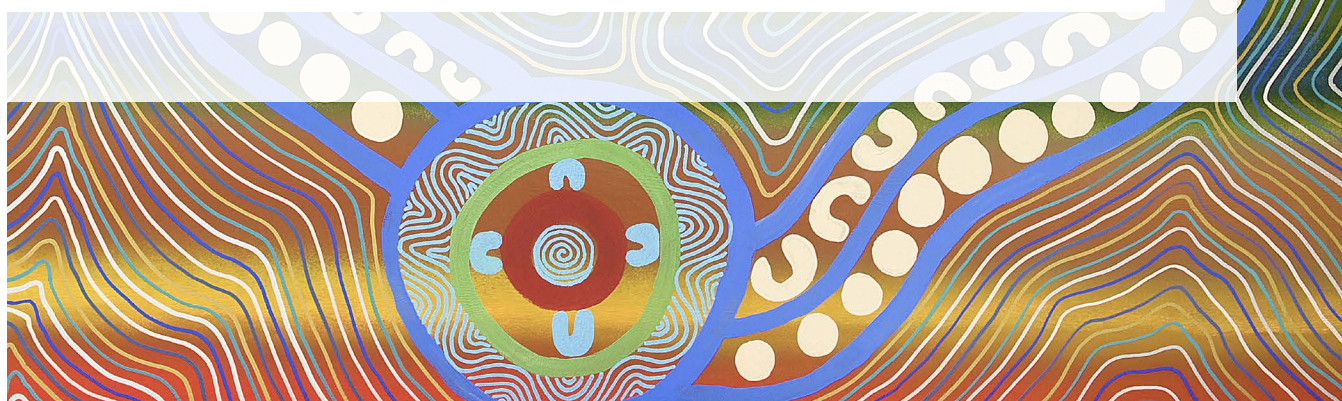


# Annual Report 2019-20

| Department of Planning, Lands and Heritage

Financials and performance indicators

Planning and managing land and heritage for all Western Australians







## Auditor General

### INDEPENDENT AUDITOR'S REPORT

To the Parliament of Western Australia

DEPARTMENT OF PLANNING, LANDS AND HERITAGE

Report on the financial statements

#### **Opinion**

I have audited the financial statements of the Department of Planning, Lands and Heritage which comprise the Statement of Financial Position as at 30 June 2020, the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows and Summary of Consolidated Account Appropriations for the year then ended, and Notes comprising a summary of significant accounting policies and other explanatory information, including administered transactions and balances.

In my opinion, the financial statements are based on proper accounts and present fairly, in all material respects, the operating results and cash flows of the Department of Planning, Lands and Heritage for the year ended 30 June 2020 and the financial position at the end of that period. They are in accordance with Australian Accounting Standards, the *Financial Management Act 2006* and the Treasurer's Instructions.

#### **Basis for opinion**

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

#### **Responsibility of the Director General for the financial statements**

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

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

**Auditor's responsibility for the audit of the financial statements**

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

A further description of my responsibilities for the audit of the financial statements is located on the Auditing and Assurance Standards Board website at [https://www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf). This description forms part of my auditor's report.

**Report on controls****Opinion**

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

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

In my opinion, in all material respects, the controls exercised by the Department of Planning, Lands and Heritage are sufficiently adequate to provide reasonable assurance that the receipt, expenditure and investment of money, the acquisition and disposal of property and the incurring of liabilities have been in accordance with legislative provisions during the year ended 30 June 2020.

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

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

***Limitations of controls***

Because of the inherent limitations of any internal control structure, it is possible that, even if the controls are suitably designed and implemented as designed, once the controls are in operation, the overall control objectives may not be achieved so that fraud, error, or 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 key performance indicators**

***Opinion***

I have undertaken a reasonable assurance engagement on the key performance indicators of the Department of Planning, Lands and Heritage for the year ended 30 June 2020. 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 of the Department of Planning, Lands and Heritage are relevant and appropriate to assist users to assess the Department's performance and fairly represent indicated performance for the year ended 30 June 2020.

***The Director General's responsibility for the key performance indicators***

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

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

***Auditor General's responsibility***

As required by the *Auditor General Act 2006*, my responsibility as an assurance practitioner is to express an opinion on the key performance indicators. The objectives of my engagement are to obtain reasonable assurance about whether the key performance indicators are relevant and appropriate to assist users to assess the 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 control relating to the reports on controls and key performance indicators**

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

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

This auditor's report relates to the financial statements and key performance indicators of the Department of Planning, Lands and Heritage for the year ended 30 June 2020 included on the Department's website. The Department's management is responsible for the integrity of the Department's website. This audit does not provide assurance on the integrity of the Department's website. The auditor's report refers only to the financial statements and key performance indicators described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these financial statements or key performance indicators. If users of the financial statements and key performance indicators are concerned with the inherent risks arising from publication on a website, they are advised to contact the entity to confirm the information contained in the website version of the financial statements and key performance indicators.



CAROLINE SPENCER  
AUDITOR GENERAL  
FOR WESTERN AUSTRALIA  
Perth, Western Australia  
/7 September 2020





Department of **Planning,  
Lands and Heritage**

# CERTIFICATION OF FINANCIAL STATEMENTS

For the reporting period ended 30 June 2020

The accompanying financial statements of the Department of Planning, Lands and Heritage 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 2020 and the financial position as at 30 June 2020.

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

**Gail McGowan**  
**Director General**

Department of Planning, Lands and Heritage  
16 September 2020

**Maurice Hanrahan**  
**Chief Finance Officer**

Department of Planning, Lands and Heritage  
16 September 2020



# STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2020

		2020	2019
	Notes	\$000	\$000
<b>COST OF SERVICES</b>			
<b>Expenses</b>			
Employee benefits expenses	2.1	92,650	84,996
Supplies and services	2.4	41,694	43,587
Depreciation and amortisation expense	4.1 (c), 4.1 (d), 4.2 (a)	4,046	4,577
Finance costs	6.3	16	-
Accommodation expenses	2.4	10,999	12,357
Grants and subsidies	2.3	11,744	10,823
Cost of sales	3.3	112	181
Other expenses	2.4	16,315	14,727
<b>Total cost of services</b>		<b>177,576</b>	<b>171,248</b>
<b>Revenue and Income</b>			
User charges and fees	3.2	2,786	2,846
Sales	3.3	2,851	3,791
Commonwealth grants and contributions	3.4	746	331
Grants and subsidies	3.5	1,700	723
WAPC service delivery agreement	3.6	43,440	42,428
Other revenue	3.8	3,888	2,874
<b>Total revenue</b>		<b>55,411</b>	<b>52,993</b>
Revaluation increment	4.1	-	154
Gain on disposal of non-current assets	3.7	-	3
<b>Total gains</b>		<b>-</b>	<b>157</b>
<b>Total income other than income from State Government</b>		<b>55,411</b>	<b>53,150</b>
<b>NET COST OF SERVICES</b>		<b>122,165</b>	<b>118,098</b>
<b>Income from State Government</b>	3.1		
Service appropriation		90,443	95,568
Services received free of charge		9,824	10,895
Royalties for Regions Fund		6,486	4,153
<b>Total income from State Government</b>		<b>106,753</b>	<b>110,616</b>
<b>DEFICIT FOR THE PERIOD</b>		<b>(15,412)</b>	<b>(7,482)</b>
<b>OTHER COMPREHENSIVE INCOME/(LOSSES)</b>			
<b>Items not reclassified subsequently to profit or loss</b>			
Changes in asset revaluation surplus	8.9	197,412	(1,441)
<b>Total other comprehensive income/(loss)</b>		<b>197,412</b>	<b>(1,441)</b>
<b>TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD</b>		<b>182,000</b>	<b>(8,923)</b>

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



# STATEMENT OF FINANCIAL POSITION

As at 30 June 2020

	Notes	2020 \$000	2019 \$000
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	6.1	41,918	57,492
Restricted cash and cash equivalents	6.1	4,365	4,725
Inventories	3.3	83	68
Receivables	5.1	6,105	6,466
Amounts receivable for services	5.2	562	528
Other current assets	5.3	2,035	2,589
<b>Total Current Assets</b>		<b>55,068</b>	<b>71,868</b>
<b>Non-Current Assets</b>			
Restricted cash and cash equivalents	6.1	1,255	905
Amounts receivable for services	5.2	36,176	31,065
Property, plant and equipment	4.1 (a)	333,601	136,064
Right-of-use assets	4.1 (b)	1,164	-
Intangible assets	4.2	6,376	7,766
<b>Total Non-Current Assets</b>		<b>378,572</b>	<b>175,800</b>
<b>TOTAL ASSETS</b>		<b>433,640</b>	<b>247,668</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Payables	5.4	3,129	6,070
Lease liabilities	6.2	319	-
Employee related provisions	2.2	17,793	15,341
Other current liabilities	5.5	589	767
Provisions	5.6	1,652	1,652
<b>Total Current Liabilities</b>		<b>23,482</b>	<b>23,830</b>
<b>Non-Current Liabilities</b>			
Lease liabilities	6.2	900	-
Employee related provisions	2.2	3,445	4,248
<b>Total Non-Current Liabilities</b>		<b>4,345</b>	<b>4,248</b>
<b>TOTAL LIABILITIES</b>		<b>27,827</b>	<b>28,078</b>
<b>NET ASSETS</b>		<b>405,813</b>	<b>219,590</b>
<b>EQUITY</b>			
Contributed equity	8.9	228,118	224,515
Reserves	8.9	197,708	296
Accumulated Deficit		(20,013)	(5,221)
<b>TOTAL EQUITY</b>		<b>405,813</b>	<b>219,590</b>

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





# SUMMARY OF CONSOLIDATED ACCOUNT APPROPRIATIONS

For the year ended 30 June 2020

	2020 Estimate \$000	2020 Actual \$000	Variance \$000	2020 Actual \$000	2019 Actual \$000	Variance \$000
<b>Delivery of Services</b>						
Item 84 Net amount appropriated to deliver services	91,530	90,044	(1,486)	90,044	94,943	(4,899)
Section 25 Transfer of service appropriation	-	-	-	-	(97)	97
Amount Authorised by Other Statutes						
- Salaries and Allowances Act 1975	722	399	(323)	399	722	(323)
<b>Total appropriations provided to deliver services</b>	<b>92,252</b>	<b>90,443</b>	<b>(1,809)</b>	<b>90,443</b>	<b>95,568</b>	<b>(5,125)</b>
<b>Capital</b>						
Item 145 Capital appropriations	9,732	3,495	(6,237)	3,495	3,485	10
<b>GRAND TOTAL</b>	<b>101,984</b>	<b>93,938</b>	<b>(8,046)</b>	<b>93,938</b>	<b>99,053</b>	<b>(5,115)</b>
<b>Details of Expenses by Service</b>						
Planning Services	93,766	97,228	3,462	97,228	89,016	8,212
Land Administration Services	61,418	58,475	(2,943)	58,475	61,030	(2,555)
Historical Heritage Services	13,120	13,410	290	13,410	13,831	(421)
Aboriginal Heritage Management	9,432	8,463	(969)	8,463	7,371	1,092
<b>Total Cost of Services</b>	<b>177,736</b>	<b>177,576</b>	<b>(160)</b>	<b>177,576</b>	<b>171,248</b>	<b>6,328</b>
Less Total Income	(56,761)	(55,810)	951	(55,810)	(53,150)	(2,660)
<b>Net Cost of Services</b>	<b>120,975</b>	<b>121,766</b>	<b>791</b>	<b>121,766</b>	<b>118,098</b>	<b>3,668</b>
Adjustments	(28,723)	(31,323)	(2,600)	(31,323)	(22,530)	(8,793)
<b>Total appropriations provided to deliver services</b>	<b>92,252</b>	<b>90,443</b>	<b>(1,809)</b>	<b>90,443</b>	<b>95,568</b>	<b>(5,125)</b>
<b>Capital Expenditure</b>						
Purchase of non-current assets	3,772	3,504	(268)	3,504	6,167	(2,663)
Drawdowns from the Holding Account	(562)	(562)	-	(562)	(562)	-
Adjustment for other funding sources	6,522	553	(5,969)	553	(2,120)	2,673
<b>Capital appropriations</b>	<b>9,732</b>	<b>3,495</b>	<b>(6,237)</b>	<b>3,495</b>	<b>3,485</b>	<b>10</b>

Adjustments comprise movements in cash balances and other accrual items such as receivables, payables and superannuation. Note 9.1 'Disclosure of administered income and expenses by service' and Note 9.2 'Explanatory statement for administered items' provide details of any significant variations between estimates and actual results for 2020 and between the actual results for 2020 and 2019.

The DPLH Outcome Based Management Framework was revised during 2018-19 as part of the Machinery of Government changes to integrate the State Government's land use planning and administration functions, including all aspects of State Government's land use planning, administration and heritage functions, including Aboriginal land and heritage.





# STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2020

	Notes	Contributed Equity \$000	Reserves \$000	Accumulated (deficit)/ surplus \$000	Total equity \$000
<b>Balance at 1 July 2018</b>		222,880	1,737	2,124	226,741
Changes in accounting policy		-	-	137	137
<b>Restated balance at 1 July 2018</b>		<b>222,880</b>	<b>1,737</b>	<b>2,261</b>	<b>226,878</b>
Deficit		-	-	(7,482)	(7,482)
Other comprehensive losses	8.9	-	(1,441)	-	(1,441)
<b>Total comprehensive losses for the period</b>		<b>-</b>	<b>(1,441)</b>	<b>(7,482)</b>	<b>(8,923)</b>
<b>Transactions with owners in their capacity as owners:</b>	8.9				
Capital appropriations		3,485	-	-	3,485
Distributions to owners		(1,850)	-	-	(1,850)
<b>Total</b>		<b>1,635</b>	<b>-</b>	<b>-</b>	<b>1,635</b>
<b>Balance at 30 June 2019</b>		<b>224,515</b>	<b>296</b>	<b>(5,221)</b>	<b>219,590</b>
<b>Balance at 1 July 2019</b>		<b>224,515</b>	<b>296</b>	<b>(5,221)</b>	<b>219,590</b>
Correction of prior period error	5.4	-	-	620	620
<b>Restated balance 1 July 2019</b>		<b>224,515</b>	<b>296</b>	<b>(4,601)</b>	<b>220,210</b>
Deficit		-	-	(15,412)	(15,412)
Other comprehensive income	8.9	-	197,412	-	197,412
<b>Total comprehensive income/(loss) for the period</b>		<b>-</b>	<b>197,412</b>	<b>(15,412)</b>	<b>182,000</b>
<b>Transactions with owners in their capacity as owners:</b>	8.9				
Capital appropriations		3,495	-	-	3,495
Contribution by owners		108	-	-	108
Distributions to owners		-	-	-	-
<b>Total</b>		<b>3,603</b>	<b>-</b>	<b>-</b>	<b>3,603</b>
<b>Balance at 30 June 2020</b>		<b>228,118</b>	<b>197,708</b>	<b>(20,013)</b>	<b>405,813</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 2020

Notes	2020 \$000	2019 \$000
<b>CASH FLOWS FROM STATE GOVERNMENT</b>		
Service appropriation	84,736	91,379
Capital appropriations	3,495	3,485
Holding account drawdown	562	2,029
Royalties for Regions Fund	6,486	4,153
<b>Net cash provided by State Government</b>	<b>95,279</b>	<b>101,046</b>
Utilised as follows:		
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Payments</b>		
Employee benefits	(90,925)	(85,689)
Supplies and services	(34,297)	(47,684)
Finance costs	(16)	-
Accommodation	(10,027)	(12,333)
Grants and subsidies	(11,663)	(10,823)
GST payments on purchases	(6,441)	(6,250)
GST payments to taxation authority	-	-
Other payments	(14,907)	(4,764)
<b>Receipts</b>		
Sales of goods and services	333	235
User charges and fees	5,571	7,846
Commonwealth grants and contributions	746	331
GST receipts on sales	1,055	802
GST receipts from taxation authority	6,069	6,809
WAPC Service Delivery Agreement	42,701	43,228
Grants and subsidies	1,471	723
Other receipts	3,386	2,831
<b>Net cash (used in) operating activities</b>	<b>(106,946)</b>	<b>(104,740)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
<b>Payments</b>		
Purchase of non-current assets	(3,504)	(6,167)
<b>Receipts</b>		
Proceeds from sale of non-current assets	-	3
<b>Net cash (used in) investing activities</b>	<b>(3,504)</b>	<b>(6,164)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
<b>Payments</b>		
Lease repayments	(413)	-
<b>Net cash (used in) financing activities</b>	<b>(413)</b>	<b>-</b>
Net (decrease) in cash and cash equivalents	(15,584)	(9,858)
Cash and cash equivalents at the beginning of the period	63,122	72,981
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>47,538</b>	<b>63,122</b>

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





# Notes to the financial statements

## 1 Basis of preparation

The Department of Planning, Lands and Heritage (Department or DPLH) is a Western Australian Government entity and is controlled by the State of Western Australia, which is the ultimate parent entity. The Department is a not-for-profit entity (as profit is not its principal objective).

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

These annual financial statements were authorised for issue by the Director General of the Department on 16 September 2020.

### Statement of compliance

These general purpose financial statements are prepared in accordance with:

- 1) The *Financial Management Act 2006 (FMA)*
- 2) The Treasurer's Instructions (TIs)
- 3) Australian Accounting Standards (AASs) - Reduced Disclosure requirements
- 4) Where appropriate, those AAS paragraphs applicable for not-for-profit entities have been applied

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

### Basis of preparation

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

### Judgements and estimates

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

### Contributed equity

AASB Interpretation 1038 *Contributions by Owners Made to Wholly-Owned Public Sector Entities* requires transfers in the nature of equity contributions, other than as a result of a restructure of administrative arrangements, to be designated by the Government (the owner) as contributions by owners (at the time of, or prior to, transfer) before such transfers can be recognised as equity contributions. Capital appropriations have been designated as contributions by owners by T1 955 *Contributions by Owners made to Wholly Owned Public Sector Entities* and have been credited directly to Contributed Equity.

## 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	2020 \$000	2019 \$000
Employee benefits expenses	<a href="#">2.1</a>	92,650	84,996
Employee related provisions	<a href="#">2.2</a>	21,238	19,589
Grants and subsidies	<a href="#">2.3</a>	11,744	10,823
Other expenditure	<a href="#">2.4</a>	69,008	70,671

#### 2.1 Employee benefits expense

Short-term employee benefits <sup>(a)</sup>	84,225	76,685
Termination benefits	271	884
Superannuation - defined contribution plans <sup>(b)</sup>	8,154	7,427
<b>Total employee benefits expenses</b>	<b>92,650</b>	<b>84,996</b>
Add: AASB 16 Non-monetary benefits	445	-
Less: Employee contributions	(108)	-
<b>Net employee benefits</b>	<b>92,987</b>	<b>84,996</b>

<sup>(a)</sup> Include wages, salaries and social contributions, paid annual leave and paid sick leave, profit-sharing and bonuses; and non-monetary benefits (such as medical care, housing, cars and free or subsidised goods or services) for current employees.

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

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

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

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

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

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

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



## 2.2 Employee related provisions

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

	2020 \$000	2019 \$000
<b>Current</b>		
<u>Employee benefits provisions</u>		
Annual leave <sup>(a)</sup>	7,592	6,937
Long service leave <sup>(b)</sup>	8,414	6,917
Deferred salary scheme <sup>(c)</sup>	168	115
	<b>16,174</b>	<b>13,969</b>
<u>Other provisions</u>		
Employment on-costs <sup>(d)</sup>	1,619	1,372
<b>Total current employee related provisions</b>	<b>17,793</b>	<b>15,341</b>
<b>Non-current</b>		
<u>Employee benefits provisions</u>		
Long service leave <sup>(b)</sup>	3,132	3,812
<u>Other provisions</u>		
Employment on-costs <sup>(d)</sup>	313	436
<b>Total non-current employee related provisions</b>	<b>3,445</b>	<b>4,248</b>
<b>Total employee related provisions</b>	<b>21,238</b>	<b>19,589</b>

<sup>(a)</sup> **Annual leave liabilities:** Classified as current as there is no unconditional right to defer settlement for at least 12 months after the end of the reporting period.

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.

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

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

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 shorthand method at the end of the reporting period, as closely as possible, the estimated future cash outflows.

<sup>(c)</sup> **Deferred Salary Scheme Liabilities:** Classified as current where there is no unconditional right to defer settlement for at least 12 months after the end of the reporting period.

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

Employment on-costs, including workers' compensation insurance, are not employee benefits and are recognised separately as liabilities and expenses when the employment to which they relate has occurred. Employment on-costs are included as part of 'Other expenditure, Note 2.4' and are not included as part of the Department's 'employee benefits expense'. The related liability is included in 'Employment on-costs provision'.

	2020 \$000	2019 \$000
<u>Employment on-costs provision</u>		
Carrying amount at start of period	1,807	1,888
Additional/(reversals of) provisions recognised	125	(81)
<b>Carrying amount at end of period</b>	<b>1,932</b>	<b>1,807</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.



## 2.3 Grants and subsidies

	2020 \$000	2019 \$000
<b>Recurrent</b>		
Government agencies	9,123	6,476
Local Government	681	2,173
Community grants	256	208
Non-government organisations	1,323	1,547
Other	361	419
	<b>11,744</b>	<b>10,823</b>

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

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

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

## 2.4 Other expenditure

### Supplies and Services

Advertising and public relations	546	646
Minor equipment purchases	444	388
Leases and hire charges	211	505
Travel and passenger transport	546	773
Communications	1,282	1,126
Consultants and contractors	34,241	35,676
Insurance	796	1,007
Utilities expenses	1,381	1,008
Supplies and services - other	2,247	2,458
<b>Total supplies and services expenses</b>	<b>41,694</b>	<b>43,587</b>

### Accommodation expenses

Rentals <sup>(a)</sup>	10,769	12,122
Repairs and maintenance	10	12
Cleaning	220	223
<b>Total accommodation expenses</b>	<b>10,999</b>	<b>12,357</b>

### Other expenses

Compensation Payments - Native Title	2,982	1,930
Repairs and maintenance	10,100	11,332
Other employee expenses	824	669
Expected credit losses expense	24	28
Write-off other assets	89	-
Revaluation decrement	1,127	-
Payment to Consolidated Fund	729	-
Other	440	769
<b>Total other expenses</b>	<b>16,315</b>	<b>14,728</b>
<b>Total other expenditure</b>	<b>69,008</b>	<b>70,671</b>

(a) Included within Lease rentals are short-term and low value leases of up to \$5,000. This excludes leases with another wholly-owned public sector entity lessor agency. Refer to Note 4.1 (c) for aggregate short-term and low value leases expense.

### Supplies and services:

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

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

### Other expenses:

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

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

The allowance for expected credit losses of trade receivables is 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 5.1. Movement in the allowance for impairment of trade 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 2.2 Employee related provisions. Superannuation contributions accrued as part of the provision for leave are employee benefits and are not included in employment on-costs.



## 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	2020 \$000	2019 \$000
Income from State Government	<a href="#">3.1</a>	106,753	110,616
User charges and fees	<a href="#">3.2</a>	2,786	2,846
Trading profit	<a href="#">3.3</a>	2,851	3,791
Commonwealth grants and contributions	<a href="#">3.4</a>	746	331
Grants and subsidies	<a href="#">3.5</a>	1,700	723
WAPC service delivery agreement	<a href="#">3.6</a>	43,440	42,428
Gains	<a href="#">3.7</a>	-	3
Other Revenue	<a href="#">3.8</a>	3,888	2,874

### 3.1 Income from State Government

Appropriation received during the period:

Service appropriation <sup>(a)</sup>	90,443	95,568
	<b>90,443</b>	<b>95,568</b>

Services received free of charge from other State government agencies during the period <sup>(b)</sup>:

Landgate - land data and aerial imagery	5,822	6,919
State Solicitor's Office - legal services	1,866	2,331
Department of Finance - accommodation services	1,036	1,239
Department of Transport - technical reviews	100	100
Department of Health - review and plan assessment	323	134
Main Roads WA - planning and technical services	168	170
Department of Communities - Essential and Municipal Services Upgrade Program	162	-
Department of Primary Industries and Regional Development - spatial data	12	1
Department of Water and Environmental Regulation - water information data	335	1
<b>Total services received</b>	<b>9,824</b>	<b>10,895</b>

Royalties for Regions Fund:

Regional Community Services Account <sup>(b)</sup>	6,486	4,153
<b>Total Royalties for Regions Fund</b>	<b>6,486</b>	<b>4,153</b>
<b>Total income from State Government</b>	<b>106,753</b>	<b>110,616</b>

(a) **Service Appropriations** are recognised as income at the fair value of consideration received.

Service appropriations fund the net cost of services delivered. Appropriation revenue comprises the following:

- Cash component; and
- A receivable (asset)

The receivable (holding account – Note 5.2) comprises the following:

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

(b) Where assets or services have been received free of charge or for nominal cost, the Department recognises income (and assets or expenses) equivalent to the fair value of the assets and/or the fair value of those services that can be reliably determined and which would have been purchased if not donated.

(c) The Regional Community Services Accounts are sub-funds within the over-arching 'Royalties for Regions Fund'. The recurrent funds are committed to projects and programs in WA regional areas and are recognised as income when the Department receives the funds. The Department has assessed Royalties for Regions agreements and concludes that they are not within the scope of AASB 15 as they do not meet the 'sufficiently specific' criterion.

The application of AASB 15 and AASB 1058 from 1 July 2019 has had no impact on the treatment of Income from State Government.

<b>3.2 User charges and fees</b>	<b>2020</b>	<b>2019</b>
	<b>\$000</b>	<b>\$000</b>
Fees	2,716	2,769
User charges	70	77
	<b>2,786</b>	<b>2,846</b>

Until 30 June 2019, revenue was recognised and measured at the fair value of consideration received or receivable.

From 1 July 2019, revenue is recognised at the transaction price when the Department transfers control of the services to customers. Revenue is recognised for the major activities as follows:

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

### 3.3 Trading profit

<b>Sales</b>	2,851	3,791
<b>Cost of Sales:</b>		
Opening Inventory	68	82
Purchases	127	167
	195	249
<b>Closing Inventory</b>	<b>83</b>	<b>68</b>
Cost of Goods Sold	112	181
<b>Trading Profit</b>	<b>2,739</b>	<b>3,610</b>

#### Closing Inventory comprises:

##### Current Inventories

Finished goods

At cost

83      68

**Total current inventories**

**83      68**

**Total Inventories**

**83      68**

#### Sale of Goods

Up to 30 June 2019, revenue was recognised from the sale of goods when the significant risks and rewards of ownership transfer to the purchaser and can be measured reliably.

From 1 July 2019, revenue is recognised at the transaction price when the Department transfers control of the goods to customers.

#### Inventories

Inventories are measured at the lower of cost and net realisable value. Costs are assigned by the method most appropriate for each class or inventory, with the majority being measured on a first in first out basis.

Inventories not held for resale are measured at cost unless they are no longer required, in which case they are measured at net realisable value.

### 3.4 Commonwealth grants and contributions

Commonwealth contributions:

- Indian Ocean Territories <sup>(a)</sup>	696	252
- Department of Industry, Science, Energy and Resources <sup>(b)</sup>	50	79
	<b>746</b>	<b>331</b>

<sup>(a)</sup> Land use planning services and crown land administration for the Cocos Keeling Islands.

<sup>(b)</sup> The grant is to improve conservation, preservation and access to the National Heritage List for Fremantle Prison and other heritage sites.

Recurrent grants are recognised as income when the grants are receivable. There has been no change in the recognition due to the implementation of AASB 15/1058.





### 3.5 Grants and subsidies

	2020 \$000	2019 \$000
Recurrent grants - other government agencies		
- Geraldton Alternative Settlement Area (GASA) project <sup>(a)</sup>	229	523
- Gascoyne Food Bowl Initiative <sup>(b)</sup>	-	200
- Fremantle Prison Conservation Works <sup>(c)</sup>	1,221	-
- Other	250	-
	<b>1,700</b>	<b>723</b>

(a) Administration costs for negotiation of an alternative settlement for four native title claims over 48,000 square kilometres of land and waters in the Geraldton region: Southern Yamatji, Hutt River, Widi Mob and Mullewa Wadjari.

(b) Increase horticultural production in the Carnarvon area by providing new land and water resources for irrigation expansion.

(c) An urgent works program to conserve the World Heritage Listed Fremantle Prison.

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

The grants have been recognised in its entirety upon receipt as the only condition applying to its use is how it can be expended and it is not subject to performance measures in terms of service delivery.

There has been no change in the recognition due to the implementation of AASB 15/1058.

### 3.6 WAPC service delivery agreement

Recoupable expense and fees for services rendered	43,440	42,428
	<b>43,440</b>	<b>42,428</b>

The Department provides various services to the Western Australian Planning Commission (WAPC) on an annual and ongoing basis in exchange for funding agreed in accordance with the Published Budget of the Department and WAPC. Revenue is recognised when it can be reliably measured.

There has been no change in the recognition due to the implementation of AASB 15/1058.

### 3.7 Gains

#### Net proceeds from disposal of non-current assets

Plant, equipment and vehicles	-	4
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#### Carrying amount of non-current assets disposed

Plant, equipment and vehicles	-	(1)
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<b>Net gain/(loss)</b>	<b>-</b>	<b>3</b>
------------------------	----------	----------

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

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

### 3.8 Other revenue

Pastoral land rent <sup>(a)</sup>	2,978	2,151
Other <sup>(b)</sup>	910	723
	<b>3,888</b>	<b>2,874</b>

(a) Pastoral land rents are set by the Valuer General's Office and are reviewed every 5 years in line with the requirements of the *Land Administration Act*.

(b) Includes recoups of expenditure from prior years, bank interest, royalties, other revenues.

Until 30 June 2019, revenue was recognised and measured at the fair value of consideration received or receivable.

From 1 July 2019, revenue is recognised at the transaction price when the Department transfers control of the services to customers. Revenue is recognised for the major activities as follows:

Revenue is recognised at a point-in-time for Pastoral land rent.

The performance obligations for these revenues are satisfied when services have been provided.

## 4 Key assets

### Assets the Department utilises for economic benefit or service potential.

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

	Notes	2020 \$000	2019 \$000
Property, plant and equipment	4.1 (a)	333,601	136,064
Right-of-use assets	4.1 (b)	1,164	-
Intangibles	4.2	6,376	7,766
<b>Total key assets</b>		<b>341,141</b>	<b>143,830</b>

#### 4.1 (a) Property, plant and equipment

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

Year ended 30 June 2020	Land \$000	Buildings \$000	Computer and Office equipment \$000	Furniture and Fittings \$000	Work in Progress \$000	Total \$000
<b>1 July 2019</b>						
Gross carrying amount	108,347	24,975	2,667	267	877	137,133
Accumulated depreciation	-	-	(995)	(74)	-	(1,069)
<b>Carrying amount at start of period</b>	<b>108,347</b>	<b>24,975</b>	<b>1,672</b>	<b>193</b>	<b>877</b>	<b>136,064</b>
Additions	99	-	-	-	2,589	2,688
Transfers from/(to) State agencies	108	-	-	-	-	108
Other disposals	(99)	-	(67)	-	-	(166)
Transfer from work in progress	-	-	1,366	-	(1,366)	-
Revaluation increments/(decrements)	197,545	(1,260)	-	-	-	196,285
Depreciation	-	(256)	(1,085)	(37)	-	(1,378)
<b>Carrying amount at 30 June 2020</b>	<b>306,000</b>	<b>23,459</b>	<b>1,886</b>	<b>156</b>	<b>2,100</b>	<b>333,601</b>

#### 30 June 2020

Gross carrying amount	305,892	23,459	3,966	267	2,100	335,684
Accumulated depreciation	-	-	(2,080)	(111)	-	(2,191)

#### Initial recognition

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

#### Subsequent measurement

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

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

Land and buildings were revalued as at 1 July 2019 by the Western Australian Land Information Authority (Valuations and Property Analytics). The valuations were performed during the year ended 30 June 2020 and recognised at 30 June 2020.

In undertaking the revaluation, fair value of land was determined by reference to market values: \$256,625,600 (2019: \$87,302,050). For the remaining balance of land, fair value was determined on the basis of comparison with market evidence for land with low level utility (high restricted use land).

A rent review of all pastoral leases has been undertaken during 2019-20, which occurs every 5 years as required under the *Land Administration Act 1977*, this impacts the valuation that occurs in the year of review.

Fair value of all buildings was determined on the basis of current replacement cost.



**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.

**Finite useful lives**

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

Depreciation is generally calculated on a straight line basis, at rates that allocate the asset's value, less any estimated residual value, over its estimated useful life. Typical estimated useful lives for the different asset classes for current and prior years are included in the table below:

Asset	Useful life: years
Buildings	100 years
Software <sup>(a)</sup>	2 to 5 years
Computer equipment	2 to 7 years
Furniture and Fittings	6 to 10 years

<sup>(a)</sup> 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 land because its service potential has not, in any material sense, been consumed during the reporting period.

**4.1 (b) Right-of-use assets**

	2020	2019
	\$000	\$000
<b>Right-of-use assets</b>		
Buildings	711	-
Vehicles	453	-
<b>Net carrying amount at 30 June 2020</b>	<b>1,164</b>	<b>-</b>

Additions to right-of-use assets during the 2020 financial year were \$NIL.

**Initial recognition**

Right-of-use assets are measured at cost including the following:

- 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 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.

Right-of-use assets are tested for impairment when an indication of impairment is identified. The policy in connection with testing for impairment is outlined in Note 4.1 (d)

#### 4.1 (c) Depreciation charge of right-of-use assets

	2020	2019
	\$000	\$000
<b>Right-of-use assets</b>		
Buildings	152	-
Vehicles	277	-
<b>Total right-of-use asset depreciation</b>	<b>429</b>	<b>-</b>
Lease interest expense (included in Finance cost)	16	-
Short-term leases (included in Other Expenditure)	-	-
Low-value leases (included in Other Expenditure)	-	-

The total cash outflow for leases in 2020 was \$413,000

The Department has also entered into Memorandum of Understanding Agreements (MOU) 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.

Up to 30 June 2019, the Department classified leases as either finance leases or operating leases. From 1 July 2019, at 1 July 2019, the Department recognises leases as right-of-use assets and associated lease liabilities in the Statement of Financial Position.

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

#### 4.1 (d) Depreciation and impairment

##### Charge for the period

##### Depreciation

Buildings	256	276
Computer equipment	1,085	534
Furniture and Fittings	37	37
<b>Total depreciation for the period</b>	<b>1,378</b>	<b>847</b>

As at 30 June 2020, there were no indications of impairment to property, plant and equipment or infrastructure.

All surplus assets at 30 June 2020 have been written-off.

Please refer to Note 4.2 for guidance in relation to the impairment assessment that has been performed for intangible assets.

##### Impairment

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

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

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

As the Department is a not-for-profit 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.

The Department shall measure the right-of-use assets at cost less any accumulated depreciation and any accumulated impairment losses. The Department shall apply AASB 136 Impairment of Assets to determine whether the right-of-use asset is impaired and to account for any impairment loss identified.





## 4.2 Intangible assets

Year ended 30 June 2020	Computer Software \$000	Work in Progress \$000	Total \$000
<b>1 July 2019</b>			
Gross carrying amount	12,075	2,632	14,707
Accumulated amortisation	(6,941)	-	(6,941)
<b>Carrying amount at start of period</b>	<b>5,134</b>	<b>2,632</b>	<b>7,766</b>
Additions		849	849
Transfer from work in progress	2,573	(2,573)	-
Disposal	-	-	-
Amortisation expense	(2,239)	-	(2,239)
<b>Carrying amount at 30 June 2020</b>	<b>5,468</b>	<b>908</b>	<b>6,376</b>
<b>30 June 2020</b>			
Gross carrying amount	14,648	908	15,556
Accumulated amortisation	(9,180)	-	(9,180)

### Initial recognition

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

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

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

### 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.

### 4.2 (a) Amortisation and impairment

	2020 \$000	2019 \$000
<b>Charge for the period</b>		
Computer software	2,239	3,730
	<b>2,239</b>	<b>3,730</b>

As at 30 June 2020, there were no indications of impairment to intangible assets. The Department held no goodwill or intangible assets with an indefinite useful life during the reporting period. At the end of the reporting period there were no intangible assets not yet available for use.

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

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

Asset	Useful life: years
Software <sup>(a)</sup>	2 to 5 years

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

### Impairment of intangible assets

Intangible assets with finite useful lives are tested for impairment annually or when an indication of impairment is identified.

The policy in connection with testing for impairment is outlined in Note 4.1 (d) Depreciation and impairment.

## 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	2020 \$000	2019 \$000
Receivables	5.1	6,105	6,466
Amounts receivable for services	5.2	36,738	31,593
Other current assets	5.3	2,035	2,589
Payables	5.4	3,129	6,070
Other liabilities	5.5	589	767
Provisions	5.6	1,652	1,652

### 5.1 Receivables

#### Current

Trade receivables	5,516	5,061
Allowance for impairment of receivables	(108)	(84)
GST receivable	683	1,458
	<b>6,091</b>	<b>6,435</b>
<b>Loans and advances:</b>		
Other debtors	14	31
	<b>14</b>	<b>31</b>
<b>Total current</b>	<b>6,105</b>	<b>6,466</b>
<b>Total receivables</b>	<b>6,105</b>	<b>6,466</b>

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

Receivables are recognised at original invoice amount less any allowances for uncollectible amounts (i.e. impairment). The carrying amount of net trade receivables is equivalent to fair value as it is due for settlement within 30 days. Includes \$5.39M (2019: \$4.6M) receivable from the Western Australian Planning Commission for services provided under the Service Level Agreement.

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

Current	562	528
Non-current	36,176	31,065
<b>Balance at end of period</b>	<b>36,738</b>	<b>31,593</b>

Amounts receivable for services represent the non-cash component of service appropriations and are considered not impaired (i.e. there is no expected credit loss of the holding account). It is restricted in that it can only be used for asset replacement or payment of leave liability.

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

### 5.3 Other assets

#### Current

Prepayments	2,035	2,588
Other	-	1
<b>Total current</b>	<b>2,035</b>	<b>2,589</b>
<b>Balance at end of period</b>	<b>2,035</b>	<b>2,589</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

	2020	2019
	\$000	\$000
<b>Current</b>		
Trade payables	63	3,100
Accrued expenses	1,958	2,604
Accrued salaries	1,108	366
<b>Total current</b>	<b>3,129</b>	<b>6,070</b>
<b>Balance at end of period</b>	<b>3,129</b>	<b>6,070</b>

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

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

### Prior period correction

A prior period correction has been made for an accrued expense of \$620,000, which was paid in prior years. This has been adjusted in the opening accumulated surplus

## 5.5 Other liabilities

<b>Current</b>		
Unearned Revenue <sup>(a)</sup>	524	687
Other current liabilities	65	80
<b>Total current</b>	<b>589</b>	<b>767</b>
<b>Balance at end of period</b>	<b>589</b>	<b>767</b>

<sup>(a)</sup> Unearned revenue includes rental income received in advance.

## 5.6 Provisions

<b>Current</b>		
Compensation payments	1,652	1,652
<b>Balance at end of period</b>	<b>1,652</b>	<b>1,652</b>

### 5.6.1 Provisions

Under the *Land Administration Act 1997 (LAA)* the Department has a legal or constructive obligation to compensate on discontinuation of existing pastoral lease.

A provision for compensation is recognised when:

- there is a present obligation where continuing lease expires and is not further continued;
- it is probable that an outflow of economic benefits will be required to settle the obligation; and
- the amount of the provision can be measured reliably.

The provision for future compensation costs is determined by the Valuer-General to be the market value on the date of expiry of any lawful improvements existing on the land under the lease. Future compensation costs are reviewed annually and any changes in the determination are reflected in the present value of the remediation provision at each reporting date.

## 6 Financing

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

	Notes	2020 \$000	2019 \$000
Cash and cash equivalents	6.1	47,538	63,122
Leases	6.2	1,219	-

### 6.1 Cash and cash equivalents

Cash and cash equivalents		41,918	57,492
Restricted cash and cash equivalents:			
- Indian Ocean Territories Service Level Agreement		606	206
- Kalumburu Roads		227	227
- Remote Indigenous Housing West Kimberley Tripartite Forum		150	150
- Royalties for Regions Fund		1,334	1,052
- Royalties for Regions - Northern Planning Program		431	443
- Wittenoom Relocation Trust Account		1,617	2,560
- Anketell Trust Account (controlled)		-	87
- Accrued salaries suspense account <sup>(a)</sup>		1,255	905
		<b>5,620</b>	<b>5,630</b>
<b>Balance at end of period</b>		<b>47,538</b>	<b>63,122</b>

<sup>(a)</sup> 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 is classified as non-current for 10 out of 11 years.

For the purpose of the statement of cash flows, cash and cash equivalents (and restricted cash and cash equivalents) 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.

### 6.2 Leases

#### 6.2.1 Lease liabilities

Current		319	-
Non-current		900	-
		<b>1,219</b>	<b>-</b>

The Department measures a lease liability, at the commencement date, at the present value of the lease payments that are not paid at that date. 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 Australian 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 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 exercised)
- Payments for penalties for terminating a lease, where the lease term reflects the Department exercising an option to terminate the lease.

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).

Variable lease payments, not included in the measurement of lease liability, that are dependent on sales are recognised by the Department in profit or loss in the period in which the condition that triggers those payments occurs.

#### 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.

### 6.3 Finance costs

#### Finance costs

Lease interest expense		16	-
<b>Finance costs expensed</b>		<b>16</b>	<b>-</b>

'Finance cost' includes the interest component of lease liability repayments.



## 7 Financial instruments and contingencies

	Notes	2020 \$000	2019 \$000
Financial instruments	7.1		
Contingent assets	7.2.1		
Contingent liabilities	7.2.2		

### 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:

#### **Financial assets**

Cash and cash equivalents	41,918	57,492
Restricted cash and cash equivalents	5,620	5,630
Financial assets at amortised cost <sup>(a)</sup>	42,160	36,601
<b>Total financial assets</b>	<b>89,698</b>	<b>99,723</b>

#### **Financial liabilities**

Financial liabilities at amortised cost	3,129	6,070
<b>Total financial liability</b>	<b>3,129</b>	<b>6,070</b>

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



## 7.2 Contingencies 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 assets

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

Litigations in progress	120	298
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### 7.2.2 Contingent liabilities

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

Litigations in progress	39,623	723
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#### Native title claims

Crown land, administered by the Department, is subject to native title rights and interests. There is a potentially large, but as yet unquantified compensation liability for the State, relating to land transactions that constitute "future acts" under the *Native Title Act 1993 (Commonwealth)* (NTA), and which have extinguished or affected native title rights and interests over specified parcels of land. Compensation may be claimed under the *Land Administration Act 1997* (LAA) or the NTA.

#### Contaminated sites

Under the *Contaminated Sites Act 2003* (CSA), 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.

The Department is required to recognise a contingent liability in respect of a site where:

- the site has been classified contaminated - remediation required (C-RR) under the Act, and remediation costs cannot be reliably estimated;
- the site has been classified as possibly contaminated - investigation required (PC-IR) under the Act, and investigation costs cannot be reliably estimated.

Under s29 and s32 of the Act, the Department (on behalf of the State) is the responsible department for any orphaned contaminated sites and contaminated sites that are re-vested back to the State.

DWER approved a reporting program for the Department under section 12 of the CSA for the systematic identification, inspection, reporting and treatment of suspected contaminated sites on Crown land. Under the section 12 program (revised in 2018), there is a requirement for State Land Field Officers to inspect 30 suspected contaminated sites on unmanaged Crown Land per year.

A new contaminated sites management system (CSMS) was implemented in December 2019. The CSMS is able to assess the probability of contamination on Crown land and will eventually track the progression of investigations on contaminated sites. The CSMS identifies 'sites' based on single Lots on Deposited Plan. Historically 'sites' have been multi-lot groups identified by reserve number or parcel identification number for unallocated crown land. As a result the number of 'sites' requiring investigation and remediation appears to have increased substantially since last financial year.

Following the initial Geographic Information System-based Multi-Criteria Analysis (MCA) process, approximately 35,000 (34,680) sites on unmanaged crown land were identified as representing a potential contamination risk. These Lots require an initial desktop-based review (Desk Check). The Desk Check identifies sites which require Contaminated Site inspections by State Land Field Officers. Due to the time required bedding down the CSMS and travel restrictions associated with COVID-19, seven (7) sites were inspected in 2019-20.

An additional 33 sites were identified via CSMS Desk Check as requiring an inspection and these will be completed next financial year (2020-21) thereby meeting our obligations under section 12 of the CSA.

Following the site inspection, the Department will determine whether the site requires further investigation and subsequent reporting to DWER as a suspected or known contaminated site.

Dependent on availability of funding, the Department then engages qualified environmental consultants and contaminated sites auditors, to undertake detailed site investigations and remediation as required. The extent of the Department's liability can only be quantified as DWER progressively classifies sites under the program. Over time investigation will be required on each of the sites to clarify whether further remediation is required. The Department has not recognised any provisional liabilities as the costs cannot be reliably estimated.

During the 2019-20 financial year, 29 sites require remediation or other management and have been classified by DWER as 'contaminated - remediation required'. In addition, 246 sites require formal investigation and have been classified by DWER as 'possibly contaminated - investigation required'.

## 8 Other disclosures

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

	<b>Notes</b>
Events occurring after the end of the reporting period	<a href="#">8.1</a>
Initial application of Australian Accounting Standards	<a href="#">8.2</a>
Key management personnel	<a href="#">8.3</a>
Related party transactions	<a href="#">8.4</a>
Related bodies	<a href="#">8.5</a>
Affiliated bodies	<a href="#">8.6</a>
Special purpose accounts	<a href="#">8.7</a>
Remuneration of auditors	<a href="#">8.8</a>
Equity	<a href="#">8.9</a>
Supplementary financial information	<a href="#">8.10</a>
Explanatory statement	<a href="#">8.11</a>

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

No information has become apparent after the end of the reporting period which would materially affect the financial statements.

### 8.2 Initial application of Australian Accounting Standards

#### (a) AASB 15 Revenue from Contract with Customers and AASB 1058 Income of Not-for-Profit Entities

AASB 15 Revenue from Contracts with Customers replaces AASB 118 Revenue and AASB 111 Construction Contracts for annual reporting periods on or after 1 January 2019. Under the new model, an entity shall recognise revenue when (or as) the entity satisfies a performance obligation by transferring a promised good or service and is based upon the transfer of control rather than transfer of risks and rewards.

AASB15 focuses on providing sufficient information to the users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from the contracts with customers. Revenue is recognised by applying the following five steps:

- Identifying contracts with customers
- Identifying separate performance obligations
- Determining the transaction price of the contract
- Allocating the transaction price to each of the performance obligations
- Recognising revenue as each performance obligation is satisfied.

Revenue is recognised either over time or at a point in time. Any distinct goods or services are separately identified and any discounts or rebates in the contract price are allocated to the separate elements.

In addition, the Department derives income from appropriations which are recognised under AASB 1058. AASB 1058 is applied to not-for-profit entities for recognising income that is not revenue from contracts with customers. Timing of income recognition under AASB 1058 depends on whether such a transaction gives rise to a liability or other performance obligation (a promise to transfer a good or service), or a contribution by owners, related to an asset (such as cash or another asset) recognised by an Department.

The Department has adopted the modified retrospective approach on transition to AASB 15 and AASB 1058. Comparative information is not required to be restated under this approach. The cumulative effect of applying the standard at the date of initial application (1 July 2019) was immaterial and no adjustment has been made to the opening balance of accumulated surplus/(deficit).

Under this transition method, the Department may elect to apply the Standard retrospectively only to contracts and transactions that are not completed contracts at the date of initial application.

Refer to Notes 3.1 to 3.8 for the revenue and income accounting policies adopted from 1 July 2019.

The effect of adopting AASB 15 and AASB 1058 are as follows:

	<b>30 June 2020</b>	<b>Adjustments</b>	<b>30 June 2020 under AASB 118 and 1004</b>
	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
User charges and fees	2,782	4	2,786
Contract liabilities	4	(4)	-
	<b>2,786</b>	<b>-</b>	<b>2,786</b>

No adjustment has been made to equity due to the immaterial difference in revenue recognition.



## (b) AASB 16 Leases

AASB 16 Leases supersedes AASB 117 Leases and related Interpretations. AASB 16 primarily affects lessee accounting and provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements of both lessees and lessors.

The Department applies AASB 16 Leases from 1 July 2019 using the modified retrospective approach. As permitted under the specific transition provisions, comparatives are not restated. The cumulative effect of initially applying this Standard is recognised as an adjustment to the opening balance of accumulated surplus/(deficit).

The main changes introduced by this Standard include identification of lease within a contract and a new lease accounting model for lessees that require lessees to recognise all leases (operating and finance leases) on the Statement of Financial Position as right-of-use assets and lease liabilities, except for short term leases (lease terms of 12 months or less at commencement date) and low-value assets (where the underlying asset is valued less than \$5,000). The operating lease and finance lease distinction for lessees no longer exists.

Under AASB 16, the Department takes into consideration all operating leases that were off balance sheet under AASB 117 and recognises:

- right of use assets and lease liabilities in the Statement of Financial Position, initially measured at the present value of future lease payments, discounted using the incremental borrowing rate (2.5%) on 1 July 2019;
- depreciation of right-of-use assets and interest on lease liabilities in the Statement of Comprehensive Income; and
- the total amount of cash paid as principal amount, which is presented in the cash flows from financing activities, and interest paid, which is presented in the cash flows from operating activities, in the Statement of Cash Flows.

In relation to leased vehicles that were previously classified as finance leases, their carrying amount before transition is used as the carrying amount of the right-of-use assets and the lease liabilities as of 1 July 2019.

The Department measures concessionary leases that are of low value terms and conditions at cost at inception. There is no financial impact as the Department is not in possession of any concessionary leases at the date of transition.

The right-of-use assets are assessed for impairment at the date of transition and the Department has not identified any impairments to its right-of-use assets.

On transition, the Department has elected to apply the following practical expedients in the assessment of their leases that were previously classified as operating leases under AASB 117:

- A single discount rate has been applied to a portfolio of leases with reasonably similar characteristics
- The Department has relied on its assessment of whether existing leases were onerous in applying AASB 137 Provisions, Contingent Liabilities and Contingent Assets immediately before the date of initial application as an alternative to performing an impairment review. The Department has adjusted the ROU asset at 1 July 2019 by the amount of any provisions included for onerous leases recognised in the statement of financial position at 30 June 2019
- Where the lease term at initial application ended within 12 months, the Department has accounted for these as short-term leases
- Initial direct costs have been excluded from the measurement of the right-of use asset
- Hindsight has been used to determine if the contracts contained options to extend or terminate the lease.

The Department has not reassessed whether existing contracts are, or contained a lease at 1 July 2019. The requirements of paragraphs 9-11 of AASB 16 are applied to contracts that came into existence post 1 July 2019.

### a. Measurement of lease liabilities

Operating Lease Commitments disclosed as at 30 June 2019	<b>37,192</b>
Discounted using incremental borrowing rate at date of initial application <sup>1</sup>	36,262
Add: Other expenditure commitments recognised as at 30 June 2019	1,328
(Less): GOA leases not recognised as liability under AASB 16	(36,262)
(Less): Short term leases not recognised as liability	-
(Less): Low value leases not recognised as liability	-
<b>Lease liability recognised at 1 July 2019</b>	<b>1,328</b>
Current lease liabilities	451
Non-current lease liabilities	877

<sup>1</sup>The WATC incremental borrowing rate was used for the purposes of calculating the lease transition opening balance.



### 8.3 Key management personnel

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

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

Compensation Band (\$)			2020	2019
400,001	to	410,000	-	1
350,001	to	360,000	1	-
230,001	to	240,000	2	-
220,001	to	230,000	-	1
210,001	to	220,000	3	1
200,001	to	210,000	2	2
190,001	to	200,000	-	1
180,001	to	190,000	2	-
170,001	to	180,000	1	-
160,001	to	170,000	-	1
150,001	to	160,000	-	2
140,001	to	150,000	1	-
110,001	to	120,000	1	-
70,001	to	80,000	-	1
60,001	to	70,000	-	1
50,001	to	60,000	-	1
			<b>13</b>	<b>12</b>
			<b>2020</b>	<b>2019</b>
			<b>\$000</b>	<b>\$000</b>
<b>Total compensation of senior officers</b>			<b>2,684</b>	<b>2,117</b>

#### Total compensation of senior officers

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

### 8.4 Related party transactions

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

Related parties of the Department include:

- all 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 Departments and statutory authorities, including related bodies, that are included in the whole of government consolidated financial statements (i.e. wholly-owned public sector entities);
- associates and joint ventures of a wholly-owned public sector entity; and
- the Government Employees Superannuation Board (GESB).

#### 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.

### 8.5 Related bodies

The Department had no related bodies during the financial year 2019-20 and 2018-19.

### 8.6 Affiliated bodies

The Department had no affiliated bodies during the financial year 2019-20 and 2018-19.

## 8.7 Special purpose accounts

### Wittenoom Relocation Trust Account<sup>(a)</sup>

The purpose of this account is to hold funds for the purchase of property in the Wittenoom town site, relocate residents, and demolish and dispose of acquired property.

	2020	2019
	\$000	\$000
Balance at start of period	2,560	2,560
Payments	(943)	-
<b>Balance at end of period</b>	<b>1,617</b>	<b>2,560</b>

### Anketell Trust Account<sup>(b)</sup>

The purpose of this account is to hold funds under the Anketell Indigenous Land Use Agreement.

Balance at start of period	87	7,205
Receipts	-	2
Payments	(87)	(7,120)
<b>Balance at end of period</b>	<b>-</b>	<b>87</b>

### Indian Ocean Territories Service Level Agreement<sup>(c)</sup>

The purpose of the agreement is to provide crown land management and planning services.

Balance at start of period	206	396
Receipts	696	251
Payments	(296)	(439)
<b>Balance at end of period</b>	<b>606</b>	<b>206</b>

<sup>(a)</sup> Established under section 16(1)(d) of FMA.

<sup>(b)</sup> Established under section 16(1)(c) of FMA.

<sup>(c)</sup> Commonwealth Service Level Agreement

## 8.8 Remuneration of auditors

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

Auditing the accounts, financial statements, controls and key performance indicators	345	355
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## 8.9 Equity

### Contributed equity

	2020	2019
	\$000	\$000
Balance at start of period	224,515	222,880
<i>Contributions by owners</i>		
Capital appropriation	3,495	3,485
<i>Land contributions by owners</i>	108	-
<b>Total contributions by owners</b>	<b>3,603</b>	<b>3,485</b>
<i>Distributions to owners</i>		
Buildings	-	(1,850)
<b>Total distributions to owners</b>	<b>-</b>	<b>(1,850)</b>
<b>Balance at end of period</b>	<b>228,118</b>	<b>224,515</b>

### Asset revaluation surplus

Balance at start of period	296	1,737
Net revaluation increments / (decrements)		
Land	197,545	162
Buildings	(133)	(1,603)
<b>Balance at end of period</b>	<b>197,708</b>	<b>296</b>

## 8.10 Supplementary financial information

### (a) Write-offs

During the financial year, \$184,000 (2019: \$70) was written off the Department's books under the authority of:

The accountable authority	184	-
	<b>184</b>	<b>-</b>

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

During 2019-20 and 2018-19 the Department did not report any losses due to theft, defaults and other causes.

### (c) Gifts of public property

There were no gifts of public property provided by the Department during the financial year 2019-20 and 2018-19.



## 8.11 Explanatory statement (Controlled Operations)

All variances between annual estimates (original budget) and actual results for 2020, and between the actual results for 2020 and 2019 are shown below. Narratives are provided for key major variances, which are greater than 10% and \$1 million for the Statements of Comprehensive Income, Cash Flows, and the Statement of Financial Position.

### 8.11.1 Statement of Comprehensive Income Variances

	Variance	Estimate	Actual	Actual	Variance between estimate and actual	Variance between actual results for 2020 and 2019
Note		2020	2020	2019		
		\$000	\$000	\$000	\$000	\$000
<b>Expenses</b>						
Employee benefits expense		91,019	92,650	84,996	1,631	7,654
Supplies and services		41,714	41,694	43,587	(20)	(1,893)
Depreciation and amortisation expense	1	12,436	4,046	4,577	(8,390)	(531)
Accommodation expenses	2, A	4,270	10,999	12,357	6,729	(1,358)
Grants and subsidies	3	15,942	11,744	10,823	(4,198)	921
Finance and interest costs	4	1,457	16	-	(1,441)	16
Cost of sales		-	112	181	112	(69)
Other expenses	5, B	10,898	16,315	14,727	5,417	1,588
<b>Total cost of services</b>		<b>177,736</b>	<b>177,576</b>	<b>171,248</b>	<b>(160)</b>	<b>6,329</b>
<b>Income</b>						
<i>Revenue</i>						
User charges and fees	6	1,080	2,786	2,846	1,706	(60)
Sales	7	5,812	2,851	3,791	(2,961)	(940)
Commonwealth grants and contributions		-	746	331	746	415
Grants and subsidies	8	126	1,700	723	1,574	977
WAPC Service Delivery Agreement		45,222	43,440	42,428	(1,782)	1,012
Other revenue	C	4,521	3,888	2,874	(633)	1,014
<b>Total revenue</b>		<b>56,761</b>	<b>55,411</b>	<b>52,993</b>	<b>(1,350)</b>	<b>2,418</b>
<i>Gains</i>						
Revaluation increment		-	-	154	-	(154)
Gain on disposal of non-current assets		-	-	3	-	(3)
<b>Total gains</b>		<b>-</b>	<b>-</b>	<b>157</b>	<b>-</b>	<b>(157)</b>
<b>Total income other than income from State Government</b>		<b>56,761</b>	<b>55,411</b>	<b>53,150</b>	<b>(1,350)</b>	<b>2,261</b>
<b>NET COST OF SERVICES</b>		<b>120,975</b>	<b>122,165</b>	<b>118,098</b>	<b>1,190</b>	<b>4,068</b>
<b>Income from State Government</b>						
Service appropriation		92,252	90,443	95,568	(1,809)	(5,125)
Services received free of charge	D	9,245	9,824	10,895	579	(1,071)
Royalties for Regions Fund	E	6,024	6,486	4,153	462	2,333
<b>Total income from State Government</b>		<b>107,521</b>	<b>106,753</b>	<b>110,616</b>	<b>(768)</b>	<b>(3,863)</b>
<b>(DEFICIT) FOR THE PERIOD</b>		<b>(13,454)</b>	<b>(15,412)</b>	<b>(7,482)</b>	<b>(1,958)</b>	<b>(7,931)</b>
<b>OTHER COMPREHENSIVE INCOME/(LOSSES)</b>						
<b>Items not reclassified subsequently to profit or loss</b>						
Changes in asset revaluation surplus		-	197,412	(1,441)	197,412	198,853
<b>Total other comprehensive income/(loss)</b>		<b>-</b>	<b>197,412</b>	<b>(1,441)</b>	<b>197,412</b>	<b>198,853</b>
<b>TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD</b>		<b>(13,454)</b>	<b>182,000</b>	<b>(8,923)</b>	<b>195,454</b>	<b>190,922</b>

### **Major Estimate and Actual (2020) Variance Narratives**

- 1 Depreciation and amortisation expenses are lower than budget estimate by \$8.4 million (67%) mainly due to the State Government's updated accounting policy of not including Government Office Accommodation inter-agency agreements within the scope of AASB 16: Leases.
- 2 Accommodation expenses are higher than budget estimate by \$6.7 million (158%) mainly due to State Government's updated accounting policy of not including Government Office Accommodation inter-agency agreements within the scope of AASB 16: Leases.
- 3 Grants and subsidies expenses are lower than budget estimate by \$4.2 million (26%) mainly due to the deferral of expenditure relating to Wittenoom Townsite Closure (\$1.3 million), Bushfire Mitigation Project (\$1 million), as well as the reclassification of a grant expense to compensation expense for the Anketell ILUA (\$1.8 million).
- 4 Finance and interest costs are lower than budget estimate by \$1.4 million (99%) mainly due to the State Government's updated accounting policy of not including Government Office Accommodation inter-agency agreements within the scope of AASB 16: Leases.
- 5 Other expenses are higher than budget estimate by \$5.4 million (50%) mainly due to an increase in compensation payments and a negative revaluation of the Department's building assets.
- 6 User charges and fees are higher than budget estimate by \$1.7 million (158%) mainly due to classification of Development Assessment Panel fees in sales.
- 7 Sales are lower than budget estimate by \$3 million (51%) mainly due to the classification of Development Assessment Panel fees against user fees and charges and lower Fremantle Prison ticketing sales as a result of COVID-19.
- 8 Grants and subsidies income are higher than budget estimate by \$1.6 million (1249%) mainly due to a grant from the Heritage Council of Western Australia for Fremantle Prison conservation works (\$1.2 million), in addition to a grant from the Department of Water and Environmental Regulation for the contaminated site, Deanmill Timber Mill (\$0.25 million).

### **Major Actual (2020) and Comparative (2019) Variance Narratives**

- A Accommodation expenses have decreased by \$1.4 million (11%) mainly due to a reduction in office accommodation requirements following the Department's transition to Activity Based Working arrangements.
- B Other expenses have increased by \$1.6 million (11%) mainly due to a negative revaluation of the Department's building assets.
- C Other revenue have increased by \$1.0 million (36%) mainly due to increased pastoral land revenue (\$827K) associated with the 5 year review of pastoral lease rates, recoup of litigation fees and contribution to contaminated site remediation.
- D Services received free of charge income have decreased by \$1.1 million (10%) mainly due to reduced valuation services from Landgate.
- E Royalties for Regions Fund income have increased by \$2.3 million (56%) mainly due to an increase in funding for the mitigation of extreme bushfire risks on Crown land.

### 8.11.2 Statement of Financial Position Variances

	Variance	Estimate	Actual	Actual	Variance between estimate and actual 2019	Variance between actual results for 2020 and 2019
Note	2020	2020	2019	2019		
	\$000	\$000	\$000	\$000	\$000	\$000
<b>ASSETS</b>						
<b>Current Assets</b>						
Cash and cash equivalents		40,348	41,918	57,492	1,570	(15,574)
Restricted cash and cash equivalents		11,748	4,365	4,725	(7,383)	(360)
Inventories		-	83	68	83	15
Receivables		10,070	6,105	6,466	(3,965)	(361)
Amounts receivable for services		682	562	528	(120)	34
Other current assets		1,782	2,035	2,589	253	(554)
<b>Total Current Assets</b>		<b>64,630</b>	<b>55,068</b>	<b>71,868</b>	<b>(9,562)</b>	<b>(16,800)</b>
<b>Non-Current Assets</b>						
Restricted cash and cash equivalents		589	1,255	905	666	350
Amounts receivable for services		42,085	36,176	31,065	(5,909)	5,111
Property, plant and equipment	9, F	172,544	333,601	136,064	161,057	197,537
Intangible assets	10, G	9,424	6,376	7,766	(3,048)	(1,390)
Right-of-use assets	11, H	-	1,164	-	1,164	1,164
<b>Total Non-Current Assets</b>		<b>224,642</b>	<b>378,572</b>	<b>175,800</b>	<b>153,930</b>	<b>202,772</b>
<b>TOTAL ASSETS</b>		<b>289,272</b>	<b>433,640</b>	<b>247,668</b>	<b>144,367</b>	<b>185,972</b>
<b>LIABILITIES</b>						
<b>Current Liabilities</b>						
Payables		638	3,129	6,070	2,491	(2,941)
Lease liabilities		-	319	-	319	319
Employee related provisions	I	17,252	17,793	15,341	541	2,452
Other current liabilities	12	11,639	589	767	(11,050)	(178)
Provisions	13	-	1,652	1,652	1,652	-
<b>Total Current Liabilities</b>		<b>29,529</b>	<b>23,482</b>	<b>23,830</b>	<b>(6,047)</b>	<b>(348)</b>
<b>Non-Current Liabilities</b>						
Employee related provisions	14	5,181	3,445	4,248	(1,736)	(803)
Lease liabilities	15	35,320	900	-	(34,420)	900
<b>Total Non-Current Liabilities</b>		<b>40,501</b>	<b>4,345</b>	<b>4,248</b>	<b>(36,156)</b>	<b>97</b>
<b>TOTAL LIABILITIES</b>		<b>70,030</b>	<b>27,827</b>	<b>28,078</b>	<b>(42,203)</b>	<b>(251)</b>
<b>NET ASSETS</b>		<b>219,242</b>	<b>405,813</b>	<b>219,590</b>	<b>186,571</b>	<b>186,223</b>
<b>EQUITY</b>						
Contributed equity		308,821	228,118	224,515	(80,703)	3,603
Reserves		1,988	197,708	296	195,720	197,412
Accumulated surplus/(deficit)		(91,567)	(20,013)	(5,221)	71,554	(14,792)
<b>TOTAL EQUITY</b>		<b>219,242</b>	<b>405,813</b>	<b>219,590</b>	<b>186,571</b>	<b>186,223</b>

### **Major Estimate and Actual (2020) Variance Narratives**

- 9 Property Plant and Equipment are higher than budget estimate by \$161 million (93%) mainly due to an increase in the value of pastoral leased land held within the Department's non-current assets. The increase in land valuation resulted from the 2019 rent review of pastoral leases undertaken by the Valuer-General as is required every five years under the requirements of the *Land Administration Act 1997*.
- 10 Intangible assets are lower than budget estimate by \$3 million (32%) mainly due to the conversion of capital investment funding to expenditure during the year which reflects Government's ICT strategy of utilising Cloud based data services as opposed to systems investment.
- 11 Right-of-use assets are higher than budget estimate by \$1.2 million (100%) mainly due to State Government's updated accounting policy of not including Government Office Accommodation inter-agency agreements within the scope of AASB 16: Leases.
- 12 Other current liabilities are lower than budget estimate by \$11 million (95%), mainly due to Anketell Native title compensation payments of \$9 million being made in June 2019, and not in FY 19-20 as originally expected.
- 13 Provisions are higher than budget estimate by \$1.7 million (100%) mainly due to transfer of Ningaloo Station and Exmouth Gulf Pastoral compensation payments to compensation payment during the financial year.
- 14 Employee related provisions are lower than budget estimate by \$1.7 million (34%) mainly due to leave entitlements becoming current liabilities, as well as employee cash out leave balances throughout the year.
- 15 Lease liabilities are lower than budget estimate by \$34.4 million (97%) mainly due to Government's updated accounting policy of not including Government Office Accommodation inter-agency agreements within the scope of AASB 16: Leases.

### **Major Actual (2020) and Comparative (2019) Variance Narratives**

- F Property Plant and Equipment increased by \$197.5 million (145%) mainly due to an increase in the value of pastoral leased land held within the Department's non-current assets. The increase in land valuation resulted from the 2019 rent review of pastoral leases undertaken by the Valuer-General as is required every five years under the requirements of the *Land Administration Act 1997*.
- G Intangible assets decreased by \$1.4 million (18%) mainly due to a greater emphasis on direct purchase of Cloud based data services as opposed to systems investment during the year, which reflects Government's ICT strategy. In addition, lower number of capital projects have been undertaken during the year.
- H Right-of-use assets increased by \$1.2 million (100%) mainly due to State Government's updated accounting policy of not including Government Office Accommodation inter-agency agreements within the scope of AASB 16: Leases.
- I Current Employee related provisions increased by \$2.4 million (16%) mainly due to an increased balance of current annual leave entitlements held by employees. This can be partly attributed to decreased leave taken during COVID-19 restrictions.





### 8.11.3 Statement of Cash Flows Variances

	Variance	Estimate	Actual	Actual	Variance between estimate and actual 2019	Variance between actual results for 2020 and 2019
Note	2020	2020	2019			
	\$000	\$000	\$000		\$000	\$000
<b>CASH FLOWS FROM STATE GOVERNMENT</b>						
Service appropriation		80,516	84,736	91,379	4,220	(6,643)
Capital appropriations	16	9,732	3,495	3,485	(6,237)	10
Holding account drawdown	J	562	562	2,029	-	(1,467)
Royalties for Regions Fund	K	6,024	6,486	4,153	462	2,333
<b>Net cash provided by State Government</b>		<b>96,834</b>	<b>95,279</b>	<b>101,046</b>	<b>(1,555)</b>	<b>(5,767)</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
<b>Payments</b>						
Employee benefits		(89,991)	(90,925)	(85,689)	(934)	(5,236)
Supplies and services	L	(32,895)	(34,299)	(47,684)	(1,404)	13,385
Finance costs	17	(1,457)	(16)	-	1,441	(16)
Accommodation	18, M	(3,672)	(10,027)	(12,333)	(6,355)	2,306
Grants and subsidies	19	(15,942)	(11,663)	(10,823)	4,279	(840)
GST payments on purchases		(6,240)	(6,441)	(6,250)	(201)	(191)
Other payments	20, N	(11,005)	(14,907)	(4,764)	(3,902)	(10,143)
<b>Receipts</b>						
Sales of goods and services	21	6,510	333	235	(6,177)	98
User charges and fees	22, O	1,080	5,571	7,846	4,491	(2,275)
Commonwealth grants and contributions		-	746	331	746	415
GST receipts on sales		1,994	1,055	802	(939)	253
GST receipts from taxation authority	23	4,239	6,069	6,809	1,830	(740)
WAPC Service Delivery Agreement		45,222	42,701	43,228	(2,521)	(527)
Grants and subsidies	24	126	1,471	723	1,345	748
Other receipts		3,831	3,386	2,831	(445)	555
<b>Net cash provided by / (used in) operating activities</b>		<b>(98,200)</b>	<b>(106,946)</b>	<b>(104,738)</b>	<b>(8,745)</b>	<b>(2,208)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Purchase of non-current assets	P	(3,772)	(3,504)	(6,167)	268	2,663
Proceeds from sale of non-current assets		-	-	3	-	(3)
<b>Net cash (used in) investing activities</b>		<b>(3,772)</b>	<b>(3,504)</b>	<b>(6,164)</b>	<b>268</b>	<b>2,660</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>						
<b>Payments</b>						
Lease repayments	25	(6,522)	(413)	-	6,109	(413)
<b>Net cash provided by / (used in) financing activities</b>		<b>(6,522)</b>	<b>(413)</b>	<b>-</b>	<b>6,109</b>	<b>(413)</b>
Net increase/(decrease) in cash and cash equivalents		(11,660)	(15,584)	(9,856)	3,925	(5,729)
Cash and cash equivalents at the beginning of the period		64,345	63,122	72,981	(1,223)	(9,859)
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>		<b>52,685</b>	<b>47,538</b>	<b>63,125</b>	<b>2,702</b>	<b>(15,588)</b>



### **Major Estimate and Actual (2020) Variance Narratives**

- 16** Capital appropriations are lower than budget estimate by \$6.2 million (64%) mainly due to Government's updated accounting policy of not including Government Office Accommodation inter-agency agreements within the scope of AASB 16: Leases.
- 17** Finance and interest payments are lower than budget estimate by \$1.4 million (99%) mainly due to Government's updated accounting policy of not including Government Office Accommodation inter-agency agreements within the scope of AASB 16: Leases.
- 18** Accommodation payments are higher than budget estimate by \$6.3 million (173%) mainly due to Government's updated accounting policy of not including Government Office Accommodation inter-agency agreements within the scope of AASB 16: Leases.
- 19** Grants and subsidies payments are lower than budget estimate by \$4.2 million (27%) mainly due to the deferral of expenditure relating to Wittenoom Townsite Closure (\$1.3 million), Bushfire Mitigation Project (\$1 million), as well as the reclassification of a grant expense to compensation payment for the Anketell ILUA (\$1.8 million).
- 20** Other payments are higher than budget estimate by \$3.9 million (35%) mainly due to an increase in various payments including compensation and returning funds to the consolidated account.
- 21** Sales of goods and services are lower than budget estimate by \$6.2 million (95%) mainly due Fremantle Prison visitor fees and Development Assessment Panel fees being classified as user fees and charges.
- 22** User charges and fees are higher than budget estimate by \$4.5 million (416%) mainly due to the receipt of cash relating to prior year receivables and the classification of income to sales of goods and services and other revenue including Fremantle Prison, Development Assessment Panels, and Pastoral rent revenue.
- 23** GST receipts from taxation authority are higher than budget estimate by \$1.8 million (43%) mainly due to net GST received being in a receivable position as a result of a decrease in GST receipts on sales.
- 24** Grants and subsidies are higher than budget estimate by \$1.3 million (1,067%) mainly due for Fremantle Prison conservation works (\$1.2 million) as well as from the Department of Water and Environmental Regulation for the contaminated site, Deanmill Timber Mill (\$0.25 million).
- 25** Lease repayments are lower than budget estimate by \$6.1 million (94%) mainly due to Government's updated accounting policy of not including Government Office Accommodation inter-agency agreements within the scope of AASB 16: Leases.

### **Major Actual (2020) and Comparative (2019) Variance Narratives**

- J** Holding account drawdowns have decreased by \$1.4 million (72%) mainly due to Government's updated accounting policy of not including Government Office Accommodation inter-agency agreements within the scope of AASB 16: Leases.
- K** Royalties for Regions Fund receipts have increased by \$2.3 million (56%) mainly due to an increase in funding for the mitigation of extreme bushfire risks on Crown land.
- L** Supplies and services payments have decreased by \$13.4 million (28%) mainly due to a reduction in valuation services, systems development and project management.
- M** Accommodation payments have decreased by \$2.3 million (18%) mainly due to a reduction in Government Office Accommodation leases as the Department reduces its accommodation requirements through the transition to Activity Based Workstations.
- N** Other payments have increased by \$10.1 million (213%) mainly due to an increase in various payments including compensation and returning funds to the consolidated account.
- O** User charges and fees reduced by \$2.3 million (29%) mainly due to the receipt of cash relating to prior year receivables and the classification of income to sales of goods and services and other revenue including Fremantle Prison, Development Assessment Panels, and Pastoral rent revenue.
- P** Purchase of non-current assets decreased by \$2.7 million (43%) mainly due to the reduced asset investment program following the completion of the Department's Workflow Management system in 2018-19.

## 9 Administered disclosures

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

	Notes	2020 \$000	2019 \$000
Administered income and expenses	<a href="#">9.1</a>		
Explanatory statement for administered items	<a href="#">9.2</a>		
Administered assets and liabilities	<a href="#">9.3</a>		

### 9.1 Disclosure of administered income and expenses

#### Income

For transfer:

Sale of land <sup>(b)</sup>	8,599	64,360
Rent revenue	20,360	21,103
Land transfers <sup>(a)</sup>	4,294	75,526
Reserve transfers	180,921	97,276
Other revenue	2,234	2,821
<b>Total administered income</b>	<b>216,408</b>	<b>261,086</b>

#### Expenses

Employee expenses	437	548
Revaluation decrement	3,906	4,331
Depreciation	3,658	3,631
Cost of goods sold	38,781	65,198
Payments to Consolidated Account <sup>(b)</sup>	31,482	52,181
Reserve transfers	52,437	86,413
Other expenses	1,947	2,563
<b>Total administered expenses</b>	<b>132,649</b>	<b>214,865</b>

<sup>(a)</sup> This relates to land assets transferred in from the following agencies/entities.

Department of Training and Workforce Development	1,080	12,235
Department of Health	567	59,030
Western Australian Police	752	-
WA Football Commission	1,270	-
Other	625	4,261
	<b>4,294</b>	<b>75,526</b>

<sup>(b)</sup> Sale of administered Crown land is reported as a net loss on disposal of fixed assets as outlined below:

Proceeds from disposal of land	8,599	64,360
Cost of disposal of land (at fair value less cost to sell)	(38,781)	(65,198)
<b>Net loss</b>	<b>(30,183)</b>	<b>(838)</b>

<sup>(b)</sup> This reflects Crown land lease and sale proceeds that were transferred to the State Government Consolidated Accounts during the year.

## 9.2 Explanatory Statement for Administered Items

All variances between estimates (original budget) and actual results for 2020, and between the actual results for 2020 and 2019 are shown below. Narratives are provided for selected major variances, which are generally greater than 10% and \$1 million.

	Variance	Estimate	Actual	Actual	Variance between estimate and actual	Variance between actual results for 2020 and 2019
	Note	2020 \$000	2020 \$000	2019 \$000	\$000	\$000
<b>Income</b>						
For transfer:						
Sale of land	1, A	34,512	8,599	64,360	(25,913)	(55,761)
Rent revenue	2	18,172	20,360	21,103	2,188	(743)
Land transfers	3, B	-	4,294	75,526	4,294	(71,232)
Reserve transfers	4, C	-	180,921	97,276	180,921	83,645
Other revenue		1,569	2,234	2,821	665	(587)
<b>Total administered income</b>		<b>54,253</b>	<b>216,408</b>	<b>261,086</b>	<b>162,155</b>	<b>(44,678)</b>
<b>Expenses</b>						
Employee expenses		965	437	548	(528)	(111)
Revaluation decrement	5	-	3,906	4,331	3,906	(425)
Depreciation	6	1,567	3,658	3,631	2,091	27
Cost of goods sold	7, D	-	38,781	65,198	38,781	(26,417)
Payments to Consolidated Account	8, E	50,783	31,482	52,181	(19,301)	(20,699)
Reserve transfers	4, C	-	52,437	86,413	52,437	(33,976)
Other expenses	9	4,844	1,947	2,563	(2,897)	(616)
<b>Total administered expenses</b>		<b>58,159</b>	<b>132,649</b>	<b>214,865</b>	<b>74,490</b>	<b>(82,216)</b>

### Major Estimate and Actual (2020) Variance Narratives

- Sale of land are lower than budget estimate by \$25.9 million (75%) mainly due to uncertainty in the property market exacerbated by the impacts of COVID-19 which resulted in various planned high value assets sales not proceeding in the current period.
- Rent revenue are higher than budget estimate by \$2.2 million (12%) mainly due to higher than expected lease income collected. A rent review of all pastoral leases has been undertaken during 2019-20, which occurs every 5 years as required under the *Land Administration Act 1977*.
- Land transfers are higher than budget estimate by net variance of \$4.3 million (100%) mainly due to significant land assets, being transferred into the Department under the Land Asset Sale Program. Given the nature of these transactions, estimates cannot be determined.
- Reserve transfers are higher than budget estimate by net variance of \$128.5 million mainly due to land assets classified as a reserve being transferred into/out of the Department as management orders are placed or removed. Given the nature of these transactions, estimates cannot be determined.
- Revaluation are higher than budget estimate by variance of \$3.9 million (100%) mainly due movements land values following the Valuer General's valuation assessment of land held by the Department. Given the nature of these transactions, estimates cannot be determined.
- Depreciation are higher than budget estimate by \$2.1 million (133%) mainly due to 2019-20 budget papers was underestimated.
- Cost of goods sold are higher than budget estimate by variance of \$38.8 million (100%) reflects the value of assets sold and includes the sale land assets at peppercorn rates within Government. Given the nature of these transactions, estimates cannot be determined.
- Payment to Consolidated Account are lower than budget estimate by \$19.3 million (38.0%) mainly due to lower land sales than anticipated during the financial year.
- Other expenses are lower than budget estimate by \$2.9 million (60%) mainly due to delays in Phase 2 of the Dampier to Bunbury Natural Gas Pipeline (DBNGP) corridor widening which is currently undergoing environmental assessments and consultation.

### Major Actual (2020) and Comparative (2019) Variance Narratives

- Sale of land decreased by \$55.8 million (87%) mainly due to uncertainty in the property market as a result of COVID-19 and significant sales of the Port Kennedy Development and the former Princess Margaret Hospital Carpark in 2019.
- Land transfers decreased by \$71.3 million (94%) mainly due to significant transfers of land assets in 2019 which included the Princess Margaret Hospital site.
- Overall there was a net transfer in reserves of \$128.5 million for the current year compared to \$10.9 million in the comparative period as reserve transfers vary year to year based on the change in land use.
- Cost of goods sold decreased by \$27 million (41%) and reflects the value of assets sold. Sales and cost of goods sold vary each year based on individual asset sold.
- Payments to Consolidated Account decreased by \$21 million (40%) mainly due to lower land sale proceeds received in the current year.

### 9.3 Administered assets and liabilities

	Actual 2020 \$000	Actual 2019 \$000
<b>Current Assets</b>		
Cash and cash equivalents	32,547	68,215
Receivables	1,132	864
Prepayments	-	1
Land and building classified as held for sale <sup>(b)</sup>	1,344	19,247
<b>Total Administered Current Assets</b>	<b>35,023</b>	<b>88,328</b>
<b>Non-Current Assets</b>		
Land at fair value <sup>(c)</sup>	3,207,255	3,098,636
Buildings at fair value	6,411	6,691
Infrastructure at cost (less accumulated depreciation)	119,409	122,884
Easements at cost	18,550	18,550
<b>Total Administered Non-Current Assets</b>	<b>3,351,625</b>	<b>3,246,761</b>
<b>TOTAL ADMINISTERED ASSETS</b>	<b>3,386,648</b>	<b>3,335,088</b>
<b>Current Liabilities</b>		
Payables	2,812	34,633
Contract liabilities	335	-
Employee provisions	85	115
Other liabilities	2	5
<b>Total Administered Current Liabilities</b>	<b>3,233</b>	<b>34,753</b>
<b>Non-Current Liabilities</b>		
Employee provisions	13	32
<b>Total Administered Non-Current Liabilities</b>	<b>13</b>	<b>32</b>
<b>TOTAL ADMINISTERED LIABILITIES</b>	<b>3,246</b>	<b>34,785</b>

(a) Crown Land administered by the Department and identified for sale within the next 12 months is reported as current asset held for sale.

(b) Notes to the Schedules of Administered Items - Land values

Land is measured at fair value based on independent valuations provided by the Western Australian Land Information Authority (Valuation Services). The valuations were performed during the year ended 30 June 2020 and recognised at 30 June 2020.

Fair value has been determined on the basis of current market value where an active market exists or current use where no market exists and/or the current land use if specialised in nature. Revaluations are made with sufficient regularity to ensure that the carrying value of land does not differ materially from its fair value at reporting date.



Department of **Planning,**  
**Lands and Heritage**

# 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 the Department of Planning, Lands and Heritage's performance, and fairly represent the performance of the Department of Planning, Lands and Heritage for the financial year ended 30 June 2020.

**Gail McGowan**  
**Director General**  
Department of Planning, Lands and Heritage  
16 September 2020





# THE DEPARTMENT'S DESIRED OUTCOME AND KEY PERFORMANCE INDICATORS

For the year ended 30 June 2020

## Relationship to Government Goals

The Department of Planning, Lands and Heritage (the Department) is responsible for planning and managing land and heritage for all Western Australians – now and into the future. Through the desired outcomes and services listed below, the Department contributes to the Government's goal for "Better Places: A quality environment with liveable and affordable communities and vibrant regions".

Government Goal	Desired Outcomes	Services
<b>Better Places</b> A quality environment with liveable and affordable communities and vibrant regions	An effective planning system that supports the development of communities in Western Australia	1. Planning services
	An effective system for the administration of Crown land and the Aboriginal Lands Trust estate	2. Land administration services
	An effective system for the conservation of cultural heritage places in Western Australia for the benefit of present and future generations	3. Historical heritage services
		4. Aboriginal heritage management

The key effectiveness indicators that follow provide information on how well the activities of the Department have contributed to the delivery of its services on the achievement of the desired outcomes. Results can be compared with performance in previous years (where available) and targets published in the Budget Papers. The key efficiency indicators measure the relationship between the services delivered and the resources used to produce the service.

# Outcome and Key Effectiveness Indicators

## DPLH Desired Outcome:

An effective planning system that supports the development of communities in Western Australia.

## Effectiveness Indicator:

### Percentage of applications determined within the statutory timeframe

Various officers in the Department have the delegated authority to determine subdivision and development applications, or endorse deposited and strata plans, on behalf of the Western Australian Planning Commission (WAPC).

Subdivision is the division of land into separate lots, but also includes the amalgamation of several lots into a larger lot. Subdivisions, for the purpose of this measure, include green title and survey strata subdivisions. A deposited plan defines the boundaries of a green title lot of land while a strata plan contains a detailed pictorial description of lots within a strata arrangement. Development applications detail the proposed development of land. Subdivision applications, deposited and strata plans, and development applications are all determined or endorsed within strategic, legislative and policy frameworks that support the sustainable development of well-planned communities in Western Australia.

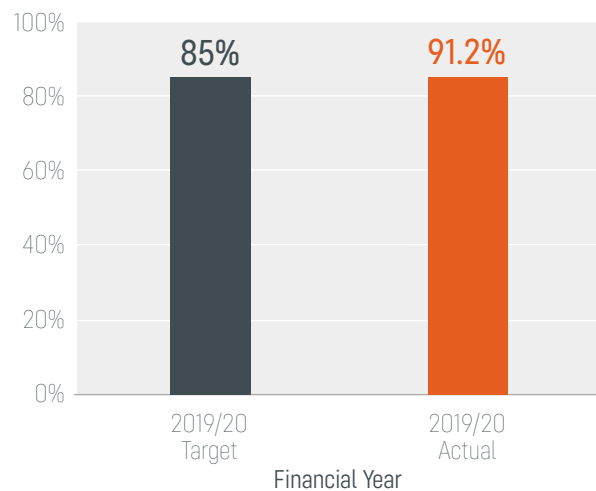
This KPI demonstrates the Department's effectiveness in:

- determining subdivision applications within the statutory timeframe, which is currently 90 days, or a longer period that may be agreed with the applicant.

- reviewing and endorsing deposited and strata plans within the statutory timeframe, which is currently 30 days or a longer period that may be agreed with the applicant. Built strata plans have been excluded from this KPI as they have been delegated to Local Government.
- determining development applications within the required timeframe, which is currently:
  - 60 days for the metropolitan region or a longer period that may be agreed in writing with the applicant
  - 90 days for the Greater Bunbury and Peel regions or a longer period that may be agreed in writing with the applicant.

As this is a new key performance indicator, a comparative against previous years is not provided.

The percentage of applications determined within the statutory timeframe



## Explanation for significant variance

The 2019-20 result has exceeded the target by 6.2 per cent due mainly to continued efforts by the Department to better manage applications within the statutory timeframe.

## Effectiveness Indicator:

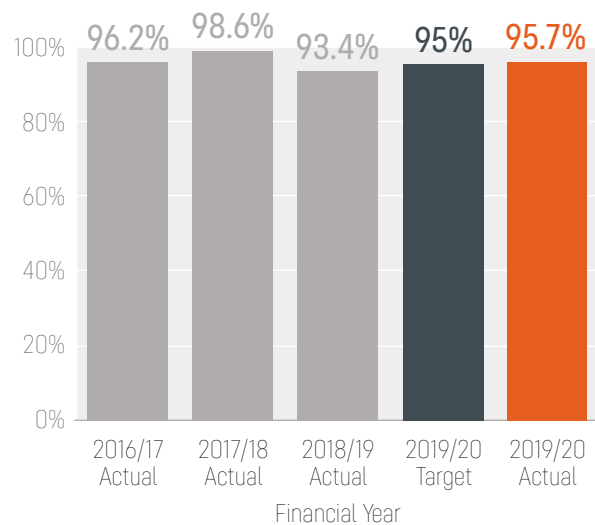
### Percentage of finalised appeals (excluding Development Assessment Panels (DAPs)) that are not upheld on review by the State Administrative Tribunal

Various officers in the Department have the delegated authority to determine or endorse statutory planning applications on behalf of the Western Australian Planning Commission (WAPC). In addition, these officers make recommendations to the WAPC in relation to statutory applications.

Under legislation, applicants have the right to appeal decisions that are made by the Department on behalf of the WAPC, as well as, decisions that are made by the WAPC. The percentage of appeals that are finalised in favour of the decisions made by the Department and/or the WAPC (i.e., not upheld) on review by the State Administrative Tribunal (SAT) provides an indication of how effective planning policies have been applied by the Department in making those decisions under delegated authority or formulating recommendations to the WAPC. Where a determination is successfully challenged by demonstrating flaws in the Department's decision making or application of policy, additional costs may be incurred by both the developer and subsequently by land purchasers.

Appeals relating to Development Assessment Panel (DAP) applications are excluded from this KPI as those determinations are made by the DAPs under delegated authority. While the Department provides administrative support for the DAPs, the decisions made by DAPs are independent of the Department and the WAPC.

The percentage of finalised appeals (excluding DAPs) that are not upheld on review by the State Administrative Tribunal



## Effectiveness Indicator:

**Percentage of Local Planning Scheme amendments processed by the Department under delegated authority and submitted to the Minister within the statutory timeframe (Basic 42 days, Standard 60 days, Complex 90 days)**

Local planning scheme amendments are processed within strategic, legislative and policy frameworks that support the sustainable development of well-planned communities in Western Australia. Local planning schemes outline how land is to be used and developed, classify areas for land use and include provisions to coordinate regional infrastructure (traditional and community) in a locality through Development Contribution Plans. Section 75 of the *Planning and Development Act 2005* provides for the amendment of local planning schemes, and this KPI demonstrates the Department's effectiveness in processing amendments to local planning schemes within the statutory timeframes.

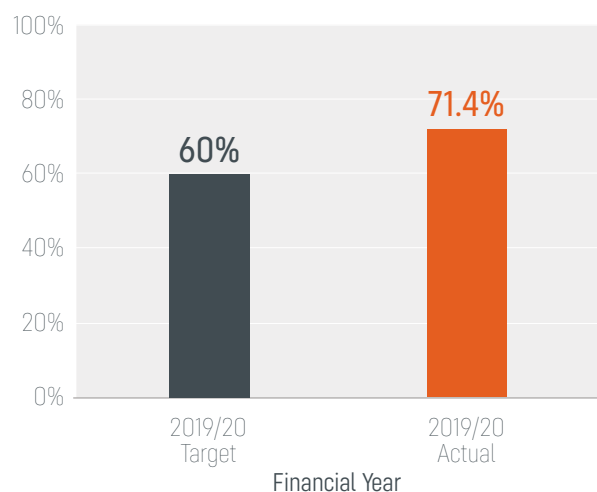
Unless a longer period is approved by the Minister, the Department must consider the amendment, make any recommendations to the Minister, and submit the documents and recommendations to the Minister:

- Within 90 days for complex Local Planning Scheme amendments in accordance with r. 45 of the Planning and Development (Local Planning Scheme) Regulations 2015
- Within 60 days for standard Local Planning Scheme amendments in accordance with r. 55 of the Planning and Development (Local Planning Scheme) Regulations 2015
- Within 42 days for basic Local Planning Scheme amendments in accordance with r. 60 of the Planning and Development (Local Planning Scheme) Regulations 2015.

In 2019-20, the Department processed 17 basic, 77 standard and 18 complex LPS amendments.

As this is a modified key performance indicator, a comparative against previous years is not provided.

The percentage of Local Planning Scheme (LPS) amendments processed by the Department under delegated authority and submitted to the Minister within the statutory timeframe



## Explanation for significant variance

The 2019-20 result has exceeded the target by 11.4 per cent due mainly to continued efforts by the Department to better manage applications within the statutory timeframe.

## Effectiveness Indicator:

### Percentage of DAP applications determined within the statutory timeframe

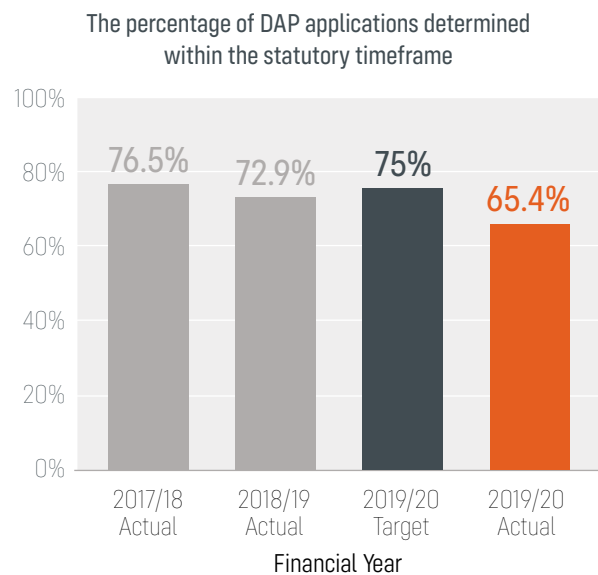
Development Assessment Panels (DAPs) were established in 2011 under the Planning and Development (Development Assessment Panels) Regulations 2011. As a key component of planning reform in Western Australia, DAPs are intended to enhance planning expertise in decision making by improving the balance between technical advice and local knowledge. The Department provides coordination and secretariat services to the DAPs, while Local Government Authorities (LGAs) host the meetings and take minutes.

DAP applications are determined within strategic, legislative and policy frameworks that support the development of well-planned communities in Western Australia. Under the DAP regulations, each DAP will determine development applications that meet set type and value thresholds as if it were the responsible authority under the relevant planning instrument, such as the local planning scheme or region planning scheme. The DAP regulations state that DAP applications cannot be determined by local government or the Western Australian Planning Commission.

Under the regulations, a DAP, unless otherwise agreed to in writing between the applicant and responsible authority, is to take no more than 60 days after receipt of an application to make a decision, or 90 days if the proposal is subject to public advertising. The overall process from the receipt of a DAP application to a DAP decision involves local government, the Department planners on occasions, the DAP Secretariat, and the DAP itself.

In April 2020, as part of the Government's COVID-19 pandemic response, LGAs stopped hosting DAP meetings. In order to keep the DAP process operating, the Department assumed responsibility for hosting DAP meetings via video conference, and taking minutes.

During 2019-20, the DAPs determined 237 applications (a decrease of 10.9 per cent from 266 in 2018-19).



### Explanation for significant variance

The 2019-20 result is significantly lower than target and the 2018-19 result due mainly to the deferral of a higher number of DAP applications during the year, which resulted in the determination of these applications after their statutory timeframes. In addition, eight of the applications that did not meet the statutory timeframe were due to the Department's ability to only host one video conference meeting per day during the COVID-19 pandemic response.

## DPLH Desired Outcome:

An effective system for the administration of Crown land and the Aboriginal Lands Trust estate.

## Effectiveness Indicator:

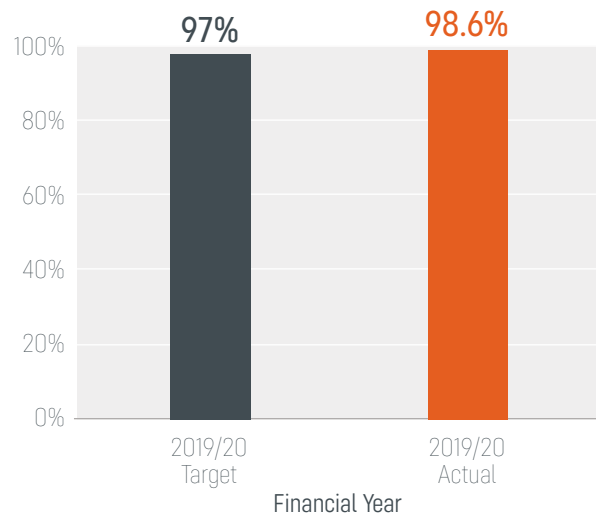
Percentage of land tenure change and interest documents validly lodged with the Western Australian Land Information Authority (Landgate)

The Department lodges approximately 2,500 documents with Landgate each year including applications for new titles, reserve creations, conveyance and amalgamations, easements, leases, road closures and transfers of land. The lodgement of documents to finalise transactions follows significant negotiation and document preparation processes. The accuracy of documents is imperative to the legal validity of the transactions and any requisitions received from Landgate due to document errors result in additional fees and time delays.

This KPI demonstrates the importance of documents being validly lodged for registration, free of errors, to meet agreed timeframes and to provide security of land tenure.

As this is a new key performance indicator, a comparative against previous years is not provided.

Percentage of land tenure change and interest documents validly lodged with the Western Australian Land Information Authority (Landgate)





## Effectiveness Indicator:

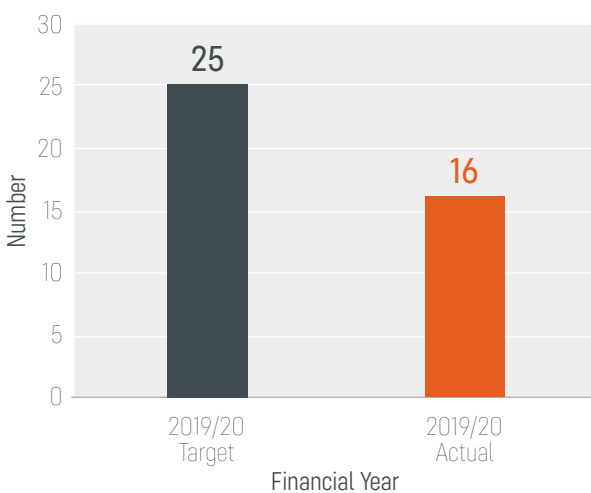
### Number of leases or divestments of Aboriginal Lands Trust estate land to direct Aboriginal control

Divestment and transfer of Aboriginal Lands Trust estate to Aboriginal people is a priority for government, and a key focus of the Aboriginal land management service. Therefore, an effective system for the administration of the Aboriginal Lands Trust (ALT) estate relies on increasing Aboriginal control and management of land.

On 5 December 2017, the Minister for Aboriginal Affairs noted the ALT priority divestment list, which identifies 139 properties that the State has either agreed to divest or is progressing towards divestment. This new indicator discloses the number of leases or divestments of ALT estate land during the financial year, which leads to improved social, economic and cultural outcomes for Aboriginal people.

As this is a new key performance indicator, a comparative against previous years is not provided.

Number of leases or divestments of Aboriginal Lands Trust estate land to direct Aboriginal control



## Explanation for significant variance

The variance between the 2019-20 target and actual result was due to a combination of factors including delays to the South West Settlement Agreement (SWS), a reduction in the number of short term leases and documentation and process delays due to the lack of stakeholder engagement during the COVID-19 pandemic. Significant progress was made towards divesting the ALT estate in the 2019-20 financial year, with policies and processes developed to guide the divestment process and engagement across 110 properties. As the ALT's focus has shifted to the provision of long term tenure to native title holders and Aboriginal inhabitants, short term leases to direct Aboriginal control have consequently decreased.

The delays to the commencement of the SWS are due to applications for judicial review of the Registrar's decision to register the six Indigenous Land Use Agreements. These applications are currently subject to a number of applications before the High Court for special leave to appeal the Federal Court's decision upholding the Registrar's decision. It is hoped that the High Court will hand down a decision on the applications for special leave in August 2020, which will allow for Settlement commencement around November 2020 at the earliest. However, if the High Court decides to hear the matter, then the timeframe for Settlement commencement will extend beyond that. The commencement of the SWS will trigger the preparations for transfer of the 32 unencumbered freehold ALT properties that have been earmarked for the first year following commencement.

## DPLH Desired Outcome:

An effective system for the conservation of cultural heritage places in Western Australia for the benefit of present and future generations.

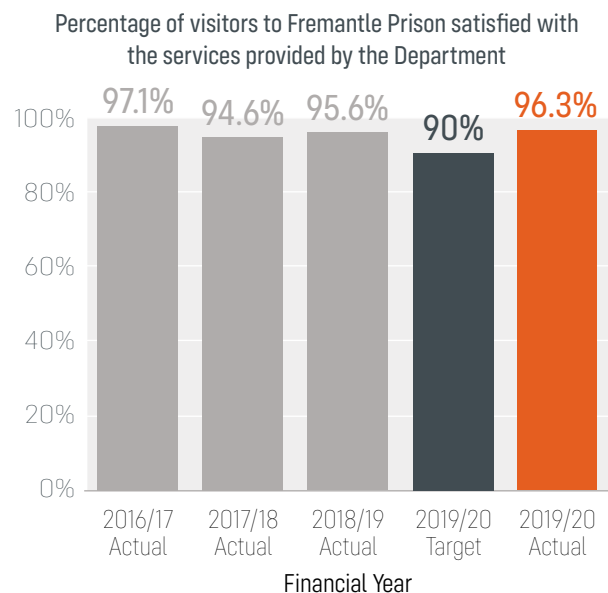
## Effectiveness Indicator:

**Percentage of visitors to Fremantle Prison satisfied with the services provided by the Department**

Fremantle Prison is one of Western Australia's most fascinating and significant cultural attractions. In 2010, Fremantle Prison became the first building in Western Australia to be included on the World Heritage list. Its inscription on the World Heritage list was part of a serial nomination with ten other Australian Convict Sites. Under the guidance of the Heritage Council of Western Australia, the Department's vision is to preserve the heritage values of the Fremantle Prison Precinct through conservation and community engagement. The Department aims to do this by being one of Western Australia's premier destinations for tourism, cultural and educational activities, among other things.

This KPI is measured by surveys of visitors, and illustrates visitors' satisfaction with the work of the Department in delivering heritage education and appreciation activities at Fremantle Prison. As part of the State's COVID-19 pandemic response, Fremantle Prison was closed from 23 March 2020 to 21 May 2020, which resulted in a significant reduction in visitor numbers for the year.

Nevertheless, in 2019-20, 799 visitors completed surveys, from a total of 138,054 visitors, providing a confidence level of 95 per cent and a margin of error of  $\pm 3.46$  per cent.



## Explanation for significant variance

Fremantle Prison continues to be developed as a successful tourist and cultural attraction. Ongoing efforts by management and staff to improve the visitor experience, including the provision of entertaining day and night tours, has continued to achieve satisfaction levels above target, and demonstrates the effectiveness and level of quality at which this service is delivered.

## Effectiveness Indicator:

### Percentage of statutory approvals delivered to the Aboriginal Cultural Material Committee within set timeframes

Western Australia's Aboriginal heritage is managed under the *Aboriginal Heritage Act 1972* (the Act). The Act provides protection for all places and objects in Western Australia that are important to Aboriginal people because of connections to their culture. On behalf of the community, the Aboriginal Cultural Material Committee (ACMC) works under the Act to evaluate the importance of places and objects of Aboriginal importance.

The Department supports the ACMC in:

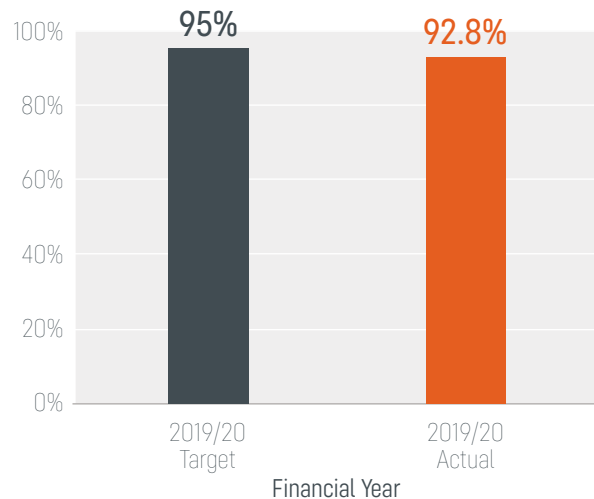
- evaluating, recording and preserving traditional Aboriginal lore related to places and objects
- processing and assessing statutory applications including registration of sites and objects
- processing applications to excavate Aboriginal sites and consent to certain use
- making recommendations to the Minister for Aboriginal Affairs on the preservation, acquisition and management of sites and objects.

The Department considers an effective and efficient system is one where applications, heritage processes and practices are managed in accordance with statutory obligations, in a manner and timeframe that is consistent with our commitment. An effective and efficient heritage system relates to the timely processing of statutory applications under the Act, and accordingly, the Department aims to deliver statutory approvals to the ACMC within no more than 40 working days from receipt of the application. Statutory approvals for the purpose of this new indicator are section 18 Notices under the Act that are used to seek the Minister for Aboriginal Affairs' consent to impact a Site.

The Department processes section 18 applications under the Act and collates all necessary information for the ACMC consideration. The ACMC then makes a recommendation to the Minister for Aboriginal Affairs, whether or not to approve these applications. Improving the performance of the approvals process is a high priority, acknowledging that a lack of certainty and unnecessary time delays have financial implications and reputational repercussions for stakeholders. Accordingly, the Department considers managing statutory approvals as a key measure of effectiveness in delivering Aboriginal heritage services.

As this is a new key performance indicator, a comparative against previous years is not provided.

Percentage of statutory approvals delivered to the Aboriginal Cultural Material Committee within set timeframes



## Effectiveness Indicator:

### Percentage of development/planning referrals processed within set timeframes

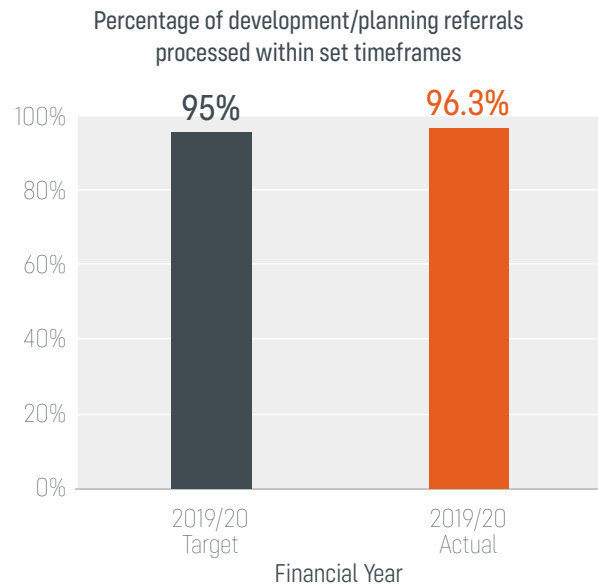
The Department supports the Heritage Council in carrying out its statutory functions by undertaking day-to-day operations, projects and service delivery (under delegation as required) including providing advice on development of adaptation applications relating to places in the State Register to ensure their heritage values are retained. The Department considers an effective and efficient system is one where applications, heritage processes and practices are managed in accordance with statutory obligations, in a manner and timeframe that is consistent with our commitment.

This new indicator demonstrates the Department's effectiveness in assessing referrals through planning or development processes in a timely manner, ensuring conservation of cultural heritage places in Western Australia. The Department aims to process:

- Development referrals within 42 days
- Planning referrals within 60 days.

In 2019-20, the Department processed 777 development referrals and 72 planning referrals.

As this is a new key performance indicator, a comparative against previous years is not provided.



## Effectiveness Indicator:

### Percentage of nominations progressed to preliminary review within set timeframes

The Department supports the Heritage Council in carrying out its statutory functions by undertaking day-to-day operations, projects and service delivery (under delegation as required) including coordinating the assessment and registration of heritage places.

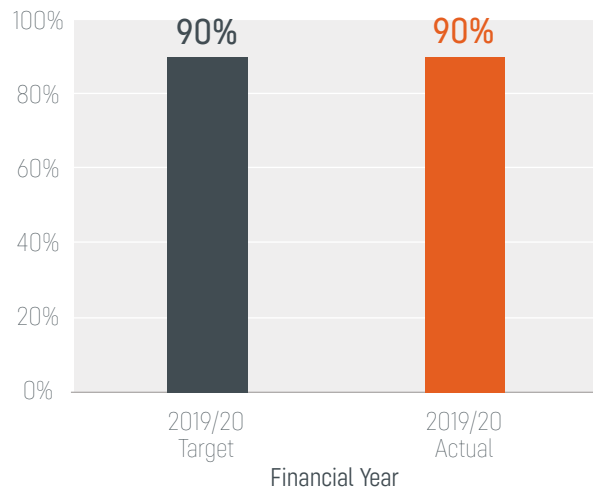
This new indicator demonstrates the Department's effectiveness in progressing a heritage nomination to a preliminary review in an agenda for the Heritage Council's Register Committee, where the committee can then determine whether or not the place warrants a full assessment towards potentially including the place in the State Register of Heritage Places. The State Register of Heritage Places is a statutory list of places that represent the story of Western Australia's history and development.

The timely progressing of nominated places to the Heritage Council for consideration for inclusion in the State Register helps ensure the recognition and conservation of cultural heritage places in Western Australia.

In 2019-20, 10 nominations were received, and nine nominated places were progressed to the Heritage Council for consideration within the set timeframe of 60 days.

As this is a new key performance indicator, a comparative against previous years is not provided.

Percentage of nominations progressed to preliminary review within set timeframes



## DPLH Services:

### Service 1: Planning services

#### Efficiency Indicator:

##### Average cost of planning services

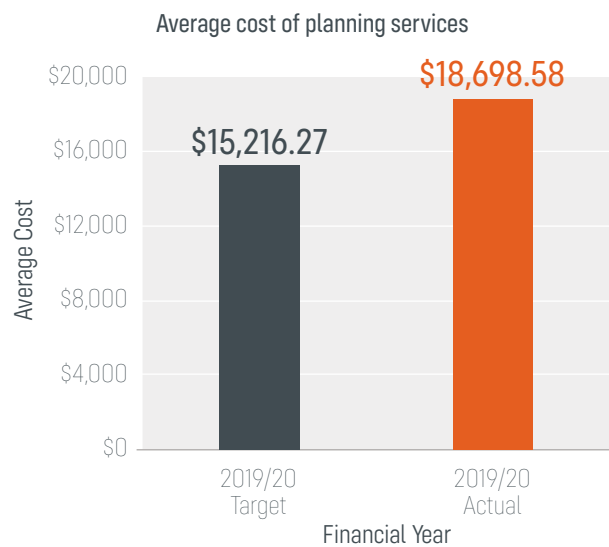
The Department's expenditure on planning services covers a wide range of activities that impact on the entire population of Western Australia. These include the:

- State Planning Strategy
- Regional Planning Strategies and Frameworks
- State Planning Policies
- Coordination of infrastructure priorities
- Processing and determination of statutory applications such as subdivision applications, deposited plans, development applications, local planning schemes, and local planning scheme amendments.

Statutory applications are determined within strategic, legislative and policy frameworks that support the sustainable development of well-planned communities in Western Australia.

This KPI measures the cost of planning services by the number of statutory applications processed and determined by the Department during the year.

As this is a new key performance indicator, a comparative against previous years is not provided.



#### Explanation for significant variance

The variance between the 2019-20 target and actual result was due mainly to the lower number of statutory applications received and processed during the financial year, which was 15.4 per cent less than anticipated.



## Service 2: Land administration services

### Efficiency Indicator:

#### Average cost per square kilometre to administer Crown land and Aboriginal Lands Trust estate

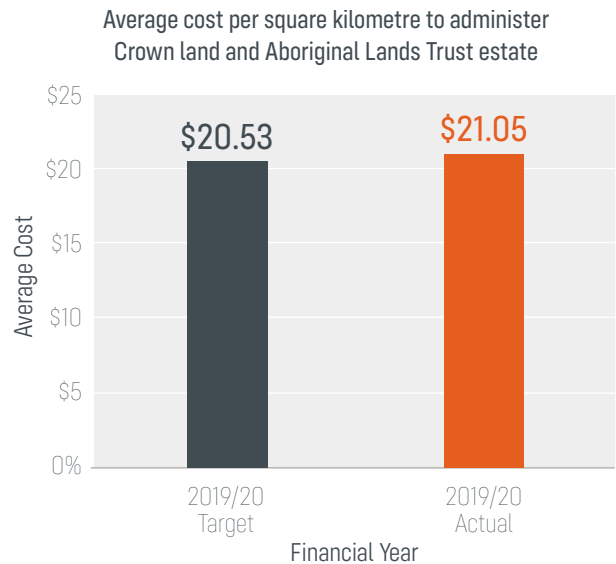
The Department has a responsibility to ensure that Crown land and the Aboriginal Lands Trust estate land is being utilised to its full potential and is managed effectively. The Department must also ensure that leases are compliant with lease terms and that regular rent reviews are being actioned according to lease conditions.

This KPI captures the total cost of services for the administration of Crown land and the Aboriginal land services, which includes the service delivery associated with the administration of the following tenure:

- Aboriginal lands
- Pastoral leases (non-Aboriginal)
- Other leases (non-Aboriginal)
- Managed reserves
- Unmanaged reserves
- Miscellaneous Crown land.

The total cost of service includes a corporate overhead allocation, policy development and advice, business process development, administration and delivery of major projects.

As this is a new key performance indicator, a comparative against previous years is not provided.



## Service 3: Historical heritage services

### Efficiency Indicator:

#### Average cost of historical heritage services

The Department assists the Heritage Council of Western Australia with various activities, including:

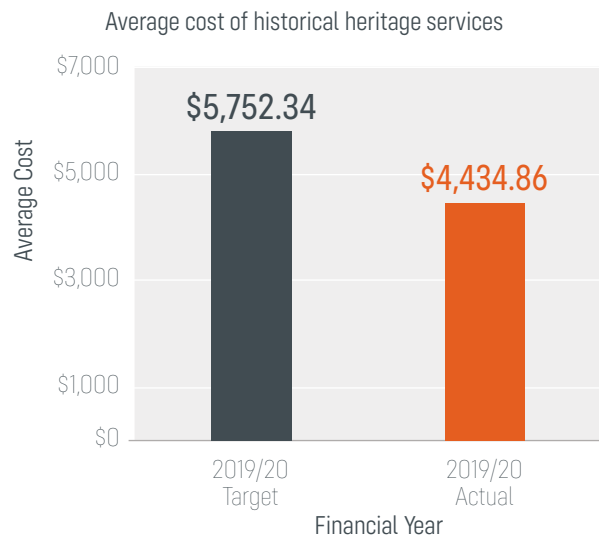
- Managing the State Register of Heritage Places
- Development and planning referrals
- Heritage agreements
- Feasibility and disposal strategy projects
- Preliminary reviews
- Assessments and registration activities
- Conservation/protection orders
- Events
- Grants and awards.

This KPI captures the total cost of service for the historical heritage services, excluding the costs allocated to services at Fremantle Prison and the heritage services delivered under the *Aboriginal Heritage Act 1972*. These services include:

- Promotion of a sustainable future for places under management through an integrated development framework
- Promotion of heritage success stories and engagement with the State's heritage through media, publications, tourism and interpretation.

The total cost of service includes a corporate overhead allocation, policy development and advice, business process development, administration and delivery of major projects.

As this is a new key performance indicator, a comparative against previous years is not provided.



### Explanation for significant variance

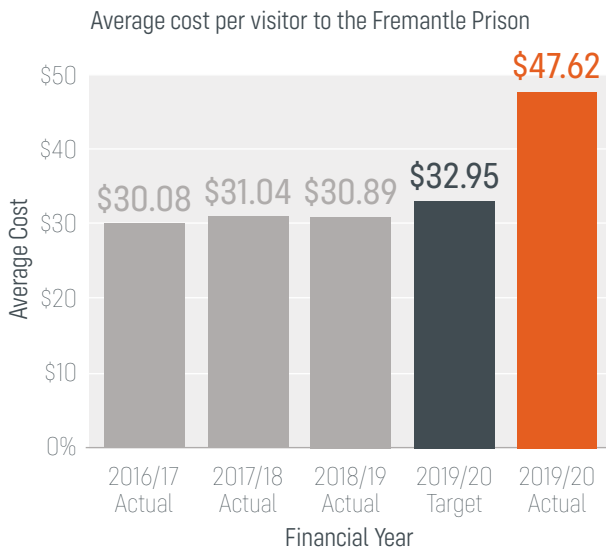
The variance between the 2019-20 target and actual result was due mainly to a higher number of historical heritage services provided during the financial year, which was 25.5 per cent greater than anticipated.

## Efficiency Indicator:

### Average cost per visitor to the Fremantle Prison

One of the key functions of the Department is to manage cultural heritage, assets and resources, and this includes Fremantle Prison. The Department ensures these places are conserved, appropriately managed, and that their full potential for compatible use and tourism is realised.

This efficiency indicator describes the average cost of administering the Fremantle Prison in relation to the visitors who benefit from these services.



## Explanation for significant variance

The variance between the 2019-20 target and actual result was due mainly to a significant reduction in visitor numbers resulting from the closure of Fremantle Prison from 23 March 2020 to 21 May 2020 as part of the State's COVID-19 pandemic response.

## Service 4: Aboriginal heritage management

### Efficiency Indicator:

#### Average cost of Aboriginal heritage management services

The Department is responsible for administering the *Aboriginal Heritage Act 1972*. The service outputs that are measured in this include:

- Statutory applications under sections 16 and 18 of the *Aboriginal Heritage Act 1972*, and regulation 10 of the *Aboriginal Heritage Regulations 1974*
- Site assessments and audits
- Provision of Aboriginal heritage advice
- Repatriation of Aboriginal objects/ancestral remains
- Events and workshops
- Grants.

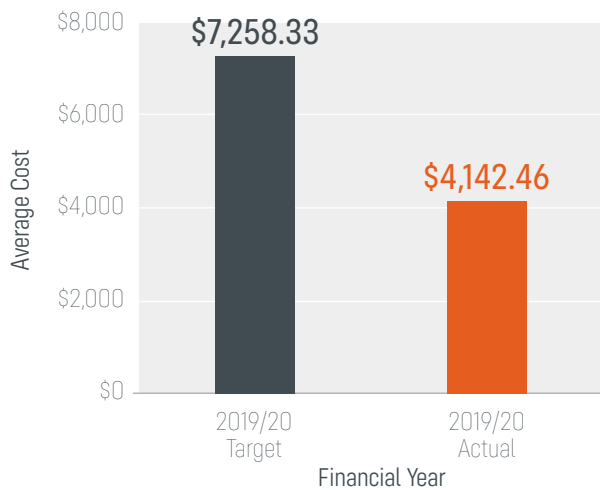
This KPI captures the total cost of services for the Aboriginal heritage management service, and excludes heritage services delivered under the *Heritage Act 2018*. These services include:

- Provision of support for the Aboriginal Cultural Material Committee
- Provision of advice on matters relating to Aboriginal heritage
- Processing of statutory approvals under the *Aboriginal Heritage Act 1972*
- Administration of the Register of Places and Objects.

The total cost of service includes a corporate overhead allocation, policy development and advice, business process development, administration and delivery of major projects.

As this is a new key performance indicator, a comparative against previous years is not provided.

Average cost of Aboriginal heritage management services



## Explanation for significant variance

The variance between the 2019-20 target and actual result was due mainly to:

- an 11 per cent reduction in the total cost of services resulting from the deferral of the South West Native Title Settlement
- a 51.9 per cent increase in the number of Aboriginal heritage management services provided during the financial year, which was significantly higher than anticipated.

