



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



# Annual Report | 2010–2011



*Looking after all our water needs*





Department of Water  
**Annual Report** | 2010–2011



*Looking after all our water needs*

September 2011



## Department of Water

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Government of Western Australia  
Department of Water



Looking after all our water needs

## Statement of compliance

*For the year ended 30 June 2011*

**Hon Bill Marmion**  
Minister for Water

In accordance with section 63 of the *Financial Management Act 2006*, I hereby submit for your information and presentation to Parliament, the Annual Report for the Department of Water for the financial year ended 30 June 2011.

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

**Maree De Lacey**  
A/Director General  
Department of Water

28 September 2011

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## Director General's Foreword

During 2010–2011, a review of the Department of Water's strategic plan set the direction to ensure our work would be better aligned with government priorities.

At the same time, we kept a strong focus on delivering other commitments of government.

One of these commitments was to complete an independent, science based review of options to reduce salinity in the Upper Collie Basin, specifically the Wellington Dam.

The review assessed 18 different plans for improving the quality of the reservoir's water so it could be better used by the region's industry and agriculture.

In late August 2010, the government announced that the Department of Water's Collie River salinity recovery project "staged engineering solution to reduce salinity levels in Wellington Reservoir" had been deemed the most prospective option.

While the study helped clarify the most likely engineering solution, work is now underway in partnership with industry and the South West Development Commission to determine if this is the best option to supply industrial water for the region.

Another government commitment delivered this year was an independent engineering assessment of the feasibility of treating large saline reserves east of the Darling Scarp.

A final report was presented to the government in April 2011.

We also worked on promoting and supporting sensible use and recycling of water and supporting managed aquifer recharge (MAR) to capture and recycle stormwater.

The state's first MAR operational policy was released during the year and has been successful in guiding the planning and implementation of the new practice.

The review of the Department of Water's strategic plan used the best knowledge and advice from government agencies, water service providers, stakeholders in the agriculture, industry, environment and community sectors and the department's staff.

It was also guided by the legislation administered by the department in fulfilling its role of supporting the Minister for Water in managing the state's water.

The outcomes of the review were endorsed by the Minister in March 2011.

The department's purpose as stated in the new strategic plan is to "Support Western Australia's growth and development by managing the availability and quality of water sustainably – now and for the future".

The plan has three goals that align with government priorities. These goals establish the department as the state's lead agency in water planning, policy and resource management.

- 1 **Water needs for population and economic growth are met now and for the future**
- 2 **Western Australia has contemporary and adaptive water management**
- 3 **Western Australia meets national standards in water efficiency and demand management**

But the review was not just about what we do. Of equal importance was that we listened to our stakeholders about how they wanted us to work with them.

We have some of Australia's best science, and we are committed to greater transparency in our decision-making.

We have heard the message about consultation. We are committed to engaging with those who will be impacted in any significant way by our decisions, before we make those decisions wherever possible. If it isn't possible, we'll explain why.

In 2010–2011, we saw the driest season on record in Western Australia's south west, as well as record flooding in the Kimberley and Carnarvon. Our staff were leaders in the state's response to these events.

The department's strength is in its people. In 2010–2011 it was a privilege to lead the department with its many dedicated people to deliver high level results in water planning, policy and resource management.



Maree De Lacey

A/Director General  
 Department of Water

# Our achievements and values

The three goals, and some of our achievements in 2010–2011 were:

**1 Water needs for population and economic growth are met now and for the future**

- ◆ Established an inter-agency senior officers group to provide advice to government on the next major water resource and supply options for Western Australia
- ◆ Establishment of the new water supply planning branch to strengthen our capacity in developing advice for future supply planning
- ◆ Prioritising development of water allocation plans to match government initiatives and areas where demand is high including the Ord, Pilbara, Lower Gascoyne and Warren Donnelly.
- ◆ Increased groundwater investigation and assessment in priority areas

**2 Western Australia has contemporary and adaptive water management**

- ◆ The department began reviewing all policies to ensure they align with contemporary water management practices
- ◆ All unnecessary administrative barriers to water trading were removed. From November 2010 to June 2011, there were 35 water trades and agreements compared to 25 in the same period in 2009–2010
- ◆ Water Services Bills were introduced to Parliament. These Bills streamline and rationalise existing legislation and remove unnecessary administrative barriers to competition
- ◆ A review of all licence conditions was started to ensure appropriate and consistent regulation in licence approvals and management
- ◆ A review of regulation was started to streamline approvals processes. For example, exemptions for licensing of low volume, short timeframe dewatering activities were introduced. Also, a number of water licensing operational activities were either reviewed or new ones were implemented to streamline the assessment process of water licence applications

**3 Western Australia meets national standards in water efficiency and demand management**

- ◆ The Water Recycling Innovation Steering Committee, with government and industry partners, was established to focus on leading the implementation of non-drinking water projects and the development of an across government water recycling policy
- ◆ Investigations for the Perth Gnangara confined aquifer capacity study were brought forward. This investigation will provide better information about the feasibility of aquifer storage and recovery
- ◆ A 'lead agency' approach has been established within the structure that provides a single point of contact for water-related regulatory functions across government.

## Our values

**Lead**

We raise the bar for excellence in water resource management

**Innovate**

We make smart use of water by thinking differently

**Respond**

We work together in a proactive, adaptable and responsible manner to deliver timely water solutions

**Commit**

We are dedicated to achieving the best results for our stakeholders and water resources

# 1

## Overview of the agency

### Executive summary

2010–2011 was a year of extremes from a record dry in the south west to record floods in the Mid West, Gascoyne and Kimberley.

At the same time, there was an unprecedented demand for water to support population growth and economic development.

The department undertook a review of its strategic plan and as a result a new organisational structure was created to come into effect at the beginning of the 2011–2012 year.

#### Water management and services

During the year, flood events in the eastern states and northern half of Western Australia increased the focus on floodplain management and flood mitigation.

The department's expertise and ongoing work meant it was well equipped to provide real-time monitoring of river levels delivering timely and accurate flood forecasting information.

There has been increased demand for floodplain mapping and floodplain development advice from the department with more than 1100 requests for information to inform land use planning and building development controls in flood prone areas.

This is just one way the department is responding to the needs of stakeholders and its partners to find solutions that support the state's future growth.

Work on the [Murray drainage and water management plan](#) utilised the latest scientific and engineering knowledge to create a blueprint to help guide developments that embrace total water cycle management principles and water sensitive urban design. This will deliver new urban areas with modernised water management services that use less water.

#### Water allocation and optimisation

In 2010–2011, the department administered more than 14 000 licences totalling 2722 gigalitres (GL) of water, of which 65 per cent came from groundwater sources and 35 per cent from dams and waterways.

Approximately 20 per cent of the state's allocated water was delivered as potable water by scheme water service providers.

The remaining 80 per cent of water was largely used to support mining, industry and agriculture, and for parks and recreational spaces. One hundred and seventy nine gigalitres of groundwater were held in reserve for future town drinking water supplies.

The 2010 record low winter rainfall in the southern half of the state put extra pressure on water resources.

This was reflected in the record low inflows into the state's south west scheme water and self-supply dams. This required an effective coordinated industry response which included water emergency planning in partnership with the Water Corporation, the Department of Agriculture and Food (WA) and peak industry groups and businesses.

Our nationally recognised work in understanding and advising on streamflow and groundwater was invaluable in responding to the 2010 dry season.

This work enabled the government to provide stakeholders with the best information available on how these conditions could affect water supplies and business planning.

The department's investigation, assessment, and monitoring work ensured the aquifers continued to provide sustainable fit for purpose regional water supplies from the Kimberley to Great Southern.



Six new water allocation plans were developed providing access to an annual yield of 319.41 GL taking the total coverage of allocation plans to 70 per cent of water licenses.

Our continued support to drought affected dryland farming communities enabled emergency water supplies to support these food producing regions during another testing year.

More than \$1 million was also spent bolstering farm water supplies and upgrading community dams, tanks and bores through the department's rural water planning program.

In 2010–2011, the department led water optimisation through its technical and policy expertise. Work on finding further efficiencies in the watering of public open spaces continued with 31 metropolitan and 22 regional local government authorities engaged in water conservation planning.

The department continues to provide funding in support of increased scheme and non-potable water savings in local government areas through the International Council for Local Environmental Initiatives (ICLEI) water campaign.

The state's first managed aquifer recharge (MAR) operational policy was released and has been successful in guiding the planning and implementation of the new practice. MAR is a process by which treated water is recycled and stored in the groundwater systems to augment water supplies.

In the regions, the department worked closely with industry and service providers to increase water capacity and new sources in high growth areas such as the Pilbara, the Mid West and the greater metropolitan area of Perth.

The department's statewide groundwater field investigations uses scientific methods to determine capacity and condition of underground water sources. These findings are vital in providing detailed knowledge of underground water resources in high demand areas such as the North Gnamara groundwater system, Allanooka in the Mid West and Millstream in the Pilbara. This ensures sustainable allocation volumes are available for current and future users.

### Catchment and waterways health

A priority for the department is ensuring the ongoing availability of reliable, safe, public drinking water and protection of the catchment areas.

At year's end, 134 proclaimed public drinking water source areas were being used to supply drinking water to the majority of the state's population.

During the year, the department successfully worked with stakeholders and partners to promote waterways education and preventative activities to maintain healthy waterways.

Responding to water quality issues also included recording and analysing fish kills and algal blooms in the regions' waterways. We also worked with catchment councils, community and industry on state Natural Resource Management funded water quality improvement plans.

In the state's south west, work continued on the long term water supply for the region including the potential for improved water use from Wellington Dam.

Due to its high salt content, the dam's water, although fully allocated for industry and agriculture, does not currently meet potential best use.

The department and the South West Development Commission are working with local industry to develop an industry-led approach to improving the quality of water in Wellington Dam.

The challenges of the 2010–2011 year further highlighted the department's capacity to deal with a range of complexities and find innovative solutions. Our purpose is to ensure water of the right quality is available for the state's growth, now and for the future.

# Operational structure

## Enabling Legislation

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

## Responsible Minister

The Department of Water's responsibility from 1 July 2010 to 14 December 2010 of the reporting period was to the Minister for Water; Mental Health, the Hon Dr Graham Jacobs MLA and from 15 December 2010 for the remainder of the reporting period to the Minister for Environment; Water, the Hon Bill Marmion MLA.

## The role of the department

The Department of Water is the agency responsible for managing the availability and quality of the state's water, now and for the future. This includes:

- ◆ Leading policy development for the best use of the state's water and the provision of water services
- ◆ Assessing and advising on how much water is available for use and the options to meet current and future demand
- ◆ Encouraging water conservation and promoting innovative use of alternative water sources
- ◆ Managing and regulating the use of water
- ◆ Integrating water planning and land use planning
- ◆ Protecting and improving water resources
- ◆ Working with industry, government and community stakeholders to find solutions for better water use
- ◆ Providing easily accessible information

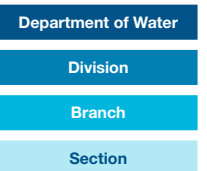
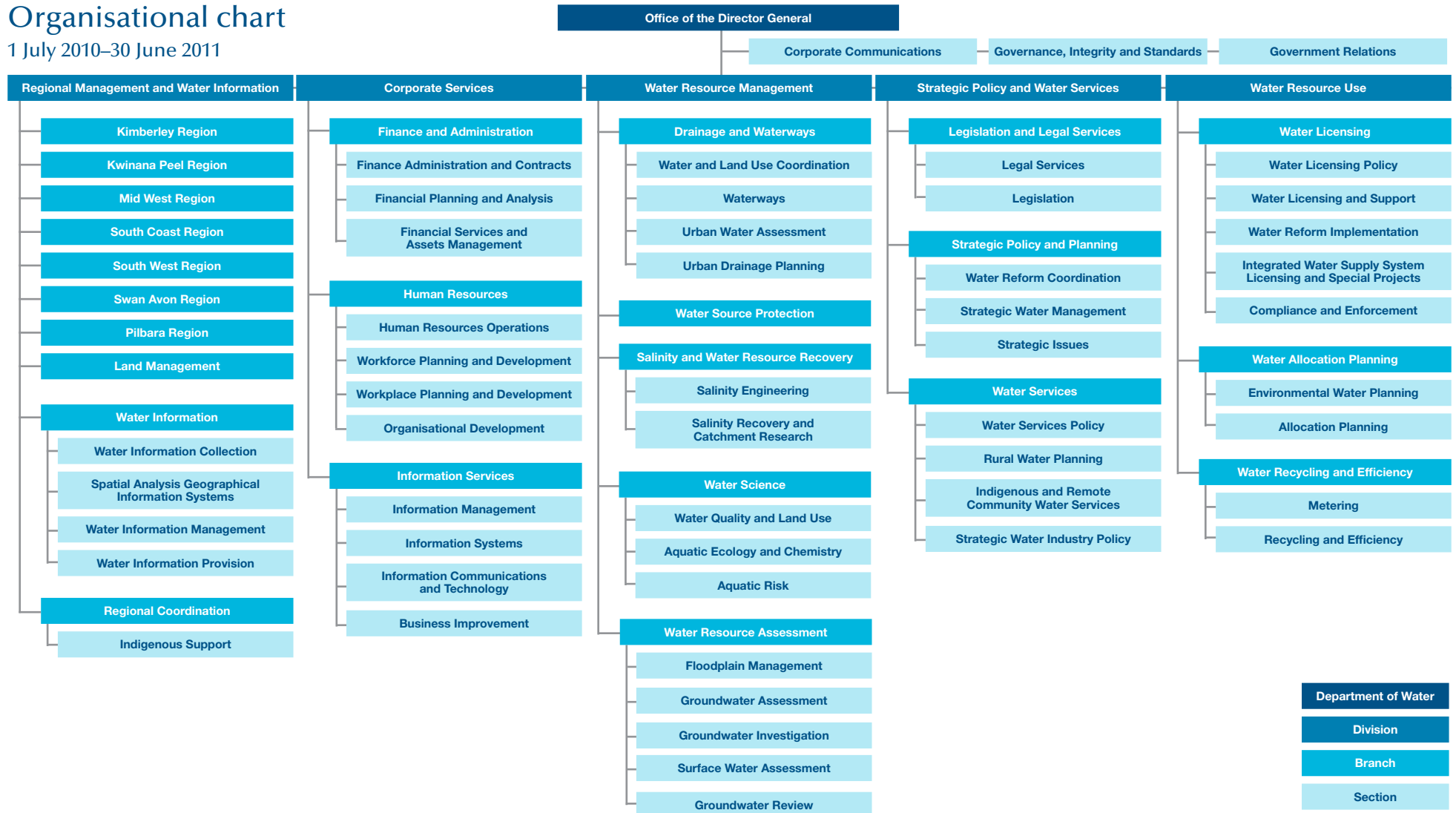
Legislation administered by the Department of Water as at 30 June 2011

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

- ◆ *Water Services Licensing Act 1995* (Except Part 5A, which is administered by the Department of Commerce)
- ◆ *Waterways Conservation Act 1976*

# Organisational chart

1 July 2010–30 June 2011



# Performance management framework

The performance framework below shows the relationships between government goals, agency level government desired outcomes and the agency's services.

**Government goal: Ensuring that economic activity is managed in a socially and environmentally responsible manner for the long term benefit of the state.**

**Agency level desired outcome: Sufficient,<sup>1</sup> quality<sup>2</sup> water to support the needs of the community, environment and state development.**

Water is one of the state's most valuable resources, providing communities with drinking water, food and recreation opportunities. It is also essential for Western Australia's continued economic development. The department ensures the state's water resources are planned,

managed and developed to meet social, environmental and economic needs now and into the future. It exists to ensure the state has sufficient water of the required quality (whether this is for agricultural use, industrial use, or drinking).

The key relationships between our performance indicators and these functions are:

Effectiveness indicators:

- A Proportion (%) of water resource management areas that are planned appropriate to their water resource category
- B Proportion (%) of water resources with licensed allocations that are within the allocation limit
- C Proportion (%) of public water supplies covered by a drinking water source protection plan

The department progresses towards the achievement of this outcome through the provision of three services:

## Service 1: Urban water management and industry services

Drainage water planning is seen as a critical component of the urban water cycle. Drainage water plans give consideration to the impacts of drainage on flood protection, wetlands, groundwater systems, groundwater-dependent ecosystems, and receiving water bodies, while providing liveable and attractive communities. Drainage planning across the metropolitan area incorporates the needs of urban development with better management of our water resources.

Salinity work manages and provides water from catchments of a required quality for human consumptive use including drinking water, water for irrigation and water for industry. This water is usually distributed to the community via water service providers.

The key relationships between our performance indicators and these functions are:

Efficiency indicators

- D Average cost per industry water services policy instrument
- E Average cost per drinking water source protection plan

- F Average cost per drainage and water management plan and assessment
- G Average cost per km<sup>2</sup> of designated proclaimed water supply catchments where salinity and water resource recovery management measures are implemented

## Service 2: Water use allocation and optimisation

The department is responsible for ensuring the state has sufficient water now and into the future. To achieve this, the department undertakes the following interrelated activities:

- ◆ **Water use allocation** – Allocating water from water resource areas for various types of use, while leaving enough water in the environment to meet ecological, recreational and cultural needs
- ◆ **Water use management** – Managing the conditions by which water is extracted from water resource areas including quantity, timing, water use and any impacts associated with its use

<sup>1</sup> Sufficient – refers to the quantity of water, and relates to the department's role in ensuring that there is enough water to support social, environmental and economic needs

<sup>2</sup> Quality – refers to the varying standards of water quality the department is responsible for managing and allocating for industry use, agricultural use or fit for human consumption

- ◆ **Water use optimisation –**  
 Optimising the use of water by prescribing and encouraging the efficient use of water extracted from water resource areas. This is achieved through undertaking water recycling and efficiency initiatives

The key relationships between our performance indicators and these functions are:

#### Efficiency indicators

- H** Average cost per allocation plan completed<sup>3</sup>
- I** Average time taken (days) to process a licence by water category grouping
  - Category 1
  - Category 2
  - Category 3
  - Category 4
- J** Expenditure on water licence administration
  - Average cost per water licence (all categories)

- ◆ **Total number of licences processed by category grouping**
  - Category 1
  - Category 2
  - Category 3
  - Category 4

#### Service 3: Catchment and waterways health

The service is concerned with managing and recovering catchments and waterways to best meet social, economic and environmental needs. It includes activities such as catchment management (e.g. monitoring water nutrient levels, flora and fauna, acidity levels) and dry land salinity. The salinity work undertaken is focused on the maintenance or recovery of environmental values of waterways and catchments. The water quality in these catchments and waterways is currently at a quality level that is unsuitable for human consumption.

The key relationships between our performance indicators and these functions are:

#### Efficiency indicators

- K** Average cost per km<sup>2</sup> of designated inland rural catchments where dryland salinity management measures are implemented
- L** Average cost per waterway management plan developed

<sup>3</sup> This indicator is based on a three year rolling average

## 2 Agency performance



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



Looking after all our water needs

### Certification of Performance indicators for the year ended 30 June 2011

*Financial Management Act 2006*

I hereby certify that the performance indicators are based on proper records, are relevant and appropriate for assisting users to assess the Department of Water's performance, and fairly represent the performance of the Department of Water for the financial year ended 30 June 2011.



Maree De Lacey  
A/Director General  
Department of Water  
19 September 2011

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## Summary of key performance indicators

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

### Effectiveness indicators

Performance indicator	Note	Unit	Actual 09-10	Actual 10-11	Target 10-11
Proportion (%) of water resource management areas that are planned appropriate to their water resource category	A	%	57	60	75
Proportion (%) of water resources with licensed allocations that are within the allocation limit	B	%	86	85	85
Proportion (%) of public drinking water supplies covered by drinking water source protection plan	C	%	80	89	86

### Service 1: Urban water management and industry services

#### Efficiency indicators

Performance indicator	Note	Unit	Actual 09-10	Actual 10-11	Target 10-11
Average cost per industry water service policy instrument	D	\$	53 192	39 466	63 051
Average cost per drinking water source protection plan	E	\$	673 803	651 193	419 469
Average cost per drainage and water management plan and assessment	F	\$	7699	5802	6425
Average cost per km <sup>2</sup> of designated proclaimed water supply catchments where salinity and water resource recovery measures are implemented	G	\$	546	636	431

For detailed key performance indicators please refer to page 81

<sup>4</sup> This indicator is calculated using a three year rolling average

### Service 2: Water use allocation and optimisation

#### Efficiency indicators

Performance indicator	Note	Unit	Actual 09-10	Actual 10-11	Target 10-11
Average cost per allocation plan completed <sup>4</sup>	H	\$	1 399 813	1 350 663	1 405 951
Average time taken (days) to process a licence by water category grouping	I	Days			
Category 1			51	58	50
Category 2			41	56	60
Category 3			43	57	65
Category 4			46	60	75
Expenditure on water licence administration	J	\$			
Average cost per water licence all categories			2211	2061	1790
Total number of licences processed by category grouping					
Category 1			1003	930	1200
Category 2			2184	2216	2350
Category 3			4225	4877	4900
Category 4			5251	4121	5000

### Service 3: Catchment and waterways health

#### Efficiency indicators

Performance indicator	Note	Unit	Actual 09-10	Actual 10-11	Target 10-11
Average cost per km <sup>2</sup> of designated inland rural catchments where dryland salinity management measures are implemented	K	\$	751	518	596
Average cost per waterway management plan developed	L	\$	617 220	440 752	471 827

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## Water resource use

The Water Resource Use division manages access to the state’s water resources.

It manages water demand by setting allocation limits for proclaimed areas, and licensing access to that water.

It administers all the state’s water licences including public scheme water supplied for drinking and industrial use by the Water Corporation, Aqwest and the Busselton Water Board.

There are three branches which carry out the integrated functions of managing water supply and demand.

These are:

- ◆ Water allocation planning
- ◆ Water recycling and efficiency
- ◆ Water licensing

In 2010–2011 a water supply planning branch was created in this division in response to a recognised need for a greater focus on planning for future water resource and supply options across WA.

## Water allocation planning

Across WA people draw on water in streams and groundwater aquifers for domestic and business needs.

In 2010–2011, about 80 per cent of the water used was accessed directly by individuals and companies, while the remaining 20 per cent was delivered by public water supply providers.

Allocation planning ensured existing levels of water use were not adversely affected by new water demands, and provided security for the activities of licensed water users.

Planning was prioritised based on development forecasts in each region, government priorities, obligations and commitments and current pressures in managing the water resources.

In 2010–2011, the department continued its systematic progression of establishing or updating statewide allocation plans.

Water allocation plans were developed to cover six water management areas providing access to an annual yield of 319.41 GL. Three water allocation plans were completed and issued for the Jurien and Arrowsmith groundwater areas and the Gingin surface water area.

Three additional water allocation plans for lower Gascoyne, lower Collie and lower Canning were released for public comment and submissions are now being considered.

The department has now developed 19 water allocation plans for mostly high use areas. These plans cover 31 management areas and account for more than 70 per cent of water licences across the state.

The department continued to develop policies and management systems to ensure the state’s allocation plans are consistent with the intent and key requirements of the National Water Initiative (NWI) under current state legislation.

**Table 1 Allocation plans for 2010–2011 financial year**

Allocation plans	Management areas	Total allocation limit (GL/yr)
Jurien groundwater allocation plan (final)	1	94.6
Arrowsmith groundwater allocation plan (final)	1	189.25
Gingin surface water allocation plan (final)	1	4.51
Lower Gascoyne allocation plan (public comment)	1	20.2
Lower Collie surface water allocation plan (public comment)	1	10.2
Lower Canning allocation plan (public comment)	1	0.65
<b>Total</b>	<b>6</b>	<b>319.41</b>



## Water recycling and efficiency

An important part of meeting the state's future water demand involves using existing water better.

The department provides advice to government on areas of potential water savings and coordinates the administrative and statutory framework for efficiency and recycling initiatives.

In 2010–2011, increased conservation of drinking water supplies was achieved through the administration of the permanent winter sprinkler ban. This ban applied to scheme users, unlicensed garden bores and more than 600 licensed groundwater users.

### Waterwise councils and conservation planning

Local government authorities (LGAs) use a large amount of water in public open spaces and inside their facilities.

As of 30 June 2011, LGAs accounted for a total of 263 licences covering 60 billion litres of groundwater and 900 million litres of surface water annually.

LGAs have a high profile in the community and are ideal leaders to promote efficient and effective water management while delivering public amenity for the community.

To date, 31 metropolitan and 22 regional LGAs have worked with the department to develop public open space water conservation plans.

This process has been successful in improving council water management and enabling the adoption of best practice irrigation techniques.

Initiatives include planting of native plant species, hydrozoning, improving water delivery systems, central irrigation control, soil amendments and irrigation scheduling based on soil moisture and, evaporative transpiration data from weather stations.

In 2010–2011, the state government continued its financial commitment to the International Council for Local Environmental Initiatives (ICLEI), agreeing to provide a further \$500 000 over the next two years to its water efficiency campaign.

This builds on the department's combination of more than \$1.6 million over the past eight years. Currently 42 local governments have signed on to ICLEI's water campaign, covering 80 per cent of the state's population.

The integration of the department's water conservation plan objectives into ICLEI's Waterwise Council milestones has secured a collective future for viable facilities and recreation spaces. It has contributed to 100 billion litres of drinking water savings over the last 10 years.

In 2010–2011, the cities of Belmont, Joondalup, Melville, Nedlands, and Subiaco, the shires of Capel, Serpentine-Jarrahdale and the Town of Mosman Park were endorsed as waterwise councils, bringing the statewide total to 14.

### Waterwise community toolkit

The government encourages industry to recycle water. This year, there has been an uptake of water recycling due to the lack of rainfall and the effects on surface water supplies and groundwater recharge.

A Waterwise community toolkit was completed in August 2010. It makes available online resources for local governments, developers and the community to promote water conservation, recycling and the efficient use of water.

It provides information on alternative sources such as wastewater, greywater, rainwater, stormwater and groundwater as non-drinking water sources for single households, new urban developments and irrigation of recreational areas.

### Winter sprinkler ban

The winter sprinkler ban, managed in partnership with the Water Corporation continued for its second year as a permanent ban from 1 June to 31 August.

The department's work included amending 600 groundwater licences for businesses, local governments, schools and other organisations for the irrigation of non-commercial lawns and gardens.

### Waterwise golf courses

Golf is one of the biggest participation sports in Australia and golf courses are large water users. To continue the availability of top class courses in WA, a steering committee was formed to develop a waterwise golf program to improve water use in this sector. The program collaborates with the golfing industry to develop standards for golf course irrigation.

### Domestic garden bore project

Work on updating and quantifying the number and volume usage of the unlicensed domestic bores in the greater Perth metropolitan area continued in 2010–2011. To date, 61 meters have been installed on bores owned by community volunteers to record estimated usage.

The data collected assisted with updating average abstraction rates, with the figure revised to 440 kilolitres (kL) per annum replacing the previous estimate of 800 kL per annum.

Work continued on an improved suitability map for domestic garden bores to assist home builders, developers and drillers to assess whether bores are viable in specific areas.

It is estimated that houses with garden bores save around 52 kLs per person per year of scheme water and reduce scheme water use in the Perth metropolitan area by about 30 gigalitres (GL) per year.

The department, in partnership with the Commonwealth Science and Industry Research Organisation (CSIRO), completed studies which support additional garden bores in many areas and the department updated its online suitability map indicating areas where garden bores are suitable.

### Non-drinking water sources

*A draft approval framework for the use of non-drinking water in Western Australia* was finalised in October 2010. The framework was developed in consultation with the departments of Health, Planning, Environment and Conservation and the Water Corporation, Western Australian Local Government Association (WALGA), Building Commission (Department of Commerce) and the Urban Development Institute of Australia (WA). The framework provides a guide for government and business to assist with compliance.

### Managed aquifer recharge

Managed aquifer recharge (MAR) involves an artificial injection of surface water into underground aquifers.

The department led the progress of MAR policy and implementation as a new water source initiative.

It chaired the inter-agency group overseeing the state's first groundwater replenishment trial at Beenyup. The first injection of treated wastewater took place in November 2010. The department also worked with the Water Corporation and the Town of Cambridge on the Perry Lakes aquifer replenishment project and provided technical expertise to the City of Geraldton on their stormwater harvesting and aquifer recharge project.

A preliminary assessment for using MAR concepts to take water from the Harvey Drain to the Myalup area of the south west began during the year.

The department also assessed the feasibility of stormwater harvesting and MAR for new urban developments in the Peel Region, an area which provides significant water challenges. It was the first time the MAR policy, incorporating the MAR Australian guidelines for water recycling, was applied early in the land-planning process as well as being applied to a large regional area.

The study identified that MAR can be integrated by following three principles:

- ◆ Managing catchments to maintain or improve water resources
- ◆ Managing flooding and inundation risks to human life and property
- ◆ Ensuring the efficient use and re-use of water resources

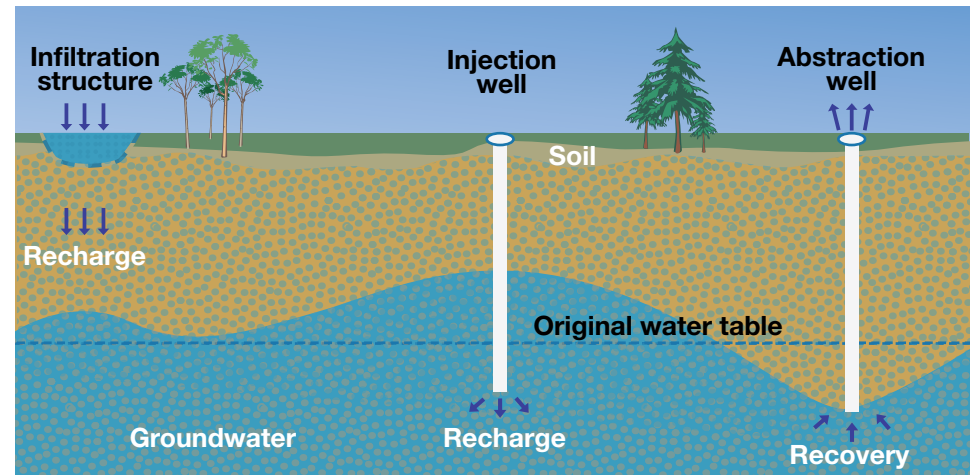


Figure 1 Schematic example of managed aquifer recharge via injection or infiltration

### Water licensing

The department administers the state's water licensing program. It issues licences and permits to take and use water for commercial use and public water supply, consistent with the requirements of the *Rights in Water and Irrigation Act 1914* (RiWI Act).

All ground and surface water users who irrigate more than a 0.2 hectare area, or use more than 1500 kL of water, require a licence.

In 2010–2011, the water licensing program administered 14 143 licences and permits covering 771 groundwater resources and 177 surface water resources.

### Managing and issuing of licences

During the year, the department received 3787 applications and granted 3233 licences and permits reducing the backlog of applications that currently stands at 1118. There were 700 applications outstanding for more than 90 days.

At the close of the 2010–2011 year, these licences totalled 2722 GL of which 1772 GL came from underground sources and 950 GL from surface water.

A further 179 GL was licensed for future town water supplies as part of allocation planning.

In 2010–2011, the division implemented actions to reduce unnecessary administrative requirements in water licensing.

The department expanded the process to fast track renewal of low risk licences. It also expanded the exemption threshold for licensing of small construction dewatering projects.

### Supporting licensees

Implementing licensing reform obligations to the National Water Initiative (NWI) continued with the development and release of the online Water Register and the revision of *Operational policy 5.13 Water entitlement transactions for Western Australia*. These initiatives provide easier access to information and more flexibility for stakeholders to trade water entitlements and enhance the trading environment.

In the six months from November 2010, 35 trades and agreements were made, compared to 25 for the same time the previous year.

### Compliance and enforcement

The branch completed a review of its compliance and enforcement functions to align with the NWI requirements.

Following the unprecedented dry winter of 2010, a specific compliance and enforcement plan was developed and implemented for the summer of 2010–2011 to combat risks of licensees breaching entitlements to manage the impact of reduced rainfall on their business operations.

Investigation officers completed a round of summer water usage audits in addition to the normal compliance survey program.

As a result of these audits and surveys, several instances of non-compliance with groundwater licence (GWL) conditions were identified and appropriate actions were taken against those who failed to comply with the conditions of their GWL.

The most common non-compliance issue was taking groundwater over and above the annual water entitlement. In some cases licensees were unaware of the extent of their usage. There were also instances where licensees had misinterpreted meter readings.

Figure 2 Total licensed groundwater by sector 2010–2011

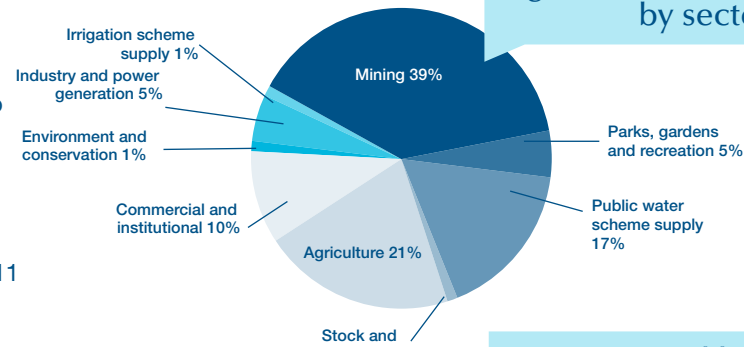


Figure 3 Total licensed surface water by sector 2010–2011

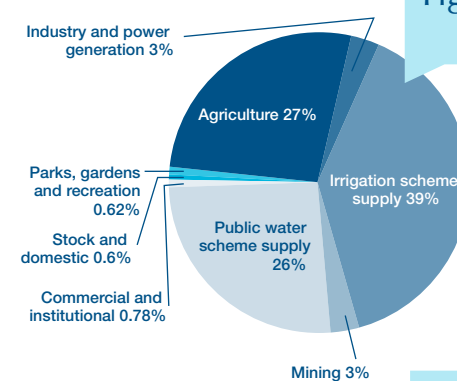
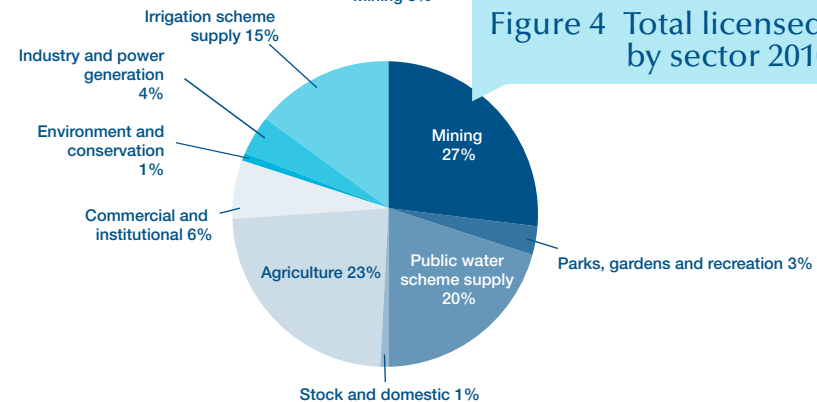


Figure 4 Total licensed water by sector 2010–2011



**Table 2 The total number of licences administered by the department per month across all categories in 2010–2011**

Date	GWM	GWL	SWL	Subtotal	26d	Permits	Total
31-Jul-2010	2269	10 383	1056	13 708	660	182	14 550
31-Aug-2010	2269	10 389	1067	13 725	656	189	14 570
30-Sep-2010	2268	10 403	1058	13 729	656	185	14 570
31-Oct-2010	2266	10 400	1062	13 728	693	183	14 604
30-Nov-2010	1638	10 396	1065	13 099	694	184	13 977
31-Dec-2010	1638	10 444	1074	13 156	698	187	14 041
31-Jan-2011	1634	10 443	1077	13 154	705	183	14 042
28-Feb-2011	1616	10 476	1086	13 178	735	189	14 102
31-Mar-2011	1615	10 498	1095	13 208	704	197	14 109
30-Apr-2011	1614	10 524	1099	13 237	677	208	14 122
31-May-2011	1613	10 540	1098	13 251	694	216	14 161
30-Jun-2011	1 61311	10 562	1101	13 276	654	213	14 143

GWL – groundwater; SWL – surface water; GWM – groundwater monitoring; 26D – permit to move bed and banks

**Table 3 The number and volume of water use licences administered by the department per month in 2010–2011**

Date	<=5 ML/a		5 to 100 ML/a		100 to 500 ML/a		500 to 1,000 ML/a		> 1,000 ML/a		Sum No. of Licences
	GWL	SWL	GWL	SWL	GWL	SWL	GWL	SWL	GWL	SWL	
31-Jul-2010	6171	150	5277	673	748	176	153	13	303	44	13 708
31-Aug-2010	6175	154	5278	680	749	176	153	13	303	44	13 725
30-Sep-2010	6181	156	5288	667	743	178	151	13	308	44	13 729
31-Oct-2010	6184	152	5278	672	747	180	148	13	309	45	13 728
30-Nov-2010	5598	150	5240	675	742	182	145	13	309	45	13 099
31-Dec-2010	5596	151	5268	683	747	182	150	13	321	45	13 156
31-Jan-2011	5592	150	5263	686	748	182	151	14	323	45	13 154
28-Feb-2011	5587	152	5281	692	748	183	152	14	324	45	13 178
31-Mar-2011	5595	153	5295	701	743	181	154	15	326	45	13 208
30-Apr-2011	5599	154	5308	704	747	181	156	15	328	45	13 237
31-May-2011	5601	152	5315	704	753	183	154	14	330	45	13 251
30-Jun-2011	5600	153	5329	705	761	184	154	14	331	45	13 276

GWL – groundwater; SWL – surface water; ML/a – megalitres per annum

**Table 4 Process times for new licences and licence amendments per month across all categories in 2010–2011**

Date	<= 30 days		30 to 60 days		60 to 90 days		> 90 days		Issued for the Month		Total licences issued
	New	Amend	New	Amend	New	Amend	New	Amend	New	Amend	
31-Jul-2010	35	74	41	51	15	12	30	27	121	164	285
31-Aug-2010	43	49	38	34	17	14	17	21	115	118	233
30-Sep-2010	59	72	29	42	16	16	22	15	126	145	271
31-Oct-2010	75	53	50	46	17	11	24	13	166	123	289
30-Nov-2010	56	32	28	33	17	14	18	11	119	90	209
31-Dec-2010	81	64	44	54	11	11	29	8	165	137	302
31-Jan-2011	48	30	36	40	17	151	15	17	116	238	354
28-Feb-2011	53	35	41	45	23	19	22	69	139	168	307
31-Mar-2011	87	37	41	31	10	18	19	18	157	104	261
30-Apr-2011	56	28	39	26	8	23	17	24	120	101	221
31-May-2011	69	41	43	35	12	13	29	21	153	110	263
30-Jun-2011	29	48	44	49	23	10	22	13	118	120	238
<b>Total Yr to Date</b>	<b>691</b>	<b>563</b>	<b>474</b>	<b>486</b>	<b>186</b>	<b>312</b>	<b>264</b>	<b>257</b>	<b>1 615</b>	<b>1 618</b>	<b>3 233</b>

GWL- groundwater; SWL – surface water; GWM – groundwater monitoring; 26D – permit to move bed and banks

## Regional management and water information

The Regional Management and Water Information division coordinated and delivered the department’s programs to the state’s seven water management regions:

- ◆ Kimberley
- ◆ Pilbara
- ◆ Mid West Gascoyne
- ◆ Swan-Avon (including Goldfields)
- ◆ Kwinana–Peel
- ◆ South West
- ◆ South Coast

The division also ran the department’s measurement and water information, land management and regional coordination programs.

During the year, the division changed its name from Water Resource Business Operations to Regional Management and Water Information to better reflect its business function.

Regional officers in the northern half of the state dealt with one of the wettest years on record including record floods in the Kimberley and Gascoyne.

In the southern half of the state, the 2010 winter was the driest on record. The implications of this were:

- ◆ Less water flowing through rivers
- ◆ Less water going into public and private dams
- ◆ Less water recharging both superficial and deep aquifers
- ◆ Less water in the public supply system (dams and aquifers)
- ◆ Less water in private supplies (dams)

In 2010–2011, the division:

- ◆ Implemented an integrated program delivery service for stakeholders using the department’s regional network
- ◆ Managed the department’s land and property holdings
- ◆ Managed all measurement and water information assets and activities to support decision making in water resource management
- ◆ Provided support and built capacity in the department to engage with Indigenous people in water resource planning and management
- ◆ Provided occupational safety and health leadership and support

## Regional programs

### Kimberley region

During the past year, staff and programs focused on activities that enable the sustainable use of water resources to support economic growth and development.

Staff continued to work on projects that supported regional and allocation planning and licensing activities including:

- ◆ Releasing and facilitating community and stakeholder workshops for the [draft Kimberley Regional Water plan for public comment](#)
- ◆ Hosting the West Kimberley water management stakeholder forum
- ◆ Creating the Skuthorpe (one of the Broome groundwater area subareas) allocation policy
- ◆ Continuing involvement with the Australian Government Tropical Rivers and Coastal Knowledge research program
- ◆ A groundwater review of the Dampier Peninsula
- ◆ Continuing partnerships with local Indigenous communities and ranger programs across the Fitzroy catchment

- ◆ Building the capacity of Indigenous rangers to undertake water quality monitoring associated with the Ord irrigation expansion
- ◆ Continuing scientific research and data collection of the Ord River system as part of the Ord irrigation expansion project to ensure environmental requirements and existing entitlements are met under the expansion agreement, and the finalisation of hydrologic modelling to support Ord Stage 2 irrigation development
- ◆ Completing the ground and surface water interaction study of the lower Fitzroy River to support future water planning in the Fitzroy Valley
- ◆ Gauging key rivers to support flow rating reviews and flood assessment work during an above average wet season, including the Warmun flood response

## Pilbara region

Due to continued growth of the iron ore industry in the Pilbara and requirements for scheme and mine water to support businesses, the regional growth related to mining remained the region’s delivery focus.

### Projects included:

- ◆ Industry liaison on issues related to water supply and management in the Pilbara region, including projected water demand in the West Pilbara and Port Hedland
- ◆ Consultation with industry and community stakeholders to guide the development of the [Pilbara Allocation Plan](#)
- ◆ Continued promotion of the [Pilbara water in mining guideline](#) to improve industry knowledge and access to water licences
- ◆ Continued support of high application rates for licences and permits from the mining industry through improved processing procedures and monitoring and enforcement

## Mid West Gascoyne region

A key focus was balancing water demands related to mining and industrial activities against the needs of the region’s irrigation sector.

### Projects included:

- ◆ Assessing water related aspects of the prospective Oakajee port, regional industrial estates, rail development and mining projects
- ◆ Managing increased demand for groundwater to support Mid West iron ore project proposals
- ◆ Regulating bore pumping to reduce the impact on groundwater resources and assisting horticulture irrigators in the Lower Gascoyne River area during the record 593 day drought which ended in December 2010
- ◆ Coordinating government approvals and funding for the Gascoyne irrigation pipeline and northern borefields project for the Gascoyne Water Cooperative to progress infrastructure upgrades to improve water delivery to irrigators and make way for proposed horticultural expansion
- ◆ Providing advice to community, industry and emergency response agencies relating to the floods of the Gascoyne, Murchison and Greenough rivers in December 2010 and mitigating impacts through 2011
- ◆ Providing flood management planning advice for the towns of Exmouth and Carnarvon
- ◆ Delivering the state NRM projects strategic tree planting and fencing along creeks and rivers and implementation of riparian restoration erosion control and nutrient management in priority waterways
- ◆ Monitoring activities associated with the groundwater dependent ecosystem mapping and requirements to support planning and licensing decisions in the Mid West
- ◆ Commencing the Mid West regional water plan and Mid West water supply strategy

## Swan Avon region

Managing water use from the Gingin and Gnangara groundwater systems, and issues surrounding the health and management of the Swan-Canning and Avon waterways continued in 2010–2011.

The region manages 37 per cent of the state’s water licences and is responsible for more than 5200 ground and surface water licences and permits.

The region also received 800 land use planning (LUP) referrals in 2010–2011 which comprised 42 per cent of all referrals state wide.

Additionally, urban water management plans (UWMPs) were requested for 43 subdivisions.

The assessment of district water management strategies and local water management strategies also significantly increased from 10 in 2009–2010 to 30 in 2010–2011.

Staff continued to work on a range of projects including:

- ◆ Implementing and auditing the actions of the [Gnangara groundwater areas management plan](#)
- ◆ Contributing to the [draft Gingin groundwater areas allocation plan](#) and [Gingin surface water allocation plan](#) focusing on community engagement and hydrogeological and licensing advice
- ◆ Remediation work to improve water quality for the upper reaches of the Swan-Avon catchment
- ◆ Working with the Swan River Trust on water quality issues in the Swan Canning waterways
- ◆ Engagement with local governments and state agencies assisting urban land development planning, water management and assessment and drainage

- ◆ Groundwater and surface water management through licensing and compliance
- ◆ Environmental water management and monitoring
- ◆ Public drinking water source protection assessment and advice
- ◆ Surface water and groundwater information collection for both internal and external needs

The region's dry season response was planned and implemented during 2010–2011. It responded to an increased number of queries and complaints regarding both licensed and non-licensed users.

The region managed a large number of dewatering and dust suppression applications including large infrastructure projects such as the Fiona Stanley Hospital, the Northbridge police complex, the Sir Charles Gairdner Hospital Cancer Centre and the Great Eastern Highway and Roe Highway interchange project.

A critical shortage of groundwater available for public open space irrigation created significant issues and work load increases on structure planning and subdivision in the North West corridor urban area, Albion, and the West Swan area of the City of Swan. This resulted in land developers commissioning investigations into non-drinking water sources which use groundwater and treated wastewater.

### Goldfields

The region took part in the lead agency framework for mining proposals and trialled a program to regularly meet with stakeholders about increased compliance.

### Northam

The Northam office focused its waterways restoration and protection activities on:

- ◆ Partnerships with community groups, landowners and land managers to facilitate on ground works to protect and restore waterways
- ◆ Advice and input into local government planning approval processes to ensure waterways are protected and enhanced where possible

### Kwinana–Peel region

Kwinana–Peel is one of the fastest growing regions in the state outside the Perth metropolitan area. It is also the third largest mineral producing region in WA and home to the state's largest industrial area.

The region continued to work closely with relevant agencies and the community to balance rapid urban expansion, mineral production and agricultural land uses with the health of the Peel Harvey estuarine system and its waterways.

In 2010–2011, the department focused on urban drainage planning, streamlining the Kwinana–Peel water licensing program, increased land use planning pre-referral advice and early input into strategic land use planning processes to assist with approvals.

Results included:

- ◆ Implementing the [Better urban water management](#) framework
- ◆ Implementing the drainage and water management plans including finalisation of the [Murray drainage and water management plan](#) (DWMP) and the associated implementation strategy
- ◆ Releasing the [Jandakot drainage and water management plan](#)
- ◆ Completing the [Murray groundwater area allocation plan](#)

The region implemented the [Peel-Harvey water quality improvement plan](#) in partnership with the Peel-Harvey Catchment Council, which included:

- ◆ A large scale wetland biofilter project at Lake Mealup
- ◆ Drainage improvement projects with local governments
- ◆ Stormwater retrofit projects, working with local government

- ◆ Waterway fencing projects with landowners and land managers in priority areas

As well as waterways' monitoring activities in sub-catchments, estuarine monitoring and advice to the Department of Health and the local community, other activities included:

- ◆ Promoting opportunities for research through partnerships with tertiary institutions
- ◆ [Waterways Conservation Act 1976](#) licensing
- ◆ Long term monitoring of water quality
- ◆ Community-based reporting for water quality and algal activity including responding to fish kills
- ◆ Stakeholder management of drinking water source protection plans, and land use and water management strategies
- ◆ Catchment sampling and operating gauging stations and flood warning sites



## South West region

A drying climate trend and increased population and economic development have placed pressure on water resources that also support a major wine and diversified agricultural industry, and tourism and mining.

The department assisted and regulated the Water Corporation to bring on-line extra groundwater drinking water sources for Margaret River, Bridgetown and Nannup.

Regional support for the dry season included:

- ◆ Responding to water quality issues including fish kills and algal blooms in the regions waterways
- ◆ Coordinating water quality testing of self-supply dams for toxicity
- ◆ Working with licensed users and industry to manage diminished water supplies

Work continued on the long term water supply for the region including the potential to improve Wellington Dam water use. Due to its high salt content the water has been of limited use although it is fully allocated for industry and agriculture.

During 2010–2011, the department started work with a local industry reference group and the South West Development

Commission, to investigate approaches that could make better use of Wellington Dam water.

Water quality monitoring programs were directed to developing water quality improvement plans (WQIPs) for the Leschenault Inlet and Hardy Inlet and Scott River.

Significant water planning was undertaken including:

- ◆ [South West regional water plan 2010–2030](#)
- ◆ [Upper Collie water allocation plan](#)
- ◆ [Lower Collie surface water allocation plan \(draft\)](#)
- ◆ [Whicher area surface water allocation plan](#)
- ◆ [Lower Canning allocation plan – for public comment](#)
- ◆ [Vasse Wonnerup water quality improvement plan](#)
- ◆ [Water quality improvement plan for the leschenault estuary](#)
- ◆ [Hardy Inlet and Scott River water quality improvement plan](#)

## South Coast region

During 2010–2011, significant progress was made on the Great Southern regional water plan.

Progress was made on developing new potable water sources for Albany, Denmark and Walpole, with agreement being reached on new groundwater bores for Walpole. Liaison with the Water Corporation enabled additional water supplies to be abstracted from the Albany groundwater area.

Record low winter rainfall in the western portion of the region posed challenges. The record low streamflows, including in the Frankland and Deep rivers, highlighted the importance of long-term streamflow records to keep stakeholders informed and to assist in water planning.

The dry season prompted the region to undertake greater compliance of licensed water use and an educational program to ensure all licence holders were aware of water restrictions and licence holders' obligations.

Other significant projects in 2010–2011 included:

- ◆ The establishment of a new infrastructure group for Ravensthorpe to cater for the growth from mining and the assessment of significant licence applications

- ◆ Advising Grange Resources and the Environmental Protection Authority on the company's proposals to abstract groundwater north of Albany and the Albany port's dredging proposal
- ◆ Facilitating cross agency management of development in the Albany harbours, through the Albany harbours planning group
- ◆ Starting a review of the Esperance water source protection plan and appointing an officer dedicated to source protection. Local stakeholders, particularly the shire, were consulted for the Quickup water source protection plan
- ◆ Working on the review of the *Regional natural resource management plan – southern prospects*, implementing a regional rivercare project which included about \$300 000 of on-ground works and, taking part in community and agency management groups for the six priority estuaries
- ◆ Advising on major regional developments including new structure plans for key urban expansion such as Yakamia in Albany, wastewater licences for Albany and Esperance

- ◆ Continuing an extensive water resource monitoring program which included monitoring 12 estuaries and reporting of estuary condition information to the community and monitoring nearly 50 gauging sites and review of river rating curves to provide surface water monitoring
- ◆ Seagrass mapping exercises, in places such as Wilson Inlet to evaluate the impacts of sandbar non-openings in the dry year. The findings will enable drainage management practices to be reviewed continually. Also, bathymetry (the measurement of ocean depths to determine the sea floor topography) mapping was completed at four estuaries to determine changes in conditions

## Water measurement

Regional staff are supported in the operation and maintenance of hydrometric infrastructure for collecting surface and groundwater data. Services include procurement, calibration and testing of hydrometric equipment, surface water and groundwater asset management, guidance and advice on hydrographic procedures and standards and coordination of hydrographic training.

Major efficiency and productivity initiatives started during the year including a program to replace existing ‘dial-up’ telemetry

facilities with Internet Protocol (IP) technology. Partly funded by the Bureau of Meteorology’s modernisation and extension program, the IP initiative enables live access to data from telemetered hydrometric stations. Ultimately, data from every state-owned hydrometric station will be accessible remotely.

A major upgrade of surface water infrastructure, to conform to current occupational, safety and health (OSH) standards, continued. Auditing of the groundwater monitoring bore network commenced to assist with groundwater asset management and future planning and the monitoring bore replacement program continued.

Major flooding in the Kimberley and Gascoyne regions caused damage to surface water monitoring equipment and infrastructure which meant a higher than normal repair and maintenance of monitoring and data collection assets.

## Metering

The department continued to operate and maintain state owned water meters on licensed bores located across the Gngangara groundwater system and the replacement of state owned water meters in Carnarvon.

A predictive maintenance program was undertaken to assess the risk of meter failure and better inform the development of a long term strategic asset maintenance program.

## Divisional support

During 2010–2011, the branch delivered corporate and administrative support to regional offices and staff.

The department managed the government housing for regional officers scheme (GROH), which facilitates the housing for officers in the north of the state. It also managed the project assurance on the \$19.9 million gascoyne irrigation pipeline project (GIPP).

## Water information

The department collates and distributes the state’s water data. It provides a spatial analysis, data management, data provision, and water accounting services to support the planning, management and use of water throughout WA.

Producing this data is critical for both government water resource management and private sector business and planning. It supports billions of dollars of development by providing both public and private enterprises with water information to inform, support and enable large and small infrastructure developments.

The data is provided to a wide range of stakeholders including mining companies, consultants working for industry, state government agencies, private companies, landowners and land managers, universities and local government.

The department handled 2803 requests for data and information during the year.

It is estimated the department’s water information contributed to more than \$1 billion worth of new projects in 2010–2011.

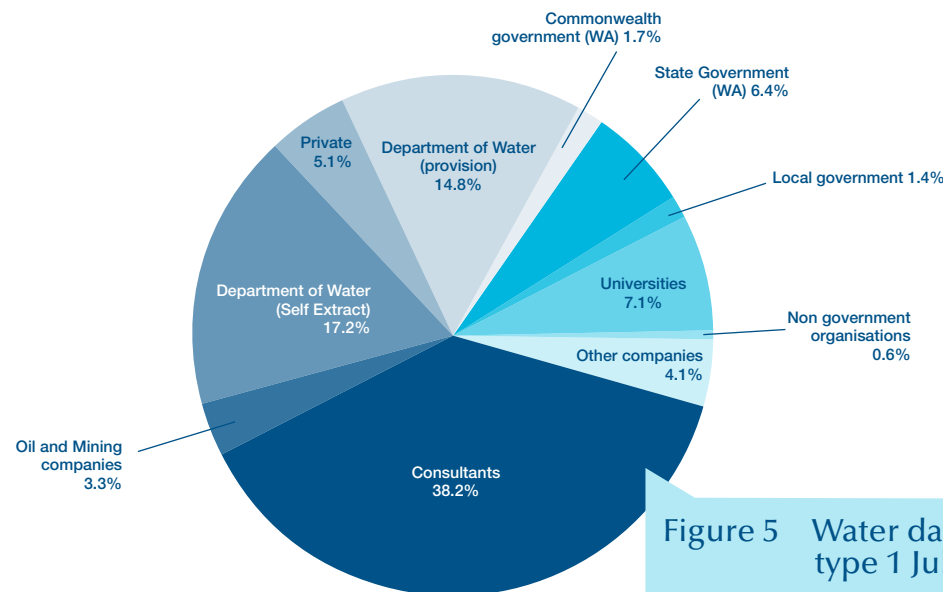
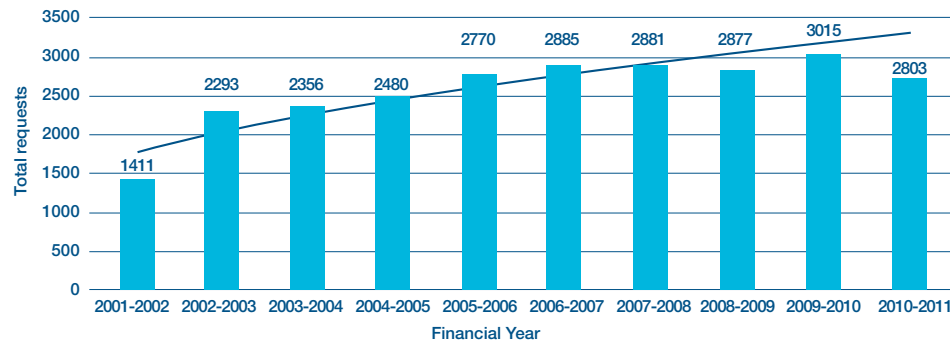


Figure 5 Water data requests by organisation type 1 July 2010–30 June 2011

Company / Organisation Name	Type	Total extractions
<b>Department of Water (self extraction)</b>	<b>State government</b>	<b>583</b>
Department of Water	State government	502
Private	Private	168
GHD (Gutteridge Haskins & Davey)	Consultants	127
RPS Australia Asia Pacific	Consultants	93
Water Corporation	State government	81
Murdoch University	Universities	74
Parsons Brinckerhoff	Consultants	65
Cardno BSD Centre	Consultants	61
ERM (Environmental resources Management)	Consultants	60
Coffey	Consultants	58
ENV Australia	Consultants	58
Golder Associates	Consultants	56
Curtin University	Universities	54
Jim Davies & Associates (JDA)	Consultants	52
URS Australia Pty Ltd	Consultants	51
Rockwater Pty Ltd	Consultants	50
Douglas Partners	Consultants	49
University of Western Australia	Universities	47
AECOM	Consultants	40
CSIRO	Commonwealth government	38
Swan River Trust	State government	35

Figure 6 Number of data requests by financial year



### Water accounting standards

During the year, the department's water accounting team supplied information on the Ord River and Perth's water resources to allow the compilation of a national water account 2010.

The water accounting team also developed a methodology to estimate groundwater assets and liabilities that will be used in future for WA water accounts.

The Perth regional aquifer modelling system (PRAMS) was upgraded so it could be used for future water accounting activities.

### Regional coordination

#### Land and property management

The department administers the land asset register totalling more than 700 000 hectares.

During 2010–2011, the department:

- Identified freehold land no longer required for possible disposal to support the Department of Treasury and Finance's asset disposal policy or for transfer to a more relevant state government/ local government agency
- Started a review of 770 Crown Reserves to determine their relevance to core business. More than 400 reserves were reviewed and more than 90 per cent were identified as no longer required

- Continued to provide plantation owners on the Gascoyne River legal access to water via easements through the Carnarvon prolongation project
- Completed the transfer of relevant agricultural area dams from the Water Corporation to the department to support emergency country water supplies
- Continued the negotiation for land at strategic sites throughout WA to support the Priority 1 land acquisition program for the protection of public drinking water
- Completed a strategic review of metropolitan accommodation (including the Swan Avon region)

## Strategic policy and water services

This division is proactive and meets modern water challenges. It improves legislation, policy and systems, development and implementation of strategic water planning and water reform policy throughout WA.

The division is responsible for new water legislation, implementing the NWI inter-governmental agreement, managing the water reform process, initiating regional water plans and providing industry assistance.

The reform acceleration unit was established during the year to ensure contemporary water management practices were developed.

### Legislation and legal services

The state's existing water legislation relating to the provision of water services was restructured and modernised in 2010–2011. This led to the finalisation and introduction to Parliament in May 2011 of two bills:

- Legislation Reform: Water Services Bill 2011

The purpose of the Water Services Bill 2011 is to consolidate and modernise existing water service legislation which will make it clearer and easier to use, streamline regulatory processes and address gaps in current legislation. The Bill will improve the ability of licensees to provide high quality and efficient water services to their customers.

- ◆ Legislation Reform: Water Services Legislation Amendment and Repeal Bill 2011

The principal objective of the Water Services Legislation Amendment and Repeal Bill 2011 is the reform of legislation governing the operations of the Bunbury and Busselton Water Boards.

The Bill will also repeal legislation made redundant by the Water Services Bill 2011 and make necessary amendments.

### Subsidiary legislation

During the year, the department provided instructions for, and advice on, the drafting of amendments to subsidiary legislation, including by-laws, regulations and orders.

There was also the repeal of regulations exempting applications for the Dixvale and Yanmah areas of the south west from the requirements of other regulations made under the RiWI Act which had been long since repealed. No licenses existed under these regulations, and no water users were affected by the repeal.

Six by-laws, five regulations and one order were gazetted.

The department provided advice on several hundred legal requests and provided submissions and comments on state law reforms.

### Strategic water policy and planning

Strategic water policy and planning coordinates policy, water reform negotiations with the Commonwealth and undertakes strategic and regional planning.

### Strategic issues

In 2010–2011, key achievements were:

#### Water quality management

The second stage of a three-stage project on the review of water quality management was completed. The *Stage 2 report – Gaps and opportunities* reviewed the full scope of inter-agency responsibilities and identified management gaps and opportunities to improve water quality in WA.

#### Water demand scenario modelling tool

The purpose-built Water Demand Scenario Modelling Tool provides information to the department on the projected future water demands across WA. During the year, demand scenario information was provided for the Perth–Peel and Mid West regional water plans.

#### Water and climate change strategy

Development of the climate change risk assessment was completed and a draft climate and water strategy was progressed. The strategy will improve the department’s mainstream programs, ensuring consideration of climate change in adaptive management, addressing risks and improving planning.

#### Regional water planning

Regional water plans have taken a whole-of-water-cycle approach and reflect sustainable integrated land and water planning. They address water demand and supply, water use efficiency, alternative water sources, waterways and wetlands health, and incorporate social, economic and ecological factors in water management.

In 2010–2011, key achievements were:

- ◆ **Kimberley regional water plan**

The [draft Kimberley regional water plan 2012–2032](#) was released for public comment in December 2010 for three months. This was extended to June 2011 to account for the wet period in the Kimberley in March. Analysis of stakeholder comments is underway.

- ◆ **Perth–Peel regional water plan**

In 2010–2011, the department updated the *Perth–Peel regional water plan* (PPRWP) to incorporate stakeholder comments and to reflect changes in the planning environment including the release of the Department of Planning’s [Directions 2031 and Beyond](#).

- ◆ **Mid West regional water plan**

A strategic issues discussion paper and an update to water demand projections contributed to the development of a draft plan.

- ◆ **Great Southern regional water plan**

The development of the Great Southern regional water plan began in November 2010 when the local reference group, representing all the agencies and local governments in the region, started a series of meetings. It is anticipated the first draft plan will be available for public consultation in November 2011 and the final plan will be published in October 2012.

◆ **Strategic water policy development**

A strategic policy for managing water interception by large scale plantations was developed as a requirement under the National Water Initiative.

**Water reform coordination**

The department responded to the [National Water Commission's 2011 biennial assessment of water reform implementation](#), which included an assessment of the National Water Initiative Agreement and decisions involving a new agreement.

Work was undertaken on an accelerated reform program. Resources were redirected to create a new planning framework for the department.

Participation and support were provided to national reform committees including the Natural Resource Management Ministerial Council, the Natural Resource Management Standing Committee and the Water Reform Committee and associated working groups responsible for implementing the 2008–2011 Council of Australian Governments (COAG) Forward work program on water.

**Water services**

During the year, the department continued water industry policy development and broad-scale water industry support, working with services providers in mainstream and Indigenous communities, and with self-supply rural landowners land managers and communities in pastoral and agricultural areas.

In 2010–2011 key achievements were:

- ◆ Providing policy related advice for the introduction of new water services legislation in 2012
- ◆ Developing a Water Services Customer Code to consolidate the customer provisions common to licensed water service providers in WA. This aims to clarify obligations of water services providers to their customers, enhance existing customer rights and protection and to bring the water services industry in line with other jurisdictions across Australia and other utility sectors in WA. The code has been issued for comment and consultation through a working group comprising of water industry stakeholders, government agencies and representative customer and consumer groups

- ◆ Undertaking statutory requirements for the management and evaluation of public interest matters in water services provision
- ◆ Providing advice to water service providers or aspiring water service providers
- ◆ The advertising, assessment, appointment and gazettal of new members to the Bunbury (Aqwest) and Busselton water boards
- ◆ Investigating and resolving 84 complaints from customers of water service providers during the period 1 July 2010 to 31 March 2011.
- ◆ Consultation with the Energy Ombudsman's Office continued in preparation for the transfer of the customer complaints function from the department to the proposed Energy and Water Ombudsman
- ◆ Participation on a number of inter-jurisdictional and inter-departmental committees including the National Water Commission's Performance Reporting Round Table Group, the Hardship Utility Grants Scheme Steering Committee, the Government Sewerage Policy Review Committee, the South-West Water Interest Group and the Economic Regulation Authority

**Rural water planning**

The implementation of the [Rural water plan](#) in dryland agricultural (less than 600 mm average annual rainfall) and pastoral areas was supported by:

- ◆ Encouraging on-property water supply self-sufficiency
- ◆ Improving the reliability, continuity and quality of on-property water supply
- ◆ Providing rural communities with reliable emergency water supply arrangements

Four rural water assistance initiatives were administered. These were the Farm Water Supply Planning Scheme (FWSPS), Farm Water Rebate Scheme (FWRS), the Pastoral Water Grants Scheme and the Community Water Supply Program.

During the year, a combined total of 121 FWSPS and FWRS totalling \$480 000 worth of assistance were approved to eligible farmers in dryland areas. One pastoral water grant was approved for \$10 000 and three community water supply projects were acquitted costing \$212 500.

A project to improve Agricultural Area (AA) dams and tanks infrastructure under the AA dam reconditioning project provided \$370 500 worth of improvements.

The department coordinated an emergency water response in the Shire of Kent under the water deficiency declaration guidelines and organised 4600 kilolitres of emergency livestock quality water to be carted into the Shire of Kent from February 2011 at a cost of \$71 000.

### Indigenous and remote community water services

In 2010–2011, the department continued to work closely with the Department of Indigenous Affairs and other state agencies to provide policy advice on essential services delivery. Through this interagency process, updates were regularly provided to the Aboriginal Affairs Coordinating Committee.

In April 2010, the department was successful in securing a commitment of \$11 million from the Australian Government through the National Water for the Future Program. Pending finalisation of intergovernmental agreements, this project will facilitate the improvement of water supply and wastewater services in at least two of the largest Indigenous communities in the Kimberley region (Warmun and Ardyaloon). In March 2011, the Warmun Aboriginal Community experienced major flooding. This led to the evacuation of most of the community residents and significant damage to community infrastructure.

The state government declared the event a natural disaster and the department worked with the Warmun Aboriginal Community Re-establishment Taskforce and the Water Corporation to oversee reinstatement of water services.

The department continued capacity building in the Kimberley to assist small communities to manage risks associated with the self management of drinking water supplies. This work is jointly funded by the department and the National Water Commission and is due to finish in December 2011. It makes use of community water planning tools developed by Water Quality Research Australia and Centre for Appropriate Technology under the guidance of the national raising water quality standards program. It is being implemented through a partnership between the department, the Centre for Appropriate Technology and the Kimberley Land Council.

### Strategic water industry policy

In 2010–2011, the department examined and provided advice on pricing, competition and other economic matters in the water industry including tariff increases for the Water Corporation, Aqwest and Busselton Water, and put in place new by-laws for the Water Corporation's charges.

The department coordinated and prepared State Government input to the Productivity Commission inquiry into Australia's urban water sector. This included analysis and advice on water service provision by the private sector; irrigation scheme pricing matters; recycled water pricing issues; the Minister's role as shareholder of state government water utilities and on community service obligations in the water industry. Economic advice on water policy matters was provided as required.

### Strategic projects

The department was an agency partner on the Ord irrigation expansion project - a \$220 million project to deliver an additional 8000 hectares of agricultural land to the East Kimberley.

## Water resource management

The department's Water Resource Management division assesses and manages water resources to best meet social, economic and environmental needs of WA. The division also provides management and restoration advice.

### Drinking water source protection

Within a public drinking water source area, three priority areas (P1, P2 and P3) are defined to guide land use planning to protect water quality.

At 30 June 2011, there were 134 proclaimed public drinking water source areas being used to supply drinking water to the majority of WA's population.

In addition source protection plans were developed for a number of remote Aboriginal and mine site communities.

The department completed drinking water source protection reports for Seabird, Woodridge, Halls Creek, Mirrabooka, Tom Price (Marandoo and Fortescue), Exmouth, Sandstone, Manjimup, Quickup, Jurien and Australind (which included Eaton and Picton).

The department commenced revision of 24 water quality protection notes to guide best management practices for land uses and activities, and to protect the quality of water resources throughout the state.

The department provided support to the Parliamentary Committee on Public Administration in its inquiry into recreation in public drinking water source areas.

### Drainage and waterways

The department undertakes drainage and urban water management planning and assessments to protect, conserve and manage water resources associated with urban land development.

In 2010–2011, the department also supported a range of projects to prevent and minimise the degradation of waterways and restore degraded waterways.

### Urban water management

This is a high profile area as a drying climate impacts on water resource availability and increased demand on land-use planning for urban areas. The major challenge for the program is continuing to move new and existing urban areas to water sensitive cities through water sensitive urban design principles. This involves planning, capacity building and responding to, and assessing, the large number of urban land development proposals across the state.

Promoting the adoption of best management practice is carried out through the New WATER Ways capacity building program with local government and urban developers. The program is a collaboration between the departments of Water and Planning, the Swan River Trust, the WA Local Government Association and the Urban Development Industry Australia (WA).

During the year, planning was undertaken in two priority urban growth areas:

- ◆ The [Murray drainage and water management plan](#), related to the Murray River and Dandalup River catchments, was completed in June 2011
- ◆ Hydrological studies and modelling commenced for the Serpentine drainage and water management plan

Other major urban water management program achievements were:

- ◆ Assessing more than 2000 statutory referrals associated with urban land developments
- ◆ Assessing 210 water management plans, which was a 500 per cent increase from 2009–2010. These plans are submitted by developers, usually as part of the subdivision approval process,

to detail how water resources will be managed as part of land development

- ◆ Working in partnership with the University of Western Australia and other stakeholders to establish a WA node of the national stormwater science program - cities as water supply catchments. This included support of a national program - the establishment of a Cooperative Research Centre for Water Sensitive Cities
- ◆ Providing targeted water sensitive urban design and better urban water management training for local governments including the City of Wanneroo and Shire of Serpentine–Jarrahdale

### Waterways

A key project of the waterways program for the Perth area is the implementation of the joint state and federal funded Urban Waterways Renewal (UWR) project. This project covers waterway improvement projects in the Canning River catchments of Southern River, Bannister Creek and Bickley Brook. Memorandums of understanding have been signed with the South East Regional Centre of Urban Landcare, Swan River Trust, the Water Corporation and the local government authorities of Canning, Armadale and Gosnells.

Baseline water quality and biological monitoring commenced at each of the 11 project sites. Site designs have been completed for most sites with construction and vegetation plantings to be completed over the next two years.

The State NRM funded Climate Change and Waterways: Impacts and Adaptation Strategies project was completed. A joint project with Murdoch University and the Department of Environment and Conservation was expanded with funds from the National Climate Change Adaptation Research Facility (NCCARF) to deliver a report card and report by late 2011.

Other major state-wide waterway program achievements in 2010–2011 were:

- ◆ Publishing of the framework for prioritising waterways for management
- ◆ A study on designs of aquatic passage structures for large rivers, such as the Fitzroy River
- ◆ Natural Resource Management group capacity building course in river restoration techniques and theory held in Busselton in October 2010 to support water quality improvement and waterways restoration implementation



- ◆ A waterways partnership project in the Pilbara continued with the Juluwarlu Aboriginal Corporation and the Ngurrawaana Aboriginal Corporation

In the Mid West Gascoyne, strategic tree planting, erosion control and nutrient management for the Gascoyne, Murchison, Irwin, Hutt, Moore, Hill Chapman and Greenough rivers were undertaken in partnership with local government, landowners and land managers, community and catchment groups.

#### Greenough rivers

A joint project with the Department of Planning and the WA Planning Commission for the protection of waterways in the Mid West region commenced in November 2010. The project will identify waterway areas of high value, gaps in knowledge and methods for incorporating protection of waterways into the land planning process.

In the Swan Avon, activities included 20 kms of waterways being fenced to protect 60 hectares of riparian vegetation; 35 000 cubic metres of sediment being removed from four priority Avon River pools; as well as weed control and revegetation of 60 hectares of riparian zones, with 70 000 native seedlings planted. Site preparation was completed for planting a further 31 hectares of riparian zone.

Construction of riffles on Talbot Brook tributaries was completed to reduce erosion and sediment movement. In the South West, riparian restoration of priority waterways continued in Geographe, Cape to Cape, Lower Blackwood, Collie, Brunswick and Preston rivers in partnership with catchment groups.

Work on protocols surrounding estuary bar openings was furthered by the completion of the Wilson Inlet drainage review in the South Coast region. This is the first attempt in Australia to determine environmental water requirements for an estuary. The resulting protocol was implemented in 2010. It manages estuary bar openings with regard for environment, social and economic considerations. The protocol is an adaptive interagency and stakeholder management approach.

State NRM funded waterway management projects that were completed included 98.45 km of fencing, 63.6 hectares riparian revegetation, and 57.5 hectares of weed control in the south coast region. In the Kwinana–Peel region, fencing and revegetation of 23 kms of waterway frontage and installation of a stormwater-retrofit in the Shire of Murray were undertaken. There was also progress on three stormwater retrofit projects, three on farm nutrient management interventions and construction of a weir in Mealup drain to divert water into wetlands and reduce nutrient inflows to the Harvey Estuary by up to two tonnes of phosphorus per annum.

Successful delivery of waterways education programs in partnership with the University of Western Australia continued in the Kimberley. The program develops skills for the on ground management of the region's waterways.

### Water resource recovery

The department uses scientific methods for water resource management with particular emphasis on investigating, assessing and evaluating land-use change, inland waterways and climate change and implementing water resource recovery for key catchments.

#### Recovery and catchment investigation

This activity builds on work identified in the 1996 [Salinity Action Plan](#) – with the aim of increasing the water availability for urban needs, industry and agriculture.

Following the completion of salinity situation statements for the five water resource recovery catchments, water resource recovery plans are being finalised for the Collie and Denmark and Warren River catchments.

#### Collie

The department's 7000 hectares Wellington plantation estate has delivered a significant drop in average salinity levels in the Wellington Reservoir. With ongoing licensing and clearing controls,

the estate prevented average salinity reaching 1700 mg/L in the reservoir compared to a current average of 930 mg/L. A plan detailing the benefits and ongoing management of the estate was developed. During 2010–2011, 80 hectares of commercial blue gum trees were successfully established in previously non-commercial experimental plantations.

The department carried out significant hydrological and hydrogeological work in the Collie coal basin. This work identified an increasing trend in groundwater salinity in the Collie coal basin, possibly as a result of historical mining dewatering practices that pull water into the basin from surrounding high salinity areas.

#### Denmark

The Denmark River, in the South Coast high rainfall zone, is the first river in Australia to show ongoing declines in salinity and is nearly fresh again due to extensive plantations.

Support was provided to the Department of Environment and Conservation to complete a hydrological assessment on the effects of forest management practices on streamflow and stream salinity.

### Bauxite hydrology committee

An interagency working group representing major universities, government agencies and industry was established to deal with the issue of declining rainfall and streamflow, and its consequences for water supplies and ecosystems in the northern jarrah forest.

The department chaired the committee which made recommendations to the Mining and Management Program Liaison Group regarding salinity risks of mining in Perth's water supply catchments.

### Wheatbelt hydrology

The following projects and reports were completed during the year:

- ◆ An evaluation of drainage and evaporation basins at a number of Wheatbelt locations including Morawa, Pithara, Wubin, Dumbelyung, West Arthur, Bodallin, Yilgarn, Nokaning, Trayning and Narembeen
- ◆ The Blackwood River Catchment regional drainage impact evaluation
- ◆ Lort/Young rivers catchments regional drainage impact evaluation
- ◆ A study of the department stream ecological impacts of drain discharge

- ◆ Preparation of the acid groundwater treatment guidelines for drain discharge
- ◆ The situation statement for the Mortlock River catchment
- ◆ The Kulin drainage earthworks options report
- ◆ The Fence Road arterial drainage scheme governance framework and report for stakeholders

### Water resource assessment

The department is responsible for the assessment of water resources across WA covering groundwater investigation, groundwater assessment, groundwater review, surface water assessment and floodplain management.

During 2010–2011, the department:

- ◆ Investigated, assessed and reviewed the state's groundwater resources to support water allocation planning and licensing
- ◆ Completed surface water hydrology studies to support water allocation planning and licensing
- ◆ Prepared floodplain mapping and floodplain development strategies to minimise flood damage and assist with flood forecasting and warning

Resources were targeted to areas which are highly allocated and critical to the state meeting its existing allocations as well as for state development.

#### Groundwater investigation - Allanooka Casuarina

A major drilling investigation was completed over nine months at Allanooka near Geraldton to better understand water availability and to evaluate the freshest groundwater resources. At 15 sites, 24 bores were drilled into the Yarragadee aquifer with bore depths varying between 118 and 306 metres. Drilling results will be used to estimate the sustainable yield of the Yarragadee aquifer.

#### Gingin Brook

The report [Groundwater-surface water interaction along Gingin Brook Western Australia: Hydrogeological report HG54](#) was completed. The report indicates there is a variable connection between aquifers and groundwater contribution to the brook. The results were used in the recently updated surface water and groundwater allocation plans.

#### Murchison

Support was provided to Geoscience Australia's drilling project in the upper Murchison catchment to improve the existing national scale understanding of distribution, quality and sustainability of groundwater resources in the area.

Knowledge gained will further assist groundwater investigations to identify potential major water resources to meet increasing water demands for the iron-ore mining industry.

### Groundwater assessment

#### Perth Metropolitan

Published reports included [Calibration of the coupled Perth Regional Aquifer Modelling System - PRAMS 3.2](#); [Hydrogeochemical Assessment of Superficial Aquifers, HG37](#); [Scenario modelling for the Gnangara Sustainability Strategy, HG39](#). 3D geological and hydrogeological modelling for PRAMS Version 4. Water source protection modelling was completed for the West Mirrabooka borefield and other minor sources.

#### South West and South Coast

Reports published included the South West Swan coastal plain groundwater modelling report; Collie Basin groundwater modelling; Collie Basin groundwater assessment - state of the Basin; Mine void management strategy - (I) Pit Lake Resources, (II) Review of potential health risks associated with Collie pit lakes, (III) A monitoring strategy for pit lakes and connected waters, (IV) Conceptual models of the Collie pit lakes, and (V) Water quality modelling of Collie pit lakes.

### Pilbara and Kimberley

Pilbara groundwater projects completed included geophysics and groundwater modelling for Lower Yule, Lower De Grey, Lower Robe, Lower Fortescue, Millstream and West Canning Basin, and West Canning Basin isotope studies.

### Mid West Gascoyne

A regional hydrogeological model Gingin–Arrowsmith regional aquifer modelling system (GARAMS) for the Northern Perth Basin was completed and included conceptual hydrogeological modelling, model development, and scenario runs.

Gascoyne River alluvium groundwater model scenario simulations were completed for the draft allocation plan. A groundwater quality sampling and analysis for the Northern Perth Basin hydrochemistry study was also completed.

### Groundwater review

The four year Perth shallow groundwater systems investigations project which focuses on the sustainability of shallow groundwater systems on Gnangara and Jandakot is in the final phase of analysis, interpretation and report preparation. Technical reports were finalised for Lake Mariginiup and Loch McNess with technical reports for the Lexia wetlands, Lake Yonderup, Tangletoe Swamp, Lake Nowergup and Egerton to be finished soon.

The Mid West groundwater dependent ecosystem vulnerability project completed its second and final stage of drilling and bore installation.

### Groundwater resource reviews

A detailed groundwater resource review was completed for the Serpentine area and is being used to inform the Serpentine groundwater allocation plan. Evaluation statements of the south west groundwater areas, Rockingham-Stakehill, Cockburn and Gnangara groundwater areas allocation plans were completed.

### Surface water assessment

Limited rainfall over the south west in the 2010 winter resulted in very low levels of streamflow across the region with a number of streamflow gauges recording the lowest annual total on record.

Monthly rainfall and streamflow summaries for the south west continued to be produced for the winter months. This information was used for the department's dry season reporting.

To support the development of the [surface water allocation plan for the lower Collie area](#), the [Surface water hydrology of the lower Collie catchment: Surface water hydrology series HY35](#) was completed. [Water balance simulations of Wellington Reservoir: Surface water hydrology series Report no. HY36](#) were also undertaken to assess the amount of water available under a range of possible demand and future climate scenarios.

[Reservoir simulations in the Ord River catchment, Western Australia: Surface water hydrology series HY33](#) was completed. It provides an assessment of the amount of water available under a range of possible demand scenarios. This modelling was also used in developing the operating strategy for the Ord River system.

### Floodplain management

Between December 2010 and March 2011, significant flood events affected a number of communities in the Mid West Gascoyne, Kimberley, Pilbara and interior regions of the state.

There were three major river flows with four rainfall events between December 2010 and March 2011. The December 2010 Gascoyne River flood was the largest since records began in the 1950s. In the Kimberley, the entire Warmun community of more than 200 people was evacuated and the communities of Halls Creek and Fitzroy Crossing were isolated for a significant period due to unprecedented flooding in the Ord River catchment.

In order to contain and lessen potential flood damage, the department continued to develop floodplain mapping and associated floodplain development strategies for a number of locations across WA to help guide development on flood prone land.

The floods in the state's north and on the eastern coast of Australia:

- ◆ Increased demand for floodplain mapping and expert floodplain development advice for other government agencies, general public and insurance industry
- ◆ Highlighted the importance of timely and accurate flood forecasting information
- ◆ Increased efforts to improve flood emergency response planning
- ◆ Illustrated the benefits of flood mitigation works, particularly for the towns of Carnarvon and Walkaway, and highlighted the need for additional flood mitigation works for the Carnarvon horticultural district and for Exmouth

This year more than 1100 requests for flooding information and advice on proposed floodplain development advice was provided to the Department of Planning, local government and the community to inform land use planning and building development controls.

Priority areas included the Collie River as well as technical assistance being provided for flood studies of Karratha and Port Hedland as part of the State Government Pilbara Cities Initiative.

Using our telemetered river level monitoring sites, the department supported the Bureau of Meteorology in its flood warning role. The major flooding in Carnarvon highlighted the department's work on increased flood mitigation works that will reduce flood damages in the horticultural district.

## Water science

The department provided scientific analysis and advice on the state's freshwater and estuarine resources and ecosystems to ensure sound decision-making was based on the best available data. It provided expertise in predictive modelling of land use impacts on water quality, river and estuarine health assessments and targeted environmental risk assessments in relation to impacts of contaminants and harmful algae.

The department continued to work on water quality improvements and assessments and developed toxicity based assessments of water to support water efficiency and recycling.

A technical feasibility study for managed aquifer recharge in the Murray basin was completed with support from the National Water Commission.

## Water quality and land use

The ability to model the interaction of surface water and groundwater was extended through implementing a model in support of the [Murray drainage and water management plan](#). A second model is being developed for the Serpentine in advance of urban development.

### River science

Reporting on river health was conducted to trial the National Water Commission's [Framework for the Assessment of River and Wetland Health \(FARWH\)](#). This was a requirement of the National water initiative.

The framework provided a standardised national approach to assess the ecological health of rivers to compare ecosystems in different regions, and provides baseline data to highlight changes over time.

The very dry season and high tides in the Canning River Weir pool led to an extensive ecological response and contamination studies conducted with the Swan River Trust.

### Estuarine science

The department developed sediment and biological indicators to use in combination with the more standard water quality measures to assess and report on estuary condition.

The condition assessment for Walpole Nornalup estuaries has been integrated with river health and the wetland Lake Muir to trial an application of the high ecological value aquatic ecosystems (HEVAE) which is a National Water Initiative requirement.

### Environmental risk

The department provides technical environmental risk assessment advice. It continued to identify and monitor nuisance and harmful algal species.

The statewide algal bloom response protocol, developed in partnership with the Department of Health, continued to provide a rapid and coordinated response where recreational waters were impacted.

The national collaborative Ecotox Toolbox project to develop ecotoxicity measures to determine appropriate reuse of water was completed and will soon be implemented.

The department continued to provide support to the Swan River Trust, (SRT) including the continuation of oxygenation plants on the Canning River, recommissioning an upgraded oxygenation plant on the Swan River at Guildford Road Bridge and technical support for a second Upper Swan oxygen plant at Caversham.

## Corporate services

### Finance and administration

This was the department's first full year working within the Department of Treasury and Finance shared services. The department used the shared services framework to process and maintain its financial records and provide financial reports to staff.

The department also provided advice to other agencies which were preparing to roll in to shared services.

During the 2009–2010 year, the department cleared all issues with the audit and had no management letter issues from the Office of the Auditor General. This was the second year in a row that no management issues were raised at audit and reflected high quality processes and performance in financial and human resource control.

The Auditor General noted the department as being a 'Better Practice Agency' for its 2010 financial statements acknowledging its ability to provide quality and timely financial statements and demonstrated effective and efficient financial control and reporting. It was the third time in four years that the department received this acknowledgement.

The department continued to reduce fleet vehicles during the year. At 30 June 2011, the department had 119 vehicles, well below the 135 target set by Treasury. This was achieved without impacting operational needs.

During the year, the Auditor General conducted a special performance review of the department for compliance with procurement policies and good procurement practice. The department was the only agency to score above average on all five reviewed criteria. This success was a result of a concerted effort over a number of years to improve procurement practices.

## Human resources

The department adapted the agency's capability to deliver on the new strategic plan for the next five years.

It focused on reorganising and cultivating a workforce that delivers government priorities, works together with industry, government and community stakeholders to craft solutions for better water use, while promoting diversity and respect.

### Workforce efficiency

The department improved workforce efficiency by focusing on strategic priorities and improved increased employee development, workforce planning and workforce capabilities. A number of initiatives were undertaken to include workforce realignment,

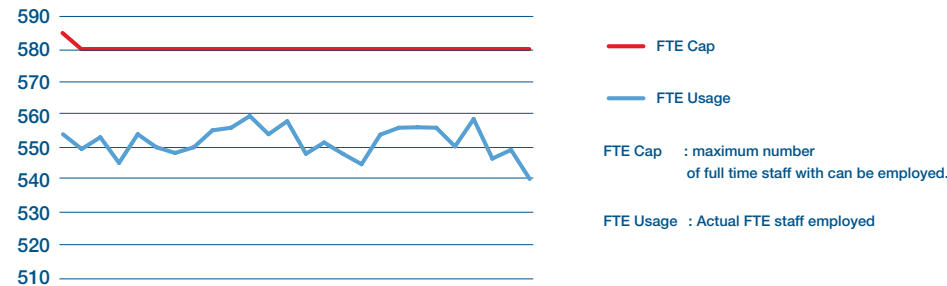


Figure 7 Full time equivalent usage vs full time equivalent cap 2010–2011 financial year

support participation in the voluntary severances program, monitoring of the overall full time equivalent (FTE) and, increasing efficiencies in the delivery of operational human resource services. In 2010–2011, the department consistently stayed no more than 4.5 per cent under its FTE cap as indicated in the chart above:

### Policy review and development

Policy review and development continued with new and revised policies including:

- ◆ Grievance resolution
- ◆ Bullying, harassment and discrimination in the workplace
- ◆ Part time employment
- ◆ Management of leave liability

### Equity and diversity

Implementation of the Equal employment management plan continued, assisting the department to meet its obligations under the *WA Equal Opportunity Act 1984*. The plan aims to incorporate the principles of equity and diversity into everyday work of the department. Achievements included:

- ◆ Revision of the grievance resolution policy and procedures
- ◆ Provision of customised training for grievance officers and contact officers
- ◆ An increase in Indigenous employment
- ◆ Introduction of a flexible work practices toolkit for employees and managers

- ◆ Delivery of induction workshops and implementation of a buddy program
- ◆ Launch of a mentor program

### Performance management

The performance management system, incorporating the work and development planning (WDP) process, achieved high levels of compliance.

An evaluation of the WDP process was a part of the department's human resource services survey.

The department has an employee assistance program (EAP) that provides staff with access to professional counselling services to help resolve personal or work related problems.

This can include problems within personal relationships, addiction, gambling, anger, parenting, financial stress and grief, as well as the daily stresses faced in the workplace. Staff primarily use the program to assist with personal issues. About 28 per cent of use was for work related issues. During the reporting period all referrals were finalised.

## Workforce planning

### Structural change

Arising from the new plan, the department started implementation of a new organisational structure designed to strengthen the department's ability to deliver on government priorities.

### Information services

Major information services accomplishments in the 2010–2011 financial year were:

- ◆ Reviewing the record keeping plan and rewriting of the record keeping manual and Plan; updating the business classification scheme and the retention and disposal schedule
- ◆ Enhancements to the department's underlying server and network infrastructure to improve business systems, network efficiency, and capacity for disaster recovery

## Office of the Director General

### Government relations

The department managed 1700 ministerial requests in 2010–2011, consistent with the communications protocol pursuant to section 74 of the *Public Sector Management Act 1994*.

### Governance, integrity and standards

The Governance, Integrity and Standards branch facilitates the:

- ◆ Corporate planning process
- ◆ Risk management process

It also monitors and reports on the department's governance and integrity requirements and manages the customer complaints and freedom of information requirements.

There was a strong focus on developing a new strategic plan providing a sharper focus on priorities. This was supported by the development of a new business model based around single point accountability.

In line with the department's strong commitment towards increased accountability, a training program focusing on ethical and accountable decision making was completed by more than 80 per cent of staff.

## Corporate communications

Corporate communications provides a single point of accountability to the Director General for all media and communications related issues and works with the divisions to provide communications services across the department.

It manages public relations, corporate events, media issues and enquiries, communication strategies and plans, advertising, publications, displays, sponsorship and marketing.

To communicate objectives, priorities and departmental initiatives, the branch uses a variety of internal and external media to provide efficient and effective communication of the department's priorities and actions.

In 2010–2011, corporate communications used highly professional and cost-effective publications (including the department's website), issues and media management and public relations activities to communicate with stakeholders.

During the year, the department managed and responded to 365 media enquiries, prepared 55 media statements and produced 110 publications.

Corporate communications, in partnership with information services, managed the department's website.

# 3 Significant issues impacting the agency

The major challenge facing the department is managing increasing demand for water in a drying climate.

The 2010 winter was one of the driest on record which required increased involvement by the department to respond to water shortages for domestic, industry, and agricultural supply.

It also highlighted the need for a more flexible and adaptable approach to water allocation and management.

The department reviewed its strategic priorities to better address the needs of the state into the future.

Despite a range of scheme water conservation efforts, including the winter sprinkler ban, available scheme and non-scheme water resources in the south west have been left under stress. This was due to a significant reduction to in flows to dams and rivers coupled with a lack of groundwater recharge. The impacts have been felt by industry, agriculture and other businesses.

Immediate significant dry season issues for the department in 2011 include:

- ◆ finding water to meet shortfalls of surface water for industry and agriculture in the south west
- ◆ managing licences to allocation limits
- ◆ increased emergency water supply support to dryland farming communities
- ◆ identifying future water sources.

In addition, increasing demand for both potable and non-potable water in high growth areas such as the Pilbara and the Mid West have put additional demand on the department in terms of allocation planning and licensing.

As water systems have become close to or fully allocated, and with less water available, competition for water has become a significant management issue.

New policies and procedures are being developed to allow more market driven approaches to resource allocation in addition to existing good management practices.

The department is taking a lead agency role in water supply planning and development and will strengthen its economic policy capacity in coming months to ensure efficient outcomes are realised. In addition, the department is actively encouraging recycling and reuse approaches.

While the south west of the state has suffered from a shortage of rainfall, the north of the state has faced the opposite. As such, more effort is being put into floodplain management and flood mitigation in particular regions.

4

Disclosures  
and legal  
compliance



Auditor General

**INDEPENDENT AUDITOR'S REPORT**

To the Parliament of Western Australia

**DEPARTMENT OF WATER**

**Report on the Financial Statements**

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

The financial statements comprise the Statement of Financial Position as at 30 June 2011, the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows, Schedule of Income and Expenses by Service, Schedule of Assets and Liabilities by Service, and Summary of Consolidated Account Appropriations and Income Estimates for the year then ended, and Notes comprising a summary of significant accounting policies and other explanatory information, including Administered transactions and balances.

*Director General's Responsibility for the Financial Statements*

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

*Auditor's Responsibility*

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

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

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

**Opinion**

In my opinion, the financial statements are based on proper accounts and present fairly, in all material respects, the financial position of the Department of Water at 30 June 2011 and its financial performance and cash flows for the year then ended. They are in accordance with Australian Accounting Standards and the Treasurer's Instructions.

**Department of Water**

**Report on Controls**

I have audited the controls exercised by the Department of Water. The Director General is responsible for ensuring that adequate control is maintained over the receipt, expenditure and investment of money, the acquisition and disposal of public and other property, and the incurring of liabilities in accordance with the Financial Management Act 2006 and the Treasurer's Instructions, and other relevant written law.

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

**Opinion**

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

**Report on the Key Performance Indicators**

I have audited the key performance indicators of the Department of Water. 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.

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

**Opinion**

In my opinion, the key performance indicators of the Department of Water are relevant and appropriate to assist users to assess the Department's performance and fairly represent indicated performance for the year ended 30 June 2011.

**Independence**

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

COLIN MURPHY  
AUDITOR GENERAL  
20 September 2011



## Financial statements

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



Looking after all our water needs

### Certification of financial statements

*For the year ended 30 June 2011*

The accompanying financial statements of the Department of Water have been prepared in compliance with the provisions of the *Financial Management Act 2006* from proper accounts and records to present fairly the financial transactions for the financial year ending 30 June 2011 and the financial position as at 30 June 2011.

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

**Maree De Lacey**  
 A/Director General  
 Department of Water

19 September 2011

**Glenn Nordsvan**  
 Chief Finance Officer  
 Department of Water

19 September 2011

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**Statement of financial position as at 30 June 2011**

	Note	2011	2010
		\$'000	\$'000
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	29	17 709	8873
Restricted cash and cash equivalents	16 , 29	1211	445
Receivables	17	2028	4225
Amounts receivable for services	18	4996	2385
Other current assets	19	878	1386
Non-current assets classified as held for sale	20	3695	4416
Non-current assets classified as held for distribution to owners	21	-	1070
<b>Total current assets</b>		<b>30 517</b>	<b>22 800</b>
<b>Non-current assets</b>			
Restricted cash and cash equivalents	16, 29	928	785
Amounts receivable for services	18	12 505	10 938
Property, plant and equipment	22 , 24	237 605	215 882
Intangible assets	23 , 24	979	283
<b>Total non-current assets</b>		<b>252 017</b>	<b>227 888</b>
<b>Total assets</b>		<b>282 534</b>	<b>250 688</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Payables	25	4551	5835
Provisions	26	11 586	10 902
Other current liabilities	27	224	333
<b>Total current liabilities</b>		<b>16 361</b>	<b>17 070</b>
<b>Non-current liabilities</b>			
Provisions	26	4786	4517
Other non-current liabilities	27	97	107
<b>Total non-current liabilities</b>		<b>4883</b>	<b>4624</b>
<b>Total liabilities</b>		<b>21 244</b>	<b>21 694</b>
<b>Net assets</b>		<b>261 290</b>	<b>228 994</b>

**Statement of financial position as at 30 June 2011**

	Note	2011	2010
		\$'000	\$'000
<b>Equity</b>	<b>28</b>		
Contributed equity		232 334	231 633
Reserves		40 333	13 531
Accumulated surplus/(deficit)		(11 377)	(16 170)
<b>Total equity</b>		<b>261 290</b>	<b>228 994</b>

See also the 'Schedule of assets and liabilities by service' at page 42

The statement of financial position should be read in conjunction with the accompanying notes.

**Statement of comprehensive income for the year ended 30 June 2011**

	Note	2011	2010
		\$'000	\$'000
<b>Cost of services</b>			
<b>Expenses</b>			
Employee benefits expense	5	51 512	52 842
Supplies and services	6	28 957	30 679
Depreciation and amortisation expense	7	6281	6205
Accommodation expenses	8	5052	4449
Grants and subsidies	9	6129	5051
Loss on disposal of non-current assets	14	-	886
Other expenses	10	3770	716
<b>Total cost of services</b>		<b>101 701</b>	<b>100 828</b>
<b>Income</b>			
<b>Revenue</b>			
User charges and fees	11	92	75
Commonwealth grants and contributions	12	10 235	6668
Other revenue	13	19 035	10 636
<b>Total revenue</b>		<b>29 362</b>	<b>17 379</b>
<b>Gains</b>			
Gain on disposal of non-current assets	14	309	-
<b>Total gains</b>		<b>309</b>	<b>-</b>
<b>Total income other than income from state government</b>		<b>29 671</b>	<b>17 379</b>
<b>Net cost of services</b>		<b>72 030</b>	<b>83 449</b>

<b>Statement of comprehensive income for the year ended 30 June 2011</b>			
	<b>Note</b>	<b>2011</b>	<b>2010</b>
		<b>\$'000</b>	<b>\$'000</b>
<b>Income from state government</b>	15		
Service appropriation		72 493	75 213
Initial recognition of assets		53	70
Assets transferred		1926	532
Resources received free of charge		908	1150
Royalties for regions fund		1445	285
<b>Total income from state government</b>		<b>76 825</b>	<b>77 250</b>
<b>Surplus/(deficit) for the period</b>		<b>4795</b>	<b>(6199)</b>
<b>Other comprehensive income</b>			
Changes in asset revaluation surplus		26 802	1925
Gains/(losses) recognised directly in equity		(2)	-
<b>Total other comprehensive income</b>		<b>26 800</b>	<b>1925</b>
<b>Total comprehensive income for the period</b>		<b>31 595</b>	<b>(4274)</b>

See also the 'Schedule of income and expenses by service' at page 40

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

**Statement of changes in equity for the year ended 30 June 2011**

	Note	Contributed equity	Reserves	Accumulated surplus/(deficit)	Total equity
		\$'000	\$'000	\$'000	\$'000
<b>Balance at 1 July 2009</b>		228 048	11 606	(9971)	229 683
Total comprehensive income for the year		-	1925	(6199)	(4274)
Transactions with owners in their capacity in their capacity as owners:					
Capital contributions		3585	-	-	3585
Total		3585	1925	(6199)	(689)
<b>Balance at 30 June 2010</b>		231 633	13 531	(16 170)	228 994
<b>Balance at 1 July 2010</b>		231 633	13 531	(16 170)	228 994
Total comprehensive income for the year					
Operating surplus/(deficiency)		-	26 802	4795	31 597
Expense recognised directly in equity <sup>(a)</sup>		-	-	(2)	(2)
		-	26 802	4793	31 595
Transactions with owners in their capacity in their capacity as owners:					
Capital contributions		3625	-	-	3625
Other contributions by owners		1762			1762
Distribution to owners		(4686)			(4686)
Total		701	26 802	4793	32 296
<b>Balance at 30 June 2011</b>		232 334	40 333	(11 377)	261 290

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

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

**Statement of cash flows for the year ended 30 June 2011**

	Note	2011	2010
		Inflows (outflows) \$'000	Inflows (outflows) \$'000
<b>Cash flows from state government</b>			
Service appropriation		66 115	68 856
Capital contributions		3625	3585
Holding account drawdowns		2200	6365
Royalties for regions fund		1445	285
<b>Net cash provided by state government</b>		<b>73 385</b>	<b>79 091</b>
<b>Utilised as follows:</b>			
<b>Cash flows from operating activities</b>			
<b>Payments</b>			
Employee benefits		(49 495)	(50 957)
Supplies and services		(25 858)	(26 020)
Accommodation		(4915)	(4590)
Grants and subsidies		(6071)	(4908)
GST payments on purchases		(4363)	(3192)
Other payments		(3955)	(510)
<b>Receipts</b>			
User charges and fees		41	55
Commonwealth grants and contributions		10 804	9344
GST receipts on sales		2709	1379
GST receipts from taxation authority		1812	1252
Other receipts		19 332	10 294
<b>Net cash (used in) operating activities</b>	<b>29</b>	<b>(59 959)</b>	<b>(67 853)</b>
<b>Cash flows from investing activities</b>			
<b>Payments</b>			
Purchase of non-current physical assets		(3720)	(10 135)
<b>Receipts</b>			
Proceeds from sale of non-current physical assets		1993	-
<b>Net cash (used in) investing activities</b>		<b>(1727)</b>	<b>(10 135)</b>

**Statement of cash flows for the year ended 30 June 2011**

	Note	2011	2010
		Inflows (outflows) \$'000	Inflows (outflows) \$'000
<b>Cash flows from financing activities</b>			
Receipts/(refunds) of developer bonds <sup>(a)</sup>		(10)	33
Net proceed on sale of land remitted to Treasury <sup>(b)</sup>		(1944)	-
<b>Net cash (used in) financing activities</b>		(1954)	33
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>9745</b>	<b>1136</b>
Cash and cash equivalents at the beginning of period		10 103	8967
<b>Cash and cash equivalents at the end of period</b>	<b>29</b>	<b>19 848</b>	<b>10 103</b>

<sup>(a)</sup> Amounts paid for by developers and held in trust for which the amount is refunded on completion of works as per an agreed contract

<sup>(b)</sup> Payments into the consolidated account include net proceeds on sale of land collected 2010-11 financial year.

The statement of cash flows should be read in conjunction with the accompanying notes.

**Schedule of income and expenses by service for the year ended 30 June 2011**

	Urban water management and industry services		Water use allocation and optimisation		Catchments and waterways health		Total	
	2011 (\$000)	2010 (\$000)	2011 (\$000)	2010 (\$000)	2011 (\$000)	2010 (\$000)	2011 (\$000)	2010 (\$000)
<b>Cost of services</b>								
<b>Expenses</b>								
Employee benefits expense	19 590	20 339	24 906	26 065	7016	6438	51 512	52 842
Supplies and services	11 590	11 389	11 901	14 847	5466	4443	28 957	30 679
Depreciation	1036	1034	4827	4844	418	327	6281	6205
Accommodation expenses	1788	1721	2611	2212	653	516	5052	4449
Grants and subsidies	3007	1948	1183	1680	1939	1423	6129	5051
Loss on disposal of non-current assets	-	340	-	447	-	99	-	886
Other expenses	1306	107	1652	149	812	460	3770	716
<b>Total cost of services</b>	<b>38 317</b>	<b>36 878</b>	<b>47 080</b>	<b>50 244</b>	<b>16 304</b>	<b>13 706</b>	<b>101 701</b>	<b>100 828</b>

Schedule of income and expenses by service for the year ended 30 June 2011								
	Urban water management and industry services		Water use allocation and optimisation		Catchments and waterways health		Total	
	2011 (\$000)	2010 (\$000)	2011 (\$000)	2010 (\$000)	2011 (\$000)	2010 (\$000)	2011 (\$000)	2010 (\$000)
<b>Income</b>								
User charges and fees	67	27	25	46	-	2	92	75
Commonwealth grants and contributions	3696	1987	4243	4101	2296	580	10 235	6668
Other revenue	12 515	2622	2662	2769	3858	5245	19 035	10 636
<b>Total revenue</b>	<b>16 278</b>	<b>4636</b>	<b>6930</b>	<b>6916</b>	<b>6154</b>	<b>5827</b>	<b>29 362</b>	<b>17 379</b>
<b>Gains</b>								
Gain on disposal of non-current assets	114	-	152	-	43	-	309	-
<b>Total income other than income from State Government</b>	<b>16 392</b>	<b>4636</b>	<b>7082</b>	<b>6916</b>	<b>6197</b>	<b>5827</b>	<b>29 671</b>	<b>17 379</b>
<b>Net cost of services</b>	<b>21 925</b>	<b>32 242</b>	<b>39 998</b>	<b>43 328</b>	<b>10 107</b>	<b>7879</b>	<b>72 030</b>	<b>83 449</b>
<b>Income from state government</b>								
Service appropriation	34 985	30 185	32 486	36 446	5022	8582	72 493	75 213
Initial recognition of assets not previously recognised	21	27	25	35	7	8	53	70
Assets transferred	709	204	949	268	268	60	1926	532
Resources received free of charge	334	442	447	579	127	129	908	1150
Royalties for regions fund	533	109	711	144	201	32	1445	285
<b>Total income from state government</b>	<b>36 582</b>	<b>30 967</b>	<b>34 618</b>	<b>37 472</b>	<b>5625</b>	<b>8811</b>	<b>76 825</b>	<b>77 250</b>
<b>Surplus/deficit for the period</b>	<b>14 657</b>	<b>(1275)</b>	<b>(5380)</b>	<b>(5856)</b>	<b>(4482)</b>	<b>932</b>	<b>4795</b>	<b>(6199)</b>

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



**Schedule of assets and liabilities by service for the year ended 30 June 2011**

	Urban Water Management and Industry Services		Water Use Allocation and Optimisation		Catchments and waterways health		Total	
	2011 (\$000)	2010 (\$000)	2011 (\$000)	2010 (\$000)	2011 (\$000)	2010 (\$000)	2011 (\$000)	2010 (\$000)
<b>Assets</b>								
Current assets	10 780	8406	15 491	11 332	4246	3062	30 517	22 800
Non-current assets	89 028	84 245	127 927	113 311	35 062	30 332	252 017	227 888
<b>Total assets</b>	<b>99 808</b>	<b>92 651</b>	<b>143 418</b>	<b>124 643</b>	<b>39 308</b>	<b>33 394</b>	<b>282 534</b>	<b>250 688</b>
<b>Liabilities</b>								
Current liabilities	5780	6294	8305	8484	2276	2292	16 361	17 070
Total non-current liabilities	1725	1705	2479	2298	679	621	4883	4624
<b>Total liabilities</b>	<b>7505</b>	<b>7999</b>	<b>10 784</b>	<b>10 782</b>	<b>2955</b>	<b>2913</b>	<b>21 244</b>	<b>21 694</b>
<b>Net assets</b>	<b>92 303</b>	<b>84 652</b>	<b>132 634</b>	<b>113 861</b>	<b>36 353</b>	<b>30 481</b>	<b>261 290</b>	<b>228 994</b>

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

**Summary of consolidated account appropriations and income estimates for the year ended 30 June 2011**

	2011 Estimate \$'000	2011 Actual \$'000	Variance \$'000	2011 Actual \$'000	2010 Actual \$'000	Variance \$'000
<b>Delivery of services</b>						
Item 101 Net amount appropriated to deliver services	73 178	72 559	(619)	72 559	73 539	(980)
Amount authorised by other statutes						
- Salaries and Allowances Act 1975	225	225	-	225	217	8
<b>Total appropriations provided to deliver services</b>	<b>73 403</b>	<b>72 784</b>	<b>(619)</b>	<b>72 784</b>	<b>73 756</b>	<b>(972)</b>
<b>Capital</b>						
Item 169 Capital contribution	7050	3625	(3425)	3625	3585	40
<b>Administered transactions</b>						
Item 102 administered grants and subsidies	1376	1383	7	1383	1878	(495)
<b>Total administered transactions</b>	<b>1376</b>	<b>1383</b>	<b>7</b>	<b>1383</b>	<b>1878</b>	<b>(495)</b>
<b>Grand total</b>	<b>81 829</b>	<b>77 792</b>	<b>(4037)</b>	<b>77 792</b>	<b>79 219</b>	<b>(1427)</b>
<b>Details of expenses by service</b>						
Urban water management and industry services	35 226	38 317	3091	38 317	36 878	1439
Water use allocation and optimisation	52 855	47 080	(5775)	47 080	50 244	(3164)
Catchment and waterways health	12 800	16 304	3504	16 304	13 706	2598
Total cost of services	100 881	101 701	820	101 701	100 828	873
Less total income	(26 379)	(29 671)	(3292)	(29 671)	(17 379)	(12 292)
Net cost of services	74 502	72 030	(2472)	72 030	83 449	(11 419)
Adjustments	(1099)	754	1853	754	(9693)	10 447
<b>Total appropriations provided to deliver services</b>	<b>73 403</b>	<b>72 784</b>	<b>(619)</b>	<b>72 784</b>	<b>73 756</b>	<b>(972)</b>
<b>Capital expenditure</b>						
Purchase of non-current physical assets	7050	2820	(4230)	2820	10 266	(7446)
Adjustments for other funding sources	-	805	805	805	(6681)	7486
Capital contribution (appropriation)	7050	3625	3425	3625	3585	40
<b>Details of income estimates</b>						
Income disclosed as administered Income	1376	1388	12	1388	1878	(490)

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

Note 34 'Explanatory statement' provides details of any significant variations between estimates and actual results for 2011 and between the actual results for 2010 and 2011.

## Notes to the financial statements for the year ended 30 June 2011

### 1 Australian accounting standards

#### General

The department's financial statements for the year ended 30 June 2011 have been prepared in accordance with Australian accounting standards. The term 'Australian accounting standards' includes standards and interpretations issued by the Australian Accounting Standards Board (AASB).

The department has adopted any applicable, new and revised Australian accounting standards from their operative dates.

#### Early adoption of standards

The department cannot early adopt an Australian accounting standard unless specifically permitted by TI 1101 'Application of Australian accounting standards and other pronouncements'. No Australian accounting standards that have been issued or amended but not operative have been early adopted by the department for the annual reporting period ended 30 June 2011.

### 2 Summary of significant accounting policies

#### a General statement

The financial statements constitute general purpose financial statements that have been prepared in accordance with the Australian accounting standards, the Framework, statements of accounting concepts and other authoritative pronouncements of the Australian Accounting Standards Board as applied by the Treasurer's instructions. Several of these are modified by the Treasurer's instructions to vary application, disclosure, format and wording.

The *Financial Management Act 2006* and the Treasurer's instructions are legislative provisions governing the preparation of financial statements and take precedence over Australian accounting standards, the framework, statements of accounting concepts and other authoritative pronouncements of the Australian Accounting Standards Board.

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

#### b Basis of preparation

The financial statements have been prepared on the accrual basis of accounting using the historical cost convention, except for land, buildings and infrastructure which have been measured at fair value.

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

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

#### c Reporting entity

##### Mission

The department was created to ensure that the state's water resources are planned and managed to meet community requirements, now and into the future.

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

##### Services

###### Service 1: Urban water management and industry services

Ensuring adequate urban water supplies and water services through water drainage planning, optimising available resources for urban use, drinking water source protection and the policy and regulation of water services.

###### Service 2: Water use allocation and optimisation

Ensuring the state's water resources are managed and shared to meet social, economic and environmental needs through the development of water allocation plans, water licensing, water accounting and trading.

### Service 3: Catchment and waterways health

Protecting the state's waterways and catchments through river management and recovery programs.

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

#### d Contributed equity

AASB Interpretation 1038 'Contributions by owners made to wholly-owned public sector entities' requires transfers in the nature of equity contributions, other than as a result of a restructure of administrative arrangements, to be designated by the Government (the owner) as contributions by owners (at the time of, or prior to transfer) before such transfers can be recognised as equity contributions. Capital appropriations have been designated as contributions by owners by TI 955 'Contributions by owners made to wholly owned public sector entities' and have been credited directly to contributed equity.

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

#### e Income

##### Revenue recognition

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

##### Sale of goods

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

### Provision of services

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

#### Service appropriations

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

#### Net appropriation determination

"The Treasurer may make a determination providing for prescribed receipts to be retained for services under the control of the department. In accordance with the determination specified in the 2010-2011 budget statements, the department retained \$29 671 million in 2011 (\$17 379 million in 2010) from the following:

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

#### Grants, donations, gifts and other non-reciprocal contributions

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

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

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

## Gains

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

### f Property, plant and equipment

#### Capitalisation/expensing of assets

Items of property, plant and equipment and infrastructure costing \$5000 or more are recognised as assets and the cost of utilising assets is expensed (depreciated) over their useful lives. Items of property, plant and equipment and infrastructure costing less than \$5000 are immediately expensed direct to the Statement of comprehensive income (other than where they form part of a group of similar items which are significant in total).

#### Initial recognition and measurement

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

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

#### Subsequent measurement

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

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

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

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

Fair value for measurement sites has been determined by reference to the cost of replacing the remaining future economic benefits embodied in the asset. This depreciated replacement cost method is used as the measurement sites are specialised and no market based evidence of value is available. The gross carrying amount and the accumulated depreciation have been restated proportionately.

When the measurement sites are revalued, the accumulated depreciation is restated proportionately with the change in the gross carrying amount of the asset so that the carrying amount of the asset after revaluation equals its revalued amount.

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

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

#### Derecognition

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

#### Asset revaluation reserve

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

## Depreciation

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

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

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

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

Land is not depreciated.

### g Intangible assets

#### Capitalisation/expensing of assets

Acquisitions of intangible assets costing \$5000 or more and internally generated intangible assets costing \$50 000 or more are capitalised. The cost of utilising the assets is expensed (amortised) over their useful life. Costs incurred below these thresholds are immediately expensed directly to the Statement of comprehensive income.

All acquired and internally developed intangible assets are initially recognised at cost. For assets acquired at no cost or for nominal cost, the cost is their fair value at the date of acquisition.

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

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

Development costs	3–5 years
Computer software <sup>(a)</sup>	3–5 years
Software licences	3–5 years

<sup>(a)</sup> Software that is not integral to the operation of any related hardware

#### Research and development

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

#### Computer software

Software that is an integral part of the related hardware is treated as property, plant and equipment. Software that is not an integral part of the related hardware is treated as an intangible asset. Software costing less than \$5000 is expensed in the year of acquisition.

#### Software licences

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

#### h Impairment of assets

Property, plant and equipment, infrastructure and intangible assets are tested for any indication of impairment at the end of each reporting period. Where there is an indication of impairment, the recoverable amount is estimated. Where the recoverable amount is less than the carrying amount, the asset is considered impaired and is written down to the recoverable amount and an impairment loss is recognised.

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

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

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

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

#### i Leases

Finance lease rights and obligations are initially recognised, at the commencement of the lease term, as assets and liabilities equal in amount to the fair value of the leased item or, if lower, the present value of the minimum lease payments, determined at the inception of the lease. The assets are disclosed as plant, equipment and vehicles under lease, and are depreciated over the period during which the department is expected to benefit from their use. Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding lease liability, according to the interest rate implicit in the lease.

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

#### j Land classified as held for sale

Land held for sale are recognised at the lower of carrying amount or fair value less costs to sell, and are disclosed separately from other assets in the Statement of financial position. Assets classified as held for sale are not depreciated or amortised.

#### k Financial instruments

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

- ◆ Loans and receivables
- ◆ Financial liabilities measured at amortised cost

Financial instruments have been disaggregated into the following classes:

##### Financial assets

- ◆ Cash and cash equivalents
- ◆ Restricted cash and cash equivalents
- ◆ Receivables
- ◆ Amounts receivable for services

##### Financial liabilities

- ◆ Payables
- ◆ Other borrowings

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

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

## l Cash and cash equivalents

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

### m Accrued salaries

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

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

### n Amounts receivable for services (holding account)

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

### o Receivables

Receivables are recognised at original invoice amount less an allowance for uncollectible amounts (i.e. impairment). The collectability of receivables is reviewed on an ongoing basis and any receivables identified as uncollectible are written-off against the allowance account. The allowance for uncollectible amounts (doubtful debts) is raised when there is objective evidence that the department will not be able to collect the debts. The carrying amount is equivalent to fair value as it is due for settlement within 30 days. See **note 35** 'Financial instruments' and **note 17** 'Receivables'.

## p Payables

Payables are recognised at the amounts payable when the department becomes obliged to make future payments as a result of a purchase of assets or services at fair value, as they are generally settled within 30 days.

### q Provisions

Provisions are liabilities of uncertain timing or amount and are recognised where there is a present legal or constructive obligation as a result of a past event and when the outflow of resources embodying economic benefits is probable and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each reporting period. See **note 26** 'Provisions'.

### i Employee benefits

#### Annual leave and long service leave

The liability for annual and long service leave expected to be settled within 12 months after the reporting date is recognised and measured at the undiscounted amounts expected to be paid when the liabilities are settled. Annual and long service leave expected to be settled more than 12 months after the reporting period is measured at the present value of amounts expected to be paid when the liabilities are settled. Leave liabilities are in respect of services provided by employees up to the end of the reporting period.

When assessing expected future payments, consideration is given to expected future wage and salary levels including non-salary components such as employer superannuation contributions, as well as the experience of employee departures and periods of service.

The expected future payments are discounted using market yields at the end of the reporting period on national government bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

All annual leave and 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 reporting period. Conditional long service leave provisions are classified as non-current liabilities because the department has an unconditional right to defer the settlement of the liability until the employee has completed the requisite years of service.



### Sick leave

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

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

### Deferred leave

The provision for deferred leave relates to public service employees who have entered into an agreement to self-fund an additional twelve months leave in the fifth year of the agreement. The provision recognises the value of salary set aside for employees to be used in the fifth year. This liability is measured on the same basis as annual leave. Deferred leave is reported as a non-current provision until the fifth year.

### Purchased leave

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

### Superannuation

The Government Employees Superannuation Board (GESB) administers public sector superannuation arrangements in Western Australia in accordance with legislative requirements

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

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

The department has no liabilities under the pension or the GSS schemes. The liabilities for the unfunded pension scheme and the unfunded GSS scheme 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 concurrently funded part of the GSS is a defined contribution scheme as these contributions extinguish all liabilities in respect of the concurrently funded GSS obligations.

Employees commencing employment prior to 16 April 2007 who were not members of either the Pension or the GSS became non-contributory members of the West State Superannuation Scheme (WSS). Employees commencing employment on or after 16 April 2007 became members of the GESB Super Scheme (GESBS). Both of these schemes are accumulation schemes. The department makes concurrent contributions to GESB on behalf of employees in compliance with the Commonwealth Government's Superannuation Guarantee (Administration) Act 1992. These contributions extinguish the liability for superannuation charges in respect of the WSS and GESBS.

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

See also [note 2\(r\)](#) 'Superannuation expense'.

### ii Provisions - other

#### Employment on costs

Employment on costs, including workers' compensation insurance, are not employee benefits and are recognised separately as liabilities and expenses when the employment to which they relate has occurred. Employment on-costs are included as part of 'Other expenses' and are not included as part of the department's 'employee benefits expense'. The related liability is included in 'Employment on-costs provision'. See [note 10](#) 'Other expenses' and [note 26](#) 'Provisions'.

#### Warranties

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

## Restoration costs

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

### r Superannuation expense

The superannuation expense in the statement of comprehensive income comprises of employer contributions paid to the GSS (concurrent contributions), the WSS, and the GESBS. The employer contribution paid to the GESB in respect of the GSS is paid back into the consolidated account by the GESB.

### s Resources received free of charge or for nominal cost

Resources received free of charge or for nominal cost that can be reliably measured are recognised as income and as assets or expenses as appropriate, at fair value. Where the resource received represents a service that the department would otherwise pay for, a corresponding expense is recognised. Receipts of assets are recognised in the statement of financial position.

Assets or services received from other state government agencies are separately disclosed under Income from state government in the statement of comprehensive income.

### t Comparative figures

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

## 3 Judgements made by management in applying accounting policies

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

## 4 Disclosure of changes in accounting policy and estimates

### Initial application of Australian accounting standards

The department has applied the following Australian accounting standards effective for annual reporting periods beginning on or after 1 July 2010 that impacted on the department:

2009-5 Further amendments to Australian accounting standards arising from the annual improvement project [AASB 5, 8, 101, 107, 117, 118, 136 & 139]

Under amendments to AASB 117, the classification of land elements of all existing leases has been reassessed to determine whether they are in the nature of operating or finance leases. As leases of land and buildings recognised in the financial statements have not been found to significantly expose the department to the risks/rewards attributable to control of land, no changes to accounting estimates have been included in the financial statements and notes to the financial statements.

Under amendments to AASB 107, only expenditures that result in a recognised asset are eligible for classification as investing activities in the statement of cash flows relate to increases in recognised assets.

### Future impact of Australian accounting standards not yet operative

The department cannot early adopt an Australian accounting standard unless specifically permitted by TI 1101 'Application of Australian accounting standards and other pronouncements'. Consequently, the department has not applied early any following Australian accounting standards that have been issued that may impact the department. Where applicable, the department plans to apply these Australian accounting standards from their application date:

Title		Operative for reporting periods beginning on or after
	<p>Amendments to Australian accounting standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 and 1038 and interpretations 10 and 12].</p> <p>The amendment to AASB 7 requires modification to the disclosure of categories of financial assets. The department does not expect any financial impact when the standard is first applied. The disclosure of categories of financial assets in the notes will change.</p>	1 Jan 2011
AASB 2009-12	<p>Amendments to Australian accounting standards [AASBs 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 &amp; 1031 and interpretations 2, 4, 16, 1039 &amp; 1052].</p> <p>This standard introduces a number of terminology changes. There is no financial impact resulting from the application of this revised standard.</p>	1 Jan 2013

Title		Operative for reporting periods beginning on or after
AASB 1053	<p>Application of tiers of Australian accounting standards</p> <p>This standard establishes a differential financial reporting framework consisting of two tiers of reporting requirements for preparing general purpose financial statements.</p> <p>The standard does not have any financial impact on the department. However it may affect disclosures in the financial statements of the department if the reduced disclosure requirements apply. Department of Treasury and Finance (DTF) has not yet determined the application or the potential impact of the new standard for agencies.</p>	1 July 2013

Title		Operative for reporting periods beginning on or after
AASB 2010-2	<p>Amendments to Australian accounting standards arising from reduced disclosure requirements</p> <p>This standard makes amendments to many Australian accounting standards, including interpretations, to introduce reduced disclosure requirements into these pronouncements for application by certain types of entities.</p> <p>The standard is not expected to have any financial impact on the department. However this standard may reduce some note disclosures in financial statements of the department. DTF has not yet determined the application or the potential impact of the amendments to these standards for agencies.</p>	1 July 2013
AASB 2011-2	<p>Amendments to Australian accounting standards arising from the Trans-Tasman convergence project - reduced disclosure requirements [AASB 101 and AASB 1054]</p> <p>This amending standard removes disclosure requirements from other standards and incorporates them in a single standard to achieve convergence between Australian and New Zealand accounting standards for reduced disclosure reporting. DTF has not yet determined the application or the potential impact of the amendments to these standards for agencies.</p>	1 July 2011

Title		Operative for reporting periods beginning on or after
AASB 2010-5	<p>Amendments to Australian accounting standards [AASB 1, 3, 4, 5, 101, 107, 112, 118, 119, 121, 132, 133, 134, 137, 139, 140, 1023 and 1038 and Interpretations 112, 115, 127, 132 and 1042] (October 2010)</p> <p>This standard introduces a number of terminology changes as well as minor presentation changes to the notes to the financial statements. There is no financial impact resulting from the application of this revised standard.</p>	1 Jan 2011
AASB 2010-6	<p>Amendments to Australian accounting standards - disclosures on transfers of financial assets [AASB 1 and AASB 7]</p> <p>The standard makes amendments to Australian accounting standards, introducing additional presentation and disclosure requirements for financial assets.</p> <p>The standard is not expected to have any financial impact on the department. DTF has not yet determined the application or the potential impact of the amendments to these standards for agencies.</p>	1 July 2011

Title		Operative for reporting periods beginning on or after
AASB 9	<p>Financial instruments</p> <p>The standard supersedes AASB 139 financial instruments: recognition and measurement, introducing a number of changes to accounting treatments.</p> <p>The standard was reissued on 6 Dec 2010 and the department is currently determining the impact of the standard. DTF has not yet determined the application or the potential impact of the standard for agencies.</p>	1 Jan 2013
AASB 2010-7	<p>Amendments to Australian accounting standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 and 1038 and interpretations 2, 5, 10, 12, 19 and 127].</p> <p>This amending standard makes consequential adjustments to other standards as a result of issuing AASB 9 financial instruments in December 2010. DTF has not yet determined the application or the potential impact of the standard for agencies.</p>	1 Jan 2013
AASB 1054	<p>Australian additional disclosures</p> <p>This standard, in conjunction with AASB 2011-1 amendments to Australian accounting standards arising from the Trans-Tasman Convergence Project, removes disclosure requirements from other standards and incorporates them in a single standard to achieve convergence between Australian and New Zealand accounting standards.</p>	1 July 2011

Title		Operative for reporting periods beginning on or after
AASB 2011-1	<p>Amendments to Australian accounting standards arising from the Trans-Tasman convergence project [AASB 1,5, 101, 107, 108, 121, 128, 132 and 134 and interpretations 2, 112 and 113].</p> <p>This amending standard, in conjunction with AASB 1054 Australian additional disclosures, removes disclosure requirements from other standards and incorporates them in a single standard to achieve convergence between Australian and New Zealand accounting standards.</p>	1 July 2011

**Notes to the financial statements for the year ended 30 June 2011**

		2011 \$000	2010 \$000
<b>5</b>	<b>Employee benefits expense</b>		
	Wages and salaries	40 298	41 209
	Superannuation - defined contribution plans <sup>(b)</sup>	3273	3414
	Superannuation - defined benefits plans <sup>(c)</sup>	1085	1095
	Annual leave <sup>(d)</sup>	3809	4734
	Long service leave <sup>(d)</sup>	1890	1096
	Other related expenses <sup>(a)</sup>	1157	1294
	<b>Total employee benefits expense</b>	<b>51 512</b>	<b>52 842</b>
	(a) Includes the value of the fringe benefit to the employee plus the fringe benefits tax component and staff housing expenses for regional employees.		
	(b) Defined contribution plans include WestState, Gold State and GESB Schemes (contributions paid)		
	(c) Defined benefit plans are the Pension Scheme and Gold State Scheme (pre-transfer benefit)		
	(d) Includes a superannuation contribution component		
	Employment on-costs such as workers compensation insurance are included at Note 10 'Other expenses'. The employment on-costs liability is included at Note 24 'Provisions'.		
<b>6</b>	<b>Supplies and services</b>		
	Communications	912	941
	Consultants and contractors	17 897	16 551
	Consumables	2070	1953
	Materials	73	261
	Vehicle lease and hire	2278	2046
	Minor plant, machinery and equipment	1421	2783
	Plant, machinery and equipment lease	201	585
	Chemical analysis expense	906	1379
	Other staff related expenses	785	845
	Travel	838	938
	Other	1576	2397
	<b>Total supplies and services</b>	<b>28 957</b>	<b>30 679</b>

**Notes to the financial statements for the year ended 30 June 2011**

		2011 \$000	2010 \$000
<b>7</b>	<b>Depreciation and amortisation expense</b>		
	<b>Depreciation</b>		
	Furniture and fittings	8	7
	Buildings	630	614
	Infrastructure	32	5
	Plant and equipment	1229	1135
	Computing equipment	457	480
	Leasehold improvements	46	40
	Measurement sites	3666	3691
	<b>Total depreciation</b>	<b>6068</b>	<b>5972</b>
	<b>Amortisation</b>		
	Intangible assets	213	233
	<b>Total amortisation</b>	<b>213</b>	<b>233</b>
	Total depreciation and amortisation expense	6281	6205
<b>8</b>	<b>Accommodation expenses</b>		
	Lease rentals	3302	3306
	Repairs and maintenance	757	190
	Power and water consumption	499	350
	Security	6	23
	Rates and taxes	189	300
	Cleaning	299	280
	<b>Total accommodation expense</b>	<b>5052</b>	<b>4449</b>
<b>9</b>	<b>Grants and subsidies</b>		
	Recurrent	6129	5051
	<b>Total grants and subsidies</b>	<b>6129</b>	<b>5051</b>

**Notes to the financial statements for the year ended 30 June 2011**

		2011 \$000	2010 \$000
<b>10</b>	<b>Other expenses</b>		
	Employment on-costs <sup>(a)</sup>	257	353
	Bad and doubtful debts expense	36	23
	Equipment repairs and maintenance	204	92
	Write-down of non-current assets classified as available for sale <sup>(b)</sup>	195	-
	Transfer of expense from capital work in progress <sup>(c)</sup>	2606	-
	Other	472	248
	<b>Total other expenses</b>	<b>3770</b>	<b>716</b>
	(a) Includes workers' compensation insurance and other employment on-costs. The on-costs liability associated with the recognition of annual and long service leave liability is included at <b>note 26</b> 'Provisions'. Superannuation contributions accrued as part of the provision for leave are employee benefits and are not included in employment on-costs		
	(b) Non-current assets available for sale measured at lower of carrying amount and fair value less selling costs		
	(c) Transfer to expense of work done on groundwater models in prior periods that will not be capitalised		
<b>11</b>	<b>User charges and fees</b>		
	User charges	92	75
<b>12</b>	<b>Commonwealth grants and contributions</b>		
	Bureau of Meteorology	1390	1261
	Department of Sustainability, Environment, Water, Population and Communities (Previously DEWHA)	6812	3242
	National Water Commission	2033	2165
	<b>Total Commonwealth grants and contributions</b>	<b>10 235</b>	<b>6668</b>
<b>13</b>	<b>Other revenue</b>		
	Lease of commercial land and buildings	299	251
	Other grants	694	1970
	Other miscellaneous revenues	1748	594
	Recoups from other private/commercial agencies	132	29
	State grants	16 162	7792
	<b>Total other revenue</b>	<b>19 035</b>	<b>10 636</b>



**Notes to the financial statements for the year ended 30 June 2011**

		2011 \$000	2010 \$000
<b>14</b>	<b>Net gain/(loss) on disposal of non-current assets</b>		
	<b>Costs of disposal of non-current assets</b>		
	Plant and equipment	1684	960
	<b>Proceeds from disposal of non-current assets</b>		
	Plant and equipment	1993	74
	<b>Net gain/(loss)</b>	<b>309</b>	<b>(886)</b>
	See also Note 22 'Property, Plant and Equipment'.		
<b>15</b>	<b>Income from state government</b>		
	<b>Appropriation received during the year:</b>		
	Service appropriation <sup>(a)</sup>	72 493	75 213
	<b>Initial recognition of assets not previously recognised</b>		
	Infrastructure assets <sup>(b)</sup>	53	70
	<b>The following assets were transferred from Water Corporation during the financial year <sup>(c)</sup></b>		
	Land reserves	301	532
	Plant & equipment, infrastructure assets	1625	-
		1926	532
	<b>Resources received free of charge <sup>(d)</sup></b>		
	Determined on the basis of estimates provided by agencies:	908	1150
	<b>Royalties for regions fund: <sup>(e)</sup></b>		
	Regional infrastructure and headworks account	1445	285
	<b>Total revenues from government</b>	<b>76 825</b>	<b>77 250</b>
	(a) Service appropriations are accrual amounts reflecting the full cost of services delivered. The appropriation revenue comprises a cash component and a receivable (asset). The receivable (holding account) comprises the depreciation expense for the year and any agreed increase in leave liability during the year		
	(b) Infrastructure assets not previously recognised in prior year financial statements and which the Department had control of during the reporting period were taken up as revenue in 2009-2010 and 2010-2011.		
	(c) Discretionary transfers of assets between State Government agencies are reported as assets assumed/(transferred) under Income from State Government. The transfer of assets from Water Corporation was done on a discretionary basis and recognised as revenue.		
	(d) Assets or services received free of charge or for nominal cost are recognised as revenue at fair value of the assets and/or services that can be reliably measured and which would have been purchased if they were not donated. Contributions of assets or services in the nature of contributions by owners are recognised direct to equity.		
	(e) This is a sub-fund within the over-arching 'Royalties for Regions fund'. The recurrent funds are committed to projects and programs in WA regional areas.		

**Notes to the financial statements for the year ended 30 June 2011**

		2011 \$000	2010 \$000
<b>16</b>	<b>Restricted cash and cash equivalents</b>		
	<b>Current</b>		
	Developer bonds <sup>(a)</sup>	98	107
	Net proceeds from the sale of freehold land <sup>(b)</sup>	10	63
	Royalties for regions fund <sup>(c)</sup>	1103	275
		1211	74
	<b>Non-current</b>		
	Accrued salaries suspense account <sup>(d)</sup>	928	785
	(a) The cash held in this account is to be used in repaying bond monies (b) Net proceeds from the sale of freehold land is to be paid into the consolidated account (c) These unspent funds are committed to projects and programs in Western Australia regional areas (d) Amount held in the suspense account is only to be used for the purpose of meeting the 27th pay in a financial year that occurs every 11 years		
<b>17</b>	<b>Receivables</b>		
	Current receivables	1203	3300
	Allowance for impairment of receivables	(80)	(44)
	GST receivable	905	969
	<b>Total current receivables</b>	<b>2028</b>	<b>4225</b>
	<b>Reconciliation of changes in the allowance for impairment of receivables:</b>		
	Balance at start of year	44	25
	Amounts written off during the year	-	(5)
	Amounts recovered during the year	(32)	(20)
	New doubtful debt expense recognised	68	44
	Balance at end of period	80	44
	The Department does not hold any collateral as security or other credit enhancements relating to receivables.		
<b>18</b>	<b>Amounts receivable for services</b>		
	Current	4996	2385
	Non-current	12 505	10 938
	<b>Total amounts receivable for services</b>	<b>17 501</b>	<b>13 323</b>
	Represents the non-cash component of service appropriations (see <b>Note 2(n)</b> 'Amounts receivable for services (Holding Account)'). It is restricted in that it can only be used for asset replacement or payment of leave liability.		

**Notes to the financial statements for the year ended 30 June 2011**

		2011 \$000	2010 \$000
<b>19</b>	<b>Other current assets</b>		
	Prepayments	878	1386
	<b>Total Current</b>	<b>878</b>	<b>1386</b>
<b>20</b>	<b>Non current assets classified as held for sale</b>		
	Opening balance		
	Land at fair value <sup>(a)</sup>	4416	-
	Less write down from cost to fair value less selling cost.	(220)	-
		4196	
	Assets reclassified from held for sale		
	Land at fair value	467	-
	Less write down from cost to fair value less selling cost.	(23)	-
		444	-
	Assets reclassified to held for sale		
	Land at fair value	1277	4416
	Less write down from cost to fair value less selling cost.	(63)	-
		1214	4416
	<b>Total assets classified as held for sale</b>		
	Land at fair value	5226	4416
	Less write down from cost to fair value less selling cost.	(283)	-
		4943	4416
	Less assets sold		
	Land at fair value	1336	-
	Less write down from cost to fair value less selling cost.	(66)	-
		1270	-
	Closing balance		
	Land at fair value	3890	4416
	Less write down from cost to fair value less selling cost.	(195)	-
		3695	4416

(a) During the 2009–2010 year, the Minister agreed to the sale of a series of land parcels owned by the department, but are no longer required. It is anticipated that these parcels of land will be sold in the 2011 financial year

**Notes to the financial statements for the year ended 30 June 2011**

		2011 \$000	2010 \$000
21	<b>Non current assets classified as held for distribution to owners</b>		
	Land at fair value <sup>(a)</sup>	-	1070
		-	1070
(a) In 2010, the department had identified surplus Crown Land (reserves) that it no longer required. The department was in the process of negotiating a transfer of these land parcels to the Department of Regional Development and Lands in 2010-11. As the department does not have the power to sell Crown Land, the land was classified as held for distribution to owners.			

**Notes to the financial statements for the year ended 30 June 2011**

		2011 \$000	2010 \$000
<b>22</b>	<b>Property, plant and equipment</b>		
	Freehold land at fair value <sup>(a)</sup>	150 179	151 314
		150 179	151 314
	Works of art	10	10
		10	10
	Buildings at fair value <sup>(a)</sup>	5689	6354
	Accumulated depreciation	-	-
		5689	6354
	Infrastructure at cost	2925	117
	Accumulated depreciation	(1659)	-
		1266	117
	Computing equipment at cost	2209	1816
	Accumulated depreciation	(1590)	(1145)
		619	671
	Furniture and fittings at cost	48	53
	Accumulated depreciation	(22)	(14)
		26	39
	Measurement sites at fair value/cost	186 344	121 599
	Accumulated depreciation	(115 617)	(76 173)
		70 727	45 426
	Plant and equipment at cost	8861	6275
	Accumulated depreciation	(3056)	(1852)
		5805	4423
	Leasehold improvements at cost	708	708
	Accumulated depreciation	(125)	(80)
		583	628
	Capital works in progress at cost	2701	6900
		2701	6900
	<b>Total property, plant and equipment</b>	<b>237 605</b>	<b>215 882</b>

(a) Freehold land and buildings were revalued as at 1 July 2010 by Landgate. The valuations were performed during the year ended 30 June 2011 and recognised at 30 June 2011. In undertaking the revaluation, fair value was determined by reference to market values for land, \$36 562 024.05 and buildings \$3 081 200.00. For the remaining balance, fair value of land and buildings was determined on the basis of depreciated replacement costs.

## Notes to the financial statements for the year ended 30 June 2011

### Reconciliations

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

2011	Capital works in progress \$	Furniture and fittings \$	Computer equipment \$	Plant and equipment \$	Buildings \$	Leasehold improvements \$	Measurement sites \$	Infrastructure \$	Works of Art \$	Freehold land \$	Total \$
<b>Carrying amount at start of year</b>	<b>6900</b>	<b>39</b>	<b>671</b>	<b>4423</b>	<b>6354</b>	<b>628</b>	<b>45 426</b>	<b>117</b>	<b>10</b>	<b>151 314</b>	<b>215 882</b>
Additions	887	-	367	1720	34	-	514	482	-	9583	13 587
Disposals	-	-	(1)	(30)	(119)	-	-	-	-	(8211)	(8361)
Reclassification	-	-	39	(39)	-	-	-	-	-	-	-
Transfers in/(out)	(5086)	(5)	-	960	7	-	(3)	699	-	-	(3428)
Classified as held for distribution to owners										(1277)	(1277)
No longer classified as held for sale	-	-	-	-	-	-	-	-	-	467	467
Revaluation increments/(decrements)	-	-	-	-	44	-	28 456	-	-	(1697)	26 803
Depreciation	-	(8)	(457)	(1229)	(631)	(45)	(3666)	(32)	-	-	(6068)
<b>Carrying amount at end of year</b>	<b>2701</b>	<b>26</b>	<b>619</b>	<b>5805</b>	<b>5689</b>	<b>583</b>	<b>70 727</b>	<b>1266</b>	<b>10</b>	<b>150 179</b>	<b>237 605</b>
2010	Capital works in progress \$	Furniture and fittings \$	Computer equipment \$	Plant and equipment \$	Buildings \$	Leasehold improvements \$	Measurement sites \$	Infrastructure \$	Works of Art \$	Freehold land \$	Total \$
<b>Carrying amount at start of year</b>	<b>1194</b>	<b>29</b>	<b>881</b>	<b>5202</b>	<b>6731</b>	<b>533</b>	<b>49 412</b>	<b>100</b>	<b>-</b>	<b>151 576</b>	<b>215 658</b>
Additions	5706	22	343	403	149	135	994	-	5	3031	10 788
Disposals	-	-	(1)	(47)	-	-	(831)	-	-	(80)	(959)
Reclassification	-	(5)	(72)	-	-	-	-	-	5	-	(72)
Transfers in/(out)	-	-	-	-	-	-	-	-	-	-	-
Classified as held for sale	-	-	-	-	-	-	-	-	-	(4416)	(4416)
Classified as held for distribution to owners	-	-	-	-	-	-	-	-	-	(1070)	(1070)
Revaluation increments/(decrements)	-	-	-	-	88	-	(458)	22	-	2273	1925
Depreciation	-	(7)	(480)	(1135)	(614)	(40)	(3691)	(5)	-	-	(5972)
<b>Carrying amount at end of year</b>	<b>6900</b>	<b>39</b>	<b>671</b>	<b>4423</b>	<b>6354</b>	<b>628</b>	<b>45 426</b>	<b>117</b>	<b>10</b>	<b>151 314</b>	<b>215 882</b>

**Notes to the financial statements for the year ended 30 June 2011**

		2011 \$000	2010 \$000
23	<b>Intangible assets</b>		
	Computer software		
	At cost	1298	446
	Accumulated amortisation	(429)	(296)
	Accumulated impairment losses	-	-
		869	150
	Software licences		
	At cost	269	213
	Accumulated amortisation	(159)	(80)
	Accumulated impairment losses	-	-
		110	133
	<b>Total intangible assets</b>	<b>979</b>	<b>283</b>
	<b>Reconciliations</b>		
	Computer software		
	Carrying amount at start of year	150	200
	Additions	853	39
	Transfers in/(out)	-	71
	Amortisation expense	(134)	(160)
	Carrying amount at end of year	869	150
	Software licences		
	Carrying amount at start of year	133	205
	Additions	56	-
	Amortisation expense	(79)	(72)
	Carrying amount at end of year	110	133
24	<b>Impairment of assets</b>		
	There were no indications of impairment of property, plant and equipment as at 30 June 2011. 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. All surplus assets at 30 June 2011 have either been classified as assets held for sale or written off.		

**Notes to the financial statements for the year ended 30 June 2011**

		2011 \$000	2010 \$000
25	<b>Payables</b>		
	Current		
	Trade payables	2693	4094
	Accrued expense	564	1021
	Accrued salaries	1250	667
	Accrued fringe benefits tax	44	53
	<b>Total current payables</b>	<b>4551</b>	<b>5835</b>
26	<b>Provisions</b>		
	Current		
	<b>Employee benefits provision</b>		
	Annual leave <sup>(a)</sup>	5828	5655
	Long service leave <sup>(b)</sup>	5682	5247
	Purchased leave	76	-
	<b>Total current provisions</b>	<b>11 586</b>	<b>10 902</b>
	Non-current		
	<b>Employee benefits provision</b>		
	Long service leave <sup>(b)</sup>	4763	4517
	Deferred salary scheme <sup>(c)</sup>	23	-
	<b>Total non-current provisions</b>	<b>4786</b>	<b>4517</b>
	(a) Annual leave liabilities have been classified as current as there is no unconditional right to defer settlement for at least 12 months after reporting period. Assessments indicate that actual settlements will occur as follows:		
	Within 12 months of the end of the reporting period	4954	4807
	More than 12 months after the reporting period	874	848
		5828	5655
	(b) Long service leave liabilities have been classified as current where there is no unconditional right to defer settlement for at least 12 months after reporting period. Assessments indicate that actual settlements will occur as follows:		
	Within 12 months of the end of the reporting period	5682	5247
	More than 12 months after the reporting period	4763	4517
		10 445	9764
	(c) Deferred salary scheme liabilities have been classified as current where there is no unconditional right to defer settlement for at least 12 months after the reporting period. Actual settlement of the liabilities will occur as follows:		
	Within 12 months of the end of the reporting period	-	-
	More than 12 months after the reporting period	23	-
		23	-



**Notes to the financial statements for the year ended 30 June 2011**

		2011 \$000	2010 \$000
27	<b>Other liabilities</b>		
	<b>Current</b>		
	Revenue received in advance	175	283
	Stale cheque holding account	49	50
	<b>Total current other liabilities</b>	<b>224</b>	<b>333</b>
	<b>Non-current</b>		
	Developer bonds	97	107
	<b>Total non-current other liabilities</b>	<b>97</b>	<b>107</b>
28	<b>Equity</b>		
	The government holds the equity interest in the department on behalf of the community. Equity represents the residual interest in the net assets of the department. The asset revaluation reserve represents that portion of equity resulting from the revaluation of non-current assets.		
	<b>Contributed equity</b>		
	Balance at start of reporting period	231 633	228 048
	<b>Contributions by owners</b>		
	Capital contribution	3625	3585
	<b>Total contributions by owners</b>	<b>3625</b>	<b>3585</b>
	<b>Other contributions by owners</b>		
	Initial recognition of crown land assets	1762	-
	<b>Total contributions by owners</b>	<b>1762</b>	<b>-</b>
	<b>Distribution to owners</b>		
	Transfer of net assets to other agencies		-
	Land for sale transferred to the DRDL	(6)	-
	Net assets transferred to government		-
	Transfer of net assets to other government agencies <sup>(a)</sup>	(2736)	-
	Proceeds for disposal of assets paid to consolidated account <sup>(b)</sup>	(1944)	
	<b>Total distribution to owners</b>	<b>(4686)</b>	<b>-</b>
	<b>Balance at end of reporting period</b>	<b>232 334</b>	<b>231 633</b>
	(a) In 2010–2011, the department transferred 30 land lots to the state of Western Australia at nil consideration. The loss on disposal of these assets accounted for as a distribution to owners/withdrawal of capital as required by Treasurer's Instruction 955.		
	(b) As part of the land disposal program, the department completed the settlement process for the sale of lands. The net proceeds of the land sales were paid to the consolidated account.		

**Notes to the financial statements for the year ended 30 June 2011**

	2011 \$000	2010 \$000
<b>Reserves</b>		
<b>Asset revaluation reserve:</b>		
Balance at start of reporting period	13 531	11 606
Net revaluation increments/(decrements):		
Land	(1694)	2273
Buildings	44	110
Measurement sites	28 452	(458)
Balance at end of reporting period	40 333	13 531
<b>Accumulated deficit</b>		
Balance at start of reporting period	(16 170)	(9971)
Expense recognised directly in equity <sup>(a)</sup>	(2)	-
Result for the period surplus/(deficit)	4795	(6199)
Balance at end of reporting period	(11 377)	(16 170)
<b>Total equity</b>	<b>261 290</b>	<b>228 994</b>
(a) This represents the deficit in the asset revaluation reserves on derecognition of land which has been transferred directly to accumulated funds.		

**Notes to the financial statements for the year ended 30 June 2011**

		2011 \$000	2010 \$000
29	<b>Notes to the statement of cash flows</b>		
	<b>Reconciliation of cash</b>		
	Cash at the end of the financial year as shown in the statement of cash flow is reconciled to the related items in the statement of financial position as follows:		
	Cash and cash equivalents	17 709	8873
	Restricted cash and cash equivalents (refer to note 16 'restricted cash and cash equivalents')	2139	1230
		19 848	10 103
	<b>Reconciliation of net cost of services to net cash flows provided by operating activities</b>		
	Net cost of services	(72 030)	(83 449)
	Non-cash items:		
	Depreciation expense	6281	6205
	Net loss on disposal of non-current assets	(309)	886
	Resources received free of charge	908	1150
	(Increase)/decrease in assets:		
	Current receivables	2133	2414
	Other current assets	432	(555)
	Other non current assets	2935	76
	Increase/(decrease) in liabilities:		
	Current payables	(1217)	4511
	Current provisions	684	801
	Other current liabilities	(109)	277
	Non-current provisions	269	392
	Other non-current liabilities	-	-
	Net GST receipts/(payments)	1812	(733)
	Change in GST in (receivables)/payables	(1748)	172
	<b>Net cash used in operating activities</b>	<b>(59 959)</b>	<b>(67 853)</b>
	<b>Non-cash financing and investing activities</b>		
	During the financial year, land assets transferred from the Water Corporation at fair value are not reflected in the statement of cash flow as they were recognised as revenue. At the reporting date, the department had fully drawn on all financing facilities, details of which are disclosed in the financial statements.		

**Notes to the financial statements for the year ended 30 June 2011**

		2011 \$000	2010 \$000
30	<b>Resources provided free of charge</b>		
	During the period resources were provided to other agencies free of charge for functions outside the normal operations of the department.		
	Swan River Trust	1	2
	Department of Agriculture and Food	1	2
	Department of Environment and Conservation	2	3
	Department of Planning and Infrastructure	2	1
	Department of Premier and Cabinet	-	179
	Main Roads Western Australia	2	-
	Western Australian Planning Commission	1	-
	Other agencies	5	7
	<b>Total resources provided free of charge</b>	<b>14</b>	<b>194</b>

**Notes to the financial statements for the year ended 30 June 2011**

		2011 \$000	2010 \$000
31	<b>Commitments</b>		
	<b>Lease commitments</b>		
	Commitments in relation to leases contracted for at the end of the reporting period but not recognised as liabilities, are payable as follows:		
	Within 1 year	4393	4411
	Later than 1 year and not later than 5 years	12 090	10 554
	Later than 5 years	8390	9574
		24 873	24 539
	Representing:		
	Cancellable operating leases	-	-
	Non-cancellable operating leases	24 873	24 539
		24 873	24 539
	These commitments are all inclusive of GST		
	<b>Capital commitments</b>		
	Capital expenditure commitments, being contracted capital expenditure additional to the amounts reported in the financial statements, are payable as follows:		
	Within 1 year	2480	25 556
	Later than 1 year and not later than 5 years	7087	-
	Later than 5 years	1967	-
		11 534	25 556
	The capital commitments include amounts for:		
	Collie-Wellington salinity diversion	-	19 928
	Groundwater bores	1877	4156
	Surface water infrastructure	9592	1040
	Information technology infrastructure	-	432
	Metering	65	-
	<b>Total</b>	<b>11 534</b>	<b>25 556</b>

## Notes to the financial statements for the year ended 30 June 2011

<b>32</b>	<p><b>Contingent liabilities and contingent assets</b></p> <p><b>Contingent liabilities</b></p> <p>In addition to the liabilities incorporated in the financial statements, the department has the following contingent liability:</p> <p>Litigation in progress</p> <p>Claim for compensation in relation to taking by consent of portion of Lot 187 and 188 Yunderup for purpose of public recreation and drainage - <i>Section 248 Land Administration Act 1997</i>.</p> <p>The financial effect of this claim is estimated to be \$703 100 plus associated interest.</p> <p><b>Contaminated sites</b></p> <p>Under the <i>Contaminated Sites Act 2003</i>, the department is required to report known and suspected contaminated sites to the Department of Environment and Conservation (DEC). In accordance with the Act, DEC classifies these sites on the basis of risk to human health, the environment and environmental values. Where sites are classified as contaminated - remediation required or possibly contaminated - investigation required, the department may have a liability in respect of investigation or remediation expenses.</p> <p>The department has reported one suspected contaminated site to DEC. It is yet to be classified. To date there has been no evidence of contamination found, however scientific investigation is required before concluding whether or not a level of contamination exists. The department is unable to access the likely outcome of the classification process, and accordingly, it is not practicable to estimate the financial effect or to identify the uncertainties relating to the amount or timing of any of the outflows. While there is no possibility of reimbursement of any future expenses that may be incurred in the remediation of these sites, the department may apply for funding from the contaminated sites management account to undertake further investigative work or to meet remediation costs that may be required.</p> <p><b>Chicken Creek 4 mine void</b></p> <p>This department agreed, under an intergovernmental agreement on the National action plan for salinity and water quality, to undertake the Collie River salinity recovery project (CRSRP) in 2005.</p> <p>The original objective of the CRSRP was to reduce salinity in Wellington Reservoir as to maintain the stored water as a potential potable source for the Integrated Water Supply Scheme.</p> <p>The CRSRP concept required the diversion of saline water from the east branch of the Collie River into a disused mining void, Chicken Creek 4 (CC4) such that this water was prevented from reaching the Wellington Reservoir. This void is located on a privately operated mining lease.</p> <p>To prove the concept, a trial diversion was conducted between 2005 and 2007, and approximately 6.1 gigalitres of water was diverted into CC4. The trial successfully proved the CRSRP concept.</p> <p>However, since the trial, long term access to CC4 has not been secured because adjacent mining activities require water to be evacuated from CC4 prior to the end of calendar year 2012. In addition, the CRSRP has been put on hold pending further review as a consequence of cost escalations and water treatment technology challenges.</p>
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## Notes to the financial statements for the year ended 30 June 2011

<p>Prior to diversion, there was around 2 gigalitres in the mine void with a salinity level of 1300 milligrams/litre. Much of the water diverted into the dam has gone due to seepage and evaporation since the trial's completion in 2007. Currently, the mine void is holding close to the pre trial volume of between 2 and 3 gigalitres of water. However, the salinity level of this water has risen to approximately 4000 milligrams per litre as a consequence of the retention of salt from the river water that was diverted into CC4.</p> <p>The mine void and the surrounding land is subject to rules under the <i>Environmental Protection Act 1986</i>, and the land manager has requirements to maintain the land and water within its operational areas to prescribed levels. The operators are required to rehabilitate the land to back to its original state at the end of the mining lease.</p> <p>Although there is no formal agreement between the parties, the department's legal counsel advises that there are obligations on the department to remove the water currently stored in CC4 because of the raised salinity levels caused by the trial diversion. Should the water remain in CC4, the department may face action from associated parties stemming from the storage of the saline water in CC4 and the impacts to mining should water remain in CC4 beyond the end of 2012.</p> <p>The department is developing actions with relevant industry to deal with the various issues described above, but at this time no definite plan to deal with the water in CC4 is in place. Irrespective of the development and implementation of any contingency, the department must also deal with the possibility that funding for the works will be withdrawn given timelines and expectations of the funding parties.</p> <p>Should funding be withdrawn, the department may need to source additional funds to facilitate the evacuation of water from CC4, thereby discharging its obligations arising from the trial diversion. At this point of time, it is not possible to ascertain the work required, the potential cost of any work to be done or the schedule.</p> <p><b>Contingent assets</b></p> <p>The department has no contingent assets at 30 June 2011.</p>
<p><b>33</b> <b>Events occurring after the end of the reporting period</b></p> <p>The department will be settling the sale of land Lot 100 on deposited plan 46031 on 1 July 2011 for \$1.4m (GST inclusive).</p> <p>The department will be making voluntary redundancy offer to departmental staff after the end of the reporting period. At the moment, an estimate of its financial effect cannot be made yet.</p>

**Notes to the financial statements for the year ended 30 June 2011**

<b>34</b>	<b>Explanatory statements</b>			
	Significant variations between estimates and actual results for income and expense as presented in the financial statement titled 'Summary of consolidated appropriations and income estimates' are shown below. Significant variations are considered to be those greater than 10% or \$5 million.			
	<b>Total appropriations provided to deliver services</b>	<b>2011 Estimate \$000</b>	<b>2011 Actual \$000</b>	<b>Variance \$000</b>
	Significant variations between estimates and actual results for 2011			
	Total income <sup>(a)</sup>	(26 379)	(29 671)	(3292)
	Significant variations between actual results for 2010 and 2011			
	Total income <sup>(a)</sup>	(29 671)	(17 379)	12 292
	(a) The variance relates to an increase in "one off" funding from the Commonwealth and the State for natural resource management projects.			
	<b>Service expenditure</b>	<b>2011 Estimate \$000</b>	<b>2011 Actual \$000</b>	<b>Variance \$000</b>
	Significant variations between estimates and actual results for 2011			
	Water use allocation and optimisation <sup>(b)</sup>	52 855	47 080	(5775)
	Catchment and waterways health <sup>(c)</sup>	12 800	16 304	(3504)
	(b) Variation mainly relates to transfer of function, funding and associated overhead in line with departmental priorities.			
	(c) The variance relates to an increase in "one off" funding from the Commonwealth and the State for natural resource management projects, which leads to higher spending than the budgeted figures.			
	Significant variations between actual results for 2010 and 2011			
	Catchment and waterways health	16 304	13 706	2598
	The variance is due to an increase funding from the Commonwealth and the State, which leads to an increase of spending in operation expenditures such as payments of grant and subsidies, supplies and services, accommodations etc.			
	<b>Capital expenditure</b>	<b>2011 Estimate \$000</b>	<b>2011 Actual \$000</b>	<b>Variance \$000</b>
	Significant variations between estimates and actual results for 2011			
	Purchase of non-current physical assets	7050	2820	(4230)
	Variation is mainly associated with correction to sources of funding associated with the capital program post budget which reduced total funding available.			
	Significant variations between actual results for 2010 and 2011			
	Purchase of non-current physical assets	2820	10 266	(7446)
	Variation is mainly associated with much lesser capital investment activities on land and measurement sites for 2010–2011.			
	<b>Capital contribution</b>	<b>2011 Estimate \$000</b>	<b>2011 Actual \$000</b>	<b>Variance \$000</b>
	Significant variations between estimates and actual results for 2011			
	Item 169 capital contribution	7050	3625	(3425)
	Variation is mainly associated with correction to sources of funding associated with the capital program post budget which reduced total funding available.			



**Notes to the financial statements for the year ended 30 June 2011**

<b>Total administered transactions</b>			
Significant variances between estimate and actual for 2011			
No significant variances in total administered transactions.			
Significant variances between actual results for 2011	2011 Actual \$000	2010 Actual \$000	Variance \$000
Item 102 administered grants and subsidies	3625	1878	1747
The variance is due to the reduction in grant payment related to the Ord River subsidy stage 1 program.			
<b>Administered income</b>			
Significant variances between estimate and actual for 2011			
No significant variances in administered income.			
Significant variances between actual results for 2011	2011 Actual \$000	2010 Actual \$000	Variance \$000
Income disclosed as administered income	1388	1878	(490)
Due to the reduction in the total administered transactions payable, Department of Treasury has therefore appropriated lesser funds to the Department of Water's administered entity in 2010–2011.			

## Notes to the financial statements for the year ended 30 June 2011

<b>35</b>	<p><b>Financial instruments</b></p> <p><b>(A) Financial risk management objectives and policies</b></p> <p>Financial instruments held by the department are cash and cash equivalents, restricted cash and cash equivalents, loans and receivables and payables. All of the department's cash is held in the public bank account (non-interest bearing) apart from restricted cash held in a special purpose account. The department has limited exposure to financial risks. The department's overall risk management program focuses on managing the risks identified below.</p> <p><b>Credit risk</b></p> <p>Credit risk arises when there is the possibility of the department's receivables defaulting on their contractual obligations resulting in financial loss to the department. The department measures credit risk on a fair value basis and monitors risk on a regular basis.</p> <p>The maximum exposure to credit risk at end of reporting period in relation to each class of recognised financial assets is the gross carrying amount of those assets inclusive of any provisions for impairment, as shown in the table at note 35 'Financial instruments disclosures' and note 17 'receivables'.</p> <p>Credit risk associated with the department's financial assets is minimal because the main receivable is the amounts receivable for services (holding account). For receivables other than government, the department trades only with recognised, creditworthy third parties. The department has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history. In addition, receivable balances are monitored on an ongoing basis resulting in the department's exposure to bad debts is minimal. There are no significant concentrations of credit risk.</p> <p><b>Liquidity risk</b></p> <p>Liquidity risk arises when the department is unable to meet its financial obligations as they fall due. The department is exposed to liquidity risk through its trading in the normal course of business.</p> <p>The department has appropriate procedures to manage cash flows including drawdowns of appropriations by monitoring forecast cash flows to ensure that sufficient funds are available to meet its commitments.</p> <p><b>Market risk</b></p> <p>Market risk is the risk that changes in market prices such as foreign exchange rates and interest rates will affect the department's income or the value of its holdings of financial instruments. The department does not trade in foreign currency and is materially exposed to other price risks. The department is not exposed to interest rate risk because apart from minor amounts of restricted cash, all other cash and cash equivalents and restricted cash are non-interest bearing and have no borrowings.</p> <p><b>(b) Categories of financial instruments</b></p> <p>In addition to cash and bank overdraft, the carrying amounts of each of the following categories of financial assets and financial liabilities at the reporting date are as follows:</p>
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**Notes to the financial statements for the year ended 30 June 2011**

<b>Financial assets</b>	<b>2011 Jun \$'000</b>	<b>2010 Jun \$'000</b>
Cash and cash equivalents	17 709	8873
Restricted cash and cash equivalents	2139	1230
Loans and receivables (a)	19 529	17 548
	39 377	27 651
<b>Financial liabilities</b>	<b>2011 Jun \$'000</b>	<b>2010 Jun \$'000</b>
Financial liabilities measured at amortised cost	4551	5835
Developer bonds held in trust	97	107
	4648	5942

**(c) Financial instrument disclosures**
**Credit risk and interest rate exposures**

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

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

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

	Weighted average effective interest rate	Carrying amount	Interest rate exposure				Past due but not impaired					
			Fixed interest rate	Variable interest rate	Non-interest bearing	Up to 3 months	3–12 months	1–2 years	2–5 years	More than 5 years	Impaired financial assets	
	%	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Financial assets</b>												
<b>2011</b>												
Cash assets		17 709	-	-	17 709	-	-	-	-	-	-	-
Restricted cash assets		2139	-	-	2139	-	-	-	-	-	-	-
Receivables		2028	-	-	2028	1906	110	12	-	-	-	-
Amounts receivable for services		17 501	-	-	17 501	-	-	-	-	-	-	-
		39 377	-	-	39 377	1906	110	12	-	-	-	-

**Notes to the financial statements for the year ended 30 June 2011**

	Weighted average effective interest rate	Carrying amount	Interest rate exposure			Past due but not impaired						
			Fixed interest rate	Variable interest rate	Non-interest bearing	Up to 3 months	3–12 months	1–2 years	2–5 years	More than 5 years	Impaired financial assets	
<b>2010</b>												
Cash assets		8873	-	-	8873	-	-	-	-	-	-	-
Restricted cash assets		1230	-	-	1230	-	-	-	-	-	-	-
Receivables		4225	-	-	4225	3987	183	55	-	-	-	-
Amounts receivable for services		13 323	-	-	13 323		-	-	-	-	-	-
		27 651	-	-	27 651	3987	183	55	-	-	-	-
<b>Liquidity risk</b>												
The following table details the contractual maturity analysis for financial liabilities. An adjustment has been made when material.												
	Weighted average effective interest rate	Carrying amount	Interest rate exposure			Past due but not impaired						
			Fixed interest rate	Variable interest rate	Non-interest bearing	Up to 3 months	3–12 months	1–2 years	2–5 years	More than 5 years		
	%	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Financial liabilities</b>												
<b>2011</b>												
Payables		4551	-	-	4551	4551	-	-	-	-	-	-
Developer bonds		97	-	-	97	-	-	-	-	-	-	-
		4648	-	-	4648	4551	-	-	-	-	-	-
<b>2010</b>												
Payables		5835	-	-	5835	5547	-	-	-	-	-	-
Developer bonds		107	-	-	107	-	-	-	-	-	-	-
		5942	-	-	5942	5547	-	-	-	-	-	-
The amounts disclosed are the contractual undiscounted cash flows of each class of financial liabilities at the end of the reporting period.												
<b>Interest rate sensitivity analysis</b>												
Interest rate sensitivity has not been disclosed as the department is not exposed to interest rate risk as it has no assets or liabilities that are interest bearing.												

**Notes to the financial statements for the year ended 30 June 2011**

<b>36</b>	<b>Remuneration of members of senior officers</b>					
	The number of senior officers, other than senior officers reported as members of the department, whose total of fees, salaries, superannuation, non-monetary benefits and other benefits for the financial year, fall within the following bands are:					
					\$	
						<b>2011</b>
						<b>2010</b>
				10 001 - 20 000		-
				20 001 - 30 000		1
				30 001 - 40 000		1
				40 001 - 50 000		1
				50 001 - 60 000		2
				60 001 - 70 000		-
				70 001 - 80 000		-
				80 001 - 90 000		1
				90 001 - 100 000		2
				100 001 - 110 000		-
				110 001 - 120 000		-
				120 001 - 130 000		1
				130 001 - 140 000		-
				140 001 - 150 000		-
				<b>The total remuneration of senior officers is:</b>		<b>1217</b>
						<b>1065</b>
	The total remuneration includes the superannuation expense incurred by the department in respect of senior officers other than senior officers reported as members of the department.					
<b>37</b>	<b>Remuneration of auditor</b>					
	Remuneration paid or payable to the Auditor General in respect of the audit for the current financial year is as follows:					
	Auditing the accounts, financial statements and performance indicators					56
						54
<b>38</b>	<b>Related and affiliated bodies</b>					
	The department currently does not provide any assistance to other agencies which would deem them to be regarded as related or affiliated bodies under the definitions included in Treasurer's Instruction 951 "Related and Affiliated Bodies".					
<b>39</b>	<b>Supplementary financial information</b>					
	<b>Write offs</b>					
	Public property written-off by the Minister during the financial year					-
						-
	<b>Losses through theft, defaults and other causes</b>					
	The department had no losses through theft, defaults and other causes during the financial year.					
	<b>Gifts of public property</b>					
	The department had no gifts of public property during the financial year.					

**Notes to the financial statements for the year ended 30 June 2011**

40	Disclosure of administered income and expenses by service										
		Urban water management and industry services		Water use allocation and optimisation		Catchment and waterways health		General - not attributed		Total	
		2011 \$000	2010 \$000	2011	2010	2011	2010	2011	2010	2011	2010
	<b>Cost of services</b>										
	<b>Expenses</b>										
	Grants and subsidies	-	-	-	-	-	-	1383	1849	1383	1849
	Payments into the consolidated account <sup>(a)</sup>							2002		2002	
	<b>Total administered expenses</b>	-	-	-	-	-	-	<b>3385</b>	<b>1849</b>	<b>3385</b>	<b>1849</b>
	<b>Income from state government</b>										
	<b>Income</b>										
	Service appropriation	-	-	-	-	-	-	1388	1878	1388	1878
	For transfer:										
	Regulatory fees and other charges							58		58	
	Sale of land							1944		1944	
	<b>Total administered income</b>	-	-	-	-	-	-	<b>3390</b>	<b>1878</b>	<b>3390</b>	<b>1878</b>
	In 2002, the government entered into an agreement to provide subsidies to the Ord Irrigation Co-operative and the Gascoyne Water Co-operative. The agreement specifies that government pay diminishing instalments adjusted for CPI to the Co-operatives on a yearly basis and for a limited period. The department receives administered income (service appropriation) from government and administers the subsidies on their behalf. (a) Payments into the consolidated account include net proceeds on sale of land and water fines collected in 2010-2011 financial year.										

**Notes to the financial statements for the year ended 30 June 2011**

41	41 Administered assets and liabilities	2011 \$'000	2010 \$'000
	<b>Asset</b>		
	<b>Current asset</b>		
	Cash asset <sup>(a)</sup>	1	-
	<b>Total current asset</b>		
	<b>Liability</b>		
	<b>Current liability</b>		
	Amounts owing to controlled entity	-	(4)
	<b>Total current liability</b>	-	(4)
	<b>Net assets</b>	1	(4)
	<b>Equity</b>		
	Accumulated surplus/(deficit)	1	(4)
	<b>Total equity</b>	1	(4)

(a) The \$4k deficit for 2009–2010 represents the amount owing to the department controlled bank account for expenditure that exceeded the available administered funds.

## Detailed key performance indicators information

### Notes to the performance indicators

For the year ended 30 June 2011

**Desired outcome:** Sufficient quality water to support the needs of the community, environment and state development.

#### A Proportion % of water resource management areas that are planned appropriate to their water resource category.

Relevance to desired outcome

The publication of water resource allocation plans is a core element of the water resource management process, and is a reasonable key indicator of the department's performance. This indicator demonstrates the effectiveness of planning water resource areas through the water allocation process. These plans drive other water resource management activities including water licensing, assessment, measurement and protection by providing the following information:

- ◆ Boundaries of the surface and groundwater management areas
- ◆ Quantity of water that can be used for various purposes including licensed water use
- ◆ Quantity and quality of water required to meet environmental, social and sustainability objectives

Effectiveness measure

The variance between the 2010–2011 actual and the 2010–2011 target reflects changes to align with other complex priorities such as allocation plans for the Lower Gascoyne, Jurien and Arrowsmith groundwater management areas.

#### B Proportion % of water resources with licensed allocations that are within the allocation limit

Relevance to desired outcome

The department is responsible for ensuring equitable and efficient use of water resources, while ensuring the environment is protected. Having set sustainable limits for environmental, social and economic demands in plans, the department aims to license and regulate water usage, such that it does not exceed these limits.

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

The effectiveness in the management of a water resource is reflected in whether the resource is being used in excess of the allocation limit (i.e. beyond the sustainable limit), based on assessed available resources.

The indicator is derived by determining the number of groundwater resources in the state that have a licensed use greater than the management objective.

Effectiveness measure

The current year actual is comparable to both the budget target and the previous year actual.

#### C Proportion % of public drinking water supplies covered by a drinking water source protection plan

Relevance to desired outcome

Western Australia relies heavily on groundwater for water supply and the generally sandy soils make the underlying groundwater highly vulnerable to groundwater contamination in this state. In addition, there is a high demand to access our surface water reservoirs and their catchments. The resultant activities can create a high contamination risk, especially from micro-organisms.



One of the key roles is to ensure that the community has access to safe, quality drinking water. Drinking water source protection plans (DWSPPs) help protect the water quality in public drinking water sources in WA by protecting the water sources from specific land use developments and water based activities that may contaminate the water source.

This indicator shows the department’s progress in completing DWSPPs for the required water source areas in WA.

#### Effectiveness measure

The current year actual is comparable to both the budget target and the previous year actual.

### Service 1: Urban water management and industry services

#### D Average cost per industry water services policy instrument

##### Relevance to service

The department is responsible for the development of water services policy. The effective delivery of water services policy ensures that the department’s objectives are met. Specifically these are to:

- ◆ Ensure the safety, reliability, efficiency and quality of water services are maintained by means of regulatory and licensing requirements
- ◆ Facilitate a competitive and sustainable water service industry that is responsive to the needs of all Western Australian's and delivers water services at efficient prices

##### Efficiency measure

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

	Quantity	Expenditure	Unit cost
Average cost per water services policy instrument	121	\$4 775 431	\$39 466

The variation between the 2010–2011 actual and both budget target and previous year actual is due to an increase in the number of water services policy instruments relating to Economic Regulation Authority inquiries as well as advice on new legislation and development of subsidiary legislation.

#### E Average cost per drinking water source protection plan

##### Relevance to service

One of the key roles is to ensure that the community has access to safe, quality drinking water. The development of drinking water source protection plans is a key mechanism to help protect the water quality in public drinking water sources in WA. Drinking water source protection plans ensure that drinking water source areas are offered maximum protection from inappropriate land use developments and water based activities that may contaminate the water source. Western Australia’s heavy reliance on groundwater for water supply together with its generally sandy soils makes the underlying groundwater vulnerable to contamination. These plans ensure safe, quality water supplies that will require minimal treatment in order to meet the Australian drinking water guidelines and public health expectations.

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

##### Efficiency measure

The indicator is derived by taking the total cost of service for water source protection divided by the number of drinking water source protection plans developed.

	Quantity	Expenditure	Unit cost
Average cost per drinking water source protection plan	11	\$7 163 123	\$651 193

The variation between the current year actual and budget target is primarily due to movements in apportioning of corporate overhead and resources being redirected to the other priorities including the standing committee inquiry on recreation in public drinking water source protection area project.

## F Average cost per drainage and water management plan and assessment

### Relevance to service

Drainage water planning is an integral component of the urban water cycle. The plans give consideration to the impacts of drainage on flood protection, wetlands, groundwater systems, ground water dependent ecosystems, and receiving water bodies, while providing liveable and attractive communities. Drainage planning across the metropolitan area incorporates the needs of urban development with better management of our water resources.

### Efficiency measure

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

	Quantity	Expenditure	Unit cost
Average cost per drainage and water management plan and assessment	2489	\$14 440 419	\$5802

The variation between the 2010–2011 actual and both budget target and previous year actual is primarily due to the completion of additional drainage and water management plans and assessments as investment in land development improves.

## G Average cost per km<sup>2</sup> of designated proclaimed water supply catchments where salinity and water resource recovery measures are implemented.

### Relevance to service

The department utilises a range of engineering measures in relation to managing and providing water from catchments of a required quality for human consumptive use. This would include drinking water, water for irrigation and industry. The nature of the work involves managing the effects of salinity on land and water assets.

### Efficiency measure

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

	Quantity	Expenditure	Unit cost
Average cost per km <sup>2</sup> of designated proclaimed water supply catchments where salinity and water resource recovery measures are implemented.	11 180km <sup>2</sup>	\$7 110 039	\$636

The variation between the current year actual and both the budget target and previous year actual is primarily due to accounting treatment changes associated with the Collie Wellington Diversion project expenditure previously being capitalised as part of the budget target process.

## Service 2: Water use allocation and optimisation

### H Average cost per allocation plan completed

#### Relevance to service

The department manages and regulates Western Australia's water resources and produces water allocation plans to achieve sustainable water allocation and development for current and future users, and the protection of groundwater dependent ecosystems.

Water allocation plans provide objectives, policies, principles and strategies that will be used to manage water resources to ensure their sustainable use for the benefit of the local community. The plans improve certainty and potential water users by fostering a sound economy and social well being for the people of the region, as well as protects the dependent environment.

### Efficiency measure

The unit cost is calculated by dividing the total cost of service for water allocation planning by the number of allocation plans developed. The indicator shows the three year rolling average cost of producing an allocation plan. A three year rolling average has been selected as it takes approximately three years to complete an allocation plan. In one year no allocation plans may be completed, whereas in another year, five may be completed. To accommodate these fluctuations from year to year, a rolling average has been chosen.

	Quantity	Expenditure	Unit cost
Average cost per allocation plan completed	12	\$16 207 954	\$1 350 663

The current year actual is comparable to both the budget target and the previous year actual.

### I Average time taken (days) to process a licence by water category grouping

#### Relevance to service

The department is responsible for regulating the use of the state’s water resources. Licensing is the main tool to enable sharing and allocation of the state’s water resources. A water licence grants a licensee an entitlement to an allocation of a particular water resource. Licensing processing times will vary according to the category level of the licence being processed. The higher the category level, the higher the complexities and compliance monitoring involved, thus taking longer to administer.

### Efficiency measure

This indicator shows the average time taken (days) to process a licence by water category grouping.

Average time taken (days) to process a licence by water category grouping	Quantity	Total number of days	Average time taken
Category 1	117	6843	58
Category 2	336	18 893	56
Category 3	627	35 528	57
Category 4	575	34 527	60

Movement in time taken to process a licence by category compared to both the budget target and the previous year actual reflects the movement of resources to processing the more complex category 3 and 4 level of licence which are mainly associated with key state development projects.

### J Expenditure on water licence administration

- ◆ Average cost per water licence (all categories)
- ◆ Total number of licences processed by category grouping

#### Relevance to service

Licensing is the main tool for sharing and allocating the state’s water resources. A water licence grants a licensee an entitlement to an allocation of a particular water resource. Licensing costs will vary according to the category level of the licence being processed.

This indicator shows the average cost of administering a water licence. The number of licences processed for each category level will also be reported to demonstrate licence administration cost efficiency.

### Efficiency measure

Average cost per water licence all categories.

	Quantity	Expenditure	Unit cost
Average cost per water licence (all categories)	14 123	\$29 112 276	\$2 061

The variation between the 2010–2011, actual and the budget target is primarily due to a reduction in the number of groundwater licence applications received and processed mainly resulting from a reduction category 4 licences as outlined below.

Total number of licences processed by category group

Total number of licences processed by category group	Quantity		
Category 1	930		
Category 2	2216		
Category 3	4877		
Category 4	4121		

Movement in the number of licences processed by category compared to both the budget target and the previous year actual shows a significant decrease in the number of category 4 licences due to the recouping of water entitlements, amalgamation and cancellation of licences no longer required.

### Service 3: Catchment and waterways health

**K** Average cost per km<sup>2</sup> of designated inland rural catchments where dryland salinity management measures are implemented.

Relevance to service

The department prepares and implements, in partnership with local communities – salinity abatement plans, including application of land use and engineering measures. This service is provided to recover WA's catchments and waterways to a healthy quality. The focus is on management options for the maintenance or recovery of environmental values of waterways and catchments. The water quality in these catchments and waterways is currently at a quality level that is unsuitable for any human consumptive use.

Efficiency measure

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

	Quantity	Expenditure	Unit cost
Average cost per km <sup>2</sup> of designated inland rural catchments where dryland salinity management measures are implemented.	5104km <sup>2</sup>	\$2 643 843	\$518

The variation between the 2010–2011 actual and both budget target and previous year actual mainly relates to a reduction in state Natural Resource Management (NRM) funding for salinity projects.

**L** Average cost per waterway management plan developed

Relevance to service

Managing waterways health is one of the three key services of the department. We achieve this firstly through managing and protecting to prevent and minimise degradation and secondly by repairing degraded waterways. Policy development, management plans and assessment are essential to delivering this service. It provides a measure of the efficiency of management of the health of our waterways by maintaining or increasing their health at minimal cost.

Efficiency measure

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

	Quantity	Expenditure	Unit cost
Average cost per waterway management plan developed	27	\$11 900 291	\$440 752

The variation between 2009–2010 actual and 2010–2011 budget target and actual is primarily due to the completion of additional waterway management plans and assessments in 2010–2011. This has mainly occurred due to additional funding from state NRM and Commonwealth for waterways projects becoming available. However plans may vary considerably in size, cost and time taken to complete plans, thus affecting average cost from year to year.

## Ministerial directives

There were no Ministerial directives in 2010–2011.

## Other financial disclosures

### Capital works

The department's capital works largely consists of asset replacement. Capital works associated with Collie River Salinity Recovery Project are currently subject to review.

### Employment and industrial relations

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

- ◆ A number of staffing policies were reviewed and updated to comply with the newly issued Public Sector Commissioner's instructions issued in the financial year. These included: filling fixed term and permanent vacancies, recruitment guidelines and work and development planning.
- ◆ The department contributed to public sector working groups on the application of the specified callings provisions of the Public Service General Agreement and operates within the standard public service industrial relations provisions.
- ◆ The Workers' compensation and injury management policy and procedure, along with the department's return to work form and procedure, demonstrate the department's compliance to the *Workers' Compensation and Injury Management Act 1981*.

**Table 6 Department of Water – Workforce profile 2010–2011**

	June 2011	June 2010
<b>Occupations categories</b>		
Managers	60	44
Professionals	363	429
Technicians and trades workers	12	14
Community and personal service workers	0	0
Clerical and administrative workers	102	74
Sales workers	0	0
Machinery operators and drivers	0	0
Labourers	0	0
<b>Total FTE</b>	<b>537</b>	<b>561</b>

Source: Department of Water minimum obligatory information requirement report to Public Sector Commission

## Governance disclosures

### Contracts with senior officers

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

### Recruitment of executive directors and directors

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

This interim structure was consistent with structural changes in other government departments and is subject to change.

The department is working closely with the Minister on its implementation of the [Strategic Plan 2010–2015](#).

## Other legal requirements

### Disability access and inclusion plan outcomes

The department continued to implement the *Disability Access and Inclusion Plan (DAIP) 2009–2013* to improve public access to its events, buildings, facilities, information and services. The plan is monitored by the disability access committee, with representatives from all divisions and relevant work areas.

The implementation of the DAIP is a standing item on the human resources and capability sub-committee agenda, and progress is reported twice-yearly to corporate executive.

The department has demonstrated its commitment to fulfilling its obligations under the *Disability Services Act 1993* through its achievements against the following outcomes:

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

The department's events are planned using the department's 'Launches and events

procedures' and checklist, which conform with the Disability Services Commission's 'Creating accessible events' publication and the Australian federation of disability organisation's checklists. Relevant policies and checklists are available to staff on the department's intranet.

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

While leasing of premises is negotiated by Building Management and Works, Department of Treasury and Finance, the department continued to ensure new and renewed leases took the needs of people with disabilities into account. Regular audits of workplaces are undertaken by the OSH coordinator.

As a result:

- ◆ An ACROD parking bay was made available at the Swan Avon Region premises in December 2010
- ◆ Signage was improved in the Atrium building to identify ramp access to reception
- ◆ Tables with wheels and chair trolleys were purchased for the multipurpose room

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

**Table 7 Expenditure on advertising 2010–2011 financial year**

	\$
<b>Summary</b>	
<b>Information advertising</b>	
Adcorp Australia Limited	22 234
Albany Advertiser	62
Department of Transport	327
Department of Treasury	1316
Rural press regional media	481
Shire of Beverley	269
Southwest Printing	174
State Law Publisher	8778
Albany Photographic Society Inc	200
<b>Subtotal</b>	<b>33 841</b>
<b>Recruitment and tender advertisements</b>	
Adcorp Australia Limited	31 112
Beilby Corporation	4123
<b>Subtotal</b>	<b>35 235</b>
<b>Total advertising costs 10/11</b>	<b>69 076</b>

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

Publication policies were reviewed and universal web design principles for information incorporated. Policies are promoted to staff at induction and through the department's intranet.

Forms and applications are available electronically and in other formats on request and the community is advised via the website.

The department's website redevelopment complied with the requirements of the Public Sector Commission's website governance framework.

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

The DAIP is available on the department's internet website and an internal link is provided to department staff.

The DAIP and DAC have been publicised through emails and news items, and information on the DAIP is made available to new staff through the online induction module on the intranet.

Disability Services Commission training packages were distributed to customer service areas. Information on working with people with disabilities is available in the induction system on the intranet. Relevant staff completed National Relay Service (NRS) training. Publications are made available in alternative formats on request and include the NRS number for phone enquiries.

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

Information on the department's complaints management system is provided to the community via the internet. The complaints management system and the website are compliant with Public Sector Commission requirements.

Complaints management information was reviewed for accessibility to people with disabilities and requirements were incorporated into web-based forms, policies, processes and systems. All documents are provided in alternative formats on request.

People with disabilities are able to make complaints in person, via the telephone, on the internet, and in writing.

Training in the use of the complaints management system has been delivered to all regional and many metropolitan staff, and included information on various means available for taking/making a complaint.

No complaints relating to access have been received since the DAIP was registered.

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

Media releases and publications are provided to both print and electronic media, including regional radio and key disability groups, and are promoted on the department's website.

Appropriate questions about access and inclusion are included in evaluation processes for consultation events.

## Compliance with public sector standards and ethical codes

### Ethics and corruption prevention

The department's code of conduct is available to all staff on the department's intranet. The code outlines ethical principles and expected standards of behaviour for all staff. The modules of the code form the basis of the accountable and ethical decision-making training, which must be undertaken by all employees. New employees are made aware of the code during the workplace induction process.

In 2010–2011 90.5 per cent of the department's employees, including 78.9 per cent of regional employees, had undertaken accountable and ethical decision-making training based on the six modules of the code of conduct.

There were no identified or reported compliance issues during the financial year with regards to the WA code of ethics or the department's code of conduct.

One claim of breach of the recruitment, selection and appointment standard was received. The claim was dismissed after the review stage.

Significant action taken to monitor and ensure compliance included:

- ◆ A chairperson’s guide to recruitment, selection and appointment being published on the intranet
- ◆ Training for officers required to participate in recruitment and selection to ensure compliance standards
- ◆ Assessing compliance of standards through internal audits and reviews of breach claims
- ◆ Updating to include a section with all necessary information including code of conduct, grievance procedures, HR policy and procedures, conditions of employment, public sector reform and occupational safety and health
- ◆ Records management training

### Public interest disclosures

There were no public interest disclosures during the course of the year.

## Record keeping plans

In accordance with Section 61 of *State Records Act 2000*, the department provides the following information in support of compliance with the State records commission’s standard 2 (Principle 6).

Activities undertaken this year include the finalisation of the record keeping plan for its five yearly review by July 2011. The plan includes an upgraded record keeping manual and an improved set of departmental policies and procedures.

These procedures now include descriptions of information management requirements from the user’s perspective rather than from that of the software.

The record keeping awareness training program handled 77 staff (with 21 more still in progress) for the year. The course is delivered to all new staff as a mandatory part of induction. One hundred and seventy staff received training in the department’s record management software TRIM.

The efficiency and effectiveness of the record keeping awareness program is assessed periodically through participant feedback received either in person or on-line and continues to produce satisfactory recommendations. Feedback from regional staff indicated that they improved their skills significantly as a result.

The department provides face-to-face and on-line training in record keeping on a weekly basis as well as part of staff induction. The course includes staff roles and responsibilities relating to obligations under the *State Records Act 2000*. An additional strategy in staff training has been to make visits to regional offices to provide a more focused training package and to provide support on existing operational issues with record-keeping.

Regional visits have included assessment of local storage conditions in which hard copy corporate records are being kept. This has allowed local awareness of disaster recovery to be raised and many inadequately housed boxes of records to be moved to appropriate storage.



## Government policy requirements

### Substantive equality

[\*Public Sector Commissioner's Circular 2009/23: Implementation of the Policy Framework for Substantive Equality\*](#)

The department completed its second needs and impact assessment of water licensing in 2011. This review has revealed some positives about the manner in which services are provided, though some areas of improvement have been identified. Efforts will be made in these areas in 2011–2012.

A strategic plan for the implementation of substantive equality initiatives has been drafted and is currently under review before implementation.

## Occupational safety, health and injury management

### Statement of commitment to occupational safety and health, and injury management

The Department of Water's commitment to OSH and Injury management is shown in the OSH Policy and the Workers Compensation and Injury Management Policy. Both policies can be found on the OSH intranet site and staff are informed how to access these on induction and in OSH awareness training. Since November 2009 the department has been rolled into the Office of Shared Services (OSS), which is now handling workers' compensation and injury management.

Due to the restructure process for the department, the strategic goal for 2010–2011 to have 90 per cent of all actions from the systems audit completed was not fully met as responsibility for actions had to be reassigned.

The other strategic goals for 2010–2011 to have at least 80 per cent of staff attend OSH Awareness training and to have all managers trained in OSH and injury management were not met. It was found that, due to the regional nature of the department's workplaces, the most economic and effective way of training is on line. We have been limited

in implementing the training of workers and managers by provision of the training software. The management program has been implemented and the staff training packages are in the process of being purchased.

The department's annual strategic goals for 2011–2012 have not yet been determined due to the restructure, however the department now has actions in place to have:

- ◆ At least 80 per cent of all staff complete OSH awareness training (on-line)
- ◆ 90 per cent of all actions from the systems audit completed
- ◆ 100 per cent of managers trained in OSH and injury management

### Formal mechanism for consultation with employees on OSH and injury management matters

The OSH Steering Committee, OSH Reference Group, area OSH committees and safety and health representatives are the key to OSH consultation with the department. Safety and health representatives' locations and details are communicated to all employees and are accessible for the discussion and resolution of OSH issues.

The department's OSH Steering Committee meets regularly, and the OSH Reference Group meets on a quarterly basis, with the area committees meeting more frequently to feed issues and initiatives into the main committee. The OSH Steering Committee oversees the OSH Reference Group and ensures that progress for the OSH plan is on track.

### Statement of compliance with the injury management requirements of the *Workers' Compensation and Injury Management Act 1981*

The Workers' Compensation and Injury Management policy and procedure, along with the department's Return to Work form and procedure, demonstrate the department's compliance to the *Workers' Compensation and Injury Management Act*. The policy and procedures have been approved by RiskCover, the department's insurer.

The policy and procedure are available to employees on the department's intranet along with all the forms required to initiate a workers' compensation claim.

OSS has taken on the responsibility for provision of an injury management system due to the department's roll in to OSS in November 2009. To date there is no electronic system available to the department.

## Evaluation of the department’s OSH management system

The department’s OSH management system is being revised to reflect the actions that came out of the 2009–2010 internal audit that are set out in the department’s OSH action plan. The OSHMS will be regularly monitored for continuous improvement, and revisions will be made to reflect the model work health and safety legislation as it comes into effect.

**Table 8 The department’s 2010–2011 performance reporting rates**

Number of fatalities	0
<sup>2</sup> Lost time injury incidence rate	0.56 (37% decrease)
<sup>3</sup> Average lost time severity rate	33.3
Percentage of injured workers returned to work within 28 weeks	66%
Percentage of managers trained in occupational safety, health and injury management responsibilities	33%

The Lost time injury incidence rate for 2008–2009 was 1.53

**Table 9 Comparison between 2009–2010 and 2010–2011**

	2009–2010	2010–2011
Incidents	27	22
Injuries	31	22
Lost time injuries	9	3
Hours lost	162.75 (21.7 days)	2002.5 (267 days)
Hours lost without long term injury claim		157.5 (21 days)

- 5 The incidence rate is the number of occurrences of lost time injury/disease for each one hundred workers employed
- 6 The severity rate is the number of severe injuries (actual or estimated 60 days or more lost from work) divided by the number of lost time injury/disease claims (LTI/Ds) multiplied by 100. An injury resulting in death is considered to have accounted for 60 days or more lost.
- 7 The hours/days lost time is as a result of a stress related workers’ compensation claim where the department has made every attempt to return the worker to work but has had no success. The claim is now being handled by RiskCover’s lawyer.

The majority of injuries for both periods were musculoskeletal, consisting of sprains and strains. The next highest were bruising and cuts.

## Managers training in OSH and injury management responsibilities

The department has purchased the licence for an online training system for all managers to complete training in OSH and injury management responsibilities. The training was implemented from 1 July 2011 and the target is to have 100 per cent of managers trained by 30 June 2012.

# Office locations

## Head office

**The Atrium**  
 168 St Georges Terrace  
 Perth WA 6000  
 PO Box K822  
 Perth WA 6842  
 Phone: 08 6364 7600  
 Fax: 08 6364 7601  
[www.water.wa.gov.au](http://www.water.wa.gov.au)  
[atrium.reception@water.wa.gov.au](mailto:atrium.reception@water.wa.gov.au)

**Water science, salinity  
 and water resource recovery**  
 Level 4 Septimus Roe Square  
 256 Adelaide Terrace  
 Perth WA 6000  
 Phone: 08 6364 7800  
 Fax: 08 6364 7888

## Regional offices

### Swan Avon region

**Victoria Park regional office**  
 7 Ellam Street  
 Victoria Park  
 Perth WA 6100  
 Home: 08 6250 8000  
 Fax: 08 6250 8050

**Hydrologic Technology Centre**  
 105 Kew Street  
 Welshpool WA 6106  
 Phone: 08 9355 6201  
 Fax: 08 9361 9311

**Water measurement office**  
 105 Kew Street Welshpool WA 6106  
 Phone: (08) 9355 6237  
 Fax: (08) 9361 9311

**Northam district office**  
 254 Fitzgerald Street  
 PO Box 497  
 Northam WA 6401  
 Phone: 08 9690 2600  
 Fax: 08 9622 7155

### Kwinana Peel region

**Kwinana Peel regional office**  
 107 Breakwater Parade  
 Mandurah Ocean Marina  
 PO Box 332  
 Mandurah WA 6210  
 Phone: 08 9550 4222  
 Fax: 08 9581 4560  
[kwinana.peel@water.wa.gov.au](mailto:kwinana.peel@water.wa.gov.au)

### South Coast region

**Albany regional office**  
 5 Bevan Street  
 Albany WA 6330  
 PO Box 525  
 Albany WA 6331  
 Phone: 08 9842 5760  
 Fax: 08 9842 1204

### South West region

**Bunbury regional office**  
 35–39 McCombe Road  
 Bunbury WA 6230  
 PO Box 261  
 Bunbury WA 6231  
 Phone: 08 9726 4111  
 Fax: 08 9726 4100  
[bunburyadmin@water.wa.gov.au](mailto:bunburyadmin@water.wa.gov.au)

**Busselton district office**  
 Suite 1A/72 Duchess Street  
 PO Box 269  
 Busselton WA 6280  
 Phone: 08 9781 0188  
 Fax: 08 9754 4335

**Geocatch network centre**  
 Suite 1A/72 Duchess Street  
 PO Box 269  
 Busselton WA 6280  
 Phone: 08 9781 0111  
 Fax: 08 9754 4335  
[geocatch@water.wa.gov.au](mailto:geocatch@water.wa.gov.au)

**Warren Blackwood district office**  
 52 Bath Street  
 Manjimup WA 6258  
 Phone: 08 9771 1878  
 Fax: 08 9771 8108

### Mid West Gascoyne region

**Geraldton regional office**  
 94 Sanford Street Geraldton  
 PO Box 73  
 Geraldton WA 6531  
 Phone: 08 9965 7400  
 Fax: 08 9964 5983  
[midwest@water.wa.gov.au](mailto:midwest@water.wa.gov.au)

**Carnarvon district office**  
 211 Robinson Street  
 PO Box 81  
 Carnarvon WA 6701  
 Phone: 08 9941 6100  
 Fax: 08 9941 4931  
[gascoyne@water.wa.gov.au](mailto:gascoyne@water.wa.gov.au)

### Pilbara region

**Karratha regional office**  
 Lot 4608 Cherratta Road  
 PO Box 836  
 Karratha WA 6714  
 Phone: 08 9144 0200  
 Fax: 08 9144 2610

### Kimberley region

**Kununurra regional office**  
 27 Victoria Highway  
 PO Box 625  
 Kununurra WA 6743  
 Phone: 08 9166 4100  
 Fax: 08 9168 3174  
[kununurra@water.wa.gov.au](mailto:kununurra@water.wa.gov.au)

## Feedback form

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

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

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

1   2   3   4   5

**Did you find the design and presentation functional and effective?**

1   2   3   4   5

**Was the report clear, concise and easy to read?**

1   2   3   4   5

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

1   2   3   4   5

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

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

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

Alternatively please attach any completed responses and email to:

[Annual.Report@water.wa.gov.au](mailto:Annual.Report@water.wa.gov.au)

Please send your comments by 5.00 pm, Friday 2 December 2011. The Department of Water will consider all submissions when we prepare next years Annual Report.



## Department of Water

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