



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

GOVERNMENT OF  
WESTERN AUSTRALIA



# **ANNUAL REPORT 2017 – 2018**

# 1.0 Statement of Compliance

For the year ended 30 June 2018

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 2018.

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

9 October 2018

[www.dlgsc.wa.gov.au](http://www.dlgsc.wa.gov.au)

## Responsible Minister



Hon David Templeman  
Dip Tchg, BEd, MLA  
Minister for Local Government; Heritage; Culture and the Arts

### Front cover images:

NAIDOC Netball Carnival. Photo © State Government.

String Symphony by Leon Hendroff for Spare Parts Puppet Theatre. Photo by Jessica Wyld.

Responsible service of alcohol. Photo © Getty Images.

Swan Festival of Lights by the Saraswati Mahavidyalaya Institute Inc.

Aboriginal History WA - Reconciliation Week Street Banner Project 2017

City of Perth. Photo © State Government.

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## 2.0 Director General's foreword

The first year of operations for the Department of Local Government, Sport and Cultural Industries has been a year of change, challenges and achievements.

Following its establishment on 1 July 2017 the department has been implementing internal structural change, including the integration and rationalisation of duplicate functions, such as finance, ICT, human resources, information management and corporate communications.

During September the former Department of Aboriginal Affairs Aboriginal History (WA) team transferred to the department. I was also pleased to establish and appoint a new corporate executive leadership team, which has a mandate to drive the department's strategic priorities.

During this period of delivering reform, the department also delivered on key outcomes, including the completion of Optus Stadium.

The much-anticipated opening of the stadium and Stadium Park was a major achievement, with the Community Open Day attracting about 55,000 people. The world-class facility, which is managed by VenuesWest, has since hosted capacity crowds for sporting and entertainment events.

The New Museum for Western Australia project entered the delivery phase. The \$396 million initiative will be a world class experience for Western Australians and tourists alike and will be ready for opening in 2020.

The department is progressing the Government's election commitments as a priority, including the review of the *Local Government Act 1995*, progressing Stop Puppy Farming legislation and the launch of the Contemporary Music Fund.

The department has also progressed the most significant reforms of Western Australia's liquor laws in a decade, with amendments to the *Liquor Control Act 1988*.

Over the past 12 months the department has continued to promote participation, inclusivity and achievement, through True Sport and the Female Multicultural Uniform Guide. It has delivered on

important initiatives such as commemorating the centenary of the Moore River Native Settlement and the Mogumber Cemetery.

The long-term Cultural Infrastructure Strategy, which for the first time puts traditional and contemporary Aboriginal culture at the centre of a strategy to identify opportunities for cultural infrastructure, was also launched.

The 2017-18 Department of Local Government, Sport and Cultural Industries' annual report demonstrates the breadth of projects and programs that have been undertaken by the department in the past year.

Thank you to all staff for their hard work, particularly during the transition to a new department.

I would also like to thank Minister David Templeman, Minister Mick Murray, Minister Paul Papalia, Minister Ben Wyatt and the Directors General of our partner agencies for their support during the Machinery of Government changes.

We will continue to work collaboratively with government, community organisations, peak bodies and other stakeholders towards our vision of an enlivened Western Australia with successful communities and economy.

**Duncan Ord**

**Director General**

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

**September 2018**

## 2.1 Overview of the department

### Vision

- Enlivened and successful communities and economy

### Mission

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

### Values

- Vision – Excellence – Integrity – Diversity – Leadership

### 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

### 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

## 2.2 Portfolio structure

The Department of Local Government, Sport and Cultural Industries was established on 1 July 2017 under the *Public Sector Management Act 1994*.

At 30 June 2018, 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**

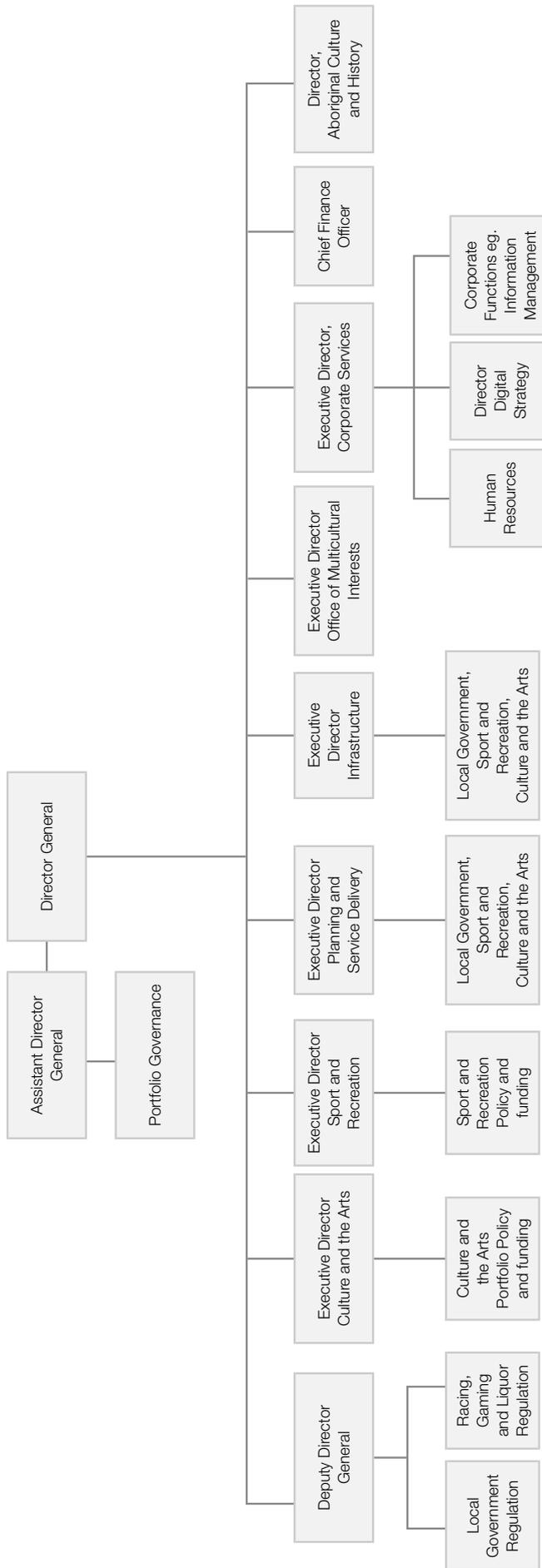
Minister for Tourism; Racing and Gaming; Small Business; Defence Issues; Citizenship and Multicultural Issues

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

Treasurer; Minister for Finance; Energy; Aboriginal Affairs

## 2.3 Organisational structure

The department's organisational structure at 30 June 2018 was as follows



## 2.4 Executive leadership

The Department of Local Government, Sport and Cultural Industries has the following divisions: Regulation, Culture and the Arts (WA), Sport and Recreation (WA), Planning and Service Delivery, Aboriginal History (WA), Office of Multicultural Interests (WA), Infrastructure and Corporate Services.

Below are the executive leadership roles at 30 June 2018.

Position	Role
Director General	Duncan Ord
Deputy Director General	Michael Connolly
Assistant Director General	Margaret Butcher
Executive Director Corporate Services	Glen Kar
Executive Director Planning and Service Delivery	Nick Sloan
Executive Director Sport and Recreation (WA)	Nick Sloan
Executive Director Culture and the Arts (WA)	Colin Walker
Director Aboriginal Culture and History (WA)	Anna Wyatt
Executive Director Office of Multicultural Interests (WA)	Kim Ellwood (acting)
Executive Director Infrastructure	Position vacant

## **2.5 Administered legislation**

The following legislation was administered by the department at 30 June 2018:

Art Gallery Act 1959

Caravan Parks and Camping Grounds Act 1995

Cat Act 2011

City of Perth Act 2016

Combat Sports Act 1987

Control of Vehicles (Off-road Areas) Act 1978

Dog Act 1976

Dog Amendment Act 2013

Gaming and Betting (Contracts and Securities) Act 1985

Library Board of Western Australia Act 1951

Liquor Control Act 1988

Local Government (Miscellaneous Provisions) Act 1960

Local Government Act 1995

Major Events (Aerial Advertising) Act 2009

Museum Act 1969

Perth Theatre Trust Act 1979

Racing and Wagering Western Australia Act 2003

Racing and Wagering Western Australia Tax Act 2003

Racing Bets Levy Act 2009

Racing Penalties (Appeals) Act 1990

Racing Restriction Act 2003

South Fremantle Oil Installations Pipe Line Act 1948

Sports Drug Testing Act 2001

State Records Act 2000

Sunset Reserve Transformation Act 2014

The Western Australian Turf Club Act 1892

Western Australian Greyhound Racing Association Act 1981

Western Australian Trotting Association Act 1946

Western Australian Turf Club (Property) Act 1944

Western Australian Sports Centre Trust Act 1986

## 2.6 Compliance with other legislation

The Department of Local Government, Sport and Cultural Industries complied with all relevant legislation that governed its functions.

## 2.7 Performance management framework

Broad State Government goals were supported at agency level by specific outcomes actioned through 11 department services. The department's performance is outlined in Section 4: Agency Performance and Section 5.3: Detailed Key Performance Indicators information.

Government Goal: Results-Based Service Delivery: Greater focus on achieving results in key service delivery areas for the benefit of all Western Australians.

Government Goals	Desired Outcomes	Services
<p><b>Better Places:</b></p> <p>A quality environment with liveable and affordable communities and vibrant regions.</p>	Local governments were capable and well governed.	1. Regulation and support of local government
<p><b>Strong Communities:</b></p> <p>Safe communities and supported families.</p>	Western Australia was recognised as a vibrant and effective multicultural society.	2. Promotion and support of multiculturalism
<p><b>Better Places:</b></p> <p>A quality environment with liveable and affordable communities and vibrant regions.</p>	<p>A sustainable arts and cultural sector that enhances social and economic wellbeing.</p> <p>Efficient and effective services to the Culture and Arts Portfolio and Government.</p> <p>Government records and the State archives are appropriately managed and accessible.</p> <p>To promote, monitor and enforce responsible and lawful gambling and liquor services in accordance with the legislation.</p>	<p>3. Arts industry support</p> <p>4. Research, policy development, information and support</p> <p>5. Corporate and asset and infrastructure support to the culture and arts portfolio and government</p> <p>6. State information management and archival services</p> <p>18. Licensing - evaluation and determination of applications</p> <p>19. Compliance audits and inspections</p>

Government Goals	Desired Outcomes	Services
	A strong and diverse sport and recreation system in Western Australia that is accessible, encourages maximum participation and develops talent.	20. Industry leadership and infrastructure development 21. Building capacity and participation 22. Recreation camps management

Note: The numbering of Services in the table above reflects their numbering in the Portfolio's Budget Papers.

## Changes to the outcome-based management framework

As this is the first reporting year for the department the outcome-based management framework reflects the amalgam of the former agencies' outcome-based management frameworks. This format will be continued for the 2018-19 reporting year as outlined in the 2018-19 Budget Papers, during which time the department is developing its new outcome-based management framework to be effective for the 2019-20 reporting period.

## Shared responsibilities with other agencies

The department did not share any responsibilities with other agencies in 2017-18.

## 2.8 Resource agreement

The following performance information (financial and non financial) is the subject of a Resource Agreement signed by the Minister for Local Government; Culture and the Arts, Minister for Sport and Recreation, Minister for Racing and Gaming; Citizenship and Multicultural Interests, the Accountable Authority and the Treasurer under Part 3, Division 5 of the *Financial Management Act 2006*.

The relationship of Ministers to services is shown below.

Responsible Minister	Services
Minister for Local Government; Culture and the Arts	Regulation and support of local government Arts industry support Research, policy development, information and support Corporate and asset and infrastructure support to the culture and arts portfolio and government State information management and archival services
Minister for Racing and Gaming; Citizenship and Multicultural Interests	Promotion and support of multiculturalism Licensing - evaluation and determination of applications Compliance audits and inspections

Responsible Minister	Services
Minister for Sport and Recreation	Industry leadership and infrastructure development Building capacity and participation Recreation camps management

## 3.0 Significant issues impacting the agency

### City of Perth Panel of Inquiry

A Panel of Inquiry into the City of Perth was announced on 2 March 2018 by the Minister for Local Government under the *Local Government Act 1995*. Mr Tony Power was appointed on 24 April 2018 to conduct the Inquiry and will investigate and report on the operations and affairs of the City of Perth to determine:

- whether there has been a failure to provide for the good government of persons in the City of Perth's district
- the prospect of such good government being provided in the future, including by reference to whether the council and administration has the ability to, and is likely to do so
- any steps which may need to be taken to ensure that such good government does happen in the future.

The Inquiry has the powers of a Royal Commission and will discharge its role independently and objectively.

### Integrated planning and reporting

Integrated planning and reporting is a framework for Western Australian local governments to establish local priorities, linking this information to operational functions. Under the *Local Government Act 1995*, all local government authorities are required to produce a 'plan for the future'. The department periodically reviews the plans published by local governments and uses the findings to inform its development and capability efforts, driving further improvements in local government planning. In 2017-18 the department reviewed 52 plans representing about 38 per cent of all local governments.

### Authorised inquiries

Authorised inquiries investigate the operations and affairs of local governments and have identified systemic weaknesses in the sector, in the areas of:

- tendering and procurement
- financial management
- failure to disclose financial interest or proximity interest
- misuse of corporate credit cards
- sponsorships and gifts
- complaints management.

Further, the procurement and financial processes that local governments use may leave them vulnerable to fraud, corruption and other misconduct. Through authorised inquiries the department provides recommendations to local governments that may include training in specific areas and changes or updates in policies or procedures. This may also include referrals to relevant agencies such as the Corruption and Crime Commission and the Public Sector Commission.

Authorised inquiries are initiated under the *Local Government Act 1995*. They are one of several activities undertaken by the department aimed at ensuring that local governments are acting in the best interests of their communities. They also ensure that communities have confidence in their elected members to provide good governance and services.

During 2017-18 the department undertook the following authorised inquiries:

- Town of Cambridge.
- Shire of Carnarvon.
- City of Joondalup.
- City of Mandurah.
- City of Melville.
- Shire of Ngaanyatjaraku.
- Shire of Perenjori.
- City of Perth.
- Shire of Wiluna.

Except for the City of Perth Authorised Inquiry, which ceased due to the appointment of a Panel of Inquiry on 24 April 2018, the remaining eight authorised inquiries were still current at 30 June 2018.

## Public open spaces

Sustained population growth, outer corridor greenfield development and urban densification during the last decade has increased the pressure on public open space in Western Australia. The department is working with other Western Australian State Government agencies to ensure public open space is identified early in the planning process to meet current and future demand for sport and recreation facilities.

## Recreational trails

Recreational trails in Western Australia have the capacity to build regional jobs, generate tourism, contribute to community development and positively influence wellbeing. The department has completed a 'trails planning strategy' and is working with local government and other agencies on implementation.

## Aboriginal History Research Service

The department's Aboriginal History Research Service (AHRS) has experienced a growing demand from Western Australia's Aboriginal community for family history information. In 2017-18, AHRS processed a total number of 1031 requests, 24 per cent greater than the number of requests received in the previous year. It also responded to 299 family history applications, 64 per cent greater than the number of applications received in 2016-17.

## Multicultural Interests

With almost a third of its population born overseas, Western Australia faces a range of social and economic opportunities and challenges:

- There is an ongoing need for strategies that encourage shared values and develop a sense of belonging across different cultural, linguistic and faith-based communities.
- Support is required for programs that improve access to resources and services, and greater participation in social, civic and political life particularly in the youth and ageing culturally and linguistically diverse (CaLD) population.

Programs are increasingly needed that support economic participation through employment and entrepreneurship, and effort is required to leverage the cultural assets of CaLD and migrant communities to strengthen the position of Western Australia internationally.

## 3.1 Specific issues impacting the State Records Office

### Storage

There has been a lack of appropriate storage space and infrastructure at the State Records Office since July 2001. As a result, there are now 58 linear kilometres of hard copy State archives which are currently awaiting transfer to the State Archives Collection.

Government agencies have been directed to keep these historically significant archives in their own custody until the State Records Office can accept further transfers. In addition, there is

currently no capability to ensure digital information and records of permanent value are transferred to the State Records Office for ongoing preservation.

Without a centralised digital archive, digital information and assets are at risk of loss over time. The databases and electronic document management systems that are in place in government agencies are not designed to ensure permanent preservation of digital information.

## Recordkeeping training

The State Records Act 2000 requires that the State Records Office assist in the provision of training to State and local government agencies in matters related to information management and record keeping. Resourcing requires the State Records Office to prioritise training requests accordingly.

## 4.0 Agency performance

The department's 2017-18 funding was allocated to 11 services. The key financial indicators are presented below with a summary of the results for the department's effectiveness and efficiency indicators. The remainder of this chapter summarises the key strategies and achievements across these 11 services.

### Outcomes, services and key performance information

The Outcomes, Services and Key Performance Information reflect the amalgamation of the Departments of Culture and the Arts; Racing, Gaming and Liquor; and Sport and Recreation due to Machinery of Government changes on 1 July 2017, as well as local government and multicultural interests' functions transferred from the Department of Local Government and Communities, and the Aboriginal History Research Unit and cultural functions from the Department of Aboriginal Affairs. Comparative information has been included from the former departments' audited data.

Desired outcomes	Key effectiveness indicator	2014-15	2015-16	2016-17	2017-18 Target	2017-18 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%	54%	32%	55%	29%
	LG 2: Percentage of local governments with Integrated Planning and Reporting plans reviewed	NA	100%	96%	100%	38%
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	79%	84%	83%	80%	89%

Desired outcomes	Key effectiveness indicator	2014-15	2015-16	2016-17	2017-18 Target	2017-18 Actual
	OMI 2: Percentage of community grants for multicultural organisations that were acquitted against identified outcomes	NA	80%	94%	85%	93%
A sustainable arts and cultural sector that enhances social and economic wellbeing.	CA 1: Number of department funded works presented and/or developed (annually)	12,545	12,513	11,461	11,461	12,673
	CA 2: Number of paid attendances to funded organisations works	612,524	814,552	782,430	732,695	813,387
	CA 3: Ratio of Government funding to other income	1:7.44	1:7.16	1:6.29	1:3.96	1:6.12
	CA 4: Public value of the contribution of arts and culture to the State's identity and community	75	68	69	67	71
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	81.8%	91.6%	99.4%	95.0%	98.0%
Government records and the State archives are appropriately managed and accessible.	SRO 1: Percentage of compliance with State Records Commission Standards as implemented by government agencies	NA	89.0%	90.0%	90.0%	91.0%
	SRO 2: Percentage of archival resources to which the State Records Office provides an information service	23%	22.0%	21.0%	20.0%	21.0%

Desired outcomes	Key effectiveness indicator	2014-15	2015-16	2016-17	2017-18 Target	2017-18 Actual
To promote, monitor and enforce responsible and lawful gambling and liquor services in accordance with the legislation.	RGL 1: Licensees/service providers that comply with audit requirements and statutory criteria	97%	98%	98%	94%	97%
A strong and diverse sport and recreation system in Western Australia that is accessible, encourages maximum participation and develops talent.	SR 1: Satisfaction rating of policy development and leadership provided by the department	93%	93%	93%	85%	89%
	SR 2: Satisfaction rating of the department's consultation advice to clients	86%	88%	88%	90%	85%
	SR 3: Satisfaction rating of the department's grant's management	85%	88%	89%	85%	84%
	SR 4: Satisfaction rating of the department's programs, initiatives and resources	94%	93%	92%	90%	90%
	SR 5: Western Australian participation in organised sport and active recreation	N/A	56%	56%	56%	57%
	SR 6: Satisfaction rating of recreation camps management and service delivery	94%	95%	94%	87%	94%

Delivered services	Efficiency indicator	2014-15	2015-16	2016-17	2017-18 Target	2017-18 Actual
1. Regulation and Support of Local Government	1.1 Average cost per local government for regulation and support	\$87,571	\$76,070	\$78,881	\$94,290	\$98,803
2. Promotion and Support of Multiculturalism	2.1 Average cost per project to support and promote multiculturalism	\$98,680	\$101,061	\$99,118	\$117,200	\$110,916
	2.2 Number of grants and service agreements per full time equivalent	N/A	27	33	25	36
3. Arts Industry Support	3.1 Grants operations expense as a percentage of direct grants approved	13.0%	6.7%	4.1%	5.7%	5.1%
4. Research, Policy Development, Information and Support	4.1 Research, policy development, information and support expense as a percentage of direct grants approved	10.1%	5.7%	3.9%	5.5%	5.1%
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	\$17,095	\$19,454	\$19,382	\$16,985	\$21,597
6. State Information Management and Archival Services	6.1 Cost per access service					
18. Licensing - Evaluation and Determination of Applications	18.1 Average cost of determining applications	\$607	\$554	\$460	\$458	\$476
19. Compliance Audits and Inspections	19.1 Average cost of conducting inspections	\$1,035	\$995	\$961	\$952	\$759
20. Industry Leadership and Infrastructure Development	20.1 Average cost of providing consultancy (policy, advocacy and infrastructure) to organisations	\$8,937	\$10,083	\$10,874	\$11,241	\$10,080

Delivered services	Efficiency indicator	2014-15	2015-16	2016-17	2017-18 Target	2017-18 Actual
	20.2 Average cost of providing the contact services (policy, advocacy and infrastructure)	\$340	\$526	\$740	\$882	\$670
	20.3 Average cost to manage infrastructure grants	\$2,759	\$3,288	\$2,114	\$2,352	\$2,545
21. Building Capacity and Participation	21.1 Average cost of providing consultancy (organisational development and participation) to organisations	\$12,561	\$13,554	\$15,523	\$16,685	\$13,565
	21.2 Average cost of providing the contact services (organisational development and participation)	\$183	\$309	\$413	\$484	\$344
	21.3 Average cost to manage sport and recreation development grants	\$1,774	\$2,002	\$1,893	\$2,435	\$2,026
22. Recreation Camps Management	22.1 Average cost per bed night	\$51	\$57	\$53	\$54	\$55
	22.2 Average cost per participation	\$24	\$24	\$24	\$27	\$25

## Department of Local Government, Sport and Cultural Industries

# Report on Operations

### Actual Results versus Budget Targets

	2017/18 Target # (1) \$000	2017/18 Actual \$000	Variation (2) \$000
Total cost of services (expense limit)	194,857	194,668	(189)
Net cost of services	176,130	176,355	225
Total equity	312,527	511,385	198,858 (a)
Net increase / (decrease) in cash held	22,269	77,593	55,324 (b)
Approved salary level	46,755	48,565	1,810 (c)

# Target excludes expenditure associated with State Records Office and Building Maintenance related to the Statutory Authorities.

(1) As specified in the Budget Statements

(2) The Department is newly created this financial year as part of the Machinery of Government changes. Explanation of the above variances are explained as follows:

(a) The variation is mainly due to the amalgamation of land and buildings within the Perth Cultural Centre and the transfer of Sunset Hospital Precinct asset from the Department of Finance.

(b) The variation is mainly due to underspending on Royalties for Regions programs, capital programs and delays in the New Museum Project.

(c) The variation mainly relates to the inclusion of State Records Office, which was not included in the original target and the expenditure associated with the Voluntary Targeted Separation Scheme.

	2017/18 Agreed Limit \$000	2017/18 Target / Actual \$000	Variation \$000
<b>Working Cash Targets</b>			
Working Cash Limit (at budget)	9,647	9,647	NA
Working Cash Limit (at actuals)	9,935	4,998	(4,937)

## 4.1 Service 1 - 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 training, 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*. 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.

### Key strategies

- Engage with the community and local government sector to identify opportunities for legislative and policy reforms, which empower local governments to better deliver services for Western Australian communities.
- Develop legislation to address State Government and sector priorities.
- Increase local government transparency through presentation of information regarding local government financial management and performance, for example the MyCouncil. [wa.gov.au](http://wa.gov.au) website.
- Support local governments to fulfil their statutory obligations and to improve capability in the sector.

### Key achievements

- The department signed the State Local Government Agreement, enabling a new era of cooperation and partnership between State and local government.
- Oversaw the passage and implementation of the Local Government (Auditing) Act 2017 as priority legislation, making the Auditor

General responsible for the auditing of local governments' financial statements and providing for performance audits.

- Made amendments to the Local Government (Financial Management) Regulations 1996 and Local Government (Audit) Regulations 1996 that align local government audit requirements with contemporary best practices for public sector audit.
- Completed the first phase consultation on the review of the *Local Government Act 1995*, a key election commitment. This was an extensive consultation, with 30 workshops held throughout WA. The department received 243 submissions, which were analysed and considered in the preparation of policy recommendations to the State Government. The resulting policy reforms address elected member conduct and behaviour, training, gifts, chief executive officer recruitment and performance management and increased community access to information.
- Released a consultation paper, Stop Puppy Farming, an election commitment to stop the practice. The department held five community workshops and five workshops for Dogs West and rescue organisations across the State. About 3000 submissions were received to the consultation paper.
- Developed the Local Government (Suspension and Dismissal) Bill 2018, which passed through the Legislative Assembly. The Bill provides for the issuing of remedial action orders and the suspension of individual elected members where their behaviour is interfering with the ability of the local government, other elected members or staff to carry out their functions.

## 4.2 Service 2 - 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 per cent 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 religious 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 strategies

- Provide funding opportunities to support and strengthen Western Australia's culturally and linguistically diverse communities.
- Strengthen the capacity of culturally diverse communities to maintain their cultures and address their diverse needs.
- Support the development of culturally inclusive policies, programs and services.
- Facilitate the full participation of culturally and linguistically diverse communities in social, economic, cultural and civic activities.
- Develop intercultural understanding and promote the benefits of Western Australia's cultural and linguistic diversity.

### Key achievements

- Invested \$4.3 million to support Western Australia's culturally and linguistically diverse communities of which \$1.76 million was provided in grants and subsidies.

- Redeveloped the Community Languages Program to include the In-School Insertion Program. \$720,000 over three years was allocated to the Italo-Australian Welfare and Cultural Centre to run an Italian insertion program for the financial years 2017-18 to 2019-20. The Italian insertion program provides teaching of the Italian language and culture in primary schools across Western Australia.
- Reviewed the Community Grants Program to enable better direction of funding to culturally and linguistically diverse community groups and service organisations.
- Through the Interpreter Scholarship program, provided 25 scholarships for practising interpreters to upgrade their professional skills by studying three core units of the PSP50916 Diploma in Interpreting (LOTE-English) at North Metropolitan TAFE.
- Search Diversity WA was launched. The user-friendly online search facility provides information on the demographic, cultural and socioeconomic characteristics of people living across Western Australia. Details on state electoral divisions, local government areas and selected birthplace, ancestry, language and religious groups are downloadable.
- Registered users of the Diverse WA online cultural competency program increased by 20 per cent to 17,521.
- In collaboration with the arts community, commissioned a bespoke art work from a Western Australian culturally and linguistically diverse artist for Harmony Week 2018. The art work enabled the development of a brand reflecting Western Australia's multicultural community, which was adopted throughout Western Australia by schools, community groups and businesses.
- To promote Harmony Week 2018, 44 street banners were displayed along Kings Park Road in Perth. Each banner was sponsored by an organisation and featured their logo to highlight their commitment to multiculturalism in WA. Twenty organisations from sectors including mining, education and not-for profit, participated in the project.

- Three hundred high school students participated in the second annual Harmony Week debate, which explored the question 'Is cultural diversity a threat to the Australian way of life?' The debate panellists consisted of representatives from Western Australian universities and youth organisations and was supported by SBS Australia.

## 4.3 Service 3 - Arts industry support

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

In 2017-18 the department distributed \$28 million in funding to bring a vibrant mix of arts and culture to Western Australian audiences. This included \$18.8 million to non-government organisations, \$3 million awarded to individuals, groups and organisations through project grants and \$6.7 million in Royalties for Regions funding distributed through the Creative Regions grants programs.

### Key strategies

- Deliver the State Government's arts and culture priorities.
- Promote a diverse, vibrant and sustainable cultural sector.
- Develop arts and culture activities in the regions, including through the \$24 million Royalties for Regions-funded Creative Regions program.

### Key achievements

- Announced the \$3 million Contemporary Music Fund, which will enable musicians and those working in the industry to build links in the local music industry, as well as nationally and internationally. The fund complements the department's commitment to liquor reform that encourages venues which add to WA's vitality. This provides more opportunities for live music, creating jobs for WA musicians, agents, technicians and promoters.
- Committed funding of \$300,000 to introduce

an annual festival to attract film makers using virtual reality technologies, with the aim of creating jobs in the creative industries and through tourism, hospitality, and events. The virtual reality festival will capitalise on the rapid global growth of the virtual reality filmmaking industry, providing a platform for innovation, creative development and industry discussion. It will showcase the work of Western Australia's pioneering virtual reality filmmakers while providing audiences the opportunity to experience the film technology first hand.

- Delivered funding of \$344,145 to nine projects via the State Government's Local Projects, Local Jobs program. The program is aimed at supporting a range of grass roots initiatives that will assist many local governments and not-for-profit service providers to deliver upgrades to community facilities and extend local programs.
- Supported 12 projects across two regions through the Connecting to Country grants program, delivered in partnership with the former Department of Aboriginal Affairs. The program supports intergenerational cultural transfer through trips to country for Aboriginal communities in the Halls Creek, Tjurabalan and Kalgoorlie/Goldfields regions.
- Delivered the 'Revealed: New and Emerging WA Aboriginal Artists' event, with support from Commonwealth, State and local governments. The event comprised a professional development program, public symposium, exhibition and marketplace. It featured artwork from 72 new and emerging Aboriginal artists, achieved sales of \$481,674 and attracted 13,000 visitors.
- Partnered with the Tourism Council Western Australia to host a tourism forum, to determine opportunities and challenges for growth in cultural tourism. The forum led to the department forming a three-year partnership agreement with Tourism Council Western Australia.
- Delivered the inaugural State Arts and Culture Partnership Honours to acknowledge the role philanthropic and sponsorship partnerships play in the sector. The department received

30 nominations from leading Western Australian arts and cultural organisations across 11 categories.

- Partnered with the Department of Jobs, Tourism, Science and Innovation to fund the exhibition 'Tale of Two Regions – Beautiful Western Australia', delivered with host venue China Art Museum. The exhibition, supported by the Shanghai Municipal Administration of Culture, Radio, Film and TV, was broadcast live through local television and internet channels to an estimated 10 million families. The China Art Museum attracted about 10,000 visitors daily, with this number doubling during holiday periods. The exhibition featured three prominent and internationally recognised Western Australian photographers.
- Invested \$2 million in production of homegrown feature film 'Breath', based on Western Australian author Tim Winton's novel of the same name. 'Breath', filmed entirely on location in the Great Southern region, supported an estimated 150 jobs over the project's life, generating \$5.6 million short-term benefit for the local economy.

## 4.4 Service 4 - 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.**

### 4.4.1 Aboriginal history and research

The department's Aboriginal History (WA) (AHWA) unit provides the most authoritative Aboriginal family history service in Western Australia. It gives Aboriginal people access to historical family records and specialist research to trace their genealogical information. The extensive family history collection is used to progress significant projects that build knowledge and understanding of Aboriginal history and promote reconciliation.

AHWA responds to requests from native title representative bodies, and government agencies

seeking native title information. Redacted copies of information are provided to academics and researchers in response to research applications. The department works closely with many external organisations to verify ancestral information ensuring accuracy of the work and is also frequently approached to provide expert knowledge to assist in the development of significant projects.

### Key strategies

- Work in partnership with Aboriginal people, communities and other stakeholders to connect and educate the Western Australian community on Aboriginal history, establish family links and promote reconciliation.
- Manage access to restricted historical and personal record collections.
- Conduct family history research for the Aboriginal community.
- Provide expert research and advice to the public, government and non-government organisations related to Western Australia's Aboriginal history.
- Use Aboriginal history collections to undertake significant historical projects.
- Build reconciliation in schools and the broader community through the Partnerships Acceptance Learning and Sharing (PALS) program.
- Coordination of the annual Reconciliation Week Street Banner Project throughout the State. The project provides organisations with the opportunity to publicly demonstrate their commitment to reconciliation by sponsoring banners during Reconciliation Week, which are displayed in prominent locations in Western Australia.

### Key achievements

- Provided comprehensive responses to 299 family history requests, 26 native title requests, 30 general research applications and 42 legal requests. Dealt with 618 general enquiries from internal and external stakeholders.
- Continued development of an online database to store and organise digitised records and enable the Aboriginal community

to access, search and request their personal and family histories online. The database will help preserve irreplaceable historical images, photos and documents for future generations. It will also assist the department to respond to the steadily increasing numbers of family history and other research applications.

- Continued to grow participation in the successful PALS program, with 58 per cent of all public, private and independent schools in Western Australia now participating in a PALS reconciliation project, through the PALS grants program. In 2017-18 669 PALS projects were developed in 620 schools across the State. Projects include Aboriginal Elders providing on-country learning experiences relevant to local Aboriginal history and connection to country, and Aboriginal students involved in writing projects to describe their experiences growing up in the Kimberley.
- Coordinated 335 Reconciliation Week Street Banners sponsored by 115 organisations across 17 local government areas.
- Significantly progressed the publication 'No Less Worthy', the first to acknowledge the significant contribution of Western Australian Aboriginal people who volunteered to enlist in World War One. It recognises those who served and identifies those who attempted to enlist but were rejected due to policies of the time. To date, only 60-70 Aboriginal volunteers are formally acknowledged on official national registers. Through significant genealogical and archival research, the department has identified 137 volunteers.
- Partnered with Yokai (Healing Our Spirit) and Yorgum Aboriginal Corporation to host a 10th anniversary commemoration event for the National Apology to Aboriginal People, assisted by the Metropolitan Redevelopment Authority.
- In collaboration with the Department of Planning, Lands and Heritage, and consultation with community representatives, held an event to commemorate the centenary of Moore River Native Settlement (MRNS). The department undertook

significant research to update the cemetery burial register and provided advice for the correction and updating of information on the memorial wall.

- Collaborated with the ABC and Janet Holmes à Court Collections on the Djook to Jija (Sister to Sister) project, which showcased Aboriginal women artists from Western Australia.
- Provided specialist research to SBS television for the 'Who Do You Think You Are' series, featuring actor Ernie Dingo.

#### **4.4.2 Culture and arts policy research and planning**

**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 strategies**

- Provide leadership through strong evidence-based policy, planning and legislative reform.
- Ensure effective management of the State Government's investment in culture and the arts.
- Undertake comprehensive research and data activities that inform and underpin policy and program decisions.
- Promote and harness a rich data culture throughout the portfolio and sector.
- Complete a comprehensive review of the writing sector and deliver recommendations to support sector sustainability.

## Key achievements

- Undertook stakeholder consultation process on Western Australia's first draft cultural infrastructure strategy. The strategy was developed based on existing cultural infrastructure strategies, State planning frameworks, policies and blueprints, strategic cultural regions and cities relevant to Western Australia, emerging global trends and cultural planning best practice.
- Partnered with other jurisdictions to support Australian Research Council projects, including Griffith University's 'Making Music Work: Sustainable Portfolio Careers for Australian Musicians' and Queensland University of Technology's 'Australian cultural and creative activity: A population hotspot analysis' project.
- Assisted Screenwest transition from an incorporated association within State Government to become an independent not-for-profit organisation. The transition enables Screenwest to be more responsive and flexible to industry changes and opportunities.
- Completed an extensive review of the Western Australian writing sector, with the release of the 'Writing Sector Review Final Recommendations'. The review provides targeted, readily implementable and cost-effective recommendations providing a foundation for future policy initiatives.
- Supported the Premier's Creative Industries Consortium to focus on leveraging Western Australia's creative talents to increase jobs and economic diversification for the State.
- Released the draft WA Public Libraries Strategy for feedback from community members, users and non-users of public libraries, local governments, public librarians and community groups. The draft strategy was developed following extensive research and consultation with key partners including the State Library of Western Australia, Public Libraries Western Australia, Western Australian Local Government Association and local government authorities.

## 4.5 Service 5 - Corporate and asset and infrastructure support to the culture and arts portfolio and government

**The department manages 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.**

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 undertakes planning and policy for cultural infrastructure and participates on major cultural infrastructure projects including the New Museum for Western Australia, transformation of the Perth Cultural Centre, and the Art Gallery of Western Australia rooftop development. 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.

### Key strategies

- Establish efficient and effective business systems and processes.
- Provide the online grants management system to culture and arts organisations that wish to apply for grants. An upgrade of the system in the reporting period means it is now more stable for all users and easier to read and navigate.
- Deliver an agreed approach to the management of State-owned built cultural infrastructure in regional Western Australia, including about 40 separate cultural

infrastructure buildings, many of which are heritage listed.

## Key achievements

- The New Museum for Western Australia project entered the delivery phase. Construction work now is well advanced on the first two levels of the building and completed for the two major lift cores on the western side of the site. Structural steel truss installation commenced in June 2018. Exhibition designers Freeman Ryan Design and Thylacine Design and Project Management completed schematic designs for the new galleries in late 2017.
- Commenced redevelopment of the Art Gallery of Western Australia rooftop space, with the design concept being selected. \$7.5 million was allocated to the redevelopment and \$2.5 million for new acquisitions through the Tomorrow Fund.
- Completed work on the Central Energy Plant in the Perth Cultural Centre. The investment will save about \$1 million a year in electricity costs and reduce carbon emissions by up to 40 per cent for the Perth Cultural Centre buildings from 2020, when the New Museum is commissioned.
- Completed the implementation of the Tessitura Ticketing and Customer Relationship Management platform used by the Perth Theatre Trust.

## 4.6 Service 6 - State information management and archival services

**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 is the Western Australian public records authority with responsibility for managing the State Archives Collection and for regulating and providing guidance on government information management. The State Records Act 2000 prescribes the role of the State Records Office, the State Archivist and Executive Director State

Records (Director of State Records), and the State Records Commission.

## Key strategies

- Assist all State and local government agencies in Western Australia to meet their information management obligations under the State Records Act 2000. This includes:
  - reviewing and advising on all government agency record keeping plans prior to their approval by the State Records Commission
  - identifying agency records and data to be retained permanently as State archives, those to be archived with restricted access, and those to be legally destroyed within an approved time frame.
- Support the statutory role of the State Records Commission.
- Protect and preserve the State Archives Collection, the State's largest documentary heritage collection.
- Ensure the State Archives Collection remains permanently accessible to all.

## Key achievements

- Assessed 44 new/amended State and local government record keeping plans - a further seven plans required no amendment. Due to Machinery of Government changes eight new organisations were required to submit record keeping plans within six months of their creation date. All eight organisations complied, and these record keeping plans were assessed by the State Records Office.
- Assessed 20 new or amended disposal authorities for submission to, and approval by, the State Records Commission.
- Provided access to the State Archives Collection to 2460 clients at the Alexander Library Building search room in Northbridge. Received 81 requests for access through the State Records Office fee-based digitisation-on-request service for public and government clients.

- Engaged with new State Government agencies established by Machinery of Government changes from 1 July 2017, regarding their record keeping processes. The significant reform, reducing 41 departments to 25, resulted in a need to preserve and protect the provenance and ownership of defunct agencies' recorded information. It also required the need to establish adequate and appropriate platforms and frameworks for the new agencies' management of recorded information. The State Records Office engaged with several newly formed State Government agencies to:
  - guide agency personnel on the preservation and protection of the provenance and ownership of their information assets
  - outline challenges and risks in managing and preserving records while organisations were being abolished or amalgamated
  - advise on a range of cost effective record keeping measures.
- Developed the draft Born Digital Strategy to modernise records management practices across government and transition to digital recordkeeping. The high-level strategy outlines objectives for the improved management of digital information and data, and to significantly reduce creation of paper-based records, addressing cost, storage and management issues.
- Provided advice on matters relating to recordkeeping and the custody of its records to the Royal Commission into Institutional Responses to Child Sexual Abuse, as part of the Council of Australasian Archives and Records Authorities' Royal Commission Working Group. Since the release of the Royal Commission's final report on 15 December 2017, the working group's focus has been on the implementation of the 23 recommendations relating to the records, recordkeeping and information sharing of institutions that care for or provide services to children. As part of the implementation of the recommendations, on 5 April 2018, the State Archivist and Executive Director State Records issued a disposal freeze for government records relating to children. The freeze applies to all State and local government organisations, as well as outsourced agents creating or maintaining relevant records for these organisations.
- Engaged a trained conservator to undertake a preservation needs assessment of the State Archives Collection to independently assess its condition. Four condition levels were identified: good; fair; poor (being unstable and showing signs of deterioration with action advisable); and unacceptable (archives extremely vulnerable and too fragile to issue for use by researchers). While the number of items in an unacceptable condition was small, a significant proportion were categorised as being in a poor condition, where there is a risk of information loss.
- Commissioned improvements to the State Records Office online retention and disposal application web-based system, to enable agencies to develop, submit, and revise their record keeping plans online. This will reduce costs, improve response times and allow advanced analytics and reporting of record keeping trends and practices across the State.

## 4.7 Service 18 - 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 for the liquor industry are evaluated and determined by the Director of Liquor Licensing or appointed delegate and applications for the gambling industry are evaluated and determined by 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 2017-

18, the department approved community gaming activities that raised \$80.5 million, with \$32.9 million being returned to beneficiary organisations.

## Key strategies

- Review practices and policies across the suite of liquor licensing applications.
- Consider applications to enable community and sporting clubs to raise funds through the conduct of various community gaming activities, on behalf of the Gaming and Wagering Commission.

## Key achievements

- Considered more than 17,000 applications for the liquor and gambling industries.
  - Progressed the most significant amendments to Western Australia's liquor laws in a decade. The reforms to the *Liquor Control Act 1988* are intended to support local businesses, create more jobs and enable a vibrant hospitality scene to thrive in Western Australia. The Liquor Control Amendment Bill 2018 passed Parliament on 28 June 2018. The proposed legislative amendments include:
    - high-risk licences being prescribed, eliminating the need for a public interest assessment for other licence applications. Only applicants for prescribed kinds of licences will be required to satisfy the licensing authority that the grant of a licence is in the public interest. These will include hotel, tavern, liquor store and nightclub licences. This will reduce the impost on low-risk licence applications, such as restaurants and clubs. It will save applicants considerable time when submitting an application, as well as facilitating applications being processed in a timelier manner.
    - the maximum period for an ongoing hours extended trading permits to be increased from five to 10 years, reducing the frequency of licensees needing to reapply for extended trading permits.
  - minimising the adverse impact of packaged liquor outlets on the community by giving the Director of Liquor Licensing the ability to refuse an application if satisfied that sufficient outlets already exist within a locality. In addition, applications for large packaged liquor outlets will not be considered where an existing large packaged liquor outlet already exists within a prescribed distance.
  - addressing the concerns of established venues and accommodating consumer expectations by streamlining licensing arrangements for existing, established, local licensees to cater at temporary and pop-up bars at short-term events. The new policy on pop-up bars includes a requirement for large-scale events to be advertised on the department's website and be subject to objections.
  - giving equal weight to representations of the CEO of Tourism WA as that given to the Commissioner of Police and the Chief Health Officer
  - establishing a separate licence category for small bars making it easier for restaurants with a limit of 120 patrons to serve liquor without a meal
  - increasing the length of time that extended trading permits can be issued from five years to 10 years
  - new provisions to introduce 'carriage limits' that make it an offence for a person to carry liquor above prescribed quantities in prescribed areas of the State
  - adding a new category to the public interest assessment to allow a venue's tourism, community and cultural benefits to be considered during the application process.
- Introduced initiatives with the aim of reducing regulatory burden and streamlining processes including:
    - where appropriate, removing the requirement for certain application

types to be advertised; that is, restaurants, wholesalers and producers

- amending application forms so that applicants only need to declare compliance with legislative requirements rather than providing documents for example, leases and profit sharing arrangements
- clarifying that spirit producers can serve spirit samples with a mixer drink
- reviewing the policy of prohibiting energy drinks being mixed with liquor in late night venues
- submitting an abridged public interest assessment when renewing extended trading permits for the same days and hours previously approved
- extending the validity period of police reports from one to five years.

## 4.8 Service 19 - 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 strategies

- Assess applications in relation to the proposed standard of licensed premises.

- Inspect licensed premises both in terms of standards and operations.
- Educate existing and new licensees in terms of the requirements of the *Liquor Control Act 1988*.
- Make inspections focusing on the responsible service of alcohol.
- Assist in the resolution of noise complaints relating to licensed premises.
- Investigate complaints.

### Key achievements

- Conducted 10,700 inspections, audits, investigations and assessments for the liquor and gambling industries.

## 4.9 Service 20 - Industry leadership and infrastructure development

**The department provides 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.**

Strategic and operational policies are key contributors to the achievement of outcomes for the sport and active recreation sector. Development of policy is underpinned by a broad awareness of current and new issues which then inform the department's programs and services.

Built and natural spaces form the settings in which sport and active recreation occurs. Availability and accessibility of these settings contribute to participation and achievement.

## Key strategies

- Influence policy settings to deliver effective outcomes for the sport and active recreation sector.
- Facilitate opportunities for economic and tourism benefits through sport and active recreation.
- Provide people in Western Australia with a variety of sport and active recreation settings.
- Facilitate access to a variety of suitable sport and active recreation settings in Western Australia.
- Enable Western Australians to have a variety of facilities capable of hosting state, national and international level competition.

## Key achievements

- Launched the 'True Sport' campaign to support local sporting clubs and associations to adopt values associated with fairness, respect and inclusion, and to share the benefits of sport and recreation with the whole community.
- Held the first Trails Town forum in regional Western Australia to bring together key decision makers and influencers from government, the not for profit sector and business to discuss, explore and further develop trail town tourism in Western Australia.
- Advocated for strong engagement and recognition of state-based delivery in the National Sports Plan.
- Opened the Optus Stadium with a free community open day attended an estimated 55,000 people.
- Allocated \$12 million from the Community Sport and Recreation Facilities Fund to boost community sport in metropolitan and regional areas.
- Commenced development of the Western Australian Motorsport Strategy to guide planning, future investment decisions and identify appropriate governance and management structures.

## 4.10 Service 21 - 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 together with the sporting sector to not only support talented athletes and teams to achieve in local, national and international level competitions, but support and recognise achievement at all levels.

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 active recreation.

### Key strategies

- Enable sport and active recreation to make a significant and enduring contribution to the lifestyles of Western Australians.
- Facilitate access to a variety of suitable sport and active recreation settings in Western Australia.
- Establish pathways to enable achievement at all levels of competition.
- Increase the capacity and capability of individuals and organisations to provide sport and active recreation opportunities.
- Protect the integrity of the sport and active recreation industry.

### Key achievements

- Provided \$900,000 to sporting clubs and community organisations across Western Australia to provide pathways to participation in sport, active recreation and promote community inclusion.
- Implemented a new KidSport policy in consultation with local governments, communities and clubs. Changes include club eligibility and the introduction of a 90-day voucher expiry.

- Provided \$730,000 to nine regional sports academies and networks to deliver the Regional Talent Development Network. The network provides services to help talented athletes to progress. Committed \$42,000 to a regional state-wide life skills program for talented athletes.
- Provided \$216,000 to 468 regional athletes through the Regional Athlete Travel Subsidy Scheme to assist with the cost of traveling to events and competitions.
- Undertook an extensive review into club development services provided by the department to determine an appropriate service delivery model. The consultation process involved 760 clubs, 92 local governments and 47 state sporting associations. The 'Every Club' initiative was developed in response to industry feedback.
- Delivered the following learning and development opportunities to the sport and recreation industry:
  - Three sport business workshops for state sporting associations with about 100 participants.
  - Fourteen club business workshops in metropolitan and nine regional areas.
  - Three industry governance courses for 75 board members and chairs from about 25 state sporting associations and peak bodies.
  - Four club development webinar series in the Pilbara.
  - Eight industry courses, including coaching and officiating, team management, and managing people.
  - Nine state sporting associations supported through the Young Sports Leaders program to develop youth coaches and officials through leadership and development programs.
  - Designed and delivered a coach and official leadership program for 20 development coaches and officials from state sporting associations.

## 4.11 Service 22 - 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).

The camps offer 'bed nights' (overnight stays) and 'participations' (physical activity) providing a foundation for engagement with the outdoors. Since the initial capital improvements in 2007, the recreation camps have generated \$40 million in revenue, that has been reinvested to improve the experiences offered at the camps. This has provided a social dividend of two million physical activity hours for the WA community, while also supporting flexible employment options in the outdoor recreation sector through employment of casual instructors and support staff.

### Key strategies

- Facilitate access to a variety of suitable sport and active recreation settings.
- Provide opportunities to engage in outdoor activities and recreation camp programs.

### Key achievements

- Delivered 84,219 accommodation bed nights and 141,970 activity participations through the five recreation camps.
- Delivered nearly 213,000 physical activity hours through the recreation camps programs.
- Held two successful community open days at Camp Quaranup and Bickley Outdoor Recreation Camp, fostering partnerships with local community service providers and delivering access and insight to the camp facilities.

- The Ern Halliday camp pump track completed its first full year of operation, delivering 2537 participations against a first year target of 1500.
- Completed restoration of the Camp Quaranup isolation hospital roof.
- Rolled out a social media interface for all recreation camp sites.
- Engaged three students and one mature-age sport and recreation trainee to work for camp operations.

## 5.0 Disclosures and legal compliance

### 5.1 Financial statements



Auditor General

#### INDEPENDENT AUDITORS 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 2018, 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 2018 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 Boards APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial statements. I have also fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

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

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

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

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

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

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

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

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

## **Report on Controls**

### **Opinion**

I have undertaken a reasonable assurance engagement on the design and implementation of controls exercised by the Department of 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, 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 2018.

## **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**

### **Qualified Opinion**

I have undertaken a reasonable assurance engagement on the key performance indicators for the Department of Local Government, Sport and Cultural Industries for the year ended 30 June 2018. 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 aspects, except for the possible effect of the matter described in the Basis for Qualified Opinion section of my report, 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 2018.

### **Basis for Qualified Opinion**

The Department has not been able to reliably measure a key efficiency indicator, Cost Per Access Service and has elected not to report it. As a consequence, the Department has not complied with the requirement to report results for all key performance indicators approved by the Under Treasurer.

### **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 Treasurers 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 2018 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 hyper/inked 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

2 October 2018

## **Certification of Financial Statements**

**For the year ended 30 June 2018**

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 2018 and the financial position as at 30 June 2018.

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

2 October 2018



**Duncan Ord OAM**  
Director General

2 October 2018

Department of Local Government, Sport and Cultural Industries

**Statement of Comprehensive Income**

For the year ended 30 June 2018

	Notes	2018 \$000
<b>COST OF SERVICES</b>		
<b>Expenses</b>		
Employee benefits expense	3.1(a)	53,368
Supplies and services	3.3	37,137
Depreciation and amortisation expense	5.1.1, 5.2.1	6,624
Accommodation expenses	3.3	13,590
Grants and subsidies	3.2	80,736
Loss on disposal of non-current assets	3.3	1,168
Revaluation Decrement		479
Other expenses	3.3	1,566
<b>Total cost of services</b>		<b>194,668</b>
<b>Income</b>		
<i>Revenue</i>		
User charges and fees	4.2	11,119
Sponsorship		153
Commonwealth grants and contributions	4.3	398
Interest revenue		2
Other revenue	4.4	6,641
<b>Total revenue</b>		<b>18,313</b>
<b>Total income other than income from State Government</b>		<b>18,313</b>
<b>NET COST OF SERVICES</b>		<b>176,355</b>
<b>Income from State Government</b>		
Service appropriation	4.1	162,721
Services received free of charge	4.1	1,514
Royalties for Regions Fund	4.1	13,407
Grants and subsidies from State Government	4.1	6,935
<b>Total income from State Government</b>		<b>184,577</b>
<b>SURPLUS/(DEFICIT) FOR THE PERIOD</b>		<b>8,222</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</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**

For the year ended 30 June 2018

	Notes	2018 \$000
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	7.1	67,470
Restricted cash and cash equivalents	7.1	9,738
Receivables	6.1	5,367
Amounts receivable for services	6.2	789
Other current assets	6.3	1,654
<b>Total Current Assets</b>		<b>85,018</b>
<b>Non-Current Assets</b>		
Restricted cash and cash equivalents	7.1	385
Amounts receivable for services	6.2	23,215
Property, plant and equipment	5.1	422,162
Intangible assets	5.2	7,277
Other non-current assets	6.3	75
<b>Total Non-Current Assets</b>		<b>453,114</b>
<b>TOTAL ASSETS</b>		<b>538,132</b>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Payables	6.4	15,146
Employee related provisions	3.1(b)	8,583
Other current liabilities	6.5	976
<b>Total Current Liabilities</b>		<b>24,705</b>
<b>Non-Current Liabilities</b>		
Employee related provisions	3.1(b)	2,042
<b>Total Non-Current Liabilities</b>		<b>2,042</b>
<b>TOTAL LIABILITIES</b>		<b>26,747</b>
<b>NET ASSETS</b>		<b>511,385</b>
<b>EQUITY</b>		
Contributed equity	9.9	503,163
Accumulated surplus/(deficit)	9.9	8,222
<b>TOTAL EQUITY</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 2018

	Notes	Contributed Equity \$000	Reserves \$000	Accumulated surplus/(deficit) \$000	Total Equity \$000
<b>Balance at 1 July 2017</b>					
Surplus/(deficit)				8,222	8,222
Total comprehensive income for the period		-	-	8,222	8,222
Transactions with owners in their capacity as owners:					
Capital appropriations	9.9	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>-</b>	<b>8,222</b>	<b>511,385</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 2018

	Notes	2018 \$000
<b>CASH FLOWS FROM STATE GOVERNMENT</b>		
Service appropriation		159,212
Capital appropriations		198,393
Holding account drawdown		1,366
State Grants & Subsidies		347
Receipts from general government agencies		7,817
Royalties for Regions Fund		13,407
<b>Net cash provided by State Government</b>		<b><u>380,542</u></b>
<b>Utilised as follows:</b>		
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Payments</b>		
Employee benefits		(54,114)
Supplies and services		(35,057)
Accommodation		(12,955)
Grants and subsidies		(95,128)
GST payments on purchases		(30,166)
Other payments		(1,455)
<b>Receipts</b>		
User charges and fees		11,347
Commonwealth grants and contributions		275
Interest received		1
GST receipts on sales		1,566
GST receipts from taxation authority		29,904
Other receipts		6,637
<b>Net cash provided by/(used in) operating activities</b>	7.1	<b><u>(179,145)</u></b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
<b>Payments</b>		
Purchase of non-current assets		(122,754)
Other Payments for Perth Stadium		(61,068)
<b>Receipts</b>		
Capital Contribution		60,018
<b>Net cash provided by/(used in) investing activities</b>		<b><u>(123,804)</u></b>
Net increase/(decrease) in cash and cash equivalents		<u>77,593</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	7.1	<b><u>77,593</u></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 2018

	2018 Estimate \$000	2018 Actual \$000	Variance \$000
<b><u>DELIVERY OF SERVICES</u></b>			
Item 68 Net amount appropriated to deliver services	101,281	115,722	14,441
Item 70 Contribution to Community Sporting and Recreation Facilities Fur	15,119	15,119	-
Amount Authorised by Other Statutes:			
Salaries and Allowances Act 1975	1,243	743	(500)
Lotteries Commission Act 1990	33,268	31,137	(2,131)
<b>Total appropriations provided to deliver services</b>	<b>150,911</b>	<b>162,721</b>	<b>11,810</b>
<b><u>CAPITAL</u></b>			
Item 117 Capital appropriations	113,930	90,618	(23,312)
Perth/Optus Stadium Account	-	106,264	106,264
<b>Total Capital appropriations</b>	<b>113,930</b>	<b>196,882</b>	<b>82,952</b>
<b><u>ADMINISTERED TRANSACTIONS</u></b>			
Item 74 Administered grants, subsidies and other transfer payments	57,086	50,475	(6,611)
<b>Total administered transactions</b>	<b>57,086</b>	<b>50,475</b>	<b>(6,611)</b>
<b>GRAND TOTAL</b>	<b>321,927</b>	<b>410,078</b>	<b>88,151</b>
<b><u>Details of Expenses by Service</u></b>			
Regulation and Support of Local Government	16,842	16,797	(45)
Promotion and Support of Multiculturalism	6,965	6,950	(15)
Arts Industry Support	19,749	12,720	(7,029)
Research, Policy Development, Information and Support	21,606	15,318	(6,288)
Corporate and Asset and Infrastructure Support to the Culture and Arts			
Portfolio and Government	18,044	25,952	7,908
State Information Management and Archival Services	2,204	2,475	271
Licensing - Evaluation and Determination of Applications	7,332	8,157	825
Compliance Audits and Inspections	7,331	8,156	825
Industry Leadership and Infrastructure Development	49,978	44,345	(5,633)
Building Capacity and Participation	38,226	45,666	7,440
Recreation Camps Management	8,784	8,134	(650)
Total Costs of Services	197,061	194,668	(2,393)
Less Total Income	(18,814)	(18,313)	501
Net Cost of Services	178,247	176,355	(1,892)
Adjustments			
<b>Total appropriations provided to deliver services</b>	<b>178,247</b>	<b>176,355</b>	<b>(1,892)</b>
<b><u>Capital Expenditure</u></b>			
Purchase of non-current assets	113,930	183,821	69,891
<b>Capital appropriations</b>	<b>113,930</b>	<b>183,821</b>	<b>69,891</b>
<b><u>Details of Income Estimates</u></b>			
Income disclosed as Administered Income	119,086	111,438	(7,648)
	119,086	111,438	(7,648)

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 Items' provide details of any significant variations between estimates and actual results for 2018.

## 5.2 Notes to the financial statements

For the year ended 30 June 2018

### 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 2 October 2018.

In 2016-17 the Western Australian Government announced major changes to State Government agencies to increase collaboration across departments, deliver services more efficiently and focus of Whole of Government objectives. As a result, a newly formed Department of Local Government, Sport and Cultural Industries commenced on 1 July 2017. This brings together the operations of Department of Culture and the Arts, Department of Sport & Recreation, Department of Racing, Gaming and Liquor, the Aboriginal History Unit of the Department of Aboriginal Affairs, the Office of Multicultural Interests and the Local Government functions of the Department of Local Government and Communities.

### 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).

### Comparative Figures

This is a new Department, formed as part of the Machinery of Government changes. Consequently, no comparative figures have been disclosed in the financial statements including the notes in accordance with *TI 949(5) Comparative Figures*.

## 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: State Information Management and Archival Services*

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.

*Service 7: Licensing - Evaluation and Determination of Applications*

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

*Service 8: 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 9: 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 10: 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 11: Recreation Camps Management*

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

# Department of Local Government, Sport and Cultural Industries

## Schedule of income and expenses by service

### For the year ended 30 June 2018

2.2 Schedule of income and expenses by service  
For the year ended 30 June 2018

	2018 \$000	2018 \$000	2018 \$000	2018 \$000	2018 \$000	2018 \$000	2018 \$000	2018 \$000	2018 \$000	2018 \$000	2018 \$000	2018 \$000
	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	State Information Management and Archival Services	Licensing - Evaluation and Determination of Applications	Compliance Audits and Inspections	Industry Leadership and Infrastructure Development	Building Capacity and Participation	Recreation Camps Management	Total
<b>COST OF SERVICES</b>												
<b>Expenses</b>												
Employee benefits expense	7,752	3,068	1,365	2,801	7,898	2,033	5,324	5,324	5,134	7,956	4,713	53,368
Supplies and services	4,499	1,532	440	874	2,658	378	1,405	1,405	9,212	13,063	1,670	37,137
Depreciation and amortisation expenses	144	62	-	-	3,791	18	545	544	152	274	1,085	6,624
Accommodation expenses	1,118	479	-	4	8,158	40	622	622	714	1,226	607	13,590
Grants and subsidies	3,261	1,737	10,913	11,612	1,809	-	-	-	28,535	22,869	-	80,736
Loss on disposal of non-current assets	-	-	-	-	1,114	-	-	-	15	39	-	1,168
Revaluation Decrement	-	-	-	-	26	-	-	-	453	-	-	479
Other expenses	23	72	2	27	498	6	261	261	130	239	49	1,566
<b>Total cost of services</b>	<b>16,797</b>	<b>6,950</b>	<b>12,720</b>	<b>15,318</b>	<b>25,952</b>	<b>2,475</b>	<b>8,157</b>	<b>8,156</b>	<b>44,345</b>	<b>45,666</b>	<b>8,134</b>	<b>194,668</b>
<b>Income</b>												
User charges and fees	60	-	-	-	170	41	6,458	-	-	5	4,385	11,119
Sponsorship revenue	-	36	-	117	-	-	-	-	-	-	-	153
Commonwealth grants and contributions	-	-	115	115	-	-	-	86	81	-	-	398
Interest revenue	-	-	-	-	1	-	-	-	1	-	-	2
Other revenue	164	22	-	-	527	3	297	4,193	356	1,000	79	6,641
Gain on disposal of non-current assets	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total income other than income from State Government</b>	<b>224</b>	<b>58</b>	<b>115</b>	<b>232</b>	<b>698</b>	<b>44</b>	<b>6,766</b>	<b>4,279</b>	<b>438</b>	<b>1,005</b>	<b>4,464</b>	<b>18,313</b>
<b>NET COST OF SERVICES</b>	<b>16,573</b>	<b>6,892</b>	<b>12,605</b>	<b>15,086</b>	<b>25,254</b>	<b>2,431</b>	<b>1,401</b>	<b>3,877</b>	<b>43,907</b>	<b>44,661</b>	<b>3,670</b>	<b>176,355</b>
<b>INCOME FROM STATE GOVERNMENT</b>												
Service Appropriation	12,978	6,542	15,521	18,079	22,134	2,107	1,643	3,492	32,816	40,678	6,731	162,721
Liabilities assumed	-	-	-	-	-	-	-	-	-	-	-	-
Assets transferred	-	-	-	-	-	-	-	-	-	-	-	-
Services received free of charge	445	1	-	-	547	-	82	175	184	49	31	1,514
Royalties for Regions Funds	2,427	-	2,804	2,804	325	-	-	-	4,047	1,000	-	13,407
State Government Grants	30	-	565	565	-	-	-	-	5,775	-	-	6,935
<b>Total income from State Government</b>	<b>15,880</b>	<b>6,543</b>	<b>18,890</b>	<b>21,448</b>	<b>23,006</b>	<b>2,107</b>	<b>1,725</b>	<b>3,667</b>	<b>42,822</b>	<b>41,727</b>	<b>6,762</b>	<b>184,577</b>
<b>SURPLUS / (DEFICIT) FOR THE PERIOD</b>	<b>(693)</b>	<b>(349)</b>	<b>6,285</b>	<b>6,362</b>	<b>(2,248)</b>	<b>(324)</b>	<b>324</b>	<b>(210)</b>	<b>(1,085)</b>	<b>(2,934)</b>	<b>3,092</b>	<b>8,222</b>

# Department of Local Government, Sport and Cultural Industries Schedule of Assets and Liabilities by Service

For the year ended 30 June 2018

	2018 \$000	2018 \$000	2018 \$000	2018 \$000	2018 \$000	2018 \$000	2018 \$000	2018 \$000	2018 \$000	2018 \$000	2018 \$000	2018 \$000	2018 \$000	2018 \$000	2018 \$000	Total \$000
	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	State Information Management and Archival Services	Licensing - Evaluation and Determination of Applications	Compliance Audits and Inspections	Industry Leadership and Infrastructure Development	Building Capacity and Participation	Recreation Camps Management					
<b>Assets</b>																
Current assets	3,514	395	890	1,055	52,090	919	919	919	19,511	3,555	2,029	85,018				
Non-current assets	2,404	8	-	-	408,973	2,386	4,598	4,598	2,072	2,941	25,134	453,114				
<b>Total assets</b>	<b>5,918</b>	<b>403</b>	<b>890</b>	<b>1,055</b>	<b>461,063</b>	<b>2,527</b>	<b>5,517</b>	<b>5,517</b>	<b>21,583</b>	<b>6,496</b>	<b>27,163</b>	<b>538,132</b>				
<b>Liabilities</b>																
Current liabilities	2,309	812	6,100	6,481	2,877	360	782	783	1,136	1,481	1,564	24,705				
Non-current liabilities	240	78	64	103	263	38	186	185	307	390	188	2,042				
<b>Total liabilities</b>	<b>2,549</b>	<b>890</b>	<b>6,164</b>	<b>6,584</b>	<b>3,140</b>	<b>398</b>	<b>968</b>	<b>968</b>	<b>1,443</b>	<b>1,871</b>	<b>1,772</b>	<b>26,747</b>				
<b>NET ASSETS</b>	<b>3,369</b>	<b>(487)</b>	<b>(5,274)</b>	<b>(5,529)</b>	<b>457,923</b>	<b>2,129</b>	<b>4,549</b>	<b>4,549</b>	<b>20,140</b>	<b>4,625</b>	<b>25,391</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	2018 \$000
Employee benefits expenses	3.1(a)	53,368
Employee related provisions	3.1(b)	10,625
Grants and subsidies	3.2	80,736
Other expenses	3.3	53,461

#### 3.1(a) Employee benefits expenses

	2018 \$000
Wages and salaries	43,101
Termination benefits	6,109
Superannuation – defined contribution plans <sup>(a)</sup>	4,158
<b>Total employee benefits expenses</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.

	<b>2018</b>
	<b>\$000</b>
<b>Current</b>	
<u>Employee benefits provisions</u>	
Annual leave <sup>(a)</sup>	3,083
Long service leave <sup>(b)</sup>	4,756
	<u>7,838</u>
<u>Other provisions</u>	
Employment on-costs <sup>(c)</sup>	745
<b>Total current employee related provisions</b>	<b><u>8,583</u></b>
<b>Non-current</b>	
<u>Employee benefits provisions</u>	
Long service leave <sup>(b)</sup>	1,844
<u>Other provisions</u>	
Employment on-costs <sup>(c)</sup>	199
<b>Total non-current employee related provisions</b>	<b><u>2,042</u></b>
<b>Total employee related provisions</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:

	<b>2018</b>
	<b>\$000</b>
Within 12 months of the end of the reporting period	2,099
More than 12 months after the end of the reporting period	984
	<u>3,083</u>

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:

	<b>2018</b>
	<b>\$000</b>
Within 12 months of the end of the reporting period	1,753
More than 12 months after the end of the reporting period	4,846
	<b>6,599</b>

The long service leave liabilities are 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'

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

	<b>2018</b>
	<b>\$000</b>
<u>Recurrent</u>	
Partnerships Acceptance and Learnings (PALS)	699
Bell Tower Foundation	250
Community Engagement and Funding	1,686
Companion Animal Shelters	200
Local Projects Local Jobs	7,327
Arts Agencies & Projects	3,284
Major Performing Arts Companies	8,918
Minor Works	1,090
Royalties for Regions Fund	13,140
ScreenWest	3,059
Sports Lotteries Account	14,101
Sports Financial Grants	8,339
Other Grants	148
<u>Capital</u>	
Community Sporting and Recreational Funds	7,485
Sports Financial Grants	11,010
<b>Total grants and subsidies</b>	<b>80,736</b>

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

	<b>2018</b>
	<b>\$000</b>
<b>Supplies and services</b>	
Communications	828
Freight & Mail Services	126
Computing & IT related equipment	1,720
Labour Hire/Temporary Personnel	1,604
Professional & Administrative Services	24,714
Consultants and contractors	230
Consumables	804
Repairs & Maintenance	478
Travel	623
Entertainment	132
Insurance & licences	3,701
Operating Lease, Rental & Hire Costs	820
Advertising & Promotion	313
Portable & Attractive Equipment	363
Minor Works & Management Services	446
Other	235
<b>Total supplies and services expenses</b>	<b>37,137</b>
<b>Accommodation expenses</b>	
Lease rentals	6,913
Repairs and maintenance	5,373
Utilities	932
Cleaning	372
<b>Total accommodation expenses</b>	<b>13,590</b>
<b>Other expenditures</b>	
Audit Fees	398
Write Offs	578
Employment on-costs	226
Not For Profit Funded Services	71
Programs & Services	201
Other	92
<b>Total other expenditures</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>1,168</b>
<b>Total other expenses</b>	<b>53,461</b>

### **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 debt expense** is recognised as the movement in the provision for doubtful debt. Please refer to note 6.1.1 Movement of 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:

	<b>Notes</b>	<b>2018</b>
		<b>\$000</b>
Income from State Government	4.1	184,577
User charges and fees	4.2	11,119
Commonwealth grants and contributions	4.3	398
Other Revenue	4.4	6,641

### 4.1 Income from State Government

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

	<b>2018</b>
	<b>\$000</b>
User charges and Fees:	
Camps catering	480
King Street Arts Centre Studio Hire	29
Liquor fees and other charges	6,600
Off-Road Vehicles	59
Programs and Accommodation	3,906
State Record Office	41
Other fees and charges	4
	<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

	<b>2018</b>
	<b>\$000</b>
Indian Ocean Territories (Christmas and Cocos (Keeling) Islands)	308
Indigenous Visual Arts Industry Support program – Revealed	90
	<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

	<b>2018</b>
	<b>\$000</b>
Rentals	268
Recoup of expenditure	5,947
Assets not previously recognised	298
Other	128
	<b>6,641</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	2018 \$000
Property, plant and equipment	5.1	422,162
Intangibles	5.2	7,277
<b>Total key assets</b>		<b>429,439</b>

### 5.1 Property, plant and equipment

For the year ended 30 June 2018	Land \$000	Buildings \$000	Leasehold Improvements \$000	Works in Progress \$000	Plant, equipment and vehicles \$000	Office equipment \$000	Collections \$000	Exhibits - WIP \$000	Works of art \$000	Total \$000
<b>Transfer from abolished agencies</b>	<b>111,125</b>	<b>174,743</b>	<b>1,444</b>	<b>155,926</b>	<b>1,871</b>	<b>159</b>	<b>1,286</b>	<b>7,871</b>	<b>769</b>	<b>455,194</b>
Additions	-	43	203	115,981	207	5,526	-	4,583	93	126,636
Transfers (a)	59	6,432	5,942	(170,523)	4,641	-	-	-	-	(153,448)
Other disposals	-	(1,114)	-	-	(54)	(73)	-	-	(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>1,279</b>	<b>12,454</b>	<b>1,158</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 plant, equipment and vehicles.

### 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 2017 by the Western Australian Land Information Authority (Valuations and Property Analytics). The valuations were performed during the year ended 30 June 2018 and recognised at 30 June 2018. In undertaking the revaluation, fair value was determined by reference to market values for land: \$110,814k and buildings: \$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 and infrastructure:** 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

	<b>2018</b>
	<b>\$000</b>
<u>Depreciation</u>	
Plant, equipment and vehicles	665
Buildings	4,131
Leased plant, equipment and vehicles	-
<b>Total depreciation for the period</b>	<b>4,796</b>

As at 30 June 2018 there were no indications of impairment to property, plant and equipment or infrastructure.

All surplus assets at 30 June 2018 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 50 years
Plant and equipment	3 to 20 years
Leasehold Improvements	up to 40 years
Office equipment	3 to 20 years
Computer hardware and software <sup>(a)</sup>	4 years
Furniture and fittings	10 to 15 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

Year ended 30 June 2018	Other Intangibles \$000	Licences \$000	Computer Software \$000	Total \$000
<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	-	(254)	846	592
Impairment losses	-	(23)	(497)	(520)
Amortisation expense	(23)	(260)	(1,545)	(1,828)
<b>Carrying amount at 30 June 2018</b>	<b>73</b>	<b>841</b>	<b>6,363</b>	<b>7,277</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;
- (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

	<b>2018</b>
	<b>\$000</b>
Licences	260
Computer software	1,568
<b>Total amortisation for the period</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:

	<b>Notes</b>	<b>2018</b>
		<b>\$000</b>
Receivables	6.1	5,367
Amounts receivable for services	6.2	24,004
Other assets	6.3	1,729
Payables	6.4	15,146
Other liabilities	6.5	976

## 6.1 Receivables

	<b>2018</b>
	<b>\$000</b>
<u>Current</u>	
Receivables	2,348
Allowance for impairment of receivables	-
Accrued revenue	-
Other Receivable	5
GST receivable	3,014
<b>Total current</b>	<b>5,367</b>

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

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 of the allowance for impairment of receivables

	<b>2018</b>
	<b>\$000</b>
<b>Reconciliation of changes in the allowance for impairment of receivables:</b>	
Balance at start of period	-
Doubtful debts expense	(2)
Amounts written off during the period	21
<b>Balance at end of period</b>	<b>19</b>

The collectability of receivables is reviewed on an ongoing basis and any receivables identified as uncollectible are written-off against the allowance account. The allowance for uncollectible amounts (doubtful debts) is raised when there is objective evidence that the Department will not be able to collect the debts.

## 6.2 Amounts receivable for services (Holding Account)

	<b>2018</b>
	<b>\$000</b>
Current	789
Non-current	23,215
<b>Balance at end of period</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.

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

## 6.3 Other assets

	2018
	\$000
<b>Current</b>	
Prepayments	1,227
Accrued Income	427
<b>Total current</b>	<u>1,654</u>
<b>Non-current</b>	
Prepayments	75
<b>Total non-current</b>	<u>75</u>
<b>Balance at end of period</b>	<u><u>1,729</u></u>

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

	2018
	\$000
<b>Current</b>	
Trade payables	158
Grants payable	10,489
Accrued expenses	4,176
Accrued salaries	323
<b>Total current</b>	<u>15,146</u>
<b>Balance at end of period</b>	<u><u>15,146</u></u>

**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

	<b>Notes</b>	<b>2018</b>
		<b>\$000</b>
<u>Current</u>		
Income received in advance		10
Unclaimed monies		16
Deposits		950
<b>Total current</b>		<b>976</b>
		<hr/>
<b>Balance at end of period</b>		<b>976</b>
		<hr/> <hr/>

## 7. Financing

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

	<b>Notes</b>
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

	Notes	2018 \$000
Cash and cash equivalents	8.1	67,470
Restricted cash and cash equivalents:		
Community Sporting and Recreation Facilities Fund <sup>(a)</sup>		3,548
Logue Brook Trust <sup>(b)</sup>		50
Sports Lotteries Account <sup>(c)</sup>		875
Sports Wagering Funds <sup>(d)</sup>		203
Royalties for Regions Fund <sup>(e)</sup>		1,535
Commonwealth Government grant - services to Indian Ocean Territories <sup>(f)</sup>		140
Sunset Property Special Purpose Account <sup>(g)</sup>		1,933
Connecting to Country <sup>(h)</sup>		291
LG Local Projects Local Jobs <sup>(i)</sup>		589
Off-Road Vehicles <sup>(j)</sup>		532
Other		42
Accrued salaries suspense account <sup>(k)</sup>		385
<b>Balance at end of period</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 and \$1.9m was provided for the maintenance of the property. \$17k of this fund is held in trust by Jones Long LaSalle (JLL) for the operation of the Sunset Hospital Rental 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

	Notes	2018 \$000
Net cost of services		(176,355)
<b>Non-cash items</b>		
Depreciation and amortisation expense	5.1	6,624
Bad debt Write off expense/Doubtful Debt	3.3	19
Services received free of charge	4.1	1,514
Net (gain)/loss on disposal of property, plant and equipment	3.3	1,168
Write off of Non Current assets		525
Revaluation Decrement		479
Other revenue - Assets not previously recognised		(298)
<b>(Increase)/decrease in assets</b>		
Current receivables <sup>(a)</sup>		(779)
Current inventories		31
Other current assets		7
Non-current assets		191
<b>Increase/(decrease) in liabilities</b>		
Current payables <sup>(a)</sup>		(10,875)
Current provisions		(826)
Other current liabilities		(746)
Non-current provisions		(248)
Other non-current liabilities		-
Net GST receipts/(payments) <sup>(b)</sup>		1,303
Change in GST in receivables/payables <sup>(c)</sup>		(879)
<b>Net cash provided by/(used in) operating activities</b>		<b><u>(179,145)</u></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.

The mandatory application of AASB 2016-2 *Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107* imposed disclosure impacts only. The Department is not exposed to changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.

## 7.2 Commitments

### 7.2.1 Non-cancellable operating lease commitments

	<b>2018</b>
	<b>\$000</b>
Commitments for minimum lease payments are payable as follows:	
Within 1 year	3,208
Later than 1 year and not later than 5 years	10,813
Later than 5 years	2,630
	<u><b>16,651</b></u>

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

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

The totals presented for capital commitments are GST inclusive.

### 7.2.3 Other expenditure commitments

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

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, loans and 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.

The maximum exposure to credit risk at the end of the reporting period in relation to each class of recognised financial asset is the gross carrying amount of those assets inclusive of any allowance for impairment as shown in the table at Note 8.1(c) 'Financial instruments disclosures' and Note 6.1 'Receivables'.

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

##### Liquidity risk

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

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

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

##### Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates and interest rates will affect the Department's income or the value of its holdings of financial instruments. 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:

	<b>2018</b>
	<b>\$000</b>
<b>Financial assets</b>	
Cash and cash equivalents	67,470
Restricted cash and cash equivalents	10,123
Loans and receivables <sup>(a)</sup>	26,357
<b>Total financial assets</b>	<b>103,950</b>
<b>Financial liabilities</b>	
Payables	15,146
Other current liabilities	976
<b>Total financial liability</b>	<b>16,122</b>

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

## (c) Ageing analysis of financial assets

	Carrying Amount \$000	Not past due and not impaired \$000	Past due but not impaired					Impaired financial assets \$000
			Up to 1 month \$000	1-3 months \$000	3 months to 1 year \$000	1-5 years \$000	More than 5 years \$000	
<b>2018</b>								
Cash and cash equivalents	67,470	67,470	-	-	-	-	-	-
Restricted cash and cash equivalents	10,123	10,123	-	-	-	-	-	-
Receivables <sup>(a)</sup>	2,353	977	739	493	132	12	-	-
Loans and advances								
Amounts receivable for services	24,004	24,004	-	-	-	-	-	-
	<b>103,950</b>	<b>102,574</b>	<b>739</b>	<b>493</b>	<b>132</b>	<b>12</b>	-	-

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

## (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 Average Effective Interest Rate %	Carrying Amount \$000	Fixed interest rate \$000	Variable interest rate \$000	Non-interest bearing \$000	Nominal amount \$000	Up to 1 month \$000	1-3 months \$000	3 months to 1 year \$000	1-5 years \$000	More than 5 years \$000
<b>2018</b>											
<u>Financial Assets</u>											
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	-	-	-	-	-
Loans and advances		-	-	-	-	-	-	-	-	-	-
Amounts receivable for services		24,004	-	-	24,004	24,004	301	8	480	3,156	20,059
		<b>103,950</b>	<b>-</b>	<b>50</b>	<b>103,900</b>	<b>103,950</b>	<b>80,247</b>	<b>8</b>	<b>480</b>	<b>3,156</b>	<b>20,059</b>
<u>Financial Liabilities</u>											
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	-	-	-	-
		<b>16,122</b>	<b>-</b>	<b>-</b>	<b>16,122</b>	<b>16,122</b>	<b>16,122</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

The following table represents a summary of the interest rate sensitivity of the Department's only interest bearing account at the end of the reporting period. It is assumed that the change in interest rates is held constant throughout the reporting period.

Carrying amount \$000	-100 basis points		+100 basis points	
	Surplus \$000	Equity \$000	Surplus \$000	Equity \$000
<b>2018</b>				
<u>Financial assets</u>				
Restricted cash and cash equivalents	50	(1)	(1)	1
<b>Total increase/(decrease)</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 nominal value.

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 had no contingent assets.

### 8.2.2 Contingent liabilities

There are infrastructure projects (Optus Stadium and NIB Stadium) undertaken by the former Departments which have reached completion. Claims have arisen in relation to works or activities associated with such projects. These claims are subject to a period of negotiation and may either be withdrawn, subsequently settled (at a value agreed between the two parties), or proceed to some alternative process for resolution such as through legal action. Where costs are negotiated and claims settled, these are reflected in the financial statements.

## 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 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Fair value at end of period</b>
<b>2018</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
Land (Note 5.1)	-	6,800	104,014	110,814
Buildings (Note 5.1)	-	2,286	174,252	176,538
	<b>-</b>	<b>9,086</b>	<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)

	<b>Land</b>	<b>Buildings</b>
	<b>\$000</b>	<b>\$000</b>
<b>2018</b>		
Fair Value transferred from abolished agencies	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>

### 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.

## Amendments to AASB 136

Mandatory application of AASB 2016-4 Amendments to Australian Accounting Standards – Recoverable Amount of Non-Cash-Generating Specialised Assets of Not-for-Profit Entities has no financial impact for the Department as the Department is classified as not-for-profit and regularly revalues specialised infrastructure, property, plant and equipment assets. Therefore, fair value the recoverable amount of such assets is expected to be materially the same as fair value.

## Information about significant unobservable inputs (Level 3) in fair value measurements

Description	Fair value 2018 \$'000	Valuation technique(s)	Unobservable inputs	Relationship of unobservable inputs to fair value
Buildings	174,252	Depreciated Replacement Cost	Historical cost per square metre floor area (m <sup>2</sup> )	Historical cost per m <sup>2</sup> increases fair value.
Land	104,014	Market approach	Selection of land with similar approximate utility	Higher historical cost per m <sup>2</sup> 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
Future impact of Australian standards issued not yet operative	9.2
Key management personnel	9.3
Related party transactions	9.4
Related bodies	9.5
Affiliated bodies	9.6
Special purpose accounts	9.7
Remuneration of auditors	9.8
Equity	9.9
Supplementary financial information	9.10
Explanatory Statement	9.11

### 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 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.

		<b>Operative for reporting periods beginning on/after</b>
AASB 9	<i>Financial Instruments</i>	1 Jan 2018
	<p>This Standard supersedes AASB 139 <i>Financial Instruments: Recognition and Measurement</i>, introducing a number of changes to accounting treatments.</p> <p>The mandatory application date of this Standard is currently 1 January 2018 after being amended by AASB 2012-6, AASB 2013-9 and AASB 2014-1 <i>Amendments to Australian Accounting Standards</i>. The Department has not yet determined the application or the potential impact of the Standard.</p>	

<i>AASB 15</i>	<p><i>Revenue from Contracts with Customers</i></p> <p>This Standard establishes the principles that the Department shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. The mandatory application date of this Standard is currently 1 January 2019 after being amended by AASB 2016-7.</p> <p>The Department's income is principally derived from appropriations which will be measured under AASB 1058 and will be unaffected by this change. However, the Department has not yet determined the potential impact of the Standard on 'User charges and fees' and 'Sales' revenues. In broad terms, it is anticipated that the terms and conditions attached to these revenues will defer revenue recognition until the Department has discharged its performance obligations.</p>	1 Jan 2019
<i>AASB 16</i>	<p><i>Leases</i></p> <p>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.</p> <p>Whilst the impact of AASB 16 has not yet been quantified, the entity currently has commitments for \$16,651k worth of non-cancellable operating leases which will mostly be brought onto the statement of financial position. Interest and amortisation expense will increase and rental expense will decrease.</p>	1 Jan 2019
<i>AASB 1058</i>	<p><i>Income of Not-for-Profit Entities</i></p> <p>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. The Department anticipates that the application will not materially impact appropriation or untied grant revenues.</p>	1 Jan 2019

<p><i>AASB 1059</i></p>	<p><b>Service Concession Arrangements: Grantors</b></p> <p>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 Department has not identified any public private partnerships within scope of the Standard.</p>	<p>1 Jan 2019</p>
<p><i>AASB 2010-7</i></p>	<p><b>Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 &amp; 1038 and Int 2, 5, 10, 12, 19 &amp; 127]</b></p> <p>This Standard makes consequential amendments to other Australian Accounting Standards and Interpretations as a result of issuing AASB 9 in December 2010.</p> <p>The mandatory application date of this Standard has been amended by AASB 2012-6 and AASB 2014-1 to 1 January 2018. The Department has not yet determined the application or the potential impact of the Standard.</p>	<p>1 Jan 2018</p>
<p><i>AASB 2014-1</i></p>	<p><b>Amendments to Australian Accounting Standards</b></p> <p>Part E of this Standard makes amendments to AASB 9 and consequential amendments to other Standards. These changes have no impact as Appendix E has been superseded and the Department was not permitted to early adopt AASB 9.</p>	<p>1 Jan 2018</p>
<p><i>AASB 2014-5</i></p>	<p><b>Amendments to Australian Accounting Standards arising from AASB 15</b></p> <p>This Standard gives effect to the consequential amendments to Australian Accounting Standards (including Interpretations) arising from the issuance of AASB 15. The mandatory application date of this Standard has been amended by AASB 2015-8 to 1 January 2018. The Department has not yet determined the application or the potential impact of the Standard.</p>	<p>1 Jan 2018</p>

**Operative for reporting  
periods beginning on/after**

<p><i>AASB 2014-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2014)</i></p> <p>This Standard gives effect to the consequential amendments to Australian Accounting Standards (including Interpretations) arising from the issuance of AASB 9 (December 2014). The Department has not yet determined the application or the potential impact of the Standard.</p>	<p>1 Jan 2018</p>
<p><i>AASB 2015-8 Amendments to Australian Accounting Standards – Effective Date of AASB 15</i></p> <p>This Standard amends the mandatory application date of AASB 15 to 1 January 2018 (instead of 1 January 2017). It also defers the consequential amendments that were originally set out in AASB 2014-5. There is no financial impact arising from this Standard.</p>	<p>1 Jan 2018</p>
<p><i>AASB 2016-3 Amendments to Australian Accounting Standards – Clarifications to AASB 15</i></p> <p>This Standard clarifies identifying performance obligations, principal versus agent considerations, timing of recognising revenue from granting a licence, and, provides further transitional provisions to AASB 15. The Department has not yet determined the application or the potential impact of the Standard.</p>	<p>1 Jan 2018</p>
<p><i>AASB 2016-7 Amendments to Australian Accounting Standards – Deferral of AASB 15 for Not-for-Profit Entities</i></p> <p>This Standard defers, for not-for-profit entities, the mandatory application date of AASB 15 to 1 January 2019, and the consequential amendments that were originally set out in AASB 2014-5. There is no financial impact arising from this standard.</p>	<p>1 Jan 2018</p>
<p><i>AASB 2016-8 Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities</i></p> <p>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.</p>	<p>1 Jan 2019</p>

### 9.3 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:

<b>Compensation band (\$)</b>	<b>2018</b>
100,001 - 110,000	1
160,001 - 170,000	5
170,001 - 180,000	2
180,001 - 190,000	2
190,001 - 200,000	1
210,001 - 220,000	2
330,001 - 340,000	1
350,001 - 360,000	1
	<b>2018</b>
	<b>\$000</b>
Short-term employee benefits	2,201
Post-employment benefits	285
Other long-term benefits	73
Termination benefits	419
<b>Total compensation of senior officers</b>	<b>2,978</b>

Total compensation includes the superannuation expense incurred by the Department in respect of senior officers.

### 9.4 Related parties

The Department is a wholly owned public sector entity that is controlled by of 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; and
- 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 entities);
- 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 9.9);
- 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 the Department of Community Services, Department of Planning, Lands and Heritage, and Equal Opportunity Commission (Note 12.1);
- services received free of charge from the Department of Finance, and State Solicitor's Officer (Note 4.1);
- recoups for services provided to Gaming and Wagering Commission of WA, and Racing Penalties Appeal Tribunal (Note 4.2 );
- remuneration for services provided by the Auditor General (Note 9.8).
- payments to Combat Sports Commission (Note 9.6), VenuesWest (Note 3.3 and 5.1) and Public Transport Authority (Note 3.3);
- buildings transferred to Burswood Park Board and VenuesWest (Note 5.1 and 9.9);
- contributed equity payment from VenuesWest and Department of Transport (Note 9.9);
- payments from Public Transport Authority (Note 6.1); and
- grants provided to West Australian Institute of Sport (Note 3.2 and 9.6).

## **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.

## **9.5 Related bodies**

The Department has no related bodies.

## 9.6 Affiliated bodies

	<b>2018</b>
	<b>\$000</b>
Combat Sports Commission	839
Croatian Ethnic School of WA	7
Full Gospel Worship Centre Perth WA Inc	5
Hungarian Educational and Cultural Centre	8
Igbo Association of WA Inc	15
International Art Space	220
Ma'di Community Association of Western Australia	9
Salsaal Integration Association	5
Smile of Hope	9
The Vietnamese Catholic Ethnic School of WA Inc	41
Vietnamese Community in Australia WA Chapter Inc	23
Vietnamese Evangelical Church in Australia Perth	13
Vietnamese School of WA Inc	6
West Australian Institute of Sport	8,503
Writing WA	156
	<b>9,859</b>

The organisations listed above are not subject to operational control by the Department.

## 9.7 Special purpose accounts

### *Sunset Heritage Trust Account*

The purpose of the account is to hold funds received from the Department of Finance to operate the Sunset Heritage Properties

	<b>2018</b>
	<b>\$000</b>
Balance at start of period	-
Transfer from Department of Finance	1,949
Payments	(34)
<b>Balance at end of period</b>	<b>1,915</b>

### *Indian Ocean Territories Reimbursement Trust Fund <sup>(a)</sup>*

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.

	<b>2018</b>
	<b>\$000</b>
Balance at start of period	-
Receipts	(86)
Payments	86
<b>Balance at end of period</b>	<b>-</b>

*Community Sporting and Recreation Facilities Fund<sup>(a)</sup>*

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.

	<b>2018</b>
	<b>\$000</b>
Transferred from Former Department of Sport and Recreation	81
Receipts	15,138
Payments	(11,670)
<b>Balance at end of period</b>	<b>3,549</b>

*Logue Brook Trust Fund<sup>(a)</sup>*

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.

	<b>2018</b>
	<b>\$000</b>
Transferred from Former Department of Sport and Recreation	59
Receipts	1
Payments	(10)
<b>Balance at end of period</b>	<b>50</b>

(a) *Established under section 16(1)(c) of FMA.*

## **9.8 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>2018</b>
	<b>\$000</b>
Auditing the accounts, financial statements controls, and key performance indicators	375
	<b>375</b>

## 9.9 Equity

2018  
\$000

### **Contributed equity**

Balance at start of period -

#### *Contributions by owners*

Capital appropriation 196,881

#### *Other contributions by owners*

Transfer of net assets from other agencies (a) 925,263

Transfer of Sunset Property from Department of Finance 14,105

Equity transfers under Perth Stadium arrangement 3,125

Screenwest Holding Account 34

**Total contributions by owners** **1,139,409**

#### *Distributions to owners*

Transfer of net assets to other agencies:

Transfer Perth Stadium to Venues West and Burswood Park Board 635,356

Transfer to Perth Theatre Trust 890

**Total distributions to owners** **636,246**

**Balance at end of period** **503,163**

### **Accumulated surplus/(deficit)**

Balance at start of period -

Result for the period 8,222

**Balance at end of period** **8,222**

**Total Equity at end of period** **511,385**

a) Department of Culture and Arts, Department of Sport and Recreation, Department of Racing, Gaming and Liquor, and Local Government and Office of Multicultural Interests (both formerly part of Department of Local Government and Communities) were amalgamated. Their assets and liabilities were transferred to the newly formed Department of Local Government, Sports and Cultural Industries. The assets and liabilities transferred are outlined below.

Statement of Financial Position balances	Department of Sport and Recreation	Department of Racing, Gaming & Liquor	Department of Culture and Arts	Department of Local Government (inc OMI)	Department of Aboriginal Affairs	Total
Cash and cash equivalents	27,400	1,048	21,979	9,590	-	60,017
Inventories	31	-	-	-	-	31
Receivables	3,877	84	905	-	-	4,866
Other Current assets	-	-	229	324	-	553
Amount receivable for services (current)	604	250	-	35	-	889
Amount receivable for services (non-current)	10,760	3,381	5,648	1,530	-	21,319
Other non-current assets	414,714	-	-	206	-	414,920
Property plant and equipment	124,334	2	330,539	85	234	455,194
Intangible assets	503	6,625	851	638	-	8,617
Payables	(249)	(232)	(25,532)	(883)	-	(26,897)
Provisions (current)	(3,075)	(1,663)	(2,414)	(2,590)	(322)	(10,064)
Other current liabilities	(894)	(102)	(828)	-	-	(1,824)
Provisions (non-current)	(957)	(409)	(479)	(512)	-	(2,357)
Equity contribution transfer	<b>577,048</b>	<b>8,984</b>	<b>330,897</b>	<b>8,423</b>	<b>(88)</b>	<b>925,264</b>

## 9.10 Supplementary financial information

### (a) Write-offs

During the financial year, the following was written off the Department's asset register under the authority of:

	<b>2018</b>
	<b>\$000</b>
The accountable authority	578
	<b>578</b>

## 9.11 Explanatory statement (Controlled Operations)

As the Department is newly created this financial year as part of the Machinery of Government changes an explanatory statement will not be provided as there isn't a prior year to compare against and the estimates were for separate departments.

## 10. Administered disclosures (Departments only)

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

	<b>Note</b>
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 and Inspections	Building Capacity and Participation	Total
	2018	2018	2018
	\$000	\$000	\$000
<b>INCOME FROM ADMINISTERED ITEMS</b>			
<u>Income</u>			
For transfer:			
Appropriation	49,636	839	50,475
Taxation - Casino Tax	60,963	-	60,963
<b>Total administered income</b>	<b>110,599</b>	<b>839</b>	<b>111,438</b>
<u>Expenses</u>			
Supplies and services			
Grants to Combat Sports Commission	-	750	750
Grants to Charitable And Other Public Bodies			
Grants to Individuals Problem Gambling	500	-	500
Statutory Authorities			
Grants to Racing and Wagering Western Australia	14,888	-	14,888
Subsidies And Concessions			
Subsidies to gambling and betting agencies and bookmakers	34,248	-	34,248
Transfer payments (a)	60,041	-	60,041
<b>Total administered expenses</b>	<b>109,677</b>	<b>750</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 items

All variances between estimates (original budget) and actual results for 2018 are shown below. Narratives are provided for key major variances, which are generally greater than 5% and \$2,382k.

Variance note	Estimate	Actual	Variance between estimate and actual
	2018	2018	
	(\$000)	(\$000)	(\$000)

### INCOME FROM ADMINISTERED ITEMS

#### Income

For transfer:

Appropriation	1	57,086	50,475	(6,611)
Taxation - Casino Tax		62,000	60,963	(1,037)
<b>Total administered income</b>		<b>119,086</b>	<b>111,438</b>	<b>(7,648)</b>

#### Expenses

Supplies and services

Grants to Combat Sports Commission		839	750	89
Grants to Charitable And Other Public Bodies				
Grants to Individuals Problem Gambling		500	500	-
Statutory Authorities				
Grants to Racing and Wagering Western Australia		14,407	14,888	(481)
Subsidies And Concessions				
Subsidies to gambling and betting agencies and bookmakers	2	41,340	34,248	7,092
Other				
Receipts paid into Consolidated Fund Settlement		62,000	60,041	1,959
<b>Total Administered expenses</b>		<b>119,086</b>	<b>110,427</b>	<b>8,659</b>

### Major estimate and actual (2018) variance narratives

1) The variance of \$6,611k in the Administered Appropriation is mainly due to lower GST Gambling Tax Rebate claimed by Lotteries Commission of Western Australia, Betting Agencies and Bookmakers.

2) The variance of \$7,092k in the 'Subsidies to gambling and betting agencies and bookmakers' is mainly due to the lower GST Gambling Tax Rebate claimed by the Lotteries Commission of Western Australia, and various Betting Agencies and Bookmakers.

## 10.3 Administered assets and liabilities

	<b>2018</b>
	<b>\$000</b>
<u>Current assets</u>	
Cash and cash equivalents	89
Receivables	12,790
Other items as required	
<b>Total administered current assets</b>	<b>12,879</b>
<b>TOTAL ADMINISTERED ASSETS</b>	<b>12,879</b>
<u>Current liabilities</u>	
Payables	89
Other items as required	1,120
<b>Total administered current liabilities</b>	<b>1,209</b>
<b>TOTAL ADMINISTERED LIABILITIES</b>	<b>1,209</b>

## 11.1 Indian Ocean Territories

The Department of Local Government, Sport and Cultural Industries 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:

	<b>2018</b>
	<b>\$000</b>
Balance Transferred from abolished agencies	357
Receipts	307
Payments	(486)
<b>Balance at the end of the year</b>	<b>178</b>

*The balance includes the Special Purpose Account disclosed under note 9.7.*

## 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>2018</b>
	<b>\$000</b>
Balance Transferred from abolished agencies	3,077
Receipts	13,082
Payments	(14,623)
<b>Balance at the end of the year</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>2018</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.	964
	<hr/>
	<b>1,143</b> <hr/>

## 5.3 Detailed key performance indicators information

### Certification of key performance indicators

I hereby certify that the key performance indicators are based on proper records, are relevant and appropriate for assisting users to assess the performance of the Department of Local Government, Sport and Cultural Industries, and fairly represent the performance of the department for the financial year ended 30 June 2018.



Duncan Ord, OAM

Accountable Authority

2 October 2018

## Outcomes and key effectiveness indicators

Reference to the year 2017-18 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
Local governments were capable and well governed.	<p>LG 1: Percentage of local governments that did not have an action taken against them under the department's compliance framework</p> <p>LG 2: Percentage of local governments with integrated planning and reporting plans reviewed</p>
Western Australia was recognised as a vibrant and effective multicultural society.	<p>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</p> <p>OMI 2: Percentage of community grants for multicultural organisations that were acquitted against identified outcomes</p>
A sustainable arts and cultural sector that enhances social and economic wellbeing.	<p>CA 1: Number of department funded works presented and/or developed (annually)</p> <p>CA 2: Number of paid attendances to funded organisations works</p> <p>CA 3: Ratio of Government funding to other income</p> <p>CA 4: Public value of the contribution of arts and culture to the State's identity and community</p>
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
Government records and the State archives are appropriately managed and accessible.	<p>SRO 1: Percentage of compliance with State Records Commission standards as implemented by government agencies</p> <p>SRO 2: Percentage of archival resources to which the State Record Office provides an information service</p>
To promote, monitor and enforce responsible and lawful gambling and liquor services in accordance with the legislation.	RGL 1: Licensees/service providers that comply with audit requirements and statutory criteria

Desired outcomes	Key effectiveness indicator
A strong and diverse sport and recreation system in Western Australia that is accessible, encourages maximum participation and develops talent.	<p>SR 1: Satisfaction rating of policy development and leadership provided by the department</p> <p>SR 2: Satisfaction rating of the department's consultation advice to clients</p> <p>SR 3: Satisfaction rating of the department's grant's management</p> <p>SR 4: Satisfaction rating of the department's programs, initiatives and resources</p> <p>SR 5: Western Australian participation in organised sport and active recreation</p> <p>SR 6: Satisfaction rating of recreation camps management and service delivery</p>

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

Key effectiveness indicator	2014-15	2015-16	2016-17	2017-18 Target	2017-18 Actual
LG 1: Percentage of local governments that did not have an action taken against them under the department's compliance framework	54%	54%	32%	55%	29%
LG 2: Percentage of local governments with integrated planning and reporting plans reviewed	NA	100%	96%	100%	38%

### LG 1: Percentage of local governments that did not have an action taken against them under the department's compliance framework

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 effectiveness indicator shows the percentage of local governments that did not have an action taken against them (or any of their elected members or employees) under the Compliance Framework in the financial year. Records are collated of all activities taken by the department in response to possible non-compliance, to determine which of Western Australia's 137 local governments did not have an 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.

It is important to note that these figures reflect 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.

Systems for recording "actions" taken under the Compliance Framework were enhanced in this reporting period, and the inclusion of this data has had a significant impact on KPI performance in the 2017-18 year. To provide a useful point of comparison, the 2016-17 KPI has been recast with this additional data.

-It is not possible to determine the exact cause of the increase in complaints, however it is possible that some of this increase may be attributable to increased media attention as a result of the high volume of authorised inquiries, with individuals becoming more aware of the department's role in local governments.

## LG 2: Percentage of local governments with integrated planning and reporting plans reviewed

Integrated planning and reporting gives 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*. The department reviews these plans, using the findings to further improve local government planning. The indicator is a measure of the success of the department's efforts to support local governments to design plans and to meet the required elements in accordance with the legislation.

The indicator is the percentage of local governments that had their planning reviewed. In 2017-18, the scope of the review included strategic community plans and corporate business plans. The indicator is calculated by summing the total number of local governments reviewed divided by the number of local governments (137, not including the Regional Local Governments or the Indian Ocean Territories) and multiplied by 100 to report as a percentage.

The original Target set for this indicator was 100% (as reflected in the table above) however, due to resourcing impacts following Machinery of Government changes, the estimated actual percentage was reduced to 25 per cent. During the reporting period, the department reviewed the strategic community plans and corporate business plans for 52 local governments.

The department has played a key role in assisting the 11 local governments in the Great Southern region through grant funding of \$20,000 to resolve their individual /collective integrated planning and reporting queries. It has assisted them to embed integrated planning and reporting as a 'core business' process across each organisation. The Integrated Planning and Reporting (Great Southern) Regional project is reported to be a first in Australia. All Great Southern local governments were reviewed in 2017-18. The department will monitor the progress of the Great Southern region local governments, tracking the progressive development of their integrated planning and reporting plans on a broader regional basis.

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

Key effectiveness indicator	2014-15	2015-16	2016-17	2017-18 Target	2017-18 Actual
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	79%	84%	83%	80%	89%
OMI 2: Percentage of community grants for multicultural organisations that were acquitted against identified outcomes	NA	80%	94%	85%	93%

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

The department undertook an independent annual stakeholder satisfaction survey, through Advantage Communications, to collect qualitative and quantitative data. The data is used to gauge awareness of and participation in a range of OMI's programs and initiatives, obtain feedback about the perceived impact of the department's work and to inform service delivery. Since 2015, the survey has also reported the percentage of organisations and individuals who report that OMI had a positive impact on the promotion and support of multiculturalism.

The department provided Advantage Communications the list of 1560 stakeholders, comprising 1168 community organisations/not-for-profits, 225 State agencies, 83 local governments, 54 consulates and 30 Commonwealth agency contacts. For 2017-18, Advantage Communications surveyed 317 respondents from local, State and Commonwealth government agencies, consulates, and community and not-for-profit organisations. Based on the stakeholder population size (1560) and the 317 completed surveys, the final error ratio was +/-4.91%.

Since the first survey in 2015, OMI has had a positive impact on promotion and support of multiculturalism.

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

The department offers a range of grant programs to promote and support multiculturalism in WA. Each grant has defined outcomes. Grant recipients are required to submit a completion report for acquittal, which is assessed against the detail of the grant application. The indicator is the percentage of grants successfully acquitted by the financial year that they were due to be completed.

This indicator reflects the department's effectiveness in supporting multicultural outcomes in communities through an effective grants program. The comparative figures have been recast using an improved process to calculate this indicator.

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

<b>Key effectiveness indicator</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18 Target</b>	<b>2017-18 Actual</b>
CA 1: Number of department funded works presented and/or developed (annually)	12,545	12,513	11,461	11,461	12,673
CA 2: Number of paid attendances to funded organisations works	612,524	814,552	782,430	732,695	813,387
CA 3: Ratio of Government funding to other income	1:7.44	1:7.16	1:6.29	1:3.96	1:6.12
CA 4: Public value of the contribution of arts and culture to the State's identity and community	75	68	69	67	71

## CA 1: Number of department funded works presented and/or developed (annually)

This represents the number of department-funded works presented and/or developed as reported by funded organisations, representing a large component of the Government's supported arts engagement in the State. The indicator is aggregated from department-funded organisations reporting and is used to track the variations between planned and funded activities and actual reported events and activities.

## CA 2: Number of paid attendances to funded organisations works

This represents the total number of paid attendances to department-funded organisation activities or events, excluding free events and complimentary tickets. This represents the level of return through ticket sales and subscriptions funded organisations receive for their programs and activities. The increase in the number of paid attendances to funded organisations' works reflects the strong promotion and development of the arts and cultural sector, despite prevailing economic conditions.

## CA 3: Ratio of Government funding to other income

This represents the ratio of funding provided by the department to funded organisations against the funded organisation's income from other sources. This includes other income sources (government, sponsorship and private giving). This ratio indicates the leverage that funded organisations make on the department's investment. In 2017-18 this indicator shows an average of \$6.12 of other income generated for every \$1.00 of funding provided by the department. The increased leveraging reflects an increase in support received by department-funded arts organisations. The comparative figures have been recast from 2015-16 onwards using a new process to calculate this indicator.

## CA 4: Public value of the contribution of arts and culture to the State's identity and community

This represents the sense of public value generated from the contribution of arts and culture to the State's identity and community. The Arts and Culture Monitor survey is used to provide data for this indicator. Respondents are asked the value of the contribution on a five point scale from 'no value at all' to 'very valuable'. In 2018, 31,707 online panellists from Thinkfield were invited to complete an online survey, and 1,102 responses were received. This represents a sampling error of +/- 3.08% at the 95 per cent confidence interval. The survey resulted in an average index score of 71 out of a 100, slightly higher than the result in the previous period. The increased public value reflects the increased number of funded works, higher attendance, and increased funding leverage achieved during the reporting period.

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

Key effectiveness indicator	2014-15	2015-16	2016-17	2017-18 Target	2017-18 Actual
CAP 1: Percentage of annual infrastructure maintenance budget expended on portfolio infrastructure maintenance requirements	81.8%	91.6%	99.4%	95.0%	98%

This indicator represents the percentage of the department's annual infrastructure maintenance budget that has been expended on the maintenance requirements of the culture and arts portfolio.

The difference between the target for 2017-18 and the actual achievement for 2017-18 is due to the completion of a significant maintenance projects in during 2017-18.

## Outcome: Government records and the State archives are appropriately managed and accessible

Key effectiveness indicator	2014-15	2015-16	2016-17	2017-18 Target	2017-18 Actual
SRO 1: Percentage of compliance with State Records Commission standards as implemented by government agencies	NA	89.0%	90.0%	90.0%	91.0%
SRO 2: Percentage of archival resources to which the State Record Office provides an information service	23%	22.0%	21.0%	20.0%	21.0%

### SRO 1: Percentage of compliance with State Records Commission standards as implemented by government agencies

All government agencies are required to submit their recordkeeping plan to the State Records Office. The recordkeeping plan (new or amended) or recordkeeping plan review report received during the reporting year is evaluated against the eight State Records Commission standards. The level of compliance is the extent to which agencies meet these requirements. Compliance data is compiled from self-evaluation ratings provided by each agency that is assessed by the State Records Office.

The level of compliance of agencies meeting the outsourcing and digital recordkeeping requirements of the State Records Commission standards in the 2017-18 financial year is in line with the 2017-18 target.

### SRO 2: Percentage of archival resources to which the State Records Office provides an information service

The State Records Office provides information services to the public from the State archive. The indicator reflects archived resources for which the State Records Office provides an information service are based on:

- the number of State archives currently held by State and local government organisations that are due for transfer to the State Records Office
- the number of State archives already in the custody of the State Records Office.

In 2017-18, the State Records Office provided an information service to 21 per cent of the State's hardcopy archives. The State Records Office is unable to provide an information service to agency-held archives until they are physically transferred to the State Records Office.

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

Key effectiveness indicator	2014-15	2015-16	2016-17	2017-18 Target	2017-18 Actual
RGL 1: Licensees/service providers that comply with audit requirements and statutory criteria	97%	98%	98%	94%	97%

Conducting compliance audits and inspections contributes to the promotion, monitoring and enforcement of responsible and lawful gambling and liquor services. Effectiveness can be measured by the percentage of licensees and service providers that complied with audit requirements and statutory criteria. Areas of non-compliance typically include; conducting activities without a valid permit or licence, or breaching conditions of permits.

The indicator reflects the licensees' venues and service providers that complied with audit requirements and statutory criteria. In 2017-18, the department completed 10,744 audits and inspections, across a representative mix of metropolitan and region venues and service providers. The number of licensees found to have complied with audit requirements and statutory criteria was higher than targeted but was comparable to the previous year's actual result.

The indicator is measured by the percentage of inspections performed which complied with audit and statutory requirements across both the Liquor and Gambling Industries. This is considered an adequate representation of licensees' compliance, because we audit a representative sample of licensees. In 2017-18, 1739 liquor compliance activities were undertaken at 1271 premises and of the 4510 casino inspections undertaken, 2361 were in relation to electronic gaming machines. In addition, the Department conducted daily verifications of Lotterywest products.

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

<b>Key effectiveness indicator</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18 Target</b>	<b>2017-18 Actual</b>
SR 1: Satisfaction rating of policy development and leadership provided by the department	93%	93%	93%	85%	89%
SR 2: Satisfaction rating of the department's consultation advice to clients	86%	88%	88%	90%	85%
SR 3: Satisfaction rating of the department's grant's management	85%	88%	89%	85%	84%
SR 4: Satisfaction rating of the department's programs, initiatives and resources	94%	93%	92%	90%	90%
SR 5: Western Australian participation in organised sport and active recreation	NA	56%	56%	56%	57%
SR 6: Satisfaction rating of recreation camps management and service delivery	94%	95%	94%	87%	94%

An independent survey of the department's sport and recreation key stakeholders was undertaken during 2017-18 by Research Solutions Pty Ltd. Senior personnel from local government and sport and recreation groups responsible for managing sport and recreation in Western Australia, and camps users who used the department's recreation camps during 2017-18, were contacted.

Research Solutions Pty Ltd conducted 141 telephone interviews with sport and recreation group representatives and 106 telephone interviews with local government representatives. Camp users completed 381 online surveys. For 2017-18, due to the size of the total client group, survey contact was an attempted census with sport and recreation and local government clients to meet the response rate (>50%) and sampling error margin (of +/- 5% at the 95 per cent confidence interval). The response rate was 76.3 per cent for local government, 60 per cent for sport and recreation groups and 50.5 per cent for the camps users.

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

This indicator is an average of the satisfaction ratings of clients of the department's leadership and the relevance of the policy development and implementation support provided. Client satisfaction rating of the department's policy development and leadership provided was 89 per cent. The 10-year average of 90 per cent reflects industry satisfaction that the policy development and leadership provided by the department is meeting industry and community needs.

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

The department provides consultation advisory services on a range of organisational, business, compliance and service delivery matters to sport and recreation stakeholders. This enables clients to run efficient and effective organisations delivering relevant and effective services within their operating resources and budgets. The effectiveness indicator is an average of the satisfaction ratings of clients of the department's advisory services and the department's responsiveness in providing advisory services. Client satisfaction was 85 per cent in 2017-18. Overall client satisfaction has remained high over the past 10 years with an average of 88 per cent.

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

The department funds programs to support sport and recreation service delivery throughout WA, based on a combination of identified industry need and current government policy priorities. The client satisfaction rating reflects the department's effectiveness in administering its funding programs to meet the sport and recreation sector's needs. During 2017-18, client satisfaction with the department's management of grants programs was 84 per cent. The department's satisfaction rating has remained high over the past 10 years with an average of 87 per cent.

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

The department's programs, initiatives and resources are developed to support and enhance sport and recreation service delivery throughout WA. The satisfaction rating of the relevance and management of programs, initiatives and resources is a measure of how well the department is meeting sport and recreation industry stakeholder needs in supporting service delivery outcomes. The satisfaction rating of clients with the relevancy of the department's programs, initiatives and resources provided was 90 per cent, consistent with the high average achieved over the past 10 years (92 per cent).

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

As the sole State Government agency with responsibility for specific sport and recreation outcomes, the department has a vital role in supporting community stakeholders who provide sport and recreation services. This support impacts the number of people in Western Australia participating in sport and active recreation. The department uses this measure as an indicator of effectiveness of the sport and recreation delivery system. Analysis of any significant shifts in participation rates may highlight areas or issues that may impact the department's policy, planning and service directions.

The Australian Sports Commission in consultation with the Committee of Australian Sport and Recreation Officers funds and manages the National Participation in Sport and Physical Recreation Survey (AusPlay). The survey provides participation data to support current and future sport and recreation industry needs and outcomes. The survey provides a baseline for participation in organised sport and active recreation in WA. The original baseline, established in 2015-16 for the collection period of October 2015 to September 2016 of 56 percent recorded an average of participation rates

for males and females (aged 15 years and over) involved in organised sport and active recreation. This baseline was updated in 2016-17 based on new reporting periods provided by AusPlay aligned with the calendar year (January 2016 to December 2016) Note – As the AusPlay survey commenced in October 2015, participation rates were not available for the 2014-15 year.

The department’s desired outcome is that participation rates in sport and active recreation be maintained and/or increased. In 2017-18, just over 89 per cent of adults in WA (people aged 15 years and more) were involved in some sort of sport or physical recreation. Fifty seven per cent of adults in WA undertook at least one of their activities through an organisation, for example, a club or a gym or a pool or oval, compared to the national average of 58 per cent. Sixty four per cent of adults participated in sport and physical recreation at least three times per week, compared to the national average of 63 per cent.

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

This effectiveness measure reflects the satisfaction rating of the department’s camp clients with venue, accommodation, management, program and catering at the department’s five recreation camps located at Bickley, Ern Halliday, Point Walter, Woodman Point and Quaranup. The department’s objective is to provide quality outdoor participation experiences, excellence in service delivery and value for money, all in a unique environment. The recreation camps have maintained the high client satisfaction rating of 94 per cent achieved in 2017-18 with an average client satisfaction rating over the past 10 years of 94 per cent.

Throughout the reporting period, the recreation camps continued to be a valued and well-utilised program for engaging schools and community groups in camp experiences, outdoor learning and promoting physically active lifestyles. The continued popularity of recreation camps confirms client support for the programs available, and the value in which camp experiences are held within the education, sports and cultural sectors. The department has worked hard during 2017-18 to ensure the 2017 Machinery of Government changes have not impacted frontline service delivery and, as a result, the client experience. The department continues to be a leader in outdoor recreation training facilitation and delivery.

## **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 in the table below reflects their numbering in the Portfolio’s Budget Papers.

<b>Delivered services</b>	<b>Efficiency indicator</b>
1. Regulation and support of local government	1.1 Average cost per local government for regulation and support
2. Promotion and support of multiculturalism	2.1 Average cost per project to support and promote multiculturalism
	2.2 Number of Grants and Service Agreements per Full Time Equivalent
3. Arts industry support	3.1 Grants operations expense as a percentage of direct grants approved
4. Research, policy development, information and support	4.1 Research, policy development, information and support expense as a percentage of direct grants approved

Delivered services	Efficiency indicator
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
6. State information management and archival services	6.1 Cost per access service
18. Licensing - evaluation and determination of applications	18.1 Average cost of determining applications
19. Compliance audits and inspections	19.1 Average cost of conducting inspections
20. Industry leadership and infrastructure development	20.1 Average cost of providing consultancy (policy, advocacy and infrastructure) to organisations 20.2 Average cost of providing the contact services (policy, advocacy and infrastructure) 20.3 Average cost to manage infrastructure grants
21. Building capacity and participation	21.1 Average cost of providing consultancy (organisational development and participation) to organisations 21.2 Average cost of providing the contact services (organisational development and participation) 21.3 Average cost to manage sport and recreation development grants
22. Recreation camps management	22.1 Average cost per bed night 22.2 Average cost per participation

## Service 1. Regulation and support of local government

Efficiency indicator	2014-15	2015-16	2016-17	2017-18 Target	2017-18 Actual
1.1 Average cost per local government for regulation and support	\$87,571	\$76,070	\$78,881	\$94,290	\$98,803

The department provided training, advice, and support across the local government sector, using a risk-based approach to identify those 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*. New auditing arrangements with the Office of the Auditor General facilitated higher levels of performance reporting and public oversight.

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.

For 2017-18 the average cost per local government for regulation and support was estimated to be \$94,290. The actual cost was \$98,803. Since 2009–10 the department has delivered a significant suite of capacity building initiatives to local governments, supported by \$23.9M in investment from

the Royalties for Regions' Country Local Government Fund. A number of these initiatives experienced changes to their delivery schedules in the 2016–17 and 2017–18 financial years, resulting in differences between budgeted and actual expenditure and fluctuations in the year-to-year spend. All of these initiatives are scheduled to be completed in the 2018–19, so it is anticipated that the indicator will decrease in future years.

## Service 2. Promotion and support of multiculturalism

Efficiency indicator	2014-15	2015-16	2016-17	2017-18 Target	2017-18 Actual
2.1 Average cost per project to support and promote multiculturalism	\$98,680	\$101,061	\$99,118	\$117,200	\$110,916
2.2 Number of grants and service agreements per full time equivalent	N/A	27	33	25	36

### 2.1: Average cost per project to support and promote multiculturalism

All projects developed and implemented to promote and support multiculturalism by the department. The increased average cost per project is due to the allocation of corporate service overheads. The proportion of overheads has been determined based on a calculation made by the previous Department of Local Government and Communities.

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

The department funds a range of community grants intended to promote and support multiculturalism in WA. A team of contract managers oversee the grants programs.

### Service 3. Arts industry support

Efficiency indicator	2014-15	2015-16	2016-17	2017-18 Target	2017-18 Actual
3.1 Grants operations expense as a percentage of direct grants approved	13.0%	6.7%	4.1%	5.7%	5.1%

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

Efficiency indicator	2014-15	2015-16	2016-17	2017-18 Target	2017-18 Actual
4.1 Research, policy development, information and support expense as a percentage of direct grants approved	10.1%	5.7%	3.9%	5.5%	5.1%

These services determine the grants operations expense as a percentage of direct grants approved for the following services provided by the arts and cultural development program.

- a) Arts industry support
- b) Research, policy development, information and support

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 per cent to arts industry support and 50 per cent to research, policy development, information and support.

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

Efficiency indicator	2014-15	2015-16	2016-17	2017-18 Target	2017-18 Actual
5.1 Average cost of service per full time equivalent	\$17,095	\$19,454	\$19,382	\$16,985	\$21,597

This service determines the average cost per full time equivalent provided for corporate, asset and infrastructure support to the culture and arts portfolio. The increase in the average cost of a service is primarily related to the reduction in full time equivalents across the portfolio predominantly through voluntary redundancies.

### Service 6. State information management and archival services

Efficiency indicator	2014-15	2015-16	2016-17	2017-18 Target	2017-18 Actual
6.1 Cost per access service					

The department is unable to report against this Key Efficiency Indicator due to weaknesses identified in the State Records Office's processes used to calculate this indicator. Because of those weaknesses, previously reported efficiency indicators are not valid and are not reported. In the absence of reliable, auditable, sufficient and appropriate audit evidence for Key Performance Indicators there is a significant risk that Key Performance Indicators are not fairly presented. Consequently, users will not be able to accurately assess agency performance. This is a significant risk for the department as this is the only efficiency indicator which measures the Service of "State information management and archival services".

While the department has been able to identify some data to calculate the 2017-18 efficiency indicator, the department cannot identify all current and historical data due to process and equipment limitations in the State Records Office. Without complete data, any calculated efficiency indicator would not be representative of the State Records Office's performance.

## Service 18. Licensing - evaluation and determination of applications

Efficiency indicator	2014-15	2015-16	2016-17	2017-18 Target	2017-18 Actual
18.1 Average cost of determining applications	\$607	\$554	\$460	\$458	\$476

The efficiency indicator for this activity is derived by dividing the allocated cost of service for the activity by the number of licences and permits determined. The average cost of determining applications can change for each reporting year. This is due to annual variations in the number of licences determined, combined with variances in the allocated cost of providing the licensing service where the cost of providing the service is a fixed cost.

This means the more applications that are determined in a given year the less it costs on average to determine applications. Conversely, if fewer applications are determined in a given year, then it costs more on average to determine applications. In addition, any variations to the allocated cost will also impact upon the average cost of providing the service.

### Table: Applications by licence type

Licence Type	2016-17 Actual	2017-18 Actual	Difference
Liquor	14,578	14,038	(540)
Gaming	2,604	2,551	(53)
Racing	54	46	(8)
Casino	459	505	46
<b>Totals</b>	<b>17,695</b>	<b>17,140</b>	<b>(555)</b>

The actual average cost to determine each application is \$18 greater than the target for this year. This is due to a decrease in the number of applications determined even though there was an increase in the actual costs compared to budgeted costs of \$824,000.

In 2017-18, the department determined 540 less liquor applications and 46 more casino applications. The decrease in the number of liquor applications can be attributed to there being less approved managers seeking to renew their approvals than last year.

The increase in the number of casino applications is attributed to an increase in the number of persons being employed at the casino in licensed positions.

## Service 19. Compliance audits and inspections

Efficiency indicator	2014-15	2015-16	2016-17	2017-18 Target	2017-18 Actual
19.1 Average cost of conducting inspections	\$1,035	\$995	\$961	\$952	\$759

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 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*.

During the reporting period, the department conducted 10,744 inspections for the liquor and gambling industries. The average cost of conducting inspections was estimated to be \$952. The actual cost was \$759.

The average cost of conducting inspections is less than the estimated cost because the department conducted more inspections during 2017-18 than forecasted. During 2016-17, the department conducted 8,214 inspections. The additional 2,520 (31%) inspections conducted during 2017-18 significantly reduced the average cost per inspection.

## Service 20. Industry leadership and infrastructure development

Efficiency indicator	2014-15	2015-16	2016-17	2017-18 Target	2017-18 Actual
20.1 Average cost of providing consultancy (policy, advocacy and infrastructure) to organisations	\$8,937	\$10,083	\$10,874	\$11,241	\$10,080
20.2 Average cost of providing the contact services (policy, advocacy and infrastructure)	\$340	\$526	\$740	\$882	\$670
20.3 Average cost to manage infrastructure grants	\$2,759	\$3,288	\$2,114	\$2,352	\$2,545

## 20.1 Average cost of providing consultancy (policy, advocacy and infrastructure) to organisations

Consultation refers to the department providing strategic advice to a group or individual. The average cost of providing the consultancy is dependent upon the number of organisations provided consultancy and the overall cost of providing such services. The variation to the 2017-18 budget target unit cost was due to a 10 per cent increase in the number of organisations provided consultancy support in 2017-18.

## 20.2 Average cost of providing the contact services (policy, advocacy and infrastructure)

Contact services refers to department contacts with an industry client through provision of a seminar, workshop or via the 'info@' service where information, resources, advice and education are provided. The average cost of providing contact services is dependent upon the number of contacts made annually and the overall cost of providing such services. The variation to the 2017-18 budget target unit cost was primarily due to a greater than anticipated number of industry contacts achieved.

## 20.3 Average cost to manage infrastructure grants

Grants management refers to needs analysis, strategy and policy development, business case analysis, grant development, initiation, evaluation, award, monitoring, acquittal and reporting. Average cost of grants managed is derived by dividing the total number of grants managed by the overall cost of providing such services. The eight per cent variation to the 2017-18 budget target unit cost was due to a decrease in the number of grants managed primarily due to the cessation of Community Pools Revitalisation Program in 2017-18.

## Service 21. Building Capacity and Participation

Efficiency indicator	2014-15	2015-16	2016-17	2017-18 Target	2017-18 Actual
21.1 Average Cost of Providing Consultancy (Organisational Development and Participation) to organisations	\$12,561	\$13,554	\$15,523	\$16,685	\$13,565
21.2 Average Cost of Providing the Contact Services (Organisational Development and Participation)	\$183	\$309	\$413	\$484	\$344
21.3 Average Cost to Manage Sport and Recreation Development Grants	\$1,774	\$2,002	\$1,893	\$2,435	\$2,026

## 21.1 Average Cost of Providing Consultancy (Organisational Development and Participation) to organisations

Consultation refers to the department providing strategic advice to group or individual. The average cost of providing the consultancy is dependent upon the number of organisations provided consultancy and the overall cost of providing such services. The variation to 2017-18 budget target unit cost was primarily due to the above anticipated number of organisations provided consultancy support in 2017-18 and a decrease in supplies and services expenditure

## 21.2 Average Cost of Providing the Contact Services (Organisational Development and Participation)

Contact services refers to department contacts with an industry client through provision of a seminar, workshop or via the info@ service where information and resources, advice and education are provided. The variation to the 2017-18 budget target unit cost was primarily due to a greater than anticipated number of industry contacts achieved in 2017-18.

## 21.3 Average Cost to Manage Sport and Recreation Development Grants

Grants management refers to needs analysis, strategy and policy development, business case analysis, grant development, initiation, evaluation, award, monitoring, acquittal and reporting. Average cost of grants managed is derived by dividing the total number of grants managed by the overall cost of providing such services. The variation to 2017-18 budget target unit cost was primarily due to an 11 per cent increase in the total number of grants managed as one-off savings were utilised to support grant requests for a range of small grants programs (i.e. Active Regional Grants and Community Participation Grants schemes) consistent with the existing sport and recreation investment framework. Additionally, more applications were received for the Targeted Participation Program than first anticipated.

## Service 22. Recreation Camps Management

Efficiency indicator	2014-15	2015-16	2016-17	2017-18 Target	2017-18 Actual
22.1 Average Cost per bed night	\$51	\$57	\$53	\$54	\$55
22.2 Average Cost per participation	\$24	\$24	\$24	\$27	\$25

### 22.1 Average Cost per bed night

A count of bed nights is the number of beds occupied by clients on a single evening available in a trading period. It is derived by multiplying the number of persons staying in the camps by the number of nights stayed. The 'average cost per bed night' is the total cost of running camps, for example, management, staffing, maintenance, divided by the total number of bed nights (accommodation). This is a direct correlation between throughput volume and the cost to deliver accommodation services.

### 22.2 Average Cost per participation

Participation represents a camp participant's engagement in a department-organised physical activity program while attending the camp. Multiple engagements determine the participation ratio for the client, group type of trading period. This does not count for free play time or structured activities coordinated by the school, sporting association or community group. For the department's recreation camps, participations typically represent an organised activity program of 1.5 hours. The 'average cost per participation' is the total cost of running programs divided by the total number of participations. The (negative seven per cent) variation to the 2017-18 budget target unit cost was primarily due a decrease in supplies and services expenditure.

## 5.4 Ministerial directives

The department did not receive any Ministerial directives in 2017-18.

## 5.5 Other financial disclosures

### 5.5.1 Pricing policies of services provided

When analysing its fees and charges, the Department considers the Department of Treasury's recommendation that agencies should achieve full cost recovery where possible. Where a fee was charged, it was reviewed annually, and the fee set in accordance with the Costing and Pricing Government Services Guidelines published by the Department of Treasury, unless prescribed by legislation.

### 5.5.2 Capital works

The department has undertaken capital works of \$0.2m to recreational campsites and \$67.4m for the New Museum Project during 2017-18. The New Museum Project (\$395.6m) is currently in the project delivery phase, and expenditure incurred to 30 June 2018 is \$143.9 million. Construction of the New Museum building and its integration with existing refurbished heritage buildings is scheduled for completion in late 2019, enabling installation of exhibitions to proceed with readiness for operations planned for in late 2020.

### 5.5.3 Employment and industrial relations

As at 30 June 2018, the department employed 416 staff. 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 2014.

## Summary of number of employees

The department's employees by category as at 30 June 2018 are listed below:

Category	Headcount
Permanent	337
Fixed Term Contract (incl Trainees)	79
Casual	18
Female: Full time	187
Female: Part time	54
Male: Full Time	171
Male: Part Time	4

(from Summary of HRMOIR data submitted)

### 5.5.4 Staff development

The department continued to provide development opportunities to build capacity and sustain workforce renewal. Opportunities were provided for young people to gain qualifications and work experience through regular internships and traineeships. Individual training and development needs continued to be identified and managed through performance development conversations between managers and staff.

## 5.5.5 Workers' compensation

In 2017-18 there were eight claims in total. Of the eight claims, there were four claims with lost time recorded greater than one day with total time lost estimated at 144.3 days. This represents a 11.2 per cent reduction in the number of claims (one claim) compared with 2016-2017.

## 5.6 Governance disclosures

### 5.6.1 Contracts with senior officers

In 2016-17, senior officers within the department were required to declare any significant transactions between the department and themselves, their family members, their dependents and entities controlled by any of the individuals mentioned. This is in accordance with Australian Accounting Standard AASB 124 Related Party Disclosures. Where these transactions are significant, they are to be disclosed in the department's annual report.

No senior officers declared particulars of any interest in existing or proposed contracts in accordance with Treasurer's Instruction 903(14)(iii).

### 5.6.2 Unauthorised use of credit cards

The department has interpreted unauthorised use to be as per Treasurer's Instruction 321 which is use for a personal purpose that is not directly related to performing functions for the agency. For the reporting period, there were seven instances of unauthorised use, with a combined total value of \$229.50.

	2017-18
Aggregate amount of personal use expenditure for the reporting period	\$229.50
Aggregate amount of personal use expenditure settled by the due date (within five working days)	\$229.50
Aggregate amount of personal use expenditure settled after the period (after five working days)	0
Aggregate amount of personal use expenditure outstanding at balance date	0

### 5.6.3 Gifts declarations

The department has a Gifts, Benefits and Hospitality Policy that outlines the circumstances in which gifts, benefits or hospitality can be accepted, and the processes to declare, record, and seek approval for such gifts, benefits or hospitality.

While gifts, benefits and hospitality are generally not accepted by the department, there are circumstances where gifts and hospitality are provided at functions attended by officers as departmental requirements. The department's Gifts, Benefits and Hospitality policy ensures the management of gifts, benefits and hospitality protects the integrity, accountability, and impartiality of the department's decision making and ensures the public's trust.

## 5.7 Board and committee remuneration

Individual and aggregated costs of remunerating positions on all boards and committees, as defined in the Premier's Circular 2010/02 – State Government Boards and Committees, have been outlined in the tables below:

## Local Government Advisory Board

Position	Name	Type of remuneration	Period of membership during reporting period	Gross/actual remuneration 2017/18 financial year
Chair	Congerton, Mel	\$637 per full day \$414 per part day	12 months	\$3,535.00
Deputy Chair	Adam, Mary	Nil	12 months	Nil
Member	Chappel, Karen	\$414 per full day \$269 part day	12 months	\$4,879.20
Member	Vuleta, Anthony	Nil	12 months	Nil
Member	Fishwick, Russ	Nil	12 months	Nil
Deputy Member	Lethorn, Narrell	Nil	2 months	Nil
Deputy Member	Brennan, Gary	\$414 per full day \$269 per part day	12 months	Nil
Deputy Member	Lefante, Francesca	Nil	12 months	Nil
Deputy Member	Cornish, Chris	\$414 per full day \$269 per part day	12 months	\$1,490.00
<b>Total</b>				<b>\$9,904.20</b>

## Western Australia Local Government Grants Commission

Position	Name	Type of remuneration	Period of membership during reporting period	Gross/actual remuneration 2017/18 financial year
Chair	Omodei, Paul	\$637 per full day \$414 per part day	12 months	\$21,075.60
Deputy Chair	Sloan, Nick	Nil	2 months	Nil
Member	Hamblin, Deb	\$414 per full day \$269 per part day	2 months	Nil
Member	Giles, Wendy	\$414 per full day \$269 per part day	12 months	\$10,996.36
Member	West, Ian	\$414 per full day \$269 per part day	12 months	\$15,683.40
Deputy Member	Parker, Ken	Nil	10 months	Nil

Position	Name	Type of remuneration	Period of membership during reporting period	Gross/actual remuneration 2017/18 financial year
Deputy Member	Zappa, Domenic	\$414 per full day \$269 per part day	2 months	Nil
Deputy Member	Botica, Deborah	\$414 per full day \$269 per part day	12 months	Nil
Deputy Member	Girando, Moira	\$414 per full day \$269 per part day	2 months	Nil
<b>Total</b>				<b>\$47,755.36</b>

### Local Government Standards Panel

Position	Name	Type of remuneration	Period of membership during reporting period	Gross/actual remuneration 2017/18 financial year
Chair	Siekierka, Sheryl	Nil	11 months	Nil
Member	Kelly, Paul	Nil	12 months	Nil
Member	Strauss, Merranie	\$900 per full day \$480 per part day \$240/hour up to a maximum of \$900 per matter where required to write 'reasons for decision'	12 months	\$42,554.00
Deputy Member	Beecroft, Mark	Nil	11 months	Nil
Deputy Member	Aubrey, Rebecca	\$720 per full day \$470 per part day	12 months	\$2,820.00
Deputy Member	Yates, Rachel	\$900 per full day \$480 per part day \$240/hour up to a maximum of \$900 per matter where required to write 'reasons for decision'	12 months	\$13,140.00
<b>Total</b>				<b>\$58,514</b>

## Gaming and Wagering Commission

Position	Name	Type of remuneration	Period of membership during reporting period	Gross/actual remuneration 2017/18 financial year
Chairman	Ord, Duncan	Nil (ex-officio)	12 months	Nil
Member	Bovell, Robert	Paid fortnightly	12 months	\$16,546.00
Member	Hayward, Colleen	Paid fortnightly	12 months	\$16,546.00
Member	Sargeant, Barry	Paid fortnightly	5 months	\$5,027.00
Member	Hodson-Thomas, Katie	Paid fortnightly	6 months	\$8,209.00
Member	Fisher, Trevor	Paid fortnightly	6 months	\$8,337.00
Member	Duckworth, Andrew	Paid fortnightly	12 months	\$16,546.00
<b>Total</b>				<b>\$71,211</b>

## Gaming Community Trust

Position	Name	Type of remuneration	Period of membership during reporting period	Gross/actual remuneration 2017/18 financial year
Chairman	Ord, Duncan	Nil	12 months	Nil
Member	Reynolds, Stephen	Per meeting, half day	12 months	\$142.00
Member	Preston, Joshua	Nil	12 months	Nil
Member	Connolly, Maxine	Nil	12 months	Nil
Member	Cooper, Jan	Per meeting, half day	12 months	\$142.00
<b>Total</b>				<b>\$184.00</b>

## Culture and Arts Peer Assessors

Position	Name	Type of remuneration	Period of membership during reporting period	Gross/actual remuneration 2017/18 financial year
Panel Member Appointed	Archer, Allison	\$300 per full day \$200 per half day	10 months	\$600.00

<b>Position</b>	<b>Name</b>	<b>Type of remuneration</b>	<b>Period of membership during reporting period</b>	<b>Gross/actual remuneration 2017/18 financial year</b>
Panel Member Retired	Lloyd, Candice	\$300 per full day \$200 per half day	10 months	\$800.00
Panel Member Consultant	Innes, Carol	Nil	Consultant	Nil
Panel Member Appointed	Whish-Wilson, David	\$300 per full day \$200 per half da	10 months	\$1,200.00
Panel Member Appointed	McPherson, Devina	\$300 per full day \$200 per half da	10 months	\$900.00
Panel Member Appointed	Peacock, Fenella	\$300 per full day \$200 per half da	10 months	\$700.00
Panel Member Appointed	McGill, Gina (nee Williams)	\$300 per full day \$200 per half da	10 months	\$1,200.00
Panel Member Appointed	Ghouse, Guy	\$300 per full day \$200 per half da	10 months	\$800.00
Panel Member Appointed	Ayres, Hayley-Jane	\$300 per full day \$200 per half da	10 months	\$500.00
Panel Member Appointed	Balfour, Jade	Nil	10 months	Nil
Panel Member Appointed	Darlow, Jessica	\$300 per full day \$200 per half da	10 months	\$1,700.00
Panel Member Appointed	Schnaars, Maitland	\$300 per full day \$200 per half da	10 months	\$800.00
Chair Appointed	White, Michelle	\$440 per full day \$200 per half day	10 months	\$2,360.00
Appointed	Miller, Nikki	\$300 per full day \$200 per half day	10 months	\$740.00
Peer Assessor - Appointed	Kift, Peter	\$300 per full day \$200 per half day	10 months	\$900.00
Peer Assessor - Appointed	Pilkington, Renee	\$300 per full day \$200 per half day	10 months	\$1,000.00

Position	Name	Type of remuneration	Period of membership during reporting period	Gross/actual remuneration 2017/18 financial year
Peer Assessor - Appointed	Bradfield, Ronald	\$300 per full day \$200 per half day	10 months	\$800.00
Peer Assessor - Appointed	Colquhoun, Shane	\$440 per full day \$200 per half day	10 months	\$1,760.00
Peer Assessor - Appointed	Waller, Susie	\$300 per full day \$200 per half day	10 months	\$800.00
Peer Assessor - Appointed	Carter, Tim	\$300 per full day \$200 per half day	10 months	\$1,200.00
Peer Assessor - Appointed	Doherty, Yvonne	\$300 per full day \$200 per half day	10 months	Nil
<b>Total</b>				<b>\$18,760.00</b>

## Liquor Commission

Position	Name	Type of remuneration*	Period of membership during reporting period	Gross/actual remuneration 2017/18 financial year
Chairman	Rafferty, Seamus	Attendance / Decision Writing	12 months	\$22,097.00
Deputy Chairperson	Watling, Eddie	Attendance / Decision Writing	12 months	\$13,759.00
Member	Egan, Michael	Attendance / Decision Writing	12 months	\$15,342.00
Member	Dr Issachsen, Eric	Attendance / Decision Writing	12 months	\$15,686.00
Member	Zilkens, Alex	Attendance / Decision Writing	12 months	\$16,459.00
Member	Barone, Mara	Attendance / Decision Writing	12 months	\$10,905.00
Member	Heaney, Paul	Attendance / Decision Writing	Nil	Nil
Member	Temby, Denis	Attendance / Decision Writing	Nil	Nil
Member	Power, Emma	Attendance / Decision Writing	12 months	\$14,062.00

Position	Name	Type of remuneration*	Period of membership during reporting period	Gross/actual remuneration 2017/18 financial year
Member	Shanahan, Paul	Attendance / Decision Writing	5 months	\$2,692.00
Member	Rowe, Elanor	Attendance / Decision Writing	5 months	\$4,038.00
Member	Hass, Pamela	Nil	5 months	Nil
<b>Total</b>				<b>\$115,040.00</b>

### Racing Penalties Appeal Tribunal

Position	Name	Type of remuneration*	Period of membership during reporting period	Gross/actual remuneration 2017/18 financial year
Chairperson	Farley SC, Karen	Attendance / Decision Writing	12 months	\$1,954.00
Member	Hogan, Patrick	Attendance / Decision Writing	12 months	\$6,200.00
Member	Monisse, Andrew	Attendance / Decision Writing	12 months	\$1,587.00
Member	Nash, Robert	Attendance / Decision Writing	12 months	\$1,565.00
Former Chairperson	Mossenson, Dan	Attendance / Decision Writing	8 months	\$23,071.39
Former Member	Chesnutt, William	Attendance / Decision Writing	8 months	\$1,797.00
Former Member	Prior, John	Attendance / Decision Writing	8 months	\$1,355.00
Member	Power, Emma	Attendance / Decision Writing	4 months	Nil
Member	Overmars, Johanna	Attendance / Decision Writing	4 months	Nil
Member	Robbins, Brenda	Attendance / Decision Writing	4 months	Nil
<b>Total</b>				<b>\$115,040.00</b>

## Combat Sports Commission

Position	Name	Type of remuneration	Period of membership during reporting period	Gross/actual remuneration 2017/18 financial year
Chair	Wright, Cassandra	Annual	12 months	\$13,250.00
Member	Carbon, Roslyn	Half day / Full day	9.5 months	\$8,230.00
Member	Chan, Derrick	Half day / Full day	12 months	\$17,720.00
Member	Felton, Renee	Half day / Full day	12 months	\$25,230.00
Member	Galton-Fenzi, Brian	Half day / Full day	1 month	\$690.00
Member	Jashari, Jacqui	Nil	4.5 months	Nil
Member	Longman, Mark	Nil	12 months	Nil
Member	Rowland, Wayne	Half day / Full day	12 months	\$14,910.00
Member	Sloane, Nick	Nil	7.5 months	Nil
Member	Van Der Wielen, Anthony	Half day / Full day	12 months	\$7,180.00
Member	Woodhams, Dean	Half day / Full day	12 months	\$23,740.00
<b>Total</b>				<b>\$110,950.00</b>

## 5.8 Other legal requirements

In accordance with section 175ZE of the *Electoral Act 1907* the department spent \$71,935 on advertising agencies, media advertising organisations, market research organisations, polling organisations and direct mail organisations during 2017-18.

Category	Organisation	Total \$ (ex GST)
Advertising agencies	Adcorp Australia Limited	\$17,218.00
	State Law Publisher	\$20,323.00
	Sensis Pty Ltd	\$835.00
	Optimum Media Decisions (WA) Pty Ltd	\$27,545.00
	<b>Total</b>	<b>\$65,921.00</b>
Media advertising organisations (Facebook and Instagram)	Facebook	\$1,268.98
	Guardian Online	\$1,403.00
	<b>Total</b>	<b>\$2671.98</b>
Market research organisations	Nil spending.	0
Polling organisations	Nil spending.	0
Direct mail organisations		\$3,350.00
	<b>Total</b>	<b>\$3,350.00</b>
<b>Grand Total</b>		<b>\$ 71,942.98</b>

### 5.8.2 Disability access and inclusion plan 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 Disability Access and Inclusion Plan (DAIP) can be read at: <https://www.dlgsc.wa.gov.au/daip>

The department works to continually improving its digital communications. The department website is regularly reviewed to ensure information and documents are up-to-date, provided in alternative formats and meets standards set by the Web Content Accessibility Guidelines 2.0AA. The department also promotes the DAIP to staff through our 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 works closely with external employment providers to ensure 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. It 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.

### **5.8.3 Compliance with Public Sector Standards and ethical codes**

In accordance with section 31(1) of the Public Sector Management Act 1994, the department ensured compliance with its code of conduct, as well as public sector standards and code of ethics. The department's Code of Conduct was revised to ensure employees are aware of their legal and ethical responsibilities, and to provide clear direction to staff on what and to whom to report suspected breaches of the Code.

Grievance policies and procedures were reviewed, and a tailored training program equipped newly appointed grievance officers with the skills to assist employees to maintain a positive working environment. Accountable and ethical decision-making training enabled all staff members to apply and maintain the highest standards of ethical conduct across the department.

One request for a review under the Public Sector Standards in Human Resource Management - Employment was received and reviewed by the Public Sector Commission and a breach was found. The process is yet to be finalised.

### **5.8.4 Record keeping plan and freedom of information**

Record keeping is a key part of good governance and government. The department's record keeping plan is current and up-to-date as per its required under section 19 of the *State Records Act 2000*.

#### **Freedom of Information**

The *Western Australian Freedom of Information Act 1992* (the FOI Act) gives members of the public the right to access government documents (subject to some limitations). The department makes documents available for public access as required by the FOI Act. Its FOI policy is available at <https://www.dlgsc.wa.gov.au/Pages/Freedom-of-Information.aspx>

Of the 35 FOI applications received during the reporting period, all information that was exempt under the Act was edited to protect the exempt matter.

## **6.0 Government policy requirements**

### **6.1 Substantive equality**

The department recognises that not all members of the community share the same opportunities and is working toward implementing substantive equality in all its practices. The department works to addressing and preventing all forms of discrimination in its services, policies and legislation.

A wide range of services in local communities is supported by the department, targeting: seniors, youth, carers, women, volunteers, children and families, and people from culturally and linguistically diverse backgrounds through the Office of Multicultural Interests.

The principles of substantive equality inform and facilitate access to connected services and programs that are integrated and responsive to community needs.

## 6.2 Occupational safety, health and injury management

The department provides and maintains a safe working environment for all employees, contractors and visitors. It works with accredited vocational rehabilitation providers to assist injured workers to return to work after a work-related injury or disease. This is achieved through policies, procedures and work practices compliant with the Occupational Safety and Health Act 1984 and the Workers Compensation and Injury Management Act 1981. The department facilitates consultation through safety committees, the election of safety and health representatives, safety risk reporting and workplace inspections.

The department's Work Health & Safety Framework 2017 was replaced in June 2018 with a Safety Management System based on WorkSafe Plan and a revised Injury Management System. As at 30 June 2018 systems are in the process of being promulgated.

WorkSafe Plan assessments were conducted across the former departments over the past two years. As such the department will undertake an external review of its Safety Management System within five years.

During the reporting period the department undertook activities to contribute towards the development of a safe, healthy, and engaged workforce.

A workplace wellness program assists employees to maintain good physical and mental health, create a safe and healthy workplace, and improve performance and workplace productivity.

The 'Family and Domestic Violence Workplace Support' policy, which informs staff about the support available to them and provides resources and advice for managers and colleagues, was revised. A network of family and domestic violence officers was recruited and trained to provide support and guidance to those affected.

Employees have access to independent and confidential support to cope with personal or work issues through three Employee Assistance Providers. Employees significantly affected by change were provided comprehensive personal and career support to prepare for career and job change.

The following table indicates the department's performance against targets set out in the Public Sector Commissioner's Circular 2012-05.

Measures	Former agencies	Results 2015-16	Results 2016-17	Results 2017-18	Targets	Comments towards targets
Number of fatalities	Culture and Arts	0	0	0	0	Met
	Local Government	0	0			
	Sport and Recreation	0	0			
	Racing Gaming and Liquor	0	0			

Measures	Former agencies	Results 2015-16	Results 2016-17	Results 2017-18	Targets	Comments towards targets
Lost time injury and disease incidence rate	Culture and Arts	0	0	4/998 x 100 = 0.40	0 or 10% reduction in incidence rate	NA
	Local Government	0	0			
	Sport and Recreation	0.7653	1.198			
	Racing Gaming and Liquor	0	0			
Lost time injury and severity rate	Culture and Arts	0	0	0.50	0 or 10% reduction in severity rate	NA
	Local Government	0	0			
	Sport and Recreation	0	33.3333			
	Racing Gaming and Liquor	0	0			
Percentage of injured workers returned to work within 13 weeks	Culture and Arts	NA	NA	75%	80%	Not met
	Local Government	NA	NA			
	Sport and Recreation	81	83			
	Racing Gaming and Liquor	NA	X% (3)			
Percentage of injured workers returned to work within 26 weeks	Culture and Arts	NA	NA	100%	80%	Met
	Local Government	NA	NA			
	Sport and Recreation	81	83			
	Racing Gaming and Liquor	NA	NA			
Percentage of managers trained in occupational safety, health and injury management responsibilities, including refresher training within three years	Culture and Arts	0	0	Not known	80%	Not met
	Local Government	0	0			
	Sport and Recreation	0	0			
	Racing Gaming and Liquor	0	0			

## 7.0 Appendices

### 7.1 Funded organisations

The department works towards its objectives of promoting participation and achievement in sport, recreation, culture and arts, and supporting and growing the cultural industries in Western Australia by providing funding to eligible organisations.

Organisation	Department funding
Sport and recreation peak bodies	\$455,000
State Sporting Associations annual grants scheme	\$200,000
Goolarri Media	\$86,621
Art on the Move	\$465,608
Artrage Inc.	\$350,000
Artsource	\$430,766
Ausdance	\$185,000
Awesome Festival	\$221,004
Barking Gecko	\$500,000
Black Swan Theatre	\$1,674,306
Club Development Officer Scheme	\$1,102,500
CO3	\$500,000
Communicare - Get Active Project	\$50,000
Community Arts Network	\$454,011
Community Participation Funding	\$75,709
Country Arts WA	\$495,000
Craft Council of WA	\$308,599
DADAA	\$148,253
Edmund Rice Centre Mirrabooka - North West Metro Project	\$45,000
Football West - Matildas Community Engagement	\$50,000
Fremantle Arts Centre	\$719,189
Fremantle Press	\$342,624
Hockey WA - Tender for Australian Hockey League	\$50,000
Kimberley Aboriginal Law and Cultural Centre (KALACC)	\$100,000
Last Great Hunt	\$200,000

<b>Organisation</b>	<b>Department funding</b>
Lost and Found	\$100,000
Magabala Books	\$276,238
Marrugeku	\$200,000
Musica Viva	\$32,000
Performing Arts Centre Society	\$250,000
Perth Centre for Photography	\$109,002
PICA	\$710,000
Propel Arts	\$140,596
PVI	\$100,000
Royal Life Saving - Water Safety Strategy	\$177,000
SPACED	\$220,000
Spare Parts Theatre	\$472,350
Sports Medicine Australia - Safer Sport Program	\$175,000
STRUT Dance	\$281,000
Symbiotica	\$100,000
Targeted Participation Program	\$130,000
Tura Events Co	\$320,000
WA Ballet Company	\$3,034,449
WA Music Industry Association	\$400,000
WA Opera Company	\$1,934,137
WA Sports Federation - Fair Safe Sport Project	\$270,000
WA Symphony Orchestra	\$2,274,833
WA Youth Jazz Orchestra	\$100,000
WA Youth Orchestra	\$201,261
WA Youth Theatre Company	\$89,263
Westcycle - Implementation WA Mountain Bike Strategy	\$150,000
Wirrpanda Foundation - Great Southern Aboriginal Sport Development	\$50,000
Yirra Yaakin Noongar Theatre	\$358,084
<b>Total</b>	<b>\$21,864,403</b>



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

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