



Department of  
**Local Government, Sport  
and Cultural Industries**

# **Annual Report** **2018-2019**

State of Western Australia.

Published by the Department of Local Government, Sport and Cultural Industries (DLGSC), Western Australia, September 2019.

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This document has been designed and written to make it accessible to as many people as possible. Copies of this publication are available in alternative formats upon request.

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### **Acknowledgement of country and peoples**

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

### **About DLGSC**

The DLGSC works with partners across government and within its diverse sectors to enliven the Western Australian community and economy through support for and provision of sporting, recreational, cultural and artistic policy, programs and activities for locals and visitors to the State.

The DLGSC provides regulation and support to local governments and the racing, gaming and liquor industries to maintain quality and compliance with relevant legislation, for the benefit of all Western Australians.

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# Statement of compliance

**For the year ended 30 June 2019**

**Hon David Templeman MLA**

**Minister for Local Government; Heritage; Culture and the Arts**

In accordance with section 63 of the *Financial Management Act 2006*, I hereby submit for your information and presentation to Parliament, the Annual Report of the Department of Local Government, Sport and Cultural Industries for the reporting period ended 30 June 2019.

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

A handwritten signature in black ink, appearing to read 'Duncan Ord', with a stylized flourish at the end.

**Duncan Ord OAM**

Director General

Department of Local Government, Sport and Cultural Industries

10 September 2019

# About this report

This annual report describes the performance and operation of the DLGSC during 2018-2019. The report has been prepared according to parliamentary reporting and legislative requirements and is arranged as follows:

## **Agency overview**

An introduction to the DLGSC vision, values and strategic direction, administered legislation, and information about the department's executive members and service areas.

## **Agency performance**

Summarises the department's performance against agreed financial and service delivery outcomes. This section includes the department's performance against key performance indicators and financial statements.

## **Significant issues and trends**

Key issues for the DLGSC, including current and emerging trends.

## **Disclosures and compliance**

Reports on governance, public accountability, financial management, information management, people management and equity and diversity.

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# Foreword

**Director General, Duncan Ord OAM**

Once again it has been a challenging and rewarding year for the Department of Local Government, Sport and Cultural Industries as we work to facilitate enlivened and successful communities and economic development. From partnering with local government to deliver good governance to communities, to providing opportunities in the hospitality sector by reducing red tape on the liquor and gambling industries, the department plays an important role in the lives of people in Western Australia.

This year's annual report highlights the complexity and diversity of the work undertaken by the department as we are responsible for assisting in the administration of 29 pieces of legislation on behalf of our portfolio Ministers. The department has assisted in preparing amendments to the *Liquor Control Act 1988* and the *Local Government Act 1995* in line with election commitments; and supported the passage of legislation through Parliament. The introduction of amendments to liquor licensing laws will help to create a more relaxed and tourism friendly hospitality industry for all Western Australians to enjoy. The Act has already enabled WA liquor producers to showcase their products at events such as music and food festivals. The Local Government Act reform will help find ways to empower local governments to better deliver quality governance and services to WA communities now and into the future.

Community consultation on further legislative change undertaken this year included the Stop Puppy Farming initiative to improve animal welfare outcomes by stopping puppy farming and irresponsible dog breeding. This important reform attracted over 4,500 submissions, and public interest in the welfare of pets was confirmed with a similar number of submissions received as part of the review of the *Cat Act 2011* and *Dog Amendment Act 2013*. In addition, more than 3,000 submissions have been received on proposals on a new Act for Local Government.

The department has been ambitious in delivering State Government goals through our specific services and outcomes and I am immensely proud of the success we have achieved so far for our Western Australian communities. In the sport and recreation space, the department has undertaken significant work in championing equality in sports leadership. Currently, there is a stark imbalance between male and female management in sports organisations. The department would like the sector to strive for gender balance in its leadership roles. The Gender Diversity Case for Change report has been released to endorse a target of 50% female representation in sports leadership roles. The department



continues to work with WA's sport and recreation organisations to help them achieve greater gender diversity in their management structures.

A new funding model for sport and recreation organisations was informed by the department's Strategic Funding Review, which contained 22 findings and 12 recommendations. The new model will ensure the department's funding programs are more equitable, transparent, and effective in supporting the industry. Some of the department's key deliverables include the delivery of three-year funding agreements for the Industry Investment Program, developing an Engagement Strategy with Sport Australia, and evaluating the Targeted Participation Program. These are important pieces of work the department is undertaking to create opportunities for all sports to grow grassroots participation and be sustainable into the future.

In creating sustainable industries, the department developed the WA Motorsport Strategy to provide a framework for the motorsport industry to safely and sustainably develop the sport. The department is working with the motorsport industry on many great initiatives, including establishing an industry working group, creating a framework to guide future investment in the State's venues and facilities, and developing best-practice regulatory guidelines to improve safety and governance. The department is committed to helping the industry to implement these initiatives – with the ultimate goal of empowering WA motorsport to drive its own future.

I would like to highlight the success in the culture and arts space with the new Contemporary Music Fund Grant Program. This program assists homegrown contemporary music artists with projects that enable them to produce and promote their work – building links nationally and internationally. It also aims to improve the representation of Aboriginal, regional, cultural and gender diverse music artists in the industry.

An overwhelming success for the department was Revealed, which invited Aboriginal artists and art centre staff and boards to come together to participate in a Professional Development Program, Public Symposium *Artists in Conversation*, Marketplace Event, and Exhibition that was accompanied by a Virtual Online Tour component. In the largest Revealed to date, the exhibition featured more than 120 emerging Aboriginal artists from the State. Total public attendance increased by 72% on the previous year, with a record of 22,681 visitors overall. Impressively, Revealed generated \$619,235 in total sales, which is a record-high in the program's 11-year history.

The department is working on a WA Cultural Infrastructure Strategy that identifies opportunities in urban, suburban, regional and remote areas for new or improved cultural infrastructure that will lead to more vibrant and empowered communities and economies.

The Strategy will celebrate WA's rich traditional and contemporary Aboriginal culture and promote our State as a destination of choice.

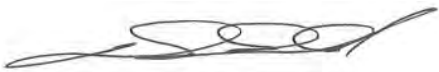
WA's Aboriginal cultural values will underpin the department's strategy to enhance all our cultural places and spaces contributing to WA's unique sense of identity. The department has already undertaken stakeholder consultation on cultural infrastructure as part of the Strategy to help enrich the lives of Western Australians by having greater access to art and cultural experiences.

The department launched the second edition of the book *No Less Worthy*, which acknowledges the contributions of the 135 Aboriginal men with links to Western Australia who volunteered in WWI. Many who enlisted were rejected on the grounds of race due to the policies being implemented at the time. It is a remarkable book on several fronts – it contains biographies, family memorabilia and unique historical images from WA, including the swearing in of recruits at the old Drill Hall on Francis Street opposite the Western Australian Museum. The research has led to a doubling of the previously known number of Western Australia's Aboriginal volunteers from WWI. The book also sets a national standard and provides a blueprint to inspire other states to do the same.

Western Australia is one of the most culturally, linguistically and religiously diverse states in Australia, with 32% of the population born overseas. The State is home to people originating from 190 countries, speaking around 240 languages and dialects, including Indigenous languages, and following more than 100 faiths. In recognition of WA's multiculturalism, the inaugural Perth Chung Wah Festival was held in May 2019. The Festival celebrated the Chinese community's sporting and cultural heritage and showcased WA as an exciting and desirable tourism destination. The department provided extensive support, including the approval required for vendors and visa applications. With around 20,000 people who attended the Festival throughout the week, it was a great success and work is underway by the department to celebrate more cultural communities through these types of festivals in the future.

The new public transport concessions for people seeking asylum, known as the Asylum Seeker Hub (ASH) concession card, which was a cross-agency initiative with the Department of Transport. The ineligibility of people seeking asylum to have access to concession fares for use on public transport had a significant impact on this group and their ability to access services in the community. The provision of the ASH concessions will help asylum seekers to have equitable access to appropriate services in order to actively participate and contribute to the economic, social and cultural development of our State.

These are only some of the department's achievements, there are many more highlighted in this report that I am very proud of and that would not have been possible without the hard work and dedication of staff. I would like to thank all Department of Local Government, Sport and Cultural Industries' staff for their outstanding contribution over the year. Delivering excellent outcomes for Western Australian communities gives us an extraordinary sense of satisfaction in the work we do, and the department will continue to commit our focus on creating enlivened and successful communities and economy for all to enjoy.

A handwritten signature in black ink, appearing to read 'Duncan Ord', with a stylized flourish at the end.

**Duncan Ord OAM**

Director General

Department of Local Government, Sport and Cultural Industries

10 September 2019

# The department at a glance



**467**

Organisations funded

**\$66,046,073**

Total funding

## Racing, Gaming and Liquor



**6169**

compliance inspections

**12,847**

liquor licences determined

## Local government



**3151**

respondents to the local government act review



**4754**

respondents for puppy farming consultation

## Infrastructure



**65**

buildings managed



**\$918m**

value of buildings managed

## Female representation on boards

**40%**

Racing, Gaming and Liquor

**45%**

Sport and recreation



**47%**

Culture and the arts

**43%**

Local Government

**41%**

of State Sporting Organisations met the target of 50% female board representation in 2018-19

## Culture and the arts



**64%**

Western Australian participating in the arts



**2325**

Volunteers across culture and the arts sector

## Office of Multicultural Interests

### Community Languages Schools



**47** schools funded

**5902** students



**35** languages

More than 240 languages spoken in WA



## Aboriginal History



No Less Worthy

**3500** books printed

complimentary copies sent to



**1121** WA schools

**300** community and government representatives

## Partnership Acceptance Learning Sharing (PALS) Program

**141,000**

school students participated in PALS projects across WA



**678**

PALS projects



**643**

schools



**58%**

of all schools in WA

## Reconciliation Week Street Banners Project

**124**

corporate, government and not for profit organisations involved

**417** banners

across

**17**

local government areas

## Sport and recreation

**60%**



of Western Australians aged 15 years+, participating in organised sport and active recreation



**KIDS** KIDSPORT

helping kids participate via KidSport

**\$3.4m**

total value vouchers

**25,328** vouchers

**1169**

events at DLGSC camps

**144,287**

program participations at DLGSC camps



**963**

training opportunities provided to volunteers

**\$208,327**

Total Regional Athlete Travel Subsidy Scheme provided



# Executive summary

## The DLGSC at a glance

The DLGSC delivers services that play an important role in the lives of people in Western Australia. Working across government and industry sectors, the department supports and provides sporting, recreational, cultural and artistic policy, programs and activities for locals and visitors to the State. The department also provides regulation and support to local governments and the racing, gaming and liquor industries to maintain quality and compliance with legislation.

The work undertaken by the department is underpinned by our vision, values and strategic direction, which guide the department's performance against financial and service delivery outcomes. This financial year, the department achieved many successful outcomes to benefit the community and these achievements are detailed within this report. A snapshot of some of the department's success is noted below:

- **Local Government Act reform** – The Act amendment introduced universal training for elected members, including candidate induction, essential training for newly elected councillors and ongoing professional development.
- **Puppy Farming** – More than 4,500 submissions were received, which enabled the department to release a summary consultation report to improve animal welfare outcomes by stopping puppy farming and irresponsible dog breeding.
- **Languages Week** – The department developed learning resources for teachers and parents to promote language learning, which included videos exploring the personal meaning languages had for 11 Western Australians.
- **Perth Chung Wah Cultural Festival** – Around 20,000 people attended the week-long festival, including 32 international guests, to celebrate the WA Chinese community's sporting and cultural heritage.
- **Contemporary Music Fund** – The program commenced in January 2019, with 38 successful applications. Support was also provided to targeted initiatives, including Safer Venues and WAMCon.
- **Revealed** – The exhibition featured approximately 120 emerging Aboriginal artists from the State. Revealed was experienced by more than 22,600 people, which generated \$619,235 in sales.
- **WA Cultural Infrastructure Strategy** – Consultation resulted in a total of 481 key stakeholder engagements with the draft Strategy.
- **New museum project** – The department is working to deliver the \$400 million new museum project, which will explore the extraordinary history, distinctiveness, creativity and diversity of our State and region.

- **Point of consumption tax** – The tax was introduced to ensure online wagering operators pay tax on wagering conducted in Western Australia.
- **Gambling legislation** – The department is helping to implement the government's policy of supporting a strong and sustainable racing industry and responsible gambling practices in Western Australia.
- **Women in leadership** – The department has provided support for the sport and recreation industry to achieve the target of 50% representation of women in leadership positions. This includes governance training and the Gender Diversity Case for Change report, which outlines the benefits of a balanced leadership structure.
- **Strategic Funding Review** – The sport and recreation review contains 22 findings and 12 recommendations, and focusses on ensuring the department's sport and recreation funding programs are effective in supporting the industry.
- **Regional Programs** – The department's regional offices continue to support community organisations in the delivery of regional sport and recreation to regional communities; supporting 60 employed staff throughout the sports house network. More than \$8 million was invested into regional programs and infrastructure projects in 2018-2019.
- **No Less Worthy** – The department launched the publication No Less Worthy, to acknowledge the contribution of Aboriginal people with links to WA who volunteered to enlist in WWI. Through significant genealogical and archival research, the department identified 135 volunteers.
- **Partnership Acceptance Learning Sharing (PALS) Program** – Around 141,000 students participated in a diverse range of projects to increase understanding of Aboriginal history, culture and language and promote reconciliation.
- **Born Digital Strategy** – The State Records Office released the Strategy to help improve the direction for the creation and management of government records in a purely digital environment.

The department continues to create and build on its policies, programs and activities to further contribute to the lives of Western Australian communities and families and build on the Premier's priorities: a strong economy, a bright future, a liveable environment, a safer community, regional prosperity, and Aboriginal wellbeing. The department's key performance indicators help to illustrate how the department is performing its services to reach desired outcomes and government goals and priorities.

As part of the annual audit by the Office of Auditor General (OAG) regarding the department's Outcomes Based Management (OBM) Framework, the department is committed to ensuring our measures are reliable, auditable and that there is appropriate evidence to support the data reported, as required by the OBM Framework processes. As such, the department is reviewing indicators pertaining to the State Information

Management and Archival service and the Compliance Audits and Inspections service; to ensure its measures better reflect the role undertaken by the department and meet the requirements of OAG.

The department acknowledges the changing landscape in which it operates, which impacts the way services are delivered. This includes managing risk in a digital era, which is becoming increasingly complex, including the risk of cyber threats. The department has established an ICT Security Compliance Plan to ensure systems are kept up-to-date, to review the ongoing effectiveness of the ICT security function and to ensure department staff are security conscious. Further information relating to issues and trends are noted in the report.

Also noted in the report is disclosures and compliance, particularly in relation to finance disclosures, ministerial directives, governance disclosures, and government policy requirements. This includes the Disability Access and Inclusion Plan; where the department works to ensure that people with disability, their families and carers have the same opportunities, rights and responsibilities as others to accessing the services, information and facilities the department provides. As part of Freedom of Information, the department is committed to making information available outside the FOI process wherever possible to improve openness and transparency in the delivery of our services to the community. Further detail on these disclosures and compliance is noted within the report.

The annual report provides a summary of the work achieved by the department in 2018-2019. Looking ahead, the department will continue to build on the success from this financial year as it delivers services that will benefit all Western Australians.



# Agency overview



## Agency profile

The DLGSC works with partners across government and within its diverse sectors to enliven the Western Australian community and economy through support for and provision of sporting, recreational, cultural and artistic policy, programs and activities for locals and visitors to the State.

The department provides regulation and support to local governments and the racing, gaming and liquor industries to maintain quality and compliance with relevant legislation, for the benefit of all Western Australians.

## Strategic direction

### **DLGSC vision**

Enlivened and successful communities and economy

### **DLGSC mission**

To facilitate lively communities and economy and the offering of outstanding and inclusive sporting and cultural experiences

### **DLGSC values**

- Vision
- Excellence
- Integrity
- Diversity
- Leadership

### **DLGSC objectives**

- To partner with local government to deliver good governance to community
- To promote participation and achievement in sport, recreation, culture and arts
- To support and grow the cultural industries
- To promote the benefits of cultural diversity and social inclusion
- To provide opportunities in the hospitality sector by reducing red tape on the liquor and gambling industries
- To celebrate Aboriginal culture and preserve history and traditions

## **DLGSC approach**

We will achieve this by:

- Working collaboratively across other State Government departments
- Creating synergies and finding efficiencies in business functions
- Responding proactively to State Government imperatives such as election commitments and stated strategic priorities
- Contributing to the achievement of Government targets
- Community focussed engagement and partnerships

## Responsible Ministers

The DLGSC was established on 1 July 2017 under the *Public Sector Management Act 1994*. At 30 June 2019, the department was responsible to the following Ministers:

**Hon David Templeman Dip Tchg BEd MLA**

Minister for Local Government; Heritage; Culture and the Arts

**Hon Michael (Mick) Murray MLA**

Minister for Seniors and Ageing; Volunteering; Sport and Recreation

**Hon Paul Papalia CSC MLA**

Minister for Tourism; Racing and Gaming; Small Business; Defence Issues; Citizenship and Multicultural Interests

**Hon Benjamin (Ben) Wyatt MLA LLB, MSc**

Treasurer; Minister for Finance; Energy; Aboriginal Affairs

## Legislation administered

The department assisted in the administration of the following legislation on behalf of its portfolio Ministers as at 30 June 2019.

1. *Art Gallery Act 1959*
2. *Caravan Parks and Camping Grounds Act 1995*
3. *Cat Act 2011*
4. *City of Perth Act 2016*
5. *Combat Sports Act 1987*
6. *Control of Vehicles (Off-road Areas) Act 1978*
7. *Dog Act 1976*
8. *Dog Amendment Act 2013*
9. *Gaming and Betting (Contracts and Securities) Act 1985*
10. *Library Board of Western Australia Act 1951*
11. *Liquor Control Act 1988*
12. *Local Government (Miscellaneous Provisions) Act 1960*
13. *Local Government Act 1995*
14. *Major Events (Aerial Advertising) Act 2009*
15. *Museum Act 1969*
16. *Perth Theatre Trust Act 1979*
17. *Racing and Wagering Western Australia Act 2003*
18. *Racing Bets Levy Act 2009*
19. *Racing Penalties (Appeals) Act 1990*
20. *Racing Restriction Act 2003*
21. *South Fremantle Oil Installations Pipe Line Act 1948*
22. *Sports Drug Testing Act 2001*
23. *State Records Act 2000*
24. *Sunset Reserve Transformation Act 2014*
25. *The Western Australian Turf Club Act 1892*
26. *Western Australian Greyhound Racing Association Act 1981*
27. *Western Australian Sports Centre Trust Act 1986*
28. *Western Australian Trotting Association Act 1946*
29. *Western Australian Turf Club (Property) Act 1944*

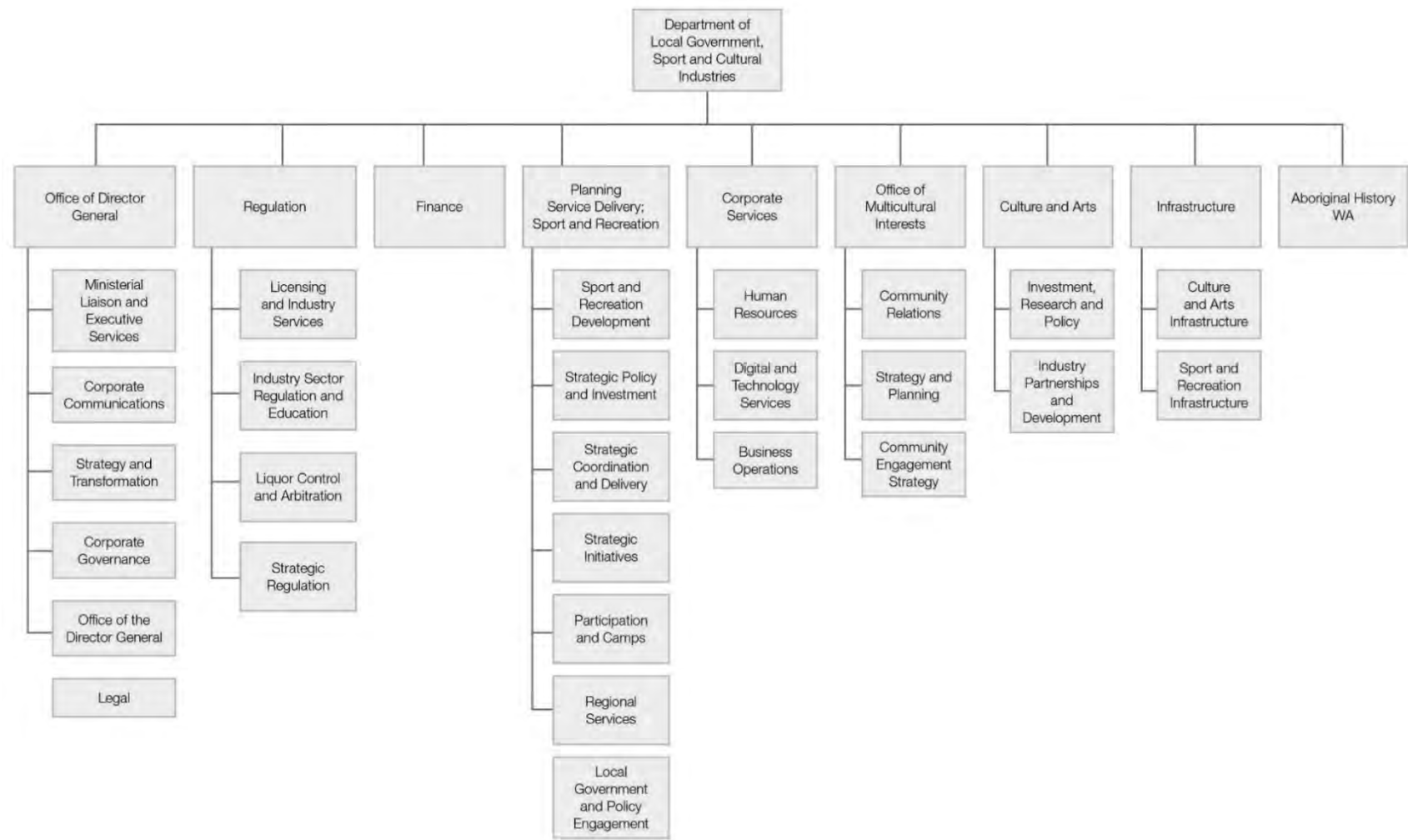
## Enabling legislation

In performing its functions, the DLGSC is compliant with relevant law, including, but not limited to:

- *Auditor General Act 2006*
- *Disabilities Services Act 1993*
- *Equal Opportunity Act 1984*
- *Financial Management Act 2006*
- *Freedom of Information Act 1992*
- *Industrial Relations Act 1979*
- *Legal Deposit Act 2012*
- *Minimum Conditions of Employment Act 1993*
- *Occupational Safety and Health Act 1984*
- *Public Interest Disclosure Act 2003*
- *Public Sector Management Act 1994*
- *Salaries and Allowances Act 1975*
- *State Records Act 2000*
- *State Superannuation Act 2000*
- *State Supply Commission Act 1991*
- *Workers' Compensation and Injury Management Act 1981*

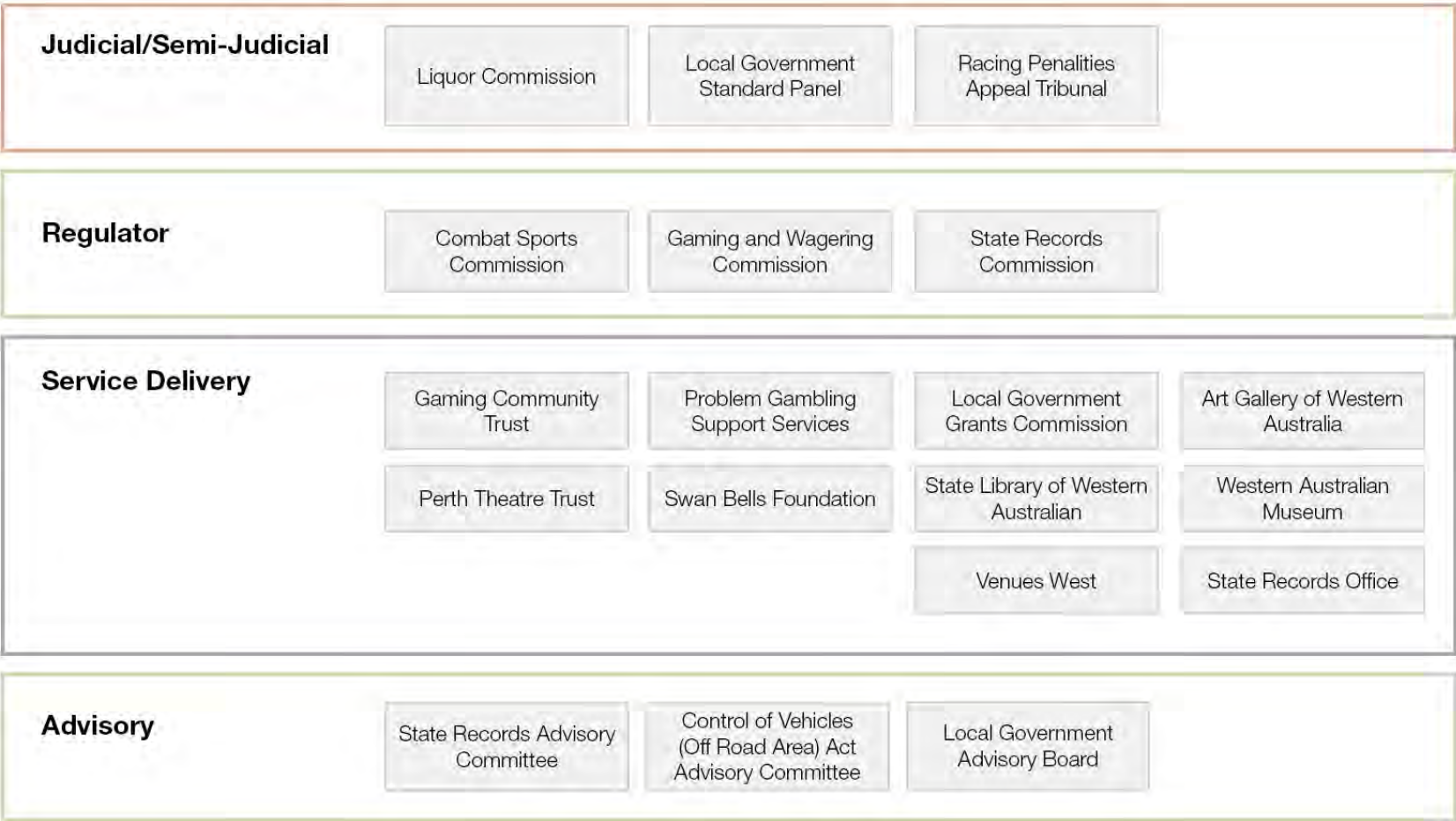
# Operational structure

Structure at 30 June 2019



# Portfolio structure

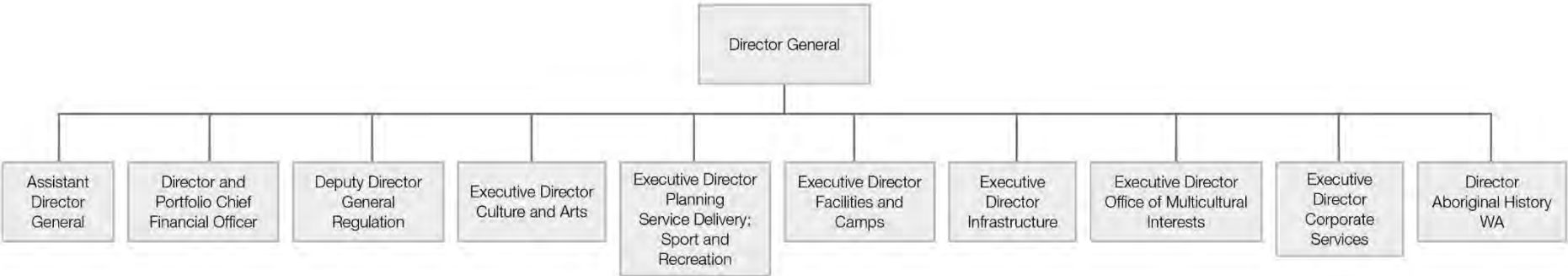
## DLGSC interagency relationships





# Executive structure

Structure at 30 June 2019



## Executive leadership

The DLGSC has the following business areas: local government, regulation, infrastructure, sport and recreation, culture and the arts, Aboriginal History Unit, Office of Multicultural Interests, and State Records Office. These business areas are supported by the operational areas of corporate services, finance, and office of the Director General.

Below are the executive leadership roles at 30 June 2019.

| Position   | Role                |
|--|---------------------|
| Director General   | Duncan Ord OAM      |
| Deputy Director General  | Michael Connolly    |
| Assistant Director General                                     | Margaret Butcher    |
| Executive Director Corporate Services                          | Glen Kar            |
| Acting Executive Director Sport and Recreation                 | Rob Didcoe          |
| Executive Director Culture and the Arts                        | Colin Walker        |
| Executive Director Planning and Service Delivery               | Vacant              |
| Executive Director Infrastructure                              | Lisa Fanciulli      |
| Director Aboriginal History Unit                               | Anna Wyatt          |
| Acting Executive Director<br>Office of Multicultural Interests | Kim Ellwood         |
| Director and Portfolio Chief Financial Officer                 | Shanaeya Sherdiwala |

## Business areas

### Local government

The business area supports local governments to fulfil their statutory obligations and to improve capability in the sector. The business area provides advice and support across the local government sector and uses a risk-based approach to identify those needing targeted intervention and assistance. The business area supports the sector in the provision of good governance and compliance by monitoring, promoting and enforcing compliance with the *Local Government Act 1995*. The business area reviews and administers a range of legislation impacting on local governments and the community. Through the provision of regulatory functions primarily related to the administration of the *Local Government Act 1995* including approvals, compliance monitoring and other statutory support, the business area assists local governments with best practice in the sector.

The business area is responsible for managing the *State Local Government Partnership Agreement* and monitoring the Committee of Perth in accordance with the *City of Perth Act 2016*.

### Regulation

The business area receives, processes and determines applications in accordance with the legislation. The business area provides a licensing service for the liquor and gambling industries and applications are considered and determined on their merits in accordance with the relevant legislative requirements. The business area also performs audits and inspections to verify that the provision of gambling and liquor is conducted in a responsible and lawful manner. Under the legislative framework provided in the *Liquor Control Act 1988*, the business area undertakes regular audits and inspections to regulate the sale, supply and consumption of liquor, and to minimise harm and ill-health to the public. Additionally, inspections are undertaken to ensure that licensed premises are operating and being maintained to a standard that meets consumer expectations.

### Infrastructure

The business area provides leadership to promote and guide infrastructure planning and develop sound policy based on the key principles of facility provision. The business area manages and maintains key civic infrastructure across the sport and recreation and culture and the arts portfolios and provides client agency services for the planning and delivery of major State sport and cultural infrastructure projects in line with the Department of Treasury's Strategic Asset Management framework. The business area also delivers the Community Sporting and Recreation Facilities Fund, State Sporting Infrastructure Fund and a range of infrastructure related election commitments. The business area provides strategic policy, leadership, and funding support on civic infrastructure planning and delivery across local government.

## Sport and recreation

The business area provides strategic leadership and support for the sport and active recreation\* industry across Western Australia, through funding and advice to State sporting organisations, community organisations and local governments. The business area proactively engages with the sector to determine and implement strategic responses to current and emerging issues and to review the department's programs and services. The business area works with the industry to support athletes and teams to achieve at all levels, including local, national and international competitions. By building on the existing capabilities of individuals and organisations, the business area enables them to operate at their best and provide quality opportunities for participation in sport and active recreation. The business area also provides experiential outdoor activities to the Western Australian community through the management of recreation camps. The sport and recreation camps are a successful community service operation delivering quality, affordable, accessible camp experiences in Western Australia.

*\*Active recreation refers to activities engaged in for the purpose of relaxation, health and wellbeing or enjoyment with the primary activity requiring physical exertion, and the primary focus on human activity.*

## Culture and the arts

The business area supports the delivery of arts and culture activities through strong evidence-based policy, research and funding across Western Australia to achieve State Government outcomes. The business area undertakes the development and implementation of research and industry projects to strengthen the policy basis of its programs and services. Working with a range of stakeholders and partners, the business area provides information and opportunities to foster growth, connections and access to industry intelligence. This includes statistics on cultural funding, employment, attendance and participation, and Western Australia's values and attitudes towards culture and the arts. The business area funds non-government arts organisations as a base from which they can then generate additional income through sponsorship, box office and other agencies to support their annual program of activities. It also provides project funding to provide artists and creatives to undertake a broad range of projects and activities across multiple art forms. Investment in arts and culture is essential to ensure Western Australians have ongoing access to arts and culture activities.

## Aboriginal History Unit

The business area assists the Aboriginal community by providing an Aboriginal family history service to connect Aboriginal families as well as significant projects that promote reconciliation in schools, businesses and the wider community. The business area's family history service assists Aboriginal people and organisations to access historical family records and genealogical information. It also provides a specialist research service for

Native Title claimants and general researchers. Over the past year, the business area has received an increased number of requests for records in response to the Royal Commission into Institutional Responses to Child Sexual Abuse.

Through the Partnerships Acceptance Learning Sharing (PALS) program the business area provides grant funding to WA schools to develop projects that celebrate Aboriginal culture and promote reconciliation within their local communities. The Reconciliation Week Street Banner project enables the corporate sector, government agencies and the wider community to publicly acknowledge their pride in our State's Aboriginal culture and commitment to reconciliation through the public display of banners.

## **Office of Multicultural Interests**

Through the development and implementation of policies, programs and services, the business area aims to achieve the full potential of multiculturalism. Western Australia is one of the most culturally, linguistically and religiously diverse states in Australia, with 32% of the population born overseas. The State is home to people originating from 190 countries, speaking around 240 languages and dialects, including Indigenous languages, and following more than 100 faiths. The business area works to achieve the full potential of multiculturalism in WA through the development and implementation of policies, programs and services. This requires strategies that include the whole community, including business and industry groups, government and non-government agencies, culturally and linguistically diverse communities and the wider community.

## **State Records Office (SRO)**

The SRO on behalf of the State Records Commission, regulates record keeping across the State and local government sector. SRO is also the custodian of the largest and most significant documentary heritage collection in Western Australia. The State Records Office fosters best practice information management processes throughout government to enable effective, efficient, open and accountable business practices. The State Records Office ensures the identification and preservation of WA's State archives and facilitates public access to this rich source of historical and evidential information.

## Workforce

DLGSC demographics at 30 June 2019.

### Workforce demographics

|                         | Women | Men |
|-------------------------|-------|-----|
| Total                   | 286   | 206 |
| DLGSC – Employment type | Women | Men |
| Permanent Full-time     | 140   | 151 |
| Permanent Part-time     | 74    | 13  |
| Fixed Term Full-time    | 33    | 25  |
| Fixed Term Part-time    | 18    | 10  |
| Casual paid             | 16    | 6   |
| *Other                  | 5     | 1   |

\*Includes staff on secondment and public sector trainees.

### Workforce diversity

|                            | Number | Number of senior management roles | Percentage of women in management roles |
|----------------------------|--------|-----------------------------------|---|
| Women in senior management | 5      | 12                                | 42%                                     |

|                                      | Number | Percentage of employees |
|--------------------------------------|--------|-------------------------|
| Youth (employees under 25)           | 16     | 3%                      |
| Identify as an Aboriginal Australian | 7      | 1%                      |
| Identify as people with disability   | 17     | 3%                      |

## Performance Management Framework

The DLGSC achieves its State Government desired outcomes through the delivery of 10 key services. While DLGSC contributes to all of the government's Outcomes Based Service Delivery goals, its primary contribution is to the following government goals:

- Better places: A quality environment with liveable and affordable communities and vibrant regions.
- Strong communities: Safe communities and supported families.

The below table illustrates the relationship between the DLGSC desired outcomes and the most relevant government goal; noting that, the numbering of the services and their associated efficiency indicators reflects their numbering in the department's Budget Paper. The DLGSC's performance is highlighted in comparative data illustrated in the outcomes and key effectiveness indicators and services and key efficiency indicators tables. Further information is outlined later in the report in the Key Performance Indicators section.

| Government Goal  | Outcome  | Services  |
|--|--|---|
| Better Places:<br>A quality environment with liveable and affordable communities and vibrant regions | Local governments were capable and well-governed   | Service 1 – Regulation and support of local government  |
|  | A sustainable arts and cultural sector that enhances social and economic wellbeing   | Service 3 – Arts industry support<br>Service 4 – Research, policy development, information and support  |
|  | Efficient and effective services to the culture and arts portfolio and government  | Service 5 – Corporate and asset and infrastructure support to the culture and arts portfolio  |
|  | To promote, monitor and enforce responsible and lawful gambling and liquor services in accordance with legislation                             | Service 17- Licensing – evaluation and determination of applicants<br>Service 18 – Compliance audits and inspections  |
|  | A strong and diverse sport and recreation system in Western Australia that is accessible, encourages maximum participating and develops talent | Service 19 – Industry leadership and infrastructure development<br>Service 20 – Building capacity and participation<br>Service 21 – Recreation camps management |
| Strong Communities:<br>Safe communities and supported families                                       | Western Australia was recognised as a vibrant and effective multicultural society  | Service 2 – Promotion and support of multiculturalism   |

*The numbering of the services and their associated efficiency indicators reflects their numbering in the department's Budget Paper.*

## Outcomes and key effectiveness indicators

Reference to the year 2018-2019 in the detailed key performance indicators information is a reference to the reporting period. While the department did not exist prior to 1 July 2017, comparative data has been disclosed from the former departments' audited data.

| Desired outcomes  | Key effectiveness indicator   | 2015-2016 | 2016-2017 | 2017-2018 | 2018-2019 Target | 2018-2019 Actual |
|---|---|-----------|-----------|-----------|------------------|------------------|
| Local governments were capable and well-governed.                                   | LG 1: Percentage of local governments that did not have an action taken against them under the department's compliance framework  | 54%       | 32%       | 29%       | 55%              | 49%              |
|   | LG 2: Percentage of local governments with Integrated Planning and Reporting plans reviewed   | 100%      | 96%       | 38%       | 25%              | 87%              |
| Western Australia was recognised as a vibrant and effective multicultural society.  | OMI 1: Percentage of organisations and individuals who report that the Office of Multicultural Interests had a positive impact on the promotion and support of multiculturalism | 84%       | 83%       | 89%       | 80%              | 94%              |
|   | OMI 2: Percentage of community grants for multicultural organisations that were acquitted against identified outcomes   | 80%       | 94%       | 93%       | 85%              | 98%              |
| A sustainable arts and cultural sector that enhances social and economic wellbeing. | CA 3: Ratio of government funding to other income   | 1:7.16    | 1:6.29    | 1:6.12    | 1:3.61           | 1:6.33           |
|   | CA 4: Public value of the contribution of arts and culture to the State's identity and community  | 68        | 69        | 71        | 68               | 73               |
| Efficient and effective services to the Culture and Arts portfolio and government.  | CAP 1: Percentage of annual infrastructure maintenance budget expended on portfolio infrastructure maintenance requirements   | 91.6%     | 99.4%     | 98.0%     | 95.0%            | 101%             |



|   |   |     |     |     |     |     |
|---|---|-----|-----|-----|-----|-----|
| <p>To promote, monitor and enforce responsible and lawful gambling and liquor services in accordance with the legislation.</p> <p>A strong and diverse sport and recreation system in Western Australia that is accessible, encourages maximum participation and develops talent.</p> | RGL 1: Percentage of audit and inspections that comply with requirements and statutory criteria | 98% | 98% | 97% | 94% | 97% |
|   | SR 1: Satisfaction rating of policy development and leadership provided by the department       | 93% | 93% | 89% | 85% | 91% |
|   | SR 2: Satisfaction rating of the department's consultation advice to clients                    | 88% | 88% | 85% | 90% | 86% |
|   | SR 3: Satisfaction rating of the department's grant's management                                | 88% | 89% | 84% | 85% | 90% |
|   | SR 4: Satisfaction rating of the department's programs, initiatives and resources               | 93% | 92% | 90% | 90% | 91% |
|   | SR 5: Western Australian participation in organised sport and active recreation                 | 56% | 56% | 57% | 56% | 60% |
|   | SR 6: Satisfaction rating of recreation camps management and service delivery                   | 95% | 94% | 94% | 87% | 94% |

## Services and key efficiency indicators

While the department did not exist prior to 1 July 2017, comparative data has been disclosed from the former departments' audited data. The numbering of the services and their associated efficiency indicators reflects their numbering in the department's Budget Paper.

| Delivered services   | Efficiency indicator  | 2015-2016 | 2016-2017 | 2017-2018 Actual | 2018-2019 Target | 2018-2019 Actual |
|--|---|-----------|-----------|------------------|------------------|------------------|
| 1. Regulation and Support of Local Government  | 1.1 Average cost per local government for regulation and support  | \$76,070  | \$78,881  | \$98,803         | \$86,051         | \$76,743         |
| 2. Promotion and Support of Multiculturalism   | 2.1 Average cost per project to support and promote multiculturalism  | \$101,061 | \$99,118  | \$110,916        | \$111,717        | \$87,974         |
|  | 2.2 Number of grants and service agreements per full time equivalent  | 27        | 33        | 36               | 25               | 33               |
| 3. Arts Industry Support   | 3.1 Grants operations expense as a percentage of direct grants approved                                     | 6.7%      | 4.1%      | 5.1%             | 4.5%             | 5.4%             |
| 4. Research, Policy, Development, Information and Support  | 4.1 Research, policy development, information and support expense as a percentage of direct grants approved | 5.7%      | 3.9%      | 5.1%             | 4.5%             | 5.4%             |
| 5. Corporate and Asset and Infrastructure Support to the Culture and Arts Portfolio and Government | 5.1 Average cost of service per full time equivalent  | \$171,457 | \$138,820 | \$246,636        | \$15,975         | \$319,290        |
| 17. Licensing - Evaluation and Determination of Applications                                       | 17.1 Average cost of determining applications   | \$554     | \$460     | \$476            | \$430            | \$490            |

|  |  |          |          |          |          |          |
|--|--|----------|----------|----------|----------|----------|
| 18. Compliance Audits and Inspections                  | 18.1 Average cost of conducting inspections  | \$995    | \$961    | \$759    | \$893    | \$804    |
| 19. Industry Leadership and Infrastructure Development | 19.1 Average cost of providing consultancy (policy, advocacy and infrastructure) to organisations          | \$10,083 | \$10,874 | \$10,080 | \$10,324 | \$13,447 |
|  | 19.2 Average cost of providing the contact services (policy, advocacy and infrastructure)                  | \$526    | \$740    | \$670    | \$942    | \$2,893  |
|  | 19.3 Average cost to manage infrastructure grants  | \$3,288  | \$2,114  | \$2,545  | \$2,175  | \$2,451  |
| 20. Building Capacity and Participation                | 20.1 Average cost of providing consultancy (organisational development and participation) to organisations | \$13,554 | \$15,523 | \$13,565 | \$18,080 | \$11,413 |
|  | 20.2 Average cost of providing the contact services (organisational development and participation)         | \$309    | \$413    | \$344    | \$587    | \$789    |
|  | 20.3 Average cost to manage sport and recreation development grants  | \$2,002  | \$1,893  | \$2,026  | \$2,739  | \$1,990  |
| 21. Recreation Camps Management                        | 21.1 Average cost per bed night  | \$57     | \$53     | \$55     | \$54     | \$64     |
|  | 21.2 Average cost per participation  | \$24     | \$24     | \$25     | \$27     | \$27     |

## Changes to the outcome-based management framework

A number of changes were made to the DLGSC's Outcomes Based Management Framework during the 2018-2019 year. These changes were made as a result of the annual audit by the Office of Auditor General (OAG), which resulted in a qualified audit.

Findings from the audit impacted on both the State information management and archival service, as well as the compliance audits and inspections service.

### State information management and archival service

The department had not been able to reliably measure the State information and archival service key efficiency indicator, Cost Per Access Service and elected not to report the KPIs in the 2017-2018 reporting period. As a result, in 2017-2018 the department did not comply with the requirement under Treasurer's Instruction TI904 and report on Under Treasurer's approved KPIs.

As a result of the Machinery of Government changes and the review of the department's Outcome Based Management Framework process it was recommended that the State Information Management and Archival service indicators would no longer convey a meaningful understanding of the agency's overall performance.

The State Information Management and Archival service was removed from the department's Outcomes Based Management Framework effective 2018-2019 year.

### Compliance audits and inspections

This indicator was previously reported as 'Licensees/service providers that comply with audit requirements and statutory criteria', it was recommended to amend it to ensure it reflects what is being measured. This indicator is amended to 'Percentage of audit and inspections that comply with requirements and statutory criteria' and is effective as of the 2018-2019 year.

### Arts industry support

As per to the Outcomes Based Management (OBM) framework review, it has been identified that the following indicators do not meet the audit requirements as the reported figures cannot be validated.

- Number of department funded works presented or developed (annually); and
- Number of paid attendances to funded organisations.

Accordingly, these measures have been removed for the 2018-19 reporting period and will not continue under the new OBM framework. These will be replaced with measures that better reflect the role undertaken by the department.

## Shared responsibilities

The DLGSC works with all tiers of government to achieve State Government outcomes that will benefit the Western Australian community.

In partnership with the Australian Government through the Australia Council for the Arts, the DLGSC funds four Major Performing Arts (MPA) companies in WA. This is part of a national approach to secure high-level outcomes from the MPA sector. Through this partnership, funding is also provided to the visual arts and craft sector. This is a nationally coordinated joint package of funding and support for the Australian contemporary visual arts sector; to promote the creative work by living visual artists and craft practitioners, and the organisations that support their practice.

Screenwest delivers the Western Australian Regional Film Fund in partnership with the DLGSC and Department of Primary Industries and Regional Development. This Fund encourages regional film industry activity, builds local capacity, and contributes to the liveability and vibrancy of regional WA communities.

As part of the Jobs and Economic Diversification (JED) Cabinet Sub-committee, which provides the governance for the implementation of the Government's Plan for Jobs and engages with industry groups and the community, the DLGSC helps to oversee agency implementation of the JED policy goals and priorities.

In partnership with the Department of Primary Industries and Regional Development, the DLGSC delivers several Royalties for Regions funded programs. These programs included delivering the final year of the Royalties for Regions-funded Creative Regions program, which included supporting regional performing arts and visual arts venues, and Aboriginal art centres. Another example is the Regional Athlete Support Program Royalties for Regions funding, which was provided to assist in the delivery of a high-quality daily training environment for regional athletes. This included coaching and sport specialist services within regional locations.

The department works in close partnership with the Department of Biodiversity, Conservation and Attractions to develop trails strategies, infrastructure and participation. This relationship has resulted in the development of the Trails Development Series and the awarding of the \$10.0 million Collie Adventure Trails project.

The department works closely with the Department of Planning, Lands and Heritage to support better planning, sustainability and vibrancy of WA communities. Three key projects include: the introduction of the new *Heritage Act 2018*; the alignment of the planning reform agenda with the review of the *Local Government Act 1995*, and the identification and provision of State owned-land to fast track the establishment of additional residential aged care development facilities, through the State Aged Care Availability Working Group.

## Resource agreement

The Resource Agreement articulates the department's desired outcomes (both financial and non-financial) and performance targets as stated in the Budget Papers, and is consistent with the broader strategic policy direction and priorities of the government. The department's Resource Agreement is signed by the Accountable Authority, the Treasurer, and the following responsible Ministers under Part 3, Division 5 of the *Financial Management Act 2006*:

- Minister for Local Government; Culture and the Arts
- Minister for Racing and Gaming; Citizenship and Multicultural Interests
- Minister for Sport and Recreation
- Minister for Aboriginal Affairs

The targets identified in the Resource Agreement relate only to the department. The targets published in the Budget Papers for the culture and the arts statutory authorities are subject to separate resource agreements.

# Agency performance



## Key achievements

### Regulation and support of local government

#### **The department supports local governments to fulfil their statutory obligations and to improve capability in the sector**

The department provides advice and support across the local government sector and uses a risk-based approach to identify those needing targeted intervention and assistance. The department supports the sector in the provision of good governance and compliance by monitoring, promoting and enforcing compliance with the *Local Government Act 1995*. The department reviews and administers a range of legislation impacting on local governments and the community. Through the provision of regulatory functions primarily related to the administration of the *Local Government Act 1995* including approvals, compliance monitoring and other statutory support, the department assists local governments with best practice in the sector.

The department is responsible for managing the *State Local Government Partnership Agreement* and the management of the Committee of Perth in accordance with the *City of Perth Act 2016*.

## Key achievements

### **Legislative reform – suspension and dismissal powers**

The *Local Government Amendment (Suspension and Dismissal) Act*, which amended the *Local Government Act 1995* came into effect from 20 November 2018. These changes protect the public interest and the system of local government by facilitating a timely intervention by the Minister when a local government is unable to carry out its functions.

This legislative reform provides the Minister for Local Government with additional powers enabling tailored assistance to be given to a council member or a council. Specifically, the Minister has the power to suspend and/or order an individual council member to undertake remedial action when the Minister is satisfied that it is inappropriate for the council member to continue to act as a member of council without intervention.

### **Local Government Act reform**

The first phase of local government reform saw the passage of the *Local Government Legislation Amendment Act 2019* on 27 June 2019. This Act introduced universal training for elected members, including candidate induction, essentials training for newly elected councillors and ongoing professional development.

It also introduced a new gifts framework, best practice standards for CEO recruitment, performance review and early termination, a new code of conduct and greater transparency with a wide range of information being required to be published on local government websites.



The second phase, which will underpin a new Local Government Act, involved DLGSC officers conducting more than 110 workshops and forums around the State. More than 3,150 submissions were subsequently received.

### **Stop puppy farming**

Feedback on the stop puppy farming proposals were sought between 3 May 2018 and 3 August 2018. A summary consultation report was subsequently released and provides a snapshot of 4,754 submissions received during the consultation period.

### **Dog and Cat Act reviews**

The *Dog Amendment Act 2013* and *Cat Act 2011* came into effect in 2013. Both Acts are now being reviewed to see how effective the changes have been in the control and management of dogs and cats in Western Australia.

The department has released a consultation paper to gather feedback from the community, local governments and stakeholders about how the 2013 changes are working, whether they have been effective, and to identify any areas that could be improved.

### **State Local Government Partnership Agreement**

Signed in 2017, the Agreement is an ongoing engagement mechanism between the State Government and local government to discuss and address issues of mutual interest. The Agreement Leadership Group meets twice a calendar year and in 2018/2019 a Directors General Working Group was established to progress the implementation of an agreed work plan.

### **Support for local government**

In February 2019 Local Government Professionals WA was funded by the department to expand the Peer Support Program into regional local government areas. The purpose of the program is to facilitate meaningful peer support to participating local governments to help improve the content and performance of their Integrated Planning and Reporting (IPR) framework through regional collaboration and resource sharing. The program has been widely promoted with interest from across the State. The South West group of local governments (11 in total) has been successful with a proposal requesting to establish their own peer support program in the region.

The department held an interactive IPR Capacity Building Forum aimed to demonstrate a multitude of simple and effective ideas to assist local governments in meeting their IPR requirements, which was attended by 60 metropolitan and regional local government representatives. The focus of the forum was on the importance of peer support – the benefits as well as efficiencies through local governments working together.

The department and Local Government Professionals WA partner in a CEO Support Program that assists Local Government CEOs to be better equipped to deal with the challenges currently facing the sector. In 2018-2019, the program included: 24 local government CEOs who participated in coaching and mentoring; 35 CEOs who attended the Connections forums; and 27 local government staff who attended the executive leadership training.

## Promotion and support of multiculturalism

**Through the development and implementation of policies, programs and services, the department aims to achieve the full potential of multiculturalism**

Western Australia is one of the most culturally, linguistically and religiously diverse states in Australia, with 32% of the population born overseas. The State is home to people from 190 countries, speaking 240 languages and dialects, including Indigenous languages, and following 100 faiths.

The Office of Multicultural Interests works to achieve the full potential of multiculturalism in WA. This requires strategies that include the whole community, including business and industry groups, government and non-government agencies, culturally diverse communities and the wider community.

### Key achievements

#### Harmony Week

In the lead up to Harmony Week 2019, the department encouraged counterparts across Australia to join with WA in celebrating Harmony Week rather than Harmony Day; as there were community concerns about celebrating an anniversary that is reserved internationally for sombre reflection. In February, as a result of the department's efforts, the Department of Home Affairs confirmed that they officially renamed their initiative Harmony Week. As a result, Harmony Week is now marked consistently across Australia.

To mark Harmony Week 2019, the department held the third annual Harmony Week schools debate featuring students from WA universities debating the question: 'Australia is the most successfully multicultural country in the world'. The debate was attended by 250 high school students from across the Perth metropolitan areas as well as being live-streamed, where it was viewed by a further 300 people.

#### Perth Chung Wah Cultural Festival

In May 2019, the department, Small Business Development Corporation, Tourism WA and Burswood Park worked with the Chung Wah Association to deliver the inaugural Perth Chung Wah Cultural Festival. Funded through the Burswood Park Board, the festival sought to: celebrate the WA Chinese community's sporting and cultural heritage; showcase WA as an exciting and desirable tourist destination; create a platform to increase national and international visitor numbers to WA; and activate and promote Burswood Park. Around 20,000 people attended the week-long festival, including 32 international guests.

#### Community Grants Program review

In 2018, the department implemented a new model for its Community Grants Program. This included new categories and a change from scheduled funding rounds to funding being available all year. Community groups are supported by departmental staff to develop their ideas and applications. This new model has seen an increased number of grants going directly to Culturally and Linguistically Diverse (CaLD) communities.

The review included a change to the eligibility criteria to ensure that funding reaches activities led by CaLD communities. A recruitment process was undertaken to select community members to participate in Community Grants Program panels. This has provided a broad range of skills, experience and perspective to the panel assessment process and has served as a capacity building exercise for community members who want to learn more about government funding processes.

### **Community Language Teacher Awards**

In November 2018, the department launched the inaugural Community Language Teachers Awards in partnership with Community Languages WA. Russian language teacher Irina Yakimenko was awarded the Outstanding Community Language Teacher of the year, with a further 14 teachers receiving certificates on commendation.

### **Leadership and Governance Program**

In 2018, 19 new graduates joined an alumni of more than 93 CaLD professionals who have completed the department's Leadership and Governance Program. The Program encourages diversity at board level and supports OnBoard WA, a government initiative to connect people with WA public sector board opportunities. The graduates come from a wide range of professions including business, human services and engineering. They are all experts in their field and ready to contribute their experience to public, private and not-for-profit boards and committees.

### **Languages Week**

In 2018, the department partnered with the WA Museum to deliver the Four Words project, which explored the personal meaning languages have for 11 Western Australians who speak a language other than English. The videos were shown on public screens throughout Perth and were accompanied by a learning resource for teachers and parents to promote language learning.

Also during Languages Week, as part of a partnership with the department, the State Library of Western Australia presented the Sharing Our Diverse Heritage project. The 12-month project involved the identification, collection and processing of heritage materials that document the lives and stories of Asian and European migrants in Western Australia. Resources and teaching materials were also developed for the use by language teachers, and a new visual display was created to complement the Community Languages Collection at the State Library.

### **Pathways to Improvement Program**

In 2018, the department launched the Pathways to Improvement Program, a school development program for community language schools. The Program aims to support school administration and operations and develop quality language teaching. It is intended that the program will streamline application processes for Community Language School grants and take a practical approach to the development of community language schools in Western Australia.

## Arts industry support

### **The department supports the delivery of arts and culture activities across Western Australia through funding programs and partnerships**

In 2018-2019 the department distributed more than \$30 million in funding to bring a vibrant mix of arts and culture to Western Australian audiences. This included \$19 million to non-government organisations, over \$3 million awarded to individuals, groups and organisations through project grants, \$4.9 million in Royalties for Regions funding distributed through the Creative Regions grants programs, the Regional Exhibition Touring Boost and \$3 million to Screenwest.

### **Key achievements**

#### **Creative Regions**

In the final year of the Royalties for Regions-funded Creative Regions Program, the program was reviewed by KPMG. The review found clear alignment between the schemes, project and overall program objectives. It noted that its delivery was underpinned by a collaborative, staged and flexible approach, and stakeholders reported that the program provided the support that was needed, and largely at a high quality.

The program delivered support to a range of regional arts and cultural activity. Aboriginal art centres were strengthened through Future Focus funding, regional performing arts touring was supported by the Regional and Remote Touring Fund, and regional arts venues were upgraded through the Regional Venue Improvement Fund.

As part of the Creative Regions Program, Circuit West delivered the WA Showcase May 2019. Thirty-eight shows were presented at the event, 20 of which are now being investigated for touring.

#### **Contemporary Music Fund (CMF)**

The State Government has provided funding of \$3 million over four years for the CMF to support the music industry in WA. As part of the CMF, the CMF Grant Program commenced in January 2019 with 38 successful applications. In addition, support was provided to the following targeted initiatives: Safer Venues, Girl's Rock, WAM Regional Recording Programs and WAMCon. This was also a successfully implemented election commitment.

#### **Revealed**

Revealed 2019 was an overwhelming success, growing on the 2018 achievements across all four streams of the program, which included: an exhibition, professional development program, public symposium and a marketplace event. The exhibition featured approximately 120 emerging Aboriginal artists from the State; representing a 34% increase from the previous year. In 2019, Revealed was experienced by 22,681 people, a 72% increase from 2018, and generated \$619,235 in sales, a 22% increase. Sales from this year's event makes up almost 30% of the total revenue generated by Revealed in its 11-

year history. This growth demonstrates the enormous appetite and demand for authentic Aboriginal art.

### **Virtual Reality Festival**

The department launched the first virtual reality film festival, to be held in July 2019. Titled XR:WA, the Festival will present public and industry events that explore virtual and augmented reality, artificial intelligence, computer animations and other forms of screen-based and immersive media. This was also a successfully implemented election commitment.

### **Regional Exhibition Touring Boost**

Funded through Royalties for Regions, the Regional Exhibition Touring Boost increases the number of visual arts exhibitions in the regions and increases regional access to the State Art Collection. In conjunction with key delivery partners ART ON THE MOVE and the Art Gallery of Western Australia, the first of a series of exhibitions opened at the Katanning Library and Art Gallery in April 2019 and will tour to six other regional venues. It is the first time in 20 years that works from the State Art Collection have toured to regional WA. This was also a successfully implemented election commitment.

### **Sunset Precinct**

In 2018, Cabinet approved the transfer of the Sunset Heritage Precinct to the Minister for Culture and the Arts and after 24 years the former public hospital has now been set aside for arts, cultural, community and ancillary commercial uses.

In February 2019, after an upgrade of the P Block (Perth's second oldest picture theatre) Perth Festival launched their 2019 season with Strut Dance.

In keeping with the State Government's vision for the precinct, an Expression of Interest seeking an appropriately credentialed organisation to invest in Sunset Heritage Precinct was released in February 2019. This resulted in the invitation to three Western Australian organisations to submit proposals.

## Research, policy development, information and support

**The department contributes to the development of the State by delivering strong evidence-based culture and the arts policy, research and planning to achieve State Government outcomes**

The department undertakes the development and implementation of research and industry projects to strengthen the policy basis of its programs and services.

Working with a range of stakeholders and partners, the department provides information and opportunities to foster knowledge growth, connections and access to industry intelligence. This may include statistics on cultural funding, employment, attendance and participation, and WA's values and attitudes towards culture and the arts.

### Key achievements

#### WA Cultural Infrastructure Strategy consultation

Key stakeholder consultation on the draft WA Cultural Infrastructure Strategy took place from June 2018 to March 2019. Consultants were engaged in the Kimberley, Pilbara, Mid-West, and Perth to undertake interviews and workshops with Aboriginal key stakeholders; gathering feedback from 116 stakeholders in total. A consultant was engaged to facilitate three workshops in Perth, attended by 136 stakeholders. A State-wide online survey gathered feedback from 149 respondents. Two live webinars were held to engage 38 regional stakeholders in conversation, and two live webinars were conducted in partnership with the Western Australian Local Government Association to engage 14 local governments. Thirty-three written submissions were also received, making a total of 486 key stakeholder engagements with the draft Strategy overall.

#### Culture Counts

The department and the City of Perth received the 'Best Practice in Public Sector Evaluation' 2019 Achievement Award from the Institute of Public Administration Australia WA. The Award was received for the shared outcomes evaluations initiative, using the Culture Counts system to improve processes around outcome measurement and reporting for organisations receiving funding from different levels of government.

The department developed the Culture Counts system with Pracsys in a public private partnership. This WA system has progressed quickly with the support of the sector and a growing national and international reputation. In the United Kingdom, Arts Council England has selected Culture Counts and its UK partner Counting What Counts Ltd to provide the service for their new impact and insight toolkit.

#### Arts Organisation Investment Program

The Arts Organisation Investment Program, the department's multiyear arts organisations grant program, was refined in response to sector consultation undertaken in 2018-2019 and resulted in a streamlined application process. It was based on the two new categories of 'producing-presenting organisations' and 'service organisations' and was more clearly

aligned with the State Government's objectives. The objective of the program is to invest in a portfolio of small to medium organisations that collectively create and present high-quality arts, cultural and creative experiences that reflect the State's identity through telling WA stories. Applications to the program closed in May 2019 for activity commencing after January 2020.

### **Silk Road Culture Tour**

The department hosted the Silk Road Culture Tour, a world touring exhibition presented by the National Base for International Cultural Exchange and Research China and the International Institute of Cultural Studies in Shanghai. The exhibition of 46 artworks was shown at the Perth Concert Hall in March, which coincided with the launch of the WASO 2019 performance season. The department hosted a delegation of 19 artists, curators and arts administrators from Shanghai in Perth during the first week of the exhibition and showcased Western Australian's own creative talent, Aboriginal culture and stunning landscapes.

### **Creative Industries Consortium**

In May 2019, the Minister for Culture and the Arts hosted and presented the 'Creative Industries Consortium' with industry stakeholders and the Minister for Innovation and ICT; Science. The first consortium meeting in 2017 involved a broad cross-section of the creative industries. This second meeting concentrated on creative work that has a strong digital technology focus and is often highly interactive. This includes the production of video games for entertainment; eSports, an audience viewing gameplay at a live event or on a screen; as well as art collections, theatre, film, television, music and storytelling delivered through new technology such as immersive and augmented reality. The consortium was a success and continued to strengthen the working relationship between industry and the State Government, while seeking expert advice on the challenges and issues faced by the sector. It identified initiatives to grow the State's creative industries, which use new technologies to tell Western Australian stories to the world, drive innovation in other industries, and promote positive social outcomes.



## Corporate and asset and infrastructure support

**The department manages cultural infrastructure on behalf of the Government of Western Australia and provides centralised services to the Culture and Arts portfolio and other agencies**

The department also provides strategic policy, leadership and funding support to local government to promote and guide the development of sport and recreation infrastructure.

The department delivers the Community Sporting and Recreation Facilities Fund, State Sporting Infrastructure Fund and a range of infrastructure related election commitments.

### Key achievements

#### His Majesty's Theatre refurbishment

The department continued project delivery of the \$6.5 million refurbishment of His Majesty's Theatre to maintain the world-class venue for opera, dance and theatre. During 2018-2019, an orchestra pit lift to improve occupational health and safety was installed; replacing the previous pit, which needed to be opened and closed manually. The new lift enables the floor to be automatically moved between the pit and auditorium levels.

During 2018-2019, planning for the second stage of the refurbishment commenced, which will see improvements to His Majesty's Theatre's public areas; providing more hospitality opportunities and upgrades of the foyer areas. The upgrades will assist in conserving the Theatre's cultural significance, and enhancing the conservation and preservation of the iconic building in the Perth central business district.

#### Elevate

The department is progressing this election commitment and working with the Art Gallery of Western Australia to develop a business case that provides the proposed design and cost of the \$10 million redevelopment of the Art Gallery rooftop as a regular cultural and commercial venue.

#### Local Projects, Local Jobs

Delivered across culture and the arts, infrastructure, Office of Multicultural Interests and sport and recreation business areas, the department continued with the delivery of 251 Local Projects, Local Jobs funding agreements to the value of \$13.9 million.

#### New museum project

The department is working closely with the Western Australian Museum and the Department of Finance to deliver the \$400 million new museum project.

Developed in the heart of the Perth Cultural Centre, it will share the stories of our people and place; acting as a gateway to explore all of Western Australia. It will reflect the extraordinary history, distinctiveness, creativity and diversity of our State and region.



### **Asset maintenance program**

The department manages maintenance of 65 buildings that support the delivery of cultural services. These buildings are in Perth, Fremantle, Geraldton, Kalgoorlie and Albany and the majority are heritage listed. The buildings are used for various purposes including the exhibition and safe storage of the State's collections of cultural material, performing arts, conservation and research.

The department also manages some of the services contracts such as utilities, making savings through larger volume centrally managed contracts and investment in new technology. Reducing the cost of operations is an important contribution to the financial viability of the sector.

### **Relocation of the West Australian Football Commission (WAFC) to Tuart College**

In June 2017, the State Government announced that it would construct the Bob Hawke College at Kitchener Park, adjacent to Subiaco Oval, to be open for Year 7 students in 2020.

In October 2018, Cabinet approved an amount of \$2.2 million being provided to the department to undertake works at Tuart College to facilitate the relocation of the WAFC. The department worked with the WAFC and Building Management and Works to deliver upgrades to Tuart College to allow the WAFC's relocation from Subiaco Oval, facilitating its redevelopment, with removal of hazardous material and demolition to occur ahead of the opening of the Bob Hawke College.

### **WA Motorsport Strategy**

A motorsport strategy for Western Australia to guide planning, future and current investment decisions and appropriate governance and management structures is currently underway. The broad objectives of developing a motorsport strategy are: to identify the infrastructure needs of road track-based motorsport activities; develop a hierarchy of motorsport facilities from State level (Wanneroo Raceway), regional level and district/local level of functionality and catchment; identify appropriate governance and management structures; and ensure facilities are complementary.

### **Review of the State Sporting Infrastructure Plan**

The State Sporting Infrastructure Plan, which serves as a blueprint for the provision of State, national and international level sporting infrastructure in Western Australia, was reviewed. The Plan provides the State Government with a proactive approach to planning and guides the government's investment in sporting infrastructure in relation to new capital projects and ongoing maintenance and upgrades.

### **State Sporting Infrastructure Fund (SSIF)**

The SSIF traditionally provides funding for State sporting facilities managed and/or operated by State Sporting Associations in relation to planning, ongoing maintenance and upgrades that are less than \$10 million. Projects over \$10 million in value proceeded through the Department of Treasury's Strategic Asset Management Framework and the budget process.

Projects proposed for funding are identified and prioritised through the State Sporting Infrastructure Plan, by completing strategic asset maintenance plans for respective State sporting facilities and through the department's strategic asset planning process. In 2018-2019, the SSIF allocation was \$1.891 million, which funded 12 planning projects and 10 capital projects.

### **State Sporting Infrastructure business cases**

During 2018-2019 the department progressed business cases for the State Tennis Centre, State Football Centre, Midvale SpeedDome, State Squash Centre and the State Hockey Centre.

### **Community Sporting and Recreation Facilities Fund (CSRFF)**

The \$12 million CSRFF provides financial assistance to community groups and local government authorities to develop basic infrastructure for sport and recreation. The program aims to increase participation in sport and recreation, with an emphasis on physical activity, through rational development of sustainable, good quality, well-designed and well-utilised facilities. There were 60 projects approved for 2018-2019 worth \$12,072,017.

## Licensing – evaluation and determination of applications

### **The department receives, processes and determines applications in accordance with the legislation**

The department provides a licensing service for the liquor and gambling industries. Applications are considered and determined on their merits in accordance with the relevant legislative requirements.

Applications related to the liquor industry are evaluated and determined by the Director of Liquor Licensing or appointed delegate and applications related to the gambling industry are evaluated and determined by the department on behalf of the Gaming and Wagering Commission. The department receives a service fee from the Gaming and Wagering Commission for assessing applications for the gambling industry.

On behalf of the Gaming and Wagering Commission the department enables community and sporting clubs to fundraise through community gaming activities. During 2018-2019, the department approved community gaming activities that raised \$74 million; with \$28 million being returned to beneficiary organisations.

### **Key achievements**

#### **Liquor reform**

In 2018, new liquor licensing laws were introduced to support the hospitality industry by reducing regulatory burden on licensees and liberalising laws to give greater choice to consumers and visitors.

Major amendments include:

- Adding a new public interest assessment category to enable a venue's tourism, community and cultural benefits to be considered and allowing the chief executive officer appointed under the *Western Australian Tourism Commission Act 1983* to intervene and make representations in proceedings before the Director of Liquor Licensing;
- Providing the licensing authority with the discretion to consider low risk applications without having regard to the public interest assessment requirements;
- Greater flexibility for existing and established licensees to host pop-up bars at short-term events;
- Amending the objects of the Act to include responsible practices in the promotion, sale, supply and consumption of liquor;
- Establishing a separate licence category for small bars;
- Doubling the duration of some Extended Trading Permits;
- Making it easier for restaurants with a limit of 120 patrons to obtain a permit to serve liquor without a meal; and
- Allowing customers of small bars or taverns to take-home partially-consumed wine, which previously only applied to restaurants.

Another initiative has seen the Director of Liquor Licensing issue an order under section 31 of the *Liquor Control Act 1988* to allow liquor stores in regional Western Australia to trade on Sundays on long weekends. This arrangement removes the need for the licensees to apply for an extended trading permit to trade on these weekends.

The department has also been working on streamlining approvals processes to save industry time and has further developed the online lodgement system with many applications now able to be lodged online. This should result in a reduction in duplication in information requests and applicants will be able to monitor the progress of their applications online and respond more easily to requests for information.

### **Banned Drinkers Register**

The department is currently working with the liquor industry to assess the feasibility and implementation of a Banned Drinkers Register (BDR) trial in the Pilbara region. The proposal incorporates an electronic system designed to identify persons who are not permitted to purchase liquor and notifies the licensee accordingly e.g. red light or green light. The trial is intended to provide benefits including better targeting of individuals who abuse alcohol to access support services, informing licensees where barring or prohibitions are in place and as a complementary measure to other harm reduction strategies.

Licensees in the trial area will participate on a voluntary basis and funding for the proposal will be sourced by industry. The trial will be conducted over a two-year period under current legislative provisions and an evaluation of its effectiveness will be conducted at its conclusion. The trial is expected to commence in the 2019 calendar year.

### **Point of Consumption Tax**

A point of consumption tax was introduced on 1 January 2019 to replace the tax regime that previously applied to wagering in Western Australia. As well as simplifying wagering taxes, the new tax regime ensures online wagering operators pay tax on wagering conducted in Western Australia.

Under the new regime, 30% of point of consumption tax revenue will be returned to the Western Australian racing industry as well as a \$13 million contribution to the Sports Wagering Account from 2018-2019 to 2021-2022 to provide greater certainty of funding available to community sport and recreation through the Sports Wagering Account.

### **Gambling legislation**

The passage of the *Gaming and Wagering Legislation Amendment Act 2018* in December 2018 saw the implementation of the government's policy of supporting a strong and sustainable racing industry and responsible gambling practices in Western Australia.

Major amendments included giving the Gaming and Wagering Commission the ability to prescribe undesirable wagering products as prohibited events or contingencies; amending the definition of 'bet backs' for bookmakers; and expanding the powers of the Gaming and

Wagering Commission to formulate and impose prohibitions or conditions in relation to the advertising of live odds during events.

### **Gambling CEOs conference**

In May 2019, the department hosted the 2019 Australasian Casino and Gaming Regulators CEO Forum and Conference. The theme of the conference was 'Tackling change in an evolving world'.

The CEOs and Commissioners forum and the Board and Committee Members meetings were held at Rottnest Island and attendees were provided with a tour of the island.

The conference was held in Fremantle and brought together nearly 50 CEOs and senior executives representing liquor and gaming industry regulators from Singapore, New Zealand and all jurisdictions within Australia.

### **Gaming Community Trust Grants**

The Gaming Community Trust is credited with funds derived from unclaimed winnings from Crown casino and community gaming and the Trust makes recommendations to the Minister for Racing and Gaming for grants that will benefit the community.

The Minister approved a grant of \$100,000 to the Showgrounds Community Men's Shed to go towards the cost of refurbishing the Shed, which will be equipped with various woodworking machines, tools and other equipment such as computers and a meeting room facility.

The Perth Rowing Club was successful in its application for \$17,040 to go towards purchasing a new VIII rowing boat. The purchase of the boat overcomes the club's reliance on loan boats and will allow members to enter into competitive local, national and international events.

Feed the Little Children was also successful in its application for \$47,368 to purchase a new vehicle to assist in delivering food to disadvantaged children and families in Broome. The organisation required an additional vehicle to meet the demands of the service without volunteers needing to use their own private vehicles.

## Compliance audits and inspections

### **The department performs audits and inspections to verify that the provision of gambling and liquor is conducted in a responsible and lawful manner**

Under the legislative framework provided in the *Liquor Control Act 1988*, the department undertakes regular audits and inspections to regulate the sale, supply and consumption of liquor, and to minimise harm and ill-health to the public. Additionally, inspections are undertaken to ensure that licensed premises are being operated and maintained to a standard that meets consumer expectations.

On behalf of the Gaming and Wagering Commission, the department undertakes audits and inspections to regulate the lawful conduct of gambling activities that are permitted under the *Betting Control Act 1954*, the *Casino Control Act 1984*, the *Gaming and Wagering Commission Act 1987* and the *Racing and Wagering Western Australia Act 2003*.

## Key achievements

### **Inspections**

The department conducted a total of 9,824 inspections during 2018-2019; with only 309 instances of non-compliance. The low level of non-compliance, that being 3%, indicates that the monitoring and enforcement of responsible and lawful gambling and liquor services is in accordance with the relevant legislation, further demonstrating the effectiveness of the department's enforcement programs.

Areas of non-compliance in the 3% typically include conducting activities without a valid permit or licence or breaching conditions of permits.

### **Compliance and education programs**

Through a robust and targeted compliance program the standards of licensed premises are monitored with the majority of licensees effectively meeting regulatory requirements.

The continued education of existing and new licensees in terms of the requirements (and recent amendments) of the *Liquor Control Act 1988* ensures the premises are operating and maintained to a standard that meets community expectations.

## Sport and recreation industry leadership and development

### **The department provides strategic leadership and support for the sport and recreation industry across Western Australia**

This is achieved through funding, resources and advice to State sporting organisations, community organisations and local governments. The department proactively engages with the sector to determine and implement strategic responses to current and emerging issues and to review the department's programs and services.

Built (including playing fields, recreation centres, trails, etc.) and natural (outdoor) spaces form the settings in which sport and active recreation occurs. Availability and accessibility of these settings contribute to participation and achievement.

### **Key achievements**

#### **Women in leadership**

The State Government established a target of 50% representation of women on executive boards and committees of State governing bodies. The department has provided support for sport and recreation industry organisations to achieve this target and address the gender diversity imbalance in leadership positions. This support included the establishment of the Gender Diversity Advisory Group, delivery of governance training and the development of the Gender Diversity Case for Change Report outlining the economic, cultural and social benefits realised when a more balanced leadership structure is implemented.

#### **Strategic Funding Review**

In March 2018, a Strategic Funding Review of the Western Australian sport and recreation industry was initiated. The review involved considerable industry consultation over the past 14 months. It aims to ensure funding decisions will be objective and fair, and there will be increased transparency in the decision-making process. It also examined areas for improvement in how the department conducts business to simplify its requirements and reduce the administrative burden on smaller community organisations. The review contains 22 findings and 12 recommendations and focusses on ensuring the department's funding programs are effective in supporting the industry.

## Sport and recreation building capacity and participation

**The department provides support for organisations and personnel delivering sport and recreation State-wide from participation to the elite level through advice and funding support.**

Participation in sport and active recreation contributes to mental and physical well-being and the development of strong networks and support structures within the community. The department works with the industry to support athletes and teams to achieve at all levels, including local, national and international competitions.

By building on the existing capabilities of individuals and organisations, the department enables them to operate at their best and provide quality opportunities for participation in sport and recreation.

### Key achievements

#### Asian Engagement Sports Funding Program

The Asian Engagement Sports Funding Program is supporting the delivery of the State Asian Engagement Strategy through the attraction of business and visitors to Western Australia to support local jobs and economy. Funding provided to State sporting associations assists in furthering their engagement within Asian markets and in showcasing the State as a location for sporting development and travel.

#### Targeted Participation Program partnership with Healthway

In 2018-2019, the department partnered with Healthway to deliver the Targeted Participation Program. The program provided over \$1 million in funding to State sporting organisations, community organisations and local governments to promote participation, healthy lifestyles and engagement in sport and active recreation to evidence-based low participation groups across Western Australia. In 2018-2019, the program provided 39 organisations with funding to deliver programs and services to the target audiences across the State.

#### KidSport

The department has been working with local governments and the community to continue to deliver a streamlined, consistent and accessible KidSport program, which in 2018-2019 delivered almost \$3.5 million distributed through 25,368 vouchers. Over 15% of these vouchers were distributed to those identifying as being from the Aboriginal community (3,830 vouchers) and a further 1,445 vouchers assisted people with a disability to engage in club sport. Since inception, KidSport has provided vouchers to over 86,000 unique sport playing recipients.

Alongside the implementation of an updated KidSport policy and procedures, the department has also collaborated with the Pilbara and Kimberley communities to deliver the CONNECT Kids pilot program. This pilot program is assisting kids through the support of local community groups, to connect with club sport opportunities in these regions.



## **WA Trails**

The department leads the State's Trails Reference Group to implement the recommendations identified in the WA Strategic Trails Blueprint. The blueprint has been the foundation for collaboration with other agencies to obtain major funding commitments for trails development in Dwellingup and Collie. The department has worked closely with the communities and business leaders in both towns to prepare these regions on the requirements of a being Trail Town.

The department provides State-wide forums for the consultation and development of trail plans to assist in addressing local challenges. The Trails Development Series has been prepared to support the understanding and implementation of the 8-stage trail development process, and to ensure the delivery of high-quality trails across the State.

## **Steppingstone to Sport, a Pathway to Physical Activity**

The department, through its Pilbara Office, in partnership with WA Centre for Rural Health, funded \$15,000 towards the West Pilbara Physical Activity and Fundamental Movement Skills Pilot Program. Partnering with four community service organisations and Curtin and UWA students, the eight-week program has been designed and a pilot delivery session held building local capacity with six play group coordinators covering up to 80 children across the four locations. The pilot will continue in 2019-2020.

## **Mid-West Outdoor Recreation Strategy**

The Mid West Outdoor Recreation Strategy moved to the implementation stage in 2018-2019. The priority projects were:

- Pathways to Participation – The completion of the Chapman River Mountain Bike facility.
- Trails Development – A partnership with the Shire of Mingenew to undertake a North Midlands Trails Masterplan project.
- Wind and Water – The activation of a Wind and Water cluster, which has developed strategic partnerships and memberships.
- Cycle Friendly Communities – The department has been included in the development of the City of Greater Geraldton Cycling Plan to 2050.
- Outdoor Recreation Events – The department supported and funded a number of regional recreation events including hosting 2018 Kite Surfing National Championships at Coronation Beach. Other events supported included the Kalbarri Adventurethon, Geraldton Wind on Water Festival, Port Denison Windfest and Geraldton SUPfest.

## **Peel Mental Health Project**

The department contributed \$10,000 to funding a mental health training program in partnership with Youth Focus and Alcoa for the Young Men's Project. This training was delivered to sporting clubs in the Peel region to increase education and awareness of mental health issues to the sporting community and assist in reducing the rate of youth

suicide in the region. Expressions of Interest were received from 14 clubs within the City of Mandurah, Shire of Murray and City of Rockingham.

Training was delivered to six clubs in 2018-2019; with further training being delivered to clubs using remaining funds in July-December 2019.

### **South West/Peel – Seniors Activation program**

The department, through its South West office, administered a funding program that could be accessed by local governments that may not have a functional recreation centre but want to activate the seniors age group. This year's funding saw five local governments successfully apply for \$3,000 each to deliver a high-quality activation service to over 125 seniors in the Peel/South West region. An example of diversity of the program is the Golden Giselle's Ballet classes run by the Shire of Harvey. This program attracted over 45 women participants to ballet classes across two programs in Harvey and Australind.

## Recreation camps management

### **The department provides experiential outdoor activities to the Western Australian community through the management of recreation camps**

The department's sport and recreation camps are a successful community service operation delivering quality, affordable, accessible camp experiences in Western Australia. There are four metropolitan locations: Bickley (Orange Grove), Ern Halliday (Hillarys), Point Walter (Bicton), Woodman Point (Coogee) and one regional location at Camp Quaranup (Albany).

Since the initial capital improvements in 2007, the recreation camps have generated \$45 million in earnings, that has been re-invested to improve the experiences offered at the camps. This has provided a social dividend in excess of 2 million physical activity hours for the WA community.

### **Key achievements**

The department's recreation camps supported 1,169 unique camp bookings servicing 83,282 bed nights and 144,287 instructor led activity participations. This equates to more than 215,000 physical activity hours predominantly in adventure recreation programming.

### **Community participation**

The December 2018 Woodman Point Recreation Camp Community Open Day commemorated the 100-year anniversary of the HMAT Boonah Tragedy and provided an opportunity for the local community to visit and understand the operations of this camp. Some 1,000 visitors attended the event co-hosted with the Friends of Woodman Point Recreation Camp (FOWPRC). Earlier in the year, the camp also hosted the launch of 'Western Sentinel: A History of Woodman Point Quarantine Station' by Ian Darroch, also supported by FOWPRC.

Close to 1,000 people enjoyed the music performances and active recreation offered at Bickley Outdoor Recreation Camp on its third Community Open Day held 7 April 2019. South East Regional Centre for Urban Landcare (SERCUL) provided an interactive display supporting environmental engagement and the event was supported by a diversity of local volunteers from scouts to fire and emergency services.

Holiday programs were delivered through the Ern Halliday and Bickley camp sites with a slight decrease in participants (466 down in 2017-2018 to 429 in the 2018-2019 year) contrasted with a slight increase in overnight stays. These programs will be extended through Woodman Point in 2019-2020.

### **Capacity building**

The Woodman Point Quarantine Station Heritage Trail Project was completed, including physical signs, website content and an interactive app produced in collaboration with Nature Play WA. This received Special Commendation for the trail at the 2019 Western Australian State Heritage Awards in the Interpretation Project category.

Point Walter continued planning and development for its Indigenous Cultural Trail Project, which will feature engagement points around the camp site that will share the significance of the site and with visitors and school communities.

### **Facility management**

Works were undertaken at Bickley and Quaranup to complete the first phase refurbishment of aged kitchen infrastructure and improving the storage and food preparation areas. An upgrade was completed at Woodman Point to its Spinifex/Grevillea dormitory group courtyard and designs were developed for a future transit area facility to support day groups and camp changeovers.

At Ern Halliday, masterplan grounds works were undertaken installing a wheel chair accessible access path from the sports stadium to the accommodation precinct. DLGSC staff also oversaw the completion of an asset maintenance plan to inform Strategic Asset Maintenance Plan priorities across the DLGSC camps network.

## Aboriginal History Unit

The department responds to requests from native title representative bodies, government agencies, academics, and general researchers in response to applications to access restricted materials. The department is also frequently approached to provide expert knowledge to assist in the development of significant State projects. The department works in partnership with the Aboriginal community and other stakeholders to connect people with Aboriginal history, improve access to restricted records and promote reconciliation in the wider community.

The department provides WA schools with grant funding to undertake activities that promote reconciliation in their local community through the PALS Program.

The Reconciliation Week Street Banner Project provides organisations with the opportunity to publicly demonstrate their pride in Aboriginal culture and commitment to reconciliation.

### Key achievements

#### Aboriginal history research services

The department provided comprehensive responses to 276 family history applications, 34 native title requests, 17 general research applications, 50 confirmation of birth requests, and 3 requests from the public trustee. It also responded to 123 Freedom of Information requests for information relating to the Royal Commission into Institutional Responses to Child Sexual Abuse. The department shared information about the National Redress Scheme on social media platforms and provided fact sheets to Aboriginal family history applicants.

In 2018-2019, 643 schools across the State received grant funding to develop 678 PALS projects; 58% of all public, private and independent schools in Western Australia participated in the program this reporting year. Around 141,000 students participated in a diverse range of projects to increase understanding of Aboriginal history, culture and language and promote reconciliation. Examples of projects include non-Aboriginal students working with the families of Aboriginal students to translate common English words into the local Aboriginal languages and developing a short film to share the stories and experiences of six Aboriginal women in the local school community.

#### Reconciliation Week Street Banner Project

The department coordinated 417 Reconciliation Week Street banners sponsored by 124 corporate, government and community organisations across 17 local government areas.

### **No Less Worthy**

The department launched the publication '*No Less Worthy*', the first to acknowledge the significant contribution of Aboriginal people with links to Western Australia who volunteered to enlist in WWI. The publication recognises those who served and identifies those who attempted to enlist but were rejected due to the policies of the time. Prior to the release of this publication, only 60-70 Aboriginal volunteers were formally acknowledged on official national registers. Through significant genealogical and archival research, the department has identified nearly double the previous number.

## State Records Office

**State information management and archival services, which consists of a regulatory/advisory component for all government organisations, as well as management of and access to the State Archives Collection**

The State Records Office has responsibility for managing the State Archives Collection and for regulating and providing guidance on government recordkeeping. The *State Records Act 2000* prescribes the role of the State Records Office, the Director State Records and the State Records Commission.

### Key achievements

#### **Government record keeping plans and disposal authorities**

During the year, 34 new or amended record keeping plans were assessed, with a further 15 Plans reviewed requiring no amendment. In addition, 12 new or amended disposal authorities were assessed and submitted for approval to the State Records Commission.

#### **Royal Commission into Institutional Responses to Child Sexual Abuse**

During 2018-2019, the State Records Office continued its participation on the Council of Australasian Archives and Records Authorities Royal Commission Working Group to discuss issues related to implementing the recommendations. The State Records Office also participated in intra-governmental working groups led by the Department of the Premier and Cabinet and the Department of Communities, respectively, as well as contributing information management advice and guidance as a participant on the Catholic Education Office of Western Australia Watch Group.

#### **Born Digital Strategy**

In November 2018, the State Records Office released the whole-of-government Born Digital Strategy to provide for improved direction for the creation and management of government records in a purely digital environment. The document sets high-level objectives that encourages government agencies to transition towards fully digital information management environments and discourages the creation of additional paper-based records.

#### **Broadening access to State archives**

On 3 June 2019, the State Records Office released its online guide to the 1988 State Cabinet records to signify the release of these records from their 30-year access embargo.

The State Records Office organised for Richard Foy, Chief Archivist and General Manager of Archives New Zealand to deliver the annual Geoffrey Bolton lecture in November 2018 at a large public event at the State Theatre. The scope of the lecture, titled: 'Digital Assimilation: Resistance is Futile!', focussed on digital disruption and the role of technology to interrogate the past and review the present.

# Report on operations

## Actual results versus budget targets

|   | 2018-2019<br>Target # (1) | 2018-2019<br>Actual | Variation<br>(2) |     |
|---|---------------------------|---------------------|------------------|-----|
|   | \$000                     | \$000               | \$000            |     |
| Total cost of services<br>(expense limit) | 195,332                   | 203,126             | 7,794            | (a) |
| Net cost of services                      | 176,479                   | 183,905             | 7,426            | (a) |
| Total equity                              | 645,764                   | 623,646             | (22,118)         | (b) |
| Net increase/ (decrease)<br>in cash held  | (4,903)                   | (5,023)             | (120)            |     |
| Approved salary level                     | 44,129                    | 40,267              | (3,862)          | (c) |

# Target excludes Building Maintenance related to the statutory authorities.

(1) As specified in the Budget Papers

(2) Explanation of the above variances are explained as follows:

(a) Total cost of services and Net cost of services are above target (unfavourable) by \$7.8 million and \$7.4 million respectively mainly due to unbudgeted \$6.5 million revaluation decrement on the fair value measurement of land and building assets.

(b) Total equity was below target (unfavourable) by \$22.1 million mainly due to the drawdown on cash balances related to capital carryovers approved including the new museum project.

(c) Salary expense level is below target (favourable) by \$3.9 million due to delays in recruitment following restructure activities and general vacancies within the department.



| Working Cash Targets            | 2018-2019<br>Agreed Limit | 2018-2019<br>Target / Actual | Variation<br>(1) |     |
|---------------------------------|---------------------------|------------------------------|------------------|-----|
|                                 | \$000                     | \$000                        | \$000            |     |
| Working Cash Limit (as budget)  | 9,452                     | 9,452                        | N/A              |     |
| Working Cash Limit (as actuals) | 10,185                    | 62,663                       | 52,478           | (a) |

(1) Explanation of the above variances are explained as follows:

(a) Working cash limit was above target by \$52.5 million due to \$21.4 million of delayed payments related to the new museum project.

## Key performance indicators

### Key performance indicators certification

#### For the year ended 30 June 2019

I hereby certify that the key performance indicators are based on proper records, are relevant and appropriate for assisting user to assess the Department of Local Government, Sport and Cultural Industries performance, and fairly presents the performance of the department for the financial year ended 30 June 2019.



**Duncan Ord**  
**Director General**

10 September 2019

## Key performance indicators

The linkage between the government goals, outcomes and services to the community are outlined below:

| Government Goal   | Outcome  | Services  |
|---|--|---|
| <b>Better Places:</b><br>A quality environment with liveable and affordable communities and vibrant regions | Local governments were capable and well-governed   | Service 1 – Regulation and support of local government  |
|   | A sustainable arts and cultural sector that enhances social and economic wellbeing   | Service 3 – Arts industry support<br>Service 4 – Research, policy development, information and support  |
|   | Efficient and effective services to the culture and arts portfolio and government  | Service 5 – Corporate and asset and infrastructure support to the culture and arts portfolio  |
|   | To promote, monitor and enforce responsible and lawful gambling and liquor services in accordance with legislation                             | Service 17- Licensing – evaluation and determination of applicants<br>Service 18 – Compliance audits and inspections  |
|   | A strong and diverse sport and recreation system in Western Australia that is accessible, encourages maximum participating and develops talent | Service 19 – Industry leadership and infrastructure development<br>Service 20 – Building capacity and participation<br>Service 21 – Recreation camps management |
| <b>Strong Communities:</b><br>Safe communities and supported families                                       | Western Australia was recognised as a vibrant and effective multicultural society  | Service 2 – Promotion and support of multiculturalism   |

*The numbering of the services and their associated efficiency indicators reflects their numbering in the department's Budget Paper.*

## **Outcome: Local governments were capable and well-governed**

### **Effectiveness indicator LG1: Percentage of local government that did not have an action taken against them under the department's framework**

#### **Why we measure**

The department supports local governments to fulfil their statutory obligations and to improve capability in the sector to deliver services to their local communities and through training, advice and support and a risk-based approach, the department identifies those needing targeted intervention and assistance. Part of the improved capability effort is targeted at assisting local government CEOs to be better equipped to deal with the challenges currently facing the sector.

This measure allows the department to understand how local governments are performing regarding their governance to fulfil their statutory requirements and provide assistance to ensure the outcome of achieved.

#### **What we measure**

The department's Compliance Framework outlines the approach taken to ensure that local governments, their elected members, and employees operate in compliance with the Local Government Act 1995 (and its associated regulations). The Framework details the actions taken to support compliance, including provision of advice services, guidance documents, and monitoring of key information provided to the department by local governments. It also details the actions the department may take in response to possible non-compliance, including arms-length monitoring, requesting further information, probity audits, investigations and authorised inquiries. The Department measures local government performance against this framework to identify areas for assistance to improve capability and governance.

#### **How we measure**

The indicator shows the percentage of local governments that did not have action taken against them (or any of their elected members or employees) under that Compliance Framework in the financial year. Records are collated of activities taken by the department in response to potential non-compliance, to determine which of WA's 137 local governments did not have action taken against them. The figure is then converted to a percentage. The two Indian Ocean Territory local governments are not included in this calculation, nor are the nine regional local governments established under Part 3 Division 4 of the Act.

This figure reflects actions taken to respond to possible non-compliance, they do not reflect the number of matters about which concerns were substantiated and/or remedial action required.

## Performance

| 2015-2016 | 2016-2017 | 2017-2018 | 2018-2019<br>Target | 2018-2019<br>Actual | Variance |
|-----------|-----------|-----------|---------------------|---------------------|----------|
| 54%       | 32%       | 29%       | 55%                 | 49%                 | -6%      |

## Analysis

The increase in the number of Authorised Inquiries and establishment of the Panel of Inquiry over the last few years served as an education and reminder to the sector of regulatory action that the department can take. The actual for 2018-19 is 6% lower than the target, however it has significantly increased from the 2017-18 indicating an increased level of compliance in the sector. The department is continuing to consider how it may best support the sector with legislative compliance to ensure good governance and services are provided to the community.

## Effectiveness indicator LG2: Percentage of local governments with integrated planning and reporting plans reviewed

### Why we measure

Integrated planning and reporting (IPR) give local governments a framework for establishing local priorities and linking this information to operational functions. All local governments are required to produce a 'plan for the future' under the Local Government Act 1995. This measure allows the department to assess the success of our efforts to support local governments to design plans and to meet the required elements in accordance with the legislation and work with local governments to improve their capability and governance.

### What we measure

The department measures the number of local governments that have current IPR plans in place and of those plans in place, how many have been reviewed by the Department as required.

### How we measure

The indicator is the percentage of local governments that had their planning reviewed. The total number of local governments reviewed is divided by the number of local governments and multiplied by 100 to report as a percentage. Regional local governments and Indian Ocean Territories are excluded for the purpose of this indicator.

### Performance

| 2015-2016 | 2016-2017 | 2017-2018 | 2018-2019<br>Target | 2018-2019<br>Actual | Variance |
|-----------|-----------|-----------|---------------------|---------------------|----------|
| 100%      | 96%       | 38%       | 25%                 | 87%                 | 62%      |

### Analysis

The department has managed to exceed the target by 62% by providing a sustained focus and analysis in the IPR area. Current year performance has improved as a result of a more defined structure post Machinery of Government changes in 2017-2018.

Through the Peer Support Program, the department is supporting the Local Government Integrated Planning and Network (IPN) and Local Government Professionals WA (LGPro) to assist local governments understand and meet their IPR obligations under the Local Government Act 1995. The program facilitates meaningful peer support to participating local governments to help improve content and long-term planning through collaboration and resource sharing.

## **Outcome: Western Australia was recognised as a vibrant and effective multicultural society**

**Effectiveness indicator OMI 1: Percentage of organisations and individuals who report that the Office of Multicultural Interests had a positive impact on the promotion and support of multiculturalism**

### **Why we measure**

The department, through the Office of Multicultural Interests (OMI), provides support to the multicultural sector to deliver a vibrant and effective multicultural society in Western Australia. This is achieved through the promotion and support of multiculturalism in Western Australia and includes providing information, advice, funding, training and support, and facilitating partnerships and collaboration to achieve the full potential of multiculturalism within the State. This effectiveness indicator provides a measure of OMI's key stakeholders that believe through the support provided to achieve a vibrant and effective multicultural society.

### **What we measure**

The effectiveness outcome is informed by OMI's annual Stakeholder Satisfaction Survey and percentage of people who believe OMI has made a moderate to very significant impact in achieving the full potential of multiculturalism in Western Australia.

### **How we measure**

Each year, OMI surveys stakeholders to gain feedback on the extent that OMI has made an impact on:

1. Strengthening culturally diverse communities
2. Supporting development of culturally inclusive policies and practices
3. Facilitating full participation by culturally diverse communities
4. Developing intercultural understanding
5. Promoting the benefits of Western Australia's diversity

Respondents are asked to rate on a scale of no impact, a little impact, a moderate impact, a significant impact or a very significant impact. The indicator score is calculated by calculating the average score of all five questions. In 2019, a sample drawn from a list of 1,543 stakeholders were surveyed.

The distribution of the sample was consistent with OMI's stakeholders as follows:

|   |             |
|---|-------------|
| A community organisation                    | 52%         |
| Another type of non-government organisation | 22%         |
| A state government organisation             | 15%         |
| A local government organisation             | 6%          |
| A consulate                                 | 3%          |
| A Commonwealth government organisation      | 2%          |
|   | <b>100%</b> |

The final sample achieved was 426 participants: 326 collected via the online survey and 100 via telephone (CATI). The data collection method (online or telephone) had no significant impact on the results and the sample size provided a good foundation for analysis. The quotas set on the sample meant that the data did not have to be weighted and hence this did not lead to a reduction in the effective sample size.

The overall response rate was 28%. The sample size and comparable results from the online survey is sufficient to be representative. Hence, the total sample provides a forecasting accuracy of +4% at the 95% level of confidence.

The online and CATI surveys were completed using Web Survey Creator, an Australian software which complies with the National Privacy Standards.

## Performance

| 2015-2016 | 2016-2017 | 2017-2018 | 2018-2019<br>Target | 2018-2019<br>Actual | Variance |
|-----------|-----------|-----------|---------------------|---------------------|----------|
| 84%       | 83%       | 89%       | 80%                 | 94%                 | 14%      |

## Analysis

The 2018-2019 result was an improvement on the 2017-2018 result of 89% and the 2018-2019 target due to increased awareness and scope of OMI's activities and associated engagement with stakeholders. There were statistically significant improvements in three of the five areas compared to 2017-2018:

- Supporting the development of culturally inclusive policies, programs and services across public and community sectors.



- Facilitating full participation by culturally diverse communities in social, economic, cultural and civic activities.
- Developing intercultural understanding.

The results from the remaining statements are statistically similar to the 2018 results.

There were two changes to the survey in 2018-2019. The survey method was changed from a telephone survey only in 2017-2018 to a combination of online surveys and telephone surveys, however this was considered to have had no real impact on the results. The rating scale was changed from a four-point to a five-point scale with the addition of another level (very significant). Between 25% and 33% of respondents rated OMI as having a very significant impact.

## Effectiveness indicator OMI 2: Percentage of community grants for multicultural organisations that were acquitted against identified outcomes

### Why we measure

The department, through the Office of Multicultural Interests (OMI), provides support to the multicultural sector to deliver a vibrant and effective multicultural society in Western Australia. One of the key ways this is achieved is through the provision of grants for Culturally and Linguistically Diverse (CaLD) communities to undertake projects and initiatives that address community needs and which celebrate the different cultures that make up the Western Australian community. This indicator assesses the effectiveness of the projects that are funded in meeting their intended outcomes that will contribute to achievement of a vibrant and effective multicultural society.

### What we measure

The department offers a range of grant programs which have defined outcomes to promote and support multiculturalism in WA and achieve a vibrant and effective multicultural society. Grant recipients are required to submit an acquittal report, which is assessed against the grant requirement. The measure reflects the department's effectiveness in supporting multicultural outcomes in communities through an effective grants program and indicates the extent to which the funding provided is appropriately and effectively delivered to support community-led activities that either celebrate and promote Western Australia's cultural diversity; build the capacity of individuals, families and communities to contribute to the civic and economic life of the State; improve the accessibility and effectiveness of services; and/or support the learning of community languages.

### How we measure

The indicator is the percentage of grants successfully acquitted in the financial year that they were due to be completed. The measure is achieved by dividing the total number of acquitted grants by the total number of grants due for acquittal in the financial year.

### Performance

| 2015-2016 | 2016-2017 | 2017-2018 | 2018-2019<br>Target | 2018-2019<br>Actual | Variance |
|-----------|-----------|-----------|---------------------|---------------------|----------|
| 80%       | 94%       | 93%       | 85%                 | 98%                 | 13%      |

### Analysis

In 2018-2019 the acquittal rate of 98% was higher than the 2017-2018 rate of 93% and the 2018-2019 target of 85% due to improved tracking and follow-up of acquittals with grant recipients.

## Outcome: A sustainable arts and cultural sector that enhances social and economic wellbeing

### Effectiveness indicator CA 1: Ratio of Government funding to other income

#### Why we measure

This ratio shows how the department's funding to Arts organisations is leveraged. It provides an indication of how successful arts organisations have been in generating additional revenue and sourcing further funding to support an annual program of activity. At the aggregate level, it is an indicator of the sustainability of the multiyear funded arts organisations that collectively deliver culture and arts for Western Australia. They provide quality services and programs to support the arts and cultural sector to provide services to the Western Australian community.

#### What we measure

This represents the ratio of funding provided by the department to funded organisations against their income from other sources. This includes earned income, other government funding, sponsorship and private giving.

#### How We Measure

The total amount of multiyear funding and project funding paid by the department to funded organisations is calculated as an average ratio against the total of other earned income.

#### Performance

| 2015-2016 | 2016-2017 | 2017-2018 | 2018-2019<br>Target | 2018-2019<br>Actual | Variance |
|-----------|-----------|-----------|---------------------|---------------------|----------|
| 1:7.16    | 1:6.29    | 1:6.12    | 1:3.61              | 1:6.33              | 1:2.72   |

#### Analysis

In 2018-2019 this indicator shows \$6.33 of other income generated for every \$1.00 of funding provided by the department. The increased leveraging from the previous year reflects an increase in other income, combined with a decrease in funding from the department.

The changes to the underlying calculation in previous year is not reflected in the 2018-2019 target; had this been considered the target would be 1:6.08. The current year result reflects a better performance by the funded arts organisations in leveraging their funding.

## Effectiveness indicator CA 2: Public value of the contribution of arts and culture to the State's identity and community

### Why we measure

The department invests in arts and culture activities to deliver a range of social and economic benefits to Western Australia and measures the public value it creates through its investment in arts and culture. This indicator measures the value that arts and culture contributes to the state identity and community.

### What we measure

This indicator measures institutional value, which is the value that society collectively places on arts and culture. Institutional value is a core value in the department's Public Value Measurement Framework (PVMF), which has been developed to better understand and measure the public value it creates through its investments in arts and culture. The other core values are instrumental value and intrinsic value.

### How we measure

The annual Arts and Culture Monitor Survey is used to provide data for this indicator. Respondents are asked the following two questions within the survey:

- How valuable is the contribution of arts and culture to the identity of the sense of community in WA?
- How valuable is the contribution of arts and culture to the identity of the State?

Respondents are asked to rate the value of this contribution on a five-point scale from 'no value at all' to 'very valuable'. The indicator score is calculated by determining the average index score (out of 100) of both questions. In 2019, 22,658 online panellists from Thinkfield were invited to complete an online survey, and 1,317 responses were received. This represents a sampling error of +/- 2.7 % at the 95 % confidence interval.

### Performance

| 2015-2016 | 2016-2017 | 2017-2018 | 2018-2019<br>Target | 2018-2019<br>Actual | Variance |
|-----------|-----------|-----------|---------------------|---------------------|----------|
| 68        | 69        | 71        | 68                  | 73                  | 5        |

## Analysis

The survey resulted in an average index score of 73, 2 points higher than the result in the previous period and indicates that the value Western Australian's have of arts and culture has increased. The average annual increase of 1.7 index points since 2015-2016 reflects the increase in public perception.

The increasing public perception of the value of arts and culture to the sense of community and sense of identity in the State, is reflective of the department's continued prioritisation of funding for organisations that target increased participation from communities that historically find it difficult to access and participate in arts and culture in the State. These include people living in regional and remote areas, CaLD communities, Aboriginal and Torres Strait Islander communities, young people and people living with a disability.

The increase in the index against the target was 5 points. The target was set based on the expectation of a decrease in multiyear funding from the department, which would drive a decrease in public perception. However, despite this decrease, public perception of the value of arts and culture has increased.

## Outcome: Efficient and effective services to the culture and arts portfolio and Government

### Effectiveness indicator CAP 1: Percentage of annual infrastructure maintenance budget expended on portfolio infrastructure maintenance requirements

#### Why we measure

Many significant State-owned cultural infrastructure buildings, most of which are heritage listed, are vested in the Minister for Culture and the Arts. The venues are operated by portfolio agencies (Western Australian Museum, State Library of Western Australia, Art Gallery of Western Australia and Perth Theatre Trust) through site managers. A number of the buildings are ageing, and the condition of the buildings impacts on the culture and arts portfolio to use these assets efficiently to deliver its services. These buildings are highly valued by the community and there is an expectation that they are accessible and safe.

This indicator is a measure of the effectiveness of the use and allocation of the annual infrastructure maintenance budget to the culture and the arts portfolio buildings. This ensures that issues are resolved in a timely manner and in the longer term decreases the cost of repairs.

#### What we measure

This indicator represents the percentage of the department's annual infrastructure maintenance budget that has been expended on the maintenance and management of cultural infrastructure. For the purpose of this indicator, maintenance includes the provision of utilities and security services to ensure operation of these buildings is maintained.

#### How we measure

The actual amount expended throughout the financial year on maintenance and management of cultural infrastructure divided by the agreed budget.

#### Performance

| 2015-2016 | 2016-2017 | 2017-2018 | 2018-2019<br>Target | 2018-2019<br>Actual | Variance |
|-----------|-----------|-----------|---------------------|---------------------|----------|
| 91.6%     | 99.4%     | 98%       | 95%                 | 101%                | 6%       |

#### Analysis

The high level of program effectiveness, with 101% of the budget expended, is due to detailed forward planning for the program. Cost estimates for work to be undertaken were, on average, consistent with the actual costs.

## **Outcome: To promote, monitor and enforce responsible and lawful gambling and liquor services in accordance with the legislation**

**Effectiveness indicator RGL 1: Percentage of audit and inspections that comply with requirements and statutory criteria**

### **Why we measure**

The department is responsible for regulating and maintaining the integrity of lawful racing, gambling and liquor activities for Western Australians to participate in. Through conducting compliance audits and inspections, the department contributes to the promotion, monitoring and enforcements of responsible and lawful gambling and liquor services and this indicator measures how effectively we are delivering the outcome.

### **What we measure**

This indicator measures the effectiveness of the department's regulatory function within racing, gambling and liquor activities by conducting audits and inspections at licensees' venues and service providers.

### **How we measure**

The percentage of audits and inspections that comply with requirements and statutory criteria is calculated by dividing the number of compliant licensees/service providers by the total number of inspections conducted.

### **Performance**

| 2015-2016 | 2016-2017 | 2017-2018 | 2018-2019<br>Target | 2018-2019<br>Actual | Variance |
|-----------|-----------|-----------|---------------------|---------------------|----------|
| 98%       | 98%       | 97%       | 94%                 | 97%                 | 3%       |

### **Analysis**

In 2018-2019 the actual compliance is higher than the target, indicating that licensees are generally effectively meeting regulatory requirements. Areas of non-compliance typically include: conducting activities without a valid permit or licence, or breaching conditions of permits.

## **Outcome: A strong and diverse sport and recreation system in Western Australia that is accessible, encourages maximum participation and develops talent**

### **Effectiveness indicator SR 1: Satisfaction rating of policy development and leadership provided by the department**

#### **Why we measure**

The leadership and policy support provided by the department contributes to the delivery of a strong and diverse sport and recreation system in Western Australia by promoting the understanding of government policy priorities and their relation and impact to sport and recreation. The leadership and support also ensures there is ongoing sport and recreation contribution to wider public policy agendas. This support contributes to a range of industry outcomes including the provision of quality participation environments, excellence in organisational governance and management, quality infrastructure provision and the coordination of sport and recreation services and maximise participation opportunities for Western Australians. This effectiveness indicator measures how satisfy the key stakeholders are with the policy support and leadership provided by the Department.

#### **What we measure**

This effectiveness indicator is an average of the satisfaction ratings of key stakeholder (sport and recreation groups and local governments) of the department's leadership and the relevance of the policy development and implementation support provided over the past 12 months.

#### **How we measure**

An independent survey of the department's sport and recreation key stakeholders was undertaken during 2018-19 by Research Solutions Pty Ltd. Research Solutions Pty Ltd conducted 98 telephone interviews with sport and recreation group representatives and 106 telephone interviews with local government representatives. Camp users completed 352 online surveys. Due to the size of the total stakeholders' group, survey contact was an attempted census with sport and recreation and local government stakeholders to meet the response rate (>50%) and sampling error margin (of+/- 5% at the 95% confidence interval). The response rate achieved was 76.3% for local government, 62.8% for sport and recreation groups and 50.4% for the camps users.

Percentage scores are derived from the Annual Stakeholders Survey, the aggregated percentage (Stakeholders satisfaction with leadership provided and policy relevance scores) is weighted based on the number of survey responses received from our key stakeholders (sport and recreation groups and local governments).



## Performance

| 2015-2016 | 2016-2017 | 2017-2018 | 2018-2019<br>Target | 2018-2019<br>Actual | Variance |
|-----------|-----------|-----------|---------------------|---------------------|----------|
| 93%       | 93%       | 89%       | 85%                 | 91%                 | 6%       |

## Analysis

Stakeholders satisfaction rating of the department's policy development and leadership provided during 2018-2019 was 92% and 89% respectively, aggregated at 91%.

The average over the past four years of 92% illustrates industry satisfaction that the policy development and leadership provided by the department is continually meeting sport and recreation industry and community needs.

## **Effectiveness indicator SR 2: Satisfaction rating of the department's consultation advice to clients**

### **Why we measure**

The department provides consultation advisory services covering a wide range of service delivery matters to sport and recreation service providers state-wide. This supports organisations in the policy implementation, project delivery and service delivery within their operating resources and budgets. Well informed, resourced and supported sport and recreation service providers are key components of a strong and diverse sport and recreation system in Western Australia and assist with ensuring maximum participation across the sector.

This effectiveness indicator measures how satisfied key stakeholders (Clients) are with the consultancy and advice that the department provides.

### **What we measure**

This effectiveness indicator is an average of the satisfaction ratings of stakeholders of the department's advisory services (strategic and operational) to sport and recreation key stakeholders and the business area's responsiveness in providing advisory services.

- Strategic – refers to advice provided regarding strategic planning, policy development and decision-making (e.g. organisational governance and management, infrastructure planning and design).
- Operational – refers to advice provided regarding operational development and delivery (e.g. volunteer management, club development, youth programs).
- Responsive – refers to the stakeholders perceptions of the way the department responds to requests for advisory services (telephone, email, correspondence, follow-up from seminars and workshops) regarding both strategic and operational issues for sport and recreation key stakeholders.

### **How we measure**

An independent survey of the department's sport and recreation key stakeholders was undertaken during 2018-19 by Research Solutions Pty Ltd. Research Solutions Pty Ltd conducted 98 telephone interviews with sport and recreation group representatives and 106 telephone interviews with local government representatives. Camp users completed 352 online surveys. Due to the size of the total stakeholders' group, survey contact was an attempted census with sport and recreation and local government stakeholders to meet the response rate (>50%) and sampling error margin (of +/- 5% at the 95% confidence interval). The response rate achieved was 76.3% for local government, 62.8% for sport and recreation groups and 50.4% for the camps users.

Percentage scores are derived from the Annual Stakeholders Survey, the aggregated percentage (of strategic, operational and responsiveness scores) is weighted based on the number of survey responses received from our key stakeholders (sport and recreation groups and local governments).

## Performance

| 2015-2016 | 2016-2017 | 2017-2018 | 2018-2019<br>Target | 2018-2019<br>Actual | Variance |
|-----------|-----------|-----------|---------------------|---------------------|----------|
| 88%       | 88%       | 85%       | 90%                 | 86%                 | -4%      |

## Analysis

Stakeholder satisfaction with the department's consultation and advisory services (strategic and operational) including responsiveness to requests for advice was 81%, 82% and 94% respectively, aggregated at 86% in 2018-2019.

Whilst satisfaction ratings for consultation and advisory services, both strategic and operational, were below target for both sport and recreation groups and local government stakeholders in 2018-19, there was a significant increase in local government stakeholders' satisfaction levels with the department's responsiveness to requests for advice, which contributed to the overall satisfaction rating for this measure of 86%, slightly higher than achieved in 2017-18 (85%).

Overall stakeholders' satisfaction for the department's consultation and advisory services has remained high over the past four years with an overall average of 87%.

## **Effectiveness indicator SR 3: Satisfaction rating of the department's grant's management**

### **Why we measure**

The department provides funding support through a range of programs including: Community Sporting and Recreation Facilities Fund (CSRFF); State Sporting Facilities Program (SSFP); Industry Investment Program (IIP) - formally the Organisational Sustainability Program (OSP); and the Regional Grants Scheme (RGS). The department's funding programs are developed to support and enhance sport and recreation service delivery throughout Western Australia, contributing to a strong and diverse sport and recreation system Statewide which maximises participation and develops talent. This indicator assesses how well the key stakeholders of the department believe that the grant funding provided by the department deliver these outcomes.

### **What we measure**

The satisfaction rating of the department's management of grant funding programs takes into consideration stakeholders' satisfaction with the following components of grants management including:

- a) Relevance of the funding;
- b) Process to apply for, and acquit funding;
- c) Support provided during the funding process;
- d) Follow-up advice following the outcome of the application;
- e) Clarity of documentation; and
- f) Information provided on the website.

The stakeholder's satisfaction rating of the above aspects is a direct measure of how well the department is managing the administration of our grants programs and meeting sport and recreation industry stakeholder needs.

### **How we measure**

An independent survey of the department's sport and recreation key stakeholders was undertaken during 2018-19 by Research Solutions Pty Ltd. Research Solutions Pty Ltd conducted 98 telephone interviews with sport and recreation group representatives and 106 telephone interviews with local government representatives. Camp users completed 352 online surveys. Due to the size of the total stakeholder's group, survey contact was an attempted census with sport and recreation and local government stakeholders to meet the response rate (>50%) and sampling error margin (of +/- 5% at the 95% confidence interval). The response rate achieved was 76.3% for local government, 62.8% for sport and recreation groups and 50.4% for the camps users.

Percentage scores are derived from the Annual stakeholders Survey, the aggregated percentage of stakeholders satisfaction with the department's management of grant funding programs (the CSRFF, IIP and RGS in 2018-2019) is weighted based on the number of survey responses received from our key stakeholders (sport and recreation groups and local governments).

## Performance

| 2015-2016 | 2016-2017 | 2017-2018 | 2018-2019<br>Target | 2018-2019<br>Actual | Variance |
|-----------|-----------|-----------|---------------------|---------------------|----------|
| 88%       | 89%       | 84%       | 85%                 | 90%                 | 5%       |

## Analysis

During 2018-2019, stakeholders' satisfaction with the department's management of grants programs was 90%.

The 6% increase in overall satisfaction rating, compared to 2017-2018 actual 84%, was due to significant improvements recorded this year in satisfaction ratings by:

- Local government with the process to apply for CSRFF funding; and
- Sport and recreation groups with the Regional Grants Scheme documentation and advice provided following the outcome of an application.

The satisfaction rating of stakeholders with the department's management of grants programs has remained high over the past four years with an average of 88%.

## **Effectiveness indicator SR 4: Satisfaction rating of the department's programs, initiatives and resources**

### **Why we measure**

The department's sport and recreation programs, initiatives and resources are developed in conjunction with key stakeholders responding to critical areas of need covering a wide range of infrastructure, organisational development and capacity building issues to ensure stakeholders are well resourced and well informed to facilitate a strong sport and recreation sector. The department's programs, initiatives and resources are based on a combination of identified industry need and current government policy priorities and developed to encourage accessibility and maximum participation. The effectiveness indicator measures stakeholders satisfaction with the programs and initiatives being provided by the department to deliver a strong sport and recreation sector.

### **What we measure**

Stakeholders are asked to rate the relevance of program and initiatives and resources separately and are provided examples as per the 2018-2019 period. The satisfaction rating of the relevance of programs, initiatives and resources is a direct measure of how well the department is meeting sport and recreation industry stakeholder needs in supporting sport and recreation service delivery outcomes within their specific markets.

### **How we measure**

An independent survey of the department's sport and recreation key stakeholders was undertaken during 2018-19 by Research Solutions Pty Ltd. Research Solutions Pty Ltd conducted 98 telephone interviews with sport and recreation group representatives and 106 telephone interviews with local government representatives. Camp users completed 352 online surveys. Due to the size of the total stakeholder's group, survey contact was an attempted census with sport and recreation and local government stakeholders to meet the response rate (>50%) and sampling error margin (of +/- 5% at the 95% confidence interval). The response rate achieved was 76.3% for local government, 62.8% for sport and recreation groups and 50.4% for the camps users.

Percentage scores are derived from the Annual Stakeholders Survey, the aggregated percentage of stakeholders' satisfaction with the department's programs, initiatives and resources as being relevant scores. The scores are weighted based on the number of survey responses received from our key stakeholders (sport and recreation groups and local governments).

## Performance

| 2015-2016 | 2016-2017 | 2017-2018 | 2018-2019<br>Target | 2018-2019<br>Actual | Variance |
|-----------|-----------|-----------|---------------------|---------------------|----------|
| 93%       | 92%       | 90%       | 90%                 | 91%                 | 1%       |

## Analysis

The satisfaction rating of stakeholders with the relevancy of the department's programs, initiatives and resources provided in 2018-2019 was 94% and 88% respectively, aggregated at 91%.

Whilst there was a smaller proportion of sport and recreation groups feeling that the department's resources are relevant to the sport and recreation industry (94% in 2017-2018 to 85% in 2018-2019), satisfaction ratings of both local government and sport and recreation groups in the relevance of program and initiatives was greater than recorded in 2017-2018.

The satisfaction rating of stakeholders with the relevancy of the department's programs, initiatives and resources provided in 2018-2019 (91%) was consistent with the high average achieved over the past four years (92%).

## **Effectiveness indicator SR 5: Western Australian participation in organised sport and active recreation**

### **Why we measure**

The department has a vital role to play with supporting the key community stakeholders (i.e. sport and recreation groups and local governments) throughout WA who are directly providing sport and recreation services to Western Australians. Targeted support to ensure quality service delivery, such as:

- Sport and recreation infrastructure development;
- Organisational development and capacity building;
- Governance and management support;
- Planning and policy implementation; and
- Information and resources.

This support ultimately impacts on the number of people participating in sport and active recreation. The measure of participation numbers within organised sport and active recreation participation reflects how well our service delivery system is working to deliver a sector that promotes maximum participation.

### **What we measure**

Whilst not directly responsible for organised sport and active recreation participation rates, the department uses this measure as an indicator of how well the sport and recreation delivery system in WA is providing participation environments for members of our community. Analysis of any significant shifts in participation rates may highlight areas/issues within the delivery system that may impact departmental policy, planning and service directions.

### **How we measure**

The year 2016 represented the establishment of a new baseline for the monitoring of participation rates of adults and children in sport and physical recreation activities, both at the State and National levels.

The monitoring and understanding of participation rates are vital to assist the department's delivery of programs and services to support Western Australian's ongoing participation and involvement in sport and active recreation.

Sport Australia in consultation with the Committee of Australian Sport and Recreation Officers (CASRO) has undertaken to fund and manage a National Participation in Sport and Physical Recreation Survey (AusPlay) to better provide appropriate participation data to support current and future sport and recreation industry needs and outcomes.



From late 2015, AusPlay became the single-source data currency for government and the sport sector that not only tracks Australian sport participation behaviours but also informs investment, policy and sport delivery.

The AusPlay data is not directly comparable to previous participation data collections [i.e. the Multi-Purpose Household Survey (MPHS) or the Exercise Recreation and Sport Survey (ERASS)] due to variations in survey methodology relating to question wording, sampling and fieldwork approaches and non-response bias.

Via the AusPlay Survey, a baseline for participation by Western Australians in organised sport and active recreation has been established. The baseline of 56% is an average of participation rates for WA males and females (aged 15 years and over) involved in organised sport and active recreation.

### Performance

| 2015-2016 | 2016-2017 | 2017-2018 | 2018-2019<br>Target | 2018-2019<br>Actual | Variance |
|-----------|-----------|-----------|---------------------|---------------------|----------|
| 56%       | 56%       | 57%       | 56%                 | 60%                 | 4%       |

### Analysis

The department's desired outcome is that participation rates for Western Australians in sport and active recreation ultimately be maintained and/or increased. In 2018, 60% of Western Australians (aged 15 years and over) were involved in organised sport and active recreation, a 4% increase on the baseline established in 2016.

## **Effectiveness indicator SR 6: Satisfaction rating of recreation camps management and service delivery**

### **Why we measure**

The department's recreation camps offer outdoor recreation programs that provide experiential learning opportunities to the community and promote increased physical activity participation in the outdoors that contribute to a strong and diverse sport and recreation system in Western Australia. This effectiveness measure assesses how the department's camps service is viewed by participants.

### **What we measure**

This effectiveness measure reflects the satisfaction rating of the department's recreation camp stakeholders with venue, accommodation, management, program and catering at the camp they most recently visited. Stakeholders are asked to rate their satisfaction with:

- Venue and accommodation – i.e. the standard of accommodation and meeting room facilities;
- Camp management – i.e. the information provided, staff responsiveness and booking procedures;
- Program delivery – i.e. knowledge and ability of the instructor and standard of the program; and
- Catering provided – i.e. food quality and customer service.

### **How we measure**

An independent survey of the department's sport and recreation key stakeholders was undertaken during 2018-19 by Research Solutions Pty Ltd. Research Solutions Pty Ltd conducted 98 telephone interviews with sport and recreation group representatives and 106 telephone interviews with local government representatives. Camp users completed 352 online surveys. Due to the size of the total stakeholders' group, survey contact was an attempted census with sport and recreation and local government stakeholders to meet the response rate (>50%) and sampling error margin (of +/- 5% at the 95% confidence interval). The response rate achieved was 76.3% for local government, 62.8% for sport and recreation groups and 50.4% for the camps users.

Stakeholders feedback is provided each year via the Annual Stakeholders Survey regarding satisfaction ratings on the areas stated above. The data is weighted based on the revenue breakdown of the camps. The ratings for all aspects are aggregated across all camps and reported below.

## Performance

| 2015-2016 | 2016-2017 | 2017-2018 | 2018-2019<br>Target | 2018-2019<br>Actual | Variance |
|-----------|-----------|-----------|---------------------|---------------------|----------|
| 95%       | 94%       | 94%       | 87%                 | 94%                 | 7%       |

## Analysis

The recreation camps have maintained the high stakeholders satisfaction rating of 94% achieved in 2017-2018 with an average stakeholders satisfaction rating over the past four years of 94%. Outdoor program delivery continues to be an integral part of camp activity design for schools. The strong result reflects the confidence that the education sector and not-for-profit community groups have in the overall camp experience and the department's capacity to consistently deliver affordable and accessible physical activity experiences in the outdoors. The department continues to be a leader in outdoor recreation training facilitation and delivery.

## Service 1. Regulation and support of local government

### Efficiency indicator 1.1 Average cost per local government for regulation and support

#### Why we measure

The department provides training, advice, and support across the local government sector, using a risk-based approach to identify those areas needing targeted intervention and assistance. The department aims to support the sector in the provision of good governance and compliance by monitoring, promoting and enforcing compliance with the Local Government Act 1995. Through the provision of regulatory functions primarily related to the administration of the Local Government Act 1995 including approvals, compliance monitoring and other statutory support the department assists local governments with best practice in the sector. This measure assesses the efficiency of the department's resources to regulate and support local governments.

#### What we measure

This indicator determines a cost that assesses the efficiency of the department's resourcing in providing regulation and support services to local government to ensure they fulfil their statutory obligations.

#### How we measure

The efficiency indicator combines the costs of both the proactive and reactive regulatory work undertaken by the department, as well as the costs of other services for local governments such as processing of statutory approvals and costs associated with the administration and amendment of the Local Government Act and other legislation and regulations. Funds expended on grants and subsidies are removed from the total cost, which is then divided by 137 (the number of Western Australian local governments; excluding the two Indian Ocean Territory local governments and nine regional local governments) to produce the indicator.

#### Performance

| 2015-2016 | 2016-2017 | 2017-2018 | 2018-2019<br>Target | 2018-2019<br>Actual | Variance |
|-----------|-----------|-----------|---------------------|---------------------|----------|
| \$76,070  | \$78,881  | \$98,803  | \$86,051            | \$76,743            | -\$9,308 |

#### Analysis

The average cost per service 2018-19 actual was 11% lower than the target given the decrease in authorised inquiries, as these were concluded. In addition, the department continues to build the capability of the sector.

## Service 2. Promotion and support of multiculturalism

### Efficiency indicator 2.1 Average cost per project to support and promote multiculturalism

#### Why we measure

The Office of Multicultural Interests (OMI) conducts a range of projects and initiatives to achieve the objectives identified in its Strategic Plan and promote and support multiculturalism. These are projects and initiatives other than those funded through OMI's grants programs and are critical to achievement of OMI's remit to support and promote multiculturalism. The measure indicates the efficiency of OMI staff in delivering these projects to promote and support multiculturalism.

#### What we measure

Projects to promote and support multiculturalism are identified and detailed in the OMI operational plan. These projects are recorded and tallied each year. The measure includes the amount of human resources (measured in dollars) per project. As the projects are not grants but rather represent the work of individual staff members in delivering them, only staff costs are calculated.

#### How we measure

Projects are detailed in the Office of Multicultural Interests' operational plan which is developed annually on a financial year basis, monitored throughout the year, and reviewed towards the end of the financial year. The indicator is calculated by identifying those projects which involved 20 hours or more of OMI staff time. The total cost of the Office of Multicultural Interests, excluding grants, is divided by the number of projects as identified in the operational plan.

#### Performance

| 2015-2016 | 2016-2017 | 2017-2018 | 2018-2019<br>Target | 2018-2019<br>Actual | Variance  |
|-----------|-----------|-----------|---------------------|---------------------|-----------|
| \$101,061 | \$99,118  | \$110,916 | \$111,717           | \$87,974            | -\$23,743 |

#### Analysis

There is a -21% variance between the actual and target which is mainly due to a reduction in the allocation of overhead to this service in 2018-19 as a result of Machinery of Government efficiencies.

## Efficiency indicator 2.2 Number of grants and service agreements per full time equivalent

### Why we measure

The department funds a range of community grants intended to promote and support multiculturalism in WA. The number of grants administered and service agreements managed by OMI employees engaged in these activities is a measure of productivity of the departments resources in administering the grants to promote and support multiculturalism.

### What we measure

The department measures the number of employees engaged in administration of OMI grants and service agreements over the financial year.

### How we measure

This indicator is calculated by dividing the total count of grants and service agreements by the number of full - time equivalent staff working on managing the grants and service agreements.

### Performance

| 2015-2016 | 2016-2017 | 2017-2018 | 2018-2019<br>Target | 2018-2019<br>Actual | Variance |
|-----------|-----------|-----------|---------------------|---------------------|----------|
| 27        | 33        | 36        | 25                  | 33                  | 8        |

### Analysis

The increase in the 2018-2019 actual number of grants and service agreements per full time equivalents compared to the budget target was mainly due to an increased number of grants being administered.

## Service 3. Arts industry support

### Efficiency indicator 3.1 Grants operations expense as a percentage of direct grants approved

#### Why we measure

The department provides support to the Western Australian arts, cultural and creative sector through a range of funding programs, research services and policy advice. This support contributes to a vibrant sector that provides a range of opportunities for people to participate and attend activities, performances and exhibitions. It also provides opportunities for artists and arts organisations to develop their skills and the artform. Measuring the input costs of providing the grant funding as percentage of total grant funding is an indicator of the efficiency of delivering grants funding programs.

#### What we measure

The measure is the cost of resources to deliver a series of grant programs, as a percentage of the total funding delivered through those grant programs. The measure is primarily impacted by the level of funding provided, and the resourcing requirements of the target group of the funding program.

#### How we measure

The department supports the grants programs for the arts, cultural and creative sector through both the industry support (Service 3: Arts industry support) and research and policy support (Service 4: Research, policy development, information and support). Therefore, the percentage is calculated by taking the total operating expenditure for the division and allocating the expenditure based on staff. For the reporting period, the percentage split between the two divisions was 50% to arts industry support and 50% to research, policy development, information and support.

#### Performance

| 2015-2016 | 2016-2017 | 2017-2018 | 2018-2019<br>Target | 2018-2019<br>Actual | Variance |
|-----------|-----------|-----------|---------------------|---------------------|----------|
| 6.7%      | 4.1%      | 5.1%      | 4.5%                | 5.4%                | 0.9%     |

#### Analysis

The 2018-19 result has marginally increased by 0.3% due to a decrease in the value of grants paid. The variance of 0.9% from the 2018-19 target is due to an increase in the operational costs.

## Service 4. Research, policy development, information and support

### Efficiency indicator 4.1 Research, policy development, information and support expense as a percentage of direct grants approved

#### Why we measure

The department provides support to the Western Australian arts, cultural and creative sector through a range of funding programs, research services and policy advice and support. This support contributes to a vibrant sector that provides a range of opportunities for people to participate and attend activities, performances and exhibitions. It also provides opportunities for artists and arts organisations to develop their skills and the artform. Measuring the input costs of providing the grant funding and policy support as percentage of total grant funding is an indicator of the efficiency of delivering grants funding programs to support the sector.

#### What we measure

The measure is the cost of resources to provide research, policy development and support to the sector. This measure is primarily impacted by the level of funding provided, and the resourcing requirements of the target group of the funding program.

#### How we measure

The department supports the arts, cultural and creative sector through both the industry support grant (Service 3: Arts industry support) and research and policy support (Service 4: Research, policy development, information and support). Therefore, the percentage is calculated by taking the total operating expenditure for the division and allocating the expenditure based on staff. For the reporting period, the percentage split between the two areas was 50% to arts industry support and 50% to research, policy development, information and support.

#### Performance

| 2015-2016 | 2016-2017 | 2017-2018 | 2018-2019<br>Target | 2018-2019<br>Actual | Variance |
|-----------|-----------|-----------|---------------------|---------------------|----------|
| 5.7%      | 3.9%      | 5.1%      | 4.5%                | 5.4%                | 0.9%     |

#### Analysis

The current year result has marginally increased by 0.3% due to a decrease in the value of grants paid. The variance of 0.9% from the 2018-19 target is due to an increase in the operational costs.



## Service 5. Corporate and asset and infrastructure support to the culture and arts portfolio and Government

### Efficiency indicator 5.1 Average cost of service per full time equivalent

#### Why we measure

The department provides corporate, asset and infrastructure services to the culture and arts portfolio, which includes the delivery of asset maintenance and projects. This indicator measures the efficiency of department resourcing in delivery of these support services.

#### What we measure

This service determines the average cost per full time equivalent (FTE) provided for corporate, asset and infrastructure support to the culture and arts portfolio.

#### How we measure

This indicator is calculated based on total cost of services for corporate, asset and infrastructure divided by the total culture and arts FTE.

#### Performance

| 2015-2016 | 2016-2017 | 2017-2018 | 2018-2019<br>Target | 2018-2019<br>Actual | Variance  |
|-----------|-----------|-----------|---------------------|---------------------|-----------|
| \$171,457 | \$138,820 | \$246,636 | \$15,975            | \$319,290           | \$303,315 |

#### Analysis

The underlying calculation for this efficiency indicator has been updated to better reflect the departments service in providing the asset and infrastructure support to the culture and the arts portfolio. As such previous years results have been adjusted.

The underlying change in the calculation was not reflected in the budget target. Had this change been incorporated, the budget target would have been \$173,786 resulting in a variance of \$145,504 or 84%.

The significant increase in the average cost of services per full time equivalent is mainly due to the transfer of costs related to Information Technology function moving to the Department from State Library of WA, increase in other overhead costs and a significant increase related to depreciation and decrement in the value of the department's assets.

## Service 17. Licensing - evaluation and determination of applications

### Efficiency indicator 17.1 Average cost of determining applications

#### Why we measure

The Regulatory Services division provides a licensing service for the liquor and gambling industries. The average cost of evaluating and determining applications measures the efficiency with which the department carries out the application assessment.

#### What we measure

The department measures the average cost of evaluating and determining applications for the liquor and gambling industries.

#### How we measure

The average cost of determining an application is calculated by dividing the total costs for licensing services by the number of applications determined.

#### Performance

| 2015-2016 | 2016-2017 | 2017-2018 | 2018-2019<br>Target | 2018-2019<br>Actual | Variance |
|-----------|-----------|-----------|---------------------|---------------------|----------|
| \$554     | \$460     | \$476     | \$430               | \$490               | \$60     |

#### Analysis

The average cost of determining an application was higher than targeted due largely to a decrease in the number of applications determined. The targeted total cost was based on conservative estimates, resulting in an underestimation of the cost per application determined.

#### Determinations in detail:

- 79% of the total applications determined relate to the liquor industry.
- 21% of the total applications determined relate to the gambling industries.

## Service 18. Compliance audits and inspections

### Efficiency indicator 18.1 Average cost of conducting inspections

#### Why we measure

Under the legislative framework provided in the Liquor Control Act 1988, the department undertakes regular audits and inspections to regulate the sale, supply and consumption of liquor, and to minimise harm and ill-health to the public. Additionally, inspections are undertaken to ensure that licensed premises are being operated and maintained to a standard that meets consumer expectations. This measures the productivity of the department in conducting the required audits and inspections.

#### What we measure

On behalf of the Gaming and Wagering Commission, the department undertakes inspectorial and audit activities to regulate the lawful conduct of gambling activities permitted under the Betting Control Act 1954, the Casino Control Act 1984, the Gaming and Wagering Commission Act 1987, and the Racing and Wagering Western Australia Act 2003.

This indicator measures the department's efficiency in conducting these compliance audits and inspections.

#### How we measure

This efficiency indicator is determined by dividing the allocated cost of service for the activity by the number of inspections and audits.

#### Performance

| 2015-2016 | 2016-2017 | 2017-2018 | 2018-2019<br>Target | 2018-2019<br>Actual | Variance |
|-----------|-----------|-----------|---------------------|---------------------|----------|
| \$995     | \$961     | \$759     | \$893               | \$804               | -\$89    |

#### Analysis

There is a 10% variance between the actual and target amount. This is due to more audits and inspections being conducted for the period therefore, the costs on average were reduced.

## Service 19. Industry leadership and infrastructure development

### Efficiency indicator 19.1 Average cost of providing consultancy (policy, advocacy and infrastructure) to organisations

#### Why we measure

The department provides consultancy and advisory services to a wide range of sport and recreation industry stakeholders statewide. This advice contributes to the delivery of a strong and diverse sport and recreation system in Western Australia and specifically relates to infrastructure planning and development; industry strategic planning; contribution to cross government collaborative initiatives; policy development and implementation, and advocacy/communication initiatives. Measuring the average cost of providing consultancy services to sport and recreation organisations demonstrates the efficiency in which the department provides industry leadership and infrastructure development services.

#### What we measure

This indicator measures the department's efficiency in providing consultancy services.

Consultation refers to a meeting/phone call with a group/organisation/representative at which a department staff provides advice of a strategic nature. Each group/organisation provided consultation advice in the 2018-2019 year is recorded.

The efficiency measure is impacted by the number of organisations consulted, and the FTE attributed to consultation - both elements flexible dependent upon service outcome priorities within the department (i.e. roll out of new planning / policy / legislative requirements may require extra staffing allocation).

#### How we measure

The average cost of providing the consultancy is dependent upon the number of organisations provided consultancy (recorded as consultations through project databases within the department and managed via a spreadsheet system). The overall cost of providing such services (inclusive of staffing, resources and program development, etc.).

#### Performance

| 2015-2016 | 2016-2017 | 2017-2018 | 2018-2019<br>Target | 2018-2019<br>Actual | Variance |
|-----------|-----------|-----------|---------------------|---------------------|----------|
| \$10,083  | \$10,874  | \$10,080  | \$10,324            | \$13,447            | \$3,123  |

#### Analysis

During 2018-19, the department has provided consultancy support to a greater than anticipated number of organisations. This reflects a departmental service delivery shift toward increased policy/strategic consultancy support for sport and recreation industry organisations. The increase in the average cost of service largely resulted from additional spending on the Optus stadium project.

## Efficiency indicator 19.2 Average cost of providing the contact services (policy, advocacy and infrastructure)

### Why we measure

The department provides contact services through seminars, forums, workshops and conferences where information is provided to sport and recreation industry personnel. These contact services contribute to the development of a strong and diverse sport and recreation system in Western Australia through the development and understanding of strategic and policy frameworks, government programs and initiatives specifically relating infrastructure planning, design and development; industry strategic planning; cross government initiatives, and advocacy/communication initiatives. This indicator assesses the average cost of providing contact services demonstrates the efficiency of the department's resources in providing services to support the industry in relation to leadership and infrastructure development.

### What we measure

Contact services refers to contact by the department with an industry stakeholders through provision of a seminar, workshop, forum or via the ContactUs service where information/resources, advice and education are provided to organisations, groups or individuals supporting the delivery of sport and recreation in the community.

### How we measure

The average cost of providing contact services is dependent upon the number of contacts made annually (as seminars, forums, workshops, conferences through project databases and managed via a spreadsheet system, ContactUs) and the overall cost of providing such services (including staffing, resources and program development, etc.).

### Performance

| 2015-2016 | 2016-2017 | 2017-2018 | 2018-2019<br>Target | 2018-2019<br>Actual | Variance |
|-----------|-----------|-----------|---------------------|---------------------|----------|
| \$526     | \$740     | \$670     | \$942               | \$2,893             | \$1,951  |

### Analysis

The variation to the 2018-2019 Budget target unit cost was due in part to a decrease in the anticipated number of contacts achieved in 2018-19 primarily due to ongoing facilitation of service delivery outcomes through collaboration and engagement with sport and recreation industry stakeholders rather than providing services directly. There has also been a shift to provide increased policy and strategic support to groups and organisations within the sport and recreation industry, thus resulting in less activity in direct contact services. The increase in the average cost of service largely resulted from additional spending on the Optus stadium project.

## Efficiency indicator 19.3 Average cost to manage infrastructure grants

### Why we measure

The department provides infrastructure funding support through a range of grants programs including the Community Sporting and Recreation Facilities Fund (CSRFF) and the State Sporting Infrastructure Fund (SSIF). These programs contribute to the development of a strong and diverse sport and recreation system through the development of sustainable, good quality and well-designed infrastructure for sport and recreation statewide which encourages participation and supports talent development. Measuring the average cost to manage the infrastructure grants demonstrates the efficiency in which the department manages the grants program to provide industry leadership support and infrastructure development.

### What we measure

Grants managed refers to the infrastructure grants managed by the department which have been either: approved, paid, recommended and not yet approved, not recommended and not finalised or finalised in the financial year.

### How we measure

Average cost of grants managed is derived by dividing the overall cost of providing such services (inclusive of staffing, resources and program development, review and refinement) by the total number of grants managed.

### Performance

| 2015-2016 | 2016-2017 | 2017-2018 | 2018-2019<br>Target | 2018-2019<br>Actual | Variance |
|-----------|-----------|-----------|---------------------|---------------------|----------|
| \$3,288   | \$2,114   | \$2,545   | \$2,175             | \$2,451             | \$276    |

### Analysis

The cost of providing infrastructure grants was significantly underestimated for the 2018-19 budget target when compared to the 2017-18 actual. This was offset by a 15% increase in the number of infrastructure grants managed in 2018-19 compared to the 2018-19 Budget target. Consequently, the average cost of infrastructure grants managed has increased in 2018-19 compared to the 2018-19 Budget target despite a decrease when compared to the 2017-18 actual.

## Service 20. Building capacity and participation

### Efficiency indicator 20.1 Average cost of providing consultancy (Organisational Development and Participation) to organisations

#### Why we measure

The department provides consultancy and advisory services to a wide range of sport and recreation industry organisations statewide to build capacity and participation levels. The advice provided specifically relates to organisational development; governance and management; contribution to cross government initiatives; supporting program development and implementation (i.e. programs such as: Kidsport, club development, inclusion initiatives). The indicator measures the average cost of providing consultancy services to sport and recreation organisations which demonstrates the efficiency in which the department provides the services to build capacity and participation in the sector.

#### What we measure

This indicator measures the department's efficiency in providing consultancy services.

Consultation refers to a meeting/phone call with a group/organisation/representative at which a department staff person provides advice of a strategic nature. Each group/organisation provided consultation advice in the 2018-19 year is recorded.

The efficiency measure is impacted by the number of organisations consulted, and the FTE attributed to consultation - both elements flexible dependent upon service outcome priorities within the department (i.e; roll out of new planning / policy / legislative requirements may require extra staffing allocation).

#### How we measure

The average cost of providing the consultancy is dependent upon the number of organisations provided consultancy (recorded as consultations through project databases within the department and managed via a spreadsheet system). The overall cost of providing such services (inclusive of staffing, resources and program development, etc.).

#### Performance

| 2015-2016 | 2016-2017 | 2017-2018 | 2018-2019<br>Target | 2018-2019<br>Actual | Variance  |
|-----------|-----------|-----------|---------------------|---------------------|-----------|
| \$13,554  | \$15,523  | \$13,565  | \$18,080            | \$11,413            | (\$6,667) |

## Analysis

The 2018-19 budget target overestimated the cost of providing consultancy services to the sector. The actual cost of providing consultancy services in 2018-19 was significantly lower compared to 2018-19 budget and the 2017-18 actual. Despite the lower cost, the department provided consultancy support to a greater than anticipated number of organisations, reflective of a departmental service delivery shift toward increased policy/strategic consultancy support for sport and recreation industry organisations.



## Efficiency indicator 20.2 Average cost of providing the contact services (organisational development and participation)

### Why we measure

The department provides contact services through seminars, forums, workshops and conferences where information is provided to sport and recreation industry personnel to enhance the capacity and capability of individuals and organisations to continually meet community sport and recreation needs and expectations. These contact services contribute to the development of a strong and diverse sport and recreation system in Western Australia and assist in the achievement of maximum participation. The contact services are specific to the areas of organisational governance and management, and policy and program implementation (i.e. programs such as: Kidsport, club development, inclusion initiatives). The efficiency indicator measures the average cost of providing contact services and demonstrates the efficiency in which the department uses its resources to deliver capacity building services.

### What we measure

Contact services refers to contact by the department with an industry stakeholders through provision of a seminar, workshop, conference, forum or via the ContactUs service where information/resources, advice and education are provided to organisations, groups or individuals supporting the delivery of sport and recreation in the community.

### How we measure

The average cost of providing contact services is dependent upon the number of contacts made annually (as seminars, forums, workshops, conferences through project databases and managed via a spreadsheet system, ContactUs) and the overall cost of providing such services (including staffing, resources and program development, etc.).

### Performance

| 2015-2016 | 2016-2017 | 2017-2018 | 2018-2019<br>Target | 2018-2019<br>Actual | Variance |
|-----------|-----------|-----------|---------------------|---------------------|----------|
| \$309     | \$413     | \$344     | \$587               | \$789               | \$202    |

### Analysis

The 34% variation to 2018-19 Budget target unit cost was primarily due to a significant decrease in the number of industry contacts achieved in 2018-19 despite an overall reduction in the overall cost of providing contact services. The decrease in the number of contacts was due to the ongoing facilitation of service delivery outcomes through collaboration and engagement with sport and recreation industry stakeholders rather than providing the services directly, for example: engagement with local government to ensure coordinated delivery of club development outcomes statewide.

## Efficiency indicator 20.3 Average cost to manage sport and recreation development grants

### Why we measure

The department provides funding support through a range of sport and recreation development grants including the Industry Investment Program and the Regional Grants Scheme. These funding programs are developed in response to critical areas of need, and cover a wide range of organisational development, capacity building and participation issues. Programs to ensure stakeholders are well resourced and supported contribute to the development of a strong and diverse sport and recreation system in Western Australia, which encourages participation and develops talent. Measuring the average cost to manage the sport and recreation development grants demonstrates the efficiency in which the department manages the grants programs that support capacity building and improving participation levels in the sector.

### What we measure

Grants managed refers to the sport and recreation development grants managed by the department which have been either: approved, paid, recommended and not yet approved, not recommended and not finalised or finalised in the financial year. Note - Grants managed does not include social concessions paid directly to clubs such as Regional Athlete Travel Assistance or 'KidSport'.

### How we measure

Average cost of grants managed is derived by dividing the overall cost of providing grants management services (inclusive of staffing, resources and program development, review and refinement) by the total number of grants managed.

### Performance

| 2015-2016 | 2016-2017 | 2017-2018 | 2018-2019<br>Target | 2018-2019<br>Actual | Variance |
|-----------|-----------|-----------|---------------------|---------------------|----------|
| \$2,002   | \$1,893   | \$2,026   | \$2,739             | \$1,990             | (\$749)  |

### Analysis

The total number of grants managed in 2018-2019 was unchanged from the Budget target of 1000. The actual total cost of service was lower than estimated which resulted in greater efficiency in grant management services in 2018-19.

## Service 21. Recreation camps management

### Efficiency indicator 21.1 Average Cost per bed night

#### Why we measure

The department provides quality outdoor recreation experiences which encourage participation and talent development in outdoor activities. These experiences are provided in unique recreation camps environments for a wide range of stakeholders primarily for school and community not-for profit groups across five locations. Measuring the average cost of providing accommodation options demonstrates the efficiency in which the department provides its recreation camps management service.

#### What we measure

The average cost per bed night measures the correlation between throughput volume of accommodation provided and the cost to deliver these accommodation services.

#### How we measure

The total number of bed nights is derived by multiplying the number of persons staying in the recreation camps by the number of nights stayed. The average cost per bed night is the total cost of running camps (management, staffing, maintenance, etc.) divided by the total number of bed nights (recorded in the Kinetic Booking system).

#### Performance

| 2015-2016 | 2016-2017 | 2017-2018 | 2018-2019<br>Target | 2018-2019<br>Actual | Variance |
|-----------|-----------|-----------|---------------------|---------------------|----------|
| \$57      | \$53      | \$55      | \$54                | \$64                | \$10     |

#### Analysis

The actual number of bed nights achieved in 2018-19 (83,282) was similar to that achieved in 2017-18 (84,286). However, the 2018-19 budget target for (95,000) bed nights was overestimated resulting in the increase actual average cost per bed night.

## Efficiency indicator 21.2 Average cost per participation

### Why we measure

The department provides quality outdoor recreation experiences which encourage participation and talent development in outdoor activities. The department provides an extensive range of outdoor activities, delivered by skilled instructors in unique recreational camps environments across the five locations. Through this indicator the average cost of providing quality participation experiences is measured and demonstrates the efficiency in which the department provides the recreational camps service.

### What we measure

Average cost per participation represents a camp participant's engagement in a departmental organised physical activity program whilst attending the camp. This does not count for "freeplay" time or structured activities coordinated by the school, sporting association or community group. Participations typically represent an organised activity program of 1.5 hours.

### How we measure

The average cost per participation is the total cost of running programs divided by the total number of participations, which are recorded for every group/stakeholder utilising the recreation camps via the Kinetic Booking system.

### Performance

| 2015-2016 | 2016-2017 | 2017-2018 | 2018-2019<br>Target | 2018-2019<br>Actual | Variance |
|-----------|-----------|-----------|---------------------|---------------------|----------|
| \$24      | \$24      | \$25      | \$27                | \$27                | \$0      |

### Analysis

The 2018-19 Budget target unit cost for participations (\$27) was achieved with 144,287 participations recorded for 2018-19 across the five recreation camp sites.





## Auditor General

### INDEPENDENT AUDITOR'S REPORT

To the Parliament of Western Australia

### DEPARTMENT OF LOCAL GOVERNMENT, SPORT AND CULTURAL INDUSTRIES

#### Report on the Financial Statements

##### **Opinion**

I have audited the financial statements of the Department of Local Government, Sport and Cultural Industries which comprise the Statement of Financial Position as at 30 June 2019, the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows, Schedule of Income and Expenses by Service, Schedule of Assets and Liabilities by Service, and Summary of Consolidated Account Appropriations and Income Estimates for the year then ended, and Notes comprising a summary of significant accounting policies and other explanatory information, including Administered transactions and balances.

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

##### **Basis for Opinion**

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

##### **Responsibility of the Director General for the Financial Statements**

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

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

##### **Auditor's Responsibility for the Audit of the Financial Statements**

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



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

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

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

## **Report on Controls**

### ***Qualified Opinion***

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

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

In my opinion, in all material respects, except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph, the controls exercised by the Department of Local Government, Sport and Cultural Industries are sufficiently adequate to provide reasonable assurance that the receipt, expenditure and investment of money, the acquisition and disposal of property and the incurring of liabilities have been in accordance with legislative provisions during the year ended 30 June 2019.

### **Basis for Qualified Opinion**

We identified significant weaknesses in the general computer controls implemented by the Department of Local Government, Sport and Cultural Industries. The weaknesses could result in inappropriate and unauthorised access to the Department's financial system. This access could be used to override management controls preventing fictitious or fraudulent transactions and could undermine the integrity of data. Despite these control deficiencies, my audit testing did not detect any inappropriate or fraudulent transactions.



***The Director General's Responsibilities***

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

***Auditor General's Responsibilities***

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

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

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

***Limitations of Controls***

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

**Report on the Key Performance Indicators*****Opinion***

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

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

***The Director General's Responsibility for the Key Performance Indicators***

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

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



**Auditor General's Responsibility**

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

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

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

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

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

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

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



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



## Certification of finance statements

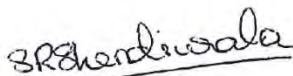
### Department of Local Government, Sport and Cultural Industries

#### Certification of Financial Statements

For the year ended 30 June 2019

The accompanying financial statements of the Department of Local Government, Sport and Cultural Industries have been prepared in compliance with the provisions of the *Financial Management Act 2006* from proper accounts and records to present fairly the financial transactions for the reporting period ended 30 June 2019 and the financial position as at 30 June 2019.

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



**Shanaeya Sherdiwala**

Chief Finance Officer

10 September 2019



**Duncan Ord OAM**

Director General

10 September 2019

# Financial statements

## Department of Local Government, Sport and Cultural Industries Statement of Comprehensive Income For the year ended 30 June 2019

|   | Notes        | 2019<br>\$000  | 2018<br>\$000  |
|---|--------------|----------------|----------------|
| <b>COST OF SERVICES</b>                                     |              |                |                |
| <b>Expenses</b>   |              |                |                |
| Employee benefits expense                                   | 3.1(a)       | 45,141         | 53,368         |
| Supplies and services                                       | 3.3          | 23,545         | 26,158         |
| Depreciation and amortisation expense                       | 5.1.1, 5.2.1 | 8,930          | 6,624          |
| Accommodation expenses                                      | 3.3          | 14,229         | 13,590         |
| Grants and subsidies  | 3.2          | 101,825        | 91,683         |
| Loss on disposal of non-current assets                      | 3.3          | -              | 1,168          |
| Revaluation Decrement                                       |              | 6,460          | 479            |
| Other expenses  | 3.3          | 2,996          | 1,566          |
| <b>Total cost of services</b>                               |              | <b>203,126</b> | <b>194,636</b> |
| <b>Income</b>   |              |                |                |
| <i>Revenue</i>  |              |                |                |
| User charges and fees                                       | 4.2          | 11,101         | 11,119         |
| Sponsorship   |              | 163            | 154            |
| Commonwealth grants and contributions                       | 4.3          | 397            | 398            |
| Interest revenue  |              | 2              | 2              |
| Other revenue   | 4.4          | 7,558          | 6,608          |
| <b>Total revenue</b>  |              | <b>19,221</b>  | <b>18,281</b>  |
| <b>Total income other than income from State Government</b> |              | <b>19,221</b>  | <b>18,281</b>  |
| <b>NET COST OF SERVICES</b>                                 |              | <b>183,905</b> | <b>176,355</b> |
| <b>Income from State Government</b>                         |              |                |                |
| Service appropriation                                       | 4.1          | 163,481        | 162,721        |
| Services received free of charge                            | 4.1          | 919            | 1,514          |
| Royalties for Regions Fund                                  | 4.1          | 13,173         | 13,407         |
| Grants and subsidies from State Government                  | 4.1          | 4,615          | 6,935          |
| <b>Total income from State Government</b>                   |              | <b>182,188</b> | <b>184,577</b> |
| <b>SURPLUS/(DEFICIT) FOR THE PERIOD</b>                     |              | <b>(1,717)</b> | <b>8,222</b>   |
| <b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>            |              | <b>(1,717)</b> | <b>8,222</b>   |

See also the "Schedule of Income and Expenses by Service".

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

**Department of Local Government, Sport and Cultural Industries**  
**Statement of Financial Position**  
**As at 30 June 2019**

|                                      | Notes  | 2019           | 2018           |
|--------------------------------------|--------|----------------|----------------|
|                                      |        | \$000          | \$000          |
| <b>ASSETS</b>                        |        |                |                |
| <b>Current Assets</b>                |        |                |                |
| Cash and cash equivalents            | 7.1    | 62,663         | 67,470         |
| Restricted cash and cash equivalents | 7.1    | 9,315          | 9,738          |
| Receivables                          | 6.1    | 8,365          | 5,367          |
| Amounts receivable for services      | 6.2    | 160            | 789            |
| Other current assets                 | 6.3    | 2,644          | 1,654          |
| <b>Total Current Assets</b>          |        | <b>83,147</b>  | <b>85,018</b>  |
| <b>Non-Current Assets</b>            |        |                |                |
| Restricted cash and cash equivalents | 7.1    | 592            | 385            |
| Amounts receivable for services      | 6.2    | 29,157         | 23,215         |
| Property, plant and equipment        | 5.1    | 532,619        | 422,162        |
| Intangible assets                    | 5.2    | 3,807          | 7,277          |
| Other non-current assets             | 6.3    | 68             | 75             |
| <b>Total Non-Current Assets</b>      |        | <b>566,243</b> | <b>453,114</b> |
| <b>TOTAL ASSETS</b>                  |        | <b>649,390</b> | <b>538,132</b> |
| <b>LIABILITIES</b>                   |        |                |                |
| <b>Current Liabilities</b>           |        |                |                |
| Payables                             | 6.4    | 14,772         | 15,146         |
| Employee related provisions          | 3.1(b) | 7,763          | 8,583          |
| Other current liabilities            | 6.5    | 1,006          | 976            |
| <b>Total Current Liabilities</b>     |        | <b>23,541</b>  | <b>24,705</b>  |
| <b>Non-Current Liabilities</b>       |        |                |                |
| Employee related provisions          | 3.1(b) | 2,203          | 2,042          |
| <b>Total Non-Current Liabilities</b> |        | <b>2,203</b>   | <b>2,042</b>   |
| <b>TOTAL LIABILITIES</b>             |        | <b>25,744</b>  | <b>26,747</b>  |
| <b>NET ASSETS</b>                    |        | <b>623,646</b> | <b>511,385</b> |
| <b>EQUITY</b>                        |        |                |                |
| Contributed equity                   | 9.10   | 617,149        | 503,163        |
| Accumulated surplus/(deficit)        | 9.10   | 6,497          | 8,222          |
| <b>TOTAL EQUITY</b>                  |        | <b>623,646</b> | <b>511,385</b> |

See also the "Schedule of Assets and Liabilities by Service".

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

**Department of Local Government, Sport and Cultural Industries**  
**Statement of Changes in Equity**  
**For the year ended 30 June 2019**

|   | Notes | Contributed<br>Equity<br>\$000 | Accumulated<br>surplus/ (deficit)<br>\$000 | Total<br>Equity<br>\$000 |
|---|-------|--------------------------------|--|--------------------------|
| <b>Balance at 1 July 2017</b>                         |       | -                              | -  | -                        |
| Surplus/(deficit)                                     | 9.10  |                                | 8,222                                      | 8,222                    |
| Transactions with owners in their capacity as owners: |       |                                |  |                          |
| Capital appropriations                                |       | 196,881                        | -  | 196,881                  |
| Other contributions by owners                         |       | 942,528                        | -  | 942,528                  |
| Distribution to owners                                |       | (636,246)                      | -  | (636,246)                |
| Total   |       | 503,163                        | -  | 503,163                  |
| <b>Balance at 30 June 2018</b>                        |       | <b>503,163</b>                 | <b>8,222</b>                               | <b>511,385</b>           |
| <b>Balance at 1 July 2018</b>                         |       | 503,163                        | 8,222                                      | 511,385                  |
| Changes in accounting policy (AASB 9)                 |       |                                | (8)  | (8)                      |
| <b>Restated balance at 1 July 2018</b>                |       | 503,163                        | 8,214                                      | 511,377                  |
| Surplus/(deficit)                                     |       |                                | (1,717)                                    | (1,717)                  |
| Total comprehensive income for the period             |       | -                              | (1,717)                                    | (1,717)                  |
| Transactions with owners in their capacity as owners: |       |                                |  |                          |
| Capital appropriations                                | 9.10  | 115,277                        | -  | 115,277                  |
| Distribution to owners                                |       | (1,291)                        | -  | (1,291)                  |
| Total   |       | 113,986                        | -  | 113,986                  |
| <b>Balance at 30 June 2019</b>                        |       | <b>617,149</b>                 | <b>6,497</b>                               | <b>623,646</b>           |

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

**Department of Local Government, Sport and Cultural Industries**  
**Statement of Cash Flows**  
**For the year ended 30 June 2019**

|  | Notes | 2019<br>\$000    | 2018<br>\$000    |
|--|-------|------------------|------------------|
| <b>CASH FLOWS FROM STATE GOVERNMENT</b>                    |       |                  |                  |
| Service appropriation                                      |       | 158,294          | 159,212          |
| Capital appropriations                                     |       | 115,232          | 198,393          |
| Holding account drawdown                                   |       | 255              | 1,366            |
| State Grants & Subsidies                                   |       | 4,615            | 347              |
| Receipts from general government agencies                  |       | -                | 7,817            |
| Royalties for Regions Fund                                 |       | 13,173           | 13,407           |
| <b>Net cash provided by State Government</b>               |       | <b>291,569</b>   | <b>380,542</b>   |
| <b>Utilised as follows:</b>                                |       |                  |                  |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                |       |                  |                  |
| <b>Payments</b>  |       |                  |                  |
| Employee benefits  |       | (47,682)         | (54,114)         |
| Supplies and services                                      |       | (24,947)         | (24,077)         |
| Accommodation  |       | (12,452)         | (12,955)         |
| Grants and subsidies                                       |       | (102,023)        | (106,075)        |
| GST payments on purchases                                  |       | (24,222)         | (30,166)         |
| Other payments   |       | (2,414)          | (1,455)          |
| <b>Receipts</b>  |       |                  |                  |
| User charges and fees                                      |       | 11,183           | 11,347           |
| Commonwealth grants and contributions                      |       | 433              | 275              |
| Interest received  |       | 2                | 1                |
| GST receipts on sales                                      |       | 1,386            | 1,566            |
| GST receipts from taxation authority                       |       | 20,557           | 29,904           |
| Other receipts   |       | 6,829            | 6,605            |
| <b>Net cash provided by/(used in) operating activities</b> | 7.1   | <b>(173,350)</b> | <b>(179,145)</b> |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                |       |                  |                  |
| <b>Payments</b>  |       |                  |                  |
| Purchase of non-current assets                             |       | (123,242)        | (122,754)        |
| Other Payments for Optus Stadium                           |       | -                | (61,068)         |
| <b>Receipts</b>  |       |                  |                  |
| Proceeds from sale of non-current assets                   |       |                  |                  |
| Capital Contribution                                       |       |                  | 60,018           |
| <b>Net cash provided by/(used in) investing activities</b> |       | <b>(123,242)</b> | <b>(123,804)</b> |
| Net increase/(decrease) in cash and cash equivalents       |       | (5,023)          | 77,593           |
| Cash and cash equivalents at the beginning of the period   |       | 77,593           |                  |
| <b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>  | 7.1   | <b>72,570</b>    | <b>77,593</b>    |

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

**Department of Local Government, Sport and Cultural Industries**  
**Summary of consolidated account appropriations and income estimates**  
**For the year ended 30 June 2019**

|   | 2019<br>Estimate<br>\$000 | 2019<br>Actual<br>\$000 | Variance<br>\$000 | 2019<br>Actual<br>\$000 | 2018<br>Actual<br>\$000 | Variance<br>\$000 |
|---|---------------------------|-------------------------|-------------------|-------------------------|-------------------------|-------------------|
| <b><u>DELIVERY OF SERVICES</u></b>  |                           |                         |                   |                         |                         |                   |
| Item 68 Net amount appropriated to deliver services   | 110,262                   | 116,721                 | 6,459             | 116,721                 | 115,722                 | (999)             |
| Item 70 Contribution to Community Sporting and Recreation Facilities Fund                       | 19,000                    | 12,000                  | (7,000)           | 12,000                  | 15,119                  | 3,119             |
| Amount Authorised by Other Statutes:  |                           |                         |                   |                         |                         |                   |
| Salaries and Allowances Act 1975  | 254                       | 358                     | 104               | 358                     | 743                     | 385               |
| Lotteries Commission Act 1990   | 31,918                    | 34,402                  | 2,484             | 34,402                  | 31,137                  | (3,265)           |
| <b>Total appropriations provided to deliver services</b>  | <b>161,434</b>            | <b>163,481</b>          | <b>2,047</b>      | <b>163,481</b>          | <b>162,721</b>          | <b>(760)</b>      |
| <b><u>CAPITAL</u></b>   |                           |                         |                   |                         |                         |                   |
| Item 117 Capital appropriations   | 153,965                   | 115,277                 | (38,688)          | 115,277                 | 90,618                  | (24,659)          |
| Perth/Optus Stadium Account   | -                         | -                       | -                 | -                       | 106,264                 | 106,264           |
| <b>Total Capital appropriations</b>   | <b>153,965</b>            | <b>115,277</b>          | <b>(38,688)</b>   | <b>115,277</b>          | <b>196,882</b>          | <b>81,605</b>     |
| <b><u>ADMINISTERED TRANSACTIONS</u></b>   |                           |                         |                   |                         |                         |                   |
| Item 74 Administered grants, subsidies and other transfer payments                              | 56,152                    | 46,674                  | (9,478)           | 46,674                  | 50,475                  | 3,801             |
| <b>Total administered transactions</b>  | <b>56,152</b>             | <b>46,674</b>           | <b>(9,478)</b>    | <b>46,674</b>           | <b>50,475</b>           | <b>3,801</b>      |
| <b>GRAND TOTAL</b>  | <b>371,551</b>            | <b>325,432</b>          | <b>(46,119)</b>   | <b>325,432</b>          | <b>410,078</b>          | <b>84,646</b>     |
| <b><u>Details of Expenses by Service</u></b>  |                           |                         |                   |                         |                         |                   |
| Regulation and Support of Local Government  | 12,522                    | 11,121                  | (1,401)           | 11,121                  | 16,797                  | 5,675             |
| Promotion and Support of Multiculturalism   | 6,812                     | 8,040                   | 1,228             | 8,040                   | 6,950                   | (1,090)           |
| Arts Industry Support   | 18,327                    | 18,334                  | 7                 | 18,334                  | 12,720                  | (5,614)           |
| Research, Policy Development, Information and Support   | 20,970                    | 20,145                  | (825)             | 20,145                  | 15,318                  | (4,827)           |
| Corporate and Asset and Infrastructure Support to the Culture and Arts Portfolio and Government | 19,354                    | 36,156                  | 16,802            | 36,156                  | 28,395                  | (7,760)           |
| Licensing - Evaluation and Determination of Applications  | 6,878                     | 8,013                   | 1,135             | 8,013                   | 8,157                   | 143               |
| Compliance Audits and Inspections   | 6,878                     | 8,013                   | 1,135             | 8,013                   | 8,156                   | 142               |
| Industry Leadership and Infrastructure Development  | 45,221                    | 41,504                  | (3,717)           | 41,504                  | 44,345                  | 2,841             |
| Building Capacity and Participation   | 49,213                    | 42,742                  | (6,471)           | 42,742                  | 45,666                  | 2,923             |
| Recreation Camps Management   | 9,157                     | 9,057                   | (100)             | 9,057                   | 8,134                   | (923)             |
| Total Costs of Services   | 195,332                   | 203,126                 | 7,794             | 203,126                 | 194,636                 | (8,490)           |
| Less Total Income   | (18,853)                  | (19,221)                | (368)             | (19,221)                | (18,281)                | 941               |
| Net Cost of Services  | 176,479                   | 183,905                 | 7,426             | 183,905                 | 176,356                 | (7,549)           |
| Adjustments   | (15,045)                  | (20,423)                | (5,378)           | (20,423)                | (13,635)                | 6,789             |
| <b>Total appropriations provided to deliver services</b>  | <b>161,434</b>            | <b>163,481</b>          | <b>2,047</b>      | <b>163,481</b>          | <b>162,721</b>          | <b>(760)</b>      |
| <b><u>Capital Expenditure</u></b>   |                           |                         |                   |                         |                         |                   |
| Purchase of non-current assets  | 153,965                   | 123,242                 | (30,723)          | 123,242                 | 183,821                 | 60,579            |
| Adjustment (Funded from cash at bank)   | -                         | (7,965)                 | (7,965)           | (7,965)                 | 13,061                  | 21,026            |
| <b>Capital appropriations</b>   | <b>153,965</b>            | <b>115,277</b>          | <b>(38,688)</b>   | <b>115,277</b>          | <b>196,882</b>          | <b>81,605</b>     |
| <b><u>Details of Income Estimates</u></b>   |                           |                         |                   |                         |                         |                   |
| Income disclosed as Administered Income   | 127,152                   | 106,062                 | (21,090)          | 106,062                 | 111,438                 | 5,376             |
|   | <b>127,152</b>            | <b>106,062</b>          | <b>(21,090)</b>   | <b>106,062</b>          | <b>111,438</b>          | <b>5,376</b>      |

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

Note 10.1 'Disclosure of administered income and expenses by service' and Note 10.2 'Explanatory statement for Administered Income and Expenses' provide details of any significant variations between estimates and actual results for 2019 and between the actual results for 2019 and 2018.

# Notes to the financial statements

## Department of Local Government, Sport and Cultural Industries

### Notes to the Financial Statements

For the year ended 30 June 2019

## 1. Basis of preparation

The department is a WA government entity and is controlled by the State of Western Australia, which is the ultimate parent. The department is a not-for-profit entity (as profit is not its principal objective) and it has no cash generating units.

A description of the nature of its operations and its principal activities have been included in the 'Overview' which does not form part of these financial statements.

These annual financial statements were authorised for issue by the Accountable Authority of the department on 10 September 2019.

## Statement of Compliance

These general purpose financial statements have been prepared in accordance with:

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

The *Financial Management Act 2006* and the Treasurer's Instructions (the Instructions) take precedence over AAS. Several AAS are modified by the Instructions to vary application, disclosure format and wording. Where modification is required and has had a material or significant financial effect upon the reported results, details of that modification and the resulting financial effect are disclosed in the notes to the financial statements.

## Basis of preparation

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

## Judgements and estimates

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

## Contributed equity

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

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

## 2. Agency outputs

### How the Agency operates

This section includes information regarding the nature of funding the department receives and how this funding is utilised to achieve the department's objectives. This note also provides the distinction between controlled funding and administered funding:

|   | <b>Note</b> |
|---|-------------|
| Agency objectives                           | 2.1         |
| Schedule of Income and Expenses by Service  | 2.2         |
| Schedule of Assets and Liability by Service | 2.3         |

### 2.1 Agency objectives

#### Mission

The department's mission is to facilitate lively communities and economy and the offering of outstanding and inclusive sporting and cultural experiences. The department is predominantly funded by Parliamentary appropriations.



## Services

The department provides the following services:

### **Service 1: Regulation and support of local government**

Supporting local governments to fulfil their statutory obligations and to improve capability in the sector.

### **Service 2: Promotion and support of multiculturalism**

Development and implementation of policies, programs and services that achieve the full potential of multiculturalism.

### **Service 3: Arts industry support**

Supporting the delivery of arts and culture activities across Western Australia through funding programs and partnerships.

### **Service 4: Research, policy development, information and support**

Contributing to the development of the State by delivering strong evidence-based culture and the arts policy, research and planning in order to achieve State Government outcomes.

### **Service 5: Corporate and asset and infrastructure support to the culture and arts portfolio and government**

Managing cultural infrastructure on behalf of the Government of Western Australia and the provision of centralised services to the culture and arts portfolio and other agencies.

### **Service 6: Licensing – evaluation and determination of applications**

Receive, process and determine applications in accordance with the legislation.

### **Service 7: Compliance audits and inspections**

Perform audits and inspections to verify that the provision of gambling and liquor is conducted in a responsible and lawful manner.

### **Service 8: Industry leadership and infrastructure development**

Provide strategic leadership for the sport and recreation industry and support for infrastructure development through funding and advice to sport and recreation groups State-wide, including State and local governments.

### **Service 9: Building capacity and participation**

Provide support for organisations and personnel delivering sport and recreation State-wide from participation to the elite level through advice and funding support.

### **Service 10: Recreation camps management**

Provide experiential outdoor activities to the community through the management of recreation camps.

## 2.2 Schedule of income and expenses by service

### For the year ended 30 June 2019

|   | Regulation and Support of Local Government |               | Promotion and Support of Multiculturalism |               | Arts Industry Support |               | Research, Policy Development, Information and Support |               | Corporate and Asset and Infrastructure Support to the Culture and Arts Portfolio and Government* |                 |
|---|--|---------------|---|---------------|-----------------------|---------------|---|---------------|--|-----------------|
|   | 2019<br>\$000                              | 2018<br>\$000 | 2019<br>\$000                             | 2018<br>\$000 | 2019<br>\$000         | 2018<br>\$000 | 2019<br>\$000   | 2018<br>\$000 | 2019<br>\$000  | 2018<br>\$000   |
| <b>COST OF SERVICES</b>                                     |  |               |   |               |                       |               |   |               |  |                 |
| <b>Expenses</b>   |  |               |   |               |                       |               |   |               |  |                 |
| Employee benefits expense                                   | 4,618                                      | 7,752         | 2,897                                     | 3,068         | 1,206                 | 1,365         | 2,125   | 2,801         | 6,268  | 9,931           |
| Supplies and services                                       | 4,004                                      | 4,499         | 1,237                                     | 1,532         | 558                   | 440           | 761   | 874           | 4,414  | 3,004           |
| Depreciation and amortisation expenses                      | -  | 144           | -   | 62            | -                     | -             | -   | -             | 8,070  | 3,808           |
| Accommodation expenses                                      | 595  | 1,118         | 232                                       | 479           | 0                     | -             | 4   | 4             | 9,881  | 8,198           |
| Grants and subsidies  | 607  | 3,261         | 3,641                                     | 1,737         | 16,543                | 10,913        | 17,225  | 11,612        | 628  | 1,809           |
| Loss on disposal of non-current assets                      | -  | -             | -   | -             | -                     | -             | -   | -             | -  | 1,114           |
| Revaluation Decrement                                       | -  | -             | -   | -             | -                     | -             | -   | -             | 6,460  | 26              |
| Other expenses  | 1,297                                      | 23            | 33  | 72            | 28                    | 2             | 29  | 27            | 435  | 503             |
| <b>Total cost of services</b>                               | <b>11,121</b>                              | <b>16,797</b> | <b>8,040</b>                              | <b>6,950</b>  | <b>18,334</b>         | <b>12,720</b> | <b>20,145</b>   | <b>15,318</b> | <b>36,156</b>  | <b>28,395</b>   |
| <b>Income</b>   |  |               |   |               |                       |               |   |               |  |                 |
| User charges and fees                                       | 60   | 60            | -   | -             | -                     | -             | -   | -             | 126  | 210             |
| Sponsorship revenue   | -  | -             | 36  | 36            | -                     | -             | 127   | 117           | -  | -               |
| Commonwealth grants and contributions                       | 23   | -             | -   | -             | 121                   | 115           | 121   | 115           | -  | -               |
| Interest revenue  | -  | -             | -   | -             | -                     | -             | -   | -             | 1  | 1               |
| Other revenue   | 624  | 164           | 8   | 22            | 2                     | -             | 8   | -             | 1,944  | 497             |
| Gain on disposal of non-current assets                      | -  | -             | -   | -             | -                     | -             | -   | -             | -  | -               |
| <b>Total income other than income from State Government</b> | <b>707</b>                                 | <b>224</b>    | <b>45</b>                                 | <b>58</b>     | <b>123</b>            | <b>115</b>    | <b>256</b>  | <b>232</b>    | <b>2,071</b>   | <b>709</b>      |
| <b>NET COST OF SERVICES</b>                                 | <b>10,414</b>                              | <b>16,573</b> | <b>7,995</b>                              | <b>6,892</b>  | <b>18,210</b>         | <b>12,605</b> | <b>19,889</b>   | <b>15,086</b> | <b>34,085</b>  | <b>27,686</b>   |
| <b>INCOME FROM STATE GOVERNMENT</b>                         |  |               |   |               |                       |               |   |               |  |                 |
| Service Appropriation                                       | 6,525                                      | 12,978        | 5,010                                     | 6,542         | 20,011                | 15,521        | 21,063  | 18,079        | 23,207   | 24,241          |
| Liabilities assumed   | -  | -             | -   | -             | -                     | -             | -   | -             | -  | -               |
| Assets transferred  | -  | -             | -   | -             | -                     | -             | -   | -             | -  | -               |
| Services received free of charge                            | -  | 445           | -   | 1             | -                     | -             | -   | -             | 919  | 547             |
| Royalties for Regions Funds                                 | 208  | 2,427         | -   | -             | 2,515                 | 2,804         | 2,515   | 2,804         | 325  | 325             |
| State Government Grants                                     | -  | 30            | 1,580                                     | -             | -                     | 565           | -   | 565           | -  | -               |
| <b>Total income from State Government</b>                   | <b>6,733</b>                               | <b>15,880</b> | <b>6,590</b>                              | <b>6,543</b>  | <b>22,526</b>         | <b>18,890</b> | <b>23,578</b>   | <b>21,448</b> | <b>24,451</b>  | <b>25,113</b>   |
| <b>SURPLUS / (DEFICIT) FOR THE PERIOD</b>                   | <b>( 3,681)</b>                            | <b>( 693)</b> | <b>( 1,405)</b>                           | <b>( 349)</b> | <b>4,316</b>          | <b>6,285</b>  | <b>3,688</b>  | <b>6,362</b>  | <b>( 9,634)</b>  | <b>( 2,574)</b> |

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

\* The 'State Information Management and Archival Services' is assumed within the 'Corporate and Assets and Infrastructure Support to the Culture and Arts Portfolio and Government' service in 2018-19. 'State Information Management and Archival Services' total expenses and total income reported in 2017-18 are \$2.48m and \$2.15m respectively

\*\*2018 reclassified to reflect \$10.95m payment as a grant rather than supplies & services.

## 2.2 Schedule of income and expenses by service – continued

For the year ended 30 June 2019

|   | Licensing - Evaluation and Determination of Applications |               | Compliance Audits and Inspections |               | Industry Leadership and Infrastructure Development |                 | Building Capacity and Participation** |                 | Recreation Camps Management |               | Total           |                |
|---|--|---------------|-----------------------------------|---------------|--|-----------------|---------------------------------------|-----------------|-----------------------------|---------------|-----------------|----------------|
|   | 2019<br>\$000  | 2018<br>\$000 | 2019<br>\$000                     | 2018<br>\$000 | 2019<br>\$000                                      | 2018<br>\$000   | 2019<br>\$000                         | 2018<br>\$000   | 2019<br>\$000               | 2018<br>\$000 | 2019<br>\$000   | 2018<br>\$000  |
| <b>COST OF SERVICES</b>                                     |  |               |                                   |               |  |                 |                                       |                 |                             |               |                 |                |
| <u>Expenses</u>   |  |               |                                   |               |  |                 |                                       |                 |                             |               |                 |                |
| Employee benefits expense                                   | 5,463  | 5,324         | 5,463                             | 5,324         | 6,657  | 5,134           | 5,269                                 | 7,956           | 5,175                       | 4,713         | 45,141          | 53,368         |
| Supplies and services                                       | 1,916  | 1,405         | 1,916                             | 1,405         | 3,752  | 9,212           | 2,759                                 | 2,116           | 2,230                       | 1,670         | 23,545          | 26,157         |
| Depreciation and amortisation expenses                      | -  | 545           | -                                 | 544           | -  | 152             | -                                     | 274             | 861                         | 1,095         | 8,930           | 6,624          |
| Accommodation expenses                                      | 548  | 622           | 548                               | 622           | 568  | 714             | 1,075                                 | 1,226           | 778                         | 607           | 14,229          | 13,590         |
| Grants and subsidies  | -  | -             | -                                 | -             | 29,802   | 28,535          | 33,378                                | 33,816          | -                           | -             | 101,825         | 91,683         |
| Loss on disposal of non-current assets                      | -  | -             | -                                 | -             | -  | 15              | -                                     | 39              | -                           | -             | -               | 1,168          |
| Revaluation Decrement                                       | -  | -             | -                                 | -             | -  | 453             | -                                     | -               | -                           | -             | 6,460           | 479            |
| Other expenses  | 87   | 261           | 87                                | 261           | 725  | 130             | 262                                   | 239             | 13                          | 49            | 2,996           | 1,566          |
| <b>Total cost of services</b>                               | <b>8,013</b>   | <b>8,157</b>  | <b>8,013</b>                      | <b>8,156</b>  | <b>41,504</b>                                      | <b>44,345</b>   | <b>42,742</b>                         | <b>45,666</b>   | <b>9,057</b>                | <b>8,134</b>  | <b>203,126</b>  | <b>194,635</b> |
| <u>Income</u>   |  |               |                                   |               |  |                 |                                       |                 |                             |               |                 |                |
| User charges and fees                                       | 3,225  | 6,458         | 3,225                             | -             | 6  | -               | 2                                     | 5               | 4,458                       | 4,385         | 11,101          | 11,119         |
| Sponsorship revenue   | -  | -             | -                                 | -             | -  | -               | -                                     | -               | -                           | -             | 163             | 153            |
| Commonwealth grants and contributions                       | 40   | -             | 40                                | 86            | -  | 81              | 51                                    | -               | -                           | -             | 397             | 398            |
| Interest revenue  | -  | -             | -                                 | -             | 1  | 1               | -                                     | -               | -                           | -             | 2               | 2              |
| Other revenue   | 2,173  | 297           | 2,173                             | 4,193         | 327  | 356             | 247                                   | 1,000           | 52                          | 79            | 7,558           | 6,608          |
| <b>Total income other than income from State Government</b> | <b>5,437</b>   | <b>6,756</b>  | <b>5,437</b>                      | <b>4,279</b>  | <b>335</b>   | <b>438</b>      | <b>300</b>                            | <b>1,005</b>    | <b>4,510</b>                | <b>4,464</b>  | <b>19,221</b>   | <b>18,281</b>  |
| <b>NET COST OF SERVICES</b>                                 | <b>2,576</b>   | <b>1,401</b>  | <b>2,576</b>                      | <b>3,877</b>  | <b>41,169</b>                                      | <b>43,907</b>   | <b>42,443</b>                         | <b>44,661</b>   | <b>4,547</b>                | <b>3,670</b>  | <b>183,905</b>  | <b>176,355</b> |
| <b>INCOME FROM STATE GOVERNMENT</b>                         |  |               |                                   |               |  |                 |                                       |                 |                             |               |                 |                |
| Service Appropriation                                       | 1,614  | 1,643         | 1,614                             | 3,492         | 37,795   | 32,816          | 43,794                                | 40,678          | 2,849                       | 6,731         | 163,481         | 162,721        |
| Services received free of charge                            | -  | 82            | -                                 | 175           | -  | 184             | -                                     | 49              | -                           | 31            | 919             | 1,514          |
| Royalties for Regions Funds                                 | -  | -             | -                                 | -             | 6,582  | 4,047           | 1,027                                 | 1,000           | -                           | -             | 13,173          | 13,407         |
| State Government Grants                                     | -  | -             | -                                 | -             | 2,500  | 5,775           | 535                                   | -               | -                           | -             | 4,615           | 6,935          |
| <b>Total income from State Government</b>                   | <b>1,614</b>   | <b>1,725</b>  | <b>1,614</b>                      | <b>3,667</b>  | <b>46,877</b>                                      | <b>42,822</b>   | <b>45,356</b>                         | <b>41,727</b>   | <b>2,849</b>                | <b>6,762</b>  | <b>182,188</b>  | <b>184,577</b> |
| <b>SURPLUS / (DEFICIT) FOR THE PERIOD</b>                   | <b>( 962)</b>  | <b>324</b>    | <b>( 962)</b>                     | <b>( 210)</b> | <b>5,708</b>                                       | <b>( 1,085)</b> | <b>2,913</b>                          | <b>( 2,934)</b> | <b>( 1,698)</b>             | <b>3,092</b>  | <b>( 1,717)</b> | <b>8,222</b>   |

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

\*\*2018 reclassified to reflect \$10.95m payment as a grant rather than supplies & services.

## 2.3 Schedule of assets and liabilities by service

As at 30 June 2019

|                          | Regulation and Support<br>of Local Government |               | Promotion and Support<br>of Multiculturalism |               | Arts Industry Support |                 | Research, Policy<br>Development,<br>Information and Support |                 | Corporate and Asset<br>and Infrastructure<br>Support to the Culture<br>and Arts Portfolio and<br>Government |                |
|--------------------------|---|---------------|--|---------------|-----------------------|-----------------|---|-----------------|---|----------------|
|                          | 2019<br>\$000                                 | 2018<br>\$000 | 2019<br>\$000                                | 2018<br>\$000 | 2019<br>\$000         | 2018<br>\$000   | 2019<br>\$000   | 2018<br>\$000   | 2019<br>\$000   | 2018<br>\$000  |
| <b>Assets</b>            |   |               |  |               |                       |                 |   |                 |   |                |
| Current assets           | 3,423   | 3,514         | 309  | 395           | 646                   | 890             | 962   | 1,055           | 50,746  | 52,231         |
| Non-current assets       | 2,624   | 2,404         | 249  | 8             | 62                    | -               | 62  | -               | 524,292   | 411,359        |
| <b>Total assets</b>      | <b>6,046</b>                                  | <b>5,918</b>  | <b>558</b>                                   | <b>403</b>    | <b>708</b>            | <b>890</b>      | <b>1,024</b>  | <b>1,055</b>    | <b>575,038</b>  | <b>463,589</b> |
| <b>Liabilities</b>       |   |               |  |               |                       |                 |   |                 |   |                |
| Current liabilities      | 1,025   | 2,309         | 811  | 812           | 5,373                 | 6,100           | 5,570   | 6,481           | 3,598   | 3,237          |
| Non-current liabilities  | 212   | 240           | 173  | 78            | 120                   | 64              | 148   | 103             | 297   | 301            |
| <b>Total liabilities</b> | <b>1,236</b>                                  | <b>2,549</b>  | <b>984</b>                                   | <b>890</b>    | <b>5,493</b>          | <b>6,164</b>    | <b>5,719</b>  | <b>6,584</b>    | <b>3,895</b>  | <b>3,538</b>   |
| <b>NET ASSETS</b>        | <b>4,810</b>                                  | <b>3,369</b>  | <b>( 425)</b>                                | <b>( 487)</b> | <b>( 4,785)</b>       | <b>( 5,274)</b> | <b>( 4,695)</b>   | <b>( 5,529)</b> | <b>571,144</b>  | <b>460,052</b> |

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

\* The 'State Information Management and Archival Services' is assumed within the 'Corporate and Assets and Infrastructure Support to the Culture and Arts Portfolio and Government' service in 2018-19. 'State Information Management and Archival Services' total assets and total liabilities reported in 2017-18 are \$2.53m and \$0.40m respectively.

**2.3 Schedule of assets and liabilities by service - continued**  
**As at 30 June 2019**

|                          | Licensing -<br>Evaluation and<br>Determination of<br>Applications |               | Compliance Audits<br>and Inspections |               | Industry Leadership<br>and Infrastructure<br>Development |               | Building Capacity<br>and Participation |               | Recreation Camps<br>Management |               | Total          |                |
|--------------------------|---|---------------|--------------------------------------|---------------|--|---------------|--|---------------|--------------------------------|---------------|----------------|----------------|
|                          | 2019<br>\$000   | 2018<br>\$000 | 2019<br>\$000                        | 2018<br>\$000 | 2019<br>\$000  | 2018<br>\$000 | 2019<br>\$000                          | 2018<br>\$000 | 2019<br>\$000                  | 2018<br>\$000 | 2019<br>\$000  | 2018<br>\$000  |
| <b>Assets</b>            |   |               |                                      |               |  |               |  |               |                                |               |                |                |
| Current assets           | 933   | 919           | 933                                  | 919           | 18,884   | 19,511        | 3,629                                  | 3,555         | 2,683                          | 2,029         | 83,147         | 85,018         |
| Non-current assets       | 2,581   | 4,598         | 2,581                                | 4,598         | 3,366  | 2,072         | 3,931                                  | 2,941         | 26,494                         | 25,134        | 566,243        | 453,114        |
| <b>Total assets</b>      | <b>3,514</b>  | <b>5,517</b>  | <b>3,514</b>                         | <b>5,517</b>  | <b>22,250</b>  | <b>21,583</b> | <b>7,560</b>                           | <b>6,496</b>  | <b>29,177</b>                  | <b>27,163</b> | <b>649,390</b> | <b>538,132</b> |
| <b>Liabilities</b>       |   |               |                                      |               |  |               |  |               |                                |               |                |                |
| Current liabilities      | 854   | 782           | 854                                  | 783           | 2,330  | 1,136         | 1,294                                  | 1,481         | 1,832                          | 1,584         | 23,541         | 24,705         |
| Non-current liabilities  | 187   | 186           | 187                                  | 185           | 252  | 307           | 356                                    | 390           | 271                            | 188           | 2,203          | 2,042          |
| <b>Total liabilities</b> | <b>1,041</b>  | <b>968</b>    | <b>1,041</b>                         | <b>968</b>    | <b>2,583</b>   | <b>1,443</b>  | <b>1,650</b>                           | <b>1,871</b>  | <b>2,103</b>                   | <b>1,772</b>  | <b>25,744</b>  | <b>26,747</b>  |
| <b>NET ASSETS</b>        | <b>2,473</b>  | <b>4,549</b>  | <b>2,473</b>                         | <b>4,549</b>  | <b>19,667</b>  | <b>20,140</b> | <b>5,910</b>                           | <b>4,625</b>  | <b>27,074</b>                  | <b>25,391</b> | <b>623,646</b> | <b>511,385</b> |

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

### 3. Use of our funding

#### Expenses incurred in the delivery of services

This section provides additional information about how the department's funding is applied and the accounting policies that are relevant for an understanding of the items recognised in the financial statements. The primary expenses incurred by the department in achieving its objectives and the relevant notes are:

|                             | Notes  | 2019<br>\$000 | 2018<br>\$000 |
|-----------------------------|--------|---------------|---------------|
| Employee benefits expenses  | 3.1(a) | 45,141        | 53,368        |
| Employee related provisions | 3.1(b) | 9,966         | 10,625        |
| Grants and subsidies        | 3.2    | 101,825       | 91,683        |
| Other expenses              | 3.3    | 40,770        | 42,482        |

#### 3.1(a) Employee benefits expenses

|  | 2019<br>\$000 | 2018<br>\$000 |
|--|---------------|---------------|
| Wages and salaries   | 40,917        | 43,101        |
| Termination benefits                                       | 139           | 6,109         |
| Superannuation – defined contribution plans <sup>(a)</sup> | 4,085         | 4,158         |
| <b>Total employee benefits expenses</b>                    | <b>45,141</b> | <b>53,368</b> |

(a) Defined contribution plans include West State Superannuation Scheme (WSS), Gold State Superannuation Scheme (GSS), Government Employees Superannuation Board Schemes (GESBs) and other eligible funds.

**Wages and salaries:** Employee expenses include all costs related to employment including wages and salaries, fringe benefits tax, leave entitlements, and WorkCover premiums.

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

**Superannuation:** The amount recognised in profit or loss of the Statement of Comprehensive Income comprises employer contributions paid to the GSS (concurrent contributions), the WSS, the GESBs, or other superannuation funds. The employer contribution paid to the Government Employees Superannuation Board (GESB) in respect of the GSS is paid back into the Consolidated Account by the GESB.

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

The department does not recognise any defined benefit liabilities because it has no legal or constructive obligation to pay future benefits relating to its employees. The Liabilities for the unfunded Pension Scheme and the unfunded GSS transfer benefits attributable to members who transferred from the Pension Scheme, are assumed by the Treasurer. All other GSS obligations are funded by concurrent contributions made by the department to the GESB.

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

### 3.1(b) Employee related provisions

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

|  | 2019<br>\$000       | 2018<br>\$000        |
|--|---------------------|----------------------|
| <b>Current</b>                                       |                     |                      |
| <u>Employee benefits provisions</u>                  |                     |                      |
| Annual leave <sup>(a)</sup>                          | 2,445               | 3,083                |
| Long service leave <sup>(b)</sup>                    | 4,687               | 4,755                |
|  | <u>7,132</u>        | <u>7,838</u>         |
| <u>Other provisions</u>                              |                     |                      |
| Employment on-costs <sup>(c)</sup>                   | 631                 | 745                  |
| <b>Total current employee related provisions</b>     | <b><u>7,763</u></b> | <b><u>8,583</u></b>  |
| <b>Non-current</b>                                   |                     |                      |
| <u>Employee benefits provisions</u>                  |                     |                      |
| Long service leave <sup>(b)</sup>                    | 1,987               | 1,843                |
| <u>Other provisions</u>                              |                     |                      |
| Employment on-costs <sup>(c)</sup>                   | 216                 | 199                  |
| <b>Total non-current employee related provisions</b> | <b><u>2,203</u></b> | <b><u>2,042</u></b>  |
| <b>Total employee related provisions</b>             | <b><u>9,966</u></b> | <b><u>10,625</u></b> |

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

|   | 2019<br>\$000 | 2018<br>\$000 |
|---|---------------|---------------|
| Within 12 months of the end of the reporting period       | 1,932         | 2,099         |
| More than 12 months after the end of the reporting period | 744           | 984           |
|   | <b>2,676</b>  | <b>3,083</b>  |

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

**(b) Long service leave liabilities:** Unconditional long service leave provisions are classified as current liabilities as the department does not have an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

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

Assessments indicate that actual settlement of the liabilities is expected to occur as follows:

|   | 2019<br>\$000 | 2018<br>\$000 |
|---|---------------|---------------|
| Within 12 months of the end of the reporting period       | 1,858         | 1,753         |
| More than 12 months after the end of the reporting period | 5,424         | 4,846         |
|   | <b>7,282</b>  | <b>6,599</b>  |

The provision for long service leave is calculated at present value as the department does not expect to wholly settle the amounts within 12 months. The present value is measured taking into account the present value of expected future payments to be made in relation to services provided by employees up to the reporting date. These payments are estimated using the remuneration rate expected to apply at the time of settlement and discounted using market yields at the end of the reporting period on national government bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

**(c) Employment on-costs:** The settlement of annual and long service leave liabilities gives rise to the payment of employment on-costs including workers' compensation insurance. The provision is the present value of expected future payments.

Employment on-costs, including workers' compensation insurance, are not employee benefits and are recognised separately as liabilities and expenses when the employment to which they relate has occurred.



Employment on-costs are included as part of 'Other expenses, note 3.3 (apart from the unwinding of the discount (finance cost))' and are not included as part of the Department's 'employee benefits expense'. The related liability is included in 'Employment on-costs provision'.

|  | 2019         | 2018         |
|--|--------------|--------------|
| <b><u>Employment on-costs provision</u></b>      | <b>\$000</b> | <b>\$000</b> |
| Carrying amount at start of period               | 943          | -            |
| Additional/ (reversals of) provisions recognised | (96)         | 943          |
| <b>Carrying amount at end of period</b>          | <b>847</b>   | <b>943</b>   |

### **Key sources of estimation uncertainty – long service leave**

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

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

- Expected future salary rates
- Discount rates
- Employee retention rates; and
- Expected future payments

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

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

### 3.2 Grants and subsidies

|  | 2019<br>\$000  | 2018<br>\$000 |
|--|----------------|---------------|
| <u>Recurrent</u>                             |                |               |
| Partnerships Acceptance and Learnings (PALS) | 682            | 699           |
| Bell Tower Foundation                        | 430            | 250           |
| Community Engagement and Funding             | 3,441          | 1,686         |
| Companion Animal Shelters                    | 200            | 200           |
| Local Projects Local Jobs                    | 2,247          | 7,327         |
| Arts Agencies & Projects                     | 16,392         | 3,284         |
| Major Performing Arts Companies              | 8,918          | 8,918         |
| Minor Works                                  | 216            | 1,090         |
| Royalties for Regions Fund                   | 12,314         | 13,140        |
| ScreenWest                                   | 3,096          | 3,059         |
| Sports Lotteries Account                     | 13,823         | 14,101        |
| Sports Financial Grants                      | 7,543          | 8,339         |
| Western Australian Football Commission*      | 11,077         | 10,947        |
| Perth Stadium                                | 1,046          | -             |
| Other Grants                                 | 153            | 148           |
| <u>Capital</u>                               |                |               |
| Community Sporting and Recreational Funds    | 13,209         | 7,485         |
| Sports Financial Grants                      | 7,038          | 11,010        |
| <b>Total grants and subsidies</b>            | <b>101,825</b> | <b>91,683</b> |

\*Reclass of supplies and services to grants & subsidies in 2018. There is no impact on the net equity position of the department.

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

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

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

Some grants are over multiple financial years, where the third party has met the conditions for the following year's grant payment this has been accrued in the above figures.

### 3.3 Other expenses

|   | 2019<br>\$000 | 2018<br>\$000 |
|---|---------------|---------------|
| <b>Supplies and services</b>                            |               |               |
| Communications  | 1,863         | 828           |
| Freight & Mail Services                                 | 101           | 126           |
| Computing & IT related equipment                        | 973           | 1,720         |
| Labour Hire/Temporary Personnel                         | 2,873         | 1,604         |
| Professional & Administrative Services                  | 9,018         | 13,767        |
| Consultants and contractors                             | 469           | 230           |
| Consumables   | 1,160         | 804           |
| Repairs & Maintenance                                   | 598           | 478           |
| Travel  | 456           | 623           |
| Entertainment   | 125           | 132           |
| Insurance & licences                                    | 2,787         | 3,701         |
| Operating Lease, Rental & Hire Costs                    | 1,364         | 820           |
| Advertising & Promotion                                 | 266           | 313           |
| Portable & Attractive Equipment                         | 1,376         | 363           |
| Minor Works & Management Services                       | 119           | 446           |
| Other   | (3)           | 203           |
| <b>Total supplies and services expenses</b>             | <b>23,545</b> | <b>26,158</b> |
| <b>Accommodation expenses</b>                           |               |               |
| Lease rentals   | 6,296         | 6,913         |
| Repairs and maintenance                                 | 6,518         | 5,373         |
| Utilities   | 589           | 932           |
| Cleaning  | 826           | 372           |
| <b>Total accommodation expenses</b>                     | <b>14,229</b> | <b>13,590</b> |
| <b>Other expenditures</b>                               |               |               |
| Audit Fees  | 539           | 398           |
| Write Offs  | -             | 578           |
| Expected credit losses expense <sup>(a)</sup>           | 3             | -             |
| Employment on-costs                                     | 149           | 226           |
| Not for Profit Funded Services                          | -             | 71            |
| Programs & Services                                     | 143           | 201           |
| Refund of Previous Year's Revenue                       | 1,806         | -             |
| Donations & Sponsorships                                | 144           | 92            |
| Other   | 212           | -             |
| <b>Total other expenditures</b>                         | <b>2,996</b>  | <b>1,566</b>  |
| <b>(Gain)/Loss on Disposal</b>                          |               |               |
| <u>Net proceeds from disposal of non-current assets</u> |               |               |
| Land  | -             | -             |
| Plant, equipment and vehicles                           | -             | -             |
| <u>Carrying amount of non-current assets disposed</u>   |               |               |
| Land  | -             | -             |
| Plant, equipment and vehicles                           | -             | 1,168         |
| <b>Net (gain)/loss</b>                                  | <b>-</b>      | <b>1,168</b>  |
| <b>Total other expenses</b>                             | <b>40,770</b> | <b>42,482</b> |

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

### **Supplies and services:**

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

### **Accommodation expenses:**

Operating lease payments are recognised on a straight line basis over the lease term, except where another systematic basis is more representative of the time pattern of the benefits derived from the use of the leased asset. [AASB 117.33].

Repairs, maintenance and cleaning costs are recognised as expenses as incurred.

### **Other:**

Other operating expenses generally represent the day-to-day running costs incurred in normal operations.

### **Building and infrastructure maintenance and equipment repairs and maintenance:**

Repairs and maintenance costs are recognised as expenses as incurred, except where they relate to the replacement of a significant component of an asset. In that case, the costs are capitalised and depreciated.

**Doubtful debts expense** was recognised as the movement in the allowance for doubtful debts. From 2018-2019, expected credit losses expense is recognised as the movement in the allowance for expected credit losses. The allowance for expected credit losses of trade receivables is measured at the lifetime expected credit losses at each reporting date. The Agency has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. Refer to note 6.1.1 Movement in the allowance for impairment of receivables.

**Australian Accounting Standards software modification costs** are recognised as expenses as incurred.

**Employee on-cost** includes workers' compensation insurance and other employment on-costs. The on costs liability associated with the recognition of annual and long service leave liabilities is included at note 3.1(b) Employee related provision. Superannuation contributions accrued as part of the provision for leave are employee benefits and are not included in employment on-costs.

**Write-down of non-current assets classified as held for sale** to the lower of carrying amount and fair value less selling costs.

**Expenditure on research activities** is recognised as an expense in the period in which it is incurred.

### Gain/(Loss) on Disposal:

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

Selling expenses (e.g. sales commissions netted from department receipts) are ordinarily immaterial. Where the amounts are material, additional disclosure is warranted.

Insured non-current assets written-off as a result of an insurable event should be treated as other expenses (write-off of assets destroyed by fire/storm/earthquake etc.). The subsequent insurance recovery is to be treated as other income when it is received or receivable.

## 4. Our funding sources

### How we obtain our funding

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

|                                       | Notes | 2019<br>\$000 | 2018<br>\$000 |
|---------------------------------------|-------|---------------|---------------|
| Income from State Government          | 4.1   | 182,188       | 184,577       |
| User charges and fees                 | 4.2   | 11,101        | 11,119        |
| Commonwealth grants and contributions | 4.3   | 397           | 398           |
| Other Revenue                         | 4.4   | 7,558         | 6,608         |

## 4.1 Income from State Government

|  | 2019<br>\$000                | 2018<br>\$000                |
|--|------------------------------|------------------------------|
| Appropriation received during the period:  |                              |                              |
| Service appropriation <sup>(a)</sup>   | 163,481                      | 162,721                      |
|  | <u>163,481</u>               | <u>162,721</u>               |
| Services received free of charge from other State government agencies during the period: |                              |                              |
| State Solicitor's Office   | 333                          | 740                          |
| Department of Finance  | 560                          | 723                          |
| Department of Mines, Industry Regulation and Safety                                      | 25                           | 47                           |
| Department of Primary Industries and Regional Development                                | 1                            | 1                            |
| Department of Communities  | -                            | 3                            |
| <b>Total services received</b>   | <u><b>919</b></u>            | <u><b>1,514</b></u>          |
| Royalties for Regions Fund:  |                              |                              |
| Regional Infrastructure and Headworks Account <sup>(b)</sup>                             | 13,173                       | 13,407                       |
| Regional Community Services Account <sup>(b)</sup>                                       | -                            | -                            |
| <b>Total Royalties for Regions Fund</b>  | <u><b>13,173</b></u>         | <u><b>13,407</b></u>         |
| Grants and Subsidies from State Government   | 4,615                        | 6,935                        |
| <b>Total Grants and Subsidies from State Government</b>                                  | <u><b>4,615</b></u>          | <u><b>6,935</b></u>          |
| <b>Total income from State Government</b>  | <u><u><b>182,188</b></u></u> | <u><u><b>184,577</b></u></u> |

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

Service appropriations fund the net cost of services delivered (as set out in note 2.2). Appropriation revenue comprises the following:

- Cash component; and
- A receivable (asset).

The receivable (holding account – note 6.2) comprises the following:

- The budgeted depreciation expense for the year; and
- Any agreed increase in leave liabilities during the year.

(b) The Regional Infrastructure and Headworks Account, and, Regional Community Services Accounts are sub-funds within the over-arching 'Royalties for Regions Fund'. The recurrent funds are committed to projects and programs in WA regional areas and are recognised as revenue when the department gains control on receipt of the funds.

## 4.2 User charges and fees

|                                     | 2019<br>\$000 | 2018<br>\$000 |
|-------------------------------------|---------------|---------------|
| User charges and Fees:              |               |               |
| Camps catering                      | 460           | 480           |
| King Street Arts Centre Studio Hire | 84            | 29            |
| Liquor fees and other charges       | 6,449         | 6,600         |
| Off-Road Vehicles                   | 60            | 59            |
| Programs and Accommodation          | 3,997         | 3,906         |
| State Record Office                 | 42            | 41            |
| Other fees and charges              | 9             | 4             |
|                                     | <b>11,101</b> | <b>11,119</b> |

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

Revenue is recognised by reference to the stage of completion of the transaction for relevant services.

## 4.3 Commonwealth grants and contributions

|  | 2019<br>\$000 | 2018<br>\$000 |
|--|---------------|---------------|
| Indian Ocean Territories (Christmas and Cocos (Keeling) Islands) | 307           | 308           |
| Indigenous Visual Arts Industry Support Program – Revealed       | 90            | 90            |
|  | <b>397</b>    | <b>398</b>    |

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

Contributions of services are only recognised when a fair value can be reliably determined and the services would have been purchased if not donated.

## 4.4 Other revenue

|                                  | 2019<br>\$000 | 2018<br>\$000 |
|----------------------------------|---------------|---------------|
| Grants & Subsidies Revenue       | -             | -             |
| Insurance Claims Recoveries      | 29            | -             |
| Rentals                          | 268           | 268           |
| Recoup of expenditure            | 5,771         | 5,914         |
| Assets not previously recognised | -             | 298           |
| Car Park Revenue                 | 832           | -             |
| Employee Contributions - FBT     | 83            | -             |
| Other                            | 575           | 128           |
|                                  | <b>7,558</b>  | <b>6,608</b>  |

## 5. Key assets

### Assets the department utilises for economic benefit or service potential

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

|                               | Notes | 2019<br>\$000  | 2018<br>\$000  |
|-------------------------------|-------|----------------|----------------|
| Property, plant and equipment | 5.1   | 532,619        | 422,162        |
| Intangibles                   | 5.2   | 3,807          | 7,277          |
| <b>Total key assets</b>       |       | <b>536,426</b> | <b>429,439</b> |

### 5.1 Property, plant and equipment

| For the year ended 30 June 2018         | Land<br>\$000  | Buildings<br>\$000 | Leasehold<br>Improvements<br>\$000 | Works in<br>Progress<br>\$000 | Plant,<br>equipment and<br>vehicles<br>\$000 | Office<br>equipment<br>\$000 | Collections<br>and Works<br>of Art*<br>\$000 | Swan<br>Bells*<br>\$000 | Exhibits -<br>WIP<br>\$000 | Total<br>\$000 |
|---|----------------|--------------------|------------------------------------|-------------------------------|--|------------------------------|--|-------------------------|----------------------------|----------------|
| Transfer from abolished agencies        | 111,125        | 174,743            | 1,444                              | 155,926                       | 1,871  | 159                          | 1,564  | 491                     | 7,871                      | 455,194        |
| Additions                               | -              | 43                 | 203                                | 115,981                       | 207  | 5,526                        | 93   | -                       | 4,583                      | 126,636        |
| Transfers (a)                           | 59             | 6,432              | 5,942                              | (170,523)                     | 4,641  | -                            | -  | -                       | -                          | (153,449)      |
| Other disposals                         | -              | (1,114)            | -                                  | -                             | (54)   | (72)                         | (2)  | -                       | -                          | (1,242)        |
| Assets not previously recognised        | -              | -                  | -                                  | -                             | -  | -                            | 298  | -                       | -                          | 298            |
| Revaluation increments/(decrements)     | (370)          | 453                | -                                  | (562)                         | -  | -                            | -  | -                       | -                          | (479)          |
| Depreciation                            | -              | (4,019)            | (111)                              | -                             | (428)  | (231)                        | -  | (7)                     | -                          | (4,796)        |
| <b>Carrying amount at end of period</b> | <b>110,814</b> | <b>176,538</b>     | <b>7,478</b>                       | <b>100,822</b>                | <b>6,237</b>                                 | <b>5,382</b>                 | <b>1,953</b>                                 | <b>484</b>              | <b>12,454</b>              | <b>422,162</b> |

(a) Transfer in of the Sunset Hospital Property, transfer out of Point Peron land, transfer of WIP to Perth Stadium & Burswood Park Board, and other minor transfers between WIP and

\* Reclassified to individually identify Swan Bells and combine Collections and Works of Art categories.

| For the year ended 30 June 2019         | Land<br>\$000  | Buildings<br>\$000 | Leasehold<br>Improvements<br>\$000 | Works in<br>Progress<br>\$000 | Plant,<br>equipment and<br>vehicles<br>\$000 | Office<br>equipment<br>\$000 | Collections<br>and Works<br>of Art<br>\$000 | Swan Bells<br>\$000 | Exhibits -<br>WIP<br>\$000 | Total<br>\$000 |
|---|----------------|--------------------|------------------------------------|-------------------------------|--|------------------------------|---|---------------------|----------------------------|----------------|
| <b>2018</b>                             |                |                    |                                    |                               |  |                              |   |                     |                            |                |
| Carrying Amount at start of period      | 110,814        | 176,538            | 7,478                              | 100,822                       | 6,237  | 5,382                        | 1,953                                       | 484                 | 12,454                     | 422,162        |
| Additions                               | -              | -                  | 415                                | 117,174                       | 63   | 253                          | 98  | -                   | 5,978                      | 123,981        |
| Transfers (a)                           | -              | 71                 | 6,320                              | (1,236)                       | (1,075)                                      | (5,159)                      | -   | -                   | -                          | (1,079)        |
| Expensing WIP not meeting criteria      | -              | -                  | -                                  | (610)                         | -  | -                            | -   | -                   | -                          | (610)          |
| Revaluation increments/(decrements)     | (3,240)        | (3,221)            | -                                  | -                             | -  | -                            | -   | -                   | -                          | (6,461)        |
| Depreciation                            | -              | (3,933)            | (831)                              | -                             | (526)  | (77)                         | -   | (7)                 | -                          | (5,374)        |
| <b>Carrying amount at end of period</b> | <b>107,574</b> | <b>169,455</b>     | <b>13,382</b>                      | <b>216,150</b>                | <b>4,699</b>                                 | <b>399</b>                   | <b>2,051</b>                                | <b>477</b>          | <b>18,432</b>              | <b>532,619</b> |

(a) In 2018-19 there were transfers between asset classes resulting from the department reclassifying some assets for consistency. In addition, WIP was transferred to Perth Theatre Trust.

### Initial recognition

Items of property, plant and equipment, costing \$5,000 or more are measured initially at cost. Where an asset is acquired for no or nominal cost, the cost is valued at its fair value at the date of acquisition. Items of property, plant and equipment costing less than \$5,000 are immediately expensed direct to the Statement of Comprehensive Income (other than where they form part of a group of similar items which are significant in total).



Assets transferred as part of a Machinery of Government change are transferred at their fair value.

The cost of a leasehold improvement is capitalised and depreciated over the shorter of the remaining term of the lease or the estimated useful life of the leasehold improvement.

The initial cost for a non-financial physical asset under a finance lease is measured at amounts equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease.

## Subsequent measurement

Subsequent to initial recognition of an asset, the revaluation model is used for the measurement of:

- Land, and
- Buildings

Land is carried at fair value.

Buildings and infrastructure are carried at fair value less accumulated depreciation and accumulated impairment losses.

All other property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses.

**Land and buildings** are independently valued annually by the Western Australian Land Information Authority (Valuations and Property Analytics) and recognised annually to ensure that the carrying amount does not differ materially from the asset's fair value at the end of the reporting period.

Land and buildings were revalued as at 1 July 2018 by the Western Australian Land Information Authority (Valuations and Property Analytics). The valuations were performed during the year ended 30 June 2019 and recognised at 30 June 2019. In undertaking the revaluation, fair value was determined by reference to market values for land: \$107,574k (2018: \$110,814k) and buildings: \$169,455k (2018: \$176,538k). For the remaining balance, fair value of buildings was determined on the basis of current replacement cost and fair value of land was determined on the basis of comparison with market evidence for land with low level utility (high restricted use land).

### *Revaluation model:*

#### 1. Fair Value where market-based evidence is available:

The fair value of land and buildings is determined on the basis of current market values determined by reference to recent market transactions.

When buildings are revalued by reference to recent market transactions, the accumulated depreciation is eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount.

2. Fair value in the absence of market-based evidence:

**Buildings are specialised or where land is restricted:** Fair value of land and buildings is determined on the basis of existing use.

**Existing use buildings:** Fair value is determined by reference to the cost of replacing the remaining future economic benefits embodied in the asset, i.e. the depreciated replacement cost. Where the fair value of buildings is determined on the depreciated replacement cost basis, the gross carrying amount and the accumulated depreciation are restated proportionately with the change in the carrying amount of the asset.

**Restricted use land:** Fair value is determined by comparison with market evidence for land with similar approximate utility (high restricted use land) or market value of comparable unrestricted land (low restricted use land).

### 5.1.1 Depreciation and impairment

#### Charge for the period

|  | 2019<br>\$000 | 2018<br>\$000 |
|--|---------------|---------------|
| <u>Depreciation</u>                      |               |               |
| Plant, equipment and vehicles            | 526           | 428           |
| Office equipment                         | 77            | 231           |
| Buildings & Leasehold Improvements       | 4,764         | 4,130         |
| Swan Bells                               | 7             | 7             |
| <b>Total depreciation for the period</b> | <b>5,374</b>  | <b>4,796</b>  |

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

All surplus assets at 30 June 2019 have either been classified as assets held for sale or have been written-off.

Please refer to note 5.2 for guidance in relation to the impairment assessment that has been performed for intangible assets.

#### Finite useful lives

All property, plant and equipment having a limited useful life are systematically depreciated over their estimated useful lives in a manner that reflects the consumption of their future economic benefits. The exceptions to this rule include assets held for sale, land and investment properties.

Depreciation is generally calculated on a straight line basis, at rates that allocate the asset's value, less any estimated residual value, over its estimated useful life.

Typical estimated useful lives for the different asset classes for current and prior years are included in the table below:

| <b>Asset</b>                                  | <b>Useful life: years</b> |
|---|---------------------------|
| Buildings                                     | up to 100 years           |
| Plant and equipment                           | 5 to 20 years             |
| Leasehold Improvements                        | up to 50 years            |
| Office equipment                              | 3 to 10 years             |
| Bells   | 100 years                 |
| Computer hardware and software <sup>(a)</sup> | up to 4 years             |
| Furniture and fittings                        | 5 to 20 years             |

(a) Software that is integral to the operation of related hardware.

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

Leasehold improvements are depreciated over the shorter of the lease term and their useful lives.

Land, works of art, which are considered to have an indefinite life, are not depreciated. Depreciation is not recognised in respect of these assets because their service potential has not, in any material sense, been consumed during the reporting period.

## **Impairment**

Non-financial assets, including items of plant and equipment, are tested for impairment whenever there is an indication that the asset may be impaired. Where there is an indication of impairment, the recoverable amount is estimated. Where the recoverable amount is less than the carrying amount, the asset is considered impaired and is written down to the recoverable amount and an impairment loss is recognised.

Where an asset measured at cost is written down to its recoverable amount, an impairment loss is recognised through profit or loss.

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

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

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

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

## 5.2 Intangible assets

| <b>Year ended 30 June 2018</b>                    | <b>Other<br/>Intangibles<br/>\$000</b> | <b>Licences<br/>\$000</b> | <b>Computer<br/>Software<br/>\$000</b> | <b>Total<br/>\$000</b> |
|---|--|---------------------------|--|------------------------|
| <b>1 July 2017</b>                                |  |                           |  |                        |
| <b>Amount Transferred from Abolished Agencies</b> | <b>97</b>                              | <b>989</b>                | <b>7,531</b>                           | <b>8,617</b>           |
| Additions   | -                                      | 390                       | 27                                     | 417                    |
| Transfers   | -                                      | (255)                     | 846                                    | 591                    |
| Classified as held for sale                       | -                                      | -                         | -                                      | -                      |
| Impairment losses                                 | -                                      | (23)                      | (497)                                  | (520)                  |
| Amortisation expense                              | (23)                                   | (260)                     | (1,545)                                | (1,828)                |
| <b>Carrying amount at 30 June 2018</b>            | <b>74</b>                              | <b>841</b>                | <b>6,362</b>                           | <b>7,277</b>           |

| <b>Year ended 30 June 2019</b>            | <b>Other<br/>Intangibles<br/>\$000</b> | <b>Licences<br/>\$000</b> | <b>Computer<br/>Software<br/>\$000</b> | <b>Total<br/>\$000</b> |
|---|--|---------------------------|--|------------------------|
| <b>1 July 2018</b>                        |  |                           |  |                        |
| Gross carrying amount                     | 74                                     | 841                       | 6,362                                  | 7,277                  |
| <b>Carrying amount at start of period</b> | <b>74</b>                              | <b>841</b>                | <b>6,362</b>                           | <b>7,277</b>           |
| Additions                                 | -                                      | -                         | -                                      | -                      |
| Transfers                                 | -                                      | 120                       | 37                                     | 157                    |
| Classified as held for sale               | -                                      | -                         | -                                      | -                      |
| Disposals                                 | -                                      | -                         | -                                      | -                      |
| Expensing WIP not meeting criteria        | -                                      | -                         | (71)                                   | (71)                   |
| Impairment losses                         | -                                      | -                         | -                                      | -                      |
| Amortisation expense                      | (24)                                   | (481)                     | (3,051)                                | (3,556)                |
| <b>Carrying amount at 30 June 2019</b>    | <b>50</b>                              | <b>480</b>                | <b>3,277</b>                           | <b>3,807</b>           |

## Initial recognition

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

Costs incurred below these thresholds are immediately expensed directly to the Statement of Comprehensive Income.

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

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

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

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

### Subsequent measurement

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

#### 5.2.1 Amortisation and impairment

##### Charge for the period

|  | 2019<br>\$000 | 2018<br>\$000 |
|--|---------------|---------------|
| Licences                                 | 481           | 260           |
| Computer software                        | 3,075         | 1,568         |
| <b>Total amortisation for the period</b> | <b>3,556</b>  | <b>1,828</b>  |

As at 30 June 2018 there were no indications of impairment to intangible assets.

The department held no goodwill or intangible assets with an indefinite useful life during the reporting period. At the end of the reporting period there were no intangible assets not yet available for use.

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

Estimated useful lives are reviewed annually.

The estimated useful lives for each class of intangible asset are:

|                         |                |
|-------------------------|----------------|
| Licences                | up to 10 years |
| Software <sup>(a)</sup> | 3 to 10 years  |

(a) Software that is not integral to the operation of any related hardware.

## Impairment of intangible assets

Intangible assets with finite useful lives are tested for impairment annually or when an indication of impairment is identified. The policy in connection with testing for impairment is outlined in note 5.1.1.

## 6. Other assets and liabilities

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

|                                 | 2019<br>\$000 | 2018<br>\$000 |
|---------------------------------|---------------|---------------|
| Receivables                     | 8,365         | 5,367         |
| Amounts receivable for services | 29,317        | 24,004        |
| Other assets                    | 2,712         | 1,729         |
| Payables                        | 14,772        | 15,146        |
| Other liabilities               | 1,006         | 976           |

### 6.1 Receivables

|   | 2019<br>\$000 | 2018<br>\$000 |
|---|---------------|---------------|
| <u>Current</u>                                |               |               |
| Trade receivables                             | 2,641         | 2,348         |
| Allowance for impairment of trade receivables | (11)          | -             |
| Accrued revenue                               | 450           | -             |
| Other Receivable                              | 38            | 5             |
| GST receivable                                | 5,247         | 3,014         |
|   | <b>8,365</b>  | <b>5,367</b>  |
| <b>Total current</b>                          | <b>8,365</b>  | <b>5,367</b>  |
| <b>Total receivables</b>                      | <b>8,365</b>  | <b>5,367</b>  |

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

### 6.1.1 Movement in the allowance for impairment of trade receivables

|  | 2019<br>\$000 | 2018<br>\$000 |
|--|---------------|---------------|
| <b>Reconciliation of changes in the allowance for impairment of trade receivables:</b> |               |               |
| Balance at start of period   | -             | -             |
| Remeasurement under AASB 9   | 8             | -             |
| Restated balance at start of period  | 8             | -             |
| Doubtful debts expense   | -             | (2)           |
| Expected credit losses expense   | 3             | -             |
| Amounts written off during the period  | -             | 21            |
| <b>Balance at end of period</b>  | <b>11</b>     | <b>19</b>     |

The maximum exposure to credit risk at the end of the reporting period for trade receivables is the carrying amount of the asset inclusive of any allowance for impairment as shown in the table at Note 8.1(c) 'Financial instruments disclosures'.

The department is required to apply AASB 9 for the provision of doubtful debt from current financial year onwards. AASB 9 provides a forward-looking model that it no longer requires a credit event (e.g. payment being overdue) to have occurred before debt provisions are recognised. Therefore, an entity does not wait until the receivable past due before a provision is raised. The amount of provision recognised is based on estimation of historical data reflect current and forecast credit conditions. In current financial year, the estimated amount of provision is \$3k. The restated provision amount for last financial is \$8k, all of it were outstanding invoices more than 390 days, therefore it requires immediate recognition as doubtful.

The department does not hold any collateral as security or other credit enhancements for trade receivables.

### 6.2 Amounts receivable for services (Holding Account)

|                                 | 2019<br>\$000 | 2018<br>\$000 |
|---------------------------------|---------------|---------------|
| Current                         | 160           | 789           |
| Non-current                     | 29,157        | 23,215        |
| <b>Balance at end of period</b> | <b>29,317</b> | <b>24,004</b> |

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

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

### 6.3 Other assets

|                                 | 2019<br>\$000 | 2018<br>\$000 |
|---------------------------------|---------------|---------------|
| <b>Current</b>                  |               |               |
| Prepayments                     | 2,644         | 1,227         |
| Accrued Income                  | -             | 427           |
| <b>Total current</b>            | <b>2,644</b>  | <b>1,654</b>  |
| <b>Non-current</b>              |               |               |
| Prepayments                     | 68            | 75            |
| <b>Total non-current</b>        | <b>68</b>     | <b>75</b>     |
| <b>Balance at end of period</b> | <b>2,712</b>  | <b>1,729</b>  |

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

### 6.4 Payables

|                                 | 2019<br>\$000 | 2018<br>\$000 |
|---------------------------------|---------------|---------------|
| <b>Current</b>                  |               |               |
| Trade payables                  | 565           | 158           |
| Grants payable                  | 9,381         | 10,489        |
| Accrued expenses                | 4,657         | 4,176         |
| Accrued salaries                | 169           | 323           |
| <b>Total current</b>            | <b>14,772</b> | <b>15,146</b> |
| <b>Balance at end of period</b> | <b>14,772</b> | <b>15,146</b> |

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

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

The accrued salaries suspense account (See Note 7.1.1 'Restricted cash and cash equivalents') consists of amounts paid annually, from department appropriations for salaries expense, into a Treasury suspense account to meet the additional cash outflow for employee salary payments in reporting periods with 27 pay days instead of the normal 26. No interest is received on this account.



## 6.5 Other liabilities

|                                     | 2019<br>\$000    | 2018<br>\$000  |
|-------------------------------------|------------------|----------------|
| <u>Current</u>                      |                  |                |
| Income received in advance          | 13               | 10             |
| Unclaimed monies                    | 16               | 16             |
| Deposits                            | 908              | 950            |
| Contractor Retentions               | 69               | -              |
| <b>Total current</b>                | <b>1,006</b>     | <b>976</b>     |
| <br><b>Balance at end of period</b> | <br><b>1,006</b> | <br><b>976</b> |

## 7. Financing

This section sets out the material balances and disclosures associated with the financing and cashflows of the department.

|   | Notes |
|---|-------|
| Cash and cash equivalents                   | 7.1   |
| Reconciliation of cash                      | 7.1.1 |
| Reconciliation of operating activities      | 7.1.2 |
| Commitments                                 | 7.2   |
| Non-cancellable operating lease commitments | 7.2.1 |
| Capital commitments                         | 7.2.2 |
| Other expenditure commitments               | 7.2.3 |

### 7.1 Cash and cash equivalents

#### 7.1.1 Reconciliation of cash

|   | 2019<br>\$000 | 2018<br>\$000 |
|---|---------------|---------------|
| Cash and cash equivalents   | 62,663        | 67,470        |
| Restricted cash and cash equivalents:   |               |               |
| Community Sporting and Recreation Facilities Fund <sup>(a)</sup>                    | 1,841         | 3,548         |
| Logue Brook Trust <sup>(b)</sup>  | 47            | 50            |
| Sports Lotteries Account <sup>(c)</sup>   | 4,230         | 875           |
| Sports Wagering Funds <sup>(d)</sup>  | 182           | 203           |
| Royalties for Regions Fund <sup>(e)</sup>   | 620           | 1,535         |
| Commonwealth Government grant - services to Indian Ocean Territories <sup>(f)</sup> | 84            | 140           |
| Sunset Property Special Purpose Account <sup>(g)</sup>                              | 1,238         | 1,933         |
| Connecting to Country <sup>(h)</sup>  | 1             | 291           |
| LG Local Projects Local Jobs <sup>(i)</sup>   | 445           | 589           |
| Off-Road Vehicles <sup>(i)</sup>  | 599           | 532           |
| Other   | 28            | 42            |
| – Accrued salaries suspense account <sup>(k)</sup>                                  | 592           | 385           |
| <b>Balance at end of period</b>   | <b>72,570</b> | <b>77,593</b> |

- (a) The purpose of the CSRFF account is to hold monies appropriated for the purpose of making grants for the development of public sporting and recreation facilities, and for the management and administration of those grants.
- (b) The purpose of the LBTF account is to hold monies appropriated for the purpose of funding the identification and re-establishment of recreation amenities, where practical, within the localities of nearby dams and inland water bodies following cessation of recreational access to Logue Brook. The money was received from Water Corporation in the 2007-08 financial year and after a change in government policy was repaid to Water Corporation in 2008-09. The balance of the account reflects interest earned on the amount.
- (c) The purpose of the Sports Lotteries Account is to hold funds received by the Department of sport and recreation from Lotterywest pursuant to Section 22(2)(c) of the Lotteries Commission Amendment Act 1993.
- (d) Funds are being held on behalf of a number of organisations for a variety of sport development programs and initiatives ranging from work with specific target groups such as indigenous Australians, women and youth, to coaching, officiating and sport management initiatives and reviews.
- (e) There is an agreement with Department of Regional Development for the Royalties for Regions Funds for a number of projects. Unspent funds are committed to projects and programs in WA regional areas. (Note 11.2)
- (f) The Department of Culture and the Arts and the Commonwealth Government have a Service Delivery Arrangement for the provision of services to the Indian Ocean Territories (IOT). The Commonwealth Government recoups the Department costs associated with these services. (Note 11.1)
- (g) Sunset hospital was transferred from Department of Finance during 2017/18 this fund is for the maintenance and operations of the property.
- (h) Unspent funds are committed to Connecting to Country project.
- (i) Unspent funds are committed to Local Government's "Local Projects, Local Jobs" project.
- (j) Unspent funds are committed to Off-Road Vehicles project.
- (k) Funds held in the suspense account for the purpose of meeting the 27th pay in a reporting period that occurs every 11th year.

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

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

|  | 2019<br>\$000    | 2018<br>\$000    |
|--|------------------|------------------|
| Net cost of services   | (183,905)        | (176,355)        |
| <b>Non-cash items</b>  |                  |                  |
| Depreciation and amortisation expense                        | 8,930            | 6,624            |
| Bad debt Write off expense/Doubtful Debt                     | -                | 19               |
| Expected credit losses expense                               | 3                | -                |
| Services received free of charge                             | 919              | 1,514            |
| Net (gain)/loss on disposal of property, plant and equipment | -                | 1,168            |
| Write off of Non-Current assets                              | -                | 525              |
| Revaluation Decrement  | 6,460            | 479              |
| Other revenue - Assets not previously recognised             | -                | (298)            |
| Remeasurement under AASB 9                                   | 8                | -                |
| <b>(Increase)/decrease in assets</b>                         |                  |                  |
| Current receivables <sup>(a)</sup>                           | (655)            | (779)            |
| Current inventories  | -                | 31               |
| Other current assets   | (989)            | 7                |
| Non-current assets   | 7                | 191              |
| <b>Increase/(decrease) in liabilities</b>                    |                  |                  |
| Current payables <sup>(a)</sup>                              | (374)            | (10,875)         |
| Current provisions   | (820)            | (826)            |
| Other current liabilities                                    | (861)            | (746)            |
| Non-current provisions                                       | 160              | (248)            |
| Net GST receipts/(payments) <sup>(b)</sup>                   | (2,279)          | 1,303            |
| Change in GST in receivables/payables <sup>(c)</sup>         | 46               | (879)            |
| <b>Net cash provided by/(used in) operating activities</b>   | <b>(173,350)</b> | <b>(179,145)</b> |

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

(b) This is the net GST paid/received, i.e. cash transactions.

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

## 7.2 Commitments

### 7.2.1 Non-cancellable operating lease commitments

|  | 2019<br>\$000 | 2018<br>\$000 |
|--|---------------|---------------|
| Commitments for minimum lease payments are payable as follows: |               |               |
| Within 1 year  | 3,090         | 3,208         |
| Later than 1 year and not later than 5 years                   | 7,693         | 10,813        |
| Later than 5 years   | 1,166         | 2,630         |
|  | <b>11,949</b> | <b>16,651</b> |

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

The department has entered into a property lease which is a non-cancellable lease with a five year term, with rent payable monthly in advance. Contingent rent provisions within the lease agreement require that the minimum lease payments shall be increased by the lower of CPI or 3% per annum. An option exists to renew the lease at the end of the five year term for an additional term of five years.

### 7.2.2 Capital commitments

|   | 2019<br>\$000  | 2018<br>\$000  |
|---|----------------|----------------|
| Capital expenditure commitments, being contracted capital expenditure additional to the amounts reported in the financial statements, are payable as follows: |                |                |
| Within 1 year   | 144,833        | 124,067        |
| Later than 1 year and not later than 5 years  | 5,227          | 147,130        |
|   | <b>150,060</b> | <b>271,197</b> |

The totals presented for capital commitments are GST inclusive.

### 7.2.3 Other expenditure commitments

|   | 2019<br>\$000 | 2018<br>\$000 |
|---|---------------|---------------|
| Grants contracted for at the end of the reporting period but not recognised as liabilities, are payable as follows: |               |               |
| Within 1 year   | 47,366        | 60,752        |
| Later than 1 year and not later than 5 years  | 20,014        | 24,911        |
| Later than 5 years  | -             | -             |
|   | <b>67,380</b> | <b>85,663</b> |

Grant commitments are primarily funded from future years' revenue and arise when the terms of the grant agreement have been met. The totals presented for other expenditure commitments are GST inclusive.

## **Judgements made by management in applying accounting policies – operating lease commitments**

The department has entered into a number of leases for buildings for branch office accommodation. Some of these leases relate to buildings of a temporary nature and it has been determined that the lessor retains substantially all the risks and rewards incidental to ownership. Accordingly, these leases have been classified as operating leases.

## **8. Risks and contingencies**

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

|                           | <b>Notes</b> |
|---------------------------|--------------|
| Financial risk management | 8.1          |
| Contingent assets         | 8.2.1        |
| Contingent liabilities    | 8.2.2        |
| Fair value measurements   | 8.3          |

### **8.1 Financial risk management**

Financial instruments held by the department are cash and cash equivalents, restricted cash and cash equivalents, receivables, payables, Western Australian Treasury Corporation (WATC)/Bank borrowings, finance leases, and Treasurer's advances. The department has limited exposure to financial risks. The department's overall risk management program focuses on managing the risks identified below.

#### **(a) Summary of risks and risk management**

##### **Credit risk**

Credit risk arises when there is the possibility of the department's receivables defaulting on their contractual obligations resulting in financial loss to the department.

Credit risk associated with the department's financial assets is minimal because the main receivable is the amounts receivable for services (holding account). For receivables other than Government, the department trades only with recognised, creditworthy third parties. The department has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history. In addition, receivable balances are monitored on an ongoing basis with the result that the department's exposure to bad debts is minimal.

Debt will be written-off against the allowance account when it is improbable or uneconomical to recover the debt. At the end of the reporting period there were no significant concentrations of credit risk.

### Liquidity risk

Liquidity risk arises when the department is unable to meet its financial obligations as they fall due.

The department is exposed to liquidity risk through its trading in the normal course of business.

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

### Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates and interest rates will affect the department's income or the value of its holdings of financial instruments. The department does not trade in foreign currency and is not materially exposed to other price risks. The department's exposure to market risk for changes in interest rates relate primarily to the funds held in an interest bearing account.

### (b) Categories of financial instruments

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

|   | 2019<br>\$000  | 2018<br>\$000  |
|---|----------------|----------------|
| <u>Financial assets</u>                 |                |                |
| Cash and cash equivalents               | 62,663         | 67,470         |
| Restricted cash and cash equivalents    | 9,907          | 10,123         |
| Loans and receivables <sup>(a)</sup>    | 32,435         | 26,357         |
| <b>Total financial assets</b>           | <b>105,005</b> | <b>103,950</b> |
| <u>Financial liabilities</u>            |                |                |
| Payables                                | 14,772         | 15,146         |
| Financial liabilities at amortised cost | -              | -              |
| Other current liabilities               | 1,006          | 976            |
| <b>Total financial liability</b>        | <b>15,778</b>  | <b>16,122</b>  |

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

## (c) Credit risk exposure

The following table details the credit risk exposure on the department's trade receivables using a provision matrix.

|                                       | Days past due  |                  |                     |                      |                       |                       |                       |                       |                     |
|---------------------------------------|----------------|------------------|---------------------|----------------------|-----------------------|-----------------------|-----------------------|-----------------------|---------------------|
|                                       | Total<br>\$000 | Current<br>\$000 | 31-90 Days<br>\$000 | 91-150 Days<br>\$000 | 151-210 Days<br>\$000 | 211-270 Days<br>\$000 | 271-330 Days<br>\$000 | 331-390 Days<br>\$000 | < 390 Days<br>\$000 |
| <b>30 June 2019</b>                   |                |                  |                     |                      |                       |                       |                       |                       |                     |
| Expected credit loss rate             |                | 0%               | 0%                  | 0%                   | 0%                    | 0%                    | 1%                    | 12%                   | 100%                |
| Estimated total gross carrying amount | 353            | 198              | 20                  | 80                   | -                     | 1                     | -                     | 53                    | 1                   |
| Expected credit losses                | (3)            | -                | -                   | -                    | -                     | -                     | -                     | (2)                   | (1)                 |
|                                       | Days past due  |                  |                     |                      |                       |                       |                       |                       |                     |
|                                       | Total<br>\$000 | Current<br>\$000 | 31-90 Days<br>\$000 | 91-150 Days<br>\$000 | 151-210 Days<br>\$000 | 211-270 Days<br>\$000 | 271-330 Days<br>\$000 | 331-390 Days<br>\$000 | < 390 Days<br>\$000 |
| <b>1 July 2018 (Remeasurement)</b>    |                |                  |                     |                      |                       |                       |                       |                       |                     |
| Expected credit loss rate             |                | 0%               | 0%                  | 0%                   | 0%                    | 0%                    | 0%                    | 4%                    | 100%                |
| Estimated total gross carrying amount | 114            | 90               | 15                  | -                    | -                     | -                     | 1                     | -                     | 8                   |
| Expected credit losses                | (8)            | -                | -                   | -                    | -                     | -                     | -                     | -                     | (8)                 |

## (d) Liquidity risk and interest rate exposure

The following table details the department's interest rate exposure and the contractual maturity analysis of financial assets and financial liabilities. The maturity analysis section includes interest and principal cash flows. The interest rate exposure section analyses only the carrying amounts of each item.

| Interest rate exposure and maturity analysis of financial assets and financial liabilities |   |                        |                        |                              |                             |                   |                  |            |                       |           |                      |
|--|---|------------------------|------------------------|------------------------------|-----------------------------|-------------------|------------------|------------|-----------------------|-----------|----------------------|
|  |   | Interest rate exposure |                        |                              |                             |                   | Maturity dates   |            |                       |           |                      |
|  | Weighted<br>Average<br>Effective<br>Interest Rate | Carrying<br>Amount     | Fixed interest<br>rate | Variable<br>interest<br>rate | Non-<br>interest<br>bearing | Nominal<br>amount | Up to 1<br>month | 1-3 months | 3 months to<br>1 year | 1-5 years | More than 5<br>years |
|  | %   | \$000                  | \$000                  | \$000                        | \$000                       | \$000             | \$000            | \$000      | \$000                 | \$000     | \$000                |
| 2019   |   |                        |                        |                              |                             |                   |                  |            |                       |           |                      |
| <u>Financial Assets</u>  |   |                        |                        |                              |                             |                   |                  |            |                       |           |                      |
| Cash and cash equivalents  |   | 62,663                 | -                      | -                            | 62,663                      | 62,663            | 62,663           | -          | -                     | -         | -                    |
| Restricted cash and cash equivalents   | 2.07  | 9,907                  | -                      | 47                           | 9,860                       | 9,907             | 9,907            | -          | -                     | -         | -                    |
| Receivables <sup>(a)</sup>   |   | 3,118                  | -                      | -                            | 3,118                       | 3,118             | 3,118            | -          | -                     | -         | -                    |
| Loans and advances   |   | -                      | -                      | -                            | -                           | -                 | -                | -          | -                     | -         | -                    |
| Amounts receivable for services  |   | 29,317                 | -                      | -                            | 29,317                      | 29,317            | 18               | 24         | 118                   | 640       | 28,517               |
|  |   | 105,005                | -                      | 47                           | 104,958                     | 105,005           | 75,706           | 24         | 118                   | 640       | 28,517               |
| <u>Financial Liabilities</u>   |   |                        |                        |                              |                             |                   |                  |            |                       |           |                      |
| Payables   |   | 14,772                 | -                      | -                            | 14,772                      | 14,772            | 14,772           | -          | -                     | -         | -                    |
| WATC/Bank borrowings   |   | -                      | -                      | -                            | -                           | -                 | -                | -          | -                     | -         | -                    |
| Finance lease liabilities  |   | -                      | -                      | -                            | -                           | -                 | -                | -          | -                     | -         | -                    |
| Amounts due to the Treasurer   |   | -                      | -                      | -                            | -                           | -                 | -                | -          | -                     | -         | -                    |
| Other financial liabilities  |   | 1,006                  | -                      | -                            | 1,006                       | 1,006             | 1,006            | -          | -                     | -         | -                    |
|  |   | 15,778                 | -                      | -                            | 15,778                      | 15,778            | 15,778           | -          | -                     | -         | -                    |

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

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

|                                      | Interest rate exposure                                 |                             |                                 |                                       |                                      | Maturity dates             |                           |                     |                                |                    |                               |
|--------------------------------------|--|-----------------------------|---------------------------------|---------------------------------------|--------------------------------------|----------------------------|---------------------------|---------------------|--------------------------------|--------------------|-------------------------------|
|                                      | Weighted<br>Average<br>Effective<br>Interest Rate<br>% | Carrying<br>Amount<br>\$000 | Fixed interest<br>rate<br>\$000 | Variable<br>interest<br>rate<br>\$000 | Non-<br>interest<br>bearing<br>\$000 | Nominal<br>amount<br>\$000 | Up to 1<br>month<br>\$000 | 1-3 months<br>\$000 | 3 months to<br>1 year<br>\$000 | 1.5 years<br>\$000 | More than 5<br>years<br>\$000 |
| 2018                                 |  |                             |                                 |                                       |                                      |                            |                           |                     |                                |                    |                               |
| Financial Assets                     |  |                             |                                 |                                       |                                      |                            |                           |                     |                                |                    |                               |
| Cash and cash equivalents            |  | 67,470                      | -                               | -                                     | 67,470                               | 67,470                     | 67,470                    | -                   | -                              | -                  | -                             |
| Restricted cash and cash equivalents | 1.97   | 10,123                      | -                               | 50                                    | 10,073                               | 10,123                     | 10,123                    | -                   | -                              | -                  | -                             |
| Receivables <sup>(a)</sup>           |  | 2,353                       | -                               | -                                     | 2,353                                | 2,353                      | 2,353                     | -                   | -                              | -                  | -                             |
| Loans and advances                   |  | -                           | -                               | -                                     | -                                    | -                          | -                         | -                   | -                              | -                  | -                             |
| Amounts receivable for services      |  | 24,004                      | -                               | -                                     | 24,004                               | 24,004                     | 301                       | 8                   | 480                            | 3,156              | 20,059                        |
|                                      |  | 103,950                     | -                               | 50                                    | 103,900                              | 103,950                    | 80,247                    | 8                   | 480                            | 3,156              | 20,059                        |
| Financial Liabilities                |  |                             |                                 |                                       |                                      |                            |                           |                     |                                |                    |                               |
| Payables                             |  | 15,146                      | -                               | -                                     | 15,146                               | 15,146                     | 15,146                    | -                   | -                              | -                  | -                             |
| WATC/Bank borrowings                 |  | -                           | -                               | -                                     | -                                    | -                          | -                         | -                   | -                              | -                  | -                             |
| Finance lease liabilities            |  | -                           | -                               | -                                     | -                                    | -                          | -                         | -                   | -                              | -                  | -                             |
| Amounts due to the Treasurer         |  | -                           | -                               | -                                     | -                                    | -                          | -                         | -                   | -                              | -                  | -                             |
| Other financial liabilities          |  | 976                         | -                               | -                                     | 976                                  | 976                        | 976                       | -                   | -                              | -                  | -                             |
|                                      |  | 16,122                      | -                               | -                                     | 16,122                               | 16,122                     | 16,122                    | -                   | -                              | -                  | -                             |

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

## (e) Interest rate sensitivity analysis

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

|                                      | Carrying<br>amount<br>\$000 | -100 basis<br>points |                 | +100 basis points |                 |
|--------------------------------------|-----------------------------|----------------------|-----------------|-------------------|-----------------|
|                                      |                             | Surplus<br>\$000     | Equity<br>\$000 | Surplus<br>\$000  | Equity<br>\$000 |
| <b>2019</b>                          |                             |                      |                 |                   |                 |
| <u>Financial assets</u>              |                             |                      |                 |                   |                 |
| Restricted cash and cash equivalents | 47                          | -                    | -               | -                 | -               |
| <b>Total increase/(decrease)</b>     | <b>47</b>                   | <b>-</b>             | <b>-</b>        | <b>-</b>          | <b>-</b>        |

|                                      | Carrying<br>amount<br>\$000 | -100 basis<br>points |                 | +100 basis points |                 |
|--------------------------------------|-----------------------------|----------------------|-----------------|-------------------|-----------------|
|                                      |                             | Surplus<br>\$000     | Equity<br>\$000 | Surplus<br>\$000  | Equity<br>\$000 |
| <b>2018</b>                          |                             |                      |                 |                   |                 |
| <u>Financial assets</u>              |                             |                      |                 |                   |                 |
| Restricted cash and cash equivalents | 50                          | (1)                  | (1)             | 1                 | 1               |
| <b>Total increase/(decrease)</b>     | <b>50</b>                   | <b>(1)</b>           | <b>(1)</b>      | <b>1</b>          | <b>1</b>        |

## 8.2 Contingent assets and liabilities

Contingent assets and contingent liabilities are not recognised in the statement of financial position but are disclosed and, if quantifiable, are measured at the best estimate. Contingent assets and liabilities are presented inclusive of GST receivable or payable respectively.



### 8.2.1 Contingent assets

As at the reporting period date the department does not have any contingent assets.

### 8.2.2 Contingent liabilities

As at the reporting period date the department does not have any contingent liabilities.

## Contaminated sites

Under the Contaminated Sites Act 2003, the department is required to report known and suspected contaminated sites to the Department of Water and Environmental Regulation (DWER). In accordance with the Act, DWER classifies these sites on the basis of the risk to human health, the environment and environmental values. Where sites are classified as contaminated – remediation required or possibly contaminated – investigation required, the department may have a liability in respect of investigation or remediation expenses. No contaminated sites have been identified by the department during the year.

## 8.3 Fair value measurements

| <b>Assets measured at fair value:</b> | <b>Level 3</b> | <b>Fair value<br/>at end of<br/>period</b> |
|---------------------------------------|----------------|--|
| <b>2019</b>                           | <b>\$000</b>   | <b>\$000</b>                               |
| Land (Note 5.1)                       | 100,774        | 107,574                                    |
| Buildings (Note 5.1)                  | 167,165        | 169,455                                    |
|                                       | <b>267,939</b> | <b>277,029</b>                             |

| <b>Assets measured at fair value:</b> | <b>Level 3</b> | <b>Fair value<br/>at end of<br/>period</b> |
|---------------------------------------|----------------|--|
| <b>2018</b>                           | <b>\$000</b>   | <b>\$000</b>                               |
| Land (Note 5.1)                       | 104,014        | 110,814                                    |
| Buildings (Note 5.1)                  | 174,252        | 176,538                                    |
|                                       | <b>278,266</b> | <b>287,352</b>                             |

There were no transfers between Levels 1, 2 or 3 during the current and previous periods.

### Valuation techniques to derive Level 2 fair values

Level 2 fair values of Non-current assets held for sale, Land and Buildings (office accommodation) are derived using the market approach. Market evidence of sales prices of comparable land and buildings (office accommodation) in close proximity is used to determine price per square metre.

Non-current assets held for sale have been written down to fair value less costs to sell. Fair value has been determined by reference to market evidence of sales prices of comparable assets.

## Fair value measurements using significant unobservable inputs (Level 3)

|  | Land<br>\$000  | Buildings<br>\$000 |
|--|----------------|--------------------|
| <b>2019</b>  |                |                    |
| Balance at start of period   | 104,014        | 174,252            |
| Additions  | -              | 71                 |
| Revaluation increments/(decrements) recognised in Profit or Loss                     | (3,240)        | (3,274)            |
| Transfers from/(to) other agencies   | -              | -                  |
| Disposals  | -              | -                  |
| Depreciation Expense   |                | (3,884)            |
| Fair Value at end of period  | <b>100,774</b> | <b>167,165</b>     |
|  |                |                    |
|  | Land<br>\$000  | Buildings<br>\$000 |
| <b>2018</b>  |                |                    |
| Fair Value at start of period  | 104,325        | 172,223            |
| Additions  |                | 43                 |
| Revaluation increments/(decrements) recognised in Profit or Loss                     | (370)          | 634                |
| Transfers from/(to) other agencies   | 59             | 6,432              |
| Disposals  | -              | (1,114)            |
| Depreciation Expense   | -              | (3,966)            |
| Fair Value at end of period  | <b>104,014</b> | <b>174,252</b>     |
| Total gains or losses for the period included in profit or loss, under 'Other Gains' |                |                    |

## Valuation processes

There were no changes in valuation techniques during the period.

Transfers in and out of a fair value level are recognised on the date of the event or change in circumstances that caused the transfer. Transfers are generally limited to assets newly classified as non-current assets held for sale as Treasurer's instructions require valuations of land, buildings and infrastructure to be categorised within Level 3 where the valuations will utilise significant Level 3 inputs on a recurring basis.

## Land (Level 3 fair values)

Fair value for restricted use land is based on comparison with market evidence for land with low level utility (high restricted use land). The relevant comparators of land with low level utility is selected by the Western Australian Land Information Authority (Valuations and Property Analytics) and represents the application of a significant Level 3 input in this valuation methodology. The fair value measurement is sensitive to values of comparator land, with higher values of comparator land correlating with higher estimated fair values of land.

## Buildings and Infrastructure (Level 3 fair values)

Fair value for existing use specialised buildings and infrastructure assets is determined by reference to the cost of replacing the remaining future economic benefits embodied in the asset, i.e. the current replacement cost. Current replacement cost is generally determined by reference to the market observable replacement cost of a substitute asset of comparable utility and the gross project size specifications, adjusted for obsolescence. Obsolescence encompasses physical deterioration, functional (technological) obsolescence and economic (external) obsolescence.

Valuation using current replacement cost utilises the significant Level 3 input, consumed economic benefit/obsolescence of asset which is estimated by the Western Australian Land Information Authority (Valuations and Property Analytics). The fair value measurement is sensitive to the estimate of consumption/obsolescence, with higher values of the estimate correlating with lower estimated fair values of buildings and infrastructure.

## Basis of valuation

In the absence of market-based evidence, due to the specialised nature of some non - financial assets, these assets are valued at Level 3 of the fair value hierarchy on an existing use basis. The existing use basis recognises that restrictions or limitations have been placed on their use and disposal when they are not determined to be surplus to requirements. These restrictions are imposed by virtue of the assets being held to deliver a specific community service.

## Information about significant unobservable inputs (Level 3) in fair value measurements

| Description | Fair value<br>2019<br>\$'000 | Fair value<br>2018<br>\$'000 | Valuation technique(s)       | Unobservable inputs                                | Relationship of unobservable inputs to fair value   |
|-------------|------------------------------|------------------------------|------------------------------|--|---|
| Buildings   | 167,165                      | 174,252                      | Depreciated Replacement Cost | Historical cost per square metre floor area (m2)   | Historical cost per m2 increases fair value.        |
| Land        | 100,774                      | 104,014                      | Market approach              | Selection of land with similar approximate utility | Higher historical cost per m2 increases fair value. |

## 9. Other disclosures

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

|  | <b>Notes</b> |
|--|--------------|
| Events occurring after the end of the reporting period         | 9.1          |
| Initial application of Australian Accounting Standards         | 9.2          |
| Future impact of Australian standards issued not yet operative | 9.3          |
| Key management personnel                                       | 9.4          |
| Related party transactions                                     | 9.5          |
| Related bodies   | 9.6          |
| Affiliated bodies  | 9.7          |
| Special purpose accounts                                       | 9.8          |
| Remuneration of auditors                                       | 9.9          |
| Equity   | 9.10         |
| Supplementary financial information                            | 9.11         |
| Explanatory Statement  | 9.12         |

### 9.1 Events occurring after the end of the reporting period

The department has no adjusting or non - adjusting events after the end of the reporting period.

### 9.2 Initial application of Australian Accounting Standards

#### **AASB 9 Financial instruments**

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

The department applied AASB 9 prospectively, with an initial application date of 1 July 2018. The adoption of AASB 9 has resulted in changes in accounting policies and adjustments to the amounts recognised in the financial statements. In accordance with AASB 9.7.2.15, the department has not restated the comparative information which continues to be reported under AASB 139. Differences arising from adoption have been recognised directly in Accumulated surplus/(deficit).

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

|                                    | Adjustments | 1 July 2018<br>\$000 |
|------------------------------------|-------------|----------------------|
| <b>Assets</b>                      |             |                      |
| Trade receivables                  | (a), (b)    | (8)                  |
| Loans and advances                 | (a)         | -                    |
| <b>Total Assets</b>                |             | <b>(8)</b>           |
| <b>Total adjustments on Equity</b> |             |                      |
| Accumulated surplus/(deficit)      | (a), (b)    | (8)                  |
|                                    |             | <b>(8)</b>           |

The nature of these adjustments are described below:

#### (a) Classification and measurement

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

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

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

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

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

| AASB 139 category     | \$000 | AASB 9 category |                        |                        |
|-----------------------|-------|-----------------|------------------------|------------------------|
|                       |       | Amortised cost  | Fair value through OCI | Fair value through P/L |
|                       |       | \$000           | \$000                  | \$000                  |
| Loans and receivables |       |                 |                        |                        |
| Trade receivables*    | 2,348 | 2,340           | -                      | -                      |
| Loans and advances    |       | -               | -                      | -                      |
|                       |       | <b>2,340</b>    | <b>-</b>               | <b>-</b>               |

\* The change in carrying amount is a result of additional impairment allowance. See the discussion on impairment below.

## (b) Impairment

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

Upon adoption of AASB 9, the department recognised an additional impairment on the department's Trade receivables of \$8,012 which resulted in a decrease in Accumulated surplus/(deficit) of 8,012 as at 1 July 2018.

Set out below is the reconciliation of the ending impairment allowances in accordance with AASB 139 to the opening loss allowances determined in accordance with AASB 9:

|  | Impairment under AASB 139 as at 30 June 2018 \$000 | Remeasurement \$000 | ECL under AASB 9 as at 1 July 2018 \$000 |
|--|--|---------------------|--|
| Loans and receivables under AASB 139 / Financial assets at amortised cost under AASB 9 | -  | 8                   | 8  |
|  | <b>-</b>   | <b>8</b>            | <b>8</b>                                 |

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

The department cannot early adopt an Australian Accounting Standard unless specifically permitted by TI 1101 Application of Australian Accounting Standards and Other Pronouncements or by an exemption from TI 1101. Where applicable, the department plans to apply the following Australian Accounting Standards from their application date.

AASB 15

*Revenue from Contracts with Customers*

1 Jan 2019

This Standard establishes the principles that the department shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers. The mandatory effective date of this Standard is currently 1 January 2019 after being amended by AASB 2016-7.

The Department's income is primarily derived from appropriations which will be measured under AASB 1058, and thus will not be materially affected by this change. Although the recognition of 'user charges and fees' and 'sales' revenues will be deferred until the agency has discharged its performance obligations, these revenues are expected to be fully recognised at year-end and no contract liability will exist.

The Department will adopt the modified retrospective approach on transition to AASB 15. No comparative information will be restated under this approach, and the agency will recognise the cumulative effect of initially applying the Standard as an adjustment to the opening balance of accumulated surplus/(deficit) at the date of initial application.

AASB 16

*Leases*

1 Jan 2019

This Standard introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value.

The recognition of additional assets and liabilities, mainly from operating leases, will increase the Department's total assets by \$22,432k and total liabilities by \$22,432k. This will have an equity impact of \$NIL on 1 July 2019. In addition, interest and depreciation expenses will increase, offset by a decrease in rental expense for the year ending 30 June 2020 and beyond.

The above assessment is based on the following accounting policy positions:

- Option 2 of the modified retrospective approach on transition;
- the 'low value asset' threshold set at AUD \$5,000 (unless GROH, GOA or State Fleet);
- For leases classified as 'short term' (12 months or less), these are not recognised under AASB 16 (unless GROH, GOA or State Fleet);
- Land, buildings and investment property ROU assets are measured under the fair value model, subsequent to initial

recognition; and

- Discount rates are sourced from WA Treasury Corporation (WATC).

The department will adopt the modified retrospective approach on transition to AASB 16. No comparative information will be restated under this approach, and the department will recognise the cumulative effect of initially applying the Standard as an adjustment to the opening balance of accumulated surplus/(deficit) at the date of initial application.

|                  |  |            |
|------------------|--|------------|
| <i>AASB 1058</i> | <i>Income of Not-for-Profit Entities</i> | 1 Jan 2019 |
|------------------|--|------------|

This Standard clarifies and simplifies the income recognition requirements that apply to not-for-profit (NFP) entities, more closely reflecting the economic reality of NFP entity transactions that are not contracts with customers. Timing of income recognition is dependent on whether such a transaction gives rise to a liability or other performance obligation (a promise to transfer a good or service), or a contribution by owners, related to an asset (such as cash or another asset) received by an agency.

AASB 1058 will have no impact on appropriations and recurrent grants received by the Department – they will continue to be recognised as income when funds are deposited in the bank account or credited to the holding account.

The Department will adopt the modified retrospective approach on transition to AASB 1058. No comparative information will be restated under this approach, and the Department will recognise the cumulative effect of initially applying the Standard as an adjustment to the opening balance of accumulated surplus/(deficit) at the date of initial application.

|                  |  |            |
|------------------|--|------------|
| <i>AASB 1059</i> | <i>Service Concession Arrangements: Grantors</i> | 1 Jan 2020 |
|------------------|--|------------|

This Standard addresses the accounting for a service concession arrangement (a type of public private partnership) by a grantor that is a public sector agency by prescribing the accounting for the arrangement from the grantor's perspective. Timing and measurement for the recognition of a specific asset class occurs on commencement of the arrangement and the accounting for associated liabilities is determined by whether the grantee is paid by the grantor or users of the public service provided.

The mandatory effective date of this Standard is currently 1 January 2020 after being amended by AASB 2018-5.



The Department does not manage any public private partnership that is within the scope of the Standard.

|                    |   |            |
|--------------------|---|------------|
| <i>AASB 2016-8</i> | <i>Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not for Profit Entities</i>   | 1 Jan 2019 |
|                    | This Standard inserts Australian requirements and authoritative implementation guidance for not-for-profit entities into AASB 9 and AASB 15. This guidance assists not-for-profit entities in applying those Standards to particular transactions and other events. There is no financial impact. |            |
| <i>AASB 2018-4</i> | <i>Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Public Sector Licensors</i>  | 1 Jan 2019 |
|                    | This Standard amends AASB 15 to add requirements and authoritative implementation guidance for application by not-for-profit public sector licensors to transactions involving the issue of licences. There is no financial impact as the Department does not issue licences.                     |            |
| <i>AASB 2018-5</i> | <i>Amendments to Australian Accounting Standards – Deferral of AASB 1059</i>  | 1 Jan 2019 |
|                    | This Standard amends the mandatory effective date of AASB 1059 so that AASB 1059 is required to be applied for annual reporting periods beginning on or after 1 January 2020 instead of 1 January 2019. There is no financial impact.   |            |
| <i>AASB 2018-7</i> | <i>Amendments to Australian Accounting Standards – Definition of Material</i>   | 1 Jan 2020 |
|                    | This Standard clarifies the definition of material and its application by improving the wording and aligning the definition across AASB Standards and other publications. There is no financial impact.   |            |
| <i>AASB 2018-8</i> | <i>Amendments to Australian Accounting Standards – Right-of-Use Assets of Not-for-Profit Entities</i>   | 1 Jan 2019 |
|                    | This Standard provides a temporary option for not for profit entities to not apply the fair value initial measurement requirements for right-of-use assets arising under leases with significantly below-market terms and conditions principally to   |            |

enable the entity to further its objectives.

The department will elect to apply the option to measure right-of-use assets under peppercorn leases at cost (which is generally about \$1). As a result, the financial impact of this Standard is not material.

#### 9.4 Key management personnel

The department has determined key management personnel to include Cabinet ministers and senior officers of the department. The department does not incur expenditures to compensate ministers and those disclosures may be found in the Annual Report on State Finances.

The total fees, salaries, superannuation, non-monetary benefits and other benefits for senior officers of the department for the reporting period are presented within the following bands:

| Compensation band (\$)                       | 2019         | 2018         |
|--|--------------|--------------|
| 40,001 - 50,000                              | 2            | -            |
| 100,001 - 110,000                            | -            | 1            |
| 130,001 - 140,000                            | 1            | -            |
| 160,001 - 170,000                            | 1            | 5            |
| 170,001 - 180,000                            | 1            | 1            |
| 180,001 - 190,000                            | -            | 2            |
| 190,001 - 200,000                            | 2            | 1            |
| 200,001 - 210,000                            | 2            | -            |
| 210,001 - 220,000                            | 2            | 2            |
| 230,001 - 240,000                            | 1            | -            |
| 330,001 - 340,000                            | -            | 1            |
| 350,001 - 360,000                            | -            | 1            |
| 360,001 - 370,000                            | 1            | -            |
|  | <b>2019</b>  | <b>2018</b>  |
|  | <b>\$000</b> | <b>\$000</b> |
| Short-term employee benefits                 | 1,887        | 1,897        |
| Post-employment benefits                     | 242          | 270          |
| Other long-term benefits                     | 260          | 214          |
| Termination benefits                         | -            | 419          |
| <b>Total compensation of senior officers</b> | <b>2,389</b> | <b>2,800</b> |

Total compensation includes the superannuation expense incurred by the department in respect of senior officers.

## 9.5 Related party transactions

The department is a wholly owned public sector entity that is controlled by the State of Western Australia. Related parties of the department include:

- all senior officers and their close family members, and their controlled or jointly controlled entities;
- all Cabinet ministers and their close family members, and their controlled or jointly controlled entities;
- other departments and statutory authorities, including related bodies, that are included in the whole of government consolidated financial statements (i.e. wholly-owned public sector);
- associates and joint ventures of a wholly-owned public sector entity; and
- the Government Employees Superannuation Board (GESB).

## Significant transactions with Government-related entities

In conducting its activities, the Department is required to transact with the State and entities related to the State. These transactions are generally based on the standard terms and conditions that apply to all agencies. Such transactions include:

- income from State Government (Note 4.1);
- equity contributions (Note 9.10);
- lease rentals payments to the Department of Finance (Government Office Accommodation and State Fleet) (Note 3.3) and related outstanding balances (Note 7.2.1);
- insurance payments to the Insurance Commission and Riskcover fund (Note 3.3);
- Royalties for Regions Fund (Note 4.1);
- services provided free of charge to Screenwest Ltd (Note 12.1);
- services received free of charge (Note 4.1);
- recoups for services provided to Gaming and Wagering Commission of WA, and Racing Penalties Appeal Tribunal (Note 4.4);
- remuneration for services provided by the Auditor General (Note 9.9);
- payments to Combat Sports Commission (Note 9.7)); and
- grants provided to West Australian Institute of Sport (Note 3.2 and 9.7).

## Material transactions with other related parties

- superannuation payments to GESB (Note 3.1(a)).

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

## 9.6 Related bodies

The department has no related bodies.

## 9.7 Affiliated bodies

|  | 2019<br>\$000 | 2018<br>\$000 |
|--|---------------|---------------|
| Abigail Mamas  | 15            | -             |
| Broome Sports Association                                      | 60            | -             |
| Cockburn Chinese Community Association                         | 31            | -             |
| Combat Sports Commission                                       | 848           | 839           |
| Croatian Ethnic School of WA                                   | 11            | 7             |
| Ethnic Communities Council of WA                               | 110           | -             |
| Full Gospel Worship Centre Perth WA Inc                        | 6             | 5             |
| Goldfields Sports Development Foundation                       | 30            | -             |
| Great Southern Sports Talent Association (GSSTA)               | 50            | -             |
| Hungarian Educational and Cultural Centre                      | -             | 8             |
| Igbo Association of WA Inc                                     | 15            | 15            |
| International Art Space  | 220           | 220           |
| Kitwek Association   | 15            | -             |
| Lower Great Southern Tennis Association                        | 5             | -             |
| Ma'di Community Association of Western Australia               | 7             | 9             |
| Mid West Academy of Sport                                      | 175           | -             |
| Nature Play WA   | 500           | -             |
| Outdoors WA  | 140           | -             |
| Peel Cricket Board   | 10            | -             |
| Peel Regional Academy of Sports                                | 100           | -             |
| Pony Club Association of Western Australia Great Southern Zone | 5             | -             |
| Salsaal Integration Association                                | 3             | 5             |
| South West Academy of Sport                                    | 235           | -             |
| Smile of Hope  | -             | 9             |
| Syrian & arabic Association in Australia                       | 5             | -             |
| Tamil Association of WA  | 54            | -             |
| The Vietnamese Catholic Ethnic School of WA Inc                | 31            | 41            |
| Vietnamese Community in Australia WA Chapter Inc               | 184           | 23            |
| Vietnamese Evangelical Church in Australia Perth               | 11            | 13            |
| Vietnamese School of WA Inc                                    | 7             | 6             |
| West Australian Institute of Sport                             | 7,978         | 8,503         |
| Western Australian Speedway Commission Inc                     | 140           | -             |
| Western Australian Telugu Association                          | 9             | -             |
| Western Australian Waveski Association Inc                     | 5             | -             |
| Writing WA   | 305           | 156           |
|  | <b>11,320</b> | <b>9,859</b>  |

The organisations listed above are not subject to operational control by the department.

## 9.8 Special purpose accounts

### Sunset Heritage Trust Account (a)

The purpose of the account is to hold funds received from the Department of Finance to operate the Sunset Heritage Properties.

|                                     | 2019<br>\$000 | 2018<br>\$000 |
|-------------------------------------|---------------|---------------|
| Balance at start of period          | 1,915         | -             |
| Transfer from Department of Finance | -             | 1,949         |
| Payments                            | (684)         | (34)          |
| <b>Balance at end of period</b>     | <b>1,231</b>  | <b>1,915</b>  |

### Indian Ocean Territories Reimbursement Trust Fund (b)

The Indian Ocean Territories Reimbursement Trust Fund was established in March 1996 and became operational in July 1996. The purpose of the account is to hold funds received from the Commonwealth, for services provided by the department in relation to the regulation of liquor operations on Christmas and Cocos Islands. The balance of the trust fund at the end of the financial year is held in the department's operating account. The figures presented below for the Trust Fund have been prepared on a cash basis.

|                                 | 2019<br>\$000 | 2018<br>\$000 |
|---------------------------------|---------------|---------------|
| Balance at start of period      | -             | -             |
| Receipts                        | 80            | 86            |
| Payments                        | (80)          | (86)          |
| <b>Balance at end of period</b> | <b>-</b>      | <b>-</b>      |

### Community Sporting and Recreation Facilities Fund (a)

The purpose of the account is to hold monies appropriated for the purpose of making grants for the development of public sporting and recreation facilities, and for the management and administration of those grants.

|  | 2019<br>\$000 | 2018<br>\$000 |
|--|---------------|---------------|
| Balance at start of period                                 | 3,549         | -             |
| Transferred from Former Department of Sport and Recreation | -             | 81            |
| Receipts   | 12,031        | 15,138        |
| Payments   | (13,739)      | (11,670)      |
| <b>Balance at end of period</b>                            | <b>1,841</b>  | <b>3,549</b>  |

## Logue Brook Trust Fund (b)

The purpose of the LBTF account is to hold monies appropriated for the purpose of funding the identification and re-establishment of recreation amenities, where practical, within the localities of nearby dams and inland water bodies following cessation of recreational access to Logue Brook. The money was received from Water Corporation in the 2007-2008 financial year and after a change in government policy was repaid to Water Corporation in 2008-2009. The balance of the account reflects interest earned on the amount.

|  | <b>2019</b>  | <b>2018</b>  |
|--|--------------|--------------|
|  | <b>\$000</b> | <b>\$000</b> |
| Balance at start of period                                 | 50           | -            |
| Transferred from Former Department of Sport and Recreation | -            | 59           |
| Receipts   | 1            | 1            |
| Payments   | (9)          | (10)         |
| <b>Balance at end of period</b>                            | <b>42</b>    | <b>50</b>    |

## Off-Road Vehicles Fund (a)

The purpose of the account is to hold funds collected for the registration of vehicles under the Control of Vehicles (Off-road areas) Act and to provide funds to meet the expenses of department in connection with administration of the Act pursuant to section 43(2) of the Act.

|                                 | <b>2019</b>  | <b>2018</b>  |
|---------------------------------|--------------|--------------|
|                                 | <b>\$000</b> | <b>\$000</b> |
| Balance at start of period      | 532          | 475          |
| Receipts                        | 101          | 57           |
| Payments                        | (34)         | -            |
| <b>Balance at end of period</b> | <b>599</b>   | <b>532</b>   |

(a) Established under section 16(1)(b) of FMA.

(b) Established under section 16(1)(d) of FMA.

## 9.9 Remuneration of auditors

Remuneration paid or payable to the Auditor General in respect of the audit for the current financial year is as follows:

|  | <b>2019</b>  | <b>2018</b>  |
|--|--------------|--------------|
|  | <b>\$000</b> | <b>\$000</b> |
| Auditing the accounts, financial statements controls, and key performance indicators | 395          | 375          |
|  | <b>395</b>   | <b>375</b>   |

## 9.10 Equity

|   | 2019<br>\$000  | 2018<br>\$000    |
|---|----------------|------------------|
| <b><u>Contributed equity</u></b>                              |                |                  |
| Balance at start of period                                    | 503,163        | -                |
| <i>Contributions by owners</i>                                |                |                  |
| Capital appropriation   | 115,277        | 196,881          |
| <i>Other contributions by owners</i>                          |                |                  |
| Transfer of net assets from other agencies (a)                |                | 925,264          |
| Transfer of Sunset Property from Department of Finance        |                | 14,105           |
| Equity transfers under Perth Stadium arrangement              |                | 3,125            |
| Screenwest Holding Account                                    |                | 34               |
| <b>Total contributions by owners</b>                          | <b>618,440</b> | <b>1,139,409</b> |
| <i>Distributions to owners</i>                                |                |                  |
| Transfer of net assets to other agencies:                     |                |                  |
| Transfer Perth Stadium to Venues West and Burswood Park Board | -              | 635,356          |
| Transfer to Perth Theatre Trust                               | 1,291          | 890              |
| <b>Total distributions to owners</b>                          | <b>1,291</b>   | <b>636,246</b>   |
| <b>Balance at end of period</b>                               | <b>617,149</b> | <b>503,163</b>   |
| <b><u>Accumulated surplus/(deficit)</u></b>                   |                |                  |
| Balance at start of period                                    | 8,222          | -                |
| Changes in accounting policy (AASB 9)                         | (8)            | -                |
| Result for the period   | (1,717)        | 8,222            |
| <b>Balance at end of period</b>                               | <b>6,497</b>   | <b>8,222</b>     |
| <b>Total Equity at end of period</b>                          | <b>623,646</b> | <b>511,385</b>   |

## 9.11 Supplementary financial information

### (a) Write-offs

During the financial year, \$0 (2018: \$578,000) was written off the Agency's asset register under the authority of:

|                           | 2019<br>\$000 | 2018<br>\$000 |
|---------------------------|---------------|---------------|
| The accountable authority | -             | 578           |
|                           | <b>-</b>      | <b>578</b>    |

## **9.12 Explanatory statement (Controlled Operations)**

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

- 5% and \$3.89 million for the Statements of Comprehensive Income and Cash Flows, and
- 5% and \$10.76 million for the Statement of Financial Position.



### 9.12.1 Statement of Comprehensive Income Variances

|  | Variance | Estimate<br>2019 | Actual<br>2019 | Actual<br>2018 | Variance<br>between<br>estimate<br>and<br>actual | Variance<br>between<br>actual<br>results for<br>2019 and<br>2018 |
|--|----------|------------------|----------------|----------------|--|--|
|  | Note     | \$000            | \$000          | \$000          | \$000  | \$000  |
| <b>Expenses</b>  |          |                  |                |                |  |  |
| Employee benefits expense                                    | 1, a     | 51,701           | 45,141         | 53,368         | (6,560)  | (8,227)  |
| Supplies and services  |          | 24,891           | 23,545         | 26,158         | (1,346)  | (2,612)  |
| Depreciation and amortisation expense                        |          | 5,491            | 8,930          | 6,624          | 3,439  | 2,306  |
| Finance costs  |          | -                | -              | -              | -  | -  |
| Accommodation expenses                                       |          | 13,475           | 14,229         | 13,590         | 754  | 639  |
| Grants and subsidies   | b        | 100,913          | 101,825        | 91,683         | 912  | 10,142   |
| Cost of sales  |          | 44               | -              | -              | (44)   | -  |
| Loss on disposal of non-current assets                       |          | -                | -              | 1,168          | -  | (1,168)  |
| Revaluation Decrement  | 2, c     | -                | 6,460          | 479            | 6,460  | 5,981  |
| Other expenses   |          | 3,561            | 2,996          | 1,566          | (565)  | 1,429  |
| <b>Total cost of services</b>                                |          | <b>200,076</b>   | <b>203,126</b> | <b>194,636</b> | <b>3,050</b>                                     | <b>8,490</b>   |
| <b>Income</b>  |          |                  |                |                |  |  |
| <b>Revenue</b>   |          |                  |                |                |  |  |
| User charges and fees  | 3        | 15,302           | 11,101         | 11,119         | (4,201)  | (18)   |
| Sponsorship  |          | -                | 163            | 154            | 163  | 9  |
| Sales  |          | -                | -              | -              | -  | -  |
| Commonwealth grants and contributions                        |          | 577              | 397            | 398            | (180)  | (1)  |
| Interest revenue   |          | -                | 2              | 2              | 2  | -  |
| Other revenue  | 3        | 2,617            | 7,558          | 6,608          | 4,941  | 950  |
| <b>Total Revenue</b>   |          | <b>18,496</b>    | <b>19,221</b>  | <b>18,281</b>  | <b>725</b>                                       | <b>940</b>   |
| <b>Gains</b>   |          |                  |                |                |  |  |
| Gain on disposal of non-current assets                       |          | -                | -              | -              | -  | -  |
| Other gains  |          | -                | -              | -              | -  | -  |
| <b>Total Gains</b>   |          | <b>-</b>         | <b>-</b>       | <b>-</b>       | <b>-</b>   | <b>-</b>   |
| <b>Total income other than income from State Government</b>  |          | <b>-</b>         | <b>-</b>       | <b>-</b>       | <b>-</b>   | <b>-</b>   |
| <b>NET COST OF SERVICES</b>                                  |          | <b>181,580</b>   | <b>183,905</b> | <b>176,355</b> | <b>2,325</b>                                     | <b>7,550</b>   |
| <b>Income from State Government</b>                          |          |                  |                |                |  |  |
| Service appropriation  |          | 161,434          | 163,481        | 162,721        | 2,047  | 760  |
| Liabilities assumed  |          | -                | -              | -              | -  | -  |
| Assets transferred   |          | -                | -              | -              | -  | -  |
| Services received free of charge                             |          | 1,306            | 919            | 1,514          | (387)  | (596)  |
| Royalties for Regions Fund                                   |          | 16,981           | 13,173         | 13,407         | (3,808)  | (234)  |
| Grants and subsidies from State Government                   | 4        | 357              | 4,615          | 6,935          | 4,258  | (2,319)  |
| <b>Total income from State Government</b>                    |          | <b>180,078</b>   | <b>182,188</b> | <b>184,577</b> | <b>2,110</b>                                     | <b>(2,389)</b>   |
| <b>SURPLUS/(DEFICIT) FOR THE PERIOD</b>                      |          | <b>(1,502)</b>   | <b>(1,717)</b> | <b>8,222</b>   | <b>(215)</b>                                     | <b>(9,939)</b>   |
| <b>OTHER COMPREHENSIVE INCOME</b>                            |          |                  |                |                |  |  |
| <b>Items not reclassified subsequently to profit or loss</b> |          |                  |                |                |  |  |
| Changes in asset revaluation surplus                         |          | -                | -              | -              | -  | -  |
| <b>Total other comprehensive income</b>                      |          | <b>-</b>         | <b>-</b>       | <b>-</b>       | <b>-</b>   | <b>-</b>   |
| <b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>             |          | <b>(1,502)</b>   | <b>(1,717)</b> | <b>8,222</b>   | <b>(215)</b>                                     | <b>(9,939)</b>   |

## **Major Estimate and Actual (2019) Variance Narratives**

- 1) Employee benefits expense underspent by \$6.56m (15%) as the estimate was based on all position being filled. Due to the organisation restructure following machinery of government changes, positions remained vacant throughout the year.
- 2) Revaluation decrement overspent by \$6.46m as the department does not budget for this expense.
- 3) User charges and fees revenue under estimate by \$4.2m (38%) and Other revenue is over budget by \$4.94m (65%). This is mainly due to a change of categorisation between user charges and fees and other revenue compared to budget.
- 4) Grants and subsidies from State Government \$4.26m (92%) over budget due to funding received from other agencies for specific projects.

## **Major Actual (2019) and Comparative (2018) Variance Narratives**

- a) Employee benefits expense reduced by \$8.23m (15%) due to a decrease in FTE compared to prior year and termination payments in prior year.
- b) Grants and subsidies increased by \$10.14m (11%) in 2018-2019 due to the adoption of grant accounting policy to ensure consistency on the formation of the department in prior year.
- c) Revaluation decrement increased by \$5.98m (1249%) due to a further reduction in the value of land and buildings.

## 9.12.2 Statement of Financial Position Variances

|  | Variance | Estimate<br>2019 | Actual<br>2019 | Actual<br>2018 | Variance<br>between<br>estimate<br>and<br>actual | Variance<br>between<br>actual<br>results for<br>2019 and<br>2018 |
|--|----------|------------------|----------------|----------------|--|--|
|  | Note     | \$000            | \$000          | \$000          | \$000  | \$000  |
| <b>ASSETS</b>                                  |          |                  |                |                |  |  |
| <b>Current Assets</b>                          |          |                  |                |                |  |  |
| Cash and cash equivalents                      | 5        | 21,979           | 62,663         | 67,470         | 40,684   | (4,807)  |
| Restricted cash and cash equivalents           |          | 2,862            | 9,315          | 9,738          | 6,453  | (423)  |
| Inventories                                    |          | 31               | -              | -              | (31)   | -  |
| Receivables                                    |          | 4,146            | 8,365          | 5,367          | 4,219  | 2,998  |
| Amounts receivable for services                |          | 1,698            | 160            | 789            | (1,538)  | (629)  |
| Other current assets                           |          | 1,244            | 2,644          | 1,654          | 1,400  | 990  |
| Non-current assets classified as held for sale |          | -                | -              | -              | -  | -  |
| <b>Total Current Assets</b>                    |          | <b>31,960</b>    | <b>83,147</b>  | <b>85,018</b>  | <b>51,187</b>                                    | <b>(1,871)</b>   |
| <b>Non-Current Assets</b>                      |          |                  |                |                |  |  |
| Restricted cash and cash equivalents           |          | 478              | 592            | 385            | 114  | 206  |
| Inventories                                    |          | -                | -              | -              | -  | -  |
| Receivables                                    |          | -                | -              | -              | -  | -  |
| Amounts receivable for services                |          | 27,121           | 29,157         | 23,215         | 2,036  | 5,942  |
| Infrastructure, property, plant and equipment  | 6, d     | 618,425          | 532,619        | 422,162        | (85,806)   | 110,457  |
| Intangible assets                              |          | 7,070            | 3,807          | 7,277          | (3,263)  | (3,470)  |
| Other non-current assets                       |          | 5                | 68             | 75             | 63   | (7)  |
| <b>Total Non-Current Assets</b>                |          | <b>653,099</b>   | <b>566,243</b> | <b>453,114</b> | <b>(86,856)</b>                                  | <b>113,129</b>   |
| <b>TOTAL ASSETS</b>                            |          | <b>685,059</b>   | <b>649,390</b> | <b>538,132</b> | <b>(35,669)</b>                                  | <b>111,258</b>   |
| <b>LIABILITIES</b>                             |          |                  |                |                |  |  |
| <b>Current Liabilities</b>                     |          |                  |                |                |  |  |
| Payables                                       |          | 25,112           | 14,772         | 15,146         | (10,340)   | (374)  |
| Borrowings                                     |          | -                | -              | -              | -  | -  |
| Amounts due to the Treasurer                   |          | -                | -              | -              | -  | -  |
| Provisions                                     |          | 9,464            | 7,763          | 8,583          | (1,701)  | (820)  |
| Other current liabilities                      |          | 2,202            | 1,006          | 976            | (1,196)  | 30   |
| <b>Total Current Liabilities</b>               |          | <b>36,778</b>    | <b>23,541</b>  | <b>24,705</b>  | <b>(13,237)</b>                                  | <b>(1,164)</b>   |
| <b>Non-Current Liabilities</b>                 |          |                  |                |                |  |  |
| Payables                                       |          | -                | -              | -              | -  | -  |
| Borrowings                                     |          | -                | -              | -              | -  | -  |
| Provisions                                     |          | 2,517            | 2,203          | 2,042          | (314)  | 160  |
| Other non-current liabilities                  |          | -                | -              | -              | -  | -  |
| <b>Total Non-Current Liabilities</b>           |          | <b>2,517</b>     | <b>2,203</b>   | <b>2,042</b>   | <b>(314)</b>                                     | <b>160</b>   |
| <b>TOTAL LIABILITIES</b>                       |          | <b>39,295</b>    | <b>25,744</b>  | <b>26,747</b>  | <b>(13,551)</b>                                  | <b>(1,004)</b>   |
| <b>NET ASSETS</b>                              |          | <b>645,764</b>   | <b>623,646</b> | <b>511,385</b> | <b>(22,118)</b>                                  | <b>112,261</b>   |
| <b>EQUITY</b>                                  |          |                  |                |                |  |  |
| Contributed equity                             | e        | 614,359          | 617,149        | 503,163        | 2,790  | 113,986  |
| Reserves                                       | 7        | 44,261           | -              | -              | (44,261)   | -  |
| Accumulated surplus/(deficit)                  | 7        | (12,856)         | 6,497          | 8,222          | 19,353   | (1,725)  |
| <b>TOTAL EQUITY</b>                            |          | <b>645,764</b>   | <b>623,646</b> | <b>511,385</b> | <b>(22,118)</b>                                  | <b>112,261</b>   |

### **Major Estimate and Actual (2019) Variance Narratives**

- 5) Cash and Cash Equivalents is \$40.68m (65%) higher than estimated due to a significantly higher balance brought forward from 2017-18.
- 6) Infrastructure, Property, Plant and Equipment \$85.81m (16%) lower than estimated due to delays of project expenditure on the new museum.
- 7) Reserves are lower than estimated by \$44.26m (100%) and accumulated surplus/(deficit) is \$19.35m (298%) higher than estimate due to machinery of government changes. Following the merger of the former departments all of the former entities reserves & accumulated surplus/(deficit) was transferred to contributed equity in the new department.

### **Major Actual (2019) and Comparative (2018) Variance Narratives**

- d) Infrastructure, Property, Plant and Equipment has increased by \$110.46m (26%) due capital works for the new state museum project.
- e) Contributed Equity has increased by \$113.99m (23%) due to capital appropriation for New Museum project.

### 9.12.3 Statement of Cash Flows Variances

|   | Variance | Estimates<br>2019 | Actual<br>2019   | Actual<br>2018   | Variance<br>between<br>estimate<br>and<br>actual | Variance<br>between<br>actual<br>results for<br>2019 and<br>2018 |
|---|----------|-------------------|------------------|------------------|--|--|
|   | Note     | \$000             | \$000            | \$000            | \$000  | \$000  |
| <b>CASH FLOWS FROM STATE GOVERNMENT</b>                     |          |                   |                  |                  |  |  |
| Service appropriation                                       |          | 154,014           | 158,294          | 159,212          | 4,280  | (918)  |
| Capital appropriations                                      | 8, f     | 155,834           | 115,232          | 198,393          | (40,602)   | (83,161)   |
| Holding account drawdown                                    |          | 789               | 255              | 1,366            | (534)  | (1,111)  |
| State Grants & Subsidies                                    |          | 447               | 4,615            | 347              | 4,168  | 4,268  |
| Receipts from general government agencies                   | g        | -                 | -                | 7,817            | -  | (7,817)  |
| Royalties for Regions Fund                                  |          | 16,981            | 13,173           | 13,407           | (3,808)  | (234)  |
| <b>Net cash provided by State Government</b>                |          | <b>328,065</b>    | <b>291,569</b>   | <b>380,542</b>   | <b>(36,496)</b>                                  | <b>(88,973)</b>  |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                 |          |                   |                  |                  |  |  |
| <u>Payments</u>   |          |                   |                  |                  |  |  |
| Employee benefits   | 9, h     | (52,253)          | (47,682)         | (54,114)         | 4,571  | 6,431  |
| Supplies and services                                       |          | (21,099)          | (24,947)         | (24,077)         | (3,848)  | (870)  |
| Accommodation   |          | (15,535)          | (12,452)         | (12,955)         | 3,083  | 503  |
| Grants and subsidies  |          | (100,913)         | (102,022)        | (106,075)        | (1,109)  | 4,053  |
| GST payments on purchases                                   | i        | (22,166)          | (24,222)         | (30,166)         | (2,056)  | 5,944  |
| GST payments to taxation authority                          |          | (275)             | -                | -                | 275  | -  |
| Other payments  | 10       | (6,740)           | (2,414)          | (1,455)          | 4,326  | (959)  |
| <u>Receipts</u>   |          |                   |                  |                  |  |  |
| User charges and fees                                       | 11       | 15,340            | 11,183           | 11,347           | (4,157)  | (164)  |
| Commonwealth grants and contributions                       |          | 487               | 433              | 275              | (54)   | 158  |
| Interest received   |          | -                 | 2                | 1                | 2  | 2  |
| GST receipts on sales                                       |          | 163               | 1,386            | 1,566            | 1,223  | (180)  |
| GST receipts from taxation authority                        | j        | 22,198            | 20,557           | 29,904           | (1,641)  | (9,348)  |
| Other receipts  | 11       | 2,579             | 6,829            | 6,605            | 4,250  | 224  |
| <b>Net cash provided by/(used in) operating activities</b>  |          | <b>(178,214)</b>  | <b>(173,350)</b> | <b>(179,145)</b> | <b>4,864</b>                                     | <b>5,795</b>   |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                 |          |                   |                  |                  |  |  |
| <u>Payments</u>   |          |                   |                  |                  |  |  |
| Purchase of non-current assets                              | 12       | (154,754)         | (123,242)        | (122,754)        | 31,512   | (488)  |
| Other Payments for Perth Stadium                            | k        | -                 | -                | (61,068)         | -  | 61,068   |
| <u>Receipts</u>   |          |                   |                  |                  |  |  |
| Proceeds from sale of non-current assets                    |          | -                 | -                | -                | -  | -  |
| Capital Contribution  | l        | -                 | -                | 60,018           | -  | (60,018)   |
| <b>Net cash provided by/ (used in) investing activities</b> |          | <b>(154,754)</b>  | <b>(123,242)</b> | <b>(123,804)</b> | <b>31,512</b>                                    | <b>562</b>   |
| Net increase/(decrease) in cash and cash equivalents        |          | (4,903)           | (5,023)          | 77,593           | (120)  | (82,617)   |
| Cash and cash equivalents at the beginning of the period    |          | 30,222            | 77,593           | -                | 47,371   | 77,593   |
| <b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>   |          | <b>25,319</b>     | <b>72,570</b>    | <b>77,593</b>    | <b>47,251</b>                                    | <b>(5,023)</b>   |

## **Major Estimate and Actual (2019) Variance Narratives**

- 8) Capital appropriations \$40.6m (35%) lower than estimate due to drawdown reflow to align with project schedule delay.
- 9) Employee benefits expense underspent by \$4.57m (10%) as the estimate was based on all positions being filled. Due to the organisation restructure following machinery of government changes positions remained vacant throughout the year.
- 10) Other payments are \$4.33m (179%) lower than estimate as actuals were categorised as Supplies & Services rather than Other Payments.
- 11) User charges & fees are \$4.16m (37%) lower than estimated and Other receipts are \$4.25m higher than estimate due to categorisation of receipts between these accounts differing between actuals and estimate.
- 12) Purchase of non-current assets is \$31.51m (26%) lower than estimate due to delays in the project schedule.

## **Major Actual (2019) and Comparative (2018) Variance Narratives**

- f) Capital appropriations \$83.16m (42%) lower due to project delays and carry over of funds from 2017-18.
- g) Receipts from general government agencies only applicable to 2017-18 as it mainly relates to funds received in relation to the Perth Stadium project.
- h) Employee benefits expense reduced by \$6.431m (12%) due to decrease in FTE compared to prior year and termination payments in prior year.
- i) GST payments on purchases \$5.94m (20%) lower due to less capital expenditure.
- j) GST receipts from taxation authority \$9.35m (31%) lower due to less capital expenditure and timing differences.
- k) Other Payments for Perth Stadium \$61.07m lower as the stadium was substantially complete in 2017-18.
- l) Capital contribution \$60.02m lower as this was the cash bought into the new department under the Machinery of Government changes in prior year.

## 10. Administered disclosures (Departments only)

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

|   | Note |
|---|------|
| Disclosure of administered income and expenses by service | 10.1 |
| Explanatory statement for administered items              | 10.2 |
| Administered assets and liabilities                       | 10.3 |

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

|   | Compliance Audits<br>and Inspections |                | Building<br>Capacity and<br>Participation |            | Total          |                |
|---|--------------------------------------|----------------|---|------------|----------------|----------------|
|   | 2019                                 | 2018           | 2019                                      | 2018       | 2019           | 2018           |
|   | \$000                                | \$000          | \$000                                     | \$000      | \$000          | \$000          |
| <b>INCOME FROM ADMINISTERED ITEMS</b>                     |                                      |                |   |            |                |                |
| <u>Income</u>   |                                      |                |   |            |                |                |
| For transfer:   |                                      |                |   |            |                |                |
| Appropriation   | 45,826                               | 49,636         | 848                                       | 839        | 46,674         | 50,475         |
| Taxation - Casino Tax                                     | 59,388                               | 60,963         | -   | -          | 59,388         | 60,963         |
| <b>Total administered income</b>                          | <b>105,214</b>                       | <b>110,599</b> | <b>848</b>                                | <b>839</b> | <b>106,062</b> | <b>111,438</b> |
| <u>Expenses</u>   |                                      |                |   |            |                |                |
| Supplies and services                                     |                                      |                |   |            |                |                |
| Grants to Combat Sports Commission                        | -                                    |                | 848                                       | 750        | 848            | 750            |
| Grants to Charitable and Other Public Bodies              |                                      |                |   |            | -              | -              |
| Grants to Individuals Problem Gambling                    | 500                                  | 500            | -   | -          | 500            | 500            |
| Statutory Authorities                                     |                                      |                |   |            | -              | -              |
| Grants to Racing and Wagering Western Australia           | 9,195                                | 14,888         | -   | -          | 9,195          | 14,888         |
| Subsidies and Concessions                                 |                                      |                |   |            | -              | -              |
| Subsidies to gambling and betting agencies and bookmakers | 36,130                               | 34,248         | -   | -          | 36,130         | 34,248         |
| Transfer payments (a)                                     | 59,649                               | 60,041         | -   | -          | 59,649         | 60,041         |
| <b>Total administered expenses</b>                        | <b>105,474</b>                       | <b>109,677</b> | <b>848</b>                                | <b>750</b> | <b>106,322</b> | <b>110,427</b> |

(a) Transfer payments represent the transfer of non-retainable regulatory fees to the Consolidated Account.

## 10.2. Explanatory statement for administered income and expense

All variances between estimates (original budget) and actual results for 2019 and between the actual for 2019 and 2018 are shown below. Narratives are provided for key major variances, which are generally greater than 5% and \$2,126k.

|   | Variance note | Estimate<br>2019<br>(\$000) | Actual<br>2019<br>(\$000) | Actual<br>2018<br>(\$000) | Variance<br>between<br>estimate and<br>actual<br>(\$000) | Variance<br>between<br>actual<br>results for<br>2019 and<br>2018<br>(\$000) |
|---|---------------|-----------------------------|---------------------------|---------------------------|--|---|
| <b>INCOME FROM ADMINISTERED ITEMS</b>                     |               |                             |                           |                           |  |   |
| <u>Income</u>   |               |                             |                           |                           |  |   |
| For transfer:   |               |                             |                           |                           |  |   |
| Appropriation   | 1, a          | 56,152                      | 46,674                    | 50,475                    | (9,478)  | (3,801)   |
| Taxation - Casino Tax                                     | 2             | 71,000                      | 59,388                    | 60,963                    | (11,612)   | (1,575)   |
| <b>Total administered income</b>                          |               | <b>127,152</b>              | <b>106,062</b>            | <b>111,438</b>            | <b>(21,090)</b>  | <b>(5,376)</b>  |
| <u>Expenses</u>   |               |                             |                           |                           |  |   |
| Supplies and services                                     |               |                             |                           |                           |  |   |
| Grants to Combat Sports Commission                        |               | 848                         | 848                       | 750                       | -  | 98  |
| Grants to Charitable and Other Public Bodies              |               |                             |                           |                           |  |   |
| Grants to Individuals Problem Gambling                    |               | 500                         | 500                       | 500                       | -  | -   |
| Statutory Authorities                                     |               |                             |                           |                           |  |   |
| Grants to Racing and Wagering Western Australia           | 3, b          | 17,754                      | 9,195                     | 14,888                    | 8,559  | (5,693)   |
| Subsidies and Concessions                                 |               |                             |                           |                           |  |   |
| Subsidies to gambling and betting agencies and bookmakers |               | 37,050                      | 36,131                    | 34,248                    | 919  | 1,883   |
| Other   |               |                             |                           |                           |  |   |
| Receipts paid into Consolidated Fund Settlement           | 4             | 71,000                      | 59,649                    | 60,041                    | 11,351   | (392)   |
| <b>Total Administered expenses</b>                        |               | <b>127,152</b>              | <b>106,323</b>            | <b>110,427</b>            | <b>20,829</b>  | <b>(4,104)</b>  |

### Major estimate and actual (2019) variance narratives

- 1) The variance of \$9.478 million (20%) in 'Appropriation' is mainly due to Point of Consumption Tax (PoC) introduction and subsequent cancellation of appropriation to RWWA for GST Gambling Tax Rebates and VIP Concession Tax (December 2018).
- 2) The variance of \$11.612 million (20%) in 'Taxation - Casino Tax' is mainly due to lower Crown Perth Casino payments for the year.
- 3) The variance of \$8.559 million (93%) in 'Grants to Racing and Wagering Western Australia', is mainly due to the introduction of Point of Consumption Tax (PoC) and subsequent cancellation of appropriation to RWWA for GST Gambling Tax Rebates and VIP Concession Tax (December 2018).
- 4) The variance of \$11.351 million (19%) in 'Receipts paid into Consolidated Fund Settlement' is mainly due to lower Crown Perth Casino payments for the year.
- a) The variance of \$3.801 million (8%) in 'Appropriation' is mainly due to Point of Consumption Tax (PoC) introduction and subsequent lower payments to RWWA for GST Gambling Tax Rebates and VIP Concession Tax.



- b) The variance of \$5.693 million (38%) in 'Grants to Racing and Wagering Western Australia', is mainly due to the introduction of Point of Consumption Tax (PoC) and subsequent lower payments to RWWA for GST Gambling Tax Rebates and VIP Concession Tax.

### 10.3 Administered assets and liabilities

|   | 2019<br>\$000     | 2018<br>\$000     |
|---|-------------------|-------------------|
| <u>Current assets</u>                         |                   |                   |
| Cash and cash equivalents                     | -                 | 89                |
| Receivables                                   | 12,529            | 12,790            |
| Other items as required                       |                   |                   |
| <b>Total administered current assets</b>      | <b>12,529</b>     | <b>12,879</b>     |
| <br><b>TOTAL ADMINISTERED ASSETS</b>          | <br><b>12,529</b> | <br><b>12,879</b> |
| <u>Current liabilities</u>                    |                   |                   |
| Payables                                      | -                 | 89                |
| Other items as required                       | 1,120             | 1,120             |
| <b>Total administered current liabilities</b> | <b>1,120</b>      | <b>1,209</b>      |
| <br><b>TOTAL ADMINISTERED LIABILITIES</b>     | <br><b>1,120</b>  | <br><b>1,209</b>  |

### 11.1 Indian Ocean Territories

The department and the Commonwealth Government have entered into Service Delivery Arrangements for the provision of services to the Indian Ocean Territories (Christmas and Cocos [Keeling] Islands). The receipts and payments are as below:

|                                       | 2019<br>\$000 | 2018<br>\$000 |
|---------------------------------------|---------------|---------------|
| Balance at start of period            | 178           | 357           |
| Receipts                              | 307           | 307           |
| Payments                              | (401)         | (486)         |
| <b>Balance at the end of the year</b> | <b>84</b>     | <b>178</b>    |

*The balance includes the Special Purpose Account disclosed under note 9.8.*

## 11.2 Royalties for Regions

The Department of Local Government, Sport and Cultural Industries and the State Government have entered into Service Delivery Arrangements for the provision of services funded by Department of Regional Development. The receipts and payments are as below:

|                                       | <b>2019</b>  | <b>2018</b>  |
|---------------------------------------|--------------|--------------|
|                                       | <b>\$000</b> | <b>\$000</b> |
| Balance at start of period            | 1,536        | 3,077        |
| Receipts                              | 15,098       | 13,082       |
| Payments                              | (16,014)     | (14,623)     |
| <b>Balance at the end of the year</b> | <b>620</b>   | <b>1,536</b> |

## 12.1 Services Provided Free of Charge

During the period the following services were provided to other agencies free of charge for functions outside the normal operations of the department:

|   | <b>2019</b>  | <b>2018</b>  |
|---|--------------|--------------|
|   | <b>\$000</b> | <b>\$000</b> |
| Department of Community Services        | -            | 39           |
| Department of Premier and Cabinet       | -            | 17           |
| Department of Planning, Land & Heritage | -            | 32           |
| Equal Opportunity Commission            | -            | 29           |
| ScreenWest Inc.                         | -            | 62           |
| ScreenWest Ltd.                         | 16           | 964          |
|   | <b>16</b>    | <b>1,143</b> |



# **Significant issues and trends**

## Managing digital risk and expectations

The department has established an ICT Security Compliance Plan to ensure systems are kept up to date, to review the ongoing effectiveness of the ICT security function, and to ensure department staff are security conscious. There is an ongoing need to provide services through modern digital channels. The department has developed a Digital Transformation Strategy to ensure its digital strategic direction aligns with community expectations.

## Liquor Control Legislative reform

The department is developing a number of regulations to support amendments made to the *Liquor Control Act 1988* in 2018.

New regulations are being developed to minimise the adverse impact that packaged liquor outlets can have on the community by limiting the ability for applicants to obtain a liquor licence where sufficient large packaged liquor outlets already exist.

Further regulations will be introduced to assist police to eliminate 'sly-grogging' from communities at greatest risk by allowing them to immediately dispose of any liquor exceeding a prescribed limit, within prescribed areas in the State. In addition, regulations will be developed around the delivery of liquor with the aim of reducing the likelihood of liquor being delivered to juveniles.

The department is also working on the development of a legislative framework to regulate the operation of the WA TAB, should it be divested from Racing and Wagering Western Australia.

## Local government complaints and investigations

The Local Government Standards Panel (the Standards Panel) established in 2007 provides for a complaints system where minor alleged misconduct by council members can be reviewed. It deals with complaints about council members who it is alleged have committed a breach of one or more of the provisions of the *Local Government (Rules of Conduct) Regulations 2007*. Administration and support services for the Standards Panel are provided by the department. In 2018-2019, the Standards Panel received 147 new minor breach complaints compared to 82 in 2017-2018, which represents an 80% increase and follows the trend of a continuing rise in the number of complaints referred to the Standards Panel as a result of growing dysfunction at council level.

Recent amendments to the *Local Government Act 1995* make it compulsory for all candidates nominating in a local government election to complete the department's online induction and training course. It is hoped these initiatives will provide council members with the skills and knowledge to perform their roles as leaders in their district and see a resulting decrease in dysfunction at council level.

The department acknowledges that the Standards Panel is working towards a complaints system for local government that is more responsive and reflective of the contemporary challenges that impact good governance and effective council decision making.

In addition to the ongoing authorised inquiries the department has been undertaking, a significant number of serious breach complaints have been investigated over the year. These investigations have highlighted the areas where the sector requires more support and has identified increased dysfunction at council level. Further capacity building is required to ensure local governments are responding to local needs.

The department completes investigations in a comprehensive, efficient, unbiased, legally compliant and effective way. The sole facts relevant to the offence are established through the collection of evidence. The department is committed to conducting investigations in line with the principles of natural justice and procedural fairness, giving local governments and individuals a right of reply for allegations made against them. The outcome of investigations often includes an education component to develop broader understanding of roles and responsibilities.

## City of Perth – Panel Inquiry

The department has continued to provide support to the Panel of Inquiry to ensure key milestones are met.

The Panel of Inquiry has been extended until 20 January 2020.

On 21 November 2018, the Inquiry commenced its hearings and the Council Assisting, by way of opening submissions, opened the Inquiry to the public. The purpose of the opening was to ensure that members of the public are properly informed about the nature and extent of the Inquiry, its functions, progress to date and some of its likely directions. More than two million items of evidence have been obtained through a range of sources including voluntary interviews and/or using the powers available to the Inquiry including the power to compel the production of documents and/or statements of information. This has yielded multiple lines of inquiry and a significant number of issues requiring further investigation, many of which are serious, systemic and inter-connected and will require public exposure and consideration.

## Weight cutting

A review of practices relating to weight cutting has been undertaken by the Combat Sports Commission. The review made a number of recommendations relating to the safety and welfare of contestants when preparing for, and participating in, a contest. The Commission has commenced the process of implementing its dehydration and weight cutting strategy and anticipates this to be fully achieved during 2019-2020.

## Royal Commission into Institutional Responses to Child Abuse – Recommendations

Western Australia adopted a coordinated and collaborative, cross-agency approach to progress the implementation of recommendations from the Royal Commission into Institutional Responses to Child Sexual Abuse. The department is proactively working with peak industry bodies across its sectors to consult and advise on the potential impacts of proposed child safeguarding reforms. The challenge for the department is to ensure that community organisations are supported to provide child safe environments and a balance is achieved between capacity building and appropriately applied regulation.

### Funding for culture and arts

In 2018-2019 significant work was undertaken on developing a Cultural Infrastructure Strategy. The absence of a cultural infrastructure fund to meet unmet demand for infrastructure improvements has been consistently highlighted as an issue across Western Australia. Further, funding requests to culture and arts project grant programs are continually oversubscribed.

### Funding for community sporting and recreation facilities

A 2016 evaluation of the \$12 million per annum Community Sporting and Recreation Facilities Fund found that a considerable increase in funding is required in order to maintain participation levels, and to fully meet the demand for the development of new facilities and redevelopment of existing facilities.

# Disclosures and compliance



## Pricing policies

When analysing its fees and charges, the department considers the Department of Treasury's recommendation that agencies should achieve full cost recovery where possible. When a fee was charged it was reviewed annually under Treasurer's Instruction 810 and the fee set in accordance with the Costing and Pricing Government Services Guidelines published by the Department of Treasury, unless prescribed by legislation.

## Major capital projects

### His Majesty's Theatre refurbishment

The department continued project delivery of the \$6.5 million refurbishment of His Majesty's Theatre to maintain the world-class venue for opera, dance and theatre. During 2018-2019, an orchestra pit lift to improve occupational health and safety was installed; replacing the previous pit, which needed to be opened and closed manually. The new lift enables the floor to be automatically moved between the pit and auditorium levels.

During 2018-2019, planning for the second stage of the refurbishment commenced, which will see improvements to His Majesty's Theatre's public areas; providing more hospitality opportunities and upgrades of the foyer areas. The upgrades will assist in conserving the Theatre's cultural significance, and enhancing the conservation and preservation of the iconic building in the Perth central business district.

### Elevate

The department is progressing this election commitment and working with the Art Gallery of Western Australia to develop a business case that provides the proposed design and cost of the \$10 million redevelopment of the Art Gallery rooftop as a regular cultural and commercial venue.

### New museum project

The department is working closely with the Western Australian Museum and the Department of Finance to deliver the \$400 million new museum project.

Developed in the heart of the Perth Cultural Centre, the new museum will share the stories of our people and place; acting as a gateway to explore all of Western Australia. It will reflect the extraordinary history, distinctiveness, creativity and diversity of our State and region.

## Unauthorised use of credit cards

A number of DLGSC officers hold corporate cards where their functions warrant usage of this facility, and card holders are reminded of their obligations under the credit card policy.



In 2018-2019 there were two recorded uses of credit cards for non-work-related purchases totalling \$139.35. Both incidents were the result of inadvertent error on the part of the employee concerned and were reported promptly to the Chief Finance Officer for rectification. Disciplinary action was not taken on either of the occasions due to the circumstances, minor expenditure value, and prompt settlement of the personal use amounts by the officers concerned.

## Industrial relations

All staff are employed under the *Public Sector Management Act 1994* and their employment conditions are those outlined in the *Public Service Award 1992*, and the *Public Service and Government Officers General Agreement 2017*.

## Workers' compensation

In 2018-2019 there were 11 claims as at 30 June 2019. Of the 11 claims, nine claims recorded greater than one day of total time lost, estimated at 482 days. Of the nine claims, three were related to estimated lost time greater than 60 days each.

One additional lost time claim of 65 days was approved post 30 June 2018, where the date of injury in the claim was in 2017-2018.

## Government builder contracts

In accordance with the provisions of the Premier's Circular 2015-02 – Government Building Training Policy, the department did not directly issue any in-scope contracts or maintenance contracts with a \$2 million plus labour component, and as such is not required to report against this policy.

The department notes that the new museum project, which is being delivered by the Department of Finance, reported a peak workforce of 298 workers on-site. The majority of this workforce was West Australian. In addition, 60 local apprentices were engaged by the head contractor and its sub-contractors.

## Ministerial directives

No ministerial directives were received during 2018-2019.

# TI945 Budget Estimates

## Statement of Comprehensive Income for period ending 30 June 2020

|  | <b>Estimate<br/>\$000</b> |
|--|---------------------------|
| <b>COST OF SERVICES</b>                      |                           |
| <b>Expenses</b>                              |                           |
| Employee benefits                            | 50,923                    |
| Supplies and services                        | 17,737                    |
| Depreciation and amortisation expense        | 9,557                     |
| Accommodation                                | 5,390                     |
| Grants and subsidies                         | 103,251                   |
| Cost of sales                                | 311                       |
| Finance and interest costs                   | 813                       |
| Other expenses                               | 5,202                     |
| <b>TOTAL COST OF SERVICES</b>                | <b>193,184</b>            |
| <b>Income</b>                                |                           |
| User charges and fees                        | 16,339                    |
| Sales  | 38                        |
| Commonwealth grants and contributions        | 427                       |
| Other revenue                                | 2,698                     |
| <b>Total Income</b>                          | <b>19,502</b>             |
| <b>NET COST OF SERVICES</b>                  | <b>173,682</b>            |
| <b>INCOME FROM STATE GOVERNMENT</b>          |                           |
| Service appropriation                        | 155,664                   |
| Royalties for Regions Fund                   | 16,350                    |
| Grants and subsidies from State Government   | 313                       |
| Resources received free of charge            | 1,322                     |
| <b>TOTAL INCOME FROM STATE GOVERNMENT</b>    | <b>173,649</b>            |
| <b>SURPLUS / (DEFICIENCY) FOR THE PERIOD</b> | <b>(33)</b>               |

**Statement of Financial Position by Agency  
for period ending 30 June 2020**

|                                      | <b>Estimate<br/>\$'000</b> |
|--------------------------------------|----------------------------|
| <b>ASSETS</b>                        |                            |
| <b>Current Assets</b>                |                            |
| Cash and cash equivalents            | 30,144                     |
| Restricted cash and cash equivalents | 1,844                      |
| Inventories                          | 22                         |
| Receivables                          | 5,328                      |
| Other current assets                 | 1,568                      |
| <b>Total Current Assets</b>          | <b>38,906</b>              |
| <b>Non-Current Assets</b>            |                            |
| Restricted cash and cash equivalents | 779                        |
| Amounts receivable for services      | 39,222                     |
| Property, plant and equipment        | 674,024                    |
| Intangibles                          | 6,307                      |
| Other non current assets             | 7,004                      |
| <b>Total Non-Current Assets</b>      | <b>727,336</b>             |
| <b>TOTAL ASSETS</b>                  | <b>766,242</b>             |
| <b>LIABILITIES</b>                   |                            |
| <b>Current Liabilities</b>           |                            |
| Payables                             | 13,886                     |
| Provisions                           | 9,471                      |
| Other                                | 249                        |
| <b>Total Current Liabilities</b>     | <b>23,606</b>              |
| <b>Non-Current Liabilities</b>       |                            |
| Provisions                           | 2,233                      |
| Borrowings and leases                | 19,509                     |
| Other                                | 27                         |
| <b>Total Non-Current Liabilities</b> | <b>21,769</b>              |
| <b>TOTAL LIABILITIES</b>             | <b>45,375</b>              |
| <b>EQUITY</b>                        |                            |
| Contributed equity                   | 719,472                    |
| Reserves                             | 1,591                      |
| Accumulated surplus/(deficit)        | (3,236)                    |
| <b>TOTAL EQUITY</b>                  | <b>717,827</b>             |
| <b>TOTAL LIABILITIES AND EQUITY</b>  | <b>763,202</b>             |

**Statement of Cash Flows**  
**for period ending 30 June 2020**

|   | <b>Estimate</b>  |
|---|------------------|
|   | <b>\$000</b>     |
| <b>CASH FLOWS FROM STATE GOVERNMENT</b>               |                  |
| Service appropriations                                | 149,979          |
| Capital appropriation                                 | 87,890           |
| Holding account drawdowns                             | 160              |
| State grants and subsidies                            | 313              |
| Royalties for Regions Fund                            | 16,350           |
| <b>Net Cash provided by State Government</b>          | <b>254,692</b>   |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>           |                  |
| <b>Payments</b>                                       |                  |
| Employee benefits                                     | (49,902)         |
| Supplies and services                                 | (16,221)         |
| Accommodation   | (8,604)          |
| Grants and subsidies                                  | (103,251)        |
| GST payments on purchases                             | (18,866)         |
| GST payments to tax authority                         | (58)             |
| Finance and interest costs                            | (813)            |
| Other payments  | (6,796)          |
| <b>Receipts</b>                                       |                  |
| Sale of goods and services                            | 38               |
| User charges and fees                                 | 15,332           |
| Commonwealth grants and contributions                 | 427              |
| GST receipts  | 323              |
| GST receipts from taxation authority                  | 18,954           |
| Other receipts  | 2,191            |
| <b>Net cash from operating activities</b>             | <b>(167,245)</b> |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>           |                  |
| Purchase of non-current assets                        | (85,355)         |
| <b>Net cash from investing activities</b>             | <b>(85,355)</b>  |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>           |                  |
| Repayment of borrowings and leases                    | (3,647)          |
| <b>Net cash from investing activities</b>             | <b>(3,647)</b>   |
| <b>NET INCREASE/(DECREASE) IN CASH HELD</b>           | <b>(1,555)</b>   |
| Cash assets at the beginning of the reporting period  | 34,323           |
| <b>Cash assets at the end of the reporting period</b> | <b>32,768</b>    |

## Governance disclosures

### Board and committee remuneration

#### Local Government Advisory Board

| Position       | Name                    | Type of remuneration                     | Period of membership during reporting period | Gross/actual remuneration 2018/19 financial year |
|----------------|-------------------------|--|--|--|
| Previous Chair | CONGERTON, Melvyn Paul  | \$637 per full day<br>\$414 per half day | 2 months                                     | \$4,294.41                                       |
| Current Chair  | BLAIR, Marion Helena    | \$637 per full day<br>\$414 per half day | 10 months                                    | \$2,898.00                                       |
| Member         | CHAPPEL, Karen Jeanette | \$414 per full day<br>\$269 per half day | 12 months                                    | \$5,089.60                                       |
| Deputy Member  | CORNISH, Michael        | \$414 per full day<br>\$269 per half day | 12 months                                    | \$601.10   |
| Member         | FISHWICK, Russell Grant | \$414 per full day<br>\$269 per half day | 10 months                                    | \$1,630.15                                       |

#### Western Australian Local Government Grants Commission

| Position             | Name                 | Type of remuneration                     | Period of membership during reporting period | Gross/actual remuneration 2018/19 financial year |
|----------------------|----------------------|--|--|--|
| Metropolitan Member  | HAMBLIN, Deborah Ann | \$637 per full day<br>\$414 per half day | 12 months                                    | \$2,401.40                                       |
| Chair                | OMODEI, Paul Domenic | \$414 per full day<br>\$269 per half day | 12 months                                    | \$18,226.48                                      |
| Country Rural Member | WEST, Ian            | \$414 per full day<br>\$269 per half day | 12 months                                    | \$12,491.50                                      |
| Country Urban Member | GILES, Wendy         | \$414 per full day<br>\$269 per half day | 12 months                                    | \$8,621.02                                       |

## Local Government Standards Panel

| Position                       | Name                | Type of remuneration                     | Period of membership during reporting period | Gross/actual remuneration 2018/19 financial year |
|--------------------------------|---------------------|--|--|--|
| Presiding Member               | CONNOLLY, Michael   | Nil – public servant                     | 3 months                                     | Nil  |
| Presiding Member               | SIEKIERKA, Sheryl   | Nil – public servant                     | 8 months                                     | Nil  |
| Deputy Presiding Member        | RIZK, Sarah         | Nil – public servant                     | 3 months                                     | Nil  |
| Deputy Presiding Member        | BEECROFT, Mark      | Nil – public servant                     | 9 months                                     | Nil  |
| Local Government member        | KELLY, Paul Anthony | Nil – public servant                     | 12 months                                    | Nil  |
| Deputy Local Government member | AUBREY, Rebecca     | \$470 per part day<br>\$720 per full day | 12 months                                    | \$4,230.00                                       |
| Legal member                   | ROWE, Elanor Alice  | \$480 per part day<br>\$900 per full day | 11 months                                    | \$50,954.00                                      |
| Deputy legal member            | POWER, Emma Lucy    | \$480 per part day<br>\$900 per full day | 11 months                                    | \$52,812.00                                      |
| Legal member                   | STRAUSS, Merranie   | \$480 per part day<br>\$900 per full day | 1 month                                      | \$13,465.00                                      |

## Gaming and Wagering Commission

| Position    | Name                   | Type of remuneration | Period of membership during reporting period | Gross/actual remuneration 2018/19 financial year |
|-------------|------------------------|----------------------|--|--|
| Chairperson | ORD, Duncan            | N/A – Ex-officio     | 12 months                                    | Nil  |
| Member      | HAYWARD, Colleen       | \$16,600 per annum   | 12 months                                    | \$15,910.52                                      |
| Member      | BOVELL, Robert         | \$16,600 per annum   | 12 months                                    | \$15,910.52                                      |
| Member      | DUCKWORTH, Andrew      | \$16,600 per annum   | 12 months                                    | \$15,910.52                                      |
| Member      | SARGEANT, Barry        | \$16,600 per annum   | 12 months                                    | \$15,910.52                                      |
| Member      | HODSON – THOMAS, Katie | \$16,600 per annum   | 12 months                                    | \$15,910.52                                      |
| Member      | FIORENTINO, Carmelina  | \$16,600 per annum   | 11 months                                    | \$14,446.76                                      |
| Member      | HEDE, Jodie            | \$16,600 per annum   | 11 months                                    | \$14,446.76                                      |



## Gaming Community Trust

| Position    | Name                    | Type of remuneration             | Period of membership during reporting period | Gross/actual remuneration 2018/19 financial year |
|-------------|-------------------------|----------------------------------|--|--|
| Chairperson | ORD, Duncan             | N/A – Ex-officio                 | 12 months                                    | Nil  |
| Member      | REYNOLDS, Stephen Wayne | \$215 full day<br>\$142 half day | 12 months                                    | \$284.00   |
| Member      | CONNOLLY, Maxine        | \$215 full day<br>\$142 half day | 12 months                                    | \$142.00   |
| Member      | COOPER, Jan Elizabeth   | \$215 full day<br>\$142 half day | 12 months                                    | \$284.00   |
| Member      | PRESTON, Joshua         | \$215 full day<br>\$142 half day | 12 months                                    | Nil*   |

## Culture and Arts Peer Assessors

| Position      | Name                          | Type of remuneration | Period of membership during reporting period | Gross/actual remuneration 2018/19 financial year |
|---------------|-------------------------------|----------------------|--|--|
| Panel adviser | SCOTT, Merindah Bairnsfather- | Nil                  | N/A  | Nil  |
| Panel adviser | HAYDEN, Shaye                 | Nil                  | N/A  | Nil  |
| Panel adviser | WEEKS, Shauna                 | Nil                  | N/A  | Nil  |
| Panel adviser | CAULFIELD, Paul               | Nil                  | N/A  | Nil  |
| Panel adviser | O'HANLON, Jansis              | Nil                  | N/A  | Nil  |
| Panel adviser | JORGENSEN, Alice              | Nil                  | N/A  | Nil  |

|                           |                         |  |           |            |
|---------------------------|-------------------------|--|-----------|------------|
| Panel adviser             | DAVIES,<br>James        | Nil                                      | N/A       | Nil        |
| Panel adviser             | DAVIS,<br>Pippa         | Nil                                      | N/A       | Nil        |
| Panel adviser             | JAMESON,<br>Kim         | \$300 per full day<br>\$200 per half day | N/A       | \$900.00   |
| Panel adviser             | BOWRON,<br>Julian       | \$300 per full day<br>\$200 per half day | N/A       | \$500.00   |
| Panel adviser             | FRITH,<br>Andrew        | \$300 per full day<br>\$200 per half day | N/A       | \$1,000.00 |
| Panel adviser             | COFFIN,<br>Juli         | \$300 per full day<br>\$200 per half day | N/A       | \$900.00   |
| Panel adviser             | BRECKON,<br>Katie       | \$300 per full day<br>\$200 per half day | N/A       | \$300.00   |
| Panel adviser             | DE GARIS,<br>Fiona      | \$300 per full day<br>\$200 per half day | N/A       | \$500.00   |
| Panel adviser             | KICKETT,<br>Bradley     | \$300 per full day<br>\$200 per full day | N/A       | \$800.00   |
| Panel Member<br>Appointed | WHITE,<br>Michelle      | \$440 per full day<br>\$200 per half day | 18 months | \$4,560.00 |
| Panel Member<br>Appointed | MILLER,<br>Nikki        | \$440 per full day<br>\$200 per half day | 18 months | \$1,760.00 |
| Panel Member<br>Appointed | MACDONALD,<br>Lockie    | \$440 per full day<br>\$200 per half day | 18 months | \$1,180.00 |
| Panel Member<br>Appointed | AYRES,<br>Hayley        | \$300 per full day<br>\$200 per half day | 18 months | \$800.00   |
| Panel Member<br>Appointed | WHISH<br>WILSON, David  | \$300 per full day<br>\$200 per half day | 18 months | \$1,200.00 |
| Panel Member<br>Appointed | HOWELL-<br>PRICE, Talei | Nil                                      | 18 months | Nil        |
| Panel Member<br>Appointed | NEWMAN,<br>Renee        | \$300 per full day<br>\$200 per half day | 18 months | \$2,100.00 |
| Panel Member<br>Appointed | BRADFIELD,<br>Ron       | \$300 per full day<br>\$200 per half day | 18 months | \$500.00   |
| Panel Member<br>Appointed | DARLOW,<br>Jessica      | \$300 per full day<br>\$200 per half day | 18 months | \$2,000.00 |

|                           |                            |  |           |            |
|---------------------------|----------------------------|--|-----------|------------|
| Panel Member<br>Appointed | HUGHES,<br>Kynan           | \$300 per full day<br>\$200 per half day | 18 months | \$1,200.00 |
| Panel Member<br>Appointed | TAAFE,<br>Ryan             | \$300 per full day<br>\$200 per half day | 18 months | \$2,400.00 |
| Panel Member<br>Appointed | VAN TUINEN,<br>Christopher | \$300 per full day<br>\$200 per half day | 18 months | \$1,200.00 |
| Panel Member<br>Appointed | ARCHER,<br>Allison         | \$300 per full day<br>\$200 per half day | 18 months | \$2,000.00 |
| Panel Member<br>Appointed | PEARN,<br>Tim              | \$300 per full day<br>\$200 per half day | 18 months | \$500.00   |
| Panel Member<br>Appointed | FREEMAN,<br>Katie          | \$300 per full day<br>\$200 per half day | 18 months | \$800.00   |
| Panel Member<br>Appointed | LAFFAR,<br>Tarryn          | \$300 per full day<br>\$200 per half day | 18 months | \$800.00   |
| Panel Member<br>Appointed | WOODS,<br>Irma             | \$300 per full day<br>\$200 per full day | 18 months | \$800.00   |

## Liquor Commission

| Position           | Name               | Type of remuneration                 | Period of membership during reporting period | Gross/actual remuneration 2018/19 financial year |
|--------------------|--------------------|--------------------------------------|--|--|
| Chairperson        | RAFFERTY, Seamus   | \$1074 per day<br>\$763 per half day | 12 months                                    | \$3,901  |
| Deputy Chairperson | WATLING, Eddie     | \$773 per day<br>\$505 per half day  | 12 months                                    | \$11,478.60                                      |
| Member             | EGAN, Michael      | \$773 per day<br>\$505 per half day  | 1 day  | \$0.00   |
| Member             | ISAACHSEN, Dr Eric | \$773 per day<br>\$505 per half day  | 12 months                                    | \$7,877  |
| Member             | ZILKENS, Alex      | \$773 per day<br>\$505 per half day  | 12 months                                    | \$7,541  |
| Member             | BARONE, Mara       | \$773 per day<br>\$505 per half day  | 12 months                                    | \$0.00   |
| Member             | TEMBY, Denis       | \$773 per day<br>\$505 per half day  | 12 months                                    | \$0.00   |
| Member             | POWER, Emma        | \$773 per day<br>\$505 per half day  | 12 months                                    | \$7,670  |
| Member             | SHANAHAN, Paul     | \$773 per day<br>\$505 per half day  | 12 months                                    | \$5,384  |
| Member             | ROWE, Elanor       | \$773 per day<br>\$505 per half day  | 12 months                                    | \$5,215  |
| Member             | STYNES, Kirsty     | \$773 per day<br>\$505 per half day  | 12 months                                    | \$3,533  |
| Member             | OLIVER, Sarah      | \$773 per day<br>\$505 per half day  | 12 months                                    | \$4,083  |
| Member             | HUGHES, Wendy      | \$773 per day<br>\$505 per half day  | 12 months                                    | \$4,038  |
| Member             | HASS, Pamela       | \$773 per day<br>\$505 per half day  | 12 months                                    | \$0.00   |

## Racing Penalties Appeal Tribunal

| Position    | Name              | Type of remuneration                | Period of membership during reporting period | Gross/actual remuneration 2018/19 financial year |
|-------------|-------------------|-------------------------------------|--|--|
| Chairperson | FARLEY SC, Karen  | \$126 per hour                      | 12 months                                    | \$5,647.08                                       |
| Member      | HOGAN, Patrick    | \$756 per day<br>\$494 per half day | 12 months                                    | \$4,298.00                                       |
| Member      | MONISSE, Andrew   | \$756 per day<br>\$494 per half day | 12 months                                    | \$2,890.00                                       |
| Member      | NASH, Robert      | \$756 per day<br>\$494 per half day | 12 months                                    | \$7,870.00                                       |
| Member      | POWER, Emma       | \$756 per day<br>\$494 per half day | 12 months                                    | \$4,962.00                                       |
| Member      | OVERMARS, Johanna | \$756 per day<br>\$494 per half day | 12 months                                    | \$1,245.52                                       |
| Member      | ROBBINS, Brenda   | \$756 per day<br>\$494 per half day | 12 months                                    | \$1,692.00                                       |

## Combat Sports Commission

| Position                 | Name                          | Type of remuneration                        | Period of membership during reporting period | Gross/actual remuneration 2018/19 financial year |
|--------------------------|-------------------------------|---|--|--|
| Chairman                 | WRIGHT, Cassandra             | \$18,303 p.a. plus \$9,152 annual allowance | 12 months                                    | \$25,369.58                                      |
| Industry Member          | CHAN, Derrick                 | \$230 per half day<br>\$350 per day         | 12 months                                    | \$21,341.55                                      |
| Medical Practitioner     | GALTON-FENZI Brian            | \$230 per half day<br>\$350 per day         | 12 months                                    | \$9,011.85                                       |
| Industry Member          | FELTON, Renee                 | \$230 per half day<br>\$350 per day         | 12 months                                    | \$33,068.51                                      |
| Industry Member          | ROWLAND, Wayne                | \$230 per half day<br>\$350 per day         | 7 months                                     | \$12,921.00                                      |
| Industry Member          | LIM, Pearl                    | \$230 per half day<br>\$350 per day         | 5 months                                     | \$5,212.20                                       |
| Industry Member          | WOODHAMS, Dean                | \$230 per half day<br>\$350 per day         | 12 months                                    | \$30,193.11                                      |
| Industry Member          | AUSTIN, Glen                  | \$230 per half day<br>\$350 per day         | 5 months                                     | \$3,690.15                                       |
| Industry Member          | VAN DER WIELEN, Anthony       | \$230 per half day<br>\$350 per day         | 7 months                                     | \$5,726.85                                       |
| DLGSC Representative     | JASHARI, Jacqui               | No remuneration                             | 12 months                                    | N/A  |
| WA Police Representative | Senior Sergeant Marcus Murray | No remuneration                             | 5 months                                     | N/A  |
| WA Police Representative | Insp. Mark Longman            | No remuneration                             | 7 months                                     | N/A  |

## Government policy requirements

### Disability Access and Inclusion Plan (DAIP) outcomes

The department works to ensure that people with disability, their families and carers have the same opportunities, rights and responsibilities as others to accessing the services, information and facilities it provides. Having a well-informed, practical plan linked to the improvement of access and inclusion for people with disability is pivotal to the contribution of the department to the lives of Western Australian communities and families.

The department's DAIP 2019-2024 can be read at: <https://www.dlgsc.wa.gov.au/daip>

The department website is regularly reviewed to ensure information and documents are up-to-date, provided in alternative formats, and meet standards set by the Web Content Accessibility Guidelines 2.0AA. The department also promotes the DAIP to staff through the induction program to ensure quality service and inclusion in consultation.

The department has inclusive recruitment policies and procedures: job seekers can provide applications in alternative formats; interview formats are modified to suit an applicant's needs; and the requirements of employees with disability are accommodated when organising training courses. Training has been provided to staff working with employees with disability to ensure the appropriate level of awareness, understanding and support is provided. The department ensures training, support and assistance is available and provided to employees with disability.

To support people with disabilities, their families and carers to attend external consultations and public gatherings, the department provides event information in clear, concise language and in accessible formats. The department also holds events in accessible venues and provides consultation information in alternative formats, on request. The department provides disability awareness training to staff and stakeholder groups including sporting clubs as well as providing consultancy support to ensure funded State Sport Associations have in place a range of policy frameworks supporting inclusive participation.

The State Records Office operates a joint DAIP with the State Library of Western Australia. Reporting against that plan is made in the Annual Report of the Library Board of Western Australia.

### Compliance with public sector standards and ethical codes

In accordance with Section 31(1) of the *Public Sector Management Act 1994*, the department ensures compliance with its Code of Conduct, as well as public sector standards and the code of ethics. A policy acknowledgement mechanism was put in place for staff to confirm that they had accessed, read, and understood the Code of Conduct and other relevant policies. Work has commenced to update the policy acknowledgement process via a new on-line verification system.

Trained Grievance Officers continue to be made available to assist employees to maintain a positive working environment. Online accountable and ethical decision-making training enabled all staff members to apply and maintain the highest standards of ethical conduct across the department. One breach of the Code of Conduct was considered and disciplinary action applied.

One request for a review under the *Public Sector Standards in Human Resource Management – Employment* was received and reviewed by the Public Sector Commission. The breach was not supported.

## Freedom of Information

The *Freedom of Information Act 1992* (FOI Act) creates a general right of access to documents held by the department and provides a mechanism for the public to ensure that personal information held by the department is accurate, complete, up-to-date and not misleading.

The department is committed to making information available outside the FOI process wherever possible to improve openness and transparency in the delivery of our services to the community. During the reporting period the department implemented a new FOI policy to streamline administration of the FOI process and promote a consistent approach to decision-making.

The number of applications received by the department in 2018-2019 significantly increased from the previous year, however, only a small number of those matters proceeded to external review by the Information Commissioner.

| Application type                                |            |
|---|------------|
| Requests for access to non-personal information | 31         |
| Requests for access to personal information     | 99         |
| Requests for amendment of personal information  | Nil        |
| Applications carried over from 2017/18          | 3          |
| <b>Total</b>                                    | <b>133</b> |



| Application outcome                      |     |
|--|-----|
| Applications transferred in full         | 3   |
| Applications withdrawn                   | 8   |
| Applications completed                   | 108 |
| Applications outstanding at 30 June 2019 | 14  |

*Freedom of information applications received in 2018-2019.*

## Recordkeeping plans

The following information is provided as evidence of compliance with legislative requirements (i.e. the *State Records Act 2000* and the State Records Commission's Standards).

### DLGSC Recordkeeping Plan compliance statement

The DLGSC Interim Recordkeeping Plan was approved by the State Records Commission in March 2018. Records awareness is still a constant deliverable and induction of new staff is carried out with online training to outline staff responsibilities within a short timeframe of commencement. Review and evaluation of current records management procedures and processes within the department are undertaken periodically to ensure they are updated in line with business change.

Centralising offsite storage and applying retention and disposal is a commitment this year with over 1,000 archive boxes requiring review.

### State Records Office Recordkeeping Plan compliance statement

The State Records Office's Recordkeeping Plan was reviewed in December 2018 and a report of the review was noted by the Commission at its meeting in March 2019. The report committed the State Records Office to submitting an amended plan by 20 December 2019. The amended plan will also include a review of the State Records Office's Retention and Disposal Schedule, approved by the Commission in 2014.

The State Records Office continued to make improvements to its recordkeeping, including an upgrade of the TRIM system from version 7.1.0 to HPE Content Manager version 9.2 in June 2018. Policies and procedures were amended to reflect this change and will be incorporated into the amended plan.

Training sessions in the new system were conducted to apprise State Records Office staff of the revised recordkeeping practices and staff can also receive one-on-one instruction by request. Additional information regarding any changes to practices are provided via email

updates and staff meetings. Up-to-date policies, procedures and Quick Guides are accessible via the State Records Office Staff intranet.

All new staff receive an induction tailored to their position in State Records Office, within a short timeframe from commencement. The induction covers an overview of the recordkeeping responsibilities of each employee, in accordance with legislative requirements and the State Records Office's Recordkeeping Plan.

### Substantive equality

The department recognises that not all members of the community share the same opportunities and is working towards implementing substantive equality in all its practices. The department works to address and prevent all forms of discrimination in its services, policies, procedures, training and legislation.

A wide range of services in local communities is supported by the department targeting Aboriginal, seniors, youth, carers, women, volunteers, children and families, and people from CaLD backgrounds.

The principles of substantive equality inform and facilitate access to connected services and programs that are integrated and responsive to community needs.

### Occupational health and safety and injury management

The department provides and maintains a safe working environment for all employees, contractors and visitors and provides policies, procedures and work practices compliant with the *Occupational Safety and Health Act 1984* and the *Workers' Compensation and Injury Management Act 1981*.

Management commitment is outlined in the department's Work Health and Safety Policy and Framework, endorsed by the Executive Director Corporate Services in 2018.

The DLGSC consults with employees on occupational health and safety matters through safety committees, the election of safety and health representatives, safety risk reporting, and the conduct of workplace inspections.

The department complies with the injury management requirements of the *Workers' Compensation and Injury Management Act 1981*, including the development of return-to-work plans. Managers work with accredited vocational rehabilitation providers to assist injured employees to return to work after a work-related injury or disease.

Formal assessments of the occupational safety and health management system, using the WorkSafe-approved WorkSafe Plan assessment framework, were conducted across former departments and culture and arts statutory authorities before the establishment of the department on 1 July 2017. Following that assessment 59% of the agreed actions from that assessment have been completed.

The Department of Local Government, Sport and Cultural Industries (DLGSC) Safety Management System, based on the *WorkSafe Plan*, and a revised Injury Management System replaced the Work Health & Safety Framework 2017 in June 2018. The new system features revised induction processes and the online HUB on the DLGSC intranet and learning management system.

The annual performance for 2018-2019 on occupational safety, health and injury management follows.

| Measure  | Actual Results       |                      | Results against target |                      |
|--|----------------------|----------------------|------------------------|----------------------|
|  | 2017/18 <sup>1</sup> | 2018/19              | Target                 | Comment on result    |
| Number of fatalities   | 0                    | 0                    | 0                      | Met                  |
| Lost time injury count   | 4                    | 9                    | 0 or 10% reduction     | Not Met              |
| Lost time injury and/or disease incidence rate   | 0.4 <sup>2</sup>     | 2.17 <sup>3</sup>    | 0 or 10% reduction     | Not Met              |
| Lost time injury severity  | 2                    | 3                    | 0 or 10% reduction     | Not Met              |
| Lost time injury severity rate   | 0.50                 | 0.33                 | 0 or 10% reduction     | Met                  |
| Percentage of injured workers with Lost Time returned to work:                           | 4 Lost Time Injuries | 9 Lost Time Injuries |                        | Met                  |
| Within 13 weeks  | 75%                  | 80%                  | 80%                    |                      |
| Within 26 weeks  | 100%                 | 80%                  |                        |                      |
| % of managers trained in their safety and health and injury managements responsibilities | Nil                  | Nil                  | 80%                    | Not Met <sup>4</sup> |

<sup>1</sup> An additional 65 days lost time claim was approved by RiskCover, after 30 June 2018, which related to the 2017-2018 financial year. This particular claim is not included in 2018-2019 data, nor is it included in the Annual Report 2017-2018 data, as represented here.

<sup>2</sup>Based on Full Time Equivalent (FTE) of 998 that included Portfolio agency FTE.

<sup>3</sup> Based on an FTE (DLGSC only) of 415.17 (from MOIR data).

<sup>4</sup> Training modules are currently being finalised in an online training system and these will be implemented later in 2019.

The department has commenced the Respectful Workplace Project, which is designed to improve organisational culture and employee engagement. The results from the '2018 DLGSC Employee Perception Survey and Mental Health Check-in Study' findings and recommendations assist the department to implement its vision, mission and values, outlined in the Strategic Plan 2018-2021.

The Respectful Workplace Project uses elements of a universal mental health resilience framework model designed to promote safe and productive workplaces through communication, engagement and positive reinforcement between colleagues.

The Framework is endorsed by the World Health Organization, Commonwealth Department of Health and Education and is under implementation in New South Wales, Victorian and Western Australian schools under Socio-Emotional Learning (SEL).

## **Advertising**

There was no expenditure on advertising by the department in 2018-2019.



# Appendices



## Funding programs

| Sport and recreation funding program   | Funding value<br>2018-2019 |
|--|----------------------------|
| Active Regional Communities Grants Program and North-West Travel Scheme      | \$164,300                  |
| Asian Engagement Through Sport Funding Program                               | \$110,000                  |
| Australian Commonwealth Games Association - Champions to Country Funding     | \$32,500                   |
| Avon Descent 2018  | \$50,000                   |
| Community Athletics Council - Organisational & Governance Reform             | \$37,500                   |
| Country Sport Enrichment Scheme  | \$100,000                  |
| Every Club Program   | \$575,000                  |
| Hockey Australia - Travel and Marketing Support Funding                      | \$50,000                   |
| Hockey WA - Commercial Manager Funding                                       | \$100,000                  |
| Industry Investment Program  | \$7,692,000                |
| KidSport Subsidy Program   | \$4,184,883                |
| Nature Play WA - Operational Funding   | \$500,000                  |
| Netball WA - Constellation Cup   | \$50,000                   |
| Perth Pythons Hockey Club - Perth Pride Festival                             | \$1,500                    |
| Regional Athlete Support Subsidy Program                                     | \$217,627                  |
| Regional Servicing and Organisational Grants Program                         | \$604,500                  |
| Royal Life Saving Society - Water Safety Strategy 2018-2021 Funding          | \$80,000                   |
| Sports Medicine Australia - Safer Sport and Drugs in Sport Education Program | \$175,000                  |
| State Sporting Association Coach and Officials Development                   | \$39,400                   |

|   |                     |
|---|---------------------|
| Targeted Participation Program  | \$1,059,422         |
| Trails WA - Strategic Trails Blueprint Implementation   | \$40,000            |
| WA Olympic Council - Operational Funding  | \$20,000            |
| Water Polo WA - Hosting the 2019 FINA World League Inter-Continental Cup                                  | \$40,000            |
| Western Australian Sports Federation - Top Club   | \$225,000           |
| Western Australian Sports Federation - Dispute Resolution   | \$50,000            |
| Western Australian Institute of Sport   | \$7,978,493         |
| Western Australian Rugby Union - Community Engagement and Game Development with Rugby Australia Wallaroos | \$30,000            |
| Westcycle - Integration and model implementation "One Westcycle"  | \$ 25,000           |
| Yachting WA - Moth World Championships  | \$15,000            |
| Community Sporting and Recreation Facilities Fund   | \$13,872,017        |
| State Sporting Infrastructure Fund  | \$1,385,000         |
| Election Commitments  | \$6,672,000         |
| Local Projects Local Jobs   | \$1,867,309         |
| <b>Total</b>  | <b>\$48,043,451</b> |

| <b>Culture and the arts funding program</b> | <b>Funding value 2018-2019</b> |
|---|--------------------------------|
| Major Performing Arts Companies             | \$8,917,725                    |
| Arts Organisations Funding                  | \$9,089,682                    |
| Screenwest                                  | \$3,096,398                    |
| Arts 15 K plus                              | \$1,346,080                    |
| Arts U 15 K                                 | \$1,758,184                    |

|                                   |                     |
|-----------------------------------|---------------------|
| Regional Exhibition Touring Boost | \$500,000           |
| Creative Regions                  | \$4,184,478         |
| Schools Touring                   | \$71,250            |
| Contemporary Music Fund           | \$591,829           |
| Arts Sector Partnerships          | 2,837,7613          |
| <b>Total</b>                      | <b>\$57,933,239</b> |

| <b>OMI funding program</b>  | <b>Funding value<br/>2018-2019</b> |
|---|------------------------------------|
| Community Grants Program  | \$471,162                          |
| Community Languages Program - Community Language School Grants            | \$707,920                          |
| Community Languages Program - School Insertion Program                    | \$300,000                          |
| Community Support Fund  | \$217,000                          |
| Ethnic Communities Council of WA - Membership Support Services            | \$60,000                           |
| Metropolitan Migrant Resource Centre - Cultural Competency Training       | \$62,000                           |
| National Accreditation Authority for Translators and Interpreters (NAATI) | \$55,444                           |
| <b>Total</b>  | <b>\$1,873,526</b>                 |