

Annual Report

2018-2019



Working Together



Produced and published by

**The Department of the
Premier and Cabinet**

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Acknowledgement of Country

The Government of Western Australia acknowledges the traditional custodians throughout Western Australia and their continuing connection to the land, waters and community. We pay our respects to all members of the Aboriginal communities and their cultures; and to Elders both past and present.



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Department of the Premier and Cabinet
Statement of Compliance

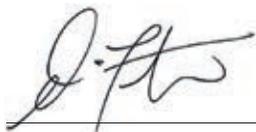
for the year ended 30 June 2019

Hon Mark McGowan BA LLB MLA

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

In accordance with section 63 of the *Financial Management Act 2006*, I hereby submit for your information and presentation to the Parliament, the Annual Report for the Department of the Premier and Cabinet for the financial year ended 30 June 2019.

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



Darren Foster
Director General



About this Report

This report analyses our performance with regard to the services that the Department of the Premier and Cabinet (the Department) provided during the 2018-19 financial year. In that period, these services included support to the Premier, the Hon Mark McGowan, as head of the Western Australian Government and Minister for Public Sector Management; State Development, Jobs and Trade; Federal-State Relations. The Department also supported the Hon Ben Wyatt LLB MSc MLA in his role as Minister for Aboriginal Affairs and the Hon Dave Kelly BA MLA in his role as Minister for Innovation and ICT.

The Department provided quality policy and administrative advice and support to enable the Premier, Ministers and Government to serve Western Australia and its community.

Our annual report has been prepared in accordance with the Public Sector Commission's WA Public Sector Annual Reporting Framework for 2018-19 and has been structured accordingly:

- » Overview of 2018-19
- » About the Department
- » Agency Performance
- » Significant Issues Impacting the Department
- » Disclosures and Legal Compliance
- » Other Legal Requirements
- » Government Policy Requirements

Director General's Overview

The Department hit the ground running in 2018-19 by delivering the 294-page final report of the Methamphetamine Taskforce on behalf of the taskforce of six eminent Western Australians.

The taskforce consulted widely and made a series of recommendations to combat the harm and stigma of the drug, which one user described as “my entry to hell”. The report was delivered to the Minister for Health and was subsequently backed with funding totalling \$244 million.

The project demonstrated some of the Department's strengths: provision of expert advice and support, leading whole-of-Government initiatives, collaborating with community, industry and throughout government, and aligning different objectives. The Department also keeps a close eye on implementation to make sure things stay on track.

This approach also underpinned the delivery of the Government's Market-led Proposals Policy, which is now being implemented by the Department of Finance, and was evident in the Department's conception, design and implementation of the Streamline WA program to simplify regulatory processes. Infrastructure WA legislation was developed, introduced and passed during the year, marking another milestone in the delivery of the Government's program.

In February 2019, the Premier tasked the Department with overseeing the implementation of 12 bold and ambitious whole-of-Government objectives – Our Priorities – which are designed to drive collaborative, evidence-driven efforts to tackle longstanding and intractable issues facing the State, such as the intolerably high rate of Aboriginal incarceration.

The Department developed the interim response to the Coronial Inquest into the deaths of 13 young Aboriginal people in the Kimberley, led the State's participation in the Closing the Gap Refresh and developed the State response to the Royal Commission into Institutional Responses to Child Sexual Abuse.

This year, the Office of Digital Government was established in the Department with a new mandate, better governance arrangements, new leadership and now, secure funding. This will allow the Department to step up its role in cybersecurity and digital service delivery and provide support to other agencies.

State security remains an ever-present concern, and through the Office of State Security and Emergency Coordination, the Department kept key Ministers abreast of cyber threats, terrorism and emergency events, and played an active role developing policy with national security agencies.

The Department had the privilege of supporting the WA Aboriginal Advisory Council in 2018-19, and establishing an Aboriginal Policy and Coordination Unit to pivot towards economic and social development in a “post Native Title” world, now that more than half of the State's Native Title claims have been settled. The Department joined with members of the Noongar community in September 2018 to mark the final significant court decision on the South West Native Title Settlement and reflect on the enormous opportunity it presents - having been forged in a bipartisan spirit.

At the Commonwealth level, the Department worked constructively with its counterparts on implementation of the National Disability Insurance Scheme in Western Australia, finalising key health and education funding agreements, and developing close partnerships on defence. While there are often major policy differences between the State and Commonwealth – such as on remote housing for Aboriginal people - we strive to find common ground.



The Department also led by example on Government policy objectives by reducing its leave liabilities, converting long-term contractors to permanent positions, and implementing Aboriginal procurement policies. The Department is tackling diversity head on: advancing women in the Department's leadership positions and across the broader sector, and employing people with disabilities at a rate greater than the public sector average, who are outstanding members of our workforce. We're not doing as well on the recruitment of Aboriginal and Torres Strait Islander people, and need to lift our game.

The Department embarked on major governance and cultural reforms in 2018-19, adopting a culture and values statement developed by officers (not the Executive), implementing performance and development plans which have now exceeded 90 percent completion, stepping up internal communication and appointing an independent chair to the Audit and Risk Management Committee.

Managing Cabinet and its sub committees is a core agency responsibility, and the Department is progressively implementing improvements to the quality and timeliness of submissions to ensure Ministers are well served.

The Department has commenced regular engagement with the electorate offices of the State's 95 Members of Parliament to improve our services, and continues to provide high quality executive transport and air services to busy Ministers.

Importantly, the Department could not do its job without the support and co-operation of Government departments and agencies, most notably its central agency partners the Department of Treasury, the Department of Finance and the Public Sector Commission.

On a personal note, I would like to thank the Department's leadership team and all our staff for their commitment and service this year. As you will see in this report, the breadth and depth of our work is vast and our staff continually demonstrate their professionalism and uphold our values in order to achieve our purpose to lead the public sector and support the Government in its service to the Western Australian community.

Finally, the Department acknowledges the productive working relationship it enjoys with the Premier, the Hon Mark McGowan, the two Ministers to whom it provides direct support (Hon Ben Wyatt, Minister for Aboriginal Affairs; Hon Dave Kelly, Minister for ICT and Innovation), and the broader Cabinet and Parliamentary Secretaries.



Darren Foster
Director General



01 About the Department

Responsible Minister

The Department reports to the Hon Mark McGowan in his capacity as Premier; Minister for Public Sector Management; State Development, Jobs and Trade; Federal-State Relations.

The Department also supports the Hon Ben Wyatt in his role as Minister for Aboriginal Affairs, and the Hon Dave Kelly in his role as Minister for Innovation and ICT.

The Department coordinates all incoming and outgoing correspondence for the Department with the Office of the Premier and Ministers for Aboriginal Affairs and Innovation and ICT, enabling the smooth collaboration and facilitation of advice to Ministerial offices.

The Department is also responsible for hosting the Premier's Community Comment Line and WA Government email service, providing responses and general advice to callers and correspondents. This forum provides an avenue for the community to engage with Government on policy and priorities, facilitating information sharing and engagement.

Chief Executive Officer

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

Authority for the Establishment of the Agency

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

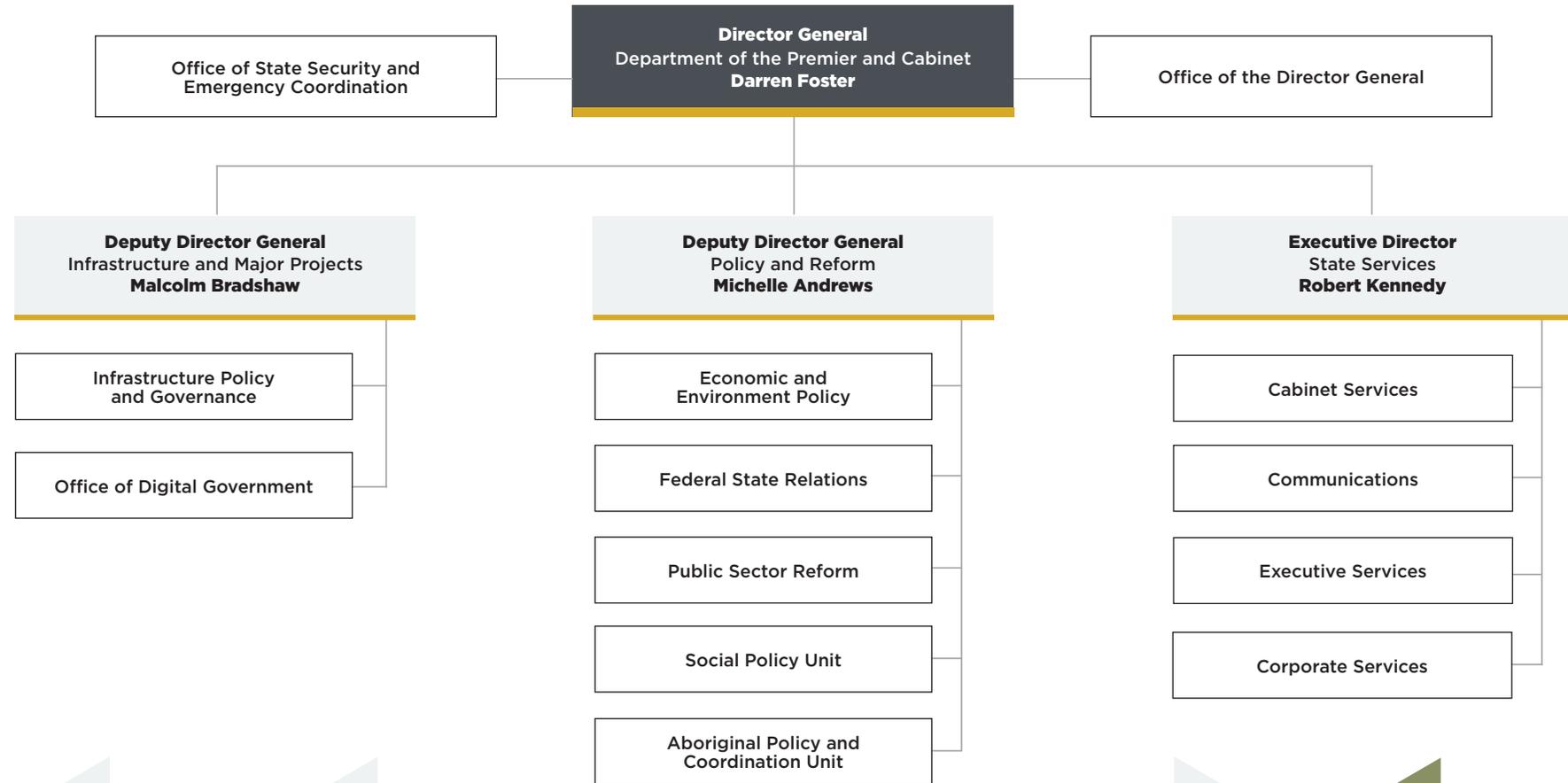
WA Government
email service engaged
with the community via

44,437

emails in 2018-19

Average of 171 emails per working day
between 2 July 2018 and 28 June 2019

Department of the Premier and Cabinet Structure 2018-19



Senior Officers

Mr Darren Foster **Director General**

Darren Foster was appointed Director General of the Department in July 2017, bringing to the role more than 30 years' public service experience gained at all levels of government, overseeing a broad range of legislative, policy and cultural reforms.

Encouraging transparency reforms, simplified policies and approvals processes, and driving cultural change have been common areas of focus throughout Darren's career across portfolios as diverse as Treasury, Energy, Racing and Gaming, Regional Development, Arts, Employment and Training, Health and Education. Darren has held senior roles at the Department of Fisheries, Office of the Environmental Protection Authority and National Native Title Tribunal.

Darren has served on numerous boards and committees, including WA's 175th Anniversary Steering Committee, State's Overseas Relations Committee (Sister-State relationships) and Curtin University Governing Council. Darren holds a Bachelor of Arts (Communication and Cultural Studies) and a Postgraduate Diploma of Arts (History), and is an alumnus of the Australian and New Zealand School of Government Executive Fellows Program.

Darren is the first Western Australian to receive the prestigious Sir James Wolfensohn Scholarship at the Harvard Kennedy School of Government.





Mr Robert Kennedy
Executive Director
State Services

Robert Kennedy has worked in public sector agencies for over 20 years in both the Western Australian and Commonwealth Governments. Most of this time has been in central agencies in policy and administration roles.

Robert was appointed Executive Director in 2016 and is responsible for the Department's State Services area comprising Corporate Services, Executive Services and Cabinet Services. Robert is one of the State's representatives on the Order of Australia Council, Australian Bravery Decorations Council and the Australia New Zealand Counter Terrorism Committee.



Ms Michelle Andrews
Deputy Director General
Policy and Reform
(to January 2019)

Michelle Andrews led the Policy and Reform division in the Department, and was also Secretary to the State Government's independent Service Priority Review that delivered a wide-ranging blueprint for reform of the public sector.

Michelle is an environmental scientist with 30 years' experience in the public sector, and has also worked as a senior policy advisor for several WA Government Ministers. She has served as Deputy Chair of the Minerals Research Institute of Western Australia and on the Boards of the Western Australian Biodiversity Science Institute and the Institute of Public Administration Australia.

Michelle was appointed Director General of the Department of Communities on 1 May 2019.



Ms Emily Roper
A/Deputy Director General
Policy and Reform
(from February 2019)

Emily Roper has worked for the Commonwealth and WA public sector in a number of leadership change management, capability development and engagement roles in Australia and overseas. Before being appointed to Deputy Director General, Emily led the Public Sector Reform Unit which is responsible for coordinating and supporting wide-ranging reform of the Western Australian public sector.

Other roles in the WA public sector have included Deputy Commissioner Operational Services and leading the Intelligence Services Directorate at the Department of Justice. In the Commonwealth public sector Emily held a range of strategic leadership, operational and liaison engagement roles.



Mr Malcolm Bradshaw
Deputy Director General
Infrastructure and Major Projects

Malcolm Bradshaw has more than 30 years of public sector experience in a number of agencies, including senior roles at the Departments of Treasury and Housing and Works, and the Legal Aid Commission. Much of his work in the public sector has related to planning, financing and delivery of major infrastructure assets. Malcolm is admitted as a Legal Practitioner in WA and the Australian Capital Territory, and holds undergraduate and postgraduate qualifications in Arts, Law and Business from the University of Western Australia, Australian National University and University of New South Wales (AGSM). He is also a Fellow of the Financial Services Institute of Australia.

Ms Stephanie Black
A/Deputy Director General
Infrastructure and Major Projects
(from June 2019)

Departmental Composition in 2018-19

Gender Distribution



195 FEMALE
60%

131 MALE
40%

Age Distribution



Over all

Under **25**



5%

25 to 34



47%

35 to 44



22%

45 to 54



26%

55 to 64



Over **65**

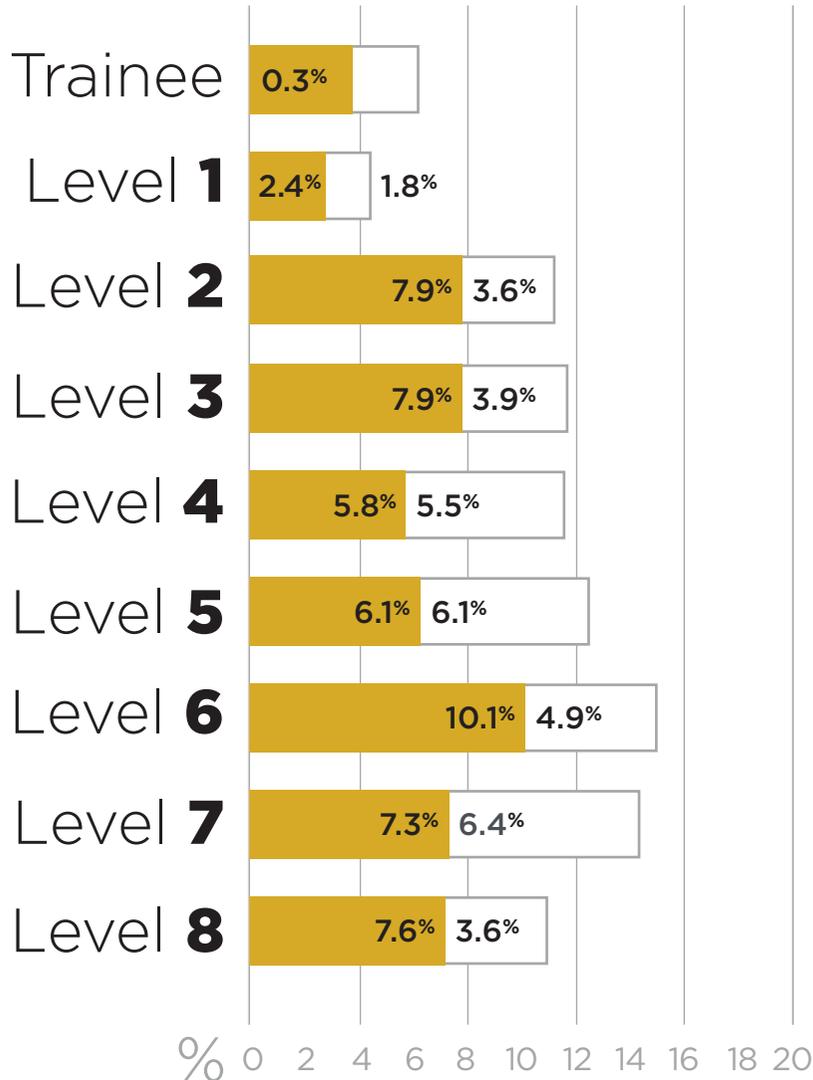


The percentage of permanent and fixed-term male and female employees at each age group as a proportion of all permanent and fixed-term employees as at June 2019. *Source: Department of the Premier and Cabinet.*

Classification by Gender

The percentage of male and female employees at all classification levels, up to Level 8, as a proportion of all permanent and fixed-term employees as at June 2019.

Source: Department of the Premier and Cabinet.



Gender Distribution Level 9+

13 EMPLOYEES

52%

12 EMPLOYEES

48%

The number and percentage of male and female employees at classification Level 9 and above (total 25 officers) as at June 2019.

Source: Department of the Premier and Cabinet.

Strategic Plan 2018-19

Our Vision

To be recognised as well informed, collaborative and innovative in our leadership of the WA public sector.

Our Purpose

We lead the public sector in providing whole-of-Government advice and support to the Premier and Cabinet, in their service of the Western Australian community.

Our Values

The Department is committed to the Public Sector Code of Ethics and will be guided by its Code of Conduct. Every day we value:



People



Clarity



Openness



Leadership

Our Goals

Public Sector Stewardship and Reform

Provide stewardship to the public sector and coordinate the delivery of public sector reforms in collaboration with the central agencies.

Supporting the Premier and Cabinet

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

Working with the Commonwealth

Strengthen relations, work co-operatively, and lead the WA public sector in engagement with the Commonwealth Government on key inter-jurisdictional matters, including promoting Western Australian interests.

Driving Digital Transformation

Support the Minister for Innovation and ICT through delivery of the Digital Government agenda.

Supporting Aboriginal Economic and Social Advancement

Support the Minister for Aboriginal Affairs by providing leadership and advice on Aboriginal policy and delivering Native Title and other recognition outcomes.

Influencing Economic and Social Development

Provide policy advice, support and leadership on strategic, complex and whole-of-Government matters and deliver on Government's priorities.

Building Organisational Capability

Support a high performing and responsive workforce.

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 Sustainable Finances.

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 and outcomes relating to the Government Goal.

Outcome Based Management Structure Relationship to Government Goal

The following table demonstrates the relationship between the Department's services and desired outcomes, and the high-level Government Goal of Sustainable Finances. Key effectiveness indicators measure the extent of impact of the delivery of services on achieving 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 of Sustainable Finances.

Further detail relating to the audited KPI information is located from page 93. 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

Amendments to the Outcome Based Management (OBM) Structure during the 2018-19 financial year include:

- » the reporting of services provided to the Parliament, separate to those provided to Executive Government;
- » the inclusion of the Office of Digital Government within the Department; and
- » the incorporation of Aboriginal Policy within the existing Land Access and Native Title Unit functions, to create the Aboriginal Policy and Coordination Unit.

Consultation on the proposed changes occurred with the Department of Treasury and the Office of the Auditor General (OAG), and internally with the Office of Digital Government, Aboriginal Policy and Coordination Unit and Corporate Services.

Government Goal	Desired Outcomes	Services
Sustainable Finances: Responsible financial management and better service delivery	Executive Government and Members of Parliament receive appropriate support	Administration of Executive Government Services
	The Premier and Ministers receive high quality, rigorous and timely policy advice	Administration of Parliamentary Support
		Government Policy Management - whole-of-Government
		Government Policy Management - Aboriginal Affairs
		Government Policy Management - ICT

Key Service Areas

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.
- » Support for the functions of Cabinet and Parliament.
- » Communication of Government policies and activities.
- » Support for the Executive Council.
- » A secure, confidential and time-critical printing and publishing service for Parliament and Government.
- » Management of the State occasions and official visits program.
- » Management of exhibitions and programs at the Constitutional Centre.

Service 2 – Administration of Parliamentary Support

- » Administrative support to Members of Parliament and their staff.
- » Administrative policy advice in conjunction to Parliamentary obligations.
- » Administration of the *Parliamentary and Electorate Staff (Employment) Act 1992*.
- » Administration of entitlements for Members and former Members of Parliament.
- » Respond to the changing needs of Parliament.
- » Encourage Parliament's engagement with the community.

Service 3 – Government Policy Management – whole-of-Government

- » Strategic policy advice and coordination to the Premier and Cabinet.
- » Leadership and coordination of cross-agency solutions to complex issues.
- » Management and coordination of 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.
- » Emergency management policy advice to the Premier, Ministers and Government agencies, and whole-of-Government management and coordination of significant security incidents and emergencies.

Supporting the Premier and Cabinet to serve the WA community

The Department provides specialist strategic advice and support services to Ministerial offices. This covers all aspects of resourcing and day-to-day functions, ensuring that the Premier and Cabinet have the best people and structures in place to assist them to serve the Western Australian community well.

The Ministerial Merit Panel (MMP) assesses the merits of staff proposed to be seconded or appointed to a Ministerial office and advises the Director General on the classification and salary to be offered to ensure a consistent approach across all offices. During 2018-19, the MMP considered 77 submissions.

The Department is also responsible for the organisation and delivery of Accountable and Ethical Decision Making training to Ministerial Office staff to ensure a clear understanding of the responsibilities and accountabilities associated with their official roles. As at 30 June 2019, 93 percent of Ministerial staff had completed this training.

Service 4 – Government Policy Management – Aboriginal Affairs

- » Strategic policy advice and coordination to the Minister for Aboriginal Affairs.
- » Leadership and coordination of cross-agency solutions to complex issues.
- » Management and coordination of Aboriginal Policy 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.

Service 5 – Government Policy Management – ICT

- » Strategic policy advice and coordination to the Minister for Innovation and ICT.
- » Leadership and coordination of cross-agency solutions to complex issues.
- » Management and coordination of ICT 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.

40 different
‘Meet the Member’
and
52 different
Member’s offices
visited

Providing Support to Parliamentary Electorate Offices

With a focus on strengthening relationships with Members of Parliament (Members) and their staff, the Parliamentary Electorate Offices (PEO) Support and Transport Unit (formally Entitlements and Transport) was created. This provides a holistic approach to support all Members and their staff

when conducting their parliamentary business. The Department also provides assistance to Members as well as staff regarding travel and other entitlements.

A ‘Meet the Member’ program was established in 2018-19 to enhance the connection between Members and the Department. The Department’s

commitment to improvement was also enhanced with a ‘Visit the Office’ program to gauge the functionality of electorate offices and offer advice to Members and staff with regard to occupational safety and health requirements, further building relationships between parties.

Internal Governance

The Department is committed to ongoing improvement and good governance. In 2018-19, the Department undertook a review of its internal governance arrangements, and implemented a new Corporate Governance Framework designed to embed collaboration across the Department. Under this Framework, the Department continued to review and update its corporate policies and procedures to ensure quality and best practice adherence.

The Department has established high level committees to support the Director General in decision-making and governance arrangements. At the strategic level, the Department is led by the Corporate Executive Committee (CorpEx), which consists of the Director General; Deputy Director General Policy and Reform; Deputy Director General Infrastructure and Major Projects; and Executive Director State Services.

CorpEx is advised by the following internal governance committees:

- » Audit and Risk Management Committee;
- » Finance Committee; and
- » Organisational Improvement Committee.

These committees provide oversight of the Department's legal, ethical and functional responsibilities through adequate governance of policy development, resource strategies, budget planning and audit management.



Audit and Risk Management Committee

The Audit and Risk Management Committee meets quarterly and provides the Director General independent assurance and advice on the Department's risk, control and compliance frameworks. This applies to financial and non-financial operations. In early 2019, the Director General appointed an Independent Chair to the Committee, Dr Gordon Robertson PSM.

The Committee supports the Department by:

- » reviewing the effectiveness of risk management, controls and governance;
- » promoting improved economy, efficiency, effectiveness and ethical culture;
- » improving the reliability and reporting of management information, including financial information;
- » monitoring and evaluating the performance of the internal audit;
- » reviewing the effectiveness of fraud control measures; and
- » assisting compliance with laws, regulations, standards and good practice guidelines.

Key achievements include:

Appointment of Independent Chair,
Dr Gordon Robertson PSM;

Revised and endorsed the
Department's strategic risk profile with underlying assessment of control effectiveness;

Approved the **annual internal audit plan** and monitored the ongoing delivery of the **internal audit program;**

Monitored the progress of the **implementation status** of internal **audit recommendations;**

Received and considered **external audit reports** and monitored the implementation status of agreed actions against recommendations; and

Considered the **ongoing corporate governance and risk management activities** of the Department.

Finance Committee

The Finance Committee meets quarterly and guides the annual budget process, monitors and reports on the Department's financial performance, and formulates strategies to improve the Department's financial position. The Committee's responsibilities include, but are not limited to:

- » monitoring the Department's financial and relevant underlying operational performance through appropriate financial reporting;
- » reviewing the Department's annual budget and making recommendations for amendments on an ongoing basis, should this be considered necessary to achieve the Department's financial targets;
- » advising/making recommendations on the Department's financial performance against budget and approved financial performance indicators and targets;
- » monitoring revenue and expenditure of the Department;
- » monitoring the adequacy of financial systems, with regard to operational requirements and obligations under the *Financial Management Act 2006*; and
- » assessing any complex or unusual financial transactions undertaken by the Department.

Organisational Improvement Committee

The Organisational Improvement Committee meets quarterly and provides ongoing oversight and review of organisational opportunities for improvement and reduction of red tape. The Committee's responsibilities include, but are not limited to:

- » monitoring the effectiveness of the Department's efforts to reduce red tape and overseeing implementation of the working group recommendations;
- » developing operational responses to outcomes of organisational health surveys;
- » reviewing, identifying and advising areas across the Department of potential improvements in terms of efficiency and effectiveness of service delivery;
- » monitoring and advising the Corporate Executive on matters relating to the Department's strategies and policies supporting the recruitment and management of its employees;
- » contributing to strategic plans for digital transformation, including oversight and delivery of the ICT Strategic Information Plan; and
- » monitoring of relevant policies and practices to ensure they align with best practice and continue to remain effective and accurate.

Internal committees are reviewed annually to ensure strategic focus, alignment and integration with the Department's vision, purpose and strategic plan.

Communication is key to collaboration

Effective, collaborative and meaningful communication and engagement is essential to the Department's work. This year, the Communications unit provided strategic advice and media, graphic design and photographic services for multiple projects, including a web series hosted by Premier Mark McGowan to commemorate the End of the Centenary of Anzac, a campaign to encourage Western Australian nominations for national Honours and Awards, and the establishment of the public sector logo "We're Working for Western Australia". Support was provided to launch the Infrastructure WA proposal and the Methamphetamine Action Plan Taskforce report, with advice also provided to the Office of State Security and Emergency Coordination.

A key achievement for the unit was collaborating with the Department of Communities to develop a three-week national advertising campaign. Featuring prominent Aboriginal leaders, the "Don't Walk Away" campaign urged the Australian Government to revisit its decision to cut funding for remote housing. Thanks in part, to the campaign, the WA Government secured a one-year \$121 million commitment from the Australian Government.

The unit also enhanced the Department's internal communications, launching a new intranet and monthly newsletter, and promoting several events including Reconciliation Week, NAIDOC Week and the 16 Days to Stop Violence Against Women campaign. These initiatives have increased engagement with our people across the Department and promoted further collaboration.

When was the last time you said



Say thanks in a big way. Nominate someone for an Australian honour or award at www.pmc.gov.au/government/its-honour



We can help: For help making a nomination, contact the Department of the Premier and Cabinet on (08) 6552 5941 or honoursandawards@dpc.wa.gov.au

dpc.wa.gov.au



Media Services

The Department continued to review its media monitoring service to improve efficiencies and offer a more contemporary service within a rapidly changing media landscape.

The Department provided media monitoring services to the Office of the Premier, Ministerial offices and approximately 70 Government departments and agencies.

This year, this included the distribution of:

- » 2,944 broadcast summaries covering 11 television and 13 radio stations;
- » 42,588 print clippings from over 100 newsprint publications;
- » 4,949 audio and 10,341 video file clips; and
- » 1,444 broadcast transcriptions and a print clipping archive service.

The Department continued to provide public sector agencies and Ministerial offices with a valued advisory service that covered:

- » secretarial services to the Independent Communications Review Committee for oversight and reporting a \$4.3 million reduction in media placement expenditure compared to 2017-18; and
- » a continued review of Government Advertising and Communications Policy and Guidelines which aims to further minimise red tape.

Freedom of Information

The Department assisted the public to access available documents it holds at the least possible cost. In 2018-19, 64 new valid Freedom of Information (FOI) applications were received. Of these, four applications were withdrawn by the applicant. A further 12 applications were carried over from the previous year.

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

In 2018-19 the Department continued to assist Ministerial offices in processing their FOI applications.

Freedom of Information Applications 2018-2019

Applications	Total	Applications Decided in Year	Total	Personal Information	Non-Personal Information
Carried Over	12	Full Access	8	-	8
Received	64	Edited Access	32	-	32
Total handled	76	Deferred Access	-	-	-
- Total Finalised	61	Section 26 Refused Access*	8	-	8
- Carried Forward	15	Access Refused	7	-	7
		Withdrawn	4	-	4
		Total decisions	59	-	59

* *Freedom of Information Act 1992*, s26 Documents that cannot be found or do not exist, notice of.

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:

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

Noongar (Koorah, Nitja, Boordahwan) (Past, Present, Future) Recognition Act 2016

Parliamentary and Electorate Staff (Employment) Act 1992

Parliamentary Papers Act 1891

Public Sector Management Act 1994 (Part 4 only; remainder of Act administered by the Premier principally assisted by the Public Sector Commission)

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

Succession to the Crown Act 2015

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

The following Act of Parliament is the responsibility of the Minister for Aboriginal Affairs and is administered by the Department

Aboriginal Affairs Planning Authority Act 1972

02 Agency Performance



Our Priorities: Sharing Prosperity

The Hon Mark McGowan, Premier of WA, formally launched the State's first whole-of-Government targets program - Our Priorities: Sharing Prosperity - on 20 February 2019.

The program sets 12 priorities with measurable targets across six outcome areas that will deliver better social, economic and environmental outcomes for all Western Australians.

This is not a business-as-usual approach. The targets are ambitious and require agencies to work together to prepare a strong foundation for the future in areas such as childhood development, waste reduction and job creation, while also tackling longstanding, complex issues such as reducing youth reoffending, illicit drug use and the overrepresentation of Aboriginal people in custody.

Frontline staff, community and industry members are being engaged to understand the complexities of the problems at hand and ensure that the actions taken make a positive impact. To focus on achieving results, a dedicated Priorities Implementation Unit has been embedded within the Department to work in partnership with the rest of the Government to deliver the program. This approach is in line with the successful delivery unit methodology deployed by governments around the world.

Progress is being driven by Ministers and agency representatives from across the sector, with the Department supporting the working groups with the development of evidence-based actions through information sharing, data analysis and research. The targets program is a long-term endeavour, with progress against each target available at ourpriorities.wa.gov.au.



Public Sector Reform

The Department continued to work closely with agencies across the sector to deliver a coordinated, whole-of-sector approach to implementing the Roadmap for Reform and champion broader cultural change. The reform program is delivering lasting changes to the way government works through community-driven service delivery improvements, digital reform, governance enhancements, and expanded workforce and leadership capabilities across the public sector. These changes will enable agencies to break down silos and work together with a 'one-sector' attitude to achieve outcomes that bring long-term benefits to the community.

Some emerging examples of reform in action have seen the Department collaborate on, and contribute to, joined-up Budget submissions to the Expenditure Review Committee, and host capability-building events for the sector, covering approaches to behavioural insights, data-driven outcome delivery and regulatory reform.

Reform progress can be publicly tracked online at publicsectorreform.wa.gov.au

To sustain the commitment to change, oversight of reform progress is being led by a Ministerial Steering Committee comprising Ministers, the Hon Roger Cook MLA (Chair), the Hon Stephen Dawson MLC, the Hon Bill Johnston MLA and the Hon Simone McGurk MLA, in conjunction with the Public Sector Reform Steering Committee and Public Sector Leadership Council. The Public Sector Reform Unit is now established, ensuring centralised support is provided to agencies as they implement reform.



A Strong Economy

The Government's priority of a strong economy focuses on the creation of jobs, providing partnership opportunities and economic security. The Department supported this priority as exemplified in the following achievements of 2018-19.



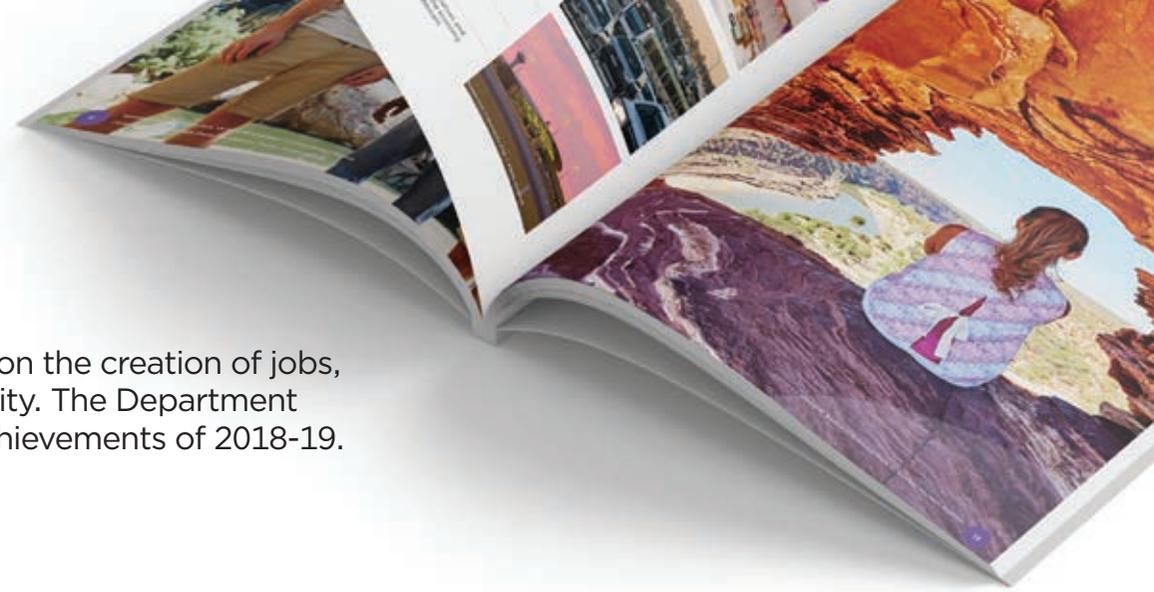
Streamline WA

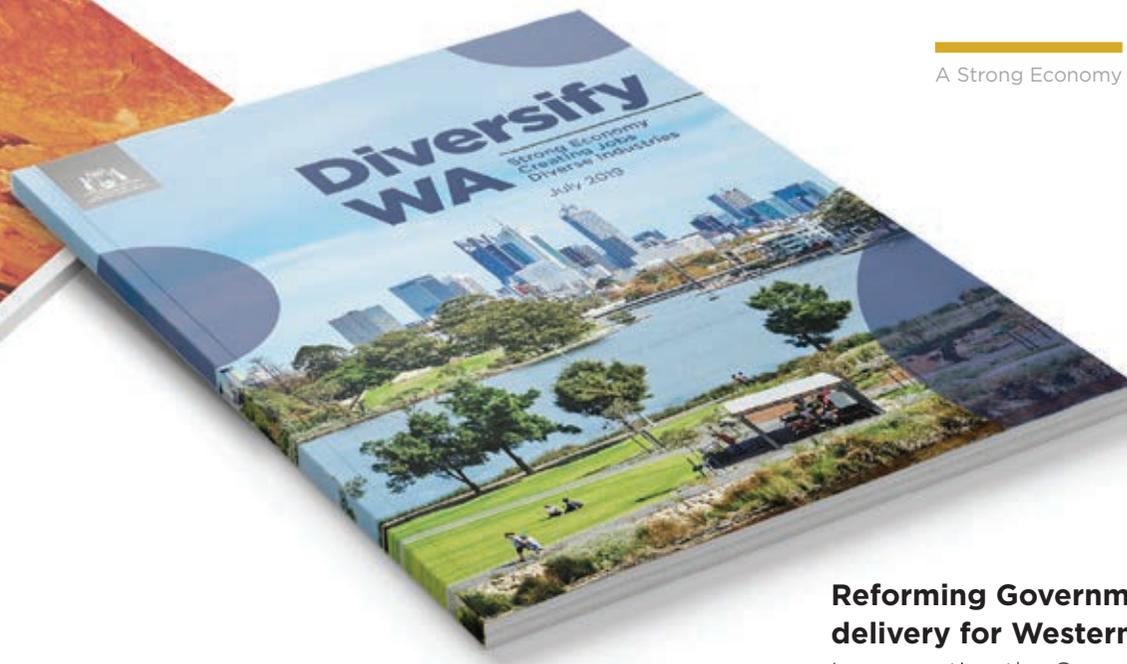
In November 2018, representatives from the Department, the Department of Treasury (Treasury), industry and key regulatory and economic development agencies attended a planning workshop to help design the Streamline WA initiative. Following an announcement by the Premier in December 2018, the Streamline WA initiative is now being led by the Department of Mines, Industry Regulation and Safety and the Department of Water and Environmental Regulation with support from Treasury. By improving the culture and practice around the application and administration of regulation, the initiative will make it easier to do business in WA and will provide a 'one-stop-shop' for the referral of regulatory issues from business, industry and the community.

Infrastructure and Industry

The Department supported a whole-of-Government approach to all Commonwealth funding negotiations, including for the next National Partnership Agreement on Land Transport Infrastructure. The Premier signed the new agreement, which will facilitate billions of dollars of Commonwealth infrastructure payments (particularly for road and rail infrastructure) to WA over the next five years. The Department worked closely with Treasury and agencies within the Transport portfolio to ensure a well-coordinated approach to negotiations, including establishing and chairing an inter-agency steering group and developing a whole-of-Government negotiation strategy.

The Department also worked collaboratively with Infrastructure Australia (IA) to improve business cases and secure a fairer share of Australian Government investment for nationally significant infrastructure projects in WA. The latest IA Infrastructure Priority List, published in February 2019, included 17 WA projects and initiatives, with many of these now funded by the Australian Government. In previous years, WA had almost no listings, highlighting the impact of the State's increased engagement with IA in 2018-19.





Diversify WA - Economic Development Framework

During 2018-19, the Department led and coordinated the preparation of the Government's Economic Development Framework, Diversify WA. The result of a collaborative drafting process, Diversify WA sets a vision for the State based around the creation of high-quality and secure jobs for the future, along with growing and diversifying the economy. The framework highlights WA's strengths relative to global demand, identifies WA's priority sectors for economic growth and diversification, and sets out the initiatives and plans that will contribute to achieving the vision. Ongoing collaboration across all levels of government, industry and the community will be required to ensure the achievement of the vision outlined in Diversify WA.

Reforming Government service delivery for Western Australians

In supporting the Government's commitment to deliver better services to the people of WA, the Department led the development of the Service WA pilot. This reform is a significant step towards improving service delivery for all citizens by providing one place for Western Australians to access 85 everyday services. It brings together services currently delivered across five agencies, including the Departments of Transport, Justice, Communities, and Primary Industries and Regional Development, and the WA Police Force.

Throughout the year, the Department undertook significant consultation and engagement with key stakeholders both internal and external to government, which informed the design and delivery of the Service WA pilot. The co-design and extensive cross-agency collaboration enabled a tailored model to deliver services more efficiently and effectively to the community.

Market-led Proposals Policy: a new way for government to do business

The Department led the development of the Market-led Proposals (MLP) Policy, fulfilling one of the Government's key election commitments in the Plan for Jobs. The policy provides a transparent framework for Government to receive and evaluate unsolicited proposals from the private sector.

The Department developed the policy working closely with other WA Government agencies, Government Trading Enterprises (GTEs) and industry bodies over an 18-month period. Following a six-week public consultation process in 2018, which included multiple stakeholder briefings and forums, the policy was finalised and approved by the WA Government in January 2019.

The Department worked in close partnership with the Department of Finance on planning for implementation of the policy, and jointly delivered an information session for all agencies in April 2019. The MLP Steering Committee was established and will provide a whole-of-Government approach to the consideration of high value and complex MLPs. The Department is a member of the committee, which held its first meeting in May 2019.

Jobs and Economic Diversification Agenda

The Department played a key role in providing policy advice and support across Government on a range of strategic and complex economic matters, including supporting the Government's jobs and economic diversification agenda.

The Department supported the Jobs and Economic Diversification Cabinet Sub Committee (JED) to drive a cross-sector approach to the implementation of the WA Government's jobs and economic diversification agenda. It is chaired by the Premier and comprises the Treasurer and Ministers for Education and Training, Energy, Transport and Planning, Culture and the Arts, Regional Development and Primary Industries, Tourism and Small Business and Asian Engagement.

Additionally, a JED Directors General Working Group (JDGWG) oversees agency implementation of priorities as directed by JED.

Work undertaken by JED and the JDGWG is helping to diversify the Western Australian economy and the State's economic growth, in a time of emerging national and global economic challenges and opportunities. JED drives collaboration across industry, the public sector and wider community. JED engages through industry engagement consortia and is helping to deliver a range of improved industry outcomes in areas as diverse as tourism, regional development, defence and lithium.

Public Sector Digital Transformation

On 1 July 2018, the Office of Digital Government (DGov) was established within the Department following a Machinery of Government change. DGov is responsible for leading and driving the WA Government's digital reform agenda in delivering better services to the community. Digital reform provides an opportunity to reduce red tape, and improve the efficiency and effectiveness of government. This agenda has six key reform priorities including implementing higher cyber security standards across government, improving the delivery of online services to the community and supporting the implementation of information technology procurement reforms across the sector.

In addition to undertaking activities to support these priorities, the Department continued to deliver its core whole-of-Government functions to promote collaboration and coordination of digital transformation across the sector.

In 2018-19, key initiatives included:

- » establishing a Cyber Security Unit to work closely with agencies to improve cyber security standards and capabilities within the WA public sector;
- » developing a Cyber Security Incident Management Portal to provide whole-of-Government monitoring of cyber incidents and events;
- » supporting the State's representation on the Australian Digital Council, including leading a national project to improve digital inclusion;
- » working with agencies to develop a draft Information Classification policy and coordinating a pilot to assess the business impact of the proposed approach to information classification across government;
- » strengthening governance over the GovNext-ICT program through an independently chaired Program Board;



- » continuing to support agencies in their planning for and transition to GovNext-ICT services, including negotiating to lower the cost of the site connect core levy, addressing a key barrier to adoption;
- » maintaining and supporting the whole-of-Government portal WA.gov.au, and assisting a number of agencies to migrate their content to this common platform; and
- » supporting cross-agency collaboration and capability building through working groups, forums and seminars.

DGov is responsible to the Minister for Innovation and ICT, and is led by the Government Chief Information Officer.

On 1 April 2019, the Minister for Innovation and ICT announced ongoing funding for DGov from 2019-20 to deliver on the Government's digital transformation agenda.

DGov is supported in its leadership and coordination role by two senior governance groups – the Directors General ICT Council and the Business and Technology Advisory Committee – to ensure that strategies, policies and initiatives are developed with a whole-of-Government perspective, informed by technical expertise and driven by business need.

DGov's Cyber Security students meet Minister Kelly

Hon Dave Kelly MLA, Minister for Innovation and ICT, met with DGov's cyber security student team in September 2018. The Edith Cowan University (ECU) students were on a 15-week placement to grow their skills in a real-world context and gain credit towards their qualifications. The placement was one of many initiatives stemming from a Memorandum of Understanding between ECU and the WA Government, arising from WA's investment in the new Cyber Security Cooperative Research Centre at the ECU Joondalup campus.



LR: Tom Cleary, Sam Wakeling, Jake Spinner, Warren Cabral, Hon Dave Kelly MLA, Jim Young Go, Joshua Hitchem, Marion Burchell, Rami Tawil, Joe Dowden, Prof Craig Valli and Peter Bouhlas.

A Bright Future

The Department supports the belief that our young people are our State's greatest asset. By protecting and developing opportunities for children, our aim is to ensure a productive and strong future for the next generation.

Royal Commission into Institutional Responses to Child Sexual Abuse

The Department is supporting the Government's commitment to create a safer WA for children by driving important cross-sector collaboration to implement the recommendations of the Royal Commission into Institutional Responses to Child Sexual Abuse. In 2018-19, the Department collaborated with 13 other agencies and 12 Ministerial offices to support the Minister for Child Protection to:

- » table the State's first annual progress report in Parliament, noting that 108 of the 310 Royal Commission recommendations relevant to the WA Government had been completed;
- » identify the implementation priorities for 2019-20 through a collaborative and coordinated approach, which is now considered a best practice model for whole-of-Government reform; and
- » secure \$3.6 million of funding through the 2019-20 Budget process to support the WA Government's implementation priorities.

In 2018-19, the Department also supported the Attorney General to enable the WA Government to join the National Redress Scheme (the Scheme). This included:

- » negotiating with the Australian Government and other jurisdictions regarding the Scheme's policy and design;
- » working with the State Solicitor's Office, Parliamentary Counsel's Office and Office of Criminal Injuries Compensation to support the Government to get the legislation required to join the Scheme through Parliament; and
- » supporting the Department of Justice to establish the State's Redress Coordination Unit.

As a result of the State joining the Scheme on 1 January 2019, approximately 6,000 Western Australian survivors of institutional child sexual abuse are able to apply for redress.

Commonwealth Engagement

In 2018-19, the Department supported the WA Government's negotiation of significant funding agreements with the Australian Government in the areas of education, health, housing and infrastructure. The Department also supported agencies to develop responses to 30 national inquiries and at least 20 United Nations treaties and Trade Agreements.

The Department worked with State agencies and other jurisdictions to advocate for the State's interest and to influence national policy and reform, including as part of the work to refresh the Closing the Gap agenda. This collaborative approach also supported WA's effective participation in a range of intergovernmental forums, including national summits on Drought and Reducing Violence Against Women, and at meetings of the Council of Australian Governments (COAG).

The Department coordinated the negotiation of six agreements between WA Government agencies and the Australian Government to provide services in the Indian Ocean Territories of Christmas Island and the Cocos (Keeling) Islands. The Department has provided this coordination role since 1992, working collaboratively with Australian and State agencies to ensure smooth service provision. These services include education, planning and environmental regulation, and have an annual value of \$41 million, all of which is funded by the Australian Government.

A Safer Community

The safety and security of the community does not fall to any specific Government department solely; it is the responsibility of every department to work together to achieve this outcome. Preventing crime creates a sense of security, community and a better way of life across WA.

In 2018-19, the Department worked collaboratively with other WA Government agencies and the community services sector to deliver coordinated and collaborative approaches to a number of social policy priorities.

Methamphetamine Action Plan Taskforce

The Methamphetamine Action Plan (MAP) Taskforce was established to oversee the implementation of the MAP and ensure coordination across government. The MAP Taskforce gathered further information on the impact of methamphetamine use in WA directly from the community. This assisted the Taskforce to provide advice to the WA Government on practical ways to reduce methamphetamine harm, supply and demand as well as opportunities to improve service delivery, increase cross-sector collaboration and measure performance.

The Taskforce held forums across WA to gather the views and insights of people directly affected by methamphetamine, as well as frontline workers from the government and non-government sectors.



Over 70 meetings were held with over 500 people attending, which included individuals and families with lived experience of methamphetamine, as well as service providers, representatives from Australian, state and local governments, peak bodies and advocacy groups, and employer and employee representatives.

The Taskforce Report was released on 26 November 2018, providing 57 recommendations to Government. The focus of these recommendations was on harm and demand reduction, supplementing the prior funding of initiatives concerning law enforcement and supply reduction. The MAP Taskforce worked with the Mental Health Commission and other agencies to develop a full WA Government response to the Taskforce Report.

The full WA Government response to the Taskforce Report identified the following initiatives to build on, and complement, a range of alcohol and other drug and mental health programs and services being implemented in WA:

- » more support for individuals and families in crisis;
- » more help when and where it's needed;
- » more workers to provide support; and
- » more education, prevention and harm reduction.

The full WA Government response was guided by the ultimate aim of providing more help for individuals and families impacted by methamphetamine use. The subsequent investment of \$42.5 million into initiatives funded in the 2019-20 Budget process reflects the WA Government's commitment to the issue.

Justice Planning Reform

The Justice Planning and Reform Committee (JPRC) was convened to drive a cross-sector approach to reducing the growth of the prison population that has been experienced over the last five years and enhancing community safety. It is chaired by the Director General of the Department, and comprises agency leaders from the Departments of Justice, Communities and Treasury, the WA Police Force and the Office of the Director of Public Prosecutions.

In 2018-19, the JPRC brought together a project team of subject matter experts sourced from member agencies, co-located in the Department's Social Policy Unit. The team applied rigorous research and assessment to identify initiatives

with the greatest potential to reduce the prison population. The work was conducted in close consultation with the judiciary, Ministers and agencies (including frontline staff).

The result was a \$100 million investment in the 2019-20 Budget for four initiatives to make the State's justice system smarter, safer and fairer. These initiatives focus on evidence-based rehabilitation programs, bail support, electronic monitoring and alternatives to short-term custody. This work is also aligned to Government strategic priorities, such as the whole-of-Government 'Our Priorities: Sharing Prosperity Aboriginal Wellbeing' target to reduce the overrepresentation of Aboriginal people in custody.



Justice Reform Team: (L-R) Simon Rebeiro, Shona Hyde, David Lydon, Duska Separovic, Kylie Maj.

Working collaboratively to support the Council of Australian Governments' National Security Agenda.

The Office of State Security and Emergency Coordination (the Office) provided advice and support to the Premier, Ministers and senior officials on matters associated with state security and emergency management policy in WA. The Office worked in partnership with the Australian Government and other states and territories, as well as WA agencies, to support nationally coordinated approaches to national security issues.

In preparation for the December 2018 COAG meeting, the Office worked with other agencies and jurisdictions to prepare the following for COAG's consideration and agreement:

- » National Cyber Incident Management Arrangements for Australian Governments;
- » a national Transnational, Serious and Organised Crime Strategy;
- » a Strategic Roadmap for a federated national Public Safety Mobile Broadband capability; and
- » proposals for protecting the integrity of electoral processes from the threat of foreign interference.

A Liveable Environment

Connectivity is vital to the progression of the State. In developing unique programs to encompass the diversity of WA, from its unique regions to liveable city centres, the Department strives to make this a priority.

Better planning to maximise the value of every infrastructure dollar

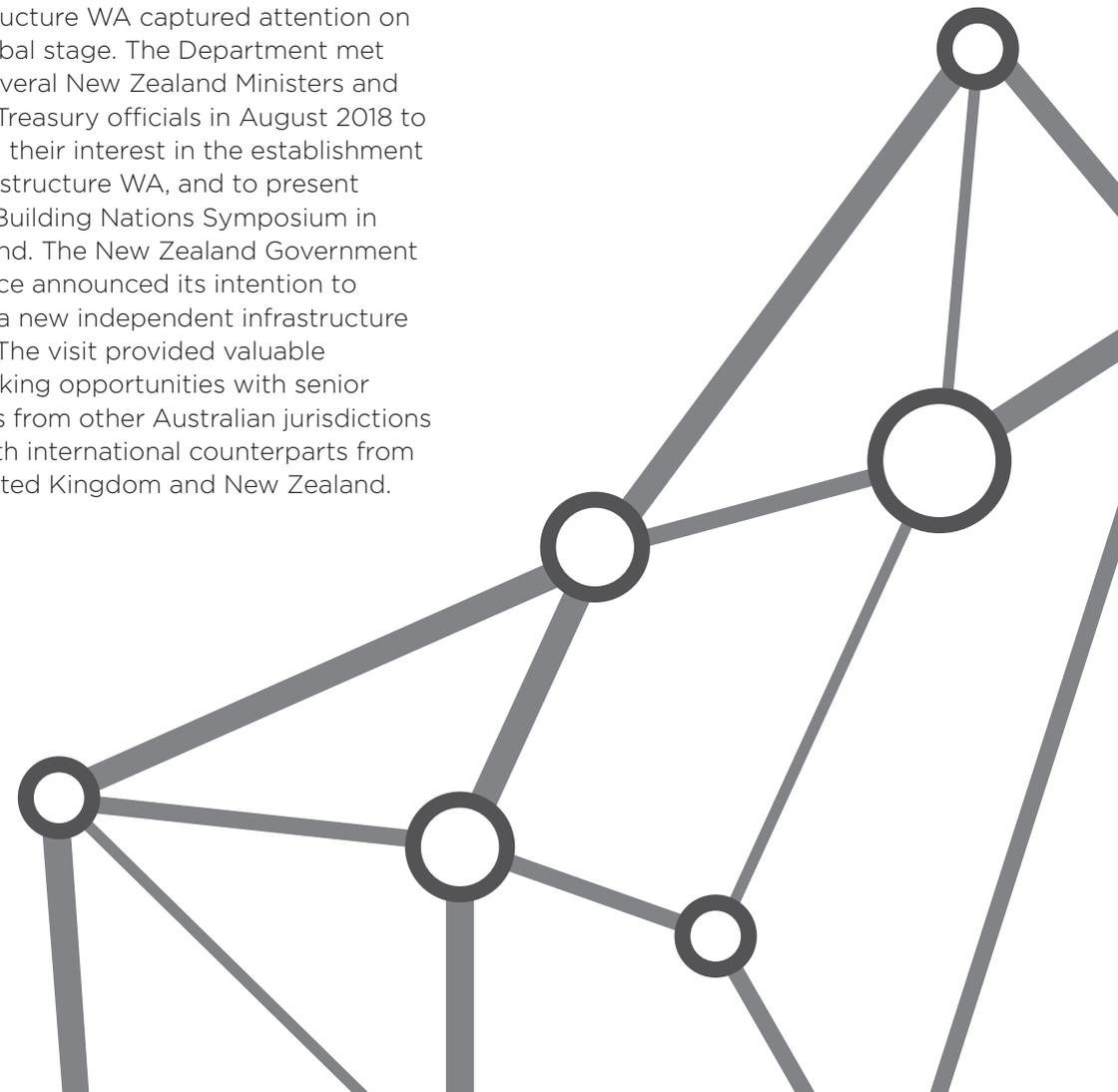
The Department substantially progressed the establishment of Infrastructure WA, an independent statutory authority to provide advice to the WA Government on infrastructure needs and priorities. A key objective of Infrastructure WA will be to improve infrastructure planning and decision-making to maximise the value to WA from every dollar spent on infrastructure.

Over the past year, legislation to establish Infrastructure WA was drafted and introduced into Parliament, with the Infrastructure Western Australia Bill 2019 (the Bill) passing Parliament in June 2019. The Bill was modelled on the proposal released by the Premier for public consultation in 2018, which was strongly supported by industry, community and government stakeholders.

Progress was also made in forming the Board of Infrastructure WA, with an announcement of the Chair-designate in February 2019. An open expression of interest process was also conducted to identify suitable candidates for the Board of Infrastructure WA.

Infrastructure WA making a mark on the global stage

The State's leadership in establishing Infrastructure WA captured attention on the global stage. The Department met with several New Zealand Ministers and senior Treasury officials in August 2018 to discuss their interest in the establishment of Infrastructure WA, and to present at the Building Nations Symposium in Auckland. The New Zealand Government has since announced its intention to create a new independent infrastructure entity. The visit provided valuable networking opportunities with senior officials from other Australian jurisdictions and with international counterparts from the United Kingdom and New Zealand.



Land and Environment Initiatives

The Department provided ongoing leadership and support for environmental policy matters that cross multiple agencies and balanced the needs of multiple stakeholders across the community. Over 2018-19, the Department led and coordinated work on a cross-agency process to develop a WA Government position on matters related to 'Human Induced Regeneration' Carbon sequestration projects on pastoral lands in WA. The projects under the Commonwealth's Emissions Reduction Fund are intended to contribute towards reducing carbon emissions and mitigating the impacts of a changing climate.

The Department worked collaboratively across government to support the development of energy policies to deliver affordable, reliable and secure electricity supply to the State. The Department was represented on the WA Energy Transformation Taskforce which ensures that energy policy settings are reacting to the rapid technological change that is occurring in the sector.

SAPPR Review Gateway Project

Led by the Department, the Strategic Assessment of the Perth and Peel Regions (SAPPR) is a reform project, aimed at securing upfront approval under relevant Federal environment legislation for development in the Perth and Peel regions for the next 30 years. The SAPPR project draws together a coordinated and aligned approach across conservation, land-use planning and transport portfolios and across federal, state and local governments. Cross-sector and cross-government collaboration is critical to addressing the challenge of sustainably accommodating population growth within the globally-significant biodiversity hotspot of the Perth and Peel regions. In late 2015 SAPPR was advertised for public comment, when it was branded as the 'Green Growth Plan'.

In April 2018, the WA Government suspended work on SAPPR and appointed an independent four-member panel to undertake a critical review of the ongoing costs, risks and benefits of SAPPR in consultation across all levels of Government (local, state, and federal), and with industry, WA Government agencies and non-government organisations.

The WA Government has considered the review report which identified three critical 'gateway issues' – legal risk, flexibility and funding. The WA Government endorsed a project, led by the Department and overseen by the independent panel, to undertake further work on these gateway issues. The panel will report to Hon Roger Cook MLA, Deputy Premier of WA on the gateway issues. The WA Government will work through the recommendations and findings before making an informed decision on SAPPR reform.





Aboriginal Wellbeing

The Department's Aboriginal Policy and Coordination Unit are working in partnership with Aboriginal people to achieve improved social and economic outcomes for people and communities across the State. This involves generating benefits through Native Title and agreement-making, improving mechanisms for engagement and decision-making and promoting the unique culture and heritage of Western Australia.

All six South West Native Title Settlements registered

On 17 October 2018, the Native Title Registrar registered all six South West Native Title Settlement Indigenous Land Use Agreements (ILUAs). This milestone is a significant step towards the start of the South West Native Title Settlement (Settlement) for the Noongar community and WA.

The Settlement will resolve all Native Title claims in South West WA in exchange for land and other negotiated benefits. The Settlement will provide a significant opportunity for Noongar people to achieve sustainable social, economic and cultural outcomes, and for the WA Government and other stakeholders to work in partnership with the Noongar community to realise these goals.

The Department's Aboriginal Policy and Coordination Unit is responsible for collaborating with WA Government agencies to implement the ILUAs. The Department will continue to work closely with the South West Aboriginal Land and Sea Council to ensure that once all legal proceedings have been finalised, the ILUAs can be implemented.

Recognising Native Title rights and interests

Determinations of Native Title are the result of hard work over many years on the part of Traditional Owners and their representatives. This year, staff from the Department and State Solicitor's Office finalised more than 15 recognised Native Title determinations by consent with Native Title applicants and other parties. The determinations are made by the Federal Court, often on-country, through formal hearings. Once the determination is handed down, the Court celebrates the significance of the occasion with the Native Title holders and assembled guests.

The Department supports the importance of recognising Native Title to Aboriginal people, and is building on the recognition that Native Title provides by pursuing the resolution of Native Title through agreement and maximising economic development opportunities for Aboriginal people wherever possible.

New partnership with Western Australian Aboriginal people begins

More than 50 representatives from approximately 30 Aboriginal organisations met in Perth on 7 March 2019. The meeting brought together leaders of Aboriginal Community Controlled Organisations from all regions of WA, including: Goldfields-Esperance, South-West, Midwest-Gascoyne, East and West Pilbara, East and West Kimberley, and Desert.

The main purpose of the meeting was to discuss a way for Aboriginal people in WA to have input into the national Closing the Gap Policy Refresh partnership process. Following a historic decision in December 2018, the COAG had established a Joint Council on Closing the Gap that formalised partnership with Aboriginal people and ensured Aboriginal voices were at the decision-making table. The fast pace of developments at the national level required timely decisions about how the interests of Aboriginal Western Australians would be represented in the Joint Council.

The meeting resolved to appoint an interim working group of Aboriginal people from across WA to:

- » select representatives to advocate WA community priorities at the Closing the Gap Joint Council and related working groups;
- » guide the WA representatives with recommendations and strategic insights; and
- » communicate key outcomes to the broader Aboriginal community sector.

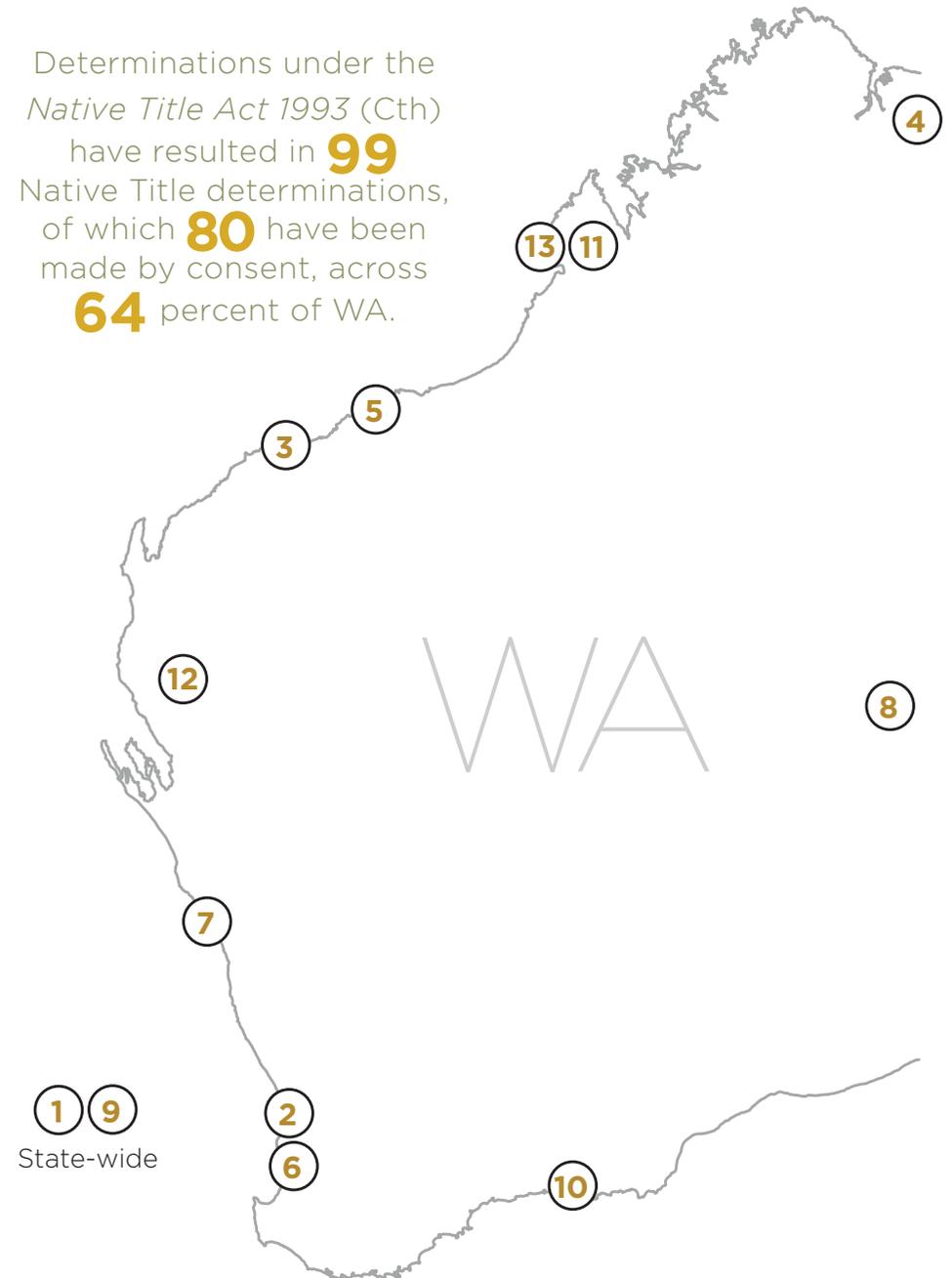
The interim working group has since met on a number of occasions and has progressed advice to Government on options for an interim partnership mechanism achievable in the short-term, which in turn would drive the establishment of an enduring structure for partnership, including any necessary legislative change.

The membership of the Aboriginal Partnership Interim Working Group is set out as follows:

Western Australia Interim Aboriginal Working Group

Name	Organisation
1 Ms Corina Martin	Aboriginal Family Law Services
2 Ms Gail Beck	South West Aboriginal Land and Sea Council (SWALSC)
3 Mr Daniel Brown	Pilbara Aboriginal Voice (PAV)
4 Ms Merle Carter	Kimberley Aboriginal Law and Cultural Centre (KALACC)
5 Ms Linda Dridi	Pilbara Aboriginal Voice (PAV)
6 Mr Jonathon Ford	Moorditj Koort Aboriginal Health and Wellness Centre
7 Mr Gordon Gray	Midwest Aboriginal Organisations Alliance
8 Mr Peter Riley	Ngaanyatjarra Pitjantjatjara Yankunytjatjara (NPY) Empowered Communities
9 Ms Vicki O'Donnell	Aboriginal Health Council of Western Australia (AHCWA)
10 Ms Gail Reynolds-Adamson	Esperance Tjaltjraak Native Title Aboriginal Corporation RNTBC
11 Mr Marty Sibosado	West Kimberley Empowered Communities
12 Mr Peter Windie	Yamatji Marlpa Aboriginal Corporation
13 Mr Peter Yu	Nyamba Buru Yawuru

Determinations under the *Native Title Act 1993* (Cth) have resulted in **99** Native Title determinations, of which **80** have been made by consent, across **64** percent of WA.



Regional Prosperity

The Department's focus in regional WA has been in the development of sustainable communities and recognising the importance of a prosperous regional WA while acknowledging the cultural significance embedded in our regions.

Sustaining Collie

During the 2018-19 financial year the Department partnered with agencies such as the South West Development Commission, the Department of Jobs, Tourism, Science and Innovation, the Department of Primary Industries and Regional Development and others to develop proposals to support the prosperity and development of a sustainable Collie Community,

including the surrounding region. This included leading a joint project to successfully develop the \$10 million Collie Adventure Trails initiative with the Department of Biodiversity, Conservation and Attractions. The project includes a world class, epic-standard mountain bike trail network that will showcase the region's natural attractions and provide local economic and employment opportunities for the town and surrounding region. This will position Collie as the premier adventure town in WA, with the development of a series of world class mountain bike trails as well as additional bushwalking and an extension of cycling trails. This is one of a number of initiatives the Department has been involved with to assist the sustainability of the Collie community.

The Department is also setting up the Collie Delivery Unit which will coordinate activities to support Collie's future prosperity as it faces a long term transition of its economy. More generally, the Department is coordinating a number of discussions with industry to build regional prosperity, including for premium foods and Aboriginal tourism.



Regional Development

The regional communities are an important focus of the economic policy work undertaken by the Department. The economic diversification agenda has a strong focus on the development of resilient regional economies and work undertaken by the Department to support this in 2018-19 included:

- » The Dampier Peninsula Project which aims to maximise the social and economic opportunities arising from the sealing of the Broome-Cape Leveque Road and mitigate potential impacts through partnering with the Traditional Owners and community councils to protect the unique social, cultural and environmental values of the area. The Project – co-led by the Department of the Premier and Cabinet and the Kimberley Development Commission and involving more than a dozen local, state and Australian government agencies – includes developing investments in business skills and enterprise support to maximise job opportunities for the regional communities; and
- » working across the sector, including with the Departments of Treasury; Primary Industries and Regional Development; Fire and Emergency Services; Training and Workforce Development; Jobs, Tourism, Science and Innovation; Biodiversity,

Conservation and Attractions; Finance; Mines, Industry Regulation and Safety; and Local Government, Sports and Cultural Industries to achieve the 30,000 Regional Jobs growth target.

Australian Government Representatives Visit to the Kimberley Region

The Dampier Peninsula's unique coastline was the scene of a two-day visit when the Department hosted representatives from the Department of the Prime Minister and Cabinet, Infrastructure Australia and Office of Northern Australia. With the Kimberley Development Commission also joining the tour, the visit provided a valuable opportunity for these agencies to understand the issues and opportunities first-hand and engage with key groups on the ground.

The visit included a consultation roundtable event with industry and local government stakeholders in Broome to inform the next Australian Infrastructure Audit, which helps guide future Australian Government funding decisions. A six-hour round trip along the largely unsealed Broome-Cape Leveque Road to visit remote Aboriginal communities and tourism operations on the Dampier Peninsula, including Ardyaloon hatchery and Kooljamin Resort, gave

the guests first-hand exposure to both access issues and potential opportunities to improve outcomes for communities through more holistic and strategic infrastructure investment.

The visit was made possible by efforts to improve State-Federal cooperation and was a great opportunity to facilitate engagement between the Australian Government and stakeholders in remote WA. It also showcased work that the Department has been leading with regional stakeholders on the Dampier Peninsula Project.

Geraldton Alternative Settlement Negotiations

The WA Government through the Department's Aboriginal Policy and Coordination Unit, and the Traditional Owner Negotiating Team representing Native Title claims in the mid-west, continued to negotiate on a comprehensive Native Title settlement over 48,000 square kilometres of land in the region, including Geraldton. The agreement focuses on Aboriginal empowerment and recognition and includes a broad range of benefits. The vision was to build a sustainable economic foundation for the traditional owners, ensuring their active participation in the regional economy today and into the future.

Engaging with the Community

The Department coordinated a number of official events, Community Cabinet functions and engagement with the community in 2018-19, and facilitated official visits to WA by foreign dignitaries. Below is a brief overview of some of the year's highlights.

Anzac Centenary

The Department has been involved in events and initiatives to commemorate the Centenary of Anzac since 2014. In 2018, the Premier and Minister for Veterans Issues the Hon Peter Tinley MLA hosted a number of Anzac receptions to mark the conclusion of the Centenary.

In the second half of 2018, regional events were held in Collie, Bunbury and Geraldton. On Remembrance Day, 11 November 2018, a final Centenary event was hosted by the Premier in the Supper Room of Government House. The guest list included veterans, current and former service personnel, war widows, RSL representatives, Anzac Day contributors and military cadets.



Winners of the End of Centenary of Anzac Student Competition with the Premier. L-R: Natasha Bobojcov, Fatima Merchant, the Premier, the Hon Mark McGowan, and Luke Newman.

End of the Centenary of Anzac Student Competition

The Department facilitated a competition which invited students from years one to 10 to creatively explore 100 years of social change in WA. Entries included essays, poems, collages, dioramas, posters, paintings, timeline reports, short stories, letters and drawings. The Premier presented the winners with their prizes and provided a tour of Parliament. The winning entries were also displayed on the digital tower at Yagan Square.



Luke Newman of Safety Bay Senior High School in front of his winning entry displayed on the Screen West Display in Yagan Square.

Community Cabinet Events

Over the past year, State Cabinet visited three regional and metropolitan locations – Port Hedland, Ellenbrook, and Kalamunda/Forrestfield. Each Community Cabinet event included separate hospitality functions, such as a Town Hall-style reception for the local community, as well as a breakfast and luncheon. The breakfast and lunch events focused on a wide range of themes relevant to the area, including business, youth, seniors, aged care and volunteering.



The Hon Sue Ellery BA MLC, speaking at the Belmont-Victoria Park Community Cabinet event.

Supporting Communities Forum

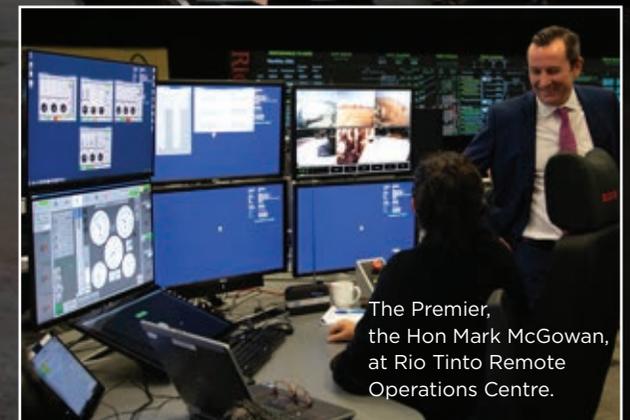
The Supporting Communities Forum (the Forum) supports the implementation of the WA Government's Supporting Community Policy. Earlier this year, the Premier congratulated the Forum and its seven working groups for significant contributions made to date and for demonstrating strong collaboration between the WA Government and the community services sector to design and deliver services that will improve outcomes for individuals, families and communities most in need. The Department continues to support the Forum, working in partnership with the WA Government and community services sector, and actively contributing to progress the work of the Forum and its working groups.

Visit by Heads of Mission from European Union Member States

Thirteen Heads of Mission (Ambassadors and High Commissioners) from European Union (EU) Member States made a group visit to WA in October 2018.

The group included Ambassadors from Austria, Belgium, Croatia, Cyprus, Czech Republic, France, Greece, Hungary, Italy, the Netherlands, Slovenia and Romania. The program incorporated visits to the Rio Tinto Remote Operations Centre, International Centre for Radio Astronomy Research, Metropolitan Redevelopment Authority, Perth Mint and Maritime Museum, and also included a battery mineral briefing by the Department of Jobs, Tourism, Science and Innovation. The Premier hosted a breakfast for the delegation, which was attended by a number of Ministers. The Governor also hosted the delegation for a luncheon at Government House.

The Premier, the Hon Mark McGowan, speaking at the Perth Mint.



The Premier, the Hon Mark McGowan, at Rio Tinto Remote Operations Centre.

First Official Visits by Heads of Mission

Foreign Heads of Mission (Ambassadors and High Commissioners) based in Canberra often make a First Official Visit to each state and territory after presenting their credentials to the Governor-General. The Department coordinated 14 of these visits in 2018-19, from representatives of the following countries - Israel, Italy, Morocco, Bangladesh, Republic of Korea, Poland, Norway, Afghanistan, Fiji, New Zealand, Qatar (cancelled), Brazil, the Philippines and the Netherlands. In addition to the visits, the Department made arrangements for six hospitality functions hosted by a Minister on behalf of the Premier at Parliament House.



His Excellency Mr Mark Sofer, Ambassador of Israel and the Premier, the Hon Mark McGowan.



The Premier, the Hon Mark McGowan and His Excellency Mr Stefano Gatti, Ambassador of Italy.



The Premier, the Hon Mark McGowan and His Excellency Mr Paul Gulleik Larsen, Ambassador of Norway.

Tokyo City University Luncheon

The Premier hosted a luncheon in March 2019 for a small delegation visiting Perth from Tokyo City University (TCU). The Premier first met with TCU representatives during his trip to Japan in January 2019.

Premier's Travel

The Department assisted with the airport facilitation and provision of official gifts for the Premier's overseas travel to Japan, Republic of Korea and China in 2019.



Christchurch Condolence Book

The Department facilitated condolence books in a variety of locations to allow Western Australians an opportunity to express their sympathy and support for those whose lives were affected by the terror attack in Christchurch, New Zealand, on 15 March 2019. The pages were collated into a bound Condolence Book, which was presented by the Premier to Her Excellency, the Hon Dame Annette King, High Commissioner for New Zealand, on her first official visit to WA in April 2019.



03 Significant Issues Impacting the Department

In 2018-19, the Department supported the Premier and Cabinet in delivering significant achievements for WA, including continuing to deliver whole-of-Government changes, implementing election commitments and providing support on a range of other key initiatives. The Department also worked with agencies to progress major initiatives and deliver improvements across the public sector.

The WA Government's focus on strengthening the economy and contributing to job growth required the Department's support to develop and establish Infrastructure WA, which has now formally commenced under the *Infrastructure Western Australia Act 2019*. The Department also developed and

launched a Market-led Proposals policy to provide coordinated advice and governance to the WA Government on economic proposals that may be of benefit to the State. Streamline WA also commenced this year and is another key initiative that will improve regulation and regulatory practice to make it easier to do business in WA.

The Department continued to support a range of Cabinet Sub-committees, such as the Jobs and Economic Diversification Cabinet Sub-committee which is focused on implementing the Government's economic policy agenda, including the Plan for Jobs; and the Community Safety and Family Support Cabinet Sub-committee.



Leading the public sector reform has been an ongoing area of focus for the Department. This reform has continued to embed Machinery of Government changes with agencies to develop a public sector that works together as one and is firmly focused on better service delivery and outcomes for Western Australians. The Department supported the Premier to launch “Our Priorities: Sharing Prosperity”, which is WA’s first whole-of-Government targets program. This program sets out 12 priorities with measureable targets across six outcome areas that will deliver better social, economic and environmental outcomes for the State.

The Department worked with the Australian Government to ensure WA receives a ‘Fair Share’ of Australian Government funding across education, health, housing, infrastructure, and skills and workforce development.

The Department also engaged with WA Government agencies and other jurisdictions to advocate for WA’s interest and influence national policy and reform.

Delivering better economic and social outcomes for Aboriginal people is a priority for the WA Government. The Department has been working closely with Aboriginal people and their communities to negotiate Native Title Settlements and Indigenous Land Use Agreements that will contribute to delivering these outcomes.

Providing whole-of-Government policy coordination and support across the public sector has been an ongoing focus. Working with other agencies, the Department led the State’s interim response to the Coronial Inquest into the 13 Deaths of Children and Young Persons in the Kimberley and the Learnings from Message Stick Report. It also led WA’s participation, alongside Aboriginal Western Australians, in the ongoing national Closing

the Gap Refresh. Work continued in the implementation of the Royal Commission’s recommendations into Institutional Responses to Child Sexual Abuse.

The Office of Digital Government continued to progress the WA Government’s digital transformation agenda. There was a particular focus on improving the capability of the public sector to prevent and respond to cyber threats, as well as increasing public confidence in transacting with the WA Government online and supporting agencies to improve service delivery to the community, which is enabled by technology.

The Department provided support and advice to the Premier on state security and emergency management matters. This included contributing to the national security agenda and development of national cyber incident management arrangements. The Department also provided support for the new Security and Emergency Committee of Cabinet.





04 Disclosures and Legal Compliance





Auditor General

INDEPENDENT AUDITOR'S REPORT

To the Parliament of Western Australia

DEPARTMENT OF THE PREMIER AND CABINET

Report on the Financial Statements

Opinion

I have audited the financial statements of the Department of the Premier and Cabinet which comprise the Statement of Financial Position as at 30 June 2019, the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows 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.

In my opinion, the financial statements are based on proper accounts and present fairly, in all material respects, the operating results and cash flows of the Department of the Premier and Cabinet for the year ended 30 June 2019 and the financial position at the end of that period. They are in accordance with Australian Accounting Standards, the *Financial Management Act 2006* and the Treasurer's Instructions.

Basis for Opinion

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

Responsibility of the Director General for the Financial Statements

The Director General is responsible for keeping proper accounts, and the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards, the *Financial Management Act 2006* and the Treasurer's Instructions, and for such internal control as the Director General determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibility for the Audit of the Financial Statements

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

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

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

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

Report on Controls

Opinion

I have undertaken a reasonable assurance engagement on the design and implementation of controls exercised by the Department of the Premier and Cabinet. The controls exercised by the Department are those policies and procedures established by the Director General to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions (the overall control objectives).

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

In my opinion, in all material respects, the controls exercised by the Department of the Premier and Cabinet are sufficiently adequate to provide reasonable assurance that the receipt, expenditure and investment of money, the acquisition and disposal of property and the incurring of liabilities have been in accordance with legislative provisions during the year ended 30 June 2019.

The Director General's Responsibilities

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

Auditor General's Responsibilities

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

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

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

Limitations of Controls

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

Report on the Key Performance Indicators**Opinion**

I have undertaken a reasonable assurance engagement on the key performance indicators of the Department of the Premier and Cabinet for the year ended 30 June 2019. The key performance indicators are the key effectiveness indicators and the key efficiency indicators that provide performance information about achieving outcomes and delivering services.

In my opinion, in all material respects, the key performance indicators of the Department of the Premier and Cabinet are relevant and appropriate to assist users to assess the Department's performance and fairly represent indicated performance for the year ended 30 June 2019.

The Director General's Responsibility for the Key Performance Indicators

The Director General is responsible for the preparation and fair presentation of the key performance indicators in accordance with the *Financial Management Act 2006* and the Treasurer's Instructions and for such internal control as the Director General determines necessary to enable the preparation of key performance indicators that are free from material misstatement, whether due to fraud or error.

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

Auditor General's Responsibility

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

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

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

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

I have complied with the independence requirements of the *Auditor General Act 2006* and the relevant ethical requirements relating to assurance engagements. In accordance with ASQC 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, and Other Assurance Engagements*, the Office of the Auditor General maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

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

This auditor's report relates to the financial statements and key performance indicators of the Department of the Premier and Cabinet for the year ended 30 June 2019 included on the Department's website. The Department's management is responsible for the integrity of the Department's website. This audit does not provide assurance on the integrity of the Department's website. The auditor's report refers only to the financial statements and key performance indicators described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these financial statements or key performance indicators. If users of the financial statements and key performance indicators are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial statements and key performance indicators to confirm the information contained in this website version of the financial statements and key performance indicators.



CAROLINE SPENCER
AUDITOR GENERAL
FOR WESTERN AUSTRALIA
Perth, Western Australia
13 September 2019

Department of the Premier and Cabinet

Certification of Financial Statements

for the year ended 30 June 2019

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 reporting period ended 30 June 2019 and the financial position as at 30 June 2019.

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
13 September 2019



Darren Foster

Accountable Authority
13 September 2019

Department of the Premier and Cabinet

Statement of Comprehensive Income

for the year ended 30 June 2019

	Note	2019 \$'000	2018 restated \$'000
Cost of Services			
Expenses			
Employee benefits expense	2.1(a)	89,675	85,086
Supplies and services	2.3	27,836	30,473
Depreciation and amortisation expense	4.1.1; 4.2.1	1,984	2,063
Accommodation expenses	2.3	20,240	20,766
Grants and subsidies	2.2	7,795	8,746
Loss on disposal of non-current assets		2	89
Other expenditure	2.3	1,570	1,482
Total Cost of Services		149,101	148,706
Income			
Revenue			
Other revenue	3.4	708	1,247
Sales	3.2	1,291	1,216
Gains on hedging		169	27
Commonwealth grants and contributions	3.3	525	544
Grant and subsidies	3.5	5,939	-
Total Revenue		8,632	3,034
Total income other than income from State Government		8,632	3,034
Net Cost of Services		140,469	145,672

	Note	2019 \$'000	2018 restated \$'000
Income from State Government			
Service appropriation	3.1	133,451	134,554
Services received free of charge	3.1	6,400	6,032
Royalties for Regions Fund	3.1	407	68
Total income from State Government		140,258	140,654
(Deficit)/Surplus for the period		(211)	(5,018)
Other Comprehensive Income			
Items not reclassified subsequently to profit or (loss)			
Gain/(Loss) on Foreign exchange recognised directly in equity		-	186
Total other comprehensive income		-	186
Total Comprehensive Income for The Period		(211)	(4,832)

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

Department of the Premier and Cabinet

Statement of Financial Position

as at June 2019

	Note	2019 \$'000	Restated* 2018 \$'000	2017 \$'000
Assets				
Current Assets				
Cash and cash equivalents	6.1	23,304	24,138	31,982
Restricted cash and cash equivalents	6.1	17,828	17,807	19,509
Receivables	5.1	805	1,000	1,545
Amounts receivable for services	5.2	6,603	5,870	4,516
Other current assets	5.3	2,428	125	2,710
Total Current Assets		50,968	48,940	60,262
Non-Current Assets				
Restricted cash and cash equivalents	6.1	831	550	274
Amounts receivable for services	5.2	24,342	24,342	24,342
Other financial assets		-	-	84
Property, plant and equipment	4.1	7,640	2,654	2,756
Intangibles	4.2	1,365	234	650
Total Non-Current Assets		34,177	27,779	28,106

	Note	2019 \$'000	Restated* 2018 \$'000	2017 \$'000
Total Assets		85,146	76,719	88,368
Liabilities				
Current Liabilities				
Payables	5.4	3,645	2,952	5,268
Provisions	2.1 (b)	15,352	13,050	13,828
Other liabilities	5.5	-	5	232
Total Current Liabilities		18,997	16,007	19,328
Non-Current Liabilities				
Provisions	2.1 (b)	3,667	2,837	2,532
Total Non-Current Liabilities		3,667	2,837	2,532
Total Liabilities		22,664	18,844	21,860
Net Assets		62,482	57,875	66,508
Equity				
Contributed equity	8.8	41,351	36,368	39,117
Hedging reserves		-	164	(22)
Accumulated surplus		21,132	21,343	27,412
Total Equity		62,482	57,875	66,508

The Statement of Financial Position should be read in conjunction with the accompanying notes.
*Refer to note. 8.2.

Department of the Premier and Cabinet Statement of Changes in Equity

for the year ended 30 June 2019

	Note	Contributed equity \$'000	Reserves \$'000	Accumulated Surplus/ (deficit) \$'000	Total equity \$'000
Balance at 1 July 2016		39,117	112	43,143	82,372
Correction of prior period errors ^(a)		-	-	(32,980)	(32,980)
Restated balance at 1 July 2016		39,117	112	10,163	49,392
Surplus/(deficit)		-	-	17,248	17,248
Other comprehensive income for the year		-	(134)	-	(134)
Total movements		-	(134)	17,248	17,114
Restated balance at 30 June 2017		39,117	(22)	27,411	66,506
Restated balance at 1 July 2017		39,117	(22)	27,411	66,506
Surplus/(deficit)		-	-	(5,018)	(5,018)
Other comprehensive income for the year		-	186	-	186
Transfers to other agencies		(2,749)	-	-	(2,749)
Total movements		(2,749)	186	(5,018)	(7,581)
Restated balance at 30 June 2018		36,368	164	22,393	58,925
Balance at 1 July 2018		36,368	164	22,393	58,925
Changes in accounting policies ^(b)		-	-	(6)	(6)
Correction of prior period errors ^(c)		-	-	(1,045)	(1,045)
Restated balance at 1 July 2018		36,368	164	21,342	57,874
Surplus/(deficit)		-	-	(211)	(211)
Transfers from other agencies ^(d)		4,983	-	-	4,983
Hedging gains reclassified to profit or loss		-	(164)	-	(164)
Total movements		4,983	(164)	(211)	4,608
Balance at 30 June 2019		41,351	-	21,131	62,482

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

(a) following a focus audit of the Department's Special Purpose Accounts (SPA) the Browse Trust Account has been removed from the Statement of Financial Position. See note 8.2

(b) reflects the effect of the introduction of AASB 9 - Financial Instruments. See note 8.3

(c) during the year it was found that \$1.045 million was paid for expenses incurred during the previous financial year. This is offset by the correction for the prior year interest receivable (\$180k) on the Browse SPA account. See note 8.2

(d) represents net assets transferred from the former Office of the Government Chief Information Officer (OGCIO) following the Machinery of Government (MoG) changes on 1 July 2018.

Department of the Premier and Cabinet

Statement of Cash Flows

for the year ended 30 June 2019

	2019 \$'000	2018 restated \$'000
Cash Flows from State Government		
Service appropriation	132,367	132,609
Holding account drawdowns	351	590
Royalties for Regions Fund	407	68
Net cash provided by State Government	133,125	133,267
Utilised as follows:		
Cash Flows from Operating Activities		
Payments		
Employee benefits	(86,404)	(85,201)
Supplies and services	(23,491)	(28,184)
Accommodation	(21,911)	(18,304)
Grants and subsidies	(7,750)	(8,846)
GST payments on purchases	(5,814)	(5,383)
GST payments to taxation authority	(149)	(136)
Other payments	(159)	(131)
Receipts		
Other revenue	609	1,169
Grants and subsidies	5,939	-
Sales of goods and services	1,291	1,210
Commonwealth grants and contributions	525	544

	2019 \$'000	2018 restated \$'000
Receipts (cont.)		
GST receipts on sales	149	136
GST receipts from taxation authority	5,760	5,795
Other receipts	164	127
Net cash provided (used in)/by operating activities	(131,239)	(137,204)

Cash Flows from Investing Activities**Payments**

Cash transferred from/(to) other agencies ^(a)	4,426	(3,559)
Purchase of non-current physical assets	(6,841)	(1,774)
Net cash (used in)/provided by investing activities	(2,415)	(5,333)

Net (decrease)/increase in cash and cash equivalents	(529)	(9,270)
Cash and cash equivalents at the beginning of period	42,495	51,765
Cash and Cash Equivalents at the End Of Period	41,966	42,495

(a) Represents cash transferred from the OGCIO as part of the 2018-19 MoG changes and cash transferred to the Department of Jobs, Tourism, Science and Innovation as part of the 2017-18 MoG changes.

The Statement of Cash Flows 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 reporting period ended 30 June 2019

	2019 Estimate \$'000	2019 Actual \$'000	Variance \$'000	2019 Actual \$'000	2018 Actual ^(a) \$'000	Variance \$'000
Delivery of Services						
Item 5 Net amount appropriated to deliver services	126,732	131,386	4,654	131,386	132,489	(1,103)
Section 25 Transfer of service appropriation	-	-	-	-	-	-
Amount Authorised by Other Statutes						
- <i>Salaries and Allowances Act 1975</i>	2,065	2,065	-	2,065	2,065	-
Total appropriations provided to deliver services	128,797	133,451	4,654	133,451	134,554	(1,103)
Capital						
Item 116 Capital Appropriation	-	-	-	-	-	-
Administered Transactions						
Item 6 Administered grants, subsidies and other transfer payments	5,839	5,839	-	5,839	-	5,839
Total Administered transactions	5,839	5,839	-	5,839	-	5,839
Grand Total	134,636	139,290	4,654	139,290	134,554	4,736

(a) In 2018-19, the Department updated its Outcome Based Management framework to better reflect its operations. Comparatives for 2017-18 have not been included as agreed with the Department of Treasury.

Department of the Premier and Cabinet

Summary of Consolidated Account Appropriations and Income Estimates (Cont.)

for the reporting period ended 30 June 2019

	2019 Estimate \$'000	2019 Actual \$'000	Variance \$'000	2019 Actual \$'000	2018 Actual ^(A) \$'000	Variance \$'000
Details of Expenses by Service						
Administration of Executive Government Services	70,663	73,060	2,397	73,060	N/A	N/A
Administration of Parliamentary Support	40,172	40,257	85	40,257	N/A	N/A
Government Policy Management - whole-of-Government	18,667	19,383	716	19,383	N/A	N/A
Government Policy Management - Aboriginal Affairs	12,566	10,437	(2,129)	10,437	N/A	N/A
Government Policy Management - ICT	7,388	5,964	(1,424)	5,964	N/A	N/A
Total Cost of Services	149,456	149,101	(355)	149,101	148,706	-
Less total income	(10,167)	(8,632)	1,535	(8,632)	(3,034)	(5,598)
Net Cost of Services	139,289	140,469	1,180	140,469	145,672	(5,598)
Adjustments	(10,492)	(7,018)	3,474	(7,018)	(11,118)	4,100
Total appropriations provided to deliver services	128,797	133,451	4,654	133,451	134,554	(1,498)
Capital Expenditure						
Purchase of non-current physical assets	(351)	(6,841)	(6,490)	(6,841)	(1,774)	(5,067)
Adjustment for other funding sources	351	6,841	6,490	6,841	1,774	5,067
Capital Contribution (appropriation)	-	-	-	-	-	-
Details of Income Estimates						
Income disclosed as Administered Income	-	-	-	-	-	-
	-	-	-	-	-	-

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

Note 8.10 'Explanatory Statement' provides details of significant variations between estimates and actual results for 2019 and between the actual results for 2018 and 2019.

(a) In 2018-19, the Department updated its Outcome Based Management framework to better reflect its operations. Comparatives for 2017-18 have not been included as agreed with the Department of Treasury.

Department of the Premier and Cabinet

Notes to the Financial Statements

for the year ended 30 June 2019

1 Basis of preparation

The Department is a WA Government entity and is controlled by the State of Western Australia, which is the ultimate parent. The Department is a not-for-profit entity (as profit is not its principal objective). A description of the nature of its operations and its principal activities have been included in the 'Overview' which does not form part of these financial statements. These annual financial statements were authorised for issue by the Accountable Authority of the Department on 13 September 2019.

Statement of compliance

These general purpose financial statements are prepared in accordance with:

- 1) The *Financial Management Act 2006* (FMA);
- 2) The Treasurer's Instructions (the Instructions or TI);
- 3) Australian Accounting Standards (AAS) including applicable interpretations; and
- 4) Where appropriate, those AAS paragraphs applicable to not-for-profit entities have been applied.

The FMA and the Instructions take precedence over AAS. Several AAS are modified by the Instructions to vary application, disclosure format and wording. Where modification is required and it has a material or significant

financial effect upon the reported results, details of that modification and the resulting financial effect are disclosed in the notes to the financial statements.

Basis of preparation

These financial statements are presented in Australian dollars applying the accrual basis of accounting and using the historical cost convention. Certain balances will apply a different measurement basis (such as the fair value basis). Where this is the case the different measurement basis is disclosed in the associated note. All values are rounded to the nearest thousand dollars (\$'000).

Judgments and estimates

Judgements, estimates and assumptions are required to be made about financial information being presented. The significant judgements and estimates made in the preparation of these financial statements are disclosed in the notes where amounts affected by those judgements and/or estimates are disclosed. Estimates and associated assumptions are based on professional judgements derived from historical experience and various other factors believed to be reasonable under the circumstances.

Contributed equity

Australian Accounting Standards Board (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.

2 Use of our funding

This section provides information about how the Department's resources are utilised as well as the accounting policies and key information that is required to understand the items disclosed. The primary expenses incurred by the Department in achieving its objectives include:

	Notes	2019 \$'000	2018 \$'000
Employee benefits expenses	2.1 (a)	89,675	85,086
Employee related provisions	2.1 (b)	19,019	15,887
Grants and subsidies	2.2	7,795	8,745
Other expenditure	2.3	49,646	52,721

2.1 (a) Employee benefits expense

	2019 \$'000	2018 \$'000
Wages and salaries ^(a)	80,617	73,007
Termination benefits ^(b)	1,273	4,751
Superannuation - defined contribution plans ^(c)	7,785	7,329
Total employee benefits expense	89,675	85,086

(a) Wages and salaries:

Employee expenses include all costs related to employment including wages and salaries, fringe benefits tax, and leave entitlements.

(b) Termination benefits:

Payable when employment is terminated before normal retirement date, or when an employee accepts an offer of benefits in exchange for the termination of employment. Termination benefits are recognised when the Department is demonstrably committed to terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

(c) Superannuation:

The amount recognised in profit or loss of the 'Statement of Comprehensive Income' comprises employer contributions paid to the Gold State Super (GSS), the West State Super (WSS), the Government Employees Superannuation Board (GESB), 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.

GSS (concurrent contributions) is a defined benefit scheme for the purposes of employees and whole-of-Government reporting. It is a defined contribution plan for agency purposes because the concurrent contributions (defined contributions) made by the Department to GESB extinguishes the Department's obligations to the related superannuation liability. The Department does not recognise any defined benefit liabilities because it has no legal or constructive obligation to pay future benefits relating to its employees. 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 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.

2.1 (b) Employee related provisions

Provision is made for benefits accruing to employees in respect of salaries and wages, annual and long service leave for services rendered up to the reporting date and recorded as an expense during period the services are delivered.

	2019 \$'000	2018 \$'000
Current		
Employee benefits provision		
Annual leave ^(a)	8,023	6,639
Long service leave ^(b)	7,279	6,369
	15,302	13,008
Other provisions		
Employment on-costs ^(c)	50	42
Total current employee related provisions	15,352	13,050
Non-current		
Long service leave ^(b)	3,656	2,828
	3,656	2,828
Other provisions		
Employment on-costs ^(c)	12	9
Total non-current employee related provisions	3,667	2,837
Total employee related provisions	19,019	15,887

(a) Annual leave liabilities:

These are classified as current as there is no unconditional right to defer settlement for at least 12 months after the reporting period.

The provision for annual leave is calculated as the present value of expected payments in relation to services provided by employees up to the end of the reporting date.

(b) Long service leave liabilities:

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.

The provision for long service leave is calculated at present value as the Department does not expect to wholly settle the amounts within 12 months. The present value is measured taking into account the present value of expected future payments to be made in relation to services provided by employees up to the reporting date. These payments are estimated using the remuneration rate expected to apply at the time of settlement, and 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.

(c) Employment on costs:

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. 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 Expenditure', note 2.3 (apart from the unwinding of the discount (finance cost))' and are not included as part of the Department's 'Employee Benefits Expense'. The related liability is included in 'Employment On-costs Provision'.

	2019 \$'000	2018 \$'000
Employment on-cost provision		
Carrying amount at start of the period	51	51
Additional provisions recognised	27	27
Payments/other sacrifices of economic benefits	(33)	(27)
Total employment on-cost provision	45	51

Carrying amount at the end of the period:

Employment on-costs expenses, such as workers' compensation insurance are included within 'Other Expenditure' refer note 2.3.

Key sources of estimation uncertainty – long service leave

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. Several estimates and assumptions are used in calculating the Department's long service leave provision. These include:

- » Expected future salary rates
- » Employee retention rates
- » Discount rates
- » Expected future payments

Changes in these estimations and assumptions may impact on the carrying amount of the long service leave provision.

Any gain or loss following revaluation of the present value of long service leave liabilities is recognised as employee benefits expense.

2.2 Grants and subsidies

	2019 \$'000	2018 \$'000
Recurrent		
Subsidies and community grants	3,178	3,891
Government agency grants	1,880	3,141
External grants	2,737	1,713
Total grants and subsidies	7,795	8,745

Transactions in which the Department provides goods, services, assets (or extinguishes liability) or labour to another party without receiving approximately equal value in return are categorised as 'Grant expenses'. Grants can either be operating or capital in nature.

Grants can be paid as general purpose grants which refer to grants that are not subject to conditions regarding their use. Alternatively, they may be paid as specific purpose grants which are paid for a particular purpose and/or have conditions attached regarding their use.

Grants and other transfers to third parties (other than contribution to owners) are recognised as an expense in the reporting period in which they are paid or payable. They include transactions such as: grants, subsidies, personal benefit payments made in cash to individuals, other transfer payments made to public sector agencies, local government, non-government schools, and community groups.

2.3 Other Expenditure

	2019 \$'000	2018 \$'000
Supplies and services		
Professional services	12,839	13,788
Aircraft operating costs	7,082	7,647
Travel	2,618	2,564
Communications	1,922	2,030
Consumables	1,365	2,005
Lease of motor vehicles	639	818
Contract - security	231	397
Other administration costs	1,139	1,224
Total supplies and services	27,836	30,473
Accommodation Expenses		
Lease rentals and outgoings		
Department of Finance	5,681	7,382
Other	13,647	12,537
Repairs and maintenance	430	360
Contract - cleaning services	482	487
Total accommodation expenses	20,240	20,766
Other expenditure		
Other staff costs	367	399
Computer software licenses	635	657
Expected credit loss expense ^(a)	7	-
Employment on-cost ^(b)	304	241
Audit Fees - Internal/External	257	185
Total other expenditure	1,570	1,482
Total	49,646	52,721

(a) Expected credit losses were not measured in 2017-18.

(b) Includes workers' compensation insurance.

Supplies and services

Supplies and services are recognised as an expense in the reporting period in which they are incurred. The carrying amounts of any materials held for distribution are expensed when the materials are distributed.

Accommodation expenses

Operating lease payments are recognised on a straight line basis over the lease term, except where another systematic basis is more representative of the time pattern of the benefits derived from the use of the leased asset. Repairs, maintenance and cleaning costs are recognised as expenses as incurred.

Other expenses

Other expenses generally represent the day-to-day running costs incurred in normal operations. Other staff costs include training and staff development.

Employee on-cost

Employee on-cost includes workers' compensation insurance and other employment on-costs. The on-costs liability associated with the recognition of annual and long service leave liabilities is included at note 2.1(b) 'Employee Related Provisions'. Superannuation contributions accrued as part of the provision for leave are employee benefits and are not included in employment on-costs.

Expected credit loss expense

From 2018-19, expected credit loss expense is recognised as the movement in the allowance for expected credit losses. The allowance for expected credit losses of trade receivables is measured at the lifetime expected credit loss at each reporting date. The Department has established a provision matrix based on observed indicators of the probability of default and the loss given default for the asset classes including trade receivables and other assets. This is adjusted for forward-looking factors specific to the debtors and the economic environment. Please refer to note 5.1 Movement in the allowance for impairment of receivables.

3 Our funding sources

This section provides additional information about how the Department obtains its funding and the relevant accounting policy notes that govern the recognition and measurement of this funding. The primary income received by the Department and the relevant notes are:

	Notes	2019 \$'000	2018 \$'000
Income from State Government	3.1	140,258	140,654
Sales	3.2	1,291	1,216
Commonwealth grants and contributions	3.3	525	544
Other revenue	3.4	708	1,247
Grants and subsidies	3.5	5,939	-
(Losses)/gains on disposal of assets	3.6	(2)	(89)

3.1 Income from State Government

Appropriation received during the year	2019 \$'000	2018 \$'000
Service appropriations ^(a)	133,451	134,554

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

Determined on the basis of the following estimates provided by agencies		
- Department of Finance - lease administration services and depreciation on fit outs	3,126	3,296
Department of Justice - legal services	3,251	2,602
Department of Local Government, Sport and Cultural Industries - secondment of staff	-	17
Landgate - spatial and valuation services	22	12

3.1 Income from State Government (Cont.)

Appropriation received during the year	2019 \$'000	2018 \$'000
Department of Primary Industries and Regional Development	1	-
Office of Emergency Management - accommodation and parking bays	-	76
Department of Planning, Lands and Heritage - services for maintenance of a public map viewer.	-	29
Total services received	6,400	6,032
Royalties for Regions Fund		
- Regional Community Services Account ^(b)	407	68
Total Royalties for Regions Fund	407	68
Total income from State Government	140,258	140,654

(a) Service Appropriations

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

Service appropriations fund the net cost of services delivered.

Appropriation revenue comprises the following:

- » Cash component; and
- » A receivable (asset). Amounts receivable for services (Holding Account) - note 5.2) comprises the following:
 - The budgeted depreciation expense for the year; and
 - Any agreed increase in leave liabilities during the year.

(b) Regional Community Services Account:

This is a sub-fund within the over-arching 'Royalties for Regions Fund'. The recurrent funds are committed to projects and programs in WA regional areas and are recognised as revenue when the Department gains control on receipt of the funds.

3.2 Sales

	2019 \$'000	2018 \$'000
Sale of goods from the State Law Publisher	1,291	1,216

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.

3.3 Commonwealth grants and contributions

	2019 \$'000	2018 \$'000
Indian Ocean Territories	525	544

The funding received from the Commonwealth Department of Regional Australia, Local Government, Arts and Sport is to fund the salaries and on-costs for a State Coordinator and an Administrative Officer. The arrangement between the Department and the Commonwealth Government 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
- » facilitate the Commonwealth Government's objective of comparability of rights, standards and services in the IOT consistent with those of Western Australia.

For non-reciprocal grants, the Department recognises revenue when the grant is receivable at its fair value as and when its fair value can be reliably measured.

3.4 Other revenue

	2019 \$'000	2018 \$'000
Contributions by eligible officers to the Government's vehicle schemes	143	142
Services provided to other agencies	10	12
Recoups ^(a)	292	287
Miscellaneous funding	263	807
Total other revenue	708	1,247

(a) Includes recoups for Information Technology services provided to other agencies.

3.5 Grants and subsidies

	2019 \$'000	2018 \$'000
Grants and subsidies ^(a)	5,939	-
Total grants and subsidies	5,939	-

(a) Includes \$5.8 million in grants revenue received from the ICT Renewal and Reform Fund for the operation of the former OGCIO.

3.6 Gains/(Losses) on disposal of assets

	2019 \$'000	2018 \$'000
Carrying amount of Non-Current Assets		
Office equipment	-	-
Office establishment	2	89
Motor vehicle	-	-
Net (loss)/gain	(2)	(89)

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. Gains and losses on the disposal of non-current assets are presented by deducting from the proceeds on disposal of the carrying amount of the asset and related selling expenses. Gains and losses are recognised in profit or loss in the 'Statement of Comprehensive Income' (from the proceeds of sale).

4 Key Assets

Assets the Agency utilises for economic benefit or service potential

This section includes information regarding the key assets the agency utilises to gain economic benefits or provide service potential. The section sets out both the key accounting policies and financial information about the performance of these assets:

	Notes	2019 \$'000	2018 \$'000
Property, plant and equipment	4.1	7,642	2,657
Intangible assets	4.2	1,365	234

Initial recognition and measurement

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). Assets acquired for no consideration and those transferred as part of a MoG change are transferred at their fair value.

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.

Significant assumptions and judgements

The most significant assumptions and judgements in estimating fair value are made in assessing whether to apply the existing use basis to assets and in determining estimated economic life.

4.1 Property, plant and equipment

	Computer Hardware \$'000	Furniture and Fittings \$'000	Motor Vehicles and Aircraft \$'000	Office Equipment \$'000	Office Establishment \$'000	Total \$'000
Year ended 30 June 2019						
1 July 2018						
Gross carrying amount	2,270	120	-	1,850	9,561	13,801
Accumulated Depreciation	(1,918)	(95)	-	(1,404)	(7,727)	(11,144)
Carrying amount at start of the period	352	25	-	446	1,834	2,657
Additions	-	-	5,609	81	906	6,596
Disposals	-	-	-	(1)	(1)	(2)
Depreciation	(318)	(3)	(407)	(169)	(711)	(1,609)
Carrying amount at 30 June 2019	33	22	5,203	356	2,028	7,642
Gross carrying amount	2,270	120	5,609	1,931	10,467	20,397
Accumulated Depreciation	(2,237)	(98)	(407)	(1,574)	(8,438)	(12,753)

4.1.1 Depreciation and impairment

	2019 \$'000	2018 \$'000
Depreciation		
Computer hardware	318	485
Furniture and fittings	3	3
Motor vehicles and aircraft	407	-
Office equipment	169	189
Office establishment	711	1,068
Total depreciation for the period	1,609	1,745

As at 30 June 2019 there were no indications of impairment to property, plant and equipment.

Finite useful lives

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

Depreciation is generally calculated on a straight line basis, at rates allocating the asset's value, less any estimated residual value, over its estimated useful life. Typical estimated useful lives for the different asset classes for current and prior years are included in the table below:

Asset	Useful life
Furniture and fittings	5 years
Plant and equipment	5 - 10 years
Computer hardware	3 years
Aircraft	8 years
Office establishment	4 - 10 years

The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period, and adjustments should be made where appropriate.

Impairment

Non-financial assets, including items of plant and equipment, are tested for impairment whenever there is an indication that the asset may be impaired. 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 its recoverable amount, an impairment loss is recognised through profit or loss.

Where a previously revalued asset is written down to its recoverable amount, the loss is recognised as a revaluation decrement through other comprehensive income.

As the Department is a not-for-profit agency, the recoverable amount of regularly revalued specialised assets is anticipated to be materially the same as fair value.

If there is an indication that there has been a reversal in impairment, the carrying amount shall be increased to its recoverable amount. However this reversal should not increase the asset's carrying amount above what would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised in prior years.

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 declining replacement costs.

4.2 Intangible assets

	Computer Software \$'000	Work in Progress \$'000	Total \$'000
Year ended 30 June 2019			
1 July 2018			
Gross carrying amount	2,746	-	2,746
Accumulated amortisation	(2,512)	-	(2,512)
Computer software - Carrying amount at start of the period	234	-	234
Transfers in/(out) ^(a)	1,259	247	1,506
Amortisation expense	(375)	-	(375)
Computer software - Carrying amount at 30 June 2019	1,118	247	1,365

(a) this represents the net value of the capitalised cost for the wa.gov.au website that was transferred in from the former OGCI0.

Initial recognition

Acquisitions of intangible assets costing \$5,000 or more and internally generated intangible assets costing \$50,000 or more that comply with the recognition criteria as per AASB 138.57 (as noted below), are capitalised.

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.

An internally generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following are demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- an intention to complete the intangible asset, and use or sell it;
- the ability to use or sell the intangible asset;
- the intangible asset will generate probable future economic benefit;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

Costs incurred in the research phase of a project are immediately expensed.

Website costs

Website costs are expensed when incurred unless they directly relate to the acquisition or development of an intangible asset. In this instance 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.

Computer software

Software that is an integral part of the related hardware is recognised as part of the tangible asset. 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.

Subsequent measurement

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

4.2.1 Amortisation and impairment

	2019 \$'000	2018 \$'000
Charge for the period		
Computer software amortisation ^(a)	375	318
Total amortisation for the period	375	318

As at 30 June 2019 there were no indications of impairment to intangible assets.

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.

Amortisation of finite life intangible assets is calculated on a straight line basis at rates that allocate the asset's value over its estimated useful life. All intangible assets controlled by the agency have a finite useful life and zero residual value. Estimated useful lives are reviewed annually.

(a) The estimated useful life for software is 3 years

Impairment

Intangible assets with finite useful lives are tested for impairment annually or when an indication of impairment is identified.

The policy in connection with testing for impairment is outlined in note 4.1.1.

There were no indications of impairment of property, plant and equipment, and intangible assets at 30 June 2019.

5 Other assets and liabilities

This section sets out those assets and liabilities that arose from the agency's controlled operations and includes other assets utilised for economic benefits and liabilities incurred during normal operations:

	Notes	2019 \$'000	2018 restated \$'000
Receivables	5.1	805	1,000
Amounts receivable for services	5.2	30,945	30,212
Other current assets	5.3	2,428	125
Payables	5.4	3,645	2,952
Other liabilities	5.5	-	5

5.1 Receivables

	2019 \$'000	2018 restated \$'000
Current		
Trade receivables ^(a)	525	694
Allowance for impairment of receivables	(7)	(6)
GST receivable	288	311
Total receivables	805	1,000

Trade receivables are recognised at original invoice amount less any allowances for uncollectible amounts (i.e. impairment). The carrying amount of net trade receivables is equivalent to fair value as it is due for settlement within 30 days.

(a) trade receivables have been restated to reflect the effect of the adoption of accounting pronouncement AASB 9 - Financial Instruments. See note 8.3.

5.2 Amounts receivable for services (Holding Account)

	2019 \$'000	2018 \$'000
Current	6,603	5,870
Non-current	24,342	24,342
Balance at end of the period	30,945	30,212

Amounts receivable for services represents the non-cash component of service appropriations. It is restricted in that it can only be used for asset replacement or for payment of leave liability.

Amounts receivable for services are not considered to be impaired (i.e. there is no expected credit loss of the holding accounts).

5.3 Other current assets

	2019 \$'000	2018 \$'000
Prepayments	2,411	105
Inventory	17	20
Total other current assets	2,428	125

Other current assets include prepayments which represent payments in advance of receipt of goods or services or that part of expenditure made in one accounting period covers a term extending beyond that period.

The inventory of publications held for resale is measured on a first in first out basis at the lower of cost and net realisable value.

5.4 Payables

	2019 \$'000	2018 restated \$'000
Current		
Trade payables ^(a)	2,511	1,941
Revenue in advance	39	39
Accrued salaries	260	265
Accrued expenses	834	707
Total payables	3,645	2,952

(a) During the year it was found that the Department made payments of \$1.045 million for expenses that related to the previous year. The accrued expenses have been adjusted accordingly. See note 8.2.

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.

Accrued salaries represent the amount due to staff but unpaid at the end of the reporting period. Accrued salaries are settled within a fortnight after the reporting period. The agency considers the carrying amount of accrued salaries to be equivalent to its fair value.

The accrued salaries suspense account (see Note 6.1 (a) 'Cash and Cash Equivalents') consists of amounts paid annually, from agency appropriations for salaries expense, into a Treasury suspense account to meet the additional cash outflow for employee salary payments in reporting periods with 27 pay days instead of the normal 26. No interest is received on this account.

5.5 Other liabilities

	2019 \$'000	2018 \$'000
Current		
Derivative financial liability	-	5
Total other liabilities	-	5

See also note 7.1 'Financial Instruments'.

6 Financing

This section sets out the material balances and disclosures associated with the financing and cashflow of the Department.

	Notes
Cash and cash equivalents	6.1
Commitments	6.2

6.1 Cash and cash equivalents

	2019 \$'000	2018 restated \$'000
Cash and cash equivalents	23,304	24,138
Restricted Cash & Cash Equivalent		
Land and Equity Fund	10,029	10,381
Mineral Incentive Special Purpose Account	7,434	7,426
Great Kimberley Marine Park	365	-
	17,828	17,807
Accrued salaries suspense account ^(a)	831	550
Browse LNG Precinct Agreement (see note 8.6)	831	550
Balance at end of period	41,963	42,495

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

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

6.2 Commitments

6.2.1 Non-cancellable operating lease commitments	2019 \$'000	2018 \$'000
Commitments for minimum lease payments are payable as follows:		
Within 1 year	16,197	24,836
Later than 1 year and not later than 5 years	44,559	71,061
Later than 5 years	2	-
	60,758	95,897
Motor vehicle leases as part of the 'whole-of-Government' arrangement		
Within 1 year	261	396
Later than 1 year but not later than 5 years	246	391
Later than 5 years	2	-
	509	787
Accommodation leases occupied by the Department ^(a)		
Within 1 year	14,598	20,099
Later than 1 year and not later than 5 years	44,313	70,670
Later than 5 years	-	-
	58,911	90,769
Lease and management costs for aircraft used by the Department ^(b)		
Within 1 year	1,338	4,341
Later than 1 year but not later than 5 years	-	-
Later than 5 years	-	-
	1,338	4,341

These commitments are all inclusive of GST.

Operating leases are expensed on a straight line basis over the lease term as this represents the pattern of benefits derived from the leased properties.

(a) The Department has entered into property leases which are a non-cancellable leases typically with a five year term, with rent payable monthly in advance. This includes Departmental office accommodation and Electorate accommodation for Members of Parliament. Contingent rent provisions within the lease agreements require that the minimum lease payments shall be increased by market review in accordance with Landgate valuations. An option exists to renew the lease at the end of the five year term for an additional term of five years.

(b) Figures reflect the financial commitment in respect of renegotiated lease agreements, management fees and maintenance costs in 2017-18 and management fees for 2018-19.

Judgements made by management in applying accounting policies - operating lease commitments

The Department has entered into a number of leases for buildings, aircraft and vehicles. It has been determined that the lessor retains substantially all the risks and rewards incidental to ownership. Accordingly, these leases have been classified as operating leases.

7 Financial instruments and contingencies

This note sets out the key risk management policies and measurement techniques of the agency.

	Notes
Financial Instruments	7.1
Contingent liabilities and assets	7.2

7.1 Financial instruments

The carrying amounts of each of the following categories of financial assets and financial liabilities at the end of the reporting date are:

	2019 \$'000	2018 \$'000
Financial Assets		
Cash and cash equivalents	23,304	24,138
Restricted cash and cash equivalents	18,659	18,357
Receivables ^(a)	517	689
Amount receivable for services	30,945	30,212
Total financial assets	73,424	73,396
Financial Liabilities		
Payables	2,511	1,941
Derivatives - cash flow	-	5
Total financial liabilities	2,511	1,946

(a) The amount of receivables/Financial assets at amortised cost excludes GST recoverable from ATO (statutory receivable).

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 US Dollars (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.

Derivatives

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.

During the year, the Department entered into foreign exchange contracts to hedge the purchase of the ministerial aircraft. At 30 June 2019 the Department had no outstanding derivative contracts.

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.

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.

2019 Recycled from Equity to Profit or Loss

Balance \$'000	<1 Year \$'000	1-2 Years \$'000	2-3 Years \$'000	3-4 Years \$'000	4-5 Years \$'000
(169)	(169)	-	-	-	-

2018 Recycled from Equity to Profit or Loss

Balance \$'000	<1 Year \$'000	1-2 Years \$'000	2-3 Years \$'000	3-4 Years \$'000	4-5 Years \$'000
5	5	-	-	-	-

As at 30 June 2019 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 \$nil (2018: \$5k).

It is the policy of the Department to enter into forward foreign exchange contracts to cover contracted foreign currency payments and receipts to approximately 100 percent of the exposure generated.

The following table details the forward foreign currency contracts outstanding as at 30 June 2019.

Outstanding Contracts	Ave Exchange AUD:USD Rate		Foreign Currency Purchased		Contract Value		Fair Value	
	2019	2018	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
< 1 year	-	0.7379	-	1,562	-	2,116	-	(9)

7.2 Contingent liabilities and contingent assets

Contingent assets and contingent liabilities are not recognised in the statement of financial position but are disclosed and, if quantifiable, are measured at the best estimate.

7.2.1 Contingent liabilities

There were no contingent liabilities at 30 June 2019.

7.2.2 Contingent assets

There were no contingent assets at 30 June 2019.

8 Other disclosures

This section includes additional material disclosures required by accounting standards or other pronouncements, for the understanding of this financial report.

	Notes
Events occurring after the end of the reporting period	8.1
Correction of prior period errors	8.2
Initial application of Australian Accounting Standards	8.3
Key management personnel	8.4
Related party transactions	8.5
Special purpose accounts	8.6
Remuneration of auditor	8.7
Equity	8.8
Supplementary financial information	8.9
Explanatory statement	8.10

8.1 Events occurring after the end of the reporting period

There were no significant events affecting the operations of the Department after the reporting period.

8.2 Correction of prior period errors

The Department had incorrectly recorded the balance of \$30.9 million relating to the Browse LNG Precinct Project Agreement Native Title Beneficiaries' Interest Bearing Trust Account since 2013. The Department previously reported it as a restricted cash balance on the Statement of Financial Position. The misstatement has been corrected and is now reported in accordance with TI 806 which requires the Department to treat it as 'other money' held in trust, which is not controlled by the Department, but still continue to disclose it as a SPA under note 8.6. The correction decreased the opening balances of restricted cash and cash equivalents by \$33.5 million, receivables by \$0.17 million and accumulated surplus by \$33.6 million for the year ended 30 June 2018.

The correction also decreased the closing balances of restricted cash and equivalents by \$34.1 million, receivables by \$0.19 million and accumulated surplus by \$34.3 million for the year ended 30 June 2018.

In addition, the cash balances for the Native Title Holder Incentive for Mineral Exploration and Land Access Account and the Native Title Land and Equity Fund were previously reported under the Department's operating bank account. The misstatement has now been corrected and the SPAs are now reported in accordance with TI 1103, which required restricted assets (funds received for specific purposes) to be presented separately. Accordingly, \$19.5 million and \$17.8 million have been reclassified for the years ended 30 June 2017 and 30 June 2018 respectively.

The following tables show the restatement of the Department's Financial Statements as a result of the correction of the error.

i) Statement of Financial Position

Impact of correction of error

	As previously reported \$'000	2018 Adjustment \$'000	Restated \$'000	As previously reported \$'000	2017 Adjustment \$'000	Restated \$'000
Current Assets						
Cash and cash equivalents	41,945	(17,807)	24,138	51,491	(19,509)	31,982
Restricted cash and cash equivalents	-	17,807	17,807	-	19,509	19,509
Receivables ^(a)	1,186	(186)	1,000	1,710	(165)	1,545
Other current assets	5,995	-	5,995	7,226	-	7,226
Total Current Assets	49,126	(186)	48,940	60,427	(165)	60,262
Non-current assets						
Restricted cash and cash equivalents	34,673	(34,123)	550	33,746	(33,472)	274
Other non-current assets	27,231	-	27,231	27,832	-	27,832
Total Non-current Assets	61,904	(34,123)	27,781	61,578	(33,472)	28,106
Total Assets	111,030	(34,309)	76,721	122,005	(33,637)	88,368
Current Liabilities						
Payables ^(b)	1,907	1,045	2,952	5,269	-	5,269
Other current liabilities	13,057	-	13,057	14,060	-	14,060
Total Current Liabilities	14,964	1,045	16,009	19,329	-	19,329
Non-current Liabilities						
Provisions	2,837	-	2,837	2,532	-	2,532
Total Non-current Liabilities	2,837	-	2,837	2,532	-	2,532
Total Liabilities	17,801	1,045	18,846	21,861	-	21,861
Net Assets	93,229	(35,354)	57,875	100,144	(33,637)	66,507
Equity						
Contributed equity	36,368	-	36,368	39,117	-	39,117
Reserves	164	-	164	(22)	-	(22)
Accumulated surplus ^(c)	56,697	(35,354)	21,343	61,049	(33,637)	27,412
Total Equity	93,229	(35,354)	57,875	100,144	(33,637)	66,507

(a) Includes an adjustment for the receivable that represented the accrued interest (\$0.18 million) on the Browse account and the adjustment for the effect of the adoption of AASB 9 (\$6k). See note 8.3.

(b) During the year it was found that \$1.045 million was paid for expenses incurred during the previous financial year. The previous year's payables and accumulated surplus have been restated to reflect the appropriate treatment for this expenditure. See 'Statement of changes in equity' and note 5.4.

(c) The reduction of \$33.6 million to accumulated surplus in 2017 represents \$30.9 million of funds received in 2013 and \$2.7 million interest earned on this amount until 30 June 2017.

ii) Statement of comprehensive income

Impact of correction of error

	As Previously reported \$'000	2018 Adjustment \$'000	Restated \$'000	As Previously reported \$'000	2017 Adjustment \$'000	Restated \$'000
Total cost of services	148,706	-	148,706	202,656	-	202,656
Income						
Interest revenue	666	(666)	-	658	(658)	-
Other revenue	3,034	-	3,034	8,795	-	8,795
Income from State Government	140,654	-	140,654	211,109	-	211,109
Deficit for the period	(4,352)	(666)	(5,018)	17,906	(658)	17,248

8.3 Initial application of Australian Accounting Standards

AASB 9 Financial Instruments

AASB 9 Financial instruments replaces AASB 139 Financial instruments: Recognition and Measurements for annual reporting periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

The Department applied AASB 9 retrospectively, with an initial application date of 1 July 2018. The adoption of AASB 9 has resulted in changes in accounting policies and adjustments to the amounts recognised in the financial statements. In accordance with AASB 9, the Department has restated the comparative information.

The effect of adopting AASB 9 as at 1 July 2018 was as follows:

	Adjustments	1 July 2018 \$'000
Assets		
Trade Receivables	(a)	(6)
Total Assets		(6)
Total adjustments in Equity		
Total adjustments in Equity		(6)
Total Assets		(6)

The nature of these assets is described to the right.

(a) Classification and measurement

Under AASB 9, financial assets are subsequently measured at amortised cost, fair value through Other Comprehensive Income (OCI) (fair value through OCI) or fair value through profit or loss (P/L). The classification is based on two criteria: the Department's business model for managing the assets; and whether the assets' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding.

The assessment of the Department's business model was made as of the date of initial application, 1 July 2018. The assessment of whether contractual cash flows on financial assets are solely comprised of principal and interest was made based on the facts and circumstances as at the initial recognition of the assets.

The classification and measurement requirements of AASB 9 did not have a significant impact to the Department. The following are the changes in the classification of the Department's financial assets:

- » Trade receivables and small loans and advances (i.e. other debtors) classified as loans and receivables as at 30 June 2018 are held to collect contractual cash flows and give rise to cash flows representing solely payments of principal and interest. These are classified and measured as financial assets at amortised cost beginning 1 July 2018.
- » The Department did not designate any financial assets at fair value through P/L.

In summary, upon the adoption of AASB 9, the Department had the following reclassifications as at 1 July 2018:

	AASB 9 category			Fair value through P/L
	Balance as at 1 July 2018	Amortised cost	Fair value through OCI	
	\$'000	\$'000	\$'000	\$'000
AASB 139 category				
Loans and receivables	-	-	-	-
-Trade receivables	695	689	-	-
-Amounts receivable for services	30,945	30,945	-	-
	31,640	31,634	-	-

Impairment

The adoption of AASB 9 has changed the Department's accounting for impairment losses for financial assets by replacing AASB 139's incurred loss approach with a forward-looking expected credit loss (ECL) approach. AASB 9 requires the Department to recognise an allowance for ECLs for all financial assets not held at fair value through profit or loss.

Upon adoption of AASB 9, the Department recognised an additional impairment of trade receivables of \$6,000 which resulted in a decrease in accumulated surplus of \$6,000 as at 1 July 2018.

	Impairment under AASB 139 as at 30 June 2018	Remeasurement	ECL under AASB 9 as at 1 July 2018
	\$'000	\$'000	\$'000
Loans and receivables under AASB 139	-	-	-
Financial assets at amortised cost under AASB 9	-	6	6
	-	6	6

8.4 Key management personnel

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

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

	2019	2018
Compensation Band (\$)		
140,001 - 150,000 ^{(b) (c)}	2	-
150,001 - 160,000 ^(e)	-	1
160,001 - 170,000 ^(e)	1	-
170,001 - 180,000 ^(d)	1	-
180,001 - 190,000	-	2
200,001 - 210,000 ^(f)	1	-
220,001 - 230,000 ^(g)	3	5
230,001 - 240,000	2	1
250,001 - 260,000	-	1
260,001 - 270,000 ^(c)	-	1
270,001 - 280,000	1	-
280,001 - 290,000	1	1
300,001 - 310,000 ^(a)	1	-
360,001 - 370,000	1	-
380,001 - 390,000	-	1
390,001 - 400,000	-	1
510,001 - 520,000	-	1
540,001 - 550,000	-	1
550,001 - 560,000	1	-
	2019	2018
	\$'000	\$'000
Total Compensation of Senior Officers	3,747	4,561

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

(a) Includes a Director who departed on 31/12/2018, (b) Includes a Director who departed on 20/01/2019, (c) Includes a Director who started on 17/12/2018, (d) Includes a Director who departed on 24/01/2019, (e) Includes a Director who started on 15/10/2018, (f) Includes a Director who started on 03/09/2018, (g) Includes a Director who started on 08/07/2018. No Senior Officers are members of the Pension Scheme.

8.5 Related party transactions

The Department is a wholly owned and controlled entity of the Government of Western Australia. Related parties of the Department include:

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

Material transactions with related parties

Outside of normal citizen type transactions with the Department, there were no other related party transactions that involved key management personnel and/or their close family members and/or their controlled (or jointly controlled) entities.

8.6 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.

	2019 \$'000	2018 \$'000
Balance at the start of the year	-	174
Receipts	-	-
Payments	-	-
Transfers	-	(174)
Unrealised gain/(loss) on translation	-	-
Balance at the end of the year	-	-

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

Administration of this account was transferred to the Department of Jobs, Tourism and Science following MoG changes during the 2017-18 budget process.

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 \$2.4 million 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.

	2019 \$'000	2018 \$'000
Balance at the start of the year	479	479
Receipts	-	-
Payments	(479)	-
Balance at the end of the year	-	479

The account was set up in April 2014.

As all obligations under the Agreement have been met, the account is to be closed.

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

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

	2019 \$'000	2018 \$'000
Balance at the start of the year	34,123	33,472
Receipts	739	651
Payments	-	-
Balance at the end of the year	34,862	34,123

The account was set up in December 2013.

DPC - Beverley Land Agreement - Ballardong People Claim Group

The purpose of this account is to hold funds received pursuant to the Beverley Land Agreement for the Ballardong native title claimants until such time that the South West Settlement Indigenous Land Use Agreement becomes operational.

	2019 \$'000	2018 \$'000
Balance at the start of the year	8	-
Receipts	-	8
Payments	-	-
Balance at the end of the year	8	8

The account was set up in January 2018.

Native Title Holder Incentive for Mineral Exploration and Land Access Account

The purpose of this account is to hold funds for the provision of a financial incentive to Native Title holders who are prepared to endorse a Government Indigenous Land Use Agreement for the purpose of expediting procedure for the grant of exploration and prospecting licences and low impact activities in areas where native title rights are recognised.

	2019 \$'000	2018 \$'000
Balance at the start of the year	7,426	7,417
Receipts: Appropriations	25	25
Payments	(17)	(16)
Balance at the end of the year	7,434	7,426

The account was set up in September 2012.

Land and Equity Fund Account

The purpose of this account is to hold funds to assist native title groups leverage economic development opportunities. Financial assistance provided via the Land and Equity Fund is intended to deliver sustainable economic development and generate income or capital for the benefit of native title group members and to fund both the negotiation and implementation of native title agreements.

	2019 \$'000	2018 \$'000
Balance at the start of the year	10,381	12,092
Receipts: Appropriations	-	-
Payments	(352)	(1,711)
Balance at the end of the year	10,029	10,381

The account was set up in November 2013.

ICT Renewal and Reform Fund

The purpose of this account is to hold funding for ICT reform across the Western Australian public sector.

	2019 \$'000	2018 \$'000
Balance at the start of the year	-	-
Receipts: Appropriations ^(a)	7,202	-
Payments	(7,202)	-
Balance at the end of the year	-	-

The account was set up in June 2018.

(a) Following the MoG the ICT Renewal and Reform Fund (IRRF) was transferred to the Department on 1 July 2018.

Funds from the former OGCI0 were Administered Funds (refer note 9.1).

As part of the MoG, approval was received from Government to use the remaining balance within the IRRF to meet expenditure of the newly formed Office of Digital Government within the Department. This is now a controlled operation of the Department.

8.7 Remuneration of auditor

	2019 \$'000	2018 \$'000
Remuneration payable to the Auditor General for the financial year for the following services:		
Auditing the accounts, financial statements, controls and performance indicators	160	158

8.8 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.

	2019 \$'000	2018 \$'000
Contributed equity		
Balance at the start of the year	36,368	39,117
Net assets transferred from/(to) other agencies	4,983	(2,749)
Balance at the end of the year	41,351	36,368
Hedging Reserve		
Balance at the start of the year	164	(22)
Net revaluations (decrements)/increments	(164)	186
Balance at the end of the year	-	164

On 1 July 2018 the Department amalgamated with the former OGCI0.

On that date the assets and liabilities acquired were as follows:

	1 July 2018 \$'000
Cash assets (see Statement of Cash Flow)	4,426
Receivables	176
Intangible assets (note 4.2)	1,499
Payables	(126)
Provisions	(992)
Net assets (see contributed equity note above)	4,983

8.9 Supplementary financial information

	2019 \$'000	2018 \$'000
(a) Write-offs		
During the financial year amounts written-off under the authority of section 48 of the FMA.		
Amounts written-off by the Accountable Authority	9	-
(b) Gifts of public property		
Gifts of public property provided by the Department	5	5

8.10 Explanatory statement

All variances between estimates (original budget) and actual results for 2018, and between the actual results for 2019 and 2018 are shown below. Narratives are provided for major variances, which are generally greater than:

- » two percent and \$3 million for the 'Statements of Comprehensive Income and Cash Flows'; and
- » two percent and \$1.5 million for the 'Statement of Financial Position'.



8.10.1 Statement of comprehensive income

Income Variances

	Variance Note	Estimate ^(a) 2019 \$'000	Actual 2019 \$'000	Actual Restated 2018 \$'000	Variance between estimate and actual \$'000	Variance between actual results for 2019 and 2018 \$'000
<i>(Controlled Operations)</i>						
Expenses						
Employee benefits expense	1, A	82,968	89,675	85,086	6,707	4,589
Supplies and services	2	36,056	27,836	30,473	(8,220)	(2,638)
Depreciation and amortisation expense		1,084	1,984	2,063	900	(79)
Accommodation expenses		20,843	20,240	20,766	(603)	(526)
Grants and subsidies		6,820	7,795	8,746	975	(951)
Loss on disposal of non-current assets		-	2	89	2	(87)
Other expenses		1,685	1,570	1,482	(115)	88
Total Cost of Services		149,456	149,101	148,706	(355)	395
Income						
<i>Revenue</i>						
Other Revenue		1,686	708	1,247	(978)	(539)
Sales		1,432	1,291	1,216	(141)	75
Gains on hedging		-	169	27	169	142
Grants and subsidies	B	5,839	5,939	-	100	5,939
Commonwealth grants and contributions		510	525	544	15	(19)
Interest revenue		700	-	-	(700)	-
Total Revenue		10,167	8,632	3,034	(1,535)	5,598
Net Cost of Services		139,289	140,469	145,672	1,180	(5,203)

8.10.1 Statement of comprehensive income (Cont.)

Income Variances	Variance Note	Estimate ^(a) 2019 \$'000	Actual 2019 \$'000	Actual Restated 2018 \$'000	Variance between estimate and actual \$'000	Variance between actual results for 2019 and 2018 \$'000
Income from State Government						
Service appropriation	3	128,797	133,451	134,554	4,654	(1,103)
Services received free of charge		6,596	6,400	6,032	(196)	368
Royalties for Regions Fund		408	407	68	(1)	339
Total income from State Government		135,801	140,258	140,654	4,457	(396)
(Deficit)/Surplus for the Period		(3,488)	(211)	(5,018)	3,277	4,807
OTHER COMPREHENSIVE INCOME						
Items not reclassified subsequently to profit or loss						
Gain/(Losses) on foreign exchange recognised directly in equity		-	-	186	-	(186)
Total Comprehensive Income for the Period		(3,488)	(211)	(4,832)	3,277	4,621

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

8.10.2 Statement of financial position variances

Variations	Variance Note	Estimate ^(a) 2019 \$'000	Actual 2019 \$'000	Actual Restated 2018 \$'000	Variance between estimate and actual \$'000	Variance between actual results for 2019 and 2018 \$'000
Assets						
Current Assets						
Cash and cash equivalents	4	29,216	23,304	24,138	(5,912)	(834)
Restricted cash and cash equivalents	5	35,037	17,828	17,807	(17,209)	(21)
Receivables		1,504	805	1,000	(699)	(195)
Amounts receivable for services	6	3,574	6,603	5,870	3,029	733
Other current assets	7, C	210	2,428	125	2,218	2,306
Total Current Assets		69,541	50,968	48,940	(18,573)	2,029
Non-Current Assets						
Restricted cash and cash equivalents		822	831	550	9	281
Amounts receivable for services	8	27,370	24,342	24,342	(3,028)	-
Other financial assets		546	-	-	(546)	-
Property, plant and equipment	9, D	760	7,640	2,654	6,880	4,986
Intangible assets		-	1,365	234	1,365	1,131
Total Non-Current Assets		29,498	34,177	27,779	4,679	6,398
Total Assets		99,039	85,146	76,719	(13,893)	8,427

8.10.2 Statement of financial position variances (Cont.)

	Variance Note	Estimate ^(a) 2019 \$'000	Actual 2019 \$'000	Actual Restated 2018 \$'000	Variance between estimate and actual \$'000	Variance between actual results for 2019 and 2018 \$'000
Liabilities						
Current Liabilities						
Payables	10	1,471	3,645	2,952	2,174	693
Provisions	11, E	12,905	15,352	13,050	2,447	2,302
Other current liabilities		875	-	5	(875)	(5)
Total Current Liabilities		15,251	18,997	16,007	3,746	2,990
Non-Current Liabilities						
Provisions		2,179	3,667	2,837	1,488	831
Total Non-Current Liabilities		2,179	3,667	2,837	1,488	831
Total Liabilities		17,430	22,662	18,842	5,232	3,820
Net Assets		81,609	62,482	57,875	(19,127)	4,607
Equity						
Contributed equity	12, F	35,502	41,351	36,368	5,849	4,983
Hedging reserves		(22)	-	164	22	(164)
Accumulated surplus/(deficiency)	13	46,129	21,132	21,343	(24,997)	(211)
Total Equity		81,609	62,483	57,875	(19,126)	4,608

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

8.10.3 Statement of cash flows variances

	Variance Note	Estimate ^(a) 2019 \$'000	Actual 2019 \$'000	Actual 2018 \$'000	Variance between estimate and actual \$'000	Variance between actual results for 2019 and 2018 \$'000
Cash Flows from State Government						
Service appropriation	3	127,713	132,367	132,609	4,654	(242)
Holding account drawdowns		351	351	590	-	(239)
Royalties for Regions Fund		408	407	68	(1)	339
Net cash provided by State Government		128,472	133,125	133,267	4,653	(142)
Utilised as follows:						
Cash Flows from Operating Activities						
Payments						
Employee benefits	A	(82,668)	(86,404)	(85,204)	(3,736)	(1,200)
Supplies and services	G	(26,380)	(23,491)	(28,184)	2,889	4,693
Accommodation	I	(19,772)	(21,911)	(18,304)	(2,139)	(3,607)
Grants and subsidies		(6,820)	(7,750)	(8,846)	(930)	1,096
GST payments on purchases		(8,325)	(5,814)	(5,383)	2,511	(431)
GST payments to taxation authority		(400)	(149)	(136)	251	(13)
Other Payments	14	(3,216)	(159)	(131)	3,057	(28)
Receipts						
Sales of goods and services		1,412	1,291	1,210	(121)	81
Commonwealth grants and contributions		510	525	544	15	(19)
Interest received		700	-	-	(700)	-
GST receipts on sales		329	149	136	(180)	13
GST receipts from taxation authority		8,396	5,760	5,795	(2,636)	(35)
Grants and subsidies	B	5,839	5,939	-	100	5,939
Other receipts		1,686	773	1,296	(913)	(523)
Net cash provided by/(used in) operating activities		(128,709)	(131,239)	(137,205)	(2,530)	5,968

8.10.3 Statement of cash flows variances (cont.)

Statement of Cash Flows	Variance Note	Estimate^(a) 2019 \$'000	Actual 2019 \$'000	Actual 2018 \$'000	Variance between estimate and actual \$'000	Variance between actual results for 2019 and 2018 \$'000
Cash Flows from Investing Activities						
Payments						
Cash transferred from/ (to) to other agencies	15,H	-	4,426	(3,559)	4,426	7,985
Purchase of non-current physical assets	9, D	(351)	(6,841)	(1,774)	(6,490)	(5,067)
Net cash provided by/(used in) investing activities		(351)	(2,415)	(5,333)	(2,064)	2,918
Net increase/(decrease) in cash and cash equivalents		(588)	(529)	(9,273)	59	8,744
Cash and cash equivalents at the beginning of period		65,663	42,492	51,765	(23,171)	(9,273)
Cash and Cash Equivalents at the end of period		65,075	41,963	42,492	(23,112)	(529)

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

8.10 Explanatory statement (Cont.)

Major Variance Narratives (Controlled Operations)

Variations between estimate and actual

- 1 Employee Benefits expense was \$6.7 million (8%) higher than the estimate. The variance mainly reflects the misallocation of budget between 'Employee Benefits' and 'Supplies and Services' which has been amended for the 2020 estimates. The 2019 actual result is consistent with the 2018 actual (refer note A).
- 2 Supplies and Services was \$8.2 million (27%) lower than anticipated and mainly relates to a misallocation of the budget (refer note 1), plus savings for tenure research, legal fees and consultants.
- 3 Service Appropriation was \$4.7 million (3%) more than expected due to funding received for Kalamunda Community Centre (\$3 million), Brockman House (\$0.25 million) and supplementary funding for Yarloop (\$1 million) and Telethon (\$0.5 million).
- 4 The year end Cash balance was \$5.9 million (20%) lower than anticipated. The decrease in cash mainly reflects the purchase of the Ministerial aircraft (\$5.2 million).
- 5 The year end Restricted Cash balance was \$17.2 million (49%) lower than anticipated. The actual balance reflects funds for the Land and Equity Fund (\$9.9 million) and Mineral Incentive Scheme (\$7.4 million) reclassified from 'Cash and Cash Equivalents' while the budget estimates represented Browse funding to restricted cash which has now been removed from the Financial Statements (refer note 7).
- 6 Amounts Receivable for Services were \$3.03 million (84.8%) higher than anticipated. The variance is due to a reclassification of the Holding Account Balance from Current to Non-Current (refer to note 8).
- 7 Other Current Assets were \$2.2 million (1,056%) higher than anticipated and mainly represents increased prepayments for accommodation and software licences.
- 8 Amounts Receivable for Services was \$3.03 million lower than anticipated. The variance is due to a reclassification of the Holding Account Balance from Current to Non-Current (refer note 6).
- 9 Property, Plant and Equipment was \$6.9 million (905.3%) higher than anticipated and mainly represents the purchase of the Ministerial aircraft and office fit-outs which were not included in the budget.
- 10 Payables were \$2.2 million (147.8%) higher than anticipated mainly due to increased secondment costs.
- 11 Current Provisions were \$2.4 million (19%) higher than anticipated. This is mainly due to annual and long service leave balances assumed by the Department for the former OGCI, the Public Sector Reform Unit (PSRU) and the Aboriginal Policy and Coordination Unit (APCU), in addition to an actuarial valuation increase in the liability.
- 12 Contributed equity was \$5.8 million (16.5%) higher than anticipated due to the former OGCI transferred to the Department.
- 13 The Accumulated Surplus was \$25.0 million (54.2%) lower than anticipated primarily due to the restatement of the Browse SPA, (refer note 8.2) and a prior year correction (\$1 million).
- 14 Other Payments were \$3.06 million (95.1%) lower than anticipated due to the reallocation of expenditure for insurance and motor vehicle lease payments to Supplies and Services.
- 15 Cash transferred from other agencies (\$4.4 million) was received from the Department of Finance for the functions of the former OGCI to the Department as a result of the MoG changes on 1 July 2018.

Variations between actual results for 2019 and 2018

- A The increase in Employee Benefits expense of \$4.6 million (5.4%) mainly reflects new functions within the Department including the former OGCIO, PSRU and the APCU.
- B The increase in Grants and Subsidies of \$5.9 million (100%) is mainly due to the receipt of cash received from the IRRF (SPA) received as revenue (\$5.8 million) to fund the former OGCIO.
- C Other Current Assets increased by \$2.3 million (1,849%) and mainly represents increased prepayments for accommodation (\$1.5 million) and software licences (\$0.5 million).
- D Property, plant and equipment increased by \$5 million (188%) and mainly represents the acquisition of the Ministerial aircraft (\$5.2 million).
- E Current Provisions increased by \$2.3 million (17.6%) and represents increased accrued leave liability. (Refer note 11.)
- F The increase in Contributed Equity of \$5 million (13.7%) is due to transfer of functions from the former OGCIO into the Department.
- G The decrease in Supplies and Services of \$3.3 million (11.6%) is mainly due to a reduction for one-off expenditure related to the Yarloop Bushfire clean-up (\$3.8 million).
- H The increase in cash transferred from/(to) other agencies of \$8 million (180%) is due to a net cash receipt from the former OGCIO (\$4.4 million) during 2018-19; compared to a net cash payment to the Department of Jobs, Tourism, Science and Innovation in 2017-18 (\$3.6 million).
- I The increase in accommodation of \$3.6 million (19.7%) mainly related to pre-payments. Unlike 2017-18, during June 2019 accommodation expenditure was pre-paid. This resulted in an increase in cash flows over the previous financial year (\$1.6 million). There was also additional accommodation payments relating to OGCIO and ministerial offices.



9 Administered disclosures

This section sets out all of the statutory disclosures regarding the financial performance of the Department.

Disclosure of administered income and expenses	9.1
Explanatory statement for administered items	9.2

9.1 Disclosure of administered income and expenses

	2019 \$'000
Income	
Cash balance transferred ^(a)	1,363
Administered appropriation	5,839
Total Administered Income	7,202
Expenses	
Grants and subsidies	7,202
Total Administered Expenses	7,202

(a) Following MoG the IRRF was transferred to the Department on 1 July 2018.

Funds from the former OGCI were Administered Funds. As part of the MoG, approval was received from Government to use the remaining balance within the IRRF to meet expenditure of the newly formed Office of Digital Government within the Department. This is now a controlled operation of the Department. (Refer Note 8.6)

9.2 Explanatory Statement for Administered items

	Original Budget	Actual	Variance between estimate and actual	Variance note
	2019 \$'000	2019 \$'000	\$'000	
Income from Administered Items				
Income				
Administered appropriation	5,839	7,202	1,363	1
Total Administered Income	5,839	7,202	1,363	
Expenses				
Grants and subsidies	7,349	7,202	(147)	
Total Administered Expenses	7,349	7,202	(147)	
Net income/(deficit) from administered items	(1,510)	-	1,510	

Major Actual 2019 vs Actual 2018

- The variance represents the cash component of funding received from the IRRF at 1 July 2018.

Department of the Premier and Cabinet

Certification of Key Performance Indicators

for the year ended 30 June 2019

I hereby certify that the key 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 2019.



Darren Foster

Accountable Authority

13 September 2019

Performance Snapshot for 2018-19

Table 1: Effectiveness Indicators

Number	Description	2018-19 Target and Result	Reference
Outcome 1 - Executive Government and Members of Parliament receive appropriate support			
1.1	Targets for support services are met or exceeded	Target: 95% Actual: 100%	p97
1.2	Service recipient's confirmation that services provided enable the obligations of Executive Government and Members of Parliament to be met	Target: 3.0 Actual: 4.0	p97
Outcome 2 - The Premier and Ministers receive high quality, rigorous and timely policy advice			
2.1	Service recipient's confirmation that high quality and timely policy advice is provided	Target: 3.0 Actual: 3.7	p98

Table 2: Key Efficiency Indicators

Number	Description	2018-19 Target and Result (\$'000)	Reference
Service 1 – Administration of Executive Government services			
1.1	Average operating cost per Ministerial Office (including Premier's Office and Leader of the Opposition)	 Target: 2,905 Actual: 2,959	p99
1.2	Average cost of support provided per Ministerial Office (including Premier's Office and Leader of the Opposition)	 Target: 483 Actual: 492	p99
Service 2 – Administration of Parliamentary Support			
2.1	Average cost of entitlements per Member of Parliament	 Target: 411 Actual: 400	p100
2.2	Average cost of support per Member of Parliament	 Target: 12 Actual: 21	p100
Service 3 – Government Policy Management – whole-of-Government			
3.1	Average cost to deliver policy advice per applicable Full Time Equivalent*	 Target: 239 Actual: 233	p100
Service 4 – Government Policy Management – Aboriginal Affairs			
4.1	Average cost to deliver policy advice per applicable Full Time Equivalent*	 Target: 393 Actual: 305	p101
Service 5 – Government Policy Management – ICT			
5.1	Average cost to deliver policy advice per applicable Full Time Equivalent*	 Target: 231 Actual: 274	p101

* These are the new efficiency indicators for the year 2018-19. The prior year results have been calculated for comparative purposes.

Audited Key Performance Indicator Information

Performance Indicators

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

- » Sustainable Finances: Responsible financial management and better service delivery.

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

- » Outcome 1: Executive Government and Members of Parliament receive 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: Administration of Parliamentary Support.
- » Service 3: Government Policy Management - whole-of-Government.
- » Service 4: Government Policy Management - Aboriginal Affairs.
- » Service 5: Government Policy Management - ICT.

Revision to the OBM Structure

Following the Machinery of Government changes, the Department's OBM structure was revised for 2018-19 to reflect the amalgamation of the former Aboriginal Affairs policy function with the Department's existing Land Access and Native Title Unit, creating the Aboriginal Policy and Coordination Unit and the transfer of the former statutory authority functions for the Office of the Government Chief Information Officer as a new business unit within the Department, now known as the Office of Digital Government. The revised OBM structure separates these policy functions and reports to three separate Ministers.

In addition, the Department separated services provided to Members of Parliament. These services were previously reported under Administration of Executive Government and are now reported under Administration of Parliamentary Support.

The table below summarises the changes to the OBM Structure for 2018-19. Changes for the 2018-19 year are as follows:

Key Effectiveness Indicators

Modifications

Outcome 1 - Executive Government & Members of Parliament receives appropriate support

- 1.2 Service recipient's confirmation that services provided enable the obligations of Executive Government and Members of Parliament to be met.

Unlike previous years, the inclusion of Members of Parliament confirmation of services in the reporting on quality and timeliness of corporate and advisory services enables the Department to gain a better understanding of its performance and develop targeted improvement strategies for both Executive Government (Premier, Ministers, Leader of the Opposition and Leader of the Second Opposition offices) and Members of Parliament.

Key Efficiency Indicators

Additions

Service 4 - Government Policy Management - Aboriginal Affairs

- 4.1 Average cost to delivery policy advice per applicable Full Time Equivalent

Service 5 - Government Policy Management - ICT

- 5.1 Average cost to delivery policy advice per applicable Full Time Equivalent

Key Efficiency Indicators (Cont.)**Discontinued****Government Policy Management**

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

KEI 2.2 Average Cost per Project ILUA managed

KEI 2.3 Average Cost to Manage a Native Title Claim

KEI 2.5 Number of Cabinet submissions assessed

KEI 2.6 Number of Cabinet submission briefing notes presented to the Premier

Modifications**Service 3 - Government Policy Management - whole-of-Government**

KEI 3.1 Average cost to deliver policy advice per applicable Full Time Equivalent.

The modification excludes Aboriginal Affairs now to better align with the Department's organisational structure.

Explanations for Significant Variances

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

Key Effectiveness Indicators

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

Outcome 1 – Executive Government & Members of Parliament receives appropriate support

	2015-16 Actual	2016-17 Actual	2017-18 Actual	2018-19 Actual	2018-19 Target
1.1 Targets for support services are met or exceeded	100%	98%	96%	100%	95%
1.2 Service recipient's confirmation that services provided enable the obligations of Executive Government and Members of Parliament to be met	3.9	Exempt ^(a)	3.7	4.0 ^(b)	3.0

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

(b) The methodology with this Indicator has been amended in 2018-19. The Annual Expectations Survey now includes Members of Parliament. This change does not significantly impact on prior years' results.

Outcome 1 – Key Effectiveness Indicators Explanatory Notes

1.1 Targets for support services are met or exceeded

This indicator reports 'support services' (e.g. Air Charter requests, Ministerial Merit Panel and Correspondence) provided by corporate services to Executive Government (Premier, Ministers, Leader of the Opposition and Leader of the Second Opposition offices) and Members of Parliament, which comprises the Premier, all Ministers, Members of Parliament and their staff, to ensure the Department delivers appropriate support to Executive Government for which the timeliness of these services is measured.

1.2 Service recipient's confirmation that services provided enable the obligations of Executive Government and Members of Parliament to be met

This indicator reports the satisfaction levels of the Executive Government, Members of Parliament and their staff for corporate services delivered that enable them to meet their Parliamentary obligations. The survey population was 114 and the response rate was 59 percent.

The Annual Expectations Survey is distributed to all stakeholders for completion, which consists of various questions relating to the timeliness and quality of a range of corporate services provided. The rating is a value between one and five, where a value of one indicates services were 'well below expectations' and five indicates services were 'well above expectations'; while a value of three indicates services 'met expectations'.

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

	2015-16 Actual	2016-17 Actual	2017-18 Actual	2018-19 Actual	2018-19 Target
2.1 Service recipient's confirmation that high quality and timely policy advice is provided	3.7	Exempt ^(a)	3.2	3.7	3.0

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

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 the Premier, all Ministers and leaders of the Opposition parties for policy services delivered by the Department. The survey population was 19 and the response rate was 100%.

The Annual Expectations Survey is distributed to all stakeholders for completion, which consists of various questions relating to the timeliness and quality of a range of policy services delivered by the Department. The rating is a value between one and five, where a value of one indicates services were 'well below expectations' and five indicates services were 'well above expectations'; while a value of three indicates services 'met expectations'.

Agency Services and Key Efficiency Indicators

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

- » Service 1: Administration of Executive Government Services;
- » Service 2: Administration of Parliamentary Support;
- » Service 3: Government Policy Management – whole-of-Government;
- » Service 4: Government Policy Management – Aboriginal Affairs; and
- » Service 5: Government Policy Management – ICT

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 cost of service, corporate support expenses are distributed across services on a Full Time Equivalent (FTE) basis and incorporated in reported key efficiency indicators.

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

	2015-16 Actual \$'000	2016-17 Actual \$'000	2017-18 Actual \$'000	2018-19 Actual \$'000
Excluded Expenditures				
Resources provided free of charge	743	1,023	802	812
Community service obligations and non-core operations ^(a)	15,559	28,124	5,543	2,813
Grants and donations	29,308	36,890	8,745	7,981
Total	45,610	66,037	15,090	11,606

^(a) Includes costs for the Constitutional Centre, State Law Publisher, Government Communications Unit and Yarloop Clean-up Project.

Service 1: Administration of Executive Government Services

The Department provides a range of services including:

- » administrative support to the Premier, Ministerial offices and to the Leader of the Opposition and Leader of the Second Opposition offices;
- » support for the functions of Cabinet and Parliament;
- » communication of Government policies and activities;
- » support for the Executive Council; and
- » management of the State occasions and official visits program.

	2015-16 Actual \$'000	2016-17 Actual \$'000	2017-18 Actual \$'000	2018-19 Actual \$'000	2018-19 Target \$'000
1.1 Average operating cost per Ministerial Office (including Premier's Office and Leader of the Opposition)	2,813	2,908	3,032	2,959	2,905

	2015-16 Actual \$'000	2016-17 Actual \$'000	2017-18 Actual \$'000	2018-19 Actual \$'000	2018-19 Target \$'000
1.2 Average cost of support provided per Ministerial Office (including Premier's Office and Leader of the Opposition)	1,382	546	542	492	483

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)

The purpose of this indicator is to highlight the operating cost per Ministerial Office, and seek to measure the efficiency of the costs associated with administering each Ministerial Office.

The Department is responsible for the administration of Executive Government services, which includes the administration of salaries, office accommodation and air charter related expenditure for Ministerial offices.

This indicator reports the average operational expense for each Ministerial Office (but also includes the Leader of the Opposition and Leader of the Second Opposition offices) plus a proportion of the cost of corporate support allocated on an FTE basis.

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

The purpose of this indicator is to highlight the central administrative support cost per Ministerial Office, and seek to measure the efficiency of the costs associated with each Ministerial Office.

The Department is responsible for providing central administration support to Ministerial offices, which can include executive transport, media monitoring, cabinet secretariat and state ceremonial events.

This indicator reports the average operational expense for each Ministerial Office (but also includes the Leader of the Opposition and Leader of the Second Opposition offices) plus a proportion of the cost of corporate support allocated on an FTE basis.

Service 2: Administration of Parliamentary Support

The Department is responsible for the provision of administrative support to Members of Parliament.

	2015-16 Actual \$'000	2016-17 Actual \$'000	2017-18 Actual \$'000	2018-19 Actual \$'000	2018-19 Target \$'000
2.1 Average cost of entitlements per Member of Parliament	409	415	403	400	411
2.2 Average cost of support per Member of Parliament	20	20	14	21	12

Service 2: Key Efficiency Indicators Explanatory Notes

2.1 Average cost of entitlements per Member of Parliament

This indicator has been designed to measure the Department's ability to efficiently administer costs of entitlements per Member of Parliament.

The Department is responsible for the administration of entitlements to Members of Parliament and former Premiers in accordance with the Salaries and Allowances Tribunal and State Government. Entitlements include parliamentary electorate office staff, office accommodation and associated costs, as well as intra-state electorate travel for regional members of Parliament.

This indicator reports the average cost of entitlements per Member of Parliament, including corporate overheads allocated on an FTE basis.

Other expenses included in this indicator are the establishment, relocation and fit-out costs of Electorate Offices, as well as site visits by the PEO Support Unit staff.

2.2 Average cost of support provided per Member of Parliament

This indicator has been designed to measure the Department's central administrative costs to support Members of Parliament.

The Department's responsibility to the administration of Executive Government Services also includes the provision of executive and administrative support to Members of Parliament. The indicator includes expenses associated with the delivery of central administrative support to Electorate Offices including the administration of entitlements, salaries and related costs for the Government Whip Assistant.

This indicator reports the average cost of support provided per Member of Parliament, including corporate overheads allocated on an FTE basis.

The decrease in the 'actual' and 'target' average cost of support per Member of Parliament for 2017-18 reflects the costs for Policy Parliamentary Support (three FTE) that were incorrectly allocated from KEI 2.2 to 2.1 in 2017-18. This has been adjusted for 2018-19.

Service 3: Government Policy Management - whole-of-Government

The Department provides strategic policy advice and coordination to the Premier and Cabinet including:

- » leadership and coordination of cross-agency solutions to complex issues;
- » managing and coordinating Government input into intergovernmental negotiations and advice on federal reform, treaties, defence and other matters raised through the Council of Australian Governments and the Council for the Australian Federation; and
- » emergency management policy advice to the Premier, Ministers and Government agencies and whole-of-Government management and coordination of significant security incidents and emergencies.

	2017-18 Actual \$'000	2018-19 Actual \$'000	2018-19 Target \$'000
3.1 Average cost to deliver policy advice per applicable Full Time Equivalent	243	233	239

This efficiency indicator previously included costs relating to Aboriginal Affairs, which are now reported under a new efficiency indicator 4.1. The 2017-18 Actual result has been reported for comparative purposes.

Service 3: Key Efficiency Indicators Explanatory Notes

3.1 Average cost to deliver policy advice per applicable Full Time Equivalent

The purpose of this indicator is to identify the average cost to deliver policy advice services.

This indicator reports the average cost to deliver policy advice per applicable FTE and is calculated by dividing the total cost to deliver policy advice by the number of FTEs in the general Policy Management area including corporate support.

Service 4: Government Policy Management – Aboriginal Affairs

The Department provides strategic policy advice and coordination to the Minister for Aboriginal Affairs, including cross-portfolio advice on land, State and Commonwealth approvals and Indigenous issues.

	2017-18 Actual \$'000	2018-19 Actual \$'000	2018-19 Target \$'000
4.1 Average cost to deliver policy advice per applicable Full Time Equivalent	333	305	393

This is a new efficiency indicator for the 2018-19 year. The 2017-18 Actual result has been reported for comparative purposes.

Service 4: Key Efficiency Indicators Explanatory Notes

4.1 Average cost to deliver policy advice per applicable Full Time Equivalent

The purpose of this indicator is to identify the average cost to deliver policy advice for Aboriginal Affairs.

This indicator reports the average cost to deliver policy advice per applicable FTE and is calculated by dividing the total cost to deliver policy advice by the number of FTEs in Aboriginal Affairs including corporate support.

The decrease in the 'actual' average cost for 2018-19 compared to the target reflects the underspend from delays in filling vacant positions in the new structure and lower than expected tenure, research and legal fees.

Service 5: Government Policy Management – ICT

The Department provides strategic policy advice and coordination to the Minister for Innovation and ICT.

	2017-18 Actual \$'000	2018-19 Actual \$'000	2018-19 Target \$'000
5.1 Average cost to deliver policy advice per applicable Full Time Equivalent	225	274	231

This is a new efficiency indicator for the 2018-19 year. The 2017-18 Actual result has been reported for comparative purposes.

Service 5: Key Efficiency Indicators Explanatory Notes

5.1 Average cost to deliver policy advice per applicable Full Time Equivalent

The purpose of this indicator is to identify the average cost to deliver policy advice for Innovation and ICT.

This indicator reports the average cost to deliver policy advice per applicable FTE and is calculated by dividing the total cost to deliver policy advice by the number of FTEs in the Office of Digital Government including corporate support.

The increase in the 'actual' for 2018-19 compared to the target mainly reflects the lower actual FTE (24) compared to the FTE used to derive the average cost for the target (32).

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 (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 Treasury.

Capital Works

The Department incurred purchase capital items of \$1.1 million during the financial year, predominantly for office establishment costs.

Employment and Industrial Relations

The Department's annual average number of paid Full-Time Equivalent (FTE) employed in 2018-19 was 483 FTEs, compared to 2017-18 average of 460 paid FTEs.

As at 30 June 2019, the Department's workforce^(a) employed in core business areas comprised of 74 percent permanent employees and 26 percent fixed term employees.

In the Parliamentary Electorate Offices, the annual average number of paid FTEs in 2018-19 employed to support the Members of Parliament was 200 FTEs.

^(a) 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. This included educating and guiding staff in the declaration and management of all actual, perceived and potential conflicts of interest.

Internal Audit

The Department engaged an external contractor to undertake internal audit services for the year; activities which were overseen by the Audit and Risk Management Committee. The external contractor conducted three key audits during the financial year.

External Audit

During 2018-19, 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

The Department reviewed its risk appetite and risk reference tables to align with its new structure and core functions, while commencing an overarching risk management review recognising the structural changes across the Department and commencing the initial development of a Risk Management Framework.

Contact with a Lobbyist

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

Personal Use of Credit Cards

Personal expenditure under Treasurer's instruction 321 – Credit Cards – Authorised Use:	2017-18	2018-19
(a) the number of instances the Western Australian Government Purchasing Card has been used for a personal purpose	11	16
(b) the aggregate amount of personal use expenditure for the reporting period	\$328.99	\$3,401.50
(c) the aggregate amount of personal use expenditure settled by the due date	\$125.64	\$2,960.27
(d) the aggregate amount of personal use expenditure settled after the period required by paragraph (c)	\$203.35	\$441.23
(e) the aggregate amount of personal use expenditure outstanding at the end of the reporting period	-	-
(f) the number of referrals for disciplinary action instigated by the notifiable authority during the reporting period	-	-

Board and Committee Remuneration

Supporting Communities Forum

Position	Name	Type of Remuneration	Period of Membership	Gross Remuneration (\$)	Actual Remuneration (\$)
Chair	Michelle Scott	Annual	2 years	\$26,147	
Deputy Chair	Helen Creed	Sitting fee	2 years		\$15,020
Member	Pip Brennan	N/A	2 years	-	-
Member	Suzi Cowcher	Sitting fee	2 years		\$8,398
Member	Jonathon Ford	N/A	2 years	-	-
Member	Kate George	N/A	2 years	-	-
Member	Louise Giolitto	N/A	2 years	-	-
Member	Neil Guard	Sitting fee	2 years		\$4,658
Member	Dan Minchin	N/A	2 years	-	-
Member	Tricia Murray	N/A	2 years	-	-
Member	Vicki O'Donnell	N/A	2 years	-	-
Member	Maria Osman	Sitting fee	2 years		\$6,630
Member	Carol Petterson JP	Sitting fee	2 years		\$2,482
Member	Julie Waylen	N/A	2 years	-	-
Member	Ross Wortham	N/A	2 years	-	-
Member	Debra Zanella	N/A	2 years	-	-
Member	Michelle Andrews	N/A	2 years	-	-
Member	Adam Tomison	N/A	2 years	-	-
Member	Lisa Rodgers	N/A	2 years	-	-
Member	David Russell-Weisz	N/A	2 years	-	-
Member	Darren Foster	N/A	2 years	-	-
Member	Jennifer McGrath	N/A	2 years	-	-
Member	Chris Dawson APM	N/A	2 years	-	-
Total				\$26,147	\$37,188

Notes:

Grahame Searle ended his membership on 31 January 2019.

Timothy Marney ended his membership on 14 June 2019.

▶ 05 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.

» The Department has an approved and current RKP. Record Keeping Programs have been prepared and signed by all Ministers and the Parliamentary Secretary of the Cabinet. A revised RKP was approved by the State Records Commission in December 2018. The revised RKP places a greater emphasis on digital record keeping.

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

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

» 26 publications have been created for training purposes which include fact sheets, advice, training manuals & videos.

» A compliant records system is used to capture electronic records; there are approximately 800 people using the system; this year records system training was provided to 293 people.

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

» It is a requirement that all staff complete an online RAT course following recruitment, 76% of those enrolled this financial year have completed the course.

» The RAT includes a staff feedback process, course participants have indicated an 85% approval of the content and 62% have indicated an improved understanding of record keeping roles and responsibilities at completion.

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

» Unit 5 of the Department's online induction program covers archives and record keeping responsibilities.

» The Department also requires all staff to attend Accountable and Ethical Decision Making training which is based around the Department's Code of Conduct, Unit 7 of this training covers record keeping.

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

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

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

Summary of Department advertising in 2018-19

Summary of Advertising	Amount (\$)
Advertising Agencies	117,855
Market Research Organisations	-
Polling Organisations	-
Direct Mail Organisations	-
Media Advertising Agencies	143,395
Total advertising expenditure	261,250

Department of the Premier and Cabinet advertising, by class of expenditure, 2018-19

Recipient/Organisation	Amount (\$)
Advertising Agencies	
Ammo Marketing	33,000
Clarity Corporate Communications	54,309
E Media Works Ltd	29,080
Madeleine De Pierres	1,466
Total	117,855

Recipient/Organisation	Amount (\$)
Market Research Organisations	
Nil	-
Total	-
Polling Organisations	
Nil	-
Total	-
Direct Mail Organisations	
Nil	-
Total	-
Media Advertising Agencies	
Adcorp Australia Limited	30,445
Initiative Media Australia Pty Ltd	6,642
Optimum Media Decisions (WA) Pty Ltd	106,308
Total	143,395

Statement of Compliance with Disability Access and Inclusion Plan Outcomes

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

The Department developed a Disability Access and Inclusion Plan (DAIP) in 2016, setting out a number of initiatives to be implemented over a period of time until June 2021. The Department seeks the views of existing employees with 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.

Statement of Compliance with the Public Sector Standards and Ethical codes

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

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

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

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

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

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

Compliance Issues: There were no breaches in the Employment Standard in the 2018-19 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. In 2018-19 a review was conducted of the Department's AEDM training procedures. The Department is currently transitioning to internal training delivery to allow for a program that is highly customised to the Department's requirements.

All new staff are required to read and accept the Code along with completing training and adhering to guidelines on ethical and accountable decision making. These measures 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.



06 Government Policy Requirements



Substantive Equality

(Implementation of the Policy Framework for Substantive Equality)

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

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

Occupational Safety, Health and Injury Management

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

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

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

The Department undertook an internal assessment of its OSH Management Systems in 2011 and continues to achieve the agreed outcomes. The Department is currently implementing additional OSH strategies with a view to re-assessing the Department's OSH Management Systems. 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	Comment on Results Achieved
	2017-18	2018-19	Target	
Number of fatalities	0	0	0	-
Lost time injury/disease incidence rate	0.4%	0%	0 or 10% reduction	-
Lost time injury/disease severity rate	50%	0%	0 or 10% reduction	-
Percentage of injured workers returned to work within 13 weeks	50%	N/A	Actual result to be stated	Zero lost time injury/disease incidents in 2018-19
Percentage of injured workers returned to work within 26 weeks	100%	N/A	Actual result to be stated	Zero lost time injury/disease incidents in 2018-19
Percentage of managers trained in occupational safety, health and injury management responsibilities	79%	82%	Greater than or equal to 80%	-

Government Building Training Policy

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

At the 30 June 2019 no contract subject to the GBT Policy had been awarded.

