



Government of **Western Australia**
Department of **Water**



Looking after all our water needs

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Government of Western Australia
Department of Water



Looking after all our water needs

Statement of compliance

For the year ended 30 June 2012

Hon Bill Marmion, MLA
Minister for Water

In accordance with section 63 of the *Financial Management Act 2006*, I hereby submit for your information and presentation to Parliament, the Annual Report for the Department of Water for the financial year ended 30 June 2012.

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

Maree De Lacey
Director General

27 September 2012

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From the Director General - the year at a glance

Looking at the experience across Australia in recent years, it is evident that the nature of water – its availability, demand, and supply – is not static.

Water use in Western Australia, which is licensed by the Department of Water for domestic, agricultural and industrial use has almost quadrupled in the past three decades, driven by our enviable economy and growing population.

At the same time, recent experience paints a clear picture of the effect the drying climatic trend is having on the state's south-west and its consequent impacts on our water resources.

In that context, it is unsurprising that themes for the Department of Water in 2011–2012 have been reform, investment in science and knowledge, working together to adapt to today's challenges, and taking a coordinated approach to planning for Western Australia's future water supplies for industry, agriculture and domestic use.

In response, resources have been committed to groundwater investigations near Perth, which will inform future water resource management decisions. Additional projects were approved for investigations into key areas in the South Coast, South West, Mid West, Pilbara and Kimberley.

This is a significant investment into developing future water supplies and the scientific knowledge that is the foundation for the decisions we make in water planning, management, allocation and licensing.

In addition, funding has been directed to the upgrade of the department's ageing water management information technology systems. This will see the current unintegrated systems replaced with a single platform which will support better and more efficient resource management decisions and improve services to industry stakeholders. It will include capacity for online licence applications and information provision and more direct systems and processes for water trading.

Water legislative reform took a big step forward this year when both the Water Services Bill 2011 and the Water Services Legislation Amendment and Repeal Bill 2011 were passed by Parliament. Combined, the Bills will replace an outdated and complex legislative framework for water services with modern streamlined provisions which will

support private sector participation, protect water service consumers and bring the Bunbury and Busselton Water Boards under the same Act as the Water Corporation.

The Pilbara was a particular area of focus this year, with the department identifying and assisting in the development of short- and medium-term water sources as we work towards securing long-term reliable and sustainable water supplies. This included allocating additional water to the West Pilbara Water Supply Scheme, reserving water from the Bungaroo Valley and investing in investigations of the West Canning basin Sandfire aquifer.

During 2011–2012 the department worked closely with the horticulture and agriculture sectors and partner agencies across the state to plan for and secure sustainable water supplies for food and primary production. Work included:

- completion of the Gascoyne irrigation pipeline
- continued work on a flood mitigation planning for Carnarvon
- finalisation of the *Warren–Donnelly surface water allocation plan* which introduced a new and innovative variable take trial

- continuing to provide advice and administrative grants to assist dryland-agriculture local government areas and farmers to improve their emergency water supply planning through the rural water planning program.

The reduction in rainfall and recharge in some areas of the south-west of the state has meant we have had to make some difficult but essential decisions resulting in the reduction of available water and the subsequent reduction of allocation limits to less than the licensed amounts. This has been achieved through the allocation planning process, our engagement with stakeholders, and our commitment to understanding the needs of water users before making decisions that impact on them has been critical to our management.

The department's role as the state's lead agency in water policy, planning and resource management is a complex and challenging one in a changing environment. Our achievements in 2011–2012 are a testament to the exceptional dedication and expertise of all of our people across the state.

Maree De Lacey
Director General
Department of Water

Our role

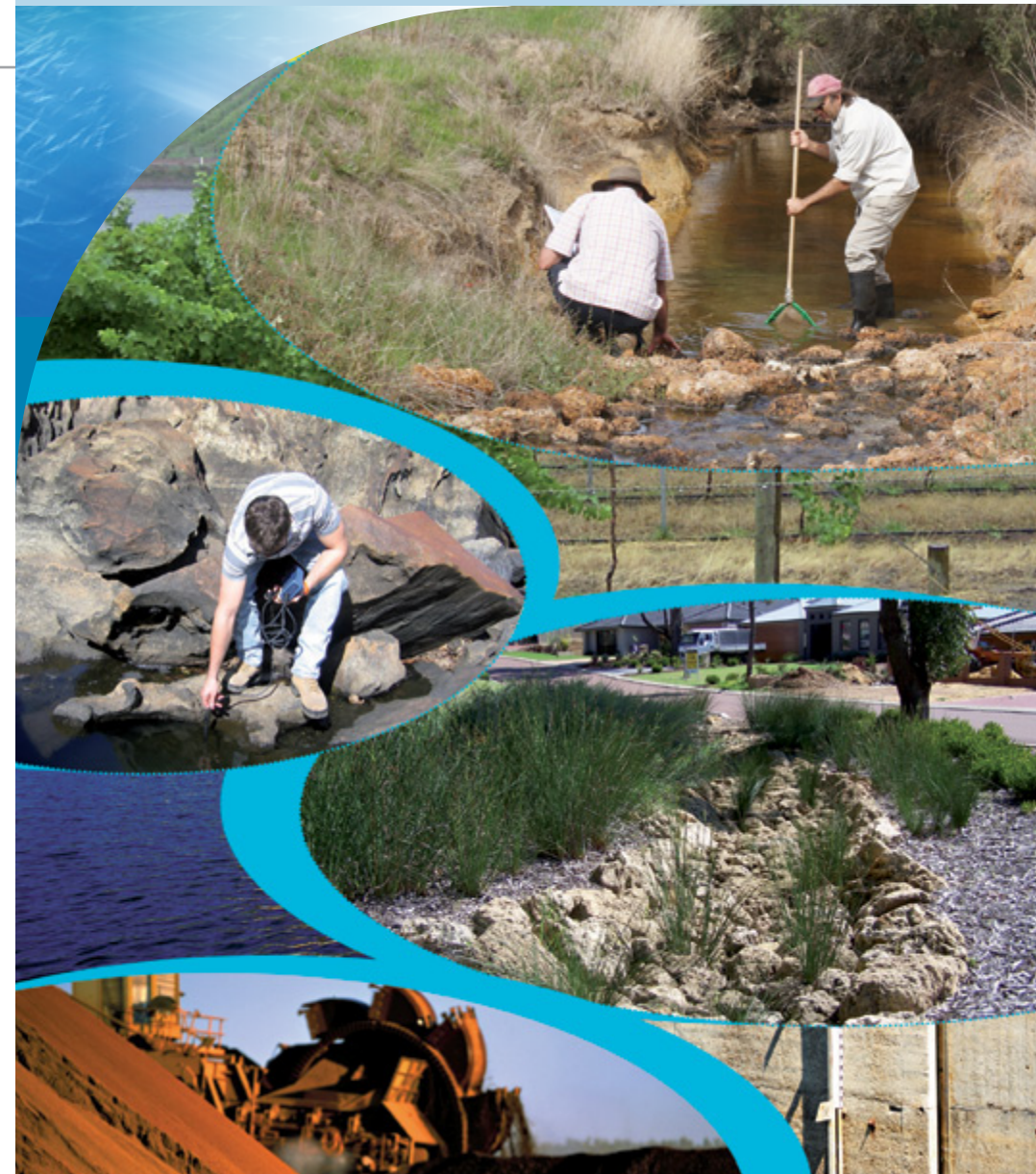
Our purpose is to support Western Australia's growth and development by managing the availability and quality of water sustainably – now and for the future.

What we do:

- lead policy development for water allocation and water service provision
- assess and advise on water availability and options to meet current and future demand
- encourage water conservation and promote innovative use of alternative water sources
- manage and regulate the use of water by water service providers and self-suppliers
- integrate water planning and land-use planning
- protect and improve water resources
- work with industry, government and community stakeholders to find solutions for better water use.

Our goals 2010–2015 are to ensure:

- water needs for social and economic growth are met now, and into the future
- Western Australia has contemporary and adaptive water management
- Western Australia meets national standards in water efficiency and demand management.



Operational structure

Under the Department of Water's new operational structure, established in 2011, our staff work across four directorates:

Policy and Innovation is responsible for policy and legislation for both the water services and water resource management areas.

It ensures policy is underpinned by appropriate community, economic and environmental analysis.

Science and Planning is responsible for the agency's water science and planning activities.

The directorate leads water allocation planning and water supply planning for industry and the community through decisions based on the latest science and water data. It makes sure that efficiency and demand management are embedded in water planning.

It integrates water planning into land use planning and manages water source catchment protection and recovery programs throughout the state.

Regional Delivery and Regulation is responsible for the delivery of the department's activities across seven regions and leads the regulation function for the department.

Its functions include licensing, water and land-use planning and measurement of the state's water resources. It handles all water licensing and guides and assists water users in licence applications and management, ensuring quality control and reduction of red tape in licence administration. Its staff work with licensees to ensure licence conditions are understood and met, and manages compliance and enforcement activities.

Corporate Strategy and Reform is responsible for ensuring the agency effectively manages its people, assets, finances, information and communications.

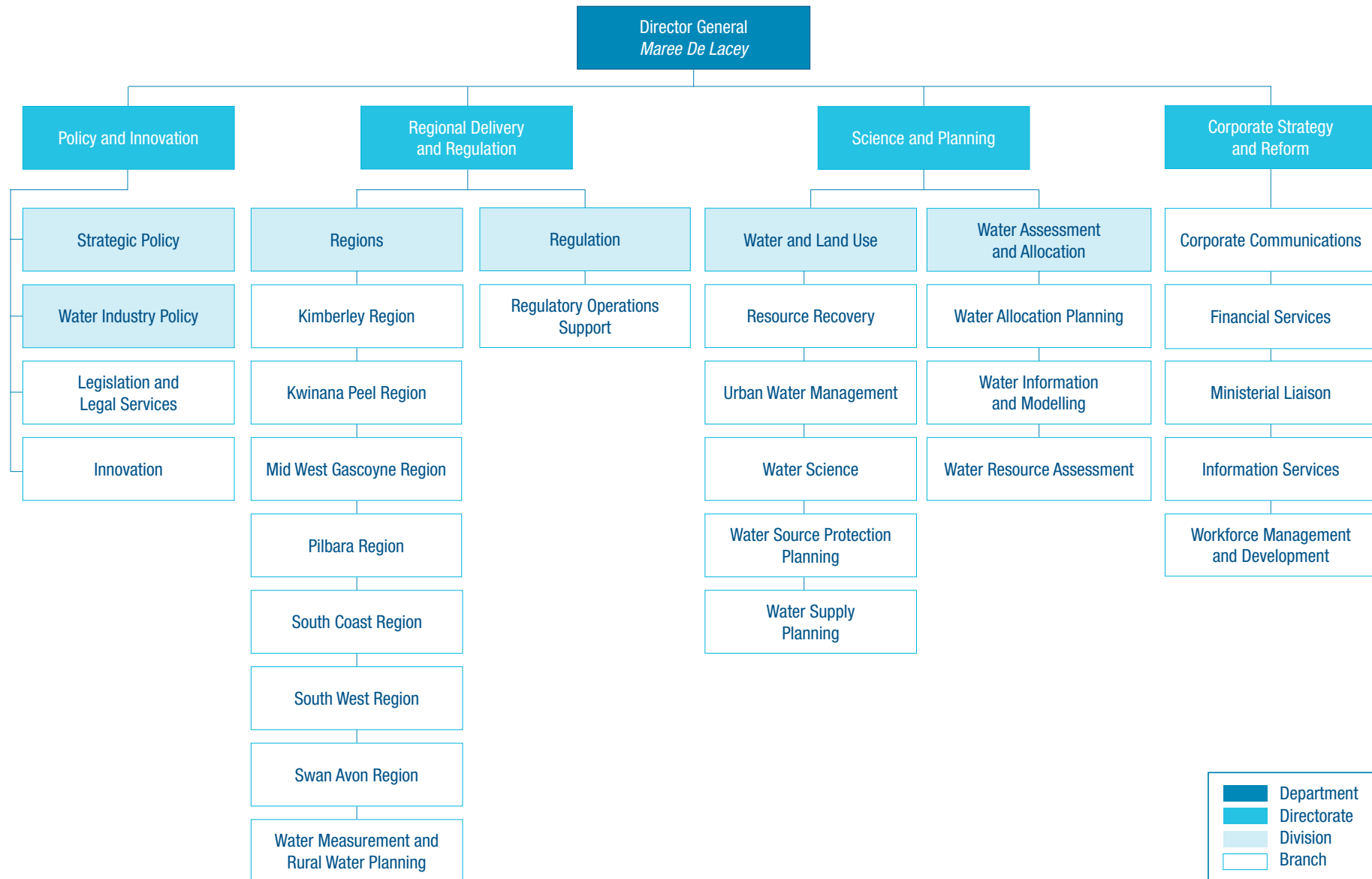
Enabling legislation

The proclamation on 31 January 2008 of the *Water Resources Legislation Amendment Act 2007* formally abolished the Water and Rivers Commission and transferred all functions to the Minister for Water and the Department of Water from 1 February 2008.

Responsible Minister

The Department of Water's responsibility from 1 July 2011 to 30 June 2012 was to the Minister for Environment; Water, the Hon. Bill Marmion MLA.

Organisational chart



Administered legislation

Legislation administered by the Department of Water as at 30 June 2012:

- *Busselton Water Board (Supply of Water to Dunsborough) Act 2009*
- *Country Areas Water Supply Act 1947*
- *Country Towns Sewerage Act 1948*
- *Land Drainage Act 1925*
- *Land Drainage (Validation) Act 1996*
- *Metropolitan Water Authority Act 1982*
- *Metropolitan Water Supply, Sewerage and Drainage Act 1909*
- *Rights in Water and Irrigation Act 1914*
- *Water Boards Act 1904*
- *Waterways Conservation Act 1976*
- *Water Agencies (Powers) Act 1984*
- *Water Services Licensing Act 1995*
- *Water Efficiency Labelling and Standards Act 2006*
- *Water Resources Legislation Amendment Act 2007*
- *Water Services Licensing Act 1995* (except part 5A which is administered by Department of Commerce)
- *Waterways Conservation Act 1976*

Other key legislation affecting on the department's activities

In the performance of its functions, the department complies with the following written laws:

- *Aboriginal Heritage Act 1972*
- *Auditor General Act 2006*
- *Contaminated Sites Act 2003*
- *Disability Services Act 1993*
- *Equal Opportunity Act 1984*
- *Financial Management Act 2006*
- *Freedom of Information Act 1992*
- *Industrial Relations Act 1979*
- *Minimum Conditions of Employment Act 1993*
- *Occupational Safety and Health Act 1984*
- *Public Sector Management Act 1994*
- *Salaries and Allowances Act 1975*
- *State Records Act 2000*
- *State Supply Commission Act 1991*



Performance management framework

The Department of Water supports government goals with a more specific desired outcome achieved and delivered across three service areas. The following illustrates the relationship between our agency-level desired outcome and the most appropriate government goal.

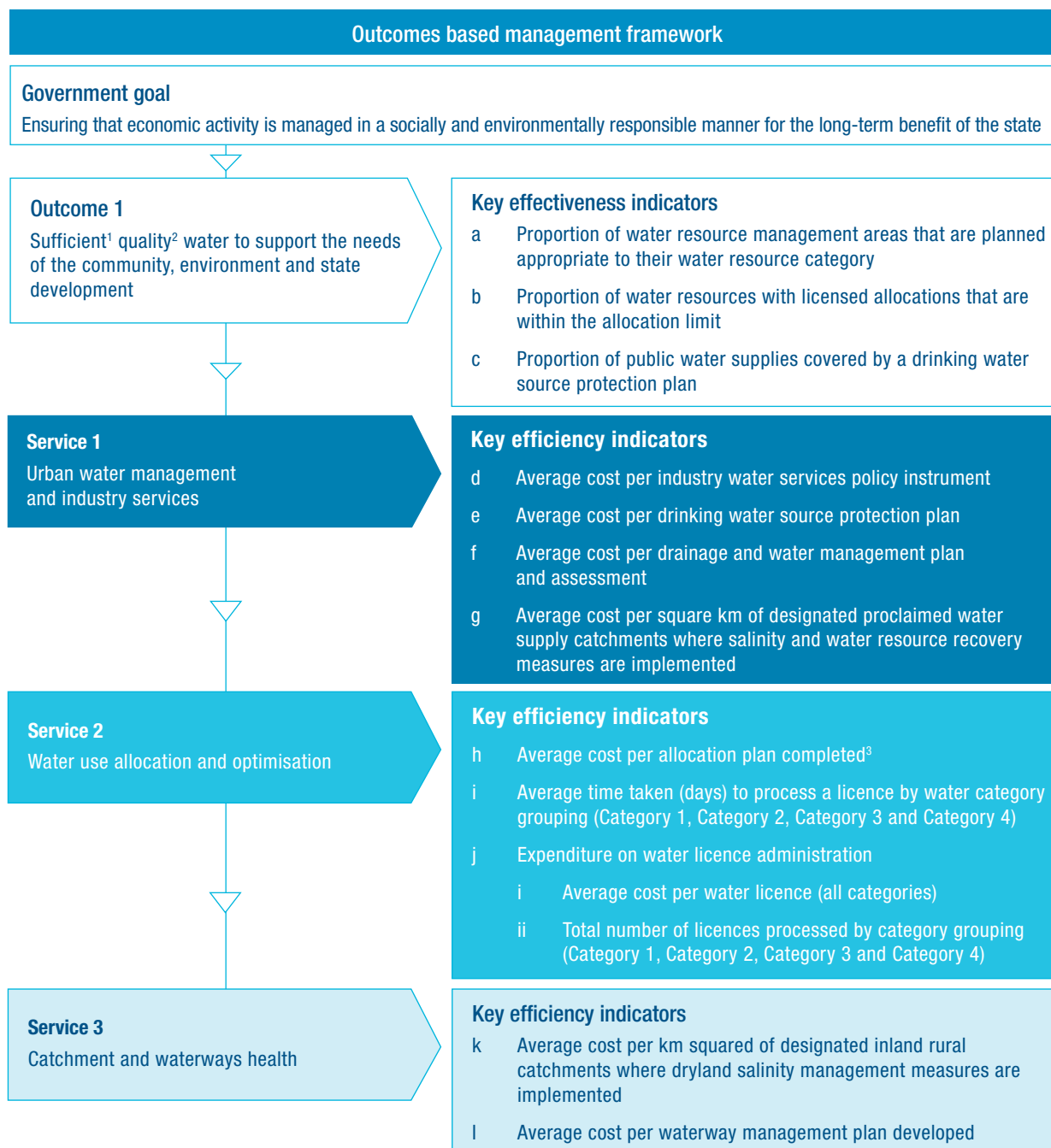
Changes from the 2010–2011 reporting year

The Department of Water's Outcome Based Management Framework did not change during 2011–2012.

Shared responsibility with other agencies

The Department of Water did not share any responsibilities with other agencies in 2011–2012.

- ¹ Sufficient – refers to the quantity of water, and relates to the department's role in ensuring that there is enough water to support social, environmental and economic needs.
- ² Quality – refers to the varying standards of water quality the department is responsible for managing and allocating for industry use, agricultural use or fit for human consumption.
- ³ This indicator is calculated using a three year rolling average.



Agency performance: report on operations

Service 1 |

Service 1: Urban water management and industry services

Progressing the state's legislative water reform agenda

The Water Services Bill 2011 and the Water Services Legislation Amendment and Repeal Bill 2011 were passed by Parliament in August. When they come into effect, the Bills will replace an outdated and complex legislative framework for water services with modern streamlined provisions which will reduce red tape, support private sector participation and bring the operations of Bunbury and Busselton Water Boards under the same Act as the Water Corporation.

The public will benefit from measures which will ensure increased customer protections including the creation of a Water Ombudsman to help resolve disputes between customers and water utilities, at no cost to those who make complaints. A discussion paper on a customer code for water service providers was released for public comment. Once finalised, the code will ensure appropriate levels of customer service are provided by water service providers.

Protecting valuable drinking water supplies

The protection of surface and groundwater is vital to Western Australia's drinking water supplies. Catchment protection reduces the cost of water treatment and delivers a more reliable, safer and lower-cost source of drinking water.

In 2011-2012, the department prepared nine public drinking water source protection plans for Jandakot, Angove, Esperance, Perth Coastal, Broome, Kununurra, Bungaroo, Nannup and Point Grey. Close to 90 per cent of water supplies across Western Australia are now covered by protection plans, which put in place management actions to safeguard surface and groundwater areas from polluting activities. These plans outline land uses that are compatible with the protection of drinking water sources.

These are an important part of ensuring Western Australians continue to receive safe, good quality water.

Supporting recreation activities and protecting public drinking water source areas

A 2010 report following a Parliamentary Committee Inquiry into Recreation activities within Public Drinking Water Source Areas, recommended a review of water source protection areas and the identification of areas that were no longer needed for public drinking water.

The committee recognised the importance of dams and other water catchments as an important part of the recreation opportunities available to communities in the state. However, it supported the need to ensure water quality in those areas essential for public drinking water continues to be protected.

In April 2012, Harvey Dam was the first of 11 areas identified by the committee for potential deproclamation, to have its protection status removed to allow for increased recreation opportunities.

This was complemented by the development of an updated policy, in consultation with stakeholders and government agencies, on recreation in public drinking water source areas which was released by the Minister for Water for public comment.

Improving urban and environmental water management

The Department of Water ensures land and water planning activities are aligned to deliver sustainable water and drainage management.

The department provided advice to decision-making authorities such as the Western Australian Planning Commission and local government authorities on planning proposals with water management implications to inform land development across the state.

In 2011–2012, assessments were conducted on:

- more than 2000 drainage and water management plans
- more than 1800 statutory referrals that were associated with urban land development
- 335 water management reports, submitted by developers as part of the subdivision approval process.

Service 1 |

Additionally, training was provided to more than 300 stakeholders on water-sensitive urban design and better urban water management.

Floodplain mapping

The Department of Water provides expertise in floodplain mapping and development strategies to government-planning agencies, local governments, developers, insurance companies and the general public.

The major flooding of the Gascoyne River in the Carnarvon area in 2010–2011 created a greater interest in predictive floodplain mapping as people sought to minimise flood risk and damage.

During 2011–2012, the department responded to more than 1000 requests for floodplain development advice from developers, insurance companies, local government and the general public.

Water efficiency, recycling and innovation

Five local government authorities were endorsed as Waterwise Councils over the last year with the Waterwise Councils Program winning an Australian Water Association Award. A total of 19 local government authorities are now accredited by the program.

We continue to take a lead role in coordinating inter-agency advice to proponents of innovative fit-for-purpose managed aquifer recharge and recycling projects. The *draft Approval framework for the use of non-drinking water in Western Australia*, developed by the department in close consultation with industry and other government agencies provides guidance for potential fit-for-purpose water supply projects.

A draft water recycling policy has been developed with input from industry and state government representatives. The proposed policy addresses potential and perceived barriers to water recycling in Western Australia.

The department worked with the Water Corporation, Aqwest (Bunbury Water Board) and Busselton Water to manage the winter sprinkler ban which saved an estimated 3.7 GL of scheme water.

The department also supported the state's water efficiency measures by regulating the number of days of use of domestic garden bores. This takes pressure off scheme water and uses non-drinking groundwater supplies.

Water efficiency measures, including the winter sprinkler ban, reduced domestic garden bore use by 25 per cent.

The department has worked with local governments across the state to bring to 53 the number that have developed water conservation plans. These plans have resulted in significant water savings.

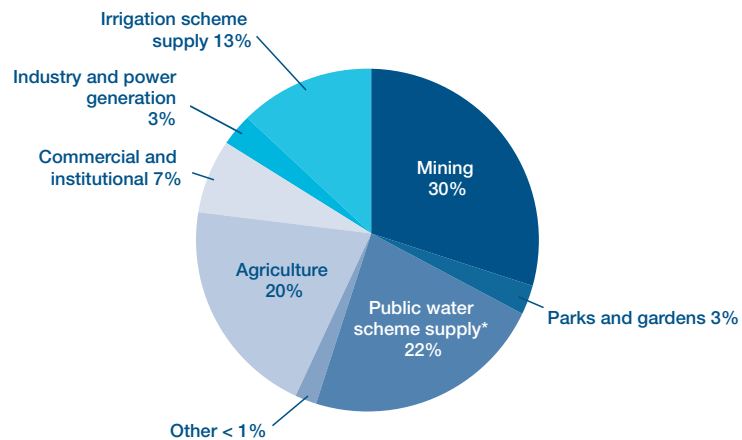
Service 2: Water-use allocation and optimisation

Managing water for the community, industry, agriculture and mining

The Department of Water licenses water to private self-supply water users, including for use in mining, agriculture, horticulture, public parks and recreation spaces.

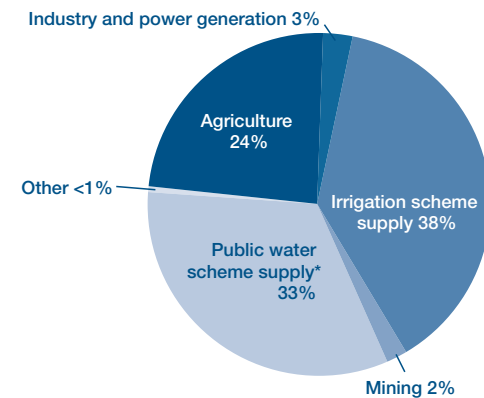
In addition, the department licenses water to public scheme water providers including the Water Corporation, Aqwest, Busselton Water and others.

Figure 1 Total licensed water by sector



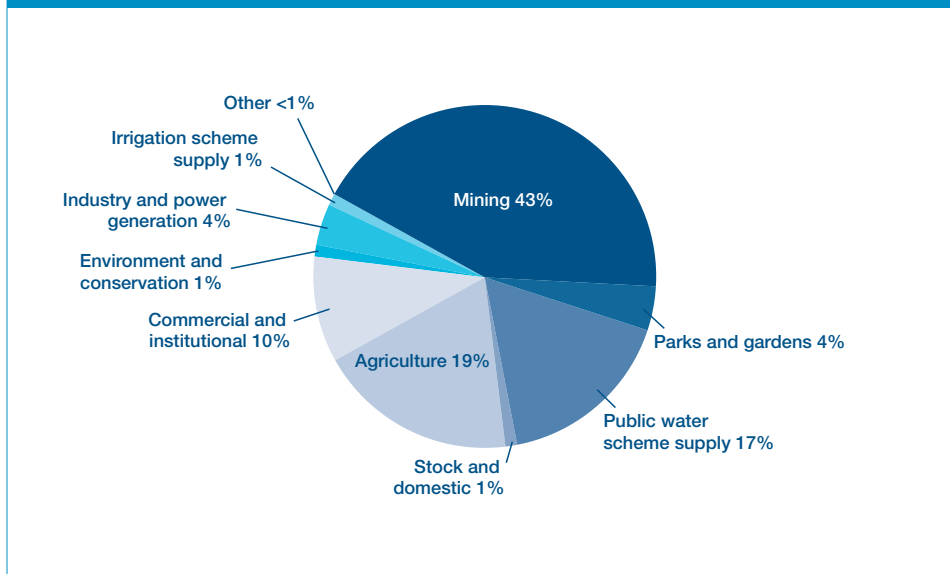
*This figure includes licensed surface water storage and entitlements which may not be available for use.

Figure 2 Total licensed surface water by sector



*This figure includes licensed surface water storage and entitlements which may not be available for use.

Figure 3 Total licensed groundwater by sector



Groundwater investigation and assessment

Areas have been identified for increased investment in water assessment and investigation as part of the department's planning, management, allocation and licensing which relies on the expertise of the department's water scientists.

The department has committed resources to bolster investigations and secured funding to complete strategic investigations until 2017.

These investigations will:

- enhance the department's monitoring network and improve the groundwater models that assist the department in determining groundwater allocation, planning and management decisions
- determine the potential to safely abstract more water from some currently used sources, and assess the potential of currently untapped aquifers to provide short- and long-term water options

- increase knowledge of Perth's most significant water resource, the Gnangara groundwater system
- explore the potential capacity of the deep confined aquifers and assess the opportunities for increasing the amount of water available through managed aquifer recharge.

This year the department completed a three-year National Water Commission funded groundwater investigation to better understand the vulnerability of groundwater-dependent ecosystems in the Mid West region.

This information will support sustainable water resource management actions in this high-demand area.

Water supply planning to support future growth

The establishment of the Water Supply Planning branch reflects the department's new strategic direction.

This branch works with other government agencies and water service providers to provide advice on water resource and supply options in the demand/supply balance in the short-medium- and long-term and options for meeting future demand.

To support continued growth due to the mining industry and to support communities, the department identifies water resources to provide reliable and sustainable water supplies.

Outcomes included:

- increasing allocation limits in the East Pilbara meeting immediate growth. The increase was based on four years of detailed investigations
- committing \$11 million to establish the availability of up to 50 GL of water for the region from the West Canning basin Sandfire aquifer to preserve water security for the East Pilbara into the future
- allocating funding to conduct climate assessments in partnership with industry and CSIRO to assess likely impacts on Pilbara water yields. The assessments will examine global climate modelling and other evidence to see if a pattern can be scientifically identified for future rainfall in the Pilbara.

Supporting the state's food bowls

The Gascoyne irrigation pipeline, a key initiative for the Gascoyne food-producing region, was completed this year.

The \$19.9 million project includes funding of \$7.4 million from the Western Australian Government's Royalties for Regions program, \$6.6 million from the Commonwealth Government via the Water for the Future Initiative and \$5.9 million from the Gascoyne Water Cooperative.

The 1200-hectare Carnarvon horticultural district produces more than \$70 million worth of fruit and vegetables each year. The Department of Water has supported the development of this region as a food bowl through the pipeline and allocation planning.

With the pipeline to service the horticulture district and allow for future expansion of 400 hectares, it is capable of delivering up to 22 GL of water per annum.

The Department of Water completed a new water allocation plan for the lower Gascoyne River to support the ongoing use of the lower Gascoyne River water resources.

In developing the plan, the department identified an extra 3.6 GL a year of water which could be available to irrigators. Of this amount, 3.3 GL will flow through the Gascoyne irrigation pipeline.

Ord River irrigation area

The department released the *Ord surface water allocation plan* for public comment. This plan provides guidance to manage the competing uses of water for hydro-power generation and irrigation and maintain the water-dependent environment.

The Ord River is recognised as a national food bowl and government and agricultural investors are keen to expand its production capability.

Warren–Donnelly region

During the year, the department finalised the *Warren–Donnelly surface water allocation plan*, the first plan of its kind in this area which was developed in partnership with the Warren Donnelly Advisory Group. This 'shared learning' approach partnered excellent science with the knowledge and experience of local water users, and is being adopted across the state.

The plan covers more than 6000 square kilometres of the Warren and Donnelly river basins which feed close to 500 on-stream dams, and establishes a management regime that is benchmarked to dry years to secure reliable water supplies.

To determine a mechanism that will allow water users to access more water in wetter years, an innovative trial is being undertaken. This trial reflects a commitment to finding new innovative ways to support regional economies to sustainably access the water they need for growth, even in a drying climate.

Delivering improvements to licensing and regulation

The department administered 13 874 licences and permits to 777 groundwater resources and 272 surface water resources.

During the year, the department received 3570 applications and granted 3315 licences and permits. This represented 217 less licence applications and 82 more licences granted than in the previous year.

The establishment of the Regulation division, part of the Regional Delivery and Regulation directorate, strengthened the department's focus on improving and streamlining regulation, removing red tape including unnecessary licence conditions, and generally taking an improved risk management approach to licensing.

Improvements in water licensing include:

- a new standards and auditing framework to guarantee consistent and transparent decisions in water licensing
- consistent administration of water licensing across the state
- provision of licensees with greater certainty about the requirements and process for obtaining or renewing a licence, and their obligations to comply with licence terms and conditions
- reviewed water licence conditions and more than 200 conditions will no longer be applied on new or renewed licences
- new initiatives implemented which had a direct positive impact on productivity statistics for licensing.

Table 1 Water licensing activity		
Licensing Productivity	2010–2011	2011–2012
Applications received	3787	3570
Licences/permits granted	3233	3315
Outstanding applications	1118	955
Outstanding > 90 days	720	555

First in first served policy review

At the request of the Minister, a review of the release of unallocated water, known as the *First in first served policy*, was undertaken and a discussion paper released for public comment.

This resulted in 82 submissions from a range of stakeholders which showed strong support for maintaining the *First in first served policy* where demand for water is low and for a market-based method where demand and competition for water is high.

The stakeholder feedback is being used to develop a draft policy.

Compliance and enforcement

The Department of Water has strengthened its focus on compliance, enforcement and regulation to ensure water is used legally, particularly in areas where the resource is at risk through a drying climate and increased usage.

The first priority is to work with licensees to secure cooperation with licence conditions. The improved risk management approach has also enabled the application of increased effort and resources to ensuring compliance with licence conditions in high risk areas.

The department is updating its compliance and enforcement policy for release for consultation later in 2012.

During the financial year, the Federal Government approved the department's compliance and enforcement implementation plan, and provided an extra \$6.3 million over five years to assist with national standards for compliance and enforcement in Western Australia.

Supporting dryland agricultural communities

Community Water Supply Program

As part of the measures to assist the five dryland agricultural areas, support was provided under the Community Water Supply Program to increase emergency water harvesting and storage capacity.

The funds will support investment by local government and community groups to develop off-farm fit-for-purpose community water supplies and supplement farming and community supplies during periods of low rainfall.

During the year, the Shires of Woodanilling, Trayning, Chapman Valley, Cranbrook and Mukinbudin received grants awarded under the community water supply program.

The Department of Water also continued to manage its rural emergency, non-potable water supply network to dryland areas.

A deficiency declaration resulted in water being carted in the Shire of Kent. Water was also carted to the Salmon Gums area where a drought declaration issued in June 2011 remained in place for the entire 2011–2012 financial year.

Farm water supply planning scheme and farm water rebate scheme

The farm water supply planning scheme and farm water rebate scheme continues to make rebates available to dryland farmers to help cover the costs of farm-supply water audits, emergency water supply planning and on-farm water supply infrastructure.

A 50 per cent rebate of the total cost of undertaking an audit of on-farm water assets and action plan preparation is available through the farm water supply planning scheme.

The farm-water rebate scheme supports infrastructure development to address existing water deficiencies and emphasises conservation and efficiency in water management and use.

Enabling better decision-making across sectors and across the state through the provision of water information

In 2011–2012, the department managed nearly 40 000 information requests.

Requests were for water information and analysis to assist water planning for both government and private sectors to support industry and development as well as science and education.

This information was supplied to a wide range of stakeholders, including consultants working for mining companies, industry, state and local government, private companies, landowners, managers and universities.

The year saw an increase of almost 100 per cent in automated delivery of water information. The primary users of the automated data delivery service were the Bureau of Meteorology, the University of Western Australia Centre of Water Research and the Water Corporation.

Excellence in science

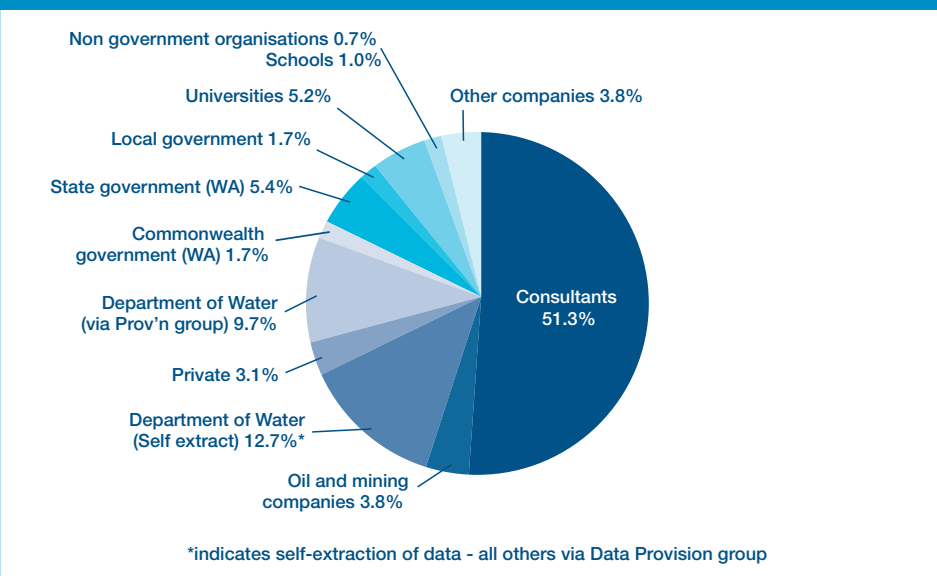
Good science underpins all the department's water planning and management activities.

The Department of Water and Sinclair Knight Mertz, with support from the National Water Commission, developed a new computer water allocation tool that simulates the impact of dams on rivers. For the first time, resource planners and farmers can accurately determine the correct dimensions of proposed dams for the areas to be irrigated, and the impacts of dams on the environment.

The tool is being evaluated in the Warren–Donnelly region and this has generated interest from the Eastern States where the impacts of use on surface water has not been so accurately measured in the past. The tool won a Western Australian Spatial Excellence Award.

The department's work on a 3D modelling tool of aquifer systems was also recognised with an award. This project was managed by the department and funded by the Bureau of Meteorology. The 3D model offers unique visual insights into the aquifer systems that often extend deep underground. It has major benefits for water assessment and planning, and also for supporting community understanding of the essential water resources that are 'hidden' under our state.

Figure 4 Total of non-automated water information requests by user category type



Service 3: Catchment and waterways health

Improving water quality in key areas

Water resource recovery catchments are priority areas for salinity management in Western Australia and form the primary focus of the department's salinity management program.

In 2011–2012, eight reports on resource recovery were completed, including the [Denmark River water resource recovery plan](#), as well as reports addressing specific salinity issues for the Wheatbelt, Dumbleyung, Morawa and Bodallin, and the watertable response to parallel drains statewide.

Collie-Kemerton

The Department of Water initiated the Collie-Kemerton industrial water supply strategy to improve water security for industry in upper Collie industrial parks and Kemerton industrial park as well as in the Collie River irrigation district.

The strategy will help confirm a proposed solution for water quality in the Wellington Dam and an investment framework for future water supply scenarios related to industry requirements.

Denmark

Monitoring data in the Denmark River found average annual salinity levels had dropped to 470 mg/l, making it the first time in nearly 40 years that salinity levels were below World Health Organization guidelines for drinking water.

The improved water quality means Denmark Dam has returned as a drinking water source and is supporting the Quickup Dam as a back-up water supply for the town of Denmark and neighbouring areas.

Wheatbelt

During the year, work continued on salinity issues in the eastern Wheatbelt, providing support to landholders to improve farm-water supplies and manage the effects of salinity.

This included establishing vegetation, drains, culverts and pumping systems for saline water management, so farmers could continue to be productive while dealing with salinity.

Waterways health

As the state's centre of expertise for estuarine science, the department undertook estuary condition assessments, including support for the Swan River Trust.

The department continued its surveillance of algal blooms and provided advice to the Department of Health and local governments about potential risks to human health. It also undertook technical investigations into the feasibility of managed aquifer recharge and developed water quality improvement plans as a whole-of-government response to estuary water quality issues. These included plans for the Scott River-Hardy Inlet and for the Leschenault Estuary.

Making a difference with award-winning science

The department received recognition for its past work during the year when it won an Australian Water Association water innovation award with CSIRO for the development of the nutrient binding product Phoslock that helps manage algal blooms by removing phosphorous from waterways

Now a commercial product no longer associated with the department, the product has made successful inroads to Europe, the USA and other international markets and has been used in lakes, reservoirs, ponds and irrigation channels in New Zealand, Asia, North America, Europe and Western Australia's own Canning River.

Organisational reform

New organisational structure

From 1 July 2011, a new organisational structure was implemented at the Department of Water. The structure was developed after a review of the agency's strategic direction in the second half of 2010 that refocussed and strengthened the department around key activities and outputs that aligned with and delivered on the state government's water priorities.

Organisational review

Concurrent with the development and implementation of the new organisational structure, the Department of Water conducted a comprehensive review of all its activities to ensure a clear focus on government priorities. This review and the restructure identified a number of areas where efficiencies could be made. It also identified areas where additional resources were needed.

FTE reductions were delivered through a combination of staff participation in the government's voluntary severance program, primarily targeting corporate services, administrative and regional support positions, and staffing reductions through not filling vacancies in non-essential positions.

By the end of 2011–2012 the department was delivering the required functions and operating at an FTE usage level below the approved FTE limits for 2012–2013.

Actual results versus budget targets

Financial targets			
	Target 2011–2012 ⁽¹⁾ \$,000	Actual 2011– 2012 \$,000	Variation ⁽²⁾ \$,000
Total cost of services (expense limit) (sourced from Statement of Comprehensive Income)	89 138	100 360	11 222 ^(a)
Net cost of services (sourced from Statement of Comprehensive Income)	73 371	81 667	8296 ^(b)
Total equity (sourced from Statement of Financial Position)	254 142	272 710	18 568 ^(c)
Net increase / (decrease) in cash held (sourced from Statement of Cash Flows)	202	10 023	9821 ^(d)
Approved full time equivalent (FTE) staff level	580	475	(105) ^(e)

⁽¹⁾ As specified in the budget statements

⁽²⁾ Further explanations are contained in **Note 34** 'Explanatory Statements' in the financial statements.

^(a) Additional expenditure from the Target 2011–2012 was made during the year from external funds received and unspent from prior years (\$4.8 million), unbudgeted payments made under the state government's voluntary severance scheme (\$3.5 million), other amounts spent above target (\$3.8 million)

^(b) Additional expenditure from the Target 2011–2012 was made during the year from external funds received and unspent from prior years (\$4.8 million), unbudgeted payments made under the state government's voluntary severance scheme (\$3.5 million), other amounts spent above target (\$3.8 million). Amounts paid under the state government's voluntary severance scheme were funded by additional appropriation

^(c) Net revaluation of measurement sites and land and buildings increased equity by \$31 million, net transfers of assets to or from other government agencies was \$13 million less than the target due to transfers of land reserves to other government agencies and land sale proceeds remitted to the Department of Treasury

^(d) External funds received in 2011–2012 but not spent \$4.1 million, amounts received for capital projects to be spent in 2012–2013 \$2.6 million

^(e) Staff reductions made as a result of business improvements and structural reform

Service areas - Summary of audited key performance indicators

Note: the details of the key performance indicators, including a description of the measures and variance analysis, are included in the section 'Detailed information in support of key performance indicators'.

- Effectiveness indicators

Performance indicator	Target 2011-2012 ¹ %	Actual 2011-2012 %	Variance %
Proportion of water resource management areas that are planned appropriate to their water resource category	80	85	5
Proportion of water resources with licensed allocations that are within their allocation limit	85	81	(4)
Proportion of public water supplies covered by drinking water source protection plan	96	90	(6)

¹ As specified in the budget statements

Service 1: Urban water management and industry services

- Efficiency indicators

Performance indicator	Target 2011-2012 ¹ \$	Actual 2011-2012 \$	Variance \$
Average cost per industry water services policy instrument	42 915	50 976	8061
Average cost per drinking water source protection plan	577 737	665 778	88 041
Average cost per drainage and water management plan and assessment	6797	5902	(895)
Average cost per square kilometre of designated proclaimed water supply catchments where salinity and water resource recovery measures are implemented	250	500	250

¹ As specified in the budget statements

Service areas - Summary of audited key performance indicators

Service 2: Water-use allocation and optimisation

- Efficiency indicators

Performance indicator	Target 2011-2012 ¹	Actual 2011-2012	Variance
Average cost per allocation plan completed (\$)	1 024 119	1 419 826	395 707
Average time taken (days) to process a licence by water category grouping			
Category 1	40	60	20
Category 2	40	68	28
Category 3	50	70	20
Category 4	60	64	4
Expenditure on water licence administration			
Average cost per water licence (all categories) (\$)	1786	2436	650
Total number of licences processed by category grouping			
Category 1	1000	846	(154)
Category 2	2200	2204	4
Category 3	5000	3293	(1707)
Category 4	3600	5473	1873

¹ As specified in the budget statements

Service 3: Catchment and waterways health

- Efficiency indicators

Performance indicator	Target 2011-2012 ¹	Actual 2011-2012	Variance
	\$	\$	\$
Average cost per square kilometre of designated inland rural catchments where dryland salinity management measures are implemented	779	293	(486)
Average cost per waterway management plan developed	583 997	1 125 513	541 516

¹ As specified in the budget statements

Significant issues affecting the agency

Current and emerging issues and trends

Key strategic goals for the department are to ensure water needs for the population and economic growth are met now and for the future, Western Australia has contemporary and adaptive water management, and the state meets national standards in water efficiency and demand management.

The major challenges for the state's lead agency for water planning, policy and resource management relate to a changing climate concurrent with an increasing demand for water.

Since the mid-1970s, average rainfall in Western Australia's south-west has declined by more than 10 per cent. This has resulted in a 50 per cent decline in average runoff to Perth's water storage dams. Climate forecasts project further declines in rainfall in the south-west and increasing variability in the north of the state.

At the same time, demand for water for domestic, agricultural and industrial use continues to increase.

Likely developments and forecast results of operations

To deliver on its strategic goals, the department has reviewed its structure and business processes. As a result, it has strengthened its capacity in science, planning, policy and regulation. In particular:

- Creation of a regulation division has enabled the department to improve licensing administration processes, remove red tape and sharpen its compliance and enforcement focus.
- Establishment of a Water Supply Planning branch signals the importance of identifying and developing future water supplies and provides a central point through which planning activities can be directed.
- Over the coming years, enhanced groundwater investigations will be undertaken in targeted areas, including Perth, the South Coast, the Mid West, Pilbara and Kimberley. This work will provide valuable data to enable future water-planning decisions based on sound scientific underpinnings.

- Development of new information systems will enable improvements to water allocation, the efficiency of licensing and compliance processes, and information provision for government, industry and the community.

The legislative environment is also changing. The Water Services Bill 2011 and Water Services Legislation Amendment and Repeal Bill 2011 will replace 10 existing Acts. The new Acts will provide better protection for water customers and help facilitate more competition in the water services sector.

Disclosures and legal compliance

Audit certificate I

Audit certificate



Auditor General

INDEPENDENT AUDITOR'S REPORT

To the Parliament of Western Australia

DEPARTMENT OF WATER

Report on the Financial Statements

I have audited the accounts and financial statements of the Department of Water.

The financial statements comprise the Statement of Financial Position as at 30 June 2012, the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows, Schedule of Income and Expenses by Service, Schedule of Assets and Liabilities by Service, and Summary of Consolidated Account Appropriations and Income Estimates for the year then ended, and Notes comprising a summary of significant accounting policies and other explanatory information, including Administered transactions and balances

Director General's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In my opinion, the financial statements are based on proper accounts and present fairly, in all material respects, the financial position of the Department of Water at 30 June 2012 and its financial performance and cash flows for the year then ended. They are in accordance with Australian Accounting Standards and the Treasurer's Instructions.

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7th Floor Albert Facey House 469 Wellington Street Perth MAIL TO: Perth BC PO Box 8489 Perth WA 6849 TEL: 08 6557 7500 FAX: 08 6557 7600

Report on Controls

I have audited the controls exercised by the Department of Water during the year ended 30 June 2012.

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

Director General's Responsibility for Controls

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

Auditor's Responsibility

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

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

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

Opinion

In my opinion, the controls exercised by the Department of Water are sufficiently adequate to provide reasonable assurance that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions during the year ended 30 June 2012.

Report on the Key Performance Indicators

I have audited the key performance indicators of the Department of Water for the year ended 30 June 2012.

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

Director General's Responsibility for the Key Performance Indicators

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

Auditor's Responsibility

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

Page 2 of 3

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

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

Opinion

In my opinion, the key performance indicators of the Department of Water are relevant and appropriate to assist users to assess the Department's performance and fairly represent indicated performance for the year ended 30 June 2012.

Independence

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

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

This auditor's report relates to the financial statements and key performance indicators of the Department of Water for the year ended 30 June 2012 included on the Department's website. The Department's management is responsible for the integrity of the Department's website. This audit does not provide assurance on the integrity of the Department's website. The auditor's report refers only to the financial statements and key performance indicators described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these financial statements or key performance indicators. If users of the financial statements and key performance indicators are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial statements and key performance indicators to confirm the information contained in this website version of the financial statements and key performance indicators.

GLEN CLARKE
DEPUTY AUDITOR GENERAL
Delegate of the Auditor General for Western Australia
Perth, Western Australia
21 September 2012

Page 3 of 3



Government of **Western Australia**
Department of **Water**



Looking after all our water needs

Certification of financial statements for the year ended 30 June 2012

The accompanying financial statements of the Department of Water 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 ending 30 June 2012 and the financial position as at 30 June 2012.

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

Greg Davis
A / Director General
Department of Water
17 September 2012

Glenn Nordsvan
Chief Finance Officer
Department of Water
17 September 2012

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10/09/12

Financial statements I

Statement of comprehensive income for the year ended 30 June 2012			
	Note	2012	2011
		\$'000	\$'000
COST OF SERVICES			
Expenses			
Employee benefits expense	6	52 930	51 512
Supplies and services	7	23 770	28 636
Depreciation and amortisation expense	8	5 720	6 281
Accommodation expenses	9	5 093	5 052
Grants and subsidies	10	10 827	6 129
Loss on disposal of non-current assets	15	-	-
Other expenses	11	2 020	4 091
Total cost of services		100 360	101 701
Income			
Revenue			
User charges and fees	12	58	92
Commonwealth grants and contributions	13	11 889	10 235
Other revenue	14	6 095	19 035
Total Revenue		18 042	29 362
Gains			
Gain on disposal of non-current assets	15	651	309
Total Gains		651	309
Total income other than income from State Government		18 693	29 671
NET COST OF SERVICES		81 667	72 030
INCOME FROM STATE GOVERNMENT			
Service appropriation	16	78 769	72 493
Initial recognition of assets		-	53
Assets transferred		-	1 926
Resources received free of charge		1 488	908

Financial statements I

Statement of comprehensive income for the year ended 30 June 2012			
	Note	2012	2011
		\$'000	\$'000
Royalties for regions fund		6368	1445
Total Income from State Government		86 625	76 825
SURPLUS/(DEFICIT) FOR THE PERIOD		4958	4795
OTHER COMPREHENSIVE INCOME			
Changes in asset revaluation surplus		4679	26 802
Gains/(losses) recognised directly in equity		1330	(2)
Total other comprehensive income		6009	26 800
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		10 967	31 595

See also the 'Schedule of income and expenses by service'

The Statement of comprehensive income should be read in conjunction with the accompanying notes.

Financial statements I

Statement of Financial Position as at 30 June 2012

	Note	2012	2011
		\$'000	\$'000
ASSETS			
Current Assets			
Cash and cash equivalents	29	19 538	9293
Restricted cash and cash equivalents	17, 29	9256	9627
Receivables	18	1470	2028
Amounts receivable for services	19	4465	4996
Other current assets	20	969	878
Non-current assets classified as held for sale	21	3458	3695
Total Current Assets		39 156	30 517
Non-Current Assets			
Restricted cash and cash equivalents	17, 29	1077	928
Amounts receivable for services	19	14 800	12 505
Property plant and equipment	22, 24	239 560	237 605
Intangible assets	23, 24	623	979
Total Non-Current Assets		256 060	252 017
TOTAL ASSETS		295 216	282 534
LIABILITIES			
Current Liabilities			
Payables	25	6647	4551
Provisions	26	12 681	11 586
Other current liabilities	27	69	224
Total Current Liabilities		19 397	16 361
Non-Current Liabilities			
Provisions	26	3012	4786
Other non-current liabilities	27	97	97
Total Non-Current Liabilities		3109	4883
Total Liabilities		22 506	21 244
NET ASSETS		272 710	261 290
EQUITY	28		
Contributed equity		232 787	232 334
Reserves		45 012	40 333
Accumulated surplus/(deficit)		(5089)	(11 377)
TOTAL EQUITY		272 710	261 290

See also the 'Schedule of Assets and Liabilities by Service'.

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

Financial statements I

Statement of changes in Equity for the year ended 30 June 2012

	Note	Contributed equity	Reserves	Accumulated surplus/ (deficit)	Total equity
		\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2010	28	231 633	13 531	(16 170)	228 994
Surplus / (deficit)		-	26 802	4795	31 597
Expense recognised directly in equity ^(a)		-	-	(2)	(2)
Total comprehensive income for the year		-	26 802	4793	31 595
Transactions with owners in their capacity in their capacity as owners:					
Capital contributions		3625	-	-	3625
Other contributions by owners		1762	-	-	1762
Distribution to owners		(4 686)	-	-	(4686)
Total		701	26 802	4793	32 296
Balance at 30 June 2011		232 334	40 333	(11 377)	261 290
Balance at 1 July 2011		232 334	40 333	(11 377)	261 290
Surplus / (deficit)		-	4679	4958	9637
Expense recognised directly in equity ^(a)		-	-	1330	1330
Total comprehensive income for the year		-	4679	6288	10 967
Transactions with owners in their capacity in their capacity as owners:					
Capital contributions		2791	-	-	2791
Other contributions by owners		1963	-	-	1963
Distribution to owners		(4 301)	-	-	(4301)
Total		453	-	-	453
Balance at 30 June 2012		232 787	45 012	(5 089)	272 710

The statement of changes in equity should be read in conjunction with the accompanying notes.

^(a) This represents the deficit in the asset revaluation reserves on derecognition of land. The deficit is transferred directly to accumulated funds as per AASB 116 paragraph 41.

Financial statements I

Statement of Cash Flows for the year ended 30 June 2012			
	Note	2012	2011
		Inflows (outflows) \$'000	Inflows (outflows) \$'000
CASH FLOWS FROM STATE GOVERNMENT			
Service appropriation		72 071	66 115
Capital contributions		2791	3625
Holding account drawdowns		4996	2200
Royalties for regions fund		6368	1445
Net cash provided by State Government		86 226	73 385
Utilised as follows:			
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Employee benefits		(53 499)	(49 495)
Supplies and services		(19 680)	(25 858)
Accommodation		(5041)	(4915)
Grants and subsidies		(11 045)	(6071)
GST payments on purchases		(3474)	(4363)
Other payments		(1996)	(3955)
Receipts			
User charges and fees		71	41
Commonwealth grants and contributions		11 889	10 804
GST receipts on sales		1007	2709
GST receipts from taxation authority		2204	1812
Other Receipts		6510	19 332
Net cash (used in) operating activities	29	(73 054)	(59 959)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments			
Purchase of non-current physical assets		(3159)	(3720)
Receipts			
Proceeds from sale of non-current physical assets		1274	1993
Net cash (used in) investing activities		(1885)	(1727)
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipts/(refunds) of Developer Bonds ^(a)		-	(10)
Net proceeds on sale of land remitted to Treasury ^(b)		(1264)	(1944)

Financial statements I

Statement of Cash Flows for the year ended 30 June 2012

	Note	2012	2011
		Inflows (outflows) \$'000	Inflows (outflows) \$'000
Net cash (used in) financing activities		(1264)	(1954)
Net increase/(decrease) in cash and cash equivalents		10 023	9745
Cash and cash equivalents at the beginning of period		19 848	10 103
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	29	29 871	19 848

- (a) Amounts paid for by developers and held in trust for which the amount is refunded on completion of works as per an agreed contract
 (b) Payments into the Consolidated Account include net proceeds on sale of land collected 2010-2011 and 2011-2012 financial year.

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

Financial statements I

Schedule of income and expenses by service for the year ended 30 June 2012								
	Urban water management and industry services		Water use allocation and optimisation		Catchments and waterways health		Total	
	2012 (\$000)	2011 (\$000)	2012 (\$000)	2011 (\$000)	2012 (\$000)	2011 (\$000)	2012 (\$000)	2011 (\$000)
COST OF SERVICES								
Expenses								
Employee benefits expense	18 004	19 590	30 034	24 906	4892	7016	52 930	51 512
Supplies and services	8378	11 469	13 125	11 752	2267	5415	23 770	28 636
Depreciation	1050	1036	4389	4827	281	418	5720	6281
Accommodation expenses	1712	1788	2925	2611	456	653	5093	5052
Grants and subsidies	4500	3007	5603	1183	724	1939	10 827	6129
Loss on disposal of non-current assets	-	-	-	-	-	-	-	-
Other expenses	522	1427	1118	1801	380	863	2020	4091
Total cost of services	34 166	38 317	57 194	47 080	9000	16 304	100 360	101 701
Income								
User charges and fees	5	67	52	25	1	-	58	92
Commonwealth grants and contributions	3759	3696	6913	4243	1217	2296	11 889	10 235
Other revenue	1976	12 515	3019	2662	1100	3858	6095	19 035
Total Revenue	5740	16 278	9984	6930	2318	6154	18 042	29 362
Gains								
Gain on disposal of non-current assets	219	114	373	152	59	43	651	309
Total income other than income from State Government	5959	16 392	10 357	7082	2377	6197	18 693	29 671
NET COST OF SERVICES	28 207	21 925	46 837	39 998	6623	10 107	81 667	72 030
INCOME FROM STATE GOVERNMENT								
Service appropriation	27 320	34 985	43 676	32 486	7773	5022	78 769	72 493
Initial recognition of assets not previously recognised	-	21	-	25	-	7	-	53
Assets transferred	-	709	-	949	-	268	-	1926
Resources received free of charge	502	334	852	447	134	127	1488	908
Royalties for regions fund	2185	533	3601	711	582	201	6368	1445
Total income from State Government	30 007	36 582	48 129	34 618	8489	5625	86 625	76 825
Surplus / (deficit) for the period	1800	14 657	1292	(5380)	1866	(4482)	4958	4795

The Schedule of income and expenses by service should be read in conjunction with the accompanying notes.

Financial statements I

Schedule of Assets and Liabilities by Service for the year ended 30 June 2012

	Urban water management and industry services		Water use allocation and optimisation		Catchments and waterways health		Total	
	2012 (\$000)	2011 (\$000)	2012 (\$000)	2011 (\$000)	2012 (\$000)	2011 (\$000)	2012 (\$000)	2011 (\$000)
ASSETS								
Current assets	13 205	10 780	22 420	15 491	3 531	4 246	39 156	30 517
Non-current assets	86 354	89 028	146 614	127 927	23 092	35 062	256 060	252 017
Total assets	99 559	99 808	169 034	143 418	26 623	39 308	295 216	282 534
LIABILITIES								
Current liabilities	6 541	5 780	11 107	8 305	1 749	2 276	19 397	16 361
Total non-current liabilities	1 048	1 725	1 781	2 479	280	679	3 109	4 883
Total liabilities	7 589	7 505	12 888	10 784	2 029	2 955	22 506	21 244
NET ASSETS	91 970	92 303	156 146	132 634	24 594	36 353	272 710	261 290

The schedule of assets and liabilities by service should be read in conjunction with the accompanying notes.

Financial statements I

Summary of consolidated account appropriations and income estimates for the year ended 30 June 2012

	2012 Estimate \$'000	2012 Actual \$'000	Variance \$'000	2012 Actual \$'000	2011 Actual \$'000	Variance \$'000
DELIVERY OF SERVICES						
Item 106 Net amount appropriated to deliver services	74 114	78 536	4422	78 536	72 559	5977
Amount authorised by other statutes						
- <i>Salaries and Allowances Act 1975</i>	223	233	10	233	225	8
Total appropriations provided to deliver services	74 337	78 769	4432	78 769	72 784	5985
CAPITAL						
Item 169 Capital contribution	2791	2791	-	2791	3625	(834)
ADMINISTERED TRANSACTIONS						
Item 102 Administered grants and subsidies	605	593	(12)	593	1383	(790)
Total administered transactions	605	593	(12)	593	1383	(790)
GRAND TOTAL	77 733	82 153	4420	82 153	77 792	4361
Details of Expenses by Service						
Urban water management and industry services	36 049	34 166	(1883)	34 166	38 317	(4151)
Water use allocation and optimisation	42 732	57 194	14 462	57 194	47 080	10 114
Catchment and waterways health	10 357	9000	(1357)	9000	16 304	(7304)
Total Cost of Services	89 138	100 360	11 222	100 360	101 701	(1341)
Less total income	(15 767)	(18 693)	(2 926)	(18 693)	(29 671)	10 978
Net Cost of Services	73 371	81 667	8296	81 667	72 030	9637
Adjustments	966	(2 898)	(3864)	(2 898)	754	(3652)
Total appropriations provided to deliver services	74 337	78 769	4432	78 769	72 784	5985
Capital Expenditure						
Purchase of non-current physical assets	2791	3159	368	3159	2820	339
Adjustments for other funding sources	-	(368)	(368)	(368)	805	(1173)
Capital Contribution (appropriation)	2791	2791	-	2791	3625	(834)
DETAILS OF INCOME ESTIMATES						
Income disclosed as Administered Income	605	605	-	605	1388	(783)

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

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

Notes to the Financial Statements for the year ended 30 June 2012

1 Australian Accounting Standards

General

The Department's financial statements for the year ended 30 June 2012 have been prepared in accordance with Australian Accounting Standards. The term 'Australian Accounting Standards' includes Standards and Interpretations issued by the *Australian Accounting Standards Board* (AASB).

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

Early Adoption of Standards

The Department cannot early adopt an Australian Accounting Standard unless specifically permitted by TI 1101 'Application of Australian Accounting Standards and Other Pronouncements'. There has been no early adoption of Australian Accounting standards that have been issued or amended (but not operative) by the Department for the annual reporting period ended 30 June 2012.

2 Summary of significant accounting policies

(a) General Statement

The Department is a not-for-profit reporting entity that prepares general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board 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 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 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, except for land, buildings and infrastructure which have been measured at fair value. 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.

(c) Reporting Entity

Mission

The Department supports Western Australia's growth and development by managing the availability and quantity of water sustainably - now and for the future.

The Department is mainly funded by Parliamentary appropriation, and is supplemented by funds received from other sources to provide specialist related services.

Services

Service 1: Urban Water Management and Industry Services

Facilitates urban development within the state and provides a policy framework for efficient, reliable, quality and competitive water services to the community via water service providers.

Service 2: Water Use Allocation and Optimisation

Ensuring the State's water resources are managed and shared to meet social, economic and environmental needs through the development of water allocation plans, water supply planning, water licensing, water accounting and trading. The Department manages water use and efficiency by allocating water volume according to its availability and managing the conditions by which water is extracted.

Financial statements I

Service 3: Catchment and Waterways Health

This service contributes to the management and restoration of the State's waterways to meet community aspirations and needs, and plans for salinity recovery catchments.

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 40** 'Administered expenses and income' and **note 41** '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.

Transfer of net assets to/from other agencies, other than as a result of a restructure of administrative arrangements, are designated as contributions by owners where the transfers are non-discretionary and non-reciprocal.

(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 by reference to the stage of completion of the transaction.

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 determination specified in the 2011-2012 Budget Statements, the Department retained \$18 042 million in 2012 (\$29 362 million in 2011) from the following:

- proceeds from fees and charges;
- specific grants from other state government agencies;
- Commonwealth specific purpose grants and contributions; and
- other departmental revenue.

Grants, donations, gifts and other non-reciprocal contributions

Revenue is recognised at fair value when the Department obtains control over the assets comprising the contributions, 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.

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Gains

Realised or unrealised gains and 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 and infrastructure costing \$5000 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 and infrastructure costing less than \$5000 are immediately expensed direct to the Statement of Comprehensive Income.

Initial recognition and measurement

Property, plant and equipment and infrastructure are initially recognised at cost.

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

Subsequent measurement

Subsequent to initial recognition as an asset, the revaluation model is used for the measurement of land, buildings and measurement sites and historical cost for all other property, plant and equipment. Land, buildings and measurement sites are carried at fair value less accumulated depreciation on buildings and measurement sites and accumulated impairment losses. All other items of property, plant and equipment and infrastructure are stated at historical cost less accumulated depreciation and accumulated impairment losses.

Where market-based evidence is available, the fair value of land and buildings is determined on the basis of current market buying values determined by reference to recent market transactions. When buildings are revalued by reference to recent market transactions, the accumulated depreciation is eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount.

In the absence of market-based evidence, fair value of land and buildings is determined on the basis of existing use. This normally applies where buildings are specialised or where land use is restricted. Fair value for existing use assets is determined by reference to the cost of replacing the remaining future economic benefits embodied in the asset, i.e. the depreciated replacement cost. Where the fair value of buildings is determined on the depreciated replacement cost basis, the gross carrying amount and the accumulated depreciation are restated proportionately.

Land and buildings are independently valued annually by Landgate and recognised annually to ensure that the carrying amount does not differ materially from the asset's fair value at the end of the reporting period.

When buildings are revalued, the accumulated depreciation is eliminated against the gross carrying amount of the asset and the net amount re-stated to the revalued amount.

Fair value for measurement sites has been determined by reference to the cost of replacing the remaining future economic benefits embodied in the asset. This depreciated replacement cost method is used as the measurement sites are specialised and no market based evidence of value is available. When the measurement sites are revalued, the accumulated depreciation is restated proportionately with the change in the gross carrying amount of the asset so that the carrying amount of the asset after revaluation equals its revalued amount.

The most significant assumptions in estimating fair value are made in assessing whether to apply the existing use basis to assets and in determining estimated useful life. Professional judgement by the valuer is required where the evidence does not provide a clear distinction between market type assets and existing use assets.

Refer to **Note 22** 'Property, plant and equipment' for further information on revaluations.

Derecognition

Upon disposal or derecognition of an item of property, plant and equipment and infrastructure, any revaluation reserve relating to that asset is transferred to the retained earnings within equity.

Asset revaluation surplus

The asset revaluation surplus is used to record increments and decrements on the revaluation of non-current assets as described in **Note 22** 'Property, plant and equipment'.

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Depreciation

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

Depreciation is calculated using the straight line method, using rates which are reviewed annually.

Estimated useful lives for each class of depreciable asset are:

Buildings	20 years
Infrastructure	20 years
Plant and equipment	5-20 years
Computer equipment (software and hardware)	3-5 years
Furniture and fittings	7-10 years
Leasehold improvements	20 years
Measurement sites	20-40 years

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

Land is not depreciated.

(g) Intangible assets

Capitalisation/expensing of assets

Acquisitions of intangible assets costing \$5000 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 life. 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:

Development costs	3 to 5 years
Computer software ^(a)	3 to 5 years
Software licences	3 to 5 years

^(a) Software that is not integral to the operation of any related hardware

Development Costs

Research costs are expensed as incurred. Development costs incurred for an individual project are carried forward when the future economic benefits can reasonably be regarded as assured and the total project costs are likely to exceed \$50 000. Other development costs are expensed as incurred.

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 \$5000 is expensed in the year of acquisition.

Software Licences

Software licences are charged as expenses when they are incurred unless they are for a period of greater than one year. Software licences are capitalised when the probable future economic benefits that can be reliably measured.

(h) Impairment of Assets

Property, plant and equipment, infrastructure 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. As the Department is a not-for-profit entity, unless an asset has been identified as a surplus asset, the recoverable amount is the higher of the asset's fair value less costs to sell and depreciated replacement cost.

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

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

The recoverable amount of assets identified as surplus assets is the higher of fair value less costs to sell and the present value of future cash flows expected to be derived from the asset. Surplus assets carried at fair value have no risk of material impairment where fair value is determined by reference to market-based evidence. Where fair value is determined by reference to depreciated replacement cost, surplus assets are at risk of impairment and the recoverable amount is measured. Surplus assets at cost are tested for indications of impairment at the end of each reporting period.

(i) **Non-current assets (or disposal groups) classified as held for sale**

Non-current assets (or disposal groups) classified as held for sale are recognised at the lower of carrying amount and fair value less costs to sell, and are disclosed separately from other assets in the Statement of Financial Position. Assets classified as held for sale are not depreciated or amortised.

All Crown land holdings are vested in the Department by the Government. The Department of Regional Development and Lands (DRDL) is the only agency with the power to sell Crown land. The Department transfer the Crown land and any attached buildings to DRDL when the land becomes available for sale.

(j) **Leases**

Finance lease rights and obligations are initially recognised, at the commencement of the lease term, as assets and liabilities equal in amount to the fair value of the leased item or, if lower, the present value of the minimum lease payments, determined at the inception of the lease. The assets

are disclosed as plant, equipment and vehicles under lease, and are depreciated over the period during which the Department is expected to benefit from their use. Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding lease liability, according to the interest rate implicit in the lease.

The Department holds operating leases for head office and a number of branch office buildings. Lease payments are expensed on a straight line basis over the lease term as this represents the pattern of benefits derived from the leased properties.

(k) **Financial Instruments**

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

- Loans and 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
- Amounts receivable for services

Financial Liabilities

- Payables
- Other borrowings

Initial recognition and measurement of financial instruments 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 rate applicable and subsequent measurement is not required as the effect of discounting is not material.

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(l) 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 short-term deposits with original maturities of three months or less that are readily convertible to a known amount of cash and which are subject to insignificant risk of changes in value.

(m) Accrued Salaries

Accrued salaries (see **note 25** 'Payables') represent the amount due to staff but unpaid at the end of the financial year. Accrued salaries are settled within a fortnight of the financial year end. The Department considers the carrying amount of accrued salaries to be equivalent to its fair value.

The accrued salaries suspense account (see **note 17** '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 in that year instead of the normal 26. No interest is received on this account.

(n) Amounts Receivable for Services (Holding Account)

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

(o) Receivables

Receivables are recognised at original invoice amount less an allowance for uncollectible amounts (i.e. impairment). The collectability of receivables is reviewed on an ongoing basis and any receivables identified as uncollectible are written-off against the allowance account. The allowance for uncollectible amounts (doubtful debts) is raised when there is objective evidence that the Department will not be able to collect the debts. The carrying amount is equivalent to fair value as it is due for settlement within 30 days. See **note 35** '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.

(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 each reporting period. See **note 26** 'Provisions'.

Provisions - Employee benefits

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

Annual Leave

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

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

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

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

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Long service leave

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

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

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

Unconditional long service leave provisions are classified as current liabilities as the Department does not have an unconditional right to defer settlement 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 twelve months leave in the fifth year of the agreement. The provision recognises the value of salary set aside for employees to be used in the fifth year. This liability is measured on the same basis as annual leave. Deferred leave is reported as a current provision as employees can leave the scheme at their discretion at any time.

Purchased leave

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

Superannuation

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

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

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

The Department has no liabilities under the Pension Schemes 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.

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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 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 in respect of employees who are not members of the Pension Scheme or GSS.

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

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

Provisions - Other

Employment On-Costs

Employment on-costs, including workers' compensation insurance, are not employee benefits and are recognised separately as liabilities and expenses when the employment to which they relate has occurred. Employment on-costs are included as part of 'Other expenses' and are not included as part of the Department's 'Employee benefits expense'. The related liability is included in 'Employment on-costs provision'. See **note 11** 'Other Expenses' and **note 26** 'Provisions'.

Warranties

Provision is made for the estimated liability on all products still under warranty at the end of the reporting period. The amount of the provision is the present value of the estimated future cash outflows expected to settle the warranty obligations, having regard to the warranty experience over the last five years and the risks of the warranty obligations.

Restoration Costs

A provision is recognised where the Department has a legal or constructive obligation to undertake restoration work. Estimates are based on the present value of expected future cash outflows.

(r) Superannuation Expense

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

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

Resources received free of charge or for nominal cost that can be reliably measured are recognised as income at fair value. Where the resource received represents a service that the Department would otherwise pay for, a corresponding expense is recognised. Receipts of assets are recognised in the Statement of Financial Position.

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

(t) Comparative Figures

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

3 Judgements made by management in applying accounting policies

The judgements that have been made in the process of applying accounting policies that have the most significant effect on the amounts recognised in the financial statements pertain to the revaluation of measurement sites. The Department revalued its measurement sites assets on the gross basis of revaluation as per AASB 116 'Property, plant and equipment'.

Operating Lease Commitments

The Department has entered into a number of leases for buildings for branch office accommodation. Some of these leases relate to buildings of a temporary nature and it has been determined that the lessor retains all of the risks and rewards incidental to ownership. Accordingly, these leases have been classified as operating leases.

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4 Key sources of estimation uncertainty

Key estimates and assumptions concerning the future are based on historical experience and various factors that have a significant risk of causing 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 future expected payments. Changes in these estimations and assumptions may impact on the carrying amount of the long service leave provision.

5 Disclosure of changes in accounting policy and estimates

Initial application of an Australian Accounting Standard

The Department has applied the following Australian Accounting Standards effective for annual reporting periods beginning on or after 1 July 2011 that impacted on the Department.

Title	
AASB 1054	<p>Australian Additional Disclosures</p> <p>This Standard, in conjunction with AASB 2011-1 Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project, removes disclosure requirements from other Standards and incorporates them in a single Standard to achieve convergence between Australian and New Zealand Accounting Standards. There is no financial impact.</p>
AASB 2009-12	<p>Amendments to Australian Accounting Standards [AASB 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 & 1031 and Int 2, 4, 16, 1039 & 1052]</p> <p>This Standard makes editorial amendments to a range of Australian Accounting Standards and Interpretations. There is no financial impact.</p>

Title	
AASB 2010-4	<p>Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 1, 7, 101 & 134 and Int 13]</p> <p>The amendments to AASB 7 clarify financial instrument disclosures in relation to credit risk. The carrying amount of financial assets that would otherwise be past due or impaired whose terms have been renegotiated is no longer required to be disclosed. There is no financial impact.</p> <p>The amendments to AASB 101 clarify the presentation of the statement of changes in equity. The disaggregation of other comprehensive income reconciling the carrying amount at the beginning and the end of the period for each component of equity can be represented in either the Statement of Changes in Equity or the Notes. There is no financial impact.</p>
AASB 2010-5	<p>Amendments to Australian Accounting Standards [AASB 1, 3, 4, 5, 101, 107, 112, 118, 119, 121, 132, 133, 134, 137, 139, 140, 1023 & 1038 and Int 112, 115, 127, 132 & 1042]</p> <p>This Standard makes editorial amendments to a range of Australian Accounting Standards and Interpretations. There is no financial impact.</p>
AASB 2010-6	<p>Amendments to Australian Accounting Standards - Disclosures on Transfers of Financial Assets [AASB 1 & 7]</p> <p>This Standard introduces additional disclosure relating to transfers of financial assets in AASB 7. An entity shall disclose all transferred financial assets that are not derecognised and any continuing involvement in a transferred asset, existing at the reporting date, irrespective of when the related transfer transaction occurred. There is no financial impact.</p>
AASB 2011-1	<p>Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence project [AASB 1, 5, 101, 107, 108, 121, 128, 132 & 134 and Int 2, 112 & 113]</p> <p>This Standard, in conjunction with AASB 1054, removes disclosure requirements from other Standards and incorporates them in a single Standard to achieve convergence between Australian and New Zealand Accounting Standards. There is no financial impact.</p>

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Title	
AASB 2011-5	<p>Amendments to Australian Accounting Standards - Extending Relief from Consolidation, the Equity Method and Proportionate Consolidation [AASB 127, 128 & 131]</p> <p>This Standard extends the relief from consolidation, the equity method and proportionate consolidation by removing the requirement for the consolidated financial statements prepared by the ultimate or any intermediate parent entity to be IFRS compliant, provided that the parent entity, investor or venturer and the ultimate or intermediate parent entity are not-for-profit non-reporting entities that comply with Australian Accounting Standards. There is no financial impact.</p>
<p>Future impact of Australian Accounting Standards not yet operative:</p> <p>The Department cannot early adopt an Australian Accounting Standard unless specifically permitted by TI 1101 'Application of Australian Accounting Standards and Other Pronouncements'. Consequently, the Department has not applied early any following Australian Accounting Standards that have been issued that may impact the Department. Where applicable, the Department plans to apply these Australian Accounting Standards from their application date:</p>	

Title		Operative for reporting periods beginning on or after
AASB 9	<p>Financial Instruments</p> <p>The Standard supersedes AASB 139 Financial Instruments: Recognition and Measurement, introducing a number of changes to accounting treatments.</p> <p>The Standard was reissued on December 2010. The Department has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2013
AASB 10	<p>Consolidated Financial Statements</p> <p>This Standard supersedes requirements under AASB 127 Consolidated and Separate Financial Statements and Int 112 Consolidation - Special Purpose Entities, introducing a number of changes to accounting treatments.</p> <p>The Standard was issued in August 2011. The Department has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2013
AASB 11	<p>Joint Arrangements</p> <p>Ventures, introducing a number of changes to accounting treatments.</p> <p>The Standard was issued in August 2011. The Department has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2013

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Title		Operative for reporting periods beginning on or after
AASB 12	<p>Disclosure of Interests in Other Entities</p> <p>This Standard supersedes disclosure requirements under AASB 127 Consolidated and Separate Financial Statements, AASB 128 Investment in Associates and AASB 131 Interests in Joint Ventures.</p> <p>The Standard was issued in August 2011. The Department has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2013
AASB 13	<p>Fair Value Measurement</p> <p>This Standard defines fair value, sets out a framework for measuring fair value and requires disclosures about fair value measurements. There is no financial impact.</p>	1 Jan 2013
AASB 119	<p>Employee Benefits</p> <p>This Standard supersedes AASB 119 (October 2010). As the Department does not operate a defined benefit plan, the impact of the change is limited to measuring annual leave as a long-term employee benefit. The resultant discounting of the annual leave benefit has an immaterial impact.</p>	1 Jan 2013
AASB 127	<p>Separate Financial Statements</p> <p>This Standard supersedes requirements under AASB 127 Consolidated and Separate Financial Statements, introducing a number of changes to accounting treatments.</p> <p>The Standard was issued in August 2011. The Department has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2013

Title		Operative for reporting periods beginning on or after
AASB 128	<p>Investments in Associates and Joint Ventures</p> <p>This Standard supersedes AASB 128 Investments in Associates, introducing a number of changes to accounting treatments.</p> <p>The Standard was issued in August 2011. The Department has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2013
AASB 1053	<p>Application of Tiers of Australian Accounting Standards</p> <p>This Standard establishes a differential financial reporting framework consisting of two tiers of reporting requirements for preparing general purpose financial statements. There is no financial impact.</p>	1 Jul 2013
AASB 2009-11	<p>Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and Int 10 & 12]</p> <p>[Modified by AASB 2010-7]</p>	01 Jul 2013
AASB 2010-2	<p>Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements [AASB 1, 2, 3, 5, 7, 8, 101, 102, 107, 108, 110, 111, 112, 116, 117, 119, 121, 123, 124, 127, 128, 131, 133, 134, 136, 137, 138, 140, 141, 1050 & 1052 and Int 2, 4, 5, 15, 17, 127, 129 & 1052]</p> <p>This Standard makes amendments to Australian Accounting Standards and Interpretations to introduce reduced disclosure requirements for certain types of entities. There is no financial impact.</p>	01 Jul 2013

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Title		Operative for reporting periods beginning on or after
AASB 2010-7	<p>Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Int 2, 5, 10, 12, 19 & 127]</p> <p>This Standard makes consequential adjustments to other Australian Accounting Standards and Interpretations as a result of issuing AASB 9 in December 2010. The Department has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2013
AASB 2011-2	<p>Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project - Reduced Disclosure Requirements [AASB 101 & AASB 1054]</p> <p>This Standard removes disclosure requirements from other Standards and incorporates them in a single Standard to achieve convergence between Australian and New Zealand Accounting Standards for reduced disclosure reporting. There is no financial impact.</p>	1 Jul 2013

Title		Operative for reporting periods beginning on or after
AASB 2011-6	<p>Amendments to Australian Accounting Standards - Extending Relief from Consolidation, the Equity Method and Proportionate Consolidation Reduced Disclosure Requirements [AASB 127, 128 & 131]</p> <p>This Standard extends the relief from consolidation, the equity method and proportionate consolidation by removing the requirement for the consolidated financial statements prepared by the ultimate or any intermediate parent entity to be IFRS compliant, provided that the parent entity, investor or venturer and the ultimate or intermediate parent entity comply with Australian Accounting Standards or Australian Accounting Standards - reduced Disclosure Requirements. There is no financial impact.</p>	1 Jul 2013

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Title		Operative for reporting periods beginning on or after
AASB 2011-7	Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards [AASB 1, 2, 3, 5, 7, 9, 2009-11, 101, 107, 112, 118, 121, 124, 132, 133, 136, 138, 139, 1023 & 1038 and Int 5, 9, 16 & 17] This Standard gives effect to consequential changes arising from the issuance of AASB 10, AASB 11, AASB 127 Separate Financial Statements and AASB 128 Investments in Associates and Joint Ventures. The Department has not yet determined the application or the potential impact of the Standard.	1 Jan 2013
AASB 2011-8	Amendments to Australian Accounting Standards arising from AASB 13 [AASB 1, 2, 3, 4, 5, 7, 9, 2009-11, 2010-7, 101, 102, 108, 110, 116, 117, 118, 119, 120, 121, 128, 131, 132, 133, 134, 136, 138, 139, 140, 141, 1004, 1023 & 1038 and Int 2, 4, 12, 13, 14, 17, 19, 131, & 132] This Standard replaces the existing definition and fair value guidance in other Australian Accounting Standards and Interpretations as the result of issuing AASB 13 in September 2011. There is no financial impact.	1 Jan 2013
AASB 2011-9	Amendments to Australian Accounting Standards - Presentation of Items of Other Comprehensive Income [AASB 1, 5, 7, 101, 112, 120, 121, 132, 133, 134, 1039 & 1049] This Standard requires to group items presented in other comprehensive income on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments). The Department has not yet determined the application or the potential impact of the Standard.	1 Jul 2012

Title		Operative for reporting periods beginning on or after
AASB 2011-10	Amendments to Australian Accounting Standards arising from AASB 119 [September 2011] [AASB 1, 8, 101, 124, 134, 1049 & 2011-8 and Int 14] This Standard makes amendments to other Australian Accounting Standards and Interpretations as a result of issuing AASB 119. There is limited financial impact.	1 Jan 2013
AASB 2011-11	Amendments to AASB 119 (September 2011) arising from Reduced Disclosure Requirements. This Standard gives effect to Australian Accounting Standards - Reduced Disclosure Requirements for AASB 119 (September 2011). There is no financial impact.	1 Jul 2013
AASB 2012-1	Amendments to Australian Accounting Standards - Fair Value Measurement - Reduced Disclosure Requirements Measurement - Reduced disclosure Requirements [AASB 3, 7, 13, 140 and 141] This Standard establishes and amends reduced disclosure requirements for additional and amended disclosures arising from AASB 13 and the consequential amendments implemented through AASB 2011-8. There is no financial impact.	1 Jul 2013

Financial statements I

Notes to the financial statements for the year ended 30 June 2012

		2011 \$000	2010 \$000
6	Employee benefits expense		
	Wages and salaries	41 583	40 298
	Superannuation - defined contribution plans ^(b)	3255	3273
	Superannuation - defined benefits plans ^(c)	933	1085
	Annual leave ^(d)	4728	3809
	Long service leave ^(d)	1427	1890
	Other related expenses ^(a)	1004	1157
	Total employee benefits expense	52 930	51 512
	(a) Includes the value of the fringe benefit to the employee plus the fringe benefits tax component and staff housing expenses for regional employees		
	(b) Defined contribution plans include WestState Gold State and GESB Schemes (contributions paid)		
	(c) Defined benefit plans are the Pension Scheme and Gold State Scheme (pre-transfer benefit)		
	(d) Includes a superannuation contribution component		
	Employment on-costs such as workers compensation insurance are included at Note 11 'Other expenses'. The employment on-costs liability is included at Note 26 'Provisions'.		
7	Supplies and services		
	Communications	867	912
	Consultants and contractors	13 194	17 576
	Consumables	1533	2070
	Materials	9	73
	Vehicle lease and hire	2027	2278
	Minor plant machinery and equipment	961	1421
	Plant machinery and equipment lease	138	201
	Chemical analysis expense	932	906
	Software licences fees and registration	1610	1212
	Other staff related expenses	707	785
	Travel	787	838
	Other	1005	364
	Total supplies and services	23 770	28 636

Financial statements I

Notes to the financial statements for the year ended 30 June 2012

		2012 \$000	2011 \$000
8	Depreciation and amortisation expense		
	Depreciation		
	Furniture and fittings	8	8
	Buildings	620	630
	Infrastructure	31	32
	Plant and equipment	1329	1229
	Computing equipment	409	457
	Leasehold improvements	46	46
	Measurement sites	2843	3666
	Total depreciation	5286	6068
	Amortisation		
	Intangible assets	434	213
	Total amortisation	434	213
	Total depreciation and amortisation expense	5720	6281
9	Accommodation expenses		
	Lease rentals	3441	3302
	Repairs and maintenance	595	757
	Power and water consumption	515	499
	Security	4	6
	Rates and taxes	233	189
	Cleaning	305	299
	Total accommodation expense	5093	5052
10	Grants and subsidies		
	Recurrent	10 827	6129
	Total grants and subsidies	10 827	6129

Financial statements I

Notes to the financial statements for the year ended 30 June 2012		
	2012 \$000	2011 \$000
11 Other expenses		
Audit fees	173	321
Employment on-costs ^(a)	529	257
Bad and doubtful debts expense	-	36
Equipment repairs and maintenance	209	204
Write-down of non-current assets classified as available for sale ^(b)	-	195
Transfer of expense from capital work in progress ^(c)	902	2606
Refund of prior year revenue	98	348
Other	109	124
Total other expenses	2020	4091
(a) Includes workers' compensation insurance and other employment on-costs. The on-costs liability associated with the recognition of annual and long service leave liability is included at note 26 'Provisions'. Superannuation contributions accrued as part of the provision for leave are employee benefits and are not included in employment on-costs		
(b) Non-current assets held for sale measured at lower of carrying amount and fair value less selling costs		
(c) Transfer of items held in the capital works in progress account in prior years that will not be capitalised.		
12 User charges and fees		
User charges	58	92
13 Commonwealth grants and contributions		
Bureau of Meteorology	753	1390
Department of Agriculture and Food	580	-
Department of Sustainability Environment Water Population and Communities	8435	6812
National Water Commission	2121	2033
Total Commonwealth grants and contributions	11 889	10 235
14 Other revenue		
Lease of commercial land and buildings	181	299
Other grants	4530	16 856
Other miscellaneous revenues	1297	1748
Recoups from other private/commercial agencies	87	132
Total other revenue	6095	19 035
15 Net gain/(loss) on disposal of non-current assets		
Proceeds from disposal of non-current assets		
Plant and equipment	1422	1993
Costs of disposal of non-current assets		
Plant and equipment	771	1684
Net gain/(loss)	651	309
See also Note 22 'Property Plant and Equipment'.		

Financial statements I

Notes to the financial statements for the year ended 30 June 2012

		2012 \$000	2011 \$000
16	Income from State Government		
	Appropriation received during the year:		
	Service appropriation ^(a)	78 769	72 493
	Initial recognition of assets not previously recognised		
	Infrastructure assets ^(b)	-	53
	The following assets were transferred from Water Corporation during the financial year ^(c)		
	Land reserves	-	301
	Plant & equipment infrastructure assets	-	1625
		-	1926
	Resources received free of charge ^(d)		
	Determined on the basis of estimates provided by agencies		
	State Solicitors Office	130	168
	Landgate	1111	485
	Department of Finance	247	255
		1488	908
	Royalties for regions fund		
	Regional infrastructure and headworks account ^(e)	6178	1445
	Regional Community Services Account	190	-
		6368	1445
	Total revenues from government	86 625	76 825
	(a) Service appropriations fund the net cost of services delivered. Appropriation revenue comprises a cash component and a receivable (asset). The receivable (holding account) comprises the depreciation expense for the year and any agreed increase in leave liability during the year		
	(b) Infrastructure assets not previously recognised in prior year financial statements and which the Department had control of during the reporting period were taken up as revenue in 2009-10 and 2010-11.		
	(c) Discretionary transfers of assets between State Government agencies are reported as assets assumed/(transferred) under Income from State Government. The transfer of assets from Water Corporation was done on a discretionary basis and recognised as revenue.		
	(d) Assets or services received free of charge or for nominal cost are recognised as revenue at fair value of the assets and/or services that can be reliably measured and which would have been purchased if they were not donated. Contributions of assets or services in the nature of contributions by owners are recognised direct to equity.		
	(e) 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.		

Financial statements I

Notes to the financial statements for the year ended 30 June 2012

		2012 \$000	2011 \$000
17	Restricted cash and cash equivalents		
	Current		
	Developer bonds ^(a)	97	98
	Net proceeds from the sale of freehold land ^(b)	1	10
	Royalties for regions fund ^(c)	1127	1103
	Specific purpose commonwealth grant ^(d)	8031	8416
		9256	9627
	Non-current		
	Accrued salaries suspense account ^(e)	1077	928
	(a) The cash held in this account is to be used in repaying bond monies		
	(b) Net proceeds from the sale of freehold land is to be paid into the consolidated account		
	(c) These unspent funds are committed to projects and programs in Western Australia regional areas		
	(d) Amount unspent on the Collie River Salinity Recovery Project		
	(e) Amount held in the suspense account is only to be used for the purpose of meeting the 27th pay in a financial year that occurs every 11 years		
18	Receivables		
	Current receivables	556	1203
	Allowance for impairment of receivables	(17)	(80)
	GST receivable	931	905
	Total current receivables	1470	2028
	Reconciliation of changes in the allowance for impairment of receivables:		
	Balance at start of period	80	44
	Doubtful debts expense	-	68
	Amounts written off during the period	-	-
	Amount recovered during the period	(63)	(32)
	Balance at end of period	17	80
	The Department does not hold any collateral as security or other credit enhancements as security for receivables.		
19	Amounts receivable for services		
	Current	4465	4996
	Non-current	14 800	12 505
	Total amounts receivable for services	19 265	17 501
	Represents the non-cash component of service appropriations (see Note 2(n) '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	Other current assets		
	Current		
	Prepayments	969	878
	Total Current	969	878

Financial statements I

Notes to the financial statements for the year ended 30 June 2012

		2012 \$000	2011 \$000
21	Non current assets classified as held for sale		
	Opening balance		
	Land at fair value ^(a)	3890	4416
	Less write down from cost to fair value less selling cost	(195)	(220)
		3695	4196
	Assets reclassified from held for sale		
	Land at fair value ^(a)	-	467
	Less write down from cost to fair value less selling cost	-	(23)
		-	444
	Assets reclassified to held for sale		
	Land at fair value ^(a)	5	1277
	Less write down from cost to fair value less selling cost	-	(63)
		5	1214
	Total assets classified as held for sale		
	Land at fair value ^(a)	3895	5226
	Less write down from cost to fair value less selling cost	(195)	(283)
		3700	4943
	Less assets sold		
	Land at fair value ^(a)	255	1336
	Less write down from cost to fair value less selling cost	(13)	(66)
		242	1270
	Closing balance		
	Land at fair value ^(a)	3640	3890
	Less write down from cost to fair value less selling cost	(182)	(195)
		3458	3695
	(a) During the 2011-12 year the Minister agreed to the sale of a series of land parcels owned by the Department but are no longer required. It is anticipated that these parcels of land will be sold in the 2013 financial year.		

Financial statements I

Notes to the financial statements for the year ended 30 June 2012

		2012 \$000	2011 \$000
22	Property plant and equipment		
	Freehold land at fair value ^(a)	146 126	150 179
		146 126	150 179
	Works of art	10	10
		10	10
	Buildings at fair value ^(a)	5158	5689
	Accumulated depreciation	-	-
		5158	5689
	Infrastructure at cost	2852	2925
	Accumulated depreciation	(2242)	(1659)
		610	1266
	Computing equipment at cost	2446	2209
	Accumulated depreciation	(1870)	(1590)
		576	619
	Furniture and fittings at cost	48	48
	Accumulated depreciation	(29)	(22)
		19	26
	Measurement sites at fair value/cost	195 395	186 344
	Accumulated depreciation	(115 477)	(115 617)
		79 918	70 727
	Plant and equipment at cost	8792	8861
	Accumulated depreciation	(4358)	(3056)
		4434	5805
	Leasehold improvements at cost	708	708
	Accumulated depreciation	(171)	(125)
		537	583
	Capital works in progress at cost	2172	2701
		2172	2701
	Total property plant and equipment	239 560	237 605
	(a) Freehold land and buildings were revalued as at 1 July 2011 by the Western Australian Land Information Authority (Valuation Services). The valuations were performed during the year ended 30 June 2012 and recognised at 30 June 2012. In undertaking the revaluation fair value was determined by reference to market values for land \$36 462 400 and buildings \$3 560 000. For the remaining balance fair value of land and buildings was determined on the basis of depreciated replacement costs.		

Financial statements I

Notes to the financial statements for the year ended 30 June 2012**Reconciliations**

Reconciliations of the carrying amounts of property plant and equipment at the beginning and end of the reporting period are set out below.

2012	Capital works in progress \$'000	Furniture and fittings \$'000	Computer equipment \$'000	Plant and equipment \$'000	Buildings \$'000	Leasehold improvements \$'000	Measurement sites \$'000	Infrastructure \$'000	Works of Art \$'000	Freehold land \$'000	Total \$'000
Carrying amount at start of year	2701	26	619	5805	5689	583	70 727	1266	10	150 179	237 605
Additions	2933	-	347	8	19	-	-	-	-	2481	5788
Disposals	-	-	-	(209)	(69)	-	-	(14)	-	(3514)	(3806)
Reclassification	-	-	-	9	295	-	705	(705)	-	(304)	-
Transfers in/(out)	(3462)	-	19	150	53	-	2250	-	-	-	(990)
Classified as held for sale	-	-	-	-	-	-	-	-	-	(5)	(5)
Revaluation increments/(decrements)	-	-	-	-	(209)	-	9079	94	-	(2711)	6253
Depreciation	-	(7)	(409)	(1329)	(620)	(46)	(2843)	(31)	-	-	(5285)
Carrying amount at end of year	2712	19	576	4434	5158	537	79 918	610	10	146 126	239 560

Reconciliations

Reconciliations of the carrying amounts of property plant and equipment at the beginning and end of the reporting period are set out below.

2011	Capital works in progress \$'000	Furniture and fittings \$'000	Computer equipment \$'000	Plant and equipment \$'000	Buildings \$'000	Leasehold improvements \$'000	Measurement sites \$'000	Infrastructure \$'000	Works of Art \$'000	Freehold land \$'000	Total \$'000
Carrying amount at start of year	6900	39	671	4423	6354	628	45 426	117	10	151 314	215 882
Additions	887	-	367	1720	34	-	514	482	-	9583	13 587
Disposals	-	-	(1)	(30)	(119)	-	-	-	-	(8211)	(8361)
Reclassification	-	-	39	(39)	-	-	-	-	-	-	-
Transfers in/(out)	(5086)	(5)	-	960	7	-	(3)	699	-	-	(3428)
Classified as held for sale	-	-	-	-	-	-	-	-	-	(1277)	(1277)
Classified as held for distribution to owners	-	-	-	-	-	-	-	-	-	467	467
Revaluation increments/(decrements)	-	-	-	-	44	-	28 456	-	-	(1697)	26 803
Depreciation	-	(8)	(457)	(1229)	(631)	(45)	(3666)	(32)	-	-	(6068)
Carrying amount at end of year	2701	26	619	5805	5689	583	70 727	1266	10	150 179	237 605

Financial statements I

Notes to the financial statements for the year ended 30 June 2012

		2012 \$000	2011 \$000
23	Intangible assets		
	Computer software		
	At cost	1335	1298
	Accumulated amortisation	(782)	(429)
	Accumulated impairment losses	-	-
		553	869
	Software licences		
	At cost	310	269
	Accumulated amortisation	(240)	(159)
	Accumulated impairment losses	-	-
		70	110
	Total intangible assets	623	979
	Reconciliations		
	Computer software		
	Carrying amount at start of year	869	150
	Additions	37	853
	Transfers in/(out)	-	-
Amortisation expense	(353)	(134)	
Carrying amount at end of year	553	869	
Software licences			
Carrying amount at start of year	110	133	
Additions	41	56	
Amortisation expense	(81)	(79)	
Carrying amount at end of year	70	110	
24	Impairment of assets		
	There were no indications of impairment of property plant and equipment as at 30 June 2012.		
	The department held no goodwill or intangible assets with an indefinite useful life during the reporting period. At the end of the reporting period there were no intangible assets not yet available for use. All surplus assets at 30 June 2012 have either been classified as assets held for sale or written off.		

Financial statements I

Notes to the financial statements for the year ended 30 June 2012

		2012 \$000	2011 \$000
25	Payables		
	Current		
	Trade payables	3608	1713
	Accrued expense	1998	1544
	Accrued salaries	977	1250
	Accrued fringe benefits tax	64	44
	Total current payables	6647	4551
26	Provisions		
	Current		
	Employee benefits provision		
	Annual leave ^(a)	5727	5828
	Long service leave ^(b)	6861	5682
	Purchased leave	93	76
	Total current provisions	12 681	11586
	Non-current		
	Employee benefits provision		
	Long service leave ^(b)	2973	4763
	Deferred salary scheme	39	23
	Total non-current provisions	3012	4786
	(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 end of the reporting period. Assessments indicate that actual settlements will occur as follows:		
Within 12 months of the end of the reporting period		3164	4954
More than 12 months after the end of the reporting period		2563	874
		5727	5828
(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 reporting period. Assessments indicate that actual settlements will occur as follows:			
Within 12 months of the end of the reporting period		2337	5682
More than 12 months after the end of the reporting period		7497	4763
		9834	10 445

Notes to the financial statements for the year ended 30 June 2012

		2012 \$000	2011 \$000
27	Other liabilities		
	Current		
	Revenue received in advance	21	175
	Stale cheque holding account	48	49
	Total current other liabilities	69	224
	Non-current		
	Developer bonds	97	97
	Total non-current other liabilities	97	97

Financial statements I

Notes to the financial statements for the year ended 30 June 2012

		2012 \$000	2011 \$000
28	Equity		
	The government holds the equity interest in the department on behalf of the community. Equity represents the residual interest in the net assets of the department. The asset revaluation surplus represents that portion of equity resulting from the revaluation of non-current assets.		
	Contributed equity		
	Balance at start of reporting period	232 334	231 633
	Contributions by owners		
	Capital contribution	2791	3625
	Other contributions by owners		
	Initial recognition of Crown land assets	1963	1762
	Total contributions by owners	4754	5387
	Distribution to owners		
	Transfer of net assets to other agencies		
	Land for sale transferred to the DRDL	-	(6)
	Net assets transferred to government		
	Transfer of net assets to other government agencies ^(a)	(3037)	(2736)
	Proceeds for disposal of assets paid to consolidated account ^(b)	(1264)	(1944)
	Total distribution to owners	(4301)	(4686)
	Balance at end of reporting period	232 787	232 334
	(a) The department transferred parcels of land to the State of Western Australia at nil consideration. The loss on disposal of these assets accounted for as a distribution to owners/withdrawal of capital as required by Treasurer's Instruction 955.		
	(b) As part of the land disposal program the department completed the settlement process for the sale of lands. The net proceeds of the land sales were paid to the consolidated account.		
	Reserves		
	Asset revaluation reserve:		
	Balance at start of reporting period	40 333	13 531
	Net revaluation increments/(decrements):		
	Land	(3746)	(1694)
	Buildings	(239)	44
	Measurement sites	8910	28 452
	Non-current assets classified as held for sale	(246)	-
	Balance at end of reporting period	45012	40 333
	Accumulated deficit		
	Balance at start of reporting period	(11 377)	(16 170)
	Expense recognised directly in equity ^(a)	1330	(2)
	Result for the period surplus/(deficit)	4958	4795
	Balance at end of reporting period	(5089)	(11 377)
	Total equity	272 710	261 290
	(a) This represents the deficit in the asset revaluation reserves on derecognition of land which has been transferred directly to accumulated funds.		

Financial statements I

Notes to the financial statements for the year ended 30 June 2012

		2012 \$000	2011 \$000
29	Notes to the statement of cash flows		
	Reconciliation of cash		
	Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:		
	Cash and cash equivalents	19 538	9293
	Restricted cash and cash equivalents (refer to note 17 'restricted cash and cash equivalents')	10 333	10 555
		29 871	19 848
	Reconciliation of net cost of services to net cash flows provided by operating activities		
	Net cost of services	(81 667)	(72 030)
	Non-cash items:		
	Depreciation expense (note 8 'Depreciation and amortisation expense')	5720	6281
	Net loss on disposal of non-current assets (note 15 'Net gain / (loss) on disposal of non-current assets')	(651)	(309)
	Resources received free of charge (note 16 'Resources received free of charge')	1488	908
	(Increase)/decrease in assets:		
	Current receivables ^(a)	671	2133
	Other current assets	(92)	432
	Other non current assets	991	2935
	Increase/(decrease) in liabilities:		
	Current payables ^(a)	1347	(1217)
	Current provisions	1095	684
	Other current liabilities	(156)	(109)
	Non-current provisions	(1774)	269
	Other non-current liabilities	-	-
	Net GST receipts/(payments) ^(b)	2204	1812
	Change in GST in (receivables)/payables ^(c)	(2230)	(1748)
	Net cash used in operating activities	73 054	(59 959)
	Non-cash financing and investing activities		
	(a) Note that the Australian Taxation Office (ATO) receivable/payable in respect of GST and the receivable/payable in respect of the sale/purchase of non-current assets are not included in these items as they do not form part of the reconciling items.		
	(b) This is the net GST paid/received, i.e. cash transactions.		
	(c) This reverses out the GST in receivables and payables.		

Financial statements I

Notes to the financial statements for the year ended 30 June 2012

		2012 \$000	2011 \$000
30	Resources provided free of charge		
	During the period the following resources were provided to other agencies free of charge for functions outside the normal operations of the department.		
	Swan River Trust	2	1
	Department of Agriculture and Food	2	1
	Department of Environment and Conservation	3	2
	Department of Planning and Infrastructure	7	2
	Main Roads Western Australia	-	2
	Western Australian Planning Commission	1	1
	Other agencies	9	5
	Total resources provided free of charge	24	14

Financial statements I

Notes to the financial statements for the year ended 30 June 2012

		2012 \$000	2011 \$000
31	Commitments		
	Non-cancellable operating lease commitments		
	Commitments in relation to leases contracted for at the end of the reporting period but not recognised as liabilities are payable as follows:		
	Within 1 year	4375	4393
	Later than 1 year and not later than 5 years	12 080	12 090
	Later than 5 years	6850	8390
		23 305	24 873
	Capital expenditure commitments		
	Capital expenditure commitments being contracted capital expenditure additional to the amounts reported in the financial statements are payable as follows:		
	Within 1 year	2787	2480
	Later than 1 year and not later than 5 years	10 753	7087
	Later than 5 years	-	1967
		13 540	11 534
	The capital commitments include amounts for:		
	Groundwater bores	4871	1877
	Surface water infrastructure	8526	9592
	Information technology infrastructure	20	-
	Metering	123	65
	Total	13 540	11 534
	Other expenditure commitments		
	Other expenditure commitments at the end of the reporting period but not recognised as liabilities are payable as follows:		
	Within 1 year ^(a)	733	-
	Later than 1 year and not later than 5 years	-	-
	Later than 5 years	-	-
		733	-
	(a) The Department has come to an agreement with a third party to remove saline water from a mine void known as Chicken Creek 4 in the Collie Region.		

Notes to the financial statements for the year ended 30 June 2012

32	<p>Contingent liabilities and contingent assets</p> <p>Contingent liabilities</p> <p>The following contingent liabilities are additional to the liabilities incorporated in the financial statements:</p> <p>Litigation in progress</p> <p>(A) Claim for compensation in relation to taking by consent of portion of Lot 187 and 188 Yunderup for purpose of public recreation and drainage - Section 248 <i>Land Administration Act</i>. The financial effect of this claim is estimated to be \$703 100 plus associated interest.</p> <p>(B) Claim for compensation in relation to taking by consent of that part of Lot 511 on Deposited Plan 29022 now shown as Lot 514 on Deposited Plan 70844 required for the purpose of the Jurien Water Reserve and associated Public Water Supply. The claim is for the amount of \$2 796 119.70 plus further legal and consultants costs. A solatium of 10% is included in the amount claimed however the claimants have indicated that they will lead evidence as to exceptional circumstances and seek a solatium greater than 10%. An advance payment of \$517 000 plus associated interest is expected to be made in July/August 2012. The balance of the claim is expected to be resolved in State Administration Tribunal during the 2012-2013 financial year.</p> <p>Contaminated sites</p> <p>Under the <i>Contaminated Sites Act 2003</i> the Department is required to report known and suspected contaminated sites to the Department of Environment and Conservation (DEC). In accordance with the Act DEC classifies these sites on the basis of 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 reported one suspected contaminated site to DEC. It is yet to be classified. To date there has been no evidence of contamination found however scientific investigation is required before concluding whether or not a level of contamination exists. The Department is unable to access the likely outcome of the classification process and accordingly it is not practicable to estimate the financial effect or to identify the uncertainties relating to the amount or timing of any of the outflows. Whilst there is no possibility of reimbursement of any future expenses that may be incurred in the remediation of these sites the Department may apply for funding from the Contaminated Sites Management Account to undertake further investigative work or to meet remediation costs that may be required.</p> <p>Contingent assets</p> <p>The Department has no contingent assets at 30 June 2012.</p>
33	<p>Events occurring after the end of the reporting period</p> <p>The Department has no adjusting or non adjusting events after the end of the reporting period.</p>

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Notes to the financial statements for the year ended 30 June 2012

34	Explanatory statements			
	Significant variations between estimates and actual results for income and expense as presented in the financial statement titled 'Summary of consolidated accounts appropriations and income estimates' are shown below. Significant variations are considered to be those greater than 10% or \$5 million.			
	Total appropriations provided to deliver services	2012 Estimate \$000	2012 Actual \$000	Variance \$000
	Significant variations between estimates and actual results for 2012			
	Total income ^(a)	15 767	18 693	2926
	Significant variations between actual results for 2011 and 2012	2011 Actual \$000	2012 Actual \$000	Variance \$000
	Total income ^(b)	29 671	18 693	(10 978)
	Net amount appropriated to deliver services ^(c)	72 559	78 536	5977
	(a) Variation relates to Commonwealth funding received for Urban Water Management and Regulation projects which were not factored in at time of preparing budget due to uncertainty of funding arrangements between Commonwealth and State.			
	(b) The variance relates to funding received in 2011 from the Commonwealth for specific projects which did not continue into 2012.			
	(c) The variance relates to payments received in 2012 for deferred rural water grants from 2011, the voluntary severance scheme and OSS decommission.			
	Service expenditure	2012 Estimate \$000	2012 Actual \$000	Variance \$000
	Significant variations between estimates and actual results for 2012			
	Water use allocation and optimisation ^(a)	42 732	57 194	14 462
	Catchment and waterways health ^(b)	10 357	9000	(1357)
	(a) Variation mainly relates to additional external funds received in 2011-12 to undertake water allocation plans.			
	(b) The variance relates to an increase in "one off" funding from the Commonwealth and the State for natural resource management projects which leads to higher spending than the budgeted figures.			
	Significant variations between actual results for 2011 and 2012	2011 Actual \$000	2012 Actual \$000	Variance \$000
	Urban water management and industry services ^(a)	38 317	34 166	(4151)
	Water use allocation and optimisation ^(b)	47 080	57 194	10 114
	Catchment and waterways health ^(c)	16 304	9000	7304
	(a) The variance is mainly due to a reduction in the allocation of overheads in 2012 as result of organisational restructure resulting in a reduction in full time equivalents associated with this service and the distribution of overhead costs.			
	(b) The variance is mainly due to an increase in the allocation of overheads in 2012 as result of organisational restructure resulting in an increase in full time equivalents associated with this service and the distribution of overhead costs.			
	(c) The variance is mainly due to a reduction in the allocation of overheads in 2012 as result of organisational restructure resulting in a reduction in full time equivalents associated with this service and the distribution of overhead costs.			

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Notes to the financial statements for the year ended 30 June 2012				
34	Capital contribution	2011 Actual \$000	2012 Actual \$000	Variance \$000
	Significant variations between actual results for 2011 and 2012			
	Item 169 Capital contribution ^(a)	3625	2791	(834)
	(a) Variation is mainly associated with movement in funding received for the groundwater investigation and monitoring program.			
	Capital expenditure	2012 Estimate \$000	2012 Actual \$000	Variance \$000
	Significant variations between estimates and actual results for 2012			
	Purchase of non-current physical assets ^(a)	2791	3159	368
	(a) Variation is mainly associated with more capital investment activities on measurement sites for 2011-12.			
	Significant variations between actual results for 2011 and 2012	2011 Actual \$000	2012 Actual \$000	Variance \$000
	Purchase of non-current physical assets ^(a)	2820	3159	339
	(a) Variation is mainly associated with more capital investment activities on measurement sites for 2011-12			
	Total administered transactions			
	Significant variations between estimates and actual results for 2012			
	No significant variances in total administered transactions.			
	Significant variances between actual results for 2011 and 2012	2011 Actual \$000	2012 Actual \$000	Variance \$000
	Item 102 Administered grants and subsidies ^(a)	1383	593	(790)
	(a) The variance is due to the reduction in grant payment related to the Ord River Subsidy Stage 1 program			
	Administered income			
	Significant variations between estimates and actual results for 2012			
	No significant variances in total administered income.			
	Significant variations between actual results for 2011 and 2012	2011 Actual \$000	2012 Actual \$000	Variance \$000
	Income disclosed as Administered Income ^(a)	1388	605	(783)
	(a) Due to the reduction in the total administered transactions payable, Department of Treasury has therefore appropriated lesser funds to the Department of Water's Administered entity in 2012.			

Notes to the financial statements for the year ended 30 June 2012

35	<p>Financial instruments</p> <p>(a) Financial risk management objectives and policies</p> <p>Financial instruments held by the Department are cash and cash equivalents restricted cash and cash equivalents loans and receivables and payables. The Department has limited exposure to financial risks. The Department's overall risk management program focuses on managing the risks identified below.</p> <p>Credit risk</p> <p>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.</p> <p>The maximum exposure to credit risk at end of 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 35 (c) 'Financial Instruments Disclosures' and note 18 'Receivables'.</p> <p>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 resulting in the Department's exposure to bad debts is minimal. At the end of the reporting period, there are no significant concentrations of credit risk.</p> <p>Liquidity risk</p> <p>Liquidity risk arises when the Department is unable to meet its financial obligations as they fall due.</p> <p>The Department is exposed to liquidity risk through its trading in the normal course of business.</p> <p>The Department has appropriate procedures to manage cash flows including drawdowns of appropriations by monitoring forecast cash flows to ensure that sufficient funds are available to meet its commitments.</p> <p>Market risk</p> <p>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.</p> <p>The Department does not trade in foreign currency and is not materially exposed to other price risks. The Department is not exposed to interest rate risk because all cash and cash equivalents cash are non-interest bearing and have no borrowings.</p> <p>(b) Categories of Financial Instruments</p> <p>The carrying amounts of each of the following categories of financial assets and financial liabilities at the end of the reporting period are as follows:</p>																													
	<table border="1"> <thead> <tr> <th>Financial assets</th> <th>2012 Jun \$'000</th> <th>2011 Jun \$'000</th> </tr> </thead> <tbody> <tr> <td>Cash and cash equivalents</td> <td>19 538</td> <td>9293</td> </tr> <tr> <td>Restricted cash and cash equivalents</td> <td>10 333</td> <td>10 555</td> </tr> <tr> <td>Loans and receivables</td> <td>20 735</td> <td>19 529</td> </tr> <tr> <td></td> <td>50 606</td> <td>39 377</td> </tr> <tr> <td>Financial liabilities</td> <td></td> <td></td> </tr> <tr> <td>Financial liabilities measured at amortised cost</td> <td>6647</td> <td>4551</td> </tr> <tr> <td>Developer bonds held in trust</td> <td>97</td> <td>97</td> </tr> <tr> <td></td> <td>6744</td> <td>4648</td> </tr> </tbody> </table>	Financial assets	2012 Jun \$'000	2011 Jun \$'000	Cash and cash equivalents	19 538	9293	Restricted cash and cash equivalents	10 333	10 555	Loans and receivables	20 735	19 529		50 606	39 377	Financial liabilities			Financial liabilities measured at amortised cost	6647	4551	Developer bonds held in trust	97	97		6744	4648		
Financial assets	2012 Jun \$'000	2011 Jun \$'000																												
Cash and cash equivalents	19 538	9293																												
Restricted cash and cash equivalents	10 333	10 555																												
Loans and receivables	20 735	19 529																												
	50 606	39 377																												
Financial liabilities																														
Financial liabilities measured at amortised cost	6647	4551																												
Developer bonds held in trust	97	97																												
	6744	4648																												

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Notes to the financial statements for the year ended 30 June 2012

(c) Financial instrument disclosures

Credit risk and interest rate exposures

The following table discloses 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.

Ageing analysis of financial assets								
	Carrying amount	Not past due and not impaired	Past due but not impaired					Impaired financial assets
			Up to 1 months	1–3 months	3 months to 1 year	1–5 years	More than 5 years	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2012								
Cash and cash equivalents	19 538	19 538	-	-	-	-	-	-
Restricted cash and cash equivalents	10 333	10 333	-	-	-	-	-	-
Receivables	1470	1141	136	170	-	19	-	4
Amounts receivable for services	19 265	19 265	-	-	-	-	-	-
	50 606	50 277	136	170	-	19	-	4
2011								
Cash and cash equivalents	9293	9293	-	-	-	-	-	-
Restricted cash and cash equivalents	10 555	10 555	-	-	-	-	-	-
Receivables	2028	1555	254	98	45	-	-	76
Amounts receivable for services	17 501	17 501	-	-	-	-	-	-
	39 377	38 904	254	98	45	-	-	76

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Liquidity risk and interest rate exposure

The following table discloses the Department's interest rate exposure and the contractual maturity analysis of financial assets and financial liabilities. The maturity analysis section includes interest and principal cash flows.

The interest rate exposure section analyses only the carrying amount for each item.

Notes to the financial statements for the year ended 30 June 2012												
Interest rate exposure and maturity analysis of financial assets and financial liabilities												
		Weighted average effective interest rate	Carrying amount	Interest rate exposure			Maturity dates					
				Fixed interest rate	Variable interest rate	Non-interest bearing	Nominal amount	Up to 1 months	1–3 months	3 months to 1 year	1–5 years	More than 5 years
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets												
2012												
Cash and cash equivalents			19 538	-	-	19 538	19 538	19 538	-	-	-	-
Restricted cash and cash equivalents			10 333	-	-	10 333	10 333	10 333	-	-	-	-
Receivables			1470	-	-	1470	1470	1470	-	-	-	-
Amounts receivable for services			19 265	-	-	19 265	19 265	500	1454	2511	9873	4927
			50 606	-	-	50 606	50 606	31 841	1454	2511	9873	4927
Financial liabilities												
2012												
Payables			6647	-	-	6647	6647	6647	-	-	-	-
Developer bonds			97	-	-	97	97	97	-	-	-	-
			6744	-	-	6744	6744	6744	-	-	-	-

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Notes to the financial statements for the year ended 30 June 2012

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

				Interest rate exposure			Maturity dates					
		Weighted average effective interest rate	Carrying amount	Fixed interest rate	Variable interest rate	Non-interest bearing	Nominal amount	Up to 1 months	1–3 months	3 months to 1 year	1–5 years	More than 5 years
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets												
2011												
Cash and cash equivalents		9293	-	-	9293	9293	9293	-	-	-	-	-
Restricted cash and cash equivalents		10 555	-	-	10 555	10 555	10 555	-	-	-	-	-
Receivables		2028	-	-	2028	2028	2028	-	-	-	-	-
Amounts receivable for services		17 501	-	-	17 501	17 501	17 501	-	-	-	-	-
		39 377	-	-	39 377	39 377	39 377	-	-	-	-	-
Financial liabilities												
2011												
Payables		4551	-	-	4551	4551	4551	-	-	-	-	-
Developer bonds		97	-	-	97	97	97	-	-	-	-	-
		4648	-	-	4648	4648	4648	-	-	-	-	-

The amounts disclosed are the contractual undiscounted cash flows of each class of financial liabilities at the end of the reporting period.

Interest rate sensitivity analysis

Interest rate sensitivity has not been disclosed as the Department is not exposed to interest rate risk as it has no assets or liabilities that are interest bearing.

Fair values

All financial assets and liabilities recognised in the statement of financial position 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.

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Notes to the financial statements for the year ended 30 June 2012

36	Remuneration of members of senior officers		
	The number of senior officers other than senior officers reported as members of the department whose total of fees salaries superannuation non-monetary benefits and other benefits for the financial year fall within the following bands are:		
		\$	
			2012
			2011
		20 001 - 30 000 ^(a)	1
		60 001 - 70 000 ^(a)	1
		130 001 - 140 000	1
		140 001 - 150 000	1
		150 001 - 160 000	2
		160 001 - 170 000	1
		170 001 - 180 000	3
		180 001 - 190 000	1
		190 001 - 210 000	1
		210 001 - 220 000	1
		230 001 - 250 000	-
		The total remuneration of senior officers is:	1950
			1217
	The total remuneration includes the superannuation expense incurred by the department in respect of senior officers.		
	The department went through an organisational re-structure in 2011. As a result the organisational principles and accountability structure has changed. Therefore the 2011 and 2012 figures are not directly comparable.		
	(a) Two senior officers left the agency part way through the financial year.		
37	Remuneration of auditor		
	Remuneration paid or payable to the Auditor General in respect of the audit for the current financial year is as follows:		
	Auditing the accounts financial statements and performance indicators		
		60	56
38	Related and affiliated bodies		
	The department currently does not provide any assistance to other agencies which would deem them to be regarded as related or affiliated bodies under the definitions included in Treasurer's Instruction 951 "Related and Affiliated Bodies".		
39	Supplementary financial information		
	Write offs	2012	2011
	Public property written-off by the Minister during the financial year	(38)	-
	Losses through theft defaults and other causes		
	Losses of public properties through theft or default	(38)	-
	Amounts recovered	18	-
	Gifts of public property	-	-
	The Department had no gifts of public property during the financial year.	(20)	-

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Notes to the financial statements for the year ended 30 June 2012

40	Disclosure of administered income and expenses by service									
	Urban water management and industry services		Water use allocation and optimisation		Catchment and waterways health		General - not attributed		Total	
	2012 \$000	2011 \$000	2012	2011	2012	2011	2012	2011	2012	2011
	COST OF SERVICES									
	Expenses									
	-	-	-	-	-	-	593	1383	593	1383
	-	-	-	-	-	-	1276	2002	1276	2002
	-	-	-	-	-	-	1869	3385	1869	3385
	INCOME FROM STATE GOVERNMENT									
	Income									
	-	-	-	-	-	-	605	1388	605	1388
	-	-	-	-	-	-				
	-	-	-	-	-	-	12	58	12	58
	-	-	-	-	-	-	1264	1944	1264	1944
	-	-	-	-	-	-	1881	3390	1881	3390
	<p>In 2002 the government entered into an agreement to provide subsidies to the Ord Irrigation Co-operative and the Gascoyne Water Co-operative. The agreement specifies that government pay diminishing instalments adjusted for CPI to the Co-operatives on a yearly basis and for a limited period. The Department of Water receives administered income (service appropriation) from Government and administers the subsidies on their behalf.</p> <p>(a) Payments into the Consolidated account include net proceeds on sale of land and water fines collected in 2011-2012 financial year.</p>									

Notes to the financial statements for the year ended 30 June 2012

		2012 \$000	2011 \$000
41	Administered assets and liabilities		
	Asset		
	Current Asset		
	Cash and cash equivalents	13	1
	Total administered current assets	13	1
	Total administered assets	13	1
	Liability		
	Current Liability		
	Amounts owing to controlled entity	-	-
	Total current administered liabilities	-	-
	Total administered liabilities	-	-

Certification of performance indicators for the year ended 30 June 2012 I



Government of **Western Australia**
Department of **Water**



Looking after all our water needs

Certification of performance indicators for the year ended 30 June 2012

Financial Management Act 2006

I hereby certify that the performance indicators are based on proper records, are relevant and appropriate for assisting users to assess the Department of Water's performance, and fairly represent the performance of the Department of Water for the financial year ended 30 June 2012.

Greg Davis
A / Director General
Department of Water
17 September 2012

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wa.gov.au

10/09/12

Detailed information in support of key performance indicators

Agency-level desired outcome: Sufficient quality water to support the needs of the community, environment and state development.

Effectiveness indicators

Proportion (%) of water resource management areas that are planned appropriate to their water resource category			
Actual 2009–2010	Actual 2010–2011	Target 2011–2012	Actual 2011–2012
%	%	%	%
57	60	80	85

Relevance to desired outcome

The department uses allocation limits, water licences and water resource monitoring to manage water resources for sustainable use and development. Water allocation plans include the water resource objectives agreed through the planning process for each management area as well as allocation limits, local licensing details and a monitoring program.

To inform a risk-based approach to managing water use, water resource management areas are categorised according to the current volume allocated as a percentage of the allocation limit. The higher the percentage allocation, the higher the level of management response.

The indicator is calculated by dividing the number of water resource management areas that are planned consistent with their water resource category compared to the total water resource management areas.

Variance analysis

The variation between the 2010-2011 actual and 2011–2012 target and actual results are due to an increase in the number of completed plans over the stated period.

Proportion (%) of water resources with licensed allocations that are within the allocation limit			
Actual 2009–2010	Actual 2010–2011	Target 2011–2012	Actual 2011–2012
%	%	%	%
86	85	85	81

Relevance to desired outcome

The department licenses and regulates water use to ensure water resources are managed in accordance with their allocation limit.

This indicator is relevant to the outcome because it shows how the department is managing water resources to ensure the long-term availability of the resource.

The indicator is measured by determining the number of groundwater resources in the state that are within the allocation limit.

Variance analysis

The actual 2011–2012 result was lower than expected because of a reduction in allocation limits, through an allocation planning process, in a number of groundwater management subareas. A reduction in rainfall and recharge resulted in a reduction of available water and a reduction in allocation limits to less than the licensed amounts in some areas of the south-west of the state.

Proportion (%) of public water supplies covered by drinking water source protection plans			
Actual 2009–2010	Actual 2010–2011	Target 2011–2012	Actual 2011–2012
%	%	%	%
80	89	96	90

Relevance to desired outcome

Ensuring that the community has access to safe, quality drinking water is one of the department's key roles. Drinking water source protection plans (DWSPPs) help protect water quality in public drinking water sources in the state.

This indicator shows the department's progress in completing DWSPPs for public drinking water source areas in WA.

The indicator is calculated by dividing the number of completed Drinking Water Source Protection Reports by the total number of PDWSA in WA and multiplying by 100.

Reports are defined as being assessments, plans, and land use and water management strategies.

Variance analysis

Since 2000, water source protection plans have been introduced across most of the public drinking water sources. In 2011–2012, fewer new plans were completed than anticipated because of higher priority activities including the review of recreation activities in public drinking water source areas.

Efficiency indicators

Service 1: Urban water management and industry services

This service facilitates urban development within the state and provides a policy framework for efficient, reliable, quality and competitive water services to the community via water service providers. The department also prepares plans to protect water quality.

This service is provided to urban, rural and remote areas. The term 'urban water management' refers to the improved management of our water resources by ensuring an appropriate level of consideration is given to the total water cycle at each phase of the planning system.

Average cost per industry water services policy instrument			
Actual 2009–2010	Actual 2010–2011	Target 2011–2012	Actual 2011–2012
\$	\$	\$	\$
53 192	39 466	42 915	50 976

The term 'industry water services policy instrument' refers to the tools that need to be developed to enable the department to provide a policy framework for efficient, reliable, quality and competitive water services to the community via water services providers such as water services subsidiary legislation, water services policies and statements and Economic Regulation Authority submissions.

Relevance to service

The department is responsible for the development of water services policy. The effective delivery of water services policy:

- ensures the safety, reliability, efficiency and quality of water services are maintained by means of regulatory and licensing requirements
- creates a competitive and sustainable water service industry that is responsive to the needs of all Western Australians and delivers water services at efficient prices.

The indicator is calculated by dividing the total cost of service for producing a water services policy instrument, divided by the total number of instruments produced.

Variance analysis

The variation between the 2010-2011 actual and the 2011–2012 target and actual result was due to a focus on more complex policies and legislation including the Water Services Bills, resulting in a reduction in the number of completed instruments.

Average cost per drinking water source protection plan			
Actual 2009–2010	Actual 2010–2011	Target 2011–2012	Actual 2011–2012
\$	\$	\$	\$
673 803	651 193	577 737	665 778

Relevance to service

One of the department's primary tools to ensure that the community has access to safe, quality drinking water is the use of drinking water source protection plans.

These plans ensure safe, quality water supplies that will require minimal treatment in order to meet the Australian Drinking Water Guidelines and public health requirements.

This indicator shows the average cost of producing a DWSPP. The indicator is relevant to the service because it provides a measure of cost efficiency of the development of protection plans.

The indicator is derived by taking the total cost of service for water source protection, then dividing by the number of plans developed.

Variance analysis

The 2011–2012 target was based on 10 new reports being prepared. Of those, nine were completed. However, the other plan was finished in 2010–2011. This resulted in a higher average cost in 2011–2012. However, planning for 2012–2013 plans was also commenced in 2011–2012.

Average cost per drainage and water management plan and assessment			
Actual 2009–2010	Actual 2010–2011	Target 2011–2012	Actual 2011–2012
\$	\$	\$	\$
7699	5802	6797	5902

Relevance to service

Drainage and water management plans and assessments provide for the management of water in a landscape for viable and attractive communities.

The indicator is derived by dividing the total cost of service for drainage and water management plans or assessments, by the total number of plans or assessments completed.

Variance analysis

The variation between the 2011–2012 target and actual result is primarily due to industry and economic factors. There was a 12 per cent reduction in the number of plans and assessments received in the financial year, due to a flattening of demand for new urban development and housing.

Average cost per square kilometre of designated proclaimed water supply catchments, where salinity and water resource recovery measures are implemented			
Actual 2009–2010 \$	Actual 2010–2011 \$	Target 2011–2012 \$	Actual 2011–2012 \$
546	636	250	500

Relevance to service

The department uses a range of measures to manage water in catchments to improve water quality. The nature of the work involves managing the effects of salinity.

The indicator is derived by dividing the total cost of service for implementation of salinity management measures in designated proclaimed water supply catchments by the total area of recovery catchments.

Variance analysis

The movement in the average cost between 2010-2011 actual and 2011-2012 target and actual reflects the Department of Water's implementation of structural reform and business improvements.

Service 2: Water-use allocation and optimisation

This service seeks to ensure the state's water resources are managed to meet social, economic and environmental needs through the development of water allocation plans, water supply planning, water licensing, water accounting policy and water trading. The department manages water use and efficiency by allocating water volume according to its availability and managing the conditions by which water is extracted.

Average cost per allocation plan completed			
Actual 2009–2010 \$	Actual 2010–2011 \$	Target 2011–2012 \$	Actual 2011–2012 \$
1 399 813	1 350 663	1 024 119	1 419 826

The term average refers to a three-year rolling average.

Relevance to service

The Department of Water manages and regulates Western Australia's water resources and uses water allocation plans to guide the sustainable use of water to provide for development and other public benefits.

The cost depends on the level of available information, the scale of the area, the value of the water for use and in situ benefits and the complexity of management solutions needed to meet competing needs.

To provide an efficiency indicator, the unit cost is calculated by dividing the total cost of the service for water allocation planning by the number of allocation planning reports developed each year. This is modified to a three-year rolling average to recognise the average planning timeframe.

Variance analysis

The variation between the 2011–2012 target and actual result is due to a lower than expected number of completed plans, which occurred as a result of further community engagement and consultation with stakeholders as part of process improvement for water allocation planning.

Average time taken to process a licence by water category grouping				
	Actual 2009–2010 (days)	Actual 2010–2011 (days)	Target 2011–2012 (days)	Actual 2011–2012 (days)
Category 1	51	58	40	60
Category 2	41	56	40	68
Category 3	43	57	50	70
Category 4	46	60	60	64

Relevance to service

This indicator represents the average time taken, in days, to process a water licence by category grouping. The categories relate to the percentage of water allocated within the resource and are:

- Category 1 (C1), zero to 30 per cent allocated
- Category 2 (C2), >30 to 70 per cent allocated
- Category 3 (C3), >70 to 100 per cent allocated
- Category 4 (C4), >100 per cent allocated

Licensing of the Western Australia's water resources is the main tool used to enable sharing and allocation of those water resources. A water licence grants a licensee an entitlement to take a determined amount of water from a specific water resource under specified licence conditions.

Licensing processing times vary according to the complexity of the licence, with complex licences taking longer to administer.

Variance analysis

In 2011–2012, the average actual time taken to process a water licence was 60 to 70 days, which exceeded the 40 to 60 days target and the 2010–2011 result of 55 to 60 days. The higher numbers for 2011–2012 were in part due to a specific one-off project to clear a backlog of applications from the system that had been there for more than 90 days. These long-outstanding applications, by their nature, increased the average time taken to process licences. In addition, increased focus on compliance activities associated with licence management led to increased process time. These initiatives are expected to result in efficiency gains in the future.

Expenditure on water licence administration				
	Actual 2009–2010	Actual 2010–2011	Target 2011–2012	Actual 2011–2012
Average cost per water licence (all categories)	\$2211	\$2061	\$1786	\$2436
Total number of licences processed by category grouping				
○ Category 1	1003	930	1000	846
○ Category 2	2184	2216	2200	2204
○ Category 3	4225	4877	5000	3293
○ Category 4	5251	4121	3600	5473

Relevance to service

This indicator represents the expenditure on water licence administration across the department, defined by average cost per water licence (all categories) and reports on both surface and 11 816 groundwater licences as of 30 June 2012. Licensing costs will vary according to the category level of the licence being processed.

The total numbers of licences processed by category grouping are the total numbers of active groundwater (5C) licences in the department's system as of 30 June 2012. Only groundwater licences were included in the total number of licences per category, as surface water resources do not all have categories assigned to them. See the previous efficiency indicator for the category descriptions.

Variance analysis

The total numbers of groundwater licences processed in 2011–2012 were similar in total to the 2011–2012 target and 2010–2011 actual result, which was 11 816, 11 800 and 12 144, respectively.

The significant variance between the 2011–2012 target and actual and 2010–2011 and 2011–2012 actuals for category 1, 3 and 4 respectively is due a number of factors which include the issuing of more licences from a resource which can cause a change in the category of the resource and therefore the number of licences being managed under that category. Other factors included management decisions to reduce allocation limits in some areas and the recouping of water entitlements which move resources from one category to another category. Existing licences within these areas were therefore reassigned to the new categories.

Service 3: Catchment and waterways health

This service contributes to the management and restoration of the state's waterways to meet community aspirations and needs, and implement plans for salinity recovery catchments.

Average cost per square kilometre of designated inland rural catchments where dryland salinity management measures are implemented

Actual 2009–2010	Actual 2010–2011	Target 2011–2012	Actual 2011–2012
\$	\$	\$	\$
751	518	779	293

Relevance to service

The department, in partnership with local communities, develops and implements salinity abatement plans to respond to dryland salinity. The objective is to maintain and recover catchments to a quality fit for human consumptive use.

Unit cost is calculated by dividing the total cost of service for monitoring, evaluation and implementation of salinity engineering measures in designated inland rural catchments by the total area for which recovery catchments and engineering initiatives are in place.

Variance analysis

The movement in the average cost between 2010–2011 actual and 2011–2012 target and actual reflects the Department of Water's implementation of structural reform and business improvements.

Average cost per waterway management plan developed

Actual 2009–2010	Actual 2010–2011	Target 2011–2012	Actual 2011–2012
\$	\$	\$	\$
617 220	440 752	583 997	1 125 513

Relevance to service

The department contributes to the management of waterways health by partnering with the community to manage waterways. Policy development, management plans and assessment are essential to delivering this service.

The unit cost is calculated by dividing the total cost of service for developing and supporting implementation of waterway management plans by the total number of plans.

Variance analysis

The 2011–2012 actual result is significantly higher than the 2010–2011 actual result and the target set for 2011–2012. The increased cost of plans has been driven by a combination of greater complexity of science required and the high level of community consultation.

Other financial disclosures

Pricing policies of services provided

The department does not have fees for services provided.

Capital works

The Department of Water's capital works consist largely of asset replacement. This includes installing, replacing and upgrading groundwater monitoring bores and river gauging stations throughout the state and an asset replacement program associated with computer hardware and office equipment.

Employment and industrial relations

The workforce profile of the department during the last financial year is shown in the attached table.

Occupation categories	30 June 2011 FTE	30 June 2012 FTE
Managers	60	57
Professionals*	363	320.5
Technicians and trades workers	12	8
Community and personal service workers	0	0
Clerical and administrative workers	102	87.5
Sales workers	0	0
Machinery operators and drivers	0	0
Labourers	0	0
Total FTE	537	473

* This reduction in the number of Professionals in the Workforce Profile for 2011–2012 can largely be attributed to different application of the occupational categories in the ANZCO codes, combined with separations.

Staff development

The Department of Water recognises that the performance of an organisation is directly related to the skills and competency of its workforce. The department's employees are central to its endeavours and staff development is the means by which the department ensures that employees are fully equipped with the knowledge, understanding and skills required to achieve the department's goals and objectives as outlined in its strategic plan.

The department is committed to the ongoing training and development of staff to ensure they have the skills and competencies to meet both the current and future needs of the department and further to ensure they are in compliance with legislative and good governance requirements.

As a funding indicator, it is the department's intent that overall training and development spending will total approximately \$1000 per full-time equivalent (FTE) position. Last year the department met this target and spent \$1130/FTE.

Workers compensation

Workers compensation is covered in the section Occupational, Safety, Health and Injury Management.

Ministerial directives

There were no Ministerial directives in 2011–2012.

Governance disclosures

Contracts with senior officers

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

Recruitment of executive directors and directors

In January 2011, the Public Sector Commissioner approved the department's submission relating to an interim executive structure to support a department restructure. Following the approval of four new executive director positions and five new directors' positions, these roles were created and advertised publicly in February 2011, with appointments made in June 2011, starting in the interim structure in 2011–2012.

Other legal requirements I

Other legal requirements

Expenditure on advertising, market research, polling and direct mail
(*Electoral Act 1907 s175ZE*)

Expenditure on advertising 2011–2012 financial year	
Information advertising	Actual \$
Adcorp Australia Limited	5382.58
Albany Advertiser	271.34
State Law Publisher	5080.16
Geographe Catchment Council	1376.54
Northside Logistics and Finishers	1100.00
Shire of Harvey	787.10
Subtotal	13 977.72
Recruitment and tender advertisements	
Adcorp Australia Limited	19 745.62
Beilby Corporation	2485.00
The Job Shop	5598.43
Total	27 829.05
Total advertising costs 2011–2012	41 826.77



Other legal requirements I

Disability access and inclusion plan outcomes

The Department of Water is committed to ensuring that people with disabilities, as well as their families and carers, are able to fully access events, buildings, facilities, information and services.

The department has demonstrated its commitment to fulfilling its obligations under the Disability Services Act 1993 through achieving all outcomes in its *Disability access and inclusion plan 2009–2013*:

The Disability Access Committee continued its oversight of the implementation of the plan for the following outcomes:

1 People with disabilities have the same opportunities as other people to access the services of, and any events organised by, a public authority

Throughout the year accessibility to all events held by the department was again ensured through adherence to the Disability Services Commission's Creating accessible events publication and the Australian Federation of Disability Organisations' checklists.

Information provided by the agency is available in alternative formats, upon request.

2 People with disabilities have the same opportunities as other people to access the buildings and other facilities of a public authority

The department continued to ensure new and renewed leases took into account the needs of people with disabilities.

3 People with disabilities receive information from a public authority in a format that will enable them to access the information as readily as other people are able to access it

Universal design principles for information, incorporated into documents, ensure accessibility for all. Forms and applications are available electronically and in other formats on request. Publications are available electronically and can be made available in alternative formats for those with special needs upon request.

4 People with disabilities receive the same level and quality of service from the staff of a public authority as other people receive from the staff of that public authority

The Department of Water's Disability access and inclusion plan is available at the agency's website and an internal link is provided to department staff. Disability Services Commission training packages for customer service staff members have been distributed.

The plan and information on working with people with disabilities is made available to new staff members through the induction process.

5 People with disabilities have the same opportunities as other people to make complaints to a public authority

Information on the department's complaints management system is provided to the community via the internet. Many staff members, particularly those in regional offices, have been trained in the use of the system.

People with disabilities are provided with options for making complaints, such as in person, via telephone and email and online. No complaints relating to access were received in 2011–2012.

The department promotes and uses the National Relay Service 13 36 77 to enable people with speech and hearing disabilities to contact the department and receive information.

6 People with disabilities have the same opportunities as other people to participate in any public consultation by a public authority

All media releases are provided in accessible formats.

Evaluation of consultation events includes appropriate questions about access and inclusion. The department can make publications available in alternative formats for those with special needs upon request.

Other legal requirements I

Compliance with public sector standards and ethical codes

The agency's code of conduct is available to all staff at the department's intranet site.

This code outlines ethical principles and expected standards of behaviour for all staff members.

Modules of the code form the basis of the accountable and ethical decision-making training which must be undertaken by all employees. New employees are made aware of the code during the workplace induction process.

No compliance issues relating to the Western Australian code of ethics or the department's code of conduct were received or identified during the financial year.

One claim of breach of the grievance resolution standard was received. The claim was dismissed.

Record-keeping plans

In accordance with Section 61 of the *State Records Act 2000*, the agency provides the following information, complying with the State Records Commission's standard 2 (principle 6).

Activities undertaken this year include the completion of a five-yearly update of the department's record-keeping plan and its subsequent approval by State Records Commission, and a version upgrade of the corporate records management system TRIM.

The record-keeping awareness training program was completed by 62 staff members (with 26 more still in progress) for the year. The course is delivered to all new staff as a mandatory part of induction. Existing staff members must have also completed the course. The department's induction process directs new staff to the Record-keeping manual and the TRIM training schedule.

Staff members used the records management system during the financial year, were 345 out of 500, an improvement in percentage terms (69 per cent, up from 61 per cent) over the usage rate in the previous year.

All staff members have access to the records management system. The agency offers face-to-face and online training in record-keeping, as part of staff induction.

This year, face-to-face training was provided to 108 staff members. The course includes staff roles and responsibilities relating to obligations under the *State Records Act 2000*. The training

modules address particular work practices (such as saving emails into TRIM) rather than describing all of TRIM's capabilities.

An additional strategy for staff training is to visit all regional offices once a year to provide a more focused training package and to advise on existing operational issues with record-keeping. Ten of the 11 regional offices were visited in the past 14 months. This has resulted in improvements to local storage of records in these offices – no instances of sub-standard storage remain. Audits of record-keeping practices are also done at each office, revealing that appropriate standards are being achieved.

Record-keeping advice is provided on an irregular basis through the daily internal news broadcast and the creation of intranet advice statements for particular processes, such as the saving of emails.

The efficiency and effectiveness of the record-keeping awareness program is assessed periodically through participant feedback received either in person or online and continues to produce satisfactory recommendations. Feedback from regional staff members indicates they improve their skills significantly as a result of the awareness program and the reinforcement of regional visits.

Other measures of performance include the number of records saved to the record-keeping system (72 502, up from 58 046 in the 2010–2011 year). Following staff training on the management of emails, the number of emails saved in 2011–2012 increased (23 836, up 16 637).

The department updated its record-keeping plan to the satisfaction of the State Records Commission. The record-keeping manual was also updated and a new business classification scheme created (but not yet implemented – expected in 2012–2013).

Government policy requirements

Framework for substantive equality

The department is committed to implementing the policy framework for substantive equality and has allocated responsibility and resources to achieve this outcome. The department has nominated water allocation planning for its third needs assessment, and committed to a review of the policy. It has also formed a reference group which includes the Water Industry policy director to ensure all policy issued by the department conforms to the policy. The department will continue to ensure staff members at all levels of the organisation are included in the communication strategy for substantive equality, and progress in implementing the policy is reported to Corporate Executive.

Occupational safety, health and injury management

In accordance with the Public Sector Commissioner's Circular 2009–2011: Code of practice: Occupational safety and health in the Western Australian public sector (the circular), the department complies with the requirements of the *Occupational Safety and Health Act 1984*, the *Workers' Compensation and Injury Management Act 1981* and the *Code of practice: Occupational safety and health in the Western Australian public sector*.

Commitment to employees

The department recognises that its strength is in the many dedicated employees who deliver water planning, policy and management, and is committed to its employees by providing a safe and healthy workplace. The agency's executive team fully supports the department's occupational safety and health policy management system to ensure all employees of the department have a safe, healthy workplace.

Through the department's Occupational safety and health policy it ensures, so far as is practicable, employees, contractors, volunteers and others working with the department are protected from harm while at work. This goal is achieved through the implementation of the department's Occupational safety and health (OSH) management system.

In the event that a workplace injury occurs, the agency has established a Workers' compensation and injury management policy to assist injured employees to return to work as soon as medically appropriate.

Both of these policies are available to employees on the department's intranet site. Workplace safety and health information is

regularly communicated, as part of an online training program for both managers and staff, through articles on OSH news section of the department's front page of its intranet and through the Occupational Safety and Health steering committee and reference groups.

Mechanism for consultation with employees

Both management and employees are committed to effective consultation in the workplace to provide employees with an opportunity to participate in decisions which affect their working lives. The department has established a consultation system that includes an OSH steering committee, OSH reference group, area OSH committees and safety and health representatives. These groups comprise safety, health and management representatives and focus on continuous improvement of occupational safety and health performance.

The OSH committees and reference groups, including employee representatives, form the key to occupational safety and health consultation within the agency. The health and safety representative locations and details are communicated to all employees. The members are accessible, and effectively utilised by both management and the

employees, in the discussion and resolution of occupational safety and health issues.

The department's OSH steering committee meets regularly and the OSH reference group meets on a quarterly basis. Local area OSH committees meet more frequently. They communicate issues and initiatives to the reference group, discuss and resolve occupational safety and health issues, review hazard and incident reports and review progress against the OSH action plan 2009–2013. The OSH Steering Committee has responsibility for ensuring the OSH action plan is implemented and meeting its targets.

Commitment to return employees back to work after injury

In the event that a workplace injury occurs, the workers' compensation and injury management policy creates an injury management system that is directed at enabling injured employees to return to work as soon as medically appropriate.

The system ensures injury management intervention occurs promptly and effectively, so injured employees can remain at work or return to work at the earliest appropriate time. The injury management system and return to work programs are compliant with the requirements of the *Workers' Compensation and Injury Management Act 1981* and have been reviewed and approved by RiskCover, the department's insurer.

Information about the injury management system and return to work after injury is made available to employees through the department's intranet.

In March 2012, the Office of Shared Services devolved responsibility for provision of workers' compensation and injury management back to the department.

Assessment of the occupational health and safety system

The department's occupational health and safety management system was audited externally in 2008 and by its internal auditors in December 2010. As a result of these assessments, the OSH management system was reviewed to reflect the recommendations and agreed actions resulting from this audit.

The OSH management system is regularly monitored for continuous improvement, and revisions will be made to reflect the harmonisation of state and federal work health and safety legislation, as it comes into effect.

Performance

The department's performance against the targets set in the government circular is demonstrated below.

Safety health and injury management performance reporting				
Measure	Actual results		Results against target	
	2010–2011	2011–2012	Target	Comment on result
Number of fatalities	0	0	0	Target achieved
Lost time injury and/or disease incidence rate	0.56%	0.42%	Less than or equal to 0.50%	Target achieved
Lost time injury and/or disease severity rate	33%	0	Less than or equal to 30%	Target achieved
Percentage of injured workers returned to work:				
(i) within 13 weeks	N/A	100%	Greater than or equal to 80%	Target achieved
(ii) within 26 weeks	66%	100%	Greater than or equal to 80%	Target achieved
Percentage of managers trained in occupational safety, health and injury management responsibilities	33%	85.6%	Greater than or equal to 80%	Target achieved

Feedback form

The Department of Water welcomes your comment to help us improve the clarity, and presentation of our publications. Your assistance in completing this form would be greatly appreciated.

Please consider each question carefully and rate them on a 1 to 5 scale, where 1 is poor and 5 is excellent (please circle the appropriate number).

Did the report help you understand the department, its purpose, services and performance?

1 2 3 4 5

Did you find the design and presentation functional and effective?

1 2 3 4 5

Was the report clear, concise and easy to read?

1 2 3 4 5

Did you find the structural format of the report simple and logical?

1 2 3 4 5

Please provide any comments on how you think the Annual Report could be improved.

Please fill out this form and return your completed response to:

Corporate Communications

Department of Water
168 St Georges Terrace
PO Box K822 Perth WA 6842

Alternatively please attach any completed responses and email to:

Annual.Report@water.wa.gov.au

Please send your comments by
5.00 pm, 7 December 2012.
The Department of Water will consider
all submissions when we prepare next
years Annual Report.

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