

# Financial Performance





# Auditor General

## Independent Auditor's Report 2024 Department of Energy, Mines, Industry Regulation and Safety

To the Parliament of Western Australia

### Report on the audit of the financial statements

#### Opinion

I have audited the financial statements of the Department of Energy, Mines, Industry Regulation and Safety (Department) which comprise:

- the statement of financial position as at 30 June 2024, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended
- administered schedules comprising the administered assets and liabilities as at 30 June 2024 and administered income and expenses by service for the year then ended
- notes comprising a summary of material accounting policies and other explanatory information.

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 Energy, Mines, Industry Regulation and Safety for the year ended 30 June 2024 and the financial position as at the end of that period
- in accordance with Australian Accounting Standards (applicable to Tier 2 Entities), 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 believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

#### Responsibilities of the Director General for the financial statements

The Director General is responsible for:

- keeping proper accounts
- preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards (applicable to Tier 2 Entities), the *Financial Management Act 2006* and the Treasurer's Instructions
- such internal control as they determine 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 entity's ability to continue as a going concern
- disclosing, as applicable, matters related to going concern
- 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 responsibilities 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. 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.

A further description of my responsibilities for the audit of the financial statements is located on the Auditing and Assurance Standards Board website. This description forms part of my auditor's report and can be found at [www.auasb.gov.au](http://www.auasb.gov.au).

## Report on the audit of controls

### **Opinion**

I have undertaken a reasonable assurance engagement on the design and implementation of controls exercised by the Department of Energy, Mines, Industry Regulation and Safety. The controls exercised by the Department of Energy, Mines, Industry Regulation and Safety are those policies and procedures established 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 the State's financial reporting framework (the overall control objectives).

In my opinion, in all material respects, the controls exercised by the Department of Energy, Mines, Industry Regulation and Safety are sufficiently adequate to provide reasonable assurance that the controls within the system were suitably designed to achieve the overall control objectives identified as at 30 June 2024, and the controls were implemented as designed as at 30 June 2024.

### **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 were implemented as designed.

An assurance engagement involves performing procedures to obtain evidence about the suitability of the controls design to achieve the overall control objectives and the implementation of those controls. The procedures selected depend on my judgement, including an 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 in operation, the overall control objectives may not be achieved so that fraud, error or non-compliance 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 audit of the key performance indicators

### Opinion

I have undertaken a reasonable assurance engagement on the key performance indicators of the Department of Energy, Mines, Industry Regulation and Safety for the year ended 30 June 2024 reported in accordance with *Financial Management Act 2006* and the Treasurer's Instructions (legislative requirements). The key performance indicators are the Under Treasurer-approved key effectiveness indicators and key efficiency indicators that provide performance information about achieving outcomes and delivering services.

In my opinion, in all material respects, the key performance indicators report of the Department of Energy, Mines, Industry Regulation and Safety for the year ended 30 June 2024 is in accordance with the legislative requirements, and the key performance indicators are relevant and appropriate to assist users to assess the Department's performance and fairly represent indicated performance for the year ended 30 June 2024.

### The Director General's responsibilities 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 controls as the Director General determines necessary to enable the preparation of key performance indicators that are free from material misstatement, whether due to fraud or error.

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



## Auditor General's responsibilities

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 entity'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 management relating to the report on financial statements, 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 ASQM 1 Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements, the Office of the Auditor General maintains a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

## Other information

The Director General is responsible for the other information. The other information is the information in the entity's annual report for the year ended 30 June 2024, but not the financial statements, key performance indicators and my auditor's report.

My opinions on the financial statements, controls and key performance indicators do not cover the other information and accordingly I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, controls and key performance indicators my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and key performance indicators or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I did not receive the other information prior to the date of this auditor's report. When I do receive it, I will read it and if I conclude that there is a material misstatement in this information, I am required to communicate the matter to those charged with governance and request them to correct the misstated information. If the misstated information is not corrected, I may need to retract this auditor's report and re-issue an amended report.

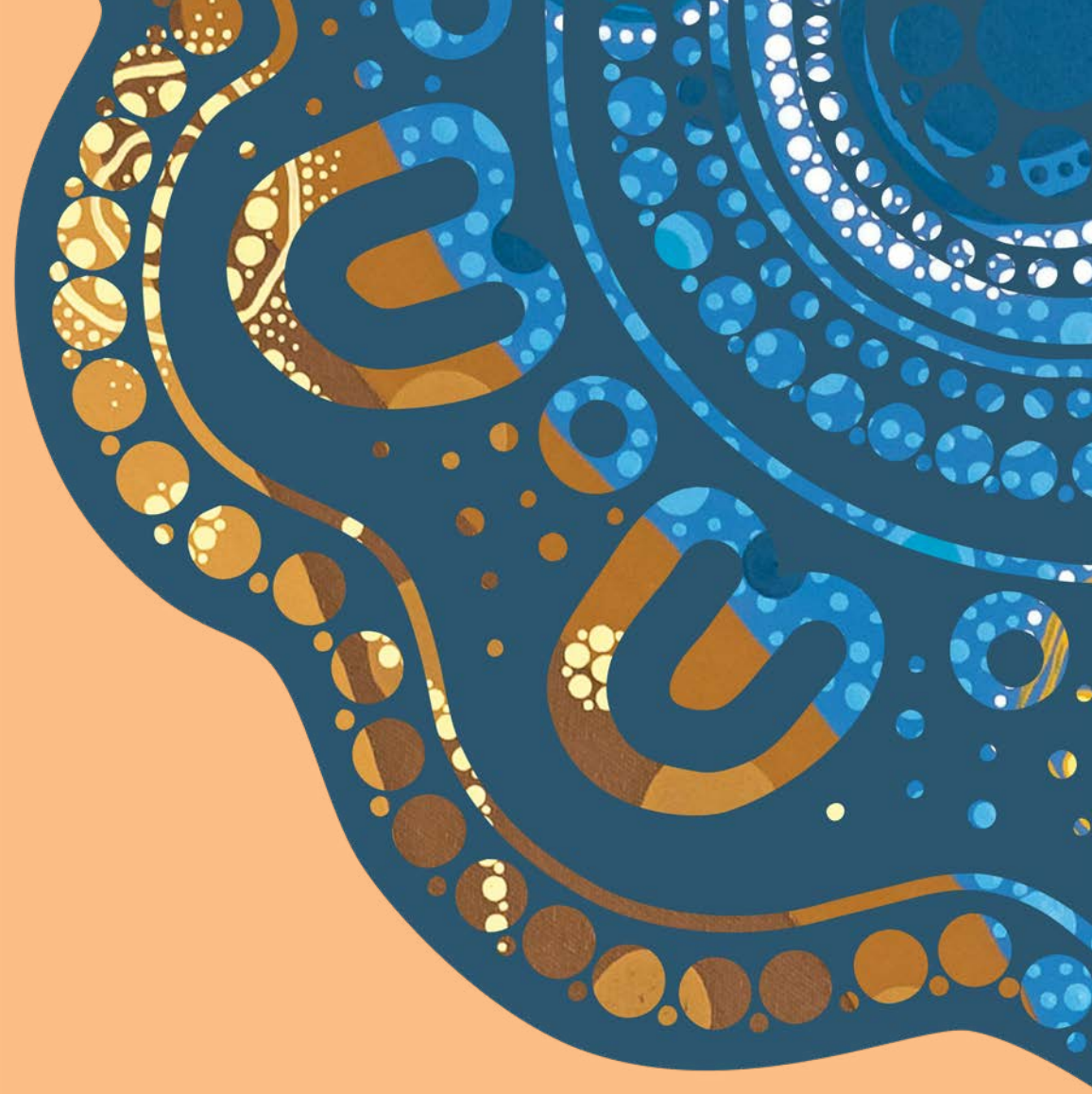
### **Matters relating to the electronic publication of the audited financial statements and key performance indicators**

This auditor's report relates to the financial statements and key performance indicators of the Department of Energy, Mines, Industry Regulation and Safety for the year ended 30 June 2024 included in the annual report 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, controls and key performance indicators described above. It does not provide an opinion on any other information which may have been hyperlinked to/from the annual report. 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 contact the entity to confirm the information contained in the website version.



Grant Robinson  
Assistant Auditor General Financial Audit  
Delegate of the Auditor General for Western Australia  
Perth, Western Australia  
28 August 2024

# Key Performance Indicators



# Audited Key Performance Indicators

## 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 Department of Energy, Mines, Industry Regulation and Safety (DEMIRS) performance and fairly represent the performance for the financial year ended 30 June 2024.



**Jai Thomas**

Acting Accountable Authority  
28 August 2024



## Outcome Based Management

Under section 61 of the *Financial Management Act (2006)* and Treasurer's Instruction 904, agencies are required to disclose, in their annual report, key effectiveness and efficiency indicators that provide information on the extent to which agency-level government desired outcomes have been achieved, or contributed to, through the delivery of services and the allocation of resources.

Outcome Based Management (OBM) is the WA public sector-wide performance management framework which allows us to quantify achievements made during 2023–24 towards stated Government Goals and our desired outcomes. This framework is used to measure our performance against targets set in the Resource Agreement and as published in the 2023–24 State Budget.



# DEMIRS OBM Structure

## Changes to the DEMIRS OBM structure

There were no revisions to the OBM structure for the 2023–24 financial year. The department maintained reporting for nine Key Performance Indicators (KPIs) against two outcomes and four key services as detailed on [page 12](#).

### Outcomes and Key Effectiveness Indicators

Key **Effectiveness** Indicators measure the extent to which our department achieves its Outcomes. Our current OBM includes two Agency Outcomes.

We report three Key Effectiveness Indicators against Outcome 1, and one against Outcome 2, each aligned with a Key Service. This ensures the effectiveness of each of our core businesses are measured.

### Services and Key Efficiency Indicators

To demonstrate how efficiently we are conducting our projects, programs or activities Key **Efficiency** Indicators measure the relative level of resource inputs required to deliver these Services. Key Efficiency can be measured by indicators such as an average cost per service or a measure of timeliness.

Our four Key Services are each measured by at least one Key Efficiency Indicator.

**Outcome 1:** Supporting a safe, fair and responsible future for the community, industry, and resources sector

### Resources Advice and Regulation Service

The provision of resource sector policy, and delivery of programs, regulatory services and information resources in order to build WA's economy while ensuring the State's natural resources are developed and managed responsibly. This service includes management of mineral titles, approval for mining associated activities, delivery of geoscience functions to the State and administration of the Aboriginal Empowerment Initiative, the pathway for resource development to also deliver improved outcomes for Aboriginal people.

### Safety and Labour Relations Advice and Regulation Service

This service ensures that one of the State's most significant assets, its workforce, operates in a healthy and safe environment where workers' rights are protected. WorkSafe oversees the regulatory and policy requirements of workers' health and safety in the resources and general industries sectors, and safety legislation for dangerous goods, including the State's major hazard facilities, and petroleum operations. Labour Relations is responsible for shaping and implementing labour relations policy and legislative reform, for both the Government and private sectors. It assists parties to understand and achieve compliance with Western Australian employment laws.

### Industry Advice and Regulation Service

This service works toward a safe, fair and equitable trading environment for Western Australians. Consumer Protection ensures the application of Australian Consumer Law and other trading and occupational legislation, and Building and Energy ensures that building, plumbing, gas and electricity services are safe. This includes administration of legislation covering WA industry, community and consumers; programs for compliance, conciliation, dispute resolution and enforcement; setting technical safety requirements and standards.

**Outcome 2:** A sustainable, efficient, secure and affordable energy sector

### Development and Implementation of Energy Policy

This service includes the provision and implementation of energy policy advice, programs and regulatory services to the Western Australian Government, the energy industry and energy consumers.

# Key Performance Indicators 2023–24



## Resources Advice and Regulation

**KPI: 1**

Stakeholder satisfaction with the department as an effective resource sector regulator

**77%** ▶ Met target (75%)

**KPI: 4**

Average cost of the resource regulation per live title

**\$5,903** ▲ 17% Did not meet target (\$5,048)



## Safety and Labour Relations Advice and Regulation

**KPI: 2**

Number of work-related traumatic injury fatalities

Five Year Rolling Average: 21

**13** ▲ Did not meet target (Nil 0)

**KPI: 5**

Average cost per transaction to deliver safety and labour relations regulation services

**\$8,749** ▲ 26% Did not meet target (\$6,941)

**KPI: 6**

Percentage of high-risk work licence applications determined within agreed timeframes

**40%** ▼ - 40% Did not meet target (80%)



## Industry Advice and Regulation

**KPI: 3**

Stakeholder satisfaction with the department as an effective industry regulator

**76%** ▶ Met target (75%)

**KPI: 7**

Average cost per transaction to deliver industry advice and regulation services

**\$227** ▼ - 13% Exceeded target (\$261)



## Development and Implementation of Energy Policy

**KPI: 8**

The extent to which policy and program development objectives for the year are achieved

**83%** ▲ - 17% Did not meet target (100%)

**KPI: 9**

Average cost of policy/project development

**\$59,118** ▲ 46% Did not meet target (\$40,390)

**KEY:**

Exceeding target:  
above ▲  
or below ▼

Did not meet target:  
above ▲  
or below ▼

Met target  
(variance ± 5 per cent):  
▶

# Outcome 1

## Effectiveness Key Performance Indicators

### KPI: 1 Stakeholder satisfaction with the department as an effective resource sector regulator

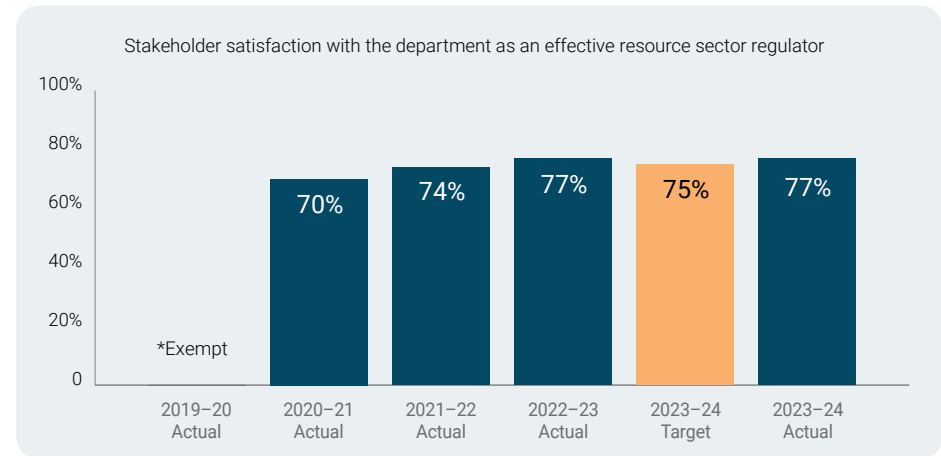


#### What we measure

Stakeholder satisfaction of the department’s regulatory role is measured by undertaking an annual online perception survey. The survey is designed to collect stakeholder feedback and measure attitudes as to whether stakeholders have confidence in the department as a responsible resources sector regulator. Trends in survey results can pinpoint areas to target resources in response to a changing operational environment.

#### How it is calculated

An independent Market Research Agency was contracted to design and administer the annual survey on behalf of DEMIRS. The survey is distributed to stakeholders who have interacted with the department in the past 12 months. Respondents are asked to rate their level of satisfaction on a scale of zero to 10. The percentage of respondents who give a rating between six and 10, is reported as overall satisfaction.



\*An exemption from reporting was granted in 2019-20.

#### What does this indicator show?

More than three in four 2023-24 respondents (77 per cent) expressed satisfaction with the effectiveness of DEMIRS as a resource sector regulator. This result is consistent with both the target set (75 per cent) and the 2022-23 result (77 per cent).

Amongst stakeholders in the resources sector, performance on this KPI is driven by being sufficiently responsive to queries and having open and transparent processes, indicators against which the department performed above average. Optimising economic benefit of resources development for WA and timeliness of processes were both important KPI drivers that are areas for improvement.

Outcome 1 – Effective Key Performance Indicators

**KPI: 2** Number of work-related traumatic injury fatalities

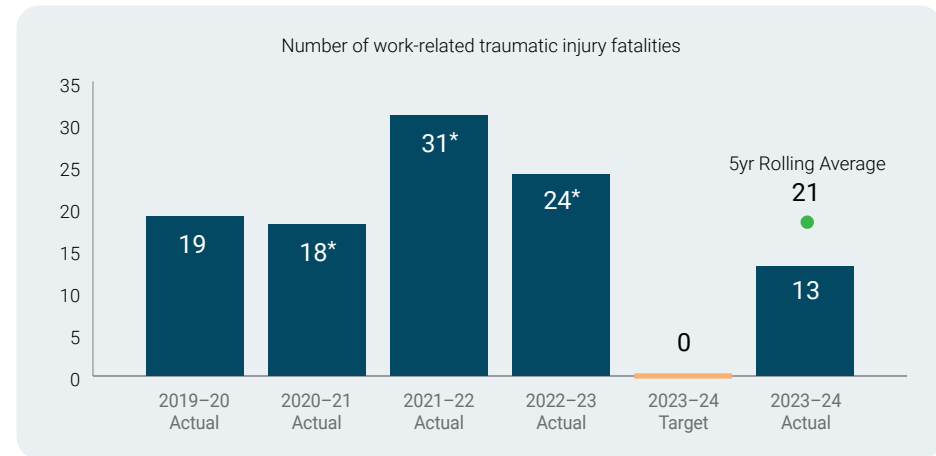


**What we measure**

The number of work-related traumatic injury fatalities is the number of people who are fatally injured as a result of their (or another’s) work activity in accordance with relevant acts and legislation. The nature, frequency, location and circumstances are investigated and influence our regulatory efforts. Any work-related death is considered unacceptable, so the target for this indicator is always nil. Underpinning this is the desire of individuals to be assured that the department responsible for regulating safety in the workplace is doing their job effectively and using resources responsibly.

**How it is calculated**

The number of annual confirmed work-related traumatic injury fatalities are reported for this indicator. The whole number five-year average (mean) of the number of annual work-related fatalities is also reported to provide context.



\* The number of previously reported traumatic injury fatalities has been adjusted in 2023-24 as some cases were yet to be finalised.

**What does this indicator show?**

During 2023-24 there were 13 confirmed work-related traumatic injury fatalities, including one in the Resource Industries sector, and 12 in the WorkSafe General Industries sector. The rolling five-year average is 21. Work-related traumatic injury fatalities are reported by DEMIRS in the *State of the Work Environment Report*, which also includes work-related fatalities within WA reported outside DEMIRS regulatory jurisdiction.

Outcome 1 – Effective Key Performance Indicators

**KPI: 3 Stakeholder satisfaction with the department as an effective industry regulator**

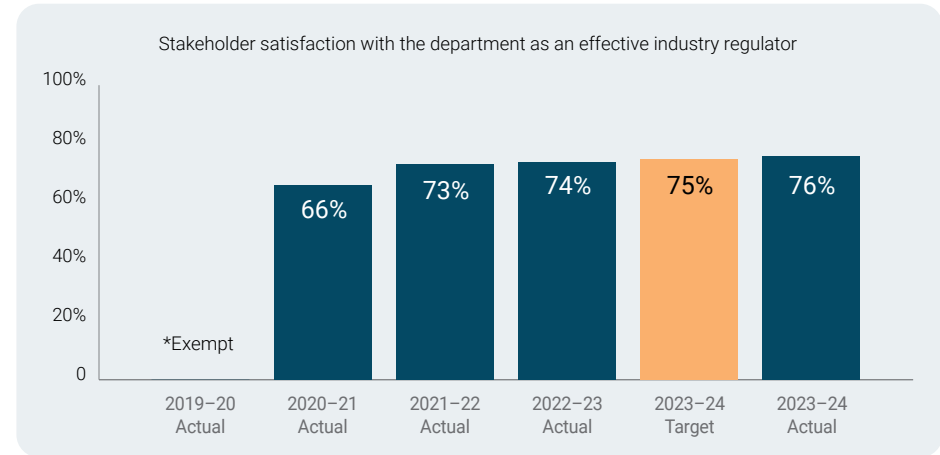


**What we measure**

Stakeholder satisfaction of the department’s regulatory role is measured by undertaking an annual online perception survey. The survey is designed to collect stakeholder feedback and measure attitudes as to whether stakeholders have confidence in the department as a responsible industry regulator. Trends in survey results can pinpoint areas to target resources in response to a changing operational environment.

**How it is calculated**

An independent Market Research Agency was contracted to design and administer the annual survey on behalf of DEMIRS. The survey is distributed to stakeholders who have interacted with the department in the past 12 months. Respondents are asked to rate their level of satisfaction on a scale of zero to 10. The percentage of respondents who give a rating between six and 10, is reported as overall satisfaction.



\*An exemption from reporting was granted in 2019–20.

**What does this indicator show?**

More than three in four 2023–24 respondents (76 per cent) expressed satisfaction with the effectiveness of DEMIRS as an industry regulator. This result is consistent with both the target set (75 per cent) and the 2022–23 result (74 per cent).

Amongst stakeholders in industry outside of the resources sector, performance on this KPI is heavily driven by being sufficiently responsive to queries and providing sufficient information. A key area for improvement that will impact perceptions is having timely processes.



Outcome 1 – Effective Key Performance Indicators

**KPI: 4** Average cost of resource regulation per live title

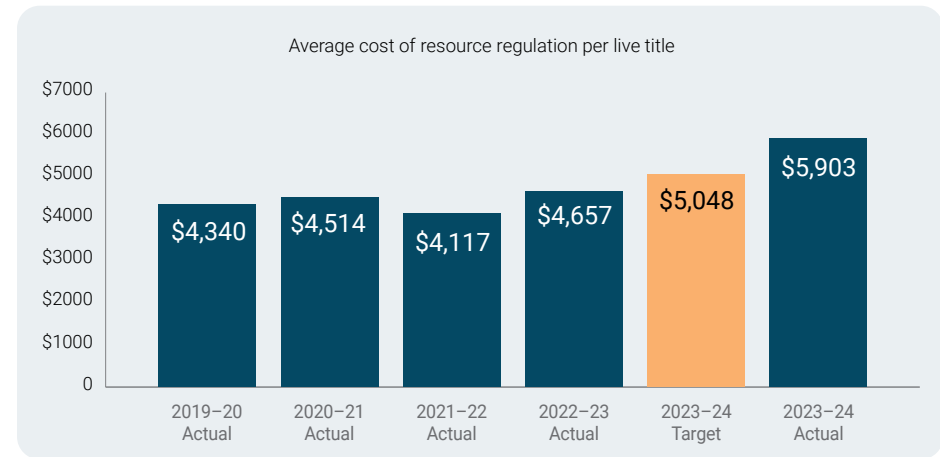


**What we measure**

This indicator measures the amount of resource development and exploration in the state demonstrated through the number of live resource titles (minerals and petroleum). Resource development and exploration occurs in the context of the resource management 'lifecycle'. All activities within this 'lifecycle' are associated with a mining title. The number and average cost associated with regulating each title form the basis of this KPI.

**How it is calculated**

The average cost per active title is calculated by dividing the total cost of service by the number of live titles approved and renewed during the current year or that are subject to ongoing regulation by the department.



**What does this indicator show?**

The 2023-24 actual result is 17 per cent higher than target mainly due to a high Resources Advice and Regulation Service cost which increased mainly due to increase expenses for the Mining Rehabilitation Fund – Abandoned Mines Program. In accordance with the *Mining Rehabilitation Fund Act 2012*, increased expenditure, fully funded from the Mining Rehabilitation Fund special purpose account, was approved to address priority safety works under the Abandoned Mines Program five-year plan. This includes continuation of remediation works at the Ellendale mine site and an expanded program of works on several abandoned legacy sites.

Outcome 1 – Effective Key Performance Indicators

**KPI: 5** Average cost per transaction to deliver safety and labour relations regulation services

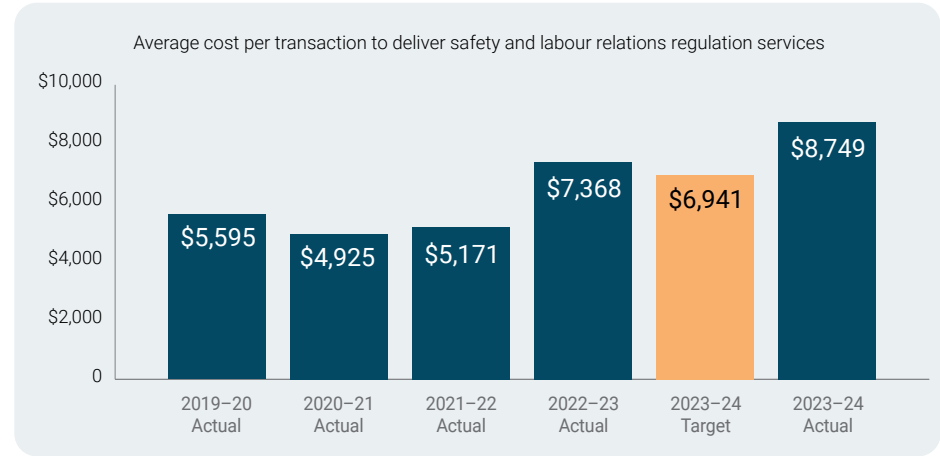


**What we measure**

This KPI indicates the efficiency with which the department achieves safety and labour relations regulation. Services performed on behalf of the community to ensure a safe and fair workplace by intervening decisively to avert and minimise harm (commensurate with the circumstances), include investigations and inspections under various legislation.

**How it is calculated**

The indicator is calculated by dividing the total cost of the service by the number of regulatory transactions.



**What does this indicator show?**

The average cost per regulatory transaction for 2023-24 is \$8,749, which is 26 per cent more than the budget estimates target (\$6,941). This variance was driven by decreased transaction numbers and continued cost impact of implementing the work health and safety legislation, including development of new industry guidance materials, and new training and onboarding requirements of inspectors.

Outcome 1 – Effective Key Performance Indicators

**KPI: 6** Percentage of high-risk work licence applications determined within agreed timeframes

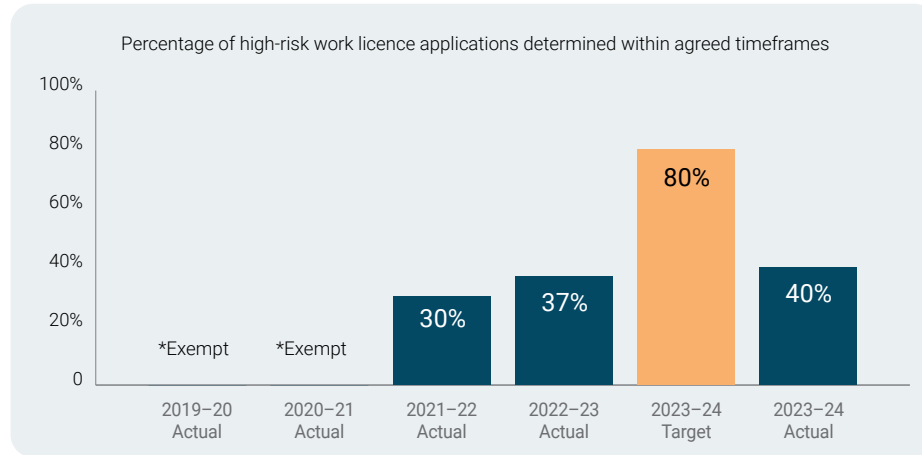


**What we measure**

This measure demonstrates the department’s capacity to effectively administer and enforce timely assessment of high-risk work licence application services to the community and industry.

**How it is calculated**

The indicator is calculated by multiplying the timeliness of each class of high-risk work licences, (new licences, renewals and modifications) by its weighting.



\*This indicator’s counting methodology was revised in the 2022–23 reporting year. The 2021–22 financial year figure is recast for comparison.

**What does this indicator show?**

For 2023–24, a total of 40 per cent of High Risk Work Licence (HRWL) applications were determined within the target timeframe of 10 business days, 40 per cent below the target of 80 per cent. Enduring high levels of demand for HRWL continued to result in longer processing times during 2023–24. A new record of 93,296 HRWL applications were determined during the reporting period, an increase of seven per cent over the 86,920 determined during 2022–23.

Although processing times were below target, the average timeframe to finalise applications decreased compared to 2022–23. Additional temporary resourcing and further refinements to licence processing procedures resulted in improvements to processing timeframes during 2023–24, as demonstrated by the three per cent increase against the 2022–23 result, a 10 per cent increase in this KPI since 2021–22.

Outcome 1 – Effective Key Performance Indicators

**KPI: 7** Average cost per transaction to deliver industry advice and regulation services

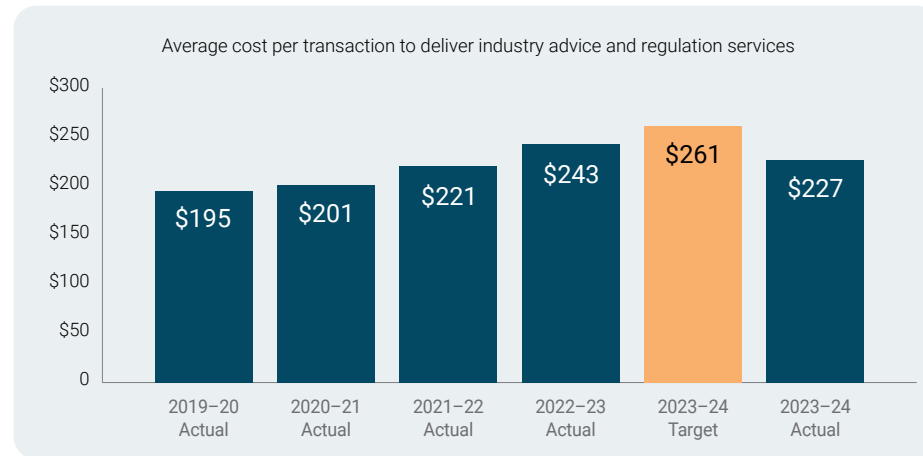


**What we measure**

This indicator measures the average cost per advice or regulatory service transaction provided to the community in the areas of Building and Energy, and Consumer Protection. This indicator is an indicative of the per-unit cost to provide a healthy business environment. The department can determine the resource distribution and effort required across industry sectors and types of transaction.

**How it is calculated**

Total cost of the Industry, Advice and Regulation Service is divided by the number of advice and regulation transactions providing an average cost per transaction figure.



**What does this indicator show?**

The average cost per transaction for 2023-24 is \$227, which is 13 per cent lower than the target. The cost of the Industry Advice and Regulation Service was consistent with target, so variance of this result is driven by a higher overall number of regulatory transactions than forecast.

# Outcome 2

## Effectiveness Key Performance Indicators

**KPI: 8** The extent to which policy and program development objectives for the year are achieved

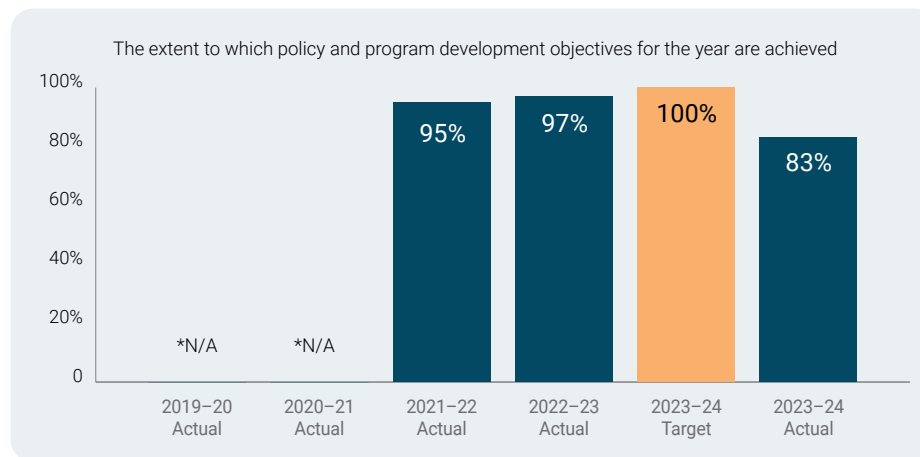


### What we measure

This indicator summarises the completion of policy and program priorities within the reporting period and the results are presented in relation to effort. The results are calculated by monitoring the priorities set for a year and the results presented as a percentage of planned priorities completed.

### How it is calculated

Annual strategic and operational planning forms the basis for a list of projects that represents policy and program development objectives, or planned priorities. An assessment of the percentage of completion for each project is carried out and this supported by evidence such as monthly project reports, cabinet submissions, media statements, and discussion papers.



\*No data is available for these years since reporting for this indicator commenced in the 2021-22 financial year.

### What does this indicator show?

During the 2023-24 financial year, Energy Policy achieved a rate of completion of planned policy and program development of 83 per cent. The actual result is lower than target by 17 per cent due to emerging energy sector and energy transition priorities that have taken precedence. This has resulted in several projects being downgraded in priority or put on hold, including the Renewable Hydrogen Target project.



Outcome 2 – Efficiency Key Performance Indicator

Efficiency Key Performance Indicator

**KPI: 9** Average cost of policy/project development

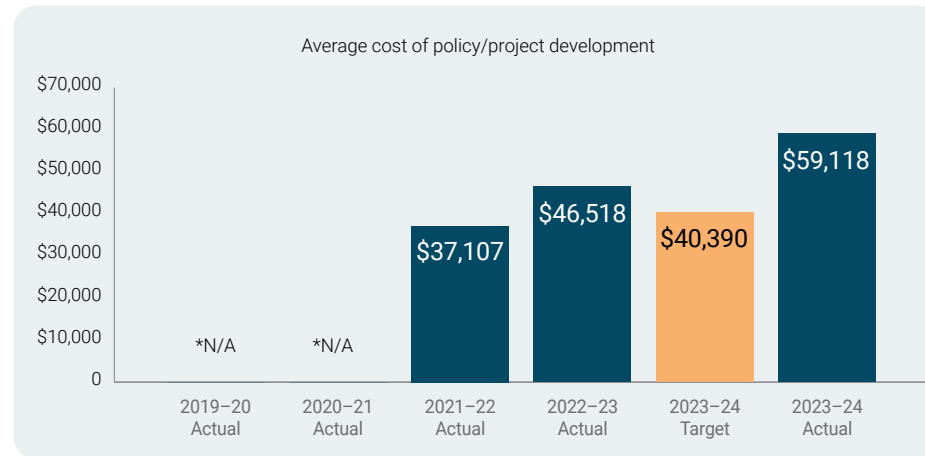


**What we measure**

This indicator measures the average cost of policy and project activities that are significant in nature, requiring considerable investment of time and effort. This KPI demonstrates responsible financial management of the State’s finite resources while striving to deliver substantial impact to the energy sector.

**How it is calculated**

A count is undertaken of Ministerials initiated during the reporting period to create a costs multiplier, where the count of projects is expressed as a percentage of the count of projects and tasks. The total cost of service for development and implementation of energy policy is then multiplied by this cost multiplier.



\*No data is available for these years since reporting for this indicator commenced in the 2021-22 financial year.

**What does this indicator show?**

During the 2023-24 financial year, Energy Policy’s average cost of policy and project development activities were \$59,118, 46 per cent above target. The development and implementation of Energy Policy Service increased mainly due to increased expenses for the one-off Electricity System Security Demand Management Measures and increases for the ongoing PoweringWA, Pilbara Energy Transition Plan, and Energy Ahead Program (formerly Household Energy Efficiency Scheme) initiatives. These approved additional costs have increased the average cost per policy/project development.

# Financials



# Financial Statements

## Certification of Financial Statements For the reporting period ended 30 June 2024

### Department of Energy, Mines, Industry Regulation and Safety

The accompanying financial statements of the Department of Energy, Mines, Industry Regulation and Safety 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 2024 and the financial position as at 30 June 2024.

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.



**Jai Thomas**  
A/Director General  
28 August 2024



**Jeremy Kwong**  
Chief Financial Officer  
28 August 2024



# Statement of comprehensive income

For the year ended 30 June 2024

	Notes	2024 \$000	2023 \$000
<b>Cost of services</b>			
<b>Expenses</b>			
Employee benefits expense	2.1(a)	224,556	214,251
Supplies and services	2.3	137,428	91,362
Depreciation and amortisation expenses	4.1, 4.2, 4.3	4,062	4,255
Finance costs	6.3	51	99
Accommodation expenses	2.3	22,586	18,256
Grants and subsidies	2.2	31,213	26,451
Other expenses	2.3	7,086	4,187
<b>Total cost of services</b>		<b>426,982</b>	<b>358,861</b>
<b>Income</b>			
User charges and fees	3.2	227,555	194,508
Sales	3.2	20	29
Interest revenue	3.3	19,137	11,030
Commonwealth grants and contributions	3.4	179	135
Other income	3.5	16,974	14,963
<b>Total income other than income from State Government</b>		<b>263,865</b>	<b>220,665</b>
<b>Net cost of services</b>		<b>163,117</b>	<b>138,196</b>

	Notes	2024 \$000	2023 \$000
<b>Income from State Government</b>			
Service appropriation	3.1	217,834	183,022
Income from other public sector entities	3.1	15,076	14,196
Services received free of charge	3.1	2,920	3,015
State grants and subsidies	3.1	100	100
Royalties for Regions Fund	3.1	176	189
<b>Total income from State Government</b>		<b>236,106</b>	<b>200,522</b>
<b>Surplus for the period</b>		<b>72,989</b>	<b>62,326</b>
<b>Other comprehensive income</b>			
<i>Items not reclassified subsequently to profit or loss</i>			
Changes in asset revaluation surplus	4.1	180	19,488
<b>Total other comprehensive income</b>		<b>180</b>	<b>19,488</b>
<b>Total comprehensive income for the period</b>		<b>73,169</b>	<b>81,814</b>

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

# Statement of financial position

As at 30 June 2024

	Notes	2024 \$000	2023 \$000
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents	6.4	19,536	18,560
Restricted cash and cash equivalents	6.4	589,656	516,956
Receivables	5.1	27,943	24,115
Amounts receivable for services	5.2	914	914
Other current assets	5.3	5,685	4,295
<b>Total Current Assets</b>		<b>643,734</b>	<b>564,840</b>
<b>Non-Current Assets</b>			
Restricted cash and cash equivalents	6.4	–	5,439
Receivables	5.1	6,896	–
Amounts receivable for services	5.2	37,391	37,789
Property, plant and equipment	4.1	170,278	172,029
Right-of-use assets	4.3	3,482	2,356
Intangible assets	4.2	6,243	428
<b>Total Non-Current Assets</b>		<b>224,290</b>	<b>218,041</b>
<b>Total assets</b>		<b>868,024</b>	<b>782,881</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Payables	5.4	17,602	14,250
Amounts due to the Treasurer	5.5	2,000	4,500
Revenue received in advance	5.6	33,783	27,821
Employee related provisions	2.1(b)	44,536	44,225
Lease liabilities	6.1	1,162	923
Other current liabilities	5.7	2,904	2,204
<b>Total Current Liabilities</b>		<b>101,987</b>	<b>93,923</b>

	Notes	2024 \$000	2023 \$000
<b>Non-Current Liabilities</b>			
Payables	5.4	745	636
Employee related provisions	2.1(b)	8,691	8,500
Lease liabilities	6.1	2,559	1,629
Other non-current liabilities	5.7	2,432	3,730
<b>Total Non-Current Liabilities</b>		<b>14,427</b>	<b>14,495</b>
<b>Total liabilities</b>		<b>116,414</b>	<b>108,418</b>
<b>Net assets</b>		<b>751,610</b>	<b>674,463</b>
<b>Equity</b>			
Contributed equity		273,410	269,432
Reserves		132,177	131,997
Accumulated surplus/(deficit)		346,023	273,034
<b>Total equity</b>		<b>751,610</b>	<b>674,463</b>

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



# Statement of changes in equity

For the year ended 30 June 2024

	Contributed equity \$000	Reserves \$000	Accumulated surplus/ (deficit) \$000	Total equity \$000
<b>Balance at 1 July 2022</b>	248,312	112,509	210,708	571,529
Balance transferred from Energy Policy WA	4,699	–	–	4,699
<b>Restated balance at 1 July 2022</b>	<b>253,011</b>	<b>112,509</b>	<b>210,708</b>	<b>576,227</b>
Surplus/(deficit)	–	–	62,326	62,326
Other comprehensive income	–	19,488	–	19,488
<b>Total comprehensive income for the period</b>	<b>–</b>	<b>19,488</b>	<b>62,326</b>	<b>81,814</b>
<i>Transactions with owners in their capacity as owners:</i>				
Capital appropriations	3,682	–	–	3,682
Other contributions by owners	18,477	–	–	18,477
Distributions to owners	(5,738)	–	–	(5,738)
<b>Balance at 30 June 2023</b>	<b>269,432</b>	<b>131,997</b>	<b>273,034</b>	<b>674,463</b>
<b>Balance at 1 July 2023</b>	269,432	131,997	273,034	674,463
Surplus/(deficit)	–	–	72,989	72,989
Other comprehensive income	–	180	–	180
<b>Total comprehensive income for the period</b>	<b>–</b>	<b>180</b>	<b>72,989</b>	<b>73,169</b>
<i>Transactions with owners in their capacity as owners:</i>				
Capital appropriations	3,978	–	–	3,978
<b>Total</b>	<b>3,978</b>	<b>–</b>	<b>–</b>	<b>3,978</b>
<b>Balance at 30 June 2024</b>	<b>273,410</b>	<b>132,177</b>	<b>346,023</b>	<b>751,610</b>

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

# Statement of cash flows

For the year ended 30 June 2024

	Note	2024 \$000	2023 \$000
<b>Cash flows from State Government</b>			
Service appropriation		217,319	182,602
Capital appropriations		3,978	3,698
Other contributions by owners		15,076	14,196
Holding account drawdown		914	914
Royalties for Regions Fund		176	189
<b>Net cash provided by State Government</b>		<b>237,463</b>	<b>201,599</b>
Utilised as follows:			
<b>Cash flows from operating activities</b>			
<b>Payments</b>			
Employee benefits		(227,498)	(211,875)
Supplies and services		(123,198)	(84,250)
Accommodation		(25,537)	(19,274)
Grants and subsidies		(31,213)	(26,451)
Other payments		(14,387)	(11,024)
GST payments on purchases		(19,572)	(18,064)
<b>Receipts</b>			
Sale of goods and services		45	48
User charges and fees		232,906	194,819
GST receipts on sales		4,720	5,175
GST receipts from taxation authority		16,116	12,990
Other receipts		37,128	25,208
<b>Net cash (used in) operating activities</b>		<b>(150,490)</b>	<b>(132,698)</b>

	Note	2024 \$000	2023 \$000
<b>Cash flows from investing activities</b>			
<b>Payments</b>			
Purchase of non-current physical assets		(8,705)	(2,947)
<b>Receipts</b>			
Proceeds from sale of non-current assets		22	1
<b>Net cash (used in) investing activities</b>		<b>(8,683)</b>	<b>(2,946)</b>
<b>Cash flows from financing activities</b>			
<b>Receipts</b>			
Proceeds from borrowings		–	2,500
<b>Payments</b>			
Right of use lease liability payment		(657)	(4,247)
Repayment of borrowings		(2,500)	(3,000)
Payment to accrued salaries account		(1,457)	–
<b>Net cash (used in) financing activities</b>		<b>(4,614)</b>	<b>(4,747)</b>
Net increase in cash and cash equivalents		73,676	61,208
Cash balances transferred in		–	6,578
Cash and cash equivalents at the beginning of the period		540,955	473,169
Adjustment for the reclassification of accrued salaries account		(5,439)	–
<b>Cash and cash equivalents at the end of the period</b>	6.4	<b>609,192</b>	<b>540,955</b>

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

# Administered income and expenses

For the year ended 30 June 2024

	2024 \$000	2023 \$000
<b>Income</b>		
For transfer:		
Mining rentals	179,795	157,933
Regulatory fees and fines	163	215
Commonwealth grants	241	293
Appropriations	34,475	38,318
Other revenue	44,858	44,555
<b>Total administered income</b>	<b>259,532</b>	<b>241,314</b>
<b>Expenses</b>		
Refunds of previous years' revenue	791	25,429
Services and contracts	109,251	67,030
Receipts paid into Consolidated Account <sup>(a)</sup>	185,416	158,800
Interest revenue	9.2 21,025	35,241
<b>Total administered expenses</b>	<b>316,483</b>	<b>286,500</b>

(a) Receipts paid into the Consolidated Account represent the transfer of non-retainable regulatory fees, fines and penalties to the Consolidated Account.

Further explanations of variances are contained in note 9.2 'Explanatory statement for administered items'.

# Administered assets and liabilities

As at 30 June 2024

	2024 \$000	2023 \$000
<b>Current Assets</b>		
Cash and cash equivalents	8,519	12,678
Restricted cash and cash equivalents	552,805	510,287
Receivables	12,914	11,354
Finance lease receivable	–	875
<b>Total administered current assets</b>	<b>574,238</b>	<b>535,194</b>
<b>Non-current assets</b>		
Finance lease receivables	–	1,075
<b>Total administered non-current assets</b>	<b>–</b>	<b>1,075</b>
<b>Total administered assets</b>	<b>574,238</b>	<b>536,269</b>
<b>Current Liabilities</b>		
Payables	309	241
Other liabilities	843	845
Other current liabilities	609,250	514,667
<b>Total Current Liabilities</b>	<b>610,672</b>	<b>515,753</b>
<b>Total administered liabilities</b>	<b>610,672</b>	<b>515,753</b>

## Supplementary financial information

### Other matters of uncertainty

There were no matters of uncertainty recognised during the financial year.

### Home Indemnity Insurance

The contingent liability for Home Indemnity Insurance (HII) has been assessed to be the future claims liability (FCL) as at 30 June 2024. The FCL is an estimation of the future claims costs which will arise as a result of events which will occur in the future for currently in-force HII policies. In accordance with the Scyne actuarial report, the future claims liability has been assessed at an approximate value of \$83,886,250 (2023: \$54,352,500).

### Write-offs

During the financial year, \$651,262 (2023: \$32,772) was written off the department's asset register under the authority of:

	2024 \$000	2023 \$000
Director General	–	33
The Treasurer	651	–
	<b>651</b>	<b>33</b>

16 individually recognised debts which were written-off during the period related to lease rentals and licences recognised under *The Mining Act 1978*.

### Act of grace payments

During the financial year, two payments totalling \$1,910 (2023 \$50.483 million from nine payments) were paid out as act of grace payments under the authority of:

	2024 \$000	2023 \$000
The Minister	2	23
The Governor	–	50,460
	<b>2</b>	<b>50,483</b>

# Notes to the Financial Statements

## 1. Basis of Preparation

The department is a Government not-for-profit entity controlled by the State of Western Australia, which is the ultimate parent.

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

These annual financial statements were authorised for issue by the Acting Director General of the department on 28 August 2024.

### Statement of compliance

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

The Act and the Treasurer's instructions are legislative provisions governing the preparation of financial statements and take precedence over Australian Accounting Standards, the Framework, Statement of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board. 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).

## Accounting for Goods and Services Tax (GST)

Income, expenses and assets are recognised net of the amount of goods and services tax (GST), except that the:

- (a) amount of GST incurred by the department as a purchaser that is not recoverable from the Australian Tax Office (ATO) is recognised as part of an asset's cost of acquisition or as part of an item of expense; and
- (b) receivables and payables are stated with the amount of GST included.

Cash flows are included in the Statement of cash flows on a gross basis. However, the GST components of cash flows arising from the investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

## Contributed equity

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, as designated as contributions by owners (at the time of, or prior, to transfer) 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.

## Administered items

The department administers, but does not control, certain activities and functions for and on behalf of Government that do not contribute to the department's services or objectives. It does not have discretion over how it utilises the transactions in pursuing its own objectives.

Transactions relating to the administered activities are not recognised as the department's income, expenses, assets and liabilities, but are disclosed in the accompanying schedules as 'Administered income and expenses', and 'Administered assets and liabilities'.

The accrual basis of accounting and applicable Australian Accounting Standards have been adopted.

## Comparative information

Except when an Australian Accounting Standard permits or requires otherwise, comparative information is presented in respect of the previous period for all amounts reported in the financial statements. AASB 1060 provides relief from presenting comparatives for:

1. Property, plant and equipment reconciliations;
2. Intangible asset reconciliations; and
3. Right-of-Use asset reconciliations

## Judgement 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.

## 2. 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
Employee benefits expenses	2.1(a)
Employee benefits provisions	2.1(b)
Grants and subsidies	2.2
Other expenditure	2.3

### 2.1 (a) Employee benefits expenses

	2024 \$000	2023 \$000
Employee benefits	202,630	194,237
Termination benefits	34	3
Superannuation – defined contribution plans	21,892	20,011
<b>Employee benefits expenses</b>	<b>224,556</b>	<b>214,251</b>
Add: AASB 16 Non-monetary benefits	740	1,515
Less: employee contributions (per note 3.5 Other Income)	(224)	(219)
<b>Total employee benefits provided</b>	<b>225,072</b>	<b>215,547</b>

**Employee benefits** include wages, salaries and social contributions, accrued and paid leave entitlements and paid sick leave, and non-monetary benefits recognised under accounting standards other than AASB 16 (such as medical care, housing, cars and free or subsidised goods or services) for employees.



**Termination benefits** are 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** is the amount recognised in profit or loss of the Statement of comprehensive income comprises employer contributions paid to the Gold State Super (concurrent contributions), the West State Super, the Government Employees Superannuation Board, or other superannuation funds.

**AASB 16 non-monetary benefits** are non-monetary employee benefits, predominately relating to the provision of vehicle and housing benefits that are recognised under AASB 16 and are excluded from the employee benefits expense.

**Employee contributions** are contributions made to the department by employees towards employee benefits that have been provided by the department. This includes both AASB 16 and non-AASB 16 employee contributions.

## 2.1 (b) Employee related provisions

	2024 \$000	2023 \$000
<b>Current</b>		
<u>Employee benefits provisions</u>		
Annual leave	20,376	20,688
Long service leave	23,253	22,747
Deferred salary scheme	295	315
Purchased leave	311	219
	<b>44,235</b>	<b>43,969</b>
<u>Other provisions</u>		
Employment on-costs	301	256
<b>Total current employee benefits provisions</b>	<b>44,536</b>	<b>44,225</b>
<b>Non-current</b>		
<u>Employee benefits provisions</u>		
Long service leave	8,630	8,451
<u>Other provisions</u>		
Employment on-costs	61	49
<b>Total non-current employee benefits provisions</b>	<b>8,691</b>	<b>8,500</b>
<b>Total employee benefits provisions</b>	<b>53,227</b>	<b>52,725</b>

Provision is made for benefits accruing to employees in respect of 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.

**Annual leave liabilities** are classified as current as there is no unconditional right to defer settlement for at least 12 months after the end of the reporting period.

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.

These statements are prepared on the expectation that it is unlikely for annual leave to be settled wholly within 12 months after the end of the reporting period.

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

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

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

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

	2024 \$000	2023 \$000
Within 12 months of the end of the reporting period	8,178	7,878
More than 12 months after the end of the reporting period	23,706	23,320
	<b>31,884</b>	<b>31,198</b>

**Deferred salary scheme liabilities** are classified as current where there is no unconditional right to defer settlement for at least 12 months after the end of the reporting period.

<b>Deferred salary scheme</b>	2024 \$000	2023 \$000
Within 12 months of the end of the reporting period	295	315
More than 12 months after the end of the reporting period	–	–
	<b>295</b>	<b>315</b>

**Purchased leave liabilities** are classified as current where there is no unconditional right to defer settlement for at least 12 months after the end of the reporting period.

<b>Purchased leave</b>	2024 \$000	2023 \$000
Within 12 months of the end of the reporting period	311	219
More than 12 months after the end of the reporting period	–	–
	<b>311</b>	<b>219</b>

**Employment on-costs** involves settlements of annual and long service leave liabilities which gives rise to the payment of employment on-costs including workers' compensation insurance.

Employment on-costs, including workers' compensation insurance premiums, 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 2.3 apart from the unwinding of the discount (finance cost) and are not included as part of the departments 'employee benefits expense'. The related liability is included in 'Employment on-costs provision'.

The provision is the present value of expected future payments.

	2024 \$000	2023 \$000
<b>Employment on-costs provision</b>		
Carrying amount at start of period	306	287
Additional provisions recognised	362	210
Payments/other sacrifices of economic benefits	(306)	(191)
<b>Carrying amount at end of period</b>	<b>362</b>	<b>306</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.

## 2.2 Grants and subsidies

	2024 \$000	2023 \$000
<b>Recurrent</b>		
Exploration Incentive Scheme		
<i>Co-funded Drilling</i>	7,342	8,198
<i>Co-funded Geo-physics</i>	396	2,030
Farmsafe WA	123	70
Asbestos Diseases Society	107	125
Circle Green Community Legal	430	430
Property Industry Grants	4,015	5,355
Australian Building Codes Board	519	519
Mental Health in the Workplace	1,000	1,000
Mental Awareness Respect and Safety Initiative	3,401	3,111
State Underground Power Program	–	2,057
Australian Energy Market Commission	948	1,158
Household Energy Efficiency Scheme	7,300	1,000
Electric Vehicle Charging Infrastructure		
<i>Local Governments</i>	855	–
<i>Small Business and Charities</i>	664	–
Short-Term Rental Accommodation Incentive Scheme	2,355	–
Other Miscellaneous Grants – contributions to Commonwealth and others	1,758	1,398
<b>Total grants and subsidies</b>	<b>31,213</b>	<b>26,451</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 'Grants or subsidy expenses'. These payments or transfers are recognised at fair value at the time of the transaction and are recognised as an expense in the reporting period in which they are paid. They include transactions such as grants, subsidies, personal benefit payments made in cash to individuals, other transfer payments made to public sectors agencies, local government, non-government schools, and community groups.

The department is not responsible for administering a government subsidy scheme.

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.

## 2.3 Other expenditure

	2024 \$000	2023 \$000
<b>Supplies and services</b>		
Consultants and contractors	108,138	67,525
Advertising and promotion	1,631	823
Travel	2,282	1,811
Communication	864	746
Consumables	2,692	2,724
Maintenance	1,073	1,176
Insurance	1,459	1,108
Lease rent and hire costs	3,131	2,003
Utilities	1,340	1,214
Other	14,818	12,232
<b>Total supplies and services expenses</b>	<b>137,428</b>	<b>91,362</b>

	2024 \$000	2023 \$000
<b>Accommodation expenses</b>		
Rental	14,459	13,695
Repairs and maintenance	6,629	3,231
Cleaning	1,498	1,330
<b>Total accommodation expenses</b>	<b>22,586</b>	<b>18,256</b>
<b>Other expenses</b>		
Audit fees (internal and external)	602	477
Expected credit losses expense	264	176
Employment on costs	57	14
Industry fidelity claims	452	(277)
Minor plant and equipment	4,143	3,302
Refunds of prior years revenues	54	68
Other expenses	1,514	427
<b>Total other expenses</b>	<b>7,086</b>	<b>4,187</b>
<b>Total other expenditure</b>	<b>167,100</b>	<b>113,805</b>

**Supplies and services expenses** 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:

**Rental Expenses** are expensed as incurred, as a Memorandum of Understanding agreement between the department and the Department of Finance for the leasing of office accommodation contain significant substitution rights.

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

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

**Audit Fees:** an expense is recognised for internal and external audit services received during the 2023–24 reporting period.

**Expected credit losses** is recognised for movement in allowance for impairment of trade receivables. Refer to note 5.1 Movement in the allowance for impairment of receivables.

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

**Industry fidelity claims** are paid as a reimbursement to people who suffer pecuniary or property loss through defalcation by a licensee or employee of a real estate agent or settlement agent.

**Minor plant and equipment** are items identified as portable and attractable that do not meet the criteria of an asset are expensed in the year the item is acquired.

**Other expenses** include items recorded as prior period expenses and various other minor other miscellaneous expense items.

### 3. Our funding sources

#### How we obtain our funding

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

	Notes
Income from State Government	3.1
User charges and fees and sales	3.2
Interest revenue	3.3
Commonwealth grants and contributions	3.4
Other revenue	3.5
Gains/(Losses)	3.6

#### 3.1 Income from State Government

	2024 \$000	2023 \$000
Appropriation received during the period:		
– Service appropriation	217,834	183,022
<b>Total service appropriation</b>	<b>217,834</b>	<b>183,022</b>
Income received from other public sector entities during the period:		
– Climate Action Fund	1,320	2,297
– Digital Capability Fund	13,261	11,899
– Asset Maintenance Fund	495	–
<b>Total income from other public sector entities</b>	<b>15,076</b>	<b>14,196</b>

	2024 \$000	2023 \$000
Resources received free of charge from other public sector entities during the period:		
<b>State Solicitors Office</b>		
– legal services.	2,040	1,995
<b>Department of Treasury and Finance</b>		
– accommodation services.	661	659
<b>Landgate</b>		
– land dealings, land information, valuation services and products.	191	357
<b>Department of Planning, Lands and Heritage</b>		
– provision of spatial data	1	–
<b>Main Roads</b>		
– provision of ad-hoc Office accommodation.	7	3
<b>Department of Water and Environmental Regulation</b>		
– provision of vector data, processing of ISBA packages and technical support for Asbestos Group.	20	1
<b>Total resources received</b>	<b>2,920</b>	<b>3,015</b>
State grants and subsidies – Specific Purpose	100	100
<b>Total grants and subsidies</b>	<b>100</b>	<b>100</b>
Royalties for Regions Fund:		
– District allowance	124	124
– Royalties for Regions funding agreement	52	65
<b>Total Royalties for Regions Fund</b>	<b>176</b>	<b>189</b>
<b>Total Income from State Government</b>	<b>236,106</b>	<b>200,522</b>

**Service Appropriations** are recognised as income at the fair value of consideration received 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 holding account held at Treasury.

**Income from other public sector entities** are recognised as income when the department has satisfied its performance obligations under the funding agreement. If there is no performance obligation, income will be recognised when the department receives the funds.

**Resources received from other public sector entities** is recognised as income equivalent to the fair value of assets received, or the fair value of services received that can be reliably determined and which would have been purchased if not donated.

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



## Summary of consolidated account appropriations

For the year ended 30 June 2024

	2024 Budget \$000	2024 Supplementary Funding \$000	2024 Revised budget \$000	2024 Actual \$000	2024 Variance \$000
<b>Delivery of services</b>					
Item 51 Net amount appropriated to deliver services	169,811	10,938	180,749	180,749	–
Service appropriation – Service to industry	35,399	–	35,399	35,399	–
<b>Amount authorised by other statutes</b>					
– <i>Salaries and Allowances Act 1975</i>	1,795	–	1,795	1,795	–
<b>Total appropriations provided to deliver services</b>	<b>207,005</b>	<b>10,938</b>	<b>217,943</b>	<b>217,943</b>	<b>–</b>
<b>Administered Transactions</b>					
Item 52 Amount provided for Administered grants, subsidies and other transfer payments	19,045	28,972	48,017	48,017	–
Item 135 Capital appropriation	3,906	–	3,978	3,978	–
<b>Total administered transactions</b>	<b>22,951</b>	<b>28,972</b>	<b>51,995</b>	<b>51,995</b>	<b>–</b>
<b>Total consolidated account appropriations</b>	<b>229,956</b>	<b>39,910</b>	<b>269,938</b>	<b>269,938</b>	<b>–</b>

### 3.2 User fees and charges and sales

	2024 \$000	2023 \$000
<b>User fees and charges</b>		
Petroleum annual licenses	5,749	5,312
Mining, prospecting and exploration licenses	9,683	10,792
Explosives and dangerous goods licenses and fees	7,640	7,988
Mining Safety Levy	46,911	44,200
Petroleum Safety	4,115	4,167
Mining Rehabilitation Fund	44,138	40,912
WorkSafe	8,321	7,685
EnergySafety	17,525	16,491
Motor Vehicle Dealers and Repairers	2,459	2,695
Consumer Protection	42,174	24,750
Building Commission	34,350	29,026
Other fees	4,490	490
<b>Total user fees and charges</b>	<b>227,555</b>	<b>194,508</b>
<b>Sales</b>		
General sales	20	29
<b>Total sales</b>	<b>20</b>	<b>29</b>
<b>Total user fees and charges and sales</b>	<b>227,575</b>	<b>194,537</b>

### User fees and charges

Revenue is recognised at the transaction price when the department transfers control of the services to customers.

Revenue is recognised at a point in time for user fees and charges. The performance obligations for these user fees and charges are satisfied when services have been provided.

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

### Sales

Revenue from the sale of goods and services is recognised at the transaction price when the department transfers control of the goods to customers.

### 3.3 Interest revenue

	2024 \$000	2023 \$000
Mining Rehabilitation Fund Interest	12,939	7,527
Other interest revenue	6,198	3,503
<b>Total interest revenue</b>	<b>19,137</b>	<b>11,030</b>

### 3.4 Commonwealth grants and contributions

	2024 \$000	2023 \$000
<b>Total grants and other funding contributions</b>	<b>179</b>	<b>135</b>

Recurrent grants are recognised as income when the grants are receivable.

Income from grants to acquire/construct a recognisable non-financial asset to be controlled by the department is recognised when the department satisfies its obligations under the transfer. The department satisfies the obligations under the transfer to construct assets over time as the non-financial assets are being constructed. The department typically satisfies the obligations under the transfer when it achieves milestones specified in the grant agreement and amounts received in advance of obligation satisfaction are reported at note 5.6.

### 3.5 Other income

	2024 \$000	2023 \$000
Employee contributions <sup>(a)</sup>	224	219
Miscellaneous revenue <sup>(b)</sup>	14,998	13,020
Other revenue – Recoups	1,736	1,726
Net proceeds from disposal of non-current assets	16	(2)
<b>Total other income</b>	<b>16,974</b>	<b>14,963</b>

- (a) Employee contributions is income received by the department from subleasing of right-of-use assets, and relates to lease payments received from operating leases. Information on the department's leasing arrangement can be found in note 2.1(a).
- (b) Miscellaneous revenue includes collections for the recoup of costs incurred by the department to administer the Rental Accommodation Special purpose account.

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

### 4. Key Assets

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

	Notes
Property, plant and equipment	4.1
Intangible assets	4.2
Right-of-use assets	4.3

## 4.1 Property, plant and equipment

Year ended 30 June 2024	Land \$000	Buildings \$000	Leasehold Improvements \$000	Furniture, plant, equipment and vehicles \$000	Computer hardware and software \$000	Scientific equipment \$000	Artwork \$0	Works in Progress \$000	Total \$000
<b>1 July 2023</b>									
Gross Carrying Amount	96,682	63,726	1,468	13,433	11,674	3,467	49	–	190,499
Accumulated Depreciation	–	(1,075)	(834)	(8,629)	(9,597)	(825)	–	–	(20,960)
<b>Carrying amount at start of period</b>	<b>96,682</b>	<b>62,651</b>	<b>634</b>	<b>4,804</b>	<b>2,077</b>	<b>2,642</b>	<b>49</b>	<b>–</b>	<b>169,539</b>
Additions	–	–	–	325	62	2,198	19	1,180	3,784
Revaluation increments/(decrements)	1,479	(1,299)	–	–	–	–	–	–	180
Other Disposals	–	–	–	–	–	(42)	–	–	(42)
Depreciation	–	(1,444)	(189)	(499)	(581)	(470)	–	–	(3,183)
<b>Carrying amount at 30 June 2024</b>	<b>98,161</b>	<b>59,908</b>	<b>445</b>	<b>4,630</b>	<b>1,558</b>	<b>4,328</b>	<b>68</b>	<b>1,180</b>	<b>170,278</b>
Gross carrying amount	98,161	61,352	1,468	13,758	11,736	5,623	68	1,180	193,346
Accumulated depreciation	–	(1,444)	(1,023)	(9,128)	(10,178)	(1,295)	–	–	(23,068)

## 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 cost or significantly less than fair value, 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).

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.

## 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 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 were revalued as at 1 July 2023 by the Western Australian Land Information Authority (Landgate). The valuations were performed during the year ended 30 June 2024 and recognised at 30 June 2024. In undertaking the revaluation, fair value was determined by reference to market values for land: \$7,911,200 (2023: \$33,972,800) and buildings: \$205,000 (2023: \$30,187,400). For the remaining balance, unobservable (level 3) inputs were used to determine the fair value. As at 30 June 2024, there were no indications of impairment to property, plant and equipment.

**Unobservable (level 3) inputs** used to determine fair values of property, plant and equipment are:

Land	Fair value for restricted use land is determined by comparison with market evidence for land with low level utility. Relevant comparators of land with low level utility are selected by the Western Australian Land Information Authority (Valuation Services).
Buildings	<p><i>Historical cost per square metre floor area (m<sup>2</sup>).</i></p> <p>The costs of constructing specialised buildings with similar utility are extracted from financial records of the Model Department, then indexed by movements in CPI.</p> <p><i>Consumed economic benefit/obsolescence of asset.</i></p> <p>These are estimated by the Western Australian Land Information Authority (Valuation Services).</p>

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

## 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, and land.

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:

Asset	Useful Life
Buildings	33 to 50 years
Lease	10 years
Furniture	5 to 10 years
Office equipment	3 to 5 years
Computer servers	3 years
Software <sup>(a)</sup>	3 to 5 years
Scientific equipment	7 years
Motor vehicles	3 to 5 years
Plant and equipment	5 to 25 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.

Land, which is considered to have an indefinite life, is 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.

Artwork, which is considered to have an indefinite life, is 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.

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

### Impairment

Non-financial assets, including items of property, plant and equipment and intangibles 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 entity, the recoverable amount of regularly revalued specialised assets is anticipated to be materially the same as fair value.

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

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

## 4.2 Intangible assets

Year ended 30 June 2024	Computer Software \$000	Works In Progress \$000	Total \$000
Gross carrying amount	25,716	2,489	28,205
Accumulated amortisation	(25,287)	–	(25,287)
<b>Carrying amount at start of period</b>	<b>429</b>	<b>2,489</b>	<b>2,918</b>
Additions	3,508	3,516	7,024
Transfer completed software	–	(3,508)	(3,508)
Amortisation expense	(191)	–	(191)
<b>Carrying amount at 30 June 2024</b>	<b>3,746</b>	<b>2,497</b>	<b>6,243</b>



## Initial recognition

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.

Acquisition of intangible assets costing \$5,000 or more and internally generated intangible assets costing \$200,000 or more that comply with the recognition criteria as per AASB 138 *Intangible Assets* (as noted above) are capitalised.

Costs incurred below these thresholds are immediately expensed directly to the Statement of comprehensive income.

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

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

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

## 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.

## Useful Lives

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:

Asset	Useful Life
Computer software <sup>(a)</sup>	3–5 years
Licences	3 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. As at 30 June 2024 there were no indications of impairment to intangible assets.

## Licences

Licences have a finite useful life and are carried at cost less accumulated amortisation and accumulated impairment losses.

## Development costs

Research costs are expensed as incurred. Development costs incurred for an individual project are carried forward when the future economic benefits can be reasonably regarded as assured and the total project costs are likely to exceed \$200,000. Other development costs are expensed as incurred.

## Computer software

Software that is an integral part of the related hardware is recognised as part of the tangible asset. Software that is not an integral part of the related hardware is recognised as an intangible asset. Software costing less than \$5,000 is expensed in the year of acquisition.

### 4.3 Right-of-use assets

Year ended 30 June 2024

	Vehicles \$000	Residential \$000	Total \$000
<b>Carrying amount at beginning of period</b>	2,097	259	2,356
Additions	1,479	335	1,814
Depreciation	(419)	(269)	(688)
<b>Net carrying amount as at the end of the period</b>	<b>3,157</b>	<b>325</b>	<b>3,482</b>

The department has leases for vehicles and residential housing. The lease contracts are typically made for fixed periods of 1-10 years with an option to renew the lease after that date.

The department subleases residential housing to employees at a subsidised rate. The department recognises lease payments from operating leases as income on a straight-line basis over the term of the lease.

The department has also entered into a Memorandum of Understanding agreement with the Department of Finance for the leasing of office accommodation. These are not recognised under AASB 16 because of substitution rights held by the Department of Finance and are accounted for as an expense as incurred.

### Initial Recognition

At the commencement date of the lease, the department recognises right-of-use assets and a corresponding lease liability for most leases. The right-of-use assets are measured at cost comprising of:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs, including dismantling and removing the underlying asset.

The corresponding lease liabilities in relation to these right-of-use assets have been disclosed in note 6.2.

The department has elected not to recognise right-of-use assets and lease liabilities for short-term leases (with a lease term of 12 months or less) and low value leases (with an underlying value of \$5,000 or less). Lease payments associated with these leases are expensed over a straight-line basis over the lease term.

### Subsequent measurement

The cost model is applied for subsequent measurement of right-of-use assets, requiring the asset to be carried at cost less any accumulated depreciation and accumulated impairment losses and adjusted for any re-measurement of lease liability.

### Depreciation and impairment of right-of-use assets

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the underlying assets.

If ownership of the leased asset transfers to the department at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

## 5. 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:

	Notes
Receivables	5.1
Amounts receivable for service	5.2
Other assets	5.3
Payables	5.4
Amounts due to the Treasurer	5.5
Revenue received in advance	5.6
Other liabilities	5.7

### 5.1 Receivables

	2024 \$000	2023 \$000
<b>Current</b>		
Trade receivables	16,031	15,302
Allowance for impairment of trade receivables	(2,539)	(1,051)
Accrued interest revenue	5,231	3,545
GST receivable	2,732	1,264
Accrued revenue	6,488	5,055
<b>Total current</b>	<b>27,943</b>	<b>24,115</b>
<b>Non-current</b>		
Accrued salaries <sup>(a)</sup>	6,896	–
<b>Total non-current</b>	<b>6,896</b>	<b>–</b>
<b>Total receivables at end of period</b>	<b>34,839</b>	<b>24,115</b>

(a) Funds transferred to Treasury for the purpose of meeting the 27th pay in the reporting period that generally occurs every 11 years. This account is classified as non-current except for the year before the 27th pay year.

Accrued salaries account contains amounts paid annually into the Treasurer's special purpose account. It is restricted for meeting 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.

The account has been reclassified from 'Cash and cash equivalents' to 'Receivables' as it is considered that funds in the account are not cash but a right to receive the cash in the future. Comparative amounts are not restated.

Trade receivables are initially recognised at their transaction price or, for those receivables that contain a significant financing component, at fair value. The department holds the receivables with the objective to collect the contractual cash flows and therefore, subsequently measured at amortised cost using the effective interest method, less an allowance for impairment.

The department recognises a loss allowance for expected credit losses (ECLs) on a receivable not held at fair value through profit or loss. The ECLs are based on the difference between the contractual cash flows and the cash flows that the entity expects to receive, discounted at the original effective interest rate. Individual receivables are written off when the Agency has no reasonable expectations of recovering the contractual cash flows.

For trade receivables, the department recognises an allowance for ECLs measured at the lifetime expected credit losses at each reporting date. The department has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. Please refer to note 2.3 for the amount of ECLs expensed in this reporting period.

## 5.2 Amounts receivable for services (Holding Account)

	2024 \$000	2023 \$000
Current	914	914
Non-current	37,390	37,789
<b>Total amount receivable for services at end of period</b>	<b>38,304</b>	<b>38,703</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 amounts receivable for services are financial assets at amortised cost, and are not considered impaired (i.e. there is no expected credit loss of the holding account).

## 5.3 Other assets

	2024 \$000	2023 \$000
<b>Current</b>		
Prepayments	5,685	4,177
Other current assets	–	118
<b>Total current</b>	<b>5,685</b>	<b>4,295</b>
<b>Total other assets at end of period</b>	<b>5,685</b>	<b>4,295</b>

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

## 5.4 Payables

	2024 \$000	2023 \$000
<b>Current</b>		
Trade payables	1,318	1,760
Other payables	11,141	7,735
Accrued salaries	5,143	4,755
<b>Total current</b>	<b>17,602</b>	<b>14,250</b>
<b>Non-current</b>		
<b>Trust accounts</b>		
<i>Consumer Credit Act (WA)</i>	101	61
Real Estate and Business Agents Supervisory Board	615	546
Settlement Agents Trust Monies	29	29
<b>Total non-current</b>	<b>745</b>	<b>636</b>
<b>Total payables at end of period</b>	<b>18,347</b>	<b>14,886</b>

Payables are recognised at the amounts payable when the department becomes obliged to make future payments as a result of a purchase of assets or services. The carrying amount is equivalent to fair value, as settlement is generally within 20 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.

TI 323 Timely Payment Of Accounts requires payments for goods, services and construction of less than \$1 million and not subject to an exemption, to be paid within 20 days. Payments over \$1 million are required to be settled within 30 calendar days of the receipt of a correctly rendered invoice, or provision of goods or services.

## 5.5 Amounts due to the Treasurer

	2024 \$000	2023 \$000
<b>Current</b>		
Petroleum and Geothermal Safety Levy	2,000	2,000
Home Buyers Assistance	–	2,500
<b>Total amount due to the Treasurer at end of period</b>	<b>2,000</b>	<b>4,500</b>

The amount due to the Treasurer is in respect of a Treasurer's Advance. This amount is payable within 12 months after the reporting period. Although no interest is charged on the outstanding amount, the carrying amount is equivalent to fair value.

## 5.6 Revenue received in advance

	2024 \$000	2023 \$000
<b>Current</b>		
Licences and fees <sup>(a)</sup>	33,783	27,821
<b>Total current</b>	<b>33,783</b>	<b>27,821</b>
<b>Total revenue received in advance at end of period</b>	<b>33,783</b>	<b>27,821</b>

(a) Revenue received in advance – Licences and fees are revenues received for multiple year licences. This balance represents the unearned revenue of the multiple year licence, that will be recognised incrementally over the remaining term of the licence.

## 5.7 Other liabilities

	2024 \$000	2023 \$000
<b>Current</b>		
Unclaimed monies	1,606	1,277
Government office accommodation <sup>(a)</sup>	1,298	927
<b>Total current</b>	<b>2,904</b>	<b>2,204</b>
<b>Non-current</b>		
Government office accommodation <sup>(a)</sup>	2,432	3,730
<b>Total Non-Current</b>	<b>2,432</b>	<b>3,730</b>
<b>Total other liabilities at end of period</b>	<b>5,336</b>	<b>5,934</b>

Other financial liabilities are recognised initially at fair value, net of transaction costs incurred, and are subsequently measured at amortised cost.

(a) Balance arising from the straight lining of rental expense on government office accommodation (GOA) arrangements being out of scope for AASB 16.

## 6. Financing

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

	Notes
Lease liabilities	6.1
Assets pledged as security	6.2
Finance costs	6.3
Cash and cash equivalents	6.4

### 6.1 Lease liabilities

	2024 \$000	2023 \$000
Not later than one year	1,162	923
Later than one year and not later than five years	2,427	1,583
Later than five years	133	46
	<b>3,722</b>	<b>2,552</b>
Current	1,162	923
Non-current	2,560	1,629
<b>Total lease liabilities</b>	<b>3,722</b>	<b>2,552</b>

At the commencement date of the lease, the entity recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the department uses the incremental borrowing rate provided by Western Australia Treasury Corporation.

Lease payments included by the department as part of the present value calculation of lease liability include:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that depend on an index or a rate initially measured using the index rate or rate as at the commencement date;
- amounts expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options (where these are reasonably certain to be realised);
- payments for penalties for terminating a lease, where the lease term reflects the agency exercising an option to terminate the lease; and
- periods covered by extension or termination options are only included in the lease term by the department if the lease is reasonably certain to be extended (or not terminated).

The interest on the lease liability is recognised in profit or loss over the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. Lease liabilities do not include any future changes in variable lease payments (that depend on an index or rate) until they take effect, in which case the lease liability is reassessed and adjusted against the right-of-use asset.

Periods covered by extension or termination options are only included in the lease term by the department if the lease is reasonably certain to be extended (or not terminated).

This section should be read in conjunction with note 4.3.

#### Subsequent measurement

Lease liabilities are measured by increasing the carrying amount to reflect interest on the lease liabilities; reducing the carrying amount to reflect the lease payments made; and remeasuring the carrying amount at amortised cost, subject to adjustments to reflect any reassessment or lease modifications.



	2024 \$000	2023 \$000
<b>Lease expenses recognised in the Statement of comprehensive income</b>	51	99
Lease interest expense	<b>51</b>	<b>99</b>

## 6.2 Assets pledged as security

	2024 \$000	2023 \$000
<b>Assets pledged as security</b>		
The carrying amounts of non-current assets pledged as security are:		
Right-of-use asset – vehicles	3,157	2,097
<b>Total Assets pledged as security</b>	<b>3,157</b>	<b>2,097</b>

The department has secured the right-of-use assets against the related lease liabilities. In the event of default, the rights to the leased assets will revert to the lessor.

## 6.3 Finance Costs

	2024 \$000	2023 \$000
<b>Finance Costs</b>		
Lease interest expense	51	99
<b>Finance costs expensed</b>	<b>51</b>	<b>99</b>

Finance cost includes the interest component of lease liability repayments, interest component of service concession financial liabilities and the increase in financial liabilities and non-employee provisions due to the unwinding of discounts to reflect the passage of time.

## 6.4 Cash and cash equivalents

	2024 \$000	2023 \$000
Cash and cash equivalents	19,536	18,560
Restricted cash and cash equivalents	589,656	522,395
<b>Balance at end of period</b>	<b>609,192</b>	<b>540,955</b>

	2024 \$000	2023 \$000
<b>Restricted cash and cash equivalents</b>		
<b>Current</b>		
Current Special Purpose Funds	588,634	515,826
Real Estate and Business Agents Supervisory Board Trust Account	643	570
State Trading Concerns	296	490
Royalties for Regions Fund	83	70
<b>Non-current</b>		
Accrued salaries suspense account <sup>(a)</sup>	–	5,439

To provide greater transparency with restricted cash, cash amounts have been expanded to show restricted cash and special purpose accounts.

(a) Funds held in the suspense account for the purpose of meeting the 27th pay in a reporting period that occurs every 11th year. This account has been reclassified to Receivables in the current 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. Financial instruments and contingencies

	Notes
Financial instruments	7.1
Contingent assets and liabilities	7.2

### 7.1 Financial instruments

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

	2024 \$000	2023 \$000
<b>Financial assets</b>		
Cash and cash equivalents	19,536	18,560
Restricted cash and cash equivalents	589,656	516,956
Financial assets at amortised cost <sup>(a)</sup>	63,515	61,554
<b>Total financial assets</b>	<b>672,707</b>	<b>597,070</b>
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost <sup>(b)</sup>	23,251	21,590
<b>Total financial liability</b>	<b>23,251</b>	<b>21,590</b>

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

(b) The amount of financial liabilities at amortised cost excludes GST payable to the ATO (statutory payable).

#### Measurement

All financial assets and liabilities are carried without subsequent remeasurement.

### 7.2 Contingent assets and liabilities

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

Contingent assets and liabilities are presented inclusive of GST receivable or payable respectively.

#### 7.2.1 Contingent litigation assets and liabilities

The following contingent assets are excluded from the assets included in the financial statements:

##### Litigation in progress

The department's legal matters reported as having a contingent liability or benefit at the corresponding time in the previous financial year have been reviewed, and where appropriate, updated or removed from consideration. All legal matters commenced on or after July 1, 2023 have been reviewed, and where appropriate, have been included in the report. A materiality factor of **\$65,000** has been adopted.

The department currently has seven legal matters in progress, recognising potential liabilities and a potential asset to the department. The total contingent liabilities of the department amounts to \$500,000.00 whilst the contingent asset of the department amounts to \$600,000.00.

#### 7.2.2 Contingent Fidelity Guarantee Account (FGA) Claims

A total of 28 claims against the Fidelity Guarantee Accounts with a total value of \$22,919 consisting of:

- (a) 26 claims against the Real Estate Agents FGA finalised and with a total value of \$7,582
- (b) 2 claims against the Settlement Agents FGA finalised and with a total value of \$15,337

These figures do not include legal costs or any interest claims. Reasonable legal costs are claimable. Claims for interest are not allowable, as per proceedings in the Supreme Court after the State Administrative Tribunal decided that interest wasn't allowable.

## 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.

Four sites are identified as "contamination – remediation required" or "possibly contaminated – investigation required". Three sites are still yet to be classified by DWER. The financial effect, or timing of any outflows will become clear as further work is undertaken.

Whilst there is no possibility of reimbursement of any future expenses that may be incurred in the remediation of these sites, the department may apply for funding from the Contaminated Sites Management Account (2015) to undertake further investigative work or to meet remediation costs that may be required.

## 8. Other disclosures

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

	Notes
Events occurring after the end of the reporting period	8.1
Key management personnel	8.2
Related party transactions	8.3
Related bodies	8.4
Affiliated bodies	8.5
Special purpose accounts	8.6
Remuneration of auditors	8.7
Act of Grace (and ex-gratia) payments	8.8
Supplementary financial information	8.9
Explanatory statement	8.10

### 8.1 Events occurring after the end of the reporting period

There were no events occurring after the end of the reporting period.

### 8.2 Key management personnel

The department has determined key management personnel to include cabinet ministers and senior officers of the department. The department does not incur expenditures to compensate Ministers and those disclosures may be found in the *Annual Report on State Finances*.

The total fees, salaries, superannuation, non-monetary benefits and other benefits for senior officers of the department for the reporting period are presented within the following bands:

Compensation Band \$	2024	2023
50,001 to 60,000	1	–
70,001 to 80,000	–	1
90,001 to 100,000	1	–
110,001 to 120,000	–	1
130,001 to 140,000	1	–
140,001 to 150,000	–	1
160,001 to 170,000	–	1
170,001 to 180,000	1	–
180,001 to 190,000	1	–
190,001 to 200,000	2	3
200,001 to 210,000	3	6
210,001 to 220,000	3	–
230,001 to 240,000	–	1
240,001 to 250,000	1	–
250,001 to 260,000	–	1
260,001 to 270,000	1	1
270,001 to 280,000	2	1
280,001 to 290,000	–	3
290,001 to 300,000	2	2
310,001 to 320,000	1	–
340,001 to 350,000	–	1
450,001 to 460,000	–	1
470,001 to 480,000	1	–

	2024 \$000	2023 \$000
Short-term employee benefits	4,557	5,413
Other long-term benefits	197	202
<b>Total compensation of senior officers</b>	<b>4,769</b>	<b>5,615</b>

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

### 8.3 Related party transactions

The department is a wholly owned public sector entity that is controlled by the State of Western Australia.

Related parties of the department include:

- all Cabinet Ministers and their close family members, and their controlled or jointly controlled entities;
- all senior officers and their close family members, and their controlled or jointly controlled entities;
- other agencies 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.

#### Material transactions with other related parties

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

#### 8.4 Related bodies

The department had no related bodies as defined in the *Financial Management Act 2006* and Treasurer's Instruction 951.

#### 8.5 Affiliated bodies

The department has no affiliated bodies.

#### 8.6 Special Purpose Accounts

Controlled Special Purpose Accounts S.16 of <i>Financial Management Act 2006</i>	2024 \$000	2023 \$000
Building Services Account	15,033	9,496
Consumer Credit Account	5	5
EnergySafety Account	12,387	12,488
Mines Safety Levy	72,750	64,491
Mining Rehabilitation Fund Levy	320,757	291,189
Motor Vehicle Repair (MVR) Industry Compensation Account	207	188
Motor Vehicle Repair (MVR) Industry Education and Research Account	224	205
Petroleum and Geothermal Energy Safety Levy	1,860	2,563
Real Estate – Education and General Purpose Account	13,411	2,449
Real Estate – Fidelity Guarantee Account	50,907	48,021
Real Estate – Home Buyers Assistance Account	10,348	3,924
Real Estate and Business Agents Interest Account	–	–
Settlement Agents – Education and General Purpose Account	33,757	29,786
Settlement Agents – Fidelity Guarantee Account	56,988	51,021
Settlement Agents Interest Account	–	–
<b>Total controlled special purpose accounts</b>	<b>588,634</b>	<b>515,826</b>

Administered	2024 \$000	2023 \$000
Barrow Island Royalty Trust Account	–	–
Environmental Called-In Performance Bond Money Fund	5,022	5,022
Home Indemnity Insurance (HII) Reinsurance Account	39,360	59,931
Rental Accommodation Account	478,027	422,904
Special Projects Fund	922	887
<b>Total administered special purpose accounts</b>	<b>523,331</b>	<b>488,744</b>

#### Barrow Island Royalty Trust Account

To receive and allocate to the State or Commonwealth, Royalty payments in accordance with the *Barrow Island Royalty Variation Agreement Act 1985*.

	2024 \$000	2023 \$000
Balance at start of period	–	–
Add Receipts	6,107	5,396
Less Payments	(6,107)	(5,396)
<b>Balance at end of period</b>	<b>–</b>	<b>–</b>

#### Building Services Account

Holds funds used for the provision of functions and services in accordance with building services acts.

	2024 \$000	2023 \$000
Balance at start of period	9,496	4,338
Add Receipts	37,515	35,223
Less Payments	(31,978)	(30,065)
<b>Balance at end of period</b>	<b>15,033</b>	<b>9,496</b>

### Consumer Credit Account

Holds funds pending distribution in accordance with the *Credit (Administration) Act 1984* or court direction.

	2024 \$000	2023 \$000
Balance at start of period	5	5
Add Receipts	–	–
Less Payments	–	–
<b>Balance at end of period</b>	<b>5</b>	<b>5</b>

### Energy Safety Account

Holds funds used for the provision of functions and services in accordance with the *Energy Safety Act 2006*.

	2024 \$000	2023 \$000
Balance at start of period	12,488	12,504
Add Receipts	17,531	17,845
Less Payments	(17,632)	(17,861)
<b>Balance at end of period</b>	<b>12,387</b>	<b>12,488</b>

### Environmental Called-In Performance Bond Money Fund

The account is to hold called-in performance bond monies received in respect to section 126 of the *Mining Act 1978*. Funds are to be used to provide for the rehabilitation of mining sites.

	2024 \$000	2023 \$000
Balance at start of period	5,022	5,022
Add Receipts	–	–
Less Payments	–	–
<b>Balance at end of period</b>	<b>5,022</b>	<b>5,022</b>

### Home Indemnity Insurance (HII) Reinsurance Account

Holds the net premiums paid to the State by the insurers for reinsurance under HII arrangements.

	2024 \$000	2023 \$000
Balance at start of period	59,931	66,139
Add Receipts	25,726	32,895
Less Payments	(46,297)	(39,103)
<b>Balance at end of period</b>	<b>39,360</b>	<b>59,931</b>

### Mines Safety Levy

This fund is to hold all levies received from mining companies and is to be applied to the cost of administering the *Mines Safety and Inspection Act 1994*.

	2024 \$000	2023 \$000
Balance at start of period	64,491	54,907
Add Receipts	46,144	43,525
Less Payments	(37,885)	(33,941)
<b>Balance at end of period</b>	<b>72,750</b>	<b>64,491</b>

### Mining Rehabilitation Fund Levy

This fund is to hold all levies which are applied to the cost of administering the Mining Rehabilitation Fund Levies for regulatory services under the *Mining Rehabilitation Fund Act 2012*.

	2024 \$000	2023 \$000
Balance at start of period	291,189	253,820
Add Receipts	55,061	47,245
Less Payments	(25,493)	(9,876)
<b>Balance at end of period</b>	<b>320,757</b>	<b>291,189</b>

### Motor Vehicle Repair Industry Compensation Account

Holds funds used for the Motor Vehicle Repairers Industry in accordance with the *Motor Vehicle Repairers Act 2003*.

	2024 \$000	2023 \$000
Balance at start of period	188	173
Add Receipts	19	17
Less Payments	–	(2)
<b>Balance at end of period</b>	<b>207</b>	<b>188</b>

### Motor Vehicle Repair Industry Education and Research Account

Holds funds used for the Motor Vehicle Repairers Industry in accordance with the *Motor Vehicle Repairers Act 2003*.

	2024 \$000	2023 \$000
Balance at start of period	205	189
Add Receipts	19	17
Less Payments	–	(1)
<b>Balance at end of period</b>	<b>224</b>	<b>205</b>

### Petroleum and Geothermal Energy Safety Levy

This fund is to hold all levies which are applied to the cost of administering the Petroleum and Geothermal Energy Safety Levies for regulatory services under the *Petroleum and Geothermal Energy Resource Act 1967* (PGERA67) and the *Petroleum Pipelines Act 1969* (PPA69).

	2024 \$000	2023 \$000
Balance at start of period	2,563	3,683
Add Receipts	3,840	4,132
Less Payments	(4,543)	(5,252)
<b>Balance at end of period</b>	<b>1,860</b>	<b>2,563</b>

### Real Estate and Business Agents Interest Account

Hold funds standing to the credit of the REBA interest account in accordance with the *Real Estate and Business Agents Act 1978*.

	2024 \$000	2023 \$000
Balance at start of period	–	–
Add Receipts	–	–
Less Payments	–	–
<b>Balance at end of period</b>	<b>–</b>	<b>–</b>

### Real Estate – Education and General Purpose Account

Holds funds used for the operation of the Education and General Purpose Account in accordance with the *Real Estate and Business Agents Act 1978*.

	2024 \$000	2023 \$000
Balance at start of period	2,449	3,844
Add Receipts	19,597	10,153
Less Payments	(8,635)	(11,548)
<b>Balance at end of period</b>	<b>13,411</b>	<b>2,449</b>

### Real Estate – Fidelity Guarantee Account

Holds funds used for the operation of the Fidelity Guarantee Account in accordance with the *Real Estate and Business Agents Act 1978*.

	2024 \$000	2023 \$000
Balance at start of period	48,021	45,965
Add Receipts	3,316	2,141
Less Payments	(430)	(85)
<b>Balance at end of period</b>	<b>50,907</b>	<b>48,021</b>



### Real Estate – Home Buyers Assistance Account

Holds funds used for the operation of the Home Buyers Assistance Account in accordance with the *Real Estate and Business Agents Act 1978*.

	2024 \$000	2023 \$000
Balance at start of period	3,924	3,703
Add Receipts	9,508	5,137
Less Payments	(3,084)	(4,916)
<b>Balance at end of period</b>	<b>10,348</b>	<b>3,924</b>

### Rental Accommodation Account

Holds rental security bonds and interest income in accordance with clause 3(1) of schedule 1 of the *Residential Tenancies Act 1987*.

	2024 \$000	2023 \$000
Balance at start of period	422,904	393,340
Add Receipts	70,574	45,643
Less Payments	(15,451)	(16,079)
<b>Balance at end of period</b>	<b>478,027</b>	<b>422,904</b>

### Settlement Agents Interest Trust Account

Hold funds standing to the credit of the Settlement Agents interest account in accordance with the *Settlement Agents Act 1981*.

	2024 \$000	2023 \$000
Balance at start of period	–	–
Add Receipts	–	–
Less Payments	–	–
<b>Balance at end of period</b>	<b>–</b>	<b>–</b>

### Settlement Agents – Education and General Purpose Account

Holds funds used for the operation of the Education and General Purpose Account in accordance with the *Settlement Agents Act 1981*.

	2024 \$000	2023 \$000
Balance at start of period	29,786	28,525
Add Receipts	5,337	2,915
Less Payments	(1,366)	(1,654)
<b>Balance at end of period</b>	<b>33,757</b>	<b>29,786</b>

### Settlement Agents – Fidelity Guarantee Account

Holds funds used for the operation of the Fidelity Guarantee Account in accordance with the *Settlement Agents Act 1981*.

	2024 \$000	2023 \$000
Balance at start of period	51,021	47,920
Add Receipts	5,995	3,206
Less Payments	(28)	(105)
<b>Balance at end of period</b>	<b>56,988</b>	<b>51,021</b>

### Special Projects Fund

The account was created to hold funds for the purpose of participating in significant projects with other countries, the Commonwealth and the private sector to the mutual benefit of the other participants and the State of Western Australia.

This account includes an agreement between the Commonwealth and the department to carry out inspection services at Christmas Island. With an opening balance of \$288,133, receipts of \$257,529 and payments of \$338,111, the closing balance is \$207,551.

	2024 \$000	2023 \$000
Balance at start of period	887	1,140
Add Receipts	389	268
Less Payments	(354)	(521)
<b>Balance at end of period</b>	<b>922</b>	<b>887</b>

## 8.7 Remuneration of auditors

Remuneration paid or payable to the Auditor General in respect of the audit for the current financial year is as follows:

	2024 \$000	2023 \$000
Auditing the accounts, financial statements controls, and key performance indicators	273	260

## 8.8 Act of grace

Act of Grace payments are those payments that are not payable in pursuance of the law or are not payable under a legal liability, approved by the relevant accountable authority.

	2024 \$000	2023 \$000
The Minister	–	2

## 8.9 Supplementary financial information

### (a) Write-offs

During the reporting period, \$130,722 (2023: \$65,517) was written off the department's asset register under the authority of:

	2024 \$000	2023 \$000
The Minister	–	–
The Director General	131	66
	<b>131</b>	<b>66</b>

### (b) Losses through theft, defaults and other causes

	2024 \$000	2023 \$000
Losses of public moneys and other property through theft or default	–	–
Amounts recovered	–	–
	–	–

### (c) Gifts of public property

	2024 \$000	2023 \$000
The department did not provide any gifts of public property	–	–

## 9. Explanatory statements

This section explains variations in the financial performance of the department.

	Notes
Explanatory statement for controlled operations	9.1
Explanatory statement for administered items	9.2

### 9.1 Explanatory statement (controlled operations)

This explanatory section explains variations in the financial performance of the department undertaking transactions under its own control, as represented by the primary financial statements.

All variances between annual estimates (original budget) and actual results for 2024, and between the actual results for 2024 and 2023 are shown below. Narratives are provided for key major variances which are greater than 10% and 1% of Total Cost of Services for the Statements of comprehensive Income and Statement of cash flows (i.e. 1% of \$397.15m), and are greater than 10% and 1% of Total Assets for the Statement of Financial Position (i.e. 1% of \$715.81m).

#### 9.1.1 Statement of comprehensive income variances

	Variance Notes	Estimate 2024 \$000	Actual 2024 \$000	Actual 2023 \$000	Variance between estimate and actual \$000	Variance between actual results for 2024 and 2023 \$000
<b>Expenses</b>						
Employee benefits expenses		240,323	224,556	214,251	15,767	10,305
Supplies and services	1 A	78,341	137,428	91,362	(59,087)	46,066
Depreciation and amortisation expense		3,195	4,062	4,255	(867)	(193)
Finance costs		226	51	99	175	(48)
Accommodation expenses	B	21,615	22,586	18,256	(971)	4,330
Grants and subsidies	2 C	37,183	31,213	26,451	5,970	4,762
Other expenses	3	16,272	7,086	4,187	9,186	2,899
<b>Total cost of services</b>		<b>397,155</b>	<b>426,982</b>	<b>358,861</b>	<b>(29,827)</b>	<b>68,121</b>

	Variance Notes	Estimate 2024 \$000	Actual 2024 \$000	Actual 2023 \$000	Variance between estimate and actual \$000	Variance between actual results for 2024 and 2023 \$000
<b>Income</b>						
<i>Revenue</i>						
User charges and fees	4 D	165,420	227,555	194,508	(62,135)	33,047
Sales		855	20	29	835	(9)
Commonwealth grants received		3,153	179	135	2,974	44
Interest revenue	5 E	–	19,137	11,030	(19,137)	8,107
Other Income	6	4,325	16,974	14,963	(12,649)	2,011
<b>Total Income</b>		<b>173,753</b>	<b>263,865</b>	<b>220,665</b>	<b>(90,112)</b>	<b>43,200</b>
<b>Total income other than income from State Government</b>		<b>173,753</b>	<b>263,865</b>	<b>220,665</b>	<b>(90,112)</b>	<b>43,200</b>
<b>NET COST OF SERVICES</b>		<b>(223,402)</b>	<b>(163,117)</b>	<b>(138,196)</b>	<b>60,285</b>	<b>24,921</b>
<b>Income from State Government</b>						
Service appropriation	F	207,005	217,834	183,022	(10,829)	34,812
Income from other public sector entities	7	–	15,076	14,196	(15,076)	880
Services received free of charge		3,107	2,920	3,015	187	(95)
State grants and subsidies	8	8,280	100	100	8,180	–
Royalties for Regions Fund		206	176	189	30	(13)
<b>Total income from State Government</b>		<b>218,598</b>	<b>236,106</b>	<b>200,522</b>	<b>(17,508)</b>	<b>35,584</b>
<b>Surplus (deficit) for the period</b>		<b>(4,804)</b>	<b>72,989</b>	<b>62,326</b>	<b>(77,793)</b>	<b>10,663</b>
<b>Other comprehensive income</b>						
<b>Items not reclassified subsequently to profit or loss</b>						
Changes in asset revaluation surplus	G	–	180	19,488	(180)	(19,308)
<b>Total other comprehensive income</b>		<b>–</b>	<b>180</b>	<b>19,488</b>	<b>(180)</b>	<b>(19,308)</b>
<b>Total comprehensive income for the period</b>		<b>(4,804)</b>	<b>73,169</b>	<b>81,814</b>	<b>(77,973)</b>	<b>(8,645)</b>

### Major estimate and actual (2024) variance narratives

- (1) Supplies and services are over budget by \$59.08m (75.42%) due to higher labour hire rates and reliance on contractors and consultants. Resources Advice and Regulation Services increased due to increased expenses for Abandoned Mines Program, including Ellendale mine and an expanded program of works on other abandoned legacy sites.
- (2) Grants and subsidies are under budget by \$5.97m (16.05%) due to implementation delays with the Electric Vehicle Charging Infrastructure Initiative.
- (3) Other expenses is under budget by \$9.18m (56.45%) as a result of alignment difference between Actuals and Budget, with certain budgeted expenses reported within Supplies and Services. Also refer to point (1) above.
- (4) User charges and fees is over budget by \$62.13m (27.30%) mainly due to higher than budgeted collections for the Mines Safety and Mining Rehabilitation Levies as a result of continued high levels of activity within the resource sector.
- (5) Interest revenue is over budget by \$19.13m (100%) due to the rapid lifting of the official cash rate and increasing interest earning on cash holdings.
- (6) Other income is over budget by \$12.64m (292.46%) due to increased recoup of costs for the department administering it's Special Purpose accounts, with these costs better reflecting the actual costs incurred by the department to administer these special purpose accounts.
- (7) Income from other public sector agencies is over Budget by \$15.07m (100%) as a result of a classification difference between Budgets and Actuals. Some Budgeted income items are reported as Other Revenue. Refer point (8) below.
- (8) State grants and subsidies are under budget by \$8.18m (98.7%) as a result of a classification difference between Budget and Actuals. Refer to point (5) and point (7) above.

### Major actual (2024) and comparative data (2023) variance narratives

- (A) Supplies and Services are higher in 2024 than 2023 by \$46.06m (50.42%) as a result of the ongoing high labour hire rates and reliance on contractors and consultants during a period of low unemployment and skills shortages. Also, refer to point (1) above.
- (B) Accommodation expenses are higher in 2024 when compared to 2023 by \$4.33m (23.71%) due to increased costs for the upkeep of the departments rental locations.
- (C) Grants and subsidies are higher in 2024 when compared to 2023 by \$4.76m (18.00%) due to the implementation of the Electric Vehicle Charging Infrastructure program and the ongoing Short-Term Rental Accommodation program.
- (D) User charges and fees are higher than last year by \$33.04m (16.99%) as a result of continued increased collections from the Mine Safety and Mining Rehabilitation levies as a result of continued increased levels of activity within the resources sector. Refer point (4) above.
- (E) Interest revenue is higher in 2024 than 2023 by \$8.10m (73.4%) due to continued high interest rates on cash holdings. Also refer to point (5) above.
- (F) Services appropriation are higher in 2024 than 2023 by \$34.81m (19.02%) as a result of the Charge Up - Electric Vehicle Charging Infrastructure Grants, a boost to the Exploration Incentive Scheme to increase greenfield exploration and the repositioning of Aboriginal Empowerment Initiative, office accommodation and salaries.
- (G) Changes in Asset Revaluation surplus has decreased in 2024 when compared to 2023 by \$19.30m (99.07%) due to significant upward valuation of the departments land and buildings undertaken in 2023 by Landgate.

## 9.1.2 Statement of financial position variances

	Variance Notes	Estimate 2024 \$000	Actual 2024 \$000	Actual 2023 \$000	Variance between estimate and actual \$000	Variance between actual results for 2024 and 2023 \$000
<b>ASSETS</b>						
<b>Current Assets</b>						
Cash and cash equivalents	9	10,232	19,536	18,560	(9,304)	976
Restricted cash and cash equivalents	10 H	483,757	589,656	516,956	(105,899)	72,700
Receivables	11	15,929	27,943	24,115	(12,014)	3,828
Amount receivable for services		906	914	914	(8)	–
Other current assets		6,142	5,685	4,295	457	1,390
<b>Total Current Assets</b>		<b>516,966</b>	<b>643,734</b>	<b>564,840</b>	<b>(126,768)</b>	<b>78,894</b>
<b>Non-current Assets</b>						
Restricted cash and cash equivalents		4,235	–	5,439	4,235	(5,439)
Receivables		–	6,896	–	(6,896)	6,896
Right of use asset		–	3,482	2,356	(3,482)	1,126
Amounts receivable for services		36,125	37,391	37,789	(1,266)	(398)
Property, plant and equipment	12	143,274	170,278	172,029	(27,004)	(1,751)
Intangible assets		9,925	6,243	428	3,682	5,815
Other non-current assets		5,286	–	–	5,286	–
<b>Total Non-Current Assets</b>		<b>198,845</b>	<b>224,290</b>	<b>218,041</b>	<b>(25,445)</b>	<b>6,249</b>
<b>TOTAL ASSETS</b>		<b>715,811</b>	<b>868,024</b>	<b>782,881</b>	<b>(152,213)</b>	<b>85,143</b>

	Variance Notes	Estimate 2024 \$000	Actual 2024 \$000	Actual 2023 \$000	Variance between estimate and actual \$000	Variance between actual results for 2024 and 2023 \$000
<b>LIABILITIES</b>						
<b>Current Liabilities</b>						
Payables		12,563	17,602	14,250	(5,039)	3,352
Other current liabilities	13	26,376	2,904	2,204	23,472	700
Revenue received in advance	14	–	33,783	27,821	(33,783)	5,962
Amount due to Treasurer		–	2,000	4,500	(2,000)	(2 500)
Employee related provisions		44,488	44,536	44,225	(48)	311
Lease liabilities		6,312	1,162	923	5,150	239
<b>Total Current Liabilities</b>		<b>89,739</b>	<b>101,987</b>	<b>93,923</b>	<b>(12,248)</b>	<b>8,064</b>
<b>Non-Current Liabilities</b>						
Payables		–	745	636	(745)	109
Employee related provisions		7,586	8,691	8,500	(1,105)	191
Lease liabilities		2,305	2,559	1,629	(254)	930
Other non-current liabilities		5,962	2,432	3,730	3,530	(1,298)
<b>Total Non-Current Liabilities</b>		<b>15,853</b>	<b>14,427</b>	<b>14,495</b>	<b>1,426</b>	<b>(68)</b>
<b>TOTAL LIABILITIES</b>		<b>105,592</b>	<b>116,414</b>	<b>108,418</b>	<b>(10,822)</b>	<b>7,996</b>
<b>NET ASSETS</b>		<b>610,219</b>	<b>751,610</b>	<b>674,463</b>	<b>(141,391)</b>	<b>77,147</b>
<b>EQUITY</b>						
Contributed equity		289,588	273,410	269,432	16,178	3,978
Reserves		121,127	132,177	131,997	(11,050)	180
Accumulated surplus/(deficit)	15 l	199,504	346,023	273,034	(146,519)	72,989
<b>TOTAL EQUITY</b>		<b>610,219</b>	<b>751,610</b>	<b>674,463</b>	<b>(141,391)</b>	<b>77,147</b>



### Major estimate and actual (2024) variance narratives

- (9) Cash and cash equivalents are over budget \$9.30m (47.62%) due to increased recoup of costs for the department administering its Special Purpose accounts. Refer to point (6) above.
- (10) Restricted Cash and cash equivalents are higher than budget by \$105.89m (21.89%) due to continued increased collections in Mining Rehabilitation Fund, Mine safety levies and property industry accounts.
- (11) Receivables are over budget by \$12.01m (42.99%) as a result of accrued interest from the continued high interest rates on cash holdings. Refer to point (5) and (E) above.
- (12) Property, plant and equipment are higher than budget by \$27.00m (18.84%) as a result of a classification difference between Actuals and Budget, combined with a significant upward valuation on Land and Buildings in the 2023 financial year as a result of upward pressures in the property market, as well as capitalisation of assets and Work In Progress account during the current financial year.
- (13) Other current liabilities are under budget by \$23.47m (88.9%) due to classification difference between Actuals and Budget of Revenue Received in Advance. Refer to point (12) above.
- (14) Revenue Received in Advance is over budget by \$33.78m (100%) due to a classification difference between Actuals and Budget of Revenue Received in Advance.
- (15) Accumulated surplus is over budget by \$146.51m (42.34%) due to continued increased collections in the Mines Safety and Inspection Levy and Mining Rehabilitation Fund over a number of years.

### Major actual (2024) and comparative data (2023) variance narratives

- (H) Restricted Cash and cash equivalents have increased by \$72.70m (14.06%) in 2024 compared to 2023 due to increases in Mining Rehabilitation Fund and property industry accounts. Also refer to Point (9) above.
- (I) Accumulated surplus is over budget by \$72.98m (26.73%) due to the continued increased collections of funds in the departments special purpose accounts over a number of years. Refer to point (13) above.

## 9.1.3 Statement of cash flows variances

	Variance Notes	Estimate 2024 \$000	Actual 2024 \$000	Actual 2023 \$000	Variance between estimate and actual \$000	Variance between actual results for 2024 and 2023 \$000
<b>CASH FLOWS FROM STATE GOVERNMENT</b>						
Service appropriation	J	207,520	217,319	182,602	(9,799)	34,717
Capital appropriations		3,906	3,978	3,698	(72)	280
Other contributions by owners	16	20,292	15,076	14,196	5,216	880
Holding account drawdown		914	914	914	–	–
Royalties for Regions Fund		206	176	189	30	(13)
Other	17	7,899	–	–	7,899	–
<b>Net cash provided by State Government</b>		<b>240,737</b>	<b>237,463</b>	<b>201,599</b>	<b>3,274</b>	<b>35,864</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
<b>Payments</b>						
Employee benefits		(240,571)	(227,498)	(211,875)	(13,073)	(15,623)
Supplies and services	18 K	(74,433)	(123,198)	(84,250)	48,765	(38,948)
Accommodation	L	(21,547)	(25,537)	(19,274)	3,990	(6,263)
Grants and subsidies	19 M	(37,183)	(31,213)	(26,451)	(5,970)	(4,762)
Other payments		(17,235)	(14,387)	(11,024)	(2,848)	(3,363)
GST payments on purchases	20	(7,507)	(19,572)	(18,064)	12,065	(1,508)
Finance costs		(226)	–	–	(226)	–
<b>Receipts</b>						
Sale of goods and services		1,248	45	48	1,203	(3)
User charges and fees	21 N	165,420	232,906	194,819	(67,486)	38,087
Grants and contributions		3,153	–	–	3,153	–
GST receipts on sales		7,507	4,720	5,175	2,787	(455)
GST receipts from ATO	22		16,116	12,990	(16,116)	3,126
Other receipts	23 O	3,801	37,128	25,208	(33,327)	11,920
<b>Net cash provided by/(used in) operating activities</b>		<b>(217,573)</b>	<b>(150,490)</b>	<b>(132,698)</b>	<b>(67,083)</b>	<b>(17,792)</b>

	Variance Notes	Estimate 2024 \$000	Actual 2024 \$000	Actual 2023 \$000	Variance between estimate and actual \$000	Variance between actual results for 2024 and 2023 \$000
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
<b>Payments</b>						
Proceeds from sale of non-current assets		–	22	1	(22)	21
<b>Receipts</b>						
Purchase of non-current physical assets	24 P	(13,513)	(8,705)	(2,947)	(4,808)	(5,758)
<b>Net cash provided by/(used in) investing activities</b>		<b>(13,513)</b>	<b>(8,683)</b>	<b>(2,946)</b>	<b>(4,830)</b>	<b>(5,737)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>						
<b>Payments</b>						
Right of use lease liability payment		(1,206)	(657)	(4,247)	(549)	3,590
<b>Receipts</b>						
Proceeds from borrowings		–	–	2,500	–	(2,500)
Repayments of borrowings		–	(2,500)	(3,000)	2,500	500
Payment to accrued salaries account		–	(1,457)	–	1,457	(1,457)
<b>Net cash provided by/(used in) financing activities</b>		<b>(1,206)</b>	<b>(4,614)</b>	<b>(4,747)</b>	<b>1,951</b>	<b>1,590</b>
Net increase/(decrease) in cash and cash equivalents	25 Q	8,445	73,676	61,208	(65,231)	12,468
Cash balances transferred in	R	–	–	6,578	–	(6,578)
Cash balances transferred out		–	–	–	–	–
Cash and cash equivalents at the beginning of the period	S	489,779	540,955	473,169	(51,176)	67,786
Adjustment for the reclassification of accrued salaries account	26 T	–	(5,439)	–	5,439	(5,439)
<b>Cash and cash equivalents at the end of the period</b>		<b>498,224</b>	<b>609,192</b>	<b>540,955</b>	<b>(116,407)</b>	<b>73,676</b>

### Major estimate and actual (2024) variance narratives

- (16) Other contributions by owners is under budget by \$5.21m (34.59%) as a result of a delay in the implementation of the departments Digital Capability projects and a classification difference between budgets and actuals. Refer to point (17) below.
- (17) Other amounts are under budget by \$7.89m (100%) as a result of a classification difference between budgets and actuals. Refer to point (16) above.
- (18) Supplies and services is over budget by \$48.76m (65.51%) due to higher labour hire rates and reliance on contractors and consultants. Resources Advice and Regulation Services increased due to increased expenses for Abandoned Mines Program, including Ellendale mine and an expanded program of works on other abandoned legacy sites. Refer to point (1) and point (A) above.
- (19) Grants and subsidies payments are under budget by \$5.97m (19.12%) due to implementation delays with the Electric Vehicle Charging Infrastructure initiative.
- (20) GST payments on purchases are over budget by \$12.06m (160.71%) due to a classification difference between actuals and budgets where GST amounts have been netted off for Budget purposes. Refer to point (18) above.
- (21) User charges and fees are over budget by \$67.48m (40.79%) mainly due to higher than budgeted collections for the Mines Safety and Mining Rehabilitation Levies as a result of continued high levels of activity within the resources sector. Also refer to point (4) above.
- (22) GST receipts from ATO are over budget by \$16.11m (100%) as a result of a classification difference between budgets and actuals. GST amounts for Budget purposes are netted off. Also refer to Point (16) above.
- (23) Other receipts are over budget by \$33.32m (876.80%) due to increase in Service Delivery Agreement collections better reflecting the cost of administering special purpose accounts within the department.
- (24) Payments for purchases on non-current physical assets under budget by \$4.80m (55.23%) as a result of a classification difference between budgets and actuals for purchases classed as assets and expenditure.
- (25) Net increase (decrease) in cash and cash equivalents are higher by \$65.23m (772.42%) in 2024 when compared to 2023 due to the accumulation of funds in special purpose accounts, like the Mining Rehabilitation Fund and Mines Safety and Inspection Levy, over a number of years.
- (26) Adjustments for the reclassification of accrued salaries account being over budget by \$5.43m (100%) is as a result of the amount held by the Department of Treasury for the departments 27th pay being reclassified from Restricted Cash to a receivable. Refer to point (I) above.

### Major actual (2024) and comparative data (2023) variance narratives

- (J) Service appropriations have increased by \$34.71m (19.01%) in 2024 when compared to 2023 due to increases for the Charge Up Electric Vehicle Charging Infrastructure Grants, a boost to the Exploration Incentive Scheme to increase green field exploration and the repositioning of Aboriginal Empowerment Initiative, office accommodation and salaries.
- (K) Supplies and services are higher in 2024 when compared to 2023 by \$38.94m (46.22%) due to higher labour hire rates and reliance on contractors and consultants. Resources Advice and Regulation Services increased due to increased expenses for Abandoned Mines Program, including Ellendale mine and an expanded program of works on other abandoned legacy sites.
- (L) Accommodation is higher in 2024 when compared to 2023 by \$6.26m (32.49%) due to increase in rental costs and contract labour costs.
- (M) Grants and subsidies payments have increased in 2024 when compared to 2023 by \$4.76m (18.00%) as a result of the implementation of the Electric Vehicle Charging Infrastructure program and the ongoing Short-Term Rental Accommodation program. Refer to point (C) above.
- (N) User charges and fees are higher in 2024 when compared to 2023 by \$38.08m (19.54%) due to increased activity across most industry sectors resulting in an increase in fees collected. Also refer to points (B) and (18) above.
- (O) Other receipts are higher by \$11.92m (47.28%) in 2024 when compared to 2023 due to increasing Service Delivery Agreement collections better reflect the cost of administering most special purpose accounts within the department and increasing interest earning rates on cash holdings. Refer to point (20) above.
- (P) Payments for the purchase of non-current physical assets has increased by \$5.78m (195.38%) as a result of the department purchasing additional IT related infrastructure.
- (Q) Net increase (decrease) in cash and cash equivalents are higher by \$12.46m (20.37%) in 2024 when compared to 2023 due to the accumulation of funds in special purpose accounts, like the Mining Rehabilitation Fund and Mines Safety and Inspection Levy, over a number of years.
- (R) Cash balances transferred in is under in 2024 when compared to 2023 by \$6.57m (100%) as a result of the merger between the department and Energy Policy WA.
- (S) Cash and cash equivalents are higher by \$67.78m (14.32%) in 2024 when compared to 2023 due to higher balance of funds in special purpose accounts, like the Mining Rehabilitation Fund and Mines Safety and Inspection Levy, over a number of years.
- (T) Adjustment for the reclassification of accrued salaries account has increased by \$5.43m (100%) as a result of a reclassification of the amount held by the Department of Treasury for the departments 27th pay from Restricted Cash to Receivable. Refer point (I) and point (26) above.

## 9.2 Explanatory statement for administered items

All variances between annual estimates and actual results for 2024, and between the actual results for 2024 and 2023 are shown below. Narratives are provided for key major variances which vary by more than 10% from their comparative and that the variation is more than 1% of Total Administered Income budgeted for the year (i.e. 1% of \$210.498m).

	Variance Note	Estimate 2024 \$000	Actual 2024 \$000	Actual 2023 \$000	Variance between estimate and actual \$000	Variance between actual results for 2024 and 2023 \$000
<b>INCOME FROM ADMINISTERED ITEMS</b>						
<b>Income</b>						
For transfer:						
Mining Rentals	1 A	154,150	179,795	157,933	(25,645)	21,861
Regulatory fees		254	163	215	91	(51)
Commonwealth Grants		–	241	293	(241)	(53)
Appropriations	2 B	19,045	34,475	38,318	(15,430)	(3,843)
Other revenue	3	37,049	44,858	44,555	(7,809)	302
<b>Total administered income</b>		<b>210,498</b>	<b>259,532</b>	<b>241,314</b>	<b>(49,034)</b>	<b>18,216</b>
<b>Expenses</b>						
Refunds of previous years' revenue	C	795	791	25,429	4	(24,638)
Services and contracts	4 D	43,235	109,251	67,030	(66,016)	42,221
Receipts paid into Consolidated Account	5 E	155,291	185,416	158,800	(30,125)	26,616
Grants and subsidies	6 F	15,810	21,025	35,241	(5,215)	(14,215)
<b>Total administered expenses</b>		<b>215,131</b>	<b>316,483</b>	<b>286,500</b>	<b>(101,352)</b>	<b>29,984</b>

### Major estimate and actual (2024) variance narratives

- (1) Mining rentals are over budget by \$25.64m (14.3%) mainly as a result of increasing annual rentals that reflect, historically strong, continued favourable conditions in the resources sector.
- (2) Appropriations are over budget by \$15.43m (44.7%) mainly due to companies entering into the Nickel Financial Assistance Program.
- (3) Other revenue is over budget by \$7.80m (21.07%) mainly due to the rapid lifting of the official cash rate, increasing interest earning rates on cash holdings.
- (4) Services and contracts are over budget by \$66.01m (152.69%) mainly due to higher Home Indemnity Insurance expenses reflecting current challenges in the building sector of high building inflation costs, increased building company insolvencies and consequently an increased number of claims.
- (5) Receipts paid into consolidated is over budget by \$30.12m (19.39%) as a result of increased collections paid to Treasury for Mining Tenement Rentals. Refer to point (1) above.
- (6) Grants and subsidies are over budget by \$5.21m (24.80%) due to increased grant payments to community projects around tenancy advice and education programs.

### Major actual (2024) and comparative data (2023) variance narratives

- (A) Mining Rentals have increased by \$21.86m (13.8%) in 2024 when compared to 2023 as a result of applications rents and annual rentals that continue to reflect historically strong, continued favourable conditions in the resources sector.
- (B) Appropriations have decreased in 2024 when compared to 2023 by \$3.84m (10.0%) as a result of the conclusion of the Koolyanobbing Mine Financial Assistance Program (Royalty Rebate) partially offset by increases for the new WA Rent Relief Program.
- (C) Refunds of prior years revenue has decreased by \$24.63m (96.8%) in 2024 when compared to 2023 as a result of the conclusion of the Koolyanobbing Mine Financial Assistance Program (Royalty Rebate).
- (D) Services and contracts have increased in 2024 when compared to 2023 by \$42.22m (62.98%) mainly due to higher Home Indemnity Insurance expenses reflecting current challenges in the building sector of high building inflation costs, increased building company insolvencies and consequently an increased number of claims. Refer to point (4) above.
- (E) Receipts paid into consolidated account has increased by \$26.61m (16.7%) as a result of increasing annual rentals that reflect, historically strong, continued favourable conditions in the resources sector which subsequently increases payments into the Consolidated Account. Refer to point (5) and point (A) above.
- (F) Grants and subsidies expenses has decreased in 2024 by \$14.21m (40.3%) as a result of the conclusion of the Koolyanobbing Mine Financial Assistance Program (Royalty Rebate). Refer to point (B) above.