

# Annual Report

2003/04

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The Honourable Clive Brown MLA  
Minister for State Development  
Parliament House  
PERTH WA 6000

Dear Minister

In accordance with section 62 of the *Financial Administration and Audit Act 1985*, and section 10 of the *Explosives and Dangerous Goods Act 1961*, I submit for your information and presentation to Parliament the Annual Report of the Department of Industry and Resources of the State of Western Australia for the year ended 30 June 2004.

The report has been prepared in accordance with the provisions of the *Financial Administration and Audit Act 1985*.

Yours sincerely

A handwritten signature in black ink, reading "Jim Limerick". The signature is written in a cursive style with a large, sweeping initial "J".

Jim Limerick  
Accountable Officer  
Director General  
Department of Industry and Resources

5<sup>th</sup> October, 2004

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## The Director-General's Report

This is the second report for the Department of Industry and Resources (DoIR) and the first covering a full year of operation.

The Department has a lead role in helping to grow the State's economy across a broad range of industry sectors (with the exception of agriculture, fisheries and tourism).

We seek to build a strong, sustainable economy through diversification and growth of the Small to Medium Enterprises (SME) sector, while continuing to build on the strong foundation provided by the mineral and petroleum resource base of Western Australia.

The Department has a vital legislative and regulatory role that supports development of mineral and petroleum resource industries in a responsible, sustainable and safe fashion. This role also provides the State with a significant revenue stream through mineral and petroleum royalties.

The period under review has been another challenging year, building on the momentum created by the establishment of DoIR early in 2003. The Department has focussed on delivering the outputs for which funding was appropriated in the 2003/04 budget. It has also embarked on a range of actions to enhance the organisation's capacity to deliver its services, including initiatives aimed at people and organisational development, strengthening our workplace values, enhancement of customer focus and improving the way we do business.

From an operational perspective, the Department has continued to address reforms to the legislative environment in regard to access to land (exploration and mining tenements) as well as health and safety issues in the resources sector. An important feature of this is the introduction of quality assurance programs and the adoption of technology based solutions to improve workflows and services to industry. Similar actions have progressed in regard to the Department's Dangerous Goods regulatory role.

The transition of offshore petroleum industry safety administration from the Department to the Commonwealth under the National Offshore Petroleum Safety Authority has also progressed and is expected to occur on 1<sup>st</sup> January, 2005.

Investment facilitation continued to be a vital role for the Department in 2003/04. World growth, particularly in China, has been a driving force in gas and iron ore production expansions. Highlights include the go-ahead for the Ravensthorpe Nickel Project, passage of a State Agreement for the Gorgon Gas Project, continued development of Burrup Fertilisers' ammonia project and

the continuing commitment to infrastructure support on the Burrup Peninsula.

In addition to the project facilitation and infrastructure support role, the Department has progressed strategic studies into opportunities for gas based and mineral processing projects and energy needs for industry in the South West.

Mineral and petroleum prospectivity in Western Australia continues to be vital as a long-term source of State revenue. Geoscientific programs to assist industry locate and develop mineral and petroleum resources have focussed this year on East and Central Yilgarn, Edmund, Collier and Earraheedy Basins, and the Pilbara. Greenfield mineral prospectivity of the West Musgrave area and petroleum prospectivity in the Canning Basin have also featured in the year's work program.

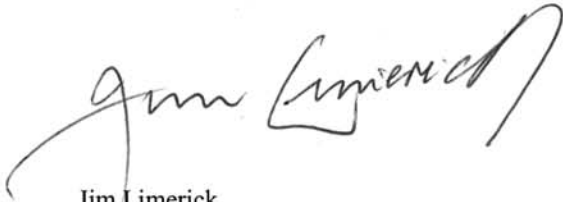
The future role of the Chemistry Centre of WA has been the subject of significant effort during the year to develop, with universities, a new facility in the proposed Chemistry and Minerals Research Precinct at Waterford. Arrangements for the future precinct alliance are likely to be completed during 2004/05.

The Department's role in the area of non-resource industry development faced challenges in 2003/04, resulting from the need to meet the targets set by the Government's functional review in 2002. Highlights for the year include the release of the Industry Policy and finalisation of the Trade and Investment Strategy. Associated with these directional statements were ongoing programs aimed at developing strategic industry sectors and promoting the State's export capacity and assisting local business to enter export markets.

The Department continued to progress a range of initiatives focussed on improved economic outcomes for indigenous Australians. Partnerships between indigenous businesses and the mining industry highlighted successes in this area and indigenous art and tourism remain focal points. Another highlight for the year was the success of local content initiatives in the retail sector through the "Buy Local" campaign combined with a number of promotional initiatives assisting food exporters. Innovation also featured during the year with the successful Innovation Festival and the release of the "Innovation Initiative" in May.

The Australian Marine Complex at Henderson is shaping up as a focal point for promotion of the State's capability in heavy engineering, shipbuilding and marine engineering and technology. In a similar fashion, Technology Park continues as the State's showcase for promotion of capability in many applications of technology.

In conclusion 2003/04 has been a year of progression for DoIR, in which considerable focus has been placed on developing the organisation and pursuing our lead role in helping to grow the State's industry and resource sectors – safe, sustainable and strong.

A handwritten signature in black ink, reading "Jim Limerick". The signature is fluid and cursive, with a long horizontal stroke at the beginning and a large, sweeping flourish at the end.

Jim Limerick  
Director General  
Department of Industry and Resources

25<sup>th</sup> August, 2004



## DoIR at a Glance

### Relevant Legislation

#### ***Enabling Legislation and Formation Date***

The Department of Industry and Resources, (DoIR) was established on February 3, 2003 under the *Public Sector Management Act 1994* by the redesignation of the Department of Mineral and Petroleum Resources and the transfer of functions from the abolished Department of Industry and Technology.

#### ***Legislation which the Department Administers***

The Department has responsibilities regarding the administration of a number of acts. These are listed in appendices 1 and 2. Appendix 1 lists general Acts and Appendix 2 lists the Major-Resource State Agreement Acts.

#### ***Legislation which Impacts upon the Department***

In the performance of its functions, the Department complies with the following legislation:

- *Disability Services Act 1993*
- *Equal Opportunity Act 1984*
- *Financial Administration and Audit Act 1985*
- *Freedom of Information Act 1992*
- *Industrial Relations Act 1979*
- *Minimum Conditions of Employment Act 1993*
- *Occupational Safety and Health Act 1984*
- *Public Sector Management Act 1994*
- *Salaries and Allowances Act 1975*
- *State Records Act 2000*

### Responsible Minister

The Hon. Clive Brown, MLA Minister for State Development.

### Our Vision

Sustainable prosperity and a better quality of life for Western Australians.

### Our Mission

To advance the responsible development of industry and resources for the benefit of Western Australians.

## Our Responsibility

To help grow the Western Australian economy, to make it:

- Strong, so that WA is seen as a preferred place to invest and do business
- Sustainable, so that our growth is based on the principles of sustainability
- Safe, so that industry will be safe for the workers and the community.

DoIR leads the State's economic development by:

- Adhering to sustainable development principles
- Caring for the environment
- Broadening the State's economic base
- Helping to create new jobs
- Providing a safe and healthy place for workers and the community.

DoIR assists clients by:

- Identifying investment and business development opportunities
- Helping them work more effectively with government
- Providing advice via a network of overseas trade and investment offices in China, Europe, India, Indonesia, Japan, Malaysia, the Middle East, Taiwan and Thailand.

## DoIR Core Values

During this financial year the Department has taken a number of steps to ensure that staff understand how we wish to conduct our day-to-day business. An important part of this process was the identification and communication of a set of Core Values for DoIR.

<b>Committed</b>	Helping to grow a strong sustainable economy with safe and thriving industries
<b>Well-informed</b>	Knowing our business and the needs and expectations of our customers and the community
<b>Principled</b>	Behaving honestly and impartially
<b>Innovative</b>	Always looking for ways to improve services and build on our strengths
<b>Open</b>	Communicating openly and using transparent processes
<b>Supportive</b>	Providing support, recognising contribution and celebrating success

## The DoIR Structural Groups

The DoIR structure at the end of the 2003/4 financial year consisted of 6 major Groups:

- Mineral and Petroleum Services
- Investment Services
- Business and Trade Services
- State Development Strategies
- Office of the Director General
- Corporate Support Group.

These structural arrangements came into operation in April 2004 with the appointment of senior management for the Business and Trade Services and State Development Strategies Groups.

## The Groups' Functions

**Mineral and Petroleum Services (MPS)** provide an efficient and fair system of regulation of the mineral, petroleum and dangerous goods industries that will:

- Help companies gain secure access to minerals and petroleum resources
- Protect workers and the community
- Minimise social and environmental impacts
- Ensure a satisfactory return, for the community, through royalties.

### Business and Trade Services (BTS)

- Assist existing Western Australian businesses to grow
- Initiate and support Western Australian trade access to markets outside the State, both nationally and internationally.

### Investment Services (IS)

- Attract investment into Western Australia
- Grow and diversify the State's economic base
- Help companies make successful investments that benefit Western Australians.

### State Development Strategies (SDS)

- Lead strategic policy development, review and advocacy
- Provide whole-of-government strategic-level advice and analysis on the development of the State's economy.

### Office of Director General (ODG)

This group provides key support and specialist advice to the Director General on issues of high strategic importance to the economic development of the State.

### Corporate Support (CS)

This group provides support in terms of:

- Planning and Evaluation,
- Information Technology
- Finance
- Human Resources
- Records Management
- Facilities Management.

This support assists the whole Department to do its job well.

## The Department's High-Level Outputs

The Department's mission<sup>1</sup> is supported by 7 high-level outputs. The responsibilities for the delivery of these outputs are assumed by the operational groups. The principal responsibilities are shown below.

- Mineral and Petroleum Services Group has principal responsibility for:
  - **Output 1** – Titles and Royalties Administration
  - **Output 2** – Health Safety and Environment Services.
- Investment Services Group has principal responsibility for:
  - **Output 3** – Project and Infrastructure Facilitation Services
  - **Output 4** – Investment Attraction Services
  - **Output 5** – Geological Services.
- Business and Trade Services has principal responsibility for:
  - **Output 6** – Scientific Services
  - **Output 7** – Industry Development Services.

The State Development Strategies Group (which was formed during the year) provided strategic contributions, principally to Titles and Royalties Administration and to Industry Development Services. The Office of the Director General and the Corporate Support Group provided contributions to all outputs.

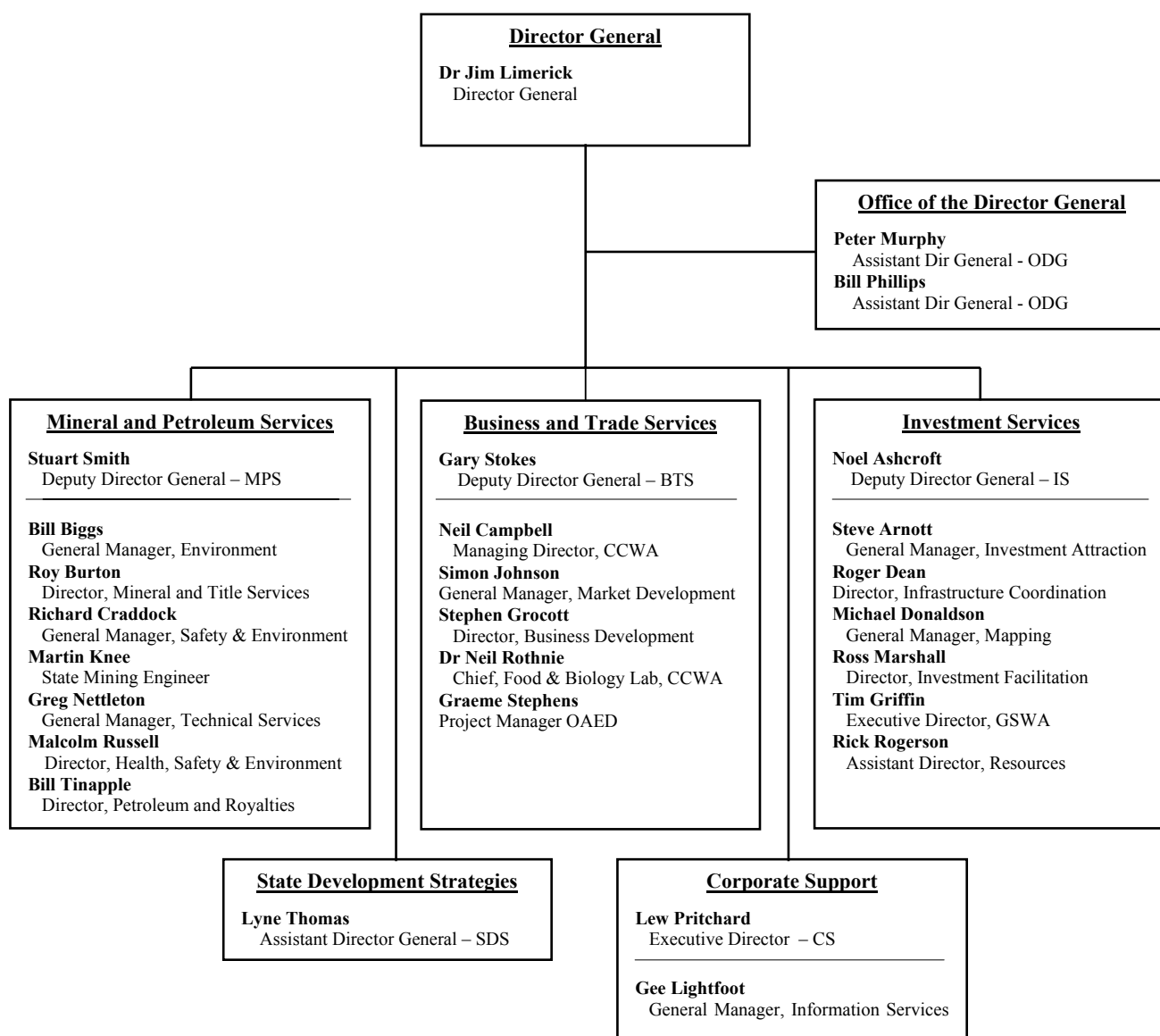
For cost reporting purposes DoIR uses a simple model; the total cost of running the Department is allocated over the 7 outputs. Therefore, the costs allocated to each output (in the KPI section below) include support costs as well as costs expended directly on the delivery of the particular outputs.

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<sup>1</sup> See previous page for Mission Statement

## Organisational Structure and Senior Officers as at 30/6/04

Senior officers identified on this chart are those that substantively occupied positions at or above level 9. Therefore some non Senior Executive Service officers are included. Each box in the chart represents a structural group. The most senior officer in each group is shown above the line, while the other officers are listed alphabetically, below the line.



### Disclaimer - Contracts with Senior Officers

*(As mandated by Treasurer's instructions 903 and 952)*

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.

## Publications

The Department produces a range of publications.

During the year, the Geological Survey produced 43 reports, 40 geoscientific maps and geophysical images, and 24 digital datasets. All these products publicised the geological framework of the State and promoted its resource potential. For more details refer to the "Output 5" section of the "Report on Operations", below.

The Department also published a range of industry and promotional publications, including the following:

- 2002/03 Statistics Digest
- Western Australian Oil and Gas Industry 2003
- Western Australian Iron Ore Industry 2003
- Four issues of Prospect Magazine
- A number of Economic and Commodity price Development reports
- Various policy and research papers
- The Retail Buyer's Catalogue
- The WA Food and Beverage Products Directory
- A Guide to Producing Retail Ready
- A Guide to Exporting Food and Beverage Products
- Western Australian Information and Communications Technology: Innovation, quality and creativity.

### Departmental website

The Department's new website, was launched on 31<sup>st</sup> October, 2003. Reflecting the wider responsibilities of industry and trade, the new website has made substantial progress towards greater client focus, easier access to information and increased functionality.

## Pricing Policy for Outputs

The geological maps, reports and data sets produced by the Geological Survey are made available to the public at the cost of data extraction and distribution.

Most of the industry and promotional material is distributed free of charge. Prospect magazine subscriptions are sold for \$12 per annum, a price which is set so as to contribute to postage and production costs.

Although royalty rates are not normally considered as prices of outputs, in the interests of openness, the basis of these rates is explained below.

Royalty is assessed and collected under about 20 State Agreement Acts, the Mining Act (particularly regulation 86) and three petroleum Acts. Royalty rates are specified under each of these pieces of legislation.

## Ministerial Directives

In June 2004 the Minister gave a direction to the Technology And Industry Advisory Council (TIAC) that the ICT Industry Development Forum be established as a committee of TIAC, for a term of three years, with the Chairman of the ICT Industry Development Forum reporting directly to the Minister.

As is required under the *Industry and Technology Development Act 1998*, the text of the Ministerial direction on the ICT Industry Development Forum has been included in the 2003/04 annual report of TIAC (tabled in the Legislative Assembly and the Legislative Council on August 17, 2004).

## Addresses of Main Offices

### The Atrium

168 St Georges Tce  
Perth  
Western Australia  
6000

Phone: +61 8 9327 5555 Fax: +61 8 9222 3862

### Dumas House

2 Havelock St  
West Perth  
Western Australia  
6005

Phone: +61 8 9222 5555 Fax: +61 8 9222 3862

### Mineral House

100 Plain Street  
East Perth  
Western Australia  
6004

Phone: +61 8 9222 3333 Fax: +61 8 9222 3862

## Departmental Highlights

### Mineral and Petroleum Services Group

#### **Mineral Titles**

Drafting of amendments to the Mining Act was progressed during the year. It is planned that the Bill will be introduced into Parliament in 2004-5.

Regional Standard Heritage Agreements (RSHAs) have been finalised over five of the six Native Title Representative Body (NTRB) areas in Western Australia between NTRBs, the Chamber of Minerals and Energy and the Association of Mining and Exploration Companies (AMEC). These areas collectively account for 92 per cent of the tenement applications in backlog.

As part of a pilot program, an intranet based Mineral Title Services Quality Management System (MTSQMS) prototype was successfully introduced on 15 June 2004. The QMS, when fully functional, will strengthen the administration of the *Mining Act 1978* approval and compliance processes. Work has started to achieve ISO 9001 certification of Mineral Titles Services approval and compliance business processes.

#### **Petroleum Services**

Petroleum exploration in Western Australia reached record highs in 2003 with \$708.9 million in expenditures. This trend is expected to continue in the short term with high levels of expenditure forecast for 2004. The exploration outlook for the longer term is a matter of concern in that most exploration is being carried out on the Northwest Shelf with low levels of greenfield exploration.

The huge gas reserves off the north west coast continue to attract potential investors to investigate new projects. Agreement on LNG supplies to China was the driving force for a number of upstream projects to support increased gas production. Government approval in principle for the Gorgon project use of Barrow Island initiated associated activities, both marketing and project related.

Facilitated by the Department's customer service approach, the petroleum industry is proceeding with the following major developments:

- North West Shelf (NWS) second trunkline and gas expansion
- Enfield oilfield
- Mutineer Exeter oilfield.

#### **Royalties**

Royalty collections for the year totalled \$1 259.1 million, comprising \$617.2 million for minerals and \$641.9 million for petroleum (\$241.1 million of this amount was paid to the Commonwealth Government under petroleum royalty-sharing arrangements).

The value of royalty collections was lower than that for the previous year by 11 per cent. Mineral royalty collections were five per cent lower than last year because of a fall in alumina, gold and diamond royalty collections due to a combination of lower prices and decreased production during the financial year. This decrease was partially offset by higher nickel royalty collections due to an increase in prices experienced during the financial year. Petroleum royalties were 16 per cent lower than last year due to a combination of reduced production and lower than average world crude oil prices as compared to the previous period.

#### **Safety, Health and Environment**

##### **Mineral Industry Safety**

Investment in mining projects is increasing with a number of major projects developed during the year. The industry currently employs over 44 000 persons and difficulty is being experienced recruiting sufficiently experienced workers.

Occupational safety and health for the mining sector is covered by the *Mines Safety and Inspection Act 1994*. The Department received Cabinet approval to draft a Bill to amend this Act. It is anticipated that drafting will be completed in time for the Bill to be tabled in Parliament in the latter part of 2004.

The implementation of a Resource Management Index system for mining operations has allowed a more flexible and efficient use of regulatory resources, with the ability to focus on sites requiring greater attention in terms of safety and health.

The Mines Occupational Safety and Health Advisory Board made significant progress in a number of key areas, and is continuing to drive occupational safety and health issues, and initiatives across the minerals industry.

Continued development of the mining industry health database MINEHEALTH resulted in improved data entry and document handling procedures, and the analysis and production of epidemiological reports.

Legislation prohibiting the use of asbestos has been adopted in WA, and has addressed potential concerns over handling and export of naturally occurring asbestos encountered during the course of mining activities.

### **Petroleum Industry Safety**

The Department managed the continued delivery of a high standard of safety regulatory services to the industry (with an increase in the number of audits conducted) during this transition period preparing for the transfer of offshore safety regulatory responsibilities to the National Offshore Petroleum Safety Authority (NOPSA), and the associated Commonwealth and legislative amendments. NOPSA will regulate safety for offshore petroleum facilities and operations from January 2005.

The industry lag performance indicators of Lost Time Injury Frequency Rate (LTIFR) and Total Injury Frequency Rate (TIFR) have reduced significantly in 2003/04 to 3.6 and 13.5 respectively (compared to 5.9 and 18.4 in 2002/03).

### **Mineral Industry Environmental Performance**

The Department completed assessment, and set performance bonds for all new mining projects. These performance bonds provide a guarantee of mine site rehabilitation during the life of the mine.

Significant resources were committed to the assessment of Annual Environmental Reviews to enable the environmental performance of industry to be monitored.

The Department played a key role in working with industry stakeholders and the Department of Environment in the development of new land clearing regulations.

Payment of around \$1.8 million received in environmental bond monies related to the clean up of tailings and other disturbances on tenements surrendered at various mine sites around the State.

The Department continued to provide specialist technical advice for the clean-up project at the Wittenoom mine site.

### **Petroleum Industry Environment**

There were no incidents with significant environmental implications during the year.

A Memorandum of Understanding (MoU) between DoIR and EPA regarding protocols and criteria for referral of offshore petroleum proposals was finalized and signed-off by the CEO's of both Departments.

### **Encouraging Safety and Environmental Performance**

The Department received fifteen nominations from the mineral and petroleum industries for the Golden Gecko Awards for Environmental Excellence. Golden Gecko Awards were issued to Apache Energy Limited, Barrick Gold of Australia and Beenup Consultative Group.

The second successful biennial Oil and Gas Industry Safety & Environment Conference was held in November 2003. This conference was conceived, initiated, and organised by DoIR to provide a forum for current HSE issues of the industry to be addressed to delegates from all levels within industry. The event's success is a result of the efforts of a committed industry committee and strong industry support.

### **Dangerous Goods Regulation**

The *Dangerous Goods Safety Act 2004* received the Governor's assent on 10 June 2004. The Act will be proclaimed following completion of a suite of regulations, in respect of which extensive consultation has commenced.

Progressive rollout of the national standard for the control of Major Hazard Facilities continued throughout the year with over 20 facilities having completed their safety reports.

Technical experts contributed to the development of a national approach to address security issues associated with certain dangerous goods, in particular ammonium nitrate. Agreements reached between the States and Commonwealth will be incorporated into the new Dangerous Goods regulations.

Security upgrades at the explosives reserves commenced, and will be completed before the end of 2004.

## Investment Facilitation

### ***Infrastructure Facilitation and Investment Attraction***

The Department successfully negotiated the Gorgon Gas Processing and Infrastructure Project Agreement and passage through Parliament of the Barrow Island Bill 2003. This Agreement forms the framework for the \$11 billion Gorgon gas development.

DoIR facilitated approvals for efficiency upgrades to Alcoa's Pinjarra refinery, \$440million and Worsley Alumina's refinery, \$270million. Both are now under construction.

Portman Ltd obtained final approvals to commence development of the Koolyanobbing iron ore northern tenements.

Planning and approvals for major expansions/upgrades of Hamersley Iron's, Robe River's and BHP Billiton's Mines and associated infrastructure in the Pilbara were facilitated by the Department.

DoIR co-ordinated Commonwealth, State and Local government inputs that culminated in BHP Billiton announcing the go-ahead for the \$1.4 billion Ravensthorpe Nickel Operation.

DoIR co-ordinated the government delegation investigating the liability and long-term management policies for geosequestration of carbon dioxide.

The Department completed a long-term defence strategy to ensure maximum Western Australian industry participation in defence procurement.

The finalisation of the Synergy Call Centre initiative resulted in the establishment of 3 regional call centres with the creation of over 200 jobs.

The culmination of 2 years negotiation with ISA/IBM has resulted in the establishment in WA of Australia's largest commercial high performance computer. This facility provides third party access to the platform technology capability that has the potential to optimise research and product development.

### ***Geological Survey WA***

The Government announced additional funding of \$12 million over four years for the release of new pre-competitive geoscience information, and \$1.2 million over three years for the release of 21 000 existing company reports. This funding commenced in 2003/04.

The Geological Survey produced 43 reports, 40 geoscientific maps and geophysical images, and 24 digital datasets that publicised the geological framework of the State and promoted its resource potential.

Geological Survey contracted the drilling of GSWA Lancer 1 stratigraphic well and published the results of the drilling operation.

## **Business and Trade Services Group**

### ***Chemistry Centre (WA)***

Completed the establishment and implementation of a comprehensive 24x7 investigation and advisory service for all hazardous chemical emergencies covered by WESTPLAN-HAZMAT and WESTPLAN-CBR.

Acquired and brought into operation, state-of the-art, field portable technologies to support the detection and measurement of chemical warfare agents and other hazardous chemicals at emergency incidents.

Developed new methodology for public health and environmental investigations, including the assessment of acid sulfate soils, the speciation of shark meat using DNA techniques and the measurement of triazine herbicides in ground water by liquid chromatography mass spectrometry.

### ***Office of Aboriginal Economic Development (OAED)***

The OAED, in partnership with UWA and ArtsWA, won the Premier's Award for Innovation for the West Australian Indigenous Arts Festival Program. This award demonstrates the strong and innovative partnership developed by the OAED with industry and community sectors. The festival allowed Indigenous artists to perform to a global market and has resulted in many offers to perform overseas.

DoIR signed a Memorandum of Understanding (MoU) with the South West Aboriginal Land and Sea Council (SWALSC) in October 2003.

The MoU outlines the specific arrangements that DoIR and SWALSC will undertake to implement the Noongar Economic Development Strategy.

The strategy aims to improve the economic well-being of the Noongar people and provide them with a sound financial basis for business development. This will allow them to create new employment opportunities through culturally acceptable and financially viable industry sectors that currently exist or could be developed.

### ***Export and Market Development***

The Division maintained its role in the operation of the WA Overseas Office Network including support for the opening of the new Korean Office. Activities also included the management of the State's Sister State Agreements and the Guest Nation program at the Royal Show.

The Division also coordinated and participated in a wide range of trade and investment missions around the world.

### ***Business Development Division***

The division oversaw the development and release of the Building Local Industry Policy in April 2004. This policy covers process relating to local industry participation in the resources and government purchasing markets.

The Buy WA First Campaign was maintained with involvement of major retail chains.

A number of projects were assisted in the South West Region as part of the Government's policy to diversify the local economy in the context of reduced timber harvesting.

A major focus was given to the implementation of a range of innovation based initiatives while emerging industries such as biotechnology were also supported.



## State Development Strategies Group

Released a whole of Government Industry Policy Statement *Building Future Prosperity Creating Jobs and Wealth through Industry Development*, which provides a framework to encourage and facilitate industry development in Western Australia.

Led the development of a whole-of-Government trade and investment strategy entitled *Going Global*. This is a supporting document to the Industry Policy Statement, *Building Future Prosperity*. The Group's work included coordination of Government agency input to the strategy.

The State Development Strategies Group's work supports a number of the Department's outputs.

The group provides economic analysis, modelling and advice on major investment projects and prepares comprehensive financial and economic reports on key industry sectors.

The "Report on Operations" section of this annual report consists of a sub-section addressing each major output. State Development Strategies' major achievements 2003/04 are reported, within these sub-sections, under a "State Development Strategies Policy Support" heading.

## Report on Operations

This section provides detailed reporting of the operations that produce the Department's high-level outputs and it is structured accordingly. As well as supporting the mission, the Department's Outputs contribute to the Government's Goals and Strategic Outcomes contained in the Government's Strategic Planning Framework (SPF).

Because Department's are expected to reflect their contribution to the SPF in their annual reports, this introduction to the "Report on Operations" section relates, in summary fashion, the Department's outputs to the SPF. A reading of the Report on Operations material will enable a fuller picture to emerge.

## Strategic Planning Framework

In November 2003 the Government released the "**Better Planning: Better Services – A Strategic Planning Framework (SPF) for the Western Australian Public Sector**". This framework provides a more detailed description of Government Goals and Strategic Outcomes<sup>2</sup>. Under the framework the Department considers its prime focus to be on:

*"The Economy - To develop a strong economy that delivers more jobs, more opportunities and greater wealth to Western Australians by creating the conditions required for investment and growth"*

However, the Department also provides valuable contributions to the other four Goals:

*"People and Communities - To enhance the quality of life and wellbeing of all people throughout Western Australia"*

*"The Environment - To ensure that Western Australia has an environment in which resources are managed, developed and used sustainably, biological diversity is preserved and habitats protected"*

*"The Regions - To ensure that regional Western Australia is strong and vibrant"*

*"Governance - To govern for all Western Australians in an open, effective and efficient manner that also ensures a sustainable future"*

This wide ranging contribution is a reflection of the diverse functions that have been brought together in DoIR and includes regulatory, promotional and service functions focussed on responsible and sustainable development of industry and the State's resources.

## Output Support for Strategic Planning Framework

The Report on Operations section is structured according to the Department's seven Outputs and the Department's Groups and Divisions servicing those Outputs.

All of the Department's outputs support the outcome for which the Department strives, "Responsible development of the State's industry and resources for the benefit of Western Australians." They also support the five goals of the SPF. Most outputs support multiple SPF goals and most SPF goals are supported by multiple outputs.

In order to relate the Department's efforts and accomplishments to the Government's high-level goals and strategic outcomes specified in the SPF, each goal is listed below with a brief general statement identifying its principal supporting Departmental outputs. Also included are a few examples to indicate the range of the Department's contributions to the government goals. A page reference to the "Report on Operations" section for the output is also provided.

### DoIR Support for the "Economy" Goal

Growth in the economy is encouraged, enabled and facilitated by **Project and Infrastructure Facilitation Services (page 31)**, which assists private sector investment by facilitating major resource and industry ventures and associated infrastructure projects. Assistance has been provided to a number of projects ranging in size from the NWS project to a number of mineral sands projects.

Growth in the economy is also encouraged, enabled and facilitated by **Investment Attraction Services (page 34)**, which provides information and advice to potential private sector investors and delivers investment attraction programs. It services a range of projects including the Australian Marine Complex and the Hydrogen Alliance with Industry.

Economic strength is also encouraged, enabled and facilitated by **Industry Development Services (page 42)**, which facilitates the growth of internationally competitive local industry in a huge range of areas such as food and beverages, high-technology-based industries and many others. It also funds and monitors a range of initiatives such as the Industry Capability Network.

<sup>2</sup> Italicised text has been extracted from "Better Planning: Better Services – A Strategic Planning Framework for the Western Australian Public Sector, November 2003"

Economic strength is supported by a regulatory framework maintained by **Titles and Royalties Administration (page 14)** and by **Health, Safety and Environmental Services (page 22)**. It is also supported by a scientific and technical framework maintained by **Scientific Services (page 39)** and **Geological Services (page 35)**.

### ***DoIR Support for the “People and Communities” Goal***

This goal is a specific focus of **Health, Safety and Environmental Services (page 22)** and **Scientific Services (page 39)**, which regulate and administer a range with health and safety aspects of industry.

**Project and Infrastructure Facilitation Services (page 31)**, provides the community with infrastructure services and protects aboriginal heritage values. **Industry Development Services (page 42)** provides a broad range of support to indigenous communities as well a general community services. It maintains a world wide business network.

### ***DoIR Support for the “Environment” Goal***

This goal is supported principally by **Health, Safety and Environmental Services (page 22)** which provides a broad range of environmental services within the minerals and petroleum sectors.

### ***DoIR Support for the “Regions” Goal***

Facilitation of infrastructure provision is critically important to the regions as is the range of services provided by **Industry Development Services (page 42)**. For example, this output provides assistance to timber communities, and many of its indigenous clients are regionally based.

### ***DoIR Support for the “Governance” Goal***

The Department develops policies that attract and promote sustainable resource and industry development within an effective health and safety framework.

## Output 1: Titles and Royalties Administration

Titles and royalties administration benefits the Western Australian community through a legislative framework, information systems and administrative processes for mineral titles, petroleum titles and mineral and petroleum resource royalties. Legislation and titles systems provide information on land availability for mineral and petroleum exploration and mining and petroleum production, encourages exploration on titles, ensures security for title holders and provides a framework for collection of royalties, to achieve a fair return for the Western Australian community.

Products and services include:

- Granting titles to explore for and mine minerals
- Granting titles to explore for and produce petroleum and promoting invitations for bids for exploration areas
- Collecting royalties.

### **Mineral and Title Services**

#### **Major Achievements for 2003/04**

##### ***The Mining Amendment Bill 2004***

Drafting of amendments to the Mining Act was progressed. The Bill, which is due to be introduced into Parliament in 2004-5 includes amendments:

- to enable the reduction of the backlog of outstanding mineral title applications
- providing for larger 200 block exploration licences outside known gold provinces and extended terms for exploration licences and prospecting licences where exploration activity is ongoing
- which will provide for "retention status" to be accorded to exploration and prospecting licences where mineralisation is discovered and exploration is complete, (as recommended by Keating Review).

##### ***Mineral and Title Services Quality Management System***

As part of a pilot program, an intranet based Mineral Title Services Quality Management System (MTSQMS) prototype was successfully introduced on 15 June 2004. The QMS, when fully functional, will strengthen the administration of the *Mining Act 1978* approval and compliance processes. Work has started to achieve ISO 9001 certification of MTS approval and compliance business processes.

##### ***Use of Regional Standard Heritage Agreements***

Regional Standard Heritage Agreements (RSHAs) have been finalised over five of the six Native Title Representative Body (NTRB) areas in Western Australia between NTRBs, the Chamber of Minerals and Energy and AMEC. These areas collectively account for 92 per cent of the tenement applications in backlog.

The RSHAs are used for exploration titles in conjunction with Government policy, which provides that the

expedited procedure under the Native Title Act 1993 will be utilized where the tenement applicant executes a RSHA.

### **Title and Land Access**

The Department received 3 772 applications for mining tenements during the period, a 31 per cent increase over the 2 884 applications received in the previous year. The mineral title backlog consists of 12 155 applications a slight rise on last year's number whilst 1 724 applications were granted during the period – up 23 per cent on last year's result which itself was a 33 per cent increase over the 2001/02 figure.

Table 1: Tenement Applications for the period 1 July 2003 to 30 June 2004

	<b>No.</b>	<b>Area (hectares)</b>
Prospecting Licences	1 381	188 219
Exploration Licences	1 630	17 177 720
Mining Leases	627	296 389
Other	134	30 639
<b>TOTAL</b>	<b>3 772</b>	<b>17 692 967</b>

Table 2: Tenements granted for the period  
1 July 2003 to 30 June 2004

	No.	Area (hectares)
Prospecting Licences	810	103 674
Exploration Licences	704	5 843 320
Mining Leases	129	43 093
Other	81	41 412
<b>TOTAL</b>	<b>1 724</b>	<b>6 031 499</b>

Table 3: Tenements in force as at 30 June 2004

	No.	Area (hectares)
<i>(Mining Act 1978)</i>		
Prospecting Licences	4 561	568 404
Exploration Licences	2 917	20 895 647
Mining Leases	4 713	1 716 602
Other	3 590	3 114 603
<i>(Mining Act 1904)</i>		
Mineral Claims & others	186	21 569
<b>TOTAL</b>	<b>15 967</b>	<b>26 316 825</b>

### Title Compliance

Ninety nine per cent of Form 5 expenditure reports were lodged within the required 60 day period.

During the year:

- 11 260 Form 5 expenditure reports were lodged (see Table 4 below)
- 941 notices of intention to forfeit for non-payment of rent and non-compliance with expenditure commitments were issued
- 290 titles were forfeited during the period
- 4 003 exemptions from expenditure affecting 5 231 tenements were finalised.

Table 4: Title Monitoring

	2001/02	2002/03	2003/04
Reports received	12 796	12 155	11 260
Exemption applications	5 386	4 632	4 036
Tenements forfeited (Rent / expenditure)	304	260	290

### Mining Industry Liaison Committee (MILC)

The Mining Industry Liaison Committee (MILC) forum for industry groups considered the following issues.

#### **Expenditure Reports Subject to Audit**

The ability for the Minister to request a tenement holder to produce an audited statement for the purpose of verifying expenditure claimed in a Form 5 report was agreed to.

#### **Release of Mineral exploration Data**

The Bowler Inquiry recommendation that the "sunset" period for the release of reports be reduced from 10 years to 5 years was agreed to.

#### **Tenement Application Advertising**

A Bowler Inquiry recommendation to consider the feasibility of combining Mining Act and Native Title advertising of tenement details was considered and rejected as being impractical.

#### **Section 57(4) Declared Areas**

A two-year trial on the Nullagine Section 57(4) (exclusion of exploration licences) was reviewed to see whether there was any increase in prospecting licence applications. The results were inconclusive; the trial will now be continued for a further two years.

#### **Refusal of Mining Lease Applications where the Underlying Licence is Forfeited.**

A policy change saw the introduction of a change in processing where a prospecting /exploration license is forfeited for a breach of rent/exploration commitments. Action proposing refusal of any conversion mining lease application will be commenced by way of a thirty day letter to the lease applicant.

### ***Successive Pegging Policy Change***

A policy change was introduced to assist in reducing the mineral title application backlog by commencing to process subsequent in time licence applications where the encroachment onto the priority application is less than 50 per cent of the area applied for. Such applications will be determined by excising the encroaching portion.

### **Customer and information Services**

There were 14 243 mineral title searches carried out during the year and an additional 6 672 “on-line” searches were issued by Mineral Titles On-line. Counter inquiries at the Information Centre remained stable at 14 000 – slightly down on the previous year with an average of 56 people per day visiting the centre. The Mining Information Centre received 9 545 tenement applications, dealings and documents during the year.

### **Business Systems**

#### ***Service at Broome, Carnarvon and Kununurra***

As of 8 September 2003 the Mineral Fields 04, 08, 09 and 80 formerly administered by the Department of Justice offices at Broome, Carnarvon and Kununurra were transferred to the control of the Mining Registrar at Karratha. To minimise the impact to customers computers on the public counters were left in place. However, a kiosk style computer that will provide access to TENGGRAPH® Online and Mineral Titles On-Line business systems will replace these.

#### ***TENGGRAPH On-Line and MINERAL TITLES On-Line***

There is continuing strong customer support for both these systems and a number of improvements and enhancements have been made to both systems during the year to ensure that they continue to meet the needs of the Department’s customers.

#### ***MiTIS (Mineral Titles Electronic Management System)***

Since its introduction in 2002/03 MiTiS has proved successful as a replacement for the old manual register system. MiTiS is available at the Mining Information Centre in Perth and the Department’s regional offices.

#### ***eMITS***

During the year work has commenced on developing the new web based Title Register system eMITS. As well as the Title Register, eMITS will manage Native Title and provide e-Lodgment for Mining Act documents. Stage 1 of eMITS will see all Mineral Title Information currently held in the old Mainframe systems such as Tendex, Trax and Planmon transferred to MiTiS eliminating the need

to maintain “dual” entry systems and providing the customer with all mineral title register information through one system (MiTiS).

#### ***Enterprise Wide Spatial System***

Mineral and Title Services in conjunction with Geological Survey have commenced work on developing a new spatial system that will see all DoIR spatial data available through a single web-based spatial system. The new system will, in time, replace existing departmental spatial systems such as TENGGRAPH®.

### ***Petroleum Titles and Resource Management***

#### **Major Achievements for 2003/04**

##### ***Initiated Improvements to the Petroleum Register.***

- Developed the first phase of Electronic Petroleum Register (EPR) a web-based titles management system
- Developed and implemented (in conjunction with GSD) WAPIMS Phase II
- Coordinated E Forms pilot project.

##### ***Native Title Act (NT) Processes***

During the year the long-standing back log of applications awaiting clearance through the Native Title Act (NT) processes was all but cleared. Title applications cleared through the NT process released some 25,000 sq kms of exploration acreage. The value of exploration work in that acreage over the next 6 years amounts to over \$29 million.

##### ***Registration Fees***

Calculated and collected Enfield Registration Fee of \$9.3 million as well as achieving approval on the China National Offshore Oil Corporation (CNOOC) Registration Fee of \$8.7 million.

##### ***Releasing Areas for Petroleum Exploration***

Assisted in the process of releasing areas for petroleum exploration in conjunction with Resources Branch and Geological Survey Division.

##### ***Activities Required Under the Legislation***

Carried out activities required under the legislation, including the issue of Production Licences, Retention Leases, Pipeline Licences and Exploration Permits.

##### ***Resource Management Studies***

Completed resource management studies into effects of

pressure decline and impact of carbon dioxide injection.

### **QMS System**

Developed and implemented a QMS system and gained certification to AS9001:2000.

### **Open Day**

Provided arrangements for Open Day and Petroleum breakfast workshops.

### **Data Centre Workshop**

Coordinated WA Data Centre Workshop and proposal.

### **Legislation**

Progressed proposals to improve the petroleum legislation by:

- Maintaining the common petroleum code;
- Providing for the geo sequestration of carbon dioxide
- Embracing competition policy principles and accommodating the transition to the National Offshore Petroleum Safety Authority (NOPSA).

### **Industry Liaison**

Conducted an annual Petroleum Open Day to showcase:

- The work done in the State's sedimentary basins
- Data management systems
- Areas to be released for petroleum exploration permit bids
- Highlight the importance of petroleum to the Western Australian economy
- The strategies undertaken in promoting safety and good environmental management.

Exhibited and presented papers at the Australian Petroleum Production and Exploration Association's Annual Conference in Canberra to help promote Western Australia's petroleum potential. Introduced industry workshops to promote initiatives, review green field exploration and encourage open discussion on regulatory matters.

### **Titles and Access to Land**

The number of petroleum titles in force remained steady reflecting the frontier nature (e.g. deep water) of the blocks on offer. Many onshore applications already received were not brought to finality because of native title and other land access issues.

### **Exploration**

Western Australia attracted 68 per cent of Australia's petroleum exploration expenditure during 2004, with exploration expenditure estimated at \$625 million (figure

2). Thirty-five wildcat wells were drilled during 2003/04 of which 7 were major oil and gas discoveries (figure 1), yielding an improved success rate of 20 per cent.

Offshore 3D geophysical surveys had a significant increase and went up nearly 3 fold to 9 832 square kilometres in 2003/04 compared to 3 342 square kilometres in the previous year. However offshore 2D geophysical surveys dropped 74 per cent to 4492 line kilometres during 2003/04.

Seven significant discoveries were made in Western Australia including Crosby, Ravenworth, Harrison, Monet and Stickle oil discoveries and Ajax gas discovery in the Carnarvon Basin and Tarantula gas discovery onshore in the Northern Perth Basin.

### **Facilitation of Exploration**

In September 2003 State acreage was released in the Central Canning Basin (4 onshore application areas) and the Coolcalalaya Sub-basin of the Perth Basin (1 onshore area). In March 2004 State acreage was released in the Northern Carnarvon Basin (3 offshore areas), Perth Basin (2 onshore areas) and the Officer Basin (1 onshore area). A CD provided information relevant to explorers about land access, key publications relating to prospectivity, listings of available data. This release CD was advertised and distributed at key exploration-oriented conferences in Australia and overseas.

The Western Australian Petroleum Opportunities 2004 farm-out booklet was published and promoted to companies in Australia and overseas through industry journals, professional societies and conferences.

The *Guide to Petroleum Exploration and Production in Western Australia* was published to provide essential information on Western Australia's fiscal and legislative regime in relation to the upstream petroleum industry, as well as information on fees, environment, safety, access to data, and basins prospectivity.

A compilation of petroleum prospects and leads in the central Canning Basin region was produced.

Two issues of the Division's *Petroleum in Western Australia* (PWA) magazine were published – the April 2004 edition, and the October 2003 edition released in conjunction with the Department's Petroleum Open Day.

In preparation for the 2005 acreage release, the Department has invested in the reprocessing of approximately 1 000km of seismic field data in the Canning Basin to further develop greenfield prospects and leads information.

## Production and Development

Assessment of Commonwealth and State's petroleum resources involved:

- 5 production license renewal applications, and 4 Field Development Plans
- 4 location applications
- 11 retention lease applications or renewals
- 77 well approvals including – 18 development well applications, 24 appraisal well applications and 35 exploration well applications.

## Investment

There is currently a spike in the number of upstream oil and gas development approvals that Petroleum and Royalties Division (PRD) is currently dealing with or anticipates dealing with in the next two to three years.

Projects are listed below, categorized according to the development stage at which they are currently interacting with the Department.

## Peak Activity Projects

These are projects which are interacting with the Department in terms of Production Licences (including reservoir management plans), Safety Cases and/or Environment Plans. The total investment associated with these projects is \$5.5 billion.

NWS enhancements to meet gas demands, (Goodwyn low pressure train, Perseus Stage II, etc.)	\$3000 million
Enfield oil	\$1500 million
Mutineer/Exeter oil	\$600 million
John Brookes gas	\$200 million
Telfer gas pipeline	\$150 million
Jingemia oil (onshore)	\$50 million
Eremia oil (onshore)	\$20 million

## Near to Hand Projects

These are projects which are interacting with the Department in terms initial consultation. They are expected to peak within 2-3 years and involve investments of \$2.4 billion.

Gorgon upstream offshore and carbon dioxide sequestration components for which PRD is responsible	\$1800 million
Black Tip gas and pipeline (WA waters portion)	\$200 million
North Perth Basin gas	\$25 million
Cliffhead oil	\$160 million

## Next 2-3 Years

It is anticipated that the following projects will start within 2-3 years. They represent a total value of \$3.3 billion.

Stybarrow oil	\$850 million
Pyrenees Ravensworth, Crosby, Stickle and Harrison discoveries	\$800million
Angel gas	\$500million
Brewster (Inpex) gas/condensate	\$800million
DBNGP expansion	\$300million
Smaller Apache developments	\$50million
Gas discoveries in the Carnarvon and Browse basins	



Figure 1: New Field Wildcat Drilling (Western Australia) and Success Rate by Financial Year

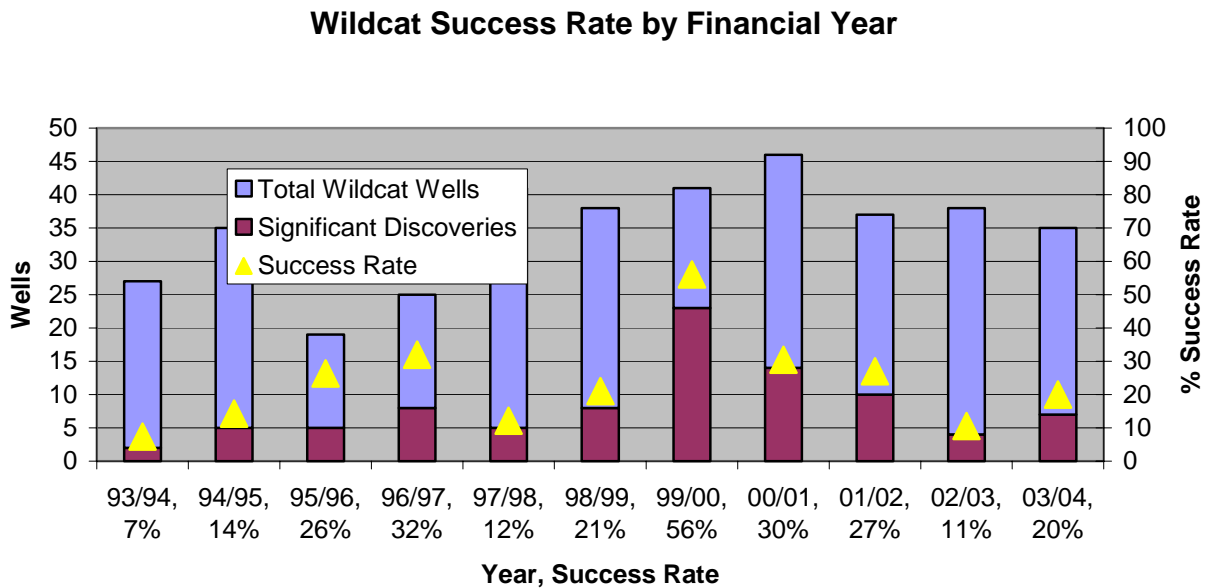
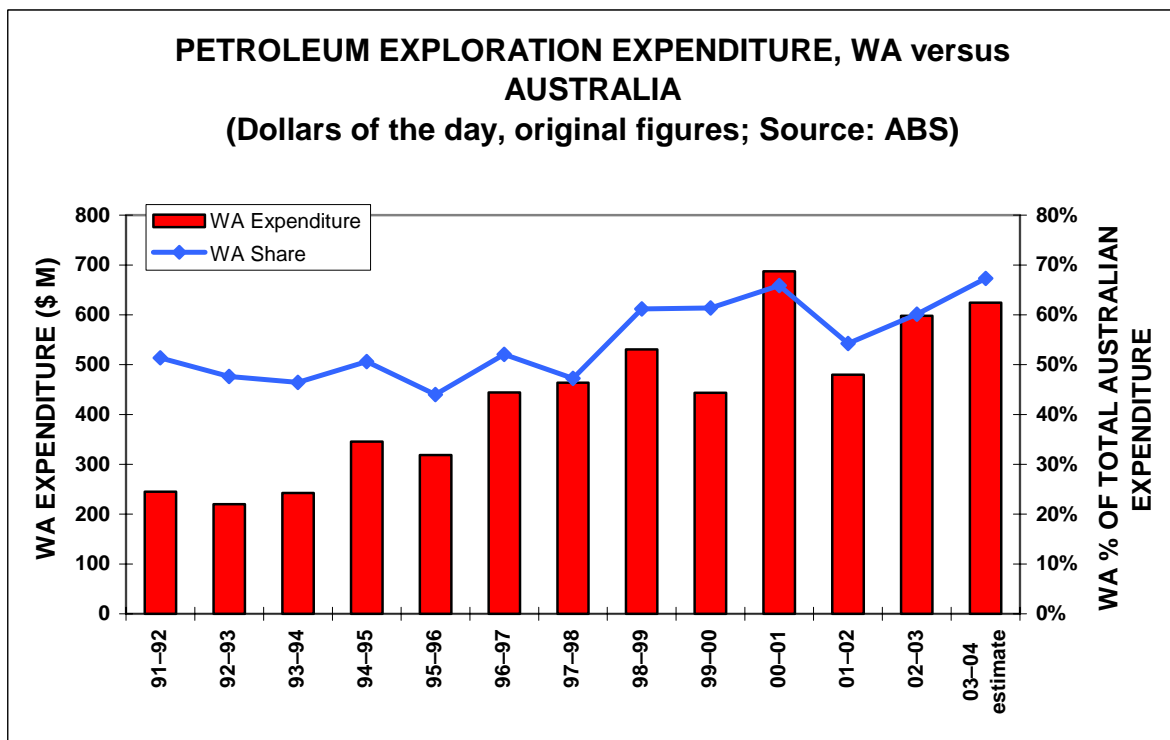


Figure 2: Western Australia Exploration Expenditure and Share of Total Australian Exploration Expenditure



## **Royalties**

### **Major Achievements for 2003/04**

Achieved Cabinet endorsement of the Steering Committee outcomes relating to consideration of the Functional Review Recommendation for the transfer of the Royalties Function to the Office of State Revenue. Endorsement of this recommendation resulted in the retention of the royalties administration function within the Department.

Implemented Phase I of the Royalties IT Management System relating to the management of information lodged in royalty returns and production reports.

A significant contribution was made to the achievement of revised Commonwealth Grants Commission procedures for mining revenue assessment, resulting in an increased allocation of Commonwealth monies to the Western Australian Government.

Worked with the Commonwealth Department of Industry, Tourism and Resources and other jurisdictions to introduce and implement a certification process under the Kimberley Process Certification Scheme for diamonds.

### **Royalty Policy**

A Steering Committee, including representation from the Department of Treasury and Finance, continued to address current royalty policy issues and provide long term strategic direction on royalty policies and principles. A Working Group, supporting the Committee, prepared a number of discussion papers on these matters that are currently under consideration.

### **Assessment, Collection and Verification**

During the year, an average of 286 companies or individual projects paid royalties. A total of 1 196 royalty returns were received and assessed and 217 audit visits were made to companies responsible for making royalty payments. Adjustments to royalty collections from audit activities resulted in the collection of an additional \$9.4 million in royalty payments as compared to original returns submitted by royalty payers.

Simplified royalty arrangements were introduced for a number of small onshore petroleum producers. A dispute was also resolved over the valuation of pink diamonds resulting in the State retaining royalties totalling about \$4.2 million.

## **State Development Strategies (SDS) Support for Titles and Royalties Administration**

### **Publications:**

SDS has published, and contributed to the production of a number of publications. Refer to "DoIR at a Glance"

### **Advice Provided:**

- Economic Impact of Japan/DME project on WA (CGE analysis)
- Economic impact of the Ravensthorpe nickel project on WA (CGE analysis)
- Economic impact of Akzo Nobel/Eka Chemicals' Sodium Chlorate Project on WA (CGE analysis)
- CGE modelling of Burrup GTL projects
- Terms of reference input into development of 'Energy for Minerals Development - South West Coast WA' study
- Analysis and verification of Cabinet Standing Committee on Economic Policy paper 'Economic & fiscal impact of Burrup Peninsula based gas-processing projects on the WA economy: A CGE analysis'
- Completion, with Department of Treasury and Finance (DTF), of an agreed approach to economic assessment and modelling of major projects in the State
- Mining services in WA research paper analysing the contribution to the State economy of the mining services sector
- Contributions, in conjunction with DTF, to the State's submission to the Commonwealth Grants Commission dealing with royalty assessment and the State's contribution to economic development through provision of economic infrastructure. This resulted in larger grants to the State, following the reassessment of the royalties' assessment
- Ongoing briefings to the Minister on State, national and global economic and budgetary trends
- Analysis of structural change in the State's trade position
- Iron ore and LNG data and briefing input for Ministerial-Departmental visits to China, Japan, Korea and US
- Statistics collection of detailed mineral and petroleum production, sales, exports, price data, exchange rate, royalties, employment, exploration, mineral titles and general economy.

## Output 2: Health, Safety and Environmental Services

Health, Safety and Environmental Services benefits the Western Australian community by promoting and regulating safety and health standards within the State's mineral, petroleum and dangerous goods industries, and protecting the environment through the regulation of the petroleum and mineral industries. Legislative, regulatory and administrative systems and strategies are developed and implemented to improve industry performance and meet community standards. Acceptable safety, health and environmental outcomes are promoted through inspection, audit and assessment services, and the provision of information and advice to stakeholders.

Products and services include the regulation and promotion of:

- Health and safety in the mineral and petroleum industries
- Environmental management in the mineral and petroleum industries
- Safe storage, handling and transport of dangerous goods.

### **Health and Safety in the Mineral Industries**

#### **Major Achievements for 2003/04**

##### **Laing Review**

As an outcome of the Government decisions arising from the Laing Review, drafting instructions were prepared for a Bill to amend the *Mines Safety and Inspection Act 1994*.

##### **Mine Safety Regulation**

Consultation and development of strategies for a uniform and consistent national approach to mine safety regulation across jurisdictions have been completed through the Ministerial Council on Mineral and Petroleum Resources.

#### **Legislation**

##### **Mines Safety and Inspection Act 1994 Review**

In August 2003, Cabinet approved the drafting of a Bill to amend the *Mines Safety and Inspection Act 1994* (MSI Act). The amendments arose from the recommendations presented by Robert Laing in his review of the MSI Act.

The Department has been working closely with Parliamentary Counsel to ensure that drafting of the Bill is undertaken in an expeditious manner, and where necessary reflects complementary changes made to the *Occupational Safety and Health Act 1984*.

It is anticipated that drafting will be completed in time for the Bill to be tabled in Parliament in the latter part of 2004.

Amendments were made to the Mines Safety and Inspection Regulations 1995 to:

- Discontinue the use of asbestos at mine sites
- Increase fees for the issue of certificates.

##### **Coal Miners' Welfare Act 1947 Review**

In October 2003, Cabinet approved the drafting of a Bill to amend the *Coal Miners' Welfare Act 1947* and regulations. The amendments implement the recommendations of the October 2002 Review that was carried out in response to the Report of the Machinery of Government Taskforce. The proposed changes are necessary to improve the effectiveness of the operation of the Coal Miners' Welfare Board and the Coal Miners' Welfare Fund.

The Bill was passed by the Lower House of Parliament on 30 June 2004. It was not presented to the upper house in 2003/04.

#### **Regulatory Services**

The Department continued to play an important role in providing education, training support and information to industry, all of which complemented the inspection activities.

There were 15 management safety systems audits and 159 high impact function audits undertaken during the period. High impact function audits targeting specific high hazard aspects of mining operations were complemented by over 2 200 site inspections. These audits, investigations and inspections resulted in 566 instances where plant and machinery were stood down, and 97 full or partial site closures.

The role of elected Safety and Health Representatives (SHR) on mine sites is highly regarded within the minerals industry, and the Department continued to maintain its long-standing rapport with these individuals, resulting in over 1 100 contacts made during the year. Inspectors also participated at various SHR training courses throughout the State, and provided attendees with an insight into the requirements of the MSI Act and Regulations.

The implementation of a Resource Management Index system for mining operations resulted in existing inspectorial planning programs being modified to align with priorities that are now determined by a number of

safety risk factors applicable to individual mine sites. The new system has allowed a more flexible and efficient use of regulatory resources, with the ability to focus on sites requiring greater attention in terms of safety and health.

### Occupational Health

The initial health studies from the mining industry health database (MINEHEALTH) have continued to provide valuable information on the health status of 70 000 past and present mine employees.

As the number of health assessments increases, the introduction of document scanning has greatly reduced multiple handling of MINEHEALTH assessment forms and simplified data entry. Similarly, new query software has improved analysis and production of epidemiological reports from this database.

Reports have been issued for several organisations on their mine-health data. Noise dosimetry records helped to pinpoint critical areas of high exposure levels. New specialised noise equipment has been used to more efficiently identify noise sources and provide appropriate noise control measures.

The limestone extraction industry has been one of the key areas for the targeted noise inspections.

The Department met with industry representatives to introduce a more risk-based approach to personal contaminant exposure monitoring in the mining industry. The Department also represented the States and Territories during the Commonwealth review of silica exposure standards.

Commonwealth legislation concerning prohibition of asbestos use has been adopted in WA, and has addressed potential concerns over handling and export of naturally occurring asbestos encountered during the course of mining activities.

Work commenced on a review of Departmental guidelines on radiation. Initiated through a joint project with industry, the review will address new National and International Atomic Energy Agency codes and guidelines. A new database has been developed with industry to significantly improve assessment of radiation exposures within industry.

### Incidents and Accidents

Four mining fatalities from separate incidents occurred – all of them on the surface. The incidents are summarised as follows:

- A labourer for a demolition contractor who was cutting a conveyor structure using oxy-acetylene, died after he was struck on the head by an electric cable and fell 11 metres when an adjacent section of the structure started to collapse
- A fitter died after being struck on the head by the splitter gate in a transfer chute while attempting to free a rock that was jamming the splitter gate
- A maintenance coordinator working outside a large open iron reduction reactor vessel received fatal burns when a fireball or jet flame was emitted from within the vessel
- An apprentice fitter received fatal injuries when he was struck on the head by a snap-on 250 lb ratchet type torque wrench he was using with a torque multiplier to tighten a suspension strut on a haul truck.

One of the four fatality investigations was completed before the end of the year and the report provided to the Coroner.

The number of mining industry employees rose by three per cent to 44 480. The incidence of lost-time injuries underground in metalliferous mining increased from 1.4 to 1.7, and the frequency rose from 5.8 to 7.1. On the surface, the incidence of lost-time injuries in metalliferous mining decreased from 0.8 to 0.7, and the frequency fell from 4.1 to 3.6. Safety performance indicators for the coal sector remained stable with an incidence of 2.5 and frequency of 14.7.

There were 257 serious injuries and 107 minor injuries for the same period. The total number of lost-time injuries decreased by 4 per cent from last year.

Table 5: Lost-Time Injuries

Mineral being produced	No of Employees	Fatal	Serious	Minor	Total
Gold	12 910	0	97	27	124
Iron Ore	11 099	4	40	10	50
Bauxite and Alumina	6 742	0	22	5	27
Nickel	5 817	0	34	18	52
Mineral Sands	2 197	0	14	14	28
Base Metals	1 127	0	20	6	26
Diamonds	989	0	9	3	12
Coal	654	0	0	0	0
Salt	638	0	8	8	16
Tin, Tantalum and Lithium	466	0	2	4	6
Construction Materials	282	0	2	1	3
Other	1 559	0	9	11	20
Total for Mining	44 480	4	257	107	364
Exploration	400	0	3	1	4

Table 6: Lost-Time Incidence and Frequency Rates

	2002/03		2003/04		% Reduction	
	Incidence	Frequency	Incidence	Frequency	Incidence	Frequency
Surface Metalliferous	0.8	4.1	0.7	3.6	13	12
Underground Metalliferous	1.6	5.8	1.7	7.1	-21	-22
Total Metalliferous	0.9	4.3	0.8	4.0	11	-7
Coal	2.5	14.7	2.5	14.7	0	0
Total Mining	0.9	4.5	0.8	4.1	11	9

## Customer and Information Services

Examinations for various certificates issued under the MSI Act were conducted twice during the year at four regional locations across the State. A total of 247 candidates sat for the examinations – a five per cent increase on the previous year.

At the Department's request, Central TAFE conducted a successful pilot provision of examination services to demonstrate the ability of external providers to conduct these examinations. Following the success of the pilot program, a contract for the services will be released for the 2004/05 examinations.

Enhancements to the AXTAT database system for accidents and injuries now allow mining companies the option of submitting their reports electronically, and this has improved efficiencies for the Department.

## Mines Occupational Safety and Health Advisory Board (MOSHAB)

MOSHAB made significant progress in a number of key areas, and is continuing drive occupational safety and health issues and initiatives across the minerals industry, even in the face of restructuring through proposed changes to the *Occupational Safety and Health Act 1984*.

Much of the work of MOSHAB covers the development of strategic initiatives, production of codes of practice,

and the monitoring of projects that will reduce the incidence of fatalities and serious injuries in the Western Australian minerals industry.

A tripartite working group within MOSHAB examined the matter of competency and certification of winder drivers in the Western Australian mining industry. The comprehensive report prepared by the group included a range of recommendations, the main one being the development of an appropriate code of practice under the MSI Act.

Over the past 12 months a MOSHAB working group examined, and identified in a report, a range of issues affecting Safety and Health Representatives, and made recommendations and associated implementation strategies that will help develop a positive safety and health culture throughout the minerals industry. MOSHAB will be pursuing these strategies to fruition.

MOSHAB developed a protocol for its codes of practice and guidelines so as to ensure that there is consistency in the content, preparation and presentation of these publications. Codes of practice presently under development include:

- Prevention of Falls
- Competency and Certification of Winder Drivers

A new guideline on Tyre Safety, Fires and Explosions was drafted, and is to be published later in 2004.

## **Health and Safety in the Petroleum Industries**

### **Major Achievements for 2003/04**

#### **National Offshore Petroleum Safety Authority**

Provided substantial input into the development of a National Offshore Petroleum Safety Authority (NOPSA), and the associated Commonwealth and legislative amendments. NOPSA will regulate safety for offshore petroleum facilities and operations from January 2005. DoIR will continue to regulate safety for onshore petroleum facilities and operations, including petroleum transmission pipelines. DoIR will also continue to regulate all other aspects of regulation of the industry offshore and onshore (including environment, resource management, titles, royalties).

#### **Safety Regulatory Services**

Managed the continued delivery of a high standard of safety regulatory services to the industry during this transition period preparing for the transfer of offshore safety regulatory responsibilities to NOPSA.

#### **Biennial Oil and Gas Industry Safety and Environment Conference**

Delivered the second successful biennial oil and gas Industry Safety and Environment Conference in November 2003. This conference was conceived, initiated, and organised by DoIR to provide a forum for current Health, Safety and Environment issues of the industry to be addressed to delegates from all levels within industry. The event's success is a result of the efforts of a committed industry committee and strong industry support.

#### **Significant Incidents**

DoIR inspectors investigated a number of incidents during the year, including:

- A serious onshore well control incident which led to uncontrolled gas release for a 2 week period until the well was brought under control
- The operator of a drilling rig failed to down-man the facility during a cyclone potentially exposing the rig personnel to unnecessary risk
- A crew-member on a supply boat was injured during unloading operations at a Floating Production Storage and Off-loading vessel (FPSO). He received very serious chest crush injuries when caught between two containers.

## **Trends in Incidents in the Offshore Oil and Gas Industry**

The industry lag performance indicators of Lost Time Injury Frequency Rate (LTIFR) and Total Injury Frequency Rate (TIFR) have reduced significantly in 2003/04 to 3.6 and 13.5 respectively (compared to 5.9 and 18.4 in 2002/03). The major type of incidents involved individuals being hit by moving objects (30 per cent) and muscular stress type incidents (21.5 per cent).

### **Safety Assessments and Audits**

The Department assessed and accepted an increased number of Safety Management Systems (SMS) documents in 2003/04. These included seventeen pipeline and onshore production facility Safety Cases, nine new or revised offshore production facility Safety Cases (seven completed, two under assessment), five new or revised drilling rig Safety Cases, fifty three Drilling Bridging Documents, and thirty three diving plans.

Sixty two safety audits were conducted on the management systems in place for petroleum facilities and operations (compared to 50 last year, and 32 the year before that).

### **Enforcement**

The Department has investigated eight significant incidents. Two investigation reports have been referred to the SSO for prosecution.

One prohibition and three improvement notices were issued by DoIR Inspectors.

### **Development in Legislation**

The Department contributed significantly to the major amendments to the Commonwealth *Petroleum (Submerged Lands) Act 1967*, the suite of associated regulations, and the three WA Petroleum Acts and regulations, as part of the NOPSA transition requirements.

DoIR continues to contribute to the ME38 Committee in the revision of Pipeline Standard AS2885. The Department prepared a position paper opposing the proposed lowering of the safety margin for onshore petroleum pipelines in the Australian Standard AS2885.



## ***Environmental Management in the Mineral Industries***

### **Major Achievement for 2003/04**

#### ***Environmental Assessment of Onshore Mining Projects***

A review was finalised of the Memorandum of Understanding between the Department and the Environmental Protection Authority for the environmental assessment of onshore mining projects in Western Australia. The revised MOU is ready for signing in the next reporting year.

#### **Legislation**

The Department played a key role in working with industry stakeholders and the Department of Environment in the development of new land clearing regulations.

The Department has developed a draft administrative agreement with the Department of Environment for the management of land clearing permits for mining projects. The agreement will clarify the roles of the two agreements and ensure the industry has a clear understanding of the process.

An administration agreement that deals with the issuing of tenements and mining approval in water reserves was signed between the Waters and Rivers Commission and the Department.

#### **Regulatory Services**

The Department:

- Approved 345 Notices of Intent (NOIs)
- Conducted 113 Annual Environmental Reviews
- Carried out 383 general inspections and audits of mining and exploration operations
- Processed 1010 Ground Disturbing Approval Applications for exploration activities
- Dealt with 15 complaints of an environmental nature, ranging from unauthorised mining to environmental incidents
- Initiated one work direction.

At the end of June, the Department held over 3 400 Unconditional Performance Bonds with a total value of \$379 million, to cover the cost of post-operational remediation and rehabilitation should the operators fail to meet their commitments and conditions of approval. Based on these figures, an average bond of \$2 289 is held for each hectare of disturbance on sites covered by the *Mining Act 1978*. (See Table 7 below)

The Department received payment of around \$1.8 million in environmental bond monies in respect to the clean up of tailings and other disturbances on tenements surrendered at various mine sites around the State. Approximately \$235 000 of the \$2.25 million held in trust by the Department was accessed during the year to progress the remediation and rehabilitation of seven identified areas.

Demolition of the old mine infrastructure at Wittenoom was completed and all materials buried on site. There are ongoing concerns in regard to access to the area as large dumps of asbestos tailings still remain. The Department is providing technical advice and assistance to the Wittenoom Strategy Committee on the development of a long-term strategy to manage the tailings.

#### **Stakeholder Liaison**

A number of meetings were held with the Chamber of Minerals and Energy endeavouring to define the process for achieving successful and sustainable mine closure.

The Department participated in the Minerals Industry Forum, commenting on the framework for sustainable mine management. This was an opportunity for the regulator to contribute to the development of this framework, which if accepted will replace the current Minerals Council of Australia (MCA) environmental code of practice.

Through these meetings it is hoped to translate the expectations of the community regulator and industry into practical outcomes. This work is ongoing and includes participation in the development of the MCA Framework for Sustainable Development.

#### **Exploration and Promotion of Exploration**

The Department worked closely with a number of interested mining companies, and the Chamber of Minerals and Energy, to develop a new process of Exploration Environmental Management Plans, whereby companies holding numerous tenements under the same licence can obtain up-front approval to cover their full exploration project for up to five years. This alternative process will allow a more strategic approach to environmental management issues with demonstrated long-term benefits to industry, and the Department, particularly in the allocation of resources. Relevant guidelines are expected for release to industry by December 2004.

Table 7: Total Land Area Disturbed

Year 2003

Results for Whole State

Activity	2003 Annual (ha)			Cumulative Total (ha) to 31/12/2003		
	Disturbed by mining operations	Preliminary rehabilitation land forming	Revegetation	Disturbed by mining operations	Preliminary rehabilitation land forming	Revegetation
Borefields and pipelines	11	4	6	1 932	415	85
Camp site	18	6	4	1 376	397	306
Exploration	61	28	7	4 989	1 526	837
Mine site infrastructure	506	209	191	51 295	5 290	4 062
Pit	766	314	110	35 820	8 844	6 155
Tailings/evaporation pond	309	345	307	33 734	2 779	2 133
Waste dumps/ heap leach	829	827	896	36 439	17 931	11 720
<b>Total</b>	<b>2 500</b>	<b>1 733</b>	<b>1 521</b>	<b>165 585</b>	<b>37 182</b>	<b>25 298</b>

## ***Environmental Management in the Petroleum Industries***

### **Major Achievements for 2003/04**

The branch carried out 22 environmental audits of petroleum facilities, operations and management systems. This included audits of pipelines, production facilities, exploration drilling rigs and the rehabilitation of seismic lines and access tracks.

Petroleum environmental submissions assessed included:

- 48 Environmental Plans (EP's) for Commonwealth offshore operations
- 49 Environmental Management Plans (EMP's) for proposals in State jurisdiction
- 4 Oil Spill Contingency Plans (OSCP's) for proposed offshore activities.

DoIR's administration of the Commonwealth *Petroleum Submerged Lands Management of Environment Regulations 1999* was audited by the Commonwealth Department of Industry Tourism and Resources in July 2004. A representative from the Department of Environment and Heritage participated in the 2004 audit process. Preliminary findings have confirmed that the regulations are being administered effectively.

### **Industry Environmental Performance**

There were no incidents with significant environmental implications during the year.

The following numbers of spills were reported to DoIR during the year:

- 13 hydrocarbon spills
- 6 drilling fluid spills
- 3 produced formation water spills
- 3 gas releases
- 30 saline water spills.

### **Memorandum of Understanding (MoU) with the Environmental Protection Authority (EPA)**

An MoU between DoIR and EPA regarding protocols and criteria for referral of offshore petroleum proposals was finalized and signed-off by the CEO's of both Departments.

Work on an MoU for onshore petroleum activities has been drafted and is expected to be finalized before the end of 2004.

## ***Mineral and Petroleum Industries Environmental Performance Promotion***

From a field of 15 nominations in 2003, two resource companies and a community consultative group received Golden Gecko Awards, with four organisations receiving Certificates of Merit.

### **Major Awards:**

- Apache Energy Limited for its Victoria Oil Field development on the North West Shelf; Apache Energy Limited was awarded a Golden Gecko for Environmental Excellence for setting a new industry standard in offshore pipeline installation in a sensitive environment
- Barrick Gold of Australia for landfill management at its Lawlers mine site in the East Murchison
- Beenup Consultative Group for implementing an interactive community consultation process in rehabilitating the Beenup mineral sands mine.

### **Certificates of Merit:**

- Wesfarmers Premier Coal for its innovative approaches to rehabilitating former mining operations to create community assets in the Collie area
- Woodside Energy Limited for its consultation process, and environmental assessment of the WA-271-P Enfield Field Development which has set a new standard for community consultation in the petroleum industry
- Barrick Gold of Australia for its research on the risk of heavy metals to mine site rehabilitation at its Lawlers gold mine in the East Murchison
- Robe River Iron Associates for its West Angelas Southern Spur Rail Project.

The Department delivered the second successful biennial Oil and Gas Industry Safety & Environment Conference in November 2003.

## **Storage, Handling and Transport of Dangerous Goods**

### **Major Achievement for 2003/04**

A new Bill for the storage and handling of dangerous goods was introduced into Parliament, and drafting instructions for new regulations developed.

### **Legislation**

The *Dangerous Goods Safety Act 2004* received the Governor's assent on 10 June 2004. The Act now lies dormant until the following sets of new regulations have been prepared:

- Explosives regulations including new security controls for ammonium nitrate
- Dangerous goods handling and storage regulations
- Transport regulations
- Major Hazard Facilities regulations.

Amendments were made to regulations under the *Explosives and Dangerous Goods Act 1961* and the *Dangerous Goods (Transport) Act 1998* to increase fees and charges.

To meet the emerging threat from terrorism, new national security measures are being developed for explosives and ammonium nitrate (AN) in close consultation with the Commonwealth and industry. On 25 June 2004, the Council for Australian Governments (COAG) agreed for all jurisdictions to regulate the availability of explosives and AN more closely to make sure that these security-sensitive materials are only available to authorised and legitimate users.

The new measures will be adopted into new explosives regulations alongside updated technical standards and the introduction of better standards for applicants of shot-firer and fireworks licences.

The new regulations for the handling and storage of dangerous goods and for Major Hazards Facilities (MHF), will adopt existing national standards from the National Occupational Health and Safety Commission and allow industry a greater degree of flexibility. However, it will also hold operators accountable to a much higher degree for failures, and require higher levels of safety than before.

### **Regulatory Services**

During the year, two new MHF Safety Reports were reviewed and accepted while updates were examined and approved for two existing MHFs. There are now 20

MHFs with accepted Safety Reports, with another five existing facilities developing Safety Reports, four of which are in an advanced stage. A further six MHF proposals are currently being reviewed.

The Department worked closely with a major transport company to allow the operation of a radically new fuel tanker design. The installation of rubber bladders in the tank allows the transport of crude oil from the Dongara oil fields to Kwinana, and the return transport of diesel fuel without expensive cleaning operations. This dual haulage operation has significant safety advantages in that the number of petroleum tanker movements on public roads is minimised.

### **Incidents and Accidents**

The Department provided technical advice during two major incidents:

- A fire occurred at a waste oil recycling plant at Port Hedland, and some 23 000 litres of product was destroyed. The cause of the fire is undetermined
- A hazardous materials fire in the chemicals storage area of a chemical supplier in Welshpool caused a damage bill estimated at \$3 million.

Departmental staff continued to participate in around the clock responsibilities as part of an inter-agency HAZMAT Emergency Action Team (HEAT) in response to dangerous goods incidents. The Department also collaborated with the Fire and Emergency Services Authority (FESA) to assist them with the preparation of emergency response plans for high-risk dangerous goods sites in the event of a hazardous materials incident.

### **Stakeholder Liaison**

Considerable progress has been made to upgrade the security, safety and management of the explosives reserves at Baldivis and Kalgoorlie. The respective local authorities have welcomed the current improvements.

The approvals process for five new Major Hazard Facilities associated with the Burrup industrial area proceeded, with the proposal for an ammonia plant now progressing through the construction phase.

### **Customer and Information Services**

The process of approving and issuing over 12 000 licences and permits annually for the storage, handling and transport of dangerous goods will be significantly improved following development of a new database which will be fully operational in August 2004.

## Output 3: Project and Infrastructure Facilitation Services

Project and Infrastructure Facilitation Services benefits the Western Australian community by assisting private sector investment in resources and industry development through facilitating the establishment and ongoing operation of major resource and industry ventures and associated infrastructure projects. Resource development projects include the production and processing of minerals and energy, wood processing and development of major land resources. Associated infrastructure projects include industrial land; transport, energy and water service facilities; and other services for the resources industry.

Products and services include:

- Facilitating and managing the interface between investors and government to ensure coordinated, timely government decision-making and approvals procedures
- Providing advice to the Government and agencies on policy and strategic planning issues affecting development in Western Australia.

### **Minerals and Other Projects**

Demand from China for the State's mineral and energy products has continued its rapid growth throughout the year. In line with this demand, a new trend has developed with China seeking investment in greenfields projects.

Significant expansions of the State's iron ore, nickel, alumina and LNG sectors have been announced in order to meet this expanded demand.

#### **Nickel**

The Department has been actively involved in facilitating the project approvals and co-ordinating infrastructure requirements, which have resulted in BHP Billiton committing to develop the Ravensthorpe Nickel Project, which will be one of Australia's largest greenfields mineral resource developments.

#### **Alumina**

The Department has played a key role in the approval for a 0.6Mt/a efficiency upgrade at Alcoa's Pinjarra alumina refinery and is also working with the company to obtain the necessary approvals for expansion of its Wagerup refinery.

It is also working closely with Worsley Alumina in regard to that company's three stage expansion program, the initial stage of which is a 0.5Mtpa expansion that is currently under construction.

#### **Iron Ore**

Work has continued throughout the year with the iron ore companies to secure the necessary approvals and clearances for the range of new and expanded projects that are being developed to meet rapidly increasing demand.

These include the opening of new mines at Area C for BHP Billiton, the Eastern Range Project for Hamersley Iron, expansion of Portman's Koolyanobbing operations,

commissioning of the Mt Gibson Tallering Peak project and efficiency improvements at the Cape Lambert port facility.

#### **Other Projects**

A range of other projects under construction or in feasibility study stage have received facilitation and support services from the Department during the year.

These include the Wesbeam Laminated Veneer Lumber processing plant, the Port Hedland to Telfer gas pipeline, the Cosmos, Sally Malay and Emily Ann/Maggie Hayes nickel projects, the HiSmelt commercial iron making plant, the Burrup Fertilisers Ammonia plant, Telfer Gold Mine expansion, Hope Downs Iron Ore, Magellan Lead Mine and a number of mineral sands projects.

#### **LNG**

Expansion of the North West Shelf project continued through the year with LNG Train 4 and the associated second trunk line being constructed and Train 5 under consideration. The Department was actively involved in providing co-ordination and support for these projects.

The Gorgon Joint Venturers continued development work on the LNG and domestic gas project at Barrow Island. Major achievements for the department during the year included:

- Securing in principle Cabinet approval in September 2003 for limited access to Barrow Island after evaluation of environmental, social, economic and strategic aspects
- Negotiating the Gorgon Gas Processing and Infrastructure Project Agreement and securing ratification of the Barrow Island Act.

The Department was also involved in providing assistance to a number of other potential gas developments in the Carnarvon, Browse, Bonaparte and Perth Basins and gas processing plants on the Burrup Peninsular.

## Ord River Project

The Department has executed a Negotiated Framework Agreement with the Kimberley Land Council to facilitate settlement of the Ord Stage 2 native title and aboriginal heritage reserves in 2004/05.

## Review of Project Development Approvals System

The Department has moved quickly and committed significant resources to implement the reforms recommended through the Keating Review of Approval Processes.

In June 2004 the Minister announced the implementation of a new scoping framework, designed to provide greater certainty and deliver more timely approvals for industrial and resources projects by:

- Ensuring the early identification of key issues, to restrict introduction of new issues later in the process (Keating Recommendation 6)
- Ensuring agencies advise proponents of all the approvals required, based on issues identified (Keating Recommendation 20)
- Ensuring proponents and agencies agree to timetable for all approvals through the process of agency scoping (Keating Recommendation 2)
- Ensuring that approval agencies agree on a process timeline that includes parallel processing of approvals, and recognising the responsibilities of both agencies and developers (Keating Recommendation 40).

To support the agency level introduction of the new arrangements the Government also announced the allocation of \$1.4 million to establish an Inter-Agency Implementation Group to facilitate the changes to approval agency procedures that will flow from the new scoping process.

To support the introduction on the new scoping arrangements, the Government had also implemented Keating Recommendations 18 and 19 by establishing a comprehensive on-line approvals information database on the Department of Industry and Resources' website <http://www.doir.wa.gov.au>.

## Industrial Infrastructure

To support the dynamic expansion of industry, significant new and upgraded infrastructure including industrial estates, railways, port facilities, power, gas and water supplies will be required.

The Government has recognised this need and made a strong commitment to infrastructure support for industry, particularly in the regions. The Department is facilitating programs in the development of Strategic Industrial Areas and Technology Precincts. In addition the Department facilitates the provision of infrastructure support for specific projects or industry sectors as appropriate.

In the Pilbara, the \$183.3 million Burrup Infrastructure package is being progressively implemented to provide water supply, service corridors, port facilities and road works to support gas processing projects on the Burrup Peninsula, near Karratha.

Protection of Aboriginal heritage values on the Burrup Peninsula is a key aim of the Burrup Peninsula Land Use Management Plan. Government has established a four-year program to research and monitor whether there is any impact from industrial emissions on the rock art engravings that are found extensively in the area. During the year planning also commenced for the conduct of Aboriginal heritage surveys on certain planned industrial areas identified through an agreement with Native Title claimants. In consultation with Aboriginal leaders, principles were established for the relocation of items of rock art that have been disturbed due to industrial development, including approximately 1800 pieces that were temporarily stored in a compound when the North West Shelf onshore gas plant was established.

Recognition of the importance of the Dampier to Bunbury Natural Gas Pipeline to the State's economic development resulted in the Government committing \$40 million to the expansion of the gas corridor, in order to accommodate additional pipelines as required. The widening of the 1 400 km section of gas corridor from Dampier to Bunbury was successfully completed during 2003/04.

Over the last decade a series of environmental, social and economic studies has been undertaken to examine the potential for exploration and mining and the necessary infrastructure requirements to service future minerals based projects.

Studies completed during the period included:

- the Northern Strategic Industry Areas Environmental, Social and Economic Study to inform government decision-making on further industrial land options
- the Pilbara Coast Petroleum and Minerals Study, which identified the development potential of the Pilbara coastal area and infrastructure required to service future projects.

The Department is continuing a sustained effort to foster the development of technology-based industries in Western Australia. Major achievements during the year included:

- Obtaining Cabinet approval of a strategic plan to enhance the interaction between leading research, education and service organisations in the Bentley Technology Precinct
- Establishment of an Open Source Software (OSS) Demonstration Centre in Technology Park at Bentley to assist in identifying opportunities for OSS and Grid computing with State Government and industry
- Promotion of the establishment of a 1.45 teraflop high performance computer in Western Australia to service the commercial sector and expand capacity to support research.

### ***State Development Strategies Support for Investment Services***

#### **Major Achievements for 2003/04**

Obtained funding of \$2 million from the Commonwealth Government's Coordinated Communications Infrastructure Fund to improve telecommunications services in the Ngaanyatjarra Lands. This together with matching funding from the State Government of \$5.7 million will finance the development of a broadband telecommunications network within the Ngaanyatjarra Lands and provide Government agencies and the local communities with access to advanced telecommunications services such as Internet and videoconferencing.

## Output 4: Investment Attraction Services

Investment Attraction Services benefits the Western Australian community by attracting interest in Western Australia from potential private sector investors through information and advice about opportunities for new investment in industry and resources development in Western Australia, especially in the downstream processing and technology based industries.

Products and services include:

- Providing resource sector information services
- Delivering investment attraction programs.

### ***Attracting New Investment and Supporting Existing Investment***

The Department has continued to provide a range of programs and services to attract new investment and support existing investment in the downstream processing and value-adding technology-based industries in WA.

#### **Major Achievements for 2003/04**

During 2003/04 the Department has:

- Continued development of the Australian Marine Complex Common User Facility, supporting increasing levels of industry occupation and usage of the Facility and commencing development of the Marine Technology Precinct, including commitment to relocation to the Precinct by Raytheon Australia, generating 165 fulltime jobs
- Facilitated the process to assist Austal Ships to win the \$700 million Replacement Patrol Boat Contract to build and maintain 12 patrol boats in WA

- Implemented the agreement with Westpac Banking Corporation to operate a Customer Contact Centre at Joondalup, with employment at the Centre now exceeding the equivalent of 200 full time positions
- Completed the agreement with Synergy Regional to develop and operate three call centres in the southwest regions of WA.

The Department continued to encourage a number of major companies and to undertake financial evaluations of significant investments in minerals processing, gas processing, pulp, defence and energy related opportunities. The level of interest and the nature of the proponents has the basis for further investment decisions in the coming years.

The South West Energy for Minerals Development Study was well advanced during the year and will be completed in 2004/05 and significant progress was made on the Hydrogen Alliance with Industry.

The Petroleum Resources and Availability study will be completed in early 2004/05, highlighting the potential of a chemicals industry based on gas from the greater North West shelf.



## Output 5: Geological Services

Geological Services benefits the Western Australian community by promoting exploration and hence the discovery of mineral and petroleum deposits through publishing geoscience information and updating Western Australia's inventory of mineral and petroleum resources. Products and services include:

- Publishing maps, reports and data sets
- Providing access to a developing archive of geoscientific and resource exploration documents, samples and data.

### Major Achievements for 2003/04

During the year, the Geological Survey of Western Australia (GSWA) produced 43 reports, 40 geoscientific maps and geophysical images, and 24 digital datasets that publicised the geological framework of the State and promoted its resource potential. This work is crucial in encouraging and supporting exploration in the State (see table below).

#### Geoscientific Maps

1:100 000 geological maps	14
1:250 000 geological maps	1
Other maps	25
<b>Total</b>	<b>40</b>

#### Geoscientific Reports

Explanatory notes for series maps	15
Records and Reports	19
Miscellaneous publications	9
<b>Total</b>	<b>43</b>

#### Digital Datasets (Total) 24

This production volume represents a continuation in the level of productivity (excluding corporate overheads) of the GSWA compared to 2002/03, and it represents a real productivity improvement (cost-related) of up to 5 per cent each year since 1994/95.

In other major achievements, GSWA:

- Was granted Access to the West Musgrave area and fieldwork and data compilation commenced to progress geoscientific mapping that will assist mineral exploration in the area
- Published a petroleum exploration release package for part of the Canning Basin and commenced seismic data interpretation
- Published a Bulletin on tantalum potential in Western Australia
- Commenced analysis of the petroleum prospectivity of frontier areas of the onshore Canning Basin
- Published a report and digital dataset on the mineralisation of the Canning Basin area

- Published a major report, geoscience map and dataset on mineralisation in the west Kimberley region
- Collected airborne geophysical data over the Murchison area
- Contracted the drilling of GSWA Lancer 1 stratigraphic well and published a report on the drilling operation.

The extent of geoscience mapping and resource studies is shown in Figures 3 and 4 below.

Regional field mapping programs continued in the East and Central Yilgarn; Gascoyne; Edmund, Collier and Earahedy Basins; and west Musgrave area; and concluded in the Pilbara region.

### Customer Satisfaction Survey

GSWA received the results of the 2003 Customer Satisfaction Survey on 4 July 2004. This survey was carried out by the Institute for Research into International Competitiveness (IRIC) at Curtin University of Technology. It received 179 responses from largely Australian-based organizations, individual contractors and company/group service providers.

The respondents were generally positive in their overall satisfaction with the GSWA. The largest proportion of clients surveyed use GSWA publications on a weekly basis. The greatest level of satisfaction of those surveyed was with the quality of GSWA products, and the greatest improvement over the last 5 years was thought to be in the quality of GSWA products.

On a series of attitudinal questions, the GSWA is seen to be relevant, technologically advanced and reliable but also relatively inadequately resourced. Positive results were recorded for the GSWA's practicality, cost effectiveness, progressiveness and individualism.

Attitudes towards staff were generally positive across the board, and showed improvement from the previous customer survey in 1998.

## Promotional Activities

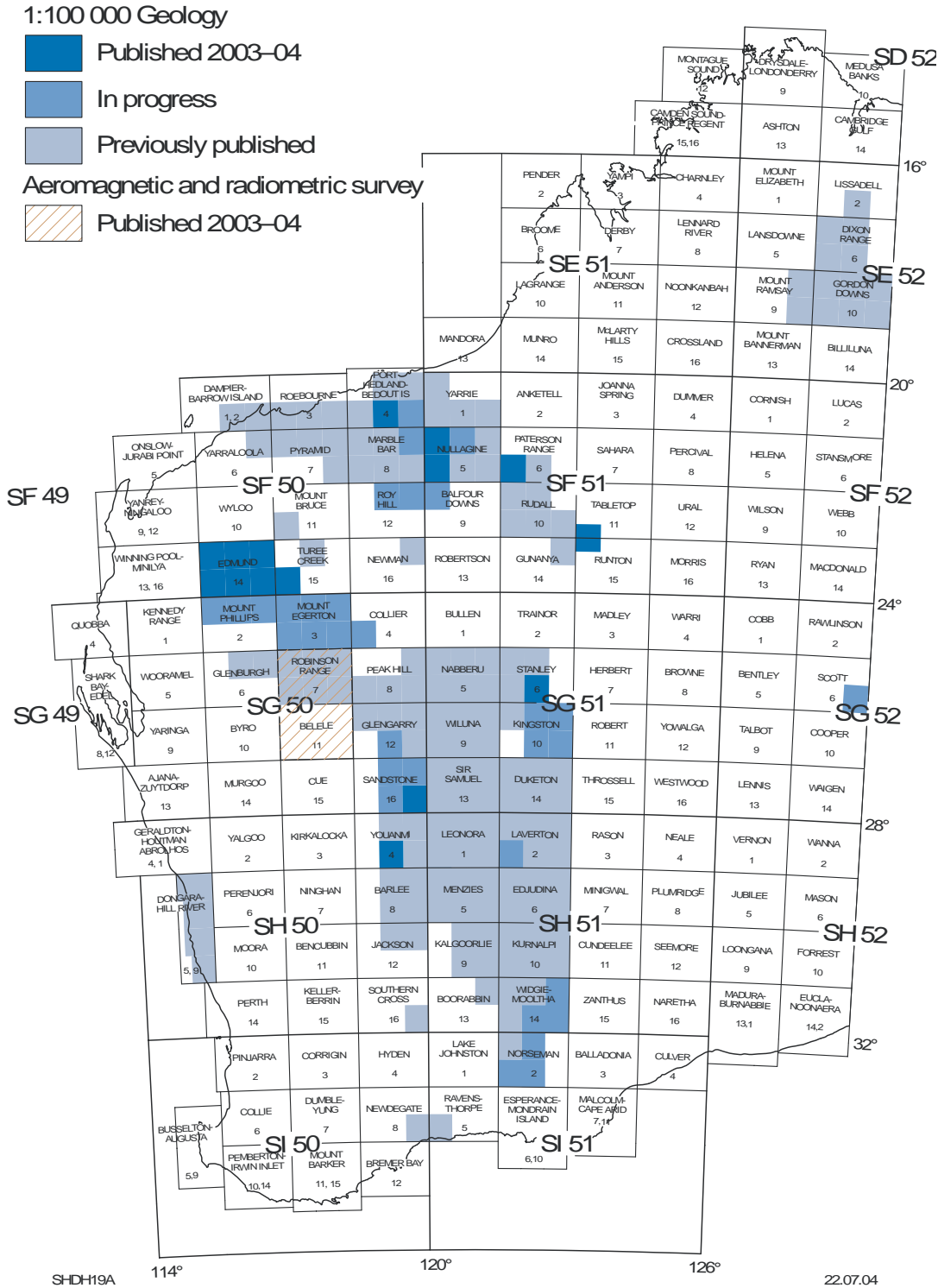
DoIR continued to exhibit its geoscience mapping products and promote the prospectivity of Western Australia at national and international investment conferences during 2003/04.

These included the:

- Annual conference of the Prospectors and Developers Association of Canada (Toronto)
- American Association of Petroleum Geologists (Dallas)
- Diggers and Dealers (Kalgoorlie)
- Mining 2003 (Brisbane)
- Australian Petroleum Production and Exploration Association (Canberra)
- Australian Society of Exploration Geophysicists (Adelaide)
- RIU Explorer's Conference (Perth)
- New Generation Gold Conference (Perth).

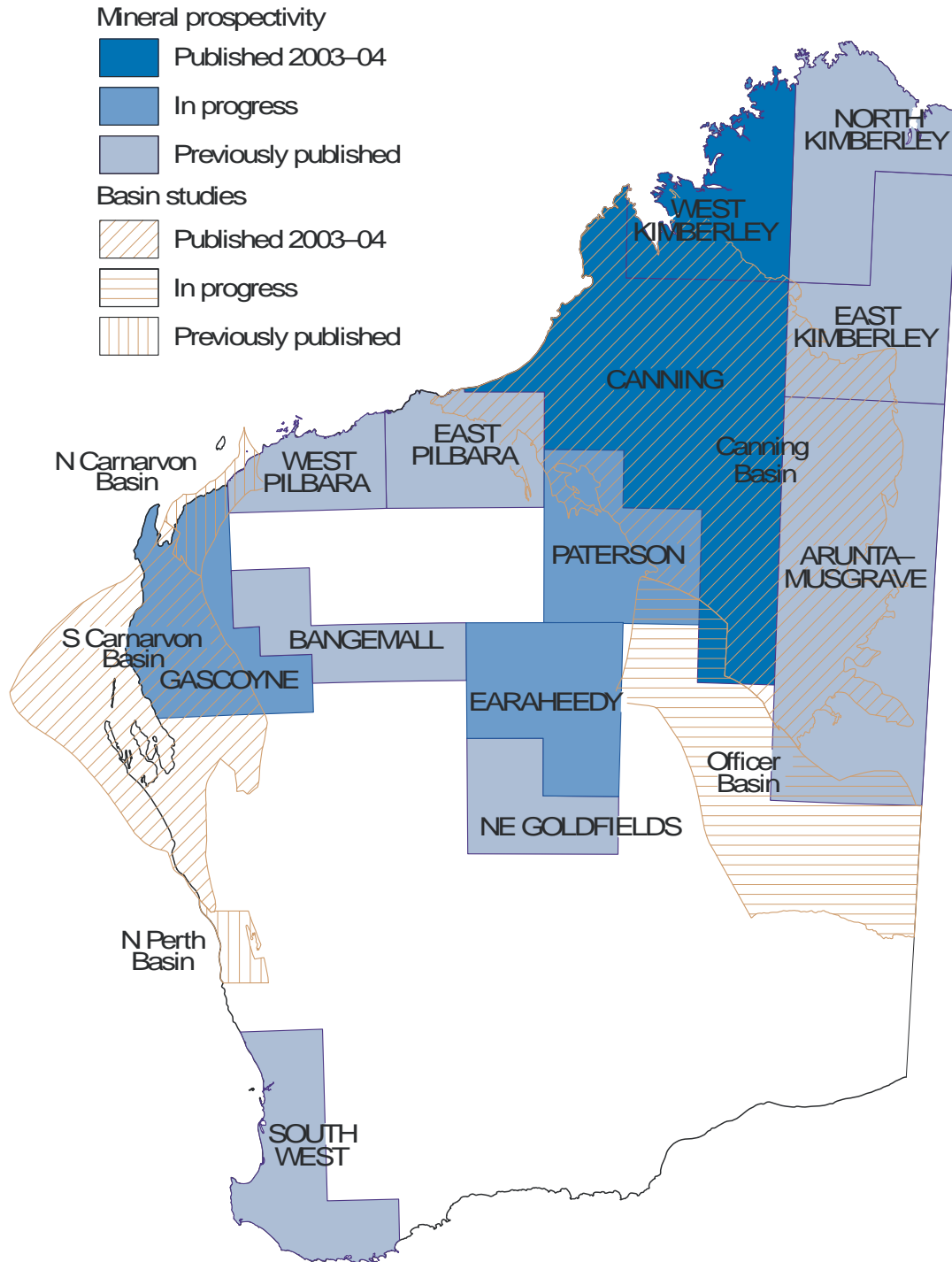
### Extent of Geoscience Mapping

Figure 3



### Extent of Resource Studies

Figure 4



## Output 6: Scientific Services

Scientific Services benefits the Western Australian community through the provision of high quality independent chemical information, advice and analytical services to government agencies, industry and research groups.

Products and services include:

- Scientific and research support in the areas of public and occupational health, conservation and the environment, industrial development, food and agriculture
- Emergency and crises response services to government agencies and industry for chemical spills and related incidents and crises situations
- Contributing to the development of national chemical conformance standards and guidelines
- Forensic scientific services support to the Police Service, State Coroner and the racing industry.

### **Scientific and Research Support**

The Chemistry Centre continued to provide government agencies, research organisations and industry with investigative and analytical chemistry services and consultation across a broad range of activities which impact on the community's health and safety and sustain the viability of Western Australia's agricultural and mining industries.

Its activities included:

- Evaluation of hazardous chemical incidents
- Monitoring the quality of food and the impact of chemicals in the environment on health
- Measurement of hazardous chemicals in the workplace
- Development and improvement of grain crops
- The impact of saline soils and land degradation on agricultural productivity
- Development of new food products
- Investigation of the potential of the states flora for biologically active chemicals
- Management of greenhouse issues.

### **Major achievements for 2003/04**

#### **Assessment of Acid Sulfate Soils (ASS)**

Techniques for the assessment of ASS were developed and evaluated for Western Australian conditions. ASS typically contains iron sulphides and associated minerals that, when exposed to oxygen produce acid. This process can have significant environmental effects including fish kills when the acid water enters waterways. Arable land can become "sterile" and when toxic metals are released as part of the ASS process, groundwater can be contaminated. Significant damage can also be done to infrastructure (bridges, roads, drainage, etc) where the acid accelerates the corrosion of concrete, metal and other fittings.

#### **DNA "Fingerprinting" Techniques**

DNA "fingerprinting" techniques were applied to a national fish speciation survey for the Health Department (WA) and Food Safety Australia & New Zealand (FSANZ). The speciation technique, which was developed at the Chemistry Centre, demonstrated that there is a high level of substitution in Western Australia, particularly at the expensive end of the market.

#### **Liquid Chromatography-Mass Spectrometry**

A highly sensitive liquid chromatography-mass spectrometry (LCMS) method was developed for the measurement of triazine herbicides in soil and ground water. The assay was used to support a major Grains Research and Development Corporation collaborative project with the Department of Agriculture that aims to develop improved strategies to minimise the contamination of ground water in the wheatbelt. If unresolved the contamination could severely impact on the viability of canola production in Western Australia.

#### **Trace Analysis of Residues In Export Commodities**

Following a strategic review of contaminants in food and agricultural produce exports, a program for the development of specialist techniques for the trace analysis of residues in export commodities was undertaken. The program included development of new techniques to identify fungicide contaminants in cereal exports, in particular the development of a LCMS spectra library of pesticides that are of concern in international markets. The new techniques allow the fast and accurate determination of contaminants in West Australian export commodities and will act to effectively reduce non-tariff trade barriers in international markets.

#### **Inductively Coupled Plasma – Mass Spectrometer**

The Chemistry Centre has recently commissioned an Agilent 7500cs ICP-MS (inductively coupled plasma –

mass spectrometer). This instrument enhances the State's capability in this area to that of world best practice. It will be the principal instrument for the analysis of elements in solution to extremely low levels. Many environmental water samples and many biological samples will be analysed on this instrument. In addition to many existing applications, additional applications involving research studies of Bayer liquor (from the alumina industry) and metal processing waste are also being developed. The instrument will be important in developing strategic capabilities in the assessment of contaminated sites.

### ***Chemistry Centre's Website***

The Chemistry Centre's website was redesigned as part of the Department's website redevelopment project. The website is an important marketing and business tool and it is crucial that it reflects the Chemistry Centre as an organisation that is responsive, enterprising and innovative in meeting client needs. The new website was officially launched on 31 October 2003.

### ***Emergency and Crisis Response Services***

For the Western Australian community to live safely and securely requires that the government agencies tasked with protecting our community have access to immediate and comprehensive chemical services in the event of a hazardous chemical emergency or a Chemical, Biological and Radiological (CBR) incident. The Chemistry Centre has the responsibility under Westplan-HAZMAT and WestPlan-CBR to provide the required chemical advice and analytical services to FESA and the Western Australian Police Service.

All areas of the Chemistry Centre have been involved in a continuing upgrading of its emergency response capability. 'State of the art' monitoring equipment has been acquired and incorporated into operational activities and an ongoing training program commenced.

### ***Major Achievements for 2003/04***

#### ***Hazardous Chemical Emergencies***

Development of laboratory facilities for the receipt, preparation and analysis of toxic material recovered from hazardous chemical emergencies or CBR incidents. Protocols and procedures for the safe receipt, preparation and transport through the laboratory for analysis have been developed.

#### ***Hapsite Portable Gas Chromatograph/Mass Spectrometer***

Upgrading of field portable analytical capability with the acquisition of the Hapsite portable gas

chromatograph/mass spectrometer. This instrument is man portable and allows the analysis of ultra-trace levels of Toxic Industrial Chemicals (TIC) in air at the site of a hazardous chemical incident. The instrument also has mass spectral libraries for the rapid identification of chemical warfare agents. The ability to be able to handle high relative humidity allows this instrument to be used in the sampling and analysis of chemical process vapour streams. In addition the ability to analyse volatile organic compounds in water and soil samples in the field has now been realised.

#### ***Miran SapphIRe Portable Infrared Spectrometer***

Upgrading of field portable analytical capability with the purchase of the Miran SapphIRe portable infrared spectrometer. This instrument is also man portable and allows the analysis of (TIC) in air at the site of a hazardous chemical incident at the Emergency Response Planning Guideline Value (ERPGV) levels. This instrument can be used to define the direction and extent of a toxic plume at a hazardous chemical incident in order to advise emergency personnel concerning the danger to workers and the public. In addition the infrared instrument can be used in occupational health assessments.

#### ***Comprehensive 24x7 Service***

The size of the emergency response group assigned to chemical, biological and radiological (CBR) incidents and for the investigation of clandestine drug laboratories was expanded to enable the provision of a comprehensive 24x7 service. The service now includes on-site inspection, sampling and identification capability, laboratory examination and high level advisory services.

### ***National Chemical Conformance Standards***

#### ***Major Achievements for 2003/04***

##### ***Quality Systems Accreditation***

The Chemistry Centre maintained its quality systems accreditation to AS/NZS ISO 9001:2000 and its extensive range of chemical testing and forensic accreditations with the National Association of Testing Authorities (NATA).

##### ***National Guidelines for the Assessment of Acid Sulfate Soils***

Contributed to the development of National Guidelines for the assessment of Acid Sulfate Soils (ASS). Recently proclaimed contaminated sites legislation requires assessment of ASS to be included in all development proposals. The guidelines provide a significant tool for regulators, government authorities and developers.

### ***NATA's Forensic Science Registration Advisory Committee***

Staff continued to participate in NATA's Forensic Science Registration Advisory Committee and other technical committees and acted as assessors for the evaluation of technical competence of other accredited laboratories.

### ***Proficiency Trials***

Successfully participated in several ASPAC (Australian Soil and Plant Analysis Council), NLLNS (National Low Level Nutrient Study), NATA (National Association of Testing Authorities) and IPE (International Plant Exchange) proficiency trials.

### ***Assessment Service for Breath Testing Instruments***

An assessment service for breath testing instruments to the Australian Standard AS 3547-1997 continued to be provided.

### ***Forensic Science Services***

The Forensic Science Laboratory played a vital role in supporting law enforcement in Western Australia through the provision of scientific services to the Western Australian Police Service, the State and District Coroners and to other government departments and agencies involved in justice administration. In addition, support is given to the community, industry and education via analytical and consultancy services.

### ***Major Achievements for 2003/04***

#### ***Forensic Science Laboratory***

The Forensic Science Laboratory (FSL) received approximately 4 800 cases involving some 22 300 items encompassing the areas of toxicology, illicit drugs, physical evidence and racing chemistry. The operations of the FSL are supported by an extensive quality system.

This year saw the successful re-accreditation of the quality system for all forensic and racing operations.

#### ***Forensic Chemistry Service To The WA Police***

Provision of a comprehensive forensic chemistry service to the WA Police Service was continued with almost 2 200 cases being investigated. Participation in a number of national and international projects occurred. These include a project investigating the use of taggant substances in explosives to assist with the identification and sourcing of explosives from post blast residues. The European Amphetamine Profiling Database project and the International Drug Profiling Database project which are focussed at providing national and international police agencies with information to link drug seizures. A report on the profiles of sandy soils in the Perth area was released. This research provides a solid foundation to the forensic application of soil comparison techniques.

#### ***State Coroner***

Analytical toxicology services were supplied to the State Coroner for 1 062 investigations involving sudden or unexplained deaths with approximately twelve percent involving Coroner's Act objections and requiring 24 hour turnaround.

#### ***Post Race Testing***

Analytical services for pre-race and post-race testing for racing industry associations in WA saw the analysis of approximately 6 600 samples.

#### ***Streamlining the Management of Operations and Quality Systems***

Two systems for streamlining the management of operations and quality systems were developed and implemented. The 'CHEMREG' system manages drug and chemical standards storage and use. The second system FSLIMS is the laboratory's information management system. The new version fully integrates the Racing Chemistry Section into FSL operations.

## Output 7: Industry Development Services

Industry Development Services benefits the Western Australian community by facilitating the growth of internationally competitive industry within Western Australia, assisting Indigenous clients to develop their business capability, and promoting Western Australia as a source of internationally competitive products and services.

Products and services include:

- Facilitating the growth of internationally competitive industry within Western Australia
- Assisting Indigenous clients to develop their business capability
- Promoting Western Australia as a source of internationally competitive products and services.

### ***Facilitating Growth of Internationally Competitive Industry***

#### **Major Achievements for 2003/04**

##### ***Innovation***

The Minister confirmed the Government's commitment to the creation of a culture of innovation in WA at the launch of the governments Industry policy "Building Future Prosperity".

The Department coordinated WA's participation in the national Innovation Festival, which ran from 30 April to 14 May 2004. The theme of this year's festival, "Living Learning and Creating" attracted considerable interest and was supported by 115 events of which 21 were held in the regions. The official report by the Commonwealth acknowledges WA's outstanding performance.

The Department drafted the "Innovation Initiative" which was launched by the Minister on 10 May 2004 during the Innovation Festival. The Initiative sets out the Department's role in promoting and encouraging innovation, including the establishment of a future Innovation Centre within the Bentley Technology Park Precinct.

##### ***2003 Rugby World Cup***

WA hosted five nations (England, South Africa, Samoa, Uruguay and Georgia) and five games during the 2003 Rugby World Cup. The games attracted 17 000 visitors to the State who spent in excess of \$36 million. The Department managed the State's business development program and operated the "Western Australia Business and Investment Centre" within the BankWest Tower for the two week period 13 - 24 October while games were being played in Perth. The centre provided an introductory service and a series of high quality industry briefings and networking events for the local and international business community. Local companies have reported ongoing business activities.

##### ***Bio Technology***

The Department organised a Ministerial mission to BIO 2004 in San Francisco. 23 Western Australians

representing 16 companies participated in the conference, exhibition and partnering forums promoting their goods and services to 16 000 international participants.

The Department commenced planning and international promotion of the AusBiotech 2005 conference to be held in Perth 20 - 23 November 2005. The conference and exhibition with a theme of "Linking the Region" will attract interstate and international biotechnology companies and over 1200 delegates to Western Australia.

The Department supported the Western Australian branch of AusBiotech through the "Industry Sector Association Executive Officer Support Scheme" to appoint a dedicated executive officer and run a series of networking and information sessions.

##### ***Industry Publications***

The Department produced a number of industry publications to promote Western Australian Industry including:

- The Retail Buyer's Catalogue
- The WA Food and Beverage Products Directory
- A Guide to Producing Retail Ready
- A Guide to Exporting Food and Beverage Products
- Western Australian Information and Communications Technology: Innovation, quality and creativity.

##### ***Information Technology***

The Department initiated, in conjunction with other States and the Federal Government, a survey of the Information & Communications Technology (ICT) industry in order to map potential clusters in the electronics industry in Western Australia. This will form the basis of the Department's future targeting of ICT groups to compete in global supply chains

The Department is working with Software Engineering Australia (SEA) and it is providing funding support of up to \$10 000 per company to participate in upgrading its QA capability in order to be competitive against other national and international software companies.



Discussions with ICT industry associations in Western Australia addressed the issue of a fragmented and divisive industry in Western Australia. The industry associations and the Department are working towards establish a coordinating ICT body in Western Australia.

### **Industry Facilitation**

The Department:

- Finalised delivery of assistance under Meat Industry Strategic Development Scheme.
- Facilitated development of Fashion Industry Grants program to be delivered by the Department of Culture and Arts.
- Assisted in new investment of \$5 million into Joint Venture between Chinese Sanyuan Foods and WA Challenge Dairy Cooperative.
- Launched the Building Local Industry Policy which reinforces the government's commitment to maximise local content and formalises the use of Industry Participation Plans for major projects and contracts in both the public and private sectors. The use of participation plans is proving to be very effective in focusing project proponents attention on the advantages of sourcing in Western Australia and Australia.
- Funded and monitored the activities of the Industry Capability Network WA (ICNWA). The value of additional work placed with WA based firms as a result of the activities of the ICNWA was valued at \$63.5 million. ICNWA has established effective working relationships with Alcoa's Pinjarra Efficiency Upgrade and BHP Billiton's Ravensthorpe Nickel Project and is developing a relationship with the ChevronTexaco Gorgon Project Team.
- Introduced a successful pilot for a Global Supply Chain Initiative with the ICNWA (ISO WA) to establish new channels of communication between multi-national companies and local suppliers. A larger scale project will be implemented in 2004/05.
- A summit on local content in the offshore oil and gas industry was held at Parliament House. A key outcome was the establishment of the Oil And Gas Industry Coordinating Council. The council will examine opportunities for WA based industry in forthcoming oil and gas projects and consider initiatives required to realise these opportunities. Membership includes industry peak organisations and unions.
- Extended the Buy WA First campaign run in conjunction with one national and major local supermarket chains. Surveys conducted by DoIR show very strong support by the public while local manufacturers are experiencing increased sales and also gaining greater access to supply chains.

### **Timber Industry**

The Department:

- Administered and coordinated a multi-agency support office in Manjimup through the South West Industry Support Unit to provide services to displaced timber workers, their families and other affected community members.
- Managed the Business Exit Assistance (BEA) program. 161 businesses have applied for BEA of which 100 businesses have exited or are in the process of exiting the industry. 32 businesses are being assessed, while 18 were deemed ineligible for BEA and 11 withdrew their application.
- Facilitated industry development and investment attraction through the South West Industry Assistance scheme including assistance under Categories 1&2 to 12 businesses for business planning and small capital grants and under Category 3 to 4 businesses.
- Assistance under the Western Australian Timber Industry Assistance Program (WA-TIAP) has been provided to 2 businesses.
- A furniture Industry Restructuring Package with significant funding was developed and implemented in conjunction with the Furniture Industry Association.
- Additional funds allocated under the Industry Development Assistance have been set aside for a variety of projects including the Sky Jetty, Australian Craftwood and Timber, and Pinetec.

## **Indigenous Client Services**

### **Major Achievements for 2003/04**

#### **Provision of Assistance**

The Office of Aboriginal Economic Development (OAED) provided assistance to 100 Indigenous enterprise clients including financial assistance to 50 business and project initiatives.

#### **Aboriginal Economic Development Agreement**

In cooperation with The Aboriginal and Torres Strait Islander Services (ATSIS), The Aboriginal and Torres Strait Islander Commission (ATSIC) and relevant State Agencies, the Department finalized the development of the Aboriginal Economic Development Agreement.

#### **Perth Indigenous Arts Festival Program**

Together with ARTSWA and University of WA (UWA) won the Premiers Award for Innovation in 2003 for the Perth Indigenous Arts Festival Program.

#### **Regionally Based Aboriginal Economic Development Officers.**

Provided funding of up to \$80 000 per Commission for year two of the three year Partnering agreements with eight Regional Development Commissions for the employment of regionally based Aboriginal Economic Development Officers.

#### **The South West Aboriginal Land and Sea Council**

Signed a Memorandum of Understanding (MOU) with the South West Aboriginal Land and Sea Council (SWALSC) to assist them to implement the Noongar Economic Development Strategy and establish the Noongar Economic Development Company.

#### **Arts Development**

Continued support for the development of a nationally and internationally recognized Noongar Arts industry in the South West of Western Australia. Highlights included:

- export market development mission
- regional exhibitions in the South West
- Premier's Reconciliation exhibition.

#### **Cultural/Interpretive Centres**

- Continued the Stirling Range National Park Visitor Centre Project as part of a multi Agency/community partnership with Noongar people of the Great Southern, the Department of Conservation & Land

Management, the Department of Indigenous Affairs and the Great Southern Development Commission

- Provided business mentoring of the Wardan Aboriginal Cultural Centre Project in Yallingup
- Provided business mentoring of the Kodja Place Visitor and Interpretive Centre in Kojonup. The Centre won the 2003 WA Museum of the Year Award.

#### **Community Economic Development**

- Provided on-going funding of the Wiluna Community Economic Development Officer position to assist the Wiluna Indigenous communities to assess economic development opportunities such as tourism
- Provided direct financial support to the WA Indigenous Tourism Operators Committee (WAITOC) including the secondment of an OAED officer to the WA Tourism Commission.

#### **Business Development Assistance**

- Provided direct assistance and business development advice to the Ngarliyarndu Bindirri Aboriginal Corporation, including the establishment of Brida Pty Ltd as the enterprise arm to increase the employment opportunities for Roebourne residents
- Provided business advice to the Billiluna (Mindibungu) community store to improve its financial performance and management structure. The store is the sole source of food and essential goods for the 280 community residents in the remote East Kimberley. Continued business mentoring and legal advice to Beagle Bay Community for the development of a \$600 million timber plantation on the Dampier Peninsula, Kimberley.

## **Promoting Western Australia**

### **Major Achievements 2003/04**

#### **Promotions**

The Department co-ordinated and/or participated in the following promotions:

- CeBIT 2004 Exhibition in Sydney in May 2004
- Anzatech in November 2003
- Food and Hotel Asia 2004, Singapore, April 2004
- CeBIT- New York, May 2004
- London International Wine & Spirit Fair, London, May 2004
- Ireland Wine Tasting and Promotion, Dublin, May 2004.

The Department was responsible for implementing the State Development Minister's commitment to the Wine

Industry, by lobbying the Federal Government for a reduction in the Wine Equalisation Tax (WET). The WA wine industry is likely to receive a total rebate of \$72 million.

### **Missions**

The Department, in consultation and partnership with industry, coordinated WA participation in the following strategically identified activities.

#### **International Development Business:**

- Asian Development Bank, Manila, September 2003
- Australian eastern seaboard to meet and network with AusAID, Australian Trade Commission Sydney and State government counterparts. November 2003
- Australian eastern seaboard to meet with 25 of AusAID's Australian Managing Contractors, March 2004
- World Bank Group Washington, United Nations New York, European Commission Brussels, European Bank of reconstruction and Development and UK Government Department for International Development London, May 2004
- Inbound missions to WA from 4 of AusAID's Australian Managing Contractors.

#### **Building and Construction:**

- Big 5 Building and Construction Exhibition, Dubai, November 2003, coordinated 12 companies in participation on a group WA stand
- Architect 2004, Bangkok, April 2004, coordinated 10 companies on a group WA stand.

#### **Oil/Gas, Mining Equipment and Services:**

- Offshore Europe 2003, Aberdeen, September 2003, coordinated 9 companies on a group WA stand
- WA Oil and Gas Services Mission to United Arab Emirate and Qatar, March 2004
- World Mining Congress and Expo 2004, New Delhi, November 2003.

#### **Indigenous Arts/Crafts/Fashion:**

- "Six Seasons" series of exhibitions in Perth and regional Western Australia
- Australian Consulate Milan WA Indigenous Arts Promotion, Milan, November 2003
- International Water Polo World Championships, Perth, December 2003. Arranged display of indigenous art at Bicton to an international audience with sales concluded during the event in addition to the establishment of numerous international contacts
- Mission and Exhibition of Noongar Art, Milan, January and March 2004
- Matta Fair Art and Tourism Showcase (coordinated by Malaysian government's MATRADE Department) in which over 100 pieces of WA indigenous art works were showcased, Kuala Lumpur, March 2004

- Sydney Aboriginal and Oceania Art Fair, May 2004
- NAIDOC Week Fashion Parade, Perth, June 2004.

### **Retail Strategic Alliances**

#### **Major Achievements for 2003/04**

##### ***Cold Storage Supermarket, Singapore.***

The Cold Storage retail strategic alliance continues to evolve. In September 2003 a major promotion was held and sales for the year to November 2003 totalled \$800,000.

##### ***Gourmet Retail Promotion, Sydney.***

Four leading Sydney gourmet shops listed 17 WA products for a one week promotion to the upmarket Sydney food retail sector.

### **The Government's Overseas Network**

#### **Major Achievements for 2003/04**

##### ***Sister State.***

The Hyogo Kansai Initiative is an entrant to this year's Premier's Award. The Initiative utilises the sister state relationship with Hyogo Prefecture to assist Western Australian industry access the Japanese market through a focus on regional opportunities. The Initiative is a four-year action plan.

During the year Minister Brown led a Western Australian business mission of 40 organisations to Japan, which has already resulted in a WA company establishing a branch office in the Kansai region.

Accompanied by 35 industry representatives, the Deputy Premier, the Hon Eric Ripper MLA, opened the State's latest overseas office in Seoul, South Korea.

The Department's Trade Office in Kuala Lumpur coordinated 'Showcase WA – Malaysia', highlighting Western Australia to the Malaysian market. The Trade Office worked in partnership with the WA Tourism Commission on 'Showcase WA', which featured a delegation of WA Indigenous performers.

##### ***Guest Nation Program***

The Department continued its highly successful Guest Nation program at the Royal Show, which featured Germany as the 2003 Guest Nation.

## **State Development Strategies Support for Industry Development Services**

### **Major Achievements for 2003/04**

- Led the development of a whole-of-Government trade and investment strategy entitled *Going Global*. This is a supporting document to the Industry Policy Statement, *Building Future Prosperity*. The Group's work included coordination of Government agency input to the strategy
- Commissioned a review of overseas offices, which included consideration of the offices' functions and location, options for the delivery of overseas representation and performance review mechanisms. The outcomes of the review will provide a blueprint for the future operation of the offices
- Represented WA industry interests to the Department of Foreign Affairs and Trade so that those interests were taken into account in negotiation of Free Trade Agreements with the United States and Thailand, and in the review of the Singapore-Australia Free Trade Agreement
- Released a whole of Government Industry Policy Statement *Building Future Prosperity Creating Jobs and Wealth through Industry Development*, which provides a framework to encourage and facilitate industry development in Western Australia
- Led the development of a whole-of-Government Western Australian Knowledge Economy Strategy, due to be completed in October 2004. The process has included consultation across Government and industry and the engagement of internationally recognised expert consultants to support the Strategy's development
- Drafted the State ICT industry development strategy - "*A Growing and Sustainable ICT Industry for Western Australia*". This document, which forms a part of the State Industry Policy has been produced following extensive consultation with industry stakeholders and provides the framework for the continued development of the local ICT industry. The document is scheduled for release in mid-September 2004
- Statistical analysis of the ICT sector and the manufacturing sector
- Convened and coordinated a full-day seminar on managing and commercialising Government Intellectual Property (IP) in November 2003 with speakers from government, universities and the private sector
- Re-established the Government IP Managers' Forum in February 2004. The Forum comprises IP managers and other people within Government who are intimately involved with IP and/or commercialisation issues. The Forum provides a regular opportunity to share information and experiences on intellectual property management and commercialisation issues and aids in the development of strategies for the effective implementation of Government's IP Policy
- Conducted three Government only sessions of the Forum (How to respond to requests for access to IP, How to identify IP and IP & Government Employees) and one combined Government and Industry Seminar entitled "Working Together to Commercialise Government Innovations Bridging the Gap Between Government and Industry"
- Established an online interactive website for members of the Government IP Managers' Forum - going live in June 2004
- Researched and published the comprehensive report, *Telecommunications Needs Assessment: communications needs of regional Western Australians*
- Using these findings developed a State Communications Policy
- Represented Western Australia's interest in the formulation of the national broadband strategy and broadcasting and telecommunications policy
- DoIR's submission to the Commonwealth Government's Review of the Operation of the Universal Service Obligation and Customer Service Guarantee
- DoIR's submission to the Commonwealth Government's Review of the Network Reliability Framework
- DoIR's involvement in the National Broadband Strategy Implementation Group Measurement Working Group.

## Key Performance Indicators

### Performance Indicators and Measures

Performance indicators and measures provide accountability to Parliament and the community for expenditure of public money and to assist in the management of DoIR. These performance measures are published in accordance with the *Financial Administration and Audit Act 1985* (FAAA) and the associated *Treasurer's Instruction 904*.

The FAAA requires that DoIR disclose audited key performance indicators that:

- Are relevant, free from bias and quantifiable
- Encompass the operations of DoIR
- Are reproduced within the elements of the report on operations to which they relate.

*Treasurer's Instruction 904* defines Key Performance Indicators (KPIs) in terms of the following 2 sets of indicators:

- **Effectiveness** indicators provide information on the extent to which outcomes have been achieved through the funding and production of agreed outputs
- **Efficiency** measures relate outputs to the level of resource inputs required to produce them.

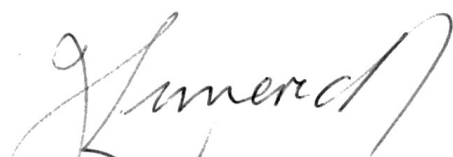
This report contains audited Key Effectiveness Indicators and Key Efficiency Measures, (collectively referred to as KPIs), together with certification of these KPIs by the Director General of the Department of Industry and Resources and the opinion of the Auditor General concerning those KPIs.

All reported efficiency measures reflect the full cost of service reported in the financial statements.

In accordance with *Treasurer's Instruction 904* this report also discloses Output Performance Measure results against estimates published in the 2003/04 Budget Papers.

## Certification of Key Performance Indicators

I hereby certify that the performance indicators are based on proper records, are relevant and appropriate for assisting users to assess the Department of Industry and Resources' performance, and fairly represent the performance of the Department of Industry and Resources for the financial year ended 30 June 2004.



Jim Limerick  
Accountable Officer  
17 August 2004



## AUDITOR GENERAL

### INDEPENDENT AUDIT OPINION

To the Parliament of Western Australia

### DEPARTMENT OF INDUSTRY AND RESOURCES PERFORMANCE INDICATORS FOR THE YEAR ENDED JUNE 30, 2004

#### **Audit Opinion**

In my opinion, the key effectiveness and efficiency performance indicators of the Department of Industry and Resources are relevant and appropriate to help users assess the Department's performance and fairly represent the indicated performance for the year ended June 30, 2004.

#### **Scope**

##### ***The Director General's Role***

The Director General is responsible for developing and maintaining proper records and systems for preparing performance indicators.

The performance indicators consist of key indicators of effectiveness and efficiency.

##### ***Summary of my Role***

As required by the Financial Administration and Audit Act 1985, I have independently audited the performance indicators to express an opinion on them. This was done by looking at a sample of the evidence.

An audit does not guarantee that every amount and disclosure in the performance indicators is error free, nor does it examine all evidence and every transaction. However, my audit procedures should identify errors or omissions significant enough to adversely affect the decisions of users of the performance indicators.

A handwritten signature in black ink, appearing to read 'D D R Pearson'.

D D R PEARSON  
AUDITOR GENERAL  
September 30, 2004

## Key Effectiveness Indicators

The Department's Key Effectiveness Indicators are grouped below under the following three headings:

- Key Stakeholder/Customer Satisfaction Ratings
- Conformance with Regulation and Government Policy
- State Development Performance.

They measure the Department's effectiveness in achieving its key outcome, which is "Responsible Development Of The State's Industry And Resources For The Benefit Of Western Australians".

<b>Key Stakeholder/Customer Satisfaction Ratings</b>	<b>2001/02</b>	<b>2002/03</b>	<b>2003/04</b>
A. A measure of the Minister's satisfaction with the quality of policy and planning advice DoIR's policy and planning advice regarding "Responsible development of the State's industry and resources for the benefits of Western Australians"	86%	86%	86%
B. A measure of key stakeholders' satisfaction that DoIR encourages a climate conducive to ongoing resources development in Western Australia	94%	95%	79%
C. A measure of investor's satisfaction with DoIR's resource development facilitation services, including infrastructure planning, project co-ordination and assistance with approvals	84%	82%	83%

### Supporting notes and explanation of any significant variations, trends

A. **Minister's satisfaction.** The Minister was provided (July 2004) with a summary of policy and planning output for the year under review to assist him in forming an opinion. He was also provided with a questionnaire and asked to rate the performance of DoIR's policy and planning advice in working towards the outcome of "Responsible development of the state's industry and resources for the benefit of Western Australians". The quoted percentage (86%) represents a rating of 6 out of 7.

B. **Stakeholders' satisfaction.** The Department seeks to establish and maintain a constructive working relationship with Local, State and Federal Government departments, Regional Development Commissions, Port Authorities and industry bodies. This measure, obtained by survey, represents the percentage of such stakeholders who positively assessed the effectiveness of the Department in encouraging a climate conducive to resources development in Western Australia. An independent market research company surveyed these stakeholders. The Department supplied the names of 38 stakeholders with whom it had significant dealings during the year and the market research company completed surveys with 28 of these. This equates to an error margin of 9.6% at the 95% certainty level, i.e., assuming the sample is random, we can be 95% certain that the "true" KPI value is between and 69.4 and 88.6.

While the result indicates a significant fall on the previous two years results, the error margin should be taken into account. Also, from the identities of the dissatisfied respondents, a number of issues have been identified as being the probable causes of the dissatisfaction. The Department considers that it has acted appropriately in these

matters and believes that its actions and responses, while they may have been the cause of individual's dissatisfaction, have been in the State's best interests.

C. **Investors satisfaction.** This measure represents the percentage of investors satisfied with the facilitation services provided. The Department interacts with the developers of major new resource projects and also with the operators of major on-going projects. Senior managers and CEOs of major resource development companies throughout Australia were surveyed by an independent market research company. Their responses to 5 questions addressing the Department's performance against the following criteria, were aggregated to produce this measure:

- Long term resource sector infrastructure planning
- Helpfulness in obtaining major approvals
- Whole of government approach
- Effectiveness in being an advocate on behalf of clients
- Effectiveness in negotiations.

This measure is calculated by aggregating, with appropriate weighting, the responses to a questionnaire that was administered to 2 populations. The first population, compiled from Departmental operational contacts, consisted of 82 senior managers and CEOs of major resource development companies throughout Australia and the second population (of 400) was comprised of CEOs, Managers and Directors selected from the Prospect subscription list. Surveys were completed with 68 of the first population and 165 of the second. This equates to an error margins of 4.9% and 5.9% at the 95% certainty level.

<b>Key Stakeholder/Customer Satisfaction Ratings</b>	<b>2001/02</b>	<b>2002/03</b>	<b>2003/04</b>
D. The percentage of investors who consider that DoIR improved their view of Western Australia as an investment location	67%	86%	77%
E. A measure of subscriber's satisfaction with the quality of resources sector information provided by DoIR's leading resource sector publication	98%	96%	99%
F. The extent to which clients agree that the Department of Industry and Resources contributes to business development	70%	77%	88%
G. Rating by customer representative committees of interpretive geological products and data services (five point scale)			
• Regional geoscience mapping and mineral resources and petroleum exploration initiative	4.0	4.2	4.2
• Exploration data and information	4.0	4.2	3.9
H. Explosives and Dangerous Goods level of community confidence (Biennial survey)	67%	67%	73%
I. Satisfaction from Scientific Services client surveys	88%	78%	77%

*Supporting notes and explanation of any significant variations, trends*

- D. **Investors who consider that DoIR improved their view of Western Australia as an investment location.** This measure is determined by a survey, undertaken by an independent market research company, of potential investors in Western Australia with which DoIR had significant dealings during the year. The Department supplied the names of 82 contacts. The market research company completed surveys with 68 of these. This equates to an error margin of 4.9% at the 95% certainty level, implying a "true" KPI value between 72% and 82%.
- E. **Prospect Magazine.** This measure represents the percentage of subscribers (to Prospect magazine) who positively assess the quality of resource sector information services provided by DoIR's leading publication on the resources sector (Prospect magazine). An annual reader survey of reader perceptions is conducted. Prospect magazine, has a national and international distribution of approximately 9 500. 88 subscribers responded to this year's survey. This equates to an error margin of 10.4% at the 95% certainty level, i.e. , assuming the sample is random, we can be 95% certain that the "true" KPI value is greater than 89%.
- F. **Contribution to business development.** This effectiveness indicator is obtained through an annual client survey. The Department provided the market research company with the contact details of 417 clients. PMR was able to interview 252 of these. In response to the question "Does DoIR contribute to business development within WA," 88% responded affirmatively, 2% negatively and 10% were undecided.
- G. **Interpretive geological products and data services.** This measures the quality of geoscientific information products and exploration data services through a customer rating given by industry-based Technical Advisory Subcommittees tabled through the Geological Survey Liaison Committee. This committee comprises industry representatives

nominated by the Australian Petroleum Production and Exploration Association, the Chamber of Minerals and Energy of Western Australia, the Association of Mining and Exploration Companies, and other geoscience customers, such as Geoscience Australia, CSIRO and Western Australian universities. The Committee meets twice yearly to consider reports by its Technical Advisory Subcommittees and to provide guidance for future programs and feedback on past performance. Each report includes a rating of quality against a five-point scale for the products/services in its area of expertise.

- H. **Dangerous Goods survey.** This survey was last undertaken in May 2004. There has been a 9% proportional increase in the level of community confidence since the previous survey in 2002. The major reasons put forward by the public to support the current level of confidence included:
- There are regulations covering the management of dangerous goods:
  - Fewer accidents observed: and
  - People tend to adhere to the rules.
- I. **Scientific Services client surveys.** The effectiveness of Scientific Services is indicated as the capacity to provide high quality independent chemical information, advice and analytical services to government agencies, industry and research groups – including: forensic scientific services support to the Police Service, State Coroner and the racing industry; scientific and research support in the areas of food and agriculture; public and occupational health; conservation and the environment; industrial development; contributing to the development of national chemical conformance standards and guidelines; and the provision of emergency and crisis response services to government agencies and industry for chemical spills and related incidents and crisis situations. The effectiveness is measured by customer satisfaction and participation in proficiency tests.



<b>Conformance with Regulation and Government Policy</b>	<b>2001/02</b>	<b>2002/03</b>	<b>2003/04</b>
J. Level of compliance with expenditure conditions (Form 5) in mineral titles	89%	94%	89%
K. Percentage of total royalties collected during the period as compared to the total proportion of royalties due according to government policy	100%	100%	100%
L. Mines Safety and Inspection Act (1994) compliance index (Base year: 1998-99 =100)	102	106	105
M. Minerals industry environmental management assessment scores - Environmental compliance index (Base year: 1998-99 = 100)	106	104	102
N. Petroleum industry environmental management - the performance of the industry as the percentage of audited projects which had zero major corrective actions reports (CARs)	95%	100%	95%

*Supporting notes and explanation of any significant variations, trends*

J. **Compliance with expenditure conditions.** As at 30 June 2004 there were in force 12626 mining titles which required lodgment of forms 5. There were 11 260 forms 5 lodged last year ( $11260/12626 = 0.89 \times 100 = 89\%$ )

K. **Royalties collected during the period.**

L. **Mines Safety and Inspection Act.** Improvement in the mining industry's level of compliance with the Mines Safety and Inspection Act 1994 as measured by the change over time in compliance with standards in audits conducted by the Department (presented as an index with 1998-99 as the base year). The level of safety and health in the industry relies on good management systems. These are guided by the regulatory framework that outlines the expected minimum level of efficacy of such systems. The Department audits these systems to ensure industry compliance with regulatory standards and best practice. This indicator reports on the relative level of compliance as represented by an index where 1998-99 is the base year. Data for this measure are obtained from the Audit Management System (MODAMS), which records the outcomes of mine site audits. MODAMS and the audits have been developed and applied over a number of years, and a time-series of reliable statistics is now available.

M. **Minerals industry environmental management.** On completion of the Annual Environmental Review for each mine site, scores are allocated in a number of categories to reflect the operator's performance in managing environmental issues. This performance indicator measures

the trend in the overall annual average of these scores for the industry and is presented as an index, with 1998-99 as the base year.

N. **Petroleum industry environmental management, compliance with the Department's environmental management criteria for petroleum operations.** Non-compliances are defined as:

- Specific infringements of commitments made in project environmental documentation (Environmental Management Plans or EMPs)
- Specific infringements of conditions of approval
- Practices not in accord with the Commonwealth and State Petroleum Acts and Regulations and Schedules of Directions issued under these Acts.

Non-compliances are identified in field audits conducted on a cross-section of projects selected on a risk-assessment basis, which may introduce variability into the results between years. Non-compliances can be segregated into minor and major categories. An example of a minor non-compliance may be the presence of litter at an operation and while still requiring the generation of a Corrective Action Recommendation (CAR), minor non-compliances are not considered to have a reasonable risk of significant environmental impact. A major non-compliance however, is defined as an item where if no CAR is identified and implemented, there is a reasonable risk of significant environmental impact.

<b>State Development Performance</b>	<b>2001/02</b>	<b>2002/03</b>	<b>2003/04</b>
O. State's position as a favoured location by the national and international minerals resource industry, as measured by Western Australia's share of exploration expenditure for 2001, 2002, 2003 calendar years:			
• National	61%	59%	59%
• International	11%	10%	9%
• Western Australia's rating by the Fraser Institute			
o Mineral potential index (out of 100)	na	na	98
o Mineral potential index ranking (out of 53 jurisdictions)	na	na	2nd
P. Level of Australian exploration expenditure in Western Australia.			
• Minerals	59.5%	57.3%	58.5%
• Petroleum	54.3%	60.1%	67.3%
Q. Area of Western Australia under exploration title (sq km)			
• Minerals	220 550	250 153	246 002
• Petroleum	710 000	510 000	467 649

*Supporting notes and explanation of any significant variations, trends*

- O. **State's position as a favored location.** The effectiveness is assessed by the exploration expenditure statistics released by the: a) Metals Economics Group, Halifax, Canada, b) the Australian Bureau of Statistics (ABS) ("Mineral and Petroleum Exploration", Cat. No. 8412.0) and c) The Fraser Institute annual survey of mining companies ([www.fraserinstitute.ca](http://www.fraserinstitute.ca)). The internationally respected Fraser Institute ratings show Western Australia is widely recognized for its exploration potential, but less than ideal ratings of Western Australia's policies and geology databases shows that we need to do more work to continue to attract the required levels of investment. It should be noted that there are many factors influencing the outcome, such as land access issues, access to finance, and commodity prices for minerals and petroleum products that are not the specific role of the Geological Survey to influence. Note for 2004: the Fraser Institute has discontinued reporting ratings for Australia based on a national extent, and now reports State-by-State, allowing a more direct rating of Western

Australia's performance against other States, and against the performance of other countries.

- P. **Level of Australian exploration expenditure in Western Australia.** Level of Australian exploration expenditure in Western Australia: Mineral exploration in Western Australia has recovered slightly over the last two years from the major slump over the last five years, which bottomed out in 2001–02. The proportion of Australian mineral exploration spent in Western Australia has remained unchanged at about 58%. Petroleum exploration in Western Australia continues to rise (mostly offshore exploration and including adjacent Commonwealth waters), and the proportion of Australian petroleum exploration spent in Western Australia has jumped to about 58%. The dollar figures associated with these percentages are \$439 million (minerals) and \$625 million (petroleum).
- Q. **Area of WA under exploration title.** The area under title for minerals does not include mining lease areas.

<b>State Development Performance (Health and Safety)</b>	<b>2001/02</b>	<b>2002/03</b>	<b>2003/04</b>
R. Minerals industry health and safety services - Lost-Time Injury Frequency Rate per million hours worked			
• (LTIFR - surface)	4.3	4.6	3.6
• (LTIFR - underground)	6.5	6.6	7.1
S. Petroleum industry health and safety services			
• Lost-Time Injury Frequency Rate per million hours worked (LTIFR)	5.8	5.9	3.6
• Total Injury Frequency Rate (TIFR)	18.6	18.4	13.5
T. Comparative safety: Workers' Compensation Insurance premium rates	see Figure 5 below.		
U. Safety record - Level of safety in dangerous goods storage and transport activities, as displayed by the accident record.	see Figure 6 below.		

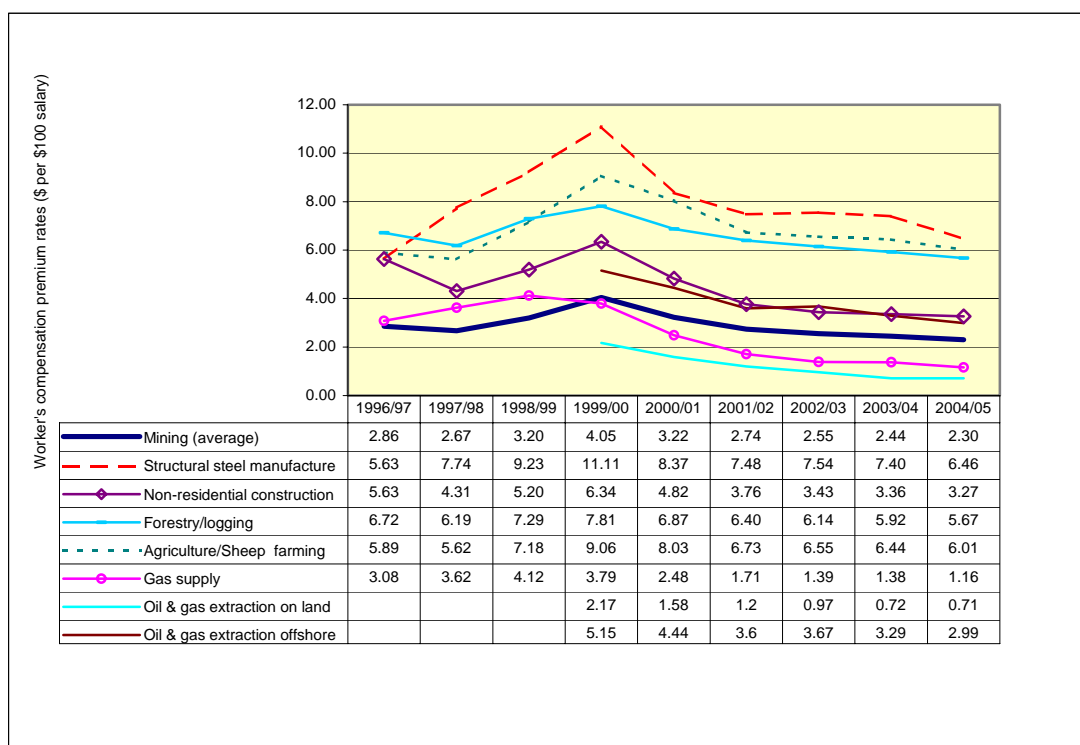
**Supporting notes and explanation of any significant variations, trends**

- R. **Minerals industry health and safety injury frequency rates**  
The injury frequency rates (IFR) are the number of occurrences of injury or disease (total (TIFR) or lost-time (LTIFR)) for each one million hours worked as defined in Australian Standard AS 1885.1-1990. LTIFR is a lag indicator of industry performance and may not reflect current safety management initiatives. Data for this measure is obtained from statutory reports submitted by companies

of hours worked and injuries sustained for each mineral or petroleum operation in Western Australia. The data is stored in computer databases and analysed according to the Australian Standard. Results of previous years have been updated using all available data.

- S. **Petroleum industry health and safety injury frequency rates.** It should be noted that less severe injuries were reported this year.

Figure 5: Comparative Workers' Compensation Premium Rates

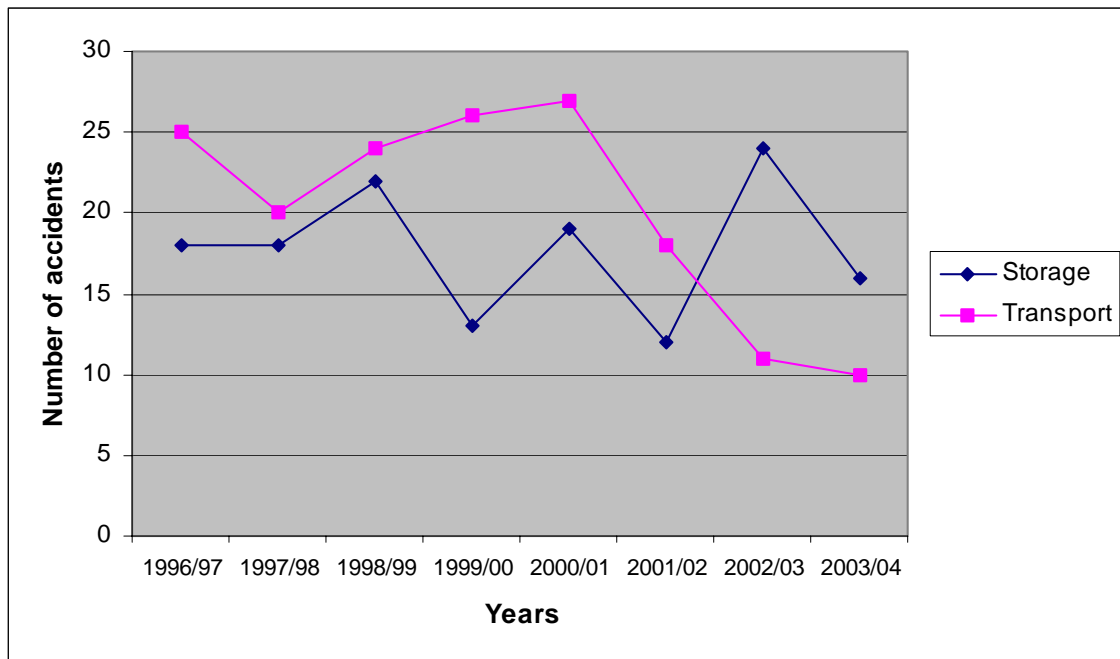


T. **Comparative safety - Workers' Compensation Insurance premium rates.**

The Department provides a regulatory framework within which mining and petroleum operators have a duty of care to provide a safe and healthy work environment for their workforces. The effectiveness of the Department's safety Output is indicated by the relative level of safety as measured by comparison of Workers' Compensation Insurance premium rates with other high-risk industries in Western Australia. The workers' compensation premium

rates were selected as a consistent measure to compare safety levels between industries. The premium rates are expressed as a percentage of salary (dollars insurance premium per \$100 of salaries) and are given for mining and general industry sectors. The premium rates are published by the Premium Rates Committee in the Government Gazette. Insurance premium rates are lower for the mining and petroleum sectors than for many comparable heavy industry sectors.

Figure 6: Dangerous Goods Storage and Transport Activities (accident record)



- U. **The safety record.** The record is illustrated by the number of accidents reported to the Department during the year for the storage, handling or transport of dangerous goods.

During the year there were 26 accidents, the lowest total over the past eight years. Indeed, the number of reported transport accidents has decreased from 27 in 2000/01 to only 10 in 2003/04. The Department continues to collect this data and determine causal factors in order that appropriate education, promotion and enforcement strategies can be developed to minimise the frequency of these accidents.

## Key Efficiency Measures

These measures track the efficiency with which the Departments outputs are produced. They consist of an overall measure, together with measures of the efficiency of each Departmental output.

<b>Overall headline efficiency measures</b>	<b>2001/02</b>	<b>2002/03</b>	<b>2003/04</b>
Total Cost of running the Department (\$m)	84.8	108.2	127.0
Royalties paid to State (\$m)	1,013	1 121	1 018
Royalties paid to Commonwealth (\$m)	239.9	292.3	241.1
Percentage cost of DoIR as proportion of royalties paid to State	8.4%	9.6%	12.5%

### Supporting notes

**Total Cost of running the Department** The figures are sourced from the "statements of Financial Performance, which accompany this annual report.

**Royalties paid to State (\$m)** Provided by the Royalties division of DoIR

**Royalties paid to Commonwealth (\$m)** Provided by the Royalties division of DoIR

**Percentage cost of DoIR as proportion of royalty collected** In conceptual terms, the resources industry in Western Australia can be viewed as the use of a community-owned asset (the minerals and petroleum in the ground) to generate dividends (royalties) for the owner (the community)

### Explanation of variances

Royalty collections have decreased during the year due to a combination of factors which included decreased production and prices of a number of commodities, including alumina, gold, diamonds and petroleum.

During recent years the Department has undergone continued increase by amalgamation, MPR being formed by amalgamation of DME and DRD and DoIR being formed by amalgamation of MPR and part of DoIT. The 2002/03 costs reflect the cost of running a Department whose scope increased during that year. These costs reached a plateau at the end of that year due to the fact that the last merger (MPR and part of DoIT) was completed early in calendar 2003. The costs during financial year 2003/04 reflect the first full year of running the expanded Department.

<b>Output 1: Titles and Royalties Administration</b>	<b>2001/02</b>	<b>2002/03</b>	<b>2003/04</b>
Average cost per mineral title service	\$764	\$758	\$759
Average cost per petroleum title operation and resource service	\$656	\$672	\$548
Average cost per royalty return verified and audited	\$1 080	\$1 597	\$978

### Explanation of variances

The royalty costs for the previous year (2002/03) were abnormally high, due, primarily to the costs of IT system improvements. Corresponding costs in 2003/04 were lower.

<b>Output 2: Health, Safety and Environmental Services</b>	<b>2001/02</b>	<b>2002/03</b>	<b>2003/04</b>
Average cost per health and safety weighted service provided to the minerals industry	\$58	\$65	\$75
Average cost per environmental regulatory weighted service provided to the minerals industry	\$25	\$22	\$44
Average cost per petroleum safety and health weighted unit of audit and assessment	\$1 023	\$1 084	\$1155
Average cost per petroleum environmental audit and assessment	\$727	\$994	\$1430

*Explanation of variances***Environmental Regulatory Weighted Service**

The average cost per unit is determined by a set formula, which is affected by variations in total cost and numbers of units produced. The increase in the average cost per environmental regulatory weighted service is due to a 10% rise in the total cost of Output 2 for 2003/04, as compared to the actual for 2002/03, as well as a 45% reduction in the number of weighted units of service during 2003/04.

**Petroleum environmental audit and assessment**

The reason for the increase in this average cost is that a smaller number of audits were performed during the year. This is due to staff turnover and the fact that more non-audit work (primarily approvals) was performed.

<b>Output 3: Project and Infrastructure Facilitation Services</b>	<b>2001/02</b>	<b>2002/03</b>	<b>2003/04</b>
Average cost per infrastructure project facilitated	\$179 690	\$231 926	\$252 415
Average cost per resource development project facilitated	\$45 740	\$75 795	\$57 712

<b>Output 4: Investment Attraction Services</b>	<b>2001/02</b>	<b>2002/03</b>	<b>2003/04</b>
Average cost per resource sector information service program delivered	\$108 030	\$100 525	\$180 450
Average cost per resource sector investment attraction program delivered	\$252 070	\$255 882	\$374 366

*Explanation of variances*

The average unit costs of Output 4 measures have increased due to a restructure of the work areas producing outputs 4 and 7 which resulted in a consequential reallocation of overheads and operating costs from output 7 to output 4.

<b>Output 5: Geological Services</b>	<b>2001/02</b>	<b>2002/03</b>	<b>2003/04</b>
Average cost per weighted total published product	\$195 194	\$225 000	\$235 629
Average cost per weighted data transaction unit	\$42	\$47	\$40

*Explanation of variances***Weighted Data Transaction Unit**

2002/03 was an unusual year for average cost per WDTUs because of the added burden of new expenditure relating to requirements for archiving data. A comparison between this year's average and the 2001/02 is more meaningful.

<b>Output 6: Scientific Services</b>	<b>2001/02</b>	<b>2002/03</b>	<b>2003/04</b>
Average cost per chargeable hour of providing service	\$125	\$128	\$128

<b>Output 7: Industry Development Services</b>	<b>2001/02</b>	<b>2002/03</b>	<b>2003/04</b>
Average cost of Industry and Trade projects facilitated	na	\$2 178 291	\$1 095 888
Average cost of Aboriginal Economic Development projects facilitated	na	\$1 059 899	\$567 387
Average cost of Industry Facilities projects supported	na	\$764 293	\$711 955

*Explanation of variances*

The average unit costs of Output 7 measures have decreased due to a restructure of the work areas producing outputs 4 and 7 which resulted in a consequential reallocation of overheads and operating costs from output 7 to output 4.



## Output Performance Measures

This section reports the results for performance measures cited in the 2003/04 Budget Papers.

<b>Output 1: Titles and Royalties Administration</b>	<b>2003/04</b>		<b>Reason for Significant Variation/Source of data</b>
	<b>Budget</b>	<b>Actual</b>	
<b>Total Cost (\$'000)</b>	22 771	23 399	

### Quantity

Mineral title service units	27 000	24 676	
Petroleum title operation and resource services	3 600	6400	<i>Increase in resource assessments, production and renewal licenses, and dealings.</i>
Royalty returns verified and audited	1 100	1196	

### Quality

Customers satisfied with mineral titles services	92%	95%	
Customers satisfied with petroleum titles services	87%	85%	
Number of internal and external audit queries for royalties	0	0	

### Timeliness

Mineral titles processed in target time	77%	57%	<i>The 77% target level was premised on the Mining Act Amendments being introduced early in 2003/04 however these amendments only got to Parliament in the last couple of months of 2003/04.</i>
Customer satisfaction with timeliness of petroleum title services	82%	75%	
Percent of royalty audits completed within target plan	92%	85%	

### Cost (Efficiency)

Average cost per mineral title service	\$679	\$759	
Average cost per petroleum title operation and resource service	\$904	\$548	
Average cost per royalty return verified and audited	\$1065	\$978	

<b>Output 2: Health, Safety and Environmental Services</b>	<b>2003/04</b>		<b>Reason for Significant Variation/Source of data</b>
	<b>Budget</b>	<b>Actual</b>	
<b>Total Cost (\$'000)</b>	20 307	21 793	

**Quantity**

Health and safety weighted units of service provided to the minerals industry	218 500	219 099	
Environmental regulatory weighted units of service provided to the minerals industry	71 100	50 685	<i>This decrease is due to staff shortages, both through vacancies and long service leave. This had a significant impact on the number of Annual Environment Reviews undertaken.</i>
Petroleum safety and health weighted units of audits and assessment	2 175	2032	
Petroleum environmental weighted units of audits and assessment	650	575	<i>Less major projects and high staff turnover.</i>

**Quality**

Percentage of health and safety services meeting quality standards	80%		<i>No surveys were undertaken during this period.</i>
Percentage of environmental services meeting quality standards	80%		<i>No surveys were undertaken during this period.</i>
Petroleum customers satisfied with health and safety services	87%	85%	<i>Biennial Survey.</i>
Petroleum customers satisfied with environmental services	87%	85%	<i>Biennial Survey.</i>

**Timeliness**

Percentage of health and safety services meeting timeliness standards	80%		<i>No surveys were undertaken during this period.</i>
Percentage of environmental services meeting timeliness standards	75%		<i>No surveys were undertaken during this period.</i>
Petroleum customers satisfied with the timeliness of health and safety services	87%	75%	<i>Biennial Survey.</i>
Petroleum customers satisfied with the timeliness of environmental services	87%	75%	<i>Biennial Survey.</i>

**Cost (Efficiency)**

Average cost per health & safety weighted service provided to the minerals industry	\$70	\$75	
Average cost per environmental regulatory weighted service provided to the minerals industry	\$29	\$44	<i>See Quantity Measure note above.</i>
Average cost per petroleum safety and health weighted unit of audit and assessment	\$1006	\$1155	
Average cost per petroleum environmental audit and assessment	\$1 179	\$1430	

<b>Output 3: Project and Infrastructure Facilitation Services</b>	<b>2003/04</b>		<b>Reason for Significant Variation/Source of data</b>
	<b>Budget*</b>	<b>Actual</b>	
<b>Total Cost (\$'000)</b>	16 190	13 430	

**Quantity**

Infrastructure projects facilitated	25	34	
Resource development projects facilitated	83	84	

**Quality**

Investors satisfied with facilitation services provided	87%	89%	<i>Results of independent survey. (3a)</i>
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**Timeliness**

Infrastructure projects facilitated within an agreed timeframe	92%	95%	<i>Internal process measures.</i>
Resource development projects facilitated within an agreed timeframe	95%	90%	<i>Average of 7 defined timeliness measures.</i>

**Cost (Efficiency)**

Average cost per infrastructure project facilitated	\$412 352	\$252 415	
Average cost per resource development project facilitated	\$70 858	\$57 712	

(3a) This Survey was conducted in July 2004. It is the same survey that was used to derive the audited results of Investors Satisfaction Rating C (operational contacts population). The notes under that audited rating (page 48) also apply to this measure. Respondents were asked whether they agreed that:

*“DoIR is effective in planning for the long-term needs of major industry in Western Australia by promoting awareness of resources and industry development in a positive light, helping the implementation and development of industry sites and planning for the long term needs of the resource sector in this state.”*

<b>Output 4: Investment Attraction Services</b>	<b>2003/04</b>		<b>Reason for Significant Variation/Source of data</b>
	<b>Budget</b>	<b>Actual</b>	
<b>Total Cost (\$'000)</b>	3 634	4 812	
<b>Quantity</b>			
Resource sector information services delivered	11	8	
Resource sector investment attraction programs delivered	9	9	
<b>Quality</b>			
Rating by investors of the quality of resource sector information services delivered	82%	97%	<i>Results of independent survey. (4a)</i>
Potential investors that consider the resource sector investment attraction programs delivered improved their view of Western Australia as an investment location	65%	77%	<i>Results of independent survey. (4b)</i>
<b>Timeliness</b>			
Resource sector information services delivered within an agreed timeframe	92%	95%	
Resource sector investment attraction programs completed within an agreed timeframe	100%	95%	
<b>Cost (Efficiency)</b>			
Average cost per resource sector information service program delivered	\$99 109	\$180 450	<i>Refer to explanation of variances on page 57.</i>
Average cost per resource sector investment attraction program delivered	\$282 644	\$374 266	<i>Refer to explanation of variances on page 57.</i>

(4a) This Survey was conducted in July 2004. It is the same survey that was used to derive the audited results of Investors Satisfaction Rating C (operational contacts population). The notes under that audited rating (page 48) also apply to this measure. Respondents were asked whether they agreed that:

*“The Resource Sector Information services provided by DoIR are useful and of high quality. Consider Prospect magazine and other Departmental publications, maps and displays provided by DoIR and events sponsored by DoIR”*

(4b) This Survey was conducted in July 2004. It is the same survey that was used to derive the audited results of Investors Satisfaction Rating C. (operational contacts population). The notes under that audited rating (page 48) also apply to this measure. Respondents were asked whether they agreed that:

*“DoIR has improved your view of WA as an investment location. By this, we mean the Department is effectively promoting awareness of resource development in a positive light, planning long-term infrastructure for industry and coordinating major projects.”*

<b>Output 5: Geological Services</b>	<b>2003/04</b>		<b>Reason for Significant Variation/Source of data</b>
	<b>Budget</b>	<b>Actual</b>	
<b>Total Cost (\$'000)</b>	18 479	20 026	

**Quantity**

Weighted total published products (WTPP)	67	73.93	<i>The figures for WTPPs are up against the budget (predicted) because the proportion of our budget spent on this item was up. Commensurately, the proportion of our budget spend on WDTUs was down, so the number of WDTUs is down compared with the prediction.</i>
Weighted data transaction units (WDTU). Transactions include data receipt, accessioning, capture, storage and retrieval	70 000	64683	<i>See note above.</i>

**Quality**

Rating (1-5) of product quality by Geological Survey Liaison Committee	4.0	4.2	
Rating (1-5) of archive processes by the Exploration Data and Information Sub-Committee of the Geological Survey Liaison Committee	4.0	3.9	
Ratio of geoscientific papers published compared to number submitted to international, peer-reviewed journals	70%	94%	

**Timeliness**

Average time for production of 1:100,000 maps released during the year	28 months	22 months	
Open-file reports made available for viewing within 24 hours of request	100%	100%	

**Cost (Efficiency)**

Average cost per weighted total published product	\$234 781	\$235 629	
Average cost per weighted data transaction unit	\$39	\$40	

<b>Output 6: Scientific Services</b>	<b>2003/04</b>		<b>Reason for Significant Variation/ Source of data</b>
	<b>Budget</b>	<b>Actual</b>	
<b>Total Cost (\$'000)</b>	9 082	9 493	
<b>Quantity</b>			
Chargeable hours of time involved in provision of services	72 079	74180	
<b>Quality</b>			
Services provided to AS/NZS ISO 9001:2000 and ISO/IEC 17025:1999	100%	100%	
<b>Timeliness</b>			
Response rate from Client Surveys	60%	50%	
Satisfaction from Client Surveys	63%	76%	
<b>Cost (Efficiency)</b>			
Average cost per chargeable hour of providing service	\$126	\$128	

<b>Output 7: Industry Development Services</b>	<b>2003/04</b>		<b>Reason for Significant Variation/ Source of data</b>
	<b>Budget</b>	<b>Actual</b>	
<b>Total Cost (\$'000)</b>	36 721	34 049	
<b>Quantity</b>			
Industry and Trade projects facilitated	14	19	
Aboriginal Economic Development projects facilitated	7	7	
Industry Facilities projects supported	12	13	
<b>Quality</b>			
Client satisfaction with quality of projects	75%	71%	
<b>Timeliness</b>			
Client satisfaction with timeliness of projects	75%	72%	
<b>Cost (Efficiency)</b>			
Average cost of Industry and Trade projects facilitated	\$1 603 990	\$1 095 888	
Average cost of Aboriginal Economic Development projects facilitated	\$611 913	\$567 387	
Average cost of Industry Facilities projects supported	\$831 812	\$711 955	

## Corporate Governance and Compliance Statements

### Statement of Compliance with Public Sector Standards

(Public Sector Management Act 1984, S31 (1))

In the administration of the Department of Industry and Resources, I have complied with the Public Sector Standards in Human Resource Management.

I have:

- Maintained a self-assessment program
- Continued to review the Department's Code of Conduct, and policies and guidelines, which have been made available to staff in electronic form
- Developed checks and controls for the Standards, in particular the Recruitment, Selection and Appointment Standard.

Applications made for breach of Standards review and the corresponding outcomes for the period 1 July 2003 to 30 June 2004 are:

Claims lodged	4
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*Of these:*

Claims withdrawn	0
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<i>Claims resolved (internally)</i>	2
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<i>Claims still being addressed</i>	1
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<i>Claims referred to OPSSC</i>	1
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### Statement of Compliance with the Western Australian Public Sector Code of Ethics

In the administration of the Department of Industry and Resources, I have complied with the Western Australian Public Sector Code of Ethics.

I have arranged for an analysis of matters raised that relate to the ethical codes, feedback received from staff and observations made by Human Resource staff. In addition, I have established an Ethics and Governance Committee, which is a sub committee of the Department's Advisory Board, to consider and examine ethical and governance issues within the Department.

There were no complaints lodged relating to non-compliance with the ethical codes.



Jim Limerick  
Accountable Officer  
29<sup>th</sup> August, 2004

### Equal Employment Opportunity Outcomes/Youth Outcomes

(Equal Opportunity Act 1984, S146)

The Department continued with a number of strategies identified as part of its EEO/Diversity Management Plan.

For 2003/04 there was an increase in the representation of women at Level 6 and above from 11.4% (2002/03) to 12.2% in 2003/04 against a target of 12.1%, and an increase in the representation of women in tier 2 and 3 levels from 11% (2002/03) to 13.4% (2003/04) against a target of 14%.

On the other hand the representation of indigenous employees fell slightly from 1.7% to 1.2% against a target of 1.4% and the representation of youth fell slightly from 4.5% to 3.7% against a target of 4.5%.

Some specific strategies introduced during the year aimed at addressing its staffing diversity included; the implementation of a pilot Mentoring program, an increase in the number of Traineeships offered, the development of a Graduate program, and the production of several information booklets on Parental Leave, EEO Responsibilities and Behaviour in the Workplace.

In addition, the Department continued to review its recruitment and selection processes to ensure they reflect the principles of equity, and its human resource programs, policies, procedures and guidelines to reflect the needs and operations of the Department.

The Department also continued to progress its "Building Our Capacity Framework", a key initiative with a number of key focus goals encompassing strategies aimed at enhancing its people capability and organisational capacity.



### **Staff Development**

Approximately 0.8% of the Department's expenditure budget was directed at Training and Development activities across the organisation. Whilst a large proportion of this expenditure covered skills training initiatives, DoIR also implemented its Leadership and Management Scholarship Program and Graduate Recruitment Program as strategic development initiatives.

With a corporate focus on "Developing our Capacity" the Department has in place a People and Organisational Development Framework. One of the key components of this is a current review of Learning & Development Strategies. In keeping with this focus, DoIR shows its commitment through its Youth Traineeship and Cadetship programs and an emphasis on in-house training and on-the-job skills development.

### **Workers' compensation**

Fourteen worker's compensation claims were lodged, three of which resulted in 48 lost days. The types of these claims are profiled below:

- Sprain and strain 9
- Contusions 3
- Fracture 1
- Other 1

### **Staff Profile**

Permanent Full Time	808
Contract Full Time	104
Part Time - Permanent and Contract	77
Seconded Out	12
Seconded In	9

In terms of hours, the 77 part time employees are the equivalent of 47 full time employees.

### **Language Services Outcome**

The Department maintains a Foreign Language Skills Register, which contains details of staff members who can speak and/or write a language other than English. The register is used when the Department has a need for translating and interpreting services to assist with visiting overseas delegations and interpreting documents in languages other than English. It may also be used to assist with any dealings the Department may have with its customers.

If there is a need for translating/interpreting languages not identified via the register, or if the level of service required is greater than that able to be provided, the Department offers the use of qualified interpreters through the Translating and Interpreting Service (TIS).

### **Disability Service Plan Outcomes**

*(Disability Services Act 1993, S29)*

In accordance with the DoIR Disabilities Services Plan, the department continued to provide for the requirements of disabled persons with regard to access to existing facilities and premises, as well as the provision of these requirements in refurbishment programs, and the design of new facilities.

There were no significant changes to the premises occupied by DoIR, and, existing arrangements were maintained.

Within the Mineral House complex, three floors were recently refurbished to include improved circulation areas with widened passage ways and service ways, to provide better access for disabled persons.

Disabled parking with level access is provided at the main DoIR Perth CBD offices, by two bays at Dumas House, three bays at the SGIO Atrium, and two at Mineral House.

Disabled toilets are provided at Mineral House and the Atrium.

Where the provision of such facilities is restricted, as at Dumas House and other leased premises, and in some regional offices, staff are briefed and trained to make the necessary arrangements on request, to enable business to be conducted with disabled customers.

## Advertising and Sponsorship

(Electoral Act 1907, S175ZE)

During 2003/04, the Department spent \$520 356 in relation to advertising and market research, disbursed as follows in Table 8 below:

Table 8: Advertising and Market Research

Advertising Agencies	\$
Marketforce Productions*	405 331
APPEA Ltd	3 150
Resource Information Unit (resources sector publishing company)	2 000
Diggers and Dealers Mining Forum	2 699
Media Decisions WA	26 096
<b>Research</b>	
Market Equity	13 235
Patterson Market Research	67 845
Polling organizations	
<b>Direct mail organizations</b>	Nil
<b>Total</b>	520 356

\* Largely comprising notices relating to Native Title claimants and staff vacancy advertising

## Freedom of Information

### General Information

The *Freedom of Information Act 1992* (the FOI Act) was proclaimed in Western Australia on 1 November 1993 and enables a general right of access to documents held by DoIR.

In accordance with S.94 of the Act, agencies are required to prepare an Information Statement to describe:

- The structure and functions of the agency
- How the agency's functions affect the public
- How the public may participate in public sector policy making
- Documents produced and held by the agency
- How the public may access documents held by the agency under the FOI Act.

These can be published either as a stand alone document or as part of an agency's annual report. We have chosen to incorporate our Information Statement in our annual report.

Details of DoIR's FOI process and application form can be accessed from the website at [www.doir.wa.gov.au](http://www.doir.wa.gov.au) or by contacting the FOI Coordinator at DoIR, 100 Plain Street, East Perth, 6004, telephone 9222 3554.

### FOI Applications in 2003/04

DoIR satisfied all requirements for access requests. FOI statistics for 2003/04 are :

Access Applications	Total
New valid applications	156
- Personal information	19
- Non-personal information	137
Applications transferred in part	1
Applications withdrawn by the applicant	5
Applications dealt with during the period	131

Outcome of Applications	Personal	Non-Personal	Total
Access in full	0	2	2
Edited Access	13	90	103
Access refused	2	24	26
Totals	15	116	131
Applications not dealt with as at 30/6/04			29

Exemptions Cited	Total
Personal information	105
Commercial and business	6
Law enforcement/public safety/property security	3
Legal professional privilege	4
Requests for internal review	4
Original decisions upheld on review	4
Average time to process applications, 30 days	
Application fees collected	\$4 110
Processing charges collected (after any deductions)	\$2 776

## Documents Held by DoIR

The types of documents usually held by DoIR are numerous and a first useful step is to visit DoIR's internet website at [www.doir.wa.gov.au](http://www.doir.wa.gov.au).

Alternatively, advice regarding documents available to the public can be obtained from the Customer Services Information Centre open from 8.30am to 4.30pm Monday to Friday (except public holidays) and located at Mineral House, 1<sup>st</sup> Floor, 100 Plain Street, East Perth 6004, telephone (08) 9222 3409 or (08) 9222 3459 (publications), facsimile (08) 9222 3444.

The Centre also has several terminals available for customers to access the main online systems of Tendex, MiTiS and Tengraph.

Centre staff can provide answers to a variety of enquiries including registers of mineral titles and related data bases, microfiche for historical tenement research from registers and archived maps and plans, survey information and coordinates, and geological catalogues.

DoIR has three library facilities, listed below:

### **Mineral House**

The Mineral House Geoscience Information Library is open to the public from 8.30 am to 4.30 pm Monday to Friday (closed public holidays) and is located on 1<sup>st</sup> Floor, Mineral House, 100 Plain Street, East Perth, Telephone (08) 9222 3165.

The Library holds a vast collection of publications covering all aspects of the geology of Western Australia and geological and mining publications on Australia and overseas.

### **Atrium and Dumas House**

The Atrium Library is located on the 8<sup>th</sup> floor of the SGIO Atrium, 170 St George's Terrace, Perth (telephone 9327 5558) and Dumas House Library on the 7<sup>th</sup> Floor Dumas House, 2 Havelock Street, West Perth (telephone 9222 5242).

These Libraries are accessible to the general public by appointment. A referral can be obtained from a member of staff or by contacting the Library direct.

Documents held include Hansard, Acts, budget papers, reference books, journals, annual reports, technical reports and statistical information together with an archival collection of DoIR publications. Information is held in written and electronic form.

DoIR has a large paper filing system administered by the Information Management Branch. Project and tenement files contain documents dealing with the day to day operations of all facets of DoIR's responsibilities including correspondence, reports, notes, memos and

returns. DoIR's Human Resources Branch holds files relating to routine personnel records.

## Effect on Members of the Public

The effects that the work of the DoIR will have on the public stem from DoIR's mission and outputs.

## Public Participation in Policy Decisions

Public participation can take the forms of :

- Members of the public with a complaint writing to DoIR who will investigate and respond to the complainant
- Resources sector employees complaining in confidence to DoIR staff concerning occupational safety issues
- Employees' Inspectors of Mines and Safety and Health representatives elected by employees on operational sites, and providing a direct liaison with DoIR on safety issues.

In addition, community representatives participate directly in policy making processes through membership of various liaison committees, boards and working groups or by making oral or written representation to those groups, the Director General or the Minister for State Development.

## Access Under FOI

Persons wishing to apply should lodge an application addressed to the FOI Coordinator, Department of Industry and Resources, 100 Plain Street, East Perth WA 6004. Telephone (08) 9222 3554 Fax (08) 9222 3430.

Valid access applications must:

- Be in writing
- Give enough information so that the documents requested can be identified
- Give an Australian address to which notices can be sent, and
- Be lodged at DoIR with the prescribed \$30 application fee unless the request is entirely for personal information about the applicant.

Applications will be acknowledged and applicants notified of the decision within 45 days.

Additional charges may apply in accordance with the FOI Regulations. Charges are discretionary and a reduction is permitted for any person satisfying the requirements for an impecunious person. There are no fees or charges for applications for personal information about the applicant.

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

Any person who believes that personal information held by DoIR is inaccurate, incomplete, out of date or misleading, may apply in writing to have the information corrected. Applications are free.

Should an applicant be dissatisfied with an access decision, they can request an internal review of that decision and subsequently a review by the Information Commissioner if still not satisfied.

### **Record Keeping**

A Recordkeeping Plan for DoIR was submitted to the State Records Commission in October 2003 under section 19 of the *State Records Act 2000* and was approved in December 2003.

The Recordkeeping Plan included two (2) new Retention and Disposal schedules for DoIR and the Chemistry Centre of Western Australia. It recommended that the existing records management systems, procedures and classifications be consolidated and merged by March 2005.

### **Waste Paper Recycling**

(Cabinet Minute 2.7 of October 1991 on *Government Waste Paper Recycling, Proposal to Improve Recovery Rates*)

The Department continues to promote recycling by providing paper, cardboard and plastic recycling bins in several convenient locations on each floor of head office (Mineral House) and the Atrium (St. Georges Tce.). The paper recycling contract is with Paper Recycling Industries and the plastic recycling is through Corporate Recycling.

### **Risk Management**

(Treasury Instruction 825)

During the year, the implementation of risk management within the Department was progressed.

The implementation was supported by a comprehensive framework providing clear guidelines for identifying, analysing, evaluating and treating risks across the Department.

Advice was provided to DoIR's Executive Management Group (EMG) on key issues on a regular basis.

### **Staff Consultation Group (SCG)**

DoIR's Staff Consultation Group (SCG), formerly known as the Staff Consultative and Improvement Committee (SCIC) is an independent group to represent staff in

discussions with management on issues affecting employees. It was established in 1999 to improve communications between staff and senior management and was designed to complement rather than replace divisional communications channels.

The Group comprises elected volunteer representatives from operating divisions including regional staff. It includes staff from a variety of levels. The chairperson attends Executive Management Group meetings as a full member.

The SCG provides a mechanism to:

- Communicate views from staff directly to the Director General
- Consult in relation to corporate issues and proposed changes to policy and procedures
- Work to facilitate change that will improve the culture of the Department.

Key achievements for 2003/04 were:

Review of DOIR's Corporate Policies including the Regional Housing Policy, Family Friendly Policies:- Part-time, Home based work, Drug and Alcohol, Travel, Shareholdings, Overpayment of Salaries and others.

Work to include greater staff consultation in the process for the development of Corporate Policies.

Lobbying for better regional representation including regional staff training in Improved CV and Interview techniques, the first visit to Kalgoorlie by the Department's Occupation Health and Safety Consultant, development of a regional housing policy and implementation of EOI for Regional Transfers.

Participation in the Gateway Project to assess telecommunication systems, staffing and the development of a new electronic telephone directory.

Participation in a variety of other consultative groups including the Risk Management Group and the Accommodation Rationalisation Group.

Provision of feedback on the implementation of the Personal Development Plan (PDP).

### **Evaluations**

Cooke Review of Environmental and Public Safety Impacts of Mining in the Kalgoorlie Area.

### **Energy Smart Government Policy**

In accordance with the Energy Smart Government Policy, DoIR has committed to achieve a 12 per cent reduction in non- transport related energy use by 2006-07, compared with benchmark (baseline), figures set by SEDO in March

2003, based on consumption in 2001-02. A preliminary reduction of 5 per cent was targeted for 2002-03, with a further reduction of 1 percent in 2003-04.

Energy management and building control in the ex-MPR premises in the Combined Services and Tenant Services User Categories, were impacted by the merger of MPR and part of DoIT and the formation of the new Department in February 2003, which resulted in an increased level of activity, and pressure on resources in the Facilities area.

The Mineral House Complex accounts for approximately half of all the power consumed by the Agency. Initiatives undertaken during the previous year resulted in a downward trend in power consumption from March 2003, which was continued during 2003-04. By the year-end, power consumption in the MHC was 10.2% below the baseline level.

Initiatives during the year were:

A major de-tubing program was carried out, to reduce average lighting levels in the MHC North Building to 10% in excess of Australian Standards.

Out-of-hours operation of the building air conditioning system was minimised.

An awareness campaign was commenced, to inform staff of the work being done and invite their participation in switching off unused equipment and lighting. The campaign was communicated via the Intranet Daily Newsflash, and the updating of an energy reduction chart displayed in the lifts ground floor reception areas.

Staff in the IT Branch developed a program to operate via the computer network, to detect any unused PC equipment still running at 6.00 pm each day, and automatically switch it off.

An initiative was developed to progressively replace CRT monitors with LCD monitors, which consume significantly less power.

A working group continued to address energy management.

Staff attended seminars and workshops presented by the Office of Energy, on energy management practices.

Audit work on the Mineral House air conditioning control system progressed and specifications for improved control software were developed, for implementation in 2004-05.

Table 9: Energy Consumption

**Energy Consumption reported for 2003/04**

	<b>Baseline 2001/02</b>	<b>2003/04</b>	<b>Variation %</b>
Energy Consumption (MJ)	25 289 000	23 262 205	-8.01
Energy Cost (\$)	843 770	818 525	-2.99
CO <sub>2</sub> Emissions (tonnes)	5 829	5 495	-5.73
<b>Performance Indicators</b>			
<b>MJ/M<sup>2</sup>/annum</b>			
Office Buildings; Combined Services	825	739	-10.42
Office Buildings; Tenant Services	298	337	13.09
Laboratory/Research Facility	1 386	1 289	-7.00
<b>Overall - DoIR</b>	<b>747</b>	<b>717</b>	<b>-4.02</b>
<b>MJ/FTE/annum</b>			
Office Buildings; Combined Services	25 370	21 585	-14.92
Office Buildings; Tenant Services	11 396	10 101	-11.36
Laboratory/Research Facility	73 359	68 704	-6.35
<b>Overall - DoIR</b>	<b>25 937</b>	<b>23 873</b>	<b>-7.96</b>

Note: The baseline for Chemistry Centre (WA) was increased by 4.9 % to allow for energy savings achieved before 2001/02.



## AUDITOR GENERAL

### INDEPENDENT AUDIT OPINION

To the Parliament of Western Australia

### DEPARTMENT OF INDUSTRY AND RESOURCES FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2004

#### **Audit Opinion**

In my opinion,

- (i) the controls exercised by the Department of Industry and Resources provide reasonable assurance that the receipt and expenditure of moneys, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions; and
- (ii) the financial statements are based on proper accounts and present fairly in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia and the Treasurer's Instructions, the financial position of the Department at June 30, 2004 and its financial performance and cash flows for the year ended on that date.

#### **Scope**

##### *The Director General's Role*

The Director General is responsible for keeping proper accounts and maintaining adequate systems of internal control, preparing the financial statements, and complying with the Financial Administration and Audit Act 1985 (the Act) and other relevant written law.

The financial statements consist of the Statement of Financial Performance, Statement of Financial Position, Statement of Cash Flows, Output Schedule of Expenses and Revenues, Summary of Consolidated Fund Appropriations and Revenue Estimates, and the Notes to the Financial Statements.

##### *Summary of my Role*

As required by the Act, I have independently audited the accounts and financial statements to express an opinion on the controls and financial statements. This was done by looking at a sample of the evidence.


An audit does not guarantee that every amount and disclosure in the financial statements is error free. The term "reasonable assurance" recognises that an audit does not examine all evidence and every transaction. However, my audit procedures should identify errors or omissions significant enough to adversely affect the decisions of users of the financial statements.


D D R PEARSON  
AUDITOR GENERAL  
September 30, 2004

**CERTIFICATION OF FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2004**

The accompanying financial statements of the Department of Industry and Resources have been prepared in compliance with the provisions of the *Financial Administration and Audit Act 1985* from proper accounts and records to present fairly the financial transactions for the financial year ending 30 June 2004 and the financial position as at 30 June 2004.

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.

  
Peter Della Mora  
Principal Accounting Officer  
12 August 2004

  
Jim Limerick  
Accountable Officer  
12 August 2004



**DEPARTMENT OF INDUSTRY AND RESOURCES**  
**Statement of Financial Performance**  
*for the year ended 30 June 2004*

	Note	2003/04 (\$'000)	2002/03 (\$'000)
<b>COST OF SERVICES</b>			
Expenses from Ordinary Activities			
Employee expenses	4	65 023	55 742
Supplies and services	5	17 927	17 291
Depreciation	6	2 897	2 489
Borrowing costs	7	626	295
Administration expenses	8	17 571	14 483
Accommodation expenses	9	7 519	6 054
Grants and subsidies	10	7 819	3 728
Capital User Charge	11	7 537	6 049
Write down of non-current assets	12	-	1 202
Other expenses from ordinary activities	13	83	123
Total cost of services		<u>127 002</u>	<u>107 456</u>
Revenues from Ordinary Activities			
Revenues from Operating Activities:			
User charges and fees	14	17 000	16 637
Trading Profit	15	2 046	1 670
		<u>19 046</u>	<u>18 307</u>
Revenues from Non-Operating Activities:			
Other revenues	16	1 792	649
Proceeds from disposal of non-current assets	17	77	18
Total revenues from ordinary activities		<u>20 915</u>	<u>18 974</u>
NET COST OF SERVICES		106 087	88 482
REVENUES FROM STATE GOVERNMENT			
Output Appropriations	18	95 071	79 110
Liabilities assumed by the Treasurer		2 167	1 966
Resources received free of charge		888	1 336
Total revenues from State Government		<u>98 126</u>	<u>82 412</u>
CHANGE IN NET ASSETS		<u>(7 961)</u>	<u>(6 070)</u>
<b>TOTAL CHANGES IN EQUITY OTHER THAN THOSE RESULTING FROM TRANSACTIONS WITH WA STATE GOVERNMENT AS OWNERS</b>			
		<u>(7 961)</u>	<u>(6 070)</u>

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

DEPARTMENT OF INDUSTRY AND RESOURCES  
**Statement of Financial Position**  
*as at 30 June 2004*

	Note	2003/04 (\$'000)	2002/03 (\$'000)
<b>CURRENT ASSETS</b>			
Cash assets	34	11 749	16 791
Restricted cash assets	19	344	224
Inventories	20	5 089	5 297
Receivables	21	2 199	3 368
Amounts receivable for outputs	22	1 610	4 100
Other Assets	23	713	1 018
Total current assets		<u>21 704</u>	<u>30 798</u>
<b>NON-CURRENT ASSETS</b>			
Restricted cash assets	19	2 192	1 832
Receivables	21	22 251	22 178
Amounts receivable for outputs	22	4 986	641
Property, plant, equipment and vehicles	24	67 171	63 641
Works in progress	25	10 538	8 912
Total non-current assets		<u>107 138</u>	<u>97 204</u>
<b>Total assets</b>		<u><u>128 842</u></u>	<u><u>128 002</u></u>
<b>CURRENT LIABILITIES</b>			
Payables	27	8 008	6 984
Interest-bearing liabilities	28	1 340	1 328
Other liabilities	29	1 897	1 682
Revenue received in advance	30	373	186
Amounts due to the Treasurer	31	1 200	1 200
Provisions	32	9 105	9 349
Total current liabilities		<u>21 923</u>	<u>20 729</u>
<b>NON-CURRENT LIABILITIES</b>			
Interest-bearing liabilities	28	6 668	7 236
Provisions	32	5 955	5 300
Total non-current liabilities		<u>12 623</u>	<u>12 536</u>
<b>Total liabilities</b>		<u>34 546</u>	<u>33 265</u>
<b>EQUITY</b>			
Contributed equity	33	47 560	43 607
Asset revaluation reserve		37 625	34 058
Accumulated surplus		9 111	17 072
<b>Total equity</b>		<u>94 296</u>	<u>94 737</u>
<b>Total liabilities and equity</b>		<u><u>128 842</u></u>	<u><u>128 002</u></u>

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

## DEPARTMENT OF INDUSTRY AND RESOURCES

**Statement of Cash Flows***for the year ended 30 June 2004*

	Note	2003/04 (\$'000)	2002/03 (\$'000)
		Inflows (Outflows)	Inflows (Outflows)
<b>CASH FLOWS FROM STATE GOVERNMENT</b>			
Output appropriations		93 216	78 131
Capital contributions		3 953	6 053
Net cash provided by State Government		<u>97 169</u>	<u>84 184</u>
Utilised as follows:			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Payments			
Employee costs		(57 721)	(48 333)
Supplies and services		(40 789)	(36 982)
Superannuation		(4 483)	(3 686)
Grants and subsidies		(5 794)	(3 818)
Capital User Charge		(7 537)	(6 049)
Borrowing costs		( 652)	( 234)
GST payments on purchases		(5 234)	(5 067)
GST Payments to taxation authority		( 223)	( 857)
Receipts			
Sale of goods and services		3 552	2 166
User charges and fees		17 187	15 766
GST receipts on sales		4 133	4 535
GST receipts from taxation authority		1 318	4 529
Other receipts		1 792	616
Net cash used in operating activities	34(b)	<u>(94 451)</u>	<u>(77 414)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of non-current assets		(4 526)	(6 714)
Proceeds from sale of non current assets		77	18
Loans advanced		(2 275)	( 800)
Net cash used in investing activities		<u>(6 724)</u>	<u>(7 496)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of borrowings		( 556)	( 87)
Net cash used in financing activities		<u>( 556)</u>	<u>( 87)</u>
<b>Net increase/(decrease) in cash held</b>		(4 562)	( 813)
Cash assets at the beginning of the financial year		18 847	15 734
Cash assets transferred from other sources			3 926
<b>Cash assets at end of financial year</b>	34(a)	<u>14 285</u>	<u>18 847</u>

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

**DEPARTMENT OF INDUSTRY AND RESOURCES**  
**Output Schedule of Expenses and Revenues**  
*for the year ended 30 June 2004*

	Output 1: Titles and Royalties Administration		Output 2: Health, Safety and Environmental Services		Output 3: Project and Infrastructure Facilitation Services		Output 4: Investment Attraction Services	
	2003/04 \$'000	2002/03 \$'000	2003/04 \$'000	2002/03 \$'000	2003/04 \$'000	2002/03 \$'000	2003/04 \$'000	2002/03 \$'000
<b>OUTPUT</b>								
<b>COST OF SERVICES</b>								
<b>Expenses from ordinary activities</b>								
Employee expenses	14 221	13 525	13 345	12 190	5 988	4 929	2 815	2 224
Supplies and services	2 183	3 160	2 077	1 890	3 255	5 025	509	856
Depreciation expenses	662	694	518	476	174	253	94	96
Borrowing costs								
Administration expenses	2 807	2 559	3 222	2 874	2 578	2 709	877	348
Accommodation expenses	1 576	1 453	1 529	1 143	492	757	218	208
Grants and subsidies	337	15	25	11	85	1 175	13	3
Capital User Charge	1 589	1 291	1 066	866	854	694	284	231
Write down of non-current assets								
Other expenses from ordinary activities	24	-	11	-	4	202	2	67
<b>Total cost of services</b>	<b>23 399</b>	<b>23 079</b>	<b>21 793</b>	<b>19 777</b>	<b>13 430</b>	<b>15 744</b>	<b>4 812</b>	<b>4 033</b>
<b>Revenues from ordinary activities</b>								
Revenues from Operating Activities	7 347	6 576	3 906	4 300	-	-	-	-
User fees & charges	452	161	879	638	105	621	55	28
Trading profit	7 799	6 737	4 785	4 938	105	621	55	28
Revenues from Non-Operating Activities								
Other revenues	113	206	96	138	35	110	19	37
Proceeds from disposal of non-current assets	9	2	8	1	3	1	1	-
Total revenues from ordinary activities	7 921	6 945	4 889	5 077	143	732	75	65
<b>NET COST OF SERVICES</b>	<b>15 478</b>	<b>16 134</b>	<b>16 904</b>	<b>14 700</b>	<b>13 287</b>	<b>15 012</b>	<b>4 737</b>	<b>3 968</b>
<b>Revenues from State Government</b>								
Output Appropriations	8 433	14 611	15 652	14 913	12 070	11 440	3 479	3 333
Liabilities assumed by the Treasurer	585	609	498	408	184	327	98	109
Resources received free of charge	421	565	(29)	53	590	687	(10)	7
<b>Total revenues from State Government</b>	<b>9 439</b>	<b>15 785</b>	<b>16 121</b>	<b>15 374</b>	<b>12 844</b>	<b>12 454</b>	<b>3 567</b>	<b>3 449</b>
<b>Changes in net assets before restructuring</b>	<b>(6 039)</b>	<b>(3 49)</b>	<b>( 783)</b>	<b>674</b>	<b>( 443)</b>	<b>(2 558)</b>	<b>(1 170)</b>	<b>( 519)</b>
Net revenues from restructuring	-	-	-	-	-	-	-	-
<b>CHANGE IN NET ASSETS AFTER RESTRUCTURING</b>	<b>(6 039)</b>	<b>( 349)</b>	<b>( 783)</b>	<b>674</b>	<b>( 443)</b>	<b>(2 558)</b>	<b>(1 170)</b>	<b>( 519)</b>

The Output Schedule of Revenue and Expenses should be read in conjunction with the accompanying notes.

DEPARTMENT OF INDUSTRY AND RESOURCES  
**Output Schedule of Expenses and Revenues**  
*for the year ended 30 June 2004*

	Output 5: Geological Services		Output 6: Scientific Services		Output 7: Industry Development Services		TOTAL	
	2003/04 \$'000	2002/03 \$'000	2003/04 \$'000	2002/03 \$'000	2003/04 \$'000	2002/03 \$'000	2003/04 \$'000	2002/03 \$'000
<b>COST OF SERVICES</b>								
<b>Expenses from ordinary activities</b>								
Employee expenses	11 870	11 452	5 781	5 940	11 003	5 482	65 023	55 742
Supplies and services	2 672	2 856	1 159	414	6 072	3 090	17 927	17 291
Depreciation expenses	475	483	597	452	377	35	2 897	2 489
Borrowing costs		-		-	626	295	626	295
Administration expenses	2 883	2 527	1 273	1 337	3 931	2 129	17 571	14 483
Accommodation expenses	1 057	771	488	334	2 159	1 388	7 519	6 054
Grants and subsidies	111	10		-	7 248	2 514	7 819	3 728
Capital User Charge	949	771	209	96	2 586	2 100	7 537	6 049
Write down of non-current assets		224		-		-	-	1 202
Other expenses	9	-	(14)	94	47	29	83	123
<b>Total cost of services</b>	<b>20 026</b>	<b>19 094</b>	<b>9 493</b>	<b>8 667</b>	<b>34 049</b>	<b>17 062</b>	<b>127 002</b>	<b>107 456</b>
<b>Revenues from ordinary activities</b>								
Revenues from Operating Activities		-	5 747	5 761		-	17 000	16 637
User fees & charges	347	87		-	208	135	2 046	1 670
Trading profit	347	87	5 747	5 761	208	135	19 046	18 307
Revenues from Non-Operating Activities								
Other revenues	83	123		-	1 446	35	1 792	649
Proceeds from disposal of non-current assets	7	1	6	1	43	12	77	18
Total revenues from ordinary activities	437	211	5 753	5 762	1 697	182	20 915	18 974
<b>NET COST OF SERVICES</b>	<b>19 589</b>	<b>18 883</b>	<b>3 740</b>	<b>2 905</b>	<b>32 352</b>	<b>16 880</b>	<b>106 087</b>	<b>88 482</b>
<b>Revenues from State Government</b>								
Output Appropriations	18 054	17 076	2 753	2 878	34 630	14 859	95 071	79 110
Liabilities assumed by the Treasurer	433	363	150	150	369	-	2 167	1 966
Resources received free of charge	(45)	24		-	(39)	-	888	1 336
<b>Total revenues from State Government</b>	<b>18 442</b>	<b>17 463</b>	<b>2 753</b>	<b>3 028</b>	<b>34 960</b>	<b>14 859</b>	<b>98 126</b>	<b>82 412</b>
<b>Changes in net assets before restructuring</b>	<b>(1 147)</b>	<b>(1 420)</b>	<b>( 987)</b>	<b>123</b>	<b>2 608</b>	<b>(2 021)</b>	<b>(7 961)</b>	<b>(6 070)</b>
Net revenues from restructuring		-		-		-		-
<b>CHANGE IN NET ASSETS AFTER RESTRUCTURING</b>	<b>(1 147)</b>	<b>(1 420)</b>	<b>( 987)</b>	<b>123</b>	<b>2 608</b>	<b>(2 021)</b>	<b>(7 961)</b>	<b>(6 070)</b>

The Output Schedule of Revenue and Expenses should be read in conjunction with the accompanying notes.



**DEPARTMENT OF INDUSTRY AND RESOURCES**  
**Summary of Consolidated Fund Appropriations and Revenue Estimates**  
*for the year ended 30 June 2004*

	2003/04		2003/04		2003/04		2002/03	
	Estimate \$'000	Actual \$'000	Actual \$'000	Variance \$'000	Actual \$'000	Variance \$'000	Actual \$'000	Variance \$'000
<b>Details of Expenditure by Outputs</b>								
Titles and Royalties Administration	22 771	23 399	23 399	628	23 399	23 079	320	
Health, Safety and Environmental Services	20 307	21 793	21 793	1 486	21 793	19 777	2 016	
Project and Infrastructure Facilitation Services	16 190	13 430	13 430	(2 760)	13 430	15 744	(2 314)	
Investment Attraction Services	3 634	4 812	4 812	1 178	4 812	4 033	779	
Geological Services	18 479	20 026	20 026	1 547	20 026	19 094	932	
Scientific Services	9 082	9 493	9 493	411	9 493	8 667	826	
Industry Development Services	36 721	34 049	34 049	(2 672)	34 049	17 062	16 987	
Total Cost of Outputs	127 184	127 002	127 002	( 182)	127 002	107 456	19 546	
Less total revenues from ordinary activities	31 271	20 915	20 915	10 356	20 915	18 974	1 941	
Net Cost of Outputs	95 913	106 087	106 087	10 174	106 087	88 482	17 605	
Adjustment for movement in cash balances and other accrual items	882	(11 016)	(11 016)	(11 898)	(11 016)	(8 572)	(2 444)	
<b>Total appropriations provided to deliver outputs</b>	<b>96 795</b>	<b>95 071</b>	<b>95 071</b>	<b>(1 724)</b>	<b>95 071</b>	<b>79 910</b>	<b>15 161</b>	
<b>Capital Expenditure</b>								
Purchase of non-current physical assets	3 640	4 526	4 526	886	4 526	6 714	(2 188)	
Loans advanced	1 583	2 275	2 275	692	2 275	800	1 475	
Repayment of borrowings	550	556	556	6	556	87	469	
Adjustment for movement in cash balances and other funding sources	-	(3 404)	(3 404)	(3 404)	(3 404)	(1 548)	(1 856)	
<b>Capital Contribution (appropriation)</b>	<b>5 773</b>	<b>3 953</b>	<b>3 953</b>	<b>(1 820)</b>	<b>3 953</b>	<b>6 053</b>	<b>(2 100)</b>	

**DEPARTMENT OF INDUSTRY AND RESOURCES**  
**Summary of Consolidated Fund Appropriations and Revenue Estimates**  
*for the year ended 30 June 2004*

	2003/04		2003/04		2003/04		2002/03	
	Estimate	Actual	Variance	Actual	Variance	Actual	Variance	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
<b>DETAILS OF REVENUE ESTIMATES</b>								
<b>Revenues disclosed as Administered Revenues</b>								
<b>Territorial</b>								
Royalties:								
Petroleum - Commonwealth	355 300	362 895	7 595	362 895	7 595	429 515	(66 620)	
Petroleum - State	53 015	51 024	(1 991)	51 024	(1 991)	59 055	(8 031)	
Iron Ore	291 500	305 002	13 502	305 002	13 502	286 708	18 294	
Alumina	53 500	51 855	(1 645)	51 855	(1 645)	54 952	(3 097)	
Diamonds	68 500	40 988	(27 512)	40 988	(27 512)	89 293	(48 305)	
Mineral sands	23 500	27 052	3 552	27 052	3 552	26 126	926	
Nickel	46 000	76 623	30 623	76 623	30 623	56 690	19 933	
Gold	76 000	76 411	411	76 411	411	85 356	(8 945)	
Other	57 500	46 835	(10 665)	46 835	(10 665)	51 284	(4 449)	
Lease rentals	37 706	40 298	2 592	40 298	2 592	36 423	3 875	
<b>Total Territorial</b>	<b>1 062 521</b>	<b>1 078 983</b>	<b>16 462</b>	<b>1 078 983</b>	<b>16 462</b>	<b>1 175 402</b>	<b>(96 419)</b>	
<b>Law courts</b>								
Fines	40	37	(3)	37	(3)	3	34	
Infringement penalties:	<b>40</b>	<b>37</b>	<b>(3)</b>	<b>37</b>	<b>(3)</b>	<b>3</b>	<b>34</b>	
<b>Other</b>								
Commonwealth Contribution - Jervoise Bay	-	-	-	-	-	9 520	(9 520)	
Contribution from Regional Investment Fund	2 500	12 000	9 500	12 000	9 500	-	12 000	
Appropriations	38 725	36 483	(2 242)	36 483	(2 242)	45 713	(9 230)	
Other Revenue	140	10 436	10 296	10 436	10 296	64	10 372	
<b>GRAND TOTAL</b>	<b>1 103 926</b>	<b>1 137 939</b>	<b>34 013</b>	<b>1 137 939</b>	<b>34 013</b>	<b>1 230 702</b>	<b>(92 763)</b>	

The Summary of Consolidated Fund Appropriations, Variance to Actual and Budget should be read in conjunction with the accompanying notes.  
 This Summary provides the basis for the Explanatory Statement information requirements of TI945, as per note 40



**DEPARTMENT OF INDUSTRY AND RESOURCES****Notes to the Financial Statements***For the year ended 30 June 2004***1 Departmental mission and funding**

The Department's mission is to advance the responsible development of the State's industry and resources for the benefit of Western Australians.

The Department is predominantly funded by Parliamentary appropriation. A net appropriation agreement between the Treasurer and the Accountable Officer is in place to allow the Department to retain its operating revenue. Details of expenditure and revenues retained as per the agreement are disclosed in the Summary of Consolidated Fund Appropriations and Revenue Estimates.

The financial statements encompass all funds through which the Department controls resources to carry on its functions.

In the process of reporting on the Department as a single entity, all intra-entity transactions and balances have been eliminated.

**2 Significant accounting policies**

The following accounting policies have been adopted in the preparation of the financial statements. Unless otherwise stated these policies are consistent with those adopted in the previous year.

**General statement**

The financial statements constitute a general purpose financial report which has been prepared in accordance with Australian Accounting Standards, Statement of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board and Urgent Issues Group (UIG) Consensus Views as applied by the Treasurer's Instructions.

Several of these are modified by the Treasurer's Instructions to vary the application, disclosure, format and wording. The Financial Administration and Audit Act and the Treasurer's Instructions are legislative provisions governing the preparation of financial statements and take precedence over Australian Accounting Standards, Statement of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board and UIG Consensus Views. The modifications are intended to fulfil the requirements of general application to the public sector, together with the need for greater disclosure, and also to satisfy accountability requirements.

If any such modification has a material or significant financial effect upon the reported results, details of that modification and where practicable, the resulting financial effect, are disclosed in individual notes to these financial statements.

**Basis of accounting**

The financial statements have been prepared in accordance with Australian Accounting Standard AAS29.

These statements have been prepared on the accrual basis of accounting using the historical cost convention, except for certain assets which have been introduced at written down current cost as at 30 June 1995 and other non-current assets which, subsequent to initial recognition, have been measured on the fair value basis in accordance with the option under AAS 38(5.1) (see notes 2(h) and 24). Additions to non-current physical assets since valuation are stated at cost.

Administered assets, liabilities, expenses and revenues are not integral to the Department in carrying out its functions and are disclosed in schedules to the financial statements, forming part of the general purpose financial report of the Department. The administered items are disclosed on the same basis as is described above for the financial statements of the Department. The administered assets, liabilities, expenses and revenues are those which the Government requires the Department to administer on its behalf. The assets do not render any service potential or future economic benefits to the Department, the liabilities do not require the future sacrifice of service potential or future economic benefits of the Department, and the expenses and revenues are not attributable to the Department.

As the administered assets, liabilities, expenses and revenues are not recognised in the principal financial statements of the Department, the disclosure requirements of Australian Accounting Standard AAS33, Presentation and Disclosure of Financial Instruments are not applied to administered transactions.

**DEPARTMENT OF INDUSTRY AND RESOURCES****Notes to the Financial Statements***For the year ended 30 June 2004*

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**(a) Output Appropriations**

Output Appropriations are recognised as revenues in the period in which the Department gains control of the appropriated funds. The Department gains control of appropriated funds at the time those funds are deposited into the Department's bank account or credited to the holding account held at the Department of Treasury and Finance.

**(b) Contributed Equity**

Under UIG 38 "Contribution by Owners Made to Wholly-Owned Public Sector Entities" transfers in the nature of equity contributions must be designated by the Government (owners) as contributions by owners (at the time of, or prior to transfer) before such transfers can be recognised as equity contributions in the financial statements. Capital contributions (appropriations) have been designated as contributions by owners and have been credited directly to Contributed Equity in the Statement of Financial Position.

**(c) Net Appropriation Determination**

Pursuant to section 23A of the Financial Administration and Audit Act the net appropriation determination by the Treasurer provides for retention of the following moneys received by the Department:

- Proceeds from user fees and charges. The majority of revenue earned is from licences
- Proceeds from sale of maps and publications

Retained revenue may only be applied to the outputs specified in the 2002-2003 Budget Statements. Details of retained revenues are disclosed in the Summary of Consolidated Fund Appropriations and Revenue Estimates.

**(d) Grants and Other Contributions**

Grants, donations, gifts and other non-reciprocal contributions are recognised as revenue when the Department obtains control over the assets comprising the contributions. Control is normally obtained upon their receipt.

Contributions 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.

**(e) Loans converted to grants**

The Department's range of assistance to industry includes loans, which are incrementally convertible to grants at prescribed intervals upon the recipients meeting performance milestones. The loans are recognised in the loans receivable account and provision is made for the conversion of the loans to grants.

**(f) Translation of foreign currency transactions**

Foreign currency transactions are translated at the exchange rate applicable on the date the funds are transferred to overseas offices. Overseas bank balances as at 30 June 2004 are translated at the exchange rate at that date. Exchange gains and losses are brought to account in determining the result for the year.

**(g) Revenue Recognition**

Revenue from the sale of goods and disposal of other assets and the rendering of services, is recognised when the Department has passed control of the goods or other assets or delivery of the service to the customer.

**(h) Acquisition of Assets**

The cost method of accounting is used for all acquisitions of assets. Cost is measured as the fair value of the assets given up or liabilities undertaken at the date of acquisition plus incidental costs directly attributable to the Assets acquired at no cost or for nominal consideration, are initially recognised at their fair value at the date of acquisition.

## DEPARTMENT OF INDUSTRY AND RESOURCES

## Notes to the Financial Statements

For the year ended 30 June 2004

## (i) Depreciation of non-current assets

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

Depreciation is reviewed annually and is provided as follows:

Category	Years	Method
Buildings	50	Straight line
Furniture	10	Straight line
Office equipment	5	Straight line
Computer equipment	5	Diminishing value up to January 2001
	3	Straight line since January 2001
Computer software	3-5	Straight line
Scientific Equipment	7-10	Straight line
Motor vehicles	3	Straight line
Plant and equipment	10	Straight line

Proprietary computer software is not capitalised as it is not owned by the Department. The Department merely pays for a licence to use it. However, in-house developed software is capitalised and hence depreciated over a period of three to five years (depending on the assessed useful life) once full costs have been determined.

## (j) Revaluation of land, buildings and infrastructure

The Department has a policy of valuing land, buildings and infrastructure at fair value. The annual revaluations of the Department's land and buildings undertaken by the Valuer General's Office are recognised in the financial statements.

## (k) Employee Benefits

## Annual Leave

This benefit is recognised at the reporting date in respect to employees' services up to that date and is measured at the nominal amounts expected to be paid when the liabilities are settled.

## Long service leave

A liability for long service leave is recognised, and is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given, when assessing expected future payments, to expected future wage and salary levels including relevant on costs, experience of employee departures and periods of service. Expected future payments are discounted using interest rates to obtain the estimated future cash outflows. It will often be possible for employers to estimate the present value of the future cash outflows associated with their long service leave liabilities by using "short-hand" measurement techniques.

The Department, in accordance with AAS30 and AASB1028 has had the present value of its long service leave liability estimated by PriceWaterhouseCoopers using actuarial methodology in 2003/04. Over the next few years, the Department will be using the relevant short-hand method for measurement of long service leave liability. This is the sum of unconditional long service leave for all employees at current remuneration rates (including on-costs) plus pro-rata long service leave for all employees with 6 or more years of service at current remuneration rates (including on-costs). The accuracy of this methodology will be re-checked no later than 30 June 2007, and every three years thereafter by a full actuarial assessment. This method of measurement of the liability is consistent with the requirements of Australian Accounting Standard AAS 30 "Accounting for Employee Entitlements".

## Superannuation

Staff may contribute to the Pension Scheme, a defined benefits pension scheme now closed to new members, or to the Gold State Superannuation Scheme, a defined benefit lump sum scheme now also closed to new members. All staff who do not contribute to either of these schemes become non-contributory members of the West State Superannuation Scheme, an accumulation fund complying with the Commonwealth Government's Superannuation Guarantee (Administration) Act 1992. All of these schemes are administered by the Government Employees Superannuation Board (GESB).

**DEPARTMENT OF INDUSTRY AND RESOURCES****Notes to the Financial Statements***For the year ended 30 June 2004*

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The superannuation expense comprises the following elements:

- (1) Change in the unfunded employer's liability in respect of current employees who are members of the Pension Scheme and current employees who accrued a benefit on transfer from that Scheme to the Gold State Superannuation Scheme; and
- (2) Employer contributions paid to the Gold State Superannuation Scheme and the West State Superannuation Scheme.

The superannuation expense does not include payment of pensions to retirees as this does not constitute part of the cost of services provided by the Department in the current year.

A revenue "Liabilities assumed by the Treasurer" equivalent to (1) is recognised under Revenues from Government in the Statement of Financial Performance as the unfunded liability is assumed by the Treasurer. The GESB makes the benefit payments and is recouped by the Treasurer.

The Department is funded for employer contributions in respect of the Gold State Superannuation Scheme and the West State Superannuation Scheme. These contributions were paid to the GESB during the year. The GESB subsequently paid the employer contributions in respect of the Gold State Superannuation Scheme to the Consolidated Fund.

**Employee benefit on-costs**

Employee benefit on-costs, including payroll tax, are recognised and included in employee benefit liabilities and costs when the employee benefits to which they relate are recognised as liabilities and expenses. (see notes 4 and 32).

**(l) Leases**

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

**(m) Receivables**

Receivables are recognised at the amounts receivable as they are due for settlement no more than 30 days from the date of recognition. Collectibility of accounts receivable is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off. A provision for doubtful debts is raised where some doubts as to collection exists.

**(n) Accrued salaries**

The accrued salaries suspense account (refer note 19) 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 (refer note 29) represent the amount due to staff but unpaid at the end of the financial year as the end of the last pay period for that financial year does not coincide with the end of the financial year. Accrued salaries are settled within a few days of the financial year end. The Department considers the carrying amount approximates net fair value.

**(o) Payables**

Payables, including accruals not yet billed, are recognised when the Department becomes obliged to make future payments as a result of a purchase of goods or services. Payables are settled within thirty days.

**DEPARTMENT OF INDUSTRY AND RESOURCES****Notes to the Financial Statements***For the year ended 30 June 2004*

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**(p) Inventories**

Inventories brought to account are mainly chargeable publications and maps produced by the organisation, consumables and land held for resale. Inventories are valued at the lower of cost and net realisable value. Costs are assigned by the method most appropriate to each particular class of inventory. Both the first in first out and weighted average methods are applied.

The net realisable value for publications and maps is determined on the basis of average demand over recent years. In accordance with national policy under the National Geoscience Mapping Accord (NGMA) maps older than 20 years are systematically written off.

**(q) Resources received free of charge or for nominal value**

Resources received free of charge or for nominal value which can be reliably measured are recognised as revenues and as assets or expenses as appropriate, at fair value.

**(r) Amount Due to the Treasurer**

The amount due to the Treasurer is in respect of a Treasurer's Advance, approval of which is renewed for each financial year. The amount is therefore repayable within a maximum period of one year. No interest is charged on this advance.

**(s) Cash**

For the purpose of the Statement of Cash Flows, cash includes cash assets and restricted cash assets.

**(t) Interest-bearing liabilities**

Bank loans and other loans are recorded at an amount equal to the net proceeds received. Borrowing costs expense is recognised on an accrual basis.

**(u) Comparative figures**

Comparative figures are, where appropriate, reclassified so as to be comparable with the figures presented in the current financial year. The Department of Industry and Resources was created on the 3rd February 2003. The 2003/04 results reflect a full year of operation.

**(v) Rounding**

Amounts in the financial statements have been rounded to the nearest thousand dollars, or in certain cases, to the nearest dollar.

**3 Outputs of the Department**

Information about the Department's outputs and the expenses and revenues which are reliably attributable to those outputs is set out in the Outputs Schedule. Information about expenses, revenues, assets and liabilities administered by the Department are given at note 46.

**Output 1: Titles and Royalties Administration**

Benefits the Western Australian community through a legislative framework, information systems and administrative processes for mineral titles, petroleum titles and mineral and petroleum resources royalties.

Legislation and titles systems provide information on land availability for mineral and petroleum exploration and mining and petroleum production, encourages exploration on titles, ensures security for title holders and provides a framework for collection of royalties, to achieve a fair return to the community.

**DEPARTMENT OF INDUSTRY AND RESOURCES****Notes to the Financial Statements***For the year ended 30 June 2004*

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**Output 2: Health, Safety and Environmental Services**

Benefits the Western Australian community through a legislative framework, information systems and administrative processes to meet community standards with respect to safety for the transport and storage of explosives and dangerous goods and with respect to worker health and safety and the environment for the mineral and petroleum resources industries.

Legislation, regulation and management systems provide technical and policy advice, audit and education services, information systems, assessment of safety management systems, facilitation of design proposals, environmental impact assessments and management plans and investigation of operations proposals, incidents and contingency plans.

Regulatory systems also include communicating information on issues, inter-agency agreements and processes, performance guidelines, licensing, and inspection programs for premises storing and vehicles transporting dangerous goods.

**Output 3: Project and Infrastructure Facilitation Services**

Benefits the Western Australian community by assisting private sector investment in resources development through facilitating the establishment and ongoing operation of major resource development and associated infrastructure projects.

Resource development projects include the production and processing of minerals and energy, wood processing and development of major land resources. Associated infrastructure projects include industrial land; transport, energy and water service facilities; and other services for the resources industry.

**Output 4: Investment Attraction Services**

Benefits the Western Australian community by attracting interest in Western Australia from potential private sector investors through information and advice about opportunities for new investment in resources development in Western Australia, especially in the downstream processing of resources.

**Output 5: Geological Services**

Benefits the Western Australian community by encouraging exploration and hence the discovery of mineral and petroleum deposits through maintaining an up-to-date geological framework and archive of the State and its mineral and petroleum resources.

**Output 6: Scientific Services**

Benefits the Western Australian community through the provision of high quality independent chemical information, advice and analytical services to government agencies, industry and research groups.

**Output 7: Industry Development Services**

Benefits the Western Australian community by facilitating the growth of internationally competitive industry within Western Australia, assisting Indigenous clients to develop their business capability, and promoting Western Australia as a source of internationally competitive products and services.

## DEPARTMENT OF INDUSTRY AND RESOURCES

## Notes to the Financial Statements

For the year ended 30 June 2004

	2003/04 (\$'000)	2002/03 (\$'000)
<b>4 Employee expenses</b>		
Wages and salaries	51 729	42 319
Annual leave and loading expense (i)	4 801	4 914
Long service leave expense (i)	1 343	1 142
Superannuation	7 150	7 367
	<u>65 023</u>	<u>55 742</u>
<p>(i) These employee expenses include superannuation, WorkCover premiums and other employment on-costs associated with the recognition of annual and long service leave liability. The related on-costs liability is included in employee entitlements liabilities, note 32.</p>		
<b>5 Supplies and services</b>		
Consultants and contractors	12 353	11 893
Advertising and promotion	1 282	596
Travel	2 147	1 623
Other	2 145	3 179
	<u>17 927</u>	<u>17 291</u>
<b>6 Depreciation</b>		
Buildings	542	460
Furniture, plant and equipment	209	335
Computer hardware and software	1 591	1 334
Scientific equipment	477	349
Motor vehicles	78	11
	<u>2 897</u>	<u>2 489</u>
<b>7. Borrowing costs expense</b>		
Interest paid	626	295
	<u>626</u>	<u>295</u>
<b>8 Administration expenses</b>		
Communication	1 937	1 438
Consumables	3 825	3 392
Maintenance	1 539	1 231
Lease Payments	1 647	1 711
Other administration expenses	5 997	4 663
Other staff costs	2 626	2 048
	<u>17 571</u>	<u>14 483</u>
<b>9 Accommodation expenses</b>		
Lease rentals	3 475	2 237
Repairs and maintenance	1 417	905
Other accommodation expenses	2 627	2 912
	<u>7 519</u>	<u>6 054</u>

## DEPARTMENT OF INDUSTRY AND RESOURCES

## Notes to the Financial Statements

For the year ended 30 June 2004

	2003/04 (\$'000)	2002/03 (\$'000)
<b>10 Grants and subsidies</b>		
Compensation payments - Dampier to Bunbury Natural Gas Pipeline Expansion	54	1 166
Industry Development Incentives	2 851	870
Woolscour Relocation	450	300
Regional Development Commission Aboriginal Economic Development Program	639	270
Aboriginal Enterprise Development Schemes	712	229
Meat Industry Strategy	625	200
ASI Groyne Buyback Agreement Rental Subsidy	652	115
Dubai Trade Office contribution	-	100
Financial Assistance	632	-
Resource Projects	235	-
Chamber of Commerce and Industry ICNWA	277	-
Improving Heritage Management	215	-
Other	477	478
	<u>7 819</u>	<u>3 728</u>
<b>11 Capital User Charge</b>	<u>7 537</u>	<u>6 049</u>
<p>A capital user charge rate of 8% has been set by the Government and represents the opportunity cost of capital invested in the net assets of the Department used in the provision of outputs. The charge is calculated on the net assets adjusted to take account of exempt assets. Payments are made to the Department of Treasury and Finance on a quarterly basis.</p>		
<b>12 Write down of non-current assets</b>		
Change in accounting treatment for non current assets		
Furniture/equipment (i)	-	791
Work in progress - Kalgoorlie explosive reserves roadworks (ii)	-	411
	<u>-</u>	<u>1 202</u>
<p>(i) During 2002/03 the threshold for recognition of furniture and equipment as non-current assets was increased from \$1,000 to \$5,000.</p> <p>(ii) Costs incurred for this item were written down as no asset eventuated that met the Department's asset policy</p>		
<b>13 Other expenses from ordinary activities</b>		
Carrying amount of assets disposed of	40	94
Provision for doubtful debts	31	-
Net loss on currency exchange	12	29
	<u>83</u>	<u>123</u>
<b>14 User charges and fees</b>		
Petroleum permits and licences	5 790	6 625
Prospecting exploration and other mining licences	4 453	3 237
Explosives and Dangerous goods regulations	1 010	1 014
Chemistry Centre - Private sector	2 511	2 701
Chemistry Centre - Government sector	3 236	3 060
	<u>17 000</u>	<u>16 637</u>



## DEPARTMENT OF INDUSTRY AND RESOURCES

## Notes to the Financial Statements

For the year ended 30 June 2004

	2003/04 (\$'000)	2002/03 (\$'000)
<b>15 Sale of goods (gross)</b>		
Explosives	551	492
Mineral Titles	153	170
Geological Survey	146	175
Mining Operations	33	27
Petroleum	23	24
Administration	1 376	1 137
	<u>2 282</u>	<u>2 025</u>
<b>Trading profit</b>		
Sales (gross)	2 137	2 025
Cost of sales:		
Opening inventory	3 035	3 305
Purchases	60	85
	<u>3 095</u>	<u>3 390</u>
Closing inventory	3 005	3 035
Cost of Goods sold	<u>90</u>	<u>355</u>
Trading profit	<u>2 047</u>	<u>1 670</u>
Sales (gross) Land inventory	145	-
Cost of sales:		
Opening inventory	2 001	2 001
Purchases	-	-
	<u>2 001</u>	<u>2 001</u>
Closing inventory	1 865	2 001
Cost of Goods sold	<u>136</u>	<u>-</u>
Agents fees on sale	10	-
Trading loss	<u>(1)</u>	<u>-</u>
Total Trading profit	<u>2 046</u>	<u>1 670</u>
<b>16 Other revenues from ordinary activities</b>		
Grants received	1 000	-
Property revenue	728	642
Interest	64	7
	<u>1 792</u>	<u>649</u>
<b>17 Net gain/loss on disposal of non-current assets</b>		
<u>Gain on disposal of non current assets</u>		
Furniture, plant and equipment	-	18
Computer hardware and software	32	-
Scientific equipment	5	-
<u>Loss on disposal of non-current assets</u>		
Scientific equipment	-	( 94)
Net gain on disposal	<u>37</u>	<u>( 76)</u>

## DEPARTMENT OF INDUSTRY AND RESOURCES

## Notes to the Financial Statements

For the year ended 30 June 2004

	2003/04 (\$'000)	2002/03 (\$'000)
<b>18 Revenues from State Government</b>		
Appropriation Revenue received during the year:		
Output appropriations (i)	95 071	79 110
The following liabilities have been assumed by the Treasurer during the financial year.		
Superannuation (ii)	2 167	1 966
Total liabilities assumed by the Treasurer	<u>2 167</u>	<u>1 966</u>
Resources received free of charge (iii) has been determined on the basis of the following estimates provided by agencies.		
Office of the Auditor General (iv)		
- audit services	-	77
Housing and Works		
- property management services	2	1
State Solicitors Office		
- legal services	793	499
Department of Land Information		
- land registration dealings, land information and products	<u>93</u>	<u>759</u>
	<u>888</u>	<u>1 336</u>
(i) Output appropriations are accrual amounts reflecting the full cost of outputs 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.		
(ii) The assumption of the superannuation liability by the Treasurer is only a notional revenue to offset the notional superannuation expense reported in respect of current employees who are members of the pension scheme and current employees who have a transfer benefit entitlement under the Gold State Scheme.		
(iii) Where assets or services have been received free of charge or for nominal consideration, the Department recognises revenues (except where the contributions of assets or services are in the nature of contributions by owners in which case the Department shall make a direct adjustment to equity) equivalent to the fair value of the assets and/or fair value of those services that can be reliably determined and which would have been purchased if not donated, and those fair values shall be recognised as assets or expenses, as applicable.		
(iv) Commencing with the 2003-04 audit, the Office of the Auditor General will be charging a fee for auditing the accounts, financial statements and performance indicators. The fee for the 2003-04 audit (\$108,900) will be due and payable in the 2004-05 financial year.		

## DEPARTMENT OF INDUSTRY AND RESOURCES

## Notes to the Financial Statements

For the year ended 30 June 2004

	2003/04 (\$'000)	2002/03 (\$'000)
<b>19 Restricted cash assets</b>		
Current		
Suspense account (i)	237	92
Wittenoom Relocation Trust Fund (ii)	47	51
Forest Residue Utilisation Levy Trust Fund (iii)	60	61
WA Government/China Economic and Technical Research Trust Fund (iv)	-	20
	344	224
Non-current		
Accrued salaries suspense account (v)	2 192	1 832
Forest Residue Utilisation Levy Trust Fund (iii)	-	-
WA Government/China Economic and Technical Research Trust Fund (iv)	-	-
	2 192	1 832
(i) The balance in the suspense account represents funds received close to end of year but not transferred to Treasury until after year end.		
(ii) The account is used for the purpose of relocations of residents and land purchases		
(iii) The account is used for the purpose of funding studies and programs which add value to forest residue.		
(iv) The account is used for promoting joint studies of future areas of long term economic co-operation between Western Australia and China.		
(v) The amount held in this suspense account is to be used for the purpose of meeting the 27th pay in a financial year that occurs every 11 years.		
<b>20 Inventories</b>		
Current		
Inventories held for resale:		
Geological maps and publications (at cost)	3 005	3 034
Chemistry Centre supplies (at cost)	219	258
Other supplies (at cost)	-	4
Land held for resale:		
Technology Park (at cost)	1 865	2 001
	5 089	5 297
<b>21 Receivables</b>		
<u>Current</u>		
Trade debtors	1 307	2 975
Other debtors	241	-
Provision for doubtful debts	( 78)	( 226)
GST receivable	729	619
	2 199	3 368
<u>Non-current</u>		
Loans and advances (i)	34 869	31 952
Provision for conversion of loans to grants	( 10 441)	( 9 774)
Provision for doubtful debts	( 2 177)	-
	22 251	22 178
(i) The carrying amount of loans receivable approximates their net fair values		

## DEPARTMENT OF INDUSTRY AND RESOURCES

## Notes to the Financial Statements

For the year ended 30 June 2004

	2003/04 (\$'000)	2002/03 (\$'000)
<b>22 Amounts receivable for outputs</b>		
Current	1 610	4 100
Non-current	4 986	641
	<u>6 596</u>	<u>4 741</u>
<p>This asset represents the non-cash component of output appropriations. It is restricted in that it can only be used for asset replacement or payment of leave liability.</p>		
<b>23 Other assets</b>		
Current		
Prepayments	416	709
Refundable rental bonds on overseas accommodation	297	309
	<u>713</u>	<u>1 018</u>
<b>24 Property, plant, equipment and vehicles</b>		
Freehold land		
At fair value (i)	<u>34 849</u>	<u>32 316</u>
Buildings - at fair value (i)	27 018	25 639
Accumulated depreciation	( 542)	( 458)
Buildings - at cost	0	871
Accumulated depreciation	0	( 16)
Total buildings	<u>26 476</u>	<u>26 036</u>
Furniture, plant and equipment - at cost	2 084	1 785
Accumulated depreciation	(1 445)	(1 254)
	<u>639</u>	<u>531</u>
Computer hardware and software - at cost	11 225	9 438
Accumulated depreciation	(7 895)	(6 341)
	<u>3 330</u>	<u>3 097</u>
Scientific equipment - at cost	7 265	6 730
Accumulated depreciation	(5 595)	(5 257)
	<u>1 670</u>	<u>1 473</u>
Total equipment	<u>5 639</u>	<u>5 101</u>
Vehicles - at cost	281	198
Accumulated depreciation	( 74)	( 10)
	<u>207</u>	<u>188</u>
Total of property, plant, equipment and vehicles	<u>67 171</u>	<u>63 641</u>

## DEPARTMENT OF INDUSTRY AND RESOURCES

## Notes to the Financial Statements

For the year ended 30 June 2004

	2003/04 (\$'000)	2002/03 (\$'000)
(i) The revaluation of freehold land, land improvements and buildings was performed in July 2003 in accordance with an independent valuation by the Department of Land Information. Fair value of land has been determined on the basis of the current market buying values. The fair value of buildings has been determined by reference to current replacement cost as buildings are specialised and no market evidence of value is available. The valuation was made in accordance with a regular policy of annual revaluation.		
<b>25 Works in progress</b>		
State Drill Store - Carlisle	8 780	8 099
Kalgoorlie Complex Stage 2	21	-
Mainframe migration	297	-
Baldivis and Kalgoorlie explosives reserve security upgrade	275	-
Development costs relating to new Chemistry laboratory	805	453
Burrup/Maitland infrastructure	200	200
Software (Hummingbird)	160	160
	<u>10 538</u>	<u>8 912</u>

**26 Reconciliation of non-current assets**

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

As at 30 June 2004	Land	Buildings at fair value	Buildings at cost	Furniture and equipment	Computer hardware and software	Scientific equipment	Vehicles	Work in Progress	Total
Carrying amount at the start of year	32 316	25 181	855	531	3 097	1 473	188	8 912	72 553
Additions	-	-	-	311	1 832	674	135	1 626	4 578
Disposals	-	-	-	-	(2)	-	(38)	-	(40)
Reclassifications	-	803	(855)	6	(6)	-	-	-	-
Revaluation increments	2 533	1 034	-	-	-	-	-	-	3 567
Depreciation	-	(542)	-	(209)	(1 591)	(477)	(78)	-	(2 897)
Carrying amount at the end of year	34 849	26 476	0	639	3 330	1 670	207	10 538	77 709

**27 Payables**

Current

Trade payables

8 008	6 984
<u>8 008</u>	<u>6 984</u>

**28 Interest-bearing liabilities**

Current:

WA Land Corp (Groyne Buyback Agreement)

200

200

WA Treasury Corporation

369

357

WA Land Corp (Enterprise Units Development Agreement)

771

771

1 3401 328

Non-current:

WA Land Corp (Groyne Buyback Agreement)

763

962

WA Treasury Corporation

5 9056 2746 6687 2368 0088 564

## DEPARTMENT OF INDUSTRY AND RESOURCES

## Notes to the Financial Statements

For the year ended 30 June 2004

	2003/04 (\$'000)	2002/03 (\$'000)
<b>29 Other liabilities</b>		
Salaries owing for nine working days from 18 June 2004 to 30 June 2004	1 750	1 509
Accrued interest payable	147	173
	<u>1 897</u>	<u>1 682</u>
<b>30 Revenue received in advance</b>		
Grants held in trust for research projects	310	125
Other	63	61
	<u>373</u>	<u>186</u>
<b>31 Amounts due to the Treasurer</b>		
Amounts advanced - Treasurer's Advance	<u>1 200</u>	<u>1 200</u>
<b>32 Provisions</b>		
Current liabilities:		
Annual leave	4 909	4 411
Long service leave	4 196	4 938
	<u>9 105</u>	<u>9 349</u>
Non-current liabilities:		
Long service leave	<u>5 955</u>	<u>5 300</u>
<p>The settlement of annual and long service leave liabilities gives rise to the payment of employment on-costs including superannuation and WorkCover premiums. The liability for such on-costs is included here. The associated expense is included under employee expenses at note 4.</p>		
<p><u>Employee Entitlements</u></p> <p>The aggregate employee leave entitlement liability recognised and included in the financial statements is as follows:</p>		
Current	9 105	9 349
Non-current	5 955	5 300
	<u>15 060</u>	<u>14 649</u>
<p>The Department considers the carrying amount of employee entitlements is equivalent to the net fair value.</p>		
<b>33 Equity</b>		
<p>Equity represents the residual interest in the net assets of the Department. The Government holds the equity interest in the Department on behalf of the community. The asset revaluation reserve represents that portion of equity resulting from the revaluation of non-current assets.</p>		
Contributed equity		
Opening balance	43 607	3 657
Capital contributions (i)	3 953	6 053
Contribution by owners	-	35 356
Distribution to owners	-	(1 459)
Closing balance	<u>47 560</u>	<u>43 607</u>
<p>(i) Capital contributions have been designated as contribution by owners and are credited directly to equity in the Statement of Financial Position.</p>		

## DEPARTMENT OF INDUSTRY AND RESOURCES

## Notes to the Financial Statements

For the year ended 30 June 2004

	2003/04 (\$'000)	2002/03 (\$'000)
Asset revaluation reserve (i)		
Opening balance	34 058	28 674
Net revaluation increments/(decrements)		
Land	2 533	2 539
Buildings	1 034	2 845
Closing balance	<u>37 625</u>	<u>34 058</u>
 (i) The asset revaluation reserve is used to record increments and decrements on the revaluation of non-current assets, as described in accounting policy note 2(h).		
Accumulated surplus/ (deficiency)		
Opening balance	17 072	23 142
Change in net assets after restructuring	<u>(7 961)</u>	<u>(6 070)</u>
Closing balance	<u>9 111</u>	<u>17 072</u>
Total equity	<u>94 296</u>	<u>94 737</u>

**34 Notes to the Statement of Cash Flows**

## (a) Reconciliation of cash

Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

Cash on hand	42	41
Operating account	11 707	16 750
Restricted cash assets (refer note 19)	<u>2 536</u>	<u>2 056</u>
	14 285	18 847

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

Net cost of service	(106 087)	(88 482)
Non cash items		
Superannuation	2 167	1 966
Depreciation	2 897	2 489
Resources received free of charge	888	1 336
Write down of non-current assets	-	1 202
Other expenses	-	123
Provision for conversion of loan to grant	2 025	800
Profit on disposal of non-current assets	( 37)	( 18)
(Increase)/decrease in assets		
Accounts receivable	1 311	( 763)
Inventory	208	271
Other assets	305	( 219)

## DEPARTMENT OF INDUSTRY AND RESOURCES

## Notes to the Financial Statements

For the year ended 30 June 2004

	2003/04 (\$'000)	2002/03 (\$'000)
Increase/(decrease) in liabilities		
Accounts payable	1 065	631
Other liabilities	215	(1 011)
Revenue received in advance	187	
Employee entitlements	411	1 121
Net GST receipts/payments	( 6)	3 140
Net cash used in operating activities (Statement of Cash Flows)	<u>(94 451)</u>	<u>(77 414)</u>
<b>35 Resources provided free of charge</b>		
During the year the following resources were provided to other agencies free of charge for functions outside the normal operations of the Department:		
MERIWA (Building services, parking, conferences)	<u>14</u>	<u>13</u>
<b>36 Commitments for expenditure</b>		
(a) Capital expenditure commitments		
Capital expenditure commitments, being contracted capital expenditure additional to the amounts reported in the financial statements, are payable as follows:		
Within 1 year	1 870	1 537
Later than 1 year and not later than 5 years	-	-
Later than 5 years	-	-
The capital commitments include amounts for:		
Building	1 470	1 382
Computer hardware and software	349	155
Furniture, plant and equipment	51	-
(b) Lease commitment		
Commitments in relation to leases contracted at the reporting date but not recognised as liabilities are payable:		
Within 1 year	3 665	2 555
Later than 1 year and not later than 5 years	9 060	6 480
Later than 5 years	2 047	3 307
Representing:		
Non-cancellable operating leases	14 772	12 342

**37 Contingent liabilities and contingent assets**Contingent liabilities:

In addition to the liabilities incorporated in the financial statements, the department has the following contingent liabilities:

## Litigation in progress:

The agency has pending litigation that may affect the financial position to the value of \$30,000.



## DEPARTMENT OF INDUSTRY AND RESOURCES

## Notes to the Financial Statements

For the year ended 30 June 2004

	2003/04 (\$'000)	2002/03 (\$'000)
Loan Recovery:		
Should there be a recovery on the loan to Compact Steel, the Department would be obligated to share the recovered funds equally with the Commonwealth Government.		
Administered:		
MinterEllison, acting as lawyers for PriceWaterhouseCoopers (PWC) as Administrator and Liquidators for the Bulong companies is pursuing a refund for the royalty amount of \$556,823 as an unfair preferential payment during a period in 2002/03 that it suggests that the company was trading whilst insolvent. The State Solicitors Office is currently reviewing this matter. MinterEllison has been advised that the State does not believe it has to pay the amount.		
BHP Iron Ore is claiming an overpayment of royalties of approximately \$3 million incurred during a period from April 2002 to March 2004. The Department is currently auditing this claim and will be in a position to substantiate the overpayment in due course.		
<u>Contingent assets:</u>		
Nil		
<b>38 Events occurring after reporting date</b>		
No known event or events occurred after year end which materially affects the results reflected in this financial report.		
<b>39 Remuneration of senior officers</b>		
<u>Remuneration</u>		
The number of senior officers whose total fees, salaries, superannuation and other benefits for the financial year, fall within the following bands are:		
	<u>2003-2004</u>	<u>2002-2003</u>
\$20 001 to \$30 000	1	-
\$50 001 to \$60 000	1	-
\$70 001 to \$80 000	1	-
\$80 001 to \$90 000	-	1
\$90 001 to \$100 000	1	1
\$100 001 to \$110 000	3	4
\$110 001 to \$120 000	7	7
\$120 001 to \$130 000	10	6
\$130 001 to \$140 000	3	5
\$140 001 to \$150 000	3	-
\$150 001 to \$160 000	-	1
\$160 001 to \$170 000	-	1
\$260 001 to \$270 000	1	1
The total remuneration of senior officers is:	3 698	3 260
The superannuation included here represents the superannuation expense incurred by the Department in respect of senior officers.		

## DEPARTMENT OF INDUSTRY AND RESOURCES

**Notes to the Financial Statements***For the year ended 30 June 2004***40 Explanatory Statement**

The Summary of Consolidated Fund Appropriation and Revenue Estimates discloses appropriation and other statutes expenditure estimates, the actual expenditure made and revenue estimates and payments into the Consolidated Fund. Appropriations are now on an accrual basis.

The following explanations are provided in accordance with Treasurer's Instruction 945. Significant variations are considered to be those greater than 10% or \$5,000,000

	<b>2003/04 Estimate (\$'000)</b>	<b>2003/04 Actual (\$'000)</b>	<b>Variance (\$'000)</b>
<b>(a) Significant variances between estimates and actual</b>			
<b>Capital contributions</b>			
Combined impact of savings on the completion of the Mainframe Migration project and deferral of portion of expenditure on planned security upgrade of explosives reserves to 2004/05	5 773	3 953	( 1 820)
<b>Administered revenues</b>			
Mineral royalties were higher than forecast because of higher than expected prices and shipments of iron ore and nickel during the financial year. This increase was partially offset by lower than forecast diamond collections due to a combination of lower prices and decreased production during the financial year. Petroleum royalties were slightly higher than originally forecast last year due to a slightly higher than forecast average oil price.	1 062 521	1 078 983	16 462
The higher contribution from the Regional Investment Fund in 2003/04 was to meet expected demand for assistance under the "Protecting Our Old Growth Forests"	2 500	12 000	9 500
The higher amount in 2003/04 includes over \$10m in unexpected ad valorem fees.	140	10 436	10 296

## DEPARTMENT OF INDUSTRY AND RESOURCES

**Notes to the Financial Statements***For the year ended 30 June 2004*

	<b>2003/04</b>	<b>2002/03</b>	
	<b>Actual</b>	<b>Actual</b>	<b>Variance</b>
	<b>(\$'000)</b>	<b>(\$'000)</b>	<b>(\$'000)</b>
<b>(b) Significant variances between actual and prior year actual</b>			
<b>Total appropriation to purchase outputs:</b>	95 071	79 910	15 161
The increase in 2003/04 actuals reflects a full twelve months operation of the merged department and additional funding in 2003/04 for the Jervoise Bay facilities management incentive and other financial initiatives.			
<b>Administered revenues</b>			
Mineral royalties were lower than last year because of a decrease in alumina, gold and diamond royalty collections due to a combination of lower prices and decreased production during the financial year. This decrease was partially offset by higher nickel royalty collections due to an increase in prices experienced during the financial year. Petroleum royalties were lower than last year due a combination of decreases in production and average world crude oil prices as compared to the previous period.	1 078 983	1 175 402	( 96 419)
The funding from Commonwealth contribution to the Jervoise Bay project in 2003/04 was deferred to the forward years.	-	9 520	( 9 520)
The higher contribution from the Regional Investment Fund in 2003/04 was to meet expected demand for assistance under the "Protecting Our Old Growth Forests"	12 000	-	12 000
The higher amount in 2003/04 includes over \$10m in unexpected ad valorem fees.	10 436	64	10 372
<b>Administered appropriation</b>			
Reduced expenditure mainly reflects a lower level of assistance payments under the "Protecting Our Old Growth Forests" policy	36 483	45 713	( 9 230)

## DEPARTMENT OF INDUSTRY AND RESOURCES

## Notes to the Financial Statements

For the year ended 30 June 2004

**41 Financial instruments**

## (a) Interest rate risk exposures

The following table details the Department's exposure to interest rate risk as at 30 June 2004.

30 June 2004	Weighted Average Effective Interest Rate %	Variable Interest Rate \$'000	Fixed Interest Rate - Maturity			Non- Interest Bearing \$'000	Total \$'000
			Less than 1 Year \$'000	1 to 5 Years \$'000	More than 5 Years \$'000		
<b>Financial Assets</b>							
Cash & amounts in suspense	-	-	-	-	-	11 749	11 749
Restricted cash assets	-	-	-	-	-	2 536	2 536
Accounts receivable	-	-	-	-	-	2 199	2 199
Loans and advances	5.5	-	-	-	-	22 251	22 251
<b>Total financial assets</b>		-	-	-	-	38 735	38 735
<b>Financial liabilities</b>							
Accounts payable	-	-	-	-	-	8 008	8 008
Amounts due to Treasurer	-	-	-	-	-	1 200	1 200
WATC loans	7.13	-	369	1 606	4 299	-	6 274
Other loans	7.71	-	971	763	-	-	1 734
<b>Total financial liabilities</b>		-	1 340	2 369	4 299	9 208	17 216
<b>30 June 2003</b>							
Financial assets	-	-	-	-	-	44 534	44 534
Financial liabilities	-	-	1 328	3 801	3 435	8 184	16 748

## (b) Net fair value of financial assets and liabilities

The carrying amount of financial assets recorded in the financial statements, net of any provisions for losses, represents the Department's maximum exposure to credit risk.

## (c) Net fair values

The carrying amount of financial assets and financial liabilities recorded in the financial statements are not materially different from their fair value, determined in accordance with the accounting policies disclosed in note 2 to the financial statements.

**42 Related bodies**

The Department had no related bodies as defined in the Financial Administration and Audit Act 1985 and Treasurer's Instruction 951.

**43 Affiliated bodies**

Western Australian Technology and Industry Advisory Council (TIAC)

The Technology and Industry Advisory Council (TIAC), which was established by the Technology Development Amendment Act 1987 and continues under the Industry Technology Development Act 1988, is totally funded by the Department of Industry and Resources. TIAC received funding of \$596,000 for the year ending 30 June 2004. The TIAC Board is not subject to operational control by the Department although it receives administrative support.

## DEPARTMENT OF INDUSTRY AND RESOURCES

## Notes to the Financial Statements

For the year ended 30 June 2004

	2003/04 \$'000	2002/03 \$'000
<b>44 Accounts of the Trust Fund</b>		
<b>Survey of leases under the Mining Act Account</b>		
Survey fees collected under the Mining Act are paid into this account. The actual cost of surveys is charged to the Consolidated Fund, and fees previously collected are transferred to Consolidated Revenue. If the applicant decides not to proceed with the survey, the fee collected is refunded.		
Opening balance 1 July	932	877
<u>Add</u> receipts		
Unclaimed cheque	-	55
	<u>932</u>	<u>932</u>
<u>Less</u> payments		
Refunds	1	-
	<u>1</u>	<u>-</u>
Closing balance 30 June	<u>931</u>	<u>932</u>

**Barrow Island Royalty Trust Account**

The account was created under the Barrow Island Royalty Trust Account Act 1985 which provides for royalty payments received under the Barrow Island lease to be credited to the account and subsequently apportioned between the Commonwealth and the State.

Opening balance 1 July	6 094	10 378
<u>Add</u> receipts		
Royalties received	36 446	46 583
	<u>42 540</u>	<u>56 961</u>
<u>Less</u> payments		
Remitted to State	8 673	12 717
Remitted to Commonwealth	26 019	38 150
	<u>34 692</u>	<u>50 867</u>
Closing balance 30 June	<u>7 848</u>	<u>6 094</u>

**Departmental receipts in suspense**

This account is to hold moneys temporarily, pending identification of the purpose for which the funds were received. The balance of the account as at 30 June 2004 was \$237,088.

## DEPARTMENT OF INDUSTRY AND RESOURCES

## Notes to the Financial Statements

For the year ended 30 June 2004

	2003/04 \$'000	2002/03 \$'000
<b>Deposits Mines Department account</b>		
Funds held are received for the issue of temporary reserves and exploration permits pending finalisation of certain legal requirements.		
Opening balance 1 July	734	754
<u>Add receipts</u>		
Bonds, Securities	1 791	20
Interest	9	27
	<u>1 800</u>	<u>47</u>
	<u>2 534</u>	<u>801</u>
<u>Less payments</u>		
Refunds of bonds, securities	265	58
Interest transferred	26	9
	<u>291</u>	<u>67</u>
Closing balance 30 June	<u>2 243</u>	<u>734</u>

**Special Projects Trust Fund account**

The account was created to hold funds for the purpose of participating in significant projects with other countries, the Commonwealth and the private sector to the mutual benefit of the other participants and the State of Western Australia.

This account includes an agreement between the Commonwealth and the Department (Indian Ocean Territories Agreement) to carry out inspection services at Christmas Island. With an opening balance of \$78,920, receipts totalled \$150,000 and payments made totalled \$99,190 giving a closing balance of \$129,730.

Opening Balance 1 July	861	461
<u>Add receipts</u>		
Contribution from Industry and Government	852	674
	<u>1 713</u>	<u>1 135</u>
<u>Less payments</u>		
Salaries	92	105
Travel	126	65
Equipment, other	22	104
Consultants	78	-
	<u>318</u>	<u>274</u>
Closing Balance 30 June	<u>1 395</u>	<u>861</u>

## DEPARTMENT OF INDUSTRY AND RESOURCES

## Notes to the Financial Statements

For the year ended 30 June 2004

	2003/04 \$'000	2002/03 \$'000
<b>Forest Residue Utilisation Levy Trust Fund</b>		
Purpose - To hold funds appropriated by Parliament for the purpose of funding studies and programs which add value to forest residues.		
Opening Balance 1 July	60	60
<u>Add receipts</u>	-	-
	<u>60</u>	<u>60</u>
<u>Less payments</u>		
Salaries	-	-
	<u>-</u>	<u>-</u>
Closing Balance 30 June	<u>60</u>	<u>60</u>
<b>WA Government/China Economic and Technical Research Trust Fund</b>		
Purpose - To hold funds for the purpose of promoting joint studies of future areas of long term mutually beneficial economic co-operation between Western Australia and China particularly in the development, processing and marketing of Western Australia's mineral resources.		
Opening Balance 1 July	20	652
<u>Add receipts</u>	-	-
	<u>20</u>	<u>652</u>
<u>Less payments</u>		
Salaries	-	-
Consultants	1	53
Returned to Treasury	19	579
	<u>20</u>	<u>632</u>
Closing Balance 30 June	<u>-</u>	<u>20</u>
<b>Research Trusts</b>		
The following moneys are held on behalf of various institutions for which the Chemistry Centre (WA) performs various specified research projects.		
Opening Balance 1 July	125	124
<u>Add receipts</u>		
Revenue received	730	529
	<u>855</u>	<u>653</u>
<u>Less payments</u>		
Money spent on research	545	528
	<u>545</u>	<u>528</u>
Closing Balance 30 June	<u>310</u>	<u>125</u>

## DEPARTMENT OF INDUSTRY AND RESOURCES

## Notes to the Financial Statements

For the year ended 30 June 2004

	2003/04 \$'000	2002/03 \$'000
<b>Wittenoom Relocation Trust Account</b>		
The purpose of the trust account is to hold funds for the relocation of Wittenoom residents and land purchases packages.		
Opening Balance 1 July	51	-
<u>Add receipts</u>		
Revenue received from restructure	-	82
<u>Less payments</u>	5	31
Closing Balance 30 June	46	51
<b>Regional Headworks Development Scheme Trust Account</b>		
The purpose of the account is to hold funds appropriated for the purpose of assistance under the Regional Headworks Development Scheme.		
Opening Balance 1 July	5 165	-
<u>Add receipts</u>		
Revenue received from restructure	-	5 199
Cancelled payment	-	36
	5 165	5 235
<u>Less payments</u>		
Grants	11	70
Closing Balance 30 June	5 154	5 165
<b>Western Australian Industry and Technology Development Account</b>		
The purpose of the account is to record funds received and expenditure charged in accordance with the Industry and Technology Development Act 1998 (ITDA).		
Opening Balance 1 July	2 800	-
<u>Add receipts</u>		
Revenue received from restructure	-	6 394
Drawdowns	19 910	11 445
Contribution from Department of Local Government and Regional Development	12 000	-
Other revenue	769	388
	32 679	18 227
<u>Less payments</u>		
Loans, grants etc	23 017	15 427
Closing Balance 30 June	12 462	2 800



## DEPARTMENT OF INDUSTRY AND RESOURCES

## Notes to the Financial Statements

For the year ended 30 June 2004

	2003/04 \$'000	2002/03 \$'000
<b>45 Supplementary financial information</b>		
<u>Losses Through Theft, Defaults and Other Causes</u>		
Losses of public moneys and public or other property through theft or default	3	-
Amount recovered	3	-
	<u>-</u>	<u>-</u>
<u>Write Offs</u>		
Public and other property, revenue and debts due to the State, written off in accordance with section 45 of the Financial Administration and Audit Act by:		
The Accountable Officer	2	-
The Minister	-	-
	<u>2</u>	<u>-</u>
Analysis of losses written off		
Bad debts	2	-
<u>Gifts of Public Property</u>		
Gifts of public property provided by the Department	-	-
<b>46 Schedule of Administered Items</b>		
<b>ADMINISTERED</b>		
<b>EXPENSES &amp; REVENUE</b>		
<b>EXPENSES</b>		
Disposal of land	37 337	-
Consumables	-	309
Interest	63	156
Repayable Capital Contribution	-	340
Grants	22 413	17 194
Petroleum (Submerged Lands) Act 1982	15 558	17 534
Refunds of Previous Years' Revenue	6 698	4 219
Aboriginal Lands Trust	-	212
Services and contracts	6 606	-
Payments to Consolidated Fund	1 085 279	1 175 435
All other expenses	14	-
Write down on disposal of asset	76 033	-
Total administered expenses	<u>1 250 001</u>	<u>1 215 399</u>
<b>REVENUES</b>		
Rentals and royalties	1 078 983	1 177 824
Law Courts	37	3
Grants	12 000	9 520
Interest	126	64
Revenues from Government	36 483	45 713
Other revenue	10 310	-
Total administered revenues	<u>1 137 939</u>	<u>1 233 124</u>

## DEPARTMENT OF INDUSTRY AND RESOURCES

## Notes to the Financial Statements

For the year ended 30 June 2004

	2003/04 \$'000	2002/03 \$'000
<b>ADMINISTERED</b>		
<b>ASSETS &amp; LIABILITIES</b>		
<b>ASSETS</b>		
<u>Current Assets</u>		
Operating account	22 092	13 583
Accounts receivable	192 585	187 577
Restricted cash	17 571	13 938
GST Receivable	-	6
Total administered current assets	<u>232 248</u>	<u>215 104</u>
Administered non-current assets		
Fixed assets under construction	19 649	133 019
Computing equipment	13	8
Land	420	365
Loans	23 114	24 045
Total administered non-current assets	<u>43 196</u>	<u>157 437</u>
Total administered assets	<u>275 444</u>	<u>372 541</u>
<b>LIABILITIES</b>		
<u>Current Liabilities</u>		
Payments received in advance	12 478	8 993
Accounts payable	11 998	797
GST Payable	224	-
Total administered liabilities	<u>24 700</u>	<u>9 790</u>
<b>Administered expenses and revenues</b>		
<u>Expenses (a)</u>		
Disposal of land	37 337	-
Write down on disposal of asset	76 033	-
	<u>113 370</u>	<u>-</u>

- (a) The reclaimed land for construction of the Australian Marine Complex was valued by the Valuer General's Office at \$10.647 million based on a restricted valuation. This value plus the cost of the on-site facilities of \$26.690 million totalling \$37.337 million were transferred to LandCorp in accordance with a Cabinet decision dated 13<sup>th</sup> of June 2000. The difference between the transferred value and the actual costs were written down.

## DEPARTMENT OF INDUSTRY AND RESOURCES

## Notes to the Financial Statements

For the year ended 30 June 2004

	2003/04 \$'000	2002/03 \$'000
<b>Revenue</b>		
Rentals and royalties		
The Department is responsible for collection of certain rentals and royalties. These are not classified as operating revenues and are paid directly to Consolidated Fund.		
Collections made during the year were \$1,034m and revenues due but not collected were \$192m.		
Royalties		
Petroleum - Commonwealth	362 895	434 575
Petroleum - State	51 024	61 135
Iron Ore	305 002	290 476
Diamonds	40 988	90 852
Alumina	51 855	51 528
Mineral sands	27 052	25 436
Nickel	76 623	52 127
Gold	76 411	82 690
Other	46 835	52 582
Lease rentals	40 298	36 423
Total Royalties	1 078 983	1 177 824

**Administered assets**Administered current assets

Accounts receivable

192 585

187 577

This mainly represents royalty not collected as at 30 June 2004 on production which occurred prior to balance date.

**47 The Impact of Adopting International Accounting Standards**

The department is adopting international accounting standards in compliance with AASB1 *First Time Adoption of Australian Equivalents to International Financial Reporting Standards* (IFRS). AASB1 requires an opening balance sheet as at 1 July 2004 and the restatement of the financial statements for the reporting period to 30 June 2005 on the IFRS basis. These financial statements will be presented as comparatives in the first annual financial report prepared on an IFRS basis for the period ending 30 June 2006.

AASB 1047 'Disclosing the Impacts of Adopting Australian Equivalents to International Financial Reporting Standards' requires financial reports to disclose information about the impacts of any changes in accounting policies in the transition period leading up to the adoption date.

The transition to Australian equivalents to IFRS's is being managed by establishing a project committee to oversee the implementation to :

identify key differences in accounting policies, disclosures and presentation and the consequential impacts and risks to the agency:

assess the changes required to financial management information systems and processes;

identify the necessary staff skills and training requirements; and

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**DEPARTMENT OF INDUSTRY AND RESOURCES****Notes to the Financial Statements***For the year ended 30 June 2004*

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prepare a plan to convert accounting policies and, financial management information systems and processes so that the department can account and report on the IFRS basis.

An accounting firm is being sourced to assist in the process of developing the opening balance sheet comparative for July 1, 2004. It is expected that the opening statement balance sheet will be completed in October 2004.

Key differences in accounting policies that are expected to arise from adopting the Australian equivalents to IFRS are expected to be minimal at this stage.

Quantitative information relating to the above changes was not known or able to be estimated at the time the financial statements were prepared.

## Appendix 1 : Legislation and Changes to Legislation

The Department of Industry and Resources is responsible to the Minister for State Development for administering 29 Acts of State Parliament.

### Acts

The main Acts are:

*Dangerous Goods Safety Act 2004* (Yet to be proclaimed)  
*Dangerous Goods (Transport) Act 1998*  
*Explosives and Dangerous Goods Act 1961*  
*Industry and Technology Development Act 1998*  
*Mining Act 1978*  
*Mines Safety and Inspection Act 1994*  
*Offshore Minerals Act 2003* (Yet to be proclaimed)  
*Petroleum Act 1967*

The remaining Acts are:

*Albany Freezing Works Agreement Act 1945*  
*Barrow Island Royalty Trust Account Act 1985*  
*Barrow Island Royalty Variation Agreement Act 1985*  
*Coal Industry Tribunal of Western Australia Act 1992*  
*Coal Miners' Welfare Act 1947*  
*Coal Mines Legislation Amendment and Revival Act 1998*  
*Hide and Leather Industries Act 1948*  
*Manjimup Canned Fruits and Vegetables Industry Agreement Act 1969*  
*Miners' Phthisis Act 1922*  
*Mining on Private Property Act 1898*  
*Mining (Validation and Amendment) Act 1986*  
*Morley Shopping Centre Redevelopment Agreement Act (1992)*  
*Nuclear Activities Regulation Act 1978*  
*Petroleum Safety Act 1999* (Yet to be Proclaimed)  
*Petroleum Pipelines Act 1969*  
*Petroleum (Registration Fees) Act 1967*  
*Petroleum (Submerged Lands) Act 1982*  
*Petroleum (Submerged Lands) Registration Fees Act 1982*  
*Western Australian Products Symbol Act 1972*  
*Wyndham Freezing, Canning and Meat Export Works Act 1918*  
*Year 2000 Information Disclosure Act 1999*

The following Commonwealth legislation is administered by DoIR through the Commonwealth/Western Australian Offshore Petroleum/Minerals Joint Authorities:

*Offshore Minerals Act 1994*  
*Offshore Minerals (Registration Fees) Act 1981*  
*Offshore Minerals (Mining Licence Fees) Act 1981*  
*Offshore Minerals (Exploration Licence Fees) Act 1981*  
*Offshore Minerals (Retention Licence Fees) Act 1994*  
*Offshore Minerals (Works Licence Fees) Act 1981*  
*Offshore Minerals (Royalty) Act 1981*  
*Petroleum (Submerged Lands) Act 1967*  
*Petroleum (Submerged Lands) (Registration Fees) Act 1967*  
*Petroleum (Submerged Lands) (Royalty) Act 1967*  
*Petroleum (Submerged Lands) Fees Act 1994*

DoIR administers various State Agreement Acts and these are listed in Appendix 2.

## Changes to Legislation

### Acts

#### *Mining Act 1978*

Acts Amendment and Repeal (Courts and Legal Practice) Act 2003 (No. 65 of 2003): Assented to 4 December 2003, commenced 1 January 2004. Amends section 162(2)(r) to change the definition of costs determination from that appearing in the Legal Practitioners Act 1893 to that as defined in the Legal Practice Act 2002.

#### *Petroleum (Submerged Lands) Amendment Act 2003 (No. 118 of 2003)*

Was passed by the Commonwealth on 3 December 2003 and established a National Offshore Petroleum Safety Authority (NOPSA) to regulate safety in Commonwealth waters and State and Northern Territory coastal waters in accordance with the commitment of the Commonwealth, States and Territory governments. The Act also amends Schedule 7. This schedule contains the substantive occupational and health provisions of the Act and the amendments improve safety administration and outcomes for offshore petroleum facilities and pipelines and also reduce risks to the environment. Two further amendments rectify the anomaly whereby the full amount of fees paid by industry was redirected back to the States without deducting the GST component for some of the fees and amendments to enable the machinery provisions covering both submission and release of data to be placed in new objective-based data management regulations under the Act.

### Regulations

#### *Mining Regulations 1981*

Mining Amendment Regulations (No. 2) 2003: Published in the Gazette on 15 August 2003 to operate from 15 August 2003. Allows certain items to be claimed as expenditure and clarifies the marking out of miscellaneous licences.

Mining Amendment Regulations (No. 2) 2004: Published in the Gazette on 25 June 2004 to operate from 1 July 2004. Increase the fees and charges as approved by Cabinet.

#### *Mines Safety and Inspection Regulations 1995*

Mines Safety and Inspection Amendment Regulations 2004: Published in the Gazette on 13 February 2004 and to operate from that date. Requirements for the discontinuation of the use of asbestos at mine sites.

Mines Safety and Inspection Amendment Regulations (No. 3) 2004: Published in the Gazette on 29 June 2004 and to operate from 1 July 2004. Increase in fees as approved by Cabinet.

#### *Petroleum (Submerged Lands)(Data Management) Regulations 2004 (Statutory Rules 2004, No.111)*

These regulations came into effect on 4 June 2004, and are the latest set of regulations issued by the Commonwealth in the introduction of an objective-based regulatory regime. They are intended to allow for data management arrangements to be responsive to changes in technologies and management systems. Under these regulations petroleum titleholders are required to have an Accepted Data Management Plan.

#### *Explosives and Dangerous Goods (Explosives) Regulations 1963*

Explosives and Dangerous Goods (Explosives) Amendment Regulations 2004: Published in the Gazette on 29 June 2004 and to operate from 1 July 2004. Increase in fees as approved by Cabinet.

#### *Explosives and Dangerous Goods (Dangerous Goods Handling and Storage) Regulations 1992*

Explosives and Dangerous Goods (Dangerous Goods Handling and Storage) Amendment Regulations 2004: Published in the Gazette on 29 June 2004 and to operate from 1 July 2004. Increase in fees as approved by Cabinet.

*Dangerous Goods (Transport) (Road and Rail) Regulations 1999*

Dangerous Goods (Transport) (Road and Rail) Amendment Regulations 2004: Published in the Gazette on 29 June 2004 and to operate from 1 July 2004. Increase in fees as approved by Cabinet.

*Dangerous Goods (Transport) (Explosives by Road and Rail) Regulations 1999*

Dangerous Goods (Transport) (Explosives by Road and Rail) Amendment Regulations 2004: Published in the Gazette on 29 June 2004 and to operate from 1 July 2004. Increase in fees as approved by Cabinet.

*Dangerous Goods (Transport) (Dangerous Goods in Ports) Regulations 2001*

Dangerous Goods (Transport) (Dangerous Goods in Ports) Amendment Regulations 2004: Published in the Gazette on 29 June 2004 and to operate from 1 July 2004. Increase in fees as approved by Cabinet.

**Other**

Legislation currently before Parliament.

*Dangerous Goods Safety Act 2004*

This Act relates to the safe storage, handling and transport of dangerous goods and for related purposes. The Act was given assent by the Governor on 10 June 2004, but will remain dormant until the new suite of subsidiary regulations is drafted.

*Coal Miners' Welfare Amendment Bill 2004*

The purpose of this Bill is to improve the effectiveness of the operation of the Coal Miners' Welfare Board and the Coal Miners' Welfare Fund. The Bill was passed by the Lower House on 30 June 2004.

## Appendix 2: State Agreements Acts (Major Resource Projects)

The 72 State Agreement Acts administered by the Department of Industry and Resources on behalf of the Government of Western Australia, at 30 June 2004 are:

### *Government Agreement Acts 1979*

#### **Alumina**

*Alumina Refinery Agreement Act 1961*  
*Alumina Refinery (Mitchell Plateau) Agreement Act 1971*  
*Alumina Refinery (Pinjarra) Agreement Act 1969*  
*Alumina Refinery (Wagerup) Agreement and Acts Amendment Act 1978*  
*Alumina Refinery (Worsley) Agreement Act 1973*

#### **Charcoal Iron and Steel**

*Wundowie Charcoal Iron Industry Sale Agreement Act 1974*

#### **Coal**

*Collie Coal (Griffin) Agreement Act 1979*  
*Collie Coal (Western Collieries) Agreement Act 1979*

#### **Copper**

*Western Mining Corporation Limited (Throssell Range) Agreement Act 1985*

#### **Diamonds**

*Diamond (Argyle Diamond Mines Joint Venture) Agreement Act 1981*

#### **Energy**

*Goldfields Gas Pipeline Agreement Act 1994*  
*Pilbara Energy Project Agreement Act 1994*  
*Ord River Hydro Energy Project Agreement Act 1994*

#### **Forest Products**

*Albany Hardwood Plantation Agreement Act 1993*  
*Bunbury Treefarm Project Agreement Act 1995*  
*Collie Hardwood Plantation Agreement Act 1995*  
*Dardanup Pine Log Sawmill Agreement Act 1992*  
*Paper Mill Agreement Act 1960*  
*Wesply (Dardanup) Agreement Authorization Act 1975 (Terminated)*  
*Wood Chipping Industry Agreement Act 1969 (Terminated)*  
*Wood Processing (WESFI) Agreement Act 2000*  
*Wood Processing (Wesbeam) Agreement Act 2002*

#### **Gas**

*North West Gas Development (Woodside) Agreement Act 1979*  
*Barrow Island Act 2003 (which incorporates the Gorgon Gas Processing and Infrastructure Project Agreement)*

#### **Gold**

*Tailings Treatment (Kalgoorlie) Agreement Act 1988*



**Iron Ore and Steel**

*Broken Hill Proprietary Company's Integrated Steel Works Agreement Act 1960 (Terminated)*  
*Broken Hill Proprietary Steel Industry Agreement Act 1952 (Terminated)*  
*Iron Ore (The Broken Hill Proprietary Company Limited) Agreement Act 1964 (Terminated)*  
*Iron Ore (Channar Joint Venture) Agreement Act 1987*  
*Iron Ore (Goldsworthy-Nimingarra) Agreement Act 1972*  
*Iron Ore (Hamersley Range) Agreement Act 1963*  
*Iron Ore (Hamersley Range) Agreement Act Amendment Act 1968*  
*Iron Ore (Hope Downs) Agreement Act 1992*  
*Iron Ore (McCamey's Monster) Agreement Authorization Act 1972*  
*Iron Ore (Marillana Creek) Agreement Act 1991*  
*Iron Ore (Mount Bruce) Agreement Act 1972*  
*Iron Ore (Mount Goldsworthy) Agreement Act 1964*  
*Iron Ore (Mount Newman) Agreement Act 1964*  
*Iron Ore (Murchison) Agreement Authorization Act 1973*  
*Iron Ore (Rhodes Ridge) Agreement Authorisation Act 1972*  
*Iron Ore (Robe River) Agreement Act 1964*  
*Iron Ore (Wittenoom) Agreement Act 1972*  
*Iron Ore Processing (BHP Minerals) Agreement Act 1994 (Terminated)*  
*Iron Ore Beneficiation (BHP) Agreement Act 1996*  
*Iron Ore Direct Reduced Iron (BHP) Agreement Act 1996*  
*Iron Ore (Yandicoogina) Agreement Act 1996*  
*Iron & Steel (Mid West) Agreement Act 1997 (Terminated)*  
*Iron Ore Processing (Mineralogy Pty Ltd) Agreement Act 2002*  
**Mineral Sands**  
*Mineral Sands (Eneabba) Agreement Act 1975*  
*Mineral Sands (Cooljarloo) Mining and Processing Agreement Act 1988*  
*Mineral Sands (Beenup) Agreement Act 1995*

**Nickel**

*Nickel (Agnew) Agreement Act 1974*  
*Nickel Refinery (Western Mining Corporation Limited) Agreement Act 1968*  
*Nickel Refinery (Western Mining Corporation Limited) Agreement Act Amendment Act 1970*  
*Poseidon Nickel Agreement Act 1971*

**Oil**

*Oil Refinery (Kwinana) Agreement Act 1952*

**Salt**

*Dampier Solar Salt Industry Agreement Act 1967*  
*Evaporites (Lake MacLeod) Agreement Act 1967*  
*Leslie Solar Salt Industry Agreement Act 1966*  
*Onslow Solar Salt Agreement Act 1992*  
*Shark Bay Solar Salt Industry Agreement Act 1983*

**Uranium**

*Uranium (Yeelirrie) Agreement Act 1978*

**Miscellaneous**

*Cement Works (Cockburn Cement Limited) Agreement Act 1971*  
*Industrial Lands (CSBP & Farmers Limited) Agreement Act 1976*  
*Industrial Lands (Kwinana) Agreement Act 1964*  
*Pigment Factory (Australind) Agreement Act 1986*  
*Silicon (Kemerton) Agreement Act 1987*  
*Anglo Persian Oil Company Limited's (Private) Act 1919*  
*British Imperial Oil Company, Limited (Private) Act 1925*

*Commonwealth Oil Refineries Limited (Private) Act 1940*  
*Texas Company (Australasia) Limited (Private) Act 1928*

**New Agreements Ratified (2003/2004)**

*Barrow Island Act 2003 (which incorporates the Gorgon Gas Processing and Infrastructure Project Agreement)*

**Variations (2003/2004)**

During the reporting period, the following State Agreement Acts were varied:

- *Alumina Refinery Agreement Act 1961*
- *Alumina Refinery (Mitchell Plateau) Agreement Act 1971*
- *Alumina Refinery (Pinjarra) Agreement Act 1969*
- *Evaporites (Lake Macleod) Agreement Act 1967*
- *Iron Ore (Hamersley Range) Agreement Act 1963*
- *Iron Ore (Hamersley Range) Agreement Act 1968*
- *Iron Ore (Hope Downs) Agreement Act 1992*
- *Iron Ore (Mount Newman) Agreement Act 1964*
- *Iron Ore Direct Reduced Iron (BHP) Agreement Act 1996*
- *Leslie Solar Salt Industry Agreement Act 1966*

**Agreements Terminated (2003/2004)**

During the reporting period, the following State Agreements were terminated:

- Nil

**Agreement Acts Repealed (2003/2004)**

During the reporting period, the following State Agreement Acts were repealed:

- Nil

## Appendix 3: Abbreviations and Acronyms

ABS	Australian Bureau of Statistics
AMEC	Association of Mining and Exploration Companies Inc
AN	Ammonium Nitrate
Anzatech	A conference showcasing exclusively Australian and New Zealand ICT technology.
ASPAC	Australian Soil and Plant Analysis Council
ASS	Assessment of acid sulfate soils
ATSIC	The Aboriginal and Torres Strait Islander Commission
ATSIS	The Aboriginal and Torres Strait Islander Services
AXTAT	An information system developed to record and retrieve information about lost time injuries and disabling injuries resulting from accidents in the workplace
BEA	Business Exit Assistance
CBR	Chemical, Biological and Radiological
CeBIT	A trade exhibition showcasing ICT technologies.
CGE	Computable General Equilibrium (analysis)
CME	Chamber of Minerals and Energy
CNOOC	China National Offshore Oil Corporation
COAG	Council of Australian Governments
DEH	Department of Environment and Heritage
DITR	Commonwealth Department of Industry Tourism and Resources
DME	Department of Minerals and Energy (ceased 1 July 2001 – see MPR)
DoIR	Department of Industry and Resources
DTF	Department of Treasury and Finance
EMG	Executive Management Group
eMiTis	Electronic Mineral Titles Electronic Information System
EMP	Environmental Management Plan
EPA	Environmental Protection Authority
EPR	Electronic Petroleum Register
ERPGV	Emergency Response Planning Guideline Value
FAAA	Financial Administration and Audit Act 1985
FESA	Fire and Emergency Services Authority
FOI	Freedom of Information Act 1992
FPSO	Floating Production Storage and Off-loading vessel
FSL	Forensic Science Laboratory
FSLIMS	Forensic Science Laboratory's Information Management System

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FSANZ	Food Safety Australia & New Zealand
GDA	Geocentric Datum of Australia
GSWA	Geological Survey of Western Australia
GTL	Gas To Liquids
HAZMAT	Hazardous Materials
HEAT	HAZMAT Emergency Action Team HEAT
ICNWA	Industry Capability Network Western Australia
ICP-MS	Inductively coupled plasma – mass spectrometer
ICT	Information & Communications Technology
IP	Intellectual Property
IPE	International Plant Exchange
IRIC	Institute for Research into International Competitiveness
ITDA	Industry Technology Development Act 1988
KPI	Key Performance Indicator
LCMS	liquid chromatography-mass spectrometry
LNG	Liquefied Natural Gas
LTIFR	Lost Time Injury Frequency Rate
MCA	Minerals Council of Australia
MHF	Major Hazards Facilities
MiTis	Mineral Titles Electronic Information System
MILC	Mining Industry Liaison Committee
MINEHEALTH	Mining Industry Health Database
MOU	Memorandum of Understanding
MOSHAB	Mines Occupational Safety and Health Advisory Board
MSI Act	Mines Safety and Inspection Act 1994
MTSQMS	Mineral Title Services Quality Management System
NATA	National Testing Authority
NLLNS	National Low Level Nutrient Study NLLNS
NOI	Notice of Intent
NOPSA	National Offshore Petroleum Safety Authority
NTRB	Native Title Representative Body
NWS	Northwest Shelf
OAED	Office of Aboriginal Economic Development
OSS	Open Source Software
OSCP	Oil Spill Contingency Plans
PDP	Personal Development Plan (of DoIR staff)
PRD	Petroleum and Royalties Division

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PWA	Petroleum in Western Australia magazine
QMS	Quality Management System
RSHAs	Regional Standard Heritage Agreements
SCG	Staff Consultation Group (of DoIR)
SEA	Software Engineering Australia
SHR	(elected) Safety and Health Representatives
SME	Small and Medium Enterprise
SPF	Strategic Planning Framework
SSO	State Solicitor's Office
SWALSC	South West Aboriginal Land and Sea Council
Teraflop	A measure of a computer's speed. A Teraflop is a trillion floating-point operations per second.
TIC	Toxic industrial chemicals
TIS	Translating and Interpreting Service
TIAC	Technology And Industry Advisory Council
TIFR	Total Injury Frequency Rate
TRIFR	Total Reportable Injury Frequency
UWA	University of WA
WAITOC	Western Australian Indigenous Tourism Operators Committee
WAPIMS	Western Australian petroleum information management system
WA-TIAP	Western Australian Timber Industry Assistance Program
WDTU	Weighted data transaction units
WET	Wine Equalisation Tax
WTPP	Weighted total published products