



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

Department of the Premier and Cabinet

Annual Report

2013–2014

Produced and published by
The Department of the Premier and Cabinet

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Statement of Compliance

For the year ended 30 June 2014

Hon C J Barnett MEd MLA
PREMIER

In accordance with section 63 of the *Financial Management Act 2006*, I hereby submit for your information and presentation to the Parliament, the Annual Report for the Department of the Premier and Cabinet for the financial year ended 30 June 2014.

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

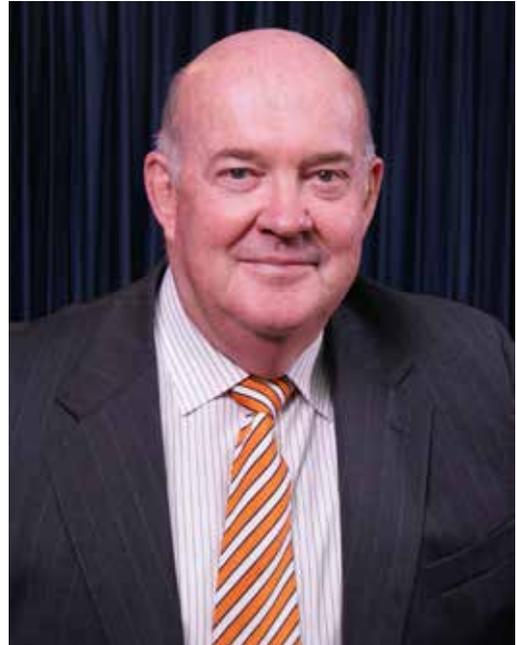


Peter Conran
DIRECTOR GENERAL

5 September 2014

Director General's Foreword

The Department performed its traditional policy advice role in 2013-14 working through the day to day policy issues requiring Cabinet approval or consideration by the Council of Australian Governments. Ongoing support to the improved processes arising from the Strategic Assessment of the Perth and Peel region occurred throughout the year, with all parties agreeing to more efficient outcomes for the planning processes surrounding metropolitan development. The Commonwealth Government's focus on reforms to the federation and taxation will remain issues of key interest to the Department in the coming year.

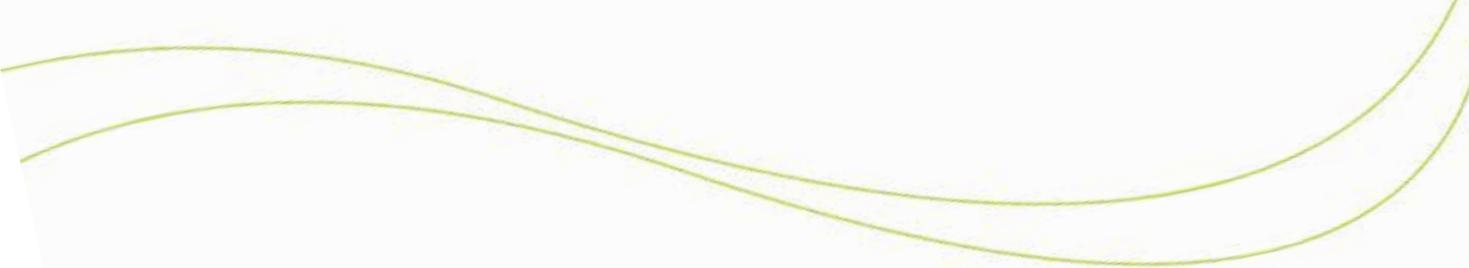


The Department also welcomed the Office of Science following the Premier's inclusion of the Science portfolio within his responsibilities after the 2013 State Election. The Office has adapted well to its new home in the Department, supporting the Premier and his Parliamentary Secretary, the Hon Donna Faragher MLC in their community activities promoting the State's science policy. Staff are also busy managing the State's involvement in the Square Kilometre Array project which will bring science on a grand scale to Western Australia.

Continuing the science theme the Department farewelled one Chief Scientist and welcomed another. Professor Lyn Beazley AO completed her term as Chief Scientist and was inducted into the Western Australian Science Hall of Fame in April 2014. Professor Peter Klinken was subsequently announced as the new Chief Scientist and we look forward to working with him in the coming year as he explores the role.

An unusually high number of office relocations for Members of Parliament has kept Departmental staff busy accommodating these changes. While not always easy to balance public sector requirements with the demands of Members of Parliament who wish to be as close as possible to their constituents, the Department strives to provide the best possible service to Members.

Following the Government's decision to deploy a limited number of drum lines over a limited time period off the metropolitan and south west coasts the Department was able to bring together the activities of several different agencies to make the program happen. This work is continuing in 2014-15 as the Government refines and improves its shark mitigation strategies. This work exemplifies the role of a central agency in the public sector and full credit should go to all of the staff within the Department and other agencies who contributed.



Work on the ANZAC Centenary commemorations continued throughout the year and is now gathering pace. The events around the weekend of 31 October to 2 November 2014 will be a fitting tribute to the start of commemorations for the First World War centenary and again demonstrate the Department's critical role in coordinating government's activities for important ceremonial events.

My thanks go to all staff over the past year, as we look forward to another successful year of support for the Premier and the Government of Western Australia.



Peter Conran
DIRECTOR GENERAL



About the Department

Responsible Minister

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

Chief Executive Officer

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

Authority for the Establishment of the Agency

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

Our Vision

Improving outcomes through leadership, collaboration and innovation.

Our Purpose

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

Our Values

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

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



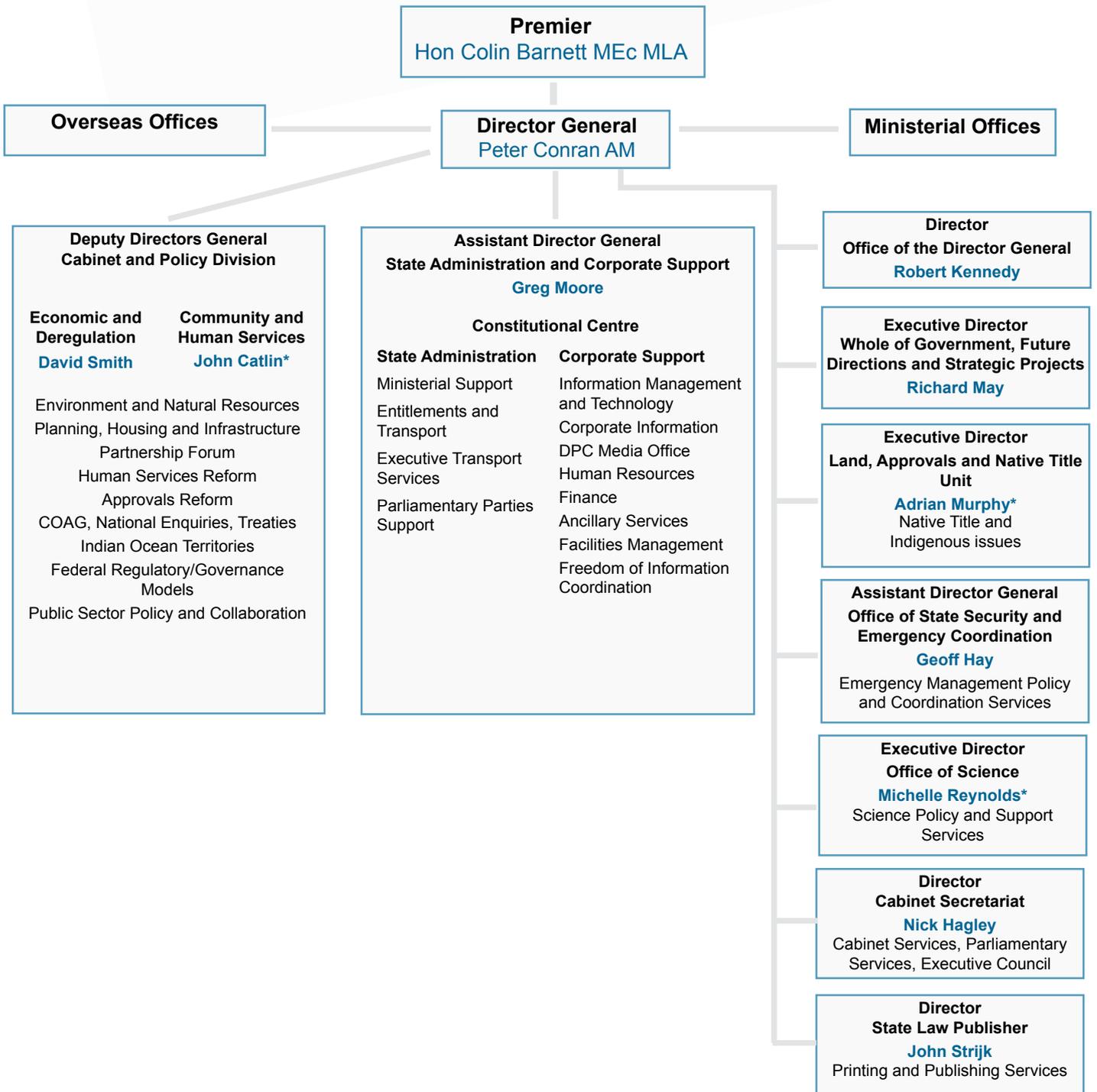
Legislation

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

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

For other key legislation impacting on the Department's activities see Appendix 1 on page 162.

Our Structure



* Officer currently acting in this position

Our People – Senior Officers

DIRECTOR GENERAL

– Mr Peter Conran



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

DEPUTY DIRECTOR GENERAL: Economic and Deregulation

– Mr David Smith

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



DEPUTY DIRECTOR GENERAL: Community and Human Services

– Mr John Catlin



Mr Catlin has a lengthy background in social and economic policy, including extensive experience in Indigenous policy. Mr Catlin returned to the Department of the Premier and Cabinet in May 2010 after a 10-year absence during which he spent six years as a Member of the National Native Title Tribunal, two years in the Victorian Department of Justice and a year in the resource industry in Queensland. During the 1990s he worked in the Western Australian Departments of the Premier and Cabinet, the Department of Indigenous Affairs, and the Department of Mines and Petroleum.

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

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



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



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

EXECUTIVE DIRECTOR: Economic and Deregulation – Ms Lyn Genoni

Ms Genoni joined the Department of the Premier and Cabinet in 1997, and was appointed an Executive Director in 2010. She has over 30 years of public sector experience, with more than a decade working on State policy priorities with colleagues in the Commonwealth and other States and Territories. Ms Genoni commenced her career in education, and went on to a succession of policy leadership and management roles in a number of government agencies. She has a wide interest in all areas of public sector policy, and was awarded life membership of the Institute of Public Administration Australia WA in 2007, having served as an elected member of the State Council for 10 years.



EXECUTIVE DIRECTOR: Land, Approvals and Native Title Unit

– Mr Adrian Murphy



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

EXECUTIVE DIRECTOR: Whole of Government, Future Directions and Strategic Projects

– Mr Richard May

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



EXECUTIVE DIRECTOR

- Mr Tony Rutherford



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

EXECUTIVE DIRECTOR: Community and Human Services

- Tom Leeming

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



EXECUTIVE DIRECTOR: Office of Science

- Ms Michelle Reynolds



Ms Reynolds has worked in State Government for over 28 years, with the last 15 in senior executive roles, and has played a key role in shaping public sector management policy. Ms Reynolds was appointed as Chief Executive Officer of WorkCover WA in September 2009 after acting in the role from December 2008. Prior to this, Ms Reynolds spent 12 years in senior management with the Department of the Premier and Cabinet (DPC), reaching the level of Assistant Director General heading the Public Sector Management Division. During 2012, Ms Reynolds was seconded to DPC to support the establishment of a new sub-department for the State Emergency Management Committee and to develop the State's first Emergency Preparedness Report. In May 2013, Ms Reynolds was again seconded to DPC to work on the establishment of the Office of Science as part of the Machinery of Government reforms. Ms Reynolds has a Bachelor of Arts and a Master of Business Administration.

DIRECTOR: Cabinet Secretariat

- Mr Nick Hagley

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



DIRECTOR: Office of the Director General
- Mr Robert Kennedy



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

DIRECTOR: State Law Publisher
- Mr John Strijk

Mr Strijk was appointed to this position, which also has the designation of 'Government Printer', in 1996. He was previously in the Department of State Services and State Print in a number of roles including marketing and sales, planning and support, contract printing management, and has over 43 years of public sector experience.



DIRECTOR: State Administration
- Ms Kathryn Andrews



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

Image: 'Migrating Spirits' art work in the grounds of Dumas House.





Our Workplace

The Department employed an average of 474 full-time equivalent (FTE) employees during 2013–14, compared to 483 FTE in the previous year.

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

Employment Opportunities

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

The Department received 1089 applications for 24 advertised vacancies throughout 2013–14. Other interested candidates were encouraged to visit the 'Work for Us' page of the Department's website for information on applying for vacancies within the Department.

Graduate and Trainee Programs

The Department recruited four graduates and two school-based trainees in 2013–14.

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

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

Aboriginal Employment

The Department is committed to providing ongoing employment and support to Aboriginal employees. The Department provides employment for Aboriginal youth as part of the Public Sector Commission's Aboriginal Traineeship Program. This year, one of the Department's Aboriginal trainees was selected as one of six Western Australians to participate in the National Youth Parliament 2014 in Canberra.

Supporting People with Disabilities

The Department is committed to providing employment opportunities for people with a disability through the Supported Work Team program and direct employment. The program, which was launched in 2007, continued successfully in 2013–14.

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

The key elements of the program are to:

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

Employee Health and Wellbeing

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

The Department also understands the importance of a safe workplace and implemented compulsory Occupational Safety and Health training for all managers and supervisors in December 2013.

The Department has also pledged to support the One Life Suicide Prevention Strategy. As part of this pledge, the Department aims to increase awareness of, and consequently reduce, the stigma surrounding people with mental health issues. In 2013–14, further support was provided to staff by coordinating mental health first aid training and lunch-time information sessions held in-house and disseminating information on mental health to the Department's employees.

Parliamentary Electorate Office Conference 2014

The Department of the Premier and Cabinet is responsible for providing key corporate support functions for officers employed to support Western Australian State Members of Parliament, in the management of electorate offices across Western Australia.

On 1 and 2 May, 2014 the Department hosted a Parliamentary Electorate Office Conference to provide these employees with critical training and development opportunities. The conference was attended by 80 electorate employees from across Western Australia and received favourable feedback from over 95% of conference participants.

Support for the Community

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

On a weekly basis, the Department supports 'free dress day' to raise funds for various charities nominated by employees. In 2013–14, \$7,103 was raised through this activity.

The Department also supports a number of other initiatives including group blood donations, which are organised throughout the year. Sixteen staff members participated in 'Movember' in 2013 to raise \$2,310, promoting a positive community spirit within the organisation.

Our Goals

- » Providing leadership in all facets of policy development, from the progression of key sector reforms to developing innovative solutions to complex policy issues.
- » Leading and supporting our people through providing development opportunities and an engaging work environment to produce the best services, and leaders for today and the future.
- » Providing implementation support through coordinating, monitoring and partnering.
- » Providing quality and timely policy advice to support the Premier and Cabinet.
- » Delivering quality and timely services to support the administration of Government.

Key Service Areas



The Department's two agency-level outcomes are:

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

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

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

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

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

Service 1: Administration of Executive Government Services

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

Service 2: Government Policy Management

- » Strategic policy advice and coordination for the Premier and Cabinet.
- » Leadership and coordination of cross-agency solutions to complex policy issues.
- » Strategic, cross-portfolio advice on land, State and Commonwealth approvals and Indigenous issues.
- » Management and coordination of input and advice for intergovernmental negotiations with the Council of Australian Governments and the Council for Australian Federation.



Performance Management Framework

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

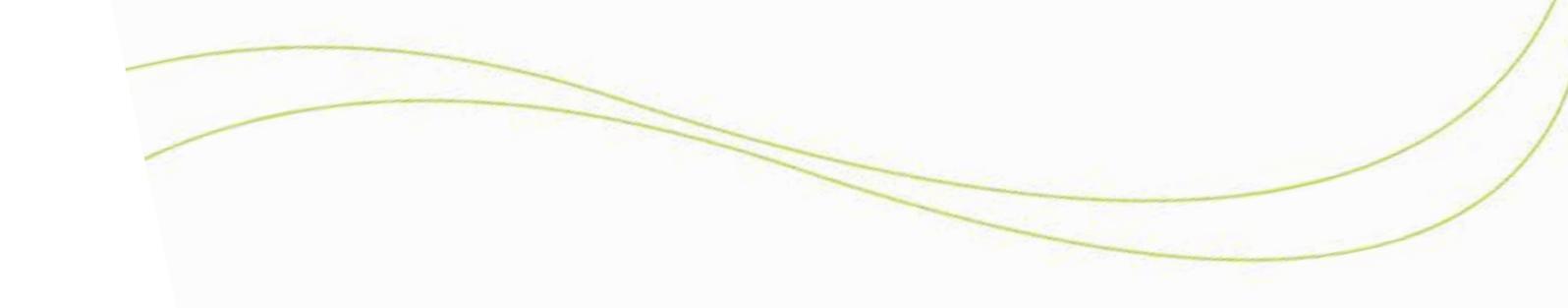
Outcome Based Management Structure

Relationship to Government Goals

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

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

Further detail relating to the audited KPI information is located on page 131. Results in this section show a comparison of key efficiency and key effectiveness targets and outcomes, forming part of the Department's Outcome Based Management structure.



Changes to the Outcome Based Management Structure

In the reporting period the Department undertook a review of its Outcome Based Management structure, with a view to improving the measurement of the Department's performance in delivering support and advice to its key clients. As part of the review, the following changes were approved by the Department of Treasury, effective for the 2013-14 reporting period:

Removal of the following key effectiveness indicator -

- » Percentage change in number of outstanding Native Title claims awaiting resolution.

Addition of the following item in the Department's Annual Expectations Survey -

- » Strategic policy advice on all science-related matters.

The *Annual Expectations Survey* is distributed annually to the Premier and all Ministers. Responses from this survey contribute to the following KPI -

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

Shared Responsibilities with Other Agencies

Building a Sustainable Not-for-Profit Sector

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

Approvals

- » Assisting the Ministerial Taskforce on Approvals, Development and Sustainability.
- » Reducing excessive regulation.
- » Leading agency negotiations with the Commonwealth on proposed new bilateral agreements to streamline environmental approvals .

Strategic Assessment of the Perth–Peel Region

- » Leading the strategic assessment in close collaboration with the Departments of Planning, Parks and Wildlife, Mines and Petroleum, Water, Environment Regulation and the Office of the Environmental Protection Authority.
- » Chairing the State Steering Committee which is comprised of the Chief Executive Officers of the above agencies and the Chair of the Western Australian Planning Commission.

The Land, Approvals and Native Title Unit

- » Working closely with individual State agencies to foster a whole of government approach to efficient compliance with the *Commonwealth Native Title Act 1993* (NTA).

- » Ensuring effective implementation of the State's native title policies, including the Guide to Government Business under the Commonwealth *Native Title Act 1993* and Governance Principles for Native Title Agreements.
- » Coordinating input by State Government agencies into native title claims negotiation and resolution (including via the Government ILUA).
- » Developing new or administering existing native title agreements, including the Exmouth Land Agreement, Ord Final Agreement, the Yawuru Agreement, and the Burrup and Maitland Industrial Estates Agreement.
- » Coordinating the Strategic Land Initiatives Group involving all key State land management agencies, and developing efficient strategies to address native title and heritage for major projects and land releases.
- » Convening the Inter-Agency Reference Group on Native Title and Aboriginal Heritage and producing with the Department of Aboriginal Affairs and assisting develop, review and/or implement associated policies, including the Aboriginal Heritage Due Diligence Guidelines, Guidelines for Engagement of Aboriginal Heritage Monitors, Guide to the Government ILUA and Government Standard Heritage Agreement.
- » Providing submissions to the Commonwealth Government aimed at improving operation or administration of the NTA, in consultation with or on behalf of relevant State Government agencies.

Kimberley Science and Conservation Strategy

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



Agency Performance

Report on Operations

Service 1: Administration of Executive Government Services

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

Ministerial Support

The business of the Ministerial Support Unit (MSU) consists of: Ministerial Support; Air Charter Operations; Premier's Correspondence and the Community Comment Line. These branches merged to form the MSU on 1 January 2014.

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

Community Comment Line and Correspondence staff provide services which allow government agencies, businesses, community organisations and the general public to convey their views to the Premier and the Western Australian Government via telephone, email and letter.

Throughout 2013–14, MSU officers responded to 825 telephone calls to the Community Comment Line and actioned 8,725 items of correspondence.

There was a significant rise in correspondence during this period due to the Government's Shark Hazard Mitigation Program.

Ministerial Merit Panel

The Ministerial Merit Panel assesses the merits of any intended staff secondment or appointment to a Ministerial Office.

It advises on the classification and salary to be offered to ensure a consistent approach to the appointment process across Ministerial Offices.

The Ministerial Merit Panel considered 66 submissions during the year in both formal and out-of-session meetings.

Facilities Management

The Facilities Management Branch provides a facilities management function to the Department. The Branch works with business units to assist in maximising their accommodation needs within current office accommodation policies.

The Branch coordinated the relocation of two Ministers from commercial office space to Dumas House, which will achieve savings in rent of approximately \$1 million per year.

The Office of State Security and Emergency Coordination was successfully relocated to Dumas House, and the Office of Science moved into existing office space to create other accommodation opportunities.

State Law Publisher premises were also consolidated, resulting in a reduced accommodation footprint.

In the coming period, the Branch will aim to accommodate all Ministerial Offices within Dumas House, and thereby bring them into the Executive and Central Government precinct.

Administration of Entitlements

The Entitlements and Transport Branch provides Electorate Office and support to all Members of Parliament for the purpose of conducting their parliamentary and electorate duties.

Following the State General Election in March 2013, the Branch has worked in conjunction with the Department of Finance to coordinate the establishment, relocation and fitout of Electorate Offices. The majority of these Electorate Office fitouts were completed this financial year.

The Branch regularly conducts site visits to Electorate Offices, liaising with Members and their staff assisting with any general maintenance requirements, organising furniture and equipment and conducting occupational safety and health inspections.

The motor vehicle entitlements for Members of Parliament is also administered by the Branch. The Branch liaises with Members to provide a vehicle in accordance with their entitlement or the Member may opt for the allowance to be paid in lieu of a vehicle.

In addition, the Department of the Premier and Cabinet's vehicle fleet is coordinated by the Branch.

Media Services

The Department of the Premier and Cabinet's Media Services comprises the Government Communications Unit (GCU), the Media Monitoring Unit (MMU) and the Administrative Support Unit (ASU).

The GCU is responsible for the coordination of all government advertising and marketing. MMU caters for the media monitoring needs of the Premier, Ministers and a select range of Government departments and agencies.

The ASU coordinates and distributes information to media outlets, and provides support to ministerial media advisers. It maintains the Ministerial Media Statements website (www.mediastatements.wa.gov.au) and the Premier and Cabinet Ministers' websites (www.premier.wa.gov.au). The Media Statements website (www.mediastatements.wa.gov.au) attracted 681,213 visitors during the year.

The ASU also arranges and hosts media conferences in the Dumas Media Room to meet the need for fast and effective communications.



Image: Media conference for missing flight MH370

Freedom of Information

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

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

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

For more information on FOI, see the Information Statement on page 156.

Promotion of Western Australia's Interests Overseas

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

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

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

See following pages for information on these overseas offices.

European Office

The European Office continued to promote Western Australia as a destination for oil, gas and mineral resources investment. In particular, this included working with United Kingdom (UK) industry associations and government agencies to encourage a strong business delegation visit to Western Australia to participate at the Australasian Oil and Gas 2014 conference (AOG 2014) and exhibition, held in Perth in February 2014.

Additional business delegations visiting Western Australia to coincide with AOG 2014 included Dutch, Norwegian, French and Italian delegations.

The European Office in association with the Department of State Development, Department of Commerce and the Australian Marine Complex exhibited at the Offshore Europe conference, held in Aberdeen, Scotland from 3-6 September 2013; promoting the State as an investment and business development location.

In a series of associated events, the Agent General addressed an audience of Scottish companies on the business profile of the State; provided support to Perth Lord Mayor, Ms Lisa Scaffidi, during her visit to the exhibition; met with the Scottish Minister for Energy, Mr Fergus Ewing; and attended an Aberdeen Chamber of Commerce business breakfast.

The Agent General addressed the 'Shale Gas Summit' held in London in October 2013; reflecting the increasing interest in the UK and Europe in understanding the investment potential of shale and tight gas. The Department of Mines and Petroleum has been very receptive to the European Office identifying opportunities to promote the unconventional (onshore) gas sector.

The Agent General also led the 2013 Australia Israel Chamber of Commerce Trade Mission to Israel. The purpose of the visit was to increase research and industry collaboration opportunities between Western Australia and Israel, particularly in regard to Resources, Health and ICT. The Trade Mission was followed up by attendance at the (February) 2014 Gas Tech Israel Conference.

In other areas, the European Office promoted Western Australia's agrifood, beverage, fisheries and biotechnology industries, through delegations to trade shows such as the Seafood Global Expo (Brussels, Belgium) – the world's largest seafood exhibition. A delegation of Western Australian industry participants attended.

Staff also attended the Anuga Food Fair held in Cologne, Germany from 5-9 October 2013 to promote a dairy industry feasibility study for two projects. By prior arrangement, staff met with a number of European dairy processors and provided copies of the feasibility study.

Finally, local wines were on show at the Western Australian Wine Tasting event featured at the Brighton Food and Wine Festival on 18 April 2014. This event was held in conjunction with Tourism Western Australia, to promote both Western Australian wine and Western Australia as a travel destination.

The European Office's skilled migration manager also assisted with the ongoing recruitment campaign for the Western Australia Police (WA Police). Exams were coordinated and run by the office and facilities and support provided to WA Police when they travelled to London later in the year to interview shortlisted candidates.



European Office (continued)

Approximately 200 candidates were recruited and the Office is currently assisting WA Police in planning their 2014 recruitment exercise.

In addition, the Office is assisting the Department of Education plan their 2014 recruitment of UK and Irish teachers.

North Asia Office

During 2013 the North Asia Office hosted a visit by the Premier. The visit was significant in that the Premier met with the Deputy Prime Minister of Japan, the Minister for Agriculture and the Minister for Foreign Affairs. These meetings indicate the high level of regard Japan has for the state of Western Australia as a stable supplier of resources, energy and food.

Major achievements of the Office included the successful conclusion of a State Agreement for Mitsubishi Corporation and Buru Energy to develop natural gas resources in the Canning Basin, and a highly successful investment seminar held in conjunction with the Bank of Tokyo-Mitsubishi UFJ. The investment opportunities seminar generated a high level of interest in the agribusiness sector and related infrastructure projects.

Significant business matching was achieved in the fields of waste management, construction, resources exploration and development and education. The Office also assisted the Sumitomo Mitsui Banking Corporation, one of Japan's top three banks, to establish a branch office in Perth.

The Office arranged visits to Western Australia for the Japanese Ministry of Agriculture and a number of large-scale millers, as Japan remains one of Western Australia's top export destinations for grains, noodle wheat being a significant component.

For the agricultural sector the Office was also directly responsible for export agreement business matching for over 25 companies in the sector, including major contracts for oats and meat.

In promoting education in Western Australia, the Office led a mission of Japanese agents to Perth and a subsequent increase in student visas has been recorded. Successful business matching in this sector included agreements signed between Japanese institutions and Western Australian universities.

Following the announcement of the conclusion of negotiations over a free-trade agreement between Australia and Japan, the Office commenced identifying opportunities to maximise benefits for Western Australian business and industry. The Agreement opens up major potential in agribusiness and seafood trade, along with many other food items.

Western Australian Trade Office (WATO) – Middle East and Africa

In 2013–14 the WATO Dubai Office facilitated two visits by the Director General of the Department of Agriculture and Food (DAFWA) to Saudi Arabia in December 2013 and March 2014. These visits included extensive discussions with key livestock importers, Government officials and Ministries. Continued efforts aiming for higher-level discussions and negotiations will be maintained with respect to the revival of livestock export to the Kingdom of Saudi Arabia.

Efforts to understand the Saudi Ministry of Agriculture's views on restarting livestock trade with Australia have resulted in several important observations. A key observation that emerges is the need to examine the scope to amend the Exporter Supply Chain Assurance System, to enable whole-of-supply chain ownership arrangements without attempting to impose the current onerous traceability requirements within the Kingdom of Saudi Arabia.

The WATO Dubai Office also continued its focus on the Western Australian agribusiness sector with support for the Western Australian lupin, wheat and barley industries. Additionally, the Office has worked with the National Agricultural Development Company (NADEC), one of the largest agricultural and food-processing share stock companies in the Middle East and North Africa. The company is also one of the very few and largest vertically-integrated dairy businesses in the world, offering more than 100 products. Over the past four years the office has been working with NADEC and has coordinated a number of inward trade missions to the NADEC office and farms.

A visit held in June 2014 was planned around a specific list of targets from NADEC, which have delivered the following list of outcomes and follow-up opportunities:

- » feasibility study for liquid milk trials as provided by Brownes Dairy
- » possible feed trial of oaten hay for NADEC's dairy herd through proposal developed by DAFWA
- » potential oaten seed shipment trail through Gilmac
- » dairy investments (i.e. Brownes dairy)
- » attracting investments into Saudi Arabia with the Grain Silos & Flour Mills Organisation through the CBH Group (work in progress)
- » collaboration between the University of Western Australia and the CBH Group in the areas of -
 - ◇ animal fodder - both pallets and possible fodder production on mine dewatering sites
 - ◇ red meat supply, and possible investment/partnerships with local Halal abattoirs
 - ◇ potential and possible assistance by DAFWA in designing pathways for Western Australian professional farmers to benefit from opportunities presented through specific interest visits by major industry leaders and, subsequently, such major markets.

Following on from the Memorandum of Understanding (MoU) signed with the Common Market for Eastern and Southern Africa (COMESA), the Premier provided assurances to African nations regarding the knowledge-sharing of Western Australia's mining experience during a visit to the region in February 2014.



Western Australian Trade Office (WATO) – Middle East and Africa (continued)

This demonstrates a solid commitment by the Western Australian Government to try to help African countries develop modern effective mining laws and to try to get the countries to offer consistency and uniformity, particularly regarding royalties from the sale of the minerals and taxation of company profits.

The Premier's visit to the African region was designed to encourage closer trade and investment relationships in this rapidly growing region. The MoU has been signed between the Government of Western Australia and the COMESA, a regional economic organisation with member states including Zambia, Kenya and Uganda. The objectives of the MoU include sharing knowledge and technology between Western Australia and the COMESA states across the fields of mining, petroleum and agriculture.

The COMESA states have a total population of 389 million and annual exports of \$US82 billion. Hence engaging with COMESA is an excellent way for the State to build relationships in the region and opens up an exciting new market for Western Australian goods and services. The primary focus is to work closely with the COMESA Secretary General, His Excellency Sindiso and concerned parties, to initiate operationalisation of the MoU between COMESA and Western Australia, and facilitate the execution and implementation of knowledge and resources.

At the second Australia Unlimited MENA held in 2014, the WATO Middle East Office Commissioner was the single state representative invited to the Riyadh leg of the event to promote agribusiness opportunities. The Hon Andrew Robb MP, Minister for Trade launched the Western Australian book titled 'Agribusiness Investment Opportunities in Western Australia' and presented it to senior Saudi Government officials.

Management of State Occasions and Official Visits

The State Ceremonial and Events (SC&E) section (formerly Protocol Branch) continued its role of planning and coordinating official visits to the State; arranging and managing State hospitality functions as well as ceremonial and special events; arranging official gifts for presentation by the Premier; providing advice to the Premier and State Government and the public; liaising with the WA Consular Corps, facilitating requests for official passports for Ministers; and managing the State's flag allocation scheme.

For the period 1 July 2013 to 30 June 2014, the SC&E section coordinated 21 Ambassadorial Visits to Western Australia (two of which were cancelled at late notice). In addition, the following significant visits were managed by the Branch:

- » His Royal Highness Prince Henry of Wales (October 2013)
- » Commonwealth Guest of Government Visit by His Excellency Dr Tony Tan Keng Yam, President of the Republic of Singapore (June 2014)
- » Commonwealth Guest of Government Visit by His Excellency, Dr Tedros Adhanom, Minister of Foreign Affairs, Ethiopia (June 2014) [Cancelled].

Arrangements for 10 State hospitality events associated with Ambassadorial visits were made by the Branch (two of which were cancelled at late notice). The following five special events were also arranged during this period:

- » Premier's Reception for the Indian Ocean Rim Association for Regional Cooperation (October 2013)
- » Morning Tea Reception for the Presentation of the Young People Who Care Awards 2013 (December 2013)
- » Belmont Community Cabinet Reception (March 2014)
- » Esperance Regional Cabinet Reception (June 2014)
- » Executive Council Luncheon for the Governor of Western Australia (June 2014)
- » Premier's Reception to Farewell the Governor of Western Australia (June 2014).

Assistance with arrangements for the Premier's official visits to South Africa (February 2014) and China (April 2014) was provided, which involved preparation of gifts and a gift schedule, as well as airport departure and arrival facilitation for the Premier and his delegation.

Constitutional Centre Programs

The Constitutional Centre (the Centre) is unique in Australia. Its role includes a responsibility to educate the community on the Commonwealth and Western Australian Constitutions, and also the Federal system of Government.

Ms Lisa Belde commenced work with the Centre in 2008 and was promoted to Manager in November 2013.

School Education Programs

In addition to the programs conducted in the metropolitan area, the Centre took programs to regional areas of the State with education officers visiting areas not covered by current regional staffing.

Programs are targeted at primary and secondary students and include free civics education and teacher resources. Since opening in 1997 approximately 495,000 students have participated in these programs.

In 2013-2014 education officer staff visited the Esperance region as well as Karratha. Materials and programs for remote and regional schools continued to be distributed on a loan basis throughout the state. One thousand students and their teachers accessed programs in this format.

Two one-day Schools Constitutional Conventions were held, and 170 students attended. Numbers were slightly down due to the half year cohort now having reached Year 11 in 2013 and the total numbers of students at this year level being lower. Fifteen of these students were then selected to be Western Australia's representatives at the National Schools Constitutional Convention held in Canberra in March 2014.

A joint program held in conjunction with Government House has seen the Governor's residence used by the Centre's education officers as the venue for a week of sessions, per term, for upper primary students. This program investigates the change in the role of the Governor, from Governor Stirling to the present day.

The Centre hosted two teacher professional learning events to promote its role and programs, along with the following complementary agencies providing civics education in this State: Parliament of Western Australia, the Western Australian Electoral Education Centre and Francis Burt Law Education Programme (Law Society of Western Australia).

Public Programs

In 2013-2014 the Centre introduced a new annual lecture held on Constitutional Day (9 July). The focus of this lecture is to highlight the Federal-State relationship from a Western Australian perspective. The lecture is known as 'The State of the Federation Address'.

The inaugural address was made by Professor Geoffrey Bolton and his address was: 'If John Forrest was alive today would he support secession?' An audio along with a transcript of Professor Bolton's address are available on the Constitutional Centre's website.

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

- » The 4th Arm of Government
- » The story behind the Land Borders of the Australian States

Constitutional Centre Programs (continued)

- » Implied Freedom of Political Communication: New Dimensions
- » The 'Glorious Revolution' Down Under: Parliamentary Privilege and the Bill of Rights 1689 (UK) - Its Application in Criminal Proceedings against Members of Parliament: England and Australia Compared
- » Voting for Upper Houses - Practical Problems and Sensible Reforms
- » Elections and Money: Legislative Regulation of Political Donations – The High Court Decision
- » Emmerson: The High Court, Kable and Criminal Property Confiscation Laws
- » The WA Senate Election(s) – A Conversation with Antony Green
- » Sentencing and the Criminal Process – Emerging Dimensions (half-day seminar).

The Mature Age Learning Association also conducted two ten-week semesters of adult education at the Centre.

Visitor Figures

There were 58,822 visitors to the Centre (see image of building below) between 1 July 2013 and 30 June 2014.

These figures are a slight increase to last year.

Number of website visitors

The Constitutional Centre website (www.ccentre.wa.gov.au) attracted 71,374 visitors during the year. The website is often the starting point in the provision of the support for teachers regarding civics education.

The start of the school year and terms record higher volume of website traffic, with lesser usage at the end of the year. Overall, website usage was steady, however, May saw a dramatic drop (i.e. many schools had no website or email access during this time, which could have been a factor).

Constitutional Centre Advisory Board

The Constitutional Centre has an Advisory Board, with eleven appointed members. They are each appointed for a three-year period.

Sitting fees for board members are:

Chair	\$306 per meeting
Members	\$203 per meeting.



Publishing Services for Parliament and Government

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

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

Copies of these legislative publications can be ordered by telephone, mail, email, or an online service is available on the State Law Publisher website at www.slp.wa.gov.au. Free online access to databases of various current and archived legislation materials is also available.

Electronic Uptake of the Government Gazette

A further nine years of previously published editions of the Western Australian Government Gazette and indexes were scanned and added to the archive database during 2013-14.

The database is available on the State Law Publisher website, which now contains copies of all Government Gazettes published from 1906 to current. Gazettes dating back to 1950 are fully text searchable whereas prior years have a searchable index only due to the deteriorating condition of the old paper copies.

Reprints Program

The reprints program continued during the year with resources provided to assist the Parliamentary Counsel's Office.

A total of 122 titles of legislation were consolidated and reprinted.

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

Accommodation Changes

The State Law Publisher's tenancy lease at 10 William Street Perth expired at the end of February 2014. Initial plans were to relocate these operations to the lower basement in Dumas House however the relocation did not proceed due to the high fitout costs involved.

Existing accommodation requirements were reviewed and, with some operational changes being made, all of the State Law Publisher's operations were able to be moved to the basement floor of the existing premises. A minor fitout was also required as a result of relocating all operations to the basement floor.

A new lease based on the reduced floor space was negotiated with assistance from the Department of Finance, Building Management and Works, and a private leasing consultant. The operations were consolidated and relocated to the basement floor in February 2014.

The operational changes have also enabled a reduction of inventory stock holdings by around 50% resulting in additional savings with stock write-offs, management costs and inventory investment.

Report on Operations

Service 2: Government Policy Management

Policy advice and coordination for the Premier and Cabinet

Whole of Government, Future Directions and Strategic Projects

The Whole of Government, Future Directions and Strategic Projects Branch works with stakeholders to respond to specific government issues. This area works cooperatively with others on large and small scale projects to achieve shared outcomes.

Throughout 2013–14, the Department worked closely with other government agencies and the Premier's Office on a range of policy and project initiatives at a State and Federal level.

Major achievements

- » Oversight of the State Government's Shark Hazard Mitigation Strategy, including the development, implementation, and coordination of the drum line component of this strategy in conjunction with the Department of Fisheries.
- » Work with Surf Life Saving Western Australia (SLSWA) on other components of the Shark Hazard Mitigation Strategy – including aerial and beach patrols, and the construction of a watchtower in the Town of Cottesloe. [NB the Office of Science is also responsible for the trial of a beach enclosure and funding for practical shark-related research]
- » Provision of advice to the Department of Planning on several master planning documents.
- » Management of the process for the selection of a marine emblem for Western Australia.
- » Work with the Department of Sport and Recreation (DSR) and the Office of Strategic Projects in the Department of Treasury on matters relating to the new Perth Stadium.
- » Assistance to the Commonwealth Government and work with consular officials from the Chinese and Malaysian embassies and representatives from Malaysia Airlines, to identify and develop supports to be provided by the Western Australian Government arising from a positive identification of debris from Malaysia Airlines Flight MH370.
- » Provision of direct policy and program support to the Minister for Veteran's Affairs with respect to issues in his portfolio.
- » Oversight of planning for the State's involvement with the commemoration of the Centenary of Anzac and 400-year anniversary (in 2016) of Dirk Hartog Landing at Cape Inscription.
- » Oversight and launch of the restorative works undertaken at Mt Clarence, Albany.
- » Joint Commonwealth and State funding commitment to a sailor memorial in Fremantle (conditional on remaining funds to be raised by the Sailor Memorial Committee).
- » Management of over 22 Ambassadorial visits, one visit by a member of the British Royal family and two Commonwealth Guest of Government visits, and over 10 separate official government events, including the Governor's farewell (further details under *Management of State Occasions and Official Visits*).

Future directions

The Whole of Government, Future Directions and Strategic Projects Branch will continue work on the following active projects in 2014–15:

- » Review of the State Government's Shark Hazard Mitigation Strategy.
 - » Submission of appropriate documentation and management of appropriate processes with respect to the environmental approvals for the drum line component of the Shark Hazard Mitigation Strategy, including procurement, implementation and coordination of the strategy (pending approval).
 - » Continuing to work with the DSR and Office of Strategic Projects in the Department of Treasury on matters to do with the new Perth Stadium.
- » Planning for the Anzac Centenary commemoration including:
 - ◇ completion and launch of the National Anzac Centre in Albany in November 2014
 - ◇ development and coordination of events in Fremantle and Albany to commemorate troop convoys leaving from these two ports for World War I (Gallipoli)
 - ◇ Anzac Day ceremonies and commemorations in 2015.
 - » Finalisation of agreed events and initiatives for the Dirk Hartog 400-year anniversary in 2016.
 - » Working in partnership with the Department of Finance on the implementation of the transformation strategy for the Sunset Hospital site in Dalkeith.
 - » Working with SLSWA on contractual arrangements for aerial patrols of beaches and jet ski initiative.
 - » Working with Celebrate WA in the development of a range of community and cultural events to celebrate Western Australia Day.
 - » Managing all official overseas visits to Western Australia by foreign dignitaries.

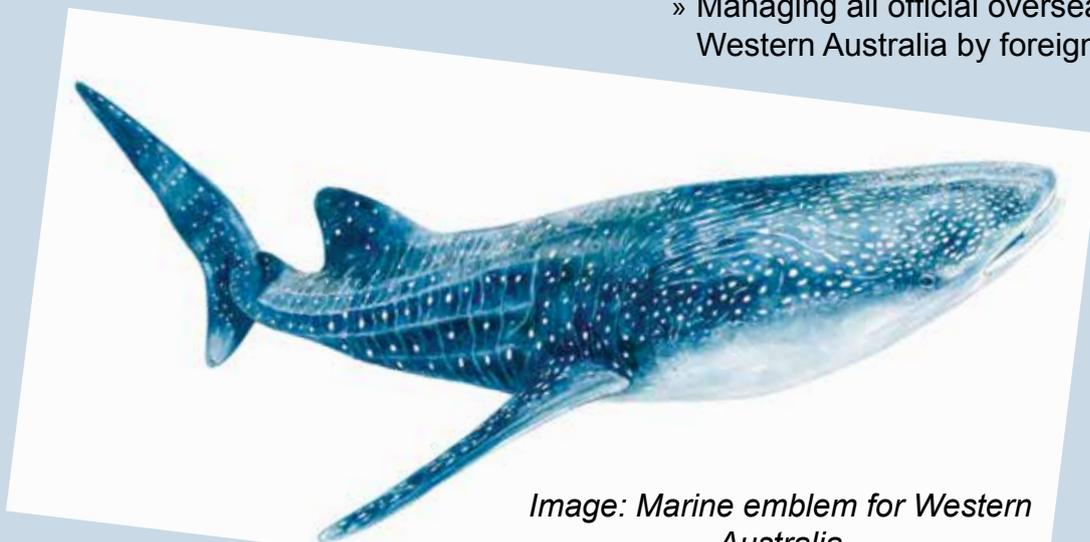


Image: Marine emblem for Western Australia

Economic and Deregulation

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

In 2013–14, State finance and budget monitoring was a priority, particularly in light of diminishing transfers from the Commonwealth, pressures on financing and building infrastructure, and changing public sector service delivery responsibilities. Other priorities included the Strategic Assessment of the Perth Peel Region, the next phase of the Kimberley Science and Conservation project, and a 'one stop shop' for environmental approvals.

A continuing priority is reducing red tape, and applying risk management and strategic approaches to mitigating and regulating risks to human health, safety and the environment.

Major achievements

Federal influence

- » Provision of support to the Premier to ensure a Western Australian perspective was given to the Commonwealth's National Commission of Audit; and the development of Commonwealth white papers including those on the Federation, Tax Reform and developing northern Australia. [Work on the reform of the Federation and taxation systems will continue in 2014–15, and a fair and equitable distribution of the GST will continue to be highlighted as the highest priority.]
- » Facilitation of the issuing of equivalent Western Australian instruments to the Commonwealth's Letters Patent establishing the Royal Commission into Institutional Responses to Child Sexual Abuse and subsequently; to the Royal Commission into Trade Union Governance and Corruption. Complementary legislative instruments are intended to ensure there are no gaps between Commonwealth and State laws when the Royal Commissions operate in Western Australia.
- » Facilitation of a State Bill to enact a coordinated Australian (national) response to the United Kingdom's changes to the rules of Royal Succession.
- » Provision of support for negotiations with the Commonwealth regarding delivery of the National Partnership Agreement on Remote Indigenous Housing, and associated negotiations regarding delivery of municipal and essential services in those communities.



Economic and Deregulation (continued)

Major achievements (continued)

- » Provision of support to the Premier in discussions held at the Council of Australian Governments (COAG), in relation to the Commonwealth's paid parental leave policy.

Infrastructure

- » Coordination of advice to government on infrastructure planning, funding and provision, which is spread across many portfolios and agencies. A number of options for more effectively linking policy advice on infrastructure planning with land-use planning and development were explored, and a priority for 2014–15 will be implementation of an improved coordination mechanism.
- » Provision of advice to the Premier on opportunities to optimise existing infrastructure, and to ensure the effective management of major new infrastructure, including involvement in inter-agency oversight of the commissioning of the Perth Children's Hospital, Fiona Stanley Hospital and the reconfiguration of Royal Perth and Fremantle Hospitals.
- » Provision of support to the Premier in COAG discussions, where all jurisdictions signed a National Partnership Agreement to give effect to the Commonwealth's Asset Recycling Initiative. Under this initiative, the Commonwealth has offered incentive payments to the States to sell assets and reinvest the proceeds in economic infrastructure. Input to this initiative will continue in 2014–15.

Deregulation

- » Work with the Department of Finance and agencies with regulatory reform experience, to better harness resources directed to the deregulation task, and to assess what more could be done. The resulting package of proposed strategies to strengthen and reinvigorate the State's deregulation agenda will be a continuing priority in 2014–15.
- » Provision of support to the Premier at COAG, in discussions to remove red tape in priority areas. In the context of COAG's agreement to work together to reduce 'end-to-end' red tape in small business, the Department commenced a project with the Small Business Development Corporation to assess the regulatory impacts across three levels of government in establishing, running and winding up a small business in Western Australia.
- » Provision of support, including performing a chairing role, to the Superannuation Reform Implementation Steering Group (which completed its work in June 2014).
- » Oversight of the State's participation in the national and Trans-Tasman mutual recognition schemes. The Department represents the State on the Cross-Jurisdictional Review Forum (CJRF), which comprises members from the Commonwealth, State and New Zealand Governments. The CJRF monitors the operation of the national and Trans-Tasman mutual recognition schemes.

Economic and Deregulation (continued)

Major achievements (continued)

Environmental deregulation

- » Provision of support to the Ministerial Taskforce on Approvals, Development and Sustainability and Directors General Committee coordinating approvals reform in Western Australia. The Taskforce has driven considerable improvements to approvals administration, resulting in reduced backlogs and faster processing. This is reflected in a much improved opinion of the approvals system by industry. Priorities in 2013-14 included improvements to clearing regulations, reducing unnecessary red tape for farmers and new offsets guidelines. An additional priority in 2014-15 will be proposed new biodiversity conservation legislation.
- » Leading negotiations with the Commonwealth on bilateral agreements to accredit the State's assessment and approvals processes to meet the requirements of the Commonwealth *Environment Protection and Biodiversity Conservation Act 1999* and thus establish a 'one stop shop' for environmental approvals. A draft assessment bilateral was published for public comment on 20 May 2014 and should be signed and implemented by the end of 2014. A draft approvals bilateral is expected to be published towards the end of 2014 and finalised shortly thereafter.
- » Coordination of the development of a policy package relating to private property rights. Legislation is currently being drafted to implement part of this package. Other elements will be delivered by the Planning and Lands portfolios.
- » Contribution to strategic policy work in the Energy and Water portfolios, including through participation on the Government consultation group for the current energy market review, and the Water Supply Planning Senior Officers Group. The Department also assisted work on developing proposed new Water Resources legislation.
- » Coordination of negotiations and legal consideration leading to the State, in June 2014, signing a Memorandum of Understanding with the Commonwealth relating to the *National Greenhouse and Energy Reporting Act 2007* (NGER Act), under which the State will have access to the NGER data. While this will assist State agencies with their functions, and help streamline industry reporting requirements, the Department will continue to seek further improvements through negotiations with the Commonwealth.

State services for non-citizens

The Department continued to play a key role in negotiations with the Commonwealth and relevant (37) State public sector agencies for the provision of diverse services to the Indian Ocean Territories (IOTs). These services (including, for example, access to the justice system, public health and hospital services, family support, consumer protection, offender management and community justice services, education and training, training to emergency service volunteers, and a range of advisory and support services) incur no cost to the State Government, and are delivered in the Commonwealth IOTs under Western Australian laws applied as Commonwealth laws.

Economic and Deregulation (continued)

Major achievements (continued)

- » The Department continued to:
 - ◇ monitor emerging issues relating to community placements for asylum seekers, and potential impact of the Commonwealth closure of the Leonora Alternative Place of Detention in February 2014
 - ◇ support the Department of Education in relation to the provision of partial education services, through an English Transition Centre at Christmas Island, for up to 60 school-age children of asylum seekers (per session, twice daily).
- » The Department coordinated a Working Group with responsibility for implementation of tuition fees for the children of subclass 457 visa holders attending government schools in Western Australia. This included development of hardship provisions to mitigate the financial impact for families with two or more school-age children, and options for special consideration on a case-by-case basis, for exceptional circumstances.

Future directions

- » During 2014–15, the Department will continue to:
 - ◇ contribute advice to the Premier and Government on a wide range of policy issues, with a focus on the implementation of Government priorities, especially where this requires additional coordination effort across agencies. This will include advice to improve the efficiency and performance of the Western Australian economy, through better productivity and coordination of infrastructure planning and implementation; enhanced opportunities and partnerships with the not-for-profit, business and industry sectors to deliver services; and a continued focus on removing and reducing red tape
 - ◇ provide input to the Commonwealth's White Papers on the reform of Australia's Federation and system of tax reform, with a view to rebalancing State and Commonwealth revenue raising capacities and spending responsibilities. Reform of the distribution of the GST will remain a central focus for the State in these discussions
 - ◇ focus on the streamlining of environmental reforms, without sacrificing environmental outcomes, particularly between the Commonwealth and State.

Kimberley Science and Conservation Strategy

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

This included the coordination and implementation of initiatives across seven government agencies, and leading negotiations of Indigenous Land Use Agreements (ILUA) with Native Title parties relevant to the strategy's initiatives. The main components of the KSCS are as follows:

- » new marine and national parks, including
 - ◇ the Great Kimberley Marine Park (Horizontal Falls, Camden Sound and North Kimberley marine parks) and Eighty Mile Beach and Roebuck Bay marine parks
 - ◇ Horizontal Falls and the 'Kimberley National Park' (name to be determined during negotiations with native title holders)
- » Landscape Conservation Initiative, which is focused on improving fire, feral animal and weed management across multiple tenures. It involves partnerships with traditional owners, pastoralists and conservation groups and provides employment and training opportunities for local Aboriginal people
- » Kimberley Marine Research Program being undertaken by the Western Australian Marine Science Institute
- » recreational fishing initiatives including the purchase of the two gillnet licences operating in Roebuck Bay and the stocking of Lake Kununurra with barramundi
- » tourism initiatives including campground upgrades and development of tourism products and promotional campaigns relating to the coastal cruise industry, iconic four wheel drive, camping and accommodation facilities and Aboriginal tourism products
- » geochemical and geophysical survey program.

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

Major achievements

- » Creation of the class A Prince Regent National Park.
- » Creation of Lalang-garram / Camden Sound and Eighty Mile Beach marine parks.
- » Completion of the first joint management agreement (with Dambimangari Aboriginal Corporation for Lalang-garram / Camden Sound Marine Park).
- » Partnering with traditional owners and pastoralists to carry out prescribed burns over 6.5 million hectares and remove 16,000 feral animals.
- » Purchase of the two Roebuck Bay gillnet licences and stocking of Lake Kununurra with barramundi.
- » Commencement of the Kimberley Marine Research Program.
- » Completion of Indigenous Land Use Agreements with the Nyangumarta and Ngarla native title groups relating to the intertidal area of Eighty Mile Beach Marine Park and new terrestrial reserves.
- » Completion of upgrades to campground facilities and other tourism infrastructure.

Kimberley Science and Conservation Strategy (continued)

Future Directions

- » Priorities for the Kimberley Science and Conservation Strategy in 2014–15 and subsequent years will be the creation of the Great Kimberley Marine Park and new national parks at Horizontal Falls and what will become Australia's largest national park.
- » The new parks will be jointly managed with determined Native Title holders and will provide the highest level of protection to the immense natural and cultural values of these areas.
- » The Department's work in 2014–15 will be focus on progressing the negotiation of ILUAs with a number of native title groups in the Kimberley.

Strategic Assessment of the Perth and Peel regions

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

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

- » the Western Australian Planning Commission's (WAPC's) three sub-regional structure plans that will support Directions 2031 and the Directions Strategy for a City of 3.5 million, including future urban, industrial and infrastructure development; and
- » a revised State Planning Policy on basic raw materials.

The SAPPR is the largest environmental approvals streamlining reform undertaken to date in WA and will significantly reduce the delays and costs that are currently commonplace in Perth and Peel as a result of the EPBC Act.

The SAPPR in conjunction with the WAPC's subregional structure plans will resolve a number of long-term land use conflicts and deliver a comprehensive approach for addressing major environment issues including the Carnaby's Cockatoo, the health of the Peel-Harvey estuary and threatened flora.

The SAPPR is driving a very high level of whole of government coordination in relation to future development, infrastructure and environmental conservation across the Perth and Peel regions, which has the potential to deliver substantial cost savings and other benefits to the State.

The SAPPR is led by the Department of the Premier and Cabinet, in collaboration with the Departments of Planning, Parks and Wildlife, Environment Regulation, Water, Mines and Petroleum, and the Office of the Environmental Protection Authority as well as numerous other agencies.

Major achievements

- » Completion of a preliminary environmental impact assessment of the draft development footprints on key environmental values.
- » The development and refinement of strategic land use and policy options to support Ministerial and Cabinet decision making in relation to the SAPPR.
- » Extensive engagement with the key stakeholders, including the development industry, local government, environmental groups and the basic raw materials industry. To date, there have been 44 stakeholder briefings and meetings.



Image: Murray Mouth

Community and Human Services Unit

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

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

Major Achievements

- » The Department provided high-quality secretariat support to the Aboriginal Affairs Cabinet Sub-Committee (AACSC). The AACSC was established in April 2013 to drive better coordination across government and improved collaboration with Aboriginal leaders and the non-government sector.
- » The Department undertook a targeted Aboriginal Youth Expenditure Review, and a Location-Based Review of Roebourne and Martu communities.
- » In 2013–14 the Department led successful negotiations with the Commonwealth Government on launching the National Disability Insurance Scheme (NDIS) in Western Australia, culminating with the launch of two trial sites on 1 July 2014. The trials will be independently run by the Commonwealth and the State over two years before being independently evaluated, with the results used to inform the roll out of national disability reform.
- » The Department's negotiations were carried out in conjunction with a stakeholder reference group to ensure the NDIS My Way model uses a best practice approach. In particular, the NDIS My Way model emphasises maximising choice and control for people with a disability, their families and carers, and building on existing relationships with Western Australian service providers to safeguard people's current support arrangements.
- » In 2013 the Department led an engagement process with not-for-profit aged-care providers and government agencies to identify actions to address the needs of Western Australia's growing ageing population. The process identified a number of short-term priority actions that are innovative and driven by collaboration with the not-for-profit sector. Implementation of these actions is underway across the public sector with oversight and guidance from the Department.
- » The Department played a key role in extending the National Partnership Agreement on Homelessness (NPAH) for a further 12 months (2014-15). The Agreement provides 81 services across Western Australia through 40 not-for-profit community sector organisations. The State and Commonwealth Government each contributed \$14.97M in funding.

Partnership Forum

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

The Partnership Forum has 21 members, comprising leaders from State Government agencies and the not-for-profit community sector. In 2013–14, the Forum's membership was updated to include two consumer advocates and a new Chairperson, Ms Robyn Kruk AM.

In 2013–14, the Partnership Forum developed new strategic priorities for 2014–15, which include a renewed focus on collaboration in policy and planning, reducing the administrative burden on the not-for-profit sector and continued oversight of the rollout of the \$604M Sustainable Funding and Contracting with the not-for-profit sector initiative. Considerable progress has also been made in building the relationship between the public and not-for-profit sectors, improving levels of mutual trust and empowering service users in the design, planning and delivery of community services.

Major Achievements

- » The Partnership Forum was awarded a commendation at the 2013 IPPA Prime Minister's Awards.
- » Successful second-year evaluation of the Sustainable Funding and Contracting initiative. Findings included continued strong support for the Delivering Community Services in Partnership Policy, with Components I & II well received by the sector and the benefits still being felt.
- » Engagement with the Western Australian not-for-profit sector on how best to influence and address the impact of the Commonwealth Government's not-for-profit reform agenda.

Land, Approvals and Native Title Unit

The Land, Approvals and Native Title Unit (LANTU) provides strategic leadership to the Western Australian Government on all matters related to the Commonwealth *Native Title Act 1993* (NTA).

Major Achievements

- » Completed nine native title determinations, covering an area of 140,000 square kilometres. Seven were resolved by consent and two were litigated outcomes. Consent determinations since 1 July 2013 include Nyikina Mangala; Esperance Nyungars; Balangarra (Combined); Balangarra; Wiluna; Wiluna #3; and Tarlpa. The total number of claimant applications lodged with the National Native Title Tribunal for a determination that native title exists remain around 100, due to new claims being filed primarily to fill in unclaimed areas and/or for other technical reasons.
- » Continued negotiation of native title and non-native title settlements, including finalisation of the State's position for an agreement to settle all native title claims in the South West by way of an Indigenous Land Use Agreement (ILUA). The Government is proceeding with the negotiations on the basis that the six principal Noongar claim groups will authorise the ILUAs by November 2014. Subject to this stage being completed; ILUA registration will occur with implementation of the overall agreements planned to commence on 1 July 2015.
- » Continued negotiations for Government ILUAs, which provide for incentives to encourage mineral exploration; standardise heritage arrangements; and provide substantial support for Prescribed Body Corporates that manage native title after a determination. The first Government ILUA was executed with the Esperance Nyungars on 14 March 2014. A number of other ILUA negotiations are currently being negotiated across the State.
- » Lead and/or assisted on several major project negotiations for the State including -
 - ◇ the negotiation of an ILUA between the State and the Ngarluma Aboriginal Corporation for the Anketell Port
 - ◇ townsite expansion of Onslow and the Ashburton North Strategic Industrial Area
 - ◇ a future act agreement between the State, LandCorp and the Gnulli native title claimant group. The agreement provides for development of residential land in Exmouth and addresses the State's compensation liability for impairment of native title interests that are associated with residential development of Crown land.
- » Lodged submissions on behalf of the Western Australian Government to Commonwealth Inquiries concerning the
 - ◇ review of Native Title Organisations
 - ◇ review of Indigenous Business Australia and the Indigenous Land Corporation
 - ◇ Australian Law Reform Commission's Native Title Inquiry.

Land, Approvals and Native Title Unit (continued)

Major Achievements

- » Engaged with the Commonwealth and other States and Territories through the Senior Officers Native Title Working Group, in preparation for the Native Title Ministers' Meeting scheduled for August 2014 (the first such meeting since 2008)
- » continued to review, update and communicate the State's whole-of-government native title policy and practices including -
 - ◇ policy:
 - Governance Principles for Native Title Agreements. The Governance Principles provides objective and transparent benchmarks that the State Government needs to be satisfied with before entering into agreements with native title parties, to ensure that economic benefits are equitably distributed and will be sustainable in the long term.
 - ◇ practice:
 - Interagency workshops. All agencies that have interaction with native title attend the 2-3 interagency meetings to receive updates and ask questions, ensuring a consistent approach to native title administration across government.
 - Native title and planning workshop. A full-day workshop specifically addressing the formal and informal relationships between planning, development, native title and Aboriginal heritage was held with key agencies in May 2014 to ensure consistent practices for progressing the State's land management obligations.
- Regional workshops. Preparations were completed for two regional workshops with regional agencies and officials in the Pilbara (July 2014) and Goldfields (September 2014) to advise on current whole of government approaches to effective and efficient administration of the NTA and *Aboriginal Heritage Act 1972*.

Management and coordination of input and advice for intergovernmental negotiations

COAG Secretariat

The COAG Secretariat works across the public sector to ensure the Premier, Cabinet and the Department's senior officials are provided with high-quality advice regarding intergovernmental matters from a whole-of-government perspective. This includes COAG, meetings of senior officials, Council for the Australian Federation, COAG Reform Council, Review of Government Services, Treaties and Free Trade Agreements. The COAG Secretariat also designs, develops, implements and supports key initiatives and reforms aimed at building a Western Australian public sector for the future.

In 2013-14, there were two meetings of COAG and the Council for the Australian Federation, and 10 meetings of COAG Senior Officials. The COAG Secretariat continued to act as the formal point of contact for Western Australia's implementation of COAG agreements, for reporting and consultation requirements regarding treaties and free trade agreements (FTAs), and for the State's responses to the 11 COAG Reform Council reports released during that period.

Major achievements

- » Coordinated the State Government's input into peak intergovernmental bodies, such as COAG.
- » Coordinated the State Government's input into Commonwealth consultation on international instruments, including United Nations treaties and FTAs.
- » Capacity-building events on intergovernmental matters and public sector innovation.
- » Established the Programme Evaluation initiative.

- » Launched the Directors General Information and Communications Technology Steering Committee.
- » Launched the Leadership, Culture, Collaboration and Capacity Building Directors General group.

Future directions

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

Office of State Security and Emergency Coordination

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

Management and Coordination of Security Incidents and Emergencies

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

In addition, the Department provides representation on:

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

Significant areas of work

Counter-Terrorism Arrangements

The Department developed State Security Committee arrangements for Cabinet approval.

It represented Western Australia on the Australia-New Zealand Counter-Terrorism Committee (ANZCTC) along with Western Australia Police and participated in the work of ANZCTC sub-bodies. This included chairing the Legal Issues Working Group, which was tasked with developing a draft response to the COAG Review of Counter-Terrorism Laws.

The Department also participated in counter-terrorism exercises and training development opportunities involving police and other emergency services agencies.

Emergency Management Arrangements

The Department represented Western Australia on the Australia-New Zealand Emergency Management Committee (ANZEMC), together with the State Emergency Management Committee (SEMC) Secretariat, and participated in the work of ANZEMC projects and sub-bodies, including the Recovery Sub-Committee.

It also contributed to the State's input on the development of a new National Partnership Agreement on National Disaster Resilience.

Support was provided to the Director General in his role as DPC representative on the SEMC and the Department also participated in SEMC's Risk Sub-Committee emergency management exercises and workshops as required.

Incidents

The Department provided support for the Commonwealth Government's Malaysia Airlines MH370 Joint Agency Coordination Centre (JACC). The Department collaborated with the JACC, Malaysia Airlines and relevant WA agencies to develop a reception plan and support arrangements for family members of passengers and crew of flight MH370 in the event that they visit Perth.

Following bush fires at Parkerville, the Government provided immediate needs support to affected households. The Department liaised with the Shire of Mundaring in regard to the disbursement of the Premier's Bush Fire Relief Payments.

Office of State Security and Emergency Coordination (continued)

Ministerial and Senior Official Support

As required, the Department provided briefings on counter-terrorism and emergency management issues to the Premier, Ministers

and senior officials engaged in COAG, COAG SOM and the Law, Crime and Community Safety Council (formerly the Standing Council on Police and Emergency Management).

State Recovery Controller

Following a decision of the State Emergency Management Committee on 11 December 2013, the position of the State Recovery Controller (SRC) was created within the Department of the Premier and Cabinet.

The SRC supports a whole of government approach to recovery coordination. Since establishing the position within the Department of the Premier and Cabinet, the SRC has been involved in the commencement of recovery activities following several emergencies, including the Parkerville Bushfire.

Functions undertaken By the State Recovery Controller include:

Preparedness

Coordinating the maintenance of State recovery plans; reviewing Local Government arrangements; maintaining the contact details of Local Government recovery coordinators; and representing the State on national and other recovery committees.

Response/ Recovery Transition

Participating in the State Emergency Coordination Group, and ensuring that local recovery arrangements were established.

Overseeing the collection, collation and distribution of impact/damage assessments for recovery purposes; reporting to the Minister for Emergency Services; and supervising the handover of recovery from Controlling Agencies to the relevant local governments.

Liaising with Controlling Agencies during the response phase of emergencies, and considering the requirement for the establishment of a State Recovery Coordination Group.

Recovery

Supporting the Local Recovery Coordinators, and providing reports and advice on the recovery process.

Contributing to Post Operational Reports of controlling agencies for consideration by the State Emergency Management Committee.

Monitoring and reporting on recovery activities including preparedness.

Events requiring the attention of the SRC included:

- ◇ severe Tropical Cyclone Christine (30 December 2013)
- ◇ bushfire in Parkerville (9 June 2013)
- ◇ tropical lows and Associated flooding (Kununurra) [16 January & 6 February 2014]
- ◇ surface Trough and Associated flooding (Exmouth) [26 April 2014].

Executive Council, Cabinet and Parliament Processes

Cabinet Secretariat

Cabinet Secretariat staff continue to provide procedural, operational and other services to the Cabinet, including:

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

Support was provided for 45 Cabinet meetings, including regional and community Cabinet meetings at Stirling, the University of Western Australia, Belmont and Esperance. Cabinet considered a total of 760 submissions.



Image: City of Stirling Cabinet Sitting

Cabinet Services

In 2013-14 Cabinet Services continued to:

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

Parliamentary Services

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

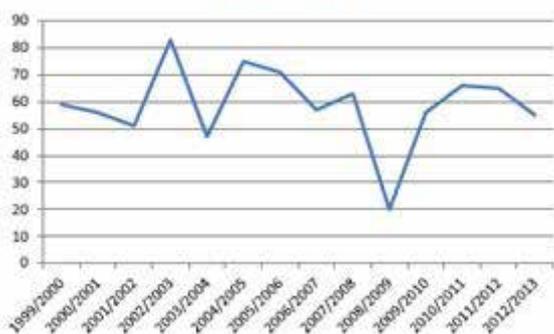
A total of 38 Bills were passed by the Western Australian Parliament in 2013–14.

The 2013 Spring Sittings commenced on 6 August 2013 and concluded on 12 December 2013. Twenty Government Bills were passed in this period. The 2014 Autumn Sittings commenced on 18 February 2014. Eighteen Government Bills were passed to 30 June 2014.

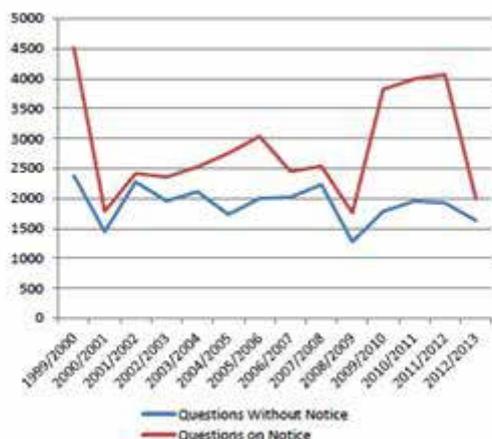
Staff members also managed the Parliamentary Questions database, coordinating responses to:

- » 3,157 Parliamentary Questions on Notice.
- » 2,546 Parliamentary Questions Without Notice.

*Government Bills Passed
1999 – 2013*



*Questions With and Without Notice
1999–2013*



Executive Council

Twenty six regular Executive Council meetings and 16 extraordinary meetings were held, with 748 submissions approved. Assistance in issuing the writ for the 2014 Commonwealth Senate election re-run was provided, in addition to facilitating five reconstitutions of the Ministry on 22 July 2013, 5 August 2013, 11 December 2013, 10 March 2014 and 17 March 2014.

Economic and Expenditure Reform Committee

The Economic and Expenditure Reform Committee met on 20 occasions. It considered 294 reports, including 115 submissions from Ministers.

Twenty four matters were also considered by the Treasurer under his delegated authority.

Aboriginal Affairs Cabinet Subcommittee

The Aboriginal Affairs Cabinet Subcommittee met on seven occasions and considered 28 reports.

Ministerial Committee on Approvals

The Ministerial Taskforce on Approvals, Development and Sustainability met on two occasions and considered 14 reports.

Coastal Towns and Settlements Cabinet Subcommittee

The Coastal Towns and Settlements Cabinet Subcommittee was formed to examine the governance, planning and management structures in place for the communities and surrounding areas of Coral Bay, the Abrolhos Islands, and the coastal communities and areas between Augusta and Esperance.

The Subcommittee will advise Cabinet on the most appropriate governance, planning and management structures to be applied to current and future coastal communities in those areas, to ensure the revitalisation and sustainability of these communities.

Office of Science

Established in July 2013, the Office of Science provides advice and support to the Premier, as Minister for Science. The Office facilitates cross-government collaboration in science and assists in developing links between industry, academia and State Government agencies.

Key activities include management of a number of State Government science investments; coordination of the State Government's involvement in the Square Kilometre Array (SKA) project; delivery of initiatives that raise the profile of science in Western Australia; and provision of support to the Chief Scientist of Western Australia.

Major achievements

- » Consulted with stakeholders across the science sector to identify priorities for the State's science efforts over the next five years.
- » Mapped science-related activities and expenditure across the State Government.
- » Managed 39 State Government science investments, totalling over \$25 million across various scientific organisations and institutions including Scitech, the International Centre for Radio Astronomy Research and supercomputing hub iVEC.
- » Launched round two of the Applied Research Program - Shark Hazard Mitigation. The awarded funding is assisting the development of new technologies and devices to mitigate shark attacks on beach goers.
- » Funded the trial of a beach enclosure by the City of Busselton at Old Dunsborough Beach. The enclosure, of a net and pile construction, was installed in January 2014 and the nets removed in April 2014.
- » Led the State Government's involvement in the SKA project. This included supporting the establishment of the observatory site and associated governance instruments; providing input to the final configuration of SKA phase one telescopes; clarifying radio quiet requirements; and providing policy and risk input to the international SKA hosting agreement.
- » Recognised excellence in science through delivery of the 2013 Western Australian Science Awards. The program was reviewed in January 2014, and launched as the Premier's Science Awards in April 2014 with continued corporate sponsorship.
- » Contributed to the planning of National Science Week 2014 and other science engagement events and activities to raise the profile of science in the State.
- » Supported the Premier as Minister for Science through provision of briefing notes, policy positions, speeches and media statements.
- » Professor Peter Klinken appointed as the Chief Scientist of Western Australian in June 2014.



Image: CSIRO's ASKAP antennas at the Murchison Radio-astronomy Observatory (MRO) in Western Australia.

Image right: The Premier announced Professor Peter Klinken as the Chief Scientist of Western Australia in June 2014 (Credit: WA Museum)



Image above: Winners and finalists of the 2013 Western Australian Science Awards



Image left: A computer-generated image of what the low frequency antennas of the Square Kilometre Array will look like. (Credit Swinburne Astronomy Productions/ICRAR/U. Cambridge/ASTRON)

Actual Results versus Budget Targets

Financial Targets	2013–14 Target \$000	2013–14 Actual \$000	Variation \$000
Total cost of services (expense limit) (sourced from Income Statement)	244,957	195,222	49,735
Net cost of services (sourced from Income Statement)	241,385	191,730	49,655
Total equity (sourced from Statement of Financial Position)	46,987	73,974	26,987
Net increase/(decrease) in cash held (sourced from Cash Flow Statement)	773	25,737	24,964
	No.	No.	No.
Approved full-time equivalent (FTE) staff level (average annual)^(a)	720	677	43

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

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

Explanation of Significant Variances

Total cost of services

The total cost of services for 2013-14 is lower than target for 2013-14, principally arising from delays to the settlement of Native Title Grants, including those associated with the Browse LNG project

Net cost of services

The total cost of services for 2013-14 is lower than target for 2013-14, principally arising from delays to the settlement of Native Title Grants.

Total equity

Total equity is higher than target for 2013-14 primarily due to the surplus generated through the funding of and non disbursement of Native Title grants being held until future years.

Net increase/(decrease) in cash held

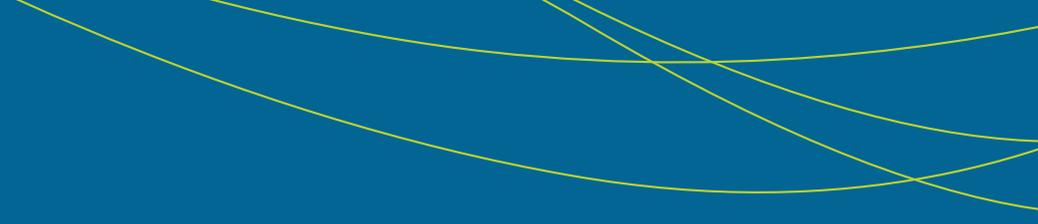
The net movement in cash for 2013-14 is higher than target primarily due to the delay in the disbursement of Native Title grants.

Approved full-time equivalent (FTE)

The FTE for 2013-14 was lower than the target as a result of voluntary severances taken and a delay in filling vacant positions during the year.



Image: Esperance Regional Cabinet meeting held at the Esperance Shire Office, including Cr Malcolm Heasman, Shire President and Cr Victoria Brown, Deputy Shire President



Significant Issues

Significant Issues Impacting the Agency

Planning continued on the building and fitout of the **Anzac Interpretive Centre** in Albany, with construction to be completed ahead of the commemoration of the convoy departure in November 2014. In addition, significant work was undertaken with stakeholders on the planning of a suite of events for the ANZAC commemorations in Albany and throughout Western Australia.

The Department implemented a formal funding agreement with **Celebrate WA** to support its work in the development of a comprehensive range of events and activities for Western Australia Day.

The Office of Science led the Western Australian Government's involvement in the **Square Kilometre Array (SKA)** project, to ensure the SKA site is ready for construction in 2018.

The Department provided advice to the Premier on critical **Commonwealth-State matters**, including the fair and equitable distribution of GST revenue, the implications for the State of retiring National Partnership Agreements, changes to the Commonwealth Financial Relations Inter-Governmental Agreement, new Commonwealth arrangements for school funding and the impact of Commonwealth refugee and border protection policies.

The development of innovative, **person-centred approaches** to the design and delivery of community services was led and supported by the Department across key areas such as disability services, mental health, housing and aged care.

Support was provided to the Premier in negotiations with the Commonwealth Government on the **National Disability Insurance Scheme** to help ensure the best outcomes for Western Australians with a disability, and their families and carers.

The **strategic assessment of the Perth and Peel regions** continued to be led in partnership with other government agencies, to streamline future environmental approvals processes under the Commonwealth *Environment Protection, Biodiversity and Conservation Act 1999*. The project is also expected to deliver greater certainty to industry about areas that can be developed and the related mitigation obligations, and about long-term land supply to meet the needs of a city of 3.5 million people.

The Department worked closely with the Public Sector Commission, Department of Local Government and Communities and the Department of Education in monitoring the implementation of actions with respect to the **Special Inquiry** into St Andrews Hostel Katanning.

Commitment was made to expediting the **resolution of Native Title claims**, and implementing the whole of government approach towards streamlining Native Title and Indigenous heritage processes.

The Department provided advice to the Premier on opportunities to **streamline State regulations**, and to keep regulatory oversight commensurate with the level of risk, such as the emerging demand for reducing unnecessary regulatory red tape for farmers.

The Department's European Office continued to **promote Western Australia** as a location for oil and gas exploration activity and Liquefied Natural Gas production, as well as minerals exploration and processing.

The position of the State Recovery Controller (SRC) was created within the Department, following a decision of the State Emergency Management Committee on 11 December 2013. The SRC supports a whole of government approach to **recovery coordination** and has been involved in the commencement of recovery activities following several emergencies, including the Parkerville Bushfire and Tropical Cyclone Christine.

Disclosures and Legal Compliance



Opinion of the Auditor General

INDEPENDENT AUDITOR'S REPORT

To the Parliament of Western Australia

DEPARTMENT OF THE PREMIER AND CABINET

Report on the Financial Statements

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

The financial statements comprise the Statement of Financial Position as at 30 June 2014, 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 the Premier and Cabinet at 30 June 2014 and its financial performance and cash flows for the year then ended. They are in accordance with Australian Accounting Standards and the Treasurer's Instructions.

Report on Controls

I have audited the controls exercised by the Department of the Premier and Cabinet during the year ended 30 June 2014.

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

Director General's Responsibility for Controls

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

Auditor's Responsibility

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

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

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

Opinion

In my opinion, the controls exercised by the Department of the Premier and Cabinet are sufficiently adequate to provide reasonable assurance that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions during the year ended 30 June 2014.

Report on the Key Performance Indicators

I have audited the key performance indicators of the Department of the Premier and Cabinet for the year ended 30 June 2014.

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

Director General's Responsibility for the Key Performance Indicators

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

Auditor's Responsibility

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



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

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

Opinion

In my opinion, the key performance indicators of the Department of the Premier and Cabinet are relevant and appropriate to assist users to assess the Department's performance and fairly represent indicated performance for the year ended 30 June 2014.

Independence

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

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

This auditor's report relates to the financial statements and key performance indicators of the Department of the Premier and Cabinet for the year ended 30 June 2014 included on the Department's website. The Department's management is responsible for the integrity of the Department's website. This audit does not provide assurance on the integrity of the Department's website. The auditor's report refers only to the financial statements and key performance indicators described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these financial statements or key performance indicators. If users of the financial statements and key performance indicators are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial statements and key performance indicators to confirm the information contained in this website version of the financial statements and key performance indicators.



COLIN MURPHY
AUDITOR GENERAL
FOR WESTERN AUSTRALIA
Perth, Western Australia
14 August 2014



Financial Statements



Department of the Premier and Cabinet FINANCIAL STATEMENTS

for the year ended 30 June 2014

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Department of the Premier and Cabinet CERTIFICATION OF FINANCIAL STATEMENTS

for the year ended 30 June 2014

The accompanying financial statements of the Department of the Premier and Cabinet have been prepared in compliance with the provisions of the *Financial Management Act 2006* from proper accounts and records to present fairly the financial transactions for the financial year ended 30 June 2014 and the financial position as at 30 June 2014.

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



P E PRIDE
CHIEF FINANCE OFFICER

30 July 2014



PETER CONRAN
ACCOUNTABLE AUTHORITY

30 July 2014

Statement of Comprehensive Income

for the year ended 30 June 2014

	Note	2014 \$000	2013 \$000
COST OF SERVICES			
Expenses			
Employee benefits expense	6	81,316	79,312
Supplies and services	7	34,066	31,732
Depreciation and amortisation expense	8	1,765	1,844
Accommodation expenses	9	21,666	19,672
Grants and subsidies	10	54,706	26,425
Loss on disposal of non-current assets	14	20	504
Losses on Foreign operation translation		20	69
Losses on Hedging		362	385
Loss on Other Financial Assets	41	886	-
Other expenses	11	415	400
Total cost of services		195,222	160,343
Income			
Revenue			
User charges and fees	12	859	871
Sales		1,726	2,083
Commonwealth grants and contributions	13	420	411
Interest revenue		486	11
Total Revenue		3,491	3,376
Total income other than income from State Government		3,491	3,376
NET COST OF SERVICES		191,730	156,967
INCOME FROM STATE GOVERNMENT			
Service appropriation		211,286	145,530
Resources received free of charge		7,298	5,596
Royalties for Regions Fund		121	2,961
Total income from State Government	15	218,705	154,087
SURPLUS/(DEFICIT) FOR THE PERIOD		26,975	(2,879)
OTHER COMPREHENSIVE INCOME			
Gain/(Losses) on foreign exchange recognised directly in equity		495	1,541
Total other comprehensive income		495	1,541
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		27,470	(1,339)

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

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

Statement of Financial Position

as at 30 June 2014

	Note	2014 \$000	2013 \$000
ASSETS			
Current Assets			
Cash and cash equivalents	27	30,729	36,306
Inventories	17	58	77
Receivables	18	2,436	1,574
Amounts receivable for services	19	2,124	619
Other assets	29	916	1,035
Total Current Assets		36,263	39,610
Non-Current Assets			
Restricted cash and cash equivalents	16, 27	33,261	1,967
Amounts receivable for services	19	24,936	24,710
Other Financial Assets	41	114	-
Property, plant and equipment	20	3,431	2,596
Intangible assets	21	790	1,000
Total Non-Current Assets		62,532	30,273
TOTAL ASSETS		98,795	69,883
LIABILITIES			
Current Liabilities			
Payables	23	4,624	3,973
Provisions	24	15,430	14,549
Other current liabilities	25	1,420	1,561
Total Current Liabilities		21,474	20,083
Non-Current Liabilities			
Provisions	24	3,347	2,934
Total Non-Current Liabilities		3,347	2,934
TOTAL LIABILITIES		24,821	23,017
Net Assets		73,974	46,866
Equity			
Contributed equity	26	36,117	36,479
Hedging reserves		(1,963)	(2,458)
Accumulated surplus/(deficiency)		39,820	12,845
TOTAL EQUITY		73,974	46,866

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

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

Statement of Changes in Equity

for the year ended 30 June 2014

	Note	Contributed equity	Reserves	Accumulated Surplus/ (deficit)	Total equity
Balance at 1 July 2012	26	34,615	(3,999)	15,724	46,340
Surplus/(deficit)		-	-	(2,880)	(2,880)
Other comprehensive income for the year		-	1,541		1,541
Total comprehensive income for the year		-	1,541	(2,880)	(1,339)
Transactions with owners in their capacity as owners:					
Capital appropriations		864	-	-	864
Other contributions by owners		1,000	-	-	1,000
Distributions to owners		-	-	-	-
Total		1,864	-	-	1,864
Balance at 30 June 2013		<u>36,479</u>	<u>(2,458)</u>	<u>12,844</u>	<u>46,865</u>
Balance at 1 July 2013		<u>36,479</u>	<u>(2,458)</u>	<u>12,844</u>	<u>46,865</u>
Surplus/(deficit)		-	-	26,976	26,976
Other comprehensive income for the year		-	495	-	495
Total comprehensive income for the year		-	495	26,976	27,471
Transactions with owners in their capacity as owners:					
Capital appropriations		-	-	-	-
Other contributions by owners		(362)	-	-	(362)
Distributions to owners		-	-	-	-
Total		(362)	-	-	(362)
Balance at 30 June 2014		<u>36,117</u>	<u>(1,963)</u>	<u>39,820</u>	<u>73,974</u>

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

Statement of Cash Flows

for the year ended 30 June 2014

	Note	2014 \$000	2013 \$000
CASH FLOWS FROM STATE GOVERNMENT			
Service appropriation		208,936	142,269
Holding account drawdowns		619	1,412
Capital contributions		-	864
Non-retained revenue distributed to owners		-	1,000
Royalties for Regions Fund		121	2,962
Net cash provided by State Government		209,676	148,507
Utilised as follows:			
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Employee benefits		(80,504)	(78,748)
Supplies and services		(26,896)	(27,954)
Accommodation		(22,112)	(20,767)
Grants and subsidies		(54,645)	(26,269)
GST payments on purchases		(9,120)	(6,182)
GST payments to taxation authority		(227)	(658)
Other payments		(138)	(99)
Receipts			
User charges and fees		1,174	927
Sales of goods and services		1,702	2,181
Commonwealth grants and contributions		633	198
Interest received		266	11
GST receipts on sales		264	634
GST receipts from taxation authority		8,909	6,033
Other receipts		154	103
Net cash provided by/(used in) operating activities	27	(180,539)	(150,589)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments			
Proceeds from the sale of non-current physical assets		27	295
Receipts			
Purchase of non-current physical assets		(2,427)	(2,200)
Investment in Other financial assets		(1,000)	-
Net cash provided by/(used in) investing activities		(3,400)	(1,905)
Net increase/(decrease) in cash and cash equivalents		25,737	(3,987)
Cash and cash equivalents at the beginning of period		38,273	42,329
Effects of exchange rate changes on cash balances held in foreign currency		(20)	(69)
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	27	63,990	38,273

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

Schedule of Income and Expenses by Service

for the year ended 30 June 2014

	Administration of Executive Government Services		Government Policy Management		Total	
	2014 \$000	2013 \$000	2014 \$000	2013 \$000	2014 \$000	2013 \$000
COST OF SERVICES						
Expenses						
Employee benefits expense	74,498	63,320	6,818	15,992	81,316	79,312
Supplies and services	26,781	23,045	7,285	8,688	34,066	31,733
Depreciation and amortisation expense	1,711	1,385	54	459	1,765	1,844
Accommodation expenses	20,809	16,605	857	3,067	21,666	19,672
Grants and subsidies	14,017	8,360	40,689	18,065	54,706	26,425
Loss on disposal of non-current assets	20	(3)	-	507	20	504
Loss on foreign exchange and hedging	382	454	-	-	382	454
Loss on other financial assets	-	-	886	-	886	-
Other expenses	355	342	60	58	415	400
Total cost of services	138,573	113,507	56,649	46,836	195,222	160,343
Income						
User charges and fees	604	621	255	250	859	871
Interest revenue	-	-	486	11	486	11
Sales	1,726	2,083	-	-	1,726	2,083
Commonwealth grants and contributions	420	-	-	411	420	411
Total income other than income from State Government	2,750	2,704	741	672	3,491	3,376
NET COST OF SERVICES	135,823	110,803	55,908	46,164	191,731	156,967
INCOME FROM STATE GOVERNMENT						
Service appropriation	129,481	102,950	81,805	42,580	211,286	145,530
Resources received free of charge	4,524	2,918	2,774	2,678	7,298	5,596
Royalties for Regions Fund	113	2,962	8	-	121	2,962
Total income from State Government	134,118	108,830	84,587	45,258	218,705	154,088
SURPLUS/(DEFICIT) FOR THE PERIOD	(1,705)	(1,974)	28,679	(906)	26,974	(2,880)

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

Schedule of Assets and Liabilities by Service as at 30 June 2014

	Administration of Executive Government Services		Government Policy Management		Total	
	2014 \$000	2013 \$000	2014 \$000	2013 \$000	2014 \$000	2013 \$000
ASSETS						
Current assets	11,860	33,634	24,402	5,976	36,262	39,610
Non-current assets	24,218	24,127	38,315	6,146	62,533	30,273
Total assets	36,078	57,761	62,717	12,122	98,795	69,883
LIABILITIES						
Current liabilities	14,659	14,683	6,815	5,400	21,474	20,083
Total non-current liabilities	2,344	2,229	1,003	705	3,347	2,934
Total liabilities	17,003	16,912	7,818	6,105	24,821	23,017
NET ASSETS	19,075	40,849	54,899	6,017	73,974	46,866

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

Summary of Consolidated Account Appropriations and Income Estimates

for the year ended 30 June 2014

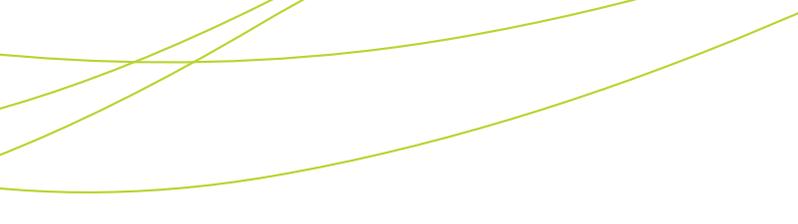
	2014 Estimate \$000	2014 Actual \$000	Variance \$000	2014 Actual \$000	2013 Actual \$000	Variance \$000
Delivery of Services						
Item 5 Net amount appropriated to deliver services	205,969	181,800	(24,169)	181,800	143,459	38,341
Section 25 Transfer of service appropriation						
Office of Science transferred from the Department of Commerce at 1 July 2013	27,656	27,656	-	27,656	-	27,656
Western Australia Natural Disaster Relief and Recovery Arrangements (WANDRRA) transferred from the Department of Fire and Emergency Services at 1 April 2014	-	65	65	65	-	65
Office of State Security transfer of accommodation to State Emergency Management Committee Secretariat at 29 November 2013	-	(455)	(455)	(455)	-	(455)
Amount Authorised by Other Statutes						
- <i>Salaries and Allowances Act 1975</i>	2,220	2,220	-	2,220	2,071	149
Total appropriations provided to deliver services	<u>235,845</u>	<u>211,286</u>	<u>(24,559)</u>	<u>211,286</u>	<u>145,530</u>	<u>65,756</u>
Capital						
Item 116 Capital Appropriation	-	-	-	-	864	(864)
Administered Transactions						
Item 6 Administered grants, subsidies and other transfer payments	-	46,105	46,105	46,105	-	46,105
Total Administered transactions	<u>-</u>	<u>46,105</u>	<u>46,105</u>	<u>46,105</u>	<u>-</u>	<u>46,105</u>
GRAND TOTAL	<u>235,845</u>	<u>257,391</u>	<u>21,546</u>	<u>257,391</u>	<u>146,394</u>	<u>110,997</u>

Summary of Consolidated Account Appropriations and Income Estimates

for the year ended 30 June 2014 (continued)

	2014 Estimate \$000	2014 Actual \$000	Variance \$000	2014 Actual \$000	2013 Actual \$000	Variance \$000
Details of Expense by Service						
Administration of Executive Government Services	114,864	138,573	23,709	138,573	113,507	25,066
Government Policy Management	130,093	56,649	(73,444)	56,649	46,836	9,813
Total cost of services	244,957	195,222	(49,735)	195,222	160,343	34,879
Less total income	(3,572)	(3,491)	81	(3,490)	(3,376)	(114)
Net cost of services	241,385	191,731	(49,654)	191,731	156,967	34,764
Adjustments	(5,540)	19,555	25,095	19,555	(11,473)	30,992
Total appropriations provided to deliver services	235,845	211,286	(24,559)	211,286	145,530	65,756
Capital Expenditure						
Purchase of non-current physical assets	619	2,427	1,808	2,427	2,200	227
Adjustment for other funding sources	(619)	(2,427)	(1,808)	(2,427)	(1,336)	(1,091)
Capital Contribution (appropriation)	-	-	-	-	864	(864)
Details of Income Estimates						
Income disclosed as Administered Income	-	46,105	46,105	46,105	-	46,105

Adjustments comprise movements in cash balances and other accrual items such as receivables, Note 34 "Explanatory statement" provides details of any significant variations between estimates and actual results for 2014 and between the actual results for 2013 and 2014.



Notes to the Financial Statements

for the year ended 30 June 2014

Notes to the Financial Statements

1. Australian Accounting Standards

General

The Department's financial statements for the year ended 30 June 2014 have been prepared in accordance with Australian Accounting Standards. The term 'Australian Accounting Standards' includes Standards and Interpretations issued by the Australian Accounting Standard Board (AASB).

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

Early Adoption of Standards

The Department cannot early adopt an Australian Accounting Standard unless specifically permitted by TI 1101 *Application of Australian Accounting Standards and Other Pronouncements*. There has been no early adoption of Australian Accounting Standards that have been issued or amended (but not operative) by the Department for the annual reporting period ended 30 June 2014.

2. Summary of Significant Accounting Policies

(a) General Statement

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

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

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

(b) Basis of Preparation

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

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

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

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

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

Notes to the Financial Statements

(c) Reporting Entity

The reporting entity comprises the Department.

Mission

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

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

Services

The Department provides the following services:

- » Service 1: Administration of Executive Government Services - The Department provides a range of services including administrative support to the Premier, Ministerial offices, the Leader of the Opposition and Executive Council.
- » Service 2: Government Policy Management - The Department provides strategic policy advice and coordination to the Premier and Cabinet. The Department administers assets, liabilities, income and expenses on behalf of Government which are not controlled by, nor integral, to the function of the Department. These administered balances and transactions are not recognised in the principal financial statements of the Department but schedules are prepared using the same basis as the financial statements and are presented at note 40. 'Disclosure of administered expenses and income' and note 39 'Administered assets and liabilities'

(d) Contributed Equity

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

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

(e) Income

Revenue recognition

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

Sale of goods

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

Provision of services

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

Notes to the Financial Statements

Interest

Revenue is recognised as the interest accrues.

Service Appropriations

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

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

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 2013–2014 Budget Statements, the Department retained \$13,102 million in 2014 (\$9,445 million in 2013) from the following:

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

Grants, donations, gifts and other non-reciprocal contributions

Revenue is recognised at fair value when the Department obtains control over the assets comprising the contributions, 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 fair value can be determined and the services would be purchased if not donated.

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

Gains

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

(f) Property, Plant and Equipment

Capitalisation/expensing of assets

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

Initial recognition and measurement

Property, plant and equipment are initially recognised at cost.

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

Subsequent measurement

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

Notes to the Financial Statements

Depreciation

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

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

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

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

(g) Intangible Assets

Capitalisation/expensing of assets

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

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

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

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

Software	3 Years
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Computer software

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

Website costs

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

Notes to the Financial Statements

(h) Impairment of Assets

Property, plant and equipment and intangible assets are tested for any indication of impairment at the end of each reporting period. Where there is an indication of impairment, the recoverable amount is estimated. Where the recoverable amount is less than the carrying amount, the asset is considered impaired and is written down to the recoverable amount and an impairment loss is recognised. Where an asset measured at cost is written down to recoverable amount, an impairment loss is recognised in profit or loss. Where a previously revalued asset is written down to recoverable amount, the loss is recognised as a revaluation decrement in other comprehensive income. As the Department is a not-for-profit entity, unless a specialised asset has been identified as a surplus asset, the recoverable amount is the higher of an asset's fair value less costs to sell and depreciated replacement cost.

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

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

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

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

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

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

(i) Leases

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

(j) Financial Instruments

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

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

Financial instruments have been disaggregated into the following classes:

Notes to the Financial Statements

Financial Assets

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

Financial Liabilities

- » Payables
- » Other liabilities

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

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

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

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

hedges), hedges of highly probable forecast transactions or hedges of foreign currency risk of firm commitments (cash flow hedges), or hedges of net investments in foreign operations.

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

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

Hedge accounting

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

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

Notes to the Financial Statements

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

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

(k) Cash and Cash Equivalents

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

(l) Accrued Salaries

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

Accrued salaries (refer note 23 "Payables") represent the amount due to staff but unpaid at the end of the financial year. Accrued salaries are settled within a fortnight of

the financial year end. The Department considers the carrying amount of accrued salaries to be equivalent to its net fair value.

(m) Amounts Receivable for Services (Holding Account)

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

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

(n) Inventories

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

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

See note 17 'Inventories'.

(o) Receivables

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



Notes to the Financial Statements

fair value as it is due for settlement within 30 days.

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

(p) Payables

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

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

(q) Provisions

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

See note 24 'Provisions'.

(i) Provisions - Employee Benefits

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

Annual leave

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

expected to be paid when the liabilities are settled using the remuneration rate expected to apply at the time of settlement.

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

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

Notes to the Financial Statements

Long service leave

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

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

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

Sick leave

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

Past history indicates that on average, sick leave taken each reporting period is less than the entitlement accrued. This is expected to continue in future periods. Accordingly, it is unlikely that existing accumulated

entitlements will be used by employees and no liability for unused sick leave entitlements is recognised. As sick leave is non-vesting, an expense is recognised in the Statement of Comprehensive Income for this leave as it is taken.

Deferred leave

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

Purchased leave

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

Superannuation

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

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

Notes to the Financial Statements

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

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

Employees commencing employment prior to 16 April 2007 who were not members of either the Pension Scheme or the GSS became non contributory members of the West State Superannuation Scheme (WSS). Employees commencing employment on or after 16 April 2007 became members of the GESB Super Scheme (GESBS). From 30 March 2012, existing members of the WSS or GESBS and new employees became able to choose their preferred superannuation fund provider. The Department makes concurrent contributions to GESB or other funds on behalf of employees in compliance with the *Commonwealth Government's Superannuation Guarantee (Administration) Act 1992*. Contributions to these accumulation schemes extinguish the Department's liability for superannuation charges in respect of employees who are not members of the Pension Scheme or GSS.

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

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

(ii) Provisions – Other

Employment on-costs

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

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

(r) Superannuation Expense

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

Notes to the Financial Statements

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

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

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

(t) Jointly Controlled entity

The Department has interests in joint ventures that are jointly controlled operations. A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control. A jointly controlled entity involves the use of assets and other resources of the venturers rather than the establishment of a separate entity. The Department recognises its interests in the jointly controlled operations by recognising the assets it controls and the liabilities that it incurs in respect of the joint venture. The Department also recognises the expenses that it incurs and its share of the income that it earns from the sale of goods or services by the jointly controlled operations.

The assets that the Department has employed in the jointly controlled operations are disclosed in note 41 'Jointly Controlled Operations'.

(u) Comparative Figures

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

(v) Foreign Currency Translation

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

Transactions denominated in a foreign currency are translated using the FOREX rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange current at balance sheet date. Exchange gains and losses are brought to account in determining the result for the year.

3. Judgements made by Management in Applying Accounting Policies

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

4. Key Sources of Estimation Uncertainty

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

Notes to the Financial Statements

Long Service Leave

Several estimations and assumptions used in calculating the Department's long service leave position include expected future salary rates, salary inflation, discount rates, employee retention rates and expected future payments. Any changes in these estimations and assumptions may impact on the carrying amount of the long service leave provision.

5. Disclosure of Change in Accounting Policy and Estimates

Initial Application of an Australian Accounting Standard

The Department has applied the following Australian Accounting Standards effective for annual reporting periods beginning on or after 1 July 2013 that impacted on the Department.

AASB 13 Fair Value Measurement

This Standard defines fair value, sets out a framework for measuring fair value and requires additional disclosures for fair value measurements for non-financial assets and liabilities. There is no financial impact.

AASB 119 Employee Benefits

This Standard supersedes AASB 119 (October 2010), making changes to the recognition, presentation and disclosure requirements. The Department assessed employee leave patterns to determine whether annual leave is a short-term or other long-term employee benefit. The resultant discounting of annual leave liabilities that were previously measured at the undiscounted amounts is not material.

AASB 1048 Interpretation of Standards

This Standard supersedes AASB 1048 (June 2012), enabling references to the Interpretations in all other Standards to be updated by reissuing the service Standard. There is no financial impact.

AASB 2011-8 Amendments to Australian Accounting Standards [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.

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 are potentially reclassifiable to profit or loss income on the basis of whether are potentially reclassifiable to profit or loss subsequently (reclassification adjustments). There is no financial impact.

Notes to the Financial Statements

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 in September 2011. The resultant discounting of annual leave liabilities that were previously measured at the undiscounted amounts is not material.

AASB 2012-2

Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities [AASB 7 & 132]

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

AASB 2012-5

Amendments to Australian Accounting Standards arising from Annual Improvements 2009-11 Cycle [AASB 1, 101, 116, 132 & 134 and Int 2]

This Standard makes amendments to the Australian Accounting Standards and Interpretations as a consequence of the annual improvements process. There is no financial impact.

AASB 2012-6

Amendments to Australian Accounting Standards – Mandatory Effective Date of AASB 9 and Transition Disclosures [AASB 9, 2009-11, 2010-7, 2011-7 & 2011-8]

This Standard amends the mandatory effective date of AASB 9 Financial Instruments to 1 January 2015 (instead of 1 January 2013). Further amendments are also made to numerous consequential amendments arising from AASB 9 that will now apply from 1 January 2015. There is no financial impact.

AASB 2012-9

Amendment to AASB 1048 arising from the Withdrawal of Australian Int 1039

The withdrawal of Int 1039 Substantive Enactment of Major Tax Bills in Australia has no financial impact for the Department during the reporting period and at balance date. Measurement of tax assets and liabilities continues to be measured in accordance with enacted or substantively enacted tax law pursuant to AASB 112.46-47.

AASB 2012-10

Amendments to Australian Accounting Standards – Transition Guidance and Other Amendments [AASB 1, 5, 7, 8, 10, 11, 12, 13, 101, 102, 108, 112, 118, 119, 127, 128, 132, 133, 134, 137, 1023, 1038, 1039, 1049 & 2011-7 and Int 12]

The Standard introduces a number of editorial alterations and amends the mandatory application date of Standards for not-for-profit entities accounting for interests in other entities. There is no financial impact.



Notes to the Financial Statements

AASB 2013-9

Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments.

Part A of this omnibus Standard makes amendments to other Standards arising from revisions to the Australian Accounting Conceptual Framework for periods ending on or after 20 December 2013. Other Parts of this Standard become operative in later periods. There is no financial impact for Part A of the Standard.

Future Impact of Australian Accounting Standards not yet Operative

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

Notes to the Financial Statements

		Operative for reporting periods beginning on/ after
<i>Int 21 Levies</i>	This Interpretation clarifies the circumstances under which a liability to pay a government levy imposed should be recognised. There is no financial impact for the Department at reporting date.	1 Jan 2014
<i>AASB 9 Financial Instruments</i>	This Standard supersedes AASB 139 <i>Financial Instruments: Recognition and Measurement</i> , introducing a number of changes to accounting treatments. The mandatory application date of this Standard was amended to 1 January 2018 by AASB 2014-1 Amendments to Australian Accounting Standards. The Department has not yet determined the application or the potential impact of the Standard.	1 Jan 2018
<i>AASB 10 Consolidated Financial Statements</i>	This Standard, issued in August 2011, supersedes AASB 127 Consolidated and Separate Financial Statements and Int 112 Consolidation – Special Purpose Entities, introducing a number of changes to accounting treatments. Mandatory application was deferred for not-for-profit entities by AASB 2012-10 Amendments to Australian Accounting Standards – Transition Guidance and Other Amendments. The adoption of the new Standard has no financial impact for the Department as it doesn't impact accounting for related bodies and the Department has no interests in other entities.	1 Jan 2014
<i>AASB 11 Joint Arrangements</i>	This Standard, issued in August 2011, supersedes AASB 131 Interests in Joint Ventures, introduces new principles for determining the type of joint arrangement that exists, which are more aligned to the actual rights and obligations of the parties to the arrangement. Mandatory application of the Standard was deferred by AASB 2012-10. There is no financial impact for the Department as the new standard will continue to require the recognition of the Department's share of assets and share of liabilities for the unincorporated joint operations.	1 Jan 2014

Notes to the Financial Statements

		Operative for reporting periods beginning on/ after
AASB 12 <i>Disclosure of Interests in Other Entities</i>	This Standard, issued in August 2011, supersedes disclosure requirements under AASB 127 Consolidated and Separate Financial Statements, AASB 128 Investments in Associates and AASB 131 Interests in Joint Ventures. Mandatory application was deferred by one year for not-for-profit entities by AASB 2012-10. There is no financial impact.	1 Jan 2014
AASB 127 <i>Separate Financial Statements</i>	This Standard, issued in August 2011, supersedes AASB 127 Consolidated and Separate Financial Statements, removing the consolidation requirements of the earlier standard whilst retaining accounting and disclosure requirements for the preparation of separate financial statements. Mandatory application was deferred by one year for not-for-profit entities by AASB 2012-10. There is no financial impact.	1 Jan 2014
AASB 128 <i>Investments In Associates and Joint Ventures</i>	This Standard issued in August 2011, supersedes AASB 128 Investments in Associates, introducing a number of clarifications for the accounting treatments of changed ownership interest. Mandatory application was deferred by one year for not-for-profit entities by AASB 2012-10. The adoption of the new Standard has no financial impact for the Department as it doesn't hold investments in associates or and the accounting treatments for joint operations is consistent with current practice.	1 Jan 2014
AASB 1031 <i>Materiality</i>	This Standard supersedes AASB 1031(February 2010), removing Australian guidance on materiality not available in IFRS and refers to guidance on materiality in other Australian pronouncements. There is no financial impact.	1 Jan 2014

Notes to the Financial Statements

		Operative for reporting periods beginning on/ after
<i>AASB 1055 Budgetary Reporting</i>	This Standard specifies the nature of budgetary disclosures, the circumstances in which they are to be included in the general purpose financial statements of not-for-profit entities within the General Government Sector. The Department will be required to disclose additional budgetary information and explanations of major variances between actual and budgeted amounts, though there is no financial impact.	1 Jan 2014
<i>AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and Int 10 & 12]</i>	[modified by AASB 2010-7]	1 Jan 2015
<i>AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Int 2, 5, 10, 12, 19 & 127]</i>	<p>This Standard makes consequential amendments to other Australian Accounting Standards and Interpretations as a result of issuing AASB 9 in December 2010.</p> <p>AASB 2012-6 amended the mandatory application date of this Standard to 1 January 2015. The Department has not yet determined the application or potential impact of the Standard.</p>	1 Jan 2015
<i>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]</i>	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. For not for profit entities it applies to annual reporting periods beginning on or after January 2014. The Department has not yet determined the application or potential impact of the Standard.	1 Jan 2014

Notes to the Financial Statements

		Operative for reporting periods beginning on/ after
<i>AASB 2012-3 Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities [AASB 132]</i>	This Standard adds application guidance to AASB 132 to address inconsistencies identified in applying some of the offsetting criteria, including clarifying the meaning of “currently has a legally enforceable right of set-off” and that some gross settlement systems may be considered equivalent to net settlement. The Department does not routinely hold financial assets and financial liabilities that it intends to settle on a net basis, therefore there is no financial impact.	1 Jan 2014
<i>AASB 2013-3 Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities [AASB 7 & 132]</i>	This Standard amends the required disclosures in AASB 7 to include information that will enable users of an entity’s financial statements to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with the entity’s recognised financial assets and recognised financial liabilities, on the entity’s financial position. There is no financial impact.	1 Jan 2013
<i>AASB 2012-3 Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets</i>	This Standard introduces editorial and disclosure changes. There is no financial impact.	1 Jan 2014
<i>AASB 2013-4 Amendments to Australian Accounting Standards – Novation of Derivatives and Continuation of Hedge Accounting [AASB 139]</i>	This Standard permits the continuation of hedge accounting in circumstances where a derivative, which has been designated as a hedging instrument, is novated from one counterparty to a central counterparty as a consequence of laws or regulations. The Department does not routinely enter into derivatives or hedges, therefore there is no financial impact.	1 Jan 2014

Notes to the Financial Statements

		Operative for reporting periods beginning on/ after
<i>AASB 2013-8 Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities – Control and Structured Entities [AASB 10, 12 & 1049].</i>	The amendments, issued in October 2013, provide significant guidance to clarify whether determine whether a not-for-profit entity controls another entity when financial returns aren't a key attribute of the investor's relationship. The Standard has no financial impact in its own right, rather the impact results from the adoption of the amended AASB 10.	1 Jan 2014
<i>AASB 2013-89 Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments.</i>	This omnibus Standard makes amendments to other Standards arising from the deletion of references to AASB 1031 in other Standards for periods beginning on or after 1 January 2014 (Part B), and, defers the application of AASB 9 to 1 January 2017 (Part C). The application date of AASB 9 was subsequently deferred to 1 January 2018 by AASB 2014-1. The Department has not yet determined the application or the potential impact of AASB 9, otherwise there is no financial impact for Part B.	1 Jan 2017
<i>AASB 2014-1 Amendments to Australian Accounting Standards</i>	The Department has not yet determined the application or potential impact of the Standard.	1-Jul-14 1-Jan-15 1-Jan-16 1-Jan-18

Notes to the Financial Statements

6. Employee Benefits Expense

	2014	2013
	\$000	\$000
Wages and salaries ^(a)	75,071	73,290
Superannuation – defined contribution plans ^(b)	6,245	6,022
	<u>81,316</u>	<u>79,312</u>

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

(b) Defined contribution plans include West State, Gold State, GESB Super Scheme and other eligible funds.

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

7. Supplies and Services

Professional services	14,254	12,030
Travel	2,957	3,043
Other staff costs	260	253
Communications	2,688	2,916
Consumables	2,207	2,210
Lease of aircraft	6,398	6,436
Lease of motor vehicle	1,766	1,679
Computer Software Licenses	632	560
Contract - Security	932	798
Contract - Cleaning Services	430	372
Other administration costs	1,542	1,435
	<u>34,066</u>	<u>31,732</u>

Notes to the Financial Statements

8. Depreciation and Amortisation Expense

	2014	2013
	\$000	\$000
Depreciation		
Computer hardware	351	385
Furniture and fittings	16	65
Motor vehicles	11	11
Office equipment	436	431
Office establishment	454	788
Total depreciation	<u>1,268</u>	<u>1,681</u>
Amortisation		
Intangible assets		
Software	497	163
Total amortisation	<u>497</u>	<u>163</u>
Total depreciation and amortisation	<u><u>1,765</u></u>	<u><u>1,844</u></u>

9. Accommodation Expenses

Lease rentals and outgoings	21,666	19,672
	<u>21,666</u>	<u>19,672</u>

10. Grants and Subsidies

<u>Recurrent</u>		
Subsidies and community grants	34,962	17,452
Government agency grants	15,376	6,710
External grants	4,368	2,263
	<u>54,706</u>	<u>26,425</u>

Notes to the Financial Statements

11. Other Expenses

	2014	2013
	\$000	\$000
Employment on-costs ^(a)	208	167
Audit Fees - Internal/External	207	233
	<u>415</u>	<u>400</u>

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

12. User Charges and Fees

Contributions by senior officers to the Government Vehicle Scheme	114	118
Provision of services	23	19
Recoups	378	405
Overseas Offices	191	234
Miscellaneous funding	114	93
Other revenue	39	2
	<u>859</u>	<u>871</u>

13. Commonwealth Grants and Contributions

Indian Ocean Territories	<u>420</u>	<u>411</u>
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The grants from the Commonwealth Department of Regional Australia, Local Government, Arts and Sport is to fund the salaries and on-costs for a State Coordinator and an Administrative Officer. The term of the grant specify that it is used to:

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

Notes to the Financial Statements

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

	2014	2013
	\$000	\$000
<u>Cost of Disposal on Non-Current Assets</u>		
Furniture and fittings	-	4
Office equipment	7	74
Office establishment	42	741
	<u>49</u>	<u>819</u>
<u>Proceeds from Disposal of Non-Current Assets</u>		
Office establishment		65
Office equipment	29	250
	<u>29</u>	<u>315</u>
Net gain/(loss)	<u>(20)</u>	<u>(504)</u>

Notes to the Financial Statements

15. Income from State Government

	2014	2013
	\$000	\$000
Appropriation received during the year:		
Service appropriations ^(a)	211,286	145,530
Services received free of charge from other State Government agencies during the period:		
Determined on the basis of the following estimates provided by agencies:		
Department of Treasury and Finance - lease administration services	3,945	3,104
Department of the Attorney General - legal services	3,136	2,285
Department of Treasury and Finance - procurement services	210	203
Landgate - spatial and valuation services	7	4
	7,298	5,596
Royalties for Regions Fund:		
- Regional Infrastructure and Headworks Fund ^(b)	-	125
- Regional Community Services Account	121	2,836
	<u>121</u>	<u>2,961</u>
	<u>218,705</u>	<u>154,087</u>

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

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

Notes to the Financial Statements

16. Restricted Cash and Cash Equivalent Assets

	2014	2013
	\$000	\$000
<u>Non Current</u>		
Accrued salaries suspense account ^(a)	2,095	1,967
Browse LNG Precinct Agreement ^t	31,166	-
	<u>33,261</u>	<u>1,967</u>

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

17. Inventories

<u>Current</u>		
Inventories held for resale:		
- Publications	18	18
Inventories not held for resale		
- Stationery stores and material	40	59
	<u>58</u>	<u>77</u>

18. Receivables

<u>Current</u>		
Receivables	1,361	850
GST receivable	1,075	724
	<u>2,436</u>	<u>1,574</u>

The Department does not hold any collateral as security or other credit enhancements relating to receivables.

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

Notes to the Financial Statements

19. Amounts Receivable for Services (Holding Account)

	2014	2013
	\$000	\$000
Current	2,124	619
Non-current	24,936	24,710
	<u>27,060</u>	<u>25,329</u>

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

20. Property, Plant and Equipment

Computer Hardware		
At cost	1,926	1,687
Accumulated depreciation	(1,376)	(1,035)
	<u>550</u>	<u>653</u>
Furniture and Fittings		
At cost	455	529
Accumulated depreciation	(370)	(382)
	<u>85</u>	<u>148</u>
Motor Vehicles		
At cost	54	55
Accumulated depreciation	(34)	(23)
	<u>20</u>	<u>32</u>
Office Equipment		
At cost	2,358	2,380
Accumulated depreciation	(1,706)	(1,433)
	<u>652</u>	<u>947</u>
Office Establishment		
At cost	7,082	5,831
Accumulated depreciation	(4,958)	(5,015)
	<u>2,124</u>	<u>816</u>
Total	<u>3,431</u>	<u>2,596</u>

Notes to the Financial Statements

20. Property, Plant and Equipment (continued)

Reconciliations

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

	Computer Hardware \$000	Furniture & Fittings \$000	Motor Vehicles \$000	Office Equipment \$000	Office Establishment \$000	Total \$000
2014						
Carrying amount at start of year	653	148	31	947	817	2,596
Additions	247	(47)	0	147	1,797	2,144
Transfers	-	-	-	-	-	-
Disposals	-	-	-	(5)	(36)	(41)
Depreciation	(351)	(16)	(11)	(436)	(454)	(1,268)
Carrying amount at end of year	<u>550</u>	<u>85</u>	<u>20</u>	<u>652</u>	<u>2,124</u>	<u>3,431</u>

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

Notes to the Financial Statements

21. Intangible Assets

	2014	2013
	\$000	\$000
Computer software		
At cost	1,862	1,594
Accumulated amortisation	(1,072)	(594)
	<u>790</u>	<u>1,000</u>
<u>Reconciliations:</u>		
Computer software		
Carrying amount at start of year	1,000	122
Additions	287	988
Reclassifications	-	53
Disposals	-	-
Amortisation expense	(497)	(163)
Carrying amount at end of year	<u>790</u>	<u>1,000</u>

Notes to the Financial Statements

22. Impairment of Assets

There were no indications of impairment of property, plant and equipment, and intangible assets at 30 June 2014.

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

23. Payables

	2014	2013
	\$000	\$000
<u>Current</u>		
Trade payables	2,262	1,309
Revenue in advance	505	230
Accrued salaries	1,755	1,627
Accrued expenses	102	807
	<u>4,624</u>	<u>3,973</u>

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

Notes to the Financial Statements

24. Provisions

	2014	2013
	\$000	\$000
<u>Current</u>		
Employee benefits provision		
Annual leave ^(a)	7,657	7,322
Long service leave ^(b)	7,731	7,188
48/52 Leave arrangements ^(c)		32
	<u>15,388</u>	<u>14,542</u>
Other provisions		
Employment on-costs ^(d)	42	7
	<u>42</u>	<u>7</u>
	<u>15,430</u>	<u>14,549</u>
<u>Non-current</u>		
Long service leave ^(b)	3,256	2,933
Deferred Salary Scheme	82	-
	<u>3,338</u>	<u>2,933</u>
Other provisions		
Employment on-costs ^(d)	9	1
	<u>9</u>	<u>1</u>
	<u>3,347</u>	<u>2,934</u>

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

Within 12 months of the end of the reporting period	4,975	4,509
More than 12 months after the end of the reporting period	2,703	2,813
	<u>7,678</u>	<u>7,322</u>

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

Within 12 months of the end of the reporting period	3,117	3,053
More than 12 months after the end of the reporting period	7,879	7,070
	<u>10,986</u>	<u>10,123</u>

Notes to the Financial Statements

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

	2014	2013
	\$000	\$000
Within 12 months of the end of the reporting period	-	-
More than 12 months after the end of the reporting period	82	32
	<u>82</u>	<u>32</u>

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

Movement in Other Provisions

<u>Employment on-cost provision</u>		
Carrying amount at start of year	8	8
Additional provisions recognised	-	-
Payments/other sacrifices of economic benefits	43	-
Carrying amount at end of year	<u>51</u>	<u>8</u>

25. Other Liabilities

Current		
Derivative financial liability	1,420	1,553
Other liability	-	8
	<u>1,420</u>	<u>1,561</u>

See also note 36 'Financial Instruments'.

Notes to the Financial Statements

26. Equity

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

	2014	2013
	\$000	\$000
Contributed equity		
Balance at the start of the year	36,479	34,615
Contributions by owners:		
Capital contributions ^(a)	-	864
Transfer of net assets/(liabilities) from Department of Culture and Arts	-	1,000
Transfer of net assets/(liabilities) from other agencies - Office of Science ^(b)	(349)	-
Transfer of net assets/(liabilities) from other agencies - WANDRRA ^(b)	(13)	-
Total contributions by owners	<u>(362)</u>	<u>1,864</u>
Distributions to owners:		
Transfer of net assets to other agencies ^(b)	-	-
Total distributions to owners	<u>-</u>	<u>-</u>
Balance at the end of the year	<u><u>36,117</u></u>	<u><u>36,479</u></u>

(a) Capital appropriations

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

Notes to the Financial Statements

(b) Transfer of net assets from other agencies

Restructures of administrative arrangements resulted in the function of the Office of Science being transferred from the Department of Commerce with effect from 1 July 2013 and the function of the Western Australian Natural Disasters Relief and Recovery Arrangements being transferred from the Department of Fire and Emergency Services with effect from 1 April 2014 to the Department of the Premier and Cabinet. The amounts reflected in equity are \$349 thousand and \$13 thousand, respectively.

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

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

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

	2014	2013
	\$000	\$000
Hedging reserve		
Balance at the start of the year	(2,458)	(3,999)
Net revaluations increments/(decrements)	495	1,541
Restated balance at the end of the year	<u>(1,963)</u>	<u>(2,458)</u>
Accumulated surplus/(deficit) (Retained earnings)		
Balance at the start of the year	12,844	15,724
Transfer to Contributed Equity	-	-
Result for the period	26,976	(2,880)
Restated balance at the end of the year	<u>39,820</u>	<u>12,844</u>

Notes to the Financial Statements

27. Notes to the Statement of Cash Flows

	2013 \$000	2012 \$000
<u>Reconciliation of cash</u>		
Cash at the end of the financial year as shown in the Cash Flow Statement is reconciled to the related items in the Statement of Financial Position:		
Cash and cash equivalents	30,729	36,306
Restricted cash and cash equivalents (refer to note 16)	33,261	1,967
	63,990	38,273
<u>Reconciliation of net cost of services to net cash flows provided by/(used in) operating activities</u>		
Net cost of services	(191,730)	(156,967)
Non-cash items:		
Depreciation and amortisation expense	1,765	1,844
Resources received free of charge	7,298	5,596
Net (gain)/loss on disposal of plant and equipment	20	504
Net (gain)/loss on foreign exchange	382	454
<u>(Increase)/decrease in assets:</u>		
Current receivables ^(a)	(510)	756
Current inventories	19	11
Other current assets	119	655
<u>Increase/(decrease) in liabilities:</u>		
Current payables ^(a)	651	(3,412)
Current provisions	881	(308)
Non current provisions	413	(97)
Other current liabilities	-	-
Change in GST in receivables/payables ^(b)	153	375
Net cash provided by/(used in) operating activities	(180,539)	(150,589)

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

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

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

Notes to the Financial Statements

28. Resources Provided Free of Charge

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

	2014	2013
	\$000	\$000
Department of Finance – Library Services	201	285
Department of Treasury – Library Services	134	167
Public Sector Commission	1,079	838
Ombudsman	114	86
	<u>1,528</u>	<u>1,376</u>

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

29. Other Assets

Prepayments	<u>916</u>	<u>1,035</u>
	<u>916</u>	<u>1,035</u>

Notes to the Financial Statements

30. Commitments

	2014	2013
	\$000	\$000
Lease commitments		
Commitments in relation to leases contracted for at the reporting date but not recognised in the financial statements are payable as follows:		
Non-cancellable operating lease commitments:		
Within one year	21,839	21,448
Later than one year but not later than five years	71,307	69,358
Later than five years	-	14,517
	<u>93,146</u>	<u>105,323</u>
Motor vehicle leases as part of the 'whole-of-government' arrangement:		
Within one year	765	770
Later than one year but not later than five years	233	266
Later than five years	-	-
	<u>998</u>	<u>1,036</u>
Accommodation leases occupied by the Department:		
Within one year	18,213	17,278
Later than one year and not later than five years	66,632	59,798
Later than five years	-	14,517
	<u>84,845</u>	<u>91,593</u>
Aircraft leases used by the Department:		
Within one year	2,861	3,400
Later than one year but not later than five years	4,442	9,294
Later than five years	-	-
	<u>7,303</u>	<u>12,694</u>

These commitments are all inclusive of GST.

Notes to the Financial Statements

30. Commitments (continued)

The Department has entered into a property lease which is a non-cancellable lease with a five year term, with rent payable monthly in advance. Contingent rent provisions within the lease agreement require that the minimum lease payments shall be increased by the lower of CPI or 4% per annum. An option exists to renew the lease at the end of the five year term for an additional term of five years.

	2014 \$0000	2013 \$0000
Capital Expenditure	1857	-

Notes to the Financial Statements

31. Remuneration of Senior Officers

Remuneration

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

	2014	2013
150,001 - 160,000	-	1
160,001 - 170,000	1	1
170,001 - 180,000	1	
180,001 - 190,000	1	2
190,001 - 200,000	2	1
200,001 - 210,000	1	1
210,000 - 220,000	1	-
220,001 - 230,000	1	
230,001 - 240,000	2	1
240,001 - 250,000	-	1
250,001 - 260,000	-	2
260,001 - 270,000	2	-
270,001 - 280,000	1	-
280,001 - 290,000	-	1
340,001 - 350,000	1	1
350,001 - 360,000	-	1
450,001 - 460,000	1	-
480,001 - 490,000	-	-
500,001 - 510,000	-	1
510,001 - 520,000	1	-

The total remuneration of senior officers is:

	<u>\$4,151</u>	<u>\$3,588</u>
Base remuneration and superannuation	\$3,110	\$3,265
Annual leave and long service leave accruals	\$161	\$99
Other benefits	<u>\$880</u>	<u>\$224</u>
	<u>\$4,151</u>	<u>\$3,588</u>

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

No senior officers are members of the Pension Scheme.

Notes to the Financial Statements

32. Remuneration of Auditor

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

	2014	2013
	\$000	\$000
Auditing the accounts, financial statements and performance indicators	147	138

33. Supplementary Financial Information

Write-offs

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

Amounts written off by the Accountable Authority

-	5
-	5

Gifts of public property

Gifts of public property provided by the Department

7	3
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Notes to the Financial Statements

34. Explanatory Statement

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

a) Significant Variances Between Actual Results for 2013 and 2014

	2014 Actual \$000	2013 Actual \$000	Variance \$000
Total appropriation provided to deliver services	211,286	145,530	65,756
The increase is due to the transfer in of the Office of Science of \$27.6 million, together with funding of \$30.9 million for the Browse Economic Development Fund and Indigenous Housing Fund and an increase in community grants and donations of \$6.3 million.			
Administered transactions	46,105	-	46,105
The increase is due to the transfer in of the Western Australia Natural Disaster Relief and Recovery Arrangements (WANDRRA) from the Department of Fire and Emergency Services.			
Service Expenditure			
1 Administration of Executive Government Services	138,573	113,507	25,066
The increase arises primarily from a reclassification of costs previously included in Service 2 expenditure			
2 Government Policy Management	56,649	46,836	9,813
The increase is mainly due to the transfer in of the Office of Science and associated increase in corporate support allocation of \$28 million. This offset by transfer of costs to service 1 of \$20 million.			
3 Adjustments	19,555	(11,437)	30,992
The increase is mainly due to the receipt of appropriation of \$30.9 million in the 2013-14 financial year for the Browse Economic Development Fund and Indigenous Housing Fund that was transferred to a Trust Account and will not be expensed until the 2016-17 financial year.			

Notes to the Financial Statements

b) Significant Variances Between Estimates and Actuals for 2014

	2014 Actual \$000	2014 Actual \$000	Variance \$000
Total appropriation provided to deliver services	235,845	211,286	(24,559)
The decrease is due to deferral of the Browse LNG precinct regional benefits program of \$29.8 million, partially offset by increases for Parkerville Bushfire disaster relief of \$3 million and Native Title South West Settlement grant expenditure \$2.4 million.			
Administered transactions	-	46,105	46,105
The increase is due to the transfer in of the Western Australia Natural Disaster Relief and Recovery Arrangements (WANDRRA) from the Department of Fire and Emergency Services.			
Service Expenditure			
1 Administration of Executive Government Services	114,864	138,573	23,709
The increase arises primarily from a reclassification of costs previously included in Service 2 expenditure			
2 Government Policy Management	130,093	56,649	(73,444)
The decrease is mainly due to the deferral of the Browse LNG project \$60.677 million together with the transfer of costs to service 1 of \$20 million. This is offset by increases for Native Title Unit grants for South West Settlement \$2.4 million, Land & Equity Fund \$1.6 million and increases for voluntary severance termination payments \$1 million.			
3 Adjustments	(5,540)	19,555	25,095
The increase is mainly due to the receipt of appropriation of \$30.9 million in the 2013-14 financial year for the Browse Economic Development Fund and Indigenous Housing Fund that was transferred to a Trust Account and will not be expensed until the 2016-17 financial year. This is partially offset by higher than budget expenditure funded from cash reserves including voluntary severances \$3.3 million and legal resources received free of charge of \$1.5 million.			

Notes to the Financial Statements

35. Special Purpose Accounts

The Gerald Frank Brown Memorial Trust

Purpose of the Trust

To hold money:

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

	2014	2013
	\$000	\$000
Balance at the start of the year	201	196
Receipts	1	1
Payments	(8)	(9)
Unrealised gain/(loss) on translation	20	13
Balance at the end of the year	<u>214</u>	<u>201</u>

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

Murchison Radio-Astronomy Observatory ILUA – Benefits Package

Purpose of the Trust

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

Balance at the start of the year	9,296	8,960
Receipts	114	336
Payments	(9,410)	-
Balance at the end of the year	<u>-</u>	<u>9,296</u>

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

Moneys in the trust were distributed to the beneficiaries in August 2013.

Notes to the Financial Statements

DPC – GJJ Named Applicants Interest Bearing A/C

Purpose of the Trust

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

	2014	2013
	\$000	\$000
Balance at the start of the year	-	3,545
Receipts	-	138
Payments	-	(3,683)
Balance at the end of the year	<u>-</u>	<u>-</u>

The account was established in September 2011.

DPC Esperance Nyungars Government Indigenous Land Use Agreement

Purpose of the Trust

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

	2014	2013
	\$000	\$000
Balance at the start of the year	-	-
Receipts	2,400	-
Payments	-	-
Balance at the end of the year	<u>2,400</u>	<u>-</u>

The account was established in April 2014



Notes to the Financial Statements

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

Purpose of the Trust

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

	2014	2013
	\$000	\$000
Balance at the start of the year	-	-
Receipts	31,166	-
Payments	-	-
Balance at the end of the year	<u>31,166</u>	<u>-</u>

The account was established in December 2013

Notes to the Financial Statements

36. Financial Instruments

(a) Financial Risk Management Objectives and Policies

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

Credit risk

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

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

Credit risk associated with the Department's financial assets is minimal because the main receivable is the amounts receivable for services (holding account). For receivables other than government, the Department trades only with recognised, creditworthy third parties. The Department has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history. In addition, receivable balances are monitored on an ongoing basis with the result that the Department's exposure to bad debts is minimal. There are no significant concentrations of credit risk.

Allowance for impairment of financial assets is calculated based on objective evidence such as observable data in client credit ratings. For financial assets that are either past due or impaired, refer to Note 36(c) "Financial Instrument Disclosure".

Liquidity risk

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

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



Notes to the Financial Statements

Market risk

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

Interest

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

Foreign currency

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

Forward foreign exchange contracts

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

Cash flow hedge

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

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

Notes to the Financial Statements

2014 Recycled from Equity to Profit or Loss

Balance	<1 year	1–2 years	2–3 years	3–4 years	4–5 years
DR 1,968	832	772	364	0	0

2013 Recycled from Equity to Profit or Loss

Balance	<1 year	1–2 years	2–3 years	3–4 years	4–5 years
DR 2,463	788	720	653	302	0

As at reporting date the aggregate amount of unrealised losses under forward foreign exchange contracts deferred in the hedging reserve relating to the exposure on these anticipated future transactions is DR \$1,968,292 (2013: DR \$2,463,650). It is anticipated that the purchases will take place during the next 3 years at which stage the amount deferred in equity will be reclassified into profit or loss. The Department updates its forecast of foreign currency exposures at least as often as it performs hedge effectiveness testing and in accordance with accounting policy the Department reclassifies from the Cash Flow Reserve to Profit or Loss to the extent that foreign currency hedges are in excess of highly probable forecast transactions.

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

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

	Average Exchange Rate		Foreign Currency Purchased		Contract Value		Fair Value	
	2014 \$000	2013 \$000	2014 \$000	2013 \$000	2014 \$000	2013 \$000	2014 \$000	2013 \$000
Outstanding Contracts								
Western Australian Treasury Corporation								
< 1 year	0.7610	0.7645	2,601	2,363	3,417	3,091	(611)	(513)
1 to 2 years	0.7586	0.7624	2,917	2,387	3,845	3,130	(603)	(442)
2 to 3 years	0.7610	0.7586	1,121	2,917	1,473	3,845	(206)	(454)
3 to 4 years	-	0.7610	-	1,121	0	1,473	-	(145)

(b) Categories of Financial Instruments

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

	2014 \$000	2013 \$000
Financial Assets		
Cash and cash equivalents	30,729	36,306
Restricted cash and cash equivalents	33,261	1,967
Receivables ^(a)	1,361	851
Financial Liabilities		
Payables	4,624	3,973
Derivatives – Cash flow	1,223	1,428
Derivatives – FVTPL	197	125

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

(c) Financial Instrument Disclosures

Credit risk, liquidity risk and interest rate risk exposures

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

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

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

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

	Weighted average effective interest rate %	Carrying Amount \$000	Interest rate exposure			Past due but not impaired				Impaired financial assets \$000	
			Fixed interest rate \$000	Variable interest rate \$000	Non-interest bearing \$000	Up to 3 month \$000	3-12 months \$000	1-2 years \$000	2-5 years \$000		More than 5 years \$000
30-Jun-14											
Financial Assets											
Cash and cash equivalents		30,729	-	-	30,729	-	-	-	-	-	-
Restricted cash and cash equivalents		33,261	-	31,166	2,095	-	-	-	-	-	-
Receivables		1,361	-	-	1,361	1,361	-	-	-	-	-
Amounts receivable for services		27,060	-	-	27,060	-	-	-	-	-	-
		<u>92,411</u>	<u>-</u>	<u>31,166</u>	<u>61,245</u>	<u>1,361</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
30-Jun-13											
Financial Assets											
Cash and cash equivalents		36,306	-	-	36,306	-	-	-	-	-	-
Restricted cash and cash equivalents		1,967	-	-	1,967	-	-	-	-	-	-
Receivables		851	-	-	851	605	-	-	-	-	-
Amounts receivable for services		25,329	-	-	25,329	-	-	-	-	-	-
		<u>64,453</u>	<u>-</u>	<u>73</u>	<u>64,453</u>	<u>605</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

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

Interest rate exposure and maturity analysis of financial liabilities

	Interest rate exposure						Maturity date					
	Weighted average effective interest rate %	Carrying Amount \$000	Fixed interest rate \$000	Variable interest rate \$000	Non-interest bearing \$000	Adjustment for Discount \$000	Total Nominal Amount \$000	Up to 3 months \$000	3-12 years \$000	1-2 years \$000	2-5 years \$000	More than 5 years \$000
<u>30-Jun-14</u>												
Financial Liabilities												
Payables		4,624	-	-	4,624	4,624	-	4,624	-	-	-	-
Other liabilities		-	-	-	-	-	-	-	-	-	-	-
Other liabilities – derivatives		1,420	-	-	1,420	(74)	-	-	629	639	226	-
		<u>6,044</u>	<u>-</u>	<u>-</u>	<u>1,420</u>	<u>(74)</u>	<u>-</u>	<u>3,973</u>	<u>629</u>	<u>639</u>	<u>226</u>	<u>-</u>
<u>30-Jun-13</u>												
Financial Liabilities												
Payables		3,973	-	-	3,973	-	-	3,973	-	-	-	-
Other liabilities		8	-	-	8	-	-	-	-	-	-	8
Other liabilities – derivatives		1,553	-	-	1,553	(159)	-	-	534	478	700	-
		<u>5,534</u>	<u>-</u>	<u>-</u>	<u>5,534</u>	<u>(159)</u>	<u>-</u>	<u>3,973</u>	<u>534</u>	<u>478</u>	<u>700</u>	<u>8</u>

Notes to the Financial Statements

Interest rate and foreign exchange rate sensitivity analysis

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

Interest rate					
		'-1 % change		'+1% change	
	Carrying Amount \$000	Profit \$000	Equity \$000	Profit \$000	Equity \$000
30-Jun-14					
Financial Assets					
Cash and cash equivalents	31,166	(312)	(312)	(312)	(312)
Receivables					
Other financial assets					
	31,166	(312)	(312)	(312)	(312)
Financial Liabilities					
Payables	-	-	-	-	-
Other liabilities	-	-	-	-	-
	-	-	-	-	-
30-Jun-13					
Financial Assets					
Cash and cash equivalents	-	0.0	0.0	0.0	0.0
Receivables	-	-	-	-	-
Other financial assets	-	-	-	-	-
	0	0.0	0.0	0.0	0.0
Financial Liabilities					
Payables	-	-	-	-	-
Other liabilities	-	-	-	-	-
	-	-	-	-	-

Notes to the Financial Statements

Foreign exchange rate					
		-10% change		+10% change	
	Carrying Amount \$000	Profit \$000	Equity \$000	Profit \$000	Equity \$000
30-Jun-14					
Financial Assets					
Cash and cash equivalents	603	(60.3)	(60.3)	60.3	60.3
Receivables	171	(17.1)	(17.1)	17.1	17.1
	<u>774</u>	<u>(77.4)</u>	<u>(77.4)</u>	<u>77.4</u>	<u>77.4</u>
Financial Liabilities					
Payables	4	(0.4)	(0.4)	0.4	0.4
Other Financial Liabilities - Derivatives	1,420	(82.0)	(689.0)	66.0	563.0
	<u>1,424</u>	<u>(82.4)</u>	<u>(689.4)</u>	<u>66.4</u>	<u>563.4</u>
30-Jun-13					
Financial Assets					
Cash and cash equivalents	453	(45.3)	(45.3)	45.3	45.3
Receivables	160	(16.0)	(16.0)	16.0	16.0
	<u>613</u>	<u>(61.3)</u>	<u>(61.3)</u>	<u>61.3</u>	<u>61.3</u>
Financial Liabilities					
Payables	6	(0.6)	(0.6)	0.6	0.6
Other liabilities	8	(0.8)	(0.8)	0.8	0.8
Other financial liabilities – derivatives	1,553	(96.0)	(1,020.0)	77.0	826.0
	<u>1,567</u>	<u>(97.4)</u>	<u>(1,021.4)</u>	<u>78.4</u>	<u>827.4</u>

Notes to the Financial Statements

Fair values

All financial assets and liabilities recognised in the balance sheet, whether they are carried at cost or fair value, are recognised at amounts that represent a reasonable approximation of fair value unless otherwise stated in the applicable notes. Foreign exchange contracts, are classified as Level 2 within the fair value hierarchy. The valuation technique is a discounted cash flow method where future cash flows are estimated based on forward exchange rates (from observable forward exchange rates at the end of the reporting period) and contract forward rates, discounted at a rate that reflects the credit risk of various counterparties.

37. Events Occurring after the Balance Sheet Date

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

38. Contingent Liabilities and Contingent Assets

Contingent Liabilities

The Department is subject to one unresolved action, with a potential liability estimated at \$100,000.

Contingent Assets

There were no contingent assets at the report date.

Contaminated Sites

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

39. Administered Assets and Liabilities

<u>Current Assets</u>	2014	2013
	\$000	\$000
Cash and cash equivalents	9,388	-
Cash and cash equivalents - Overseas Offices	112	94
	9,500	94
<u>Current Liabilities</u>		
Payables - WANDRRA(a)	9,224	-

(a) The Department administers the payment of claims from government agencies and local authorities with funding of such claims being processed pursuant to the Western Australian Natural Disaster Relief and Recovery Arrangements.

Notes to the Financial Statements

40. Disclosure of administered income and expenses by service

	Administration of Executive Government Services		Government Policy Management		Total	
	2014 \$000	2013 \$000	2014 \$000	2013 \$000	2014 \$000	2013 \$000
COST OF SERVICES						
Expenses						
Grants and subsidies	-	-	45,941	-	45,941	-
Total cost of services	-	-	45,941	-	45,941	-
Income						
Administered appropriation	-	-	46,105	-	46,105	-
	-	-	46,105	-	46,105	-

41. Jointly Controlled entity

Name of Operation

The Western Australian Marine Science Institution (WAMSI)

Output Interest (%)

11

Principal Activity

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

The following amounts represent the Department's assets employed in the above jointly controlled operations, which are included in the financial statements.

Current Assets

Cash and cash equivalents

**2014
\$000**

114

**2013
\$000**

-

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

Loss on other financial assets

886

-

Audited Key Performance Indicator Information

Certification of Key Performance Indicators

For the year ended 30 June 2014

I hereby certify that the performance indicators are based on proper records, are relevant and appropriate for assisting users to assess the Department of the Premier and Cabinet's performance, and fairly represent the performance of the Department of the Premier and Cabinet for the financial year ended 30 June 2014.



Peter Conran
ACCOUNTABLE AUTHORITY

30 July 2014

Performance Indicators

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

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

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

Outcome 1: Executive Government receives appropriate support.

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

Service 1: Administration of Executive Government services.

Service 2: Government Policy Management.

Key Effectiveness Indicators

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

Outcome 1: Executive Government Receives Appropriate Support

		2012-13 Actual	2013-14 Target	2013-14 Actual
1.1	Targets for support services are met or exceeded.	96%	94%	97%
1.2	Service recipients' confirmation that services provided enable them to meet Executive Government's obligations.	3.7	3.5	4.0

Outcome 1: Key Effectiveness Indicator Explanatory Notes

1.1 Targets for support services are met or exceeded Target – 94%

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

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

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

Responses were received from the Office of the Premier and 13 of the 16 Ministerial Offices, as well as the Leader of the Opposition's Office. Responses from each respondent were averaged, with the final result being the aggregation of all averages from across the total number of respondents. The Department is unaware of any circumstances that might have caused the non-respondents to respond differently to those that did.

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

		2012-13 Actual	2013-14 Target	2013-14 Actual
2.1	Service recipient's confirmation that high quality and timely policy advice is provided.	3.7	4.0	4.0

Note: A review of the Department's Outcome Based Management Structure was undertaken during the 2013-14 reporting period. An outcome of the review was the removal of key effectiveness indicator 2.2, as follows:

» *Percentage change in the number of outstanding Native Title claims awaiting resolution.*

Outcome 2: Key Effectiveness Indicator Explanatory Notes

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

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

Responses were received from the Office of the Premier and 13 of the 16 Ministerial Offices. Responses from each respondent were averaged, with the final result being the aggregation of all averages from across the total number of respondents. The Department is unaware of any circumstances that might have caused the non-respondents to respond differently to those that did.

Agency Services and Key Efficiency Indicators

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

Service 1: Administration of Executive Government Services

Service 2: Government Policy Management

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

Services provided free of charge

Expenditure of \$32,159,463 in 2012–13 Actual, \$113,043,782 in 2013–14 Target and \$56,156,912 in 2013–14 Actual for inquiries, commissions, non-core functions, community service obligations, grants and donations, severances and corporate services provided free of charge to the:

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

is excluded from the key efficiency indicators reported for these services.

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

Service 1: Administration of Executive Government Services

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

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

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

Service 1: Administration of Executive Government Services

		2012–13 Actual (\$'000s)	2013-14 Target (\$'000s)	2013-14 Actual (\$'000s)
1.1	Average operating cost per Ministerial Office (including Premier's Office and Leader of the Opposition).	2,537	2,538	2,626
1.2	Average cost of support provided per Ministerial Office (including Premier's Office and Leader of the Opposition).	500	502	1,692
1.3	Average cost of representing Western Australia's interests overseas (per region).	1,478	1,451	1,491
1.4	Average cost of entitlements per Member of Parliament.	370	378	391
1.5	Average cost of support provided per Member of Parliament.	18	18	16

Service 1: Key Efficiency Indicators - Explanatory Notes

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

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

This efficiency indicator includes all costs associated with the day-to-day operation of the Ministerial Offices including the Premier's Office and the Leader of the Opposition.

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

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

Support to Ministerial Offices includes ceremonial and event advice; executive transport; and services related to Ministerial Office coordination, government media, correspondence, and the community access line.

The decrease in the average cost is mainly due to severances and resource reallocation in the support service areas of the Department.

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

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

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



Service 1: Key Efficiency Indicators - Explanatory Notes (continued)

1.4 Average cost of entitlements per Member of Parliament

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

1.5 Average cost of support provided per Member of Parliament

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

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

Service 2: Government Policy Management

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

- » strategic policy advice and coordination to the Premier and Cabinet
- » leadership and coordination of cross-agency solutions to complex issues
- » managing and coordinating Western Australian Government input into intergovernmental negotiations, and advice on Government positions on federal reform, treaties, defence and other matters raised through COAG and Council for Australian Federation
- » strategic, cross-portfolio advice on land, State and Commonwealth approvals and Indigenous issues.

Service 2: Government Policy Management

		2012–13 Actual (\$'000s)	2013–14 Target (\$'000s)	2013–14 Actual (\$'000s)
2.1	Average cost per Government Indigenous Land Use Agreement (ILUA) Managed	256	290	427
2.2	Average cost per Project ILUA Managed	463	1,044	1,195



Service 2: Key Efficiency Indicators Explanatory Notes

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

The objectives of the Government ILUA process is consistent with the State's strategic goal of *Social and Environmental Responsibility: Ensuring that economic activity is managed in a socially and environmentally responsible manner for the long-term benefit of the State*. It is anticipated that the Government ILUA will create greater efficiencies within Native Title approval processes, which in turn will promote economic activity and delivery of services to remote and regional areas of the State.

The comparative average cost of managing Government ILUAs at June 2013 was previously reported as \$355,000 and has been recalculated following a revision of the number of ILUAs managed at that date.

The increase in the average cost per Government ILUA is as a result of a reallocation of costs attributed to the Native Title functions of the Department.

2.2 Average cost per Project ILUA managed

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

The increase in the average cost per Project ILUA is as a result of a reallocation of costs attributed to the Native Title functions of the Department.

Other Financial Disclosures

DEPARTMENT OF THE PREMIER AND CABINET

TRUST STATEMENT

Browse LNG Precinct Project Agreement Native Title Beneficiaries' Interest Bearing Trust Account

NAME	An account titled <i>Browse LNG Precinct Project Agreement Native Title Beneficiaries' Interest Bearing Trust Account</i> (the Account) is to be established and maintained as an agency special purpose account pursuant to section 16(1)(c) of the <i>Financial Management Act 2006</i> by the Department of the Premier and Cabinet.
PURPOSE	Pursuant to clauses 7.2(c), 9.1(b) and 10.1(b) of the Browse LNG Precinct Project Agreement (the Agreement), the sum of \$30 million being the State's contribution of \$10 million to the Economic Development Fund and \$20 million to the Indigenous Housing Fund is to be held in an interest bearing trust account for and on behalf of the New Native Title Party or the Administrative Body, as the case may be until the Corporate Trustee, referred to in clause 22 of the Agreement, establishes the Economic Development Fund Trust and the Indigenous Housing Fund Trust respectively as contemplated by the Agreement.
RECEIPTS	There shall be credited to the Account such moneys as prescribed under the Agreement inclusive of any interest as calculated from 4 November 2013 being the registration date for the Taking (as that term is defined in the Agreement). Interest earnings shall be allocated proportionately to the Economic Development Fund and Indigenous Housing Fund in the same ratio as the initial contributions.
PAYMENTS	Moneys standing to the credit of the Account may be applied for the purposes of, and only for the purposes of, the Account, and in accordance with clauses 9(1)(c) and 10(1)(c) of the Agreement.
ADMINISTRATION OF ACCOUNT	The Account shall be administered by the Director General in accordance with the <i>Financial Management Act 2006</i> , Financial Management Regulations 2007, Treasurer's instructions and the Agreement.

ACCOUNTING
RECORDS

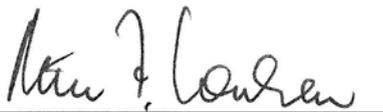
There shall be maintained a detailed record of transactions processed through the Account, together with such other accounting records and procedures as are prescribed in the Department of the Premier and Cabinet's financial management manual.

FINANCIAL
STATEMENTS

There shall be prepared financial statements, together with supplementary information (including details of all financial assistance provided during the financial year), in accordance with the provisions of the *Financial Management Act 2006*, Financial Management Regulations 2007 and the Treasurer's instructions.

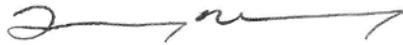
I have examined and agree to the provisions of this trust statement

Approved



Peter Conran
Director General
Department of the Premier and Cabinet

Date: 20 NOV 2013



Timothy Marney
Under Treasurer
Department of Treasury

Date: 5.12.2013

Other Financial Disclosures (continued)

DEPARTMENT OF THE PREMIER AND CABINET

TRUST STATEMENT

Esperance Nyungar Government Indigenous Land Use Agreement

NAME	An account titled <i>Esperance Nyungar Government ILUA Applicants Interest Bearing Trust Account</i> (the Account) is to be established and maintained as an agency special purpose account pursuant to section 16(1)(c) of the <i>Financial Management Act 2006</i> by the Department of the Premier and Cabinet.
PURPOSE	Pursuant to clauses 19.2 (a) and 19.2 (b) of the <i>Esperance Nyungar Government ILUA</i> (the Agreement), the sum of \$2,400,000 being the State's contribution is to be held in an interest bearing trust account for and on behalf of the Native Title Group or the Prescribed Body Corporate, as the case may be until the Prescribed Body Corporate has submitted a budget and that budget is approved in accordance with clause 19.2 (b).
RECEIPTS	There shall be credited to the Account such moneys as prescribed under the Agreement inclusive of any interest as calculated from the execution date.
PAYMENTS	Moneys standing to the credit of the Account may be applied for the purposes of, and only for the purposes of, the Account, and in accordance with clause 19.2 the Agreement.
ADMINISTRATION OF ACCOUNT	The Account shall be administered by the Director General in accordance with the <i>Financial Management Act 2006</i> , <i>Financial Management Regulations 2007</i> , Treasurer's instructions and the Agreement.

ACCOUNTING
RECORDS

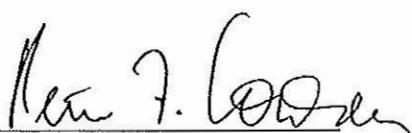
There shall be maintained a detailed record of transactions processed through the Account, together with such other accounting records and procedures as are prescribed in the Department of the Premier and Cabinet's financial management manual.

FINANCIAL
STATEMENTS

There shall be prepared financial statements, together with supplementary information (including details of all financial assistance provided during the financial year), in accordance with the provisions of the *Financial Management Act 2006*, Financial Management Regulations 2007 and the Treasurer's instructions.

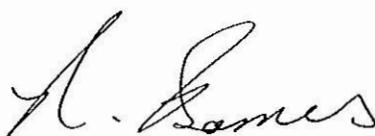
I have examined and agree to the provisions of this trust statement

Approved



Peter Conran
Director General
Department of the Premier and Cabinet

Date: 28/3/2014.



Michael Barnes
Acting Under Treasurer
Department of Treasury

Date: 24/4/14

Other Financial Disclosures (continued)

Pricing Policies

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

Capital Works

The department incurred capital expenditure during the year of \$2.427 million with expenditure mainly on computing hardware and software.

Employment and Industrial Relations

Employee Profile

The Department's annual average full-time equivalent (FTE) employee figure for 2013–14 was 474, compared to the previous year's average of 483.

As at 30 June 2014, our workforce was comprised of 88 per cent permanent employees, 10 per cent fixed term employees and two per cent casual employees. Of the permanent and fixed term employees, 85 per cent worked on a full-time basis and 15 per cent on a part-time basis.

In the Parliamentary Electorate Offices, an average of 191 FTE were engaged to support the State Members of Parliament during 2013–14, compared to an average of 184 FTE in the 2012–13 financial year.

Ministerial Directions

No Ministerial directives were received during the financial year.

Governance Disclosures

Conflicts of Interest

The Department's Conflicts of Interest Policy was amended to reflect new requirements set by the Public Sector Commission in relation to Self-Managed Super Funds, the Auditor General's findings related to the Department's Gifts Policy, as well as recommendations made by the Corruption and Crime Commission. Guidance for staff in the areas of family trusts and volunteer work was further enhanced.

Educating and assisting staff in the declaration and management of all actual and potential conflicts of interest remains a focus for the Department.

Contracts with Senior Officers

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

Internal Audit

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

A senior officer from the Office of the Auditor General attends Internal Audit Committee meetings in an advisory capacity. The Department's Internal Audit Committee met twice during the financial year.

Five audits were scheduled and four were completed during the 2013–14 financial year. One audit is currently in progress and is expected to be completed in the early part of the 2014–15 financial year.

External Audit

During 2013–14, the Department assisted the Office of the Auditor General in a number of external audits. Addressing the recommendations of these audits remains the focus of the Department's external audit activities.

Risk Management

The current Risk Management Policy and aligned Procedures were also reviewed during 2013–14. The resulting changes were aimed at providing increased support to staff in effectively managing risks within their business units which, in turn, assists the Department in achieving its strategic and operational objectives.

The reviewed Risk Management Policy and Procedures reflects:

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

Contact with a Lobbyist

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

Board and Committee Remuneration

Constitutional Centre Advisory Board

Position	Name	Type of remuneration	Period of membership	Gross/actual remuneration
Chair	Hon Bill Hassell	Sitting fee	3 years	\$ 1224
Deputy Chair	Hon Cheryl Edwardes	Sitting fee	3 years	\$ 609
Member	Professor Harry Phillips	Sitting fee	3 years	\$ 812
Member	Dr Janice Dudley	Sitting fee	3 years	\$ 699.90*
Member	Ms Diana Warnock	Sitting fee	3 years	\$ 812
Member	Professor Colleen Hayward	Sitting fee	3 years	\$ 609
Member	Professor David Black	Sitting fee	3 years	\$ 609
Member	Ms Anne Conti	Sitting fee	3 years	\$ 609
Member	Hon John Cowdell	Sitting fee	3 years	\$ 609
Member	Mr Grant Donaldson SC	N/A	3 years	N/A
Member	Hon Christine Wheeler	N/A	3 years	N/A
			Total	\$6562.90

* Paid to Murdoch University and incurs GST.

Partnership Forum

Position	Name	Type of remuneration*	Period of membership (to 30/9/2015)	Gross/actual remuneration
Chair	Ms Robyn Kruk	Annual	2 years	\$22,738 p.a.
Deputy Chair	N/A	N/A	N/A	N/A
Member	Ms Sue Ash AO	N/A	2 years	-
Member	Mr Michael Barnes	N/A	2 years	-
Member	Ms Rebecca Brown	N/A	2 years	-
Member	Mr Ian Carter AM	N/A	2 years	-
Member	Ms Irina Cattalini	N/A	2 years	-
Member	Dr Ron Chalmers	N/A	2 years	-
Member	Mr Peter Conran AM	N/A	2 years	-
Member	Mr Chris Hall	N/A	2 years	-
Member	Ms Taryn Harvey	N/A	2 years	-
Member	Ms Deborah Karasinski	N/A	2 years	-
Member	Professor Greg Lewis	N/A	2 years	-
Member	Ms Lyn Mahboub	Per Half-Day Meeting Or Per Full-Day Meeting	2 years	\$384 \$591
Member	Mr Timothy Marney	N/A	2 years	-
Member	Ms Jennifer Mathews	N/A	2 years	-
Member	Ms Joan McKenna Kerr	N/A	2 years	-
Member	Ms Emma White	N/A	2 years	-
Member	Mr Ashley Reid	N/A	2 years	-
Member	Mr Grahame Searle	N/A	2 years	-
Member	Mr Gordon Trewern	N/A	2 years	-
Member	Ms Debra Zanella	N/A	2 years	-
			Total	\$24,274*

*n.b. This total is an estimate based on four official half-day meetings per annum. On occasion there is need for out-of-session meetings, which will necessitate additional payments to the Member remunerated on a sessional basis.

Strategic Assessment Stakeholder Reference Group

Position	Name	Type of remuneration	Period of membership	Gross/actual remuneration
Chair	Dr Jim Limerick	Per meeting	1.5 years	\$3,088
Deputy Chair	Ms Debra Goostrey	-	1.5 years	-
Member	Mr John Gelavis	-	1.5 years	-
Member	Mr Frank Arangio	-	1.5 years	-
Member	Mr Harry Backes	-	1.5 years	-
Member	Mr Jason Hick	-	1.5 years	-
Member	Ms Barbara Pederson	-	1.5 years	-
Member	Ms Jan Star	-	1.5 years	-
Member	Ms Katherine Howard	-	1.5 years	-
Member	Mr Piers Verstegen	-	1.5 years	-
Member	Mr Mark Batty	-	1.5 years	-
Member	Mr Mick McCarthy	-	1.5 years	-
Member	Mr Ian MacRae	-	1.5 years	-
Member	Mr Mike Foley	-	1.5 years	-
Member	Mr Brett Flugge	-	6 months	-
Member	Mr Doug Hall	-	6 months	-
			Total:	\$3,088



Other Legal Requirements

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

The Corporate Information Branch works closely with all service areas in providing advice and support for record keeping issues and compliance. The branch is transitioning from a process driven workflow to a consultative service area focusing on information sharing, research and knowledge management. There is a greater emphasis on electronic recordkeeping digitisation and the move towards a paperless environment. Training is ongoing with more users relying on the benefits of the electronic document system to assist them in their work. The archives team is working on projects to digitise our archival collections through systematic conversion of old format records such as microfilm, audio and video tapes. Hardcopy records disposals occur on a regular basis to comply with regulatory obligations and reduce offsite storage costs.

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

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

SRC Requirement	Department Compliance Action
<p>The efficiency and effectiveness of the organisation's recordkeeping systems is evaluated not less than once every 5 years.</p>	<p>The Record Keeping Plan was approved since 2010 and a review is due in 2015 An external audit was last carried out by Stantons International in 2012.</p>
<p>The organisation conducts a recordkeeping training program.</p>	<p>To ensure compliance of record keeping training, all employees are constantly reminded to complete their online Records Awareness Training. In house TRIM training is provided for individuals and groups as required.</p>
<p>The efficiency and effectiveness of the recordkeeping training program is reviewed from time to time.</p>	<p>The successful completion rate of the online records awareness training indicates staff understanding of their obligations to manage records. The module in the online program enables monitoring of end user participation.</p>
<p>The organisation's induction program addresses employee roles and responsibilities in regard to their compliance with the organisation's recordkeeping plan.</p>	<p>New employees are contacted by email to complete an online Records Awareness Training program. Ongoing online Records Awareness Training continues to be an induction tool to new employees and supplements the recordkeeping component Principle 6 of the Code of Conduct.</p>

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

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

	\$
a) Expenditure on advertising agencies	39,730
Adcorp Australia Limited	
Freeway Design	
Facebook	
Rare Creative Thinking	
Acorn Design	
Vinten Browing	
b) Expenditure with market research	
c) Expenditure on polling agencies	
d) Expenditure with direct mail agencies	
e) Expenditure with media advertising agencies	
Total Expenditure	<u>39,730</u>

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

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

As part of new requirements under the Act and Regulations, the Department is currently reviewing its DAIP to incorporate Outcome 7: 'People with disability have the same opportunities as other people to obtain and maintain employment with a public authority'. Outcome 7 will be incorporated into the Department's DAIP during the 2014–2015 financial year.

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

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

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

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

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

- » An individual review of each recruitment, selection and appointment process is undertaken prior to the final decision to ensure compliance with the Employment Standard and the Commissioner's Instructions.

- » Acting and secondment appointments are reviewed regularly to ensure compliance with the Employment Standard and Commissioner's Instructions and that open, merit-based selection processes are conducted when required.
- » Performance management processes are monitored to ensure that employees are undertaking a performance development plan at least annually in line with the Performance Management Standard.

Compliance Issues: There were no breaches in the Employment Standard in the 2013–14 financial year.

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

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

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



Government Policy Requirements

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

The Department's commitment to the Substantive Equality Policy Framework is reflected in the Equal Opportunity Policy which is available to all staff via the Department's Intranet.

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

Occupational Safety, Health and Injury Management

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

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

The Department undertook an internal assessment of its OSH Management Systems in 2011 and progress is underway to achieve the agreed outcomes. The Department has a documented Injury Management System in place in accordance with the *Workers' Compensation and Injury Management Act 1981* and this system assists the Department in providing injury management support to those who have sustained a work related injury or illness. This process involves identifying return to work goals and injury management interventions which are fundamental to a successful return to work program. In December 2013, the Department implemented an Occupational Safety and Health for Supervisors and Managers Training Program as part of its online learning management program. This training is compulsory for all managers and supervisors.

Measure	Actual Results		Results against Target	
	2012–13	2013-14	Target	Comment on Results Achieved
Number of fatalities	0	0	0	
Lost time injury/disease incidence rate	0.4%	0.2%	0 or 10% reduction	1 LTI/Ds
Lost time injury/disease severity rate	50%	100%	0 or 10% reduction	1 severe claim
Percentage of injured workers returned to work:				1 LTI/D ceased employment without returning to work
vi. within 13 weeks	50%	0%	Actual result to be stated	
vii. within 26 weeks	50%	0%	Greater than or equal to 80%	
Percentage of managers trained in occupational safety, health and injury management responsibilities	Less than 80%	Less than 80%	Greater than or equal to 80%	78% of managers trained



Freedom of Information

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

Eighty one new valid applications were received during 2013–14. Of these, ten applications were withdrawn by the applicant. A further 12 applications were carried over from the previous year.

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

In 2013–14 the Department continued to provide assistance to Ministerial Offices in dealing with their FOI applications.

Freedom of Information Applications

	2013-14			2012-13		
	Total			Total		
Carried Over	12	-	-	14	-	-
Received	81	-	-	53	-	-
Total handled	93	-	-	67	-	-
Applications Decided in Year		Personal Information	Non-Personal Information		Personal Information	Non-Personal Information
Full Access	3	0	3	11	6	5
Edited Access	42	1	41	25	3	22
Deferred Access	0	0	0	0	0	0
Section 26 Refused Access	14	1	13	10	2	8
Access Refused	9	0	9	7	2	5
TOTAL DECISIONS	68	2	66	53	13	40
Transfer to other Agencies	5	-	-	0	-	-
Withdrawn	10	-	-	2	-	-
Total Applications Finalised	83	-	-	55	-	-
Carried Forward	10	-	-	12	-	-



Freedom of Information – Information Statement

Freedom of Information Operations

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

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

Receipt of FOI Applications

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

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

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

Processing of Applications

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

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

Fees and Charges

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

Fees and charges are:

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

Rights of Review

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

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



Documents held by the Agency

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

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

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



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

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

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

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

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

How to Apply to Amend your Personal Information

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

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

If the Department decides to amend the information it will usually alter the record, or add a further note in relation to the record. The Department will inform you of its decision, and reasons, together with your right of review if you are not satisfied.



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

Corruption and Crime Commission Act 2003

Disability Services Act 1993

Equal Opportunity Act 1984

Financial Management Act 2006

Freedom of Information Act 1992

Industrial Relations Act 1979

Minimum Conditions of Employment Act 1993

Occupational Safety and Health Act 1984

Parliamentary Commissioner Act 1971

Public and Bank Holidays Act 1972

Public Interest Disclosure Act 2003

Public Sector Management Act 1994

State Records Act 2000

State Supply Commission Act 1991

Workers Compensation and Injury Management Act 1981