



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



Department of the  
Premier and Cabinet

# Annual Report **2015-2016**

Produced and published by

**The Department of  
the Premier and Cabinet**

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# Statement of Compliance

For the year ended 30 June 2016

**Hon C J Barnett MEd MLA**

Premier; Minister for Tourism; Science

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 2016

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



**Peter Conran**

DIRECTOR GENERAL





# About this Report

This report delivers an analysis of our performance in regard to the services that the Department of the Premier and Cabinet provides, which is to support the Premier as head of the Western Australian Government and Minister for Science as well as providing quality policy and administrative advice and support to enable the Premier and Government to service the Western Australian community well.

Our annual report has been structured around the following:

- Overview of 2015-16
- About the Department
- Agency Performance
- Significant Issues
- Disclosures and Legal Compliance
- Other Legal Requirements
- Government Policy Requirements

This report has been prepared in accordance with the Public Sector Commission's Western Australian Public Sector Annual Reporting Framework for 2015-16.

# Director General's Overview

This Annual Report demonstrates that 2015–16 was an interesting 12 months for the Department – with our people continuing to strive, with impressive dedication and motivation, towards achieving the Department's vision of improving outcomes through leadership, collaboration and innovation.

From its role in administering Executive Government services, to providing a high level of effective policy advice and support to the Premier and Cabinet, the Department has performed activities across a broad spectrum over the past year.

## Striving for positive outcomes

The Department has been working hard across a number of policy areas, in conjunction with community and business groups, to facilitate regulatory change to reduce the burden on business; promote collaborative partnerships; and support the development of major improvements to the delivery of human services. Some of the notable outcomes in 2015–16 have included:

- coordinating the implementation with the Department of Finance of a whole-of-government *Plan to Reinvalidate Regulatory Reform* to drive innovation, and reduce barriers to entrepreneurial activity, productivity, investment and employment;
- supporting the establishment of a Regional Services Reform Unit to lead the implementation of reforms in this area, and provide ongoing policy support and advice;

- overseeing comparative trials of the State's National Disability Insurance Scheme (NDIS), which will help to inform the future roll out of the NDIS in Western Australia; and
- the execution of six South West Settlement Indigenous Land Use Agreements that signalled the completion of a major body of work.

## Supporting the community

The Constitutional Centre of Western Australia (the Centre) plays a key part in educating the general public about our parliamentary and electoral system. In 2015–16 the Centre extended its educational reach by taking programs to regional areas of the State, with education officers visiting areas not covered by current regional staffing.

In early 2016, the intensive planning required to deliver a number of initiatives to mark the Dirk Hartog 400-year anniversary gained momentum. At the same time, the Department liaised with the Duyfken 1606 Replica Foundation about managing a seasonal presence for the Duyfken replica sailing ship at Elizabeth Quay from early 2017, and its involvement in Dirk Hartog commemorations.

A highlight on the events calendar was undoubtedly the visit by Their Royal Highnesses The Prince of Wales and The Duchess of Cornwall, during November 2015. The State Ceremonial and Events team delivered a highly-praised itinerary that included a first stop in Albany and a Beachside Barbecue in Cottesloe, and gave the Western Australian community many occasions to be part of this very special opportunity.

On a far more sobering note, the devastating fire earlier in the year that started in the Shire of Boddington and extended to the shires of Waroona and Harvey resulted in the loss of human life, land, and commercial and private properties. The Department provided support to the Special Inquiry that was subsequently established pursuant to section 24H(2) and (3) of the *Public Sector Management Act 1994*, and the Premier tabled the final report in Parliament in June 2016.

## Enhancing Western Australia's reputation

The Department continued its important role in promoting Western Australia's innovations

and technologies, and the benefits of doing business with the State. With respect to trade and investment opportunities, the Department's three overseas offices worked with Western Australian companies to develop export opportunities for their products and services, notably in the agricultural sector.

Within the State, the Office of Science (OoS) progressed many science initiatives that have raised the profile of science in the State, particularly through leading the Square Kilometre Array project, the Premier's Science & Agribusiness Connect Program and managing various State Government grants and awards programs. The OoS also supported the Western Australian Chief Scientist, Professor Peter Klinken, in his role as Chair of the Data Linkage Expert Advisory Group, which is charged with undertaking a review of the State's data linkage capabilities.

One of the benefits of the wide-ranging work we do is that we are able to experience different successes along the way. A couple of our key highlights during the year have included:

- facilitating the creation of Lalang-garram/ Camden Sound Marine Park and Eighty Mile Beach Marine Park, and the signing of associated Joint Management Agreements;
- hosting the 'State of the Partnership' Community Event, attended by over 330 representatives from across the public and not-for-profit sectors, to showcase and explore the successes and challenges of working in partnership; and
- working with relevant agencies to develop a State-wide Methamphetamine Strategy, including cross-government initiatives to combat supply, demand and use of the drug in the community.

Our future directions will see the Department pursuing the State's highest Federal reform priority, fundamental reform of the GST sharing arrangements; developing the Government response to the recommendations from *Reframing Rural Fire Management: Report of the Special Inquiry into the January 2016 Waroona Fire*; and completing the final stages of the Strategic Assessment of the Perth Peel Region prior to anticipated implementation from mid-2018.

This year's Annual Report also marks my last year as Director General of the Department of the Premier and Cabinet. My thanks are extended to all the Department's employees I have worked with for nearly a decade, whose support and commitment to our goals and values have produced many outstanding achievements at the strategic, operational and administrative levels. I have been privileged to work with such a fine group of people.

I wish everyone in the Department the very best for the 2016–17 period and beyond, and I look forward to witnessing the Department going from strength to strength in future years.

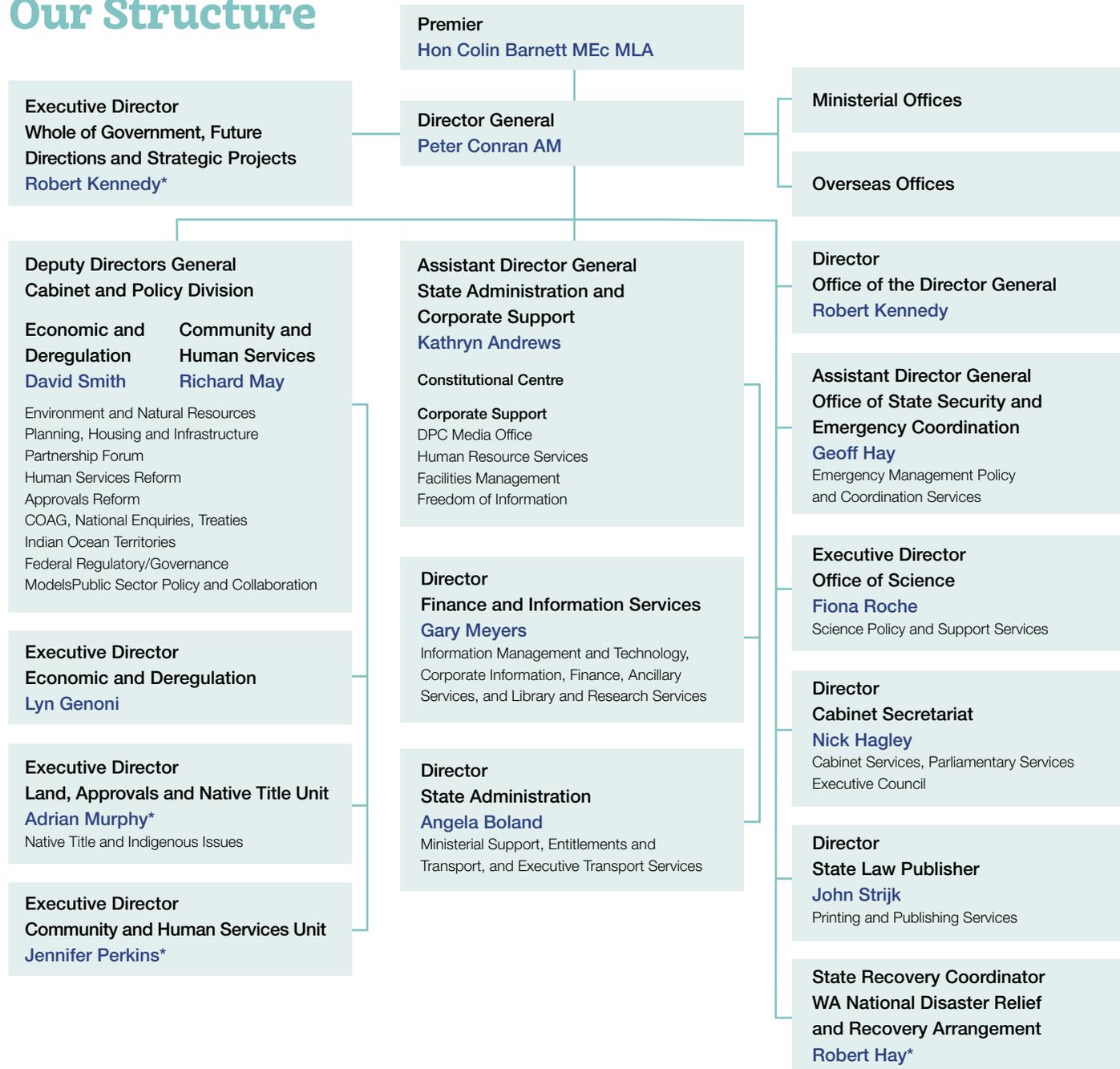
**Peter Conran**  
Director General





# About the Department

# Our Structure



## Responsible Minister

The Department reports to the Hon C J Barnett MEdc 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*.

\*Appointed in an acting capacity

# 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 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 and ministerial offices.



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

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



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

Mr Hay was appointed to this position in July 2005, following periods in the positions of Assistant Director General, State Administration, and Assistant Director General, Public Sector Management. Mr Hay previously held the position of Assistant Under Treasurer at the 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, Western Australia in 2007, having served as an elected member of the State Council for 10 years.



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

Mr Kennedy has worked in public sector agencies for over 20 years in both the State and Commonwealth Governments. Most of this time has been in central agencies in policy and administration roles. He joined the Department in 2003 and was appointed Director, State Administration, in 2008, when he joined the Corporate Executive. Mr Kennedy was appointed Director, Office of the Director General, in 2011 and is responsible for the Department's corporate governance functions and supporting the Director General. He is also currently acting Executive Director Strategic Projects, which he commenced in October 2015.



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

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



**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, and has over 45 years of public sector experience.



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

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

# Senior Officers



**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.



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

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



**Director – State Administration**  
**Ms Angela Boland**

Ms Boland has over 27 years of service in the Western Australian Government. She has contributed to Executive leadership and management teams across several agencies. Prior to joining DPC, Ms Boland was a member of the Corporate Executive at the Department of Mines and Petroleum. Ms Boland has managed Ministerial Business and Executive Government in the areas of Agriculture and Food and Environment and Water. She has also held positions in the Office of Racing, Gaming and Liquor.



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

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



### Senior Officers

**From top left:** Geoff Hay, Adrian Murphy, Nick Hagley, David Smith, Angela Boland, Robert Kennedy and Kathryn Andrews.

**From bottom left:** Gary Meyers, Jenni Perkins, Peter Conran, Fiona Roche and John Strijk.

# Strategic Plan 2013-17

## Our Vision

Improving outcomes through leadership, collaboration and innovation.

## Our Purpose

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

## Our People

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

## Our Values

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

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

## Our Goals

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

# Key Service Areas

## Government Goal: Results-Based Service Delivery

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

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

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

## Agency-level Outcomes

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

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

## Services

- Administration of Executive Government Services

- Government Policy Management

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

## Service 1: Administration of Executive Government Services

- administrative support to the Premier;
- administrative policy advice and support to Ministerial offices and the Leader of the Opposition;
- promotion of Western Australia's interests overseas;

- communication of Government policies and activities;
- support for the Executive Council;
- administration of entitlements for Members and former Members of Parliament;
- a secure, confidential and time-critical printing and publishing service for Parliament and Government; and
- management of programs at the Constitutional Centre.

## Service 2: Government Policy Management

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

# Performance Management Framework

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

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

## Outcome Based Management Structure Relationship to Government 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.

Further detail relating to the audited KPI information is located on page 81. 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

After a review of the Department's Outcome Based Management Structure, the following changes were approved by the Office of the Auditor General and Department of Treasury to the Department's KPIs for 2016–17:

### 1. Change to reporting of the following key effectiveness indicator:

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

The existing indicator will be retained but quality and timeliness will be reported separately.

### 2. Inclusion of the following new cost-effectiveness (efficiency) indicators:

#### Total output cost to deliver high quality, rigorous and timely policy advice.

This KPI will report the total output cost to deliver policy advisory services to the Premier and all Ministers, across a range of policy contexts. [NB the calculation excludes costs related to the management of Native Title Claims and Indigenous Land Use Agreements.]

#### Number of Cabinet Submissions Assessed.

The Department is responsible for assessing Cabinet Submissions in order to determine whether Departmental advice is required.

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

Cabinet Submission Briefing Notes are prepared by the Department for the Premier as chair of Cabinet. They are only proposed for Cabinet items where issues have been identified. This is determined by the Department in consultation with staff of the Premier's Office.

### Average cost to manage a native title claim.

This additional indicator will identify the average cost to manage each Native Title Claim through various research, negotiation and litigation activities.

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

# Performance Snapshot for 2015-16

Table 1: Effectiveness Indicators

Outcome 1 – Executive Government receives appropriate support			
Number	Description	2015-16 Target and Result	Reference
1.1	Targets for support services are met or exceeded	Target 96% Result 99.95%	p81
1.2	Service recipient's confirmation that services provided enable them to meet Executive Government's obligations	Target 3.8 Result 3.9	p81
Outcome 2 – The Premier and Ministers receive high quality, rigorous and timely policy support			
2.1	Service recipient's confirmation that high quality and timely policy advice is provided	Target 4.0 Result 3.7	p82

Table 2: Key Efficiency Indicators

Service 1 – Administration of Executive Government services			
Number	Description	2015-16 Target and Result (\$000)	Reference
1.1	Average operating cost per Ministerial Office (including Premier's Office and Leader of the Opposition)	Target 2,643 Result 2,813	p83
1.2	Average cost of support provided per Ministerial Office (including Premier's Office and Leader of the Opposition)	Target 1,517 Result 1,382	p83
1.3	Average cost representing Western Australia's interests overseas (per region)	Target 1,445 Result 1,604	p83
1.4	Average cost of entitlements per Member of Parliament	Target 389 Result 409	p83
1.5	Average cost of support provided per Member of Parliament	Target 18 Result 20	p83
Service 2 – Government Policy Management			
2.1	Average cost per Government Indigenous Land Use Agreement (ILUA) managed	Target 1131 Result 402	p84
2.2	Average cost per Project ILUA managed	Target 338 Result 779	p84

# Administered Legislation

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

*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*

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

*Corruption, Crime and Misconduct Act 2003*

*Disability Services Act 1993*

*Equal Opportunity Act 1984*

*Electoral Act 1907*

*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*

*Salaries and Allowances Act 1975*

*State Records Act 2000*

*State Supply Commission Act 1991*

*Workers Compensation and Injury Management Act 1981*





# Agency Performance

Aerial photo of  
Horizontal Falls, Kimberley

# Strategic Goal 1: Leadership

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

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

The Department also has a coordination role with respect to negotiations with the Commonwealth and relevant State public sector agencies, for the provision of diverse State services to the citizens of the Indian Ocean Territories.

Priorities during 2015-16 included major infrastructure funding arrangements with the Commonwealth; responding to the impacts of the State's reduced revenue, particularly declining Commonwealth contributions and key community and human service reform areas including Aboriginal Affairs, disability services, youth justice and child protection. Other priorities included; a reduction in the regulatory red tape affecting business; reforms to streamline and reduce duplication with Commonwealth environmental approvals; the Strategic Assessment of the Perth Peel Region; and the next phase of the Kimberley Science and Conservation Strategy.

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

In 2015-16, support to the Premier and Cabinet focussed on pressures on State finances resulting from diminishing Commonwealth transfers and receiving only 30 cents back for every goods and services tax (GST) dollar paid by Western Australians. The Department promoted the

State's interests in bilateral and Council of Australian Governments (COAG) negotiations, particularly in promoting fundamental reform of the GST distribution arrangements.

Challenges for Western Australia include recognition of the high cost of service delivery in rural and remote areas, and avoidance of 'one-size-fits all' solutions. A proposed new national competition reform agreement is expected to include payments to States to redistribute the benefits of reform.

The Department coordinated engagement with the Commonwealth on national infrastructure issues, including the 15 Year Australian Infrastructure Plan prepared by Infrastructure Australia. In May 2016, the Premier signed a revised National Partnership Agreement on Infrastructure Projects in Western Australia which included a \$490 million Commonwealth top-up contribution for the Forrestfield Airport Link Project.

Discussions have commenced on the competition reforms arising from the Commonwealth's Harper Competition Policy Review; and the Department will provide input to negotiations with the Commonwealth towards finalising the new agreement, which COAG will give consideration to in late 2016/early 2017.

## Strengthening regulatory reform

Continuing work with the Commonwealth on bilateral agreements for environmental assessments and approvals was a priority for the Department, to reduce duplication of regulatory processes and cut costs and delays for businesses. The Department also continued to work with the Department of Finance in implementing the whole-of-

government Plan to Reinvigorate Regulatory Reform (the Plan) to drive innovation, and reduce barriers to entrepreneurial activity, productivity, investment and employment. Through the Plan, the Government has cut red tape, led progressive deregulation and regulatory reform, and improved regulatory assessments, particularly in the following reform priority areas for 2015-16:

- business licensing;
- home building regulations;
- transport reform;
- liquor regulations;
- agriculture, aquaculture and fisheries regulations; and
- environmental approvals and administrative burden.

Two regulatory mapping projects relating to opening a restaurant and building approvals have identified roadblocks, excessive costs, duplicative processes and practical solutions. Further '90 day projects' will be carried out in 2016-17 to conduct rapid mapping of priority areas.

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

The Kimberley Science and Conservation Strategy (the Strategy) is the largest investment into the natural and cultural heritage of the Kimberley in the history of Western Australia. It is a multi-agency program across seven government agencies.

The Department leads negotiations of Indigenous Land Use Agreements and Joint Management Agreements related to the Strategy, with native title parties. The Strategy has also enabled the implementation of conservation and research projects, such as the Landscape Conservation Initiative and Kimberley Marine Research Program.

**During 2015-16, the Department provided oversight for the second year of the comparative trials of the National Disability Insurance Scheme (NDIS).**



Lalang-garram/Camden Sound Marine Park in the Kimberley is the most important humpback whale nursery in the southern hemisphere



Ranger from Parks and Wildlife, Kimberley, inspecting animal species from the region



Hon Colin Barnett, MLA; Premier; Minister for Tourism; Science with Scott Prince (maroon) and Steve Menzies (blue). State of Origin rugby league will be played at the new Perth Stadium.

More than 200 traditional owners have been engaged through the Landscape Conservation Initiative to manage fire, feral animals and weeds across the Kimberley landscape with traditional owners, pastoralists and other land managers. This has resulted in the reduction of the area of country burnt by destructive late dry season fires from 36% to 17%, across more than 6.5 million hectares of the north Kimberley.

The commencement of 25 marine research projects across the Kimberley has also occurred as a result of \$12 million in State funding made available through the Western Australian Marine Science Institution. These projects form part of the Kimberley Marine Research Program, which aims to improve management and help protect marine ecosystems and wildlife. Research will inform the management of the Kimberley marine park network and guide future development opportunities including tourism, resource development, fisheries and aquaculture.

### Supporting the future growth of our State

The Strategic Assessment of the Perth and Peel Region (Strategic Assessment) 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 other agencies. The Strategic Assessment will deliver 'class of action' approvals, under the *Environment Protection and Biodiversity Conservation Act 1999*, for the future development required to support the expansion of the Perth and Peel regions to 3.5 million people.

The draft Strategic Assessment documents were released for public comment in December 2015. During the public consultation period, held from 17 December 2015 to 13 May 2016, a total of 592 written submissions and 3,046 pro-forma

submissions were received and 52 key stakeholder briefings were conducted by the Department with industry, professional bodies, community and environmental groups, and local government.

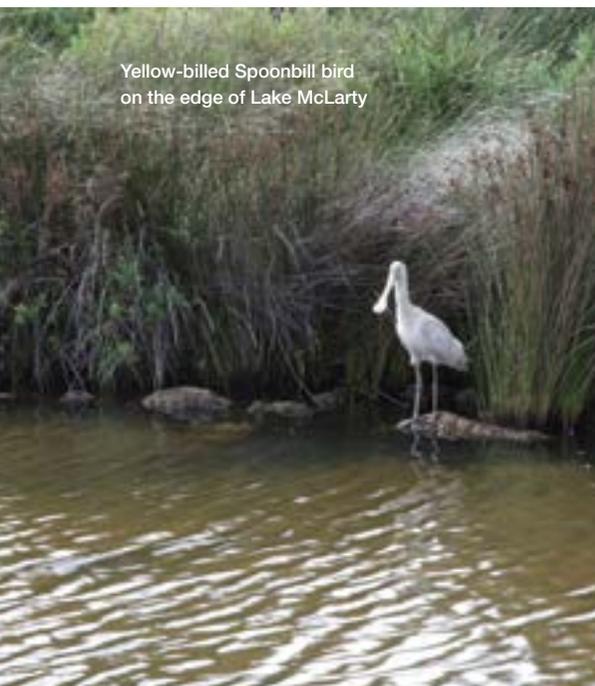
It is anticipated that the package of final Strategic Assessment documents will be submitted to the Commonwealth Minister for the Environment for consideration by the end of 2016. The Commonwealth Government's endorsement of the Strategic Assessment is anticipated in 2016–17, and will significantly reduce the requirement for Commonwealth environmental approvals for the next 20 years for urban, industrial, infrastructure and rural residential development as well as basic raw material extraction in the region.

The Department also continued to provide advice to the Premier on opportunities to optimise existing State infrastructure, and to ensure the effective management of major new infrastructure including involvement in

interagency oversight of the commissioning of the Perth Children's Hospital, and completion of the new Perth Stadium.

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

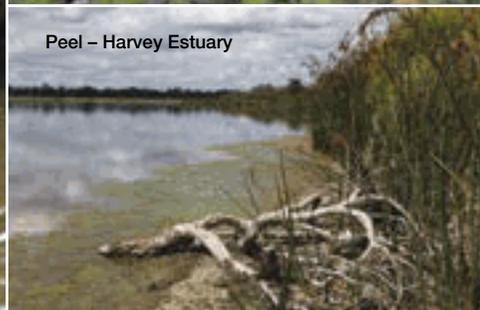
The Department facilitates the reform of community and human services across the Western Australian public sector with a particular focus on working in partnership with the not-for-profit community sector to achieve better outcomes for the community. Key policy areas include disability services, Aboriginal affairs, justice, youth, child protection and community safety. Strong relationships with other government agencies and not-for-profit service providers have developed to drive collaboration in the policy, design and delivery of community and human services. Common themes include enhancing coordination of services across multiple government agencies, providing choice



Yellow-billed Spoonbill bird on the edge of Lake McLarty



Gum and grass trees in the Peel region



Peel – Harvey Estuary



Montgomery Reef, Kimberley

and control for service users, devolving decision making and providing flexibility to the front-line.

During 2015-16, the Department provided oversight for the second year of the comparative trials of the National Disability Insurance Scheme (NDIS) in Western Australia, including negotiating the extension of the trials for 12 months and the expansion into new geographic areas. The trials will help to inform the future State-wide roll out of the NDIS in Western Australia.

The Department worked with relevant agencies to develop a State-wide Methamphetamine Strategy, including cross-government initiatives to combat supply, demand and use of the drug in the community.

The Department also worked with key agencies to facilitate the development of a package of initiatives to combat family

and domestic violence in the Kimberley, which balances a targeted policing response with a new way of working with Aboriginal communities to address and prevent violence.

Throughout 2015-16, the Department continued to coordinate State bilateral negotiations in Indigenous Affairs and promoting the State's interests on specific initiatives and advocating greater alignment of Commonwealth investment with State Government reform priorities such as the Regional Services and Aboriginal Youth Investment reforms. Support was also provided to the Royal Commission into Institutional Responses to Child Sexual Abuse by coordinating Western Australia's participation in roundtable discussions, submissions to issues and consultation papers, and responses to notices to produce information.

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

Since the Premier released the Science Statement for Western Australia in April 2015, the Office of Science, together with the Western Australian Chief Scientist, Professor Peter Klinken, has been working in collaboration with Government, industry and researchers at the local, national and international level to deliver initiatives that contribute to growing the Western Australian economy through science.

The Office of Science continues to lead many science initiatives that have raised the profile of science in the State, particularly through leading the Square Kilometre Array (SKA) project, the Premier's Science and Agribusiness Connect Program (SAC) and managing various State Government grants and awards programs.

The Office has developed and launched different programs under the SAC initiative, to enhance capability in the agricultural science sector and improve agricultural practices in Western Australia. Through the SAC, there will be the opportunity to attract world-class researchers; build capacity through tertiary student scholarships, exchanges and work experience; and foster innovation and entrepreneurship among farmers.

These efforts have been enhanced by the implementation of a Science Capability Directory to allow users to tap into science expertise across the State. Work will continue on building a local narrative on science to promote the accomplishments and opportunities for the State, and to ensure that the State continues to build its research capability through the continuation of the Premier's Fellowship Program that aims to attract and retain the best and brightest research minds within the State.



This picture was taken at the Advanced Remanufacturing and Technology Centre, Singapore. Professor Peter Klinken is third from the left standing alongside Ms Fiona Roche, Executive Director, Office of Science

The Office supported the Premier in hosting a Science Roundtable which focussed on building on the *Science Statement for Western Australia* and bringing together key individuals from across the science priority areas to discuss how the State Government could assist in delivering science outcomes and seize opportunities so the Western Australian economy can continue to grow and prosper.

The Premier's Marine Science Roundtable was coordinated by the Office, which developed the blueprint for the Marine Science Initiative – Implementation Strategy 2016-18. This strategy will guide the foundation of long-term collaboration among all sectors operating in the marine environment.

The Office worked with its partners to establish and fund the Western Australian Biodiversity Science Institute so that terrestrial biodiversity science is properly funded and research effort is prioritised towards areas of greatest conservation need.

The Office contributed to the planning and delivery of key science engagement strategies and initiatives, including the Premier's Science Awards and Perth Science Festival, which was attended by more than 26,000 people over two days. In addition, the Office provided support to the inaugural Governor's School STEM Awards that recognised leadership in the development and delivery of school education programs in science, technology, engineering and mathematics (STEM).

The Big Data Week from 2 to 6 May 2016 was launched at Scitech by Minister Marmion and was sponsored and supported by the Office of Science. The Office also administered funding of an additional \$21.6 million for the Pawsey Supercomputing Centre (Pawsey),

the largest publicly owned supercomputer in the Southern Hemisphere; to allow Pawsey to compete for SKA work tasks and support data-intensive research in radio astronomy and numerous other fields such as health sciences, geosciences, engineering, agriculture and biodiversity. In the same week, the Science on the Swan medical conference was held. The Office sponsored the conference due to its importance in fostering collaboration amongst the medical science community both locally and internationally.

The increasing emphasis on meeting demand for data-intensive research, as well as creating links within and between data sources, has led to a review of the State's data linkage capabilities. Western Australia's Chief Scientist, Professor Peter Klinken, is chairing the Data Linkage Expert Advisory Group charged with undertaking the review, whose members also include Mr Giles Nunis, the Western Australian Government Chief Information Officer, and Professor Fiona Stanley, Founding Director of the Telethon Kids Institute. The Advisory Group is considering how the State can build on its strengths in data linkage and, in turn, enhance the social and economic benefits for the community through a whole-of-government approach.

The Office further developed its relationships with its South East Asian counterparts through a visit to Singapore by the Chief Scientist and the Executive Director, to participate in a roundtable presentation on innovation and data management in Western Australia with a select group of Singaporean experts. At the invitation of the Department of State Development, the Executive Director, also met with all overseas offices in April 2016 to explore opportunities to work collaboratively to promote WA's science capabilities.



Copernicus event at the Pawsey Supercomputing Centre during the Big Data Week



Her Excellency the Hon Kerry Sanderson AC, Governor of Western Australia at the inaugural Governor's School STEM Awards

**The Office of Science  
contributed to the  
planning and delivery  
of as well as providing  
support to the  
inaugural Governor's  
School STEM Awards.**

## Strategic Goal 2: Organisational Capability

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



From bottom left: Robert Kennedy, Kathryn Andrews, Peter Conran and David Smith with Graduate Development Officers and School-based trainees.

### Providing employment and career opportunities

The Department offers a range of employment prospects in the areas of policy advice, project management and corporate support. Recruitment activities are undertaken for positions and in 2015–16, the Department received 855 applications in response to 20 advertised positions, and recruited five Graduate Development Officers and two School-based Trainees.

Acting or secondment opportunities can also be offered for career development and 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 with valuable on-the-job experience, mentoring and training and development. Trainees work towards attainment of an accredited Certificate in Government and Graduate Development Officers participate in the Public Sector Commission Graduate Future Leaders Program.

### Supporting people with a disability

The Department is committed to providing employment opportunities for people with a disability and has continuously maintained

the Supported Work Team Program since 2007, which consists of five employees who work part-time and carry out tasks that are based on their levels of individual capability and skills.

Over the years, a number of employees who initially engaged in this Team have successfully gained full-time or part-time permanent employment within the Department or other public sector agencies.

### Supporting the health and wellbeing of employees

The Department supports the health and wellbeing of employees through a range of activities, and ensures that employees and their immediate family members have access to professional counselling services through the Employee Assistance Program.

The Department promotes the importance of a safe workplace by ensuring all managers and supervisors complete Occupational Safety and Health (OSH) training. The well-established OSH Committee meets regularly and OSH representatives conduct ongoing inspections of all departmental offices.

The Department pledges support for the One Life Suicide Prevention Strategy and continuously aims to increase awareness of, and consequently reduce, the stigma

surrounding people with mental health issues. To maintain this pledge, the Department regularly organises activities and provides information to staff on relevant topics.

The Department also supports workplace giving arrangements and a number of other community support initiatives, including group blood donations, which are organised throughout the year. In 2015–16, 14 employees donated blood during their working day.

### Supporting the community

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

On a weekly basis, the Department promotes 'free dress day' with funds raised going to various charities nominated by employees. In 2015–16, donations totalling \$5,441 were raised through this activity.

Twenty eight staff members participated in Movember in 2015, which included holding a 'Movember Bake Off' raising a total donation of \$1,258, promoting a positive community spirit within the organisation.



# Strategic Goal 3: Implementation

Providing implementation support through coordinating, monitoring and partnering.

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

## Promoting Western Australia's interests overseas

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

## European Office

The European Office in association with the Department of State Development and the Australian Marine Complex participated and exhibited at the Offshore Europe 2015 conference and exhibition, Aberdeen, Scotland, 2015, promoting the State as an oil and gas investment and business development location with particular attention given to promoting the LNG18 conference in Perth.

During 2015-16, the European Office developed a direct email campaign to identify European (and North American) corporate delegates to LNG18 and promote associated industry briefings being hosted by the State Government.

The European Office and the Australian Marine Complex attended the biennial

Defence, Security Exhibition International, DSEI 2015, London, to promote awareness of the State's capacity to support/sustain defence sector activity, particularly maritime-related.

The Agent General twice visited Brussels, to address European Commission-organised mineral resources workshops on 'best practices in mining policies and technologies' as part of the Raw Materials Diplomacy Dialogue event. Support was provided by the Department of Mines and Petroleum.

The Agent General also addressed the 'Smart Metro World Congress', Copenhagen, November 2015, to promote transport infrastructure business development opportunities in Western Australia (with support from the Public Transport Authority) and visited SKA Headquarters at Jodrell Bank, Manchester, for discussions with SKA Director General, Prof. Phil Diamond, on the SKA project.

In conjunction with various other State offices, the European Office participated under the 'Australia' banner at London Technology Week in June 2016.

With respect to trade development activities, the European Office also worked with a number of Western Australian companies across various industry sectors including agriculture, to develop export opportunities and relationship-building for their products and services including:

- Wolf Minerals, the opening of its Hemerdon tungsten and tin mine in Devon, UK, the first metallic mine to be opened in the UK in 50 years.
- Curtin University, promoting development interest in its mineral resources magnetic field sorting technology.



Agent General, Mr John Atkins  
and Prof. Phil Diamond



Former Minister for Agriculture and Food, the Hon Ken Baston MLC, with former Minister for Agriculture, Forestry and Fisheries, Mr Yoshimasa Hayashi



Sheikh Mohammed bin Rashid Al Maktoum, Vice President and Prime Minister of the UAE and Ruler of Dubai, and Mr Pankaj Savara, Commissioner of the Western Australian Trade Office, exchange greetings on the advent of the holy month of Ramadan

- GRD Franmarine, promoted its hull-cleaning technology to UK/European audience, including an industry briefing at Australia House.
- Wine tasting in Australia House. With 25 wineries participating, over 90 wines were tasted.
- Elixir Raw Honey, provided market intelligence and arranged meetings.
- The West Winds Gin – Margaret River, provided market intelligence on the UK market.

### North Asia Office

During 2015, the North Asia Office facilitated visits by the Treasurer, the Minister for Agriculture and Food and Members of the Western Australian Legislative Council. The purpose of these visits was to meet with high level officers and executives in the public and private sectors to reaffirm and extend Western Australia's commitment to its relationship with Japan.

The key pillars of Western Australia's relationship with Japan have long been minerals and energy. The Office is now moving to add agriculture as a key pillar and the visit by the Minister for Agriculture and Food was vital in achieving this result. During his visit the Minister met with Japan's Minister for Agriculture and agreed that there was great potential for Western Australia to become an even stronger stable supplier of safe and high quality food to Japan. The development of the agriculture and food supply capability of the State's north will be a major factor in increasing supply and the Japanese Government is proactively supporting Japanese private sector investment in the region.

Likewise with the Australia-Japan Free Trade Agreement now in place, our agricultural producers are reaping new benefits of doing business with Japan. The Office arranged and hosted visits by numerous Western Australian

producers, assisting many to identify importers of their products, ranging from fresh produce to olive oil and chia seeds.

The Office also hosted visits by the Western Australian Treasury Corporation and more than 40 in market visits by Western Australian companies. The Office acts as an important link between the Treasury Corporation and the Japanese financial sector and produces a monthly newsletter in Japanese that has become a valuable tool in dispersing information on the Western Australian economy and opportunities for investment.

Promotion of Western Australian education services is playing an increasingly important role in the activities of the Office. In 2015, the Office organised for an influential group of Japanese study abroad education agents to tour Western Australian facilities and interact with key industry figures. This is an ongoing project that has seen tangible results. The number of Japanese students

studying in Western Australia has increased year on year and a recent highlight is the Tokyo City University program that facilitates three-month stays at ECU for 200 students per year.

The establishment of a direct flight between Tokyo and Perth is an ongoing Office priority and 2015 saw the Office ramp up activity in this sector. As Japan's major airlines study the feasibility of re-establishing the route, the Office in conjunction with Tourism Western Australia, Perth Airports and the City of Perth continues to present a viable case. Direct flights will benefit not only the tourism and business travel sectors but also the high value and important live seafood trade between Japan and WA. Japan remains a strong customer for Western Australian seafood exporters and a direct flight will greatly enhance the trade.

In the resources realm, the Office is constantly dispersing information on exploration and potential for investment. Of particular interest to Japanese investors is onshore gas and the currently underway Canning Basin development is a positive example of the way forward.

### Middle East and Africa

The Western Australian Trade Office (WATO), Dubai, maintains business relations through continuous engagement with regional and industry leaders across focussed industry sectors. WATO's Commissioner maintains a high-level government relationship specifically in United Arab Emirates (UAE), Saudi Arabia, Qatar, and Common Market for Eastern and Southern Africa (COMESA) countries fostering greater bilateral relations for the long-term benefit of the State and WA's businesses. Significant achievements during 2015-16 were:

### **Western Australian Minister for Agriculture and Food; Fisheries official visit to the Middle East Egypt, Qatar, UAE and Saudi Arabia**

Delivered outbound program including meetings with key government officials, networking events, business meetings, and media coverage in major Gulf countries as well as the emerging market, Egypt. WATO leveraged the high-level Western Australian Government presence in the region for strategic profiling of Western Australian commodities export value as well as preferred destination for food and water security needs to key Middle East markets.

Official delegation led by the Minister for Agriculture and Food; Fisheries, Western Australia, the Hon. Ken Baston MLC visited, Dubai, Abu Dhabi in UAE; Riyadh and Jeddah in Saudi Arabia; Doha in Qatar; and Cairo in Egypt. The delegation included industry representation from CBH Group and DAFWA's livestock and meat division.

### **Egypt Trade Initiative**

WATO initiated focussed market development resources for the Egyptian market to promote Western Australian meat, grains and fresh produce. Through WATO's continued assistance, Western Australia's meat and grain exporters have achieved commercial success.

### **WA-Africa Ongoing Relations**

WATO representative in Nairobi maintained the ongoing engagement with COMESA with regards to generating deliverables from the WA-COMESA MoU signed in 2014.

WATO facilitated the participation of COMESA representatives in Africa Down Under (ADU) 2015. The mission to Perth was facilitated in coordination with the Department of State Development and the Department of Mines and Petroleum (DMP).

WATO Nairobi further represented Western Australian interests and capabilities at the world's largest mining conference, Mining

Indaba. The participation and engagement with ADU and Mining Indaba provided the ideal platform to raise the Western Australian profile in the mining industry.

Through active development, a three-day mining governance and capacity building workshop was coordinated by WATO Nairobi to be delivered in Ethiopia and Kenya by DMP. Two workshops, one in each country, were presented in February 2016. The workshops are a tangible outcome as outlined in the WA-COMESA MoU. Both Ministries were positive about this achievement and look to further bilateral relations between the regions. The Kenya Ministry in particular has requested a similar workshop for the oil and gas industry.

### **Engaging with Post-Sanction Iran**

With the positive outlook of Iran's return to the global market, WATO initiated relations with prominent Iranian businesses located in UAE. Dubai has historically been a hub for Iranian trade as well as host to many local business owners with counterparts in Iran. Through continuous engagement, and in coordination with the Department of State Development, WATO organised the first Iranian business visit to Perth post sanction in January 2016. The inbound visit included the head of the Dubai-based retailer and the heads of its Tehran-based counterpart. Dialogue regarding diversification of its business into meat, grain and resources has been initiated.

WATO subsequently developed a market opportunities report on Iran for the Western Australian Government and to create industry awareness.

### **Managing State occasions and official visits**

The Department continued its role of providing direct support to the Office of the

Premier and Executive Government through the coordination and delivery of official visits by Royalty, Heads of State, Heads of Government, Ministerial, Ambassadorial and other official visits to the State. The Department also arranges State hospitality functions and special events, which are often included within these visit programs. With each visit, staff in the State Ceremonial and Events Team are required to provide specific advice on matters of protocol and international relations and is dedicated to facilitating the creation of positive business relationships and economic outcomes for the State.

The Team also facilitates the strengthening of existing international links by managing visits and events for high-level dignitaries who are here to commemorate Sister-State relationships between the respective countries and Western Australia. In November 2015, the Team planned and managed a State hospitality event during the visit by the Governor of East-Java, to honour the 25th year of the Western Australian-East Java Sister State Relationship.

Bringing international tourism attention to Western Australia in November 2015, the Team (in conjunction with the Department of the Prime Minister and Cabinet) meticulously planned a highly successful visit by Their Royal Highnesses The Prince of Wales and The Duchess of Cornwall. During the three-day visit, the Team facilitated visits by the Royal Couple to Albany, including a local winery, the Albany Agricultural Show and the National Anzac Centre. In Perth, their programs involved a 600-person birthday celebration for His Royal Highness at the Cottesloe Civic Centre; visits to the Biodiversity Conservation Centre (Seed Bank)



Hon Michael Sutherland, MLA, Speaker for the Legislative Assembly with Mr Ian Blayney, MLA, Member for Geraldton and Mr John Shute from the Department of State Development along with Mr Pankaj Savara welcome Iranian business delegates to Perth

and the State Library of Western Australia; and a public walk through Kings Park.

### Promoting collaboration in policy and planning

As part of the State Government's commitment to deepening the relationship between the public and not-for-profit sectors, the Department continued to support the Partnership Forum (the Forum). The Forum's Strategic Directions include a sustained focus on reforming the Government's procurement of community services through the implementation of the Delivering Community Services in Partnership Policy. In addition, the Forum has been supporting the development of integrated service systems, engagement of service users in co-design of community services, better use of data, and cultural change based on the Partnership Principles and Behaviours.

In March 2016, the Department hosted the 'State of the Partnership' Community Event – opened by the Hon Donna Faragher MLC and attended by over 330 representatives from across the public and not-for-profit sectors, to showcase and explore the successes and challenges of working in partnership.

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

The Department, through the Land, Approvals and Native Title Unit (LANTU), provides strategic advice on multiple land use policies and projects, and is the State's primary manager of all Western Australian compliance with the Commonwealth *Native Title Act 1993* (NTA).

The execution of six South West Settlement (the Settlement) Indigenous Land Use Agreements (ILUAs) signalled the completion of a major body of work by LANTU – including the presentation of 33 briefings to State and Local Government representatives on related land and heritage components – and, subject to the completion of all legal procedures, the implementation of all ILUAs could commence in December 2016.

Additionally, the commencement of the *Noongar Recognition Act 2016*, *Land Administration (South West Native Title Settlement) Act 2016* and publication of the water by-law amendments means that the State Government has fulfilled key preconditions to the full commencement of the Settlement.

### Managing and coordinating security incidents and emergencies

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

The Department 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 (SEMC); and
- a number of related working groups.

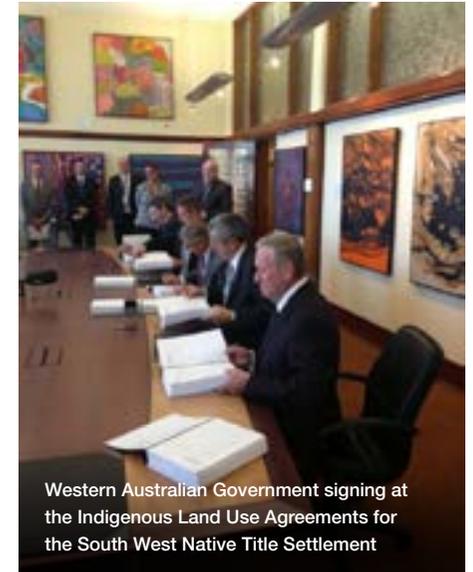
Through the Australia-New Zealand Counter-Terrorism Committee, the Department has participated in the development of a National Counter-Terrorism Strategy. It has also facilitated policy work associated with approaches to countering violent extremism in Western Australia.

The Department has also provided the Premier with advice in relation to Commonwealth Government consultations on amendments to the Criminal Code as part of packages of national security legislation. In this context, the Department has chaired the Australia-New Zealand Counter-Terrorism Committee's Legal Issues Working Group which was tasked with considering a nationally consistent approach to pre-charge detention for terrorism suspects and considering the merits of a post-sentence detention regime for high risk terrorist offenders.

The Department also facilitated counter-terrorism discussion exercises involving senior Government officials and the owners and operators of critical infrastructure.

The Department represented Western Australia on the Australia-New Zealand Emergency Management Committee (ANZEMC), together with a representative of the SEMC. It also contributed to the annual preparedness report produced by the SEMC.

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



### Supporting a whole-of-government approach to recovery coordination

Following the Waroona Bushfire, the State Recovery Coordinator recommended to the Premier and the State Emergency Coordinator that a State Recovery Controller be appointed to coordinate the recovery process. This appointment was due to the scale and significance of the impacts of the fire, in particular on the town of Yarloop. The Premier appointed Dr Ken Michael AO as the State Recovery Controller on 19 January 2016.

As a consequence of the scale of the 'clean-up' challenge, the State Recovery Controller made an offer to the Shires of Waroona and Harvey to take responsibility for project management of the clean-up of affected residential properties. Both Shires agreed to accept the offer of State assistance, and the clean-up is expected to be completed by August 2016.



ABOVE: Their Royal Highnesses The Prince of Wales and The Duchess of Cornwall during their visit to Western Australia in November 2015

## Western Australian Natural Disaster Relief and Recovery Arrangements

Western Australian Natural Disaster Relief and Recovery Arrangements (WANDRRA) are the State's measures to assist communities to recover from the effects of a natural disaster. The measures mirror the national arrangements and ensure the maximum possible contribution by the Commonwealth Government.

The measures are designed to address community impacts on the following: individuals, families, small businesses, primary producers, local government and State infrastructure.

The Department's role is to assess whether these measures should be activated in line with agreed criteria and then to provide the eligible assistance through its stakeholder bodies.

Stakeholder bodies include:

- Main Roads WA;
- Department for Child Protection and Family Support; and
- Department of Agriculture and Food.

For WANDRRA to be activated, eligible costs must exceed \$240,000. Eligible events include bushfire, earthquake, flood, storm, cyclone, tornado, storm surge, landslide, tsunami and meteor strike.

In this financial year, the measures available under WANDRRA have been activated for the following five events:

- Heavy Rainfall and Associated Flooding (30-31 July 2015)
- Bushfires – Esperance (15 November 2015)
- Bushfires – Peel and South West Regions (6 January 2016)
- Heavy Rainfall and Associated Flooding in the South West (18-21 January 2016)
- Heavy Rainfall and Flooding in the South West Land Division (19 – 27 March 2016)

A total of

**35 local government authorities**

have been affected by the above events and the expenditure for this year is

**\$67,057,677**



Yarloop bush fire devastation

# Strategic Goal 4: Advice and Support

Providing quality and timely policy advice to support the Premier and Cabinet.

Delivering quality and timely services to support the administration of Government.

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

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

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

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

The Whole of Government Strategic Projects Branch comprises State Ceremonial and Events, support to the Minister for Veterans and support and advice on a diverse range of projects and initiatives across Government.

### WA Day

The Department funds Celebrate WA to assist with the activities that occur over the WA Day long weekend.

From Saturday, 3 June 2016 to Monday, 6 June 2016, the WA Day Program featured eight events with 10 programs. These included the WA Day Festival and State of the Art Music Festival (held at Elizabeth Quay); WA Day Perth Racing and Pioneers

Luncheon. Free events took place in regional sites of Albany, Geraldton, Kalgoorlie-Boulder and Port and South Hedland.

The total community reach/participation levels increased 35% from 118,612 in 2014 to 184,009 in 2015. In 2015, the WA Day campaign reached a total of 24.6m unique users of Facebook, Twitter and Instagram.

### Duyfken Foundation

The Department funds the Duyfken 1606 Replica Foundation to manage the Duyfken replica sailing ship as an ongoing tourist and education attraction, encompassing the early maritime history of Australia and Western Australia.

With support from Lotterywest, the Duyfken has undergone extensive renovation and maintenance work in preparation for her voyage to Shark Bay and Dirk Hartog Island as part of the Dirk Hartog commemorations in October 2016. These works included replacement of the old deck with new timbers, using many of the traditional timber skills of 400 years ago as well as a complete upgrade of the electrical system and engine room.

The Department is working with the Foundation to negotiate a seasonal presence at Elizabeth Quay from early 2017.

### Shark Hazard Mitigation Strategy

Western Australia recorded zero shark related fatalities in 2015, but unfortunately lost two ocean users in one week in June 2016. The Department continues to work closely with stakeholders to monitor and research the development of new approaches as they become available and provide ongoing oversight of the Government's shark hazard mitigation strategy.

### Beach enclosures

A new enclosure was deployed at the Busselton foreshore in November 2015, with the enclosure at Old Dunsborough re-deployed in each successive summer season following a successful trial in 2014. In July 2015, the Premier announced funding for two further beach enclosures at Albany's Middleton Beach and Sorrento Beach in the City of Joondalup. The enclosure at Middleton Beach was deployed in March 2016. In May 2016, the Minister for Fisheries announced further funding to support the deployment of the enclosure at Sorrento Beach, and further support for an enclosure at Quinns Beach in the City of Wanneroo.

### Surf Life Saving Western Australia

An additional \$655,000 per annum was committed to Surf Life Saving Western Australia for three years from 2015-16 to 2018-19 for the continuation of extended aerial patrols in the south west.

### Dirk Hartog

Planning for the Dirk Hartog 400 year anniversary gained momentum in 2016 with Royalties for Regions funding allocated to a number of initiatives to mark the significant occasion for Western Australia.

Aboard the Duyfken in January 2016, the Premier launched a new educational website developed by the Western Australian Museum, dedicated to Dirk Hartog and the Dutch East India Trading Company (VOC); the Accidental Encounters exhibit was on display in Kalbarri from October 2015 to March 2016, attracting more than 32,000 visitors; and teaching resources developed by the History Teachers Association of Western Australia and the Science Teachers Association of Western Australia were launched in 2016.



Hon Joe Francis, MLA,  
Minister for Emergency  
Services; Fisheries; Corrective  
Services; Veterans announcing  
Commemoration Way at Kings  
Park in April 2016

The Department continues to work closely with Dutch Government representatives, the Shire of Shark Bay, the Gascoyne Development Commission, Department of Parks and Wildlife and the Western Australian Museum to deliver further initiatives in the lead up to 25 October 2016.

### Veterans

The Department continues to provide the secretariat function for the Veterans Advisory Council's quarterly meetings. The ten member Council serves as a panel of experts for the Minister for Veterans and as a strategic level communication channel for the veterans' community with the State Government.

In partnership with the Office of the Minister for Veterans, the Department supported a project to honour Western Australia's 17 Victoria Cross and two George Cross recipients. The project will see plaques placed at rest stops on Albany Highway between Perth and Albany and along South Western Highway between Pinjarra and Kirup. The series of plaques, called Commemoration Way, will be installed by a work party of

minimum security (Section 95) prisoners and will be in place by Remembrance Day 2016.

The Department assisted in the amendments to the *ANZAC Day Act 1960*, which passed through Parliament in March 2016 and will see the Department become responsible for the administration and distribution of funds collected under the *Act*.

### Other Projects

The Department worked closely with other stakeholders on:

- the establishment of the State Recovery Coordination Group following the devastating bushfires in Yarloop and surrounding areas in the Shires of Harvey and Waroona;
- the independent public inquiry into the organisation and management of the bushfires;
- facilitation of the transfer of the ANZAC House site to the RSL WA;
- the Sunset Transformation project;
- coordination of responses to Parliamentary Committee reports that involve multiple portfolios; and
- other projects.

### Providing scientific advice to Government

The Chief Scientist of Western Australia, Professor Peter Klinken, plays a key leadership role in the science community and provides strategic advice to Government and to the Premier as Minister for Science. Professor Klinken has raised the profile of Western Australian science on many fronts, including through his contribution to key discussions surrounding the *National Innovation and Science Agenda*; chairing the expert advisory group reviewing the State's data linkage capabilities; and participating in high-level visits to the United Kingdom, Denmark and Singapore to forge links and gain insights into the frameworks used to drive a science economy.

The Chief Scientist will continue to work in collaboration with Government, industry and researchers at the national and international levels to deliver initiatives that contribute to growing the Western Australian economy.

### Coordinating Western Australian Government input into intergovernmental negotiations

The Department's COAG Secretariat facilitates work across the public sector to ensure the Premier, Cabinet and the Department's senior officers are provided with high quality advice regarding intergovernmental matters from a whole-of-government perspective. In 2015-16, the COAG Secretariat supported successful intergovernmental initiatives through COAG in countering violent extremism, reducing violence towards women and their children, addressing methamphetamine use and key reforms in health funding.

Through COAG and related discussions, the Secretariat continued to support the Premier in advocating for an equitable distribution of GST revenue to Western Australia, which resulted in the 'top-up' grant of \$490 million that will be used to replace State funding for the Forrestfield-Airport Link.

The Secretariat also facilitated the State's role in major free trade agreements such as the China-Australia Free Trade Agreement, the Trans-Pacific Partnership Agreement and a review of the Singapore-Australia Free Trade Agreement.

### Supporting Executive Government and delivering services to Cabinet

Cabinet Services 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; and
- administrative support to Cabinet Sub-Committees, including the Economic and Expenditure Reform Committee (EERC).

Support was provided for **44 Cabinet meetings**, including regional Cabinet meetings in Geraldton, Peel and Busselton and a community Cabinet meeting at Wanneroo-Joondalup. Cabinet considered a total of **762 submissions**.

### • Economic and Expenditure Reform Committee

The Economic and Expenditure Reform Committee met on **19 occasions**. It considered **308 reports**, including **89 submissions** from Ministers. Seventeen matters were also considered by the Treasurer under his delegated authority.

### • Aboriginal Affairs Cabinet Sub-committee

The Aboriginal Affairs Cabinet Sub-committee met on five occasions and considered **37 reports**.

### • Coastal Towns and Settlement Cabinet Sub-committee

The Coastal Towns and Settlements Cabinet Sub-committee met on 17 August 2015 to consider its final report and to conclude the objectives of the terms of reference set out in 2014.

### Parliamentary Services

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

The 2015 Spring Sittings commenced on 11 August 2015, with the 2016 Autumn sittings concluding on 30 June 2016. 40 Government Bills and one Private Members' Bill were passed for the year.

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

**2,292 Parliamentary Questions on Notice.**

**2,406 Parliamentary Questions Without Notice.**

### Executive Council

**26 regular Executive Council meetings** and **11 extraordinary meetings** were held, with **639 submissions approved**. Assistance was provided for three reconstitutions of the Ministry during the year, in addition to:

- a joint sitting of Parliament on 28 April 2016 to enable the appointment of Mr Pat Dodson as a Western Australian Senator, following the resignation of Senator Joe Bullock; and
- the issue of writs and proclamation for the Federal election on 2 July 2016 following the dissolution of the Senate and House of Representatives on 9 May 2016.

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

The Constitutional Centre of Western Australia (the Centre) is one of a kind in Australia. The Centre principally aims to promote awareness of, and encourage balanced debate on our federal system of Government, with particular emphasis on its constitutional basis; and to educate the general public about our parliamentary and electoral systems.

In addition to the education programs conducted in the metropolitan area, the Centre targeted thousands of students and teachers in regional areas of the State, with education officers delivering programs in towns such as Albany and Kalgoorlie. The Centre also provided materials for remote and regional schools.

Throughout the year, a number of civics and citizenship partnership events were held on how the three levels of government operate,

and individual and community involvement in a vibrant democracy. These events, which are a joint priority of the Centre, the Western Australian Electoral Education Office and the Office of Multicultural Interests, continue to target culturally and linguistically diverse communities in both regional and metropolitan areas.

### Constitutional Centre Advisory Board

The Constitutional Centre Advisory Board is comprised of eleven members appointed for a three year term.

Prof Colleen Hayward resigned from the Advisory Board in November 2015.

### Statistics

**Website visits: 74,546.**

**Visitors to the Centre: 56,382.**

**Community groups/schools Centre visits: 40,661.**

### Printing and publishing services for parliament and Government

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

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

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

### Electronic Uptake of the Government Gazette

The Gazette digitisation project which commenced in 2006 was completed during the 2015-16 financial year with all Gazettes published since 1836 now being available online.

The project was initiated due to the deterioration of old paper copies of the Government Gazette held by the State Law Publisher. A number of organisations, including State and local government and private sector organisations donated paper copies of Gazettes which enabled the better quality copies to be selected for scanning and achieving the best possible reproduction for the database.

The Government Gazette database now contains copies of all published Gazettes and text searchable indexes dating back to 1836 which is when the Gazette commenced being published in Western Australia.

### Reprints Program

The reprints program continued during the year with support provided by the SLP to assist the Parliamentary Counsel's Office. A total of 102 titles of legislation were consolidated and reprinted.

The more popular 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 purchase costs are reduced for users of these publications.

### Providing Ministerial Support

The Ministerial Support Unit (MSU) consists of Ministerial Support; Ministerial Air Charter; Correspondence and the Community Comment Line. MSU works together to

provide strategic advice and services in relation to human resource matters and other operational issues to the Premier's Office and all Ministerial Offices.

The Ministerial Merit Panel assesses the merits of any proposed staff to be seconded or appointed to a Ministerial Office. It advises on the classification and salary to be offered to ensure a consistent approach to the appointment process across all Ministerial Offices. During 2015-16 the Ministerial Merit Panel considered 116 submissions in both formal and out-of-session meetings.

The Community Comment Line and Correspondence staff provide services which allow members of the public, government departments and agencies, community organisations and private businesses to convey their views to the Premier and Ministers via telephone, email and letters. Throughout 2015-16 staff responded to **743 telephone calls** and actioned **6686 items of correspondence**.

### **Administration of entitlements for Members and former Members of Parliament**

Throughout 2015 and 2016, the Entitlements and Transport Branch continued its commitment to providing support to all Members of Parliament and their staff for the purpose of conducting their parliamentary and electorate responsibilities.

The Branch continued to administer and provide advice in respect to travel, leasing of vehicles and other entitlements available to current and former Members of Parliament.

### **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 manages the advertising and communication approval process through the Independent Communications Review Committee (ICRC).

The MMU caters for the media monitoring needs of the Premier and Ministers.

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](http://www.mediastatements.wa.gov.au)) and the Premier of Western Australia and Cabinet Ministers' website ([www.premier.wa.gov.au](http://www.premier.wa.gov.au)). The ASU arranges and hosts media conferences in the Dumas Media Room to meet the need for fast and effective communications.

**Statistics from 1 July, 2015 to 30 June, 2016**

**1,605 statements published on the Media Statements website.**

**1,555,230 visitors to the Media Statements website.**

A view to Cape Inscription from Turtle Bay,  
Dirk Hartog Island, October 2015



# Significant Issues Impacting the Department

Creating a strong partnership between the public and not-for-profit sectors remained a focus for the Department in 2015-16, which included supporting the **Partnership Forum** to consolidate funding and contracting reforms and to promote collaborative policy and service design to **improve outcomes** for individuals, families and the Western Australian community.

Through encouraging **stronger cooperative science relationships** between Government, industry and researchers at local, national and international levels, the Department endeavoured to contribute to Western Australia's economic productivity and competitiveness, including pursuing joint arrangements across key scientific research areas with Asia-Pacific countries.

The Department continued to progress the completion of the Strategic Assessment of the Perth and Peel regions, which will **support the growth of the city** to a population of 3.5 million, and deliver a strategic conservation plan to protect and manage the region's bushland, rivers and native plants and animals.

The Department also worked with other government agencies, the Dutch Government and the Shire of Shark Bay to prepare for and coordinate the delivery of an agreed range of **legacy initiatives** to commemorate and celebrate the **400th Anniversary of Dirk Hartog's landing** at Cape Inscription on Dirk Hartog Island.

The Department made significant progress towards the completion of all legal processes associated with the registration of the six Indigenous Land Use Agreements, which

make up the **South West Native Title Settlement** (the Settlement). The Settlement is the most comprehensive native title agreement proposed in Australian history, and represents a significant investment in both the Noongar community and future of the State.

Reform of the arrangements for distribution of GST revenue was the highest priority for the Department in promoting a **Western Australian perspective** to the development of Commonwealth White Papers with respect to Federation Reform, Tax Reform and Northern Australia. A proposed new national competition reform agreement is expected to include payments to States to **redistribute the benefits of reform**.

Assistance was provided to other departments in the State's response to the Commonwealth Government on the National Disability Insurance Scheme (NDIS), the Home and Community Care program and other priorities in the **Human Services** arena. Above all, the Department provided oversight for the second year of the comparative trials of the NDIS, which will help to **inform the future** State-wide roll-out in Western Australia.

## Actual results versus budget targets

	2015-16 Target \$000	2015-16 Actual \$000	Variance \$000
Total cost of services	184,222	174,918	9,304
Net cost of services	179,949	170,486	9,463
Total equity	72,821	82,371	9,550
Net increase/(decrease) in cash held	(5033)	6,708	11,741

	2015-16 Target	2015-16 Actual	Variance
Approved FTE	708	666	42

## Explanation of Significant Variances

### Total cost of services

The total cost of services is less than target primarily due to the deferral of Native Title and Office of Science Grants.

### Net cost of services

The net cost of services is less than target primarily due to the deferral of Native Title and Office of Science Grants.

### Total equity

Total equity is more than target due to a higher than expected surplus for the period due to deferral of Native Title and Office of Science Grants.

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

The increase in the cash balance is mainly due to unspent funds relating to the Native Title and Office of Science Grants, plus a carry-over of funds for the Yarloop clean-up.

### Approved FTE (full-time equivalent)

The recruitment freeze during 2015-16 resulted in FTE savings against Target. It should also be noted that the target was conservative and has been decreased as part of the 2016-17 Budget Process.

An aerial photograph of a large, winding body of water, likely a bay or a large lake, with a city skyline visible in the distance. The foreground shows a residential neighborhood with many houses and a golf course. The water is a deep blue-green color, and there are several boats visible. The sky is clear and blue.

# Disclosures and Legal Compliance

# Opinion of the Auditor General



## Auditor General

### Independent Auditor's Report

To the Parliament of Western Australia

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

I have audited the accounts and financial statements of the Department of the Premier and Cabinet. The financial statements comprise the Statement of Financial Position as at 30 June 2016, 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 2016 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 2016.

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 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 the legislative provisions during the year ended 30 June 2016.

### 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 2016.

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 2016.

### Independence

In conducting this audit, I have complied with the independence requirements of the Auditor General Act 2006 and Australian 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 2016 included on the Department's website. The Department's management is responsible for the integrity of the Department 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 be 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**

**29 July 2016**

DEPARTMENT OF THE PREMIER AND CABINET

# Certification of Financial Statements

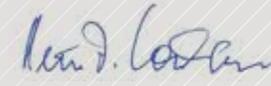
for the year ended 30 June 2016

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 2016 and the financial position as at 30 June 2016.

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



**GARY MEYERS**  
**CHIEF FINANCE OFFICER**  
**28 July 2016**



**PETER CONRAN**  
**ACCOUNTABLE AUTHORITY**  
**28 July 2016**

Department of the Premier and Cabinet | **Statement of Comprehensive Income**  
for the year ended 30 June 2016

	Note	2016 \$000	2015 \$000
<b>COST OF SERVICES</b>			
<b>Expenses</b>			
Employee benefits expense	6	83,503	78,441
Supplies and services	7	34,678	33,422
Depreciation and amortisation expense	8	2,112	2,008
Accommodation expenses	9	21,661	21,175
Grants and subsidies	10	29,310	31,958
Loss on disposal of non-current assets	14	-	17
Losses on Hedging		27	112
Loss on Other Financial Assets	42	3,007	1,990
Other expenses	11	621	605
<b>Total cost of services</b>		<b>174,918</b>	<b>169,728</b>
<b>Revenue</b>			
User charges and fees	12	1,549	891
Sales		1,437	1,573
Commonwealth grants and contributions	13	449	452
Interest revenue		740	854
Gains on Foreign operation translation		226	66
Gain on disposal of non-current assets		32	-
<b>Total Revenue</b>		<b>4,432</b>	<b>3,836</b>
<b>Total income other than income from State Government</b>		<b>4,432</b>	<b>3,836</b>

	Note	2016 \$000	2015 \$000
<b>NET COST OF SERVICES</b>			
		170,486	165,892
<b>INCOME FROM STATE GOVERNMENT</b>			
Service appropriation		167,749	155,903
Services received free of charge		7,182	7,040
Royalties for Regions Fund		1,742	85
<b>Total income from State Government</b>	15	<b>176,673</b>	<b>163,028</b>
<b>SURPLUS/(DEFICIT) FOR THE PERIOD</b>		<b>6,187</b>	<b>(2,864)</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
Items not reclassified subsequently to profit or loss		-	-
Gain/(Losses) on Foreign exchange recognised directly in equity		323	1,529
<b>Total other comprehensive income</b>		<b>323</b>	<b>1,529</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>6,510</b>	<b>(1,335)</b>

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

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

## Department of the Premier and Cabinet | Statement of Financial Position as at 30 June 2016

	Note	2016 \$000	2015 \$000
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	27	38,962	30,162
Restricted cash and cash equivalents	16, 27	32,785	-
Inventories	17	25	39
Receivables	18	1,484	1,497
Amounts receivable for services	19	2,597	3,422
Other Current Assets	29	891	528
<b>Total Current Assets</b>		<b>76,743</b>	<b>35,648</b>
<b>Non-Current Assets</b>			
Restricted cash and cash equivalents	16, 27	-	34,651
Amounts receivable for services	19	24,342	24,342
Other financial assets	42	118	124
Property, plant and equipment	20	4,332	4,527
Intangible assets	21	623	776
<b>Total Non-Current Assets</b>		<b>29,415</b>	<b>64,421</b>
<b>TOTAL ASSETS</b>		<b>106,158</b>	<b>100,068</b>

	Note	2016 \$000	2015 \$000
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Payables	23	1,628	3,815
Provisions	24	18,627	17,541
Other current liabilities	25	-	3
<b>Total Current Liabilities</b>		<b>20,255</b>	<b>21,360</b>
<b>Non-Current Liabilities</b>			
Provisions	24	3,529	3,070
<b>Total Non-Current Liabilities</b>		<b>3,529</b>	<b>3,070</b>
<b>TOTAL LIABILITIES</b>		<b>23,785</b>	<b>24,430</b>
<b>Net Assets</b>		<b>82,371</b>	<b>75,639</b>
<b>Equity</b>			
Contributed equity	26	39,117	39,117
Hedging reserves		112	(434)
Accumulated surplus		43,143	36,956
<b>TOTAL EQUITY</b>		<b>82,371</b>	<b>75,639</b>

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

Department of the Premier and Cabinet | **Statement of Changes in Equity**  
for the year ended 30 June 2016

	Note	Contributed equity	Reserves	Accumulated Surplus/ (deficit)	Total equity
<b>Balance at 1 July 2014</b>	<b>26</b>	<b>36,117</b>	<b>(1,963)</b>	<b>39,820</b>	<b>73,974</b>
Surplus/(deficit)		-	-	(2,864)	(2,864)
Other comprehensive income for the year		-	1,529	-	1,529
<b>Total comprehensive income for the year</b>		<b>-</b>	<b>1,529</b>	<b>(2,864)</b>	<b>(1,335)</b>
Transactions with owners in their capacity as owners:					
Capital appropriations		3,000	-	-	3,000
Total		3,000	-	-	3,000
<b>Balance at 30 June 2015</b>		<b>39,117</b>	<b>(434)</b>	<b>36,956</b>	<b>75,639</b>
<b>Balance at 1 July 2015</b>		<b>39,117</b>	<b>(434)</b>	<b>36,956</b>	<b>75,639</b>
Surplus/(deficit)		-	-	6,187	6,187
Other comprehensive income for the year		-	323	-	323
<b>Total comprehensive income for the year</b>		<b>-</b>	<b>323</b>	<b>6,187</b>	<b>6,510</b>
<b>Balance at 30 June 2016</b>		<b>39,117</b>	<b>111</b>	<b>43,143</b>	<b>82,371</b>

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

## Department of the Premier and Cabinet | Statement of Cash Flows for the year ended 30 June 2016

	Note	2016 \$000	2015 \$000
<b>CASH FLOWS FROM STATE GOVERNMENT</b>			
<b>Current Assets</b>			
Service appropriation		165,152	153,075
Holding Account drawdowns		3,422	2,124
Capital contributions		-	3,000
Non-retained revenue distributed to owners		-	-
Royalties for Regions Fund		1,742	85
<b>Net cash provided by State Government</b>		<b>170,316</b>	<b>158,284</b>
<b>Utilised as follows:</b>			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Payments</b>			
Employee benefits		(83,553)	(77,655)
Supplies and services		(28,935)	(26,859)
Accommodation		(21,502)	(20,700)
Grants and subsidies		(29,103)	(31,866)
GST payments on purchases		(7,688)	(7,583)
GST payments to taxation authority		(166)	(182)
Other Payments		(208)	(165)
<b>Receipts</b>			
User charges and fees		1,584	967
Sales of goods and services		1,483	1,555
Commonwealth grants and contributions		449	452
Interest received		935	879
GST receipts on sales		165	178

	Note	2016 \$000	2015 \$000
GST receipts from taxation authority		7,621	8,226
Other receipts		205	163
<b>Net cash provided by/(used in) operating activities</b>		<b>(158,712)</b>	<b>(152,590)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<b>Payments</b>			
Proceeds from the sale of non-current physical assets		31	-
<b>Receipts</b>			
Purchase of non-current physical assets		(1,927)	(2,899)
Investment in Other financial assets		(3,000)	(2,000)
<b>Net cash provided by/(used in) investing activities</b>		<b>(4,896)</b>	<b>(4,899)</b>
Net increase in cash and cash equivalents		6,708	795
Cash and cash equivalents at the beginning of period		64,813	63,990
Effects of exchange rate changes on cash balances held in foreign currency		226	28
<b>CASH AND CASH EQUIVALENTS AT THE END OF PERIOD</b>	<b>27</b>	<b>71,747</b>	<b>64,813</b>

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

Department of the Premier and Cabinet | **Schedule of Income and Expenses by Service**  
for the year ended 30 June 2016

	Administration of Executive Government Services		Government Policy Management		Total	
	2016 \$000	2015 \$000	2016 \$000	2015 \$000	2016 \$000	2015 \$000
<b>COST OF SERVICES</b>						
<b>Expenses</b>						
Employee benefits expense	65,342	72,093	18,161	6,348	83,503	78,441
Supplies and services	21,729	26,834	12,949	6,588	34,678	33,422
Depreciation and amortisation expense	1,781	1,955	331	54	2,112	2,009
Accommodation expenses	19,010	20,366	2,651	809	21,661	21,175
Grants and subsidies	60	6,823	29,249	25,134	29,309	31,957
Loss on disposal of non-current assets	-	17	-	-	-	17
Loss on Hedging	27	112	-	-	27	112
Loss on other financial assets	3	-	3,004	1,990	3,007	1,990
Other expenses	465	546	156	59	621	605
<b>Total cost of services</b>	<b>108,417</b>	<b>128,746</b>	<b>66,501</b>	<b>40,982</b>	<b>174,918</b>	<b>169,728</b>
<b>Income</b>						
User charges and fees	692	634	857	257	1,549	891
Sales	1,437	1,573	-	-	1,437	1,573
Commonwealth grants and contributions	-	452	449	-	449	452
Interest revenue	-	-	740	854	740	854

	Administration of Executive Government Services		Government Policy Management		Total	
	2016 \$000	2015 \$000	2016 \$000	2015 \$000	2016 \$000	2015 \$000
<b>COST OF SERVICES</b>						
<b>Income cont.</b>						
Gains on foreign operation translation	226	66	-	-	226	66
Gain on disposal of non-current assets	31	-	1	-	32	-
<b>Total income other than income from State Government</b>	<b>2,385</b>	<b>2,725</b>	<b>2,047</b>	<b>1,111</b>	<b>4,432</b>	<b>3,836</b>
<b>NET COST OF SERVICES</b>	<b>106,032</b>	<b>126,021</b>	<b>64,454</b>	<b>39,871</b>	<b>170,486</b>	<b>165,892</b>
<b>INCOME FROM STATE GOVERNMENT</b>						
Service appropriation	103,239	118,258	64,510	37,645	167,749	155,903
Resources received free of charge	3,938	4,852	3,244	2,188	7,182	7,040
Royalties for Regions Fund	58	80	1,684	5	1,742	85
<b>Total income from State Government</b>	<b>107,235</b>	<b>123,190</b>	<b>69,438</b>	<b>39,838</b>	<b>176,673</b>	<b>163,028</b>
<b>SURPLUS/(DEFICIT) FOR THE PERIOD</b>	<b>1,203</b>	<b>(2,831)</b>	<b>4,984</b>	<b>(33)</b>	<b>6,187</b>	<b>(2,864)</b>

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

Department of the Premier and Cabinet | **Schedule of Assets and Liabilities by Service**  
for the year ended 30 June 2016

	Administration of Executive Government Services		Government Policy Management		Total	
	2016 \$000	2015 \$000	2016 \$000	2015 \$000	2016 \$000	2015 \$000
<b>ASSETS</b>						
Current assets	16,664	12,917	60,079	22,731	76,743	35,648
Non-current assets	22,802	29,410	6,613	35,011	29,415	64,421
Total assets	39,466	42,327	66,692	57,742	106,158	100,069
<b>LIABILITIES</b>						
Current liabilities	15,230	19,862	5,025	1,498	20,255	21,360
Total non-current liabilities	2,633	2,708	896	362	3,529	3,070
Total liabilities	17,863	22,570	5,921	1,860	23,784	24,430
<b>NET ASSETS</b>	<b>21,600</b>	<b>19,757</b>	<b>60,771</b>	<b>55,882</b>	<b>82,371</b>	<b>75,639</b>

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

Department of the Premier and Cabinet  
**Summary of Consolidated Account Appropriations and Income Estimates**  
 for the year ended 30 June 2016

	2016 ESTIMATE \$000	2016 ACTUAL \$000	VARIANCE \$000	2016 ACTUAL \$000	2015 ACTUAL \$000	VARIANCE \$000
<b>Delivery of Services</b>						
Item 5 Net amount appropriated to deliver services	166,387	165,384	(1,003)	165,384	153,615	11,769
Section 25 Transfer of service appropriation (a)	-	-	-	-	-	-
Amount Authorised by Other Statutes	-	-	-	-	-	-
– Salaries and Allowances Act 1975	2,365	2,365	-	2,365	2,288	77
<b>Total appropriations provided to deliver services</b>	<b>168,752</b>	<b>167,749</b>	<b>(1,003)</b>	<b>167,749</b>	<b>155,903</b>	<b>11,846</b>
<b>Capital</b>						
Item 116 Capital Appropriation	-	-	-	-	3,000	(3,000)
<b>Administered Transactions</b>						
Item 6 Administered grants, subsidies and other transfer payments	15,000	42,168	27,168	42,168	59,981	(17,813)
<b>Total Administered transactions</b>	<b>15,000</b>	<b>42,168</b>	<b>27,168</b>	<b>42,168</b>	<b>59,981</b>	<b>(17,813)</b>
<b>GRAND TOTAL</b>	<b>183,752</b>	<b>209,917</b>	<b>26,165</b>	<b>209,917</b>	<b>218,884</b>	<b>(8,967)</b>
<b>Details of Expenses by Service</b>						
Administration of Executive Government Services	110,395	108,417	(1,978)	108,417	128,746	(20,329)
Government Policy Management	73,827	66,501	(7,326)	66,501	40,982	25,519
Total Cost of Services	184,222	174,918	(9,304)	174,918	169,728	5,190
Less total income	(4,273)	(4,432)	(159)	(4,432)	(3,836)	(596)
Net Cost of Services	179,949	170,486	(9,463)	170,486	165,892	4,594
Adjustments	(11,197)	(2,737)	8,460	(2,737)	(9,989)	7,252
<b>Total appropriations provided to deliver services</b>	<b>168,752</b>	<b>167,749</b>	<b>(1,003)</b>	<b>167,749</b>	<b>155,903</b>	<b>11,846</b>

## Department of the Premier and Cabinet

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

for the year ended 30 June 2016

	<b>2016 ESTIMATE \$000</b>	<b>2016 ACTUAL \$000</b>	<b>VARIANCE \$000</b>	<b>2016 ACTUAL \$000</b>	<b>2015 ACTUAL \$000</b>	<b>VARIANCE \$000</b>
<b>Capital Expenditure</b>						
Purchase of non-current physical assets	(3,422)	(1,929)	1,493	(1,929)	2,899	(4,828)
Adjustment for other funding sources		(1,493)	(1,493)	(1,493)	101	(1,594)
<b>Capital Contribution (appropriation)</b>	<b>(3,422)</b>	<b>(3,422)</b>	<b>-</b>	<b>(3,422)</b>	<b>3,000</b>	<b>(6,422)</b>
<b>Details of Income Estimates</b>						
<b>Income disclosed as Administered Income</b>	<b>15,000</b>	<b>26,593</b>	<b>11,593</b>	<b>26,593</b>	<b>50,308</b>	<b>23,715</b>
	<b>15,000</b>	<b>26,593</b>	<b>11,593</b>	<b>26,593</b>	<b>50,308</b>	<b>23,715</b>

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

Note 34 "Explanatory statement" provides details of any significant variations between estimates and actual results for 2016 and between the actual results for 2015 and 2016.

## Department of the Premier and Cabinet

# Notes to the Financial Statements

### 1. Australian Accounting Standards

#### General

The Department's financial statements for the year ended 30 June 2016 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 2016.

### 2. Summary of significant accounting policies

#### (a) General statement

The Department is a not-for-profit reporting entity that prepares general purpose financial statements in accordance with Australian Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the AASB as applied by the Treasurer's

instructions. Several of these are modified by the Treasurer's instructions to vary application, disclosure, format and wording.

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

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

#### (b) Basis of preparation

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

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

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

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

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

#### (c) Reporting entity

The reporting entity comprises the Department of the Premier and Cabinet.

#### Mission

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

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

#### Services

The Department provides the following services:

Service 1: Administration of Executive Government Services – The Department provides administrative support to the Premier and Cabinet, Leader of the Opposition, Members of Parliament and Executive Council.

Service 2: Government Policy Management – The Department provides Strategic policy advice and Coordination to the Premier and Cabinet.

The Department administers assets, liabilities, income and expenses on behalf of Government which are not controlled by, nor integral, to the function of the Department. These administered balances and transactions are not recognised in the principal financial statements of the Department but schedules are prepared using the same basis as the financial statements and are presented at Note 40 'Disclosure of administered income and expenses by service' and Note 39 'Administered assets and liabilities'.

#### (d) Contributed equity

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

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

**(e) Income****Revenue recognition**

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

**Sale of goods**

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

**Provision of Services**

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

**Interest**

Revenue is recognised as the interest accrues.

**Service Appropriations**

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

**Net Appropriation Determination**

The Treasurer may make a determination providing for prescribed receipts to be retained for services under the control of the Department. In accordance with the most recent determination, as quantified in the 2015-16 Budget Statements, the Department retained \$12.935 million (\$11.738 million in 2015) from the following:

- Proceeds from fees and charges
- Other departmental revenue

- GST input credits
- GST receipts on sales
- Receipts of Interest for Browse LNG

Grants, donations, gifts and other non-reciprocal contributions

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

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

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

**Gains**

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

**(f) Property, plant and equipment****Capitalisation/Expensing of assets**

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

**Initial recognition and measurement**

Property, plant and equipment are initially recognised at cost.

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

**Subsequent measurement**

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

**Depreciation**

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

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

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

**(g) Intangible assets****Capitalisation/Expensing of assets**

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

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

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

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

- Software: 3 Years

**Computer Software**

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

**Web site costs**

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

## (h) Impairment of assets

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

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

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

The Department does not have any intangible assets with an indefinite life.

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

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

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

## (i) Leases

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

## (j) Financial instruments

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

- Receivables; and
- Financial Liabilities measured at amortised cost

*Financial Instruments have been disaggregated into the following classes:*

### Financial Assets

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

### Financial Liabilities

- Payables
- Other liabilities
- Other liabilities – Derivatives

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

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

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

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

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

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

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

### Hedge accounting

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

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

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

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

### **(k) Cash and cash equivalents**

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

### **(l) Accrued salaries**

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

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

amount of accrued salaries to be equivalent to its net fair value.

### **(m) Amounts receivable for Services (holding account)**

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

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

### **(n) Inventories**

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

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

See note 17 'Inventories'.

### **(o) Receivables**

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

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

### **(p) Payables**

Payables are recognised at the amounts payable when the Department becomes obliged to make future payments as a result of a purchase of assets or services. The carrying amount is equivalent to fair value, as settlement is generally within 30 days. See note 2(j) 'Financial Instruments' and note 23 'Payables'.

### **(q) Provisions**

Provisions are liabilities of uncertain timing or amount and are recognised where there is a present legal or constructive obligation as a result of a past event and when the outflow of resources embodying economic benefits is probable and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at the end of each reporting period. See note 24 'Provisions'.

#### **(i) Provisions – employee benefits**

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

#### **Annual leave**

Annual leave is not expected to be settled wholly within 12 months after the end of the reporting period and is therefore considered to be 'other long-term employee benefits'. The annual leave liability is recognised and measured at the present value of amounts expected to be paid when the liabilities are settled using the remuneration rate expected to apply at the time of settlement.

When assessing expected future payments consideration is given to expected future wage and salary levels including non-salary components such as employer

superannuation contributions, as well as the experience of employee departures and periods of service. The expected future payments are discounted using market yields at the end of the reporting period on national government bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

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

#### **Long service leave**

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

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

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

service leave provisions are classified as non-current liabilities because the Department has an unconditional right to defer the settlement of the liability until the employee has completed the requisite years of service.

#### **Sick leave**

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

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

#### **Deferred leave**

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

#### **Purchased leave**

The provision for purchased leave relates to Public Service employees who have entered into an agreement to self-fund up to an additional 10 weeks leave per calendar year. The provision recognises the value of salary set aside for employees and is measured at

the undiscounted amounts expected to be paid when the liabilities are settled.

#### **Superannuation**

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

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

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

Employees commencing employment prior to 16 April 2007 who were not members of either the Pension Scheme or the GSS became non-contributory members of the West State Superannuation Scheme (WSS). Employees commencing employment on or after 16 April 2007 became members of the GESB Super Scheme (GESBS). From 30 March 2012, existing members of the WSS or GESBS and new employees have been able to choose their preferred superannuation fund provider. The Department makes contributions to GESB or other fund

providers on behalf of employees in compliance with the Commonwealth Government's Superannuation Guarantee (Administration) Act 1992. Contributions to these accumulation schemes extinguish the Department's liability for superannuation charges in respect of employees who are not members of the Pension Scheme or GSS.

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

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

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

#### **(ii) Provisions – other Employment On-Costs**

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

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

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

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

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

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

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

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

The Department has interests in joint arrangements that are joint operations. A joint arrangement is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control. A joint operation involves the use of assets and other resources of the operators rather than the establishment of a separate entity. The Department recognises its interests in the joint operations by recognising the assets it controls and the liabilities that it incurs in respect of the joint arrangements. The Department also recognises the expenses that it incurs and its share of the

income that it earns from the sale of goods or services by the joint operations.

The assets that the Department has employed in the joint operations are disclosed in note 42 'Joint operations'.

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

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

#### **(v) Foreign currency translation**

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

Transactions denominated in a foreign currency are translated using the average exchange rates or closing rates in accordance with AASB 121. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange prevailing on balance sheet date. Exchange gains and losses are brought to account in determining the result for the year.

### **3. Judgements made by management in applying accounting policies**

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

### **4. Key sources of estimation uncertainty**

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

#### **Long Service Leave**

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

### **5. Disclosure of change in Accounting Policy and Estimates**

#### **Initial application of an Australian Accounting Standard**

The Department has applied the following Australian Accounting Standards effective, or adopted, for annual reporting periods beginning on or after 1 July 2015 that impacted on the Department.

AASB 2013-9 Amendments to Australian Accounting Standards – Conceptual Part C of this Standard defers the application of AASB 9 to 1 January 2017. 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.

AASB 2014-8 Amendments to Australian Accounting Standards arising from AASB 9 (December 2014) – Application of AASB 9 (December 2009) and AASB 9 (December 2010) [AASB 9 (2009 & 2010)].

This Standard makes amendments to AASB 9 Financial Instruments (December 2009) and AASB 9 Financial Instruments (December 2010), arising from the issuance of AASB 9 Financial Instruments in December 2014. The Department has not yet determined the application or the potential impact of AASB 9.

AASB 2015-3 Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality.

This Standard completes the withdrawal of references to AASB 1031 in all Australian Accounting Standards and Interpretations, allowing that Standard to effectively be withdrawn. There is no financial impact.

AASB 2015-7 Amendments to Australian Accounting Standards – Fair Value Disclosures of Not-for-Profit Public Sector Entities [AASB 13].

This Standard relieves not-for-profit public sector entities from the reporting burden associated with various disclosures required by AASB 13 for assets within the scope of AASB 116 that are held primarily for their current service potential rather than to generate future net cash inflows. It has no financial impact.

### **Future impact of Australian Accounting Standards not yet operative**

The Department cannot early adopt an Australian Accounting Standard unless specifically permitted by TI 1101 Application of Australian Accounting Standards and Other Pronouncements or by an exemption from TI 1101. By virtue of a limited exemption, the Department has early adopted AASB 2015-7 Amendments to Australian Accounting Standards – Fair Value Disclosures of Not-for-Profit Public Sector Entities. Where applicable, the Department plans to apply the following Australian Accounting Standards from their application date.

	<b>Operative for reporting periods beginning on/after</b>
<b>AASB 9</b>	1-Jan-18
<b>Financial Instruments</b>	
This Standard supersedes AASB 139 Financial Instruments: Recognition and Measurement, introducing a number of changes to accounting treatments.	
The mandatory application date of this Standard is currently 1 January 2018 after being amended by AASB 2012-6, AASB 2013-9 and AASB 2014-1. Amendments to Australian Accounting Standards. The Department has not yet determined the application or the potential impact of the Standard.	
<b>AASB 15</b>	1-Jan-18
<b>Revenue from Contracts with Customers</b>	
This Standard establishes the principles that the Department shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. The Department has not yet determined the application or the potential impact of the Standard	
<b>AASB 16</b>	1-Jan-19
<b>Leases</b>	
This Standard introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. The Department has not yet determined the application or the potential impact of the Standard.	
<b>AASB 1057</b>	1-Jan-16
<b>Application of Australian Accounting Standards</b>	
This Standard lists the application paragraphs for each other Standard (and Interpretation), grouped where they are the same. There is no financial impact.	
AASB 2010-7 Amendments to Australian Accounting Standards 1 Jan 2018 arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Int 2, 5, 10, 12, 19 & 127]	
This Standard makes consequential amendments to other Australian Accounting Standards and Interpretations as a result of issuing AASB 9 in December 2010.	
The mandatory application date of this Standard has been amended by AASB 2012-6 and AASB 2014-1 to 1 January 2018. The Department has not yet determined the application or the potential impact of the Standard.	

<b>AASB 2014-1</b>	1-Jan-18
<b>Amendments to Australian Accounting Standards</b>	
Part E of this Standard makes amendments to AASB 9 and consequential amendments to other standards. It has not yet been assessed by the Department to determine the application or potential impact of the Standard.	
<b>AASB 2014-3</b>	1-Jan-16
<b>Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations [AASB 1 &amp; 11]</b>	
The Department establishes Joint Operations in pursuit of its objectives and does not routinely acquire interests in Joint Operations. Therefore, there is no financial impact on application of the Standard.	
<b>AASB 2014-4</b>	1-Jan-16
<b>Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation [AASB 116 &amp; 138]</b>	
The adoption of this Standard has no financial impact for the Department as depreciation and amortisation is not determined by reference to revenue generation, but by reference to consumption of future economic benefits.	
<b>AASB 2014-1</b>	1-Jan-18
<b>Amendments to Australian Accounting Standards</b>	
Part E of this Standard makes amendments to AASB 9 and consequential amendments to other Standards. It has not yet been assessed by the Department to determine the application or potential impact of the Standard.	
<b>AASB 2014-3</b>	1-Jan-16
<b>Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations [AASB 1 &amp; 11]</b>	
The Department establishes Joint Operations in pursuit of its objectives and does not routinely acquire interests in Joint Operations. Therefore, there is no financial impact on application of the Standard.	
<b>AASB 2014-4</b>	1-Jan-16
<b>Clarification of Acceptable Methods of Depreciation and Amortisation [AASB 116 &amp; 138]</b>	
The adoption of this Standard has no financial impact for the Model Department as depreciation and amortisation is not determined by reference to revenue generation, but by reference to consumption of future economic benefits.	

<i>AASB 2014-5</i>	1-Jan-18
<b>Amendments to Australian Accounting Standards arising from AASB 15</b>	
This Standard gives effect to the consequential amendments to Australian Accounting Standards (including Interpretations) arising from the issuance of AASB 15. The mandatory application date of this Standard has been amended by AASB 2015-8 to 1 January 2018. The Department has not yet determined the application or the potential impact of the Standard.	
<i>AASB 2014-7</i>	1-Jan-18
<b>Amendments to Australian Accounting Standards arising from AASB 9 (December 2014)</b>	
This Standard gives effect to the consequential amendments to Australian Accounting Standards (including Interpretations) arising from the issuance of AASB 9 (December 2014). The Department has not yet determined the application or the potential impact of the Standard.	
<i>AASB 2014-9</i>	1-Jan-16
<b>Amendments to Australian Accounting Standards – Equity Method in Separate Financial Statements [AASB 1, 127 &amp; 128]</b>	
This Standard amends AASB 127, and consequentially amends AASB 1 and AASB 128, to allow entities to use the equity method of accounting for investments in subsidiaries, joint ventures and associates in their separate financial statements. The Department has not yet determined the application or the potential impact of the Standard.	
<i>AASB 2014-10</i>	1-Jan-16
<b>Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture [AASB 10 &amp; 128]</b>	
This Standard amends AASB 10 and AASB 128 to address an inconsistency between the requirements in AASB 10 and those in AASB 128 (August 2011), in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The Department has not yet determined the application or the potential impact of the Standard.	
<i>AASB 2015-1</i>	1-Jan-16
<b>Annual Improvements to Australian Accounting Standards 2012–2014 Cycle [AASB 1, 2, 3, 5, 7, 11, 110, 119, 121, 133, 134, 137 &amp; 140]</b>	
These amendments arise from the issuance of international Financial Reporting Standard Annual Improvements to IFRSs 2012–2014 Cycle in September 2014, and editorial corrections. The Department has determined that the application of the Standard has no financial impact.	

<i>AASB 2015-2</i>	1-Jan-16
<b>Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101 [AASB 7, 101, 134 &amp; 1049]</b>	
This Standard amends AASB 101 to provide clarification regarding the disclosure requirements in AASB 101. Specifically, the Standard proposes narrow-focus amendments to address some of the concerns expressed about existing presentation and disclosure requirements and to ensure entities are able to use judgement when applying a Standard in determining what information to disclose in their financial statements. There is no financial impact.	
<i>AASB 2015-6</i>	1-Jul-16
<b>Amendments to Australian Accounting Standards – Extending Related Party Disclosures to Not-for-Profit Public Sector Entities [AASB 10, 124 &amp; 1049]</b>	
The amendments extend the scope of AASB 124 to include application by not-for-profit public sector entities. Implementation guidance is included to assist application of the Standard by not-for-profit public sector entities. There is no financial impact.	
<i>AASB 2015-8</i>	1-Jan-17
<b>Amendments to Australian Accounting Standards – Effective Date of AASB 15</b>	
This Standard amends the mandatory effective date (application date) of AASB 15 Revenue from Contracts with Customers so that AASB 15 is required to be applied for annual reporting periods beginning on or after 1 January 2018 instead of 1 January 2017. The Department has not yet determined the application or the potential impact of AASB 15.	
<i>AASB 2015-10</i>	1-Jan-16
<b>Effective Date of Amendments to AASB 10 &amp; 128</b>	
This Standard defers the mandatory effective date (application date) of amendments to AASB 10 & 128 that were originally made in AASB 2014-10 so that the amendments are required to be applied for annual reporting periods beginning on or after 1 January 2018 instead of 1 January 2016. The Department has not yet determined the application or the potential impact of AASB 2014-10.	
<i>AASB 2016-2</i>	1-Jan-17
<b>Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107</b>	
This Standard amends AASB 107 Statement of Cash Flows (August 2015) to require disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. There is no financial impact.	

AASB 2016-3

1-Jan-18

**Amendments to Australian Accounting Standards – Clarifications to AASB 15**

This Standard clarifies identifying performance obligations, principal versus agent considerations, timing of recognising revenue from granting a licence, and, provides further transitional provisions to AASB 15. The Department has not yet determined the application or the potential impact.

	<b>2016</b>	<b>2015</b>
	<b>\$000</b>	<b>\$000</b>

**6. Employee benefits expense****Expenses**

Wages and salaries <sup>(a)</sup>	76,662	72,360
Superannuation – defined contribution plans <sup>(b)</sup>	6,842	6,081
	<b>83,503</b>	<b>78,441</b>

(a) Includes salaries and the value of the fringe benefit to the employees of the Department and of Electorate Offices, 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	14,702	13,807
Travel	2,711	3,043
Other staff costs	222	161
Communications	2,245	2,415
Consumables	1,849	2,769
Lease of Aircraft	6,872	6,585
Lease of Motor Vehicle	1,243	1,419
Computer Software Licenses	768	743
Contract – Security	367	740
Contract – Cleaning Services	461	474
Other administration costs	3,238	1,265
	<b>34,678</b>	<b>33,422</b>

	<b>2016</b>	<b>2015</b>
	<b>\$000</b>	<b>\$000</b>

**8. Depreciation and amortisation expense**

<b>Depreciation</b>		
Computer hardware	311	328
Furniture and fittings	16	16
Motor vehicles	14	11
Office equipment	246	305
Office establishment	1,177	890
<b>Total depreciation</b>	<b>1,765</b>	<b>1,550</b>
<b>Amortisation</b>		
Intangible assets		
Software	347	459
<b>Total amortisation</b>	<b>347</b>	<b>459</b>
<b>Total depreciation and amortisation</b>	<b>2,112</b>	<b>2,009</b>

**9. Accommodation expenses**

Lease rentals and outgoings	21,661	21,175
	<b>21,661</b>	<b>21,175</b>

**10. Grants and subsidies**

<b>Recurrent</b>		
Subsidies and community grants	22,733	24,536
Government agency grants	1,884	4,952
External grants	4,692	2,469
	<b>29,310</b>	<b>31,957</b>

	2016 \$000	2015 \$000
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## 11. Other Expenses

Employment on-cost(a)	371	353
Audit Fees – Internal/External	249	252
	<b>621</b>	<b>604</b>

(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	136	114
Services provided to other agencies	12	8
Recoups	428	428
Overseas Offices	420	249
Miscellaneous funding	553	91
Other revenue	-	1
	<b>1,549</b>	<b>891</b>

## 13. Commonwealth grants and contributions

Indian Ocean Territories	449	452
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The funding received from the Commonwealth Department of Infrastructure and Regional Development is to fund the salaries and on-costs for a State Coordinator and an Administrative Officer. The arrangement between the Department of the Premier and Cabinet (the Department) and the Commonwealth Department of Infrastructure and Regional Development requires the Department to:

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

	2016 \$000	2015 \$000
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## 14. Net gain/(loss) on disposal of non-current assets

<b>Net book value of Disposal on Non-Current Assets</b>		
Office equipment	-	16
Office establishment	-	1
Motor vehicle	(3)	
	<b>(3)</b>	<b>17</b>
<b>Proceeds from Disposal of Non-Current Assets</b>		
Office equipment	3	-
Motor vehicle	32	-
<b>Net gain/(loss)</b>	<b>32</b>	<b>(17)</b>

## 15. Income from State Government

<b>Appropriation received during the year:</b>		
Service appropriations <sup>(a)</sup>	167,749	155,903
<b>Services received free of charge from other State Government agencies during the period:</b>		
Determined on the basis of the following estimates provided by agencies		
Department of Finance – lease administration services	4,089	4,157
Department of the Attorney General – legal services	2,944	2,692
Department of Finance – procurement services	120	176
Landgate – spatial and valuation services	26	15
Department of Planning	5	-
	<b>7,182</b>	<b>7,040</b>
Royalties for Regions Fund <sup>(b)</sup>		
- Regional Community Services Account	1,742	85
	<b>1,742</b>	<b>85</b>
	<b>176,673</b>	<b>163,028</b>

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

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

	2016 \$000	2015 \$000
<b>16. Restricted cash and cash equivalent assets</b>		
<b>Current</b>		
Browse LNG Precinct Agreement	32,785	-
<b>Non Current</b>		
Accrued salaries suspense account <sup>(a)</sup>	-	2,606
Browse LNG Precinct Agreement	-	32,045
	<b>32,785</b>	<b>34,652</b>

(a) Amount held in the suspense account until last year for the purpose of meeting the 27th pay in a financial year that occurs every 11 years was fully settled on 30 June 2016.

## 17. Inventories

<b>Current</b>		
Inventories held for resale:	23	27
Publications		
Inventories not held for resale:		
Stationery stores and material	2	12
	<b>25</b>	<b>39</b>

## 18. Receivables

<b>Current</b>		
Receivables	1,271	1,170
GST receivable	212	328
	<b>1,484</b>	<b>1,496</b>

Reconciliation of changes in the allowance for impairment of receivables: 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'.

	2016 \$000	2015 \$000
<b>19. Amounts receivable for services (Holding Account)</b>		
Current	2,597	3,422
Non-current	24,342	24,342
	<b>26,939</b>	<b>27,764</b>
Represents the non-cash component of service appropriations. See note 2(m) 'Amounts Receivable for Services (Holding Account)'. It is restricted in that it can only be used for asset replacement or payment of leave liability.		

## 20. Property, plant and equipment

<b>Computer Hardware</b>		
At cost	2,994	2,084
Accumulated depreciation	(1,754)	(1,656)
	1,240	428
<b>Furniture and Fittings</b>		
At cost	501	544
Accumulated depreciation	(402)	(386)
	98	157
<b>Motor Vehicles</b>		
At cost	96	54
Accumulated depreciation	(6)	(45)
	89	10
<b>Office Equipment</b>		
At cost	2,093	2,108
Accumulated depreciation	(1,479)	(1,565)
	614	543
At cost	8,459	8,550
Accumulated depreciation	(6,169)	(5,160)
	2,291	3,390
<b>Total</b>	<b>4,332</b>	<b>4,527</b>

## 20. Property, plant and equipment (con't)

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

	Computer Hardware	Furniture and Fittings	Motor Vehicles	Office Equipment	Office Establishment	Total
<b>2015</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
Carrying amount at start of year	550	85	21	652	2,123	3,431
Additions	206	88	-	171	2,197	2,662
Disposals	-	-	-	(16)	-	(16)
Depreciation	(328)	(16)	(11)	(263)	(931)	(1,549)
<b>Carrying amount at end of year</b>	<b>428</b>	<b>157</b>	<b>10</b>	<b>544</b>	<b>3,389</b>	<b>4,528</b>

	2016 \$000	2015 \$000
<b>21. Intangible assets</b>		
<b>Computer Software</b>		
At cost	2,486	2,293
Accumulated amortisation	(1,863)	(1,516)
	623	776
<b>Reconciliations:</b>		
<b>Computer Software</b>		
Carrying amount at start of year	777	790
Additions	193	446
Reclassifications		-
Disposals		(1)
Amortisation expense	(347)	(458)
<b>Carrying amount at end of year</b>	<b>623</b>	<b>777</b>

## 22. Impairment of assets

There were no indications of impairment of property, plant and equipment, and intangible assets at 30 June 2016.

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

	2016 \$000	2015 \$000
<b>Current</b>		
Trade payables	3	1,388
Revenue In Advance	-	90
Accrued salaries	-	1,979
Accrued expenses	1,625	359
	<b>1,628</b>	<b>3,815</b>

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

	2016 \$000	2015 \$000
<b>24. Provisions</b>		
<b>Current</b>		
Employee benefits provision		
Annual leave <sup>(a)</sup>	8,632	8,422
Long service leave <sup>(b)</sup>	9,936	9,065
	18,568	17,487
<b>Other provisions</b>		
Employment on-costs <sup>(d)</sup>	59	56
	59	56
	<b>18,627</b>	<b>17,542</b>
<b>Non-current</b>		
Long service leave <sup>(b)</sup>	3,462	3,040
Deferred salary scheme <sup>(c)</sup>	57	20
	3,518	3,060
<b>Other provisions</b>		
Employment on-costs <sup>(d)</sup>	11	10
	11	10
	<b>3,529</b>	<b>3,070</b>

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

Within 12 months of the end of the reporting period	5,613	5,265
More than 12 months after the end of the reporting period	3,019	3,157
	8,632	8,422

(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	4,304	3,402
More than 12 months after the end of the reporting period	9,094	8,703
	13,398	12,105

	2016 \$000	2015 \$000
(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:		
Within 12 months of the end of the reporting period	-	-
More than 12 months after the end of the reporting period	57	20
	57	20

(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		
Employment on-cost provision		
Carrying amount at start of year	65	51
Additional provisions recognised	372	352
Payments/other sacrifices of economic benefits	(367)	(338)
Carrying amount at end of year	70	65

## 25. Other liabilities

Current		
Derivative Financial Liability	-	3
Other liability	-	-
	-	3

See also note 36 'Financial Instruments'.

	2016 \$000	2015 \$000
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## 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.

Contributed equity		
Balance at the start of the year	39,117	36,117
<b>Contributions by owners:</b>		
Capital Contributions <sup>(a)</sup>		3,000
Total contributions by owners	-	3,000
<b>Distributions to owners:</b>		
Transfer of net assets to other agencies <sup>(b)</sup>		
Total distributions to owners	-	-
<b>Balance at the end of the year</b>	<b>39,117</b>	<b>39,117</b>

Hedging Reserve		
Balance at the start of the year	435	(1,963)
Net revaluations increments/(decrements)	(323)	1,529
<b>Restated balance at the end of the year</b>	<b>112</b>	<b>(434)</b>

Accumulated surplus/(deficit)		
Balance at the start of the year	36,956	39,820
Result for the period	6,187	(2,864)
<b>Balance at the end of the year</b>	<b>43,143</b>	<b>36,956</b>

	2016	2015
	\$000	\$000

## 27. Notes to the Statement of Cash Flows

### Reconciliation of cash

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:

#### Current Assets

Cash and cash equivalents	38,962	30,162
Restricted cash and cash equivalents (refer to note 16)	32,785	-
	<b>71,746</b>	<b>30,161</b>

#### Non Current Assets

Restricted cash and cash equivalents (refer to note 16)	-	34,651
	<b>-</b>	<b>34,650</b>

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

Net cost of services	(170,486)	(165,892)
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#### Non-cash items:

Depreciation and amortisation expense	2,112	2,009
Resources received free of charge	7,182	7,040
Loss on Joint Venture	3,007	1,990
Net (gain)/loss on disposal of plant and equipment	(32)	17
Net (gain)/loss on foreign exchange and hedging	27	112

#### (Increase)/decrease in assets:

Current receivables(a)	(101)	191
Current inventories	14	19
Other current assets	364	400

	2016	2015
	\$000	\$000

#### Increase/(decrease) in liabilities:

Current payables <sup>(a)</sup>	(2,187)	(809)
Current provisions	1,085	2,112
Non current provisions	459	(277)
Other current liabilities	(3)	-

Change in GST in receivables/payables(b)	(153)	497
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<b>Net cash provided by/(used in) operating activities</b>	<b>(158,712)</b>	<b>(152,591)</b>
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(a) Note that the Australian Taxation Office (ATO) receivable/payable in respect of GST and the receivable/payable in respect of the sale/purchase of non-current assets are not included in these items as they do not form part of the reconciling items.

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

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

## 28. Services provided free of charge

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

Department of Finance – Library Services	67	131
Department of Treasury – Library Services	58	71
Public Sector Commission	485	912
Parliamentary Commissioner for Administrative Investigation	132	91
	<b>742</b>	<b>1,205</b>

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

## 29. Other Assets

Derivative Financial Assets	47	-
Prepayments	844	527
	<b>891</b>	<b>527</b>

	2016 \$000	2015 \$000
<b>30. Commitments</b>		
<b>Lease commitments</b>		
Commitments in relation to leases contracted for at the reporting date but not recognised in the financial statements are payable as follows:		
Non-cancellable operating lease commitments:		
Within 1 year	29,484	25,086
Later than 1 year and not later than 5 years	62,342	52,614
	91,825	77,700
Motor vehicle leases as part of the "whole of Government" arrangement:		
Within 1 year	672	651
Later than 1 year but not later than 5 years	329	182
	1,001	833
Accommodation leases occupied by the Department <sup>(a)</sup> :		
Within 1 year	24,028	19,655
Later than 1 year and not later than 5 years	56,636	50,812
	80,664	70,467
Aircraft leases used by the Department <sup>(b)</sup> :		
Within 1 year	4,783	4,780
Later than 1 year but not later than 5 years	5,377	1,620
	10,160	6,400

These commitments are all inclusive of GST.

(a) The Department has entered into property leases which are a non-cancellable leases with a five year term, with rent payable monthly in advance. Contingent rent provisions within the lease agreement require that the minimum lease payments shall be increased by market review in accordance with Landgate valuations. An option exists to renew the lease at the end of the five year term for an additional term of five years. Existing Memorandums of Understanding (MOUs) for Dumas House, the Constitutional Centre and Hale House expired on 30/6/2015, 30/6/2015 and 31/10/2015 respectively. However, as the MOUs include a provision for the extension of the term, estimated amounts have been included for the years 2017, 2018 and 2019.

(b) The Department of the Premier and Cabinet is currently negotiating the extension of aircraft leases. Indicative figures have been used to determine the financial commitment in respect of the re-negotiated credit facility, this being approximately \$1.5 million within one year and \$4.9 million later than one year but no later than five years.

	2016 \$000	2015 \$000
<b>31. Remuneration of Senior Officers</b>		
<b>Remuneration</b>		
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:		
50,001 – 60,000 <sup>(b)</sup>	1	1
60,001 – 70,000 <sup>(c)</sup>	1	-
140,001 – 150,000	1	-
150,001 – 160,000	1	1
180,001 – 190,000	-	1
190,001 – 200,000 <sup>(a,d)</sup>	2	1
200,001 – 210,000	1	1
210,001 – 220,000	2	-
220,001 – 230,000	-	1
230,001 – 240,000 <sup>(e)</sup>	3	2
240,001 – 250,000	-	2
250,001 – 260,000	1	-
260,001 – 270,000	-	1
270,001 – 280,000	1	2
300,001 – 310,000	1	-
340,001 – 350,000	-	-
360,001 – 370,000	1	1
400,000 – 410,000	1	-
410,001 – 420,000	-	1
450,001 – 460,000	-	-
510,001 – 520,000	-	1
550,001 – 560,000	1	-
<b>The total remuneration of senior officers is:</b>	<b>\$4,311</b>	<b>\$4,047</b>

	<b>2016</b>	<b>2015</b>
	<b>\$000</b>	<b>\$000</b>
Base Remuneration and superannuation	\$3,975	\$3,737
Annual Leave and Long Service Leave Accruals	\$116	\$84
Other Benefits	\$220	\$226
	<b>\$4,311</b>	<b>\$4,047</b>

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

(a) Includes an Executive Director for the period 7 June 2016 to year-end.

(b) Includes an A/Deputy Director from 1 July 2015 until 2 Oct 2015.

(c) Includes a Director from 25 Jan 2016 to year-end.

(d) Includes an Executive Director from 17 August 2015 to year-end.

(e) Includes an Executive Director from 1 July 2015 until 31 May 2016.

### 32. Remuneration of Auditor

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

<b>Auditing the accounts, financial statements and performance indicators</b>	<b>154</b>	<b>151</b>
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### 33. Supplementary Financial Information

<b>Write-offs</b>		
During the financial year there were amounts written off under the authority of section 48 of the <i>Financial Management Act 2006</i> .		-
<b>Amounts written off by the Accountable Authority</b>	<b>-</b>	<b>-</b>
Gifts of public property		
<b>Gifts of public property provided by the Department</b>	<b>7</b>	<b>7</b>

	Variance	Estimate 2016	Actual 2016	Actual 2015	Variance between estimate and actual	Variance between actual results for 2016 and 2015
	Note	\$'000	\$'000	\$'000	\$'000	\$'000

### 34. Explanatory Statement

All variances between estimates (original budget) and actual results for 2016, and between the actual results for 2016 and 2015 are shown below. Narratives are provided for major variances, which are generally greater than:

- 5% and \$3.4 million for the Statements of Comprehensive Income and Cash Flows; and
- 5% and \$1.9 million for the Statement of Financial Position.

#### Statement of Comprehensive Income

<b>(Controlled Operations)</b>						
<b>Expenses</b>						
Employee benefits expense	A	81,233	83,503	78,441	2,270	5,062
Supplies and services		33,121	34,678	33,422	1,557	1,256
Depreciation and amortisation expense		2,597	2,112	2,009	(485)	103
Accommodation expenses		19,300	21,661	21,175	2,361	486
Grants and subsidies	1	47,776	29,310	31,957	(18,466)	(2,647)
Loss on disposal of non-current assets		-	-	17	-	(17)
Losses on foreign operation translation		-	-	-	-	-
Losses on hedging		-	27	112	27	(85)
Loss on other financial assets		-	3,007	1,990	3,007	1,017
Other expenses		195	621	605	426	16
<b>Total cost of services</b>		<b>184,222</b>	<b>174,918</b>	<b>169,728</b>	<b>(9,304)</b>	<b>5,190</b>
<b>Income</b>						
<i>Revenue</i>						
User charges and fees		1,653	1,549	891	(104)	657
Sales		1,671	1,437	1,573	(234)	(136)
Commonwealth grants and contributions		949	449	452	(500)	(2)
Interest revenue		-	740	854	740	(114)
Gains on Foreign operation translation		-	226	66	226	160
Gain on disposal of non-current assets		-	32	-	-	-
<b>Total Revenue</b>		<b>4,273</b>	<b>4,432</b>	<b>3,836</b>	<b>128</b>	<b>564</b>
<b>NET COST OF SERVICES</b>		<b>179,949</b>	<b>170,486</b>	<b>165,893</b>	<b>(9,463)</b>	<b>4,593</b>

	Variance	Estimate 2016	Actual 2016	Actual 2015	Variance between estimate and actual	Variance between actual results for 2016 and 2015
	Note	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Income From State Government</b>						
Service appropriation	B	168,752	167,749	155,903	(1,003)	11,846
Services received free of charge		7,367	7,182	7,040	(185)	142
Royalties for Regions Fund		1,052	1,742	85	690	1,657
<b>Total income from State Government</b>		177,171	176,673	163,028	(498)	13,645
<b>SURPLUS/(DEFICIT) FOR THE PERIOD</b>		(2,778)	6,187	(2,865)	8,965	9,052
<b>OTHER COMPREHENSIVE INCOME</b>						
<b>Items not reclassified subsequently to profit or loss</b>						
Gain/(Losses) on Foreign exchange recognised directly in equity		-	323	1,529	323	(1,206)
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		(2,778)	6,510	(1,336)	9,288	7,846

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

## 34. Explanatory Statement

### Statement of Financial Position

<b>ASSETS</b>						
<b>Current Assets</b>						
Cash and cash equivalents	2, C	25,279	38,962	30,162	13,683	8,800
Restricted cash and cash equivalents	D	32,806	32,785	-	(21)	32,785
Inventories		58	25	39	(33)	(14)
Receivables		2,291	1,484	1,497	(807)	(14)
Amounts receivable for services		1,179	2,597	3,422	1,418	(825)
Other current assets		1,060	891	528	(169)	363
<b>Total Current Assets</b>		62,673	76,743	35,648	14,070	41,095
<b>Non-Current Assets</b>						

	Variance	Estimate 2016	Actual 2016	Actual 2015	Variance between estimate and actual	Variance between actual results for 2016 and 2015
	Note	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Statement of Financial Position cont.</b>						
Restricted cash and cash equivalents	D	0	-	34,651	-	(34,651)
Amounts receivable for services	3	27,159	24,342	24,342	(2,817)	-
Other financial assets		-	118	124	118	(7)
Property, plant and equipment		5,346	4,332	4,527	(1,014)	(195)
Intangible assets		709	623	776	(86)	(153)
<b>Total Non-Current Assets</b>		<b>33,214</b>	<b>29,415</b>	<b>64,421</b>	<b>(3,799)</b>	<b>(35,006)</b>
<b>TOTAL ASSETS</b>		<b>95,887</b>	<b>106,158</b>	<b>100,069</b>	<b>10,271</b>	<b>6,088</b>
<b>LIABILITIES</b>						
Current Liabilities						
Payables	E	2,364	1,628	3,815	(736)	(2,187)
Provisions	4	15,388	18,627	17,542	3,239	1,085
Other current liabilities	5	1,967	-	3	(1,967)	(3)
<b>Total Current Liabilities</b>		<b>19,719</b>	<b>20,257</b>	<b>21,361</b>	<b>536</b>	<b>(1,105)</b>
Non-Current Liabilities						
Provisions		3,347	3,529	3,070	182	459
<b>Total Non-Current Liabilities</b>		<b>3,347</b>	<b>3,529</b>	<b>3,070</b>	<b>182</b>	<b>459</b>
<b>Total Liabilities</b>		<b>23,066</b>	<b>23,787</b>	<b>24,431</b>	<b>719</b>	<b>(646)</b>
<b>Net Assets</b>		<b>72,821</b>	<b>82,371</b>	<b>75,639</b>	<b>9,554</b>	<b>6,736</b>
<b>Equity</b>						
Contributed equity		39,058	39,117	39,117	59	-
Hedging reserves	6	(1,963)	112	(434)	2,075	546
Accumulated surplus/(deficiency)	8, F	35,726	43,143	36,956	7,417	6,187
<b>Total Equity</b>		<b>72,821</b>	<b>82,371</b>	<b>75,639</b>	<b>9,551</b>	<b>6,733</b>

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

	Variance	Estimate 2016	Actual 2016	Actual 2015	Variance between estimate and actual	Variance between actual results for 2016 and 2015
	Note	\$'000	\$'000	\$'000	\$'000	\$'000

## 34. Explanatory Statement

### Statement of Cash Flows

#### CASH FLOWS FROM STATE GOVERNMENT

Service appropriation	B	166,155	165,152	153,075	(1,003)	12,077
Holding account drawdowns		3,422	3,422	2,124	-	1,298
Capital contributions		0	0	3,000	-	(3,000)
Non-retained revenue distributed to owners		-	-	0	-	-
Royalties for Regions Fund		1,052	1,742	85	690	1,657
<b>Net cash provided by State Government</b>		<b>170,629</b>	<b>170,316</b>	<b>158,284</b>	<b>(313)</b>	<b>12,032</b>

#### Utilised as follows:

#### CASH FLOWS FROM OPERATING ACTIVITIES

Payments						
Employee benefits	A	(83,488)	(83,553)	(77,655)	(65)	(5,898)
Supplies and services		(25,754)	(28,935)	(26,859)	(3,181)	(2,077)
Accommodation		(19,300)	(21,502)	(20,700)	(2,202)	(802)
Grants and subsidies	1	(47,776)	(29,103)	(31,866)	18,673	2,763
GST payments on purchases		(8,261)	(7,688)	(7,583)	573	(105)
GST payments to taxation authority		(401)	(166)	(182)	235	16
Other Payments		(195)	(208)	(165)	(13)	(43)

#### Receipts

User charges and fees		867	1,584	967	717	617
Sales of goods and services		1,651	1,483	1,555	(168)	(72)
Commonwealth grants and contributions		457	449	452	(8)	(2)
Interest received		-	935	879	935	56
GST receipts on sales		329	165	178	(164)	(13)

	Variance	Estimate 2016	Actual 2016	Actual 2015	Variance between estimate and actual	Variance between actual results for 2016 and 2015
	Note	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Statement of Cash Flows</b>						
GST receipts from taxation authority		8,332	7,621	8,226	(711)	(605)
Other receipts		1,299	205	163	(1,094)	43
<b>Net cash provided by/(used in) operating activities</b>		<b>(172,240)</b>	<b>(158,712)</b>	<b>(152,590)</b>	<b>13,528</b>	<b>(6,121)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Payments						
Proceeds from the sale of non-current physical assets		-	31	0	31	31
Receipts						
Purchase of non-current physical assets		(3,422)	(1,929)	(2,899)	1,493	970
Investment in Other financial assets		-	(3,000)	(2,000)	(3,000)	(1,000)
<b>Net cash provided by/(used in) investing activities</b>		<b>(3,422)</b>	<b>(4,898)</b>	<b>(4,899)</b>	<b>(1,476)</b>	<b>1</b>
Net increase/(decrease) in cash and cash equivalents	7 G	(5,033)	6,706	795	11,739	5,911
Cash and cash equivalents at the beginning of period		63,118	64,813	63,990	1,695	823
Effects of exchange rate changes on cash balances held in foreign currency		-	226	28	226	198
<b>CASH AND CASH EQUIVALENTS AT THE END OF PERIOD</b>		<b>58,085</b>	<b>71,745</b>	<b>64,813</b>	<b>13,660</b>	<b>6,932</b>

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

## 34. Major Variance Narratives (Controlled Operations)

### Variations between estimate and actual

- 1 The decrease in grants expense of \$18.47 million (38.67%) compared to estimate is mainly attributed to the following grant deferrals to next year: \$9 million for Native Title Holders financial incentive grants; \$3.8 million for Land & Equity Fund; \$3 million for International Centre for Radio Astronomy Research (ICRAR); and \$1million underspend in WA Marine Science Institution (WAMSI).
- 2 The increase in cash balances of \$13.7 million (54.13%) compared to estimate is mainly attributed to funds drawdown in 2015-16 for the purpose of grants payments. However, the actual payments were deferred to 2016-17 due to delay in related grant program negotiations/completion.
- 3 The decrease in non current amounts receivables for services of \$2.8 million (10.37%) compared to estimate is mainly due to the estimate does not take into account the drawdown from the holding account for asset replacement for 2015-16.
- 4 The increase in current leave provisions of \$3.2 million (17.78%) compared to estimate is mainly due to the leave provision budgeted based on 2012 balances. Also, leave taken in 2015-16 was lower than expected.
- 5 The decrease in estimate for other current liabilities of \$1.97 million (100%) is mainly loss budgeted but not realised for the foreign exchange hedge for the aircraft lease contract.
- 6 The movement in hedging reserves of \$2.08 million (105.70%) represents the reduction in unrealised losses on forward foreign exchange contracts. The budgeted figure was based on 2014 actual closing balance but the actual movement in this balance was significantly lesser.
- 7 The net increase in net movement of cash of \$11.74 million (233.25%) is mainly due to funds drawdown in 2015-16 for grant payments but the actual payments were later deferred to 2016-17 due to delay in grant program negotiations/completion.
- 8 The increase in accumulated surplus of \$7.42 million is mainly surplus for the year.

### Variations between actual results for 2016 and 2015

- A The increase in employee benefits expense of \$5.06 million (6%) is mainly attributed to severance payments, CPI increase in salaries and slight increase in FTE.
- B The increase in Service Appropriation of \$11.85 million (7.06%) is mainly due to the following: additional funding of \$5.3 million received for Yarloop Bushfire clean up and Waroona bushfire relief payments; \$1.0 million for the Lord Mayor's Distress Relief Fund and three new grant agreements to be managed by the Department in 2015-16.
- C The increase in cash and cash equivalents of \$8.80 million (22.59%) mainly relates to the following: \$5.3 million grants deferred to next year; \$1.5 million unspent capital funds; and \$0.7 million unspent supplementary funding for Yarloop clean-up.
- D The restricted cash balance of \$32.8million relates to Browse LNG project, which was classified under non current assets last year. This balance has been moved under current assets this year as it is anticipated to be fully distributed by June 2017.
- E The decrease in payables of \$2.19 million (57%) is mainly attributed to no salaries accrued in 2015-16 as the last pay falls on the 30 June 2016 and fewer outstanding invoices due for payment at year end compared to last year.
- F The increase in accumulated surplus of \$6.19 million is the surplus for the year 2015-16.
- G The increase in the movement of cash of \$5.91 million is mainly due to the deferral of grant expenditure.

	2016 \$000	2015 \$000
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### 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.

<b>Balance at the start of the year</b>	234	214
Receipts	1	-
Payments	(8)	(5)
Unrealised gain/(loss) on translation	(25)	25
<b>Balance at the end of the year</b>	202	234

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

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

##### *Purpose of the Trust*

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

<b>Balance at the start of the year</b>	2,463	2,400
Receipts	53	63
Payments	(956)	-
<b>Balance at the end of the year</b>	1,560	2,463

The account was set up in April 2014

	2016 \$000	2015 \$000
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#### 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.

Balance at the start of the year	32,045	31,166
Receipts	740	879
Payments	-	-
<b>Balance at the end of the year</b>	32,785	32,045

The account was set up in December 2013

### 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, receivables, payables, forward foreign exchange contracts. The Department has limited exposure to financial risks. The Department's overall risk management program focuses on managing the risks identified below.

##### **Credit risk**

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

The maximum exposure to credit risk at the end of the reporting period in relation to each class of recognised financial assets is the gross carrying amount of those assets inclusive of any allowance for impairment as shown in the table at Note 36(c) 'Financial instruments disclosures' and Note 18 'Receivables'.

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

**Liquidity risk**

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

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

**Market risk**

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

- **Interest**

Other than as detailed in the interest rate sensitivity analysis table at Note 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.

- **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.

**2016 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	116	-	-	-	-

**2015 Recycled from Equity to Profit or Loss**

DR 439	299	140	140	-	-
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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 \$116,233 (2015: DR \$439,324). It is anticipated that the purchases will take place during the next year 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:

Outstanding Contracts	Ave Exchange Rate		Foreign Currency Purchased		Contract Value		Fair Value	
	2016 \$000	2015 \$000	2016 \$000	2015 \$000	2016 \$000	2015 \$000	2016 \$000	2015 \$000
< 1 year	0.751	0.757	2,129	3,289	2,835	4,346	47	(21)
1 to 2 years		0.761		1,121		1,473		18

**(b) Categories of Financial Instruments**

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

	2016 \$000	2015 \$000
<b>Financial Assets</b>		
Cash and cash equivalents	38,962	30,162
Restricted Cash and cash equivalents	32,784	34,652
Receivables <sup>(a)</sup>	1,271	1,169
Derivatives – Cash Flow	47	22
Amount receivable for services	26,939	27,769
	<b>100,003</b>	<b>93,774</b>
<b>Financial Liabilities</b>		
Payables	1,628	3,815
Derivatives – Cash Flow	-	8
Derivatives – FVTPL	-	17
	<b>1,628</b>	<b>3,840</b>

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

**(c) Financial Instrument Disclosures****Credit Risk**

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

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

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

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

	Carrying Amount	Not past due and not impaired	Past due but not impaired					Impaired financial assets
			Up to 1 month	1-3 months	3 months to 1 year	1-5 years	More than 5 years	
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>2016</b>								
<b>Financial Assets</b>								
Cash and cash equivalents	38,962	38,962	-	-	-	-	-	-
Restricted cash and cash equivalents	32,784	32,784	-	-	-	-	-	-
Receivables	1,271	-	1,271	-	-	-	-	-
Derivatives – Cash Flow	47	47	-	-	-	-	-	-
Amount receivable for services	26,939	26,939	-	-	-	-	-	-
	100,003	98,732	1,271	-	-	-	-	-
<b>2015</b>								
<b>Financial Assets</b>								
Cash and cash equivalents	30,162	30,162	-	-	-	-	-	-
Restricted cash and cash equivalents	34,652	34,652	-	-	-	-	-	-
Receivables	1,169	-	1,169	-	-	-	-	-
Derivatives – Cash Flow	22	22	-	-	-	-	-	-
Amount receivable for services	27,769	27,769	-	-	-	-	-	-
	93,774	92,605	1,169	-	-	-	-	-

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

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

	Weighted average effective interest rate	Interest Rate exposure					Maturity date			
		Carrying Amount	Fixed interest rate	Variable interest rate	Non-interest bearing	Nominal Amount	Up to 1 month	1-3 months	3 months to 1 year	1-5 years
	%	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>2016</b>										
<b>Financial Assets</b>										
Cash and Cash Equivalents		38,962	-	-	38,962	38,962	38,962	-	-	-
Restricted Cash and cash equivalents	2.27	32,784	-	32,784	-	32,784	-	-	32,784	-
Receivables		1,271	-	-	1,271	1,271	1,271	-	-	-
Derivatives-Cash Flow		47	-	-	47	47	47	-	-	-
Amount Receivable for Services		26,939	-	-	26,939	26,939	2,597	-	-	24,342
		<b>100,003</b>	<b>-</b>	<b>32,784</b>	<b>67,219</b>	<b>100,003</b>	<b>42,877</b>	<b>-</b>	<b>32,784</b>	<b>24,342</b>
<b>Financial Liabilities</b>										
Payables		1,628	-	-	1,628	1,628	1,628	-	-	-
Derivatives – FVTPL		-	-	-	-	-	-	-	-	-
		<b>1,628</b>	<b>-</b>	<b>-</b>	<b>1,628</b>	<b>1,628</b>	<b>1,628</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>2015</b>										
<b>Financial Assets</b>										
Cash and Cash Equivalents		30,162	-	-	30,162	30,162	30,162	-	-	-
Restricted Cash and cash equivalents	2.71	34,652	-	32,045	2,607	34,652	-	-	-	34,652
Receivables		1,169	-	-	1,169	1,169	-	1,169	-	-
Derivatives – Cash Flow		22	-	-	22	22	-	-	22	-
Amount Receivable for services		27,769	-	-	27,764	27,764	3,422	-	-	24,342
		<b>93,774</b>	<b>-</b>	<b>32,045</b>	<b>61,724</b>	<b>93,769</b>	<b>33,584</b>	<b>1,169</b>	<b>22</b>	<b>58,994</b>
<b>Financial Liabilities</b>										
Payables		3,815	-	-	3,815	3,815	-	3,815	-	-
Other liabilities – Derivatives		25	-	-	25	25	-	-	25	1
		<b>3,840</b>	<b>-</b>	<b>-</b>	<b>3,840</b>	<b>3,840</b>	<b>-</b>	<b>3,815</b>	<b>25</b>	<b>1</b>

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

**Interest rate sensitivity analysis**

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

	Carrying Amount	-100 basis points		+100 basis points	
		Profit	Equity	Surplus	Equity
		\$000	\$000	\$000	\$000
<b>2016</b>					
<b>Financial Assets</b>					
Restricted Cash and cash equivalents	32,784	(328)	(328)	328	328
	<b>32,784</b>	<b>(328)</b>	<b>(328)</b>	<b>328</b>	<b>328</b>
<b>2015</b>					
<b>Financial Assets</b>					
Restricted Cash and cash equivalents	32,045	(320)	(320)	320	320
	<b>32,045</b>	<b>(320)</b>	<b>(320)</b>	<b>320</b>	<b>320</b>

**Fair Values**

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

**Foreign exchange rate sensitivity analysis**

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

	Carrying Amount	-100 basis points		+100 basis points	
		Profit	Equity	Surplus	Equity
		\$000	\$000	\$000	\$000
<b>30-Jun-16</b>					
<b>Financial Assets</b>					
Cash and cash equivalents	759	59	59	(46)	(46)
Receivables	122	(12)	(12)	12	12
Other Financial Assets-Derivatives	47	160	161	(125)	(131)
	<b>928.0</b>	<b>207.0</b>	<b>208.0</b>	<b>(159.0)</b>	<b>(165.0)</b>
<b>Financial Liabilities</b>					
Provisions	200	(22)	(22)	18	18
	<b>200.0</b>	<b>(22)</b>	<b>(22)</b>	<b>18</b>	<b>18</b>
<b>30-Jun-15</b>					
<b>Financial Assets</b>					
Cash and cash equivalents	589.0	65.0	65.0	(54.0)	(54.0)
Receivables	18.0	2.0	2.0		
Other Financial Assets-Derivatives	22.3	0.0	394.5	0.0	(321.9)
<b>Financial Liabilities</b>	<b>629.3</b>	<b>67.0</b>	<b>461.5</b>	<b>(55.0)</b>	<b>(376.9)</b>
Payables	13	(1)		1.1	1.1
Provisions	370	(41)	(41)	33.6	33.6
Other Financial Liabilities – Derivatives	(25)	86	109	(70.2)	(88.9)
	<b>357.7</b>	<b>43.8</b>	<b>67.1</b>	<b>(35.5)</b>	<b>(54.2)</b>

### 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

There were no contingent liabilities at the report date.

#### Contingent Assets

There were no contingent assets at the report date.

#### Contaminated sites

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

### 39. Administered assets and liabilities

<b>Current Assets</b>	<b>2016 \$000</b>	<b>2015 \$000</b>
Cash and cash equivalents – WANDRRA <sup>(a)</sup>	-	17,059
	-	17,059
<b>Current Liabilities</b>		
<b>Payables – WANDRRA<sup>(a)</sup></b>	<b>25,473</b>	<b>26,568</b>

(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.

### 40. Disclosure of administered income and expenses by service

	<b>Administration of Executive Government Services</b>		<b>Government Policy Management</b>		<b>Total</b>	<b>Total</b>
<b>COST OF SERVICES</b>	<b>2016 \$000</b>	<b>2016 \$000</b>	<b>2016 \$000</b>	<b>2016 \$000</b>	<b>2016 \$000</b>	<b>2016 \$000</b>
<b>Income</b>						
Administered appropriation <sup>(a)</sup>	-	-	26,437	45,000	26,437	45,000
Refund of prior year expenditure received from Main Roads WA (MRWA) <sup>(b)</sup>	-	-	156	5,308	156	5,308
	-	-	<b>26,593</b>	<b>50,308</b>	<b>26,593</b>	<b>50,308</b>
<b>Expenses</b>						
Grants and subsidies	-	-	42,168	59,981	42,168	59,981
<b>Total cost of services</b>			<b>42,168</b>	<b>59,981</b>	<b>42,168</b>	<b>59,981</b>

(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.

(b) Income received includes a refund of prior year expenditure of \$156,000 (2014-15: \$5.3 million) incorrectly paid to MRWA as a reimbursement of National Disaster and Relief and Recovery Arrangements (NDRRA) expenditure. This amount was paid by DPC in 2014-15 and refund received from MRWA in 2015-16.

## 41. Explanatory Statement for Administered items

	Variance	Original Budget	Actual	Actual	Variance between estimate and actual	Variance between actual results for 2016 and 2015
	Note	2016 \$'000	2016 \$'000	2015 \$'000	\$'000	\$'000
<b>INCOME FROM ADMINISTERED ITEMS</b>						
<b>Income</b>						
Administered appropriation	1, A	15,000	26,437	45,000	11,437	(18,563)
Refund of prior year expenditure received from Main Roads WA (MRWA)	2	-	156	5,308	156	(5,152)
<b>Total Administered Income</b>		<b>15,000</b>	<b>26,593</b>	<b>50,308</b>	<b>11,593</b>	<b>(23,715)</b>
<b>Expenses</b>						
Grants and subsidies	3, B	15,000	42,168	59,981	27,168	(17,813)
<b>Total Administered Expenses</b>		<b>15,000</b>	<b>42,168</b>	<b>59,981</b>	<b>27,168</b>	<b>(17,813)</b>
<b>NET INCOME (DEFICIT) FROM ADMINISTERED ITEMS</b>		<b>-</b>	<b>(15,575)</b>	<b>(9,673)</b>	<b>(15,575)</b>	<b>(5,902)</b>

### Major Estimates vs Actuals Variance explanations

1. The increase in Administered Appropriation of \$11.6 million (73%) is due to supplementation funding in addition to the budgeted \$15 million to settle natural disasters mainly relating to claims for Surface Trough and associated flooding, Tropical cyclone Olwyn and Bushfire for Peel and South West Region.
2. The variance is due to the refund of prior year expenditure of \$156,000 (2014-15: \$5.3 million) incorrectly paid to MRWA as a reimbursement of National Disaster and Relief and Recovery Arrangements (NDRRA) expenditure. This amount was paid by DPC in 2014-15 and refund received from MRWA in 2015-16.
3. The increase in Administered Grants of \$27.0 million (80%) is mainly due to natural disasters that occurred in 2015-16 such as the Esperance Bushfires and the Peel and Southwest regions Bushfires.

### Major Actual 2016 vs Actual 2015

- A. The decrease in Administered Appropriation of \$18.5 million (41%) is mainly due to timing of payments of the natural disaster claims in 2015-16 compared to 2014-15.
- B. The decrease in Administered Grants of \$17.8 million (30%) is mainly due to less claims relating to natural disasters in 2015-16 compared to 2014-15.

## 42. Joint operations

Name of operation:	Output Interest (%)
The Western Australian Marine Science Institution (WAMSI)	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. For accounting purposes, the Department's contribution is classified as a Joint Venture investment. The purpose of the contribution to WAMSI is to develop capabilities and expertise in a broad range of advanced technologies and research capabilities that are of potential strategic and community interest.

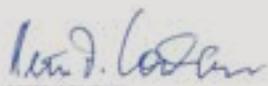
	2016 \$000	2015 \$000
<b>Current Assets</b>		
Other financial assets(a)	118	124
During the reporting period the Department recognised a loss as follows:		
Loss on other financial assets	3,007	1,990
(a) Net investment in Joint Venture		
Opening Balance	124	114
Investment in Joint Venture	3,000	2,000
Loss on Joint Venture	(3,007)	(1,990)
<b>Net Investment</b>	<b>118</b>	<b>124</b>

# Audited Key Performance Indicator Information

## Certification of Key Performance Indicators

Department of the Premier and Cabinet  
for the year ending 30 June 2016

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 2016.



**PETER CONRAN**  
**ACCOUNTABLE AUTHORITY**  
28 July 2016

## 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 included below; and further explanations are provided for some of the variances between the Actual and Target indicators.

## Outcome 1 – Executive government receives appropriate support

		2012–13 Actual	2013–14 Actual	2014–15 Actual	2015–16 Actual	2015–16 Target
1.1	Targets for support services are met or exceeded	96%	97%	99%	99.95%	96%
1.2	Service recipient's confirmation that services provided enable them to meet Executive Government's obligations	3.7	4.0	4.0	3.9	3.8

## Outcome 1 – Key Effectiveness Indicators Explanatory Notes

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

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

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

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

The survey was conducted in March 2016, and 100% of responses were received by April 2016 from the Office of the Premier and all 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.

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

	2012-13 Actual	2013-14 Actual	2014-15 Actual	2015-16 Actual	2015-16 Target
2.1 Service recipient's confirmation that high quality and timely policy advice is provided	3.7	4.0	4.0	3.7	4.0

### Outcome 2 – Key Effectiveness Indicators Explanatory Notes

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

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

The survey was conducted in March 2016, and 100% of responses were received by April 2016 from the Office of the Premier and all 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.

#### Agency Services and Key Efficiency Indicators

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

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

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

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

Excluded Expenditures	2012-13 Actual \$000	2013-14 Actual \$000	2014-15 Actual \$000	2015-16 Actual \$000
Services provided free of charge	1,365	1,529	1,212	743
Community service obligations	385	393	563	601
Grants and donations	27,070	54,706	31,957	29,308
Non-core operations**	3,870	3,545	7,445	14,958
End of contract excluded	3,312	-	-	-
<b>Total</b>	<b>36,002</b>	<b>60,173</b>	<b>41,177</b>	<b>45,610</b>

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.

\*\*The variance of approximately \$7 million between 2014-15 and 2015-16 Actual non-core operations figure can be attributed to increase in the Office of Science expenditure by \$3.5 million compared to last year, and \$4 million for the Yarloop bushfire clean-up.

#### 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;
- a secure, confidential and time-critical printing and publishing service for Parliament and Government; and
- management of exhibitions and programs at the Constitutional Centre.

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

## Service 1: Administration of Executive Government Services

		2012-13 Actual \$000	2013-14 Actual \$000	2014-15 Actual \$000	2015-16 Actual \$000	2015-16 Target \$000
1.1	Average operating cost per Ministerial Office (including Premier's Office and Leader of the Opposition)	2,537	2,626	2,657	2,813	2,643
1.2	Average cost of support provided per Ministerial Office (including Premier's Office and Leader of the Opposition)	500	1,692	1,434	1,382	1,517
1.3	Average cost representing Western Australia's interests overseas (per region)	1,478	1,491	1,663	1,604	1,445
1.4	Average cost of entitlements per Member of Parliament	370	391	401	409	389
1.5	Average cost of support provided per Member of Parliament	18	16	18	20	18

### 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.

The variance between the 2015-16 Target and the 2015-16 Actual figure is mainly due to a change in the allocation of overhead costs.

The variance between the 2015-16 Actual and 2014-15 Actual figure is also mainly due to a change in the allocation of overhead costs.

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

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

Support to Ministerial Offices includes executive transport and services related to Ministerial Office coordination, correspondence, and the community comment line.

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

Overseas Offices are maintained in Europe (London), Dubai (covering the Middle East and Africa) and North Asia (Tokyo and Kobe) to attract foreign investment to Western Australia and promote Western Australian products and services.

The key efficiency indicator reports the average operational expense for all regions, plus a proportion of the cost of executive support and corporate services allocated on an FTE basis, which is divided by the total number of regions.

The variance between the 2015-16 Target and the 2015-16 Actual figure is mainly due to an increased liability under the *Fringe Benefits Tax Act 1986* due to benefits provided to a staff member not being previously assessable, becoming assessable and payable in the 2015-16 financial year. Further, average cost also increased due to an increase in expenditure associated with professional services for overseas offices.

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

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

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

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

The variance between 2015-16 Actual and 2014-15 Actual reflects an increase for wages (terminations) and cost escalation for other goods and services.

## Service 2: Government Policy Management

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

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

## Service 2: Government Policy Management

		2012–13	2013–14	2014–15	2015–16	2015–16
		Actual	Actual	Actual	Actual	Target
		\$000	\$000	\$000	\$000	\$000
2.1	Average cost per Government Indigenous Land Use Agreement (ILUA) managed	256	427	502	402	1,131
2.2	Average cost per Project ILUA managed	463	1,195	908	779	338

The Average cost per Government Indigenous ILUA managed mainly results due to the change in the ILUA numbers. Target figures for 2015–16 were based on 7 ILUAs, whereas the actual number has been assessed as 14 — effectively reducing the measure by 50%.

The Average cost per Project ILUA managed is more than double the 2015–16 Target.

Target figures for 2015–16 were based on 11 ILUAs, whereas the actual number has been assessed as 5 — effectively increasing the measure by more than 50%.

## Service 2: Key Efficiency Indicators Explanatory Notes

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

The Actual Average cost per Government ILUA managed significantly decreased compared to the 2015–16 Target figure, mainly due to a decrease in the Government ILUA numbers. The Target was based on 7 Government ILUAs, whereas the actual Government ILUAs assessed were 14 — effectively reducing the measure by 50%.

The variance between the Average cost per Government ILUA managed for 2015-16 compared to the 2014-15 Government ILUA figure is mainly due to a reduction in expenditure for salaries and supplies and services of approximately \$1 million in 2015-16.

The objectives of the Government ILUA process are consistent with the Government 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.

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

A Government ILUA is an ILUA that addresses government business and specific future acts through the claims settlement process, which are negotiated by the Land, Approvals and Native Title Unit.

### 2.2 Average cost per Project ILUA managed

The Average cost per Project ILUA managed is more than double the 2015–16 Target. The Target was based on 11 Project ILUAs, whereas the actual ILUAs assessed were 5 — effectively increasing the measure by more than 50%.

The variance between the 2015-16 Average cost per Project ILUA managed for 2015-16 when compared to the 2014-15 Project ILUA figure is mainly due to a reduction in expenditure for salaries and supplies and services of approximately \$0.5 million in 2015-16.

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

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

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

A Project ILUA is:

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

## Other Financial Disclosures

### Pricing Policies

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

### Capital Works

The Department incurred capital expenditure of \$1.929 million during the financial year, predominantly for computer hardware/software and other office equipment.

### Employment and Industrial Relations

The Department's annual average paid full-time equivalent (FTE) employed in 2015-16 was 472 FTEs, compared to 2014-15 average paid FTE of 463 FTEs<sup>1</sup>.

As at 30 Jun 2016, the Department's workforce<sup>2</sup> employed in core business areas comprised of 84% permanent employees, 14% fixed term employees and 2% casual employees.

In the Parliamentary Electorate Offices, the annual average paid FTE in 2015-16 employed to support the State Members of Parliament was 194 FTEs.

1. Represents updated 2014-15 annual report figure

2. Source HRMOIR

## Ministerial Directives

No Ministerial directions were received during the financial year.

## Governance Disclosures

### Conflicts of Interest

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

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

### 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

The Department engaged an external contractor to undertake internal audit services for the year, activities which were overseen by the Internal Audit Committee and the Office of the Director General. The external contractor delivered seven internal audit reports on various aspects of the Department's business.

### External Audit

During 2015-16, the Department worked on addressing findings arising from a range of external audits conducted by the Office of the Auditor General, with a focus on improving processes and practices across the organisation.

### Risk Management

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

### Contact with a Lobbyist

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

## Unauthorised Use of Credit Cards

<b>Personal expenditure under Treasurer's Instruction 321 – Credit Cards – Authorised use</b>	<b>2015-16</b>
Number of instances the Western Australian Government Purchasing Card has been used for a personal purpose	10
Aggregate amount of personal use expenditure for the reporting period	\$8,253.42
Aggregate amount of personal use expenditure settled by the due date	\$4,016.07
Aggregate amount of personal use expenditure settled after the due date	\$4,237.35
Aggregate amount of personal use expenditure outstanding at the end of the reporting period	-
Number of referrals for disciplinary action instigated by the notifiable authority during the reporting period	-

# Board and Committee Remuneration

## Constitutional Centre Advisory Board

Position	Name	Type of remuneration	Period of membership	Gross/actual remuneration
Chair	Hon Cheryl Edwardes	Sitting fee	3 years	\$1,224
Deputy chair	Prof Colleen Hayward	Sitting fee	Resigned 31/11/2015	\$406
Member	Prof Harry Phillips	Sitting fee	3 years	\$609
Member	Prof David Black	Sitting fee	3 years	\$812
Member	Dr Janice Dudley	Sitting fee	3 years	\$670
Member	Ms Diana Warnock	Sitting fee	3 years	\$812
Member	Hon. John Cowdell	Sitting fee	3 years	\$406
Member	Dr Sarah Murray	Sitting fee	3 years	\$812
Member	Hon Ray Halligan	Sitting fee	3 years	\$812
Member	Hon Christine Wheeler	N/A	3 years	N/A
Member	Mr Grant Donaldson SC	N/A	3 years	N/A
<b>TOTAL</b>				<b>\$6,563</b>

## Partnership Forum

Position	Name	Type of Remuneration	Period of Membership	Gross/Actual Remuneration
Chair	Robyn Kruk AM	Annual	2 years	\$22,738
Member	Ralph Addis*	N/A	2 years	-
Member	Sue Ash AO	N/A	2 years	-
Member	David Axworthy*	N/A	2 years	-
Member	Pip Brennan*	N/A	2 years	-
Member	Rebecca Brown	N/A	2 years	-
Member	Ian Carter Am	N/A	2 years	-
Member	Irina Cattalini	N/A	2 years	-
Member	Ron Chalmers	N/A	2 years	-
Member	Peter Conran AM	N/A	2 years	-
Member	Chris Hall**	N/A	2 years	-
Member	Taryn Harvey	N/A	2 years	-
Member	Paul Fleay*	N/A	2 years	-
Member	Steve Joske CSC*	N/A	2 years	-
Member	Debbie Karasinski	N/A	2 years	-
Member	Greg Lewis**	N/A	2 years	-
Member	Timothy Marney	N/A	2 years	-
Member	Jennifer Mathews	N/A	2 years	-
Member	Joan Mckenna Kerr	N/A	2 years	-
Member	Daniel Morrison*	N/A	2 years	-
Member	Susan Murphy*	N/A	2 years	-
Member	Ashley Reid	N/A	2 years	-
Member	Grahame Searle	N/A	2 years	-
Member	Gordon Trewern	N/A	2 years	-
Member	Emma White	N/A	2 years	-
Member	Paul Whyte*	N/A	2 years	-
<b>TOTAL</b>				<b>\$22,738</b>

\*New Member at April 2016

\*\*Departed Member at April 2016

## Strategic Assessment Stakeholder Reference Group

Position	Name	Type of remuneration	Period of membership	Gross/actual remuneration
Chair	Dr Jim Limerick	Per meeting	3 years	\$898
Member	Ms Debra Goostrey	N/A	3 years	-
Member	Mr John Gelavis	N/A	3 years	-
Member	Mr Frank Arangio	N/A	3 years	-
Member	Mr Harry Backes	N/A	3 years	-
Member	Mr Jason Hick	N/A	3 years	-
Member	Ms Barbara Pederson	N/A	3 years	-
Member	Ms Jan Star	N/A	3 years	-
Member	Mr Piers Verstegen	N/A	3 years	-
Member	Mr Mark Batty	N/A	3 years	-
Member	Mr Mick McCarthy	N/A	3 years	-
Member	Mr Mike Foley	N/A	3 years	-
Member	Mr Brett Flugge	N/A	2 years	-
Member	Mr Paul Sanders	N/A	1 year	-
Member	Ms Merrill Halley	N/A	1 year	-
<b>TOTAL</b>				<b>\$898</b>



# Other Legal Requirements

# Statement of Compliance with *State Records Act 2000*

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

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

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

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

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

State Records Commission Requirement	Department Compliance Action
Whether the efficiency and effectiveness of the organisation's record keeping systems have been evaluated or alternatively when such evaluation is proposed.	<ul style="list-style-type: none"> <li>Following State Records Commission approval of the Department's revised Record Keeping Plan on 7 August 2015. A full update has been performed on the folder title classification scheme and records management procedures, in particular a focus on source record digitisation. The records system was upgraded in February 2016.</li> </ul>
The nature and extent of the record keeping training program conducted by or for the organisation.	<ul style="list-style-type: none"> <li>All staff can access an online self-paced records awareness training (RAT) system endorsed by the State Records Office. This training provides staff with a sound understanding of their record keeping roles and responsibilities.</li> <li>65 publications have been created for training purposes which include fact sheets, advice, training manuals &amp; videos. An electronic magazine (e-zine) regarding record keeping matters is also e-mailed to staff on a monthly basis.</li> <li>A compliant records system is used to capture electronic records; this year training was provided to 150 clients over 107 hours to support a combined records system user base of 596.</li> </ul>
Whether the efficiency and effectiveness of the record keeping training program has been reviewed or alternatively when this is planned to be done.	<ul style="list-style-type: none"> <li>The RAT is mandatory for all employees and has a 96% completion rate. The RAT is reviewed by the Department for its relevancy and it's compliance with any changes to legislation.</li> <li>The RAT includes a staff feedback process. Course participants have indicated a 93% approval of the content and 91% have indicated an improved understanding of record keeping roles and responsibilities.</li> </ul>
Assurance that the organisation's induction program addresses employee roles and responsibilities in regard to their compliance with the organisation's Record Keeping Plan.	<ul style="list-style-type: none"> <li>Section 6 of the Department's online induction program covers archives and record keeping responsibilities.</li> <li>The Department also requires all staff to attend Accountable and Ethical Decision Making training which is based around the Department's Code of Conduct, Principle 6 of this program covers record keeping.</li> <li>The record keeping induction book is revised and new versions released each year. This induction book along with all support materials are available to staff via the Intranet.</li> </ul>

# 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.

### Expenditure

a) Advertising agencies:	\$63,654.20
• Adcorp Australia	
• SEEK Limited	
• Carat Australia	
b) Market research organisations	-
c) Polling organisations	-
d) Direct mail organisations	-
e) Media advertising organisations	-
<b>Total Expenditure</b>	<b>\$63,654.20</b>

# Statement of Compliance with Disability Access and Inclusion Plan Outcomes

*(Disability Services Act 1993 – section 29 and  
Schedule 3 of the Disability Services Regulations 2004)*

The Department's Disability Access and Inclusion Plan (DAIP) was established in 2011, setting out a number of initiatives scheduled to be implemented over a period of time until June 2016. The Department sought the views of existing employees with a disability to assist in the development of the planned initiatives taking into consideration priority and appropriateness for use. This Plan is reviewed annually and outcomes are monitored periodically to ensure the initiatives are still relevant and the level of accessibility continues to be suitable.

In 2015, the Department updated 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'. This change was published in *The West Australian* and the Department's Internet website for public comment.

In 2016, the Department is reviewing Disability Access and Inclusion initiatives and is developing a new Plan for the next five years in consultation with employees and the community.

# 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 following areas:

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

To ensure compliance with the Commissioner's Instructions No 1 on Employment Standard and No 2 on Filling a Public Sector Vacancy, the Department has in place a process to ensure merit, equity, interest and transparency principles are maintained. Each recruitment, selection and appointment process is reviewed and considered in light of the four principles and open merit selection processes were undertaken.

The Department ensures Performance and Development Plans are completed for all employees to support staff individual progress and assign role responsibilities that are in line with the agency's Corporate Plans. Regular review of the plans are monitored and reported to Corporate Executives.

**Compliance Issues:** There were no breaches in the Employment Standard in the 2015-16 financial year.

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

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

The Department reviewed the Code during 2015-16 and, in turn, incorporated a 7th principle on 'Reporting suspected breaches of the code'. The inclusion of this new principle reflects the seven conduct areas specified in the Public Sector Commission's 'Sample structure for a code of conduct'.

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.

A scenic view of a city skyline across a body of water. In the foreground, a large palm tree stands on a small island, with its reflection in the water. A person is riding a bicycle on a path near the water. The city skyline in the background includes several tall buildings, including a prominent one with a glass facade and a spire. A blue text box with white text is overlaid on the right side of the image.

# Government Policy Requirements

# Substantive Equality

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

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

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

# Occupational Safety, Health and Injury Management

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

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

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

The Department undertook an internal assessment of its OSH Management Systems in 2011 and 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.

Measure	Actual Results		Results against Target	
	2014-15	2015-16	Target	Comment on Results Achieved
Number of fatalities	0	0	0	
Lost time injury/disease incidence rate	0.9%	0.9%	0 or 10% reduction	5 LTIs
Lost time injury/disease severity rate	0%	0%	0 or 10% reduction	
Percentage of injured workers returned to work:				
vi. within 13 weeks	100%	100%	Actual result to be stated	
vii. within 26 weeks	0%	0%	Greater than or equal to 80%	
Percentage of managers trained in occupational safety, health and injury management responsibilities	82%	84%	Greater than or equal to 80%	

# Government Building Training Policy

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

At the 30 June 2016 no contract subject to the Government Building Training Policy had been awarded.

Measure	Building and Construction Project	Maintenance Projects
Active contracts within the scope of the GBT Policy in the reporting period	-	-
Contracts granted a variation to the target training rate in the reporting period	-	-
Head contractors involved in the contracts	-	-
Construction apprentices/trainees required to meet target training rate across all contracts	-	-
Construction apprentices/trainees employed by head contractors; and the subcontractors they are using for the contracts	-	-
Contracts which met or exceeded the target training rate	-	-



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