



Department of Planning,
Lands and Heritage

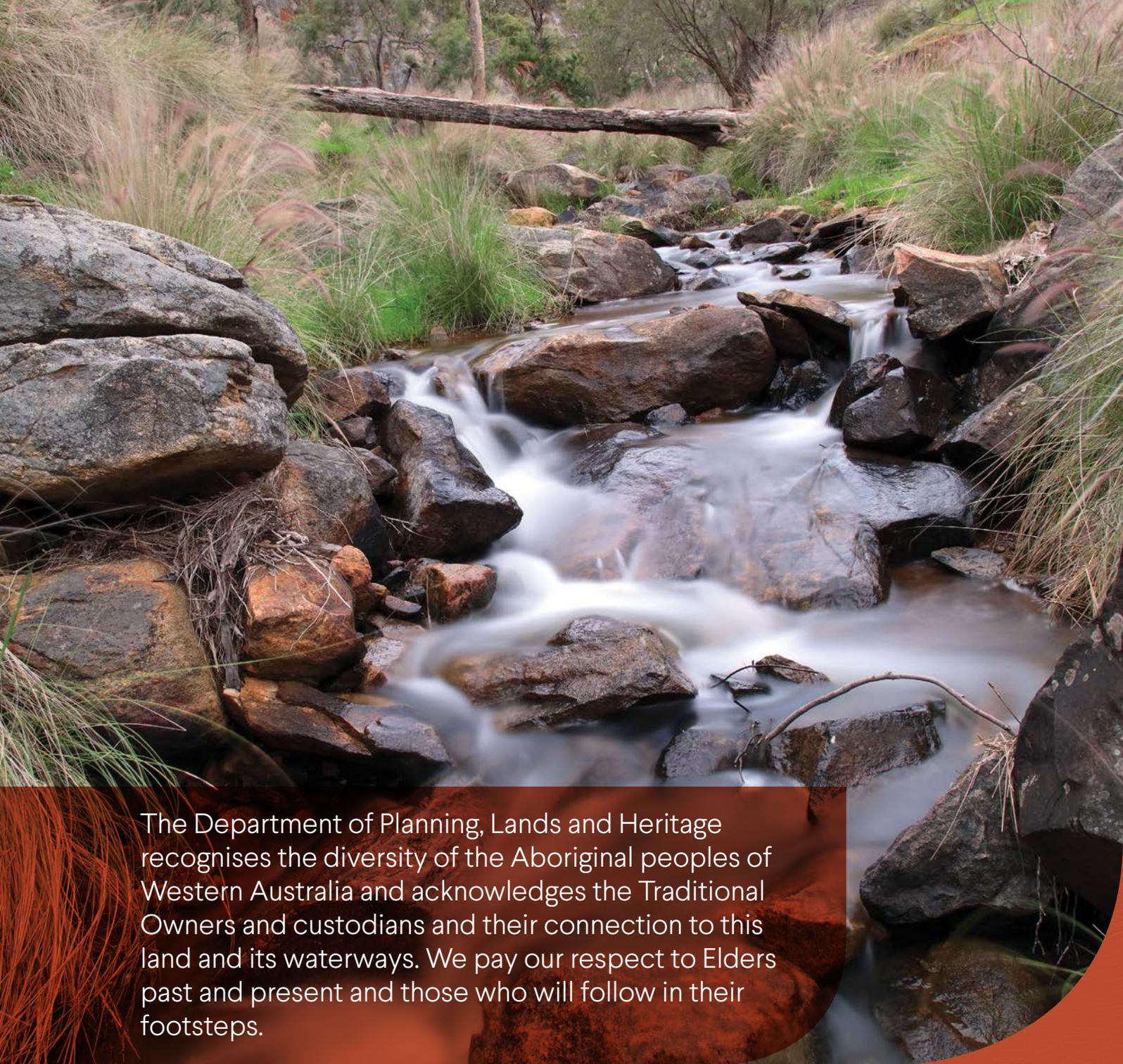
*We're working for
Western Australia.*



Annual Report 2018/19

Department of Planning, Lands and Heritage

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The Department of Planning, Lands and Heritage recognises the diversity of the Aboriginal peoples of Western Australia and acknowledges the Traditional Owners and custodians and their connection to this land and its waterways. We pay our respect to Elders past and present and those who will follow in their footsteps.

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About this report

This report covers the operations of the Department of Planning, Lands and Heritage (the Department) and includes Development Assessment Panels.

This report presents the audited financial statements and performance indicators for the year ended 30 June 2019.

Statement of compliance

To the
Hon Rita Saffioti BBus MLA
Minister for Planning

Hon David A Templeman Dip Tchg BEd MLA
Minister for Heritage

Hon Ben Wyatt LLB MSc MLA
Treasurer, Minister for Aboriginal Affairs; Lands

In accordance with section 63 of the *Financial Management Act 2006*, I hereby submit for your information and presentation to Parliament, the Annual Report for the Department of Planning, Lands and Heritage for the financial year ended 30 June 2019.

This report has been prepared in accordance with the provisions of the *Financial Management Act 2006*.

Gail McGowan PSM
Director General
Department of Planning, Lands and Heritage

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About the Department

The Department of Planning, Lands and Heritage (the Department) brings together land use planning, Crown land administration functions, all aspects of Western Australia's heritage including Aboriginal heritage services, and administration of the Aboriginal Lands Trust estate.

The Department supports three State Government Ministers and five statutory boards and committees related to planning and managing land and heritage.

The Department supports the sustainable development of well-planned communities in Western Australia and lead and advise on key development projects across the State.

Our key focus areas are:

- integrated land and infrastructure policy development
- land use planning and policy development
- Aboriginal heritage and lands management
- cultural heritage conservation services
- State land administration
- land asset management.

A message from the Director General



Gail McGowan PSM
Director General
Department of Planning,
Lands and Heritage

I am delighted to present the 2018/19 annual report for the Department of Planning, Lands and Heritage. I am very proud of what the Department has achieved in the past year.

Our values – integrity, respect, collaboration, professionalism and innovation – were a focus for 2018/19 and consolidated our approach to everything we do, from our work, service delivery to customers, recruitment and engagement with our staff.

We continue to support our three Ministers in the Heritage, Planning, Lands and Aboriginal Affairs portfolios, and the work of our statutory boards and committees. Our work is a balance between creating opportunity, enabling development and economic prosperity, while respecting and protecting our historic sites and treasured landscapes. These previously separate areas have come together to work collaboratively to deliver on our priorities.

This past year has been one of growth and development. We have matured as an agency and have made a concerted effort to ensure meaningful engagement is at the centre of all our work. By engaging often and early, the benefits have been immediately apparent.

The passing of the *Heritage Bill 2018* through Parliament, the implementation of Design WA Stage One, and the review of the *Aboriginal Heritage Act 1972* are three very real success stories. Thousands of Western Australians – from the community to local government and industry, have contributed to their development to ensure the final product achieves its intended purpose in balance with the expectations of our stakeholders.

The Department is committed to diversity and inclusivity in the workplace. We continue to implement our Cultural Awareness Program across the agency in recognition of the importance of working alongside people in a culturally sensitive way when delivering our services. A Welcome to Country and

Acknowledging Traditional Owners of Country Policy and Protocols has also been developed to recognise the culture and heritage of Aboriginal people. The agency's Reconciliation Action Plan is being finalised and will be released shortly.

A new initiative to shine a spotlight on staff who exemplify our corporate values illustrates how these values can be embedded in everyday action. The newly-launched Empower leadership program will also ensure we are nurturing high-potential staff to become future leaders.

The Department's focus is directly aligned with the Government's set of priorities and targets for sharing prosperity across the State.

The 'Our Priority' aim of a 45 per cent increase in the number of homes in the Perth and Peel region close to public transport by 2031 represents a huge opportunity to improve the liveability of Perth. The release of Design WA Stage One and the draft precinct design policy as part of Stage Two will offer guidance to new developments within these locations to support good design and reflect the characteristics of the local area.

Likewise, increasing the State's conservation estate by five million hectares will protect our unique wildlife and landscapes for the enjoyment of future generations, while supporting Aboriginal culture, recreation, tourism, jobs and economic diversification.

The remit for a more collaborative approach to project delivery across-Government has seen the passing of the *Strata Titles Amendment Act 2018* and *Community Titles Act 2018* and the continued progression of METRONET, Subi East, Westport and the Bunbury Outer Ring Road alignment.

Other key highlights for 2018/19 include the continued work on the Action Plan for Planning Reform, commitment to the Geraldton Alternative Settlement Agreement, remediation of Northampton, release of the Bentley-Curtin Specialised Activity Centre Plan, listing of numerous heritage properties, introduction of the Wittenoom Closure Bill 2019, implementation of the State Design Review Panel and strong progress on divesting the Aboriginal Lands Trust estate.

None of this work is achieved in isolation or without the hard work and dedication of our staff. I thank them for their commitment to improving outcomes for the community and delivering on our Government priorities.

Looking ahead there is much to be excited about and we continue to be committed to respecting our past, creating opportunities today, and planning our future.

At a glance

we focused on *better engagement*

32 online public consultations

31 heritage workshops
and events delivered

24 Aboriginal heritage
consultation workshops undertaken

100% of senior managers have completed
cultural awareness training

we *administered*



233.5 million
hectares of **Crown Land**



491
pastoral leases



22 million
hectares of **Aboriginal
Lands Trust Estate**

safety *is our top priority*

 **100%**
injured workers
returned to work

 **71%**
of managers trained in
occupational safety
and **injury management**
responsibilities

we focused on *diversity and inclusion*

6 new graduates

22 diversity and inclusion initiatives

0 breaches of
Human Resource Standards

600 permanent full time staff

60.6 full time contract staff

105.35 part time staff

in 2018/19 we progressed

5 Local Planning Strategies approved

12 New Local Planning Schemes approved

114 District Structure Plans approved

2,617 Subdivision applications completed

497 Development applications completed

2,450 Deposited strata plans completed

183 Local Planning Scheme amendments completed

\$64.4 million in total lands sales

311 properties on Aboriginal Lands Trust estate

194 infrastructure reports or remediations undertaken on Aboriginal Lands Trust estate

1,378 registered heritage places

171 preliminary reviews (heritage) undertaken

14 places added to State Register on a permanent basis

9 Heritage Agreements entered into

9 sets of human remains repatriated in 4 repatriation events

100 Aboriginal heritage applications processed

417 Aboriginal heritage site assessments undertaken



195,394
visitors to
Fremantle Prison



1.2 million
visitors to
Whiteman Park



35,000
seedlings planted
at Whiteman Park

awards for Fremantle Prison



Hall of Fame
WA Tourism Awards,
Cultural Tourism



Winner
WA Tourism Awards,
Cultural Tourism



Winner
Fremantle Business Award,
Tourism Excellence



Silver Medal
WA Tourism Awards,
Major Tourist Attractions



Bronze Medal
Australian Tourism Awards,
Cultural Tourism

Our priorities

The Department is contributing to the achievement of the whole-of-Government priorities and associated targets. Our services support these priorities through efficient and effective systems that ensure the development of well-planned communities, the responsible management of the State's land, and land tenure security.

INITIATIVES UNDERWAY

A LIVEABLE ENVIRONMENT

- METRONET
- Planning Reform
- Perth and Peel@3.5million
- Crown land asset sales
- Strata Titles Act Reform
- Design WA
- State Design Review Panel
- East Wanneroo District Structure Plan
- Swan Valley Planning Review
- Urban Tree Canopy mapping
- Proposed reforms to address noise in entertainment precincts
- Position statement on Housing on lots less than 100sqm
- Planning for Ocean Reef Marina
- Coastal management grants
- Heritage grants program
- Fremantle Prison Masterplan
- Implementation of the new Heritage

INITIATIVES UNDERWAY

ABORIGINAL WELLBEING

- Review of the *Aboriginal Heritage Act 1972*
- South West Native Title Settlement Agreement
- Geraldton Alternative Settlement Agreement
- Kariyarra and State Indigenous Land Use Agreement
- Managing the Aboriginal Lands Trust estate
- Preserving our Aboriginal Sites Grant Program
- Fitzroy Crossing Pioneer Cemetery Project

REGIONAL PROSPERITY

- Pastoral Lands Reform
- Northampton Townsite Lead Tailings project
- Wittenoom Asbestos Management Area
- Port Hedland West End Improvement Plan and Scheme
- Bunbury-Geographe sub-regional strategy (Review of the Greater Bunbury Strategy)
- Divestment of Aboriginal Lands Trust estate
- Remediation of contaminated sites and management of contamination on Crown land



Significant issues impacting the **agency**

The Department leads the land use planning and management activities, including statutory approvals, asset management and strategic assessment for significant projects, across the State – ensuring a whole-of-Government approach to the delivery of good public outcomes for Western Australia.

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METRONET

The Department continues to support the METRONET taskforce and provide planning expertise and advice in relation to land use planning around proposed and existing station precincts to create vibrant and liveable communities.

An implementation plan for building 150,000 new homes (45 per cent increase) in proximity to train stations and high-frequency bus routes by 2031 is in development. Design WA Stage 1 and 2 will ensure that all new developments within these locations are well designed and reflect the characteristics of the local area.

Strata Titles Act 1985 Reform (STAR) Implementation

The Department is working closely with the Western Australian Land Information Authority (Landgate) to implement the legal, policy and system changes required to administer the Strata Titles Amendment Bill 2018 and the Community Titles Bill 2018.

The new titles will help deliver key State Government priorities to provide a greater diversity of housing, particularly in proximity to major transport infrastructure, and create vibrant and liveable communities that meet the changing needs and life stages of Western Australians.

Review of the Aboriginal Heritage Act 1972

The review of the *Aboriginal Heritage Act 1972* is a key priority for the Department. A multi-phase approach, which includes three rounds of community consultation, will deliver a modern Act that recognises, protects, manages and celebrates the places and objects that are important to Aboriginal culture.

The next phase will result in a Green Bill that captures feedback received through public consultation.

Planning Reform

The Action Plan for Planning Reform aims to make the planning system easier to understand, more strategic, consistent and efficient. The Action Plan is in response to the Planning Reform Green Paper and expected to be released in August 2019.

Subi East

The Department is assisting LandCorp and the Metropolitan Redevelopment Authority to progress plans for the future development of Subi East.

The project will turn the 35.6 hectares of land, which includes the former Subiaco Oval and Princess Margaret Hospital, into a thriving and connected inner-city hub that reflects the historical, cultural and heritage values of the area.

Pastoral Lands Reform

The Department has established a cross-Government Steering Committee and Industry Working Group to provide strategic advice on pastoral reform measures aimed at enhancing social, environmental and economic outcomes in Western Australia's pastoral rangelands.

A reform package is being developed in consultation with stakeholders for Government consideration.

Aboriginal Lands Trust

The Government will continue to facilitate the transfer of Aboriginal Lands Trust land and infrastructure assets to Aboriginal control. This will foster increased economic opportunities critical to the sustainability of Aboriginal communities in regional and remote Western Australia.

State Significant Indigenous Land Use Agreements

The Department is working closely with the Department of the Premier and Cabinet on a number of State-significant Indigenous Land Use Agreements, including the South West Native Title Settlement Agreement, Geraldton Alternative Settlement Agreement, and the Kariyarra and State Indigenous Land Use Agreement. The agreements aim to address native title and provide long-term benefits and opportunities for economic, social and cultural outcomes for Aboriginal people.

Preserving our Aboriginal Sites Grant Program

The Department manages the Aboriginal Sites Grant Program, which provides financial support to Aboriginal not-for-profit organisations to undertake projects that protect and preserve registered Aboriginal sites.

Northampton Townsite

The Northampton Lead Tailings project continues to be progressed with support across a range of State Government agencies to remove, manage and safely dispose of lead tailings at properties within the town of Northampton.

Wittenoom Asbestos Management Area

The Department is committed to finalising the closure of the Wittenoom townsite. The Wittenoom Closure Bill 2019 will enable the Government to establish specific legislation to enable the compulsory acquisition of the remaining 17 privately owned lots in the former townsite.

Swan Valley Planning Review

The review of the Swan Valley Planning Framework will lead to the preparation of a new Bill and planning framework that protects the region's unique attributes.

Fremantle Prison

The Department manages, conserves and operates the World Heritage listed Fremantle Prison to ensure the economic sustainability of Western Australia's most recognised and important historic tourism and compatible use asset.

Land Asset Sales Program

The program will continue to manage the divestment of surplus or underutilised State property to optimise the value and best use of these assets.

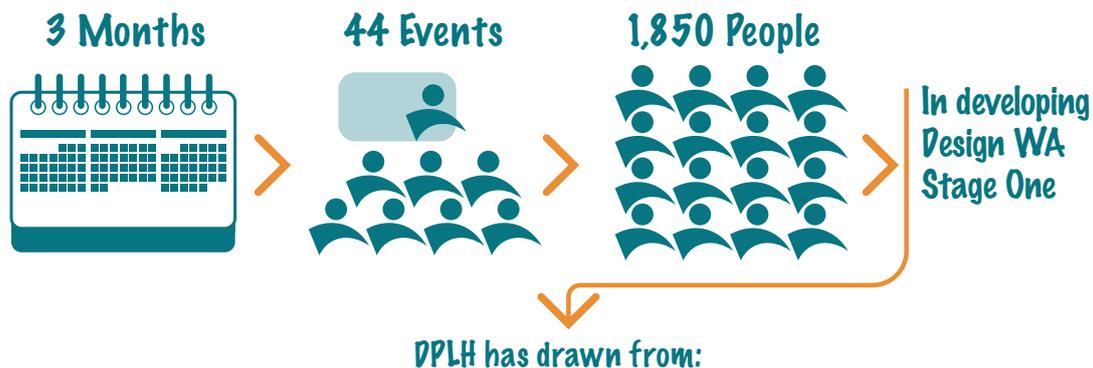
Design WA: Engaging early and often

Design WA is a State Government initiative to ensure good design is at the centre of all development, from the early stages right through to delivery.

Released in May, Stage One focuses on Apartment Design and includes:

- *State Planning Policy 7.0 – Design of the Built Environment*
- *State Planning Policy 7.3 – Residential Design Codes Volume 2 – Apartments*
- A design review guide.

Extensive consultation was undertaken at all stages of the policies development, with local government, industry and the community engaged in workshops, testing and wider public comment phases. This open approach continued into implementation with more than 1,850 key stakeholders participating in workshops and events to understand the requirements of the new policies during the lead up to the policies going live. Additional resources were made available including case studies and videos on the [Design WA webpage](#) to assist anyone unable to attend.



Extensive consultation and feedback from the Planning Reform process.
Direct engagement with over 200 designers, developers, planners and professionals from industry and government.

The Department is now developing the next stages of Design WA and proactively continues to consult and involve delivery partners. The draft Precinct Design Policy and Guidelines was released for public consultation in August 2019 and is anticipated to be finalised by mid-2020. A scoping paper on Medium Density development, was recently completed with the project anticipated to commence later this year.



The Department

Everyone who works for the Department is required to hold themselves accountable for living the Department's values.

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Our vision

- To respect our past
- To create opportunities today
- To plan our future

Our purpose

Planning and managing land and heritage for all Western Australians.

Our Services

- Planning services
- Land Administration and Asset Management services
- Historical Heritage services
- Aboriginal Heritage services

Our Ministers



Hon Rita Saffioti MLA BBus
Minister for Planning



Hon David Templeman MLA
Minister for Heritage



Hon Ben Wyatt MLA
Treasurer; Minister for
Aboriginal Affairs; Lands

Our values

Our values guide our behaviour at work, our decision making, our conduct and our performance.

Our values reflect the talent, skills, experience and attitude of our staff and how we engage with all our stakeholders.

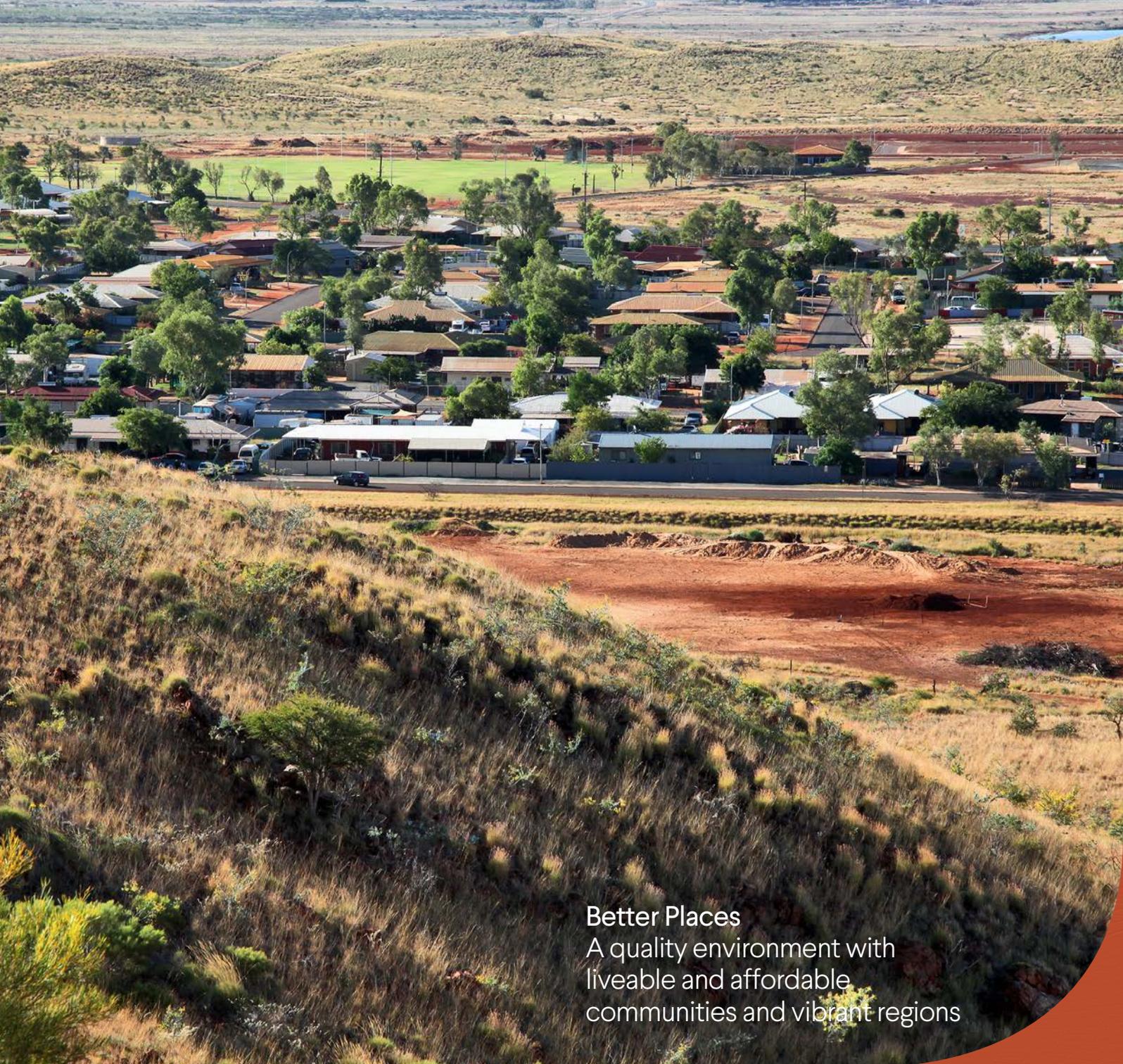


<p>Respect</p> <p>We understand our work is personal to our stakeholders and that every piece of land and site has a story.</p>	<p>We protect and value the land in Western Australia and strive to enhance connections to people, places and history. We listen and learn from the stories of our past and aspirations for the future as we plan for growth and development. We respect the traditional owners, the knowledge of Elders and our Aboriginal history. We carry this respect into our workplace and recognise the value of diversity and individual perspectives. We work with kindness and inclusiveness, ensuring that we treat each other with dignity and understanding.</p>
<p>Collaboration</p> <p>We strive to build prosperous places and connected communities.</p>	<p>We bring people, groups and organisations together to share ideas, solve problems and plan for the future. We share and leverage our knowledge and resources to find creative solutions and resolve problems. Collaboration enables us to learn from others, build support networks as well as a level of confidence to step outside our comfort zone and conventional boundaries.</p>
<p>Integrity</p> <p>For every piece of land, site and opportunity we act with integrity to deliver great outcomes for Western Australia.</p>	<p>Our decision-making and policies are based on sound planning, lands and heritage principles and practice. We assess proposals on their merit, consistently and free from bias. When we work with our stakeholders, we are accountable and transparent and we take responsibility for our actions and decisions. We lead by example with credibility and a focus on a strong public service ethic. We uphold the public sector standards in our work and all interactions with our colleagues and stakeholders.</p>
<p>Innovation</p> <p>We aim to create value for our stakeholders by identifying innovative approaches to the way we work.</p>	<p>The economic, demographic and environmental challenges facing our state requires new thinking and approaches to how we plan and manage land and heritage. By incorporating design thinking and an outcomes-based approach we will guide the creation of connected communities and prosperous places. We think creatively and embrace technology to provide a better digital experience for our stakeholders – enabling positive change and delivery excellent service.</p>
<p>Professionalism</p> <p>We are professionals with specialised knowledge and skills, committed to delivering our work to the highest standards.</p>	<p>We model best practice approaches to planning, land management and heritage through a lifelong commitment to professional development and training. We strive to enhance our capability, embrace continuous improvement and share learnings with colleagues. We are reliable and can be counted on to get things done, remaining poised and professional in all situations. Our customers receive excellent service from us at all times.</p>

Organisational structure

GAIL McGOWAN DIRECTOR GENERAL

OFFICE OF THE DIRECTOR GENERAL	BUSINESS AND CORPORATE SERVICES	HERITAGE AND PROPERTY SERVICES	LAND USE MANAGEMENT
<ul style="list-style-type: none"> • Executive Management • Ministerial Services • Development Assessment Panels 	<p>KATHLENE OLIVER Acting/Assistant Director General</p> <ul style="list-style-type: none"> • Business Information Services • Compliance • Governance • People, Capability and Innovation • Financial Services 	<p>VAUGHAN DAVIES Acting/Assistant Director General</p> <ul style="list-style-type: none"> • Heritage Assessment and Registration • Heritage Development • Aboriginal Heritage Operations • South West Settlement Aboriginal Heritage • Regional Services • Heritage Practice • Heritage Works • Fremantle Prison • Property 	<p>MATT DARCEY Assistant Director General</p> <ul style="list-style-type: none"> • Remote - Pastoral and Aboriginal Lands • Agreement Implementation • Land Services • Assessment and Delivery • Case Management North • Case Management South • Case Management Metropolitan and Land Divestment
	<p>LAND USE PLANNING</p> <p>DAVID SAUNDERS Assistant Director General</p> <ul style="list-style-type: none"> • Strategic Planning for the State's future. • Planning Assessment and Decisions • Remote Settlements • Planning Administration • Advice and Assistance 	<p>STRATEGY AND ENGAGEMENT</p> <p>LORISSA KELLY Assistant Director General</p> <ul style="list-style-type: none"> • Project Management Office • Policy • Urban Design and Development • Data Analytics • Infrastructure • Legal • Communications • Office of the Government Architect 	<p>STRATEGIC PLANNING PROJECTS</p> <p>SUE BURROWS Assistant Director General</p> <ul style="list-style-type: none"> • Perth and Peel@3.5million sub-regional planning frameworks • METRONET • Westport



Better Places
A quality environment with
liveable and affordable
communities and vibrant regions

Our performance

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Outcome-based management structure

The Department is responsible for planning and managing land and heritage for all Western Australians – now and into the future. In this way the Department contributes to the Government’s goals outlined below.

The summary of the Department’s financial performance against targets and Key Performance Indicators associated with each of the following desired outcomes and services are summarised on the following pages.

GOVERNMENT GOAL	DESIRED OUTCOMES	SERVICES
<p>Better Places</p> <p>A quality environment with liveable and affordable communities and vibrant regions</p>	<p>An effective and efficient planning system that supports the development of well planned communities in Western Australia</p> <p>The State’s land assets are managed responsibly</p> <p>Security of land tenure</p>	<ol style="list-style-type: none"> 1. Integrated land and infrastructure policy development 2. Land accessibility planning and policy development 3. Land asset management 4. Crown Land administration 5. Native title administration
<p>Sustainable Finances</p> <p>Responsible financial management and better service delivery</p>	<p>Optimise the value of the State’s land assets</p>	<ol style="list-style-type: none"> 6. Preparation for sale of State-owned land assets
<p>Better Places</p> <p>A quality environment with liveable and affordable communities and vibrant regions</p>	<p>Quality advice and support to the Heritage Council of Western Australia and the Minister for Heritage to promote and deliver the conservation of cultural heritage places in Western Australia, for the benefit of present and future generations</p> <p>Cultural heritage management for community education and appreciation</p> <p>Achieving the right balance between development and protection to ensure economic opportunities are leveraged to the benefit of the whole community</p> <p>Better utilisation of the Aboriginal Lands Trust estate to achieve shared social and economic outcomes</p>	<ol style="list-style-type: none"> 7. Cultural heritage conservation services on behalf of and under the direction of the Heritage Council of Western Australia 8. Community engagement in cultural heritage 9. Heritage management 10. Land management

Changes to the outcome-based management framework

The Department's outcome-based management framework did not change for 2018/19.

However, during 2018/19, the Department completed a comprehensive review of its Outcome Structure and Key Performance Indicators (KPIs). A new framework was developed and subsequently approved by the Department of Treasury.

The new Outcome Structure and KPIs will take effect from 1 July 2019. From that date, the Department's desired outcomes will be linked to the Government's goal for "Better Places: A quality environment with liveable and affordable communities and vibrant regions".

The Department's new Outcome and Service structure will be as follows:

DESIRED OUTCOME	SERVICES
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

A revised suite of KPIs will measure the achievement of the outcome and efficiency of these services.

New key effectiveness indicators

The following Key Effectiveness Indicators will be used to measure the Department's achievement of its outcomes:

- Percentage of applications determined within statutory timeframes
- Percentage of finalised appeals (excluding Development Assessment Panels (DAPs)) that are not upheld on review by the State Administrative Tribunal
- Percentage of Local Planning Scheme amendments processed by the Department under delegated authority and submitted to the Minister within the statutory timeframe
- Percentage of DAP applications determined within the statutory timeframe
- Percentage of land tenure change and interest documents validly lodged with the Western Australian Land Information Authority (Landgate)
- Number of leases or divestments of Aboriginal Lands Trust estate land to direct Aboriginal control

- Percentage of visitors to Fremantle prison satisfied with services provided by the Department
- Percentage of statutory approvals delivered to the Aboriginal Cultural Material Committee within set timeframes
- Percentage of development/planning referrals processed within set timeframes
- Percentage of nominations progressed to preliminary review within set timeframes

New key efficiency indicators

The following Key Efficiency Indicators will be used to measure the Department's services:

- Average cost of planning services
- Average cost per square kilometre to administer Crown land and Aboriginal Lands Trust estate
- Average cost of historical heritage services
- Average cost per visitor to Fremantle prison
- Average cost of Aboriginal heritage management services

Agency performance compared to targets

FINANCIAL TARGETS	2018/19 TARGET ^(a) \$'000	2018/19 ACTUAL \$'000	VARIATION \$'000
Total cost of services (expense limit)	178,604	171,248	7,356
Net cost of services	120,423	118,098	2,325
Total equity	208,663	219,590	-10,927
Net increase/(decrease) in cash held	-14,780	-9,858	-4,922
Approved salary expense level	76,330	77,323	-993
Agreed borrowing limit	nil	nil	nil

WORKING CASH TARGETS	2018/19 AGREED LIMIT ^(a) \$'000	2018/19 TARGET ^(a) / ACTUAL \$'000	VARIATION \$'000
Working Cash Limit (at budget)	8,187	8,187	N/A
Working Cash Limit (at actuals)	8,091	8,065	26

Notes

(a) The targets specified above are as per the 2018/19 Budget Statements.

Summary of key performance indicators against targets

KEY EFFECTIVENESS INDICATORS ^(a)	2018/19 TARGET ^(b) %	2018/19 ACTUAL %	VARIATION ^(c) %
Desired Outcome: An effective and efficient planning system that supports the development of well-planned communities in Western Australia			
The % of Subdivision Applications determined within the statutory timeframe	80%	88%	8%
The % of Deposited and Strata Plans (excluding Built Strata Plans) endorsed within the statutory timeframe	99%	97%	(2%)
The % of Development Applications determined within the statutory timeframe	70%	81%	11%
The % of finalised appeals (excluding DAPS) that are not upheld on review by the State Administrative Tribunal	95%	93.4%	(1.6%)
The % of Local Planning Scheme (LPS) amendments processed by the Department under delegated authority and submitted to the Minister within the statutory timeframe:			
- Basic (42 days)	60%	75%	15%
- Standard (60 days)	60%	54%	(6%)
The % of DAP applications that are determined within the statutory timeframe	75%	72.9%	(2.1%)
Desired Outcome: The State's land asset is managed responsibly			
Percentage of unmanaged Crown land in the State of Western Australia	38%	38.6%	0.6%
Percentage of rent reviews implemented by the recent review date	80%	31.3%	(48.7%)
Desired Outcome: Security of Land Tenure			
Percentage of all accepted enquiries progressed to completion or resolution	60%	36%	(24%)
Number of challenges to provision of tenure	0	0	0
Percentage of new Crown land applications assessed for Native Title	100%	100%	0%
Desired Outcome: Optimise the value of the State's land assets			
Percentage of Crown land sales target achieved	100%	242.6%	142.6%

KEY EFFECTIVENESS INDICATORS ^(a)	2018/19 TARGET ^(b) %	2018/19 ACTUAL %	VARIATION ^(c) %
Desired Outcome: Quality advice and support to the Heritage Council of Western Australia and the Minister for Heritage to promote and deliver the conservation of cultural heritage places in Western Australia, for the benefit of present and future generations			
The Minister for Heritage's satisfaction with the services provided by the Department	85%	88%	3%
The Heritage Council of Western Australia's satisfaction with the services provided by the Department	85%	92.4%	7.4%
Desired Outcome: Cultural heritage management for community education and appreciation			
Visitors to Fremantle Prison's satisfaction with the services provided by the Department	85%	95.6%	10.6%
Desired Outcome: Achieving the right balance between development and protection to ensure economic opportunities are leveraged to the benefit of the whole community			
Percentage of direct stakeholders satisfied with the services related to the management of Aboriginal heritage	80%	71%	(9%)
Desired Outcome: Better utilisation of the Aboriginal Lands Trust Estate to achieve shared social and economic outcomes			
Percentage of direct stakeholders satisfied with the services related to the management of the Aboriginal Lands Trust Estate	80%	79%	(1%)

(a) The tables above provide a summary of the Department's Key Performance Indicators for 2018/19. For more detailed information, including explanations for significant variances, refer to the Desired Outcome and Key Performance Indicators section of this report at pages 116 – 149.

(b) The targets specified above are as per the 2018/19 Budget Statements.

(c) Variations shown in brackets represent a decrease in the actual result compared to the target. Depending on the KPI, a decrease in the actual result does not necessarily mean that the target has not been achieved.

Key Efficiency Indicators

KEY EFFICIENCY INDICATORS ^(a)	2018/19 TARGET ^(b) %	2018/19 ACTUAL %	VARIATION ^(c) %
Service 1: Integrated land and infrastructure policy development			
Average cost per policy hour for integrated land policy development	\$144.95	\$135.16	(\$9.79)
Service 2: Land accessibility planning and policy development			
Average cost per statutory application processed	\$6,523	\$7,457	\$934
Service 3: Land asset management			
Percentage of pastoral leases monitored	90%	94.7%	4.7%
Average cost per square kilometre to manage Crown land	\$2.18	\$3.04	\$0.86
Service 4: Crown Land Administration			
Operational Cost per Crown Land Action	\$7,264	\$10,408	\$3,144
Average number of days to progress an inquiry from assessment to acceptance	15 working days	13 working days	(2 working days)
Service 5: Native Title administration			
Average operational cost per Native Title action taken	\$88,267	\$106,430	\$18,163
Service 6: Preparation for Sale of State-owned Land Assets			
Percentage of divestment fund spent to unlock Crown land assets	100%	58.7%	(41.3%)
Service 7: Cultural Heritage Conservation Services on Behalf of and Under the Direction of the Heritage Council of Western Australia			
Average Cost per Place of Maintaining the Heritage Register	\$50	\$8.96	(\$41.04)
Average Cost of Development Referrals	\$895	\$783	(\$112)
Average Cost of Administering Grants (per Grant Dollar)	\$0.15	\$0.12	(\$0.03)
Service 8: Community Engagement in Cultural Heritage			
Average Cost per Visitor to the Fremantle Prison	\$32.25	\$30.89	(\$1.36)
Service 9: Heritage Management			
Average Processing Time per Statutory Approval	70 days	78 days	8 days
Average Time to Update Register	12 days	5 days	(7 days)
Average Time to Complete Initial Assessment	3 days	5 days	2 days
Service 10: Land Management			
Average Processing Time per land transaction	3 days	1.6 days	(1.4 days)

(a) The tables above provide a summary of the Department's Key Performance Indicators for 2018/19. For more detailed information, including explanations for significant variances, refer to the Desired Outcome and Key Performance Indicators section of this report at pages 116 – 149.

(b) The targets specified above are as per the 2018/19 Budget Statements.

(c) Variations shown in brackets represent a decrease in the actual result compared to the target. Depending on the KPI, a decrease in the actual result does not necessarily mean that the target has not been achieved.



Conserving, interpreting and presenting the World Heritage listed Fremantle Prison as a landmark compatible-use property

Service performance

Planning services

By shaping the pattern of development and influencing the location, scale, density, design and mix of land uses, integrated land use systems contribute to the Government's 'Better Places' goal by:

- ensuring flexibility to meet the demands of a changing economy and market environments;
- maximising the use of existing infrastructure;
- ensuring that sufficient land is available for residential, commercial, industrial and employment purposes; and
- minimising land supply delays through timely decisions on redevelopment and subdivision proposals.

The Department supports the Western Australian Planning Commission (WAPC) to enable the acquisition and management of properties reserved under the Metropolitan Region Scheme for important urban roads, controlled access highways, parks and recreational reserves, special uses, major land redevelopment projects and special planning projects undertaken within the Perth metropolitan area.

During 2018/19, the Department improved the performance of this service consistent with service level improvements and structural changes. The Department strives to deliver statutory approval processes within agreed timeframes and responds to the conditions in the Western Australian property market.

Application numbers and the Department's performance in meeting statutory or agreed timeframes has remained consistent, with improved performance in determining subdivision applications, development applications and Local Planning Scheme amendments. The Department focussed on clearing a backlog of Local Planning Scheme amendments, which provided more opportunity to manage new applications within statutory timeframes.

Other achievements during the year included the progression of the East Wanneroo District Structure plan, which focusses on critical infrastructure such as regional road and rail alignments, water and wastewater provision, environmental considerations and other requirements.

More than 260 hectares of land between Ellenbrook and Brabham was rezoned for future housing. The land close to the future METRONET Morley-Ellenbrook line, represents the next stage in the [urbanisation of the Swan Urban Growth Corridor](#) as identified in the North-East Sub-regional Planning Framework.

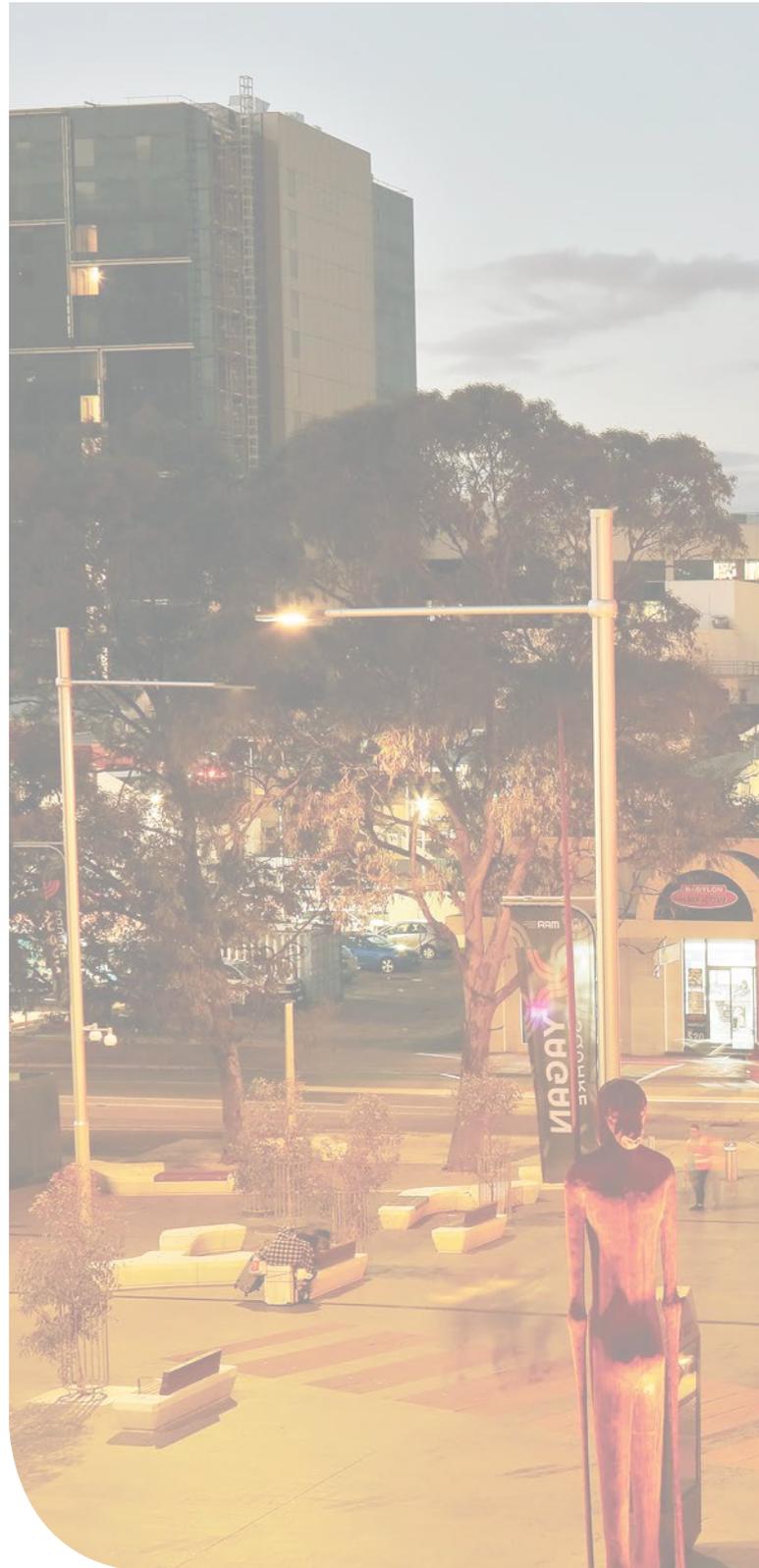
Employment-generating land has been released as part of the [120-hectare first stage of the Peel Business Park](#), with 12 lots made available for industrial development. Stage one will include the construction of a renewable energy micro grid, which is expected to be one of the largest for an industrial development in Australia. The lots will also have high-speed internet and reticulated gas services from the [Bunbury to Dampier gas pipeline](#).

The Bunbury Outer Ring Road, a bypass to reduce congestion, improve safety and provide an efficient freight route, was realigned. The [Wanju and Waterloo plans](#) have been revised to reflect the realigned route and were re-released for public comment. The revised plans will help drive residential growth and set the foundation for future jobs in the South West.

Planning priorities during the year included:

- Progressing the [Swan Valley Planning Review](#)
- planning for the [Ocean Reef Marina](#)
- progressing the [Port Hedland West End Improvement Plan and Scheme](#)
- progressing the [Bunbury-Geographe Sub-regional Strategy](#) (review of Greater Bunbury Strategy)
- supporting the Bunbury Development Committee.

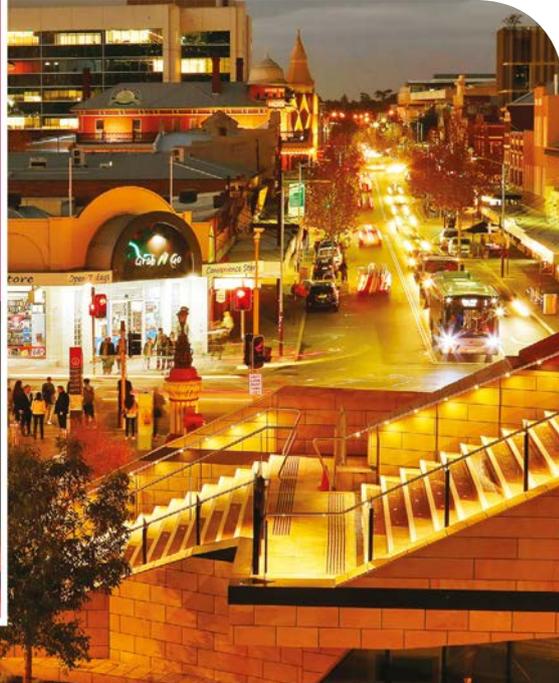
The Department supports the Western Australian Planning Commission and further information on planning activities is provided in the [Commission's annual report](#).



CASE STUDY

Planning for entertainment noise in the Northbridge area

September 2018



A vibrant entertainment precinct, Northbridge offers a mix of restaurants and music venues, contributing significantly to Perth's cultural diversity and economic prosperity. It is also experiencing significant urban development, with an increasing trend towards mixed-use, high-density city living.

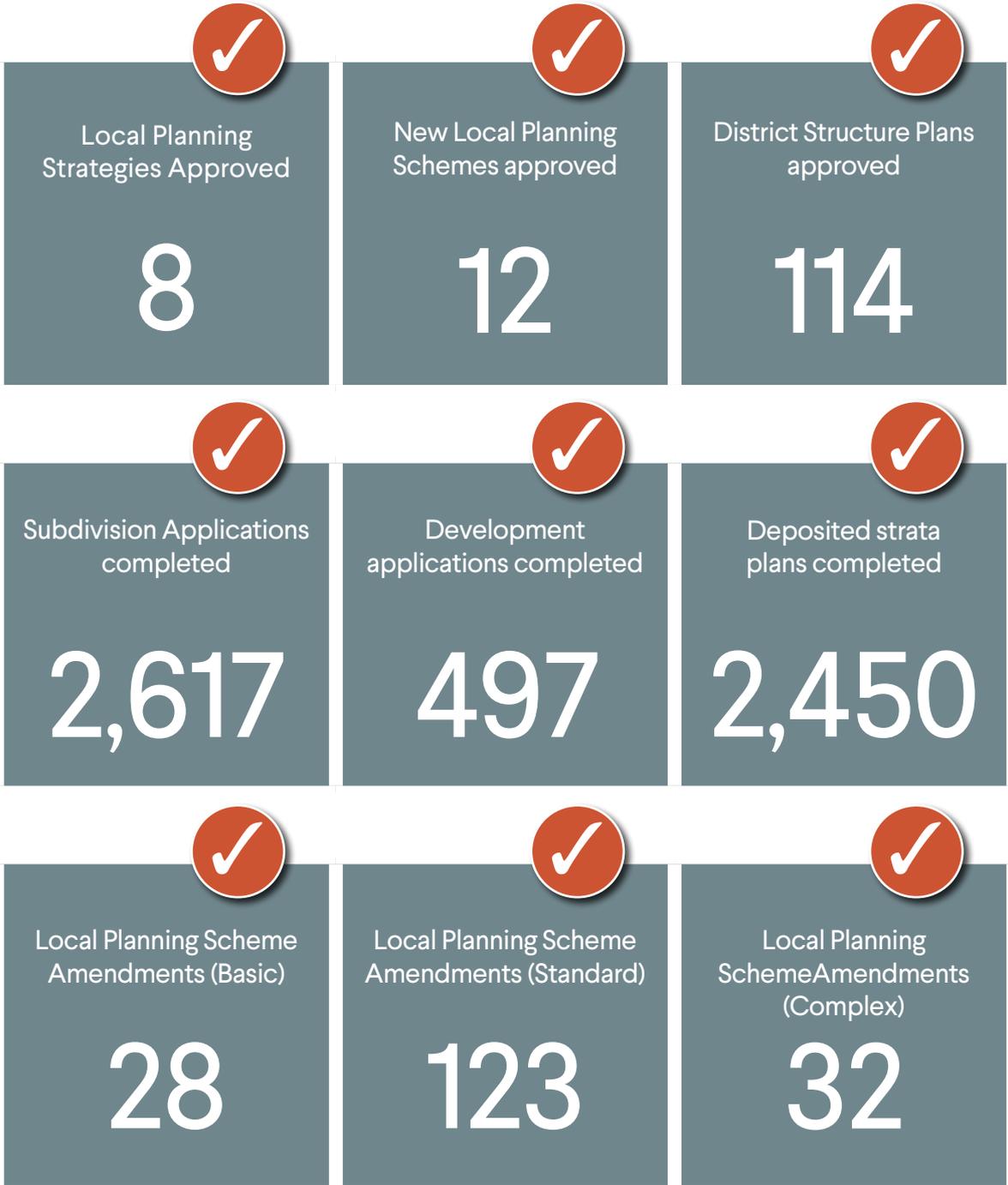
In late 2018, the State Government released a discussion paper proposing planning and environmental initiatives to address challenges associated with the increasing levels of dwellings and entertainment noise in the Northbridge area.

Sixty-four responses were received from the consultation, with clear support for the 'agent of change' principle – whereby the person who initiates any changes assumes responsibility for remediation of the altered environment; and requirement for notification on titles to advise potential buyers of entertainment noise in the area.

This initiative received a Commendation in the President's Award category, at the Planning Institute of Australia (WA) Awards for Planning Excellence 2018.

The Department is now working with the Department of Water and Environmental Regulation and the City of Perth to review the content of submissions and determine the appropriate package of reforms. More updates on this project are available [online](#).

Key Performance Figures



Land Administration and Asset Management services

The Department administers and manages Western Australia's Crown land estate which comprises approximately 92 per cent of the State and includes all land (other than freehold) and all coastal and other waters. The Department provides land use management services and administration under the *Land Administration Act 1997* (LAA), and Aboriginal lands held by the Aboriginal Lands Trust under the *Aboriginal Affairs Planning Authority Act 1972* (AAPA).

The Department seeks to ensure land is being utilised to its highest and best use in accordance with key government priorities. It delivers this through:

- delivering primary land tenure to strategic infrastructure projects;
- managing the risk of managed and unmanaged Crown land;
- ensuring that in the case of land subject to native title rights and interests, security of land tenure is provided;
- supporting the Aboriginal Lands Trust, Aboriginal people, the Minister for Aboriginal Affairs, Government and key stakeholders in relation to the management of the Aboriginal Lands Trust estate; and
- processing of land access approvals.

CASE STUDY

Northampton Lead Tailings Project

The Northampton Lead Tailings Project is a whole-of-Government priority to identify and remediate or manage lead tailings within Northampton township.

The significant and extremely complex project is progressing well with the successful remediation of all 142 properties identified as being impacted by lead tailings.

The completion of remedial works is a significant achievement for the project and the next step to construct a containment cell in the area is well underway. The containment cell is expected to be constructed in 2019/20 and will safely and securely contain the lead tailings.

This project is an example of what can be achieved when State and local governments and the community work together to achieve a common goal.

Extensive community consultation has been undertaken since 2013 to address the lead tailings issue in the town.

During the year, the Department improved the performance of these services, achieved land sales targets and completed a number of high-priority projects including progressing the Subiaco Oval redevelopment, and managing the Northampton lead tailings project, which included the remediation of all 142 properties identified as being impacted by lead tailings.

In 2018/19, the Department's lands sales targets were achieved through the sales of previously unutilised or surplus sites such as the [Princess Margaret Hospital carpark to Woolworths](#) for \$11.25 million.

The redevelopment of Subiaco Oval was a priority project for the Department. During the year the Western Australian Football Commission (WAFC) and State Government executed both the Accommodation and Funding agreements for the relocation of AFL football away from Subiaco Oval and the relinquishment of the WAFC's lease over the site.

The introduction of the Wittenoom Closure Bill 2019 into Parliament will establish the required legislation to compulsorily acquire the remaining privately owned lots in the former townsite and enable its closure.

[New legislation was introduced to bring certainty for the Tjuntjuntjara community](#) to facilitate investment in health and infrastructure within the community. The lack

CASE STUDY

Subi East

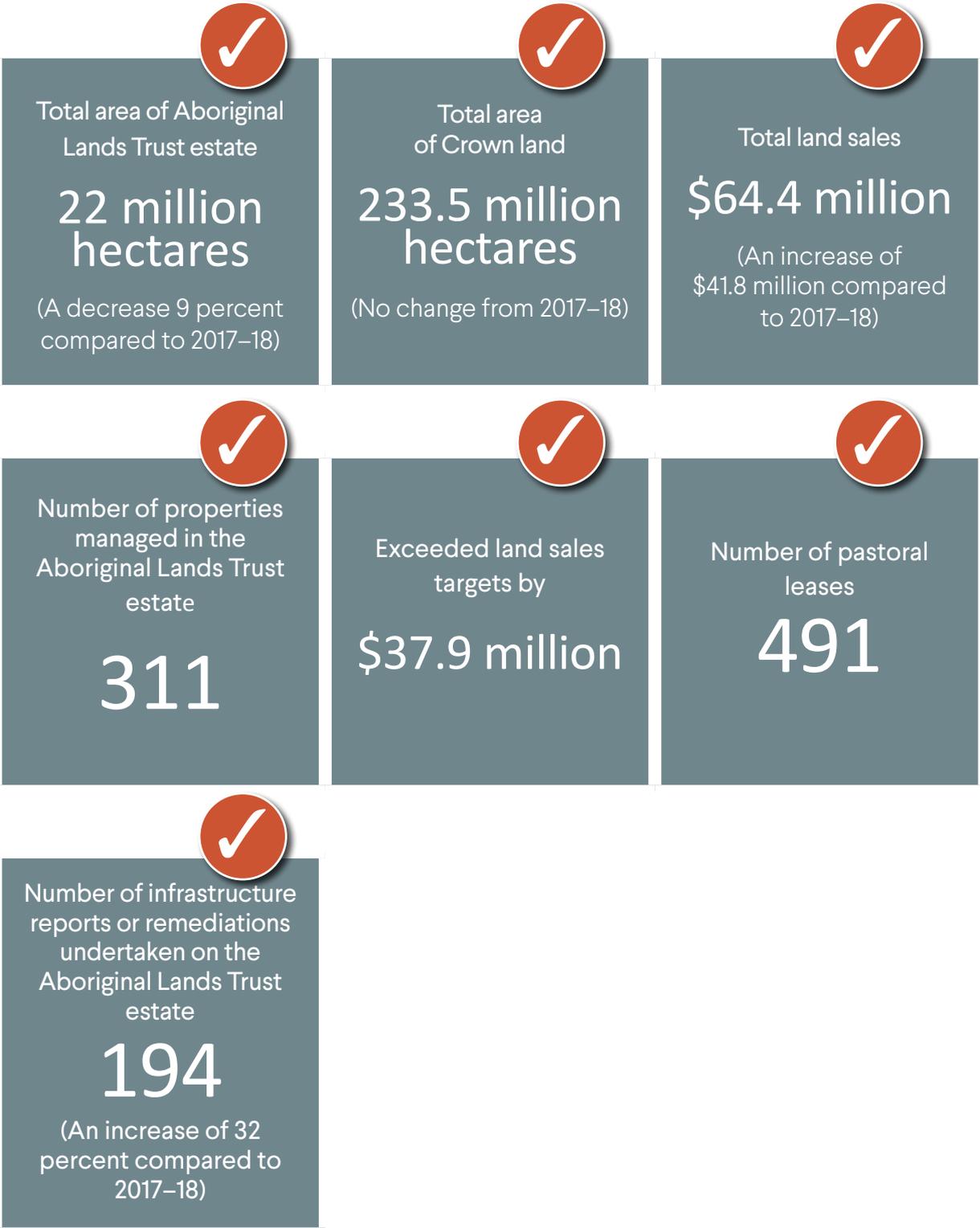
Subi East will be one of the most significant urban redevelopment projects undertaken in Perth, involving the rejuvenation of 35.6 hectares of land into a thriving and connected inner-city hub.

The project includes the demolition of the Subiaco Oval grandstands, and provision for the preservation of the State heritage listed entry gates and relocation or reinterpretation opportunities for the Sandoval Medal walk. The site's sporting history will be celebrated by the retention of a playing surface for shared school and community uses.

Construction of the future Bob Hawke College is well underway on Kitchener Park.

Accommodation and Funding agreements between the State and WA Football Commission (WAFC) have been finalised to facilitate the relocation of AFL football away from Subiaco Oval and the relinquishment of the WAFC's lease over the site. Finalisation of the agreements ensures the land will be available for the students of Bob Hawke College at the start of the 2020 school year.

Key Performance Figures



of formal tenure has limited the community's ability to seek investment for critically required infrastructure, and restricted its pursuit of on-ground economic activities. Having the right infrastructure and access to essential services will greatly improve living standards for the community and create jobs.

[Land was gifted to the Western Australian branch of the Returned and Services League](#)

for the construction of a new ANZAC House headquarters on St Georges Terrace, Perth.

Land administration and asset management priorities during the year included:

- implementation of major Indigenous Land Use Agreements including the South West Settlement, Kariyarra and the Geraldton Alternative Settlement;
- Progressing the divestment of Aboriginal Lands Trust estate for the creation of sustainable economic opportunities for Aboriginal communities;
- supporting Native title strategy and processes;
- remediating contaminated sites and management of contamination on Crown land;
- progressing the pastoral land reforms to deliver enhanced social, environmental and economic outcomes in Western Australia's pastoral rangelands; and
- delivering Crown land asset sales through identification and activation of land to support government priorities including the METRONET Land Sales Program.

Historic Heritage services

The Department supports the Heritage Council of Western Australia and the Minister for Heritage to identify, celebrate and promote the conservation and sensitive development of cultural heritage places in the State.

The Department has delegated responsibility for carrying out the Heritage Council's day-to-day operations, projects and service delivery through a formal policy that is reviewed annually. This includes providing advice on development referrals and planning instruments. Services include:

- advising State Government and its agencies on heritage related issues and assisting local governments with advice and assistance to manage local heritage places;
- facilitating the identification and assessment of places of cultural heritage significance;
- revitalising vacant and under-utilised State or local government owned heritage properties through the Heritage works program;
- promoting best-practice conservation and enhancing the community's understanding and appreciation of heritage places; and
- conserving, interpreting and presenting the World Heritage listed Fremantle Prison as a landmark compatible-use property.

A priority for 2018/19 was to implement the new *Heritage Act 2018* following the passage of the Heritage Bill 2017 through both houses of Parliament in September 2018.

During the year, the Department progressed heritage assessments and registrations to the Heritage Council, including:

- 171 places underwent preliminary review by the Register Committee with 19 of these nominated by the community, 145 referred through the Government Heritage Property Disposal Process and seven initiated by the Register Committee;
- four new places were assessed in preparation of stakeholder consultation;
- two places were determined to be of cultural significance but the protection of the Act was not considered appropriate;
- 10 places were added to the State Register on an interim basis, and 14 places on a permanent basis;
- two register entries were amended; and
- no places were removed from the State Register.

At 30 June 2019, the total number of registered places is 1,378.

The [Guildford Historic Town was nominated for inclusion in the State Heritage Register](#). The town will be the first place to be registered under the new *Heritage Act 2018* and Western Australia's only inland port. The place was nominated during the year by the City of Swan and its entry follows extensive engagement with the local community, including the Whadjuk Working Party.

Guildford is an important historic destination which has become a vibrant precinct for locals and visitors alike. Covering 287.4 hectares, the townsite is the largest area to be recognised on the register to date – at more than seven times the size of the West End precinct in Fremantle.

More information on Heritage activities is provided in the Heritage Council's annual report.

www.dplh.wa.gov.au/hcwa-annual-report

CASE STUDY

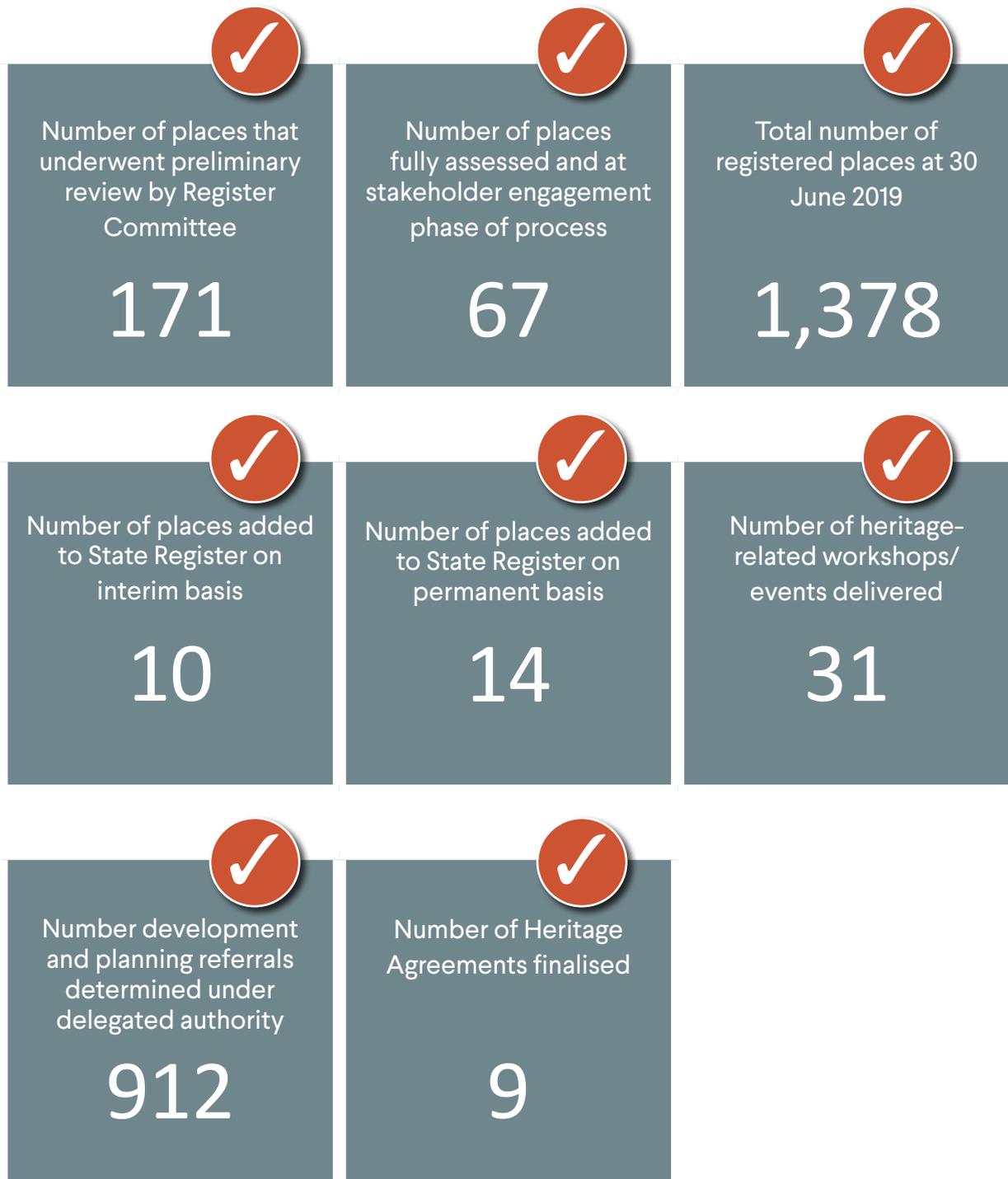
State Heritage Conference

The Department hosted the second WA State Heritage Conference for the heritage, history and collections sector on 29-30 April 2019 at the Westin Hotel. With the theme, 'Handle with care', the conference explored concepts of dark heritage and hidden history, and how they could be respectfully and responsibly employed in the context of museums, history and heritage tourism.

The conference presented an opportunity for the Department and Heritage Council to engage and provide guidance on Aboriginal heritage matters, a key theme of the event.

The level of engagement with Aboriginal heritage was a positive aspect for many of the 350 participants, and one that the Department will continue to encourage in future events and activities.

Key Performance Figures



Towards a new Heritage Act

Stakeholder engagement on a replacement for the *Heritage of Western Australia Act 1990* began in 2011 with a consultation paper that sought general views and ideas on what the legislation should do. This returned around 100 submissions, which were generally consistent with the communities expectation for the State's role in identifying and conserving heritage places. There was also general agreement that the legislation should be simplified and modernised.

A discussion paper issued later in the same year set out a series of reforms, seeking to develop initial ideas into more detailed actions that could be used to generate a comprehensive body of legislation. This set the framework for an Act that would provide mechanisms for challenging 'demolition by neglect'; retain provisions for local heritage, but with greater clarity and a more practical process; and streamline the registration process. This round of consultation generated 80 submissions, again with broad support for the proposals.

An early draft of a Heritage Bill had a 6-week consultation period in 2015, generating 59 submissions that offered minor improvements, many of which were integrated into final text. When the time came for the passing of the *Heritage Act 2018*, there was confidence that it would meet stakeholder expectations.

The final body of work to support the proclamation of the new Act was the drafting of regulations. A staged approach was adopted, with initial regulations covering only those areas necessary for the operation of the Act. A second phase of regulations will be added in due course.

While regulations generally cover administrative detail it was still necessary to ensure that stakeholders were given the opportunity to have input on their development. With that in mind, a comprehensive engagement plan was delivered that included local government, State government agencies, professional bodies, community groups and the wider public.

Consultation included use of an online survey on the Department of Planning, Lands and Heritage's Consultation Hub, updates and briefings, and the release of a series of information sheets and guides.

With the first stage of legislation being finalised, the final task was to prepare stakeholders for the introduction of the new Act. A 'Heritage Act Roadshow' was showcased at the WA Local Government Association's regional meetings, and public workshops were held in major regional centres. Briefings and workshops will continue into 2019-20 to support the smooth introduction of the *Heritage Act 2018*.

Aboriginal Heritage services

The Department manages Aboriginal heritage on behalf of the Minister for Aboriginal Affairs and the Aboriginal Cultural Material Committee.

The Department demonstrates efficient delivery of a wide range of heritage services that support the recognition, conservation and celebration of Aboriginal heritage in Western Australia through:

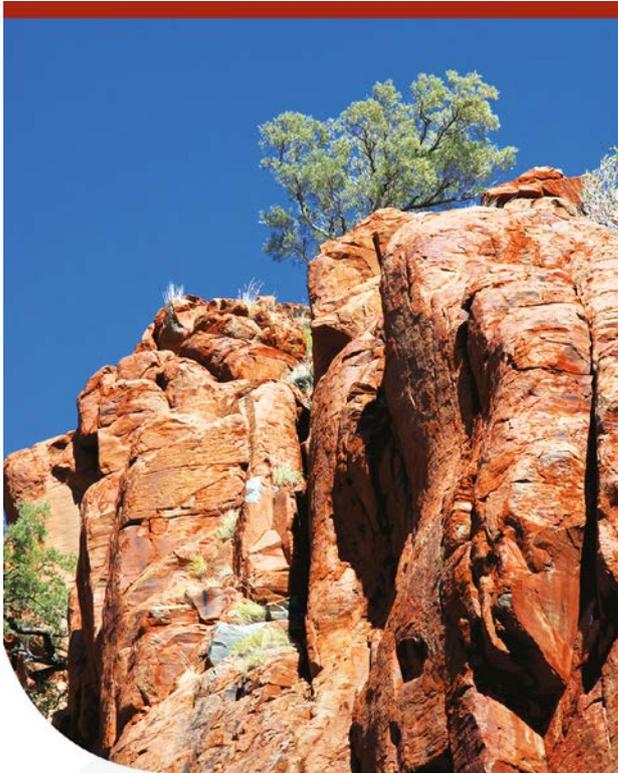
- supporting the Aboriginal Cultural Material Committee operations;
- advising Government and stakeholders on matters in relation to Aboriginal heritage;
- processing statutory applications and registrations; and
- conducting site assessments, repatriation of ancestral remains, site audits and advice.

The Department continues to support the development of and compliance with heritage management frameworks and agreements for the South West Native Title Settlement and provide ongoing assistance to Murujuga Aboriginal Corporation and the Department of Biodiversity, Conservation and Attractions in the heritage management of Murujuga (Burrup Peninsula).

The Aboriginal heritage services contributed to the [review of the Aboriginal Heritage Act 1972](#), participating in the community engagement meetings and workshops held on country across Western Australia. During the year a discussion paper was released inviting public consultation on the Act, that is set to modernise the State's Aboriginal heritage legislation.

Statutory applications under sections 16 and 18 of the Act increased significantly during 2018/19. The Department's focus on improving processes and systems meant that despite the increase, it was able to maintain its strong performance in progressing applications within timeframes.

CASE STUDY



ABORIGINAL HERITAGE ACT 1972 REVIEW

The process to reform the 40-year-old *Aboriginal Heritage Act* began in March 2018, with a Consultation Paper inviting stakeholders to identify their concerns with the current legislation, presenting a wide range of views. Analysis of the feedback and legislation from other states and territories informed the proposals for new legislation, which were published in a discussion paper released on 7 March 2019. The discussion paper was open for public comment for 12-weeks as part of a second phase of public consultation.

To facilitate feedback on the proposals during Phase 2, the Department undertook an extensive series of workshops throughout the State. Eleven information sessions, 33 Aboriginal community workshops and two further workshops (in key regional centres) were held. Feedback on the proposals was also invited through written submissions and an online survey.

Throughout the consultation, the Department engaged with peak bodies and Government departments that have significant exposure to or interest in Aboriginal heritage matters, through a series of discussions and events.

A total of 72 submissions was received by the May 2019 closing date. Analysis of these indicated broad community support for the proposals. However, many submitters had questions on more detailed aspects of the system, which were beyond the scope of this stage of the process. This information will inform the preparation of draft legislation which is anticipated to be released for further public comment in 2020.

Key Performance Figures





Our community

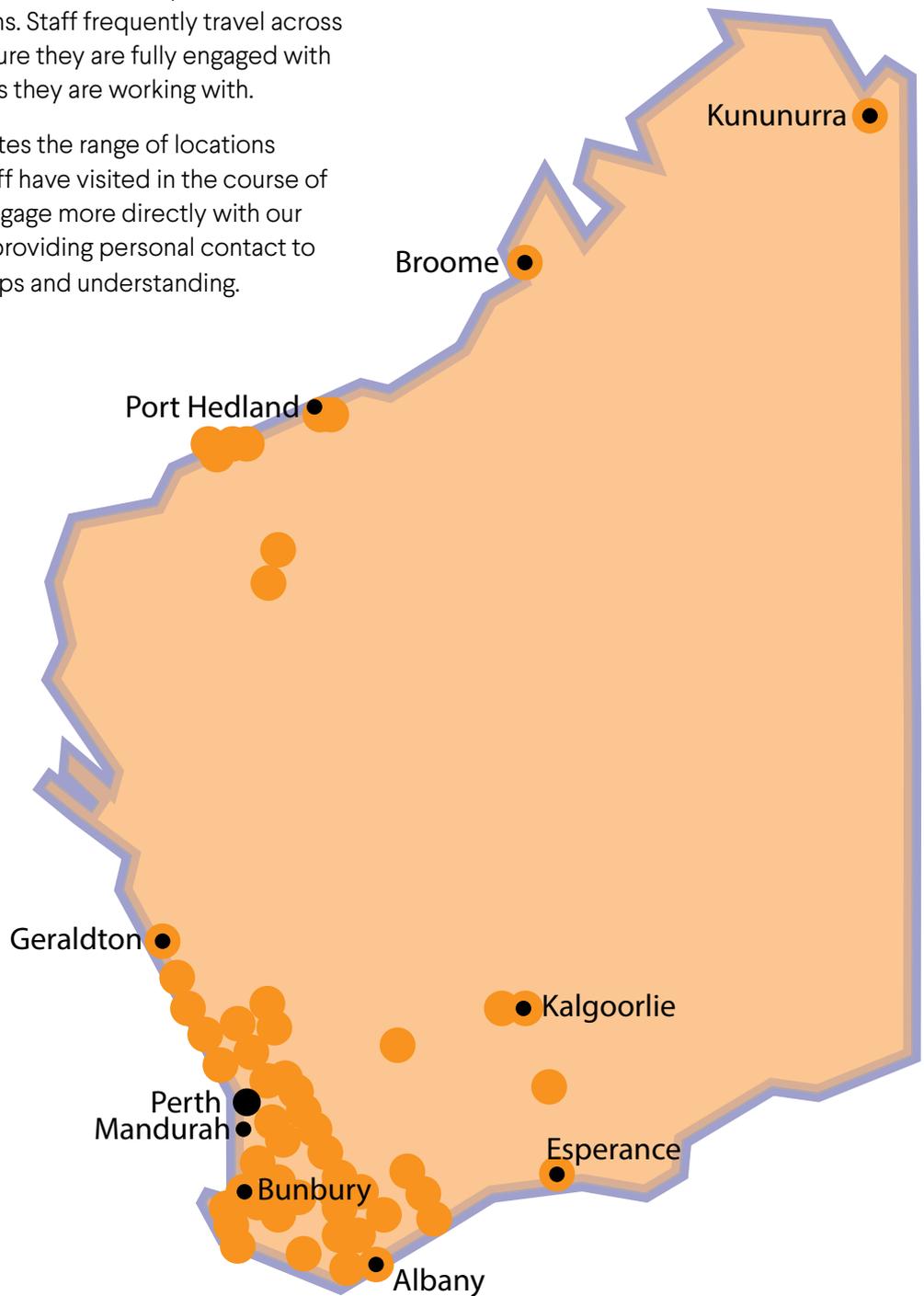
The Department's commitment to stakeholders and the community is evident in the effort to engage stakeholders across the State, including community workshops, face-to-face meetings, providing grants to community and not-for-profit groups, and inviting community consultation on policies, plans, and other significant projects. The Department is building capability within to ensure that our services and practices deliver results and exceed expectations.

[Contents](#) | [Significant issues](#) | [The Department](#) | [Our performance](#) | [Service performance](#) | [Our community](#) | [Our people](#) | [Our boards and committees](#) | [Governance disclosures](#) | [Financials and performance indicators](#)

Meetings on-country

The Department has 9 offices providing a base for staff both in the Perth metropolitan area and in our regions. Staff frequently travel across the State to ensure they are fully engaged with the communities they are working with.

The map illustrates the range of locations Department staff have visited in the course of their work, to engage more directly with our stakeholders – providing personal contact to build relationships and understanding.



Grants

The Department's grant programs enable local communities to deliver projects that add economic, cultural and environmental value to their area.

Coastal Grants

The Coastal Management Plan Assistance Program (CMPAP) and Coastwest grants, administered by the Department on behalf of the Western Australian Planning Commission, support communities to manage their coastal assets. In 2018/19, CMPAP grants worth \$255,000 were awarded to five local governments and six previously funded projects were completed. Coastwest grants valued at \$375,014 were awarded to local governments and community organisations for 20 projects, while 25 previously funded projects were completed.

Preserving our Aboriginal Sites Grants Program

The Department has administered the Preserving Our Aboriginal Sites grants program since 2014. The program provides funding of up to \$30,000 to Aboriginal not-for-profit organisations for projects that promote and protect Aboriginal heritage sites.

In 2018/19, the Department provided around \$250,000 to organisations to undertake 11 projects across the State. More than \$1 million has been made available since the program's launch to help protect important Aboriginal heritage sites such as installing fences and signs, remediation of burial sites and graffiti removal.

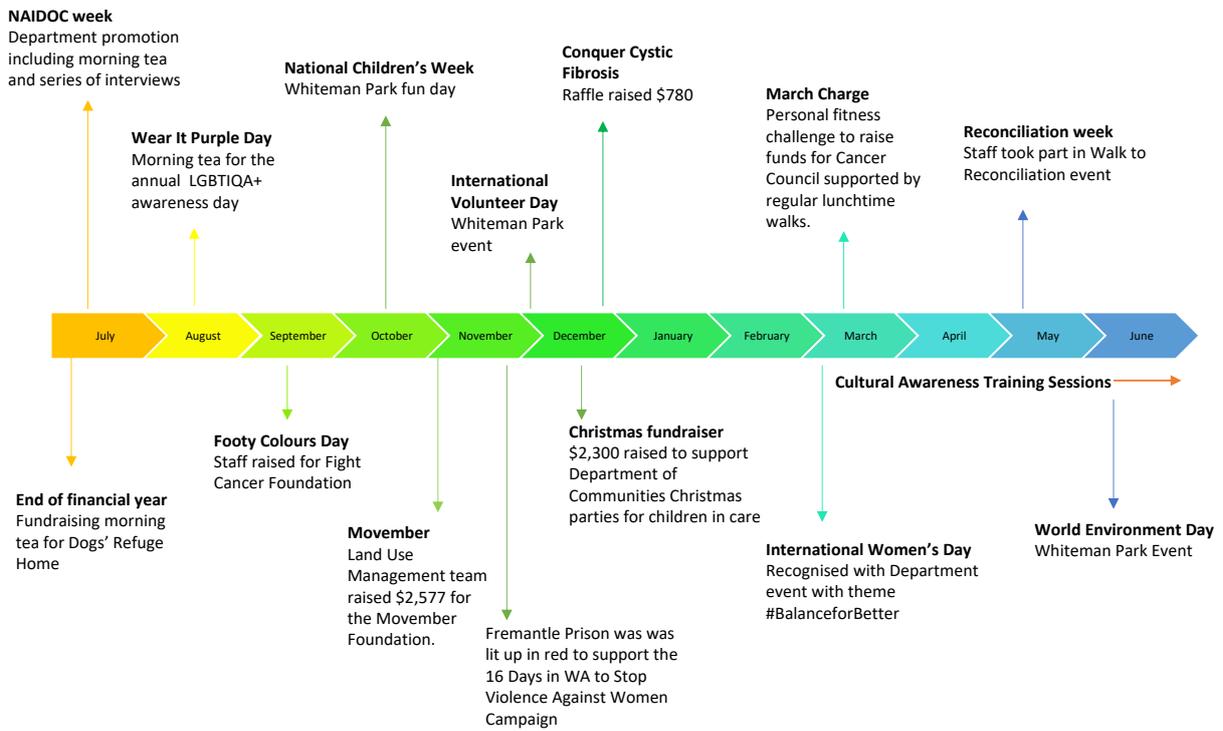
Heritage Grants Program

The 2018/19 funding round opened on 11 June 2018 and attracted 31 applications seeking a total of \$1.573 million in funding to complete \$4.070 million in conservation projects. Twenty-three projects were successful, with \$1.213 million in grant funding awarded. The projects are expected to deliver a combined conservation investment of more than \$3.262 million.

Fundraising and awareness

As a Department and as individual staff members, a great amount of pride is taken in the work to raise both funds and awareness of a variety of community issues and events throughout the year.

Some of the staff driven initiatives are provided:



Department staff participated in the Walk for Reconciliation

Disability access and inclusion

The Department is committed to ensuring equal access to our facilities, services and information for all members of the community. In September 2018, the Department launched its first Disability Access and Inclusion Plan (DAIP) for 2018–2023. The new DAIP outlines a variety of strategies to assist in achieving better outcomes for people with disability, as defined in the *Disability Services Act 1993*.

During 2018/19, the Department progressed all the strategies detailed in the DAIP including improvements to visitor services and facilities at Fremantle Prison and Whiteman Park.

A report outlining the Department's achievements against each DAIP outcome is available on the [Department's website](#).

Reconciliation

The Department is nearing completion of its first Reconciliation Action Plan (RAP), which will reflect the Department's journey to enhance, respect and improve relations with Aboriginal communities and stakeholders. During the year, the Department:

- participated in Reconciliation Week with staff attending the Reconciliation Week Walk and sponsoring four banners for the Reconciliation Week Banner Project;
- published a Welcome to Country and Acknowledging Traditional Owners of Country Policy; and
- implemented face-to-face cultural awareness training to increase understanding, value and recognition of Aboriginal and Torres Strait Islander cultures, histories, knowledge and rights.



Staff members participating in the face-to-face cultural awareness training

Making the most of our Department managed attractions.

Whiteman Park and Fremantle Prison are owned by the State Government and managed by the Department of Planning, Lands and Heritage to generate benefits today and ensure their sustainable future for generations to come.

Both Fremantle Prison and Whiteman Park encourage active community participation through their respective onsite offerings as well as through social media to engage with wider audiences more frequently.

The two sites provide direct and indirect economic benefits by offering job creation and continually increase the quality of service for visitors with the facilities and experiences offered.

As well as protecting the source of 60 per cent of Perth's drinking water, Whiteman Park strives to be a benchmark for good practice in conservation, education and recreation across its 4,000 hectares of natural bushland and leisure facilities.

Key highlights for 2018/19 include:

- an estimated 1.2 million people visited the Park;
- the park employs 34 people and is grateful for the support of 32 volunteers;
- 35,000 seedlings were been planted;
- 63 schools (2,736 students) attended education days and a further 1,500 students attended the one-day Gngangara Groundwater Festival event;
- \$2.1 million was invested in capital works, including for replacement BBQs, paths, car parking, fire breaks and tank upgrades, a Changing Places Disabled Access toilet as part of Pia's Place playground, and installation of solar panels; and
- construction of Pia's Playground commenced in March with the nature play area for children of all abilities to explore and reconnect with the outdoors due to open in December 2019.



Fremantle Prison continues to offer a quality visitor experience, which was recognised by a number of awards this year:

- Hall of Fame – WA Tourism Awards, Cultural Tourism
- Winner – WA Tourism Awards, Cultural Tourism
- Silver Medal – WA Tourism Awards, Major Tourist Attractions
- Bronze Medal – Australian Tourism Awards, Cultural Tourism
- Winner – Fremantle Business Award, Tourism Excellence.

Other key highlights include:

- 195,394 visitors, of which just over 32 per cent were from outside Australia;
- visitor satisfaction rates remain above 90 per cent;
- completed works worth \$501,000, including stonework and roof repairs, Australian Convict Sites website, signage and property refits; and
- improved access and inclusivity by admitting carers free of charge at a ratio of 1:1 and removing minimum number requirements for groups with disabilities.



Substantive equality

The Department recognised that entitlements, opportunities and access are not equally distributed throughout the community and that there may be barriers to service provision that result in unequal outcomes for particular groups. Equal treatment, therefore, is not about treating people the same, it is about treating people differently to cater for different needs and ensure equal outcomes.

The Department is committed to eliminating systemic discrimination in the provision of its services and promoting sensitivity to the different needs of client groups and our diverse workforce. During the year, the Department commenced a review of the Substantive Equality Policy and established a Diversity and Inclusion Champions Group aimed at identifying and delivering initiatives that promote a culture of inclusion of the many diverse groups that make up the community in Western Australia.

In line with the Department's Reconciliation commitments, face-to-face cultural awareness training for all Department staff was implemented to increase the understanding, value and recognition of Aboriginal culture, history, knowledge and rights. As at 30 June 2019, all senior management have completed the training. By 2019-20 all staff will have completed the training. The training has raised greater appreciation for Aboriginal heritage and land issues, which in turn will improve relationships and the delivery of these services.

Public consultation

The following activities were released for public consultation during 2018/19.

CONSULTATION TITLE

Aboriginal Heritage Act review discussion paper
Claremont Showground Draft Management Plan
Container Deposit Scheme Infrastructure
Draft Position Statement on Fibre Ready Telecommunications Infrastructure
Draft State Planning Policy 2.4 Basic raw materials
Fremantle Prison Heritage Management Plan
Future Directions for the Ningaloo Coast Regional Strategy Carnarvon to Exmouth
Future Directions for the Shark Bay Regional Strategy
Greater Bunbury Region Scheme Amendment 0054/57
Greater Bunbury Region Scheme amendment 0053/57 - Omnibus No 5 Anomalies amendment
Greater Bunbury Region Scheme - DAPs proposal - Step Up Step Down Facility
Greater Bunbury Region Scheme Development Application 602-65-1-Reserve 6962 Stirling Street, Bunbury
<i>Heritage Act 2018 - Proclamation Regulations</i>
Metropolitan Region Scheme amendment 1334/57 - Bush Forever Omnibus 2 (Central)
Metropolitan Region Scheme 1352/57 - Part Lot 799 Katharine Street, Bellevue
Metropolitan Region Scheme amendment 1333/57 - Bush Forever Omnibus 1 (North)
Metropolitan Region Scheme amendment 1335/57 - Bush Forever Omnibus 3 (South)
Metropolitan Region Scheme Amendment 1353/57 - Lot 33 Hopkinson Road, Cardup
Metropolitan Region Scheme Minor Amendment 1346/57 - Lots 705-708 Armadale Road, Treeby
Metropolitan Region Scheme Minor Amendment 1339/57 - North-East and North-West Districts Omnibus 2
Metropolitan Region Scheme Minor Amendment 1343/57 - South East and South West Districts Omnibus 3

Metropolitan Region Scheme Minor Amendment 1341/57 – Central Districts Omnibus 5
Metropolitan Region Scheme Minor Amendment 1340/57 – South Forrestdale Business Park Stage 2
Metropolitan Region Scheme amendment 1347/57 – North Parkerville Urban Area
Montario Quarter Lot 37 Development Application
Peel Region Scheme amendment 0461/41 – Lot 221 Lakes and parts of Lot 400 Paterson Road, Nambeelup
Planning for Entertainment Noise in the Northbridge Area: Public Consultation Paper
PRS Amendment 044/41 Nambeelup North Industrial Zone – Lots 89 & 109 Readheads Road, Nambeelup
Review of the <i>Aboriginal Heritage Act 1972</i> – Phase Two consultation
Revised Draft Wanju District Structure Plan
Revised draft Waterloo Industrial Park District Structure Plan
State Planning Policy 3.5 Historic Heritage Conservation
Tourism in bushfire prone areas



Our people

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STAFF PROFILE	2018–2019	2017–2018
Full time permanent	600	554
Full time contract	60.6	71.9
Part time measured on a FTE basis	105.35	99.9
On secondment (see below)	15.11	4
SECONDED	2018–2019	2017–2018
Seconded in paid FT	9	1
Seconded in paid PT	2.2	
Seconded out paid FT	3	3
Seconded out paid PT	0.91	



Building our workforce

The Department is committed to our people, and strengthening capability and organisational culture through leadership, workforce planning and development.

To deliver this, the Department is:

- proactively creating an inclusive and safe working environment that attracts, retains and builds talent to ensure the future pipeline of leaders, with an emphasis on diversity
- proactively building a workforce that reflects our community
- embedding more flexible working practices and conditions that deliver on our objectives
- building a culture of inclusivity and diversity.

Initiatives implemented during the year include:

- Disability Access and Inclusion Plan was published
- Reconciliation Action Plan was developed by the RAP working group
- improvements to vacancy advertising and processes to attract high performers
- established Values Champions as role models of the Department's values.

Staff development

Developing a skilled, capable and adaptive current and future workforce is a priority. We are committed to providing the workforce with appropriate opportunities to develop skills and knowledge that will contribute to the achievement of the Department's strategic goals.

The Department follows the 70:20:10 model of learning, which asserts that most learning happens through experience rather than formal learning events. The MyPlan performance development conversations reflect this philosophy with all staff encouraged to have at least two recorded conversations per year, along with ongoing communication and coaching. Development opportunities are recorded to identify workplace projects and activities that will support learning as well as any formal events, consolidating the skills learned at work.

Formal development opportunities

Formal development offered by the Department reflects the needs and priorities of the workforce. The Organisation Development team offers a range of internal courses to support individual development, management and leadership skills. External training is also offered to broaden the range of skills training available. The courses offered are determined through consultation with senior leaders and development requests made through the MyPlan process.

In 2018/19, there were:

- 1,697 enrolments in online courses
- 528 enrolments in internal training
- 956 enrolments in externally delivered training for job-specific skills
- 16 individuals (at all levels up to senior leaders) attended formal leadership programs
- 6 graduates are receiving targeted graduate development through the Public Sector Commission graduate program

The Empower program was also approved – a department-wide leadership program targeting high potential staff across a range of levels. Leadership skills are identified as a strategic need and the internally-delivered program is designed to deliver the skills and experiences required to build future leaders.

CASE STUDY

Graduate Program

In February 2019, the Department welcomed seven new graduates to rotate through the various business areas, mentored by senior staff in their field of interest. Soon after commencing, one of the graduates left the program after being appointed to a permanent position.

The 18-month customised development program includes ongoing support and guidance to help each graduate build their professional and technical skills as the Department's potential future leaders.



Our new graduates, from left to right: Evelyn Hiew, Rebecca Egan, Keenan Ross, Christopher Anderson, Keegan Elsner, Jessica Gavranic, Lucinda Lefroy

Supporting our workforce

Occupational safety and health

Commitment to occupational safety, health and injury management

The Department is committed to providing a healthy and safe work environment and achieving a high standard of safety, health and wellness for its employees, contractors, visitors and the community. To achieve this, the Department has an integrated risk management approach to occupational safety and health that is underpinned by policies and procedures in accordance with *Occupational Safety and Health Act 1984*, *Occupational Safety and Health Regulations 1996* and *Code of Practice: Occupational Safety and Health in the Western Australian Public Sector*.

The leadership team is committed to creating and maintaining a positive safety culture where staff feel supported and systems are reviewed to maintain continuous improvement. This is demonstrated by the endorsement of the Department's Occupational Safety and Health Commitment Statement, Occupational Safety and Health Policy and the establishment of the Safety, Health and Wellness Committee.

Consultation with employees

The Department encourages open, honest and effective consultation and communication between managers, staff, health and safety representatives and the Safety, Health and Wellness Committee to achieve a common understanding of and an effective resolution for all occupational safety and health (OSH) matters. The committee consists of both management and employee representatives who work in collaboration to identify and implement OSH initiatives and make recommendations on policy and strategy to the leadership team.

Consultation is also made through routine workplace inspections, hazard/incident reporting and investigations, and ensuring that safety, health and wellness is a standing agenda item at team meetings.

Workers compensation and injury management

The Department has implemented a comprehensive injury management system to support employees who are injured in and outside the workplace. This system focuses on early intervention, rehabilitation and effective return to work strategies to assist employees to remain or return to productive duties as soon as medically appropriate.

The Department's Workers' Compensation system ensures there is a framework for the management of injury and illness that arises during employment and any associated compensation consistent with the *Workers' Compensation and Injury Management Act 1981*.

Managers are trained in the importance of early intervention to injury management and effective return-to-work programs to promote a supportive, productive and positive workplace.

Training

In 2018/19, 7 OSH-related training programs and initiative were delivered including:

- online mental health awareness;
- mental health for managers;
- first aid training;
- fire warden training;
- Health and Safety representative training; and
- ergonomic training.

Online OSH awareness training was provided to raise awareness of individual responsibilities and equip managers with the skills to manage OSH, injury management and wellness of their teams.

OSH management system

The Department is committed to the continuous improvement of the safety management system through monitoring, auditing and reviewing measurable targets, objectives and initiatives.

The Department supports a culture where risks, hazards and incidents are reported, assessed and investigated to determine the root causes, taking a no blame approach. All reported hazards and incidents are recorded on the OSH management system and a risk assessment conducted to identify, assess and

implement effective control measures. The risk assessment is undertaken in collaboration with the employee, manager, health and safety representative and reviewed at the Safety, Health and Wellness Committee. Details are published on the Department's intranet along with occupational safety, health and wellness objectives, policies, strategies and employee's responsibilities.

Wellness

- Employee Assistance Program (EAP) – Access Wellbeing Services was engaged to provide voluntary and confidential counselling services for employees and teams. EAP information sessions were held to promote the services available to employees and their immediate family.
- Flu Vaccination Program – flu vaccinations were offered to all employees in the metropolitan area, Whiteman Park and Fremantle Prison with regional employees able to claim a rebate for external vaccination providers.
- Wellness workshops and lunch and learn sessions were held throughout the year covering wellness topics such as mindfulness, sleep, brain training and mental health.

Family domestic violence

The Department recognises that employees can sometimes face difficult situations in their personal life such as family domestic violence (FDV). In response to this, a FDV policy and procedure was implemented and training provided to managers and FDV contact officers to foster a workplace culture where employees are supported and have a safe working environment.

	2017/18 ⁽¹⁾	2018/19 ⁽²⁾	TARGET	COMMENT ON RESULT	%
Number of fatalities	0 (zero)	0 (zero)	0 (zero)	Target achieved	
Lost time injury and/or disease incidence rate	0.42%	0.62%	0 or 10% reduction ⁽³⁾ (actual target can be stated)	Target not achieved	47%
Lost time injury and/or disease severity rate	33%	0	0 or 10% reduction ⁽³⁾ (actual target can be stated)	Target achieved	-33%
Injured workers returned to work:			Actual result to be stated Greater than or equal to 80%		
(i) within 13 weeks	100%	100%		Target achieved	
(ii) within 26 weeks	100%	100%		Target achieved	
Managers trained in occupational safety, health and injury management responsibilities	41%	71%	Greater than or equal to 80%	Target not achieved (increase in number of managers trained, but not greater than the 80%)	73%

1. This indicator examines a three-year trend and as such the comparison base is to be two years prior to the current reporting year i.e. 2017-18.
2. The current reporting year is 2018/19
3. The reduction may be calculated over a three-year period.



Our boards and committees

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Aboriginal Cultural Material Committee

The Aboriginal Cultural Material Committee (ACMC) is established under the *Aboriginal Heritage Act 1972*:

- to evaluate on behalf of the community the importance of places and objects alleged to be associated with Aboriginal persons;
- to record and preserve the traditional Aboriginal lore related to such places and objects, where appropriate;
- to recommend to the Minister for Aboriginal Affairs places and objects which, in the opinion of the Committee, are, or have been, of special significance to persons of Aboriginal descent and should be preserved, acquired and managed by the Minister;
- to advise the Minister on any question referred to the Committee, and generally on any matter related to the objects and purposes of this Act;
- to perform the functions allocated to the Committee by this Act; and
- to advise the Minister when requested on the apportionment and application of moneys available for the administration of this Act.

Details of members and remuneration for the 2018/19 year

MEMBER	POSITION	TYPE OF REMUNERATION	PERIOD OF MEMBERSHIP FOR 2018/19	GROSS REMUNERATION 2018/19
Vanessa Kickett,	Chairperson	N/A	12 months	\$0
Merle Carter	Member	Sitting fees (per meeting attended)	12 months	\$5,199.00
Patrick Churnside	Member	Sitting fees (per meeting attended)	12 months	\$4,224.00
Patrick Churnside	Chairperson	Sitting fees (pro rata)	1 months	\$874.53
Bruce Smith	Member	Sitting fees (per meeting attended)	12 months	\$2,688.00
Lindsay Dean	Member	Sitting fees (per meeting attended)	12 months	\$5,967.00
Dr Michael Slack	Member	Sitting fees (per meeting attended)	4 months	\$975.00

Board of Valuers

The Board of Valuers provides valuations of properties reserved in planning schemes where the owner of the land wishes to sell the property on the open market at a reduced price and claim compensation for injurious affection from the responsible authority (the Western Australian Planning Commission or local government) for the reduction in value.

The Board is independent with administrative support provided by the Department.

Details of members and remuneration for the 2018/19 year

MEMBER	POSITION	TYPE OF REMUNERATION	PERIOD OF MEMBERSHIP FOR 2018/19	GROSS REMUNERATION 2018/19	MEETING PARTICIPATION
Mr Ross Hughes	Chairperson	Per meeting	12 months	\$1,390.00	5
Mr Matthew Garmony	Member	Per meeting	12 months	\$960.00	5
Mr Blake Smith	Member	Per meeting	12 months	\$560.00	3
Mr Dennis Volk	Member	Per meeting	12 months	\$960.00	5
Ms Kate Bingham	Member	Per meeting	12 months	\$400.00	2

Development Assessment Panels

Development Assessment Panels (DAPs) were established in 2011 as part of reforms to streamline and improve the planning approvals process. The role of DAPs is to determine development applications within a certain type and value threshold through consistent, accountable, and professional decision-making. There are six DAPs in the Perth metropolitan area and three regional DAPs covering the northern, central and southern areas of Western Australia.

The Department maintains a DAP Secretariat to ensure professional administrative support to each DAP, publish agendas and minutes, and maintain an accurate database of meetings and member participation.

All DAP meetings are open to the general public and members of the media. For the 2018/19 financial year, 294 DAP applications were received, including 177 new Form 1 applications, 77 Form 2 (minor amendment or cancellation) applications and 40 State Administrative Tribunal Appeals.

Breakdown by DAP area

NO. APPLICATIONS RECEIVED BY DAP	FORM 1	FORM 2	SAT	TOTAL
Perth LDAP	7	1	0	8
Metro Central JDAP	43	16	6	65
Metro East JDAP	34	11	6	51
Metro North-West JDAP	33	11	12	56
Metro South- West JDAP	15	8	3	26
Metro West JDAP	27	25	10	62
Kimberley/ Pilbara/Gascoyne JDAP	6	2	1	9
Mid-west/Wheatbelt JDAP	8	1	0	9
Southern JDAP	4	2	2	8
TOTAL	177	77	40	294

Cost of development by DAP area for new (form 1) applications

NEW APPLICATION COST OF DEVELOPMENT	MANDATORY	OPTIONAL	TOTAL
Perth LDAP	640,000,000	6,200,000	646,200,000
Metro Central JDAP	1,059,183,000	95,310,000	1,154,493,000
Metro East JDAP	239,218,650	92,206,000	331,424,650
Metro North-West JDAP	277,656,664	69,112,750	346,769,414
Metro South-West JDAP	479,665,000	29,500,000	509,165,000
Metro West JDAP	694,070,200	61,565,000	755,635,200
Kimberley/ Pilbara/Gascoyne JDAP	361,500,000	0	361,500,000
Mid-West/Wheatbelt JDAP	360,279,779	10,000,000	370,279,779
Southern JDAP	113,550,000	5,000,000	118,550,000
TOTAL	4,225,123,293	368,893,750	4,594,079,043

Details of members and remuneration for 2018/19

THIRD SPECIALIST MEMBER (POOL)	Adair, Laura	Sitting Fee	2018/19	\$800.00
PRESIDING MEMBER	Adair, Megan Anne	Sitting Fee	2018/19	\$28,400.00
LG MEMBER	Anderson, Claire Nancy	Sitting Fee	2018/19	\$3,825.00
LG MEMBER	Angers, Philip	Sitting Fee	2018/19	\$425.00
DEPUTY PRESIDING MEMBER (POOL)	Antill, Christopher Phillip	Sitting Fee	2018/19	\$17,050.00
PRESIDING MEMBER	Arias, John Anthony	Sitting Fee	2018/19	\$18,825.00
LG MEMBER	Arif, Julie Elizabeth	Sitting Fee	2018/19	\$850.00
LG MEMBER	Bailey, Kevin Bryce	Sitting Fee	2018/19	\$3,275.00
LG MEMBER	Bantock, Pauline Anne	Sitting Fee	2018/19	\$400.00
LG MEMBER	Barling, Timothy John	Sitting Fee	2018/19	\$3,825.00
DEPUTY PRESIDING MEMBER (POOL)	Baxter, Lindsay Margaret	Sitting Fee	2018/19	\$1,450.00
LG MEMBER	Beech, Paul James	Sitting Fee	2018/19	\$850.00
PRESIDING MEMBER	Birch, Ian Thomas	Sitting Fee	2018/19	\$31,700.00
LG MEMBER	Bolt, David Bruce	Sitting Fee	2018/19	\$850.00
LG MEMBER	Boothman, David	Sitting Fee	2018/19	\$7,725.00
LG MEMBER	Botting, Sherryl Leanne	Sitting Fee	2018/19	\$825.00
DEPUTY PRESIDING MEMBER (POOL)	Bradley, Melanie Dean	Sitting Fee	2018/19	\$2,725.00
LG MEMBER	Bradley, Rodney William	Sitting Fee	2018/19	\$2,950.00
LG MEMBER	Brown, Julie	Sitting Fee	2018/19	\$3,700.00
DEPUTY PRESIDING MEMBER (POOL)	Butterly, Vernon Selby	Sitting Fee	2018/19	\$5,175.00
LG MEMBER	Cala, Colin Anthony	Sitting Fee	2018/19	\$6,675.00
DEPUTY PRESIDING MEMBER	Chaffer, Sheryl Margaret	Sitting Fee	2018/19	\$19,875.00
DEPUTY PRESIDING MEMBER	Chapman, Rachel Jane	Sitting Fee	2018/19	\$21,450.00
LG MEMBER	Coetzee, Sonet	Sitting Fee	2018/19	\$2,100.00
LG MEMBER	Cole, Emma Michelle	Sitting Fee	2018/19	\$100.00
LG MEMBER	Cook, Murray Francis	Sitting Fee	2018/19	\$850.00
LG MEMBER	Cornish, Michael Christopher	Sitting Fee	2018/19	\$1,375.00
LG MEMBER	Court, Janice	Sitting Fee	2018/19	\$1,250.00
LG MEMBER	Cridland, Glenn Michael	Sitting Fee	2018/19	\$3,275.00
LG MEMBER	Cucel, Grant William	Sitting Fee	2018/19	\$1,275.00
DEPUTY PRESIDING MEMBER	Curtis, Brian	Sitting Fee	2018/19	\$16,825.00
LG MEMBER	Cvitan, Srecko Frank	Sitting Fee	2018/19	\$5,200.00

Details of members and remuneration for 2018/19

LG MEMBER	De Landgraft, Jeanette	Sitting Fee	2018/19	\$400.00
LG MEMBER	D'Souza, Blake	Sitting Fee	2018/19	\$2,975.00
LG MEMBER	Destree, Tracy	Sitting Fee	2018/19	\$1,275.00
THIRD SPECIALIST MEMBER	Dick, Patrick Gordon Stuart	Sitting Fee	2018/19	\$2,950.00
LG MEMBER	Downham, Lee Warren	Sitting Fee	2018/19	\$850.00
LG MEMBER	Driver, Russell	Sitting Fee	2018/19	\$3,075.00
LG MEMBER	Dwyer, Sophie Alexandra	Sitting Fee	2018/19	\$1,800.00
LG MEMBER	Ehrhardt, Catherine	Sitting Fee	2018/19	\$1,375.00
LG MEMBER	Elgin, John William	Sitting Fee	2018/19	\$1,250.00
LG MEMBER	Elliott, Christopher Stephen	Sitting Fee	2018/19	\$4,250.00
THIRD SPECIALIST	Ellis, John Rolyston	Sitting Fee	2018/19	\$1,700.00
DEPUTY PRESIDING MEMBER (POOL)	Famiano, Carlo Ricardo	Sitting Fee	2018/19	\$800.00
LG MEMBER	Fenn, Samantha Jane	Sitting Fee	2018/19	\$850.00
LG MEMBER	Geary, Mark Daniel	Sitting Fee	2018/19	\$425.00
THIRD SPECIALIST MEMBER (POOL)	Gibb-Penney, Leigh Pauline	Sitting Fee	2018/19	\$800.00
THIRD SPECIALIST MEMBER	Goldswain, Diana Elizabeth	Sitting Fee	2018/19	\$3,450.00
LG MEMBER	Gontaszewski, Susan Lee	Sitting Fee	2018/19	\$4,650.00
PRESIDING MEMBER	Haeren, Rene Anton Yohan	Sitting Fee	2018/19	\$5,650.00
LG MEMBER	Hall, Margaret	Sitting Fee	2018/19	\$100.00
LG MEMBER	Hamblin, Deborah Ann	Sitting Fee	2018/19	\$3,400.00
LG MEMBER	Hamilton-Prime, Christine Loui	Sitting Fee	2018/19	\$6,675.00
LG MEMBER	Hammond, Andrew Charles	Sitting Fee	2018/19	\$3,050.00
THIRD SPECIALIST MEMBER	Hardy, Michael John	Sitting Fee	2018/19	\$16,000.00
LG MEMBER	Harris, Alison Evelyn	Sitting Fee	2018/19	\$100.00
LG MEMBER	Haynes, Bruce Thomas	Sitting Fee	2018/19	\$1,700.00
LG MEMBER	Haynes, Maria	Sitting Fee	2018/19	\$312.50
LG MEMBER	Henderson, Rodney Keith	Sitting Fee	2018/19	\$4,437.50
LG MEMBER	Henley, Grant Douglas	Sitting Fee	2018/19	\$950.00
THIRD SPECIALIST MEMBER	Hick, Jason David	Sitting Fee	2018/19	\$10,550.00
DEPUTY PRESIDING MEMBER (POOL)	Higham, Clayton Morris	Sitting Fee	2018/19	\$9,975.00
LG MEMBER	Hipkins, Richard Maxwell	Sitting Fee	2018/19	\$1,275.00
LG MEMBER	Hodges, Evan John	Sitting Fee	2018/19	\$400.00
LG MEMBER	Hollingworth, William	Sitting Fee	2018/19	\$1,275.00

Details of members and remuneration for 2018/19

PRESIDING MEMBER	Hyde, Karen Suzanne	Sitting Fee	2018/19	\$33,500.00
LG MEMBER	Italiano, Giovanni	Sitting Fee	2018/19	\$9,425.00
LG MEMBER	Jackson, Tania Gae	Sitting Fee	2018/19	\$850.00
LG MEMBER	Jacobs, Jesse Gibson	Sitting Fee	2018/19	\$950.00
PRESIDING MEMBER	Johnson, Charles Ross Shopland	Sitting Fee	2018/19	\$4,200.00
LG MEMBER	Johnson, Frank	Sitting Fee	2018/19	\$400.00
LG MEMBER	Johnson, Zenda	Sitting Fee	2018/19	\$1,375.00
LG MEMBER	Jones, Bryn	Sitting Fee	2018/19	\$950.00
LG MEMBER	Jones, Nigel Ashley	Sitting Fee	2018/19	\$725.00
DEPUTY PRESIDING MEMBER	Jurmann, Jacqueline	Sitting Fee	2018/19	\$5,625.00
THIRD SPECIALIST MEMBER (POOL)	Keleman, Peter	Sitting Fee	2018/19	\$2,075.00
THIRD SPECIALIST MEMBER (POOL)	Kendall, Richard Edward Hume	Sitting Fee	2018/19	\$600.00
LG MEMBER	Khabbaz-Saberi, Sara	Sitting Fee	2018/19	\$1,050.00
LG MEMBER	Kitchin, Michael Timothy	Sitting Fee	2018/19	\$400.00
DEPUTY PRESIDING MEMBER	Klem, Geoffrey Vincent	Sitting Fee	2018/19	\$800.00
LG MEMBER	Kloss, Christopher	Sitting Fee	2018/19	\$400.00
PRESIDING MEMBER	Koltasz, Eugene	Sitting Fee	2018/19	\$11,500.00
PRESIDING MEMBER	Kotsoglo, Paul Basil	Sitting Fee	2018/19	\$5,500.00
LG MEMBER	Ledgerwood, Jenna Frances	Sitting Fee	2018/19	\$400.00
THIRD SPECIALIST MEMBER (POOL)	Lee, Peter Hugh	Sitting Fee	2018/19	\$1,475.00
PRESIDING MEMBER	Lefante, Francesca	Sitting Fee	2018/19	\$13,300.00
LG MEMBER	Lloyd, Marie Desiree	Sitting Fee	2018/19	\$400.00
LG MEMBER	Loden, Daniel	Sitting Fee	2018/19	\$4,225.00
LG MEMBER	Long, Peter James	Sitting Fee	2018/19	\$850.00
THIRD SPECIALIST MEMBER (POOL)	Lovett, Brett Anthony James	Sitting Fee	2018/19	\$1,975.00
LG MEMBER	Lumsden, Eric William Thomas	Sitting Fee	2018/19	\$2,125.00
THIRD SPECIALIST MEMBER	Mack, Andrew James	Sitting Fee	2018/19	\$3,050.00
THIRD SPECIALIST MEMBER	Macliver, Andrew Stuart	Sitting Fee	2018/19	\$9,850.00
LG MEMBER	Major, Natlie Elizabeth	Sitting Fee	2018/19	\$400.00
LG MEMBER	Malicky, Lisa Janine	Sitting Fee	2018/19	\$425.00
LG MEMBER	Marks, Philip	Sitting Fee	2018/19	\$2,100.00

Details of members and remuneration for 2018/19

LG MEMBER	Maurice, Andrew James	Sitting Fee	2018/19	\$850.00
LG MEMBER	McCallum, John Sydney	Sitting Fee	2018/19	\$950.00
LG MEMBER	McCleary, Betty Maxine	Sitting Fee	2018/19	\$850.00
LG MEMBER	McConkey, Keira	Sitting Fee	2018/19	\$3,150.00
LG MEMBER	McDougall, Tracie Diane	Sitting Fee	2018/19	\$2,125.00
LG MEMBER	McLennan, Renee Joy	Sitting Fee	2018/19	\$425.00
LG MEMBER	McMath, Gaye Marie	Sitting Fee	2018/19	\$825.00
THIRD SPECIALIST MEMBER	McNab, Peter Donald	Sitting Fee	2018/19	\$14,350.00
LG MEMBER	Mews, Christopher John	Sitting Fee	2018/19	\$425.00
LG MEMBER	Mills, Frederic Evan	Sitting Fee	2018/19	\$400.00
LG MEMBER	Mills, Sheila	Sitting Fee	2018/19	\$950.00
LG MEMBER	Mitchell, Ronald	Sitting Fee	2018/19	\$3,700.00
LG MEMBER	Mulroney, William Vincent	Sitting Fee	2018/19	\$200.00
LG MEMBER	Nash, Derek Henry	Sitting Fee	2018/19	\$525.00
LG MEMBER	Nolan, Philip Spencer	Sitting Fee	2018/19	\$400.00
LG MEMBER	ODonnell, Brooke Louise	Sitting Fee	2018/19	\$1,375.00
DEPUTY PRESIDING MEMBER	O'Donohue, Lee Judith	Sitting Fee	2018/19	\$2,625.00
LG MEMBER	Oliver, Brian	Sitting Fee	2018/19	\$425.00
LG MEMBER	Osborn, Peter James	Sitting Fee	2018/19	\$825.00
THIRD SPECIALIST MEMBER (POOL)	Page, Justin Edric Peare	Sitting Fee	2018/19	\$1,750.00
LG MEMBER	Pemberton, Rachel Gwen	Sitting Fee	2018/19	\$1,275.00
DEPUTY PRESIDING MEMBER	Petani, Kym Nardine	Sitting Fee	2018/19	\$15,525.00
LG MEMBER	Phelan, Patricia Margaret	Sitting Fee	2018/19	\$850.00
LG MEMBER	Potter, Vicki Leanne	Sitting Fee	2018/19	\$3,400.00
THIRD SPECIALIST MEMBER (POOL)	Premji, Neema Ben	Sitting Fee	2018/19	\$800.00
LG MEMBER	Price, Leslie Matthew	Sitting Fee	2018/19	\$400.00
LG MEMBER	Pyvis, Sally Jane	Sitting Fee	2018/19	\$425.00
LG MEMBER	Rathbone, Tracey Ann	Sitting Fee	2018/19	\$850.00
LG MEMBER	Reeve-Fowkes, Carol Ann	Sitting Fee	2018/19	\$2,550.00
LG MEMBER	Rich, Michelle Jayne	Sitting Fee	2018/19	\$3,375.00
LG MEMBER	Robins, Nicole Kathleen	Sitting Fee	2018/19	\$2,975.00
LG MEMBER	Rose, Casey	Sitting Fee	2018/19	\$425.00
LG MEMBER	Ross, Carmel Marie	Sitting Fee	2018/19	\$400.00
DEPUTY PRESIDING MEMBER	Ross, Jarrod Nathan	Sitting Fee	2018/19	\$18,100.00

Details of members and remuneration for 2018/19

LG MEMBER	Rossi, Roberto	Sitting Fee	2018/19	\$2,000.00
LG MEMBER	Rowe, Murray John	Sitting Fee	2018/19	\$525.00
LG MEMBER	ROWSE, Matthew James	Sitting Fee	2018/19	\$400.00
LG MEMBER	Sandri, Bianca	Sitting Fee	2018/19	\$1,275.00
LG MEMBER	Sands, Chontelle	Sitting Fee	2018/19	\$400.00
LG MEMBER	See, Jacqueline Peta	Sitting Fee	2018/19	\$600.00
THIRD SPECIALIST MEMBER	Shepherd, Shelley Jane	Sitting Fee	2018/19	\$200.00
LG MEMBER	Smoker, Allen Raymond	Sitting Fee	2018/19	\$425.00
THIRD SPECIALIST MEMBER (POOL)	Snellgrove, Dominic Paul	Sitting Fee	2018/19	\$200.00
LG MEMBER	Southwell, Michael Todd	Sitting Fee	2018/19	\$100.00
LG MEMBER	Stoffberg, Salomon Petrus	Sitting Fee	2018/19	\$400.00
LG MEMBER	Strachan, Jon Robert	Sitting Fee	2018/19	\$1,800.00
LG MEMBER	Sullivan, Andrew Charles	Sitting Fee	2018/19	\$425.00
THIRD SPECIALIST MEMBER (POOL)	Syme, John Ken	Sitting Fee	2018/19	\$11,225.00
LG MEMBER	Tan, Dawn Sui Tee	Sitting Fee	2018/19	\$400.00
THIRD SPECIALIST MEMBER (POOL)	Taylor, John	Sitting Fee	2018/19	\$1,025.00
LG MEMBER	Taylor, Philippa Ann	Sitting Fee	2018/19	\$7,325.00
LG MEMBER	Terblanche, Chamonix	Sitting Fee	2018/19	\$2,550.00
LG MEMBER	Terry, Paul Geoffrey	Sitting Fee	2018/19	\$425.00
DEPUTY PRESIDING MEMBER	Thompson, Samantha	Sitting Fee	2018/19	\$4,300.00
LG MEMBER	Timmermanis, Andres Walter	Sitting Fee	2018/19	\$2,425.00
LG MEMBER	Tonkin, Christine Maelisa	Sitting Fee	2018/19	\$400.00
LG MEMBER	Topelberg, Joshua Aaron	Sitting Fee	2018/19	\$6,650.00
THIRD SPECIALIST MEMBER (POOL)	Tucker, Andrew Russell	Sitting Fee	2018/19	\$800.00
LG MEMBER	Williams, Julie Ellen Greenfie	Sitting Fee	2018/19	\$400.00
LG MEMBER	Wilson, Jai	Sitting Fee	2018/19	\$525.00
LG MEMBER	Wood, Dennis Cleve	Sitting Fee	2018/19	\$950.00
LG MEMBER	Wood, Peter John	Sitting Fee	2018/19	\$400.00
LG MEMBER	Zannino, Cosimo	Sitting Fee	2018/19	\$425.00
LG MEMBER	Zelones, Henry Anthony	Sitting Fee	2018/19	\$1,700.00
THIRD SPECIALIST MEMBER	Zuideveld, Freerk	Sitting Fee	2018/19	\$15,250.00
			TOTAL	\$589,900.00

Pastoral Lands Board

The Pastoral Lands Board (PLB) of Western Australia is a statutory authority that is established under section 94 of the *Lands Administration Act 1997*. It has joint responsibility with the Minister for Lands for administering Western Australia's pastoral leases in accordance with Part 7 of the Act.

The PLB has responsibilities prescribed under the *Lands Administration Act 1997* to ensure pastoral leases are managed in an ecologically sustainable way and to develop policies to prevent degradation of the rangelands.

Details of members and remuneration for 2018/19

CHAIR	Mr Tim Shackleton	Annual Salary	12 months	\$31,648.50
MEMBER	Ms Darrylin Gordon	Per full day meeting or per part day meeting	12 months	\$2,240.00
MEMBER	Ms Jane Sale	Per full day meeting or per part day meeting	12 months	\$3,360.00
MEMBER	Ms Gaye Mackenzie	Per full day meeting or per part day meeting	12 months	\$6,900.00
MEMBER	Mr Jack Burton	Per full day meeting or per part day meeting	12 months	\$3,360.00
MEMBER	Mr Ashley Dowden	Per full day meeting or per part day meeting	12 months	\$3,360.00
			Total	\$50,868.50

Swan Valley Planning Committee

The Swan Valley Planning Committee is established under the *Swan Valley Planning Act 1995* and provides advice to planning decision-makers, public authorities and utility service providers on land use and development matters concerning land in the Swan Valley.

Details of members and remuneration for the 2018/19 year.

NAME	POSITION	TYPE OF REMUNERATION	PERIOD OF MEMBERSHIP FOR 2018/19	GROSS REMUNERATION 2018/19	MEETING PARTICIPATION
Mr Charlie Zannino	Chairman and Councillor, City of Swan	Per meeting	12 months	\$2,200.00	10
Mr Harry Gratte	Environmental Expert	Per meeting	6 months	\$600.00	5
Mr John Griffiths	Representative of Swan Valley and Regional Winemakers Association	Per meeting	12 months	\$1,050.00	8
Cr Rod Henderson	Nominee of the President, City of Swan	Per meeting	12 months	\$1,350.00	9
Mr Brian Hunt	Representative of the Midland and Districts Chamber of Commerce and Industries	Per meeting	2 months	\$450.00	2
Mr Jim Lovreta	Representative of the Grape Growers Association of Western Australia Inc.	Per meeting	12 months	\$750.00	5
Mr Robert Sorgiovanni	Representative of the Grape Growers Association of Western Australia Inc.	N/A	4 months	N/A	4
Ms Joyce Stowe	Representative of Equestrian Interests	Per meeting	4 months	\$300.00	2
Ms Elizabeth Taylor	Nominee of the WAPC Chairman	Per meeting	12 months	\$1,200.00	9
Ms Dale Tilbrook	Representative of Aboriginal Interests	N/A	5 months	N/A	1
Mr Keith Vuleta	Resident of the Swan Valley	Per meeting	12 months	\$1,500.00	10



Governance disclosures

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Ministerial directives

No Ministerial directives were received during the financial year.

Disclosure of contracts by senior officers

For 2018/19, other than normal contracts of employment of service, no senior officers or firms of which senior officers are members, or entities in which senior officers have substantial interests, had any interests in existing or proposed contracts with the Department and senior officers.

- All staff who are participating in the evaluation of a tender are required to complete a conflict of interest declaration prior to that evaluation occurring. These are retained on the contract file.
- Where a Panel member declares an interest, that conflict is the responsibility of the Evaluation Panel chairperson. The Panel Chair in consultation with Procurement Services will agree an action to manage the conflict, however the Panel Chair, declaring Officer and their Manager will action and disclose the pecuniary or other interest in accordance with the Department's conflict of interest policy.
- Where an interest is declared after a contract has been awarded, the Department's conflict of interest policy applies and that staff member and their manager will manage, report and register that conflict in accordance with the Department's policy.

Financial disclosures

Pricing policies

The Department charges for goods and services rendered on a full or partial cost recovery basis. These fees and charges were determined in accordance with Costing and Pricing Government Services: Guidelines for Use by Agencies in the Western Australian Public Sector published by the Department of Treasury.

The current fees and charges listed below were published in the Government Gazette and introduced on 1 July 2017.

- As listed in Schedule 1 of the Land Administration Regulation 1998 – 27 June 2017
- Development Assessment Panels – 30 June 2017
- Details for both the above are available online at dplh.wa.gov.au

Major capital projects

	EXPECTED YEAR OF COMPLETION	ESTIMATED COST TO COMPLETE	ESTIMATED TOTAL COST OF PROJECT AS REPORTED IN 2018/19
Accommodation Refurbishment and Sustainability Initiatives	2025-26	2,609	7,083
Asset Replacement ICT	2025-26	7,138	23,786
ICT Infrastructure	2025-26	14,569	37,783
Workflow Management System	2018/19	0	3,458

Unauthorised use of credit cards

Department officers hold corporate credit cards where their position warrants use of this facility. Each cardholder is reminded regularly of their obligations under the Departments' Purchasing Card Policy.

There were seven instances where cardholders used their corporate credit card for payments of items not for office use. These were investigated by the Chief Finance Officer, who noted for each instance prompt advice and settlement of the personal use amount, and that the nature of the expenditure was characteristic of an honest mistake.

Details of unauthorised credit card use

	2018/19
Number of instances the purchasing card has been used for personal purpose	7
Aggregate amount of personal use expenditure for the reporting period	\$291.30
Aggregate amount of personal use expenditure settled by the due date (within 5 working days)	\$0.00
Aggregate amount of personal use expenditure settled after the due date (after 5 working days)	\$291.30
Aggregate amount of personal use expenditure outstanding at balance date	NIL
Number of referrals for disciplinary action instigated by the Department	NIL

Expenditure on advertising, market research, polling and direct mail

In accordance with section 175ZE of the *Electoral Act 1907*, the Department incurred the following expenditure in advertising, market research, polling, direct mail and media advertising.

CATEGORY	NAME	EXPENDITURE
Advertising agencies		NIL
Market research organisations		NIL
Polling organisations		NIL
Direct mail organisations		NIL
Media advertising organisations	Optimum Media Decisions	\$175,653
	Initiative Media	\$238,078
	Carat Australia	\$120,196
	Adcorp Australia	\$38,519
	State Law Publisher	\$14,522
	Other	\$58,686
	Total	\$645,654

Compliance with public sector standards and ethical codes

The Department has integrated the Code of Conduct, Performance Management and the Workplace Issue Resolution Policy and continues to focus on integrating other policies and procedures to meet compliance requirements.

The Code of Conduct and Accountable and Ethical Decision Making (AEDM) online training has been implemented together with Cultural Awareness Training to reinforce to new and existing employees' compliance requirements.

The People Capability and Innovation directorate conducts regular induction sessions with new employees and provides advice to managers and employees on public sector human resource standards. Recruitment masterclass training has been implemented to educate panel members on compliance with the Employment Standard.

Actions undertaken to improve compliance include:

- cultural awareness training
- online Code of Conduct training
- online AEDM training
- recruitment masterclass training for panel members
- staff forums
- staff updates and communications.

Rate of compliance with:

Employment standard	100%
Redeployment standard	100%
Discipline standard	100%
Termination standard	100%
Performance management standard	100%
Grievance resolution standard	100%

Applications for breach of standard and corresponding outcomes for 2018-2019

Number lodged	3
Number of breaches found	0
Number still under review	1

Key achievements

A new Department Code of Conduct was created in 2018 to reflect the integrated agency. To support all staff in accessing and acknowledging the new version, it was published online through the internal Learning Management System (LMS). Eighty-eight per cent of staff are recorded as having read and acknowledged the document. This completion rate is audited quarterly through the LMS

reports. All new employees to the Department are automatically enrolled to the Code of Conduct for completion within their first two weeks.

In support of the Department's commitment to public sector ethics, a Cultural Competence program was designed and the first stage – Cultural Awareness Training for all staff – has been underway since January 2019. The commitment has been made to train all staff by the end of 2019-20 and to identify key knowledge and skills required within the organisation beyond awareness, to establish the next steps towards Competence. At 30 June 2019, all executives, directors and managers are trained.

Accountable and ethical decision-making

The Department made a commitment in 2018 to highlight Accountable and Ethical Decision-Making (AEDM) awareness with staff. An online AEDM refresher course was rolled out to staff with the goal of bringing compliance to best practice standards with all staff having completed AEDM training within the last two years.

All new employees continue to receive face-to-face training in AEDM in addition to the online course. Tenured staff are required to complete the online refresher training every two years.

Compliance is currently standing at 95 per cent for all staff to have completed AEDM training since starting with the Department and at 84 per cent for all staff to have completed initial training and a refresher within the last two years.

Recordkeeping plans

The Department is committed to implementing best practice for its recordkeeping processes and systems.

During 2018/19, the Department was focused on the integration of Aboriginal Affairs, Lands, Planning and State Heritage Office records and delivery of a single solution to ensure the efficiency and effectiveness of the Department's recordkeeping systems and practices. As per Section 19 of the *State Records Act 2000*, the Department has an approved Recordkeeping Plan that is valid until 2023.

The Department provides all new staff with comprehensive onboarding, which includes recordkeeping and Electronic Document and Record Management System (eDRMS). This induction program includes:

- compliance and relevant legislation;
- recordkeeping roles and responsibilities, processes and practices; and
- use and application of Objective.

The Department offers a mandatory online recordkeeping awareness course alongside an ongoing eDRMS training program. The training modules provide staff with a reminder of their roles and responsibilities, compliance updates and an opportunity to advance their knowledge and use of the system. The online training course currently has a 65 per cent completion rate. A refresher training course is to be completed by staff every two years following.

In addition to this training, specialist staff are available to provide recordkeeping advice and eDRMS training on a one-on-one, ad hoc or project basis. The training material is continually refined to ensure it meets the needs of the audience and it is often tailored for different business units.

During 2018/19, 172 hours of hands on training was provided to staff with 389 people attending. The Client Services branch monitors eDRMS activity and provides ongoing, customised support to each organisational division. Recordkeeping policies, procedures and Objective user guides are also available to all staff through InSite and in the Objective eDRMS.



Financials and performance indicators

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Auditor General

INDEPENDENT AUDITOR'S REPORT

To the Parliament of Western Australia

DEPARTMENT OF PLANNING, LANDS AND HERITAGE

Report on the Financial Statements

Opinion

I have audited the financial statements of the Department of Planning, Lands and Heritage which comprise the Statement of Financial Position as at 30 June 2019, the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows and Summary of Consolidated Account Appropriations and Income Estimates for the year then ended, and Notes comprising a summary of significant accounting policies and other explanatory information, including Administered transactions and balances.

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

Basis for Opinion

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

Responsibility of the Director General for the Financial Statements

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

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

Auditor's Responsibility for the Audit of the Financial Statements

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

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

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

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

Report on Controls

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 2019.

The Director General's Responsibilities

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

Auditor General's Responsibilities

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

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

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

Limitations of Controls

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

Report on the Key Performance Indicators

Opinion

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

In my opinion, in all material respects, the key performance indicators of the Department of 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 2019.

The Director General's Responsibility for the Key Performance Indicators

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

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

Auditor General's Responsibility

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

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

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

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

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

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

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



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

Certification of financial statements for the reporting period ended 30 June 2019

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 2019 and the financial position as at 30 June 2019.

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



Gail McGowan

Director General

Department of Planning, Lands and Heritage

16 September 2019



Maurice Hanrahan

Chief Finance Officer

Department of Planning, Lands and Heritage

16 September 2019

Statement of comprehensive income

for the year ended 30 June 2019

		2019	2018
	Notes	\$000	\$000
COST OF SERVICES			
Expenses			
Employee benefits expenses	2.1	84,752	90,954
Supplies and services	2.4	54,717	43,432
Depreciation and amortisation expense	4.1,4.2	4,577	3,968
Accommodation expenses	2.4	12,333	14,268
Grants and subsidies	2.3	10,823	11,420
Cost of sales	3.3	181	143
Other expenses	2.4	3,865	12,948
Total cost of services		171,248	177,131
Income			
<i>Revenue</i>			
User charges and fees	3.2	8,778	9,297
Sales	3.3	402	388
Commonwealth grants and contributions	3.4	331	943
Grants and subsidies	3.5	723	665
WAPC service delivery agreement	3.6	42,428	42,056
Other revenue	3.8	331	3,630
Total revenue		52,993	56,979
<i>Gains</i>			
Revaluation increment	4.1	154	-
Gain on disposal of non-current assets	3.7	3	19
Total gains		157	19
Total income other than income from State Government		53,150	56,998
NET COST OF SERVICES		118,098	120,134
Income from State Government			
	3.1		
Service appropriation		95,568	108,727
Services received free of charge		10,895	8,724
Royalties for Regions Fund		4,153	4,807
Total income from State Government		110,616	122,258
(DEFICIT)/SURPLUS FOR THE PERIOD		(7,482)	2,124
OTHER COMPREHENSIVE (LOSSES)/INCOME			
Items not reclassified subsequently to profit or loss			
Changes in asset revaluation surplus	8.9	(1,441)	1,737
Total other comprehensive (loss)/income		(1,441)	1,737
TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE PERIOD		(8,923)	3,861

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

Statement of financial position

as at 30 June 2019

	Notes	2019 \$000	2018 \$000
ASSETS			
Current Assets			
Cash and cash equivalents	6.1	57,492	61,253
Restricted cash and cash equivalents	6.1	4,725	11,072
Inventories	3.3	68	82
Receivables	5.1	6,466	10,056
Amounts receivable for services	5.2	528	562
Other current assets	5.3	2,589	1,700
Total Current Assets		71,868	84,725
Non-Current Assets			
Amounts receivable for services	5.2	31,065	28,871
Property, plant and equipment	4.1	136,064	136,655
Intangible assets	4.2	7,766	8,723
Restricted cash and cash equivalents	6.1	905	656
Total Non-Current Assets		175,800	174,905
TOTAL ASSETS		247,668	259,629
LIABILITIES			
Current Liabilities			
Payables	5.4	7,722	11,584
Employee related provisions	2.2	15,341	16,335
Other current liabilities	5.5	767	779
Total Current Liabilities		23,830	28,698
Non-Current Liabilities			
Employee related provisions	2.2	4,248	4,191
Total Non-Current Liabilities		4,248	4,191
TOTAL LIABILITIES		28,078	32,889
NET ASSETS		219,590	226,741
EQUITY			
Contributed equity	8.9	224,515	222,880
Reserves	8.9	296	1,737
Accumulated (deficit)/surplus		(5,221)	2,124
TOTAL EQUITY		219,590	226,741

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

Summary of Consolidated Account Appropriations and Income Estimates for the year ended 30 June 2019

	2019 Estimate \$000	2019 Actual \$000	Variance \$000	2019 Actual \$000	2018 Actual \$000	Variance \$000
Delivery of Services						
Item 81 Net amount appropriated to deliver services	92,293	94,943	2,650	94,943	107,752	(12,809)
Section 25 Transfer of service appropriation	-	(97)	(97)	(97)	-	(97)
Amount Authorised by Other Statutes						
Salaries and Allowances Act 1975	722	722	-	722	975	(253)
Total appropriations provided to deliver services	93,015	95,568	2,553	95,568	108,727	(13,159)
Capital						
Item 126 Capital appropriations	2,485	3,485	1,000	3,485	2,391	1,094
GRAND TOTAL	95,500	99,053	3,553	99,053	111,118	(12,065)
Details of Expenses by Service						
Land, Infrastructure Policy	44,459	45,214	755	45,214	43,729	1,485
Land Access Planning & Policy	43,964	43,802	(162)	43,802	41,731	2,071
Land Asset Management	16,809	14,345	(2,464)	14,345	15,077	(732)
Crown Land Administration	18,161	21,535	3,374	21,535	22,010	(475)
Native Title Administration	12,878	10,181	(2,697)	10,181	12,892	(2,711)
Preparation for Sale State Land	12,344	8,243	(4,101)	8,243	12,555	(4,312)
Heritage Conservation	7,034	7,595	561	7,595	6,120	1,475
Community Engagement	6,154	6,236	82	6,236	6,086	150
Heritage Management	10,128	7,371	(2,757)	7,371	8,140	(769)
Land Management	6,673	6,726	53	6,726	8,792	(2,066)
Total Cost of Services	178,604	171,248	(7,356)	171,248	177,132	(5,884)
Less Total Income	(58,181)	(53,150)	5,031	(53,150)	(56,998)	3,848
Net Cost of Services	120,423	118,098	(2,325)	118,098	120,134	(2,036)
Adjustments	(27,408)	(22,530)	4,878	(22,530)	(11,407)	(11,123)
Total appropriations provided to deliver services	93,015	95,568	2,553	95,568	108,727	(13,159)
Capital Expenditure						
Purchase of non-current assets	6,387	6,167	(220)	6,167	3,502	2,665
Drawdowns from the Holding Account	(562)	(562)	-	(562)	(625)	63
Adjustment for other funding sources	(3,340)	(2,120)	1,220	(2,120)	(486)	(1,634)
Capital appropriations	2,485	3,485	1,000	3,485	2,391	1,094

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 2019 and between the actual results for 2019 and 2018.

Statement of changes in equity

for the year ended 30 June 2019

	Notes	Contributed Equity \$000	Reserves \$000	Accumulated (deficit)/ surplus \$000	Total equity \$000
Balance at 1 July 2017		-	-	-	-
Surplus		-	-	2,124	2,124
Other comprehensive income	8.9	-	1,737	-	1,737
Total comprehensive income for the period		-	1,737	2,124	3,861
Transactions with owners in their capacity as owners:					
	8.9				
Capital appropriations		2,391	-	-	2,391
Contribution by owners		220,489	-	-	220,489
Total		222,880	-	-	222,880
Balance at 30 June 2018		222,880	1,737	2,124	226,741
Balance at 1 July 2018		222,880	1,737	2,124	226,741
Changes in accounting policy	8.2	-	-	137	137
Restated balance 1 July 2018		222,880	1,737	2,261	226,878
Deficit				(7,482)	(7,482)
Other comprehensive losses	8.9	-	(1,441)	-	(1,441)
Total comprehensive loss for the period		-	(1,441)	(7,482)	(8,923)
Transactions with owners in their capacity as owners:					
	8.9				
Capital appropriations		3,485	-	-	3,485
Distributions to owners		(1,850)	-	-	(1,850)
Total		1,635	-	-	1,635
Balance at 30 June 2019		224,515	296	(5,221)	219,590

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 2019

	Notes	2019 \$000	2018 \$000
CASH FLOWS FROM STATE GOVERNMENT			
Service appropriation		91,379	108,102
Capital appropriations		3,485	2,391
Holding account drawdown		2,029	625
Royalties for Regions Fund		4,153	4,807
Net cash provided by State Government		101,046	115,925
Utilised as follows:			
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Employee benefits		(85,689)	(98,260)
Supplies and services		(47,684)	(34,074)
Accommodation		(12,333)	(14,268)
Grants and subsidies		(10,823)	(11,420)
GST payments on purchases		(6,250)	(1,006)
GST payment to taxation authority		-	(1,083)
Other payments		(4,764)	(12,097)
Receipts			
Sales of goods and services		235	245
User charges and fees		7,846	7,688
Commonwealth grants and contributions		331	943
GST receipts on sales		802	2,390
GST receipts from taxation authority		6,809	-
WAPC Service Delivery Agreement		43,228	42,056
Grants and subsidies		723	471
Other receipts		2,831	3,630
Net cash (used in) operating activities		(104,740)	(114,785)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of non-current assets		3	25
Purchase of non-current assets		(6,167)	(3,502)
Net cash (used in) investing activities		(6,164)	(3,477)
Net (decrease) in cash and cash equivalents		(9,858)	(2,337)
Cash and cash equivalents at the beginning of the period		72,981	75,318
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		63,122	72,981

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

Notes to the financial statements

for the year ended 30 June 2019

Notes to the financial statements

1. Basis of preparation

The Department of Planning, Lands and Heritage (DPLH) is a WA Government entity and is controlled by the State of Western Australia, which is the ultimate parent. 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' which does not form part of these financial statements.

These annual financial statements were authorised for issue by the Director General of DPLH on 16th September 2019.

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 (the Instructions or TI)
- 3) Australian Accounting Standards (AASs) - Reduced Disclosure requirements
- 4) Where appropriate, those AASs paragraphs applicable for not-for-profit entities have been applied

The FMA and the TI 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.

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 Department's funding is applied and the accounting policies that are relevant for an understanding of the items recognised in the financial statements. The primary expenses incurred by the Department in achieving its objectives and the relevant notes are:

	Notes	2019 \$000	2018 \$000
Employee benefits expenses	2.1	84,752	90,954
Employee related provisions	2.2	19,589	20,526
Grants and subsidies	2.3	10,823	11,420
Other expenditure	2.4	70,915	70,647

2.1 Employee benefits expense

Wages and salaries	76,441	78,774
Termination benefits	884	4,734
Superannuation - defined contribution plans ^(a)	7,427	7,446
Total employee benefits expenses	84,752	90,954

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

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

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

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

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

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

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

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.

Current

Employee benefits provision

Annual leave ^(a)	6,937	6,691
Long service leave ^(b)	6,917	8,051
Deferred salary scheme ^(c)	115	125
	13,969	14,867

Other provisions

Employment on-costs ^(d)	1,372	1,469
Total current employee related provisions	15,341	16,335

Non-current

Employee benefits provision

Long service leave ^(b)	3,812	3,772
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Other provisions

Employment on-costs ^(d)	436	419
Total non-current employee related provisions	4,248	4,191
Total employee related provisions	19,589	20,526

^(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.

^(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 remuneration rate expected to apply at the time of settlement, and discounted using market yields at the end of the reporting period on national government bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

^(c) **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 expenses, Note 2.4 (apart from the unwinding of the discount (finance cost))' and are not included as part of the Department's 'employee benefits expense'. The related liability is included in 'Employment on-costs provision'.

	2019	2018
	\$000	\$000
Employment on-costs provision		
Carrying amount at start of period	1,888	2,099
Additional / (reversals of) provisions recognised	(81)	(211)
Carrying amount at end of period	1,807	1,888

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

Recurrent

Government agencies	6,476	6,899
Local Government	2,173	683
Community grants	208	1,752
Non-government organisations	1,547	1,690
Other	419	396
	10,823	11,420

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.

	2019	2018
	\$000	\$000
2.4 Other expenditure		
Supplies and Services		
Advertising and public relations	646	644
Minor works	388	430
Operating lease and hire charges	505	678
Repairs and maintenance	12,673	8,222
Travel and passenger transport	571	532
Communication expenses	1,126	922
Consultancies and contracted services	35,676	28,049
Insurance	1,007	1,144
Utilities expenses	525	722
Supplies and services - other	1,600	2,089
Total supplies and services expenses	54,717	43,432
Accommodation expenses		
Lease rentals	12,103	13,940
Repairs and maintenance	7	86
Cleaning	223	242
Total accommodation expenses	12,333	14,268
Other expenses		
Compensation Payments - Native Title	1,930	10,207
Other employee expenses	913	781
Doubtful debt expense	-	157
Expected credit losses expense ^(a)	28	-
Write-off other assets - Lease rent	-	2
Revaluation decrement	-	154
Payment to Consolidated Fund	-	327
Other	994	1,319
Total other expenses	3,865	12,948
Total other expenditure	70,915	70,647

^(a) Expected credit losses were not measured in 2017-18

Supplies and services:

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

Accommodation expenses:

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

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

Other expenses:

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

Doubtful debt expense was recognised as the movement in the allowance for doubtful debts. From 1 July 2018, expected credit losses expense is recognised as the movement in the allowance for expected credit losses. The allowance for expected credit losses of trade receivables is measured at the lifetime expected credit losses at each reporting date.

The Department has established a provision matrix that is based on its historical credit loss experience, adjusted for forward looking factors to the debtors and the economic environment.

Other employee expenses 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	2019 \$000	2018 \$000
Income from State Government	3.1	110,616	122,258
User charges and fees	3.2	8,778	9,297
Sales	3.3	402	388
Commonwealth grants and contributions	3.4	331	943
Grants and subsidies	3.5	723	665
WAPC service delivery agreement	3.6	42,428	42,056
Gains	3.7	3	19
Other Revenue	3.8	331	3,630

3.1 Income from State Government

Appropriation received during the period:

Service appropriation ^(a)	95,568	108,727
	95,568	108,727

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

Landgate - land data and aerial imagery	6,919	4,433
State Solicitor's Office - legal services	2,331	2,308
Department of Finance - accommodation services	1,239	1,460
Department of Transport - technical reviews	100	200
Department of Health - review and plan assessment	134	146
Department of Mines, Industry Regulation and Safety - geological advice	-	93
Main Roads WA - planning and technical services	170	49
Department of Local Government, Sport and Cultural Industries - corporate services	-	32
Department of Primary Industries and Regional Development - spatial data	1	2
Department of Water and Environmental Regulation - water information data	1	1
Total services received	10,895	8,724

Royalties for Regions Fund:

Regional Community Services Account ^(b)	4,153	4,807
Total Royalties for Regions Fund	4,153	4,807
Total income from State Government	110,616	122,258

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

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

3.2 User charges and fees

	2019 \$000	2018 \$000
Fees	6,158	6,095
User charges	2,620	3,202
	8,778	9,297

Revenue is recognised and measured at the fair value of consideration received or receivable. Revenue is recognised for fees and user charges by reference to the stage of completion of the transaction.

3.3 Trading profit

Sales	402	388
Cost of Sales:		
Opening Inventory	82	79
Purchases	167	146
	<u>249</u>	<u>225</u>
Closing Inventory	68	82
Cost of Goods Sold	181	143
	<u>221</u>	<u>245</u>
Trading Profit		
<u>Current Inventories</u>		
At cost (finished goods)	68	82
Total current inventories	<u>68</u>	<u>82</u>

Sales

Revenue is recognised from the sale of goods and disposal of other assets when the significant risks and rewards of ownership transfer to the purchaser and can be measured reliably.

inventories

Inventories are measured at the lower of cost and net realisable value. Costs are assigned by the method most appropriate for each particular class of 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

- Indian Ocean Territories ^(a)	252	818
- Department of Industry, Innovation and Science ^(b)	79	125
	<u>331</u>	<u>943</u>

^(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.

3.5 Grants and subsidies

Recurrent grants - other government agencies		
- Geraldton Alternative Settlement Area (GASA) project ^(a)	523	214
- Gascoyne Food Bowl Initiative ^(b)	200	-
- Other	-	451
	<u>723</u>	<u>665</u>

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

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

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 WAPC service delivery agreement

	2019	2018
	\$000	\$000
Recoupable expense and fees for services rendered	42,428	42,056
	42,428	42,056

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.

3.7 Gains

Net proceeds from disposal of non-current assets

Plant, equipment and vehicles	4	25
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Carrying amount of non-current assets disposed

Plant, equipment and vehicles	(1)	(6)
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Net gain	3	19
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Realised and unrealised gains are usually recognised on a net basis. These include gains arising on the disposal of non-current assets and some revaluations of non-current assets.

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

3.8 Other revenue

Other ^(a)	331	3,630
	331	3,630

^(a) Includes recoups of expenditure from prior years, bank interest, royalties, other revenues. Revenue is recognised when it can be reliably measured.

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	2019 \$000	2018 \$000
Property, plant and equipment	4.1	136,064	136,655
Intangibles	4.2	7,766	8,723
Total key assets		143,830	145,378

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 2019	Land \$000	Buildings \$000	Computer and Office equipment \$000	Furniture and Fittings \$000	Work in Progress \$000	Total \$000
1 July 2018						
Gross carrying amount	108,707	26,854	1,207	267	118	137,153
Accumulated depreciation	-	-	(461)	(37)	-	(498)
Carrying amount at start of period	108,707	26,854	746	230	118	136,655
Additions	1,174	-	16	-	2,203	3,393
Disposals	(1,850)	-	-	-	-	(1,850)
Transfer from work in progress	-	-	1,444	-	(1,444)	-
Revaluation increments / (decrements)	316	(1,603)	-	-	-	(1,287)
Depreciation	-	(276)	(534)	(37)	-	(847)
Carrying amount at 30 June 2019	108,347	24,975	1,672	193	877	136,064

30 June 2019

Gross carrying amount	108,347	24,975	2,667	267	877	137,133
Accumulated depreciation	-	-	(995)	(74)	-	(1,069)

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 for no or 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).

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 2018 by the Western Australian Land Information Authority (Valuations and Property Analytics). The valuations were performed during the year ended 30 June 2019 and recognised at 30 June 2019.

In undertaking the revaluation, fair value of land was determined by reference to market values: \$87,302,050 (2018: \$86,625,400). 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).

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.

4.1.1 Depreciation and impairment

	2019	2018
Charge for the period	\$000	\$000
Depreciation		
Buildings	276	259
Computer equipment	534	461
Furniture and Fittings	37	37
Total depreciation for the period	847	757

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

Please refer to note 4.2.1 for guidance in relation to the impairment assessment that has been performed for intangible assets.

Finite useful lives

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

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

Asset	Useful life: years
Buildings	100 years
Software (a)	2 to 5 years
Computer equipment	2 to 7 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 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.

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.

4.2 Intangible assets

Year ended 30 June 2019	Computer Software \$000	Work in Progress \$000	Total \$000
1 July 2018			
Gross carrying amount	8,809	3,125	11,934
Accumulated amortisation	(3,211)	-	(3,211)
Carrying amount at start of period	5,598	3,125	8,723
Additions	409	2,364	2,773
Transfer from work in progress	2,857	(2,857)	-
Disposal	-	-	-
Amortisation	(3,730)	-	(3,730)
Carrying amount at 30 June 2019	5,134	2,632	7,766
30 June 2019			
Gross carrying amount	12,075	2,632	14,707
Accumulated amortisation	(6,941)	-	(6,941)

Initial recognition

Acquisitions of intangible assets costing \$5,000 or more and internally generated intangible assets costing \$50,000 or more that comply with the recognition criteria 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.

4.2.1 Amortisation and impairment

Charge for the period	2019 \$000	2018 \$000
Computer software	3,730	3,211
	3,730	3,211

As at 30 June 2019 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 4.1.1.

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	2019 \$000	2018 \$000
Receivables	5.1	6,466	10,056
Amounts receivable for services	5.2	31,593	29,433
Other current assets	5.3	2,589	1,700
Payables	5.4	7,722	11,584
5.1 Receivables			
Trade receivables		5,061	8,909
Allowance for impairment of receivables		(84)	(193)
GST receivable		1,458	1,326
		6,435	10,042
Loans and advances:			
Other debtors		31	14
		31	14
Total current		6,466	10,056

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 \$4.6M (2018: \$5.5M) receivable from the Western Australian Planning Commission for services provided under the Service Level Agreement.

5.2 Amounts receivable for services (Holding Account)

Current	528	562
Non-current	31,065	28,871
Balance at end of period	31,593	29,433

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	2,588	1,671
Accrued Income	-	25
Other	1	4
Total current	2,589	1,700

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

Current

Trade payables	3,100	632
Accrued expenses	4,256	10,658
Accrued salaries	366	294
Total current	7,722	11,584

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

	2019	2018
	\$000	\$000
<u>Current</u>		
Unearned Revenue ^(a)	687	752
Other current liabilities	80	27
Total current	767	779

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

6 Financing

		2019	2018
	Notes	\$000	\$000
Cash and cash equivalents	6.1		
Commitments	6.2		
Non-cancellable operating lease commitments	6.2.1		
Capital commitments	6.2.2		
Other expenditure commitments	6.2.3		

6.1 Cash and cash equivalents

Cash and cash equivalents		57,492	61,253
Restricted cash and cash equivalents:			
- Indian Ocean Territories Service Level Agreement		206	396
- Kalumburu Roads		227	227
- Remote Indigenous Housing West Kimberley Tripartite Forum		150	150
- Royalties for Regions Fund		1,052	103
- Royalties for Regions - Northern Planning Program		443	431
- Wittenoom Relocation Trust Account		2,560	2,560
- Anketell Trust Account (controlled)		87	7,205
- Accrued salaries suspense account ^(a)		905	656
		5,630	11,728
Balance at end of period		63,122	72,981

^(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 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.

6.2 Commitments

6.2.1 Non-cancellable operating lease commitments

Commitments for minimum lease payments are payable as follows:

Within 1 year		7,070	7,908
Later than 1 year and not later than 5 years		24,709	26,807
Later than 5 years		5,413	11,923
		37,192	46,638

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

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

6.2.2 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		1,650	-
		1,650	-

The totals presented for capital commitments are GST inclusive.

6.2.3 Other expenditure commitments

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

Within 1 year		2,943	4,258
Later than 1 year and not later than 5 years		-	440
		2,943	4,698

The totals presented for other expenditure commitments are GST inclusive.

7 Financial instruments and contingencies

	Notes	2019 \$000	2018 \$000
Financial instruments	7.1		
Contingent assets and liabilities	7.2		

7.1 Financial instruments

Financial assets

Cash and cash equivalents		57,492	61,253
Restricted cash and cash equivalents		5,630	11,728
Loans and receivables ^(a)		-	38,163
Financial assets at amortised cost ^(a)		36,601	-
Total financial assets		99,723	111,144

Financial liabilities

Financial liabilities at amortised cost		7,722	11,584
Total financial liability		7,722	11,584

^(a) Excludes GST recoverable from the ATO (statutory receivable)

7.2 Contingencies assets and liabilities

7.2.1 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.

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

Litigations in progress	298
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7.2.2 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.

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

Litigations in progress	723
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Native title claims

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

Contaminated sites

Under the Contaminated Sites Act 2003, the department is required to report known and suspected contaminated sites to the Department of Water and Environmental Regulation (DWER). In accordance with the Act, DWER classifies these sites on the basis of the risk to human health, the environment and environmental values. Where sites are classified as contaminated – remediation required or possibly contaminated – investigation required, the agency may have a liability in respect of investigation or remediation expenses.

DWER approved a reporting program for DPLH under section 12 of the CSA for the systematic identification, inspection, reporting and treatment of suspected contaminated sites on Crown land. Following the Office of the Auditor General (OAG) report on the Management of Crown Land Site Contamination (June 2018), the section 12 reporting program was revised by DPLH.

A new contaminated sites management system (CSMS) will be implemented from July 2019. The system will allow for better tracking and progression of potential contaminated sites. Following a recent GIS-based Multi-Criteria Analysis (MCA) process, approximately 35,000 potentially contaminated sites on unmanaged Crown Land have been identified which will require an initial desktop-based review. The desktop review process will identify the sites which require inspection by State Land Field Officers. Under the revised section 12 program, there is a requirement for State Land Field Officers to inspect 30 suspected contaminated sites on unmanaged Crown Land per year. This requirement will be met going forward from next financial year (2019-20).

Following the site inspection, DPLH will determine whether the site requires further investigation and subsequent reporting to DWER as a suspected or known contaminated site. Contingent on availability of funding, DPLH then engages qualified environmental consultants and contaminated sites auditors, to undertake detailed site investigations and remediation as required. The extent of DPLH's liability can only be quantified as DWER progressively classifies sites under the program.

Under s29 and s32 of the CSA, DPLH (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.

Per the MOU between DWER, DPLH and LandCorp, DPLH has transferred the Minim Cove Containment Cell reserve and is the proponent responsible for the EPA conditions imposed on the cell. Monitoring continues in accordance with the conditions.

During the 2018-19 financial year, the Department reported nine (9) suspected contaminated sites to DWER. In total, 222 sites require formal investigation and have been classified by DWER as 'possibly contaminated – investigation required' and 30 sites require remediation or management and have been classified by DWER as 'contaminated – remediation 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
Initial application of Australian Accounting Standards	8.2
Key management personnel	8.3
Related party transactions	8.4
Related bodies	8.5
Affiliated bodies	8.6
Special purpose accounts	8.7
Remuneration of auditors	8.8
Equity	8.9
Supplementary financial information	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 Initial application of Australian Accounting Standards

AASB 9 Financial Instruments

AASB 9 Financial instruments replaces AASB 139 Financial instruments: Recognition and Measurement for annual reporting periods beginning on or after 1 July 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

The Department applied AASB 9 prospectively, with an initial application date of 1 July 2018. The adoption of AASB 9 has resulted in changes in accounting policies and adjustments to the amounts recognised in the financial statements. In accordance with AASB 9.7.2.15, the Department has not restated the comparative information which continues to be reported under AASB 139. Differences arising from adoption have been recognised directly in Accumulated surplus/(deficit).

The effect of adopting AASB 9 as at 1 July 2018 was, as follows:

	Adjustments	1 July 2018
		\$000
Assets		
Trade receivables	(a),(b)	137
Total assets		<u>137</u>
Total adjustments on equity		
Accumulated surplus/(deficit)	(a),(b)	137
		<u>137</u>

The nature of these adjustments are described below:

Classification and measurement

Under AASB 9, financial assets are subsequently measured at amortised cost, fair value through other comprehensive income (fair value through OCI) or fair value through profit or loss (fair value through P/L). The classification is based on two criteria: the Department's business model for managing the assets; and whether the assets' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding.

The assessment of the Department's business model was made as of the date of initial application, 1 July 2018. The assessment of whether contractual cash flows on financial assets are solely comprised of principal and interest was made based on the facts and circumstances as at the initial recognition of the assets.

The classification and measurement requirements of AASB 9 did not have a significant impact to the Department. The following are the changes in the classification of the Department's financial assets:

- Trade receivables and Loans and advances (i.e. Other debtors) classified as Loans and receivables as at 30 June 2018 are held to collect contractual cash flows and give rise to cash flows representing solely payments of principal and interest. These are classified and measured as Financial assets at amortised cost beginning 1 July 2018.
- The Department did not designate any financial assets as at fair value through P/L.

In summary, upon the adoption of AASB 9, the Department had the following required (or elected) reclassifications as at 1 July 2018:

	<u>\$000</u>	<u>AASB 9</u>		
		<u>category</u>	<u>Fair value</u>	<u>Fair value</u>
		<u>Amortised</u>	<u>through OCI</u>	<u>through P/L</u>
		<u>cost</u>	<u>through OCI</u>	<u>through P/L</u>
	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>	<u>\$000</u>
AASB 139 category	<u>\$000</u>			
Loans and receivables				
Trade receivables*	8,716	8,853	-	-
Amounts receivable for services	29,433	29,433	-	-
		<u>38,286</u>	-	-

* The change in carrying amount is a result of a reduction in impairment allowance. See the discussion on impairment below.

(b) Impairment

The adoption of AASB 9 has fundamentally changed the Department's accounting for impairment losses for financial assets by replacing AASB 139's incurred loss approach with a forward-looking expected credit loss (ECL) approach. AASB 9 requires the Department to recognise an allowance for ECLs for all financial assets not held at fair value through P/L.

Upon adoption of AASB 9, the Department recognised a decrease in impairment on the Department's Trade receivables of \$137,000 which resulted in an increase in Accumulated surplus/(deficit) of \$137,000 as at 1 July 2018.

Set out below is the reconciliation of the ending impairment allowances in accordance with AASB 139 to the opening loss allowances determined in accordance with AASB 9:

	<u>Impairment</u> <u>under AASB</u> <u>139</u> <u>as at</u> <u>30 June 2018</u> <u>\$000</u>	<u>Remeasurement</u> <u>\$000</u>	<u>ECL under</u> <u>AASB 9</u> <u>as at</u> <u>1 July 2018</u> <u>\$000</u>
Loans and receivables under AASB 139/Financial assets at amortised cost under AASB 9	193	(137)	56
	193	(137)	56

8.3 Key management personnel

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

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

<u>Compensation Band (\$)</u>			<u>2019</u>	<u>2018</u>
410,000	to	420,000	-	1
400,001	to	410,000	1	-
300,001	to	310,000	-	1
280,001	to	290,000	-	1
230,001	to	240,000	-	1
220,001	to	230,000	1	2
210,001	to	220,000	1	2
200,001	to	210,000	2	-
190,001	to	200,000	1	1
180,001	to	190,000	-	1
170,001	to	180,000	-	-
160,001	to	170,000	1	-
150,001	to	160,000	2	1
140,001	to	150,000	-	1
130,001	to	140,000	-	-
70,001	to	80,000	1	1
60,001	to	70,000	1	-
50,001	to	60,000	1	-
			12	13
			2019	2018
			\$000	\$000
Total compensation of senior officers			2,117	2,896

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

8.4 Related party transactions

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

Related parties of the Department include:

- all cabinet ministers and their close family members, and their controlled or jointly controlled entities;
- all senior officers and their close family members, and their controlled or jointly controlled entities;
- other departments and statutory authorities, including related bodies, that are included in the whole of government consolidated financial statements (i.e. wholly-owned public sector entities);
- associates and joint ventures of a wholly-owned public sector entity; and
- the Government Employees Superannuation Board (GESB).

Significant Transactions with Government-related entities

In conducting its activities, the Department is required to transact with the State and entities related to the State. These transactions are generally based on the standard terms and conditions that apply to all agencies. Such transactions include:

- income from State Government (Note 3.1);
- equity contributions (Note 8.9);
- superannuation payments to GESB (Note 2.1(a));
- lease rentals payments to the Department of Finance (Government Office Accommodation and State Fleet) and the Housing Authority (Government Regional Officer Housing) (Note 2.4);
- insurance payments to the Insurance Commission and RiskCover fund (Note 2.4); and
- remuneration for services provided by the Auditor General (Note 8.8).

Material transactions with other related parties

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

8.5 Related bodies

The Department had no related bodies during the financial year 2018-19 or 2017-18.

8.6 Affiliated bodies

The Department had no affiliated bodies during the financial year 2018-19 or 2017-18.

8.7 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.

	2019	2018
	\$000	\$000
Balance at start of period	2,560	2,562
Payments	-	(2)
Balance at end of period	2,560	2,560

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	7,205	7,194
Receipts	2	11
Payments	(7,120)	-
Balance at end of period	87	7,205

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	396	18
Receipts	251	619
Payments	(439)	(241)
Balance at end of period	208	396

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

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

(c) Commonwealth Service Level Agreement

8.8 Remuneration of auditors

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

Auditing the accounts, financial statements, controls and key performance indicators	345	329
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8.9 Equity

	2019	2018
	\$000	\$000
Contributed equity		
Balance at start of period	222,880	-
<i>Contributions by owners</i>		
Capital appropriation	3,485	2,391
Other contributions by owners	-	220,489
Total contributions by owners	226,365	222,880
<i>Distributions to owners</i>		
Buildings	(1,850)	-
Total distributions to owners	(1,850)	-
Balance at end of period	224,515	222,880
Asset revaluation surplus		
Balance at start of period	1,737	-
Net revaluation increments / (decrements)		
Land	162	-
Buildings	(1,603)	1,737
Balance at end of period	296	1,737

8.10 Supplementary financial information

(a) Write-offs

During 2018-19 there was a write off of \$70 authorised by the accountable authority.

In 2017-18 \$281,000 was written off the Department's trade debtor account under the authority of:

The accountable authority	-	40
The Minister	-	241
	-	281

(b) Losses through theft, defaults and other causes

During 2018-19 and 2017-18 the Department did not report any losses due to theft, defaults and other causes.

(c) Gifts of public property

During 2018-19 and 2017-18 the Department did not provide any gifts of public property.

(d) Resources provided free of charge

Department of Biodiversity, Conservation and Attractions	-	17
Department of Education - spatial data	7	19
Department of Mines, Industry, Regulation and Safety - spatial data	3	17
Department of Premier and Cabinet - PlanviewWA access	15	29
Department of Transport - PlanviewWA access	137	271
Department of Water and Environmental Regulation	-	21
Main Roads WA - spatial data	3	4
Department of Communities - PlanviewWA access	1	-
Department of Treasury - PlanviewWA access	24	-
Aboriginal Affairs Planning Authority - administrative support	4,781	6,358
Total resources provided free of charge	4,971	6,736

8.11 Explanatory statement (Controlled Operations)

All variances between estimates (original budget) and actual results for 2018 are shown below. Narratives are provided for selected major variances, which are generally greater than:

- 5% and \$3.54 million for the Statements of Comprehensive Income and Cash Flows; and
- 5% and \$4.87 million for the Statement of Financial Position.

8.11.1 Statement of Comprehensive Income Variances

	Variance	Estimate	Actual	Actual	Variance between estimate and actual 2019	Variance between actual results for 2019 and 2018
	Note	2019	2019	2018		
		\$000	\$000	\$000	\$000	\$000
Expenses						
Employee benefits expense	A	87,708	84,752	90,954	2,956	(6,202)
Supplies and services	1, B	45,725	54,717	43,432	(8,992)	11,285
Depreciation and amortisation expense		4,889	4,577	3,968	312	609
Accommodation expenses		15,130	12,333	14,268	2,797	(1,935)
Grants and subsidies		13,252	10,823	11,420	2,429	(597)
Cost of sales		-	181	143	(181)	38
Other expenses	2, C	11,900	3,865	12,948	8,035	(9,083)
Total cost of services		178,604	171,248	177,131	7,356	(5,883)
Income						
Revenue						
User charges and fees	3	1,056	8,778	9,297	(7,722)	(519)
Sales	4	5,483	402	388	5,081	14
Commonwealth grants and contributions		-	331	943	(331)	(612)
Grants and subsidies		126	723	665	(597)	58
WAPC Service Delivery Agreement	5	-	42,428	42,056	(42,428)	372
Other revenue	5	51,516	331	3,630	51,185	(3,299)
Total Revenue		58,181	52,993	56,979	5,188	(3,986)
Gains						
Revaluation increment		-	154	-	(154)	154
Gain on disposal of non-current assets		-	3	19	(3)	(16)
Total Gains		-	157	19	(157)	138
Total income other than income from State Government		58,181	53,150	56,998	5,031	(3,848)
NET COST OF SERVICES		120,423	118,098	120,134	2,325	(2,036)
Income from State Government						
Service appropriation	D	93,015	95,568	108,727	(2,553)	(13,159)
Services received free of charge		9,245	10,895	8,724	(1,650)	2,171
Royalties for Regions Fund		5,294	4,153	4,807	1,141	(654)
Total income from State Government		107,554	110,616	122,258	(3,062)	(11,642)
SURPLUS/(DEFICIT) FOR THE PERIOD		(12,869)	(7,482)	2,124	(5,387)	(9,606)
OTHER COMPREHENSIVE INCOME						
Items not reclassified subsequently to profit or loss						
Changes in asset revaluation surplus			(1,441)	1,737	1,441	(3,178)
Total other comprehensive income		-	(1,441)	1,737	1,441	(3,178)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		(12,869)	(8,923)	3,861	(3,946)	(12,784)

Major Estimate and Actual (2019) Variance Narratives

- 1 Supplies and services actual is \$9M higher than the estimate due mainly to an increase in Resources Provided Free of Charge (refer Note 3.1) and Repairs and Maintenance.
- 2 Other expenses actual is \$8M lower than the estimate and is due mainly to the deferral of expenditure relating to the Closure of the Wittenoom Town site (\$2.3M) and less compensation payments made.
- 3 User charges and fees actual is \$7.7M higher than the estimate due mainly to the inclusion of revenue relating to Fremantle Prison (\$3.7M), Development Assessment Panels (\$1.4M), and Pastoral Rent Revenue (\$2.4M). The estimate for these items are located in sales and other revenue.
- 4 Sales actuals is \$5.1M less than the estimate and is due mainly to the classification of income from the Fremantle Prison (\$3.7M) and Development Assessment Panels (\$1.4M), in user charges and fees.
- 5 Other revenue actual is \$51.2M less than the estimate due mainly to the classification of income from the WAPC (\$42.4m) and Pastoral Rent Revenue (\$2.4m) in WAPC Service Delivery Agreement and user charges and fees respectively.

Major Actual (2019) and Comparative (2018) Variance Narratives

- A The decrease in employee expenses from 2018 of \$6.2M is due mainly to the payment of severances in 2018 under the Voluntary Targeted Severance Scheme (VTSS) and a lower salary expense in 2019 as a result of these separations.
- B The \$11.3M increase in supplies and services is due mainly to Repairs and maintenance (\$4M) and Consultancies and contracted services including project management and service provision (\$7M).
- C The 2019 \$9M decrease in other expenses is due to prior year compensation payments.
- D Actual in 2018 is higher due mainly to the drawdown of \$5.6M in 2018 for redundancies under the VTSS and a lower total cost of service in 2019.

8.11.2 Statement of Financial Position Variances

	Variance	Estimate	Actual	Actual	Variance between estimate and actual 2019	Variance between actual results for 2019 and 2018
	Note	2019 \$000	2019 \$000	2018 \$000	\$000	\$000
ASSETS						
<i>Current Assets</i>						
Cash and cash equivalents		49,787	57,492	61,253	(7,705)	(3,761)
Restricted cash and cash equivalents		1,964	4,725	11,072	(2,761)	(6,347)
Inventories			68	82	(68)	(15)
Receivables		8,603	6,466	10,056	2,137	(3,590)
Amounts receivable for services		528	528	562	-	(34)
Other current assets		4,057	2,589	1,700	1,468	889
Total Current Assets		64,939	71,868	84,725	(6,928)	(12,858)
<i>Non-Current Assets</i>						
Amounts receivable for services		31,065	31,065	28,871	-	2,194
Infrastructure, property, plant and equipment		136,741	136,064	136,655	677	(591)
Intangible assets		9,814	7,766	8,723	2,048	(957)
Other non-current assets		1,151	905	656	246	249
Total Non-Current Assets		178,771	175,800	174,905	2,971	895
TOTAL ASSETS		243,710	247,668	259,629	(3,958)	(11,963)
LIABILITIES						
<i>Current Liabilities</i>						
Payables		1,443	7,722	11,584	(6,279)	(3,862)
Employee related provisions		16,103	15,341	16,335	762	(994)
Other current liabilities	6	12,318	767	779	11,551	(12)
Total Current Liabilities		29,864	23,830	28,698	6,034	(4,868)
<i>Non-Current Liabilities</i>						
Employee related provisions		5,183	4,248	4,191	935	57
Total Non-Current Liabilities		5,183	4,248	4,191	935	57
TOTAL LIABILITIES		35,047	28,078	32,889	6,969	(4,811)
NET ASSETS		208,663	219,590	226,741	(10,926)	(7,152)
EQUITY						
Contributed equity		227,194	224,515	222,880	2,679	1,635
Reserves		252	296	1,737	(44)	(1,441)
Accumulated surplus/(deficit)		(18,783)	(5,221)	2,124	(13,562)	(7,345)
TOTAL EQUITY		208,663	219,590	226,741	(10,927)	(7,151)

Major Estimate and Actual (2019) Variance Narratives

6 Payments for Native Title compensation of approximately \$7m were paid in 2018-19 through payables, whereas the estimated budget was held in current liabilities.

8.11.3 Statement of Cash Flows Variances

	Variance	Estimate	Actual	Actual	Variance between estimate and actual 2019	Variance between actual results for 2019 and 2018
	Note	2019 \$000	2019 \$000	2018 \$000	\$000	\$000
<u>CASH FLOWS FROM STATE GOVERNMENT</u>						
Service appropriation	E	88,826	91,379	108,102	(2,553)	(16,723)
Capital appropriations		2,485	3,485	2,391	(1,000)	1,094
Holding account		562	2,029	625	(1,467)	1,404
Royalties for Regions Fund		5,294	4,153	4,807	1,141	(654)
Net cash provided by State Government		97,167	101,047	115,925	(3,879)	(14,879)
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>						
<u>Payments</u>						
Employee benefits	F	(87,045)	(85,689)	(98,260)	(1,356)	12,571
Supplies and services	7, G	(37,053)	(47,686)	(34,074)	10,633	(13,612)
Accommodation		(14,635)	(12,333)	(14,268)	(2,302)	1,935
Grants and subsidies		(13,252)	(10,823)	(11,420)	(2,429)	597
GST payments on purchases	8, H	-	(6,250)	(1,006)	6,250	(5,244)
GST payments to taxation authority		-	-	(1,083)	-	1,083
Other payments	9, I	(17,997)	(4,764)	(12,097)	(13,233)	7,333
<u>Receipts</u>						
Sales of goods and services	10	6,336	235	245	6,101	(10)
User charges and fees	11	1,056	7,846	7,688	(6,790)	158
Commonwealth grants and contributions		-	331	943	(331)	(612)
GST receipts on sales		1,994	802	2,390	1,192	(1,588)
GST receipts from taxation authority	J	4,239	6,809	-	(2,570)	6,809
WAPC Service Delivery Agreement	12	-	43,228	42,056	(43,228)	1,172
Grants and subsidies		126	723	471	(597)	252
Other receipts	12	50,671	2,831	3,630	47,840	(799)
Net cash provided by / (used in) operating activities		(105,560)	(104,740)	(114,785)	(819)	10,045
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>						
<u>Payments</u>						
Purchase of non-current assets		(6,387)	(6,167)	(3,502)	(220)	(2,665)
<u>Receipts</u>						
Proceeds from sale of non-current assets		-	3	25	(3)	(22)
CASH FLOWS FROM INVESTING ACTIVITIES		(6,387)	(6,164)	(3,477)	(223)	(2,687)
Net increase/(decrease) in cash and cash equivalents		(14,780)	(9,857)	(2,337)	(4,922)	(7,521)
Cash and cash equivalents at the beginning of the period		67,448	72,981	75,318	(5,533)	(2,337)
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		52,668	63,123	72,981	(10,454)	(9,858)

Major Estimate and Actual (2019) Variance Narratives

- 7 Supplies and services actual is \$10.6M higher than the estimate and is due mainly to an increase in valuation services, systems development, support and project management.
- 8 The variance is due to no estimate being made for GST payments on purchases.
- 9 Other payments actual is \$13.2M lower than the estimate and is due mainly to the deferral of expenditure relating to the Closure of the Wittenoom Townsite (\$2.3M) and reduced compensation payments (\$5.5M).
- 10 Sales of goods and services actuals is \$6.1M less than the estimate and is due mainly to the Fremantle Prison entrance fees being reclassified as user fees and charges.
- 11 User charges and fees actual is \$6.8M higher than the estimate due to the receipts of cash relating to prior year receivables and the classification of income from sales of goods and services and other revenue including Fremantle Prison (\$3.7M), Development Assessment Panels (\$1.4M), and Pastoral Rent Revenue (\$2.4M).
- 12 Combined actual is \$4.6M less than the estimate and is mainly due to the classification of income from the WAPC (\$43.2m) and Pastoral Rent Revenue (\$2.4m) in WAPC Service Delivery Agreement and user charges and fees respectively.

Major Actual (2019) and Comparative (2018) Variance Narratives

- E Service appropriation actual in 2018 is higher due mainly to the drawdown of \$4.7M in 2018 for redundancies under the VTSS and a lower total cost of service in 2019.
- F The decrease in employee benefits from 2018 of \$12.6M is due mainly to the payment of severances in 2018 under the Voluntary Targeted Severance Scheme (VTSS) and a lower salary expense in 2019 as a result of these separations.
- G The increase of \$13.6M in 2019 is due mainly to an increase in valuation services, systems development and support and project management.
- H The variance is due mainly to current year actual costs exceeding prior year, resulting in higher amounts of GST claimed.
- I Other payments variance of \$7.3M is due mainly to reduced expenditure on compensation payments (\$5.5M).
- J GST was overall in a receivable position in 2018-19 compared to 2017-18 (payable).

9 Administered disclosures

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

	Notes	2019 \$000	2018 \$000
Disclosure of administered income and expenses	9.1		
Explanatory statement for administered items	9.2		
Administered assets and liabilities	9.3		

9.1 Disclosure of administered income and expenses

Income

For transfer:

Sale of land ^(b)	64,360	22,565
Rent revenue	21,369	23,602
Land transfers ^(a)	75,526	10,328
Reserve transfers ^(d)	97,276	-
Other revenue	2,555	1,922
Total administered income	261,085	58,417

Expenses

Employee expenses	548	702
Supplies and services	25	823
Revaluation decrement	4,331	64,197
Depreciation	3,631	3,648
Cost of goods sold ^(b)	65,198	56,966
Payments to Consolidated Account ^(c)	52,181	48,429
Reserve transfers ^(d)	86,413	46,462
Other expenses	2,538	1,756
Total administered expenses	214,865	222,983

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

Department of Communities	-	132
Burswood Park Board	-	170
Department of Training and Workforce Development	12,235	-
Department of Health	59,030	-
WA Police	-	7,350
Local Government authorities	-	1,730
Other	4,261	946
	75,526	10,328

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

Proceeds from disposal of land	64,360	22,565
Cost of disposal of land (at fair value less cost to sell)	(65,198)	(56,966)
Net loss	(838)	(34,401)

^(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. In 2017-18 the reserve transfers were previously taken through equity. The comparative figures have been restated to show the net transfers expense for 2017-18. It was not considered practical to restate the gross reserves transfer income and reserves transfer expense respectively, for 2017-18.

9.2 Explanatory Statement for Administered Items

All variances between estimates (original budget) and actual results for 2019 are shown below. Narratives are provided for key major variances, which are generally greater than 5% and \$1 million.

	Variance	Estimate	Actual	Actual	Variance between estimate and actual	Variance between actual results for 2019 and 2018
	Note	2019 \$000	2019 \$000	2018 \$000	\$000	\$000
Income						
For transfer:						
Sale of land	1, A	26,526	64,360	22,565	(37,834)	41,795
Rent revenue	2, B	17,734	21,369	23,602	(3,635)	(2,233)
Land transfers	3, C	-	75,526	10,328	(75,526)	65,198
Reserve transfers	4, D	-	97,276	-	(97,276)	97,276
Other revenue		1,556	2,555	1,922	(999)	633
Total administered income		45,816	261,085	58,417	(215,269)	202,668
Expenses						
Employee expenses		951	548	702	403	(154)
Supplies and services	5	1,321	25	823	1,296	(798)
Revaluation decrement	6, E	-	4,331	64,197	(4,331)	(59,866)
Depreciation	7	1,567	3,631	3,648	(2,064)	(17)
Cost of goods sold	8, F	-	65,198	56,966	(65,198)	8,232
Payments to Consolidated Account	9, G	42,359	52,181	48,429	(9,822)	3,752
Reserve transfers	10, D	-	86,413	46,462	(86,413)	39,951
Other expenses	5	4,311	2,538	1,756	1,773	782
Total administered expenses		50,509	214,865	222,983	(164,356)	(8,118)

Major Estimate and Actual (2019) Variance Narratives

- Sale of land actuals is \$37.8M higher than estimated due mainly to higher than anticipated land sales including the Port Kennedy Development and former Princess Margaret Hospital Car Park.
- Rent revenue actuals is \$3.6M higher than estimated due to better than expected lease income.
- The Land transfers variance of \$75.5M is due mainly to the significant transfer of land assets in during 2018-19, including the Princess Margaret Hospital site.
- The Reserve transfers variance of \$97.3M is due to reserve assets transfers not being part of the estimates given that they were previously accounted for in equity. Refer to note 9.1 (d) for further discussion regarding this change in presentation.
- The variance is due mainly to reduced expenditure in the areas of service provision for complex land sales (supplies and services variance \$1.2M) and compensation payments (other expenses variance \$1.8M).
- Revaluation decrements were not estimated and is dependent on the land value of assets transferred in and the movement in land values as per the Valuer General's annual report.
- The depreciation expense in the 2018-19 budget papers was underestimated.
- The Cost of goods sold variance of \$65.2 is due mainly to the value of the assets sold including the Port Kennedy Development and Princess Margaret Hospital Carpark. No estimate was made for cost of goods sold.
- Payments to consolidated account actuals is \$9.8M higher than estimated due mainly to significant land sales settlements closer to year end.
- The Reserve transfers variance of \$86.4M is due to reserve assets transfers not being part of the estimates given that they were previously accounted for in equity. Refer to note 9.1 (d) for further discussion regarding this change in presentation.

Major Actual (2019) and Comparative (2018) Variance Narratives

- The Sale of land variance of \$41.8M is due mainly to the sale of the Port Kennedy Development and the sale of the former Princess Margaret Hospital Carpark.
- The reduction in Rent revenue of \$2.2M from prior year actuals can be attributed mainly to the net reduction of 58 active lease agreements.
- Reserve transfers in 2019 actual relates to land and reserve asset transfers to/from various agencies, refer to note 9.1 (d).
- The Reserve transfers were presented on a net basis for the comparative figures compared to on a gross basis for the current year. Refer to note 9.1 (d) where the reasons for this are discussed further. Overall there was a net transfer in of reserves of \$10.9M for the current year compared to a net transfer out of \$46.5 in the comparative period. Reserve transfers will always vary year to year based on the change in land use.
- The revaluation decrement is influenced by the land value of assets as per the Valuer General's report.
- The Cost of goods sold variance of \$8.2M is due mainly to significant land assets sold in 2018-19.
- The Payments to consolidated account 2019 increase of \$3.8M is due mainly to significant land asset sales at year end.

9.3 Administered assets and liabilities

	Actual 2019 \$000	Actual 2018 \$000
Current Assets		
Cash and cash equivalents	68,215	28,441
Receivables	864	649
Prepayments	1	-
Land and building classified as held for sale ^(a)	19,247	7,776
Total Administered Current Assets	88,327	36,866
Non-Current Assets		
Land at fair value ^(b)	3,098,636	3,068,507
Buildings at fair value	6,691	8,341
Infrastructure at cost (less accumulated depreciation)	122,884	126,296
Easements at cost	18,550	18,550
Total Administered Non-Current Assets	3,246,761	3,221,694
TOTAL ADMINISTERED ASSETS	3,335,088	3,258,560
Current Liabilities		
Payables	32,170	1,334
Employee provisions	115	68
Refundable deposits	2,463	1,720
Other liabilities	5	7
Total Administered Current Liabilities	34,753	3,129
Non-Current Liabilities		
Employee provisions	32	15
Other non-current liabilities	0	1,868
Total Administered Non-Current Liabilities	32	1,883
TOTAL ADMINISTERED LIABILITIES	34,785	5,012

^{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 2018 and recognised at 30 June 2019.

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.

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 reporting year ended 30 June 2019.



Gail McGowan

Director General

Department of Planning, Lands and Heritage

16 September 2019

Desired Outcome and Key Performance Indicators for the year ended 30 June 2019

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. In this way the Department contributes to the Government's goals outlined below.

Government Goal	Desired Outcomes	Services
Better Places A quality environment with liveable and affordable communities and vibrant regions	An effective and efficient planning system that supports the development of well-planned communities in Western Australia	1. Integrated land and infrastructure policy development
		2. Land accessibility planning and policy development
	The State's land asset is managed responsibly	3. Land asset management
	Security of Land Tenure	4. Crown Land Administration
		5. Native Title administration
Sustainable Finances Responsible financial management and better service delivery	Optimise the value of the State's land assets	6. Preparation for Sale of State-owned Land Assets
Better Places A quality environment with liveable and affordable communities and vibrant regions	Quality advice and support to the Heritage Council of Western Australia and the Minister for Heritage to promote and deliver the conservation of cultural heritage places in Western Australia, for the benefit of present and future generations	7. Cultural Heritage Conservation Services on Behalf of and Under the Direction of the Heritage Council of Western Australia
	Cultural heritage management for community education and appreciation	8. Community Engagement in Cultural Heritage
	Achieving the right balance between development and protection to ensure economic opportunities are leveraged to the benefit of the whole community	9. Heritage Management
	Better utilisation of the Aboriginal Lands Trust Estate to achieve shared social and economic outcomes	10. Land Management

Outcome and Key Effectiveness Indicators

DPLH Desired Outcome:

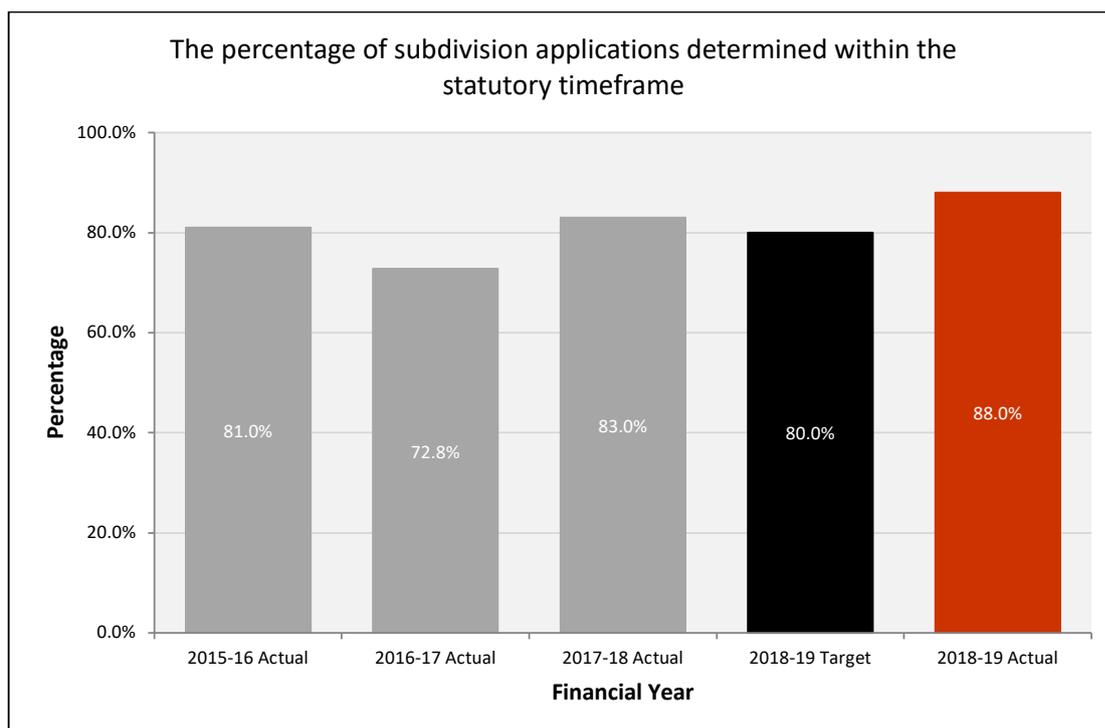
An effective and efficient planning system that supports the development of well-planned communities in Western Australia

Effectiveness Indicator:

The percentage of subdivision applications determined within the statutory timeframe

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. Various officers in the Department have the delegated authority to determine subdivision applications on behalf of the Western Australian Planning Commission (WAPC).

Subdivision applications are determined within strategic, legislative and policy frameworks that support the sustainable development of well-planned communities in Western Australia. In 2018-19, the Department determined 2,617 subdivision applications (a decrease of 5.7 per cent from 2,774 in 2017-18). This KPI demonstrates 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.



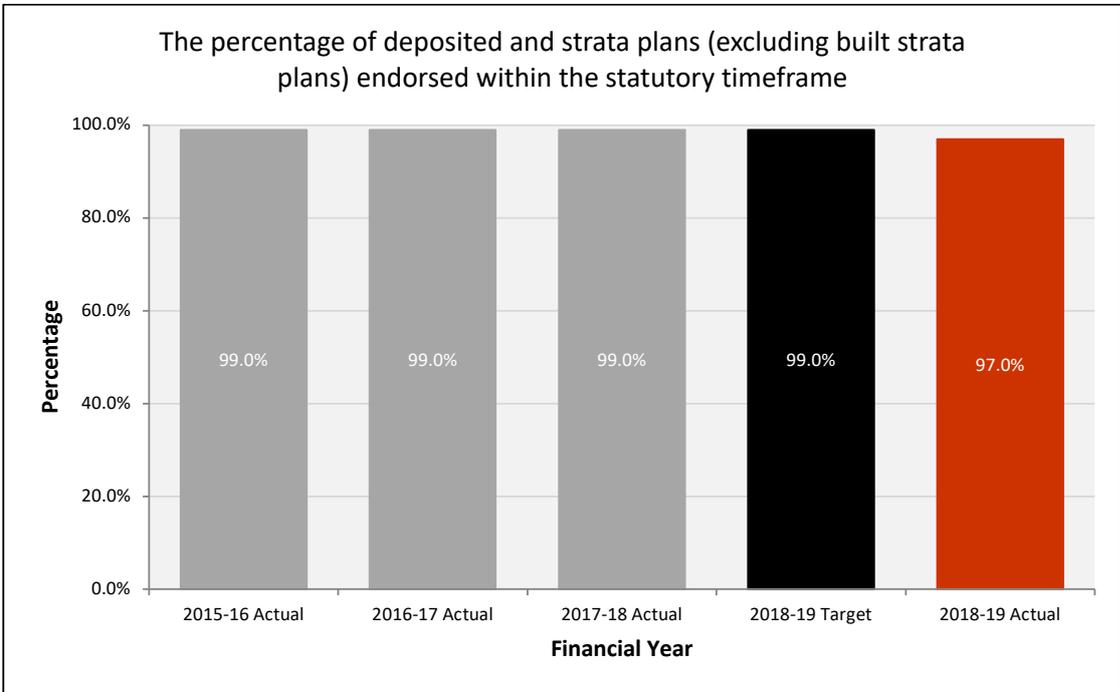
Effectiveness Indicator:

The percentage of deposited and strata plans (excluding built strata plans) endorsed within the statutory timeframe

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

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. Deposited plans are endorsed within strategic, legislative and policy frameworks that support the sustainable development of well-planned communities in Western Australia. In 2018-19, the Department endorsed 2,450 deposited and strata plans (a decrease of 15.3 per cent from 2,892 in 2017-18).

This KPI demonstrates the Department's effectiveness in reviewing and endorsing deposited and strata plans within the statutory timeframe. Built strata plans have been excluded from this KPI as they have been delegated to Local Government. Under s. 145(5) of the *Planning and Development Act 2005* the Department is to try to deal with these applications within 30 days or within such longer period that may be agreed in writing between the WAPC and the applicant.



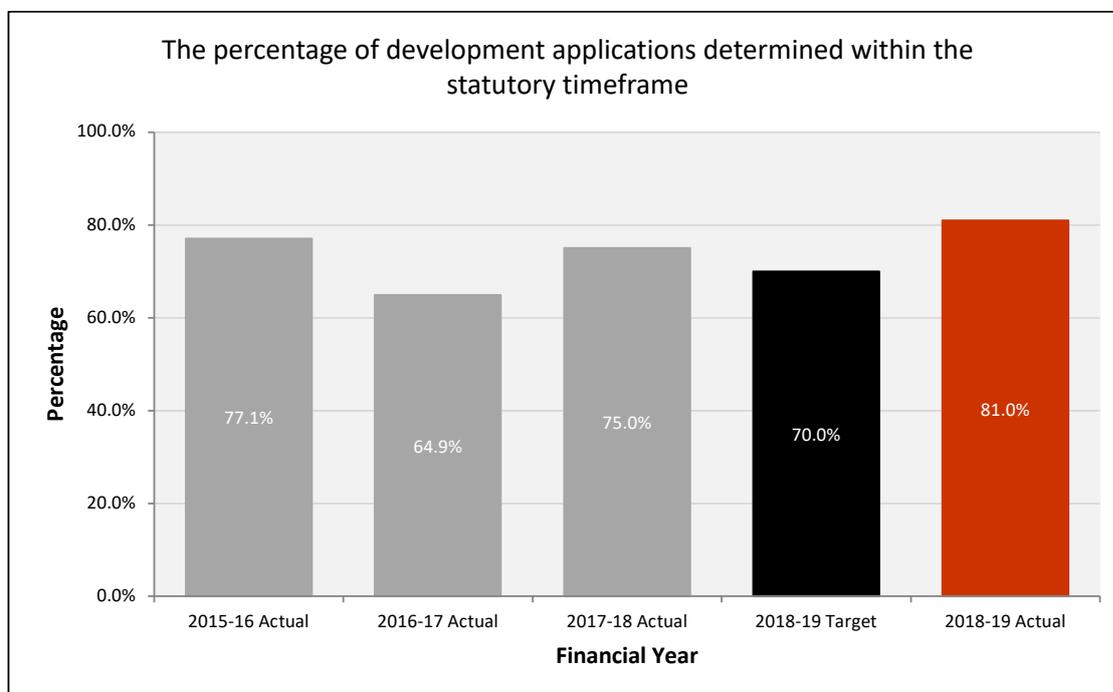
Effectiveness Indicator:

The percentage of development applications determined within the statutory timeframe

Various officers in the Department have the delegated authority to determine development applications on behalf of the Western Australian Planning Commission (WAPC).

Development applications detail the proposed development of land, and they are determined within strategic, legislative and policy frameworks that support the sustainable development of well-planned communities in Western Australia. In 2018-19, the Department determined 497 development applications (an increase of 4.9 per cent from 474 in 2017-18).

This KPI demonstrates 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 Text* 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 Text* and clause 41(2) of the *Peel Region Scheme Text* or within such further time as is agreed in writing between the applicant and the WAPC.



Explanation for significant variance

The 2018-19 result is 11 per cent better than the target due mainly to improvements in the processes for managing applications.

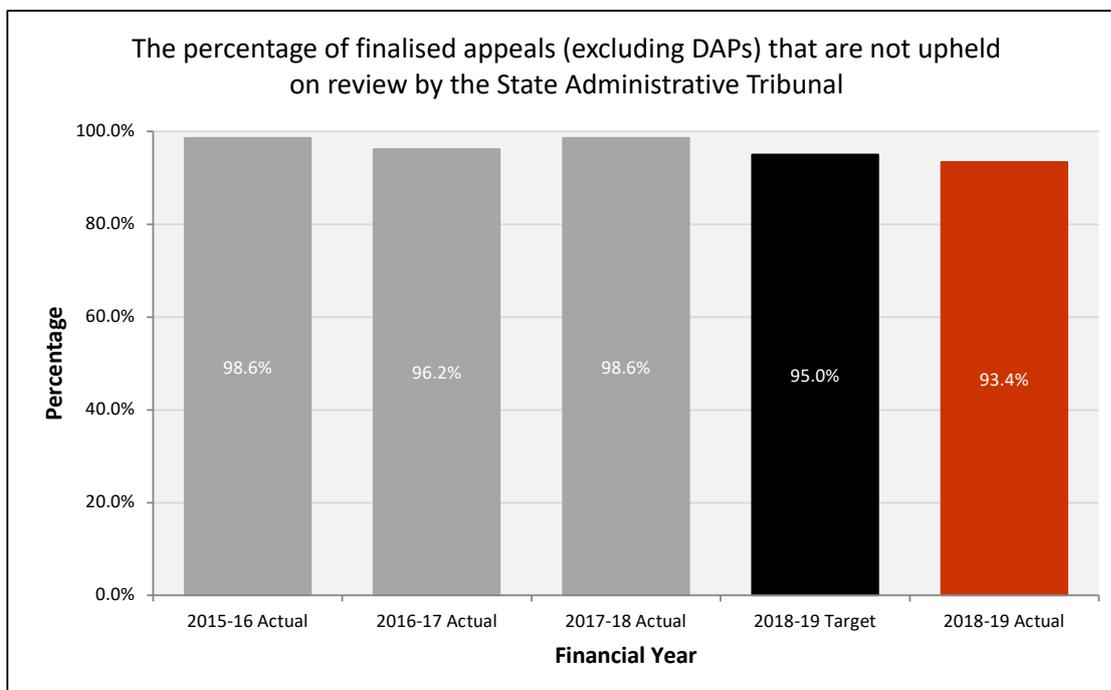
Effectiveness Indicator:

The percentage of finalised appeals (excluding 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.



Effectiveness Indicator:

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

- Basic (42 days)
- Standard (60 days)

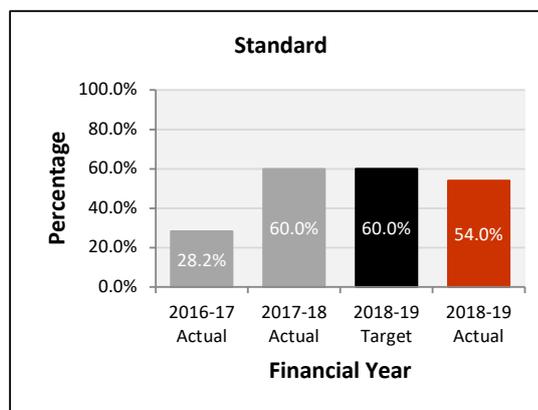
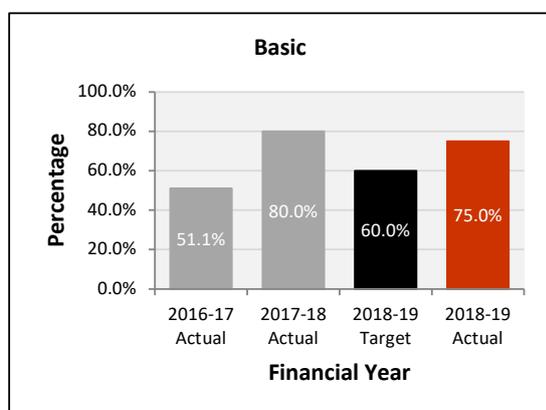
Local planning scheme amendments are processed within strategic, legislative and policy frameworks that support the sustainable development of well-planned communities in Western Australia. Local planning schemes outline how land is to be used and developed, classify areas for land use and include provisions 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 60 days for standard Local Planning Scheme amendments in accordance with s. 55 of the Planning and Development (Local Planning Scheme) Regulations 2015
- Within 42 days for basic Local Planning Scheme amendments in accordance with s. 60 of the Planning and Development (Local Planning Scheme) Regulations 2015.

In 2018-19, the Department processed 28 basic LPS amendments and 123 standard LPS amendments (compared to 25 basic and 144 standard LPS amendments in 2017-18).

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 2018-19 result for basic local planning scheme amendments has exceeded the target by 15 per cent due mainly to continued efforts by the Department to better manage new applications within the statutory timeframe.

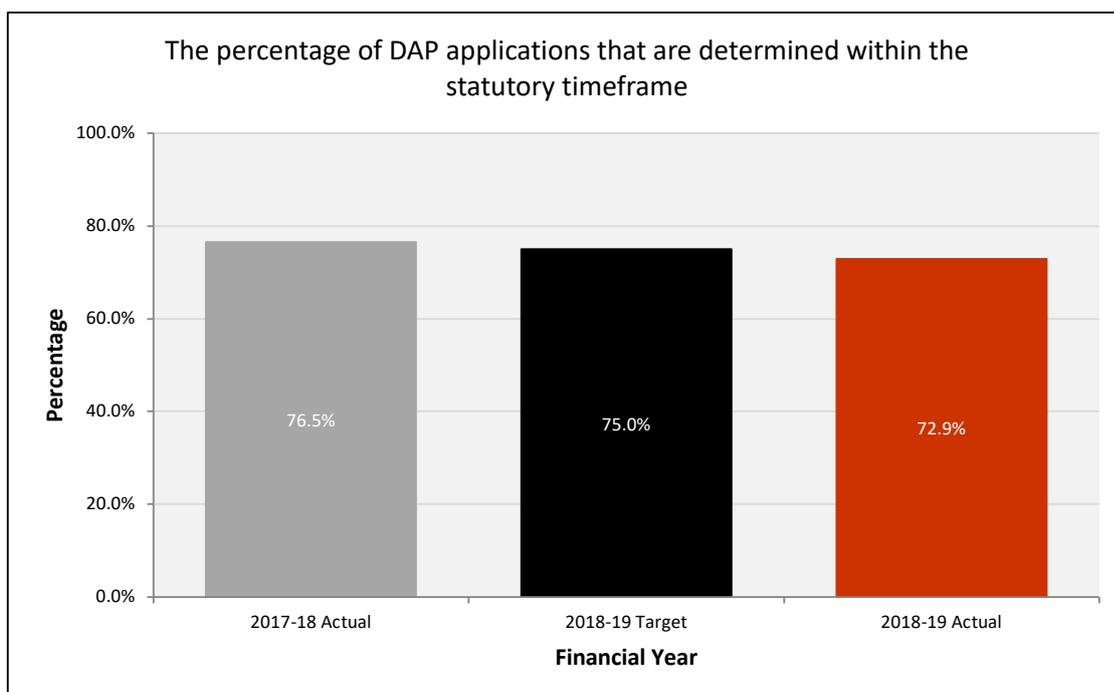
Effectiveness Indicator:

The percentage of DAP applications that are determined within the statutory timeframe

The Department provides coordination and secretariat services to Development Assessment Panels (DAPs), which 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.

DAP applications are determined within strategic, legislative and policy frameworks that support the development of well-planned communities in Western Australia. Under the DAP regulations, each DAP will determine development applications that meet set type and value thresholds as if it were the responsible authority under the relevant planning instrument, such as the local planning scheme or region planning scheme. The DAP regulations state that DAP applications cannot be determined by local government or the Western Australian Planning Commission. In 2018-19, the DAPs determined 266 applications (an increase of 6 per cent from 251 in 2017-18).

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.



DPLH Desired Outcome:

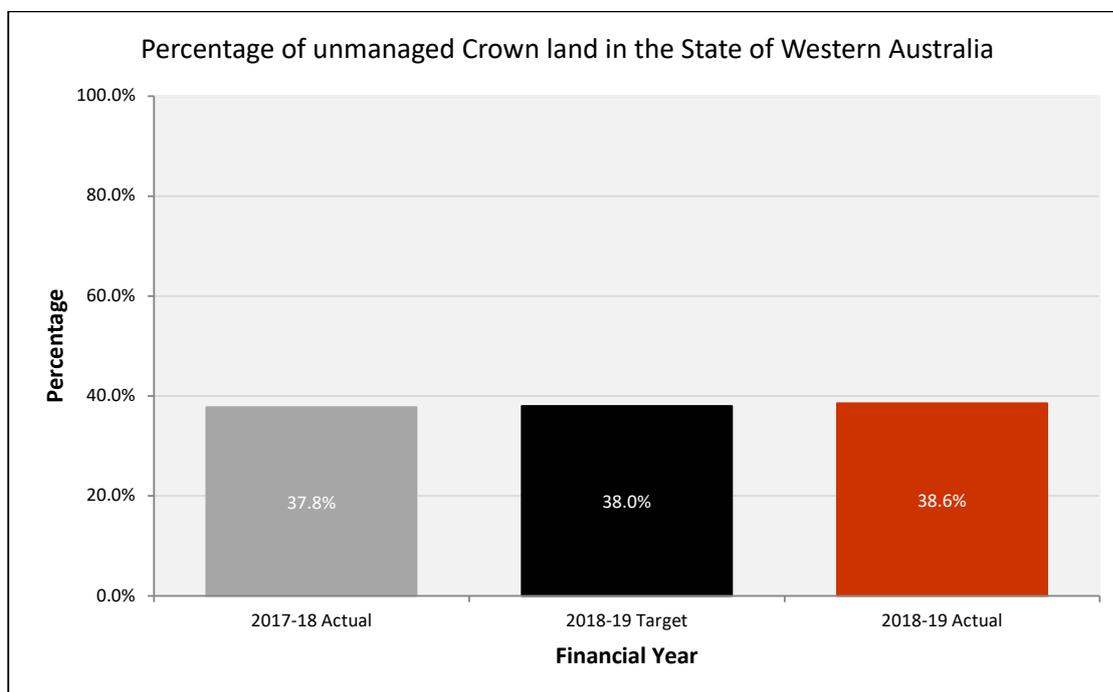
The State's land asset is managed responsibly

Effectiveness Indicator:

Percentage of unmanaged Crown land in the State of Western Australia

The Department is responsible for managing the State's land asset for the benefit of all Western Australians, and ensures that the State's Crown land asset is managed responsibly to optimise its value and reduce risk mitigation. In doing so, the Department ensures that a large percentage of Crown land is managed either by way of a lease, management order (managed reserve), or other means. The management of the land by third parties assists in reducing the Government's economic costs of maintaining Crown land.

This effectiveness indicator provides an indication to stakeholders of the proportion of unmanaged Crown land as a percentage of the total land in the State of Western Australia.



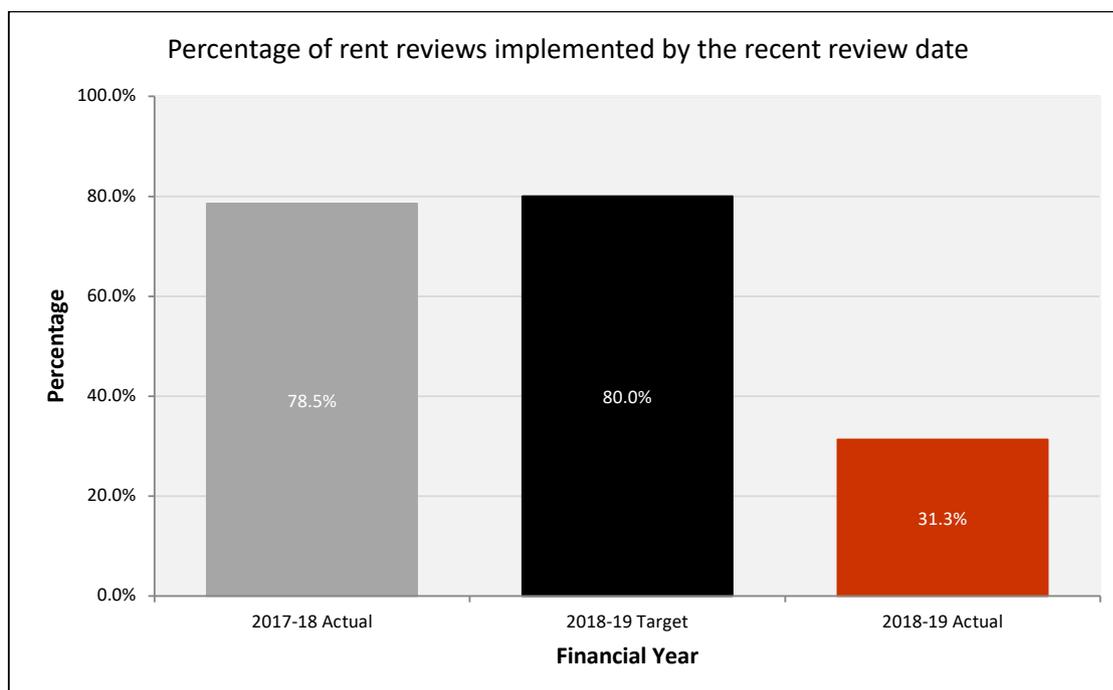
Effectiveness Indicator:

Percentage of rent reviews implemented by the recent review date

The Department is responsible for managing the State's land asset effectively and for optimising the return to Government. As part of this responsibility, the Department issues leases covering a substantial portion of Crown land. Most leases over Crown land contain a clause allowing for a review of rent on a regular basis. Generally, this is every three years, although all Pastoral leases are reviewed every five years.

The percentage of rent reviews implemented by the rent review date in the lease agreement provides an indicator of the Department's effectiveness in managing the State's land asset by ensuring that the Government is receiving the best value outcome for leased land.

The indicator also assists the Department to effectively manage the service level agreement with Landgate, who under the agreement is responsible for providing the valuations for rent reviews.



Explanation for significant variance

The total number of rent reviews due in 2018-19 increased by 18 per cent compared to 2017-18. A significant increase of 107 per cent was encountered in July 2018 with 124 rent reviews due compared to 60 in July 2017. The processing of rent reviews relies upon the Department receiving valuation reports in a timely manner, and 88.5 per cent of the rent reviews that were not implemented by the due date resulted from the Department not receiving valuation reports by the due date. The Land Use Management division has recently undergone a structural realignment which has led to the creation of a Lease Management and Compliance team that will have a stronger focus in this area, and this should deliver improvements for 2019-20.

DPLH Desired Outcome:

Security of Land Tenure

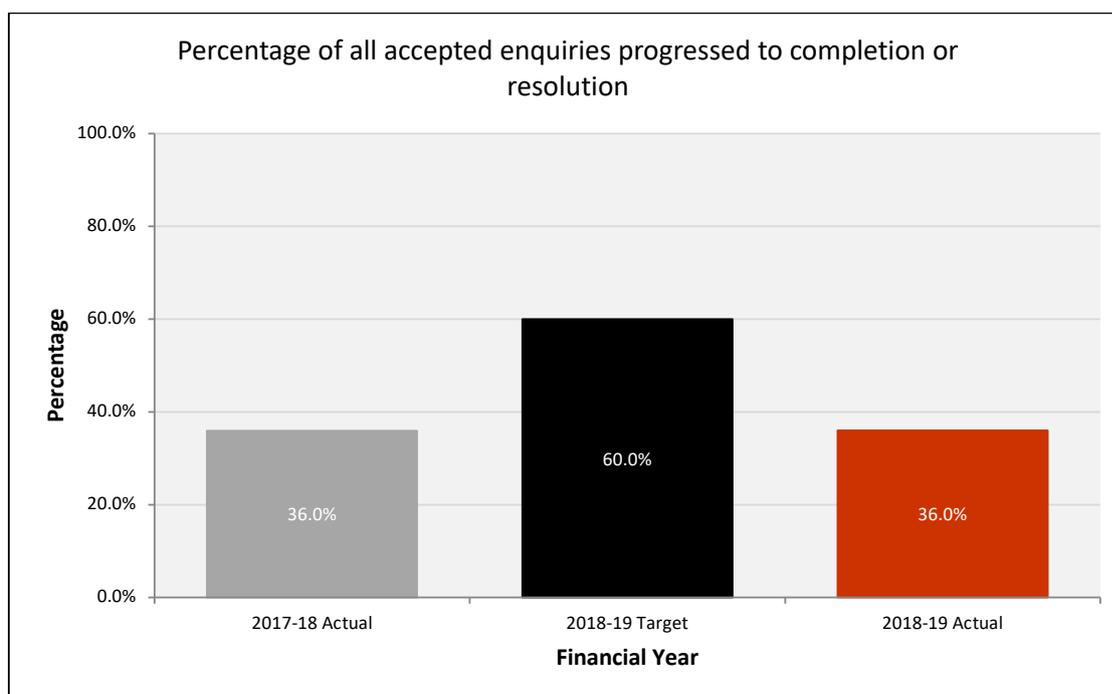
Effectiveness Indicator:

Percentage of all accepted enquiries progressed to completion or resolution

One of the Department's goals is to administer lands in a manner that meets the State's economic, social and cultural objectives. In doing so, the Department negotiates land assembly and tenure solutions across the State to provide security and certainty of Crown land tenure. Under its responsibility for administering the *Land Administration Act 1997*, the Department liaises with a variety of stakeholders on tenure and acquisition of land for State significant projects, and manages a variety of issues related to native title.

As part of this process, the Department receives enquiries in relation to the administration of State lands. Accepted enquiries are those that result in a LandsWA case being raised, which indicates that the enquiry has been reviewed by the Assessment team and progressed to Delivery (Statutory Approvals) or Case Management (Crown land applications). Completed enquiries are recognised when the LandsWA Case has been completed and closed.

This indicator tracks all open enquiries closed during the year, regardless of when they were opened. As such, some jobs will cross over into different financial years.



Explanation for significant variance

In mid-2018-19, the Department released an electronic workflow management system (LandsWA) to improve the processing of all accepted enquiries. While the Department saw an increase in the closure of cases prior to this release, LandsWA has had some technical issues which has delayed the expected improvement in the processing of all accepted enquiries and this is reflected in the 2018-19 result. Enhancements to LandsWA are ongoing, with some major fixes to be completed by early 2019-20. This measure is also highly influenced by external factors such as action from proponents, issues raised by referral bodies and native title matters.

Effectiveness Indicator:

Number of challenges to provision of tenure

The Department is responsible for providing tenure under the *Land Administration Act 1997*, and has core business processes and practices in place to support this. This indicator tests these processes by demonstrating they are robust and will give stakeholders confidence the Department is providing security of tenure while administering the State's land assets.

A challenge is a formal process challenging the validity of tenure granted over Crown land by an action taken by the Department. It includes all challenges to tenure under the *Land Administration Act 1997*, as well as, Native Title challenges whether they are successful or not. Nil challenges in any year indicates that the Department is effective in providing security of land tenure.

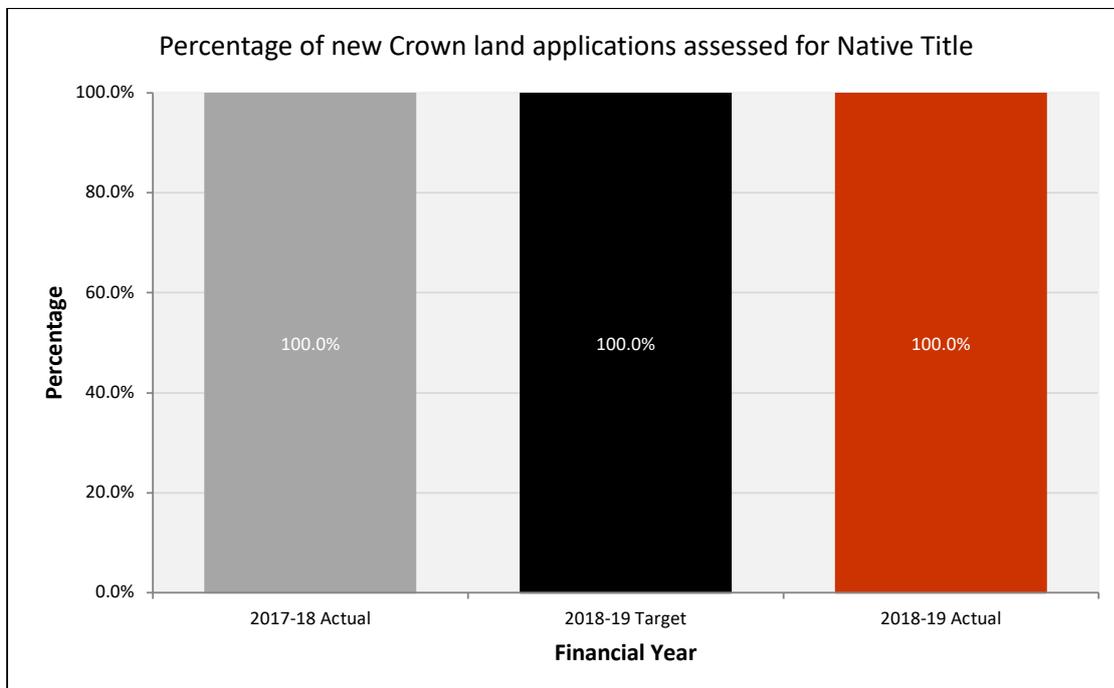
	2016-17 Actual	2017-18 Actual	2018-19 Target	2018-19 Actual
Number of challenges to provision of tenure	0	0	0	0

Effectiveness Indicator:

Percentage of new Crown land applications assessed for Native Title

The Department is responsible for the security of land tenure under the *Native Title Act 1993* and the *Land Administration Act 1997*. Security of land tenure is provided by dealing with native title appropriately depending on the use and type of tenure proposed, and may include the payment/settlement of compensation to any affected parties who hold determined native title rights and interests. Operational teams consider native title as part of assessing and managing new Crown land applications. It is important that the Department assesses all new Crown land applications for native title, and with a growing awareness of native title, including decisions from Courts in relation to native title rights, and compensation, there is an ongoing need for monitoring, research and legislative interpretation.

This effectiveness indicator is a measure of how the Department is meeting the desired outcome of security of land tenure in relation to native title. Consideration of each new Crown land application for native title ensures that native title is addressed and appropriate processes followed, prior to any changes in tenure being registered and security of tenure provided.



DPLH Desired Outcome:

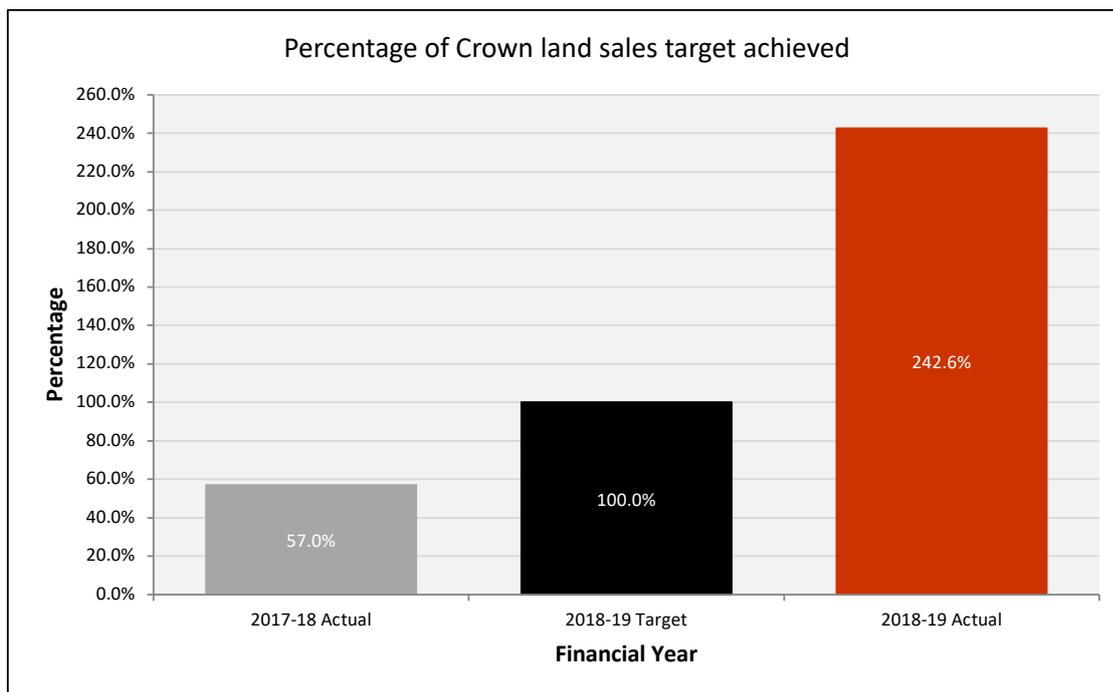
Optimise the value of the State's land assets

Effectiveness Indicator:

Percentage of Crown land sales target achieved

Land sales are a priority for the Department as they generate revenue for the State. The sale of land also provides land assets to deliver Government projects, and achieves strategic planning and asset management objectives.

This indicator presents land sales as a percentage of the land sales target, and demonstrates the Department's effectiveness in achieving the annual land sales target by showing that the Department is focused on meeting its targets.



Explanation for significant variance

In 2017-18, the Department did not meet the land sales target of \$39.8 million due mainly to delays and uncertainty regarding the disposal of a significant land holding referred to as the Bentley Regeneration Precinct. Protracted negotiations with the City of Canning regarding the revocation of its Management Orders over the land prevented its disposal to the Department of Communities – Housing from proceeding as planned. The sale of this land holding was undertaken in 2018-19.

In 2018-19, the Department exceeded the land sales target of \$26.5 million by a total of \$37.9 million. This was due mainly to the sale of land as part of the Port Kennedy Development Project, which accounted for \$27.3 million of this variance. In addition, the Department experienced greater than average general operational sales including the unexpected sale of several regional assets in an otherwise depressed market.

DPLH Desired Outcome:

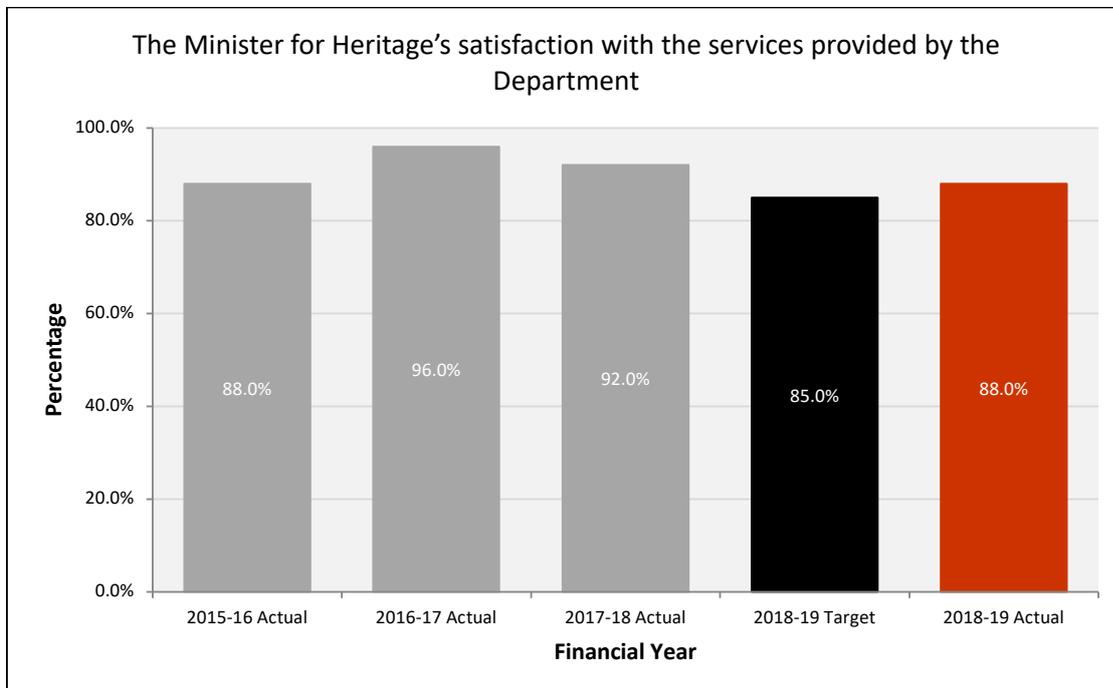
Quality advice and support to the Heritage Council of Western Australia and the Minister for Heritage to promote and deliver the conservation of cultural heritage places in Western Australia, for the benefit of present and future generations

Effectiveness Indicator:

The Minister for Heritage’s satisfaction with the services provided by the Department

The Department supports the Minister for Heritage in administering the *Heritage of Western Australia Act 1990* (the Act), including identifying, celebrating and promoting the conservation and sensitive development of cultural heritage places in Western Australia.

This KPI illustrates the Minister’s satisfaction with the work of the Department and includes the quality of items relating to the Act, briefing notes, Parliamentary questions, ministerials, events, speech notes, media releases etc., and the extent that outputs meet Ministerial and government objectives. The KPI is measured through an annual survey.



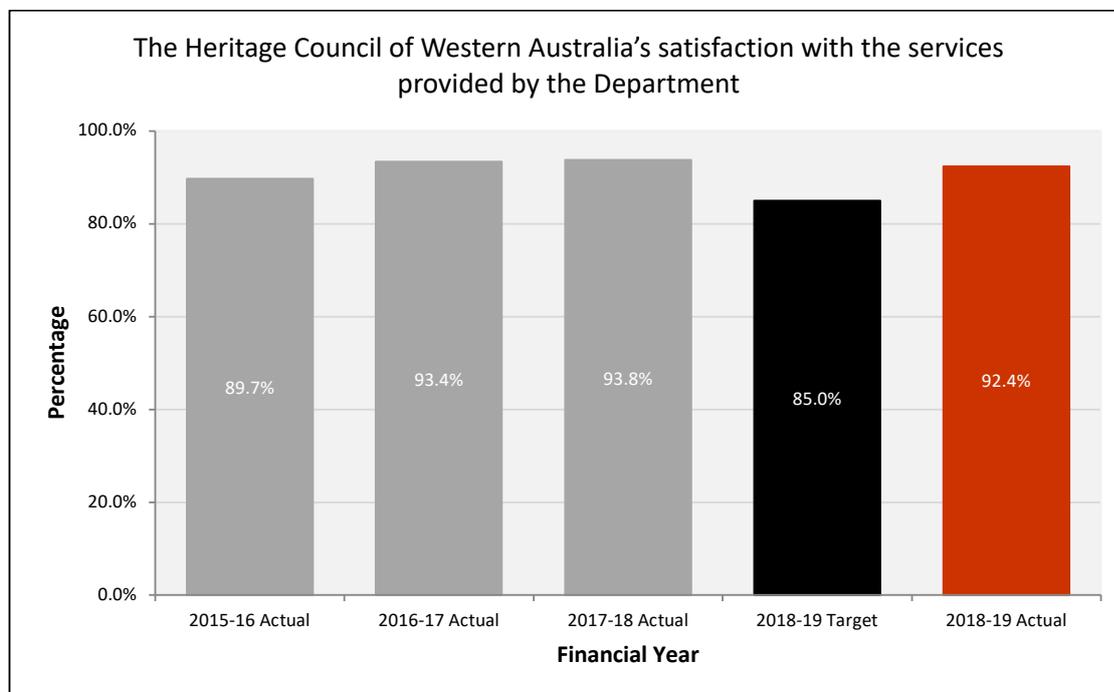
Effectiveness Indicator:

The Heritage Council of Western Australia’s satisfaction with the services provided by the Department

The Department supports the Heritage Council of Western Australia (the Heritage Council) in administering the *Heritage of Western Australia Act 1990*, including identifying, celebrating and promoting the conservation and sensitive development of cultural heritage places in Western Australia.

This KPI illustrates the Heritage Council’s satisfaction with the work of the Department and includes the quality and timeliness of agenda items relating to the Heritage Act and other relevant Heritage Council policies and standards such as the Burra Charter, as well as governance and performance reporting, the extent to which outputs meet Heritage Council goals and objectives, corporate communications and expenditure reporting. This KPI is measured by three surveys delivered to the Board and its Committees.

At the end of three committee meetings held during the year, Heritage Council and Committee members are surveyed via an online survey. Only those in attendance are required to complete the survey. Fifty-one of a possible 69 responses were received providing a confidence level of 95 per cent with a margin of error of ± 7.1 per cent.



DPLH Desired Outcome:

Cultural heritage management for community education and appreciation

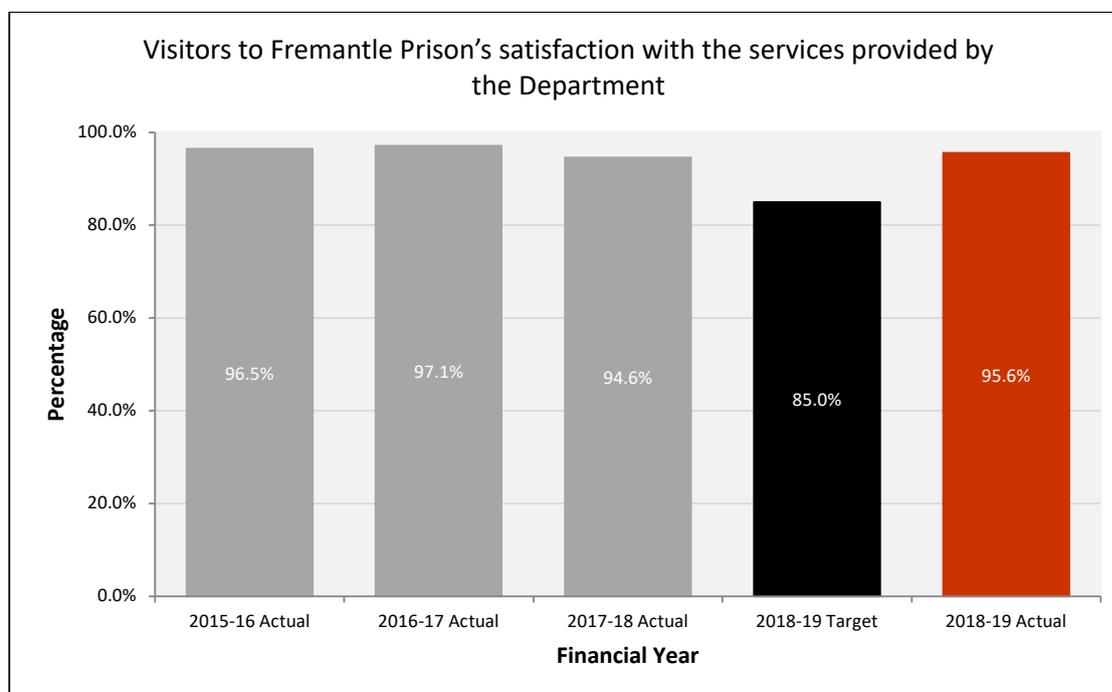
Effectiveness Indicator:

Visitors to Fremantle Prison's satisfaction 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.

In 2018-19, over 917 visitors completed surveys, from a total visitation of 195,394 visitors, resulting in a confidence level of 95 per cent with a margin of error of ± 3.2 per cent.



Explanation for significant variance

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

DPLH Desired Outcome:

Achieving the right balance between development and protection to ensure economic opportunities are leveraged to the benefit of the whole community

Effectiveness Indicator:

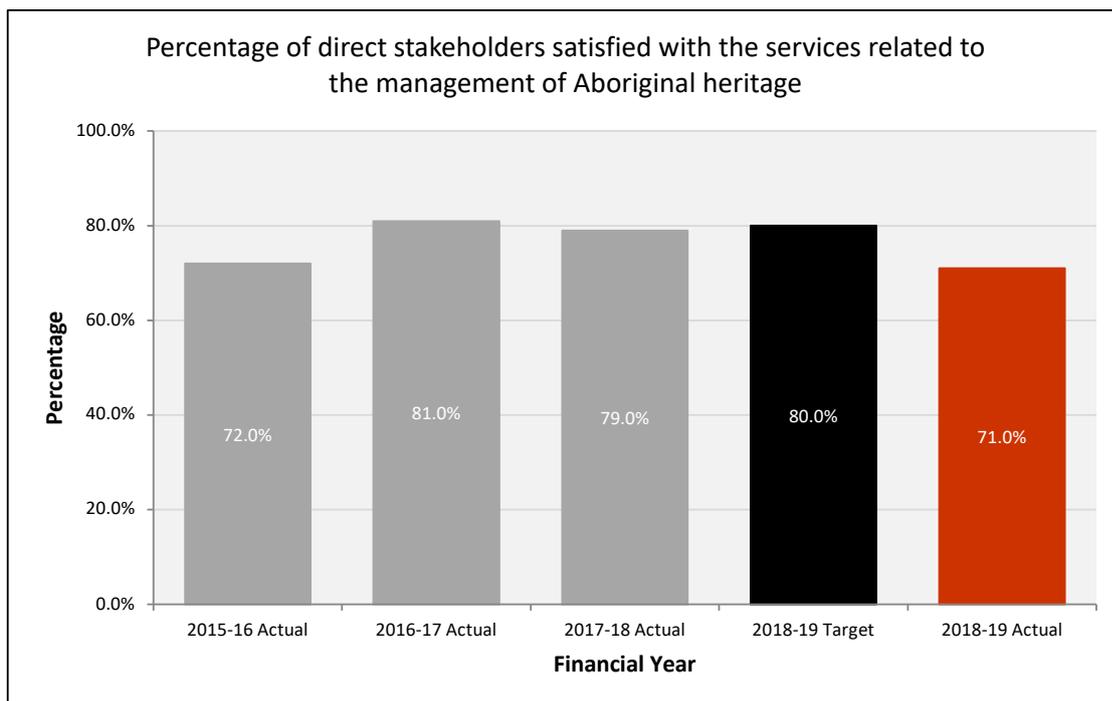
Percentage of direct stakeholders satisfied with the services related to the management of Aboriginal heritage

The Department is responsible for administering the *Aboriginal Heritage Act 1972*, which includes support for the Aboriginal Cultural Material Committee (ACMC), provision of advice on matters relating to Aboriginal heritage, processing of statutory approvals, administration of the heritage sites register, as well as research and heritage compliance activities.

This indicator provides an assessment of the level of satisfaction of direct stakeholders with these services, and is an important measure of the Department's effectiveness in achieving the right balance between:

- development, which leads to the delivery of economic benefits for Western Australians
- the protection of Aboriginal heritage, which will ensure that it is preserved for the future enjoyment of both Aboriginal people and the wider community.

A total of 74 respondents from a database of 112 stakeholders participated in the survey, yielding a 66 per cent participation rate that provides a confidence level of 95 per cent with a maximum margin of error of ± 6.7 per cent.



Explanation for significant variance

Based on comments from stakeholders, the variance between the 2018-19 target and actual result reflects their opinion that the Department should improve access to services, communication, consistency of advice, transparency and the timeliness of processes.

DPLH Desired Outcome:

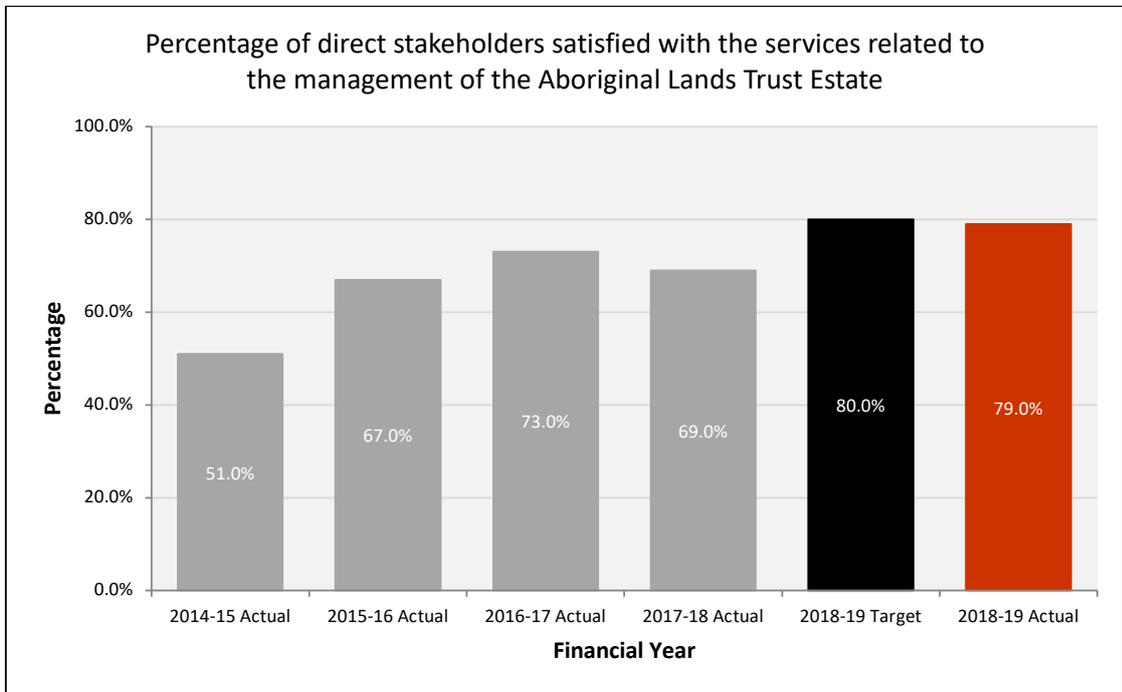
Better utilisation of the Aboriginal Lands Trust Estate to achieve shared social and economic outcomes

Effectiveness Indicator:

Percentage of direct stakeholders satisfied with the services related to the management of the Aboriginal Lands Trust Estate

The Department undertakes activities and provides services related to the management of Aboriginal Lands Trust (ALT) estate, including support for the ALT Board, provision of advice on matters relating to ALT estate, processing of land access approvals, assistance with the operational management and development of land, management of strategic initiatives in accordance with the ALT strategic plan, and facilitating the transfer of land to Aboriginal people.

This indicator provides an assessment of the level of satisfaction of direct stakeholders with these services, indicating the Department’s effectiveness in better utilising the ALT estate to achieve shared social and economic outcomes. A total of 49 respondents from a database of 76 stakeholders participated in the survey, yielding a 64 per cent participation rate that provides a confidence level of 95 per cent with a maximum margin of error of ±8.4 per cent.



Explanation for significant variance

Steady progress has been made since 2015 in improving stakeholder satisfaction. While satisfaction levels dropped slightly immediately after the amalgamation of the Department of Aboriginal Affairs land functions into the new Department of Planning, Lands and Heritage, 2018-19 saw an increase in financial resources, an improved permit system and fuller integration of these functions into the Department and an increased emphasis on stakeholder management.

DPLH Services:

Service 1 Integrated land and infrastructure policy development

Efficiency Indicator:

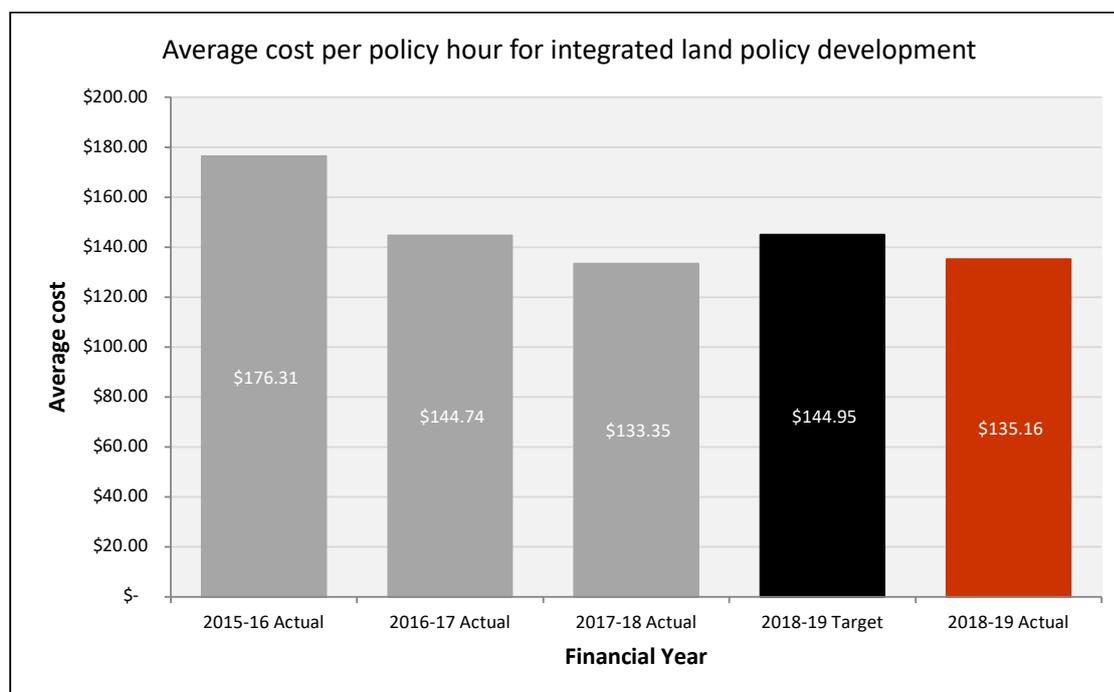
Average cost per policy hour for integrated land policy development

The Department's expenditure on "Integrated land and infrastructure policy development" 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.

The frameworks, policies and strategies, etc. are developed in consultation with numerous agencies, stakeholders and community groups. When they are applied in determining planning applications, they serve to ensure that decisions are made in the best interest of the community.

This KPI measures the average cost per hour of time spent by the Department on integrated land and infrastructure policy development.



Service 2 Land accessibility planning and policy development

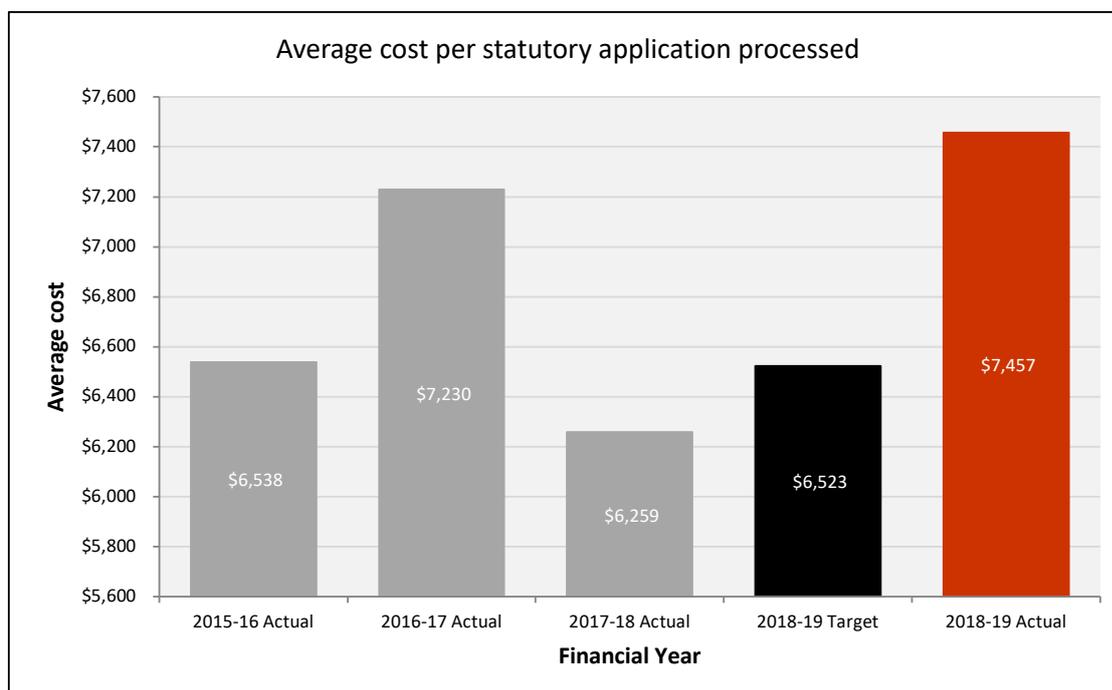
Efficiency Indicator:

Average cost per statutory application processed

Various officers within the Department determine statutory applications under delegated authority on behalf of the Western Australian Planning Commission. These include:

- Subdivision applications
- Deposited plans
- Development applications
- Local planning schemes and local planning scheme amendments.

This KPI measures the average cost of service associated with "Land accessibility planning and policy development" per statutory application processed.



Explanation for significant variance

The variance between the 2017-18 and 2018-19 actual results is due to an increase in the total cost of service and a decrease in the number of statutory applications that were processed. The total cost of service for 2018-19 was 8 per cent higher than 2017-18 due mainly to an increase in consultancy costs relating to land access planning and policy services. In addition, the Department processed a total of 5,747 statutory applications in 2018-19, which was 9 per cent less than 2017-18. The variance between the 2018-19 target and actual result was due mainly to the lower number of statutory applications processed, which was 14 per cent less than the 2018-19 target. The number of statutory applications received is related to external factors that are not within the Department's control.

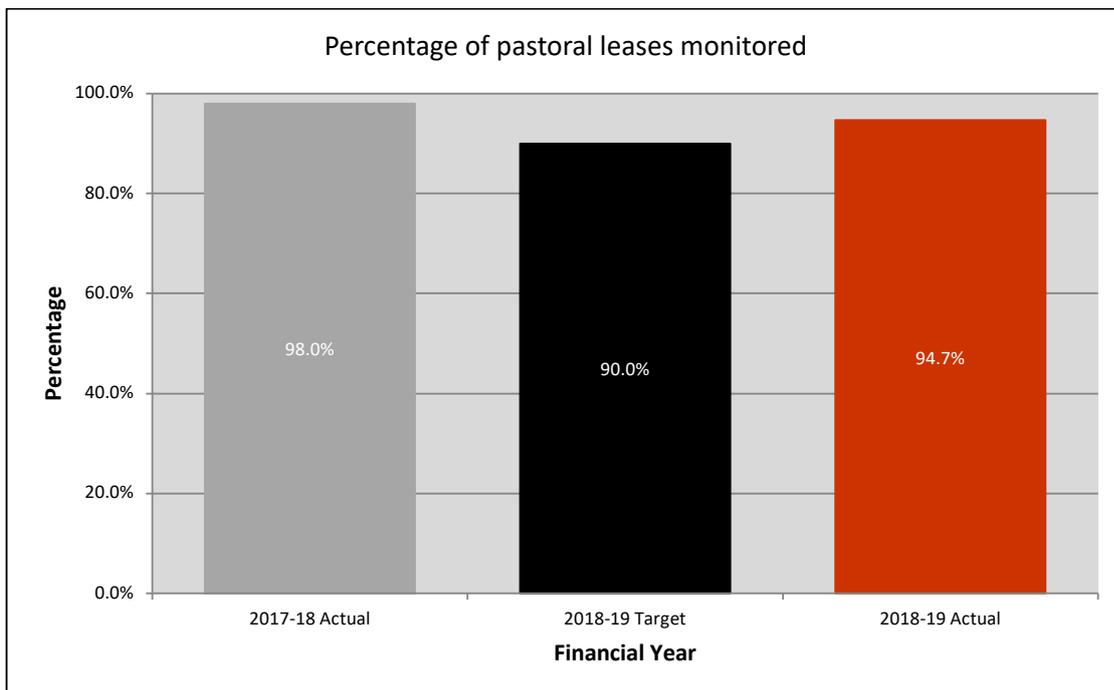
Service 3 Land asset management

Efficiency Indicator:

Percentage of pastoral leases monitored

The Minister for Lands and the Pastoral Lands Board are responsible for ensuring lessees meet their obligations and that pastoral land is managed in an economically sustainable manner. Looking after the rangeland is integral to pastoral land management and pastoral lessees are obliged to sustainably manage the rangeland in a way that promotes pastoral potential. Pastoral leases are predominantly monitored through on-site inspections and the requirement to submit annual returns.

This efficiency indicator measures the number of pastoral stations monitored against the total number of pastoral stations and provides information to stakeholders on how efficiently the Department is meeting its statutory requirements, by ensuring that the State's land asset is managed responsibly.

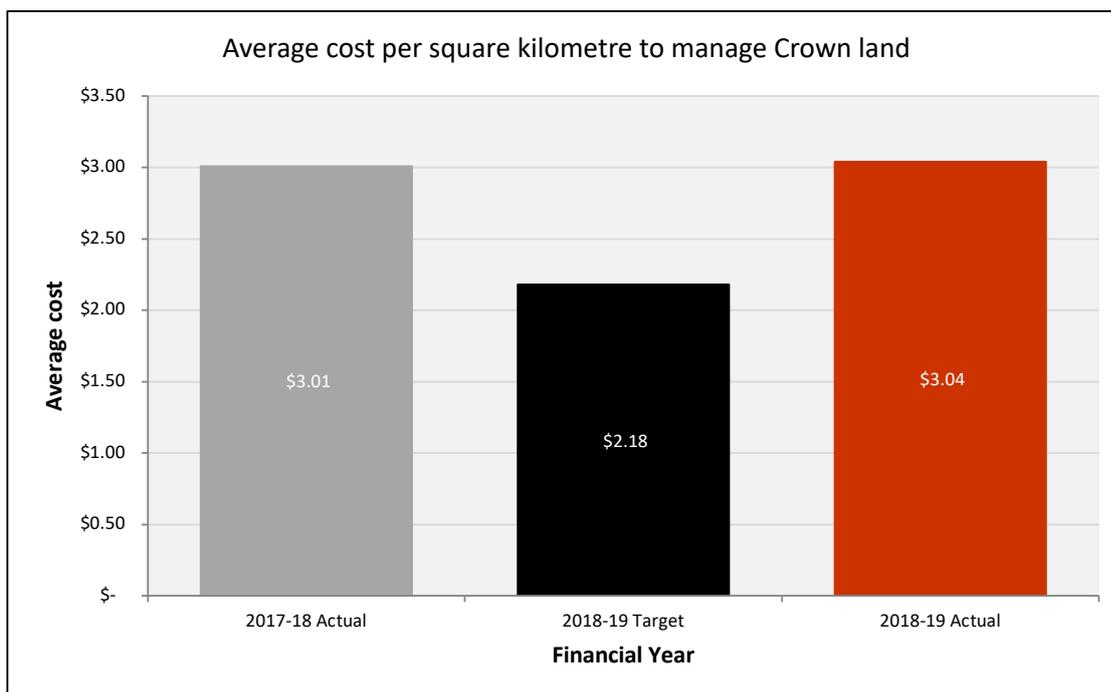


Efficiency Indicator:

Average cost per square kilometre to manage Crown land

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

This efficiency indicator measures the cost against the total area of Crown land, regardless of whether or not it is under management of a third party (lease, management order, or other) and supports the desired outcome that the State's land asset is managed responsibly. The indicator measures the cost of managing the Crown land asset, including costs from the Remote directorate, Contaminated Sites (including inspectors), rent review officer and a percentage of overhead costs against the total area of Crown land.



Explanation for significant variance

The variance between the 2018-19 target and the 2018-19 actual is due mainly to the total cost of service applied to this KPI being 39.5 per cent greater than budget. The total cost of service that is applied to this KPI is equal to the total cost of service for Land Asset Management less any expenditure on grants, subsidies and specific funding for projects.

For 2018-19, the Department budgeted to spend monies on the Northampton Lead Tailings and Wittenoom projects. However, expenditure on these projects was deferred due to other work that needs to be undertaken prior to the expenditure of funds. Consequently, because a lower amount of project specific expenditure was deducted from the total cost of service for Land Asset Management, the cost applied to this KPI was greater than budget.

Service 4 Crown Land Administration

Efficiency Indicator:

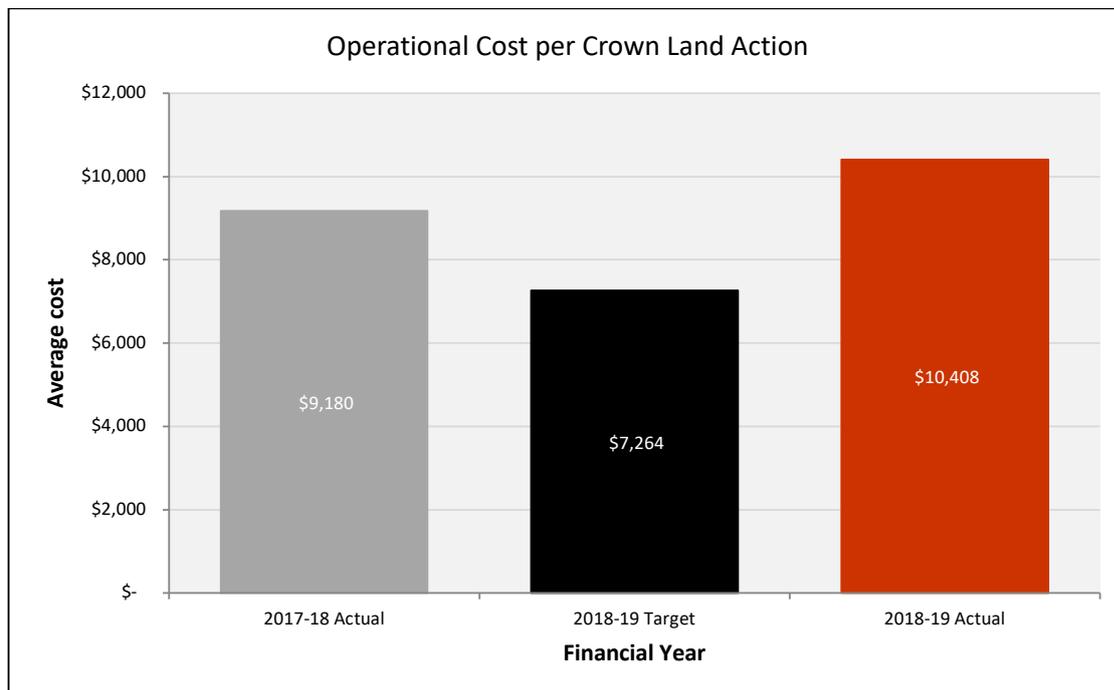
Operational Cost per Crown Land Action

A Crown land action occurs when staff:

- Create and lodge registerable documents at Landgate via the Document Processing System (DPS)
- Issue licenses and pastoral permits.

The above actions provide a security of tenure by allowing the land to be used for an approved purpose.

This efficiency indicator measures the cost associated with land administration and assembly activities (including an allocation of corporate overhead costs) against the number of documents lodged at Landgate (excluding Native Title) plus new licences and new pastoral permits.



Explanation for significant variance

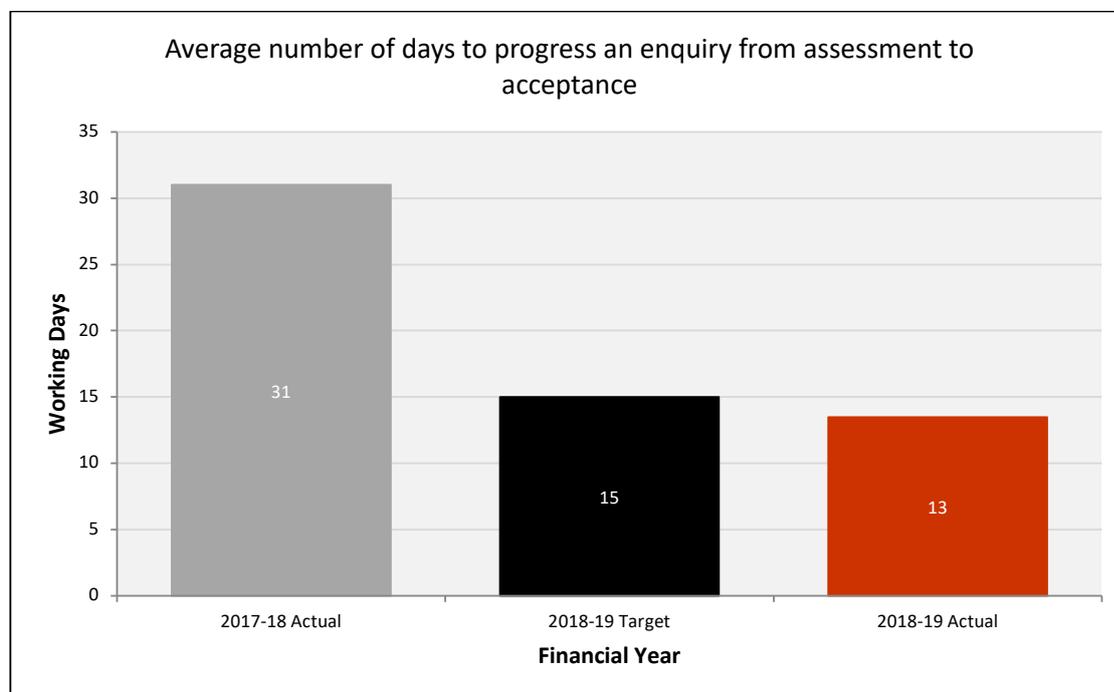
The significant variance has occurred because the total cost of service for 2018-19 was 13 percent greater than the 2018-19 target, and only 1.3 per cent lower than the 2017-18 actual. This was due mainly to an increase in corporate overhead costs allocated to this service. Due to restructuring within the Department, this was not anticipated when setting the 2018-19 target. In addition, due to a continuing decline in general market demand, the number of crown land actions in 2018-19 was 13 per cent lower than the 2017-18 actual, and 17.8 per cent lower than the 2018-19 target.

Efficiency Indicator:

Average number of days to progress an enquiry from assessment to acceptance

The Department receives applications for new proposals or projects for the granting or amendment of tenure through Crown Land Enquiry Forms (CLEF), emails or letters into the Assessment team (named the Acceptance team from the 1 July 2019). The Assessment team reviews all information provided with an application and ensures all significant fields in the CLEF are completed. As part of the review, the Assessment team determines whether the Department is best placed to deal with the enquiry, whether the application is linked directly or indirectly with other work the Department is involved with, if the land is subject to a determination, claim or agreement under the *Native Title Act 1993* and whether there is job history that may impact the proposal. An application is considered accepted when the Assessment team receives sufficient information to enable appropriate consideration, referral and negotiation to occur.

This efficiency indicator measures the average number of days that are taken from the Assessment team receiving an initial application (enquiry) and moving it to Case Management (acceptance). It is intended to provide information to internal and external stakeholders on the efficiency of the Department to evaluate these applications.



Explanation for significant variance

With improvements to the quality of information provided through other sources, such as the Department’s website, the number of enquiries received by the Assessment team in 2018-19 decreased by 27 per cent compared to 2017-18. Consequently, this has allowed for a greater focus of resources on a more timely assessment of enquiries resulting in the reduction of the average number of days.

Service 5 Native Title administration

Efficiency Indicator:

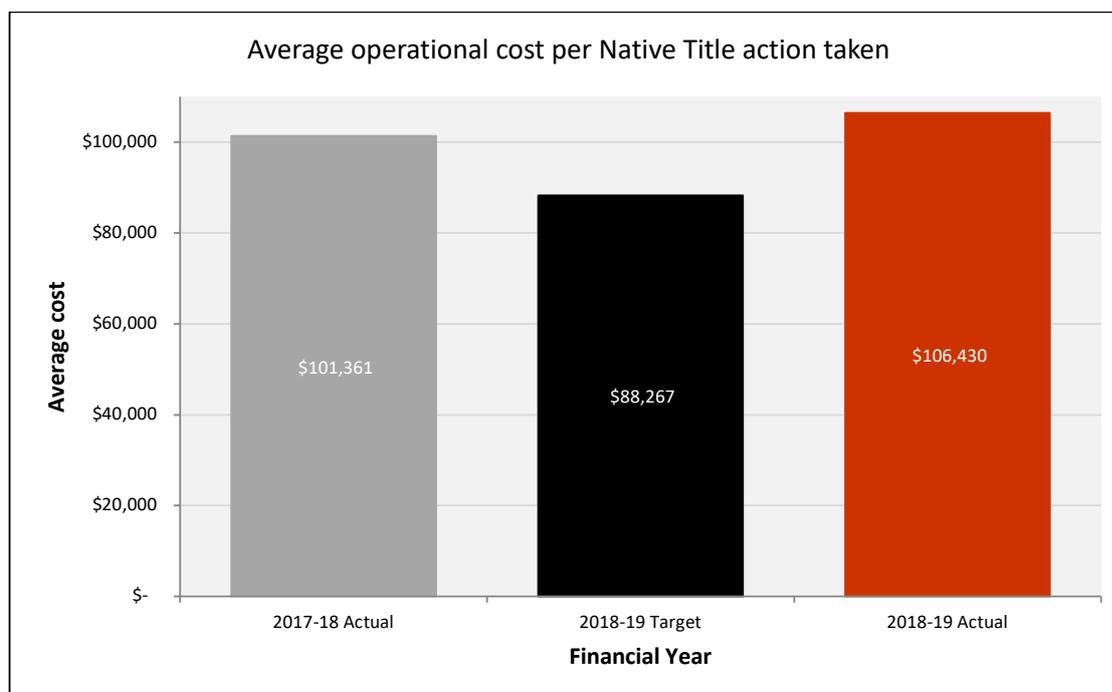
Average operational cost per Native Title action taken

The Department's Native Title Compliance team supports the work of the operational teams. The team supports the land administration and land assembly functions by ensuring statutory compliance of Notices of Intention to Take and Taking Orders, registering these notices at Landgate, advertising and notifying interest holders.

Native title actions undertaken by the Department include the following:

- Notice of Intention to Take
- Increased period of currency of Notice of Intention to Take
- Notice of Intention to Take cancellation
- Taking Order
- Order authorising taking for the purpose of conferring interests under written law
- Revocation of order authorising taking for the purpose of conferring interests under written law
- Designation cancellation.

This efficiency indicator highlights the importance of Native Title management, practice and outcomes to the business of land administration and management.



Explanation for significant variance

Since 2017-18, the total cost of service relating to Native Title administration has increased by 18.1 percent due to a reduction on the amount of grants and subsidies provided in 2018-19. In addition, the number of Native Title actions taken has increased by 12.5 percent. In 2018-19, 81 Native Title actions were taken compared to 72 in 2017-18. The variance between the 2018-19 target and the 2018-19 actual is due mainly to the number of Native Title actions taken being 10 per cent less than the estimated target of 90.

Service 6 Preparation for Sale of State-owned Land Assets

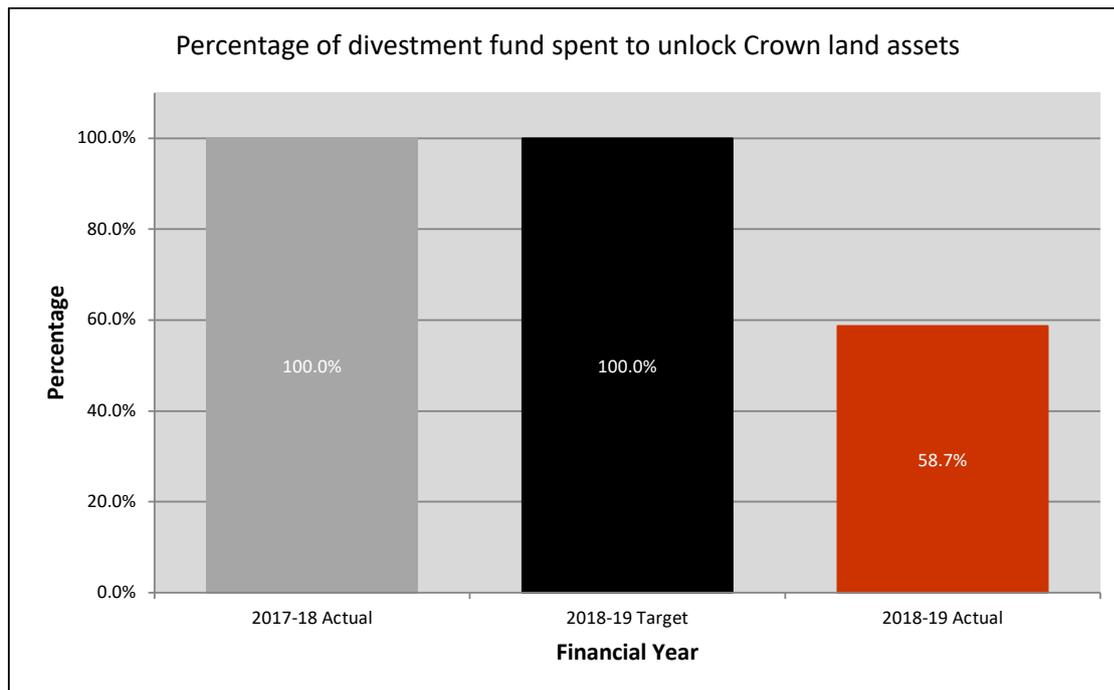
Efficiency Indicator:

Percentage of divestment fund spent to unlock Crown land assets

This key efficiency indicator reports on the percentage of the Divestment Fund spent to unlock land assets. The government's property register revealed that many high value assets no longer required for government purposes were also highly constrained by a number of factors such as tenure, contamination, heritage, zoning, native title, mining tenements, as well as requirements for surveys, valuations, demolition and community consultation and engagement.

To de-constrain high value assets in a way that captures value uplift requires upfront investment. The value uplift may provide a higher return on investment for the community that is then redirected back to the consolidated account to assist in the State government's fiscal repair task. Predominantly, there is no increase to the value of the land as a result of de-constraining; it only enables the land to be more marketable.

A divestment fund has been established under Divisions 3 and 4 of the *Financial Management Act 2006* to assist the State to make ready land and assets identified for sale in order to maximise sale proceeds. The Department was allocated \$8.3 million in 2015-16, \$8.3 million in 2016-17, \$318,000 in 2017-18 and \$326,000 in 2018-19 to fund de-constraining activity on realisable State Government Stage 1 property sales. This was increased so that the Fund now receives \$8 million in 2017-18 and 2018-19, however, as part of the 2018-19 mid-year review, the Economic Review Committee reduced the fund to \$6.3 million for 2018-19.



Explanation for significant variance

Divestment Fund expenditure for 2018-19 was originally forecast at \$6.3 million of the \$8 million allocation, with actuals totalling \$4.69 million. The variation between forecast expenditure and actuals accrued are accounted for through key projects utilising the Divestment Fund not achieving their forecast expenditure, such as de-constraining of West Ellenbrook under the METRONET land sales program and holding costs allocation for Princess Margaret Hospital. A portion of the variance can also be accounted for by projects such as Miller Street being delayed due to unforeseen circumstances, and the Cottesloe Deaf School settlement likely being delayed to 2019-20.

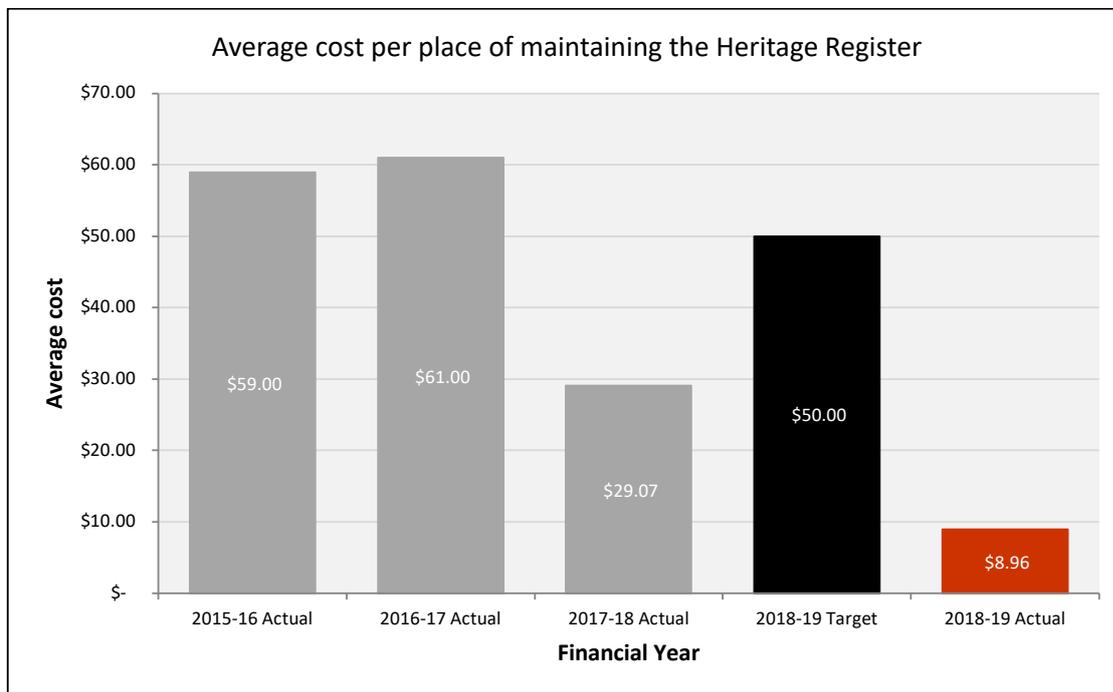
Service 7 Cultural Heritage Conservation Services on Behalf of and Under the Direction of the Heritage Council of Western Australia

Efficiency Indicator:

Average cost per place of maintaining the Heritage Register

The Department assists the Heritage Council of Western Australia in managing the State Register of Heritage Places, which is a statutory register established by the *Heritage of Western Australia Act 1990* to ensure that places are recognised for their value and importance to the State, and to promote their conservation into the future.

This efficiency indicator describes the unit cost of maintaining the Register, excluding the costs associated with assessing and adding new entries to the Register. Among other things, the work involved in maintaining the Register includes servicing public enquiries, dealing with land-description amendments and other land-dealing issues, and publishing the Register electronically.



Explanation for significance variance

The variance between the 2017-18 and 2018-19 actual results was due mainly to a significant reduction in the proportion of time allocated to maintaining the Heritage Register, which was due to restructuring within the Department. This resulted in a proportional reduction in the amount of employee, direct and overhead costs being allocated to this service.

The variance between the 2018-19 target and actual result was also due to the significant reduction in the proportion of time allocated to maintaining the Heritage Register, which was due to restructuring within the Department. This was not anticipated when setting the 2018-19 target.

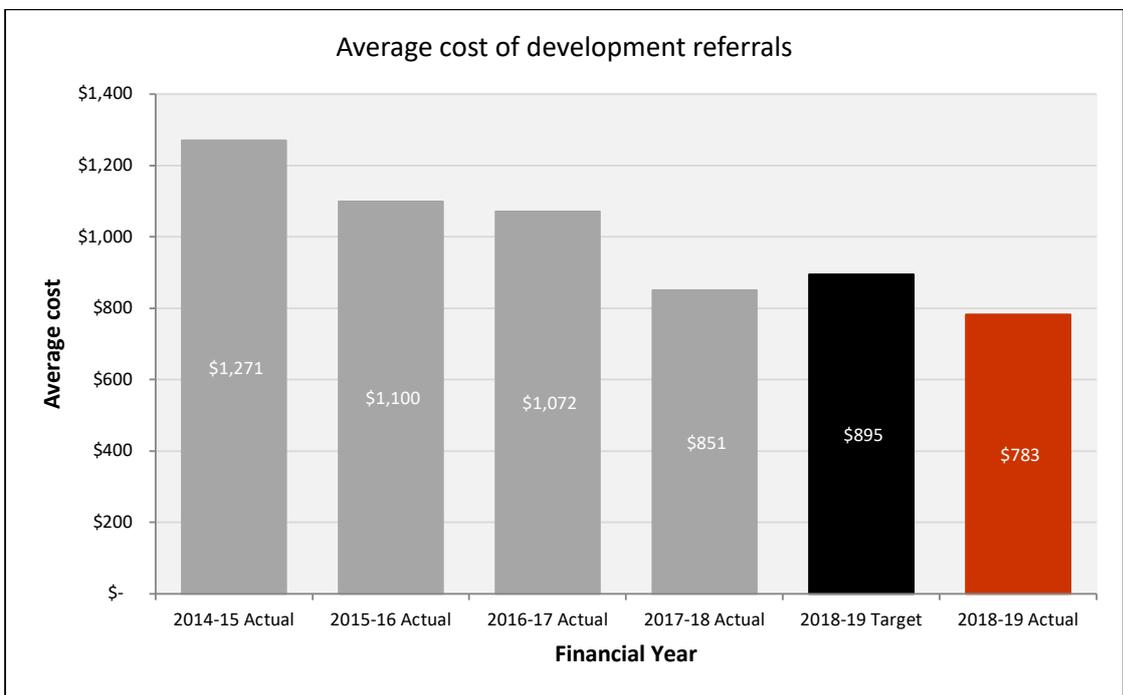
Efficiency Indicator:

Average cost of development referrals

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 of Western Australia (the Heritage Council) for advice, usually by the responsible local government. The Department, through a delegation from the Heritage Council, deals with the majority of development referrals. This allows the Heritage Council to concentrate on major and sensitive developments.

Development referrals are managed within strategic, legislative and policy frameworks that ensure the cultural heritage significance of the place is respected.

This efficiency indicator describes the unit cost of development referrals; it does not include the cost of providing conservation advice not directly connected with referrals (e.g. giving advice about paint schemes or choice of conservation products, unrelated to specific referrals).



Explanation for significance variance

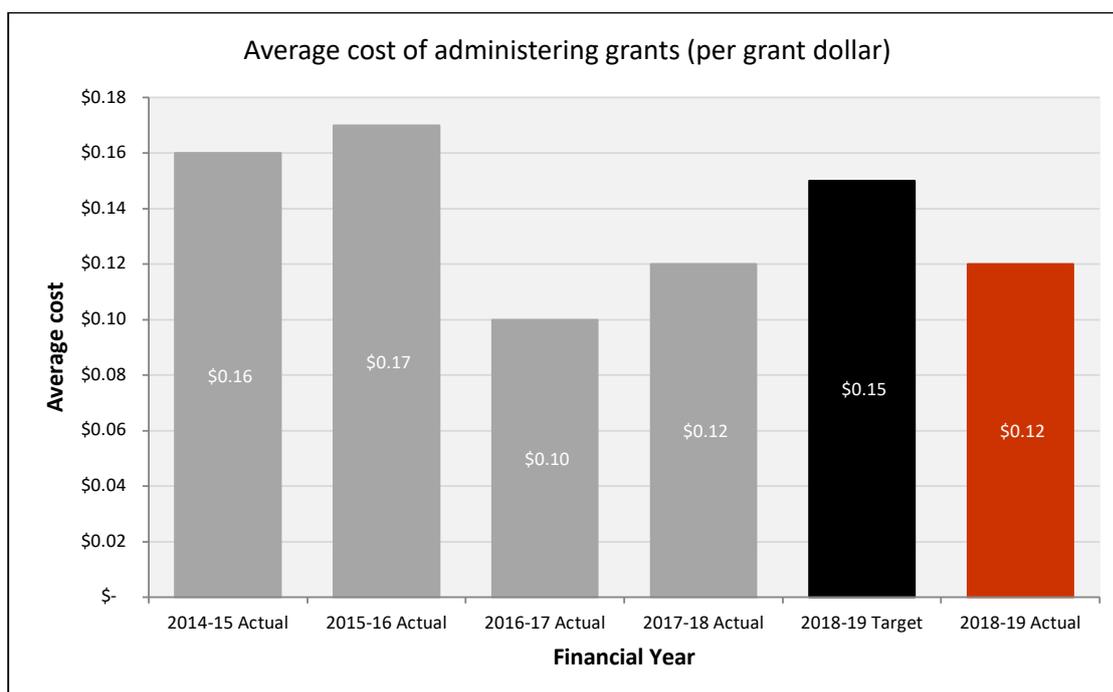
The variance between the target and the actual result was due primarily to a significant reduction in corporate overhead costs offset by a moderate increase in employee costs allocated to this service. Due to restructuring within the Department, this was not taken into account when setting the 2018-19 target.

Efficiency Indicator:

Average cost of administering grants (per grant dollar)

The Department supports the Heritage Council of Western Australia in delivering the Heritage Grants Program that assists owners of State Registered Heritage Places by offering grants of up to \$100,000 on a dollar-for-dollar basis for essential conservation works and the preparation of conservation management plans or strategies.

This efficiency indicator calculates the average cost of administering grants by dividing the total cost of administering currently funded grants programs by the total of new grants committed within the financial year in question. The indicator encompasses projects defined as controlled grants and subsidies in the State Budget. This does not include previous commitments that have received variations in the current year.



Explanation for significance variance

The variance between the target and the actual result was due primarily to a significant reduction in corporate overhead costs offset by a moderate increase in employee costs allocated to this service. Due to restructuring within the Department, this was not taken into account when setting the 2018-19 target.

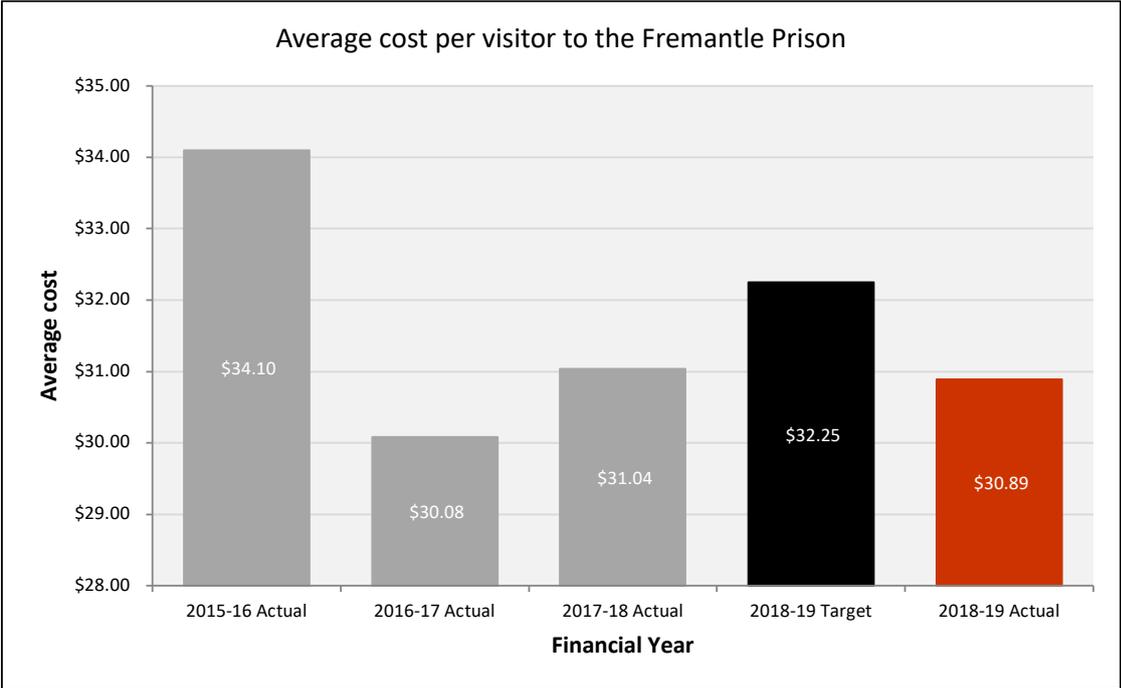
Service 8 Community Engagement in Cultural Heritage

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.



Service 9 Heritage Management

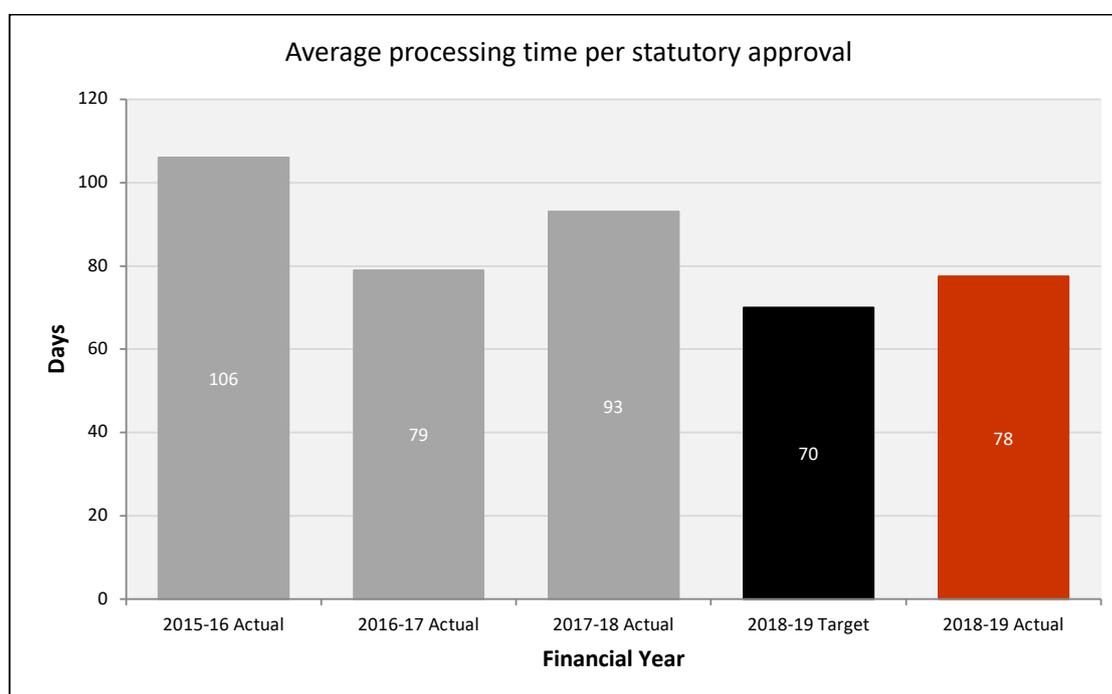
Efficiency Indicator:

Average processing time per statutory approval

The Department is responsible for administering the *Aboriginal Heritage Act 1972* (AHA) including processing statutory approvals. Statutory approvals for the purpose of this measure are s. 18 Notices under the AHA that are used to seek the Minister for Aboriginal Affairs' consent to impact a Site.

Improving the approvals performance is a high priority of the government, 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 efficiency in delivery of Aboriginal heritage services.

The current target for this measure is 70 days. Under the AHA the Minister for Aboriginal Affairs is the only person authorised to issue consent under s. 18.



Explanation for significant variance

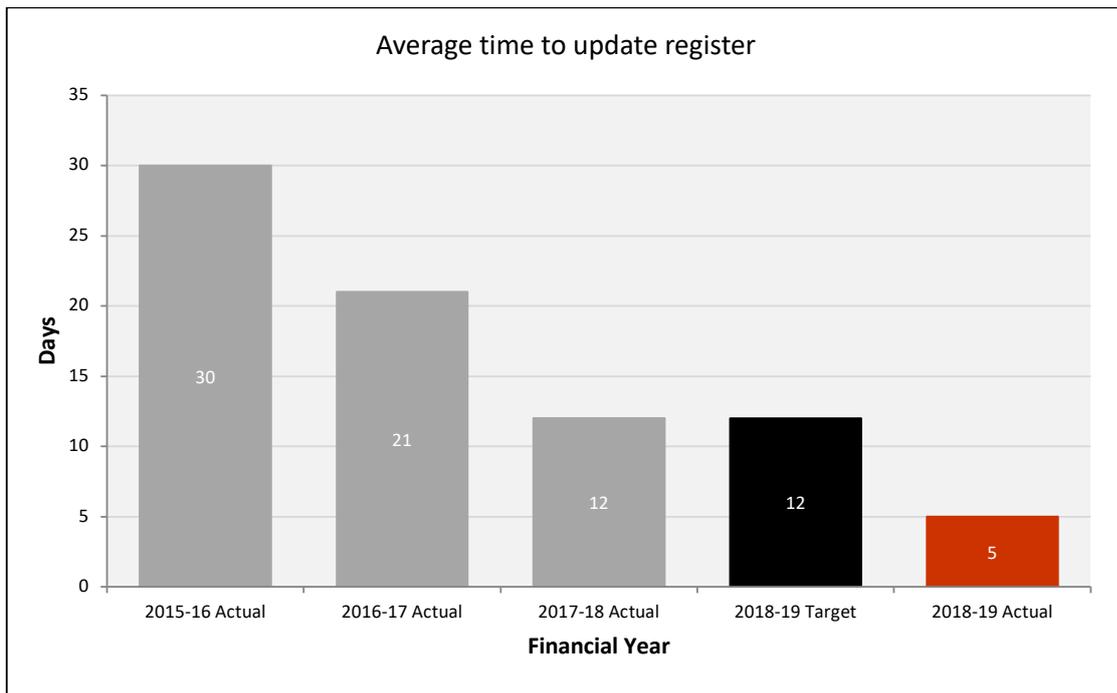
The variance between the target and actual figures is due mainly to the impact of the procedural fairness process. All notices under s. 18 of the *Aboriginal Heritage Act 1972* (AHA) require a procedural fairness process, which includes writing to known interest holders to seek comments on the proposal and any place assessments associated with the notice. The time taken to complete procedural fairness varies for each notice, and can often impact on the total processing time. In some cases, additional information is obtained that requires further consultation or consideration by the Department or the Aboriginal Cultural Material Committee. The Minister for Aboriginal Affairs may have to consider a range of complex issues when deciding whether or not to provide consent under s. 18 of the AHA.

Efficiency Indicator:

Average time to update register

The Department is responsible for maintaining the Register of Places and Objects (the Register). Places must be updated to reflect site assessments made by the Aboriginal Cultural Material Committee (ACMC). The Department aims to ensure that the Register is a comprehensive collection of places that are recognised for their cultural heritage significance.

This KPI measures the average time taken on activities relating to the administration and update of the Register, and subsequently the Department's ability to manage and protect Aboriginal heritage. By benchmarking and reporting the average time taken to reflect the identification of sites relating to Aboriginal heritage, improvements can be made with regard to the timeliness of updating the status of sites on the register.



Explanation for significant variance

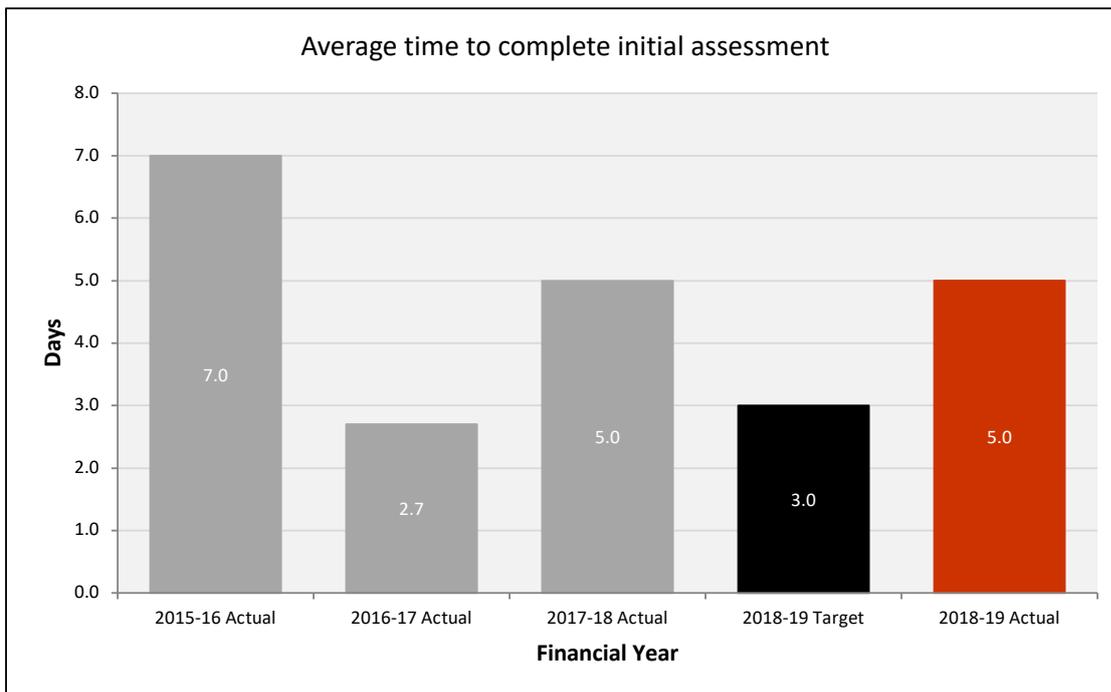
The significant variance between the target and the 2017-18 result, and 2018-19 result was due to improvements in processes and a greater focus on improving the timeliness of updating the Register of Places and Objects.

Efficiency Indicator:

Average time to complete initial assessment

The Department is responsible for administering various pieces of legislation and associated regulations to deliver a range of services to the State. Complaints can be lodged with the Department if it is suspected that there has been a breach of the administered legislation, and the Department conducts an initial assessment of these complaints to determine if they need to be further investigated.

This key efficiency indicator measures the average time taken by the Department to evaluate if the complaints should be investigated further. Benchmarking and reporting the average time taken to determine if a complaint needs to be investigated enables the Department to improve compliance with the administered legislation.



Explanation for significant variance

In 2018-19, the Department completed a total of 71 complaints (compared to 52 in 2017-18). Sixty-two of these complaints were assessed within an average of 3 days. The remaining 9 complaints took an average of 23 days to assess, causing the overall result to be significantly higher than the target. The reason for these delays included an increase in the overall workload, Departmental staff being unable to contact the complainant for further information, the time taken by the complainant to provide additional information, and the availability of Departmental staff.

Service 10 Land Management

Efficiency Indicator:

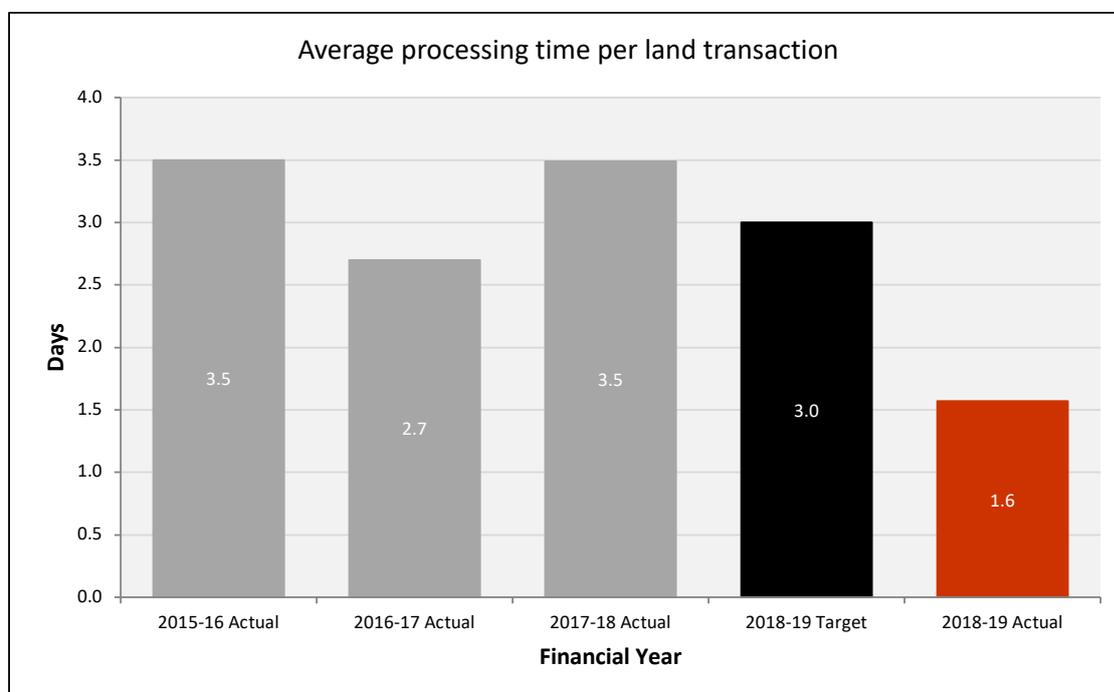
Average processing time per land transaction

The Department undertakes activities and provides services related to the management of Aboriginal Lands Trust (ALT) estate, including processing of land access approvals and facilitating the transfer of land to Aboriginal people.

This indicator measures the Department's efficiency in relation to the management of the ALT estate by benchmarking and reporting of the average time taken to achieve land transactions relating to land management. This indicator will help to identify improvements and achievements in terms of the following outcomes sought:

- timely divestment of land to Aboriginal people
- effective management of estate land and associated assets
- better integration with development processes.

Measurement of this indicator includes Department processing times only.



Explanation for significant variance

For 2018-19, land transactions included transit permits, mining entry permits, consideration of lease proposals and land transfers. With the efficiency of the new AAPA lands transit permit system, launched in mid-2018, the actual result in 2018-19 was significantly better than the target and prior year's result. This was due mainly to 5,925 land transit permits being processed at an average of 1.28 days per permit, which accounted for 99.2 per cent of all land transactions.

APPENDIX 1 – Legislation

Enabling legislation

Heritage of Western Australia 1990

Public Sector Management Act 1994

Planning and Development Act 2005

Administered legislation

<i>Aboriginal Affairs Planning Authority Act 1972</i>	Minister for Aboriginal Affairs
<i>Aboriginal Communities Act 1979</i>	Minister for Aboriginal Affairs
<i>Aboriginal Heritage (Marandoo) Act 1992</i>	Minister for Aboriginal Affairs
<i>Aboriginal Heritage Act 1972</i>	Minister for Aboriginal Affairs
<i>Anglican Church of Australia Diocesan Trustees and Lands Act 1918</i>	Minister for Lands
<i>Anglican Church of Australia Lands Vesting Act 1892</i>	Minister for Lands
<i>Anglican Church of Australia School Lands Act 1896</i>	Minister for Lands
<i>Browse (Land) Agreement Act 2012</i>	Minister for Lands
<i>Cambridge Endowment Lands Act 1920</i>	Minister for Lands
<i>Canning Lands Revestment Act 1954</i>	Minister for Lands
<i>Chevron-Hilton Hotel Agreement Act 1960</i>	Minister for Lands
<i>City of Perth (Lathlain Park Reserves) Act 1950</i>	Minister for Lands
<i>City of Perth (Leederville Park Lands) Act 1950</i>	Minister for Lands
<i>East Carey Park Land Vesting Act 1957</i>	Minister for Lands
<i>Fremantle City Council Lands Act 1929</i>	Minister for Lands
<i>Fremantle Endowment Lands Act 1929</i>	Minister for Lands
<i>Fremantle Reserves Surrender Act 1912</i>	Minister for Lands
<i>Geraldton Agricultural and Horticultural Society's Land Act 1914</i>	Minister for Lands
<i>Geraldton Sailors and Soldiers' Memorial Institute Lands Vesting Act 1933</i>	Minister for Lands
<i>Heritage Act 2018</i>	Minister for Lands
<i>Jennacubbine Sports Council (Incorporated) Act 1965</i>	Minister for Lands
<i>Land Administration (South West Native Title Settlement) Act 2016</i>	Minister for Lands
<i>Land Administration Act 1997</i>	Minister for Lands

<i>Land Administration Amendment Act 2000</i>	Minister for Lands
<i>Parks and Reserves Act 1895</i>	Minister for Lands
<i>Perth Town Hall Act 1950</i>	Minister for Lands
<i>Perth Town Hall Agreement Act 1953</i>	Minister for Lands
<i>Reserves Acts (various)</i>	Minister for Lands
<i>Roman Catholic New Norcia Church Property Act 1929</i>	Minister for Lands
<i>Town of Claremont (Exchange of Land) Act 1964</i>	Minister for Lands
<i>War Service Land Settlement Scheme Act 1954</i>	Minister for Lands
<i>Forrest Place and City Station Development Act 1985</i>	Minister for Planning
<i>Hope Valley-Wattleup Redevelopment Act 2000</i>	Minister for Planning
<i>Machinery of Government (Planning and Infrastructure) Amendment Act 2002</i>	Minister for Planning
<i>Metropolitan Region Improvement Tax Act 1959</i>	Minister for Planning
<i>Metropolitan Region Scheme (Fremantle) Act 1994</i>	Minister for Planning
<i>Perry Lakes Redevelopment Act 2005</i>	Minister for Planning
<i>Planning and Development (Consequential and Transitional Provisions) Act 2005</i>	Minister for Planning
<i>Planning and Development Act 2005</i>	Minister for Planning
<i>Port Kennedy Development Act 2017</i>	Minister for Planning
<i>Road Closure Acts (various)</i>	Minister for Planning
<i>Swan Valley Planning Act 1995</i>	Minister for Planning
<i>Heritage of Western Australia Act 1990</i>	Minister for Planning