



Annual Report 2020-21

| Department of Planning, Lands and Heritage

Financials and Performance Indicators





Auditor General

INDEPENDENT AUDITOR'S OPINION 2021

Department of Planning, Lands and Heritage

To the Parliament of Western Australia

Report on the audit of the financial statements

Opinion

I have audited the financial statements of the Department of Planning, Lands and Heritage (Department) which comprise:

- the Statement of Financial Position at 30 June 2021, and 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
- 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 2021 and the financial position at the end of that period
- in accordance with Australian Accounting Standards, the *Financial Management Act 2006* and the Treasurer's Instructions.

Basis for opinion

I conducted my audit in accordance with the Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my report.

I am independent of the Department in accordance with the *Auditor General Act 2006* and the relevant ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (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.

Emphasis of Matter – Restatement of comparative balances

I draw attention to Note 9.5 to the financial statements which states that the amounts reported in the previously issued 30 June 2020 Annual Financial Report have been restated and disclosed as comparatives in this Annual Financial Report. My opinion is not modified in respect of this matter.

Responsibilities of the Director General for the financial statements

The Director General is responsible for:

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

In preparing the financial statements, the Director General is responsible for:

- assessing the entity's ability to continue as a going concern
- disclosing, as applicable, matters related to going concern
- using the going concern basis of accounting unless the Western Australian Government has made policy or funding decisions affecting the continued existence of the Department.

Auditor's responsibilities for the audit of the financial statements

As required by the *Auditor General Act 2006*, my responsibility is to express an opinion on the financial statements. The objectives of my audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

A further description of my responsibilities for the audit of the financial statements is located on the Auditing and Assurance Standards Board website. This description forms part of my auditor's report and can be found at https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf.

Report on the audit of controls

Opinion

I have undertaken a reasonable assurance engagement on the design and implementation of controls exercised by the Department of 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 2021.

The Director General's responsibilities

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

Auditor General's responsibilities

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

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

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

Limitations of controls

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

Report on the audit of the key performance indicators

Opinion

I have undertaken a reasonable assurance engagement on the key performance indicators of the Department of Planning, Lands and Heritage for the year ended 30 June 2021. 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 2021.

The Director General's responsibilities for the key performance indicators

The Director General is responsible for the preparation and fair presentation of the key performance indicators in accordance with the *Financial Management Act 2006* and the Treasurer's Instructions and for such internal 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 responsibilities

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

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

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

My independence and quality 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.

Other information

The Director General is responsible for the other information. The other information is the information in the entity's annual report for the year ended 30 June 2021, but not the financial statements, key performance indicators and my auditor's report.

My opinions do not cover the other information and, accordingly, I do not express any form of assurance conclusion thereon.

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

This auditor's report relates to the financial statements, controls and key performance indicators of the Department of Planning, Lands and Heritage for the year ended 30 June 2021 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, controls 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, controls or key performance indicators. If users of the financial statements, controls 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, controls and key performance indicators.



Caroline Spencer
Auditor General for Western Australia
Perth, Western Australia
1 October 2021

Certification of financial statements

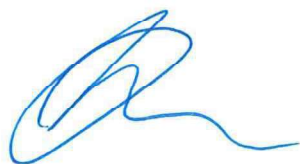
For the reporting period ended 30 June 2021

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 2021 and the financial position as at 30 June 2021.

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.



Jodi Cant
Director General
Department of Planning, Lands and Heritage
29 September 2021



Jeremy Kwong
A/Chief Finance Officer
Department of Planning, Lands and Heritage
29 September 2021

Statement of comprehensive income

For the year ended 30 June 2021

		2021	2020
		\$000	\$000
COST OF SERVICES	Notes		
Expenses			
Employee benefits expenses	2.1	95,411	92,650
Supplies and services	2.4	38,184	41,694
Depreciation and amortisation expense	4.1(a),4.2(a),4.3(a)	3,499	4,046
Finance costs	6.3	16	16
Accommodation expenses	2.4	8,133	10,999
Grants and subsidies	2.3	10,413	11,744
Cost of sales	3.3	54	112
Other expenses	2.4	23,784	16,315
Total cost of services		179,494	177,576
Income			
User charges and fees	3.2	3,119	2,786
Sales	3.3	1,521	2,851
Commonwealth grants and contributions	3.4	1,986	746
Grants and subsidies	3.5	-	1,700
Other income	3.6	3,647	3,888
Total Income		10,273	11,971
Loss on disposal of non-current assets	3.6	(6)	-
Total losses		(6)	-
Total income other than income from State Government		10,267	11,971
NET COST OF SERVICES		169,227	165,605
Income from State Government	3.1		
Service appropriation		114,960	90,443
Income received from other public sector entities		48,014	43,440
Services received free of charge		10,374	9,824
Royalties for Regions Fund		4,482	6,486
Total income from State Government		177,830	150,193
SURPLUS/(DEFICIT) FOR THE PERIOD		8,603	(15,412)
OTHER COMPREHENSIVE INCOME			
Items not reclassified subsequently to profit or loss			
Changes in asset revaluation surplus	8.8	3,412	197,412
Total other comprehensive income		3,412	197,412
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		12,015	182,000

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

Statement of financial position

As at 30 June 2021

	Notes	2021 \$000	2020 \$000
ASSETS			
Current Assets			
Cash and cash equivalents	6.1	53,361	41,918
Restricted cash and cash equivalents	6.1	2,991	4,365
Inventories	3.3	87	83
Receivables	5.1	8,568	6,105
Amounts receivable for services	5.2	-	562
Other current assets	5.3	3,870	2,035
Total Current Assets		68,877	55,068
Non-Current Assets			
Restricted cash and cash equivalents	6.1	1,627	1,255
Amounts receivable for services	5.2	41,554	36,176
Property, plant and equipment	4.1	337,916	333,601
Right-of-use assets	4.3	887	1,164
Intangible assets	4.2	4,939	6,376
Total Non-Current Assets		386,923	378,572
TOTAL ASSETS		455,799	433,640
LIABILITIES			
Current Liabilities			
Payables	5.4	3,041	3,129
Lease liabilities	6.2	156	319
Employee related provisions	2.2	19,921	17,793
Other current liabilities	5.5	1,454	589
Provisions	5.6	1,302	1,652
Total Current Liabilities		25,874	23,482
Non-Current Liabilities			
Lease liabilities	6.2	792	900
Employee related provisions	2.2	3,453	3,445
Total Non-Current Liabilities		4,245	4,345
TOTAL LIABILITIES		30,119	27,827
NET ASSETS		425,680	405,813
EQUITY			
Contributed equity	8.8	235,970	228,118
Reserves	8.8	201,120	197,708
Accumulated deficit		(11,410)	(20,013)
TOTAL EQUITY		425,680	405,813

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

Statement of changes in equity

For the year ended 30 June 2021

	Notes	Contributed Equity \$000	Reserves \$000	Accumulated deficit \$000	Total equity \$000
Balance at 1 July 2019		224,515	296	(5,221)	219,590
Changes in accounting policy		-	-	620	620
Restated balance at 1 July 2019		224,515	296	(4,601)	220,210
Deficit		-	-	(15,412)	(15,412)
Other comprehensive income	8.8	-	197,412	-	197,412
Total comprehensive income for the period		-	197,412	(15,412)	182,000
Transactions with owners in their capacity as owners:	8.8				
Capital appropriations		3,495	-	-	3,495
Contribution by owners		108	-	-	108
Distributions to owners		-	-	-	-
Total		3,603	-	-	3,603
Balance at 30 June 2020		228,118	197,708	(20,013)	405,813
Balance at 1 July 2020		228,118	197,708	(20,013)	405,813
Surplus/(Deficit)		-	-	8,603	8,603
Other comprehensive income	8.8	-	3,412	-	3,412
Total comprehensive income/(loss) for the period		-	3,412	8,603	12,015
Transactions with owners in their capacity as owners:	8.8				
Capital appropriations		7,852	-	-	7,852
Total		7,852	-	-	7,852
Balance at 30 June 2021		235,970	201,120	(11,410)	425,680

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 2021

	Notes	2021 \$000	2020 \$000
CASH FLOWS FROM STATE GOVERNMENT			
Service appropriation		109,582	84,736
Capital appropriations		7,852	3,495
Funds from other public sector entities		48,903	42,701
Holding account drawdown		562	562
Royalties for Regions Fund		4,482	6,486
Net cash provided by State Government		171,381	137,980
Utilised as follows:			
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Employee benefits		(92,791)	(90,925)
Supplies and services		(35,041)	(34,297)
Finance costs		(23)	(16)
Accommodation		(7,402)	(10,027)
Grants and subsidies		(10,336)	(11,663)
GST payments on purchases		(5,799)	(6,441)
GST payments to taxation authority		-	-
Other payments		(21,486)	(14,907)
Receipts			
Sales of goods and services		194	333
User charges and fees		3,987	5,571
Commonwealth grants and contributions		1,986	746
GST receipts on sales		895	1,055
GST receipts from taxation authority		4,865	6,069
Grants and subsidies		1	1,471
Other receipts		4,763	3,386
Net cash (used in) operating activities		(156,187)	(149,647)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments			
Purchase of non-current assets		(4,447)	(3,504)
Receipts			
Proceeds from sale of non-current assets		-	-
Net cash (used in) investing activities		(4,447)	(3,504)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments			
Lease repayments		(307)	(413)
Net cash (used in) financing activities		(307)	(413)
Net (decrease) in cash and cash equivalents		10,440	(15,584)
Cash and cash equivalents at the beginning of the period		47,538	63,122
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		57,979	47,538

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

Statement of consolidated account appropriations and income estimates

For the year ended 30 June 2021

	2021 Estimate \$000	2021 Actual \$000	Variance \$000	2021 Actual \$000	2020 Actual \$000	Variance \$000
<u>Delivery of Services</u>						
Item 86 Net amount appropriated to deliver services	114,730	114,559	(171)	114,559	90,044	24,515
Section 25 Transfer of service appropriation	-	-	-	-	-	-
Amount Authorised by Other Statutes						
- <i>Salaries and Allowances Act 1975</i>	401	401	-	401	399	2
Total appropriations provided to deliver services	115,131	114,960	(171)	114,960	90,443	24,517
<u>Capital</u>						
Item 146 Capital appropriations	9,891	7,852	(2,039)	7,852	3,495	4,357
GRAND TOTAL	125,022	122,812	(2,210)	122,812	93,938	28,874
<u>Details of Expenses by Service</u>						
Planning Services	97,512	92,814	(4,698)	92,814	97,228	(4,414)
Land Administration Services	78,595	63,144	(15,451)	63,144	58,475	4,669
Historical Heritage Services	14,525	14,420	(105)	14,420	13,410	1,010
Aboriginal Heritage Management	9,875	8,947	(928)	8,947	8,463	484
Total Cost of Services	200,507	179,325	(21,182)	179,325	177,576	1,749
Less Total Income	(54,709)	(58,287)	(3,578)	(58,287)	(55,810)	(2,477)
Net Cost of Services	145,798	121,038	(24,760)	121,038	121,766	(728)
Adjustments	(30,667)	(6,078)	24,589	(6,078)	(31,323)	25,245
Total appropriations provided to deliver services	115,131	114,960	(171)	114,960	90,443	24,517
<u>Capital Expenditure</u>						
Purchase of non-current assets	12,347	4,447	(7,900)	4,447	3,504	943
Drawdowns from the Holding Account	(562)	(562)	-	(562)	(562)	-
Adjustment for other funding sources	(2,303)	3,967	6,270	3,967	553	3,414
Capital appropriations	9,482	7,852	(1,630)	7,852	3,495	4,357

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 2021 and between the actual results for 2021 and 2020.

Notes to the financial statements

1. Basis of preparation

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

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

These annual financial statements were authorised for issue by the Director General of the Department on 29 September 2021.

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 AASs 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 Treasurer's 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	2021 \$000	2020 \$000
Employee benefits expenses	2.1	95,411	92,650
Employee related provisions	2.2	23,374	21,238
Grants and subsidies	2.3	10,413	11,744
Other expenditure	2.4	70,101	69,008

2.1 Employee benefits expense

Short-term employee benefits ^(a)	86,150	84,225
Termination benefits	845	271
Superannuation - defined contribution plans ^(b)	8,416	8,154
Total employee benefits expenses	95,411	92,650
Add: AASB 16 Non-monetary benefits	395	445
Less: Employee contributions	(93)	(108)
Net employee benefits	95,713	92,987

(a) 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.

(b) 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.

AASB 16 Non-monetary benefits: non-monetary employee benefits, that are employee benefits expenses, predominantly relate to the provision of Vehicle and Housing benefits are measured at the cost incurred by the Department.

Employee Contributions: this line item includes contributions made to the Department by employees towards employee benefits that have been provided by the Department. This includes both AASB-16 and non-AASB 16 employee contributions.

2.2 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.

	2021	2020
	\$000	\$000
Current		
<u>Employee benefits provisions</u>		
Annual leave ^(a)	8,741	7,592
Long service leave ^(b)	9,316	8,414
Deferred salary scheme ^(c)	39	168
	18,096	16,174
<u>Other provisions</u>		
Employment on-costs ^(d)	1,825	1,619
Total current employee related provisions	19,921	17,793
Non-current		
<u>Employee benefits provisions</u>		
Long service leave ^(b)	3,139	3,132
<u>Other provisions</u>		
Employment on-costs ^(d)	314	313
Total non-current employee related provisions	3,453	3,445
Total employee related provisions	23,374	21,238

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

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

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.

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

Therefore, the model characterises annual leave as 'other long-term employee benefits', recognising and measuring the liability for employee benefits at present value.

Where annual leave is expected to be settled wholly within 12 months after the end of the reporting period, the liability may be recognised and measured at nominal amounts.

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

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

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.

^(c) **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.

^(d) **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'.

	2021	2020
	\$000	\$000
<u>Employment on-costs provision</u>		
Carrying amount at start of period	1,932	1,807
Additional/(reversals of) provisions recognised	207	125
Carrying amount at end of period	2,139	1,932

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

	2021	2020
	\$000	\$000
Recurrent		
Government agencies	7,640	9,123
Local Government	400	681
Community grants	527	256
Non-government organisations	1,280	1,323
Other	566	361
	10,413	11,744

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

	2021	2020
	\$000	\$000
Supplies and Services		
Advertising and public relations	554	546
Minor equipment purchases	155	444
Leases and hire charges	86	211
Travel and passenger transport	437	546
Communications	782	1,282
Consultants and contractors	31,912	34,241
Insurance	892	796
Utilities expenses	1,187	1,381
Supplies and services - other	2,179	2,247
Total supplies and services expenses	38,184	41,694
Accommodation expenses		
Rentals ^(a)	7,851	10,769
Repairs and maintenance	22	10
Cleaning	260	220
Total accommodation expenses	8,133	10,999
Other expenses		
Compensation Payments - Native Title	10,681	2,982
Repairs and maintenance	11,397	10,100
Other employee expenses	478	824
Expected credit losses expense	-	24
Write-off other assets	16	89
Revaluation decrement	816	1,127
Payment to Consolidated Fund	-	729
Other	396	440
Total other expenses	23,784	16,315
Total other expenditure	70,101	69,008

^(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.

Rental expenses include:

- 1) Short-term leases with a lease term of 12 months or less;
- 2) Low-value leases with an underlying value of \$5,000 or less; and
- 3) Variable lease payments, recognised in the period in which the event or condition that triggers those payments occurs.

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.

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

Employee on-cost includes workers' compensation insurance and other employment on-costs. The on-costs liability associated with the recognition of annual and long service leave liabilities is included at Note 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	2021 \$000	2020 \$000
Income from State Government	3.1	177,830	150,193
User charges and fees	3.2	3,119	2,786
Trading profit	3.3	1,521	2,851
Commonwealth grants and contributions	3.4	1,986	746
Grants and subsidies	3.5	-	1,700
Other Revenue	3.6	3,641	3,888

3.1 Income from State Government

Appropriation received during the period:

Service appropriation ^(a)	114,960	90,443
	114,960	90,443

Services received free of charge from other State government agencies during the period^(b):

Landgate - land data and aerial imagery	6,721	5,822
State Solicitor's Office - legal services	2,298	1,866
Department of Finance - accommodation services	727	1,036
Department of Transport - technical reviews	100	100
Department of Health - review and plan assessments	327	323
Main Roads WA - planning and technical services	175	168
Department of Communities - Essential and Municipal Services Upgrade Program	-	162
Department of Primary Industries and Regional Development - spatial data	17	12
Department of Water and Environmental Regulation - grand water data	9	335
Total services received	10,374	9,824

Royalties for Regions Fund:

Regional Community Services Account ^(c)	4,482	6,486
Total Royalties for Regions Fund	4,482	6,486

Income received from other public sector entities:

Recoupable expense and fees for services rendered ^(d)	48,014	43,440
Total income received from other public sector entities	48,014	43,440
Total income from State Government	177,830	150,193

(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.

(d) 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.

3.2 User charges and fees	2021	2020
	\$000	\$000
Fees	2,956	2,716
User charges	163	70
	3,119	2,786

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 applications and Crown licence option fees. The performance obligations for these user fees and charges are satisfied when services have been provided.

3.3 Trading profit

Sales	1,521	2,851
Cost of Sales:		
Opening Inventory	83	68
Purchases	58	127
	141	195
Closing Inventory	87	83
Cost of Goods Sold	54	112
Trading Profit	1,467	2,739

Closing Inventory comprises:

Current Inventories

Finished goods

At cost

87	83
----	----

Total current inventories

87	83
-----------	-----------

Total Inventories

87	83
-----------	-----------

Sales

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 ^(a)	294	696
- Department of Industry, Science, Energy and Resources ^(b)	135	50
- Department of Agriculture, Water and Environment ^(c)	1,557	-
	1,986	746

^(a) Land use planning services and crown land administration for the Cocos Keeling Islands.

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

^(c) The grant is for works at the Fremantle Prison.

3.5 Grants and subsidies

Recurrent grants - other government agencies

	2021 \$000	2020 \$000
- Geraldton Alternative Settlement Area (GASA) project ^(a)	-	229
- Fremantle Prison Conservation Works ^(b)	-	1,221
- Other	-	250
	-	1,700

(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) Conservation works at 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.

3.6 Other revenue

	2021 \$000	2020 \$000
Pastoral land rent ^(a)	2,806	2,978
Other ^(b)	841	910
	3,647	3,888
<u>Net proceeds from disposal of non-current assets</u>		
Plant, equipment and vehicles	-	-
<u>Carrying amount of non-current assets disposed</u>		
Plant, equipment and vehicles	(6)	-
Net gain/(loss)	(6)	-

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).

(a) Pastoral land rental rates are set by the Valuer General's Office and are reviewed every 5 years in line with the requirements of the *Land Administration Act 1997*

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

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	2021 \$000	2020 \$000
Property, plant and equipment	4.1	337,916	333,601
Intangibles	4.2	4,939	6,376
Right-of-use assets	4.3	887	1,164
Total key assets		343,742	341,141

4.1 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 2021	Land \$000	Buildings \$000	Computer and Office equipment \$000	Furniture and Fittings \$000	Work in Progress \$000	Total \$000
At 30 June 2020						
Open net book amount	306,000	23,459	1,886	156	2,100	333,601
Adjustment for change in accounting policy	-	-	-	-	-	-
Restated opening net book amount	306,000	23,459	1,886	156	2,100	333,601
1 July 2020						
Gross carrying amount	306,000	23,459	3,966	267	2,100	335,792
Accumulated depreciation	-	-	(2,080)	(111)	-	(2,191)
Carrying amount at start of period	306,000	23,459	1,886	156	2,100	333,601
Additions	1,377	73	5	-	1,538	2,994
Other disposals	-	-	(3)	-	-	(3)
Transfer from work in progress	-	-	22	-	(22)	-
Revaluation increments/(decrements)	3,412	(816)	-	-	-	2,596
Depreciation	-	(242)	(995)	(37)	-	(1,274)
Carrying amount at 30 June 2021	310,789	22,475	917	119	3,616	337,916
30 June 2021						
Gross carrying amount	310,789	22,475	3,992	267	3,616	341,139
Accumulated depreciation	-	-	(3,075)	(148)	-	(3,223)

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 2020 by Landgate (Valuations and Property Analytics). The valuations were performed during the year ended 30 June 2021 and recognised at 30 June 2021.

In undertaking the revaluation, fair value of land was determined by reference to market values: \$260,590,000 (2020: \$256,625,600). 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).

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.

4.1 (a) Depreciation and impairment

Charge for the period

Depreciation

	2021 \$000	2020 \$000
Buildings	242	256
Computer equipment	995	1,085
Furniture and Fittings	37	37
Total depreciation for the period	1,274	1,378

As at 30 June 2021, there were no indications of impairment to property, plant and equipment.

All surplus assets at 30 June 2021 have either been classified as assets held for sale or 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 Department, 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.

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 exception to this rule includes 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 ^(a)	2 to 5 years
Computer Hardwares	3 to 5 years
Office and Other equipment	5 to 10 years
Furniture and Fittings	6 to 10 years

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

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

4.2 Intangible assets

Year ended 30 June 2021	Computer Software \$000	Work in Progress \$000	Total \$000
1 July 2020			
Gross carrying amount	14,648	908	15,556
Accumulated amortisation	(9,180)	-	(9,180)
Carrying amount at start of period	5,468	908	6,376
Additions	-	407	407
Transfer from work in progress	162	(162)	-
Disposal	-	-	-
Amortisation expense	(1,846)	-	(1,846)
Carrying amount at 30 June 2021	3,784	1,154	4,939
30 June 2021			
Gross carrying amount	14,810	1,154	15,965
Accumulated amortisation	(11,026)	-	(11,026)

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

	2021 \$000	2020 \$000
Charge for the period		
Computer software	1,846	2,239
	1,846	2,239

As at 30 June 2021, 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 ^(a)	2 to 5 years

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

Impairment of intangible assets

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

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

4.3 Right-of-use assets

	2021	2020
	\$000	\$000
Right-of-use assets		
Buildings	504	711
Vehicles	383	453
	887	1,164

Additions to right-of-use assets during the 2021 financial year were \$111,410 26.

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 (a)

4.3 (a) Depreciation charge of right-of-use assets

Right-of-use assets

Buildings	162	152
Vehicles	217	277
Total right-of-use asset depreciation	379	429
Lease interest expense (included in Finance cost)	16	16
Expenses relating to variable lease payments not included in lease liabilities (included in administrative expenses)	-	-
Short-term leases (included in Other Expenditure)	-	-
Low-value leases (included in Other Expenditure)	-	-

The total cash outflow for leases in 2021 was \$363,000

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.

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	2021 \$000	2020 \$000
Receivables	5.1	8,568	6,105
Amounts receivable for services	5.2	41,554	36,738
Other current assets	5.3	3,870	2,035
Payables	5.4	3,041	3,129
Other liabilities	5.5	1,454	589
Provisions	5.6	1,302	1,652

5.1 Receivables

Current

Trade receivables		7,944	5,516
Allowance for impairment of receivables		(105)	(108)
GST receivable		721	683
		8,560	6,091

Loans and advances:

Other debtors		8	14
		8	14

Total current

		8,568	6,105
--	--	--------------	--------------

Total receivables

		8,568	6,105
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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 \$4.50M (2020: \$5.39M) 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
Non-current		41,554	36,176
Balance at end of period		41,554	36,738

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		2,791	2,035
Accrued Income		4	-
Unsettled land and building purchases		1,075	-
Total current		3,870	2,035

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

	2021	2020
	\$000	\$000
Current		
Trade payables	53	63
Accrued expenses	1,528	1,958
Accrued salaries	1,460	1,108
Total current	3,041	3,129
Balance at end of period	3,041	3,129

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.

5.5 Other liabilities

Current		
Unearned Revenue ^(a)	44	524
Other current liabilities ^(b)	565	65
Receipts on Account ^(c)	845	-
Total current	1,454	589
Balance at end of period	1,454	589

^(a) Unearned revenue includes rental income received in advance.

^(b) Other current liabilities includes Pastoral lease rental accrual.

^(c) Receipts on Account includes deposits received in advance.

5.6 Provisions

Current		
Compensation payments	1,302	1,652
Balance at end of period	1,302	1,652

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	2021 \$000	2020 \$000
Cash and cash equivalents	6.1	57,979	47,538
Leases	6.2	948	1,219
Finance costs	6.3	16	16

6.1 Cash and cash equivalents

Cash and cash equivalents	53,361	41,918
Restricted cash and cash equivalents:		
- Indian Ocean Territories Service Level Agreement	566	606
- Kalumburu Roads	227	227
- Remote Indigenous Housing West Kimberley Tripartite Forum	150	150
- Royalties for Regions Fund	-	1,334
- Royalties for Regions - Northern Planning Program	431	431
- Wittenoom Relocation Trust Account	1,617	1,617
- Accrued salaries suspense account ^(a)	1,627	1,255
	4,618	5,620
Balance at end of period	57,979	47,538

^(a) Funds held in the suspense account for the purpose of meeting the 27th pay in a reporting period that occurs every 11th year. This account 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	156	319
Non-current	792	900
	948	1,219

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 Agency uses the incremental borrowing rate provided by Western Australia Treasury Corporation.

Lease payments included by the Agency 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 agency 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	16
Finance costs expensed	16	16

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

7 Financial instruments and contingencies

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

	Notes	2021 \$000	2020 \$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	53,361	41,918
Restricted cash and cash equivalents	4,618	5,620
Financial assets at amortised cost ^(a)	49,400	42,160
Total financial assets	107,379	89,698

Financial liabilities

Financial liabilities at amortised cost ^(b)	3,041	3,129
Total financial liability	3,041	3,129

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

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

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	0	120
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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	39,400	39,623
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8 Other disclosures

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

	Notes
Events occurring after the end of the reporting period	8.1
Key management personnel	8.2
Related party transactions	8.3
Related bodies	8.4
Affiliated bodies	8.5
Special purpose accounts	8.6
Remuneration of auditors	8.7
Equity	8.8
Supplementary financial information	8.9
Initial application of accounting standards	8.10
Explanatory statement	8.11

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 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 (\$)				2021	2020
390,001	to	400,000		1	-
350,001	to	360,000		-	1
230,001	to	240,000		2	2
220,001	to	230,000		2	-
210,001	to	220,000		1	3
200,001	to	210,000		-	2
190,001	to	200,000		-	-
180,001	to	190,000		-	2
170,001	to	180,000		1	1
160,001	to	170,000		-	-
150,001	to	160,000		-	-
140,001	to	150,000		-	1
110,001	to	120,000		-	1
80,001	to	90,000		1	-
60,001	to	70,000		-	-
50,001	to	60,000		-	-
				8	13
				2021	2020
				\$000	\$000
Total compensation of senior officers				1,781	2,684

The Department includes Corpex members only in the key management personnel reporting in FY 2020-21. The senior officers (Director General, Assistant Director General and Executive Directors) were included in the reporting in FY 2019-20.

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

8.3 Related party transactions

The Department is a wholly owned public sector entity that is controlled by 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.

8.4 Related bodies

The Department had no related bodies during the financial year 2020-21 and 2019-20.

8.5 Affiliated bodies

The Department had no affiliated bodies during the financial year 2020-21 and 2019-20.

8.6 Special purpose accounts

Wittenoom Relocation Trust Account^(a)

The purpose of this account is to hold funds for the purpose of purchasing property in the Wittenoom town site, relocating residents, demolition and disposal of acquired property.

	2021 \$000	2020 \$000
Balance at start of period	1,617	2,560
Payments	-	(943)
Balance at end of period	1,617	1,617

Anketell Trust Account^(b)

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

Balance at start of period	-	87
Receipts	-	-
Payments	-	(87)
Balance at end of period	-	-

Indian Ocean Territories Service Level Agreement^(c)

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

Balance at start of period	606	206
Receipts	294	696
Payments	(335)	(296)
Balance at end of period	565	606

^(a) Established under section 16(1)(d) of FMA.

^(b) Established under section 16(1)(c) of FMA.

^(c) Commonwealth Service Level Agreement

8.7 Remuneration of auditors

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

Auditing the accounts, financial statements, controls and key performance indicators	352	355
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8.8 Equity

Contributed equity

Balance at start of period	228,118	224,515
<i>Contributions by owners</i>		
Capital appropriation	7,852	3,495
<i>Other contributions by owners</i>	-	108
Total contributions by owners	7,852	3,603
Balance at end of period	235,970	228,118

Asset revaluation surplus

Balance at start of period	197,708	296
Net revaluation increments / (decrements)		
Land	3,412	197,545
Buildings	-	(133)
Balance at end of period	201,120	197,708

8.9 Supplementary financial information

(a) Write-offs

During the financial year, \$422,000 (2020: \$184,000) was written off the Department's books under the authority of:

The accountable authority	30	184
The Minister	392	-
	422	184

(b) Losses through theft, defaults and other causes

During 2020-21 and 2019-20 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 2020-21 and 2019-20.

8.10 Initial application of accounting standards

AASB 1059 Service Concession Arrangements: Grantors

AASB 1059 Service Concession Arrangements: Grantors came into effect for annual reporting periods beginning on or after 1 January 2020.

This Standard addresses the accounting for a service concession arrangement (a type of public private partnership) by a grantor that is a public-sector agency by prescribing the accounting for the arrangement from the grantor's perspective. Timing and measurement for the recognition of a specific asset class occurs on commencement of the arrangement and the accounting for associated liabilities is determined by whether the grantee is paid by the grantor or users of the public service provided.

The Department has not identified any public private partnerships within scope of the Standard and there is no impact on the financial statements.

8.11 Explanatory statement (Controlled Operations)

All variances between annual estimates (original budget) and actual results for 2021, and between the actual results for 2021 and 2020 are shown below. Narratives are provided for key major variances which are greater than 10% and 1% prior year of Total Cost of Services for the Statements of Comprehensive Income and Statement of Cash Flows, and are greater than 10% and 1% prior year of Total Assets for 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 2021 and 2020
Note	2021	2021	2020			
	\$000	\$000	\$000	\$000	\$000	\$000
Expenses						
Employee benefits expense		97,407	95,411	92,650	(1,996)	2,761
Supplies and services	1	53,623	38,184	41,694	(15,439)	(3,510)
Depreciation and amortisation expense		4,923	3,499	4,046	(1,424)	(547)
Finance costs		45	16	16	(29)	-
Accommodation expenses	2, A	10,242	8,133	10,999	(2,109)	(2,866)
Grants and subsidies	3	14,440	10,413	11,744	(4,027)	(1,331)
Cost of sales		-	54	112	54	(58)
Other expenses	4, B	19,827	23,784	16,315	3,957	7,469
Total cost of services		200,507	179,494	177,576	(21,013)	1,918
Income						
User charges and fees		2,665	3,119	2,786	454	333
Sales		1,055	1,521	2,851	466	(1,330)
Commonwealth grants and contributions	5	-	1,986	746	1,986	1,240
Grants and subsidies		300	-	1,700	(300)	(1,700)
Other income		4,949	3,647	3,888	(1,302)	(241)
Total Income		8,969	10,273	11,971	1,304	(1,698)
Gains						
Gain on disposal of non-current assets		-	(6)	-	(6)	(6)
Total gains		-	(6)	-	(6)	(6)
Total income other than income from State Government		8,969	10,267	11,971	1,298	(1,704)
NET COST OF SERVICES		191,538	169,227	165,605	(22,311)	3,622
Income from State Government						
Service appropriation	C	115,131	114,960	90,443	(171)	24,517
Income received from other public sector entities	D	45,740	48,014	43,440	2,274	4,574
Services received free of charge		11,245	10,374	9,824	(871)	550
Royalties for Regions Fund	E	4,789	4,482	6,486	(307)	(2,004)
Total income from State Government		176,905	177,830	150,193	925	27,637
SURPLUS/(DEFICIT) FOR THE PERIOD		(14,633)	8,603	(15,412)	23,236	24,015
OTHER COMPREHENSIVE INCOME						
Items not reclassified subsequently to profit or loss						
Changes in asset revaluation surplus			3,412	197,412	3,412	(194,000)
Total other comprehensive income		-	3,412	197,412	3,412	(194,000)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		(14,633)	12,015	182,000	26,648	(169,985)

Major Estimate and Actual (2021) Variance Narratives

- 1 Supplies and services expenses are lower than budget estimate by \$15.4 million (29%) mainly due to the deferral of expenditure for various projects. Delays have been a result of unavoidable factors including COVID-19 restrictions.
- 2 Accommodation expenses are lower than budget estimate by \$2.1 million (21%) mainly due to a reduction in office accommodation space requirements following the Department's transition to Activity Based Working (ABW) arrangements.
- 3 Grants and subsidies expenses are lower than budget estimate by \$4.0 million (28%) mainly due to the deferral of expenditure relating to the Wittenoom Townsite Closure (\$1.3 million) and the reclassification of the Anketell Indigenous Land Use Agreement (\$1.8 million) payment from grants expenditure to other expenses.
- 4 Other expenses are higher than budget estimate by \$4.0 million (20%) mainly due to an increase in various payments including Native Title compensation costs and the revaluation decrement of the Department's building assets.
- 5 Commonwealth grants and contributions are higher than budget estimate by \$2.0 million (100%) due to the once off receipt of funding for conservation works at the Fremantle Prison.

Major Actual (2021) and Comparative (2020) Variance Narratives

- A Accommodation expenses have decreased by \$2.9 million (26%) 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 \$7.5 million (46%) mainly due to an increase in Native Title compensation payments.
- C Service appropriation income has increased by \$24.5 million (27%) mainly due to additional funding received for Native Title compensation payments and additional expenditure associated with WA Recovery Plan projects.
- D Income received from other public sector entities has increased by \$4.6 million (11%) mainly due to an increase in WAPC Service Delivery Agreement income associated with increased statutory planning revenue following the Australian Government's HomeBuilder grant and the State's Building Bonus.
- E Royalties for Regions Fund income has decreased by \$2.0 million (31%) mainly due to a decreased program of works for the mitigation of extreme bushfire risks on Crown land from 2019-20 to 2020-21.

8.11.2 Statement of Financial Position Variances

Variance	Estimate	Actual	Actual	Variance between estimate and actual	Variance between actual results for 2021 and 2020
Note	2021 \$000	2021 \$000	2020 \$000	\$000	\$000
ASSETS					
Current Assets					
Cash and cash equivalents	26,669	53,361	41,918	26,692	11,443
Restricted cash and cash equivalents	3,032	2,991	4,365	(41)	(1,374)
Inventories	-	87	83	87	4
Receivables	6,113	8,568	6,105	2,455	2,463
Amounts receivable for services	562	-	562	(562)	(562)
Other current assets	2,118	3,870	2,035	1,752	1,835
Total Current Assets	38,494	68,877	55,068	30,383	13,809
Non-Current Assets					
Restricted cash and cash equivalents	1,500	1,627	1,255	127	372
Amounts receivable for services	41,032	41,554	36,176	522	5,378
Property, plant and equipment	340,172	337,916	333,601	(2,256)	4,315
Intangible assets	5,798	4,939	6,376	(859)	(1,437)
Right-of-use assets	-	887	1,164	887	(277)
Total Non-Current Assets	388,502	386,923	378,572	(1,579)	8,351
TOTAL ASSETS	426,996	455,799	433,640	28,803	22,159
LIABILITIES					
Current Liabilities					
Payables	69	3,041	3,129	2,972	(88)
Lease liabilities	-	156	319	156	(164)
Employee related provisions	19,264	19,921	17,793	657	2,128
Other current liabilities	4,755	1,454	589	(3,301)	865
Provisions	-	1,302	1,652	1,302	(350)
Total Current Liabilities	24,088	25,874	23,482	1,786	2,391
Non-Current Liabilities					
Lease liabilities	1,057	792	900	(265)	(107)
Employee related provisions	3,940	3,453	3,445	(487)	8
Total Non-Current Liabilities	4,997	4,245	4,345	(752)	(99)
TOTAL LIABILITIES	29,085	30,119	27,827	1,034	2,292
NET ASSETS	397,911	425,680	405,813	27,769	19,867
EQUITY					
Contributed equity	234,847	235,970	228,118	1,123	7,852
Reserves	197,707	201,120	197,708	3,413	3,412
Accumulated surplus/(deficit)	(34,643)	(11,410)	(20,013)	23,233	8,603
TOTAL EQUITY	397,911	425,680	405,813	27,769	19,867

Major Estimate and Actual (2021) Variance Narratives

No major variances

Major Actual (2021) and Comparative (2020) Variance Narratives

No major variances

8.11.3 Statement of Cash Flows Variances

Variance	Estimate	Actual	Actual	Variance between estimate and actual 2021	Variance between actual results for 2021 and 2020	
Note	2021	2021	2020			
	\$000	\$000	\$000	\$000	\$000	
CASH FLOWS FROM STATE GOVERNMENT						
Service appropriation	F	109,713	109,582	84,736	(131)	24,846
Capital appropriations	6, G	9,891	7,852	3,495	(2,039)	4,357
Funds from other public sector entities	H	45,740	48,903	42,701	3,163	6,202
Holding account drawdown		562	562	562	-	-
Royalties for Regions Fund	I	4,789	4,482	6,486	(307)	(2,004)
Net cash provided by State Government		170,695	171,381	137,980	686	33,401
CASH FLOWS FROM OPERATING ACTIVITIES						
Payments						
Employee benefits		(96,379)	(92,791)	(90,925)	3,588	(1,866)
Supplies and services	7	(42,959)	(35,041)	(34,299)	7,918	(742)
Finance costs		(45)	(23)	(16)	22	(7)
Accommodation	8, J	(9,644)	(7,402)	(10,027)	2,242	2,625
Grants and subsidies	9	(14,440)	(10,336)	(11,663)	4,104	1,327
GST payments on purchases		(6,240)	(5,799)	(6,441)	441	642
GST payments to taxation authority		-	-	-	-	-
Other payments	K	(19,779)	(21,486)	(14,907)	(1,707)	(6,579)
Receipts						
Sales of goods and services		1,908	194	333	(1,714)	(139)
User charges and fees		2,665	3,987	5,571	1,322	(1,584)
Commonwealth grants and contributions	10	-	1,986	746	1,986	1,240
GST receipts on sales		1,994	895	1,055	(1,099)	(160)
GST receipts from taxation authority		4,239	4,865	6,069	626	(1,204)
Grants and subsidies		300	1	1,471	(299)	(1,470)
Other receipts		4,104	4,763	3,386	659	1,377
Net cash provided by / (used in) operating activities		(174,276)	(156,187)	(149,647)	18,090	(6,540)
CASH FLOWS FROM INVESTING ACTIVITIES						
Payments						
Purchase of non-current assets	11	(12,347)	(4,447)	(3,504)	7,900	(943)
Receipts						
Proceeds from sale of non-current assets		-	-	-	-	-
Net cash provided by / (used in) investing activities		(12,347)	(4,447)	(3,504)	7,900	(943)
CASH FLOWS FROM FINANCING ACTIVITIES						
Payments						
Repayment of borrowings and leases		(409)	(307)	(413)	102	106
Net cash provided by / (used in) financing activities		(409)	(307)	(413)	102	106
Net increase/(decrease) in cash and cash equivalents		(16,337)	10,440	(15,584)	26,777	26,023
Cash and cash equivalents at the beginning of the period		47,538	47,538	63,122	0	(15,584)
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		31,201	57,979	47,538	26,777	10,440

Major Estimate and Actual (2021) Variance Narratives

6 Capital appropriations are lower than budget estimate by \$2.0 million (21%) mainly due to deferral of capital works projects to 2021-22.

7 Supplies and services expenses are lower than budget estimate by \$7.9 million (18%) mainly due to the deferral of expenditure for various projects. Delays have been a result of unavoidable factors including COVID-19 restrictions.

8 Accommodation expenses are lower than budget estimate by \$2.2 million (23%) mainly due to a reduction in office accommodation space requirements following the Department's transition to Activity Based Working (ABW) arrangements.

9 Grants and subsidies expenses are lower than budget estimate by \$4.1 million (28%) mainly due to the deferral of expenditure relating to the Wittenoom Townsite Closure (\$1.3 million) and the reclassification of the Anketell Indigenous Land Use Agreement (\$1.8 million) payment from grants expenditure to other expenses.

10 Commonwealth grants and contributions are higher than budget estimate by \$2.0 million (100%) due to the once off receipt of funding for conservation works at the Fremantle Prison.

11 Purchase of non-current assets are lower than budget estimate by \$7.9 million (64%) mainly due to deferral of capital works projects to 2021-22

Major Actual (2021) and Comparative (2020) Variance Narratives

F Service appropriation income has increased by \$24.8 million (29%) mainly due to additional funding received for Native Title compensation payments and additional expenditure associated with WA Recovery Plan projects.

G Capital appropriations have increased by \$4.4 million (125%) mainly due to carryover of project works from 2019-20.

H Funds from other public sector entities has increased by \$6.2 million (15%) due to an increase in funding paid from the Western Australian Planning Commission for the assessment and administration of statutory planning applications. The volume of statutory planning applications and associated fees increased during the year as a result of COVID-19 stimulus initiatives including the Australian Government's HomeBuilder grant and the State's Building Bonus.

I Royalties for Regions Fund income has decreased by \$2.0 million (31%) mainly due to a decreased program of works for the mitigation of extreme bushfire risks on Crown land from 2019-20 to 2020-21.

J Accommodation expenses have decreased by \$2.6 million (26%) mainly due to a reduction in office accommodation requirements following the Department's transition to Activity Based Working arrangements.

K Other payments have increased by \$6.6 million (44%) mainly due to an increase in Native Title compensation payments.

9 Administered disclosures

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

	2021	2020
		(Restated)*
Notes	\$000	\$000
Administered income and expenses	9.1	
Explanatory statement for administered items	9.2	
Administered assets and liabilities	9.3	
Contingent liabilities	9.4	
Restatement of prior period comparatives due to error	9.5	

9.1 Disclosure of administered income and expenses

Income

For transfer:

Sale of land ^(b)	19,664	8,599
Rent revenue	19,136	20,360
Land transfers ^(a)	-	4,294
Reserve transfers ^(d)	134,444	113,581
Other revenue	10,138	2,234
Total administered income	183,382	149,068

Expenses

Employee expenses	716	437
Revaluation decrement	24,984	3,906
Depreciation	3,558	3,658
Cost of goods sold ^(b)	80,451	38,781
Payments to Consolidated Account ^(c)	41,468	31,482
Reserve transfers ^(d)	98,522	277,710
Other expenses	30,581	1,947
Total administered expenses	280,281	357,923

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

Department of Training and Workforce Development	-	1,080
Department of Health	-	567
Western Australian Police	-	752
WA Football Commission	-	1,270
Other	-	625
	-	4,294

^(b) Sale of administered Crown land and buildings is reported as a net loss on disposal of fixed assets as outlined below:

Proceeds from disposal of land	19,664	8,599
Cost of disposal of land (at fair value less cost to sell)	(79,131)	(38,781)
Cost of disposal of buildings	(1,320)	-
Net loss	(60,787)	(30,183)

^(c) This reflects Crown land lease and sale proceeds that were transferred to the State Government Consolidated Accounts during the year.

^(d) Transfer of reserves from/to government, local government and corporations under management orders.

* 2020 comparative balances have been restated for prior year corrections. See note 9.5.

9.2 Explanatory Statement for Administered Items

All variances between annual estimates and actual results for 2021, and between the actual results for 2021 and 2020 are shown below. Narratives are provided for key major variances, which are greater than 10% and 1% of prior year Total Administered Income.

	Variance	Estimate	Actual	Actual (Restated)	Variance between estimate and actual	Variance between actual results for 2021 and 2020
	Note	2021 \$000	2021 \$000	2020 \$000	\$000	\$000
<u>Income</u>						
For transfer:						
Sale of land	1, A	31,275	19,664	8,599	(11,611)	11,065
Rent revenue	2	16,891	19,136	20,360	2,245	(1,224)
Land transfers	B	-	-	4,294	-	(4,294)
Reserve transfers	3, C	10,644	134,444	113,581	123,800	20,863
Other revenue	D	10,332	10,138	2,234	(194)	7,904
Total administered income		69,142	183,382	149,068	114,240	34,314
<u>Expenses</u>						
Employee expenses		965	716	437	(249)	279
Supplies and services		1,152	-	-	(1,152)	-
Revaluation decrement	4, E	-	24,984	3,906	24,984	21,078
Depreciation	5	1,567	3,558	3,658	1,991	(100)
Cost of goods sold	6, F	2,900	80,451	38,781	77,551	41,669
Payments to Consolidated Account	7, G	46,294	41,468	31,482	(4,826)	9,986
Reserve transfers	3, C	3,013	98,522	277,710	95,509	(179,188)
Other expenses	8, H	7,743	30,581	1,947	22,838	28,633
Total administered expenses		63,634	280,281	357,923	216,647	(77,642)

Major Estimate and Actual (2021) Variance Narratives

- Sale of land is lower than budget estimate by \$11.6 million (37%) due to the planned sale of some key assets not proceeding in 2020-21.
- Rent revenue is higher than budget estimate by \$2.2 million (13%) and mainly due to higher than expected rent collected.
- Overall there was a net transfer in reserves of (\$35.9 million) mainly due to land assets classified as a reserve being transferred in/out of the Department as management orders are placed or removed. Given the nature of these transactions, estimates are difficult to determine.
- Revaluation decrement is higher than budget estimate by \$25 million (100%) mainly due to movements in land values as determined by the Valuer General's valuation assessment of land held by the Department. Given the nature of these transactions, estimates cannot be determined.
- Depreciation is higher than budget estimate by \$2 million (127%) mainly due to an underestimated target of the value of the asset holdings.
- Cost of goods sold is higher than budget estimate by \$77.6 million (2,674%) which reflects the value of assets sold and includes the sale of land assets at peppercorn rates between State Government agencies. Given the nature of these transactions, estimates are difficult to determine.
- Payments to the Consolidated Account is lower than budget estimate by \$4.8 million (10%) mainly due to lower land sales than anticipated during the financial year.
- Other expenses is higher than budget estimate by \$22.8 million (295%) mainly due to provisions created for remediation costs relating to sites classified as contaminated and requiring remediation under the *Contaminated Sites Act 2003*, and future land transfers as part of the outgoing benefits package of the South West Native Title and Yamatji Nation Indigenous Land Use Agreements.

Major Actual (2021) and Comparative (2020) Variance Narratives

- Sale of land increased by \$11.1 million (129%) and reflects a recovery from the uncertainty in the property market generated by COVID-19 in 2019-20.
- Land transfers decreased by \$4.3 million (100%) due to no transfers of land occurring during the year.
- Overall there was a net transfer in of reserves of \$35.9 million for the current year compared to a net transfer out of \$164.1 million in the comparative period. Reserve transfers vary year to year based on the change in land use.
- Other revenue increased by \$7.9 million (354%) due to the receipt of funding for increased Native Title compensation costs in 2020-21.
- Revaluation decrement increased by \$21.1 million (540%) mainly due to movements in land values as determined by the Valuer General's valuation assessment of land held by the Department. Given the nature of these transactions, estimates cannot be determined.
- Cost of goods sold increased by \$41.7 million (107%) which reflects the value of assets sold. Sales and cost of goods sold vary each year based on the individual asset sold and includes assets sold at peppercorn rates between the State Government agencies.
- Payments to Consolidated Account increased by \$10 million (32%) due to higher land sale proceeds received than the previous year.
- Other expenses increased by \$28.6 million (1,470%) due to provisions created for remediation costs relating to sites classified as contaminated and requiring remediation under the *Contaminated Sites Act 2003*, and future land transfers as part of the outgoing benefits package of the South West Native Title and Yamatji Nation Indigenous Land Use Agreements.

9.3 Administered assets and liabilities

	Actual 2021	Actual 2020 (Restated)*
	\$000	\$000
Current Assets		
Cash and cash equivalents	30,284	32,547
Receivables	22,338	1,132
Land and building classified as held for sale ^(a)	-	1,344
Total Administered Current Assets	52,622	35,023
Non-Current Assets		
Land at fair value ^(b)	2,741,018	2,805,394
Buildings at fair value	2,933	6,411
Infrastructure at cost (less accumulated depreciation)	115,933	119,409
Easements at cost	18,550	18,550
Total Administered Non-Current Assets	2,878,434	2,949,763
TOTAL ADMINISTERED ASSETS	2,931,057	2,984,786
Current Liabilities		
Payables	2,267	2,812
Contract liabilities	17,800	335
Employee provisions	119	85
Other liabilities	4,267	2
Other provisions	4,690	-
Total Administered Current Liabilities	29,142	3,233
Non-Current Liabilities		
Employee provisions	-	13
Other provisions	39,188	21,845
Total Administered Non-Current Liabilities	39,188	21,858
TOTAL ADMINISTERED LIABILITIES	68,330	25,091

^(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 2021.

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.

Other Provisions relates to Native Title, Contaminated sites and provision for amounts payable to other state government entities for land transactions

* 2020 comparative balances have been restated for prior year corrections. See note 9.5.

9.4 Contingent liabilities

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.

Up to 318,887 hectares of land are committed to be transferred under the Yamatji Nation Indigenous Land Use Agreement and South West Native Title Settlement arrangements. Due to insufficient information on land selection, land transfer timeframe, as well as the market value of the land (AASB 137 paras 10), it is not feasible to be quantified as a provision. The South West Native Title Settlement may be settled in land held currently by either DPLH administered and Aboriginal Affairs Planning Authority.

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 (CRR) under the Act, and remediation costs cannot be reliably estimated;
- The site has been classified 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 Officers to inspect 30 suspected contaminated sites on unmanaged Crown land per year.

A new contaminated sites management system (CSMS) was initially implemented in December 2019, with the most recent release implemented in April 2021. The CSMS is able to assess the probability of contamination on Crown land and track the progression of desk checks, inspections and investigations for known or suspected contaminated sites. The CSMS identified 'sites' based on single parcel identification numbers (PINS), so there may be several 'sites' within one larger unmanaged reserve (UMR) or unallocated crown land (UCL) parcel of land.

Following an initial Geographic Information System-based Multi-Criteria Analysis (MCA) process completed in 2019, approximately 35,000 (34,680) sites on unmanaged crown land were identified as representing a potential contamination risk. These lots all required an initial desktop-based review (Desk Check). The Desk Check identifies sites which require Contaminated Sites inspections by State Land Officers. In 2020-2021, a total of 53 sites were inspected.

Following the site inspection, the Department determines 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 contaminated sites investigations and remediation works 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 remediation is required.

The Department recognises provisional liabilities in respect of a site where:

- The site has been classified as possibly contaminated - investigation required or contaminated - remediation required under the Act;
- The Department is responsible for the site under the Act; and
- A reliable estimate can be made of the costs of investigation/remediation of the site.

The Wittenoom area is affected by asbestos contamination derived from historical mining activities. The Wittenoom Asbestos Management Area (WAMA) covers an area of 46,840 hectares of land and has been classified by DWER in 2008 as a contaminated site. Given the extent of contamination in and around Wittenoom and the sheer size of the site at 46,840 hectares, it is extremely unlikely that the entire WAMA site can be fully remediated and any efforts to achieve partial remediation would require significant investment. The Department's position is that 'Contaminated, Remediation Required' for Wittenoom (147 sites), there is no definitive final remediation outcome or liability confirmed in terms of the Department's action and the potential for other liable parties to be involved and contribute towards remediation. The Department's view is that a possible obligation will be raised only when the outcome of remediation action is confirmed and no reliable estimate can be made for these sites and therefore a contingent liability should be disclosed as opposed to a provision.

During the 2020-2021 financial year, ten (10) sites require remediation or other management and have been classified by DWER as 'contaminated – remediation required'. Provisional liability costs for these sites have been provided.

Remediation costs (2021): \$4,929,000

An additional 22 sites are classified 'contaminated – remediation required' and are considered unmanaged Crown land sites based on land tenure, however it has been determined that the Department is not responsible under the CSA in respect of those sites. The Department has not recognised provisional liabilities for these sites. In addition, 3,323 sites have been classified by DWER as 'possibly contaminated - investigation required' and require formal investigation. The Department has not recognised any provisional liabilities for these sites as these costs cannot be reliably estimated.

9.5 Restatement of prior period comparatives due to error

1. A number of land parcels that were reported as part of land at fair value was identified as having duplicated values. This resulted in an overstatement of land of \$422,905k at 30 June 2020.

2. A number of land parcels were identified as unmanaged reserves (UMR) and unallocated crown land (UCL). The total value of UMR and UCL of \$313,657k was not recognised as part of land at 30 June 2020, resulting in an understatement of this balance at 30 June 2020.

3. A number of land parcels were identified as being land with management orders totalling \$225,273k and included as part of the land balance at 30 June 2020. Land with management orders is not considered to be controlled and therefore was overstated by this amount at 30 June 2020.

4. Two land parcels totalling \$67,340k were incorrectly recorded in income as "reserve transfers in" during the year ended 30 June 2020, resulting in an overstatement of reserve transfers in and an overstatement of land as at 30 June 2020. The parcels were determined to be under the control of another Department and should not have been recorded during the year ended 30 June 2020.

5. Two land transactions with Western Australian Land Authority prior to the comparative period presented were found to not have been recorded in the administered balances, resulting in an understatement of non-current other provisions of \$21,845k at 30 June 2020.

It was not considered to be possible to restate errors 1-3 above prior to 1 July 2020.

Administered income and expenses (Extract)	30 June 2020 (as previously reported)	Increase/ (Decrease)	30 June 2020 (Restated)
	\$000	\$000	\$000
<u>Income</u>			
Reserve transfers in	180,921	(67,340)	113,581
Total administered income	216,408	(67,340)	149,068
<u>Expenses</u>			
Reserve transfers out	52,437	225,273	277,710
Total administered expenses	132,649	225,273	357,923
Administered assets and liabilities (Extract)	30 June 2020 (as previously reported)	Increase/ (Decrease)	1 July 2020 (Restated)
	\$000	\$000	\$000
<u>Non-Current assets</u>			
Land at fair value	3,207,255	(401,862)	2,805,394
Total Administered Non-Current assets	3,351,625	(401,862)	2,949,763
Total Administered Assets	3,386,648	(401,862)	2,984,786
<u>Non-Current Liabilities</u>			
Other Provisions	-	21,845	21,845
Total Administered Non-current Liabilities	13	21,845	21,858
Total Administered liabilities	3,246	21,845	25,091

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 2021.



Jodi Cant
Director General
Department of Planning, Lands and Heritage
29 September 2021

The Department's desired outcome and key performance indicators

For the year ended 30 June 2021

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
Better Places 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.

The timely approval of applications is also important in supporting the construction industry and the delivery of housing in suitable locations. In response to Government COVID-19 stimulus measures in 2020 in relation to the home builder grants, the Department saw a significant increase in applications, up to a doubling of historic averages. This increase was dealt with within the statutory timeframe and has effectively supported the COVID-19 stimulus measures for the construction industry.

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.

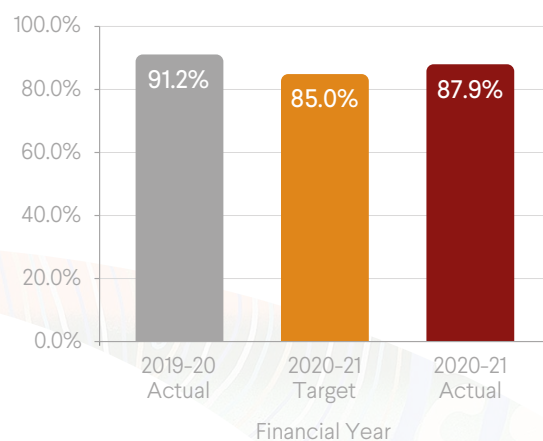
- determining development applications within the statutory timeframe, which is currently:
 - 60 days for the metropolitan region or a longer period that may be agreed in writing with the applicant
 - 90 days for the Greater Bunbury and Peel regions or a longer period that may be agreed in writing with the applicant.

In 2020-21:

- 84.4 per cent of subdivision applications were determined within the statutory timeframe
- 93.8 per cent of deposited and strata plans were endorsed within the statutory timeframe
- 72.4 per cent of development applications were determined within the statutory timeframe.

The combined result for 2020-21 is shown in the following graph.

The percentage of applications determined within the statutory timeframe



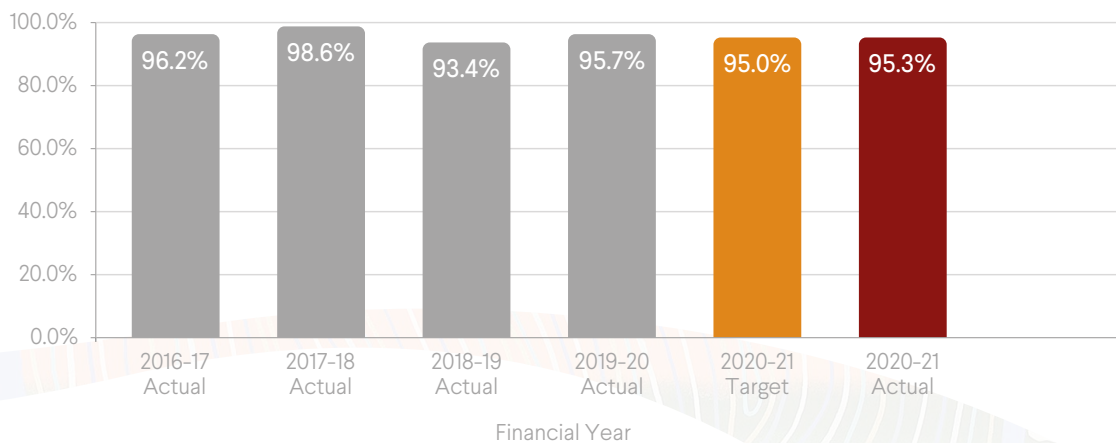
**Effectiveness Indicator:
Percentage of finalised appeals (excluding Development Assessment Panels (DAPs)) that are not upheld on review by the State Administrative Tribunal**

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

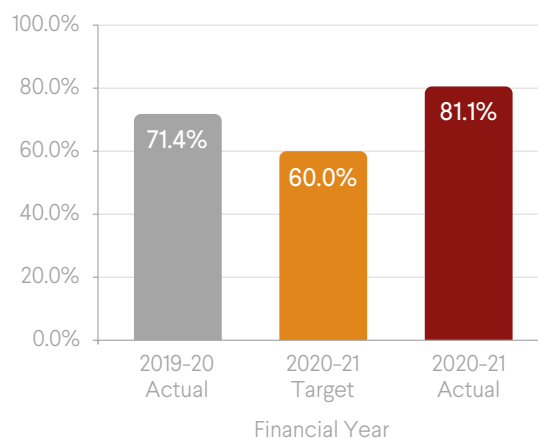
In 2020-21, the Department processed 11 basic, 75 standard and 25 complex LPS amendments.

From 15 February 2021, changes to the *Planning and Development (Local Planning Schemes) Regulations 2015* came into effect. Essentially, the changes added additional days to the statutory timeframe for those applications that are processed over excluded holiday periods, namely:

- the period commencing on 25 December in a year and ending on the next 1 January
- a period of 7 days commencing on Good Friday in a year.

Because the changes only came into effect from 15 February 2021, for 2020-21, they will only apply to applications processed over the Easter holiday period. Consequently, the calculation of the 2020-21 result will not be entirely comparable to those of previous years.

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 2020-21 result has exceeded target by 21.1 per cent, and the 2019-20 result by 9.7 per cent, due mainly to continued efforts by the Department to better manage local planning scheme amendments within the statutory timeframe, or within a longer period as approved by the Minister for Planning. This included the Schemes, Amendments and Administration team providing more oversight on managing LPS amendments, and more regular briefings with the Minister to discuss the progress of amendments.

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 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 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. This arrangement continued throughout 2020-21 when LGAs have been unable to host meetings.

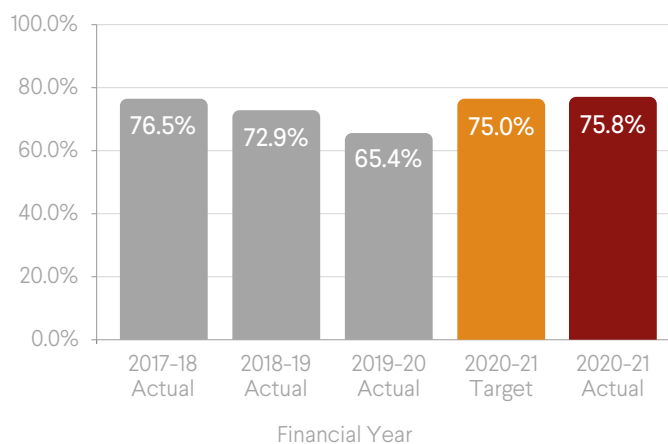
During 2020-21, the DAPs determined 231 applications (six applications less than 2019-20).

From 15 February 2021, changes to the *Planning and Development (Local Planning Schemes) Regulations 2015* came into effect. Essentially, the changes added additional days to the statutory timeframe for those applications that are processed over excluded holiday periods, namely:

- the period commencing on 25 December in a year and ending on the next 1 January
- a period of 7 days commencing on Good Friday in a year.

Because the changes only came into effect from 15 February 2021, for 2020-21, they will only apply to applications processed over the Easter holiday period. Consequently, the calculation of the 2020-21 result will not be comparable to those of previous years.

The percentage of DAP applications determined within the statutory timeframe



Explanation for significant variance

The variance between the 2019-20 and 2020-21 results was due mainly to a large number of deferred applications that impacted on the 2019-20 result. These deferred applications would have been determined within the statutory timeframe in 2019-20 had they not been deferred by the DAP to a later date.

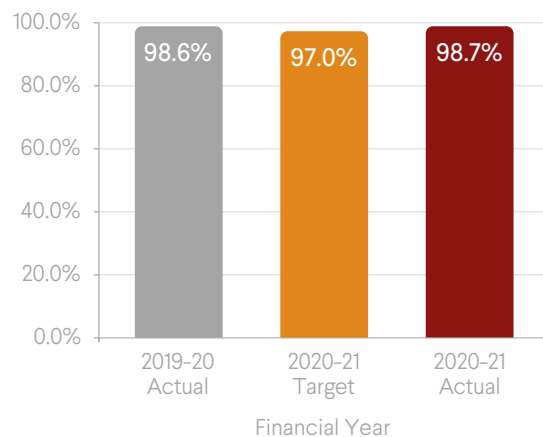
DPLH Desired Outcome:
An effective system for the administration of Crown land and the Aboriginal Lands Trust estate

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.

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

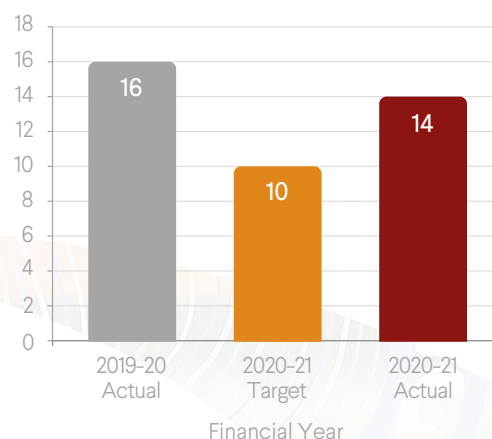


Effectiveness Indicator:
Number of leases or divestments of Aboriginal Lands Trust estate land to direct Aboriginal control

Divestment and transfer of Aboriginal Lands Trust (ALT) 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 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.

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



Explanation for significant variance

The variance between the 2020-21 target and actual result was due to the finalisation of divestment processes commenced in the previous year. Ongoing engagement with native title holders, leaseholders and other Aboriginal stakeholders over the last few years allowed the Department to exceed the target of 10,

with 14 properties approved for divestment or leasing in 2020-21, located across four regions – East Kimberley, West Kimberley, Goldfields and the Murchison Gascoyne.

DPLH Desired Outcome:
An effective system for the conservation of cultural heritage places in Western Australia for the benefit of present and future generations

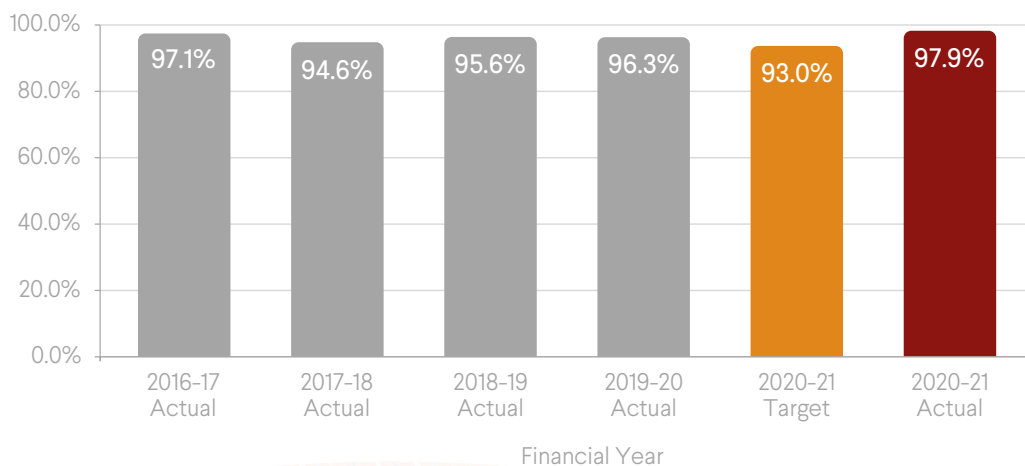
Effectiveness Indicator:
Percentage of visitors to Fremantle Prison satisfied with the services provided by the Department

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 COVID-19 pandemic response, Fremantle Prison has seen a significant reduction in international and interstate visitor numbers since March 2020.

Nevertheless, in 2020-21, 480 visitors completed surveys, from a total of 100,502 visitors, providing a confidence level of 95 per cent and a margin of error of ±4.46 per cent.

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



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.

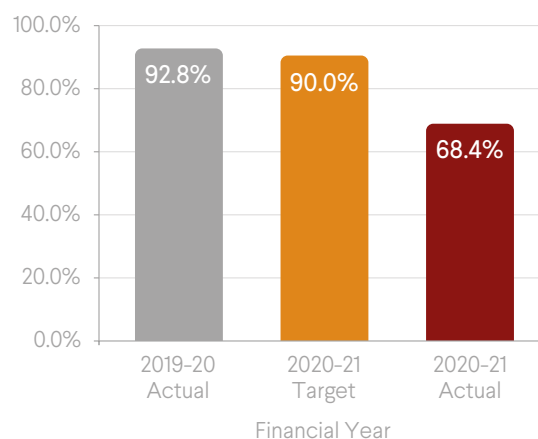
The Department supports the ACMC in:

- Evaluating and recording 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.

An effective and efficient heritage system relates to the timely processing of statutory applications under the Act. Accordingly, the Department aims to deliver applications pursuant to s. 18 of the Act to the ACMC within no more than 40 working days from receipt of the application.

Section 18 Notices are used to seek the consent of the Minister for Aboriginal Affairs to impact a site. The Department processes s. 18 Notices received from land users and collates all relevant information for the ACMC's consideration. The ACMC makes a recommendation to the Minister whether or not to approve a Notice. The performance of the s. 18 application 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.

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



Explanation for significant variance

The variance between the 2020-21 actual, and both the 2019-20 actual and 2020-21 target was due mainly to:

- the items tabled in February 2021 being delayed as there was no meeting in January 2021
- the delay of the June 2021 meeting on two occasions due to the unavailability of committee members.

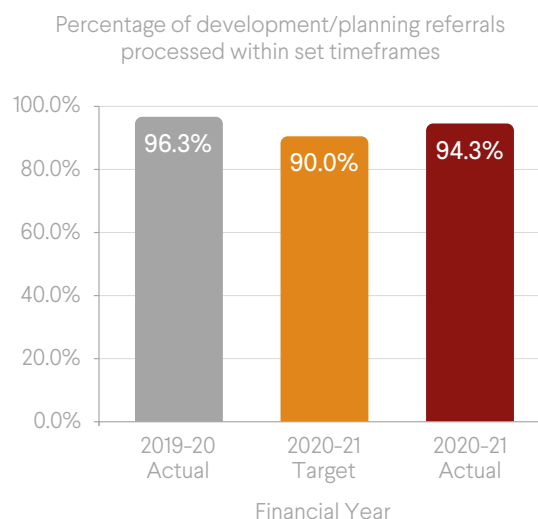
Effectiveness Indicator: Percentage of development/planning referrals processed within set timeframes

The Department supports the Heritage Council of Western Australia in carrying out its statutory functions by undertaking day-to-day operations, projects and service delivery (under delegation as required). This includes 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, processes and practices are managed in accordance with statutory obligations, in a timely manner.

This indicator demonstrates the Department's effectiveness in assessing referrals through planning or development processes within set timeframes, ensuring conservation of cultural heritage places in Western Australia. The timeframes are:

- 42 days for development referrals in accordance with regulation 42(2) of the *Heritage Regulations 2019*
- 60 days for planning referrals as set by the Department.

In 2020-21, the Department processed 811 development referrals and 60 planning referrals.



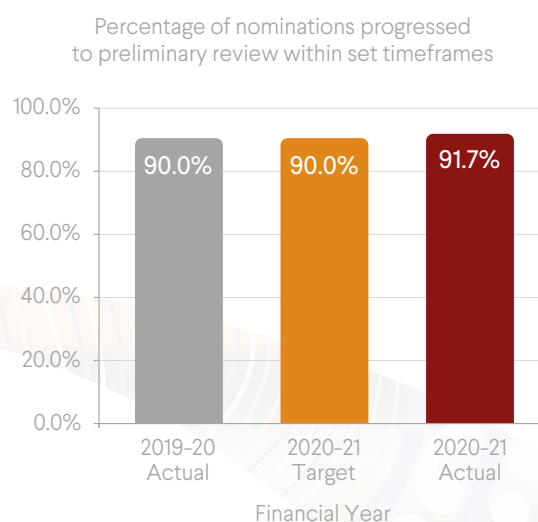
Effectiveness Indicator: Percentage of nominations progressed to preliminary review within set timeframes

The Department supports the Heritage Council of Western Australia 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 indicator demonstrates the Department's effectiveness in progressing a heritage nomination to a preliminary review for decision by the Heritage Council. 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 2020-21, 12 nominations were received, and 11 nominated places were progressed to the Heritage Council for consideration within the statutory timeframe of 60 days.



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.

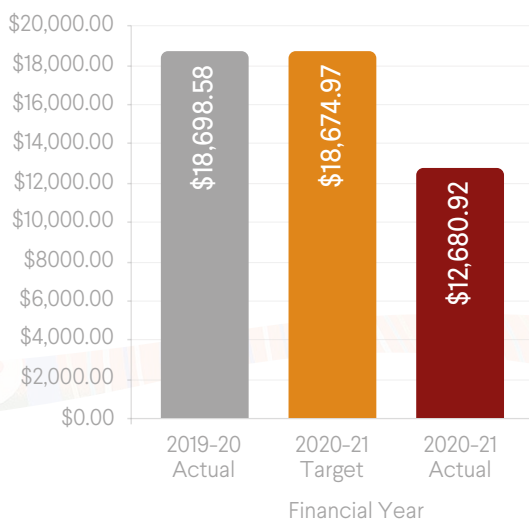
This KPI measures the cost of planning services by the number of statutory applications processed and determined by the Department during the year.

Explanation for significant variance

The variance between the 2020-21 actual result as compared to both the 2019-20 actual result and 2020-21 target, was due mainly to:

- a 41 per cent increase in the number of planning applications processed in 2020-21, which can be attributed to the COVID-19 stimulus announcements in 2020 in relation to the home builder grants, and amendments to legislation to cut red tape and support job-creating projects
- a 4.4 per cent decrease the total cost of service.

Average cost of planning services



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:

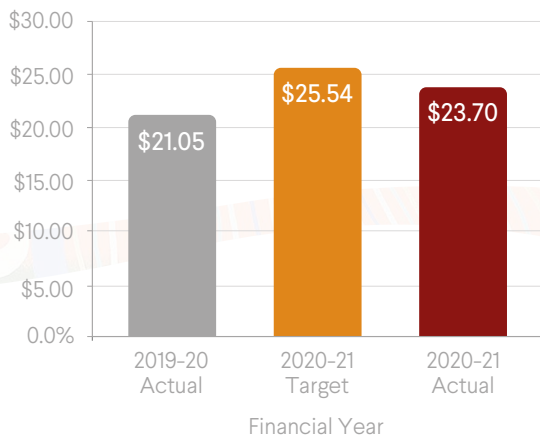
- Aboriginal lands
- Pastoral leases (non-Aboriginal)
- Other leases (non-Aboriginal)
- Managed reserves
- Unmanaged reserves
- Miscellaneous Crown land.

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

Explanation for significant variance

The variance between the 2020-21 target and actual result was due mainly to the deferral of \$4 million for the Remote Aboriginal Communities - Economic Transformation Project from 2020-21 to 2021-22 onwards. The increase from the 2019-20 actual to the 2020-21 target is due mainly to additional expenditure allocated for the settlement of Native Title compensation payments, the Remote Aboriginal Communities - Economic Transformation Project, and finalising the remediation of lead tailings contamination at Northampton.

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



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:

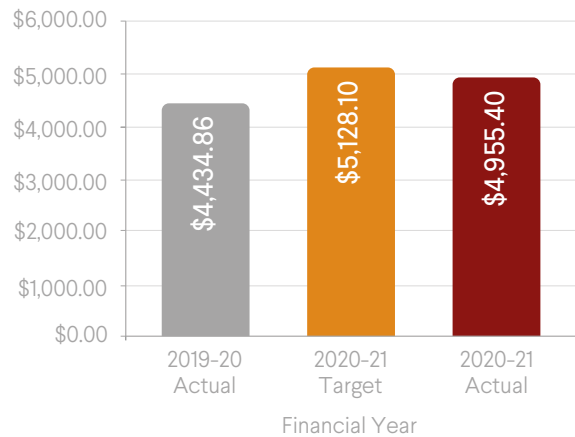
- Managing the State Register of Heritage Places
- Development and planning referrals
- Heritage agreements
- Feasibility and disposal strategy projects
- Preliminary reviews
- Assessments and registration activities
- Conservation/protection orders
- Events
- Grants and awards.

This KPI measures the cost of historical heritage services by the number of services undertaken in each of the activities listed above. 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 for the historical heritage services excludes the costs allocated to services at Fremantle Prison and the heritage services delivered under the *Aboriginal Heritage Act 1972*. The total cost of service includes a corporate overhead allocation, policy development and advice, business process development, administration and delivery of major projects.

Average cost of historical heritage services



Explanation for significant variance

The variance between the 2019-20 and 2020-21 results was due mainly to a 10.9 per cent reduction in the number of historical heritage services undertaken in 2020-21. This was mainly in relation to a significantly lower number of services relating to the preliminary reviews undertaken in 2020-21.

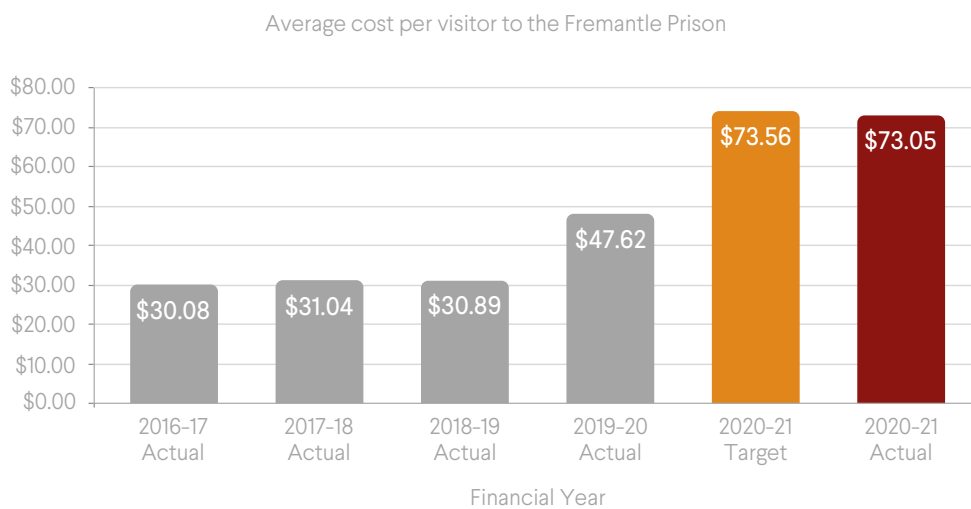
Efficiency Indicator: Average cost per visitor to the Fremantle Prison

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 and 2020-21 results was due mainly to additional expenditure allocated in 2020-21 to assist with the restoration of heritage assets as part of the WA Recovery Plan.



**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:

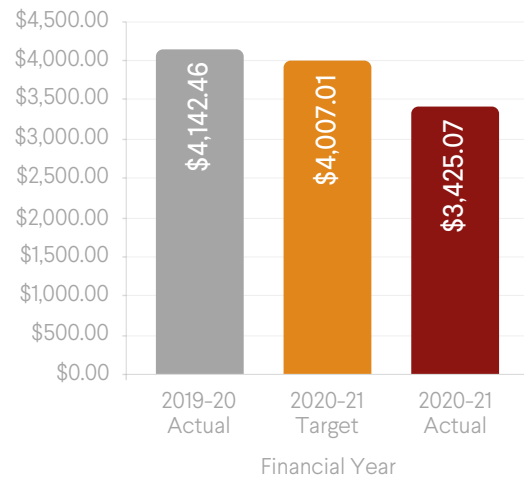
- Statutory applications under ss. 16 and 18 of the *Aboriginal Heritage Act 1972*, and r. 10 of the *Aboriginal Heritage Regulations 1974*
- Site assessments and audits
- Provision of Aboriginal heritage advice
- Repatriation of Aboriginal objects/ancestral remains
- Events and workshops
- Grants.

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.

Average cost of Aboriginal heritage management services



Explanation for significant variance

The variance between the 2020-21 actual result compared to both the 2020-21 target and 2019-20 actual result was due mainly to the deferral of expenditure for Indigenous Land Use Agreements (ILUAs) into 2021-22, and a 5.5 per cent increase in the number of Aboriginal heritage management services undertaken in 2020-21.



Annual Report 2020-21

| Western Australian Planning Commission

Financials and Performance Indicators





Auditor General

INDEPENDENT AUDITOR'S OPINION 2021 Western Australian Planning Commission

To the Parliament of Western Australia

Report on the audit of the financial statements

I have audited the financial statements of the Western Australian Planning Commission (Commission) which comprise:

- the Statement of Financial Position at 30 June 2021, and the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended
- Notes comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the financial statements are:

- based on proper accounts and present fairly, in all material respects, the operating results and cash flows of the Western Australian Planning Commission for the year ended 30 June 2021 and the financial position at the end of that period
- in accordance with Australian Accounting Standards, the *Financial Management Act 2006* and the Treasurer's Instructions.

Basis for opinion

I conducted my audit in accordance with the Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my report.

I am independent of the Commission in accordance with the *Auditor General Act 2006* and the relevant ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (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.

Emphasis of Matter – Restatement of comparative balances

I draw attention to Note 8.12 to the financial statements which states that the amounts reported in the previously issued 30 June 2020 Annual Financial Report have been restated and disclosed as comparatives in this Annual Financial Report. My opinion is not modified in respect to this matter.

Responsibilities of the Commissioner for the financial statements

The Commissioner is responsible for:

- keeping proper accounts
- preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards, the *Financial Management Act 2006* and the Treasurer's Instructions
- such internal control as it 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 Commissioner is responsible for:

- assessing the entity's ability to continue as a going concern
- disclosing, as applicable, matters related to going concern
- using the going concern basis of accounting unless the Western Australian Government has made policy or funding decisions affecting the continued existence of the Commission.

Auditor's responsibilities for the audit of the financial statements

As required by the *Auditor General Act 2006*, my responsibility is to express an opinion on the financial statements. The objectives of my audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

A further description of my responsibilities for the audit of the financial statements is located on the Auditing and Assurance Standards Board website. This description forms part of my auditor's report and can be found at https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf.

Report on the audit of controls

Opinion

I have undertaken a reasonable assurance engagement on the design and implementation of controls exercised by the Western Australian Planning Commission. The controls exercised by the Commission are those policies and procedures established by the Commissioner 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 Western Australian Planning Commission 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 2021.

The Commissioner's responsibilities

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

Auditor General's responsibilities

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

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

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

Limitations of controls

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

Report on the audit of the key performance indicators

Opinion

I have undertaken a reasonable assurance engagement on the key performance indicators of the Western Australian Planning Commission for the year ended 30 June 2021. 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 Western Australian Planning Commission are relevant and appropriate to assist users to assess the Commission's performance and fairly represent indicated performance for the year ended 30 June 2021.

The Commissioner's responsibilities for the key performance indicators

The Commissioner 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 it 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 Commissioner is responsible for identifying key performance indicators that are relevant and appropriate, having regard to their purpose in accordance with Treasurer's Instruction 904 *Key Performance Indicators*.

Auditor General's responsibilities

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

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

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

My independence and quality 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.

Other information

The Commissioner is responsible for the other information. The other information is the information in the entity's annual report for the year ended 30 June 2021, but not the financial statements, key performance indicators and my auditor's report.

My opinions do not cover the other information and, accordingly, I do not express any form of assurance conclusion thereon.

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

This auditor's report relates to the financial statements, controls and key performance indicators of the Western Australian Planning Commission for the year ended 30 June 2021 included on the Commission's website. The Commission's management is responsible for the integrity of the Commission's website. This audit does not provide assurance on the integrity of the Commission's website. The auditor's report refers only to the financial statements, controls and key performance indicators described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these financial statements, controls or key performance indicators. If users of the financial statements, controls 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, controls and key performance indicators.



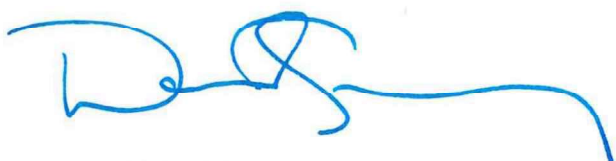
Grant Robinson
Acting Deputy Auditor General
Delegate of the Auditor General for Western Australia
Perth, Western Australia
1 October 2021

Certification of financial statements

For the reporting period ended 30 June 2021

The accompanying financial statements of the Western Australian Planning Commission 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 2021 and the financial position as at 30 June 2021.

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.



David Caddy
Chairman

Western Australian Planning Commission
29 September 2021



Jeremy Kwong
AI Chief Finance Officer

Western Australian Planning Commission
29 September 2021

Statement of comprehensive income

For the year ended 30 June 2021

		2021	2020
	Notes	\$000	Restated * \$000
COST OF SERVICES			
Expenses			
Supplies and services	2.1	38,775	34,041
Depreciation and amortisation expense	4.1(a), 4.2(a)	3,603	3,500
Committee / board fees	2.2	570	395
Grants and subsidies	2.3	2,219	2,204
Revaluation decrement	2.5	38,641	38,415
Impairment losses for land	2.6	15,800	27,315
Other expenses	2.4	14,042	11,340
Total cost of services		113,650	117,210
Income			
Rental revenue	3.2	6,265	6,633
User charges and fees	3.3	17,198	11,509
Interest revenue	3.4	1,470	4,431
Other income	3.5	1,131	1,346
Total income		26,064	23,919
Gains/(losses)			
Gain/(loss) on disposal of non-current assets	3.6	(588)	4,465
Total gains/(losses)		(588)	4,465
NET COST OF SERVICES		88,174	88,826
Income from State Government			
Service appropriation	3.1	90,594	93,610
Services received free of charge		223	186
Income from other public sector entities		-	(22)
Total income from State Government		90,817	93,774
SURPLUS FOR THE PERIOD		2,643	4,948
OTHER COMPREHENSIVE INCOME			
Items not reclassified subsequently to profit or loss			
Changes in asset revaluation surplus	8.8	1,188	4,037
Total other comprehensive income		1,188	4,037
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		3,831	8,985

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

* 30 June 2020 has been restated for prior period corrections - refer to Note 8.12

Statement of financial position

As at 30 June 2021

	Notes	2021 \$000	2020 Restated * \$000
ASSETS			
Current Assets			
Cash and cash equivalents	6.1	10,798	9,640
Restricted cash and cash equivalents	6.1	449,215	439,570
Receivables	5.1	2,596	4,341
Other current assets	5.2	30,978	32,357
Non-current assets classified as held for sale	8.7	15,291	10,537
Total Current Assets		508,879	496,445
Non-Current Assets			
Amounts receivable for services	5.3	6,639	6,259
Infrastructure, property, plant and equipment	4.1	520,171	545,719
Intangible assets	4.2	36,111	28,917
Total Non-Current Assets		562,921	580,894
TOTAL ASSETS		1,071,800	1,077,338
LIABILITIES			
Current Liabilities			
Payables	5.4	5,011	5,701
Other current liabilities	5.5	1,042	698
Contract liabilities	5.6	8,915	11,647
Total Current Liabilities		14,967	18,046
TOTAL LIABILITIES		14,967	18,046
NET ASSETS		1,056,833	1,059,292
EQUITY			
Contributed equity	8.8	-	-
Reserves	8.8	44,839	43,651
Accumulated surplus	8.8	1,011,994	1,015,641
TOTAL EQUITY		1,056,833	1,059,292

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

* 30 June 2020 has been restated for prior period corrections - refer to Note 8.12

Statement of changes in equity

For the year ended 30 June 2021

	Notes	Contributed Equity \$000	Reserves \$000	Accumulated surplus \$000	Total Equity \$000
Balance at 1 July 2019		4,108	39,614	1,018,309	1,062,032
Correction of prior period error	8.12	-	-	2,612	2,612
Restated balance at 1 July 2019		4,108	39,614	1,020,920	1,064,643
Surplus		-	-	4,948	4,948
Other comprehensive losses	8.8	-	4,037	-	4,037
Total comprehensive income for the period		-	4,037	4,948	8,985
Transactions with owners in their capacity as owners:	8.8				
Capital appropriations		5,400	-	-	5,400
Distributions to owners		(9,508)	-	(10,228)	(19,736)
Total		(4,108)	-	(10,228)	(14,336)
Balance at 30 June 2020		-	43,651	1,015,641	1,059,292
Balance at 1 July 2020		-	43,651	1,015,641	1,059,292
Surplus		-	-	2,643	2,643
Other comprehensive income	8.8	-	1,188	-	1,188
Total comprehensive income for the period		-	1,188	2,643	3,831
Transactions with owners in their capacity as owners:	8.8				
Capital appropriations		5,400	-	-	5,400
Distributions to owners		(5,400)	-	(6,290)	(11,690)
Total		-	-	(6,290)	(6,290)
Balance at 30 June 2021		-	44,839	1,011,994	1,056,833

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 2021

	Notes	2021 \$000	2020 \$000
CASH FLOWS FROM STATE GOVERNMENT			
Service appropriation		90,214	93,230
Capital appropriations		5,400	5,400
Funds from other public sector entities		31,292	3,756
Net cash provided by State Government		126,906	102,386
Utilised as follows:			
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Supplies and services		(47,161)	(40,883)
Grants and subsidies		(2,519)	(1,904)
GST payments on purchases		(3,152)	(5,370)
GST payment to taxation authority		(2,951)	(451)
Other payments		(5,967)	(3,545)
Receipts			
Rental received		6,700	6,393
User charges and fees		17,145	11,428
Interest received		1,726	5,962
GST receipts on sales		3,295	1,420
GST receipts from taxation authority		4,690	5,207
Other receipts		669	675
Net cash (used in) operating activities		(27,526)	(21,067)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of non-current assets		4,084	11,952
Purchase of non-current assets		(92,661)	(97,058)
Net cash (used in) investing activities		(88,577)	(85,106)
Net (decrease)/increase in cash and cash equivalents		10,803	(3,787)
Cash and cash equivalents at the beginning of the period		449,210	452,997
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	6.1	460,013	449,210

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

Statement of consolidated account appropriations

For the year ended 30 June 2021

	2021 Estimate \$000	2021 Actual \$000	Variance \$000	2021 Actual \$000	2020 Actual \$000	Variance \$000
<u>Delivery of Services</u>						
Item 87 Net amount appropriated to deliver services	28,350	5,850	(22,500)	5,850	5,904	(54)
Amount Authorised by Other Statutes						
- Metropolitan Region Improvement Tax Act 1959	86,769	84,744	(2,025)	84,744	87,706	(2,962)
Total appropriations provided to deliver services	115,119	90,594	(24,525)	90,594	93,610	(3,016)
<u>Capital</u>						
Item 147 Capital appropriations	5,400	5,400	-	5,400	5,400	-
GRAND TOTAL	120,519	95,994	(24,525)	95,994	99,010	(3,016)
<u>Details of Expenses by Service</u>						
Statutory Planning	17,860	21,693	3,833	21,693	15,764	5,930
Strategic Planning	7,218	4,512	(2,706)	4,512	5,328	(817)
Asset Management	25,501	87,445	61,944	87,445	96,118	(8,673)
Total Cost of Services	50,579	113,650	63,071	113,650	117,210	(3,560)
Less Total Income	(25,424)	(25,476)	(52)	(25,476)	(28,384)	2,908
Net Cost of Services	25,155	88,174	63,019	88,174	88,826	(652)
Purchase of non-current assets	144,524	86,861	(57,663)	86,861	91,018	(4,157)
Revaluation decrement and impairment loss	-	(54,441)	(54,441)	(54,441)	(65,730)	11,289
Adjustments	(54,560)	(30,000)	24,560	(30,000)	(20,504)	(9,496)
Total appropriations provided to deliver services	115,119	90,594	(24,525)	90,594	93,610	(3,016)
<u>Capital Expenditure</u>						
Purchase of non-current assets	5,400	5,800	400	5,800	6,040	(240)
Adjustment for other funding sources	-	(400)	(400)	(400)	(640)	240
Capital appropriations	5,400	5,400	-	5,400	5,400	-

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

Notes to the financial statements

1. Basis of preparation

The Western Australian Planning Commission (Commission) is a Western Australian Government entity and is controlled by the State of Western Australia, which is the ultimate parent entity. The agency 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' in this Annual Report, which does not form part of these financial statements.

These annual financial statements were authorised for issue by the Chairperson of the Commission on 29 September 2021.

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 AASs 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 TI 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 Commission'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 Commission in achieving its objectives and the relevant notes are:

	Notes	2021 \$000	2020 \$000
Supplies and services	2.1	38,775	34,041
Committee / board fees	2.2	570	395
Grants and subsidies	2.3	2,219	2,204
Other expenses	2.4	14,042	11,340
Revaluation decrement	2.5	38,641	38,415
Impairment losses for land	2.6	15,800	27,315

2.1 Supplies and services

Consultants and contractors	4,854	6,383
Services provided by Department of Planning, Lands and Heritage - labour	11,249	10,840
Services provided by Department of Planning, Lands and Heritage - other	20,945	14,892
Cleaning / gardening	272	136
Lease / rental / hire charges	-	137
Advertising and promotion	174	186
Printing	28	31
Utilities	848	1,001
Communications	6	8
Consumables	261	265
Supplies and services - other	140	162
Total supplies and services	38,775	34,041

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.

2.2 Committee / board fees

Travel	5	39
Sitting fees	489	326
Superannuation	46	30
Other provisions	30	-
	570	395

Committee / board fees are recognised as an expense in the reporting period in which they are incurred.

2.3 Grants and subsidies

Recurrent

General government agencies	300	300
Non government agencies	1,555	1,526
Local government	364	368
Other	-	10
	2,219	2,204

Transactions in which the Commission 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.

	2021	2020
	\$000	\$000
2.4 Other expenses		
Licence fees	12	89
Minor equipment purchases	32	15
Other staff costs	52	61
Rates and taxes	828	852
Insurance	249	301
Compensation costs	5,490	3,017
Expected credit losses expense	-	235
Write-off other assets	1,003	139
Repairs and maintenance	6,125	6,318
Other	250	313
	14,042	11,340

Other expenses:

Other operating expenses generally represent the day-to-day running costs incurred in normal operations. They are recognised as an expense in the reporting period in which they are incurred.

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.

2.5 Revaluation decrement

Revaluation decrement	38,641	38,415
	38,641	38,415

2.6 Impairment losses for land

Impairment losses for land	15,800	27,315
	15,800	27,315

Impairment losses for land are recognised in the Statement of Comprehensive Income. Where a land asset measured at cost is written-down to recoverable amount, an impairment loss is recognised in profit or loss. Please refer to Note 4.1 (a) for guidance in relation to the impairment assessment.

3 Our funding sources

How we obtain our funding

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

	Notes	2021 \$000	2020 \$000
Income from State Government	3.1	90,817	93,774
Rental revenue	3.2	6,265	6,633
User charges and fees	3.3	17,198	11,509
Interest revenue	3.4	1,470	4,431
Other revenue	3.5	1,131	1,346
Gains	3.6	(588)	4,465

3.1 Income from State Government

Appropriation received during the period:

- Metropolitan Region Improvement Tax	84,744	87,706
- Service appropriation ^(a)	5,850	5,904
	90,594	93,610

Services received free of charge from other State government agencies during the period:

State Solicitor's Office - Legal services	223	181
Department of Water and Environmental Regulation - Meeting representation	-	5
Total services received	223	186

Income received from other public sector entities:

Gains from disposal of non-current assets ^(c)	-	(22)
Total income received from other public sector entities	-	(22)
Total income from State Government	90,817	93,774

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

Appropriations fund the net cost of services delivered. Appropriation revenue comprises a cash component and a receivable (asset). The receivable (holding account - Note 5.3) comprises the budgeted depreciation expense for the year and any agreed increase in leave liabilities during the year.

Assets or services received free of charge or for nominal cost are recognised as revenue at the fair value of the assets and / or the fair value of those services that can be reliably measured and which would have been purchased if they were not donated. Contributions of assets or services in the nature of contributions by owners are recognised direct to equity.

^(c) 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 from public sector entities in profit or loss in the statement of comprehensive income.

3.2 Rental revenue

Rental revenue	6,265	6,633
	6,265	6,633

Rental revenue is received on properties leased by the Commission prior to the properties being used for their acquired purpose under the Metropolitan Region Scheme, the Peel Region Scheme and the Greater Bunbury Region Scheme.

Revenue is recognised on a straight line basis in accordance to leasing terms.

3.3 User charges and fees

Subdivision application fees	12,866	9,142
Endorsement fees	28	25
Plan and diagram fees	1,883	1,494
Land reservation certificates	1,283	770
Other	1,138	78
	17,198	11,509

Revenue is recognised and measured at the fair value of application fees received or receivable and the services are contracted to the Department of Planning, Lands and Heritage for determination.

3.4 Interest revenue

Interest earned on bank deposits	1,470	4,431
	1,470	4,431

Revenue is recognised as the interest accrues.

	2021 \$000	2020 \$000
3.5 Other revenue		
Whiteman Park revenue ^(a)	249	209
Recoup of expenditure	639	398
Other	243	739
	1,131	1,346

(a) Excludes rental revenue on leases held at Whiteman Park which is included within rental revenue (Note 3.2)

Revenue is recognised when it can be reliably measured.

3.6 Gains

Net proceeds from disposal of non-current assets

Land and Rental Buildings	3,804	6,974
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Selling costs of disposal of non-current assets

Land and Rental Buildings	(63)	(77)
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Carrying amount of non-current assets disposed

Land and Rental Buildings	(4,329)	(2,432)
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Net gain/(loss)	(588)	4,465
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Total gains/(loss)

	-	-
	(588)	4,465

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).

4 Key assets

Assets the Commission utilises for economic benefit or service potential

This section includes information regarding the key assets the Commission 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	2021	2020
		\$000	\$000
Infrastructure, property, plant and equipment	4.1	520,171	545,719
Intangibles	4.2	36,111	28,917
Total key assets		556,282	574,635

4.1 Infrastructure, property, plant and equipment

	Land	Rental Buildings	Regional Open Space	Infrastructure	Assets under construction	Equipment	Motor vehicles	Total
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
1 July 2020								
Gross carrying amount	496,864	21,511	14,492	10,586	1,337	5,264	722	550,776
Accumulated depreciation	-	(813)	(0)	(42)	-	(3,682)	(519)	(5,057)
Carrying amount at start of period	496,864	20,698	14,491	10,543	1,337	1,582	204	545,719
Additions	67,423	2,837	25	-	2,312	8	-	72,605
Additions - Metronet	-	-	-	-	14,693	-	-	14,693
Revaluation increments / (decrements)	(38,641)	1,188	-	-	-	-	-	(37,454)
Impairment losses ^(a)	(15,800)	-	-	-	-	-	-	(15,800)
Disposals	(33,883)	(1,029)	-	-	-	-	-	(34,912)
Transfers from held for sale	310	-	-	-	-	-	-	310
Transfers to held for sale	(9,771)	-	-	-	-	-	-	(9,771)
Transfers from/(to) State of WA	(11,690)	-	-	-	-	-	-	(11,690)
Transfers to / (from) works in progress	-	-	55	474	(2,011)	1,143	339	0
Depreciation	-	(2,213)	(443)	(475)	-	(352)	(47)	(3,529)
Carrying amount at 30 June 2021	454,812	21,480	14,128	10,542	16,331	2,382	496	520,171
30 June 2021								
Gross carrying amount	454,812	24,506	14,571	11,059	16,331	6,416	1,061	528,757
Accumulated depreciation	-	(3,026)	(443)	(517)	-	(4,034)	(565)	(8,586)

^(a) Impairment losses are recognised in the Statement of Comprehensive Income. Where an asset measured at cost is written-down to its recoverable amount, an impairment loss is recognised in the profit or loss. Where a previously revalued asset is written down to its recoverable amount, the loss is recognised as a revaluation decrement in other comprehensive income.

Initial recognition

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

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

Subsequent measurement

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

- land,
- buildings,
- regional open space; and
- infrastructure.

Land, buildings, infrastructure and regional open space 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 2020 by the Western Australian Land Information Authority (Valuations and Property Analytics). The valuations were performed during the year ended 30 June 2021 and recognised at 30 June 2021.

In undertaking the revaluation, fair value of land was determined by reference to market values: \$80,686,000 (2020: \$136,391,541) and buildings: \$478,000 (2020: \$1,259,400). 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).

For the remaining balance, fair value of rental buildings was determined on the basis of current replacement cost and fair value of land was determined on the basis of comparison with market evidence for land with low level utility (high restricted use land).

The fair value of regional open space buildings and infrastructure is assessed every 3 years. Fair value of the regional open space buildings and infrastructure is determined by reference to the depreciated replacement cost (existing use basis) as the assets are specialised and no market-based evidence of value is available.

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 infrastructure, 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	10 - 40 years
Regional open space	10 - 40 years
Infrastructure	10 - 40 years
Computer equipment	2 - 5 years
Other equipment	5 - 20 years
Motor vehicles	5 - 10 years

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 (a) Depreciation and impairment

Charge for the period

Depreciation

Regional open space buildings	443	444
Rental buildings	2,213	2,216
Infrastructure	475	434
Equipment	352	349
Vehicles	47	58
Total depreciation for the period	3,529	3,500

As at 30 June 2021, there were no indications of impairment to buildings, infrastructure and equipment assets.

All surplus assets at 30 June 2021 have either been classified as assets held for sale or 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 land and buildings acquisitions have not been independently valued by the Western Australian Land Information Authority (Valuations and Property Analytics) at the end of the reporting period, the carrying amount of the land and buildings is impaired to reflect the change of use on acquisition.

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 Commission is a not-for-profit entity, unless a specialised asset has been identified as a surplus asset, the recoverable amount of regularly revalued specialised assets is anticipated to be materially the same as fair value.

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

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

4.2 Intangible assets

Caveat interest

When a property is reserved for possible future acquisition, the owner may apply under certain circumstances through the provisions of Part 11 of the Planning and Development Act 2005 to sell the property at a lesser price than might reasonably be expected had there been no reservation. If approved, compensation representing the difference is paid to the vendor.

At the time of a compensation payment, the Commission's equity in the property is established on the ratio of compensation paid as a proportion of the unaffected value of the property. If the Commission resumes the property at a later date, the purchase consideration is calculated by deducting the Commission's equity as a percentage of the total valuation at the time of acquisition.

	2021 \$000	2020 \$000
Caveat interest - at cost	33,741	28,917
Water Licence - at cost	2,444	-
Water Licence - accumulated amortisation	(74)	-
	36,111	28,917

Reconciliation

1 July 2020

Carrying amount at start of period	28,917	24,593
Additions	10,551	4,350
Disposals	(3,283)	(17)
Transfers	-	(9)
Accumulated Amortisation	(74)	-
Carrying amount at 30 June 2021	36,111	28,917

Initial recognition

Caveat interest in excess of \$1 are reported as intangible assets. They are recognised at cost, considered to have an indefinite useful life and are not amortised.

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.

The caveat interests are a purchase of the right to buy should the property owner decide to sell. The amount is reviewed for impairment each year and there have been no impairment indicators noted for this year.

4.2 (a) Amortisation and impairment

	2021 \$000	2020 \$000
Charge for the period		
Water Licence ^(a)	74	-
	74	-

^(a) Amortisation rate for Water Licence had been calculated based on the licence period which is 9 years

As at 30 June 2021, 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 ^(a)	2 to 5 years

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

Impairment of intangible assets

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

The policy in connection with testing for impairment is outlined in note Finite useful lives.

5 Other assets and liabilities

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

	Notes	2021 \$000	2020 \$000
Receivables	5.1	2,596	4,341
Other current assets	5.2	30,978	32,357
Amounts receivable for services (Holding Account)	5.3	6,639	6,259
Payables	5.4	5,011	5,701
Other current liabilities	5.5	1,042	698
Contract liabilities	5.6	8,915	11,647

5.1 Receivables

Receivables	2,005	1,813
Allowance for impairment of receivables	(352)	(505)
GST receivable	464	2,345
Accrued interest	372	628
Other accrued income	107	60
Balance at end of period	2,596	4,341

The Commission 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.

5.2 Other current assets

Current

Prepayments	15,307	30,000
Unsettled land and building purchases	15,334	2,046
Tenant security bonds	338	311
Balance at end of period	30,978	32,357

Other current 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.

5.3 Amounts receivable for services (Holding Account)

Non-current	6,639	6,259
Balance at end of period	6,639	6,259

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

Amounts receivable for services are considered not impaired (i.e. there is no expected credit loss of the Holding Account).

The Commission 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.

5.4 Payables

Current

Accrued expenses	5,011	5,701
Total current	5,011	5,701

Payables are recognised at the amounts payable when the Commission 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.

5.5 Other current liabilities

Current

Tenants' bonds ^(a)	338	311
Income in advance ^(b)	495	379
Provision for compensation claim in relation to Taking Order of land	-	2
Receipts on Account ^(c)	210	6
Total current	1,042	698

^(a) Refundable tenant deposits

^(b) Includes monies received from other agencies for rent received in advance.

^(c) Receipts on Account includes deposits received in advance.

5.6 Contract liabilities

Current

Unsettled land and building sales	8,915	11,647
Total current	8,915	11,647

Unsettled land and building sales, represents disposals, that are not settled until a new certificate of title has been issued.

6 Financing

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

	Notes	2021 \$000	2020 \$000
Cash and cash equivalents	6.1	460,013	449,210
Commitments	6.2	70,000	70,000

6.1 Cash and cash equivalents

Cash and cash equivalents

- Western Australian Planning Commission Account (WAPC Account)		10,796	9,638
- Cash advance		2	2
		10,798	9,640

Restricted cash and cash equivalents:

- Metropolitan Region Improvement Fund ^(a)		443,433	434,712
- Western Australian Planning Commission Account ^(b)		5,781	4,858
		449,215	439,570
Balance as at end of period		460,013	449,210

^(a) Cash held in the Metropolitan Region Improvement Fund is to be used for various projects and studies

^(b) Cash held in the Commission Account is to be used for Regional Land Acquisitions, Coastal Zone Management and various other studies.

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 Commitments

Capital commitments

Capital expenditure commitments, being contracted capital expenditure additional to the amounts reported in the financial statements, are payable as follows:

Within 1 year		70,000	-
Later than 1 year and not later than 5 years		-	70,000
		70,000	70,000

Capital commitments represented the expenditure to the Yanchep rail extension, as part of the Metronet project.

7 Financial instruments and contingencies

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

	Notes	2021 \$000	2020 \$000
Financial instruments	7.1		
Contingent assets and liabilities	7.2		

7.1 Financial instruments

Financial assets

Cash and cash equivalents	460,013	449,210
Financial assets at amortised cost ^(a)	8,771	8,254
Total financial assets	468,784	457,464

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

Financial liabilities

Financial liabilities at amortised cost ^(b)	5,011	5,701
Total financial liabilities	5,011	5,701

^(b) The amount of Financial liabilities at amortised cost excludes GST payable to the ATO (statutory receivable)

7.2 Contingent assets and liabilities

Contingent assets

Contingent assets are not recognised in the statement of financial position but are disclosed and, if quantifiable, are measured at nominal value.

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

	\$000	\$000
The following contingent assets are excluded from the assets included in the financial statements:		
Litigations in progress:	265	-

Contingent liabilities

Contingent liabilities are not recognised in the statement of financial position but are disclosed and, if quantifiable, are measured at nominal value.

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

	\$000	\$000
The following contingent liabilities are excluded from the liabilities included in the financial statements:		
Litigations in progress:	66,900	9,780

Contaminated sites

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

During the 2020-21 financial year, 2 sites require remediation or other management and have been classified by DWER as 'contaminated - remediation required'. In addition, 11 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.

	Notes
Events occurring after the end of the reporting period	8.1
Key management personnel	8.2
Related party transactions	8.3
Related bodies	8.4
Affiliated bodies	8.5
Remuneration of auditors	8.6
Non-current assets classified as assets held for sale	8.7
Equity	8.8
Supplementary financial information	8.9
Initial application of accounting standards	8.10
Explanatory statement	8.11
Restatement of prior period comparatives due to error	8.12

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 Key management personnel

The Commission has determined key management personnel to include responsible minister and members of the accountable authority. The Commission 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 members of the accountable authority for the reporting period are presented within the following bands:

Compensation Band (\$)	2021	2020
0 - 10,000 ^(a)	10	12
10,001 - 20,000	4	7
20,001 - 30,000	5	1
280,001 - 290,000	-	1
290,001 - 300,000	1	-
	20	21

^(a) Includes eight (8) members (2020: eight (8) members) from other government agencies who did not receive any compensation from the Commission.

	\$000	\$000
Total compensation of key management personnel	548	433

Total compensation includes the superannuation expense incurred by the Commission in respect of members of the accountable authority.

8.3 Related party transactions

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

Related parties of the Commission include:

- the responsible minister and their close family members, and their controlled or jointly controlled entities;
- the members of the accountable authority 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 Commission, there were no other related party transactions that involved key management personnel and/or their close family members and/or their controlled (or jointly controlled) entities.

8.4 Related bodies

The Commission had no related bodies during the financial year 2020-21 and 2019-20.

8.5 Affiliated bodies

The Commission had no affiliated bodies during the financial year 2020-21 and 2019-20.

8.6 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

2021	2020
73	75

8.7 Non-current assets classified as assets held for sale

The following table represents a summary of assets held for sale:

	Land \$000	Total \$000
2020		
Opening balance	255	255
Assets reclassified as held for sale	10,339	10,339
Total assets classified as held for sale	10,594	10,594
Less assets sold	(57)	(57)
Closing balance	10,537	10,537
2021		
Opening balance	10,537	10,537
Assets reclassified as held for sale	9,771	9,771
Less asset reclassified as Land	(310)	(310)
Total assets classified as held for sale	19,998	19,998
Less assets sold	(4,707)	(4,707)
Closing balance	15,291	15,291

8.8 Equity

Contributed equity

	2021 \$000	2020 \$000
Balance at start of period	-	4,108
<i>Contributions by owners</i>		
Capital appropriation	5,400	5,400
Total contributions by owners	5,400	5,400
<i>Distribution to owners</i>		
Transfer land to State of WA	(5,400)	(9,508)
Total distribution to owners	(5,400)	(9,508)
Balance at end of period	-	-

Asset revaluation surplus

Balance at start of period	43,651	39,614
<i>Net revaluation increments/(decrements)</i>		
Rental buildings	1,188	747
Regional Open Space Buildings	-	1,411
Infrastructure	-	1,879
Total asset revaluation surplus	44,839	43,651

Accumulated surplus

Balance at start of period	1,015,641	1,020,920
Result for the period	2,643	4,948
Distribution to owners - Transfer land to State of WA	(6,290)	(10,228)
Total accumulated surplus	1,011,994	1,015,641
Balance at end of period	1,056,833	1,059,292

8.9 Supplementary financial information

(a) Write-offs

During the financial year, \$62k (2020: \$NIL) was written off the Commission's books under the authority of:

The accountable authority	62	-
	62	-

(b) Losses through theft, defaults and other causes

During 2020-21 and 2019-20 the Commission 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 Commission during the financial year 2020-21 and 2019-20.

8.10 Initial application of accounting standards

AASB 1059 Service Concession Arrangements: Grantors

AASB 1059 Service Concession Arrangements: Grantors came into effect for annual reporting periods beginning on or after 1 January 2020.

This Standard addresses the accounting for a service concession arrangement (a type of public private partnership) by a grantor that is a public-sector agency by prescribing the accounting for the arrangement from the grantor's perspective. Timing and measurement for the recognition of a specific asset class occurs on commencement of the arrangement and the accounting for associated liabilities is determined by whether the grantee is paid by the grantor or users of the public service provided.

The Commission has not identified any public private partnerships within scope of the Standard and there is no impact on the financial statements.

8.11 Explanatory statement (Controlled Operations)

All variances between annual estimates (original budget) and actual results for 2021, and between the actual results for 2021 and 2020 are shown below. Narratives are provided for key major variances which are greater than 10% and 1% prior year of Total Cost of Services for the Statements of Comprehensive Income and Statement of Cash Flows, and are greater than 10% and 1% prior year of Total Assets for 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 2021 and 2020
Note	2021	2021	2020			
	\$000	\$000	\$000	\$000	\$000	
Expenses						
Supplies and services	A	36,008	38,775	34,041	2,767	4,734
Depreciation expense		3,600	3,603	3,500	3	103
Committee / board fees		613	570	395	(43)	175
Grants and subsidies expense		2,250	2,219	2,204	(31)	15
Revaluation decrement	1	-	38,641	38,415	38,641	226
Impairment losses for land	2, B	-	15,800	27,315	15,800	(11,515)
Other expenses	3, C	8,108	14,042	11,340	5,934	2,701
Total cost of services		50,579	113,650	117,210	63,071	(3,560)
Income						
Revenue						
Rental revenue		6,731	6,265	6,633	(466)	(368)
User charges and fees	4, D	13,343	17,198	11,509	3,855	5,689
Interest revenue	E	2,100	1,470	4,431	(630)	(2,961)
Other revenues		750	1,131	1,346	381	(215)
Total Revenue		22,924	26,064	23,919	3,140	2,145
Gains						
Gain on disposal of non-current assets	5, F	2,500	(588)	4,465	(3,088)	(5,053)
Revaluation increment		-	-	-	-	-
Total Gains		2,500	(588)	4,465	(3,088)	(5,053)
NET COST OF SERVICES		25,155	88,174	88,826	63,019	(652)
Income from State Government						
Service appropriation	6	115,119	90,594	93,610	(24,525)	(3,016)
Services received free of charge		450	223	186	(227)	37
Income from other public sector entities		-	-	(22)	-	22
Total income from State Government		115,569	90,817	93,774	(24,752)	(2,957)
SURPLUS/(DEFICIT) FOR THE PERIOD		90,414	2,643	4,948	(87,771)	(2,305)
OTHER COMPREHENSIVE INCOME						
Items not reclassified subsequently to profit or loss						
Changes in asset revaluation surplus		-	1,188	4,037	1,188	(2,849)
Total other comprehensive income		-	1,188	4,037	1,188	(2,849)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		90,414	3,831	8,985	(86,583)	(5,154)

Major Estimate and Actual (2021) Variance Narratives

1 Revaluation decrement is higher than budget estimate by \$38.6 million (100%) mainly due to movements in land values following the Valuer General's valuation assessment of land held by the Commission. Given the nature of these transactions, estimates cannot be determined.

2 Impairment losses for land are higher than budget estimate by \$15.8 million (100%) mainly due to a change of land use. Given the nature of these transactions, estimates cannot be determined.

3 Other expenses are higher than budget estimate by \$5.9 million (73%) mainly due to compensation paid to landowners for the compulsory acquisition of their properties through the provisions of the *Planning and Development Act 2005* and *Land Administration Act 1997*.

4 User charges and fees are higher than budget estimate by \$3.9 million (29%) mainly due to an increase in subdivision application fees following the Australian Government's HomeBuilder grant and the State's Building Bonus.

5 Loss on disposal of non-current assets is mainly due to the higher fair value (carrying amount) of assets compared to proceeds. Given the nature of these transactions, estimates cannot be determined.

6 Service appropriations are lower than budget estimate by \$24.5 million (21%) mainly due to the deferral of \$22.5 million appropriation to 2021-22 due to deferral of Public Infrastructure works and lower collections through the Metropolitan Regional Improvement Tax (\$2 million).

Major Actual (2021) and Comparative (2020) Variance Narratives

A Supplies and services increased by \$4.7 million (14%) mainly due to increase in funding paid to Department of Planning, Lands and Heritage for the assessment and administration of statutory planning applications. The volume of statutory planning applications and associated fees increased during the year as a result of COVID-19 stimulus initiatives including the Australian Government's HomeBuilder grant and the State's Building Bonus.

B Impairment losses for land decreased by \$11.5 million (42%) mainly due to a change of land use for land acquired during the year.

C Other expenses increased by \$2.7 million (24%) mainly due to compensation paid to landowners for the compulsory acquisition of their properties through the provisions of the *Planning and Development Act 2005* and *Land Administration Act 1997*.

D User charges and fees increased by \$5.7 million (49%) mainly due to higher statutory planning application fees collected during the year as a result of the implementation of COVID-19 stimulus initiatives including the Australian Government's HomeBuilder grant and the State's Building Bonus.

E Interest revenue decreased by \$3 million (67%) mainly due to a lower interest rate (average of 0.3%) during the current financial year than (the average rate of 0.9%) in 2020.

F Loss on disposal of non-current assets in 2020-21 is mainly due to the higher fair value (carrying amount) of assets compared to proceeds. Given the nature of these transactions, estimates cannot be determined.

8.11.2 Statement of Financial Position Variances

	Variance	Estimate	Actual	Actual	Variance between estimate and actual	Variance between actual results for 2021 and 2020
Note		2021	2021	2020		
		\$000	\$000	\$000	\$000	\$000
ASSETS						
<i>Current Assets</i>						
Cash and cash equivalents		11,883	10,798	9,640	(1,085)	1,158
Restricted cash and cash equivalents		380,467	449,215	439,570	68,748	9,645
Receivables		4,797	2,596	4,341	(2,201)	(1,745)
Other current assets		32,417	30,978	32,357	(1,439)	(1,378)
Non-current assets classified as held for sale		6,886	15,291	10,537	8,405	4,754
Total Current Assets		436,450	508,879	496,445	72,429	12,434
<i>Non-Current Assets</i>						
Amounts receivable for services		6,639	6,639	6,259	(0)	380
Infrastructure, property, plant and equipment	7	646,668	520,171	545,719	(126,497)	(25,547)
Intangible assets		28,917	36,111	28,917	7,194	7,195
Other non-current assets	8	22,500	-	-	(22,500)	-
Total Non-Current Assets		704,724	562,921	580,894	(141,803)	(17,973)
TOTAL ASSETS		1,141,174	1,071,800	1,077,338	(69,374)	(5,539)
LIABILITIES						
<i>Current Liabilities</i>						
Payables		1	5,011	5,701	5,010	(690)
Other current liabilities		8,257	1,042	698	(7,215)	344
Contract liabilities		11,647	8,915	11,647	(2,732)	(2,732)
Total Current Liabilities		19,905	14,967	18,046	(4,938)	(3,079)
TOTAL LIABILITIES		19,905	14,967	18,046	(4,938)	(3,079)
NET ASSETS		1,121,269	1,056,833	1,059,292	(64,436)	(2,460)
EQUITY						
Contributed equity		(25,828)	-	-	25,828	-
Reserves		43,325	44,839	43,651	1,514	1,187
Accumulated surplus		1,152,460	1,011,994	1,015,641	(140,466)	(3,647)
Other		(48,688)	-	-	48,688	-
TOTAL EQUITY		1,121,269	1,056,833	1,059,292	(64,436)	(2,460)

Major Estimate and Actual (2021) Variance Narratives

7 Infrastructure, property, plant and equipment are lower than budget estimates by \$126.5 million (20%) mainly due to the unbudgeted land revaluation decrement and land impairment loss throughout the year.

8 Other non-current assets are lower than budget estimates by \$22.5 million (100%) due to the deferral of Public Infrastructure works.

Major Actual (2021) and Comparative (2020) Variance Narratives

No major variances

8.11.3 Statement of Cash Flow Variances

	Variance	Estimate	Actual	Actual	Variance between estimate and actual	Variance between actual results for 2021 and 2020
	Note	2021 \$000	2021 \$000	2020 \$000	\$000	\$000
CASH FLOWS FROM STATE GOVERNMENT						
Service appropriation	9	114,739	90,214	93,230	(24,525)	(3,016)
Capital appropriations		5,400	5,400	5,400	-	(0)
Funds from other public sector entities	10, G	35,000	31,292	3,756	(3,708)	27,536
Net cash provided by State Government		155,139	126,906	102,386	(28,233)	24,520
CASH FLOWS FROM OPERATING ACTIVITIES						
<u>Payments</u>						
Supplies and services	H	(43,903)	(47,161)	(40,883)	(3,258)	(6,278)
Grants and subsidies		(2,250)	(2,519)	(1,904)	(269)	(615)
GST payments on purchases	I	(3,020)	(3,152)	(5,370)	(132)	2,218
GST payment to taxation authority	11, J	(310)	(2,951)	(451)	(2,641)	(2,500)
Other payments	12, K	(346)	(5,967)	(3,545)	(5,621)	(2,422)
<u>Receipts</u>						
Rental received		6,731	6,700	6,393	(31)	307
User charges and fees	13, L	13,343	17,145	11,428	3,802	5,717
Interest received	M	2,100	1,726	5,962	(374)	(4,236)
GST receipts on sales	14, N	310	3,295	1,420	2,985	1,875
GST receipts from taxation authority	15	3,020	4,690	5,207	1,670	(518)
Other receipts		750	669	675	(81)	(6)
Net cash (used in) operating activities		(23,575)	(27,526)	(21,067)	(3,951)	(6,458)
CASH FLOWS FROM INVESTING ACTIVITIES						
<u>Payments</u>						
Proceeds from sale of non-current assets	O	5,000	4,084	11,952	(916)	(7,868)
Other payments	16	(21,000)			21,000	
Purchase of non-current assets	17	(149,924)	(92,661)	(97,058)	57,263	4,397
Net cash (used in) investing activities		(165,924)	(88,577)	(85,106)	77,347	(3,471)
CASH FLOWS FROM FINANCING ACTIVITIES						
<u>Payments</u>						
Other payments	18	(22,500)	-	-	22,500	-
Net cash provided by / (used in) financing activities		(22,500)	-	-	22,500	-
Net increase/(decrease) in cash and cash equivalents		(56,860)	10,803	(3,787)	67,663	14,590
Cash and cash equivalents at the beginning of the period		449,210	449,210	452,997	-	(3,787)
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		392,350	460,013	449,210	67,663	10,803

Major Estimate and Actual (2021) Variance Narratives

9 Service appropriation are lower than budget estimate by \$24.5 million (21%) mainly due to the deferral of \$22.5 million appropriation to 2021-22 and lower collection of Metropolitan Regional Improvement Tax (\$2 million).

10 Funds from other public sector entities is lower than budget by \$3.7 million (11%) due to the final valuation calculations of land sold for the Tonkin Highway extension.

11 GST payments to taxation authority are higher than budget estimate by \$2.6 million (852%) mainly due to higher taxable land sales as a result of the sale for Tonkin Highway extension.

12 Other payments are higher than budget estimate by \$5.6 million (1,624%) mainly due to compensation paid to landowners for acquisition of their land.

13 User charges and fees are higher than budget estimate by \$3.8 million (28%) mainly due to higher statutory planning application fees collected during the year as a result of the implementation of COVID-19 stimulus initiatives.

14 GST receipts on sales are higher than budget estimate by \$3 million (963%) mainly due to higher taxable land sales as a result of the sale for Tonkin Highway extension.

15 GST receipts from taxation authority are higher than budget estimate by \$1.7 million (55%) mainly due to timing difference in receipt from taxation authority.

16 Other payments are lower than budget estimate by \$21 million (100%) mainly due to the re-purposing of funding in the 2020-21 Mid-year Review and deferral of payment within the forward estimate period.

17 Purchase of non-current assets are lower than budget estimate by \$57.3 million (38%) mainly due to deferral of land acquisitions to 2021-22.

18 Other payments are lower than budget estimate by \$22.5 million (100%) mainly due to the re-purposing of the funding in the 2021-22 Budget process.

Major Actual (2021) and Comparative (2020) Variance Narratives

G Funds from other public sector entities increased by \$27.5m (733%) and is related to the sale of land for Tonkin Highway extension in 2021.

H Supplies and services increased by \$6.3 million (15%) mainly due to increase in funding charter payment to Department of Planning, Lands and Heritage for the assessment and administration of statutory planning applications. The volume of statutory planning applications and the resulting fees received increased in the year as a result of COVID-19 stimulus initiatives implemented in the year.

I GST payments on purchases decreased by \$2.2 million (41%) due to lower taxable land acquisition expenditures.

J GST payments to taxation authority increased by \$2.5 million (554%) mainly due to higher taxable land sales as a result of the sale for Tonkin Highway extension.

K Other payments increased by \$2.4 million (68%) mainly due to compensation paid to landowners for the taking of their lands.

L User charges and fees increased by \$5.7 million (50%) mainly due to higher statutory planning application fees collected during the year as a result of the implementation of COVID-19 stimulus initiatives.

M Interest received decreased by \$4.2 million (71%) mainly due to a lower interest rate (average of 0.3%) during the current financial year than the average rate of 0.9% in 2020.

N GST receipts on sales increased by \$1.9 million (132%) mainly due to higher taxable land sales as a result of the sale for Tonkin Highway extension.

O Proceeds from sale of non-current assets decreased by \$7.9 million (66%) mainly due to the level and value of land sale activities.

8.12 Restatement of prior period comparatives due to error

1. A number of land parcels totalling \$2,612k were found to be under the control of WAPC which had not been recorded as part of the Infrastructure, property, plant and equipment balance in the prior year, resulting in an understatement of this balance. This was adjusted against accumulated surplus because it could not be determined when this parcel first came into the control of WAPC.

2. A number of parcels of land were found to have been valued on a restricted basis when they should have been valued on an unrestricted basis for the year ended 30 June 2020. This resulted in overstatement of the revaluation decrement in the statement of comprehensive income, and a corresponding understatement of Infrastructure, property, plant and equipment and assets held for sale.

There was no material impact for the above two restatements on the 30 June 2019 Statement of Financial Position and accordingly no prior balance sheet has been presented.

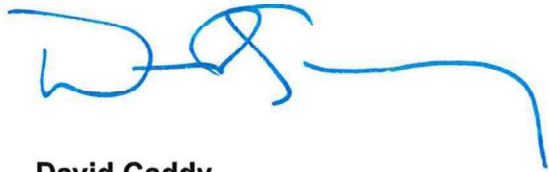
Statement of Financial Position (Extract)	30 June 2020 (as previously reported)	Increase/ (Decrease)	30 June 2020 (Restated)
	\$000	\$000	\$000
Infrastructure, property, plant and equipment	537,843	7,876	545,719
Non-current assets classified as held for sale	6,886	3,651	10,537
Total Assets	1,065,811	11,527	1,077,338
Net Assets	1,047,765	11,527	1,059,292
Accumulated surplus	1,004,114	11,527	1,015,641
Total Equity	1,047,765	11,527	1,059,292

Statement of Comprehensive Income (Extract)	Year Ended 30 June 2020 (as previously reported)	Increase/ (Decrease)	Year Ended 30 June 2020 (Restated)
	\$000	\$000	\$000
Revaluation decrement	47,331	(8,916)	38,415
Total cost of services	126,126	(8,916)	117,210
NET COST OF SERVICES	97,742	(8,916)	88,826
SURPLUS/(DEFICIT) FOR THE PERIOD	(3,968)	8,916	4,948
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	69	8,916	8,985

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 Western Australian Planning Commission's performance, and fairly represent the performance of the Western Australian Planning Commission for the financial year ended 30 June 2021.



David Caddy
Chairman
Western Australian Planning Commission
29 September 2021

The WAPC's desired outcome and key performance indicators

For the year ended 30 June 2021

Relationship to Government Goals

The Western Australian Planning Commission (WAPC) has state-wide responsibility for urban, rural and regional integrated strategic and statutory land use planning and land development. The WAPC's vision is to create better places to live and work for all Western Australians, while its mission is to ensure that the planning system develops policy and enables planning decisions for the long-term benefit of the Western Australian community.

Through the desired outcome and services listed below, the WAPC 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
Better Places A quality environment with liveable and affordable communities and vibrant regions	An efficient and effective planning system that promotes the use and development of land in Western Australia	1. Statutory Planning 2. Strategic Planning 3. Asset Management

The key effectiveness indicators that follow provide information on how well the land use planning activities of the WAPC contribute to the development of land use planning and land use implementation strategies that guide the State's long term urban settlement and economic development. 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. For example, results are presented on a cost per application or per hectare managed basis for easy comprehension. The efficiency indicators incorporate the cost of each service, and as such, measure the overall efficiency in achieving the desired outcome.

Outcome and Key Effectiveness Indicators

WAPC Desired Outcome:

An efficient and effective planning system that promotes the use and development of land in Western Australia

Effectiveness Indicator:

The proportion of residential land in the metropolitan area that is capable of multiple dwellings within 400m and 800m of the Capital City, a Strategic Metropolitan Centre, or a Train Station

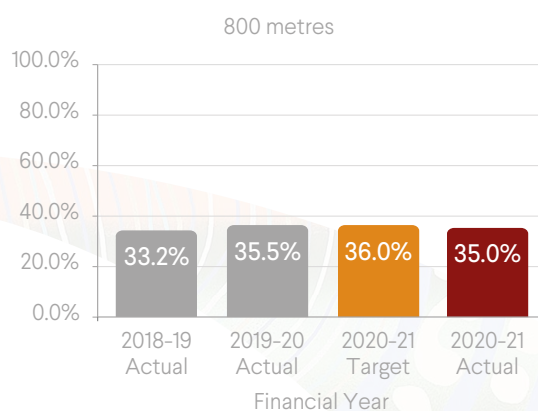
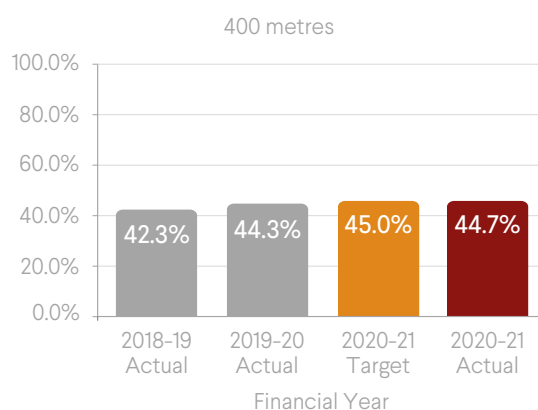
Under the *Planning and Development Act 2005*, the WAPC is responsible for promoting the sustainable use and development of land in Western Australia. *Perth and Peel @3.5 million*, a high level spatial framework and strategic plan for the future growth of the metropolitan Perth and Peel region, recognises the need to plan for land and housing opportunities to accommodate a doubling of the Perth and Peel regions' population to 3.5 million. The main objective is to promote a balanced consolidated development approach that effectively accommodates a larger proportion of new dwellings within existing urban areas. Therefore, one of the WAPC's policy objectives aims to realise more medium to high density residential development in close proximity to activity centres and public transport. This ensures equitable access to infrastructure, and encourages the use of public transport instead of private motor vehicles.

This KPI aligns with the Sub-regional planning frameworks which focus on achieving higher densities of employment and residential development in appropriate places within a predominantly built-up environment while making better use of established infrastructure over the long term. The frameworks build upon the principles of *Directions 2031 and Beyond* and are key instruments in achieving a more consolidated urban form that will reduce dependence on new urban greenfield developments. They provide the strategic spatial framework which will guide local governments in achieving optimal urban consolidation over the long term.

In addition to passenger train stations within the metropolitan area, this KPI covers the Tier 1 and Tier 2 activity centres identified in *Directions 2031 and Beyond*, namely the:

- Perth Capital City (which includes Perth, West Perth, East Perth and Northbridge)
- Strategic Metropolitan Centres (Armadale, Cannington, Fremantle, Joondalup, Mandurah, Morley, Midland, Stirling, and Rockingham).

Most land zoned for residential development is allocated a residential density code (R-Code). However, the zoning of land is not the only indication of permissible development of land. Some land is not allocated an R-Code by a local planning scheme but rather by a structure plan (or equivalent) that has been prepared under the local planning scheme. The calculation of this KPI will exclude emerging Strategic Metropolitan Centres until those centres have at least 1 hectare of commercial floor space.



Effectiveness Indicator:

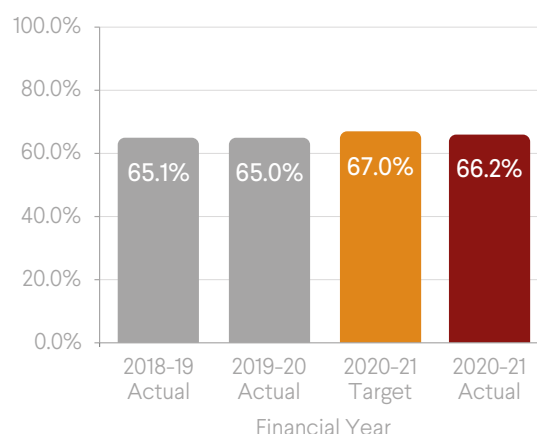
The proportion of residential land that is zoned R40 and above that is within 400m of a Major Regional Centre

Under the *Planning and Development Act 2005*, the WAPC is responsible for promoting the sustainable use and development of land in Western Australia.

This KPI aligns with the Regional Planning and Infrastructure Frameworks which aim to address the future population growth in regional WA in accordance with the Activity Centres Framework and Settlement Hierarchy. The KPI focuses on the major regional centres, which are typically significant centres for population, economic activity and employment. The KPI aligns with policy objectives which aim to realise more medium to high density residential development in close proximity to the major regional centres as this provides efficient access to existing infrastructure.

The KPI covers residential land that is in proximity to the Major Regional Centres, which are Albany, Broome, Bunbury, Geraldton, Kalgoorlie, Karratha, and Port Hedland.

The proportion of residential land that is zoned R40 and above that is within 400m of a Major Regional Centre



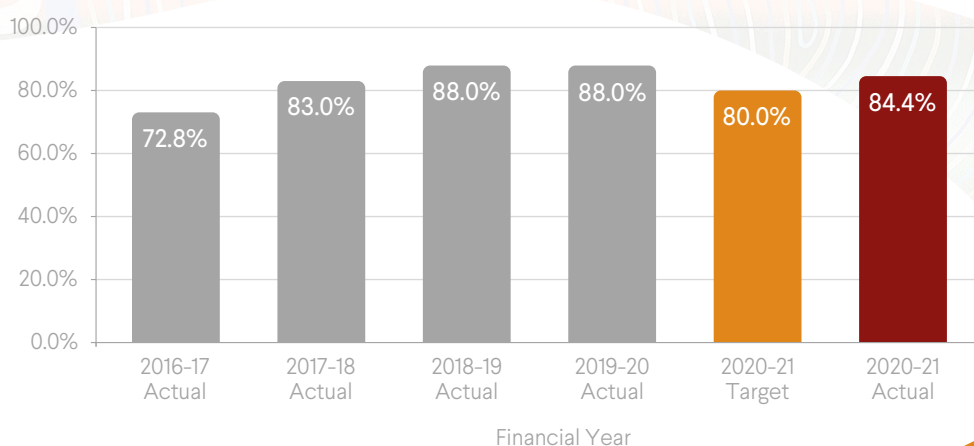
Effectiveness Indicator:

The percentage of subdivision applications determined within the statutory timeframe

Subdivision is the division of land into separate lots, or the amalgamation of several lots into a larger lot. For this measure, subdivisions include green title and survey strata subdivisions. Subdivision applications are determined within strategic, legislative and policy frameworks that promote the sustainable use and development of land in Western Australia.

Under delegated authority, officers of the Department of Planning, Lands and Heritage (the Department) determine the majority of subdivision applications on behalf of the WAPC. This KPI demonstrates the WAPC's and the Department's effectiveness in determining subdivision applications within the statutory timeframe. The statutory timeframe is currently 90 days as specified in s. 143(2) of the *Planning and Development Act 2005*, or within any such longer period that may be agreed between the WAPC and the applicant in writing.

The percentage of subdivision applications determined within the statutory timeframe



Effectiveness Indicator: The percentage of development applications determined within the statutory timeframe

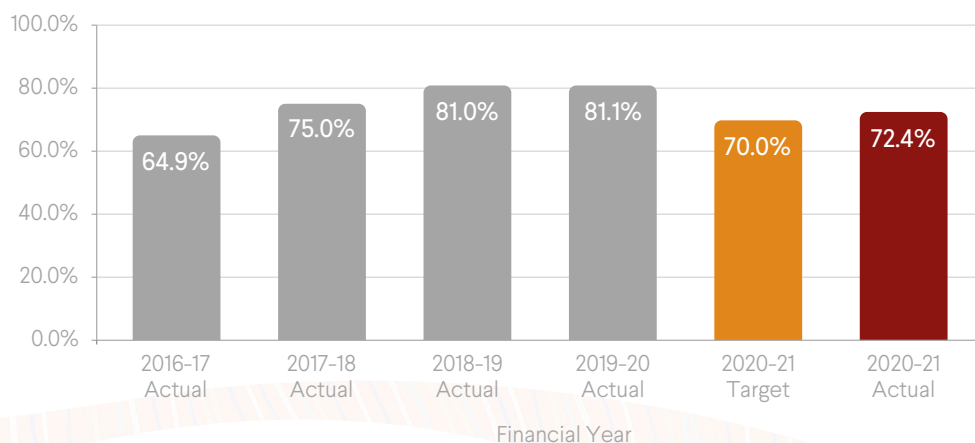
Development applications detail the proposed development of land, and these applications are determined within strategic, legislative and policy frameworks that promote the sustainable use and development of land in Western Australia.

Under delegated authority, officers of the Department of Planning, Lands and Heritage (the Department) determine the majority of development applications on behalf of the WAPC. This KPI demonstrates the WAPC's and the Department's effectiveness in determining development applications within the required timeframe. The required timeframe is 60 days for the metropolitan region as specified in clause 31(2) of the Metropolitan Region Scheme or within such further time as may be agreed in writing between the applicant and the WAPC. For the Greater Bunbury and Peel regions, the required timeframe is 90 days as stated in clause 47(2) of the Greater Bunbury Region Scheme and clause 41(2) of the Peel Region Scheme or within such further time as is agreed in writing between the applicant and the WAPC.

Explanation for significant variance

The 2020-21 result was 8.7 per cent lower than 2019-20 due mainly to a significant increase in the number of planning applications processed in 2020-21. This was attributed to the COVID-19 stimulus announcements in 2020 relating to the home builder grants, and amendments to legislation to cut red tape and support job-creating projects. While the number of development applications were five per cent lower than 2019-20, resources were directed towards the processing of subdivision applications which were 47.4 per cent higher than those processed in 2019-20.

The percentage of development applications determined within the statutory timeframe



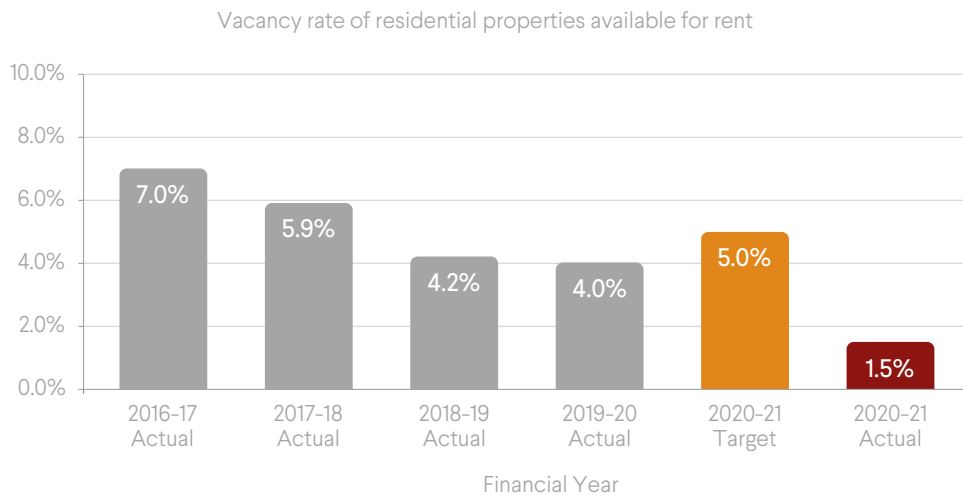
Effectiveness Indicator: Vacancy rate of residential properties available for rent

One of the key functions of the WAPC is to 'Develop, maintain and manage land that is reserved under a region planning scheme or improvement scheme'. In 2020-21 the WAPC owned 245 residential properties that were situated on reserved land. The Department of Planning, Lands and Heritage (the Department) managed 232 of these properties while real estate agents managed the remaining properties on behalf of the WAPC. This indicator relates to the 232 properties managed by the Department. The Department aims to maximise rental income on the basis of high occupancy rates and market rentals. Wherever possible, the Department leases these properties until the land is required for the purpose for which it was reserved.

This KPI reports on the vacancy rate of the residential properties. While market factors will have an impact on performance, the vacancy rate measures the effectiveness of the Department's management of these properties on behalf of the WAPC.

Explanation for significant variance

The variance between the 2020-21 actual, and both the 2019-20 actual and 2020-21 target is due mainly to the residential tenancies COVID-19 response. The measures taken as part of this response included a moratorium on evictions from 30 March 2020 to 28 March 2021, the Residential Rent Relief Grant Scheme which provided assistance to tenants to pay off debts that arose before 1 December 2020, and a freeze on rental rates until 28 March 2021.



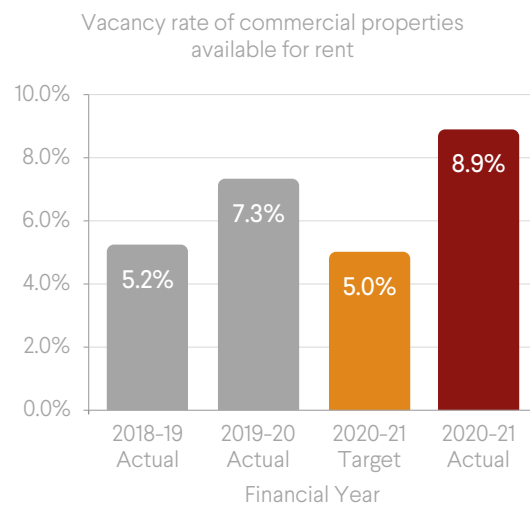
Effectiveness Indicator: Vacancy rate of commercial properties available for rent

One of the key functions of the WAPC is to 'Develop, maintain and manage land that is reserved under a region planning scheme or improvement scheme'. In 2020-21 the WAPC owned and managed 67 commercial properties that were situated on reserved land. The Department of Planning, Lands and Heritage (the Department) managed 66 of these properties while real estate agents managed the remaining property on behalf of the WAPC. This indicator relates to the 66 properties managed by the Department. The Department aims to maximise rental income on the basis of high occupancy rates and market rentals. Wherever possible, the Department leases these properties until the land is required for the purpose for which it was reserved.

This KPI reports on the vacancy rate of the commercial properties. While market factors will have an impact on performance, the vacancy rate measures the effectiveness of the Department's management of these properties on behalf of the WAPC.

Explanation for significant variance

The variance between the 2020-21 actual, and both the 2019-20 actual and 2020-21 target is due mainly to the poor condition of the WAPC's commercial properties, and the lack of interest received during the COVID-19 state of emergency from businesses willing to commit to commercial lease agreements.



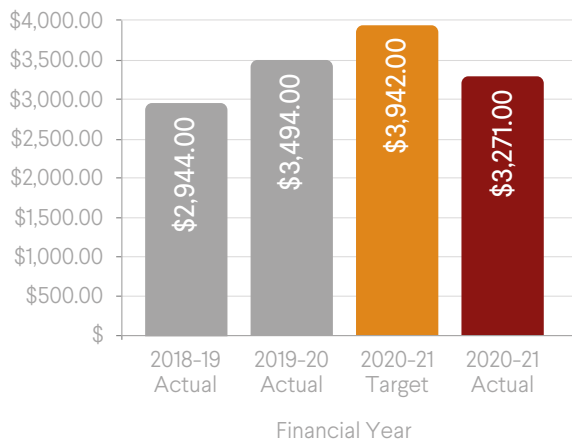
WAPC Services:
Service 1 - Statutory Planning

Efficiency Indicator:
Average cost per statutory application

Under delegated authority, officers of the Department of Planning, Lands and Heritage (the Department) determine the majority of statutory applications on behalf of the WAPC. The WAPC receives revenue from subdivision applications and deposited plans, and transfers these monies to the Department to process these applications.

This KPI measures the average cost to the WAPC for the processing of these statutory applications.

Average cost per statutory application



Explanation for significant variance

The 2020-21 result is significantly lower than target and the 2019-20 result due mainly to:

- Expenditure on statutory applications being 21.5 per cent above target and 37.6 per cent above 2019-20, however
- The number of applications processed were 46.4 per cent above target and 47 per cent above the number processed in 2019-20.

This was attributed to the COVID-19 stimulus announcements in 2020 relating to the home builder grants, and amendments to legislation to cut red tape and support job-creating projects.

Service 2 - Strategic Planning

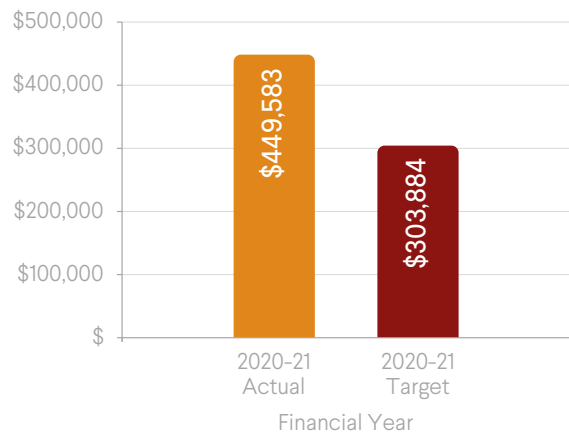
Efficiency Indicator:
Average cost per strategic project

Strategic planning within the WAPC involves the development and advancement of frameworks, strategies and policies that guide the State’s long-term development, economic prosperity and environmental management in ways that reflect the aspirations of the Western Australian community.

The WAPC funds the Department of Planning, Lands and Heritage (the Department) to undertake work on its behalf in relation to strategic projects. This new KPI measures the average total cost of service for the strategic projects that the Department undertakes.

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

Average cost per strategic project



Explanation for significant variance

The 2020-21 result is significantly lower than target due mainly to underspending on projects totalling approximately \$1.45 million.

Service 3 - Asset Management

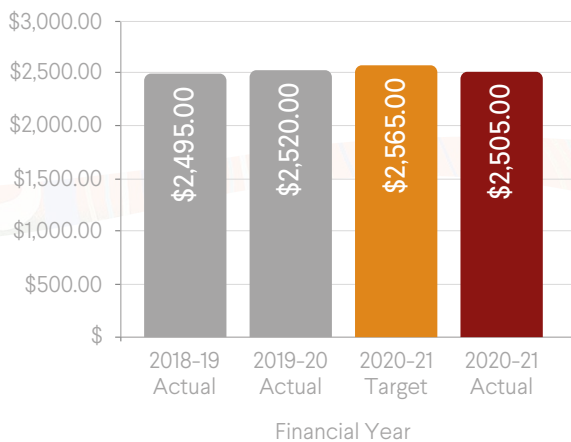
One of the key functions of the WAPC is to 'Develop, maintain and manage land that is reserved under a region planning scheme or improvement scheme'. This includes properties reserved under the Metropolitan, Peel, and Greater Bunbury Region Schemes for primary and other regional roads, parks and recreation, regional open space, special uses including planning control areas and improvement plans, and major land development projects. The resources required to manage each type of property can vary considerably, and as such it is proposed to separate the asset management efficiency indicators into three KPIs.

Efficiency Indicator: Average cost of service for the management of Whiteman Park per hectare managed

Whiteman Park is a unique recreation and conservation reserve that contains natural bushland and leisure facilities in Perth's northern suburbs. The parkland is reserved for parks and recreation in the Metropolitan Region Scheme, creating a space for the community. The creation of the parkland also serves to protect the Gngangara Water Mound, a vital source of drinking water for the Perth metropolitan area, and creates a haven for local flora and fauna. In total, staff at Whiteman Park manage approximately 3,760 hectares of reserved land.

Whiteman Park's vision is dedicated to the education and conservation of environmental, transport and cultural heritage. As such, the park provides visitors with an opportunity to experience a wide range of transport heritage in one place.

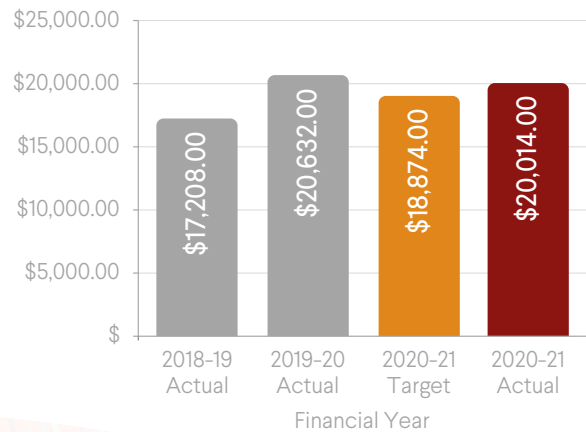
Average cost of service for the management of Whiteman Park per hectare managed



Efficiency Indicator: Average cost of service for the management of residential and commercial properties per property

In 2020-21, the WAPC owned 245 residential and 67 commercial properties on reserved land. The Department of Planning, Lands and Heritage managed the majority of these properties on behalf of the WAPC, while real estate companies managed those properties located in regional Western Australia. This KPI represents the average cost of managing all residential and commercial properties.

Average cost of service for the management of residential and commercial properties per property



Explanation for significant variance

The 2020-21 result exceeded target due mainly to expenditure being 4.7 per cent greater than target. Actual results exceeded budget particularly in relation to salaries and wages, and maintenance expenses on commercial properties. In addition, there were four less residential properties managed during the year than anticipated.

Efficiency Indicator: Average cost of service for the management of reserved land (excluding Whiteman Park and Residential and Commercial properties) per hectare managed

One of the key functions of the WAPC is to 'Develop, maintain and manage land that is reserved under a region planning scheme or improvement scheme'. This includes properties reserved under the Metropolitan, Peel, and Greater Bunbury Region Schemes for primary and other regional roads, parks and recreation, regional open space areas, special uses including planning control areas and improvement plans, and major land development projects.

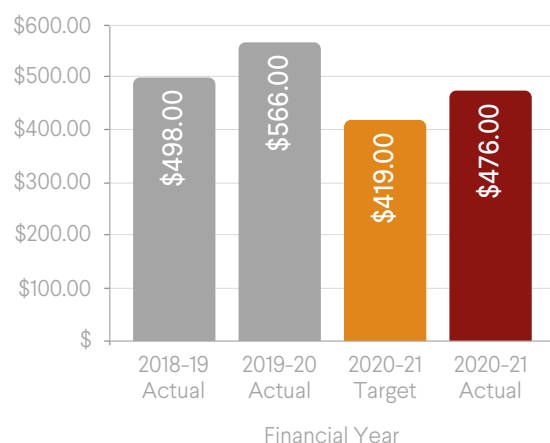
The WAPC currently owns approximately 21,700 hectares of reserved land, and about 4,220 hectares of this land is managed by the Department of Biodiversity, Conservation and Attractions. The Department of Planning, Lands and Heritage manages the remaining reserved land on behalf of the WAPC.

A significant proportion of the WAPC's expenditure on asset management is attributed to the management Whiteman Park, and residential and commercial properties. This KPI represents the average cost of managing other reserved land (i.e., excluding Whiteman Park, the residential and commercial properties, and land managed by the Department of Biodiversity, Conservation and Attractions), which covers an area of approximately 12,920 hectares.

Explanation for significant variance

The 2020-21 result was significantly lower than 2019-20 due mainly to lower expenditure in relation to remediation work on a WAPC property in Belmont. In 2001, the WAPC purchased a property in Belmont for parks and recreational purposes, however, a slope failure (landslide) of up to 11 metres above the river occurred in January 2012. Temporary remedial works were carried out, but in 2014 and 2015 further observations indicated that the slope continued to be affected by instability. Funding for a remediation project was approved as part of the 2018-19 Mid-Year Review, and a contract was awarded in July 2019. The 2020-21 result exceeded the target due mainly to unplanned expenditure to revegetate the riverbank in Belmont.

Average cost of service for the management of reserved land (excluding Whiteman Park and Residential and Commercial properties) per hectare managed





Annual Report 2020-21

| Aboriginal Affairs Planning Authority

Financials and Performance Indicators



Photograph by staff member Ben Jarlett – Kalbarri Gorges



Auditor General

INDEPENDENT AUDITOR'S OPINION 2021

The Aboriginal Affairs Planning Authority

To the Parliament of Western Australia

Report on the audit of the financial statements

Opinion

I have audited the financial statements of The Aboriginal Affairs Planning Authority (Authority) which comprise:

- the Statement of Financial Position at 30 June 2021, and the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended
- Notes comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the financial statements are:

- based on proper accounts and present fairly, in all material respects, the operating results and cash flows of The Aboriginal Affairs Planning Authority for the year ended 30 June 2021 and the financial position at the end of that period
- in accordance with Australian Accounting Standards, the *Financial Management Act 2006* and the Treasurer's Instructions.

Basis for opinion

I conducted my audit in accordance with the Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my report.

I am independent of the Authority in accordance with the *Auditor General Act 2006* and the relevant ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (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.

Responsibilities of the Director General for the financial statements

The Director General is responsible for:

- keeping proper accounts
- preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards, the *Financial Management Act 2006* and the Treasurer's Instructions
- such internal control as it 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
- using the going concern basis of accounting unless the Western Australian Government has made policy or funding decisions affecting the continued existence of the Authority.

Auditor's responsibilities for the audit of the financial statements

As required by the *Auditor General Act 2006*, my responsibility is to express an opinion on the financial statements. The objectives of my audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

A further description of my responsibilities for the audit of the financial statements is located on the Auditing and Assurance Standards Board website. This description forms part of my auditor's report and can be found at https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf.

Report on the audit of controls

Opinion

I have undertaken a reasonable assurance engagement on the design and implementation of controls exercised by The Aboriginal Affairs Planning Authority. The controls exercised by the Authority 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 Aboriginal Affairs Planning Authority 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 2021.

The Director General's responsibilities

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

Auditor General's responsibilities

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

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

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

Limitations of controls

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

Report on the audit of the key performance indicators

Opinion

I have undertaken a reasonable assurance engagement on the key performance indicators of The Aboriginal Affairs Planning Authority for the year ended 30 June 2021. 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 Aboriginal Affairs Planning Authority are relevant and appropriate to assist users to assess the Authority's performance and fairly represent indicated performance for the year ended 30 June 2021.

Matter of significance

The Authority received an exemption from the Under Treasurer from reporting the following key performance indicator for the year ended 30 June 2021:

- Percentage of stakeholders who found the Authority's management of the land on behalf of the Aboriginal people satisfactory

The exemption was approved due to low interaction with key stakeholders for the majority of the year due to COVID-19 pandemic restrictions. Consequently, this indicator has not been reported. My opinion is not modified in respect of this matter.

The Director General's responsibilities for the key performance indicators

The Director General is responsible for the preparation and fair presentation of the key performance indicators in accordance with the *Financial Management Act 2006* and the Treasurer's Instructions and for such internal 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 responsibilities

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

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

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

My independence and quality 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.

Other information

The Director General is responsible for the other information. The other information is the information in the entity's annual report for the year ended 30 June 2021, but not the financial statements, key performance indicators and my auditor's report.

My opinions do not cover the other information and, accordingly, I do not express any form of assurance conclusion thereon.

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

This auditor's report relates to the financial statements, controls and key performance indicators of The Aboriginal Affairs Planning Authority for the year ended 30 June 2021 included on the Authority's website. The Authority's management is responsible for the integrity of the Authority's website. This audit does not provide assurance on the integrity of the Authority's website. The auditor's report refers only to the financial statements, controls and key performance indicators described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these financial statements, controls or key performance indicators. If users of the financial statements, controls 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, controls and key performance indicators.



Grant Robinson
Acting Deputy Auditor General
Delegate of the Auditor General for Western Australia
Perth, Western Australia
1 October 2021

Certification of financial statements

For the reporting period ended 30 June 2021

The accompanying financial statements of the Aboriginal Affairs Planning Authority 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 2021 and the financial position as at 30 June 2021.

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.



Jodi Cant
Director General
Department of Planning, Lands and Heritage
29 September 2021



Jeremy Kwong
A/Chief Finance Officer
Department of Planning, Lands and Heritage
29 September 2021

Statement of comprehensive income

For the year ended 30 June 2021

	Notes	2021 \$000	2020 \$000
COST OF SERVICES			
Expenses			
Supplies and services	2.2	5,416	5,043
Depreciation expense	4.1	1,045	1,083
Grants and subsidies	2.1	45	408
Other expenses	2.2	7,322	667
Total cost of services		13,828	7,201
Income			
Grants and contributions	3.3	3,390	2,997
Other revenue	3.2	659	1,239
Total income		4,049	4,236
NET COST OF SERVICES		9,779	2,965
Income from State Government			
Services received free of charge	3.1	3,852	4,268
Total income from State Government		3,852	4,268
(DEFICIT)/SURPLUS FOR THE PERIOD		(5,927)	1,303
OTHER COMPREHENSIVE INCOME			
Items not reclassified subsequently to profit or loss			
Changes in asset revaluation surplus	8.7	931	1,675
Total other comprehensive income		931	1,675
TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE PERIOD		(4,996)	2,978

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

Statement of financial position

As at 30 June 2021

	Notes	2021 \$000	2020 \$000
ASSETS			
Current Assets			
Cash and cash equivalents	6.1	3,166	2,260
Restricted cash	6.1	136	164
Receivables	5.1	614	97
Total Current Assets		3,916	2,521
Non-Current Assets			
Property (Land and Buildings)	4.1	103,181	103,037
Total Non-Current Assets		103,181	103,037
TOTAL ASSETS		107,097	105,558
LIABILITIES			
Current Liabilities			
Payables	5.2	154	139
Provisions	5.3	5,612	600
Total Current Liabilities		5,766	739
Non-Current Liabilities			
Provisions	5.3	1,509	-
Total Non-Current Liabilities		1,509	-
TOTAL LIABILITIES		7,275	739
NET ASSETS		99,823	104,819
EQUITY			
Contributed equity	8.7	727	727
Reserves (land and Buildings)		122,784	121,853
Accumulated deficit		(23,688)	(17,761)
TOTAL EQUITY		99,823	104,819

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

Statement of changes in equity

For the year ended 30 June 2021

	Notes	Contributed Equity \$000	Reserves \$000	Accumulated deficit \$000	Total equity \$000
Balance at 1 July 2019	8.7	840	120,178	(19,064)	101,954
Surplus		-	-	1,303	1,303
Other comprehensive losses		-	1,675	-	1,675
Total comprehensive loss for the period		-	1,675	1,303	2,978
Transactions with owners in their capacity as owners:					
Capital appropriations		-	-	-	-
Contributions by owners		-	-	-	-
Distributions to owners		(113)	-	-	(113)
Total		(113)	-	-	(113)
Balance at 30 June 2020		727	121,853	(17,761)	104,819
Balance at 1 July 2020	8.7	727	121,853	(17,761)	104,819
Deficit		-	-	(5,927)	(5,927)
Other comprehensive income		-	931	-	931
Total comprehensive losses for the period		-	931	(5,927)	(4,996)
Transactions with owners in their capacity as owners:					
Capital appropriations		-	-	-	-
Contributions by owners		-	-	-	-
Distribution to owners		-	-	-	-
Total		-	-	-	-
Balance at 30 June 2021		727	122,784	(23,688)	99,823

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 2021

	2021	2020
Notes	\$000	\$000
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments		
Supplies and services	(978)	(744)
Grants and subsidies	(45)	(408)
GST payments on purchases	(263)	(179)
GST payment to taxation authority	(6)	0
Other payments	(1,510)	(1,148)
Receipts		
Grants and contributions	3,390	2,997
GST receipts on sales	34	5
GST receipts from taxation authority	189	215
Other receipts	67	667
Net cash provided by operating activities	878	1,405
Net increase in cash and cash equivalents	878	1,405
Cash and cash equivalents at the beginning of the period	2,424	1,019
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	3,302	2,424
	6.1	

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

Notes to the financial statements

1. Basis of preparation

The Aboriginal Affairs Planning Authority (Authority or AAPA) is a Western Australian Government entity and is controlled by the State of Western Australia, which is the ultimate parent entity. The Authority 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 of Planning, Lands and Heritage on 29 September 2021.

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 AASs 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 TI 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 Authority'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 Authority in achieving its objectives and the relevant notes are:

	Notes	2021 \$000	2020 \$000
Grants and subsidies	2.1	45	408
Other Expenditure	2.2	12,738	5,710

2.1 Grants and subsidies

Reserve management grants	45	332
Land and cultural management grant	-	76
	45	408

Transactions in which the Authority 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.

2.2 Other expenditure

Supplies and services

Services received free of charge from the Department of Planning, Lands and Heritage	3,852	4,268
Consultants and contractors	1,049	466
Utilities Expenses	164	154
Other	351	155
Total supplies and services	5,416	5,043

Other expenses

Property repairs and maintenance	1,032	563
Indigenous Land Use Agreement - land transfers ^(a)	5,612	-
Demolition of buildings	650	87
Other (includes audit fees)	28	17
Total other expenses	7,322	667
Total other expenditure	12,738	5,710

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.

The Aboriginal Affairs Planning Authority has no direct staff or systems, all administrative and operational activities are undertaken by the Department of Planning, Lands and Heritage (DPLH) on the Authority's behalf. The expenses shown as services received free of charge from Department of Planning, Lands and Heritage reflect a notional non-cash apportionment of salaries and overheads of DPLH resources applied to activities and business of the Authority.

Other expenses:

All other expenses are recognised as incurred.

^(a) As part of the South West Native Title settlement's indigenous land use agreement, a number of land parcels held by the Authority are committed for transfer to the Noongar Land Estate.

3 Our funding sources

How we obtain our funding

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

	Notes	2021 \$000	2020 \$000
Income from State Government	3.1	3,852	4,268
Other revenue	3.2	659	1,239
Grants and contributions	3.3	3,390	2,997

3.1 Income from State Government

Services received free of charge from other State government agencies during the period:

Department of Planning, Lands and Heritage	3,852	4,268
Total services received	3,852	4,268

Where assets or services have been received free of charge or for nominal cost, the Authority recognises revenue (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.

3.2 Other revenue

Interest revenue	14	28
Royalties received	353	353
Reduction in restoration provision ^(a)	-	732
Other	292	126
	659	1,239

From 1 July 2019, other revenue is recognised at the transaction price when the Authority transfers control of the services to customers.

Revenue is recognised at a point-in-time for Royalties received.

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

^(a) The contaminated sites provision for future remediation costs are reviewed annually and any changes in the estimate are reflected in the present value of the remediation provision at each reporting date. A number of sites previously estimated in the provisions are now in the contingent liability category as a cost cannot be reasonably estimated based on current information.

3.3 Grants and contributions

Recurrent grants - other government agencies ^(a)	3,390	2,997
	3,390	2,997

^(a) Grant from the Department of Planning, Lands and Heritage

For non-reciprocal grants, the Authority 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.

4 Key assets

Assets the Authority utilises for economic benefit or service potential.

This section includes information regarding the key assets the Authority 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	2021 \$000	2020 \$000
Property (Land and Buildings)	4.1	103,181	103,037
Total key assets		103,181	103,037

4.1 Property (Land and Buildings)

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

For the year ended 30 June 2021	Freehold land \$000	Reserves \$000	Pastoral leases \$000	Other leases \$000	Buildings \$000	Total \$000
1 July 2020						
Gross carrying amount	14,870	41,946	3,819	247	42,174	103,055
Accumulated depreciation	-	-	-	-	(18)	(18)
Carrying amount at start of period	14,870	41,946	3,819	247	42,155	103,037
Additions	-	-	-	-	-	-
Transfers	-	-	-	-	-	-
Disposals	-	-	-	-	(650)	(650)
Revaluation increments / (decrements)	(1,117)	790	1,605	-	562	1,839
Depreciation	-	-	-	-	(1,045)	(1,045)
Carrying amount at end of period	13,753	42,736	5,424	247	41,023	103,181
Gross carrying amount	13,753	42,736	5,424	247	42,085	104,243
Accumulated depreciation ^(a)	-	-	-	-	(1,062)	(1,062)

^(a) Buildings are revalued each year and the accumulated depreciation is written back against the asset value. As a consequence the accumulated depreciation appears lower than may otherwise be expected.

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:

- Freehold land, reserves and leases
- buildings

Freehold land, reserves and leases are carried at fair value.

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

Freehold land, reserves, leases 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.

Freehold land, reserves, leases and buildings were revalued as at 1 July 2020 by the Western Australian Land Information Authority (Valuations and Property Analytics). The valuations were performed during the year ended 30 June 2021 and recognised at 30 June 2021. In undertaking the revaluation, fair value was determined by reference to market values for freehold land, reserves and leases: \$29,278k (2020: \$29,299k) and buildings: \$10,049k (2020: \$9,687k). For the remaining balance, fair value of buildings was determined on the basis of current replacement cost and fair value of land was determined on the basis of comparison with market evidence for land with low level utility (high restricted use land).

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.

4.1.1 Depreciation and impairment

Charge for the period

Depreciation

Buildings

Total depreciation for the period

	2021	2020
	\$000	\$000
Buildings	1,045	1,083
Total depreciation for the period	1,045	1,083

As at 30 June 2021, there were no indications of impairment to property.

All surplus assets at 30 June 2021 have either been classified as assets held for sale or have been written-off.

Finite useful lives

Property having a limited useful life is systematically depreciated over its estimated useful life in a manner that reflects the consumption of its 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:

Useful life: years	
Buildings	
Houses	40 years
Sheds and workshops	40 years
Other facilities	40 years

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.

Freehold land, reserves, and leases are considered to have indefinite lives and not depreciated.

Impairment

Non-financial assets 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 unless offsetting a previous increment held in the reserve.

As the Authority 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.

5 Other assets and liabilities

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

	Notes	2021 \$000	2020 \$000
Receivables	5.1	614	97
Payables	5.2	154	139
Provisions	5.3	7,121	600

5.1 Receivables

Current

Trade receivables		202	76
Allowance for impairment of receivables		(12)	(4)
GST receivable		71	25
Accrued Income		353	-
Total current		614	97

Reconciliation of changes in the allowance for impairment of trade receivables:

Opening balance		(4) -	5
Expected credit losses expense		(8)	-
Reversal of credit losses expense		-	1
Balance at end of period		(12)	(4)

The maximum exposure to credit risk at the end of the reporting period for trade receivables is the carrying amount of the asset inclusive of any allowance for impairment as shown in the table at Note 7.1 'Financial instruments disclosures

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

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

5.2 Payables

Current

Trade payables		30	-
Accrued expenses		124	139
Total current		154	139

Payables are recognised at the amounts payable when the Authority 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.

5.3 Provisions

	2021	2020
	\$000	\$000
Current		
Remediation costs	-	600
Indigenous Land Use Agreement - land transfers ^(a)	5,612	-
Balance at end of period	5,612	600
Non-Current		
Remediation costs	1,509	-
Balance at end of period	1,509	-

5.3.1 Provision for remediation

Under the *Contaminated Sites Act 2003* the Authority has a legal or constructive obligation to rehabilitate affected parcels of land.

A provision for remediation is recognised when:

- there is a present obligation where contaminated sites have been identified and classified as 'contaminated - remediation required';
- 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 remediation costs is the best estimate of the present value of the expenditure required to settle the remediation obligation at the reporting date. Future remediation costs are reviewed annually and any changes in the estimate are reflected in the present value of the remediation provision at each reporting date.

^(a) As part of the South West Native Title settlement's indigenous land use agreement, a number of land parcels held by the Authority are committed for transfer to the Noongar Land Estate.

5.3.2 Movements in provisions

Movements in each class of provisions during the period is set out below.

	2021	2020
	\$000	\$000
Remediation costs		
Carrying amount at start of period	600	1,330
Additional/(reversals of) provisions recognised	909	(730)
Carrying amount at end of period	1,509	600
Indigenous Land Use Agreement - land transfers		
Carrying amount at start of period	-	-
Additional/(reversals of) provisions recognised	5,612	-
Carrying amount at end of period	5,612	-

6 Financing

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

	Notes	2021	2020
		\$000	\$000
Cash and cash equivalents	6.1		

6.1 Cash and cash equivalents

6.1.1 Reconciliation of cash

Cash and cash equivalents	3,166	2,260
Restricted Cash	136	164
Balance at end of period	3,302	2,424

7 Financial instruments and contingencies

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

	Notes	2021 \$000	2020 \$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	3,302	2,424
Financial assets at amortised cost ^(a)	190	72
Total financial assets	3,492	2,496

Financial liabilities

Financial liabilities at amortised cost ^(b)	154	139
Total financial liabilities	154	139

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

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

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 Authority is not aware of any contingent assets.

7.2.2 Contingent liabilities

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

Native title claims

Up to 318,887 hectares of land are committed to be transferred under the South West Native Title Settlement arrangements. Due to insufficient information on land selection, land transfer timeframe, as well as the market value of the land (AASB 137 paras 10), it is not feasible to be quantified as a provision. The South West Native Title Settlement may be settled in land held currently by either DPLH administered and Aboriginal Affairs Planning Authority.

Contaminated sites

Under the Contaminated Sites Act 2003 (CS Act), the Authority is required to report known and suspected contaminated sites to the Department of Water and Environmental Regulation (DWER). In accordance with the CS Act, DWER classifies these sites on the basis of the risk to human health, the environment and environmental values.

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

- The site has been classified possibly contaminated – investigation required (PC-IR) under the Act, and investigation costs cannot be reliably estimated.

The Authority is required to recognise provisional liabilities in respect of a site where:

- The site has been classified as possibly contaminated - investigation required or contaminated - remediation required under the Act;
- The Authority is responsible for the site under the Act; and
- A reliable estimate can be made of the costs of investigation/remediation of the site.

During the 2020-2021 financial year, two (2) sites have been classified by DWER as 'contaminated – remediation required' and a provision has been raised for the remediation and management of these sites. In addition 41 sites require formal investigation and have been classified by DWER as 'possibly contaminated – investigation required'. A provision has been raised for the initial investigation and potential remediation of these sites.

Refer to Note 5.3 for these provisions.

Insurance

Buildings and contents on land that is owned or under the Aboriginal Land Trust's responsibility covers approximately 10 per cent of the state and due to the size of this land there is limited information on the number and current condition of these fixed assets. An assessment is made on insured values for known property conditions and these properties are now insured at replacement building value or cost to demolish. There is a risk that these buildings will not be fully insured at replacement value however the Authority is continuing to work with RiskCover to address their disclosure requirements. The Authority reviews its insurance requirements on an annual basis.

Water

Previously the Water Corporation brought to the attention of management a contingent liability regarding the supply of water on the Aboriginal Land Trust estate. Outgoing costs on leased or tenanted land is the responsibility of the tenant but if it is not recoverable from the lessee or tenant, this debt (under the Water Corporation's system) generally reverts to the landowner.

Currently invoices of approximately \$1,867,000 (2020: \$1,967,000) issued by the Water Corporation to the Authority remains outstanding as at period end. No provision was raised at 30 June 2021 as there was no present legal or constructive obligation and management considers an outflow of resources embodying economic benefits is highly improbable.

8 Other disclosures

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

	<u>Notes</u>
Events occurring after the end of the reporting period	8.1
Key management personnel	8.2
Related party transactions	8.3
Related bodies	8.4
Affiliated bodies	8.5
Remuneration of auditors	8.6
Equity	8.7
Supplementary financial information	8.8
Initial application of accounting standards	8.9
Explanatory statement	8.10

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 Key management personnel

The Authority has determined key management personnel to include the responsible Minister and members of the Authority. The Authority does not incur expenditures to compensate the responsible Minister 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 members of the Authority for the reporting period are presented within the following bands:

Compensation Band (\$)	2021	2020
0 - 10,000	7	7
	<u>2021</u>	<u>2020</u>
	<u>\$000</u>	<u>\$000</u>
Total compensation of key management personnel	<u>11</u>	<u>23</u>

Total compensation includes the superannuation expense incurred by the Authority in respect of members of the accountable authority.

The Department of Planning, Lands and Heritage (DPLH) provides full administrative support to the Authority. Compensation of members, disclosed above, form part of the services received free of charge from DPLH.

8.3 Related party transactions

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

Related parties of the Authority 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 Authority, there were no other related party transactions that involved key management personnel and/or their close family members and/or their controlled (or jointly controlled) entities.

8.4 Related bodies

The Authority had no related bodies during the current or previous financial year.

8.5 Affiliated bodies

The Authority had no affiliated bodies during the current or previous financial year.

8.6 Remuneration of auditors

	2021	2020
	<u>\$000</u>	<u>\$000</u>
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	<u>24</u>	<u>17</u>

8.7 Equity

	2021	2020
	\$000	\$000
Contributed equity		
Balance at start of period	727	840
<i>Contribution by owners</i>		
<i>Transfer of net assets from other agencies</i>		
Land and buildings	-	-
Total contribution by owners	-	-
<i>Distribution to owners</i>		
<i>Transfer of net assets to other agencies</i>		
Land and buildings	-	(113)
Total distributions to owners	-	(113)
Balance at end of period	727	727
Asset revaluation surplus		
Balance at start of period	121,853	120,178
<i>Net revaluation increments/(decrements)</i>		
Freehold land, reserves and leases	369	1,932
Buildings	562	(257)
Balance at end of period	122,784	121,853
Accumulated deficit		
Balance at start of period	(17,761)	(19,064)
Result for the period	(5,927)	1,303
Balance at end of period	(23,688)	(17,761)
Balance at end of period	99,823	104,819

8.8 Supplementary financial information

(a) Write-offs

The Authority did not have any write offs for the current or previous year.

(b) Losses through theft, defaults and other causes

No reported losses due to theft, defaults and other causes for the current or previous year.

(c) Gifts of public property

The Authority did not provide any gifts of public property for the current or previous year.

8.9 Initial application of accounting standards

AASB 1059 Service Concession Arrangements: Grantors

AASB 1059 Service Concession Arrangements: Grantors came into effect for annual reporting periods beginning on or after 1 January 2020.

This Standard addresses the accounting for a service concession arrangement (a type of public private partnership) by a grantor that is a public-sector agency by prescribing the accounting for the arrangement from the grantor's perspective. Timing and measurement for the recognition of a specific asset class occurs on commencement of the arrangement and the accounting for associated liabilities is determined by whether the grantee is paid by the grantor or users of the public service provided.

The Department has not identified any public private partnerships within scope of the Standard and there is no impact on the financial statements.

8.10 Explanatory statement

All variances between annual estimates (original budget) and actual results for 2021, and between the actual results for 2021 and 2020 are shown below. Narratives are provided for key major variances which are greater than 10% and 1% prior year of Total Cost of Services for the Statements of Comprehensive Income and Statement of Cash Flows, and are greater than 10% and 1% prior year of Total Assets for the Statement of Financial Position

8.10.1 Statement of Comprehensive Income Variances

	Variance	Estimate	Actual	Actual	Variance between estimate and actual	Variance between actual results for 2021 and 2020
	Note	2021	2021	2020	actual	and 2020
		\$000	\$000	\$000	\$000	\$000
Expenses						
Supplies and services	1	8,068	5,416	5,043	(2,652)	373
Depreciation expense		1,155	1,045	1,083	(110)	(38)
Grants and subsidies	2, A	175	45	408	(130)	(363)
Other expenses	3, B	202	7,322	667	7,120	6,655
Total cost of services		9,600	13,828	7,201	4,228	6,627
Income						
<i>Revenue</i>						
Grants and contributions	4, C	1,446	3,390	2,997	1,944	393
Other revenue	5, D	317	659	1,239	342	(580)
Total Revenue		1,763	4,049	4,236	2,286	(187)
Total income other than income from State Government		1,763	4,049	4,236	2,286	(187)
NET COST OF SERVICES		7,837	9,779	2,965	1,942	6,814
Income from State Government						
Services received free of charge	6	6,500	3,852	4,268	(2,648)	(416)
Total income from State Government		6,500	3,852	4,268	(2,648)	(416)
SURPLUS/(DEFICIT) FOR THE PERIOD		(1,337)	(5,927)	1,303	(4,590)	(7,230)
OTHER COMPREHENSIVE INCOME/(LOSSES)						
Items not reclassified subsequently to profit or loss						
Changes in asset revaluation surplus		-	931	1,675	931	(744)
Total other comprehensive income/(LOSSES)		-	931	1,675	931	(744)
TOTAL COMPREHENSIVE INCOME/(LOSSES) FOR THE PERIOD		(1,337)	(4,996)	2,978	(3,659)	(7,974)

Major Estimate and Actual (2021) Variance Narratives

1 Supplies and services are lower than budget estimate by \$2.7 million (33%) mainly due to reduced support costs from the Department of Planning, Lands and Heritage and various Aboriginal Lands Trust (ALT) estate divestment activities being on hold following access restrictions due to COVID-19.

2 Grants and Subsidies are lower than budget estimate by \$0.1 million (74%) mainly due to the deferral of grant payments.

3 Other expenses are higher than budget estimate by \$7.1 million (3,525%) mainly due to provisioning for land transfers as part of the South West Native Title Indigenous Land Use Agreement (ILUA) of \$5.6 million, repairs and maintenance of \$1 million, provisioning for remediation costs relating to sites classified as contaminated and requiring remediation under the *Contaminated Sites Act 2003*, \$0.9 million and demolition of buildings of \$0.6 million.

4 Grants and Contributions are higher than budget estimate by \$1.9 million (134%) mainly due to increased funding provided to the Authority for the Divestment of the ALT estate.

5 Other revenue is higher than the budget estimate by \$0.3 million (108%) mainly due to an increase in mining royalties received for ALT estates.

6 Services received free of charge income is lower than the budget estimate by \$2.6 million (41%) mainly due to reduced support costs from the Department of Planning, Lands and Heritage.

Major Actual (2021) and Comparative (2020) Variance Narratives

A Grants and subsidies expenses have decreased by \$0.4 million (89%) mainly due to the deferral of grant payments.

B Other expenses have increased by \$6.7 million (998%) mainly due to provisioning for land transfers as part of the South West Native Title ILUA of \$5.6 million and remediation costs relating to sites classified as contaminated and requiring remediation under the *Contaminated Sites Act 2003* \$0.9 million.

C Grants and contributions has increased by \$0.4 million (13%) mainly due to increased funding provided to the Authority for the Divestment of the ALT estate.

D Other revenue have decreased by \$0.6 million (47%) mainly due to a revaluation of the contaminated sites provision in 2019-20.

8.10.2 Statement of Financial Position Variances

	Variance	Estimate	Actual	Actual	Variance between estimate and actual	Variance between actual and 2020
Note	2021	2021	2020	2020	actual	and 2020
	\$000	\$000	\$000	\$000	\$000	\$000
ASSETS						
Current Assets						
Cash and cash equivalents	-	3,166	2,260	2,260	3,166	906
Restricted cash and cash equivalents		136	164	164	136	(28)
Receivables	225	614	97	97	389	517
Other current assets	4	-	-	-	(4)	-
Total Current Assets	229	3,916	2,521	2,521	3,687	1,395
Non-Current Assets						
Property (land and buildings)		106,597	103,181	103,037	(3,416)	144
Total Non-Current Assets		106,597	103,181	103,037	(3,416)	144
TOTAL ASSETS		106,826	107,097	105,558	271	1,539
LIABILITIES						
Current Liabilities						
Payables		89	154	139	65	15
Provisions	7, E	1,254	5,612	600	4,358	5,012
Total Current Liabilities		1,343	5,766	739	4,423	5,027
Non-Current Liabilities						
Provisions	8, F	-	1,509	-	1,509	1,509
Total Non-Current Liabilities		-	1,509	-	1,509	1,509
TOTAL LIABILITIES		1,343	7,275	739	5,932	6,536
NET ASSETS		105,483	99,823	104,819	(5,660)	(4,996)
EQUITY						
Contributed equity		106	727	727	621	-
Reserves		127,187	122,784	121,853	(4,403)	931
Accumulated deficit		(21,810)	(23,688)	(17,761)	(1,878)	(5,927)
TOTAL EQUITY		105,483	99,823	104,819	(5,660)	(4,996)

Major Estimate and Actual (2021) Variance Narratives

7 Provisions are higher than budget estimate by \$4.4 million (348%) mainly due to provisioning for land transfers as part of the South West Native Title ILUA of \$5.6 million.

8 Provisions are higher than budget estimate by \$1.5 million (100%) due to the recognition of some remediation costs as non-current liabilities.

Major Actual (2021) and Comparative (2020) Variance Narratives

E Provisions have increased by \$5 million (835%) mainly due to provisioning for land transfers as part of the South West Native Title ILUA of \$5.6 million.

F Provisions have increased by \$1.5 million (100%) due to the recognition of some remediation costs as non-current liabilities in 2020-21.

8.10.3 Statement of Cash Flows Variances

	Variance	Estimate	Actual	Actual	Variance between estimate and actual	Variance between actual results for 2021 and 2020
	Note	2021 \$000	2021 \$000	2020 \$000	\$000	\$000
CASH FLOWS FROM OPERATING ACTIVITIES						
<u>Payments</u>						
Supplies and services	9, G	(1,568)	(978)	(744)	590	(233)
Grants and subsidies	10, H	(175)	(45)	(408)	130	363
GST payments on purchases	11, I	(119)	(263)	(179)	(144)	(84)
GST payment to taxation authority		-	(6)	-	(6)	(6)
Other payments	12, J	(225)	(1,510)	(1,148)	(1,285)	(362)
<u>Receipts</u>						
Grants and contributions	13, K	1,446	3,390	2,997	1,944	393
GST receipts on sales		-	34	5	34	29
GST receipts from taxation authority		119	189	215	70	(26)
Other receipts	14, L	396	67	667	(329)	(600)
Net cash provided/(used in) operating activities		(126)	878	1,405	1,004	(526)
Net increase/(decrease) in cash and cash equivalents		(126)	878	1,405	1,004	(526)
Cash and cash equivalents at the beginning of the period		126	2,424	1,019	2,298	1,405
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		-	3,302	2,424	3,302	878

Major Estimate and Actual (2021) Variance Narratives

9 Supplies and services are lower than budget estimate by \$0.6 million (38%) mainly due to the Aboriginal Lands Trust (ALT) estate divestment activities being on hold following access restrictions due to COVID-19.

10 Grants and subsidies are lower than budget estimate by \$0.1 million (74%) mainly due to the deferral of grant payments.

11 GST payments on purchases are higher than budget estimate by \$0.1 million (121%) mainly due to higher payments of taxable supplies.

12 Other payments are higher than budget estimate by \$1.3 million (571%) mainly due to repairs and maintenance payments of \$1 million.

13 Grants and contributions are higher than budget estimate by \$1.9 million (134%) mainly due to increased funding provided to the Authority for the divestment of the ALT estate.

14 Other receipts are lower than budget estimate by \$0.3 million (83%) mainly due to mining royalties that were not received in 2020-21.

Major Actual (2021) and Comparative (2020) Variance Narratives

G Supplies and services have increased by \$0.2 million (31%) mainly due to a larger program of works in 2020-21.

H Grants and subsidies have decreased by \$0.4 million (89%) mainly due to the deferral of grant payments.

I GST on payments have increased by \$0.1 million (47%) mainly due to higher payments of taxable supplies.

J Other payments have increased by \$0.4 million (32%) mainly due to a larger program of works in 2020-21.

K Grants and contributions have increased by \$0.4 million (13%) mainly due to increased funding provided to the Authority for the divestment of the ALT estate.

L Other receipts have decreased by \$0.6 million (90%) mainly due to a delay in receiving mining royalty receipts until 2021-22.

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 Aboriginal Affairs Planning Authority's performance, and fairly represent the performance of the Aboriginal Affairs Planning Authority for the financial year ended 30 June 2021.



Jodi Cant
Director General
Department of Planning, Lands and Heritage
29 September 2021

The AAPA's desired outcome and key performance indicators

For the year ended 30 June 2021

Relationship to Government Goals

The Aboriginal Affairs Planning Authority (the Authority) contributes to the Government goal of Better Places: A quality environment with liveable and affordable communities and vibrant regions.

The desired outcome of the Authority is that the use and management of land held by the Aboriginal Lands Trust (ALT), or for which the ALT is in any manner responsible, accords with the wishes of the Aboriginal inhabitants of the area so far as that can be ascertained and is practicable.

Effectiveness Indicator: Percentage of stakeholders who found the Authority's management of the land on behalf of Aboriginal people satisfactory

The Authority's effectiveness in achieving its outcome is measured in the context of the use and management of the land held by the Aboriginal Lands Trust (ALT).

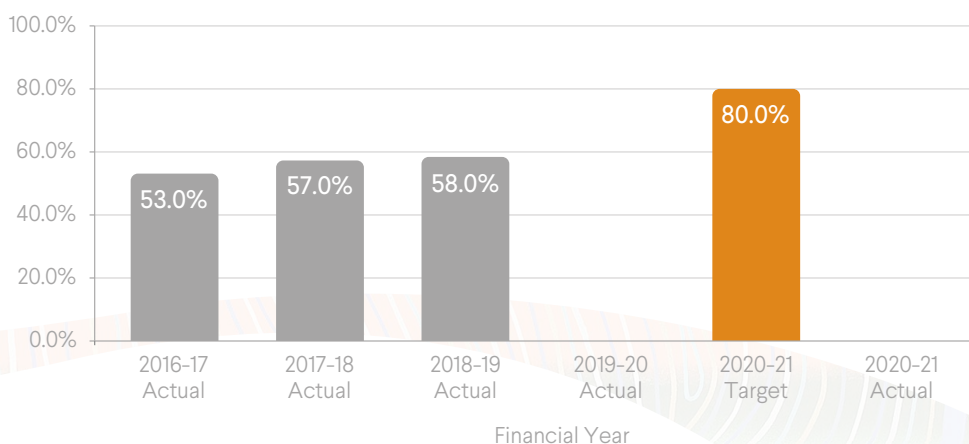
To measure this effectiveness the Department of Planning Lands and Heritage (the Department) normally commissions an independent research consultancy to conduct a survey of key stakeholders. Survey responses are sought from direct stakeholders, including other government agencies, key stakeholder committees and key community organisations. Stakeholders are identified as those individuals or organisations that have had substantial interactions with the Department and its services during the reporting period. The number of survey respondents fluctuates from year to year because of individuals who opt out and those who are unable to be contacted.

For 2020-21, the Department did not conduct a stakeholder satisfaction survey, and the reason for this is explained below.

Explanation for not reporting this KPI in 2019-20 and 2020-21

Due to the COVID-19 pandemic, many key stakeholders were focussed on the emergency response and returned to their remote communities, resulting in lower than usual interactions with the Authority and its services during the reporting period. Our ability to undertake community engagements was also limited due to intrastate travel restrictions and a moratorium on engagement across the ALT estate requested by the Kimberley Land Council, which impacted the Department for a significant portion of 2020-21. Therefore, the Department considered that it would not be appropriate to conduct surveys of key stakeholders, which was likely to produce an insufficient response rate and a result that is not reflective of satisfaction levels comparative to previous years. The Department sought an exemption from reporting this KPI for the 2019-20 and 2020-21 financial years, and the Under Treasurer granted this exemption on 12 May 2020 and 28 May 2021 respectively.

Percentage of stakeholders who found the Authority's management of the land on behalf of Aboriginal people satisfactory



Efficiency Indicators: Average cost per hectare

This efficiency indicator measures the average cost (calculated by the adjusted cost of service) per hectare spent managing and maintaining the ALT estate.

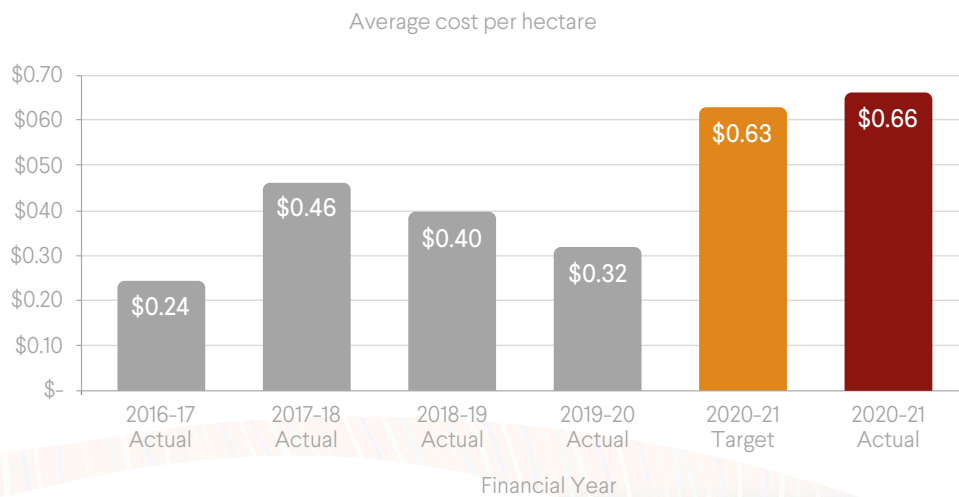
Costs include services received free-of-charge from the Department for the administration of the estate and spending on maintenance of the estate.

Explanation for significant variance

The significant change in the average cost per hectare since 2016-17 is due predominantly to an increase in resources received free of charge from the Department. The Department provides full administrative and operational support to the Authority since 1 July 2017. The resources received free of charge reflects the full cost of providing this support which is borne by the Department.

For 2020-21, the approved budget for the AAPA was \$13.2 million while the area of the ALT estate was estimated to remain at 21 million hectares. The 2020-21 result is 4.8 per cent above target due mainly to the:

- Deferral of \$5.1 million in unspent ALT Divestment and Management budget due to impact of COVID-19 on work plans, and savings in administering corporate services functions on behalf of the AAPA
- Offset by an extra \$6.2 million for the initial take-up of provision for Native Title, and unbudgeted expenditure for write-offs.





GOVERNMENT OF
WESTERN AUSTRALIA

Annual Report 2020-21

| Heritage Council of Western Australia

Financials and Performance Indicators





Auditor General

INDEPENDENT AUDITOR'S OPINION 2021 Heritage Council of Western Australia

To the Parliament of Western Australia

Report on the audit of the financial statements

I have audited the financial statements of the Heritage Council of Western Australia (Council) which comprise:

- the Statement of Financial Position at 30 June 2021, and 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
- Notes comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the financial statements are:

- based on proper accounts and present fairly, in all material respects, the operating results and cash flows of the Heritage Council of Western Australia for the year ended 30 June 2021 and the financial position at the end of that period
- in accordance with Australian Accounting Standards, the *Financial Management Act 2006* and the Treasurer's Instructions.

Basis for opinion

I conducted my audit in accordance with the Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my report.

I am independent of the Council in accordance with the *Auditor General Act 2006* and the relevant ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (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.

Responsibilities of the Council for the financial statements

The Council is responsible for:

- keeping proper accounts
- preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards, the *Financial Management Act 2006* and the Treasurer's Instructions
- such internal control as it 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 Council is responsible for:

- assessing the entity's ability to continue as a going concern
- disclosing, as applicable, matters related to going concern
- using the going concern basis of accounting unless the Western Australian Government has made policy or funding decisions affecting the continued existence of the Council.

Auditor's responsibilities for the audit of the financial statements

As required by the *Auditor General Act 2006*, my responsibility is to express an opinion on the financial statements. The objectives of my audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

A further description of my responsibilities for the audit of the financial statements is located on the Auditing and Assurance Standards Board website. This description forms part of my auditor's report and can be found at https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf.

Report on the audit of controls

Opinion

I have undertaken a reasonable assurance engagement on the design and implementation of controls exercised by the Heritage Council of Western Australia. The controls exercised by the Council are those policies and procedures established by the Council 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 Heritage Council of Western Australia 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 2021.

The Council's responsibilities

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

Auditor General's responsibilities

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

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

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

Limitations of controls

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

Report on the audit of the key performance indicators

Opinion

I have undertaken a reasonable assurance engagement on the key performance indicators of the Heritage Council of Western Australia for the year ended 30 June 2021. 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 Heritage Council of Western Australia are relevant and appropriate to assist users to assess the Council's performance and fairly represent indicated performance for the year ended 30 June 2021.

The Council's responsibilities for the key performance indicators

The Council 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 it 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 Council is responsible for identifying key performance indicators that are relevant and appropriate, having regard to their purpose in accordance with Treasurer's Instruction 904 *Key Performance Indicators*.

Auditor General's responsibilities

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

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

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

My independence and quality 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.

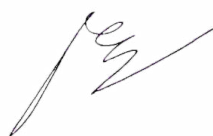
Other information

The Council are responsible for the other information. The other information is the information in the entity's annual report for the year ended 30 June 2021, but not the financial statements, key performance indicators and my auditor's report.

My opinions do not cover the other information and, accordingly, I do not express any form of assurance conclusion thereon.

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

This auditor's report relates to the financial statements, controls and key performance indicators of the Heritage Council of Western Australia for the year ended 30 June 2021 included on the Council's website. The Council's management is responsible for the integrity of the Council's website. This audit does not provide assurance on the integrity of the Council's website. The auditor's report refers only to the financial statements, controls and key performance indicators described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these financial statements, controls or key performance indicators. If users of the financial statements, controls 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, controls and key performance indicators.



Patrick Arulsingham
Acting Assistant Auditor General Technical and Audit Support
Delegate of the Auditor General for Western Australia
Perth, Western Australia
24 September 2021

Certification of financial statements

For the reporting period ended 30 June 2021

The accompanying financial statements of the Heritage Council of Western Australia 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 2021 and the financial position as at 30 June 2021.

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.



Hon. John Cowdell AM

Chair

Heritage Council of Western Australia

24 September 2021

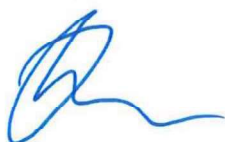


Richard Offen

Member

Heritage Council of Western Australia

24 September 2021



Jeremy Kwong

A/Chief Finance Officer

Department of Planning, Lands and Heritage

24 September 2021

Statement of comprehensive income

For the year ended 30 June 2021

	Notes	2021 \$	2020 \$
COST OF SERVICES			
Expenses			
Supplies and services	2.2	164,125	168,590
Grants and subsidies	2.1	1,106,607	1,221,000
Other expenses	2.2	166,962	18,174
Total cost of services		1,437,694	1,407,764
Income			
<i>Revenue</i>			
Other revenue	3.2	33,592	163,194
Total revenue		33,592	163,194
Total income other than income from State Government		33,592	163,194
NET COST OF SERVICES		1,404,102	1,244,570
Income from State Government	3.1		
Service appropriation		1,377,000	1,390,000
Total income from State Government		1,377,000	1,390,000
SURPLUS/(DEFICIT) FOR THE PERIOD		(27,102)	145,430
OTHER COMPREHENSIVE INCOME			
Items not reclassified subsequently to profit or loss			
Changes in asset revaluation surplus		-	-
Total other comprehensive income		-	-
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD		(27,102)	145,430

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

Statement of financial position

As at 30 June 2021

	Notes	2021 \$	2020 \$
ASSETS			
Current Assets			
Cash and cash equivalents	5.1	952,912	950,962
Restricted cash and cash equivalents	5.1	7,733,214	6,801,774
Receivables	4.1	3,527	973
Total Current Assets		8,689,654	7,753,709
TOTAL ASSETS		8,689,654	7,753,709
LIABILITIES			
Current Liabilities			
Payables	4.2	-	-
Grants payable	4.3	1,212,147	249,100
Total Current Liabilities		1,212,147	249,100
TOTAL LIABILITIES		1,212,147	249,100
NET ASSETS		7,477,507	7,504,609
EQUITY			
Contributed equity		-	-
Accumulated surplus		7,477,507	7,504,609
TOTAL EQUITY		7,477,507	7,504,609

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

Statement of changes in equity

For the year ended 30 June 2021

	Accumulated surplus	Total equity
	\$	\$
Balance at 1 July 2019	7,359,179	7,359,179
Surplus	145,430	145,430
Other comprehensive income	-	-
Total comprehensive income for the period	145,430	145,430
Balance at 30 June 2020	7,504,609	7,504,609
Balance at 1 July 2020	7,504,609	7,504,609
Surplus	(27,102)	(27,102)
Other comprehensive income	-	-
Total comprehensive income for the period	(27,102)	(27,102)
Balance at 30 June 2021	7,477,507	7,477,507

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 2021

Notes	2021 \$	2020 \$
CASH FLOWS FROM STATE GOVERNMENT		
Service appropriation	1,377,000	1,390,000
Net cash provided by State Government	1,377,000	1,390,000
Utilised as follows:		
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments		
Supplies and services	(164,108)	(174,352)
Grants and subsidies	(109,968)	(1,825,769)
GST payments on purchases	(11,912)	(173,984)
GST payments to taxation authority	(3,170)	-
Other payments	(166,979)	(18,283)
Receipts		
GST receipts from taxation authority	12,528	194,322
Net cash (used in)/provided by operating activities	(443,610)	(1,998,066)
Net (decrease)/increase in cash and cash equivalents	933,390	(608,066)
Cash and cash equivalents at the beginning of the period	7,752,736	8,360,802
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	8,686,126	7,752,736
5.1		

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

Statement of consolidated account appropriations

For the year ended 30 June 2021

	2021 Estimate \$	2021 Actual \$	Variance \$	2021 Actual \$	2020 Actual \$	Variance \$
<u>Delivery of Services</u>						
Item 89 Net amount appropriated to deliver services	1,377,000	1,377,000	-	1,377,000	1,390,000	(13,000)
Total appropriations provided to deliver services	1,377,000	1,377,000	-	1,377,000	1,390,000	(13,000)
<u>Details of Expenses by Service</u>						
Cultural Heritage Conservation	1,917,000	1,437,694	(479,306)	1,437,694	1,407,764	29,930
Total Cost of Services	1,917,000	1,437,694	(479,306)	1,437,694	1,407,764	29,930
Less Total Income	-	(33,592)	(33,592)	(33,592)	(163,194)	129,602
Net Cost of Services	1,917,000	1,404,102	(512,898)	1,404,102	1,244,570	159,532
Adjustments	(540,000)	(27,102)	512,898	(27,102)	145,430	(172,532)
Total appropriations provided to deliver services	1,377,000	1,377,000	-	1,377,000	1,390,000	(13,000)

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

Notes to the financial statements

1. Basis of preparation

The Heritage Council of Western Australia (Heritage Council or HCWA) is a Western Australian Government entity and is controlled by the State of Western Australia, which is the ultimate parent entity. The Heritage Council 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 Chair of the Heritage Council on 24 September 2021

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 AASs 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 dollar (\$).

Judgements and estimates

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

Contributed equity

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

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

2 Use of our funding

Expenses incurred in the delivery of services

This section provides additional information about how the Heritage Council'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 Heritage Council in achieving its objectives and the relevant notes are:

	Notes	2021 \$	2020 \$
Grants and subsidies	<u>2.1</u>	1,106,607	1,221,000
Other expenditure	<u>2.2</u>	331,087	186,764

2.1 Grants and subsidies

Heritage Grants Program		1,106,607	-
Heritage Grants Program - assistance for conservation work, development of conservation management plans or strategies.		-	1,221,000
		1,106,607	1,221,000

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.

Grant applications are checked and reviewed prior to being recognised as an expense at the date the application was authorised by the Minister. 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.

In 2019-20 the Minister approved a grant of \$1.221 million to be paid to the Department of Planning, Lands and Heritage for urgent conservation works at the Fremantle Prison.

2.2 Other expenditure

Supplies and Services

Committee sitting fees		149,341	152,134
Superannuation - defined contribution plans		14,188	15,341
Consumables		596	1,115
Total supplies and services		164,125	168,590

Other expenses

Lease rental & hire costs		-	448
Parry Street Precinct Project Management Costs ^(a)		146,000	-
Other		20,962	17,726
Total other expenses		166,962	18,174
Total other expenditure		331,087	186,764

Supplies and services:

Supplies and services are recognised as an expense in the reporting period in which they are incurred. Conservation works 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 Heritage Council of Western Australia has no direct staff or systems, all administrative and operational activities are undertaken by the Department of Planning, Lands and Heritage (DPLH) on the Council's behalf.

^(a) Project management costs for the pre-sale works to prepare eight houses in the Parry Street Precinct for sale on behalf of Department of Communities. A project manager employed by the Department of Planning, Lands and Heritage is required for completion of the project.

3 Our funding sources

How we obtain our funding

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

	Notes	2021 \$	2020 \$
Income from State Government	<u>3.1</u>	1,377,000	1,390,000
Other Revenue	<u>3.2</u>	33,592	163,194

3.1 Income from State Government

Appropriation received during the period:

Service appropriation ^(a)	1,377,000	1,390,000
	<u>1,377,000</u>	<u>1,390,000</u>
Total income from State Government	<u>1,377,000</u>	<u>1,390,000</u>

^(a) **Service appropriations** are recognised as income at the fair value in the period in which the Heritage Council gains control of the appropriated funds. The Heritage Council gains control of appropriated funds at the time those funds are deposited to the bank account.

Appropriations fund the net cost of services delivered.

3.2 Other revenue

Annual variation for previous years Heritage Grant Program	33,592	163,194
	<u>33,592</u>	<u>163,194</u>

Until 30 June 2020, revenue was recognised and measured at the fair value of consideration received or receivable.

From 1 July 2020, revenue is recognised at the transaction price when the Council transfers control of the services to customers.

Other revenue has been recognised in their entirety upon receipt as there are no conditions applying to its use and it is not subject to performance measures in terms of service delivery.

4 Other assets and liabilities

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

	Notes	2021 \$	2020 \$
Receivables	<u>4.1</u>	3,527	973
Payables	<u>4.2</u>	-	-
Grants payable	<u>4.3</u>	1,212,147	249,100
4.1 Receivables			
Trade receivables		304	304
GST receivable		3,223	669
		<u>3,527</u>	<u>973</u>

The Heritage Council 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.

4.2 Payables

Current

Trade payables	-	-
Accrued expenses	-	-
Total current	<u>-</u>	<u>-</u>
Balance at end of period	<u>-</u>	<u>-</u>

Payables are recognised at the amounts payable when the Heritage Council 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.

4.3 Grants Payable

Current

Heritage Grants Program	1,212,147	249,100
Total current	<u>1,212,147</u>	<u>249,100</u>

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 applications are checked and reviewed prior to being taken up into payables at the date the application was authorised by the Minister. 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.

5 Financing

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

	Notes	2021 \$	2020 \$
Cash and cash equivalents	<u>5.1</u>	8,686,126	7,752,736
5.1 Cash and cash equivalents			
Cash and cash equivalents		952,912	950,962
Restricted cash and cash equivalents:			
- Heritage Grants Program ^(a)		1,326,540	249,100
- Refund of Heritage Loan Scheme Subsidy Funds ^(b)		384,480	384,480
- Heritage Works Program ^(c)		6,022,194	6,168,194
		7,733,214	6,801,774
Balance at end of period		8,686,126	7,752,736

^(a) Funds restricted for heritage grants awarded to the owners of state listed heritage properties for conservation purposes.

^(b) The Heritage Loan Subsidy Scheme was terminated and the funds have been restricted with the understanding that the proceeds will be added to an existing or be applied to a future program that focuses on regional heritage.

^(c) Funds restricted for future use by the Heritage Works Program.

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

6 Financial instruments

	Notes	2021 \$	2020 \$
Financial instruments	6.1		

6.1 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	952,912	950,962
Restricted cash and cash equivalents	7,733,214	6,801,774
Financial assets at amortised cost	304	304
Total financial assets	8,686,431	7,753,040

Financial liabilities

Financial liabilities at amortised cost	1,212,147	249,100
Total financial liabilities	1,212,147	249,100

7 Other disclosures

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

	Notes
Events occurring after the end of the reporting period	7.1
Key management personnel	7.2
Related party transactions	7.3
Related bodies	7.4
Affiliated bodies	7.5
Remuneration of auditors	7.6
Supplementary financial information	7.7
Contingent assets and liabilities	7.8
Initial application of accounting standards	7.9
Explanatory statement	7.10

7.1 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.

7.2 Key management personnel

The Heritage Council has determined key management personnel to include responsible cabinet ministers and members of the Council. The Council 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 members of the Heritage Council for the reporting period are presented within the following bands:

Compensation Band (\$)	2021	2020
1 - 10,000	1	1
10,001 - 20,000	5	8
20,001 - 30,000	2	1
30,001 - 40,000	1	-
	\$	\$
Total compensation of members	168,417	167,543

Total compensation includes the superannuation expense incurred by the Heritage Council in respect of members.

7.3 Related party transactions

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

Related parties of the Heritage Council include:

- all cabinet ministers and their close family members, and their controlled or jointly controlled entities;
- all members 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);
- the Department of Planning Lands and Heritage (see note 2.1)
- 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 Heritage Council, 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.

7.4 Related bodies

The Heritage Council had no related bodies during the financial year 2020-21 and 2019-20.

7.5 Affiliated bodies

The Heritage Council had no affiliated bodies during the financial year 2020-21 and 2019-20.

7.6 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

2021	2020
\$	\$
15,000	7,897

7.7 Supplementary financial information

(a) Write-offs

During the financial year nil (2020: nil) was written off from the Heritage Council's receivables register.

(b) Losses through theft, defaults and other causes

There was no loss of public money and public and other property through theft, default and other causes during the financial year 2020-21 and 2019-20.

(c) Gifts of public property

There were no gifts of public property provided by the Heritage Council during the financial year 2020-21 and 2019-20.

7.8 Contingent assets and liabilities

The Heritage Council has no significant contingent liabilities or contingent assets as at 30 June 2021 and 30 June 2020.

7.9 Initial application of accounting standards

AASB 1059 Service Concession Arrangements: Grantors

AASB 1059 Service Concession Arrangements: Grantors came into effect for annual reporting periods beginning on or after 1 January 2020.

This Standard addresses the accounting for a service concession arrangement (a type of public private partnership) by a grantor that is a public-sector agency by prescribing the accounting for the arrangement from the grantor's perspective. Timing and measurement for the recognition of a specific asset class occurs on commencement of the arrangement and the accounting for associated liabilities is determined by whether the grantee is paid by the grantor or users of the public service provided.

The Department has not identified any public private partnerships within scope of the Standard and there is no impact on the financial statements.

7.10 Explanatory statement

All variances between annual estimates (original budget) and actual results for 2021, and between the actual results for 2021 and 2020 are shown below. Narratives are provided for key major variances which are greater than 10% and 1% prior year of Total Cost of Services for the Statements of Comprehensive Income and Statement of Cash Flows, and are greater than 10% and 1% prior year of Total Assets for the Statement of Financial Position

7.10.1 Statement of Comprehensive Income Variances

	Variance	Estimate	Actual	Actual	Variance between estimate and actual	Variance between actual results for 2021 and 2020
	Note	2021	2021	2020	actual	and 2020
		\$	\$	\$	\$	\$
Expenses						
Supplies and services	1	496,000	164,125	168,590	(331,875)	(4,465)
Grants and subsidies		1,221,000	1,106,607	1,221,000	(114,393)	(114,393)
Other expenses	A	168,000	166,962	18,174	(1,038)	148,788
Employee benefits	2	32,000	-	-	(32,000)	-
Total cost of services		1,917,000	1,437,694	1,407,764	(479,306)	29,930
Income						
<i>Revenue</i>						
Grants and Subsidies		-	-	-	-	-
Other revenue	3, B	-	33,592	163,194	33,592	(129,602)
Total Revenue		-	33,592	163,194	33,592	(129,602)
Total income other than income from State Government		-	33,592	163,194	33,592	(129,602)
NET COST OF SERVICES		1,917,000	1,404,102	1,244,570	(512,898)	159,532
Income from State Government						
Service appropriation		1,377,000	1,377,000	1,390,000	-	(13,000)
Total income from State Government		1,377,000	1,377,000	1,390,000	-	(13,000)
SURPLUS/(DEFICIT) FOR THE PERIOD		(540,000)	(27,102)	145,430	512,898	(172,532)
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD		(540,000)	(27,102)	145,430	512,898	(172,532)

Major Estimate and Actual (2021) Variance Narratives

1 Supplies and Services expenses are lower than budget estimate by \$0.3 million (67%) due to delays in delivering conservation works at the Parry Street Precinct.

2 Employee benefits expenses are lower than budget estimate by \$0.03 million (100%) due to committee member travel (and comparatives) mapped to other expenses.

3 Other Revenue is higher than budget by \$0.03 million (100%) due to the return of funds from unused grants paid from 2016-17.

Major Actual (2021) and Comparative (2020) Variance Narratives

A Other Expenses has increased by \$0.1 million (819%) due to conservation works at the Parry Street Precinct.

B Other Revenue has decreased by \$0.1 million (79%) as the return of unused grants in 2019-20 was higher.

7.10.2 Statement of Financial Position Variances

	Variance	Estimate	Actual	Actual	Variance between estimate and actual	Variance between actual results for and actual
Note	2021	2021	2020			
	\$	\$	\$	\$	\$	\$
ASSETS						
Current Assets						
Cash and cash equivalents		951,000	952,912	950,962	1,912	1,950
Restricted cash and cash equivalents		6,262,000	7,733,214	6,801,774	1,471,214	931,440
Receivables		1,000	3,527	973	2,527	2,554
Total Current Assets		7,214,000	8,689,654	7,753,709	1,475,654	935,945
TOTAL ASSETS		7,214,000	8,689,654	7,753,709	1,475,654	935,945
LIABILITIES						
Current Liabilities						
Payables		249,000	-	-	(249,000)	-
Grants payable	4, C	-	1,212,147	249,100	1,212,147	963,047
Total Current Liabilities		249,000	1,212,147	249,100	963,147	963,047
TOTAL LIABILITIES		249,000	1,212,147	249,100	963,147	963,047
NET ASSETS		6,965,000	7,477,507	7,504,609	512,507	(27,102)
EQUITY						
Contributed equity		(5,282,000)	-	-	5,282,000	-
Accumulated surplus		12,247,000	7,477,507	7,504,609	(4,769,493)	(27,102)
TOTAL EQUITY		6,965,000	7,477,507	7,504,609	512,507	(27,102)

Major Estimate and Actual (2021) Variance Narratives

4 Grants payable are higher than budget by \$1.2 million (100%) as the grant recipients for the 2021 program were only announced in May 2021 resulting in a large component of the committed grants unpaid.

Major Actual (2021) and Comparative (2020) Variance Narratives

C Grants Payable has increased by \$1 million (387%) as the 2021 grant recipients were only announced in May 2021 resulting in a large component of the committed grants unpaid.

7.10.3 Statement of Cash Flows Variances

	Variance	Estimate	Actual	Actual	Variance between estimate and actual	Variance between actual results for and actual
	Note	2021	2021	2020		
		\$	\$	\$	\$	\$
CASH FLOWS FROM STATE GOVERNMENT						
Service appropriation		1,377,000	1,377,000	1,390,000	-	(13,000)
Net cash provided by State Government		1,377,000	1,377,000	1,390,000	-	(13,000)
CASH FLOWS FROM OPERATING ACTIVITIES						
Payments						
Employee benefits	5	(32,000)	-	-	32,000	-
Supplies and services	6	(496,000)	(164,108)	(174,352)	331,892	10,244
Grants and subsidies	7, D	(1,221,000)	(109,968)	(1,825,769)	1,111,032	1,715,801
GST payments on purchases	E	-	(11,912)	(173,984)	(11,912)	162,072
GST payments to taxation authority		-	(3,170)	-	(3,170)	(3,170)
Other payments	F	(168,000)	(166,979)	(18,283)	1,021	(148,696)
Receipts						
Grants and subsidies		-	-	-	-	-
GST receipts on sales		-	-	-	-	-
GST receipts from taxation authority	G	-	12,528	194,322	12,528	(181,794)
Other receipts		-	-	-	-	-
Net cash provided by / (used in) operating activities		(1,917,000)	(443,610)	(1,998,066)	1,473,390	1,554,456
Net increase/(decrease) in cash and cash equivalents		(540,000)	933,390	(608,066)	1,473,390	1,541,456
Cash and cash equivalents at the beginning of the period		7,753,000	7,752,736	8,360,802	(264)	(608,066)
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		7,213,000	8,686,126	7,752,736	1,473,126	933,390

Major Estimate and Actual (2021) Variance Narratives

5 Employee benefits are lower than budget estimate by \$0.03 million (100%) due to committee member travel (and comparatives) mapped to other expenses.

6 Supplies and services are lower than budget estimate by \$0.3 million (67%) due to delays in delivering conservation works at the Parry Street Precinct.

7 Grants and subsidies are lower than budget estimate by \$1.1 million (91%) due to payments for 2020-21 Heritage Grants Program (HGP) announced in May 2021 and expected to be paid in 2021-22.

Major Actual (2021) and Comparative (2020) Variance Narratives

D Grants and subsidies decreased by \$1.7 million (94%) due to payments for 2020-21 HGP, announced in May 2021, expected in 2021-22. 2019-20 HGP of \$1.2 million was fully paid in 2019-20.

E GST payments on purchases decreased by \$0.1 million (93%) due to lower payments of taxable supplies.

F Other payments increased by \$0.1 million (813%) due to preliminary works in the Parry Street Precinct.

G GST receipts from taxation authority decreased by \$0.2 million (94%) due to lower GST amount on the grant payments.

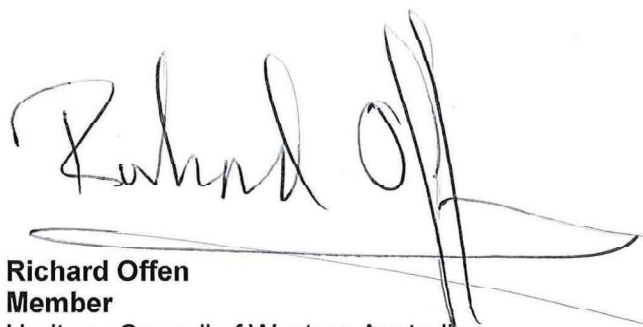
Key performance indicators

Certification of key performance indicators

We hereby certify that the key performance indicators are based on proper records, are relevant and appropriate for assisting users to assess the Heritage Council of Western Australia's performance, and fairly represent the performance of the Heritage Council of Western Australia for the financial year ended 30 June 2021.



Hon. John Cowdell AM
Chair
Heritage Council of Western Australia
24 September 2021



Richard Offen
Member
Heritage Council of Western Australia
24 September 2021

The Heritage Council's desired outcome and key performance indicators

For the year ended 30 June 2021

Relationship to Government Goals

The Heritage Council of Western Australia provides strategic cultural heritage services for the conservation of cultural heritage places in Western Australia for the benefit of present and future generations.

Through the desired outcome and service listed below, the Heritage Council 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
<p>Better Places</p> <p>A quality environment with liveable and affordable communities and vibrant regions</p>	<p>Conservation of cultural heritage places in Western Australia, for the benefit of present and future generations</p>	<p>1. Cultural Heritage Conservation Services</p>

To achieve this goal, the Department of Planning, Lands and Heritage (the Department) provides cultural heritage conservation services on behalf of and under the direction of the Heritage Council such as:

- establishing and maintaining a comprehensive heritage register
- providing conservation advice on development referrals and other relevant matters
- developing the role of public authorities in conserving and managing heritage places
- providing financial assistance and other conservation incentives
- providing publications, seminars and other promotional activities.

Outcome and Key Effectiveness Indicators

Heritage Council Desired Outcome:
Conservation of cultural heritage places in Western Australia,
for the benefit of present and future generations

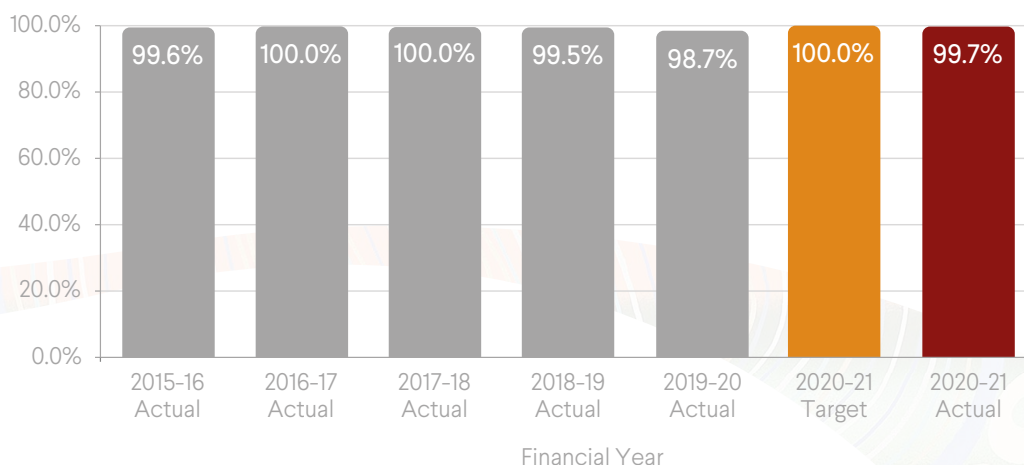
Effectiveness Indicator:
Extent to which development approvals issued for registered
places are consistent with the Council's advice to
decision-making authorities

One of the Heritage Council's functions under the *Heritage Act 2018* is to provide advice to decision-making authorities on development or other proposals that may impact a registered place to ensure the place's cultural heritage significance is preserved.

If a development or change to a place listed on the State Register of Heritage Places is proposed, it is referred to the Heritage Council for advice, by the responsible decision maker. Development referrals are managed within strategic, legislative and policy frameworks that ensure the cultural heritage significance of the place is respected.

This key performance indicator measures the extent to which the Heritage Council is achieving its desired outcome.

Extent to which development approvals issued for registered places are consistent with the Council's advice to decision-making authorities



Effectiveness Indicator: Percentage of additional private investment generated from grant-assisted conservation projects

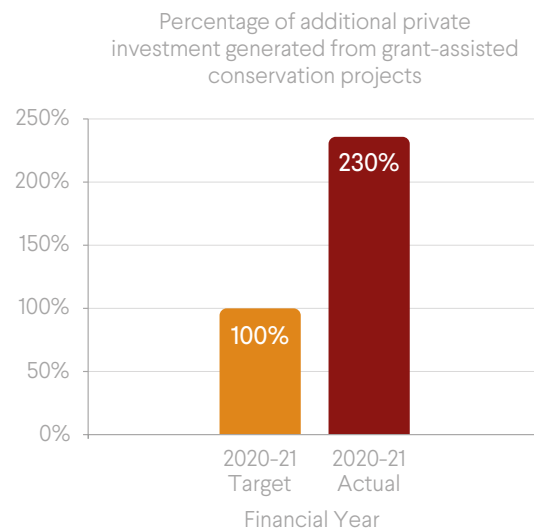
One of the Heritage Council's key objectives is that Western Australia's heritage places are conserved through sound heritage practice, and harmonious development, and that their full potential is realised. To promote this, the Council offers funding through its Heritage Grants Program for best practice conservation, and for projects that engage with community and interpret State Registered places. Grant recipients are generally required to contribute an equal or greater amount of their own resources.

This key performance indicator measures the value of resources applied to grant-funded projects by the recipients (including in-kind contributions) as a percentage of the total value of grants provided.

The measure for this key performance indicator has been revised, therefore a comparative against previous years is not provided.

Explanation for variance

The majority of Heritage Grants Program funding was offered under the State Heritage Grants program, which asks for a matched contribution as a minimum and also saw a reduction to the maximum grant for the first time in over a decade. The previous maximum grant was \$100,000, this year dropping to \$40,000. The target was set based on applicants scaling back total project values to match the funding offered, however this did not occur, with one project a significant outlier, contributing 13.6 times more than the grant provided.



Heritage Council Services: Service 1 - Cultural Heritage Conservation Services

Efficiency Indicator: Average number of days to make preliminary determinations

Under s. 39 of the *Heritage Act 2018*, the Heritage Council must make a preliminary determination as to whether a nomination for entry in the State Register of Heritage Places warrants review under s. 40(1). Under r. 30(2) of the *Heritage Regulations 2019*, the prescribed period is 60 days from the date the nomination is received.

This key performance indicator measures the Department's efficiency in meeting the new statutory requirement on behalf of the Heritage Council, and is calculated by totalling the number of days taken to make all preliminary determinations and dividing this by the total number of determinations made.

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

Explanation for variance

The 2020-21 result is significantly lower than target due mainly to the completion of two preliminary determinations in less than 20 days. The 60 day target is the statutory requirement which was used in this final year of implementation following the change in legislation in 2019. A review of average processing times over the last two years and available future resourcing will be undertaken to better define the target for 2021-22.

