 March 2018, and has been promoting its newest flight destination in the Middle East region. Tourism WA and Qantas have also signed a \$5.7 million marketing deal to promote the non-stop Perth-London route. WATO-Dubai will be supporting both Qantas and Tourism WA initiatives. During the recent regional cultural season, Qantas held an Iftar networking event attended by WATO and members of the Australian and UAE business communities.



## Managing State Occasions and official visits

The Department coordinates and delivers State occasions, special events, community cabinet receptions and official visits, including visits by Heads of State, Heads of Government and Heads of Mission.

### 400<sup>th</sup> Anniversary of the Landing of Dirk Hartog at Cape Inscription

The Department worked closely with Dutch Government representatives, the Shire of Shark Bay, the Gascoyne Development Commission, the Western Australian Museum and the Departments of Parks and Wildlife and Fisheries to deliver a range of initiatives to mark the 400<sup>th</sup> anniversary of the landing of Dirk Hartog on the west coast of Australia on 25 October 1616.

The town of Denham was the focus of a five-day festival, drawing more than 7,500 attendees, and Denham itself has been transformed with a new jetty and redeveloped foreshore

The then Minister for Culture and the Arts, the Hon John Day MLA, hosted a commemorative function at Cape Inscription on the morning of 25 October 2016. This required an early start for visitors to make the journey across to Dirk Hartog Island but was well rewarded to see more than 400 people, including a significant Dutch contingent, also make the journey to take part in the commemorative activities. The then Minister unveiled new interpretive material together with a striking structure on the headland displaying replicas of Hartog's pewter dish and de Vlamingh's dish that replaced it in 1697. The replica ship of the era, the Duyfken, sounded her cannon to signal the end of the event.

The prominent art piece 'Union' installed on the Denham foreshore has quickly become a photo opportunity not to be missed by locals and visitors to the spectacular Shark Bay World Heritage Area, and new state-of-the-art digital multimedia panels in the Discovery Centre offer an exciting and modern way to learn, explore and become immersed in 400 years of history.



*Left: Then Minister for Culture and the Arts, the Hon John Day MLA, and Mr James Dexter, WA Museum with the newly installed replica copies of the Hartog and de Vlamingh dishes at Cape Inscription.*

*Right: 'Union' art piece installed on the Denham foreshore with views directly out to Dirk Hartog Island.*





*The Premier, the Hon Mark McGowan MLA, and His Excellency Mr Toshizo Ido, Governor of Hyogo Prefecture, at the State Reception to Commemorate the 35<sup>th</sup> Anniversary of the Sister State Relationship between Western Australia and Hyogo Prefecture, Japan.*

### **Dutch Royal Visit**

Continuing to mark the 400<sup>th</sup> Anniversary of the Dirk Hartog Landing, Their Majesties King Willem-Alexander and Queen Maxima of the Netherlands made a two-day State Visit to Western Australia on 31 October and 1 November 2016. Programme elements included a Welcome to Country and Call on the Governor of Western Australia, a heritage walk and Opening of the Travellers and Traders Exhibition at the Western Australian Maritime Museum, a visit to the Shipwreck Gallery, a community reception, a visit to Curtin University and a visit to Ascot Racecourse to view the Melbourne Cup race.

### **Sister State Relationships**

2016 marked the 35<sup>th</sup> Anniversary of the Sister State relationship between Western Australia and Hyogo Prefecture, Japan. Official Celebrations took place in April 2017 and included an official visit by His Excellency Mr Toshizo Ido, Governor of Hyogo, and a function at the Fraser Point Function Centre including signing of a Memorandum of Understanding, a performance by musicians from Hyogo and a reception.

### **Official Opening of the 40<sup>th</sup> Parliament of Western Australia**

Following State Elections, the first day the two Houses meet is known as the Opening of Parliament. The occasion is often marked by a ceremony. Steeped in tradition, the more formal style Opening of Parliament is based

on the United Kingdom's Westminster System of Government and represents the meeting of the 'Trinity of Parliament': the Crown's Representative (the Governor), the Legislative Council and the Legislative Assembly.

The Department worked in conjunction with the two houses of Parliament to make arrangements for the Ceremonial Arrival of Her Excellency the Honourable Kerry Sanderson AC, Governor of Western Australia at the official Opening of Parliament on 11 May 2017. Ceremonial elements included timed arrivals of Senior police and military representatives, the Leader of the Opposition, the Premier and the Governor, a Guard of Honour and Military Band, the Breaking of the Governor's Standard and a Welcome to Country conducted on the steps of Parliament House.

### **First Official Visits by Diplomatic Heads of Mission**

The Department coordinated and facilitated 13 First Official Visits by Heads of Mission (Ambassadors) over 2016–17, topping off a busy year. First Official Visits introduce the Heads of Mission to the key Western Australian office holders over Government, business, education and the arts sectors. The aim is to establish initial relationships and explore any opportunities which can be expanded on during the Head of Mission's tenure in Australia.

# State Ceremonial and Events 2016-2017



1

One Dutch Royal Visit

Four Community  
Cabinet Receptions

4

35 years of Sister  
State Relationship  
with Hyogo  
Prefecture, Japan

35



400<sup>th</sup> Anniversary  
of Dirk Hartog's  
Landing at Cape  
Inscription, Shark Bay

400

13 Head of  
Mission Visits

13

One State Opening  
of Parliament

1



### Promoting collaboration in policy and planning

In 2016–17, the Department supported the Partnership Forum, comprised of community sector and government agency leaders, which has overseen the implementation of the Delivering Community Services in Partnership Policy. A key focus of the Partnership Forum in 2016–17 was the development of integrated service systems, engagement of service users in co-design of community services, better use of data, and the joint development with the Department of Child Protection and Family Support of an outcomes framework for earlier intervention and family support.

In June 2017, the Premier convened the inaugural Community Services Roundtable, a discussion with sector leaders on emerging issues and opportunities for collaboration across agencies. The Department commenced consultation with the sector on the membership and terms of reference for a new Supporting Communities Forum to further build on the relationship between government and the community services sector to support the delivery of quality services.

### Providing strategic, cross portfolio advice on land, State and Commonwealth approvals and Indigenous issues

The Department, through the Land, Approvals and Native Title Unit (LANTU), provides strategic advice on multiple land use policies and projects, and is the State's primary manager of Western Australia's



*The Premier, the Hon Mark McGowan MLA, the Minister for Community Services, the Hon Simone McGurk MLA, and the Minister for Disability Services, the Hon Stephen Dawson MLC, convene the Community Services Roundtable with leaders of the community sector.*

compliance with the Commonwealth *Native Title Act 1993*. This includes as First Respondent to native title claims and by leading implementation of the six South West Settlement (the Settlement) Indigenous Land Use Agreements (ILUAs) and other native title agreements of State significance.

Commencement and implementation of the ILUAs has been delayed by legal proceedings, and is now anticipated to commence in late 2018. In the meantime, cross agency coordination continues through convening working groups, such as the South West Settlement Implementation Working Group, to prepare agencies to meet their obligations under the Settlement ILUAs. This includes the Noongar Standard Heritage Agreement and the Noongar Land Base Strategy both of which are already being implemented.

### State security and emergency management policy advice, development and coordination

The Department, through the Office of State Security and Emergency Coordination, provides advice and support to the Premier on matters associated with state security and emergency management policy in Western Australia. The Department works in partnership with Western Australia Police and other agencies to ensure that the State meets its obligations under national counter-terrorism arrangements. This includes maintaining the arrangements for the operation of the State Crisis Centre to facilitate support to the Premier and Ministers in the event of a terrorist incident or other serious security incident.



## In June 2017, the Premier convened the inaugural Community Services Roundtable, a discussion with sector leaders on emerging issues and opportunities for collaboration across agencies.

In addition, the Department provides representation on the following groups and a number of related sub-bodies:

- » the Australia-New Zealand Counter-Terrorism Committee;
- » the Australia-New Zealand Emergency Management Committee;
- » the Critical Infrastructure Advisory Council; and
- » the State Emergency Management Committee (SEMC).

Through the Australia-New Zealand Counter-Terrorism Committee, the Department has participated in the development of a National Strategy for Protecting Crowded Places from Terrorism. It also has an ongoing role facilitating policy work associated with Western Australia's engagement with the Commonwealth Government's Critical Infrastructure Centre.

During 2016, the Department participated in the inter-jurisdictional Taskforce that oversaw the implementation of a range of initiatives agreed by the Council of Australian Governments to counter violent extremism.

The Department has also provided the Premier with advice on a number of proposals for reform of counter-terrorism laws, including in relation to Commonwealth Government consultations on amendments to the terrorism provisions of the Commonwealth Criminal Code. The Department has coordinated Western Australian State agencies' involvement in the inter-jurisdictional working group on implementation of the regime for post-sentence detention of high risk terrorist offenders.

Support was provided to the Director General in his role as a member of the SEMC and the Department also participated in SEMC's Risk Sub-Committee, and the Office of Emergency Management's policy review groups and workshops as appropriate.

### **Coordinating State engagement with the Commonwealth on PFAS contamination**

The Department coordinates State engagement with the Commonwealth Department of Defence regarding investigations of potential Per- and Poly-Fluorinated Alkyl Substances (PFAS) at RAAF Base Pearce and HMAS Stirling Garden Island.

The Department has worked with State agencies to ensure they are no longer using or stocking PFAS fire-fighting foams. Regulatory agencies were also requested to ensure industry is aware of the national policy to phase out non-essential uses.

### **Negotiating and coordinating service delivery to the Indian Oceans Territories**

The Department continues to play an important role in negotiations with the Commonwealth and State public sector agencies for the provision of a wide range of state-type services to the citizens of Christmas Island and the Cocos (Keeling) Islands. These services are delivered in the Indian Ocean Territories under Western Australian laws applied as Commonwealth laws by State agencies, mostly under service delivery arrangements and at no cost to the State Government.

## Strategic Goal 4: Advice and Support

Providing quality and timely policy advice to support the Premier and Cabinet. Delivering quality and timely services to support the administration of Government.

The Department plays a key role across the public sector by ensuring that the Premier and senior officials are provided with high quality advice from a whole-of-government perspective.

The Department's ongoing support for the functions of the Premier and Cabinet involves:

- » providing strategic advice and services pertaining to the operation of the Premier's office, ministerial offices and Members of Parliament including former Members;
- » coordinating and delivering various official visits, State hospitality functions and special events;
- » conveying information to the Premier and Cabinet Ministers about issues that may impact on their agencies, through the Cabinet referral process;
- » supporting Executive Council administrative processes; and
- » managing the Government's legislative program.

### Providing support and advice on a variety of projects across Government Local Projects Local Jobs

The Department is working closely with Mr John Carey MLA, Parliamentary Secretary to the Premier, and a number of State agencies to deliver the Local Projects Local Jobs program. More than 750 grants will be delivered to local community organisations including sporting groups, local governments and not-for-profit service providers.

### Bushfire remediation and recovery

In 2016–17 the Department worked closely with other stakeholders on the remediation and recovery efforts following the devastating bushfires in Yarloop and surrounding areas in the Shires of Harvey and Waroona in January 2016.

### Shark hazard mitigation

In 2016–17 the Department continued to work closely with stakeholders to oversee the Government's shark hazard mitigation strategy. New beach enclosures were installed at Sorrento Beach in December 2016 and at Quinns Beach in January 2017. The Department also supported a trial of the Clever Buoy sonar shark

detection technology, in conjunction with the Office of the Government Chief Information Officer, and supported Surf Life Saving WA to undertake a trial of drone technology over the 2016–17 summer.

### Veterans

The Department continued to provide support to the Minister for Veterans until March 2017. Following the 2017 State General Election support for the veterans' portfolio was transferred to the Department of Local Government and Communities, now the Department of Communities.

The Department continued to provide the secretariat function for the Veterans Advisory Council, a ten-member Council that provides advice to the Minister for Veterans on matters relating to the Western Australian veteran community and offers a communication link between the Minister and the veteran community. The Council met in September and November 2016 at Dumas House. In 2016 the Council focussed on better understanding the availability of mental health services for veterans in Western Australia and the promotion of employment of ex-service personnel.



*The Premier, the Hon Mark McGowan MLA, and Her Excellency the Honourable Kerry Sanderson AC, Governor of Western Australia, at ANZAC Day commemorations 2017.*

The Department also provided secretariat support to the ANZAC Day Trust. Following amendments to the *ANZAC Day Act 1960* in March 2016, four new Trustees were appointed on 18 July 2016 for a three-year term. The Trustees made recommendations to the Minister for Veterans in November 2016 and grants were delivered to ex-service organisations in December 2016.

On 9 November 2016 the Government signed a Heads of Agreement gifting the ANZAC House site to the Returned and Services League of Australia WA Branch (RSL WA), paving the way for a significant redevelopment of the St Georges Terrace property. In recognition of the ANZAC Centenary commemorations, the \$3.36 million gift has allowed the RSL WA to redevelop the site to deliver a much needed increase in office space and upgrade of facilities.

### WA Day

The Department has continued its support of Celebrate WA to assist with activities that occur over the WA Day long weekend.

The Western Australian of the Year Awards Dinner, held on Friday 2 June 2017, was followed by a two-day festival at Elizabeth Quay, which included the State of the Art Music Festival. More than 90,000 people attended the festival at Elizabeth Quay between Sunday 4 and Monday 5 June 2017, representing a 200% increase from the previous year, with attendance figures consistently up across the State. The Premier opened the inaugural Bunbury event on WA Day and State Government representatives attended other WA Day Festival events in Fremantle, Mandurah, Albany, Kalgoorlie-Boulder, Geraldton and Port Headland.

### Providing scientific advice to Government

The Western Australian Chief Scientist Professor Peter Klinken FTSE AC, supported by the Office of Science, provides expert independent advice to the State Government on Western Australia's science priorities and science strategies to build the economy, create jobs and encourage greater community engagement in science.

Existing links with the Commonwealth Government have been strengthened with the involvement of Professor Klinken as a member on the Commonwealth Forum of Australian Chief Scientists.

Professor Klinken attended an International Conference on Science Advice to Government in Brussels and visited a number of science and technology parks and hubs in and around London, bringing valuable insight into what is on offer internationally back to Western Australia.

A review into the State's data linkage capabilities was led by Professor Klinken culminating in the preparation of the report *A review of WA's data linkage capabilities: developing a whole-of-government data linkage model* that is currently being considered by Government. The report contains recommendations to improve current data linkage service and expand this asset to encompass a whole-of-government model.

The Chief Scientist has provided expert advice to the Office of Science on the design of Science and Agribusiness Connect's (SAC) constituent programs. Professor Klinken chaired the evaluation Panels that selected the inaugural Premier's Fellow and Early-Mid Career Fellow, and also chaired the panel recommending the scholarships awarded under the Premier's Agriculture and Aquaculture Entrepreneurship Program.

A workshop with Western Australia's four public universities, CSIRO and key government agencies in the agricultural research sector was led by Professor Klinken. The workshop mapped the State's existing collaborations and capacity in agriculture research and development and identified opportunities for growth within the agricultural research sector. The Chief Scientist has provided high level strategic advice on agricultural research including leading extensive engagement with the Department of Agriculture and Food WA, the Grains Research and Development Corporation and the Grains Industry Group on grains research in the State.

Professor Klinken has attended a large number of workshops and meetings, provided key note addresses and participated in event programs to advance Western Australia's interests in science and innovation.



### Coordinating Western Australian Government input into intergovernmental negotiations

The Department facilitates work across the public sector to ensure the Premier, Cabinet and the Department's senior officers are provided with high quality advice regarding intergovernmental matters from a whole-of-government perspective. In 2016–17, the Department supported successful intergovernmental initiatives through the Council of Australian Governments (COAG) in the areas of health, education, youth detention and child protection, addressing methamphetamine use and reducing violence against women and their children.

During 2016–17, the Department also facilitated the State's input into negotiations on major free trade agreements such as the Regional Comprehensive Economic Partnership, the Pacific Agreement on Closer Economic Relations Plus and the Indonesia-Australia Comprehensive Economic Partnership Agreement, as well as facilitating State reporting to United Nations treaty bodies.

### Supporting Executive Government and delivering services to Cabinet

The Department provides 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; and
- » administrative support to Cabinet Sub-Committees.

In 2016–17, support was provided for **40 Cabinet meetings**, including a regional Cabinet meeting in Moora and a community Cabinet meeting in Midland. Cabinet considered a total of **648 submissions**.

#### » Economic and Expenditure Reform Committee

The Economic and Expenditure Reform Committee **met on 9 occasions** prior to the change of Government in March 2017. It considered **182 reports**, including **101 submissions** from Ministers. **10 matters** were also considered by the Treasurer under his delegated authority.

#### » Aboriginal Affairs Cabinet Sub-Committee

The Aboriginal Affairs Cabinet Sub-Committee **met on 3 occasions** prior to the change of Government in March 2017 and considered **21 reports**.

#### » Expenditure Review Committee

The Expenditure Review Committee **met on 13 occasions**. It considered **198 reports**, including **90 submissions** from Ministers. **1 matter** was also considered by the Treasurer under his delegated authority.

#### » Jobs and Economic Diversification Cabinet Sub-Committee

The Jobs and Economic Diversification Cabinet Sub-Committee **met on 2 occasions** and considered **16 reports**.

#### » Community Safety and Family Support Cabinet Sub-Committee

The Community Safety and Family Support Cabinet Sub-Committee **met on 1 occasion** and considered **11 reports**.



*The first Cabinet Meeting of the McGowan Ministry.*

### Parliamentary Services

Assistance in managing the Government's legislative program, including administrative support for the Legislation Standing Committee of Cabinet, was provided.

The 2016 Spring Sittings concluded on 1 December 2016. The official opening of the fortieth Parliament was held on 11 May 2017, with the Autumn Sittings concluding on 29 June 2017. **41 Government Bills** and **1 Private Members' Bill** received Royal Assent during the period.

Staff also managed the Parliamentary Questions database, coordinating responses to:

**1, 619 Parliamentary Questions on Notice.**

**1, 070 Parliamentary Questions Without Notice.**

### Executive Council

**26 regular Executive Council meetings** and **12 extraordinary meetings** were held, comprising a total of **599 submissions**. Assistance was also provided for:

- » the proclamation proroguing the Houses and dissolving the Legislative Assembly;
- » the issue of writs for the 2017 State General Election;
- » the swearing-in of the McGowan Labor Government on 17 March 2017;
- » the proclamations summoning the Houses for the official opening of the 40<sup>th</sup> Parliament on 11 May 2017.

### Educating students and the general public about our parliamentary and electoral systems

The Constitutional Centre of Western Australia aims to: promote awareness of our federal system of government with particular emphasis on its constitutional basis; encourage balanced debate about our federal system of government; and educate the general public about our parliamentary and electoral system.

#### School Education Programs

Programs are targeted at primary and secondary students and include free civics and citizenship education activities targeted specifically at the current Western Australian school curriculum.

In addition to the programs conducted in the metropolitan area, the Centre took programs to regional areas of the State, with education officers visiting areas not covered by current regional staffing. In 2016–17, education officers visited the wider Esperance area as well Narrogin, Wagin and Katanning. A teacher profession learning event was also run at the Narrogin Regional Education Office. More than 3000 students participated in sessions provided by regional staff in the South West. Materials and programs for remote and regional schools continue to be distributed on a loan basis throughout the state. 352 students and teachers accessed programs in this format.

Two one-day Schools Constitutional Conventions were held in September 2016, attended by 240 Year 11 students. Students immersed themselves in a day of debate, discussion and lectures on human rights and Australia's Constitution. Fifteen of these students went on to represent Western Australia at the 2017 Nationals Schools Constitutional Convention held in Canberra in March.

Primary and secondary pre-service teachers from Notre Dame University, Edith Cowan University and the University of Western Australia participated in programs run by the Centre on strategies for engaging students in civics and citizenship classes.

#### Public programs

Throughout the year a number of civics and citizenship partnership events were held providing information on how the three levels of government operate and why individual and community involvement makes for a vibrant democracy, in addition to eight public events which covered a range of current constitutional and political topics.

In November 2016 the Constitutional Centre participated in Open House Perth. This event provided the public the opportunity to visit the Centre, bringing in visitors to enjoy the heritage features of the building.

### Constitutional Centre Advisory Board

The Constitutional Centre Advisory Board is comprised of 11 members appointed for a three year term. Ms Cheryl Edwardes AM resigned from the Advisory Board in June 2017.

#### Statistics

Website visits: **89,306**

Visitors to the Centre: **24,168**

Community groups/Schools visits to the Centre: **42,884**

### Printing and publishing services for Parliament and Government

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

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

Copies of these legislative publications can be ordered by telephone, mail, or email. Online access to databases of various current and archived legislation materials is also available on the State Law Publisher website at [www.slp.wa.gov.au](http://www.slp.wa.gov.au).

### Providing Ministerial Support

The Ministerial Support Unit (MSU) consists of Ministerial Support; Ministerial Air Charter; Correspondence and the Community Comment Line. MSU works together to provide strategic advice and services in relation to the Premier's Office and Ministerial Offices. MSU coordinated the smooth transition in Ministerial Offices as a result of the change of Government at the State General Election in March 2017.

The Ministerial Merit Panel assesses the merits of any proposed staff to be seconded or appointed to a Ministerial Office. It advises the Director General on the classification and salary to be offered to ensure a consistent approach to the appointment process across all Ministerial Offices. During 2016–17, the Ministerial Merit Panel considered 189 submissions.

The Community Comment Line and Correspondence staff provide services which allow members of the public, government departments and agencies, community organisations and private businesses to convey their views to the Premier and Ministers via telephone, emails and letters. Major topics of concern to the public over the year were Roe 8; Don't Frack the Kimberley; Create Ranger Parks, Ban Plastic Bags and the Rangelands Reform petition. Throughout 2016–17 staff responded to **2,187 telephone calls** and actioned **1,981 items of correspondence**.

### Administration of entitlements for Members

The Department provides support to all Members of Parliament and their staff for the purpose of conducting their parliamentary and electorate responsibilities.

Since the State General Election on 11 March 2017 the Entitlements and Transport Branch has been occupied managing the distribution of offices for the recently elected Members of the Legislative Assembly as well as those newly elected Members of Legislative Council who were sworn in on 22 May 2017.

Extensive consultation with both outgoing and incoming Members and excellent support provided by the Branch resulted in as smooth a transition as possible.

Several electoral district boundary changes resulted in some Members of Parliament requiring relocation to a new office to ensure they are located within their electorate. The Branch has been working closely with the Department of Finance to ensure the timely completion of these projects. The majority of these newly established offices for Members will be due for occupation during 2018.

The Branch provided critical support and advice to new Members and electorate staff in respect to travel and other entitlements available.



## Media Services

The Department of the Premier and Cabinet's Media Services provide support to the Premier and Ministers as well as advising government agencies, through:

- » managing the advertising and communication approval process through the Independent Communication Review Committee;
- » providing a media monitoring service of the print media and television/radio broadcasts to the Premier, Cabinet Ministers and a limited service providing media summaries to a range of government departments and agencies; and
- » coordinating and distributing information to media outlets, supporting ministerial media advisers, and arranging and hosting ministerial media conferences in the Dumas Media Room.

Ministerial media statements are provided for public viewing at [www.mediastatement.wa.gov.au](http://www.mediastatement.wa.gov.au) and the media services team also maintains the web presence for the Premier of Western Australia and Cabinet Ministers at [www.premier.wa.gov.au](http://www.premier.wa.gov.au).

### Statistics

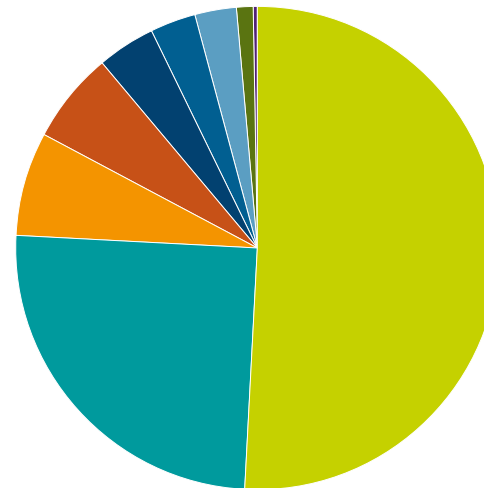
From July 1, 2016 to June 30, 2017 there were:

**1,435 Ministerial media statements** published on the Media Statements website.

**1,638,848 page views** on the Media Statements website.

**303,607 page views** on the Premier of Western Australia & Cabinet Ministers website.

## 2017 Caretaker Conventions enquiries received



**356** Advertising, Publications and Information Campaigns (51%)

**180** Operations – Public Sector Agencies (25%)

**48** Members of Parliament (7%)

**39** Significant Appointments and Contracts of Employment (6%)

**27** Caretaker Period (4%)

**23** General (3%)

**18** Electronic Communications (3%)

**10** Political Participation by Public Sector Officers (1%)

**1** Coat of Arms/Common Badge (0%)

## Change of Government Statistics:



- » **22** new Members to the Legislative Assembly
- » **15** new Members to the Legislative Council
- » **200** electorate staff ceasing employment
- » **208** new officers inducted to the Department
- » **160** new electorate staff in Parliamentary electorate offices



Over **275 PCs** replaced and updated. **32 computers** reconfigured and refreshed for new members.



**54 mobile phones** returned and reconfigured, 27 re-issued.



**33 iPads** returned and reconfigured, 11 reissued.

### To prepare for the State Elections:

- » The Department commenced work **12** months prior
- » To perform audits for over **300** employment and leave records
- » **97** induction packs were prepared and couriered out to incoming Members of Parliament



**1000+ new files created** between January and March 2017.



**500+ archive boxes created** between January and March 2017.

## 03

## Significant Issues Impacting the Department



*Pinnacles Desert, Nambung National Park.*

The Department's operations in 2016-17 were impacted by the State General Election and change of Government in March 2017. Following the election, the Department has been supporting the Premier and Cabinet in implementing the Government's election commitments.

This includes the creation of the Jobs and Economic Diversification Cabinet Sub-Committee to drive the Government's economic policy agenda and ensure implementation of election commitments under the Government's Plan for Jobs. Support is provided to the Sub-Committee by the Department and a series of consortia have been held for the Premier, Ministers and Directors General to engage with a range of key industry growth sectors.



The Department also provides support and advice to the Community Safety and Family Support Cabinet Sub-Committee and associated Directors General Implementation Group. The Sub-Committee was established to direct and oversee the integrated implementation of the Government's Methamphetamine Action Plan; Target 120 – Plan to Target Juvenile Crime; Stopping Family and Domestic Violence policy; and the Supporting Communities policy. The Implementation Group has been established to oversee and direct agencies to work collaboratively to implement the policies as directed by the Sub-Committee.

A focus of the Department's work continues to be supporting the Premier in leading Western Australia's engagement with other jurisdictions, and driving the State's strategic agenda in bilateral and Council of Australian Governments negotiations. Reform of the GST sharing arrangements remains a high priority. This aligns with a whole-of-government focus on Western Australia's economic climate and the urgent need for Budget repair.

The Department will continue to provide advice to the Premier on state security and emergency management matters, and coordinate the State's involvement in national counter-terrorism and emergency management arrangements.

The Department continues to provide ongoing support to ensure that future arrangements for the National Disability Insurance Scheme (NDIS) deliver the desired outcomes for Western Australians with a disability, their families, carers and service providers. This includes assessing the most appropriate model for the NDIS in Western Australia, and supporting bilateral negotiations with the Commonwealth.

The Department is working closely with Government agencies on the State response to the Royal Commission into the Institutional Responses to Child Sex Abuse. This includes the Government's commitment on the removal of limitations periods that prevent survivors from taking legal action in relation to historic sexual abuse.

The Department was also included in the Government's Machinery of Government changes. From 1 July 2017, the Department assumed responsibility for Aboriginal affairs policy, and the Office of Science and the Department's three Western Australian overseas offices were transferred to the Department of Jobs, Tourism, Science and Innovation.

### Actual results versus budget targets

	2016–17 Target \$'000	2016–17 Actual \$'000	Variance \$'000
Total cost of services	224,227	202,656	(21,947)
Net cost of services	220,279	193,202	(27,452)
Total equity	39,870	100,144	60,264
Net increase/(decrease) in cash held	27,088	85,237	58,149

	2016–17 Target	2016–17 Actual	Variance
<b>Approved FTE</b>	<b>634</b>	<b>634</b>	<b>-</b>

## Explanation of Significant Variances

### Total Cost of Services

The actual result was less than the target and was mainly due to the deferral of payments for the Browse LNG Precinct Project that is still subject to a Native Title determination.

### Net Cost of Services

The actual result was less than the target and was mainly due to the deferral of payments for the Browse LNG Precinct Project that is still subject to a Native Title determination.

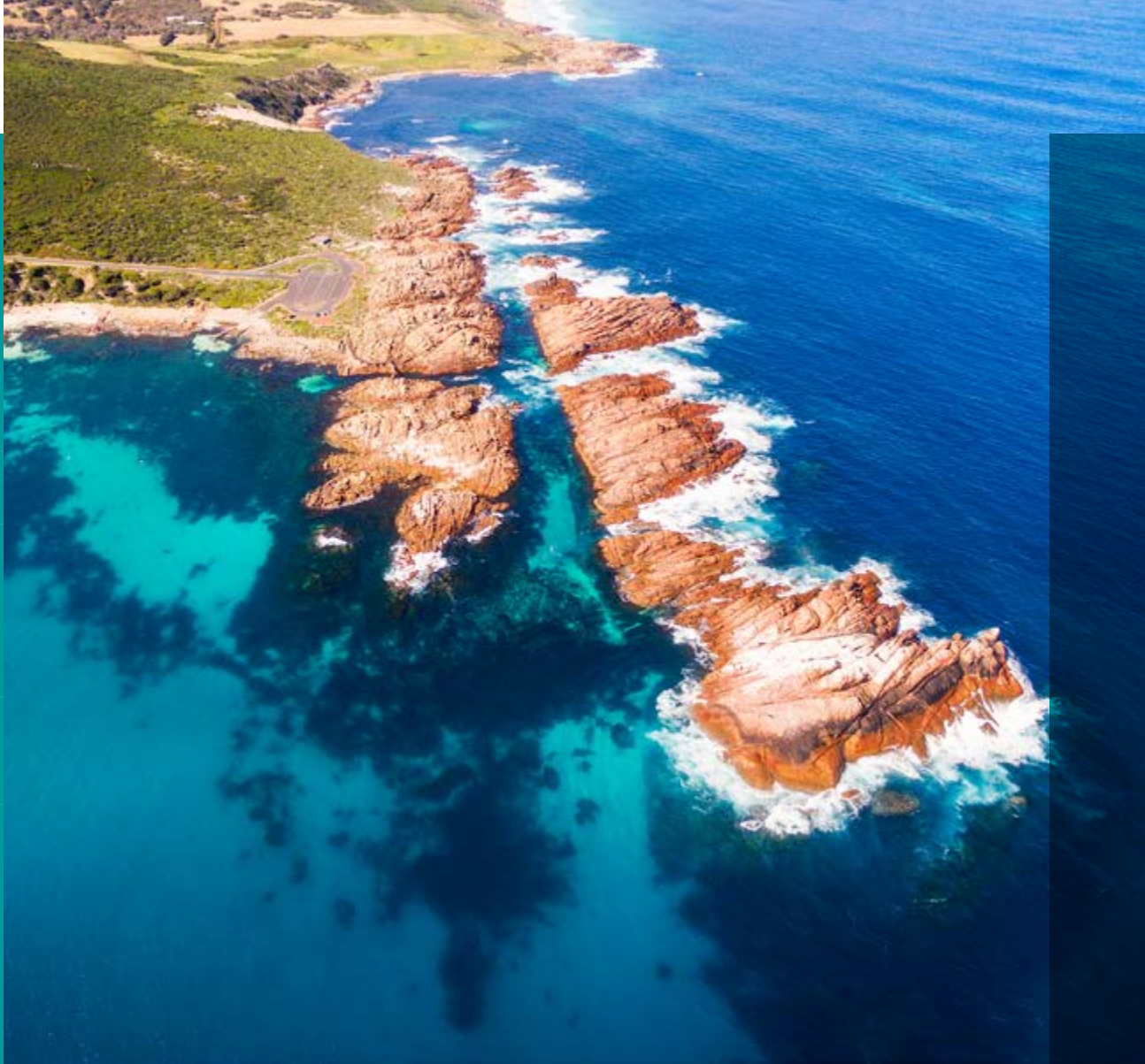
### Total Equity

The higher year-end balance was mainly due to a higher than expected accumulated surplus for the period and the deferral of payments for the Browse LNG Precinct Project and the Native Title Land Equity Fund.

### Net increase/ (decrease) in cash held

The increase in the cash balance is mainly due to unspent funds relating to the deferral of the payments for the Browse LNG Precinct Project and the Native Title Land Equity Fund.





Canal Rocks, south-west WA.

# 04

## Disclosures and Legal Compliance



# Independent Auditor's Report



To the Parliament of Western Australia

## Department of the Premier and Cabinet Report on the Financial Statements

### Opinion

I have audited the financial statements of the Department of the Premier and Cabinet which comprise the Statement of Financial Position as at 30 June 2017, 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, including Administered transactions and balances.

In my opinion, the financial statements are based on proper accounts and present fairly, in all material respects, the operating results and cash flows of the Department of the Premier and Cabinet for the year ended 30 June 2017 and the financial position at the end of that period. They are in accordance with Australian Accounting Standards, the *Financial Management Act 2006* and the Treasurer's Instructions.

### Basis for Opinion

I conducted my audit in accordance with the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Department in accordance with the *Auditor General Act 2006* and the relevant ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial statements. I have also fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### Responsibility of the Director General 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, the *Financial Management Act 2006* 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.

In preparing the financial statements, the Director General is responsible for assessing the agency's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Western Australian Government has made policy or funding decisions affecting the continued existence of the Department.

### Auditor's Responsibility for the Audit of the Financial Statements

As required by the *Auditor General Act 2006*, my responsibility is to express an opinion on the financial statements. The objectives of my audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- » Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- » Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the agency's internal control.
- » Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Director General.
- » Conclude on the appropriateness of the Director General's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the agency's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related

disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report.

- » Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Director General regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

### Report on Controls Opinion

I have undertaken a reasonable assurance engagement on the design and implementation of controls exercised by the Department of the Premier and Cabinet. The controls exercised by the Department 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 (the overall control objectives).

My opinion has been formed on the basis of the matters outlined in this report.

In my opinion, in all material respects, 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 2017.

### The Director General's Responsibilities

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

### Auditor General's Responsibilities

As required by the *Auditor General Act 2006*, my responsibility as an assurance practitioner is to express an opinion on the suitability of the design of the controls to achieve the overall control objectives and the implementation of the controls as designed. I conducted my engagement in accordance with Standard on Assurance Engagements ASAE 3150 *Assurance Engagements on Controls* issued by the Australian Auditing and Assurance Standards Board. That standard requires that I comply with relevant ethical requirements and plan and perform my procedures to obtain reasonable assurance about whether, in all material respects, the controls are suitably designed to achieve the overall control objectives and the controls, necessary to achieve the overall control objectives, were implemented as designed.



An assurance engagement to report on the design and implementation of controls involves performing procedures to obtain evidence about the suitability of the design of controls to achieve the overall control objectives and the implementation of those controls. The procedures selected depend on my judgement, including the assessment of the risks that controls are not suitably designed or implemented as designed. My procedures included testing the implementation of those controls that I consider necessary to achieve the overall control objectives.

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

### Limitations of Controls

Because of the inherent limitations of any internal control structure it is possible that, even if the controls are suitably designed and implemented as designed, once the controls are in operation, the overall control objectives may not be achieved so that fraud, error, or noncompliance with laws and regulations may occur and not be detected. Any projection of the outcome of the evaluation of the suitability of the design of controls to future periods is subject to the risk that the controls may become unsuitable because of changes in conditions.

### Report on the Key Performance Indicators

#### Opinion

I have undertaken a reasonable assurance engagement on the key performance indicators of the Department of the Premier and Cabinet for the year ended 30 June 2017. The key performance indicators are

the key effectiveness indicators and the key efficiency indicators that provide performance information about achieving outcomes and delivering services.

In my opinion, in all material respects, 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 2017.

### Matter of Significance

As stated in the key performance indicators, the Department of the Premier and Cabinet received an exemption from the Under Treasurer to report the following key effectiveness indicators for the year ended 30 June 2017:

- » Service recipients' confirmation that services provided enable them to meet Executive Government's obligations
- » Service recipients' satisfaction with the policy advice provided in relation to Quality and Timeliness.

The exemption was approved because of difficulty in collecting survey data for the first 9 months of the financial year due to the change of government following the March 2017 election. Consequently, these indicators have not been reported. My opinion is not modified in respect of this matter.

### The 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 internal control as the Director General determines necessary to enable the preparation of key performance indicators that are free from material misstatement, whether due to fraud or error.

In preparing the key performance indicators, the Director General is responsible for identifying key performance indicators that are relevant and appropriate having regard to their purpose in accordance with Treasurer's Instruction 904 *Key Performance Indicators*.

### Auditor General's Responsibility

As required by the *Auditor General Act 2006*, my responsibility as an assurance practitioner is to express an opinion on the key performance indicators. The objectives of my engagement are to obtain reasonable assurance about whether the key performance indicators are relevant and appropriate to assist users to assess the agency's performance and whether the key performance indicators are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. I conducted my engagement in accordance with Standard on Assurance Engagements ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* issued by the Australian Auditing and Assurance Standards Board. That standard requires that I comply with relevant ethical requirements relating to assurance engagements.

An assurance engagement involves performing procedures to obtain evidence about the amounts and disclosures in the key performance indicators. It also involves evaluating the relevance and appropriateness of the key performance indicators against the criteria and guidance in Treasurer's Instruction 904 for measuring the extent of outcome achievement and the efficiency of service delivery. The procedures selected depend on my judgement, including the assessment of the risks of material misstatement of the key performance indicators. In making these risk assessments I obtain an understanding of internal control relevant to the engagement in order to design procedures that are appropriate in the circumstances.

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

### **My Independence and Quality Control Relating to the Reports on Controls and Key Performance Indicators**

I have complied with the independence requirements of the *Auditor General Act 2006* and the relevant ethical requirements relating to assurance engagements. In accordance with ASQC 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, and Other Assurance Engagements*, the Office of the Auditor General maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory 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 2017 included on the Department's website. The Department's management is responsible for the integrity of the Department's website. This audit does not provide assurance on the integrity of the Department's website. The auditor's report refers only to the financial statements and key performance indicators described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these financial statements or key performance indicators. If users of the financial statements and key performance indicators are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial statements and key performance indicators to confirm the information contained in this website version of the financial statements and key performance indicators.



**COLIN MURPHY**  
AUDITOR GENERAL  
FOR WESTERN AUSTRALIA  
Perth, Western Australia  
12 September 2017

## Department of the Premier and Cabinet **Certification of Financial Statements**

*for the year ended 30 June 2017*

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 2017 and the financial position as at 30 June 2017.

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



**Gary Meyers**  
**Chief Finance Officer**  
11 September 2017



**Darren Foster**  
**Accountable Authority**  
11 September 2017

Department of the Premier and Cabinet  
**Statement of Comprehensive Income**

for the year ended 30 June 2017

	Note	2017 \$'000	2016 \$'000
<b>COST OF SERVICES</b>			
<b>Expenses</b>			
Employee benefits expense	6	86,415	83,500
Supplies and services	7	52,965	34,678
Depreciation and amortisation expense	8	2,155	2,112
Accommodation expenses	9	21,367	21,661
Grants and subsidies	10	36,891	29,310
Loss on disposal of non-current assets	14	34	–
Losses on hedging		190	27
Loss on other financial assets	43	1,983	3,007
Loss on foreign operation translation		349	–
Other expenses	11	306	621
<b>Total cost of services</b>		<b>202,656</b>	<b>174,916</b>
<b>INCOME</b>			
<b>Revenue</b>			
Other revenue	12	6,842	1,549
Sales		1,443	1,437
Commonwealth grants and contributions	13	510	449
Interest revenue		658	740
Gains on foreign operation translation		–	226
Gain on disposal of non-current assets	14	–	32
<b>Total Revenue</b>		<b>9,453</b>	<b>4,433</b>
<b>Total income other than income from State Government</b>		<b>9,453</b>	<b>4,433</b>

	Note	2017 \$'000	2016 \$'000
<b>NET COST OF SERVICES</b>		<b>193,203</b>	<b>170,483</b>
<b>INCOME FROM STATE GOVERNMENT</b>			
Service appropriation		203,088	167,749
Services received free of charge		6,556	7,182
Royalties for Regions Fund		1,465	1,742
<b>Total income from State Government</b>	15	<b>211,109</b>	<b>176,673</b>
<b>SURPLUS/(DEFICIT) FOR THE PERIOD</b>	26	<b>17,906</b>	<b>6,190</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
<b>Items not reclassified subsequently to profit or loss</b>			
(Loss)/Gain on Foreign exchange recognised directly in equity	26	(134)	(323)
<b>Total other comprehensive income</b>		<b>(134)</b>	<b>(323)</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>17,772</b>	<b>5,867</b>

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

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



## Department of the Premier and Cabinet Statement of Financial Position

as at 30 June 2017

	Note	2017 \$'000	2016 \$'000
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	27	51,491	38,962
Restricted cash and cash equivalents	16, 27	–	32,785
Inventories	17	20	24
Receivables	18	1,710	1,483
Amounts receivable for services	19	4,516	2,597
Other Current Assets	29	2,690	891
<b>Total Current Assets</b>		<b>60,427</b>	<b>76,742</b>
<b>Non-Current Assets</b>			
Restricted cash and cash equivalents	16, 27	33,746	–
Amounts receivable for services	19	24,342	24,342
Other financial assets	43	84	118
Property, plant and equipment	20	2,756	4,332
Intangible assets	21	650	623
<b>Total Non-Current Assets</b>		<b>61,578</b>	<b>29,414</b>
<b>TOTAL ASSETS</b>		<b>122,005</b>	<b>106,156</b>

	Note	2017 \$'000	2016 \$'000
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Payables	23	5,270	1,628
Provisions	24	13,828	18,627
Other current liabilities	25	232	–
<b>Total Current Liabilities</b>		<b>19,330</b>	<b>20,255</b>
<b>Non-Current Liabilities</b>			
Provisions	24	2,532	3,529
<b>Total Non-Current Liabilities</b>		<b>2,532</b>	<b>3,529</b>
<b>Total Liabilities</b>		<b>21,862</b>	<b>23,784</b>
<b>Net Assets</b>		<b>100,144</b>	<b>82,372</b>
<b>Equity</b>			
Contributed equity	26	39,117	39,117
Hedging reserves		(22)	112
Accumulated surplus		61,049	43,143
<b>Total Equity</b>		<b>100,144</b>	<b>82,372</b>

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

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

Department of the Premier and Cabinet  
**Statement of Changes in Equity**

for the year ended 30 June 2017

	Note	Contributed equity	Reserves	Accumulated Surplus/(deficit)	Total equity
<b>Balance at 1 July 2015</b>		<b>39,117</b>	<b>435</b>	<b>36,953</b>	<b>76,505</b>
Surplus/(deficit)		–	–	6,190	6,190
Other comprehensive income for the year		–	(323)	–	(323)
<b>Total comprehensive income for the year</b>		<b>–</b>	<b>(323)</b>	<b>6,190</b>	<b>5,867</b>
Transactions with owners in their capacity as owners:					
Capital appropriations		–	–	–	–
Total		–	–	–	–
<b>Balance at 30 June 2016</b>		<b>39,117</b>	<b>112</b>	<b>43,143</b>	<b>82,372</b>
<b>Balance at 1 July 2016</b>		<b>39,117</b>	<b>112</b>	<b>43,143</b>	<b>82,372</b>
Surplus/(deficit)		–	–	17,906	17,906
Other comprehensive income for the year		–	(134)	–	(134)
Total Movements		–	(134)	17,906	17,772
<b>Balance at 30 June 2017</b>	26	<b>39,117</b>	<b>(22)</b>	<b>61,049</b>	<b>100,144</b>

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

## Department of the Premier and Cabinet

**Statement of Cash Flows**

for the year ended 30 June 2017

	Note	2017 \$'000	2016 \$'000
<b>CASH FLOWS FROM STATE GOVERNMENT</b>			
Service appropriation		200,491	165,152
Holding Account drawdowns		679	3,422
Royalties for Regions Fund		1,465	1,742
<b>Net cash provided by State Government</b>		<b>202,635</b>	<b>170,316</b>
<b>Utilised as follows:</b>			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Payments</b>			
Employee benefits		(83,555)	(83,553)
Supplies and services		(51,940)	(28,935)
Accommodation		(23,101)	(21,502)
Grants and subsidies		(36,950)	(29,103)
GST payments on purchases		(11,498)	(7,688)
GST payments to taxation authority		(205)	(166)
Other payments		(259)	(208)
<b>Receipts</b>			
Other revenue		7,161	1,584
Sales of goods and services		1,450	1,483
Commonwealth grants and contributions		510	449
Interest received		492	935
GST receipts on sales		238	165
GST receipts from taxation authority		11,193	7,621

	Note	2017 \$'000	2016 \$'000
<b>Receipts (cont.)</b>			
Other receipts		261	205
<b>Net cash provided by/(used in) operating activities</b>	27	<b>(186,202)</b>	<b>(158,713)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<b>Receipts</b>			
Proceeds from the sale of non-current physical assets		–	31
<b>Payments</b>			
Purchase of non-current physical assets		(642)	(1,927)
Investment in other financial assets		(1,950)	(3,000)
<b>Net cash provided by/(used in) investing activities</b>		<b>(2,592)</b>	<b>(4,896)</b>
Net increase in cash and cash equivalents		13,841	6,707
Cash and cash equivalents at the beginning of period		71,746	64,813
Effects of exchange rate changes on cash balances held in foreign currency		(349)	226
<b>CASH AND CASH EQUIVALENTS AT THE END OF PERIOD</b>	27	<b>85,237</b>	<b>71,746</b>

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



## Department of the Premier and Cabinet

**Schedule of Income and Expenses by Service**

for the year ended 30 June 2017

	Administration of Executive Government Services		Government Policy Management		Total	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
<b>COST OF SERVICES</b>						
<b>Expenses</b>						
Employee benefits expense	66,804	65,342	19,611	18,161	86,415	83,503
Supplies and services	33,815	21,729	19,150	12,949	52,965	34,678
Depreciation and amortisation expense	1,211	1,781	945	331	2,156	2,112
Accommodation expenses	18,974	19,010	2,393	2,651	21,367	21,661
Grants and subsidies	–	60	36,890	29,249	36,890	29,309
Loss on disposal of non-current assets	19	–	15	–	34	–
Loss on Hedging	190	27	–	–	190	27
Loss on other financial assets	–	3	1,983	3,004	1,983	3,007
Loss on foreign operation translation	349	–	–	–	349	–
Other expenses	131	465	176	156	306	621
<b>Total cost of services</b>	<b>121,493</b>	<b>108,417</b>	<b>81,163</b>	<b>66,501</b>	<b>202,656</b>	<b>174,918</b>
<b>Income</b>						
Other revenue	1,289	692	5,553	857	6,842	1,549
Sales	1,443	1,437	–	–	1,443	1,437
Commonwealth grants and contributions	–	–	510	449	510	449
Interest revenue	–	–	658	740	658	740

	Administration of Executive Government Services		Government Policy Management		Total	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
<b>COST OF SERVICES</b>						
<b>Income (cont.)</b>						
Gains on foreign operation translation	–	226	–	–	–	226
Gain on disposal of non-current assets	–	31	–	1	–	32
<b>Total income other than income from State Government</b>	<b>2,732</b>	<b>2,386</b>	<b>6,721</b>	<b>2,047</b>	<b>9,452</b>	<b>4,433</b>
<b>NET COST OF SERVICES</b>	<b>118,761</b>	<b>106,021</b>	<b>74,442</b>	<b>64,454</b>	<b>193,204</b>	<b>170,485</b>
<b>INCOME FROM STATE GOVERNMENT</b>						
Service appropriation	121,752	103,239	81,336	64,510	203,088	167,749
Resources received free of charge	3,671	3,938	2,885	3,244	6,556	7,182
Royalties for Regions Fund	76	58	1,389	1,684	1,465	1,742
<b>Total income from State Government</b>	<b>125,499</b>	<b>107,235</b>	<b>85,610</b>	<b>69,438</b>	<b>211,109</b>	<b>176,673</b>
<b>Surplus/(deficit) for the period</b>	<b>6,738</b>	<b>(1,204)</b>	<b>11,167</b>	<b>4,984</b>	<b>17,905</b>	<b>6,188</b>

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

## Department of the Premier and Cabinet

**Schedule of Assets and Liabilities by Service**

as at 30 June 2017

	Administration of Executive Government Services		Government Policy Management		Total	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
<b>ASSETS</b>						
Current assets	33,860	16,664	26,567	60,079	60,427	76,743
Non-current assets	15,692	22,802	45,886	6,613	61,578	29,415
<b>Total assets</b>	<b>49,552</b>	<b>39,466</b>	<b>72,453</b>	<b>66,692</b>	<b>122,005</b>	<b>106,158</b>
<b>LIABILITIES</b>						
Current liabilities	10,926	15,230	8,403	5,026	19,329	20,256
Total non-current liabilities	1,418	2,633	1,114	896	2,532	3,529
<b>Total Liabilities</b>	<b>12,344</b>	<b>17,863</b>	<b>9,517</b>	<b>5,921</b>	<b>21,861</b>	<b>23,785</b>
<b>NET ASSETS</b>	<b>37,208</b>	<b>21,603</b>	<b>62,936</b>	<b>60,771</b>	<b>100,144</b>	<b>82,373</b>

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

## Department of the Premier and Cabinet

**Summary of Consolidated Account Appropriations and Income Estimates**

for the year ended 30 June 2017

	2017 ESTIMATE \$'000	2017 ACTUAL \$'000	VARIANCE \$'000	2017 ACTUAL \$'000	2016 ACTUAL \$'000	VARIANCE \$'000
<b>Delivery of Services</b>						
Item 5 Net amount appropriated to deliver services	169,587	200,723	31,136	200,723	165,384	35,339
Section 25 Transfer of service appropriation						
Amount Authorised by Other Statutes						
– Salaries and Allowances Act 1975	2,365	2,365	–	2,365	2,365	–
<b>Total appropriations provided to deliver services</b>	<b>171,952</b>	<b>203,088</b>	<b>31,136</b>	<b>203,088</b>	<b>167,749</b>	<b>35,339</b>
<b>Capital</b>						
Item 116 Capital Appropriation	–	–	–	–	–	–
<b>Administered Transactions</b>						
Item 6 Administered grants, subsidies and other transfer payments	15,837	16,137	300	16,137	26,593	(10,456)
<b>Total Administered transactions</b>	<b>15,837</b>	<b>16,137</b>	<b>300</b>	<b>16,137</b>	<b>26,593</b>	<b>(10,456)</b>
<b>GRAND TOTAL</b>	<b>187,789</b>	<b>219,225</b>	<b>31,436</b>	<b>219,225</b>	<b>194,342</b>	<b>24,883</b>

Continued on page 56



## Department of the Premier and Cabinet

**Summary of Consolidated Account Appropriations and Income Estimates (cont.)**

for the year ended 30 June 2017

	2017 ESTIMATE \$'000	2017 ACTUAL \$'000	VARIANCE \$'000	2017 ACTUAL \$'000	2016 ACTUAL \$'000	VARIANCE \$'000
<b>Details of Expenses by Service</b>						
Administration of Executive Government Services	115,306	121,493	6,187	121,493	108,417	13,076
Government Policy Management	108,921	81,163	(27,758)	81,163	66,501	14,662
<b>Total Cost of Services</b>	<b>224,227</b>	<b>202,656</b>	<b>(21,571)</b>	<b>202,656</b>	<b>174,918</b>	<b>27,738</b>
Less total income	(3,948)	(9,452)	(5,504)	(9,452)	(4,432)	(5,020)
<b>Net Cost of Services</b>	<b>220,279</b>	<b>193,204</b>	<b>(27,075)</b>	<b>193,204</b>	<b>170,486</b>	<b>22,718</b>
Adjustments	(48,327)	9,884	58,211	9,884	(2,737)	12,621
<b>Total appropriations provided to deliver services</b>	<b>171,952</b>	<b>203,088</b>	<b>31,136</b>	<b>203,088</b>	<b>167,749</b>	<b>35,339</b>
<b>Capital Expenditure</b>						
Purchase of non-current physical assets	(3,422)	(642)	2,780	(642)	(1,927)	1,285
Adjustment for other funding sources	–	(2,780)	(2,780)	(2,780)	(1,495)	(1,285)
<b>Capital Contribution (appropriation)</b>	<b>(3,422)</b>	<b>(3,422)</b>	<b>–</b>	<b>(3,422)</b>	<b>(3,422)</b>	<b>–</b>
<b>Details of Income Estimates</b>						
Income disclosed as Administered Income	15,837	16,137	300	16,137	26,593	10,456
	<b>15,837</b>	<b>16,137</b>	<b>300</b>	<b>16,137</b>	<b>26,593</b>	<b>10,456</b>

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

Note 35 "Explanatory statement" provides details of any significant variations between estimates and actual results for 2017 and between the actual results for 2016 and 2017.

Department of the Premier and Cabinet

# Notes to the Financial Statements

for the year ended 30 June 2017

## 1 Australian Accounting Standards General

The Department's financial statements for the year ended 30 June 2017 have been prepared in accordance with Australian Accounting Standards. The term 'Australian Accounting Standards' includes 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 early adopt an Australian Accounting Standard unless specifically permitted by TI 1101 Application of Australian Accounting Standards and Other Pronouncements. There has been no early adoption of Australian Accounting Standards that have been issued or amended (but not operative) by the Department for the annual reporting period ended 30 June 2017.

## 2 Summary of significant accounting policies

### (a) General statement

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

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

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

### (b) Basis of preparation

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

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

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

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

Note 4 'Key sources of estimation uncertainty' discloses key assumptions 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 of the Premier and Cabinet.

#### 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 – The Department provides administrative support to the Premier and Cabinet, Leader of the Opposition, Members of Parliament and Executive Council
- » Service 2: Government Policy Management – The Department provides Strategic policy advice and Coordination to the Premier and Cabinet

The Department administers assets, liabilities, income and expenses on behalf of Government which are not controlled by, nor integral, to the function of the Department. These administered balances and transactions are not recognised in the principal financial statements of the Department but schedules are prepared using the same basis as the financial statements and are presented at Note 41 'Disclosure of administered income and expenses by service' and Note 40 'Administered assets and liabilities'.

#### **(d) Contributed equity**

AASB Interpretation 1038

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

The transfers 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.

#### **(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 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 at fair value 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 to the bank account or credited to the 'Amounts receivable for services' (Holding Account) held at Treasury.

#### **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 most recent determination, as quantified in the 2016-17 Budget Statements, the Department retained \$12.609 million (\$12.935 million in 2016) from the following:

- » Proceeds from fees and charges;
- » Other departmental revenue.
- » GST input credits
- » GST receipts on sales
- » Receipts of Interest for Browse LNG

#### **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, usually when cash is received.

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

Royalties for Regions funds are recognised as revenue at fair value in the period in which the Department obtains control over the funds. The Department obtains control of the funds at the time

the funds are deposited into the Department's bank account.

#### **Gains**

Realised and unrealised gains are usually recognised on a net basis. These include gains arising on the disposal of non-current assets and some revaluations 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**

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 [or other method, describe], using rates which are reviewed annually. Estimated useful lives for each class of depreciable asset are:

- » Furniture and fittings 5 years
- » Plant and equipment 5 – 10 years
- » Computer hardware 3 years
- » Office establishment 4 to 10 year

**(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 which is reviewed annually) on the straight line basis. 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 recognised as property, plant and equipment. Software that is not an integral part of the related hardware is recognised 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 that can be reliably measured, are capitalised

to the extent that they represent probable future economic benefits.

**(h) Impairment of assets**

Property, plant and equipment and intangible assets are tested for any indication of impairment at the end of each reporting period. Where there is an indication of impairment, the recoverable amount is estimated. Where the recoverable amount is less than the carrying amount, the asset is considered impaired and is written down to the recoverable amount and an impairment loss is recognised. Where an asset measured at cost is written down to recoverable amount, an impairment loss is recognised in profit or loss. Where a previously revalued asset is written down to recoverable amount, the loss is recognised as a revaluation decrement in other comprehensive income. As the Department is a not-for-profit entity, unless a specialised 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 Department does not have any intangible assets with an indefinite life.

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:

- » Receivables; and
- » 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
- » Receivables
- » Amount Receivable for services

**Financial Liabilities**

- » Payables
- » Other liabilities
- » Other liabilities – Derivatives

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 37 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 37 contains details of the fair values of the derivative instruments used for hedging purposes. Movements in the hedging reserve in equity are also detailed in note 26.

**(k) Cash and cash equivalents**

For the purpose of the Statement of Cash Flows, cash and cash equivalent (and restricted cash and cash equivalent) assets comprise cash on hand and at bank.

**(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 income from the State Government partly in cash and partly as an asset (Holding Account receivable). The Holding Account receivable balance, resulting from service appropriation funding, is accessible on the emergence of the cash funding requirement to cover leave entitlements and asset replacement.

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

#### **(n) Inventories**

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

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

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

#### **(p) Payables**

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

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

#### **(q) Provisions**

Provisions are liabilities of uncertain timing or amount and are recognised where there is a present legal 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**

Annual leave is not expected to be settled wholly within 12 months after the end of the reporting period and is therefore considered to be 'other long-term employee benefits'. The annual leave liability 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**

Long service leave is not expected to be settled wholly within 12 months after the end of the reporting period and is therefore 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 undiscounted amounts expected to be paid when the liabilities are settled.

#### **Superannuation**

The Government Employees Superannuation Board (GESB) and other fund providers administer public sector superannuation arrangements in Western Australia in accordance with legislative requirements. Eligibility criteria for membership in particular schemes for public sector employees vary according to commencement and implementation dates.

Eligible employees contribute to the Pension Scheme, a defined benefit pension scheme closed to new members since 1987, or the Gold State Superannuation Scheme (GSS), a defined benefit lump sum scheme closed to new members since 1995.

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

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

The 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 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.

The GESB makes all benefit payments in respect of the Pension Scheme and GSS, 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 also note 11 'Other expenses' and note 24 'Provisions'.

#### **(r) Superannuation expense**

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

#### **(s) Assets and services received free of charge or for nominal cost**

Assets or services received free of charge or for nominal cost that the Department would otherwise purchase if not donated, are recognised as income at the fair value of the assets or services where they can be reliably measured. A corresponding expense is recognised for services received. Receipts of assets are recognised in the Statement of Financial Position.

Assets or services received from other State Government agencies are separately disclosed under Income from State Government in the Statement of Comprehensive Income.

#### **(t) Joint operations**

The Department has interests in joint arrangements that are joint operations. A joint arrangement is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to

joint control. A joint operation involves the use of assets and other resources of the operators rather than the establishment of a separate entity. The Department recognises its interests in the joint operations by recognising the assets it controls and the liabilities that it incurs in respect of the joint arrangements. The Department also recognises the expenses that it incurs and its share of the income that it earns from the sale of goods or services by the joint operations.

The assets that the Department has employed in the joint operations are disclosed in note 43 'Other Assets (Joint Operations)'.

#### **(u) Comparative figures**

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

#### **(v) 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 average exchange rates or closing rates in accordance with AASB 121. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange prevailing on 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**

Key estimates and assumptions concerning the future 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**

Several estimations and assumptions used in calculating the Department's long service leave provision include expected future salary rates, discount rates, employee retention rates and expected future payments. 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, or adopted, for annual reporting periods beginning on or after 1 July 2016 that impacted on the Department.

#### **AASB 1057 Application Australian Accounting Standards**

This Standard lists the application paragraphs for each other Standard (and Interpretation), grouped where they are the same. There is no financial impact.

#### **AASB 2014-3 Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations [AASB 1 & 11]**

The Department establishes Joint Operations in pursuit of its objectives and does not routinely acquire interests in Joint Operations. Therefore, there is no financial impact on application of the Standard.

#### **AASB 2014-4 Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation [AASB 116 & 138]**

The adoption of this Standard has no financial impact for the Department as depreciation and amortisation is not determined by reference to revenue generation, but by reference to consumption of future economic benefits.

#### **AASB 2015-1 Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012–2014 Cycle [AASB 1, 2, 3, 5, 7, 11, 110, 119, 121, 133, 134, 137 & 140]**

These amendments arise from the issuance of International Financial Reporting Standard Annual Improvements to IFRSs 2012–2014 Cycle in September 2014, and editorial corrections. The Department has determined that the application of the Standard has no financial impact.

#### **AASB 2015-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101 [AASB 7, 101, 134 & 1049]**

This Standard amends AASB 101 to provide clarification regarding the disclosure requirements in AASB 101. Specifically, the Standard proposes narrow-focus amendments to address some of the concerns expressed about existing presentation and disclosure requirements and to ensure entities are able to use judgement when applying a Standard in determining what information to disclose in their financial statements. There is no financial impact.

#### **AASB 2015-6 Amendments to Australian Accounting Standards – Extending Related Party Disclosures to Not-for-Profit Public Sector Entities [AASB 10, 124 & 1049]**

The amendments extend the scope of AASB 124 to include application by not-for-profit public sector entities. Implementation guidance is included to assist application of the Standard by not-for-profit public sector entities. There is no financial impact.

#### **AASB 2015-10 Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 & 128**

This Standard defers the mandatory effective date (application date) of amendments to AASB 10 & AASB 128 that were originally made in AASB 2014-10 so that the amendments are required to be applied for annual reporting periods beginning on or after 1 January 2018 instead of 1 January 2016. 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 or by an exemption from TI 1101. By virtue of a limited exemption, the Department has early adopted AASB 2015-7 Amendments to Australian Accounting Standards – Fair Value Disclosures of Not-for-Profit Public Sector Entities. Where applicable, the Department plans to apply the following Australian Accounting Standards from their application date.



		Operative for reporting periods beginning on/after			Operative for reporting periods beginning on/after
<b>AASB 9</b>	<b>Financial Instruments</b>	<b>1-Jan-18</b>	<b>AASB 1058</b>	<b>Application of Australian Accounting Standards</b>	<b>1-Jan-19</b>
<p>This Standard supersedes AASB 139 Financial Instruments: Recognition and Measurement, introducing a number of changes to accounting treatments.</p> <p>The mandatory application date of this Standard is currently 1 January 2018 after being amended by AASB 2012-6, AASB 2013-9 and AASB 2014-1 Amendments to Australian Accounting Standards. AASB 9 Financial Instruments covers classification and measurement, impairment and hedge accounting. The Department has not assessed the impact of classification and measurement and impairment upon its financial statements but has determined the hedge accounting impact as not significant.</p>			<p>This Standard clarifies and simplifies the income recognition requirements that apply to not-for-profit (NFP) entities, more closely reflecting the economic reality of NFP entity transactions that are not contracts with customers. Timing of income recognition is dependent on whether such a transaction gives rise to a liability, a performance obligation (a promise to transfer a good or service), or, an obligation to acquire an asset. The Department has not yet determined the application or the potential impact of the Standard.</p>		
<b>AASB 15</b>	<b>Revenue from Contracts with Customers</b>	<b>1-Jan-19</b>	<b>AASB 2010-7</b>	<b>Amendments to Australian Accounting Standards 1 Jan 2018 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 &amp; 1038 and Int 2, 5, 10, 12, 19 &amp; 127]</b>	<b>1-Jan-18</b>
<p>This Standard establishes the principles that the Department shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. The Department's income is principally derived from appropriations which will be measured under AASB 1058 Income of Not-for-Profit Entities and will be unaffected by this change. However, the Department has not yet determined the potential impact of the Standard on 'User charges and fees' and 'Sales' revenues. In broad terms, it is anticipated that the terms and conditions attached to these revenues will defer revenue recognition until the Department has discharged its performance obligations.</p>			<p>This Standard makes consequential amendments to other Australian Accounting Standards and Interpretations as a result of issuing AASB 9 in December 2010.</p> <p>The mandatory application date of this Standard has been amended by AASB 2012-6 and AASB 2014-1 to 1 January 2018. The Department has not assessed the impact of classification and measurement and impairment upon its financial statements but has determined the hedge accounting impact as not significant.</p>		
<b>AASB 16</b>	<b>Leases</b>	<b>1-Jan-19</b>	<b>AASB 2014-1</b>	<b>Amendments to Australian Accounting Standards</b>	<b>1-Jan-18</b>
<p>This Standard introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Whilst the impact of AASB 16 has not yet been quantified, the entity currently has operating lease commitments for \$57.4 million over 5 years. The Department anticipates most of this amount will be brought onto the statement of financial position, excepting amounts pertinent to short-term or low-value leases. Interest and amortisation expense will increase and rental expense will decrease.</p>			<p>Part E of this Standard makes amendments to AASB 9 and consequential amendments to other standards. The Department has not assessed the impact of classification and measurement and impairment upon its financial statements but has determined the hedge accounting impact as not significant.</p>		

		Operative for reporting periods beginning on/after
<b>AASB 2014-5</b>	<b>Amendments to Australian Accounting Standards arising from AASB 15</b>	<b>1-Jan-18</b>
<p>This Standard gives effect to consequential amendments to Australian Accounting Standards (including Interpretations) arising from the issuance of AASB 15. The mandatory application date of this Standard has been amended by AASB 2015-8 to 1 January 2018. The Department has not yet determined the application or the potential impact of the Standard.</p>		
<b>AASB 2014-7</b>	<b>Amendments to Australian Accounting Standards arising from AASB 9 (December 2014)</b>	<b>1-Jan-18</b>
<p>This Standard gives effect to the consequential amendments to Australian Accounting Standards (including Interpretations) arising from the issuance of AASB 9 (December 2014). The Department has not yet determined the application or the potential impact of the Standard.</p>		
<b>AASB 2014-10</b>	<b>Amendments to Australian Accounting Standards</b>	<b>1-Jan-18</b>
<p>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture [AASB 10 &amp; 128] This Standard amends AASB 10 and AASB 128 to address an inconsistency between the requirements in AASB 10 and those in AASB 128 (August 2011), in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The Department has not yet determined the application or the potential impact of the Standard.</p>		
<b>AASB 2015-8</b>	<b>Amendments to Australian Accounting Standards – Effective Date of AASB 15</b>	<b>1-Jan-19</b>
<p>This Standard amends the mandatory effective date (application date) of AASB 15 Revenue from Contracts with Customers so that AASB 15 is required to be applied for annual reporting periods beginning on or after 1 January 2018 instead of 1 January 2017. The Department's income is principally derived from appropriations which will be measured under AASB 1058 Income of Not-for-Profit Entities and will be unaffected by this change. However, the Department has not yet determined the potential impact of the Standard on 'User charges and fees' and 'Sales' revenues. In broad terms, it is anticipated that the terms and conditions attached to these revenues will defer revenue recognition until the Department has discharged its performance obligations.</p>		

		Operative for reporting periods beginning on/after
<b>AASB 2016-2</b>	<b>Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107</b>	<b>1-Jan-17</b>
<p>This Standard amends AASB 107 Statement of Cash Flows (August 2015) to require disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. There is no financial impact.</p>		
<b>AASB 2016-3</b>	<b>Amendments to Australian Accounting Standards – Clarifications to AASB 15</b>	<b>1-Jan-18</b>
<p>This Standard clarifies identifying performance obligations, principal versus agent considerations, timing of recognising revenue from granting a licence, and, provides further transitional provisions to AASB 15. The Department has not yet determined the application or the potential impact.</p>		
<b>AASB 2016-4</b>	<b>Amendments to Australian Accounting Standards – Recoverable Amount of Non-Cash-Generating Specialised Assets of Not-for-Profit Entities</b>	<b>1-Jan-17</b>
<p>This Standard clarifies that the recoverable amount of primarily non-cash-generating assets of not-for-profit entities, which are typically specialised in nature and held for continuing use of their service capacity, is expected to be materially the same as fair value determined under AASB 13 Fair Value Measurement. The Department has not yet determined the application or the potential impact.</p>		
<b>AASB 2016-7</b>	<b>Amendments to Australian Accounting Standards – Deferral of AASB 15 for Not-for-Profit Entities</b>	<b>1-Jan-17</b>
<p>This Standard amends the mandatory effective date (application date) of AASB 15 and defers the consequential amendments that were originally set out in AASB 2014-5 Amendments to Australian Accounting Standards arising from AASB 15 for not-for-profit entities to annual reporting periods beginning on or after 1 January 2019, instead of 1 January 2018. There is no financial impact.</p>		

		Operative for reporting periods beginning on/after
<b>AASB 2016-8</b>	<b>Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities</b>	<b>1-Jan-19</b>
<p>This Standard inserts Australian requirements and authoritative implementation guidance for not-for-profit entities into AASB 9 and AASB 15. This guidance assists not-for-profit entities in applying those Standards to particular transactions and other events. There is no financial impact.</p>		
<b>AASB 2017-2</b>	<b>Amendments to Australian Accounting Standards – Further Annual Improvements 2014-2016 Cycle</b>	<b>1-Jan-17</b>

This Standard clarifies the scope of AASB 12 by specifying that the disclosure requirements apply to an entity's interests in other entities that are classified as held for sale, held for distribution to owners in their capacity as owners or discontinued operations in accordance with AASB 5. There is no financial impact.

## 6 Employee benefits expense

	2017 \$'000	2016 \$'000
Wages and salaries <sup>(a)</sup>	79,752	76,660
Superannuation – defined contribution plans <sup>(b)</sup>	6,663	6,840
	<b>86,415</b>	<b>83,500</b>

(a) Includes salaries and the value of the fringe benefit to the employees of the Department and of Electorate Offices, plus fringe benefits tax and leave entitlements.

(b) Defined contribution plans includes GESB superannuation schemes (Eg. West State, Gold State, GESB Super Scheme) and other eligible funds.

Employment on-costs expenses, such as workers' compensation insurance are included within 'Other expenses'. Refer note 11.

## 7 Supplies and services

	2017 \$'000	2016 \$'000
Professional services	34,787	14,702
Travel	2,134	2,711
Other staff costs	172	222
Communications	2,003	2,245
Consumables	1,824	1,849
Lease of aircraft	6,796	6,872
Lease of motor vehicle	1,380	1,243
Computer software licenses	499	768
Contract – security	1,423	367
Contract – cleaning services	479	461
Other administration costs	1,467	3,238
	<b>52,965</b>	<b>34,678</b>



## 8 Depreciation and amortisation expense

	2017 \$'000	2016 \$'000
<b>Depreciation</b>		
Computer hardware	486	311
Furniture and fittings	16	16
Motor vehicles	19	14
Office equipment	225	246
Office establishment	1,078	1,177
<b>Total depreciation</b>	<b>1,824</b>	<b>1,765</b>
<b>Amortisation</b>		
Intangible assets		
Software	331	347
<b>Total amortisation</b>	<b>331</b>	<b>347</b>
<b>Total depreciation and amortisation</b>	<b>2,155</b>	<b>2,112</b>

## 9 Accommodation expenses

	2017 \$'000	2016 \$'000
Lease rentals and outgoings		
Department of Finance	7,655	7,504
Other	13,712	14,156
	<b>21,367</b>	<b>21,661</b>

## 10 Grants and subsidies

	2017 \$'000	2016 \$'000
<b>Recurrent</b>		
Subsidies and community grants	16,704	22,733
Government agency grants	16,753	1,884
External grants	3,433	4,692
	<b>36,891</b>	<b>29,310</b>

## 11 Other expenses

	2017 \$'000	2016 \$'000
Employment on-cost <sup>(a)</sup>	99	371
Audit Fees – Internal/External	206	249
	<b>306</b>	<b>620</b>

(a) Includes workers' compensation insurance.

## 12 Other revenue

	2017 \$'000	2016 \$'000
Contributions by eligible officers to the Government's Vehicle Schemes	129	136
Services provided to other agencies	12	12
Recoups <sup>(a)</sup>	1,600	428
Overseas Offices	307	420
Miscellaneous funding <sup>(b)</sup>	4,795	553
	<b>6,842</b>	<b>1,549</b>

(a) Consisting mainly of Fringe Benefits Tax refunds following re-assessment of 2012/13, 2013/14 and 2014/15 reporting periods.

(b) Miscellaneous funding for 2016-17 includes the reimbursement from a private property owner in Yarloop for cleaning their affected properties (\$4.7 million).

### 13 Commonwealth grants and contributions

	2017 \$'000	2016 \$'000
Indian Ocean Territories	510	449

The funding received 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 arrangement between the Department of the Premier and Cabinet (the Department) and the Commonwealth Department of Regional Australia requires the Department 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; and to
- » 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

	2017 \$'000	2016 \$'000
<b>Net book value of Disposal on Non-Current Assets</b>		
Office equipment	4	–
Computer Hardware	30	–
Motor vehicle	–	(3)
	<b>34</b>	<b>(3)</b>
<b>Proceeds from Disposal of Non-Current Assets</b>		
Office equipment	–	3
Computer Hardware	–	–
Motor vehicle	–	32
	<b>–</b>	<b>35</b>
<b>Net gain/(loss)</b>	<b>(34)</b>	<b>32</b>

### 15 Income from State Government

	2017 \$'000	2016 \$'000
<b>Appropriation received during the year:</b>		
Service appropriations <sup>(a)</sup>	203,088	167,749

#### Services received free of charge from other State Government agencies during the period:

Determined on the basis of the following estimates provided by agencies

Department of Finance – lease administration services and depreciation on fitouts	3,607	4,089
Department of the Attorney General – legal services	2,634	2,944
Department of Finance – procurement services	–	120
Department of Transport – Mapping	4	–
Landgate – spatial and valuation services	31	26
Office of Emergency Management – accommodation and parking bays	253	–
Department of Planning – services for maintenance of a public map viewer.	27	5
	<b>6,556</b>	<b>7,182</b>

#### Royalties for Regions Fund

Regional Community Services Account <sup>(b)</sup>	1,465	1,742
	<b>1,465</b>	<b>1,742</b>
	<b>211,109</b>	<b>176,673</b>

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

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

**16 Restricted cash and cash equivalent assets**

	2017 \$'000	2016 \$'000
<b>Current</b>		
<b>Browse LNG Precinct Agreement</b>	–	32,785
<b>Non Current</b>		
Accrued salaries suspense account <sup>(a)</sup>	274	–
Browse LNG Precinct Agreement	33,472	–
	<b>33,746</b>	<b>–</b>

(a) Amount held in a suspense account by the Department of Treasury for the purposes of meeting the 27<sup>th</sup> pay period that occurs every 11 years. Last paid in 2015-16.

**17 Inventories**

	2017 \$'000	2016 \$'000
<b>Current</b>		
Inventories held for resale:		
Publications	19	23
Inventories not held for resale		
Stationery stores and material	1	2
	<b>20</b>	<b>25</b>

**18 Receivables**

	2017 \$'000	2016 \$'000
<b>Current</b>		
Receivables	976	1,271
GST receivable	733	212
	<b>1,710</b>	<b>1,484</b>

See also note 2(o) 'Receivables' and note 37 'Financial Instruments'.

**19 Amounts receivable for services (Holding Account)**

	2017 \$'000	2016 \$'000
Current	4,515	2,597
Non-current	24,342	24,342
	<b>28,857</b>	<b>26,939</b>

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**

	2017 \$'000	2016 \$'000
<b>Computer Hardware</b>		
At cost	2,321	2,994
Accumulated depreciation	(1,475)	(1,754)
	<b>845</b>	<b>1,240</b>
<b>Furniture and Fittings</b>		
At cost	501	501
Accumulated depreciation	(419)	(402)
	<b>82</b>	<b>98</b>
<b>Motor Vehicles</b>		
At cost	96	95
Accumulated depreciation	(25)	(6)
	<b>70</b>	<b>89</b>
<b>Office Equipment</b>		
At cost	1,931	2,093
Accumulated depreciation	(1,407)	(1,479)
	<b>524</b>	<b>614</b>
<b>Office Establishment</b>		
At cost	8,480	8,459
Accumulated depreciation	(7,246)	(6,169)
	<b>1,234</b>	<b>2,291</b>
<b>Total</b>	<b>2,756</b>	<b>4,332</b>

## 20 Property, plant and equipment (cont.)

### 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
<b>2017</b>						
Carrying amount at start of year	1,240	98	89	614	2,291	4,332
Additions	121	–	–	139	21	281
Disposals	(30)	–	–	(4)	–	(34)
Depreciation	(486)	(16)	(19)	(225)	(1,078)	(1,824)
<b>Carrying amount at end of year</b>	<b>845</b>	<b>82</b>	<b>70</b>	<b>524</b>	<b>1,234</b>	<b>2,755</b>

	Computer Hardware \$'000	Furniture and Fittings \$'000	Motor Vehicles \$'000	Office Equipment \$'000	Office Establishment \$'000	Total \$'000
<b>2016</b>						
Carrying amount at start of year	428	157	10	543	3,390	4,528
Additions	1,123	(42)	96	317	78	1,572
Disposals	–	–	(3)	–	–	(3)
Depreciation	(311)	(17)	(14)	(246)	(1,177)	(1,765)
<b>Carrying amount at end of year</b>	<b>1,240</b>	<b>98</b>	<b>89</b>	<b>614</b>	<b>2,291</b>	<b>4,332</b>



## 21 Intangible assets

	2017 \$'000	2016 \$'000
<b>Computer Software</b>		
At cost	2,844	2,486
Accumulated amortisation	(2,194)	(1,863)
	<b>650</b>	<b>623</b>
<b>Reconciliations:</b>		
Carrying amount at start of year	623	777
Additions	358	193
Reclassifications	–	–
Disposals	–	–
Amortisation expense	(331)	(347)
<b>Carrying amount at end of year</b>	<b>650</b>	<b>623</b>

## 22 Impairment of assets

There were no indications of impairment of property, plant and equipment, and intangible assets at 30 June 2017.

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

	2017 \$'000	2016 \$'000
<b>Current</b>		
Trade payables	2,147	3
Revenue In Advance	–	–
Accrued salaries	256	–
Accrued expenses	2,865	1,625
	<b>5,269</b>	<b>1,628</b>

See also note 2(p) Payables and note 37 'Financial instruments'.

## 24 Provisions

	2017 \$'000	2016 \$'000
<b>Current</b>		
Employee benefits provision		
Annual leave <sup>(a)</sup>	6,491	8,632
Long service leave <sup>(b)</sup>	7,294	9,936
	<b>13,785</b>	<b>18,568</b>
<b>Other provisions</b>		
Employment on-costs <sup>(d)</sup>	43	59
	<b>43</b>	<b>59</b>
	<b>13,828</b>	<b>18,627</b>
<b>Non-current</b>		
Long service leave	2,524	3,462
Deferred salary scheme <sup>(c)</sup>	–	57
	<b>2,524</b>	<b>3,519</b>
<b>Other provisions</b>		
Employment on-costs <sup>(d)</sup>	8	11
	<b>8</b>	<b>11</b>
	<b>2,532</b>	<b>3,529</b>

(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:

	2017 \$'000	2016 \$'000
Within 12 months of the end of the reporting period	4,236	5,613
More than 12 months after the end of the reporting period	2,256	3,019
	<b>6,491</b>	<b>8,632</b>

(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:

	2017 \$'000	2016 \$'000
Within 12 months of the end of the reporting period	2,978	4,304
More than 12 months after the end of the reporting period	6,840	9,094
	<b>9,818</b>	<b>13,398</b>

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

	2017 \$'000	2016 \$'000
Within 12 months of the end of the reporting period	–	–
More than 12 months after the end of the reporting period	–	57
	<b>–</b>	<b>57</b>

(d) 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. Other on-cost provisions also include the provision for the associated superannuation expenses. The associated expense, apart from the unwinding of the discount (finance cost), is disclosed in note 11 'Other expenses'.

### Movement in Other Provisions

	2017 \$'000	2016 \$'000
<b>Employment on-cost provision</b>		
Carrying amount at start of year	70	65
Additional provisions recognised	456	372
Payments/other sacrifices of economic benefits	(475)	(367)
<b>Carrying amount at end of year</b>	<b>51</b>	<b>70</b>

### 25 Other current liabilities

	2017 \$'000	2016 \$'000
<b>Current</b>		
Derivative Financial Liability	232	–
	<b>232</b>	<b>–</b>

See also note 37 'Financial Instruments'.

## 26 Equity

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

	2017 \$'000	2016 \$'000
<b>Contributed equity</b>		
Balance at the start of the year	39,117	39,117
<b>Balance at the end of the year</b>	<b>39,117</b>	<b>39,117</b>
<b>Hedging Reserve</b>		
Balance at the start of the year	112	435
Net revaluations increments/(decrements)	(134)	(323)
<b>Balance at the end of the year</b>	<b>(22)</b>	<b>112</b>
<b>Accumulated surplus/(deficit)</b>		
Balance at the start of the year	43,143	36,956
Result for the period	17,906	6,187
<b>Balance at the end of the year</b>	<b>61,049</b>	<b>43,143</b>

## 27 Notes to the Statement of Cash Flows

	2017 \$'000	2016 \$'000
<b>Reconciliation of cash</b>		
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:		
<b>Current Assets</b>		
Cash and cash equivalents	51,491	38,962
Restricted cash and cash equivalents (refer to note 16)	–	32,785
	<b>51,491</b>	<b>71,746</b>

	2017 \$'000	2016 \$'000
<b>Non Current Assets</b>		
Restricted cash and cash equivalents (refer to note 16)	33,746	–
	<b>33,746</b>	<b>–</b>
<b>Total Cash and cash equivalent</b>	<b>85,237</b>	<b>71,746</b>

### Reconciliation of net cost of services to net cash flows provided by/(used in) operating activities

Net cost of services as per the Statement of Comprehensive Income	(193,203)	(170,483)
<b>Non-cash items:</b>		
Depreciation and amortisation expense	2,155	2,112
Resources received free of charge	6,556	7,182
Loss on Joint Venture	1,983	3,007
Net (gain)/loss on disposal of plant and equipment	(34)	(32)
Net (gain)/loss on foreign exchange and hedging	190	27
<b>(Increase)/decrease in assets:</b>		
Current receivables	295	(101)
Current inventories	5	10
Other current assets	(1,799)	364
<b>Increase/(decrease) in liabilities:</b>		
Current payables	3,641	(2,187)
Current provisions	(4,799)	1,085
Non current provisions	(996)	459
Other current liabilities	232	(3)
Other provisions	(19)	–
Change in GST in receivables/payables	(408)	(153)
<b>Net cash provided by/(used in) operating activities as per the Statement of Cash Flows</b>	<b>(186,202)</b>	<b>(158,713)</b>

## 28 Services 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:

	2017 \$'000	2016 \$'000
Department of Finance – Library Services	44	67
Department of Treasury – Library Services	45	58
Public Sector Commission – includes some HR, IT, Records and Library Services.	711	485
Parliamentary Commissioner for Administrative Investigation – HR (payroll) Services	156	132
	<b>956</b>	<b>742</b>

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

## 29 Other Current Assets

	2017 \$'000	2016 \$'000
Derivative Financial Assets	–	47
Prepayments	2,690	844
	<b>2,690</b>	<b>891</b>

## 30 Commitments

	2017 \$'000	2016 \$'000
<b>Lease commitments</b>		
Commitments in relation to leases contracted for at the reporting date but not recognised in the financial statements are payable as follows:		
<b>Non-cancellable operating lease commitments:</b>		
Within 1 year	27,472	29,484
Later than 1 year and not later than 5 years	59,118	62,342
	<b>86,590</b>	<b>91,826</b>
<b>Motor vehicle leases as part of the "whole of Government" arrangement:</b>		
Within 1 year	476	672
Later than 1 year but not later than 5 years	257	329
	<b>733</b>	<b>1,001</b>
<b>Accommodation leases occupied by the Department<sup>(a)</sup>:</b>		
Within 1 year	19,607	24,028
Later than 1 year and not later than 5 years	55,353	56,636
	<b>74,960</b>	<b>80,664</b>
<b>Aircraft leases used by the Department<sup>(b)</sup>:</b>		
Within 1 year	7,389	4,783
Later than 1 year but not later than 5 years	3,508	5,377
	<b>10,897</b>	<b>10,160</b>

These commitments are all inclusive of GST.

(a) The Department of the Premier and Cabinet has entered into property leases which are a non-cancellable leases 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 market review in accordance with Landgate valuations. An option exists to renew the lease at the end of the five year term for an additional term of five years.

(b) The Department negotiated a 2 year lease extension for each of the aircraft in 2016-17. Figures reflect the financial commitment in respect of re-negotiated lease agreements. Lease commitments comprise \$3.5 million within one year and \$1.8 million later than one year but no later than five years. Also included are commitments for management fees and maintenance cost of \$3.9 million within one year and \$1.7 million later than one year but not later than five years.



### 31 Compensation of Key Management Personnel

The Department of the Premier and Cabinet has determined that key management personnel includes the responsible Ministers and senior officers of the Department. However, the Department is not obliged to compensate the responsible Ministers and therefore disclosures in relation to Ministers' compensation may be found in the Annual Report on State Finances.

Total compensation for the key management personnel, comprising the accountable authority and other senior officers of the Department for the reporting period are presented within the following bands:

Compensation Band (\$)	2017	2016
50,001 – 60,000	–	1
90,001 – 100,000	–	1
110,001 – 120,000 <sup>(a)</sup>	1	1
180,001 – 190,000	1	–
190,001 – 200,000	–	1
200,001 – 210,000	3	3
210,001 – 220,000	–	1
220,001 – 230,000	1	1
240,001 – 250,000	–	2
250,001 – 260,000	1	–
260,001 – 270,000	1	–
270,001 – 280,000	–	1
280,001 – 290,000	1	–
290,001 – 300,000	–	1
300,001 – 310,000 <sup>(b)</sup>	1	–
310,001 – 320,000	1	–
330,001 – 340,000	2	–
350,001 – 360,000	–	1
390,001 – 400,000	–	1
410,001 – 420,000 <sup>(c)</sup>	1	–
510,001 – 520,000 <sup>(d)</sup>	–	1

	2017 \$'000	2016 \$'000
Short-term employee benefits	2,788	3,074
Post-employment benefits	335	370
Other long-term benefits	319	382
Termination benefits	192	–
<b>Total Compensation of Senior Officers</b>	<b>3,634</b>	<b>3,826</b>

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

(a) Includes newly appointed Director General from 3 May 2017 to 30 June 2017.

(b) Includes Director who departed on 24 Feb 2017.

(c) Includes a Director General who departed on 2 May 2017.

(d) Includes a Director General who departed in September 2016.

No Senior Officers are members of the Pension Scheme.

### 32 Remuneration of Auditor

	2017 \$'000	2016 \$'000
Remuneration payable to the Auditor General for the financial year for the following services:		
<b>Auditing the accounts, financial statements and performance indicators</b>	<b>161</b>	<b>154</b>

### 33 Supplementary Financial Information

	2017 \$'000	2016 \$'000
<b>Write-offs</b>		
During the financial year there were amounts written off under the authority of section 48 of the Financial Management Act 2006.		
<b>Amounts written off by the Accountable Authority</b>	<b>9</b>	<b>–</b>
<b>Gifts of public property</b>		
<b>Gifts of public property provided by the Department</b>	<b>2</b>	<b>7</b>

### 34 Related Party Transactions

The Department is a wholly owned and controlled entity of the State of Western Australia. In conducting its activities, the Department is required to pay various taxes and levies based on the standard terms and conditions that apply to all tax and levy payers to the State and entities related to State. Related parties of the department include:

- » all Ministers and their close family members, and their controlled or jointly controlled entities;
- » all senior officers and their close family members, and their controlled or jointly controlled entities;
- » other departments and public sector entities, including related bodies included in the whole of government consolidated financial statements;
- » associates and joint ventures, that are included in the whole of government consolidated financial statements.

### Significant transactions with government related entities

- » Service appropriations (Note 15);
- » Services received free of charge from the agencies listed in (Note 15);
- » Royalties for Regions Fund (Note 15);
- » Lease rental payments to the Department of Finance (Note 9);
- » Payments to the Department of Finance for utilities, telephony and communication services (Note 7);
- » Commitments for future lease payments to the Department of Finance (Note 30);
- » Insurance payments to the Insurance Commission and Riskcover fund (Note 7);
- » Remuneration for services provided by the Auditor General (Note 32);
- » Grant payments to the Departments of Parks and Wildlife, Planning, Health, Culture and the Arts, Local Government and Communities, Child Protection and Family Support, Aboriginal Affairs (Indigenous), Housing and Training and Workforce Development and the Western Australian Museum (Note 10);
- » Payments for professional services to the Department of Mines and Petroleum, State Solicitor's Office and Landgate (Note 7);
- » Payments to Synergy for utilities (Note 7).

### Material transactions with related parties

- » Grant payments to the University of Western Australia, Murdoch University and Curtin University.
- » Eighty eight per cent of the superannuation payments in Note 6 were to Government Employees Superannuation Board (GESB).
- » Joint control of Western Australian Marine Science Institution (Note 43).

The Department had no material related party transactions with Ministers/senior officers or their close family members or their controlled (or jointly controlled) entities for disclosure.

### 35 Explanatory Statement

All variances between estimates (original budget) and actual results for 2016, and between the actual results for 2017 and 2016 are shown below. Narratives are provided for major variances, which are generally greater than:

- » 5% and \$3.5 million for the Statements of Comprehensive Income and Cash Flows; and
- » 5% and \$1.25 million for the Statement of Financial Position.

	Variance Note	Estimate <sup>(a)</sup> 2017 \$'000	Actual 2017 \$'000	Actual 2016 \$'000	Variance between estimate and actual \$'000	Variance between actual results for 2017 and 2016 \$'000
<b>STATEMENT OF COMPREHENSIVE INCOME</b>						
<i>(Controlled Operations)</i>						
<b>Expenses</b>						
Employee benefits expense	1	82,405	86,415	83,500	4,010	2,915
Supplies and services	2, A	40,061	52,965	34,678	12,904	18,287
Depreciation and amortisation expense		2,597	2,155	2,112	(442)	44
Accommodation expenses		19,823	21,367	21,661	1,544	(294)
Grants and subsidies	3, B	79,325	36,891	29,310	(42,434)	7,581
Loss on disposal of non-current assets		–	34	–	34	34
Losses on foreign operation translation		–	349	–	349	349
Losses on hedging		–	190	27	190	163
Loss on other financial assets	4	–	1,983	3,007	1,983	(1,023)
Other expenses		16	306	621	290	(315)
<b>Total cost of services</b>		<b>224,227</b>	<b>202,656</b>	<b>174,916</b>	<b>(21,571)</b>	<b>27,740</b>

	Variance Note	Estimate <sup>(a)</sup> 2017 \$'000	Actual 2017 \$'000	Actual 2016 \$'000	Variance between estimate and actual \$'000	Variance between actual results for 2017 and 2016 \$'000
<b>STATEMENT OF COMPREHENSIVE INCOME (CONT.)</b>						
<b>Income</b>						
<b>Revenue</b>						
Other Revenue	5, C	881	6,842	1,549	5,961	5,294
Sales		1,783	1,443	1,437	(340)	6
Commonwealth grants and contributions		457	510	449	53	61
Interest revenue		827	658	740	(169)	(82)
Gains on Foreign operation translation		–	–	226	–	(226)
Gain on disposal of non-current assets		–	–	32	–	(32)
<b>Total Revenue</b>		<b>3,948</b>	<b>9,454</b>	<b>4,432</b>	<b>5,506</b>	<b>5,021</b>
<b>NET COST OF SERVICES</b>		<b>220,279</b>	<b>193,202</b>	<b>170,484</b>	<b>(27,077)</b>	<b>22,718</b>
<b>Income From State Government</b>						
Service appropriation	6, D	171,952	203,088	167,749	31,136	35,339
Services received free of charge		7,437	6,556	7,182	(881)	(626)
Royalties for Regions Fund		4,059	1,465	1,742	(2,594)	(277)
<b>Total income from State Government</b>		<b>183,448</b>	<b>211,109</b>	<b>176,673</b>	<b>27,661</b>	<b>34,436</b>
<b>SURPLUS/(DEFICIT) FOR THE PERIOD</b>		<b>(36,831)</b>	<b>17,907</b>	<b>6,189</b>	<b>54,738</b>	<b>11,718</b>
<b>OTHER COMPREHENSIVE INCOME</b>						
<b>Items not reclassified subsequently to profit or loss</b>						
Gain/(Losses) on Foreign exchange recognised directly in equity		–	(89)	323	(89)	(412)
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>(36,831)</b>	<b>17,818</b>	<b>6,512</b>	<b>54,649</b>	<b>11,306</b>

(a) The budget estimates have been reclassified to align with the financial statement classification of income and expenditure items.



	Variance Note	Estimate <sup>(a)</sup> 2017 \$'000	Actual 2017 \$'000	Actual 2016 \$'000	Variance between estimate and actual \$'000	Variance between actual results for 2017 and 2016 \$'000
<b>STATEMENT OF FINANCIAL POSITION</b>						
<b>ASSETS</b>						
<b>Current Assets</b>						
Cash and cash equivalents	7, E	24,792	51,491	38,962	26,699	12,529
Restricted cash and cash equivalents	F	–	–	32,785	–	(32,785)
Inventories		39	20	25	(19)	(5)
Receivables		1,496	1,710	1,484	214	226
Amounts receivable for services	8, G	1,090	4,516	2,597	3,426	1,919
Other current assets	9, H	527	2,690	891	2,163	1,799
<b>Total Current Assets</b>		<b>27,944</b>	<b>60,427</b>	<b>76,743</b>	<b>32,483</b>	<b>(16,317)</b>
<b>Non-Current Assets</b>						
Restricted cash and cash equivalents	10, I	2,296	33,746	–	31,450	33,746
Amounts receivable for services	11	27,266	24,342	24,342	(2,924)	–
Other financial assets		124	84	118	(40)	(33)
Property, plant and equipment	J	3,936	2,756	4,332	(1,180)	(1,576)
Intangible assets		777	650	623	(127)	27
<b>Total Non-Current Assets</b>		<b>34,399</b>	<b>61,578</b>	<b>29,415</b>	<b>27,179</b>	<b>32,164</b>
<b>TOTAL ASSETS</b>		<b>62,343</b>	<b>122,005</b>	<b>106,158</b>	<b>59,662</b>	<b>15,847</b>

	Variance Note	Estimate <sup>(a)</sup> 2017 \$'000	Actual 2017 \$'000	Actual 2016 \$'000	Variance between estimate and actual \$'000	Variance between actual results for 2017 and 2016 \$'000
<b>STATEMENT OF FINANCIAL POSITION (CONT.)</b>						
<b>LIABILITIES</b>						
<b>Current Liabilities</b>						
Payables	12, K	1,450	5,269	1,628	3,819	3,641
Provisions	13, L	17,542	13,828	18,627	(3,714)	(4,799)
Other current liabilities		412	232	–	(180)	232
<b>Total Current Liabilities</b>		<b>19,404</b>	<b>19,329</b>	<b>20,255</b>	<b>(75)</b>	<b>(927)</b>
<b>Non-Current Liabilities</b>						
Provisions		3,069	2,532	3,529	(537)	(996)
<b>Total Non-Current Liabilities</b>		<b>3,069</b>	<b>2,532</b>	<b>3,529</b>	<b>(537)</b>	<b>(996)</b>
<b>Total Liabilities</b>		<b>22,473</b>	<b>21,859</b>	<b>23,785</b>	<b>(614)</b>	<b>(1,926)</b>
<b>Net Assets</b>		<b>39,870</b>	<b>100,144</b>	<b>82,371</b>	<b>60,275</b>	<b>17,773</b>
<b>Equity</b>						
Contributed equity		15,345	39,117	39,117	23,772	–
Hedging reserves		(435)	(22)	112	413	(134)
Accumulated surplus/(deficiency)	14, M	24,960	61,049	43,143	36,089	17,906
<b>Total Equity</b>		<b>39,870</b>	<b>100,144</b>	<b>82,371</b>	<b>60,274</b>	<b>17,773</b>

(a) The budget estimates have been reclassified to align with the financial statement classification of balance sheet items.

	Variance Note	Estimate <sup>(a)</sup> 2017 \$'000	Actual 2017 \$'000	Actual 2016 \$'000	Variance between estimate and actual \$'000	Variance between actual results for 2017 and 2016 \$'000
<b>STATEMENT OF CASH FLOWS</b>						
<b>CASH FLOWS FROM STATE GOVERNMENT</b>						
Service appropriation	7, D	169,355	200,491	165,152	31,136	35,339
Holding account drawdowns	N	1,179	679	3,422	(500)	(2,743)
Royalties for Regions Fund		4,059	1,465	1,742	(2,594)	(277)
<b>Net cash provided by State Government</b>		<b>174,593</b>	<b>202,635</b>	<b>170,316</b>	<b>28,042</b>	<b>32,319</b>
<b>Utilised as follows:</b>						
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
<b>Payments</b>						
Employee benefits		(82,105)	(83,555)	(83,553)	(1,450)	(3)
Supplies and services		(32,634)	(51,940)	(28,935)	(19,306)	(23,005)
Accommodation		(19,823)	(23,101)	(21,502)	(3,278)	(1,599)
Grants and subsidies	3, B	(79,325)	(36,950)	(29,103)	42,375	(7,847)
GST payments on purchases	15, P	(8,261)	(11,498)	(7,688)	(3,237)	(3,810)
GST payments to taxation authority		(400)	(205)	(166)	195	(38)
Other Payments		(6)	(259)	(208)	(253)	(52)
<b>Receipts</b>						
Sales of goods and services		1,763	1,450	1,483	(313)	(33)
Commonwealth grants and contributions		457	510	449	53	61
Interest received		827	492	935	(335)	(443)
GST receipts on sales		329	238	165	(91)	73
GST receipts from taxation authority	16, Q	8,332	11,193	7,621	2,861	3,572
Other receipts	17, O	901	7,423	1,789	6,522	5,634
<b>Net cash provided by/(used in) operating activities</b>		<b>(209,945)</b>	<b>(186,201)</b>	<b>(158,712)</b>	<b>23,744</b>	<b>(27,489)</b>

SECTION TITLE	SECTION HEADING	Estimate <sup>(a)</sup> 2017 \$'000	Actual 2017 \$'000	Actual 2016 \$'000	Variance between estimate and actual \$'000	Variance between actual results for 2017 and 2016 \$'000
<b>STATEMENT OF CASH FLOWS (CONT.)</b>						
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
<b>Receipts</b>						
Proceeds from the sale of non-current physical assets		–	–	31	–	(31)
<b>Payments</b>						
Purchase of non-current physical assets		(1,179)	(642)	(1,927)	537	1,284
Investment in Other financial assets		–	(1,950)	(3,000)	(1,950)	1,050
<b>Net cash provided by/(used in) investing activities</b>		<b>(1,179)</b>	<b>(2,592)</b>	<b>(4,896)</b>	<b>(1,413)</b>	<b>2,303</b>
Net increase/(decrease) in cash and cash equivalents		(36,531)	13,841	6,707	50,372	7,133
Cash and cash equivalents at the beginning of period		63,619	71,746	64,813	8,127	6,933
Effects of exchange rate changes on cash balances held in foreign currency		–	(349)	226	(349)	(576)
<b>CASH AND CASH EQUIVALENTS AT THE END OF PERIOD</b>		<b>27,088</b>	<b>85,237</b>	<b>71,746</b>	<b>58,149</b>	<b>13,490</b>

(a) The budget estimates have been reclassified to align with the financial statement classification of receipts and payments.

### Major Variance Narratives (Controlled Operations)

#### Variations between estimate and actual

- Employee Benefits expense was \$4 million (4.8%) higher than anticipated and due to severances paid to staff as a result of the change in Government.
- Supplies and Services was \$12 million (30.7%) higher than anticipated and mainly due to expenses for the Yarloop Clean Up Project and offset by other savings. The Yarloop Project expenses were budgeted under Grants and Subsidies.
- Grants and Subsidies was \$42 million (53.4%) lower than anticipated, the variance relates to the deferral of payments for Browse LNG (\$30.9 million); Land and Equity Fund (\$6.8 million); and South West Settlement – Noongar Land Fund (\$2.8 million).
- Loss on Other Financial Assets (\$1.9 million) mainly reflects the grants paid to the Western Australian Marine Science Institution but reported as a Joint Venture Investment for accounting purposes. This payment was budgeted under Grants and Subsidies.
- Other Revenue was higher than anticipated and mainly reflects the reimbursement from a private property owner in Yarloop for cleaning their affected properties (\$4.7 million).



- 6 Service Appropriation increased by \$31.1 million (18.10%) and was mainly due to supplementary funding; \$20.5 million for the Yarloop Clean Up Project; and \$10 million for Election costs due to the change in Government.
- 7 The year end cash balance was \$27 million (109%) higher than anticipated and was mainly due to deferment of payment from the Land and Equity Fund (\$6.8 million); carryover for Science Grants (\$2.9 million); unspent funds for the Yarloop Clean Up project (\$1.6 million); savings by the Native Title Unit (\$3.6 million); refund of Fringe Benefits Tax from the Australian Taxation Office (\$1.3 million); increase in Payables (\$3.4 million) (refer to Note 8); unspent Local Projects Local Jobs (\$1.6 million); and other one off savings.
- 8 Amounts Receivable for Services was \$3.4 million (314%) higher than original budget due to the misalignment of the holding account in the original budget between current and non current assets.
- 9 Other current assets increased by \$2.1 million (410%) and mainly relates to prepayment of accommodation in July 2017 for Dumas House.
- 10 The year end restricted cash balance was \$31.4 million (1369%) greater than estimated, and was mainly due to deferment of the Browse LNG payment of \$30.9 million.
- 11 The amount Receivable for Services decreased by \$2.9 million (10.7%) and mainly relates to the payment of long service leave due to the 2017 State Election in March 2017.
- 12 Payables was \$3.2 million (218%) higher than anticipated. This was mainly due to the cost of the Yarloop Clean Up Project.
- 13 Annual Leave and Long Service Leave provisions decreased by \$3.7 million (21%) and mainly relates to severances paid to staff due to the change in Government.
- 14 The Accumulated Surplus was \$37 million (148%) higher than anticipated. This mainly reflects the deferral of the Browse LNG payment (\$30.9 million) and Land Equity Fund payments (\$6.8 million).
- 15 The GST payments were \$3.2 million (39%) higher than anticipated due to an increase in payments for supplies and services related to the Yarloop Clean Up Project.
- 16 GST receipts were \$2.9 million (34%) higher than anticipated due to GST claims from the ATO for the Yarloop Clean Up Project.
- 17 Other receipts was \$6.5 million higher than anticipated due to a reimbursement from a private property owner in Yarloop for cleaning their affected properties (\$4.7 million) and Fringe Benefits Tax refund from the Australian Tax Office (\$1.3 million) due to a change in car bay valuation.
- B Grants and Subsidies increased by \$7.6 million (26%) and mainly relates to an increase in Grants given by the Office of Science.
- C Other revenue was higher than last year mainly due to a reimbursement received from a private property owner in Yarloop for cleaning their affected properties (\$4.7 million).
- D Service Appropriation increased by \$35 million (21%) and was mainly due to supplementary funding: \$20.5 million for the Yarloop Clean Up Project; \$10 million for Election costs due to the change in Government; and \$4.1 million for Local Project and Local Jobs Election Commitment.
- E The year end cash balance increased by \$12.5 million (32%) and was mainly due to unspent funds for the Yarloop Clean Up Project (\$1.6 million); savings by the Native Title Unit expenses; refund of Fringe Benefits Tax from the Australian Taxation Office due to a change in valuation method for car bays (\$1.3 million); carryover for Inquiry into Government Projects (\$0.4 million); Deferral of expenditure for Local Projects Local Jobs (\$1.6 million) and an increase in Payables.
- F The year end Restricted cash balance decreased by \$32 million (100%) and was mainly due to the deferment of Browse LNG payment of \$30.9 million to 2018-19, cash now treated as a Non Current Asset.
- G Amount Receivable for Services increased by \$1.9 million (74%) mainly relates to depreciation charges in 2016-17.
- H Other current assets increased by \$1.8 million (202%) mainly relates to prepayment of July 2017 accommodation.
- I The year end restricted cash balance increased by \$33.7 million (100%) and was mainly due to the deferment of the Browse LNG payment of \$30.9 million and interest earned.
- J Property, Plant and Equipment decreased by \$1.6 million (36%) mainly relates to depreciation charges of \$2.1 million in 2016-17.
- K Payables increased by \$3 million (183%) mainly due to an increase in expenses accrued for services relating to the Yarloop Clean Up Project.
- L Annual Leave and Long Service Leave provisions decreased by \$4.8 million (25%) mainly relates to severances paid to Staff due to the change in Government.
- M The increase in the Accumulated Surplus of \$18.5 million (43%) mainly reflects the 2016-17 surplus. The surplus mainly reflects leave payouts to staff, savings from the Native Title Unit, Actuarial gain on leave entitlements, unspent funds for the Yarloop Clean Up Project and savings on aircraft maintenance.
- N The actual drawdown from Holding Account decreased by \$2.7 million (80%) due to fewer ongoing projects under capital works in progress than last year.
- O Other Revenue/Receipts increased by approximately \$5 million and mainly reflects the reimbursement from a private property owner in Yarloop for cleaning their affected properties (\$4.7 million).

#### **Variances between actual results for 2017 and 2016**

- A Supplies and Services increased by \$18.3 million (53%). The variance mainly relates to; \$23 million for the Yarloop Clean Up Project; offset by savings of \$3.2 million by the Native Title Unit; \$1 million in Resources Received free of Charge and \$0.7 million for Air charter maintenance.

- P GST payments increased by \$3.8 million (49.6%). This was mainly due to the increase in amounts paid relating to the Yarloop Clean Up Project.
- Q GST receipts increased by \$3.6 million (47%). This was mainly due to the increase in amounts claimed from the ATO for payments relating to the Yarloop Clean Up Project.

### 36 Special purpose accounts

#### The Gerald Frank Brown Memorial Trust

##### Purpose of the Trust

To hold money:

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

	2017 \$'000	2016 \$'000
Balance at the start of the year	202	234
Receipts	1	1
Payments	(16)	(8)
Unrealised gain/(loss) on translation	(13)	(25)
<b>Balance at the end of the year</b>	<b>174</b>	<b>202</b>

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

#### DPC Esperance Nyungar Government Indigenous Land Use Agreement

##### Purpose of the Trust

The purpose of this account is to hold the State's contribution of \$2.4m in an interest bearing trust account for and on behalf of the Native Title Claim Group or the Prescribed Body Corporate until such time as the Prescribed Body Corporate has submitted a budget and that budget is approved in accordance with clause 19.2 of the Agreement.

	2017 \$'000	2016 \$'000
Balance at the start of the year	1,560	2,463
Receipts	31	53
Payments	(574)	(956)
<b>Balance at the end of the year</b>	<b>1,017</b>	<b>1,560</b>

The account was set up in April 2014

#### DPC – Browse LNG Precinct Project Agreement Native Title Beneficiaries' Interest Bearing Trust A/C

##### Purpose of the Trust

The purpose of this account is to hold \$30m being the State's contribution of \$10m to the Economic Development Fund and \$20m to the Indigenous Housing Fund pursuant to the Browse LNG Precinct Project Agreement.

	2017 \$'000	2016 \$'000
Balance at the start of the year	32,785	32,045
Receipts	687	740
Payments	–	–
<b>Balance at the end of the year</b>	<b>33,472</b>	<b>32,785</b>

The account was set up in December 2013

### 37 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, receivables, payables, forward foreign exchange contracts. 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 the end of the reporting period in relation to each class of recognised financial assets is the gross carrying amount of those assets inclusive of any allowance for impairment as shown in the table at Note 37 (c) 'Financial instruments disclosures' and Note 18 'Receivables'.

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. At the end of the reporting period there were no significant concentrations of credit risk.

#### Liquidity risk

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

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

#### Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates and interest rates will affect the Department's income or the value of its holdings of financial instruments. There has been no change to the Department's exposure to the market risk 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 37(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.

#### » 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.

#### 2017 Recycled from Equity to Profit or Loss

Balance	<1 years \$'000	1-2 years \$'000	2-3 years \$'000	3-4 years \$'000	4-5 years \$'000
DR 205	132	73	–	–	–

#### 2016 Recycled from Equity to Profit or Loss

Balance	<1 years \$'000	1-2 years \$'000	2-3 years \$'000	3-4 years \$'000	4-5 years \$'000
DR 116	116	–	–	–	–

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 \$205,341 (2016: Dr \$116,233). 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% 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:

Outstanding Contracts	Ave Exchange Rate		Foreign Currency Purchased		Contract Value		Fair Value	
	2017	2016	2017	2016	2017	2016	2017	2016
			\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
< 1 year	0.7373	0.7512	3,096	2,129	4,199	2,835	(167)	47
1 to 2 years	0.7370		1,088	-	1,476	-	(65)	-

### (b) Categories of Financial Instruments

The carrying amounts of each of the following categories of financial assets and financial liabilities at the balance sheet date are as follows:

	2017 \$'000	2016 \$'000
<b>Financial Assets</b>		
Cash and cash equivalents	51,491	38,962
Restricted Cash and cash equivalents	33,746	32,784
Receivables <sup>(a)</sup>	976	1,271
Derivatives – Cash Flow	-	42
Derivatives – FVTPL	-	5
Amount receivable for services	28,857	26,939
	<b>115,070</b>	<b>100,003</b>

	2017 \$'000	2016 \$'000
<b>Financial Liabilities</b>		
Payables	2,147	3
Derivatives – Cash Flow	232	-
Derivatives – FVTPL	-	-
	<b>2,379</b>	<b>3</b>

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

### (c) Financial Instrument Disclosures

#### Credit Risk

The following table details the Department's maximum exposure to credit risk and the ageing analysis of financial assets. The Department's maximum exposure to credit risk at the end of the reporting period is the carrying amount of financial assets as shown below. The table discloses the ageing of financial assets that are past due but not impaired and impaired financial assets. The table is based on information provided to senior management of the Department.

The Department does not hold any collateral as security or other credit enhancement 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.



Ageing analysis of financial assets<sup>(a)</sup>

	Carrying Amount \$'000	Not past due and not impaired \$'000	Past due but not impaired					Impaired financial assets \$'000
			Up to 1 month \$'000	1-3 months \$'000	3 months to 1 year \$'000	1-5 years \$'000	More than 5 years \$'000	
<b>2017</b>								
<b>Financial Assets</b>								
Cash and cash equivalents	51,491	51,491	–	–	–	–	–	–
Restricted cash and cash equivalents	33,746	33,746	–	–	–	–	–	–
Receivables	976	943	943	33	–	–	–	–
Derivatives – Cash Flow	–	–	–	–	–	–	–	–
Amount receivable for services	28,857	28,857	–	–	–	–	–	–
	<b>115,070</b>	<b>115,037</b>	<b>943</b>	<b>33</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>2016</b>								
<b>Financial Assets</b>								
Cash and cash equivalents	38,962	38,962	–	–	–	–	–	–
Restricted cash and cash equivalents	32,784	32,784	–	–	–	–	–	–
Receivables	1,271	1,271	1,271	–	–	–	–	–
Derivatives – Cash Flow	47	47	–	–	–	–	–	–
Amount receivable for services	26,939	26,939	–	–	–	–	–	–
	<b>100,003</b>	<b>100,003</b>	<b>1,271</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>

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

## Interest rate exposure and maturity analysis of financial assets and financial liabilities

	Weighted average effective interest rate %	Interest Rate exposure						Maturity date			
		Carrying Amount \$'000	Fixed interest rate \$'000	Variable interest rate \$'000	Non- interest bearing \$'000	Adjustment for discounting \$'000	Nominal Amount \$'000	Up to 1 month \$'000	1-3 months \$'000	3 months to 1 year \$'000	1-5 years \$'000
<b>2017</b>											
<b>Financial Assets</b>											
Cash and Cash Equivalents		51,491	–	–	51,491	–	51,491	51,491	–	–	–
Restricted Cash and cash equivalents	2.08	33,746	–	33,746	–	–	33,746	–	–	–	33,746
Receivables		976	–	–	976	–	976	976	–	–	–
Amount Receivable for Services		28,858	–	–	28,857	–	28,858	28,857	–	–	–
		<b>115,071</b>	<b>–</b>	<b>33,746</b>	<b>81,324</b>	<b>–</b>	<b>115,071</b>	<b>81,324</b>	<b>–</b>	<b>–</b>	<b>33,746</b>
<b>Financial Liabilities</b>											
Payables		2,147	–	–	2,147	–	2,147	2,125	16	6	–
Derivatives – Cash Flow		232	–	–	232	1	233	33	–	134	66
		<b>2,379</b>	<b>–</b>	<b>–</b>	<b>2,379</b>	<b>1</b>	<b>2,380</b>	<b>2,158</b>	<b>16</b>	<b>140</b>	<b>66</b>
<b>2016</b>											
<b>Financial Assets</b>											
Cash and Cash Equivalents		38,962	–	–	38,962	–	38,962	38,962	–	–	–
Restricted Cash and cash equivalents	2.27	32,784	–	32,784	–	–	32,784	–	–	32,784	–
Receivables		1,271	–	–	1,271	–	1,271	1,271	–	–	–
Derivatives – Cash Flow		47	–	–	47	–	47	47	–	–	–
Amount Receivable for Services		26,939	–	–	26,939	–	26,939	2,597	–	–	24,342
		<b>100,003</b>	<b>–</b>	<b>32,784</b>	<b>67,219</b>	<b>–</b>	<b>100,003</b>	<b>42,877</b>	<b>–</b>	<b>32,784</b>	<b>24,342</b>
<b>Financial Liabilities</b>											
Payables		3	–	–	3	–	3	3	–	–	–
Derivatives – FVTPL		–	–	–	–	–	–	–	–	–	–
		<b>3</b>	<b>–</b>	<b>–</b>	<b>3</b>	<b>–</b>	<b>3</b>	<b>3</b>	<b>–</b>	<b>–</b>	<b>–</b>

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

### Interest rate sensitivity analysis

The following table represents a summary of the interest rate sensitivity of the Department's financial assets and liabilities at the end of the reporting period on the surplus for the period and equity for a 1% change in interest rates. It is assumed that the change in interest rates is held constant throughout the reporting period.

	Carrying Amount \$'000	-100 basis points		+100 basis points	
		Profit \$'000	Equity \$'000	Surplus \$'000	Equity \$'000
<b>2017</b>					
<b>Financial Assets</b>					
Restricted Cash and cash equivalents	33,746	(337)	(337)	337	337
	<b>33,746</b>	<b>(337)</b>	<b>(337)</b>	<b>337</b>	<b>337</b>
<b>2016</b>					
<b>Financial Assets</b>					
Restricted Cash and cash equivalents	32,784	(328)	(328)	328	328
	<b>32,784</b>	<b>(328)</b>	<b>(328)</b>	<b>328</b>	<b>328</b>

### Foreign exchange rate sensitivity analysis

The following table represents a summary of the foreign exchange rate sensitivity of the Department's financial assets and liabilities at the end of the reporting period on the surplus for the period and equity for a 10% change in foreign exchange rate. It is assumed that the foreign exchange rates is averaged throughout the reporting period.

	Carrying Amount \$'000	-10% change		+10% change	
		Profit \$'000	Equity \$'000	Profit \$'000	Equity \$'000
<b>30-Jun-17</b>					
<b>Financial Assets</b>					
Cash and cash equivalents	725	59	59	(49)	(49)
Receivables	213	24	24	(19)	(19)
Other Financial Assets – Derivatives	–	–	–	–	–
	<b>938</b>	<b>83</b>	<b>83</b>	<b>(68)</b>	<b>(68)</b>
<b>Financial Liabilities</b>					
Provisions	287	(32)	(32)	26	26
Other Financial Liabilities – Derivatives	232	–	636	–	(492)
	<b>519</b>	<b>(32)</b>	<b>604</b>	<b>26</b>	<b>(466)</b>
<b>30-Jun-16</b>					
<b>Financial Assets</b>					
Cash and cash equivalents	759	59	59	(46)	(46)
Receivables	122	(12)	(12)	12	12
Other Financial Assets – Derivatives	47	160	161	(125)	(131)
	<b>928</b>	<b>207</b>	<b>208</b>	<b>(159)</b>	<b>(165)</b>
<b>Financial Liabilities</b>					
Provisions	200	(22)	(22)	18	18
	<b>200</b>	<b>(22)</b>	<b>(22)</b>	<b>18</b>	<b>18</b>

**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. Foreign exchange contracts, are classified as Level 2 within the fair value hierarchy. The valuation technique is a discounted cash flow method where future cash flows are estimated based on forward exchange rates (from observable forward exchange rates at the end of the reporting period) and contract forward rates, discounted at a rate that reflects the credit risk of various counterparties.

**38 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 date.

**39 Contingent liabilities and contingent assets****Contingent Liabilities**

There were no contingent liabilities at the report date.

**Contingent Assets**

There were no contingent assets at the report date.

**Contaminated Sites**

Under the *Contaminated Sites Act 2003*, the Department is required to report known and suspected contaminated sites to the Department of Environment and Regulation (DER). In accordance with the Act, DER 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.

**40 Administered assets and liabilities**

	2017 \$'000	2016 \$'000
<b>Current Assets</b>		
Cash and cash equivalents – WANDRRA <sup>(a)</sup>	–	–
	–	–
<b>Current Liabilities</b>		
Payables – WANDRRA <sup>(a)</sup>	–	25,473

*(a) The Department no longer administers the Western Australian Natural Disaster Relief and Recovery Arrangements (WANDRRA). This function was transferred to the Office of Emergency Management during 2016-17.*



#### 41 Disclosure of administered income and expenses by service

	Administration of Executive Government Services		Government Policy Management		Total	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
<b>COST OF SERVICES</b>						
<b>Income</b>						
Administered appropriation <sup>(a)</sup>	–	–	16,137	26,437	16,137	26,437
Refund of prior year expenditure received from Main Roads WA (MRWA) <sup>(b)</sup>	–	–	–	156	–	156
	<b>–</b>	<b>–</b>	<b>16,137</b>	<b>26,593</b>	<b>16,137</b>	<b>26,593</b>
<b>Expenses</b>						
Grants and subsidies	–	–	1,136	42,168	1,136	42,168
<b>Total cost of services</b>	<b>–</b>	<b>–</b>	<b>1,136</b>	<b>42,168</b>	<b>1,136</b>	<b>42,168</b>

(a) The Department administered the Western Australian Natural Disaster Relief and Recovery Arrangements (WANDRRA) for five months during the current year. This function was transferred to the Office of Emergency Management on 1 December 2016.

(b) Income in 2015–16 includes a refund of prior year expenditure of \$156,000 incorrectly paid to MRWA as a reimbursement of National Disaster and Relief and Recovery Arrangements (NDRRA) expenditure. This amount was paid by DPC in 2014–15 and a refund received was from MRWA in 2015–16.

## 42 Explanatory Statement for Administered items

	Variance Note	Original Budget 2017 \$'000	Actual 2017 \$'000	Actual 2016 \$'000	Variance between estimate and actual \$'000	Variance between actual results for 2017 and 2016 \$'000
<b>INCOME FROM ADMINISTERED ITEMS</b>						
<b>Income</b>						
Administered appropriation	1, A	15,837	16,137	26,437	300	(10,300)
Refund of prior year expenditure received from Main Roads WA (MRWA)		–	–	156	–	(156)
<b>Total Administered Income</b>		<b>15,837</b>	<b>16,137</b>	<b>26,593</b>	<b>300</b>	<b>(10,456)</b>
<b>Expenses</b>						
Grants and subsidies	2, B	15,837	1,136	42,168	(14,701)	(41,032)
<b>Total Administered Expenses</b>		<b>15,837</b>	<b>1,136</b>	<b>42,168</b>	<b>(14,701)</b>	<b>(41,032)</b>
<b>NET INCOME (DEFICIT) FROM ADMINISTERED ITEMS</b>		<b>–</b>	<b>15,001</b>	<b>(15,575)</b>	<b>15,001</b>	<b>30,576</b>

### Major Estimates Vs Actuals Variance explanations

- The increase in Administered appropriation of \$0.3 million mainly relates to the transfer of the Anzac Day Trust Fund.
- The decrease in Administered Grants payment of \$14.7 million (93%) is mainly due to payments in 2015-16 of \$9.3 million for Natural disaster claims accrued in 2015-16.

### Major Actual 2017 Vs Actual 2016

- The decrease in Administered Appropriation of \$10.3 million (39%) is mainly due to the transfer of the Western Australian Natural Disaster Relief function to the office of Emergency Management in December 2016.
- The decrease in Administered Grants payment of \$41 million (97%) is mainly due to payments of \$9.3 million in 2016-17 for Natural disaster claims accrued in 2015-16 and the transfer of the Western Australian Natural Disaster Relief function to the Office of the Emergency Management in December 2016.

### 43 Other Assets (Joint Operations)

Name of operation:	Output Interest (%)
The Western Australian Marine Science Institution (WAMSI)	10

#### Principal Activity:

To establish Western Australia as a world-leading centre in marine science, education, innovation-based regional marine enterprise generation and knowledge-based marine resource management.

The following amounts represent the Department's assets employed in the above jointly controlled operations, which are included in the financial statements. For accounting purposes, the Department's contribution is classified as a Joint Venture investment. The purpose of the contribution to WAMSI is to develop capabilities and expertise in a broad range of advanced technologies and research capabilities that are of potential strategic and community interest.

	2017 \$'000	2016 \$'000
<b>Current Assets</b>		
Other financial assets <sup>(a)</sup>	84	118

During the reporting period the Department recognised a loss as follows:

Loss on other financial assets	1,983	3,007
--------------------------------	-------	-------

(a) Net investment in Joint Venture

Opening Balance	118	124
Investment in Joint Venture	1,950	3,000
Loss on Joint Venture	(1,983)	(3,007)
<b>Net Investment</b>	<b>84</b>	<b>118</b>

Karijini National Park.





The Gap, Torndirrup National Park.

Department of the Premier and Cabinet  
**Certification of Key  
Performance Indicators**

*for the year ended 30 June 2017*

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 2017.

A handwritten signature in black ink, appearing to read 'D. Foster', written over a horizontal line.


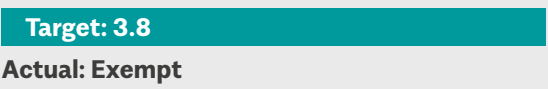
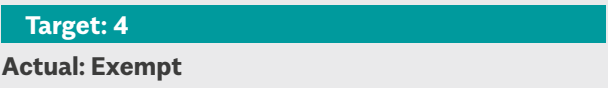
**Darren Foster**  
**Accountable Authority**

11 September 2017





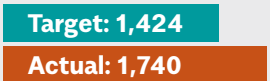
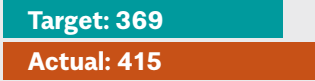







## Performance Snapshot for 2016–17

**Table 1: Effectiveness Indicators**

Number	Description	2016–17 Target and Result	Reference
<b>Outcome 1 – Executive Government receives appropriate support</b>			
1.1	Targets for support services are met or exceeded	<b>Target: 96%</b>  <b>Actual: 98%</b>	p94
1.2	Service recipient's confirmation that services provided enable them to meet Executive Government's obligations	<b>Target: 3.8</b>  <b>Actual: Exempt</b>	p94
<b>Outcome 2 – The Premier and Ministers receive high quality, rigorous and timely policy support</b>			
2.1	Service recipient's satisfaction with the policy advice provided in relation to Quality and Timeliness	<b>Target: 4</b>  <b>Actual: Exempt</b>	p95



**Table 2: Key Efficiency Indicators**

Number	Description	2016-17 Target and Result (\$'000)	Reference
<b>Service 1 – Administration of Executive Government services</b>			
1.1	Average operating cost per Ministerial Office (including Premier's Office and Leader of the Opposition)	 <b>Target: 2,902</b> <b>Actual: 2,908</b>	p96
1.2	Average cost of support provided per Ministerial Office (including Premier's Office and Leader of the Opposition)	 <b>Target: 391</b> <b>Actual: 546</b>	p96
1.3	Average cost representing Western Australia's interests overseas (per region)	 <b>Target: 1,424</b> <b>Actual: 1,740</b>	p96
1.4	Average cost of entitlements per Member of Parliament	 <b>Target: 369</b> <b>Actual: 415</b>	p97
1.5	Average cost of support provided per Member of Parliament	 <b>Target: 17</b> <b>Actual: 20</b>	p97
<b>Service 2 – Government Policy Management services</b>			
2.1	Average cost per Government Indigenous Land Use Agreement (ILUA) managed	 <b>Target: 196</b> <b>Actual: 121</b>	p97
2.2	Average cost per Project ILUA managed	 <b>Target: 299</b> <b>Actual: 225</b>	p98
2.3	Average Cost to Manage a Native Title Claim	 <b>Target: 19</b> <b>Actual: 53</b>	p98
2.4	Total Cost to Deliver Policy Advice	 <b>Target: 33,165</b> <b>Actual: 21,060</b>	p98
2.5	Number of Cabinet Submission Assessed	 <b>Target: 700</b> <b>Actual: 466</b>	p98
2.6	Number of Cabinet Submission Briefing Notes provided to the Premier	 <b>Target: 270</b> <b>Actual: 229</b>	p98

# Audited Key Performance Indicator Information

## Performance Indicators

The Department delivered services to achieve the following Government Goal, which is:

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

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

- » Outcome 1: Executive Government receives appropriate support.
- » Outcome 2: The Premier and Ministers receive high quality, rigorous and timely policy advice.
- » Service 1: Administration of Executive Government Services.
- » Service 2: Government Policy Management.

## Revision to the OBM Structure

The Department's OBM was revised for the year 2016-17, which resulted in the Department reporting four additional efficiency indicators.

## Explanations For Significant Variances

Results with significant variances of 10 percent or more compared to the target or to prior year's results have been explained.

## Key Effectiveness Indicators

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

## Outcome 1 – Executive government receives appropriate support

	2013–14 Actual	2014–15 Actual	2015–16 Actual	2016–17 Actual	2016–17 Target
1.1 Targets for support services are met or exceeded	97%	99%	100%	98%	96%
1.2 Service recipient's confirmation that services provided enable them to meet Executive Government's obligations	4.0	4.0	3.9	Exempt	3.8

## Outcome 1 – Key Effectiveness Indicators Explanatory Notes

### 1.1 Targets for support services are met or exceeded

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

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

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

Due to the change in Government, the Department was unable to collect survey data for the first nine months of 2016-17. As a result, the Department obtained an exemption from the Under Treasurer and is not required to report against this KPI for 2016-17.

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

	2013–14 Actual	2014–15 Actual	2015–16 Actual	2016–17 Actual	2016–17 Target
2.1 Service recipient's satisfaction with the policy advice provided in relation to Quality and Timeliness	4.0	4.0	3.7	Exempt	4

## Outcome 2 – Key Effectiveness Indicators Explanatory Notes

### 2.1 Service recipient's confirmation that high quality and timely policy advice is provided.

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

Due to the change in Government, the Department was unable to collect survey data for the first nine months of 2016–17. As a result, the Department obtained an exemption from the Under Treasurer and is not required to report against this KPI for 2016–17.

### Agency Services and Key Efficiency Indicators

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

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

The key efficiency indicators provide information on the cost of inputs required to deliver outcomes, and include all costs associated with the specific service. To report the total cost of service, corporate and executive support expenses are distributed across services on an FTE basis and incorporated in reported key efficiency indicators.

The following expenditures have been excluded in calculating efficiency indicators as they either do not directly relate to the services provided by the Department or are not considered to be a cost of service delivery.

	2013–14 Actual \$'000	2014–15 Actual \$'000	2015–16 Actual \$'000	2016–17 Actual \$'000
<b>Excluded Expenditures</b>				
Services provided free of charge	1,529	1,212	743	955
Community service obligations and non-core operations <sup>(1)</sup>	3,938	8,008	15,559	28,124
Grants and donations	54,706	31,957	29,308	36,890
<b>Total</b>	<b>60,173</b>	<b>41,177</b>	<b>45,610</b>	<b>65,969</b>

**Notes:** (1) Costs for 2016–17 include the Constitutional Centre, State Law Publisher and Yarloop Clean-up Project (\$24.4 million).

### Service 1: Administration of Executive Government Services

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

- » administrative support to the Premier;
- » administrative policy advice and support to ministerial offices and the Leader of the Opposition;
- » support for the functions of Cabinet and Parliament; and
- » communication of Government policies and activities;
- » support for the Executive Council;
- » 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; and
- » management of exhibitions and programs at the Constitutional Centre.



The major activities undertaken in Service 1 are reflected in the following key efficiency indicators.

	2013–14 Actual \$'000	2014–15 Actual \$'000	2015–16 Actual \$'000	2016–17 Actual \$'000	2016–17 Target \$'000
1.1 Average operating cost per Ministerial Office (including Premier's Office and Leader of the Opposition)	2,626	2,657	2,813	2908	2,902
1.2 Average cost of support provided per Ministerial Office (including Premier's Office and Leader of the Opposition)	1,692	1,434	1,382	546	391
1.3 Average cost representing Western Australia's interests overseas (per region)	1,491	1,663	1,604	1,740	1,424
1.4 Average cost of entitlements per Member of Parliament	391	401	409	415	369
1.5 Average cost of support provided per Member of Parliament	16	18	20	20	17

## Service 1: Key Efficiency Indicators Explanatory Notes

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

This indicator reports the average operational expense for each office (including the Premier's Office and Leader of the Opposition) plus a proportion of the cost of executive support and corporate services allocated on an FTE basis. This efficiency indicator includes all costs associated with the day-to-day operation of the ministerial offices including the Premier's Office and the Leader of the Opposition.

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

This indicator reports the average expense for all Executive Government support functions per Ministerial Office (including the Premier's Office and Leader of the Opposition) plus a proportion of the cost of executive support and corporate services allocated on an FTE basis. Support to Ministerial Offices includes executive transport and services related to Ministerial Office coordination, correspondence, and the community comment line.

The increase (compared to Target) represents staff severances paid to Term of Government Staff due to the change of Government. The variance also reflects a revised KPI cost allocation framework and methodology used in 2016-17 due to the introduction of four new KPIs. The revised cost allocation framework has resulted in a decrease in costs allocated to the new KPI i.e. 'Total Cost to Deliver Policy Advice' (compared to when the budget 'target' was set during the 2016-17 Budget Process) and has shifted costs to other KPIs. As a result, the average cost of most KPIs within Service 1 have increased compared to last year, with the exception of this KPI.

The decrease for this KPI (compared to 2015-16 Actual) mainly relates to the change in the cost allocation framework used for 2016-17, which resulted in costs previously allocated to this KPI now more accurately allocated to the new KPI i.e. 'Total Cost to Deliver Policy Advice'.

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

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

The increase (compared to Target) in the average cost for the three overseas offices reflects the revised cost allocation framework and methodology for allocating costs to the efficiency KPIs (refer to the explanation provided for KPI 1.2).

#### 1.4 Average cost of entitlements per Member of Parliament

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

The increase (compared to Target) in the average cost of entitlements (which includes electorate office accommodation and staff) for each member of Parliament mainly reflects the revised cost allocation framework and methodology used for allocating costs to the efficiency KPIs (refer to the explanation provided for KPI 1.2) and staff severances paid to Term of Government staff due to the change in Government.

#### 1.5 Average cost of support provided per Member of Parliament

This indicator reports the average expense for administrative support to Electorate Offices per Member, including a proportion of the cost of executive support and corporate services allocated on an FTE basis. Average cost of support provided per Member of Parliament includes administration of entitlements, management of accommodation, and the salaries of the Government Whip Assistant and Electorate Executive Officers, divided by the number of Members of Parliament.

The increase (compared to Target) in the average cost of head office support provided to each Member of Parliament mainly reflects the revised cost allocation framework and methodology for allocating costs to all KPIs (refer to the explanation provided for KPI 1.2).

#### Service 2: Government Policy Management

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

- » strategic policy advice and coordination to the Premier and Cabinet, leadership and coordination of cross-agency solutions to complex issues;
- » management of the State occasions and official visits program;
- » management and coordination of Western Australian Government input into intergovernmental matters. This includes the Council of Australian Governments, meetings of senior officials, Council for the Australian Federation, parliamentary inquiries, international treaty matters and free-trade agreements; and
- » strategic, cross-portfolio advice on land, State and Commonwealth approvals and Indigenous issues.

The major activities undertaken in Service 2 are reflected in the following KPIs.

#### Service 2: Government Policy Management

	2013–14 Actual \$'000	2014–15 Actual \$'000	2015–16 Actual \$'000	2016–17 Actual \$'000	2016–17 Target \$'000
2.1 Average cost per Government Indigenous Land Use Agreement (ILUA) managed	427	502	402	121	196
2.2 Average cost per Project ILUA managed	1,195	908	779	225	299
2.3 Average Cost to Manage a Native Title Claim*	–	–	68	53	19
2.4 Total Cost to Deliver Policy Advice*	–	–	22,543	21,060	33,165
			2015–16 Actual #	2016–17 Actual #	2016–17 Target #
2.5 Number of Cabinet Submission Assessed*			631	466	700
2.6 Number of Cabinet Submission Briefing Notes provided to the Premier*			275	229	270

\* These are the new efficiency indicators for the year 2016-17. The prior year results have been calculated for comparative purposes.

#### Service 2: Key Efficiency Indicators Explanatory Notes

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

This efficiency indicator reports the cost of resources committed to the Department's efforts in negotiating with native title claim groups towards an outcome, where a registered Government ILUA is anticipated.

The decrease (compared to Target) in the average cost per Government ILUA mainly reflects savings in legal costs. Furthermore some shared Native Title administrative costs previously allocated to this KPI have now been allocated to the new KPI i.e. 'Average Cost to Manage a Native Title Claim'. This re-alignment of costs occurred after the budget 'Target' was set during the 2016-17 Budget Process.

The decrease from 2015-16 reflects the savings in legal fees and the revised cost allocation framework that has resulted in costs from this KPI being re-allocated to the new Native Title KPI i.e. 'Average Cost to Manage a Native Title Claim'.

### 2.2 Average cost per Project ILUA managed

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

This efficiency indicator reports on the cost of resources committed to the:

- » negotiation of new Project ILUAs; and
- » management of existing Project ILUAs.

A Project ILUA is:

- a. a Government ILUA that has been registered by the National Native Title Tribunal, including as part of a claims settlement process;
- b. an ILUA related to a strategic project being negotiated by the State that involves a future act process; and/or
- c. an existing ILUA related to a strategic project that involves a future act process.

The decrease (compared to Target) in the average cost per Project ILUA (registered) mainly reflects savings in legal costs. Furthermore, some shared Native Title administrative costs previously allocated to this KPI have now been allocated to the new KPI i.e. 'Average Cost to Manage a Native Title Claim'. This re-alignment of costs occurred after the budget 'Target' was set during the 2016-17 Budget Process.

The decrease from 2015-16 reflects the savings in legal fees and the revised cost allocation framework that has resulted in costs from this KPI being re-allocated to the new Native Title KPI i.e. 'Average Cost to Manage a Native Title Claim'.

### 2.3 Average Cost to Manage a Native Title Claim

The purpose of this indicator is to identify the average cost to manage each Native Title Claim through various research, negotiation and litigation activities.

The increase (compared to Target) in the 'Average Cost to Manage a Native Title Claim' for this new KPI mainly reflects the revised methodology for allocating Native Title administration costs, (refer to the explanation provided for KPI 2.1 and 2.2).

The decrease from 2015-16 mainly reflects overall savings in Native Title legal fees.

### 2.4 Total Cost to Deliver Policy Advice

This efficiency indicator reports on the total cost of resources committed to Government Policy Management (Service 2), after deducting costs for the management of Native Title Claims, Indigenous Land Use Agreements (ILUAs) grants, donations and non-core business costs included within Service 2.

The decrease (compared to Target) in the 'Cost to Deliver Policy Advice' reflects the revised allocation framework and methodology used to allocate costs to the efficiency KPIs (refer to the explanation provided for KPI 1.2). In addition the decrease reflects \$5 million for Innovation Strategy funding now transferred to the Department of Finance.

The 'resources' for this KPI mainly represent the staff (FTE) responsible for delivering policy advice. The average FTE required during 2016-17 was 97 (2015-16: 93) and the average cost per FTE for the cost to deliver policy advice was approximately \$217,000 (2015-16: \$242,000).

### 2.5 Number of Cabinet Submissions Assessed

The Department's purpose is to deliver high quality advice, services and support to enable the Premier and Government to serve the Western Australian community well. One of the Department's key policy goals is to deliver a high level of effective support and policy advice to meet the needs of executive government. This indicator focusses on the number of Cabinet submissions assessed by the Cabinet and Policy Division of the Department, prior to being considered by Cabinet. The Cabinet and Policy Division, and other areas as required, makes an assessment of Cabinet submissions received to determine whether Departmental advice is needed.

The decrease (compared to Target and last year) in the Number of Cabinet Submissions Assessed reflects the low number of Cabinet meetings during the third quarter of 2016-17, due to the March 2017 State Election.

### 2.6 Number of Cabinet Submission Briefing Notes provided to the Premier

This indicator focusses on the number of Cabinet submission briefing notes that are provided to the Premier for each Cabinet meeting. The Department provides strategic policy advice to the Premier on Cabinet Submissions of a strategic and contentious nature. This policy advice is in the form of a Cabinet submission briefing note, which is generated by policy staff and provided in the Premier's Cabinet file.

The decrease (compared to Target and last year) in the Number of Cabinet Submissions Briefing Notes provided to the Premier reflects the low number of Cabinet meetings during the third quarter of 2016-17, due to the 2017 March State Election.

## 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 (Premier) and Department of Treasury.

### Capital Works

The Department incurred purchase capital items of \$0.642 million during the financial year, predominantly for computer hardware/software and other office equipment.

### Employment and Industrial Relations

The Department's annual average paid full-time equivalent (FTE) employed in 2016–17 was 463 FTEs, compared to 2015–16 average paid FTE of 470 FTEs.[1]

As at 30 June 2017, the Department's workforce[2] employed in core business areas comprised of 85% permanent employees, 12% fixed term employees and 3% casual employees.

In the Parliamentary Electorate Offices, the annual average paid FTE in 2016–17 employed to support the State Members of Parliament was 188 FTEs.

[1] Represents updated 2015–16 annual report figure.

[2] Source HRMOIR

### Ministerial Directives

No Ministerial directions were received during the financial year.

### Governance Disclosures

#### Conflicts of Interest

The Department placed a strong emphasis on the need for staff to comply with the Conflicts of Interest Policy, a commitment that has assisted in maintaining the Department's impartiality and transparency of its business activities.

The Department educated and guided staff in the declaration and management of all actual, perceived and potential conflicts of interest.

#### Internal Audit

The Department engaged an external contractor to undertake internal audit services for the year, activities which were overseen by the Internal Audit Committee

and the Office of the Director General. The external contractor delivered three internal audit reports on various aspects of the Department's business.

#### External Audit

During 2016–17, the Department worked on addressing findings arising from a range of external audits conducted by the Office of the Auditor General, with a focus on improving processes and practices across the organisation.

#### Risk Management

A schedule was developed for the revision of all Risk Registers, in line with the Departmental policy that these documents be reviewed annually by the nominated Risk Coordinators.

#### Contact with a Lobbyist

The Department ensured compliance with the Public Sector Commission's Contact with Lobbyist Code.

#### Personal Use of Credit Cards

Personal expenditure under Treasurer's instruction 321 – Credit Cards – Authorised Use:	2015-16	2016-17
(a) the number of instances the Western Australian Government Purchasing Card has been used for a personal purpose;	10	7
(b) the aggregate amount of personal use expenditure for the reporting period;	\$8,253.42	\$2,283.44
(c) the aggregate amount of personal use expenditure settled within 5 days of notification;	\$4,016.07	\$ 59.19
(d) the aggregate amount of personal use expenditure settled after the period required by paragraph (c);	\$4,237.35	\$2,224.25
(e) the aggregate amount of personal use expenditure outstanding at the end of the reporting period; and	–	–
(f) the number of referrals for disciplinary action instigated by the notifiable authority during the reporting period.	–	–



## Board and Committee Remuneration

### Constitutional Centre Advisory Board Remuneration

Position	Name	Type of Remuneration	Period of Membership	Gross/Actual Remuneration (\$)
Chair	Hon Cheryl Edwardes	Sitting fee Resigned 1.6.17	3 years	612.00
Deputy Chair	Dr Robert Isaacs	Sitting fee Commenced 1.11.16	1 year	406.00
Member	Prof Harry Phillips	Sitting fee	3 years	812.00
Member	Prof David Black	Sitting fee	3 years	812.00
Member	Dr Janice Dudley	Sitting fee	3 years	783.20
Member	Ms Diana Warnock	Sitting fee	3 years	712.00
Member	Hon. John Cowdell	Sitting fee Resigned 31.10.16	3 years	
Member	Dr Sarah Murray	Sitting fee	3 years	812.00
Member	Hon Ray Halligan	Sitting fee	3 years	609.00
Member	Hon Christine Wheeler	N/A	3 years	N/A
Member	Mr Grant Donaldson SC	N/A	3 years	N/A
<b>TOTAL</b>				<b>5,558.20</b>

## Partnership Forum

Position	Name	Type of Remuneration	Period of Membership	Gross Remuneration (\$)	Actual Remuneration (\$)
Chair	Robyn Kruk MA**	Annual	2 years	23,733.00	23,314.75
Member	Ralph Addis	N/A	2 years	-	-
Member	Sue Ash AO**	N/A	2 years	-	-
Member	David Axworthy	N/A	2 years	-	-
Member	Pip Brennan	N/A	2 years	-	-
Member	Rebecca Brown	N/A	2 years	-	-
Member	Ian Carter AM	N/A	2 years	-	-
Member	Irina Cattalini**	N/A	2 years	-	-
Member	Ron Chalmers	N/A	2 years	-	-
Member	Peter Conran AM**	N/A	2 years	-	-
Member	David Smith**	N/A	2 years	-	-
Member	Taryn Harvey	N/A	2 years	-	-
Member	Paul Fleay	N/A	2 years	-	-
Member	Steve Joske CSC	N/A	2 years	-	-
Member	Debbie Karasinski	N/A	2 years	-	-
Member	Timothy Marney	N/A	2 years	-	-
Member	Jennifer Mathews	N/A	2 years	-	-
Member	Joan Mckenna Kerr	N/A	2 years	-	-
Member	Daniel Morrison	N/A	2 years	-	-
Member	Susan Murphy	N/A	2 years	-	-
Member	Ashley Reid	N/A	2 years	-	-
Member	Grahame Searle	N/A	2 years	-	-
Member	Gordon Trewern	N/A	2 years	-	-
Member	Emma White	N/A	2 years	-	-
Member	Paul Whyte	N/A	2 years	-	-
Member	Daniel Morrison	N/A	2 years	-	-

\*New Member at April 2017

\*\*Departed Member at April 2017

**TOTAL**

**23,733.00**

**23,314.75**

## 05

# Other Legal Requirements

The Bell Tower, Perth.



## Statement of Compliance with State Records Act 2000

### Section 19 and State Records Standards, Standard 2, Principle 6

Section 19 of the *State Records Act 2000* requires all agencies to have an approved Record Keeping Plan (RKP) that must be complied with by the organisation and its officers.

The Department has an approved RKP valid until 2020. The plan covers records of the Department, Office of the Premier, the Cabinet, the Executive Council and all Ministers.

Officers of the Department, Office of the Premier, the Cabinet, the Executive Council and all Ministers receive training to support compliance with the *State Records Act 2000*.

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

### State Records Commission Requirement

Whether the efficiency and effectiveness of the organisation's record keeping systems have been evaluated or alternatively when such evaluation is proposed.

The nature and extent of the record keeping training program conducted by or for the organisation.

Whether the efficiency and effectiveness of the record keeping training program has been reviewed or alternatively when this is planned to be done.

Assurance that the organisation's induction program addresses employee roles and responsibilities in regard to their compliance with the organisation's Record Keeping Plan.

### Department Compliance Action

» The Department has an approved and current RKP. Record Keeping Programs have been prepared and signed by all Ministers and the Parliamentary Secretary of the Cabinet. A Record Keeping Program has been prepared for the Special Inquiry into Government Programs and Projects. A new Retention and Disposal Authority for Royal Commissions and revised Retention and Disposal Authority for Special Inquiries are awaiting State Records Commission approval.

» All staff receive enrolment in an on-line self-paced records awareness training (RAT) system endorsed by the State Records Office. This training provides staff with a sound understanding of record keeping roles and responsibilities.

» 42 publications have been created for training purposes which include fact sheets, advice, training manuals & videos. An electronic magazine regarding record keeping matters is emailed to staff on a monthly basis.

» A compliant records system is used to capture electronic records; this year training was provided to 157 clients supporting approximately 742 users.

» The RAT is mandatory for all staff, with 94% of Departmental and 71% of Ministerial Office employees having completed the course. The RAT product has been reviewed and a new course will be released late in 2017.

» The RAT includes a staff feedback process, course participants have indicated a 93% approval of the content and 91% have indicated an improved understanding of record keeping roles and responsibilities after completing the RAT.

» Section 6 of the Department's online induction program covers archives and record keeping responsibilities.

» The Department also requires all staff to attend Accountable and Ethical Decision Making training which is based around the Department's Code of Conduct, Principle 6 of this training covers record keeping.

» All support materials are available to staff via the intranet.



## 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.

### Summary of Department of the Premier and Cabinet advertising in 2016–17

Summary of Advertising	Amount (\$)
Advertising Agencies	237,919
Market Research Organisations	–
Polling Organisations	–
Direct Mail Organisations	–
Media Advertising Agencies	69,917
<b>Total advertising expenditure</b>	<b>307,836</b>

### Department of the Premier and Cabinet advertising, by class of expenditure, 2016–17

Recipient/Organisation	Amount (\$)
<b>Advertising Agencies</b>	
Carat Australia	191,401
Adcorp Australia	46,518
<b>Total</b>	<b>237,919</b>
<b>Market Research Organisations</b>	
Nil	–
<b>Total</b>	<b>–</b>
<b>Polling Organisations</b>	
Nil	–
<b>Total</b>	<b>–</b>
<b>Direct Mail Organisations</b>	
Nil	–
<b>Total</b>	<b>–</b>
<b>Media Advertising Agencies</b>	
Clarity Corporate Communications	31,500
RARE Creative Thinking	22,010
Lux Events	5,422
Strut & Fret Production House	5,000
Plastafab	4,485
WebEdge Marketing	1,500
<b>Total</b>	<b>69,917</b>

### **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)*

The Department developed a new Disability Access and Inclusion Plan (DAIP) in 2016, setting out a number of initiatives scheduled to be implemented over a period of time until June 2021. The Department seeks the views of existing employees with disability to assist in development of the planned initiatives taking into consideration priority and appropriateness for use. This Plan is reviewed annually and outcomes are monitored periodically to ensure the initiatives are still relevant and the level of accessibility continues to be suitable.

In 2016, the Department made further progress towards ensuring the services and events of the Department are available to members of the public with disability by ensuring all employees make use of the Access and Inclusion Resource Kit when planning events.

### **Statement of Compliance with the Public Sector Standards and Ethical codes**

*Standards and Ethical Codes (Public Sector Management Act 1994, section 31[1])*

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

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

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

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

To ensure compliance with the Commissioner's Instructions No 1 on Employment Standard and No 2 on Filling a Public Sector Vacancy, the Department has in place a process to ensure merit,

equity, interest and transparency principles are maintained. Each recruitment, selection and appointment process is reviewed and considered in light of the four principles and open merit selection processes were undertaken.

***Compliance Issues: There were no breaches in the Employment Standard in the 2016–17 financial year.***

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

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

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



Elizabeth Quay, Perth.

# 06

## Government Policy Requirements



## Substantive Equality

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

The Department's commitment to the Policy Framework for Substantive Equality is reflected in the Department's Equal Opportunity Policy which is available to all staff via the Department's Intranet and as part of the Department's induction.

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

## Occupational Safety, Health and Injury Management

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

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

The Department is committed to continuous review and improvement of workplace safety and health.

The Department undertook an internal assessment of its OSH Management Systems in 2011 and continues to achieve the agreed outcomes. The Department has a documented Injury Management System in place in accordance with the *Workers' Compensation and Injury Management Act 1981* and this system assists the Department in providing injury management support to those who have sustained a work related injury or illness. This process involves identifying return to work goals and injury management interventions which are fundamental to a successful return to work program.

Measure	Actual Results		Results against Target	
	2015-16	2016-17	Target	Comment on Results Achieved
Number of fatalities	0	0	0	
Lost time injury/disease incidence rate	1%	1%	0 or 10% reduction	
Lost time injury/disease severity rate	0%	75%	0 or 10% reduction	3 severe LTI claims out of 4 total LTI claims
Percentage of injured workers returned to work:				
» vi. within 13 weeks	100%	75%	Actual result to be stated	
» vii. within 26 weeks	100%	100%		
Greater than or equal to 80%				
Percentage of managers trained in occupational safety, health and injury management responsibilities	84%	72%	Greater than or equal to 80%	High turnover of managerial staff in March 2017



### **Government Building Training Policy**

This reporting requirement is for monitoring the implementation of the Government Building Training (GBT) Policy. The GBT Policy aims to increase the number of apprentices and trainees in the building and construction industry by requiring contractors awarded State Government building, construction and maintenance contracts to commit to meeting a target training rate through employing construction apprentices and trainees.

At the 30 June 2017 no contract subject to the Government Building Training Policy had been awarded.









*Geikie Gorge National Park, the Kimberley.*

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