



Government of **Western Australia**  
Department of **Treasury**

## ANNUAL REPORT 2020-21

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Treasury WA is at the centre of Government decision-making. As the principal economic and financial policy advisor we influence outcomes for the benefit of Western Australia.



# ACKNOWLEDGEMENT OF COUNTRY

The Department of Treasury acknowledges the traditional custodians throughout Western Australia and their continuing connection to the land, waters and community. We pay our respects to all members of Aboriginal communities and their cultures; and to Elders both past and present.

## TREASURY'S VISION, MISSION AND VALUES



### Vision

To be highly valued and trusted as the State's pre-eminent economic and financial policy advisor.



### Mission

Supporting the Government of the day through the provision of expert financial management and economic policy advice that promotes the public interest.



### Values

- Solutions focused
- Committed people
- Working collaboratively
- Making a difference



# STATEMENT OF COMPLIANCE

For year ended 30 June 2021

**HON. Mark McGowan MLA**

**PREMIER; TREASURER; MINISTER FOR PUBLIC SECTOR  
MANAGEMENT; FEDERAL-STATE RELATIONS**

In accordance with section 63 of the *Financial Management Act 2006*, I hereby submit for your information and presentation to Parliament the Annual Report of the Department of Treasury for the reporting period ended 30 June 2021.

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



**Michael Barnes PSM**

UNDER TREASURER  
Department of Treasury  
24 September 2021

## ABOUT OUR REPORT

The aim of our Annual Report is to provide information on the Department of Treasury's performance, to meet legislative requirements through our disclosures, and to present audited financial statements and key performance indicators for the financial year 2020-21.

Our Annual Report has been prepared in accordance with the Public Sector Commission's guidelines using a streamlined approach adopted last year to reduce the reporting compliance burden on agencies during the pandemic. The Financial Administration Bookcase, Treasurer's Instruction 104C: Annual Reporting 2020-21 Exemption, provides temporary exemption from specific components of Treasurer's Instruction 903: Agency Annual Reports to allow accountable authorities to focus on key elements required to be reported in annual reports under sections 61 and 62 of the *Financial Management Act 2006*.

Further information about the Department of Treasury can be accessed via our [website](#).

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# OVERVIEW

## UNDER TREASURER'S REVIEW



Michael Barnes PSM, Under Treasurer

2020-21 was an incredibly busy and challenging year for Treasury, but I am immensely proud of the way we:

- constantly adapted to changing circumstances and priorities;
- provided clear, pragmatic and solutions-focused advice to the Government; and
- provided sector-wide leadership on a wide range of economic and financial issues.

During the year, Treasury played a central role in:

- finalising the development of, and assisting in the implementation and reporting of, the WA Recovery Plan, which outlines the Government's response to the COVID-19 pandemic in supporting our community, restoring the economy and industry, and building new infrastructure;
- the development and delivery of the 2020-21 State Budget, which was handed down by the then Treasurer in October 2020, closely followed by the 2020-21 Mid-year Review in December 2020;

- the production and public release of the Pre-election Financial Projections Statement (PFPS) in February 2021;
- the preparation and public release of election commitment costings throughout the election period;
- the preparation of advice for the incoming Government on a range of priority issues following the March 2021 election;
- the development and passage through Parliament of urgent legislation to increase the Treasurer's Advance limit for the 2020-21 financial year to authorise additional spending related to the Government's COVID-19 response, and to accommodate the later (September 2021) delivery of the 2021-22 Budget through revised supply arrangements;
- the development of financial assistance schemes for small and medium businesses impacted by the three short lockdowns in the second half of 2020-21, as well as advice on the economic impacts of these lockdowns; and
- the commencement of the 2021-22 Budget process, with the Expenditure Review Committee commencing its Budget deliberation meetings in May 2021.

The production of the PFPS, which was required to be released within ten days of the dissolution of the Legislative Assembly on 29 January 2021, was a tremendous example of how Treasury adapted and responded to rapidly changing circumstances throughout the year. A five-day lockdown commenced on 31 January 2021, with all Treasury staff required to work from home during this period. This meant that the PFPS had to be produced and finalised remotely, to enable its release by the statutory deadline of 8 February 2021. To produce such a high quality and high-profile report within this very tight deadline in these circumstances is a testament to the dedication, commitment and professionalism of all Treasury staff.

Matching the resilience and adaptability of Treasury staff during 2020-21 has been the Western Australian economy and the State's finances.

Following the largest ever contraction in the State's domestic economy (as measured by State Final Demand) in the June quarter 2020, Western Australia's economic recovery from COVID-19 has been significantly quicker and stronger than expected. In this regard, State Final Demand grew by 4.3% over 2020-21, significantly stronger than the 2020-21 Budget forecast of 0.5% growth, and the strongest of all States.

This, in turn, has driven strong demand for labour, with employment reaching a record 1.41 million people and the unemployment rate falling to 4.6% in July 2021, after peaking at 8.5% in June 2020.

Unprecedented levels of fiscal stimulus from both the Commonwealth and State Governments, as well as monetary stimulus from the Reserve Bank of Australia, have clearly played a critical role in our remarkable economic recovery. But so too has the ability to quickly suppress any outbreaks of community transmission of COVID-19 in Western Australia, and to keep the State's major industries operating throughout the pandemic.

This has clearly benefited the State's finances, with a record general government operating surplus of \$5.8 billion for 2020-21 and a reduction in total public sector net debt for the second year in a row (\$33.5 billion at 30 June 2021). Western Australia is the only State to have produced an operating surplus in 2020-21, and is the only State forecasting ongoing surpluses across the entire forward estimates period. Combined with a relatively flat net debt trajectory, this is expected to support Western Australia's very high credit rating assessments (AA+ with a stable outlook and Aa1 with a stable outlook from S&P Global and Moody's respectively, just one 'notch' below their triple-A assessments).

While obviously just one of many factors, Treasury's advice has played a key role in assisting the Government achieve these outcomes. All Treasury staff can feel very proud of this. More than ever before, 2020-21 was a year where we lived and breathed our values of:

- solutions focused;
- committed people;
- working collaboratively; and
- making a difference.

No doubt, this coming year will continue to be challenging, with a highly uncertain and dynamic national and global environment meaning that the short to medium-term outlook remains subject to heightened risks. Treasury will continue to be extremely cognisant of these risks in our analysis and advice. But clearly, the Western Australian economy and the State's finances are in a position of strength, enabling us to navigate the uncertainty and challenges ahead with greater confidence than almost anywhere else in the world.

Finally, I would like to acknowledge and thank my incredible Executive team of Michael Court, Alistair Jones, Richard Watson and Mike Andrews, whose commitment, dedication and work ethic are second to none.

# TREASURY'S PROFILE

## Our Minister

The Hon Mark McGowan MLA, Premier; Treasurer; Minister for Public Sector Management; Federal-State Relations is our responsible Minister. We provide our Minister with expert financial management and economic policy advice.

## Enabling and Administered Legislation

Treasury is established under the *Public Sector Management Act 1994*. Treasury also assists the Treasurer in administering various Acts (full list in [Appendix 1](#)).

## Our Workforce Strategy

Our Workforce Strategy recognises it is our people who drive our organisation. Treasury provides a supportive and continuous learning environment, forming a key part of our Strategy, that guides how we acquire, retain, develop, motivate and deploy talent to ensure we can achieve our mission, vision and strategic goals. You can find out more about our [2020-21 Workforce Strategy](#) by visiting our [website](#).

Our [2020-21 Workforce and Diversity Plan](#) further defines our Workforce Strategy outlining the actions, practices and initiatives to recognise and celebrate the unique knowledge, skills and perspectives which our people bring to the organisation. This plan is our commitment to building organisational capability and diversity of our staff, to ensure we have an inclusive and supportive workforce that can thrive in a rapidly changing environment. This enables the Treasury team to deliver high quality outcomes for the Western Australian community.

## Our New Strategic Plan

The [2021-24 Strategic Plan](#) was informed by feedback from staff, environmental scans, the current economic and fiscal environment, and Government's priorities. The Strategic Plan informs our operational plans which form the basis on which team work plans and individual development and performance agreements are developed. You can find out more about our new [Strategic Plan](#) by visiting our website.

## Our Strategic Goals



Goal 1: Promoting fiscal sustainability and value for money outcomes



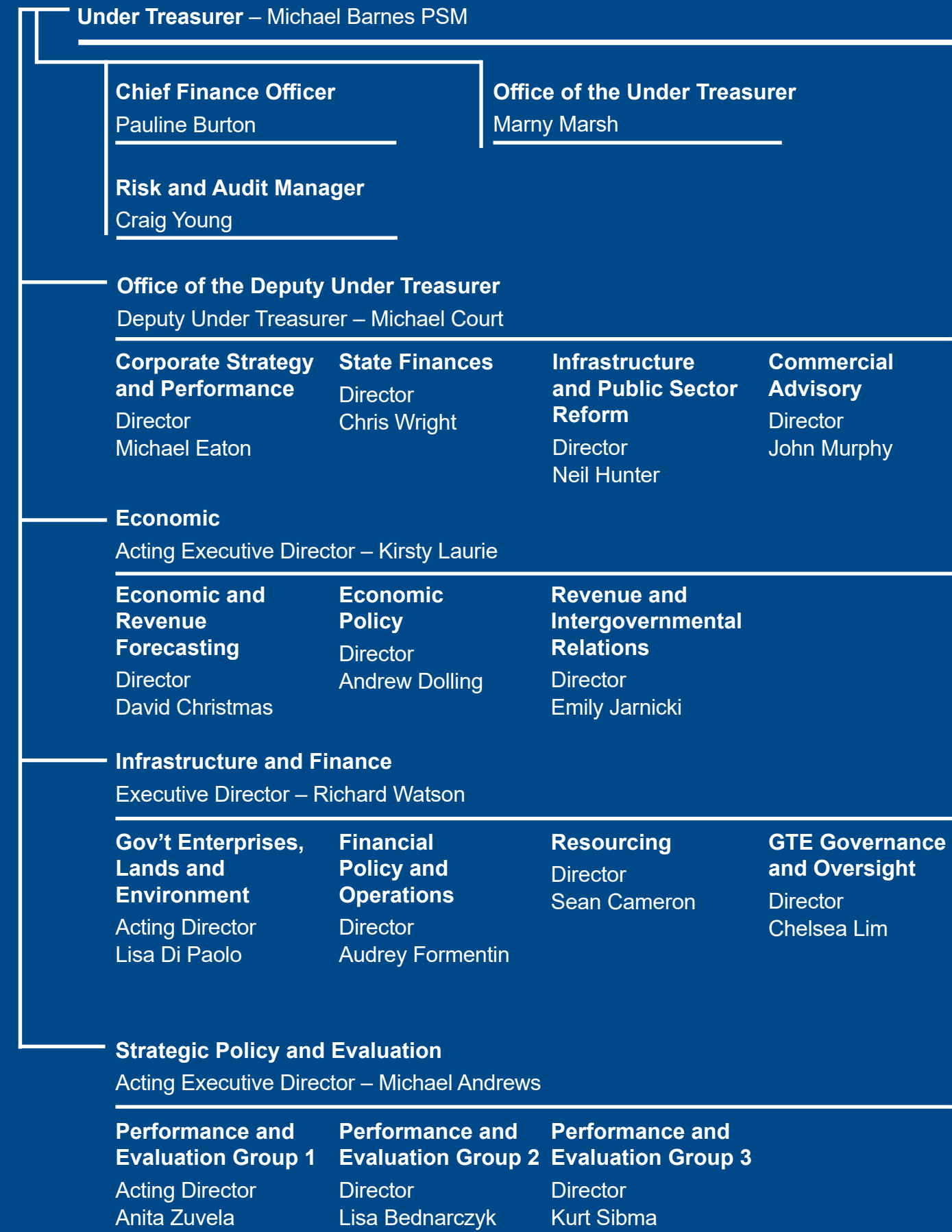
Goal 2: Promoting a strong, competitive and diversified economy



Goal 3: Enhancing organisational capability and agility

# Department of Treasury – Organisational Structure

As at 30 June 2021





A large, smooth rock formation with distinct, wavy, horizontal layers of varying shades of brown, tan, and gold. The rock surface is highly textured and appears to have been shaped by water erosion. To the right of the rock, there are several trees with green and yellow foliage, casting shadows on the rock face.

# AGENCY PERFORMANCE

Image: Wave Rock, Hyden



# REPORT ON OPERATIONS

## Actual Results versus Budget Targets

Financial Targets	2020-21 Target <sup>(1)</sup> (\$000)	2020-21 Actual (\$000)	Variation <sup>(2)</sup> (\$000)
Total cost of services (expense limit) (sourced from Statement of comprehensive income)	55,958	49,247	(6,711)
Net cost of services (sourced from Statement of comprehensive income)	55,355	48,868	(6,487)
Total equity (sourced from Statement of financial position)	19,849	14,594	(5,255)
Net increase / (decrease) in cash held (sourced from Statement of cash flows)	400	(3,704)	(4,104)
Approved salary expense limit	31,977	31,574	(403)
Number of approved full-time equivalents (FTE)	252	248	(4)

(1) As specified in the 2020-21 Budget Statements.

(2) Further explanations are contained in the Notes to the Financial Statements, including Note 8.8 'Explanatory Statement (Controlled Operations)'.

### Total Cost of Services

Treasury commenced 2020-21 with an initial expense limit of \$56 million. During the year this decreased \$5.2 million to a final approved expense limit of \$50.8 million. The movement was predominantly due to a realignment of expenditure from 2020-21 to 2021-22 to reflect the revised timing of projects, including the Western Australian TAB Project (\$1.47 million) and advice on Market Led Proposals (\$2 million).

The actual total cost of services for 2020-21 (\$49.2 million) was just below the revised final approved expense limit of \$50.8 million, mainly due to employee vacancies.

### Net Cost of Services

The actual net cost of services for 2020-21 (\$48.9 million) was \$6.5 million lower than initially budgeted. As outlined above, this variance was mostly associated with the repositioning of expenditure due to the revised timing of projects, such as the Western Australian TAB Project and advice on Market Led Proposals.

## Equity

The actual equity balance for 2020-21 was \$5.3 million below the original budget, mainly due to the return of \$6 million in surplus cash to the Consolidated Account in June 2021.

## Cash Held

Working Cash Targets	2020-21 Agreed Limit (\$000)	2020-21 Target / Actual (\$000)	Variation (\$000)
Agreed Working Cash Limit (at Budget)	2,447	2,447	N/A
Agreed Working Cash Limit (at Actuals)	2,187	8,113	5,926

Cash held at the end of the year was \$5.9 million above the agreed working cash limit of \$2.2 million, predominantly due to prior year surpluses carried forward into 2020-21. Cash assets reduced substantially between 2019-20 and 2020-21, reflecting the return of \$6 million in surplus cash to the Consolidated Account in June 2021.

## Approved Salary Expense Limit

The actual salary expense level was \$0.4 million lower than the approved salary expense limit for 2020-21. The variance reflects employee vacancies.

## Full-Time Equivalents (FTEs)

Actual FTEs averaged 248 in 2020-21. This was 4 FTEs lower than approved, due to employee vacancies during the year.





# DISCLOSURES AND LEGAL COMPLIANCE

Image: WA Museum Boola Bardip, Perth



# AUDITED FINANCIAL STATEMENTS

## Certification of financial statements

### For the reporting period ended 30 June 2021

The accompanying financial statements of the Department of Treasury 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 ending on 30 June 2021 and the financial position as at 30 June 2021.

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



**Pauline Burton**

CHIEF FINANCE OFFICER

17 September 2021



**Michael Barnes PSM**

UNDER TREASURER

17 September 2021



**Auditor General**

**INDEPENDENT AUDITOR'S OPINION**

**2021**

**Department of Treasury**

To the Parliament of Western Australia

## Report on the audit of the financial statements

### Opinion

I have audited the financial statements of the Department of Treasury (Department) which comprise:

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

In my opinion, the financial statements are:

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

### Basis for opinion

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

I am independent of the Department in accordance with the *Auditor General Act 2006* and the relevant ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to my audit of the financial statements. I have also fulfilled my other ethical responsibilities in accordance with the Code.

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

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## Responsibilities of the Under Treasurer for the financial statements

The Under Treasurer is responsible for:

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

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

## Auditor's responsibilities for the audit of the financial statements

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

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

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

## Report on the audit of controls

### Opinion

I have undertaken a reasonable assurance engagement on the design and implementation of controls exercised by the Department of Treasury. The controls exercised by the Department are those policies and procedures established by the Under Treasurer 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 Treasury are sufficiently adequate to provide reasonable assurance that the receipt, expenditure and investment of money, the acquisition and disposal of property and the incurring of liabilities have been in accordance with legislative provisions during the year ended 30 June 2021.

## The Under Treasurer's responsibilities

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

## Auditor General's responsibilities

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

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

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

## Limitations of controls

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

## Report on the audit of the key performance indicators

### Opinion

I have undertaken a reasonable assurance engagement on the key performance indicators of the Department of Treasury for the year ended 30 June 2021. The key performance indicators are the Under Treasurer-approved key effectiveness indicators and key efficiency indicators that provide performance information about achieving outcomes and delivering services.

In my opinion, in all material respects, the key performance indicators of the Department of Treasury are relevant and appropriate to assist users to assess the Department's performance and fairly represent indicated performance for the year ended 30 June 2021.



### The Under Treasurer's responsibilities for the key performance indicators

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

### Auditor General's responsibilities

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

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

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

### My independence and quality control relating to the reports on controls and key performance indicators

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

### Other information

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

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

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

This auditor's report relates to the financial statements, controls and key performance indicators of the Department of Treasury for the year ended 30 June 2021 included on the Department's website. The Department's management is responsible for the integrity of the Department's website. This audit does not provide assurance on the integrity of the Department's website. The auditor's report refers only to the financial statements, controls and key performance indicators described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these financial statements, controls or key performance indicators. If users of the financial statements, controls and key performance indicators are concerned with the inherent risks arising from publication on a website, they are advised to contact the entity to confirm the information contained in the website version of the financial statements, controls and key performance indicators.



Caroline Spencer  
Auditor General for Western Australia  
Perth, Western Australia  
21 September 2021



## Statement of comprehensive income

For the year ended 30 June 2021

	Notes	2021 (\$000)	2020 (\$000)
<b>COST OF SERVICES</b>			
<b>Expenses</b>			
Employee benefits expense	2.1(a)	34,915	34,576
Supplies and services	2.3	8,026	19,058
Depreciation and amortisation expenses	4.1.1, 4.2.1	1,217	1,137
Finance costs	6.2	5	4
Accommodation expenses	2.4	4,186	4,096
Grants and subsidies	2.2	63	164
Loss on disposal of non-current assets	2.5	-	5
Other expenses	2.6	835	873
<b>Total cost of services</b>		<b>49,247</b>	<b>59,913</b>
<b>Income</b>			
Other income	3.2	379	58
<b>Total income</b>		<b>379</b>	<b>58</b>
<b>NET COST OF SERVICES</b>		<b>(48,868)</b>	<b>(59,855)</b>
<b>Income from State Government</b>			
Service appropriation	3.1	44,668	54,457
Income from other public sector entities	3.1	482	244
Services received free of charge	3.1	5,374	6,431
Royalties for Regions Fund	3.1	115	133
<b>Total income from State Government</b>		<b>50,639</b>	<b>61,265</b>
<b>SURPLUS/(DEFICIT) FOR THE PERIOD</b>		<b>1,771</b>	<b>1,410</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>1,771</b>	<b>1,410</b>

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

## Statement of financial position

As at 30 June 2021

	Notes	2021 (\$000)	2020 (\$000)
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	6.3	8,105	11,914
Restricted cash and cash equivalents	6.3	8	19
Receivables	5.1	350	332
Amounts receivable for services	5.2	400	400
Other current assets	5.3	352	338
<b>Total Current Assets</b>		<b>9,215</b>	<b>13,003</b>
<b>Non-Current Assets</b>			
Restricted cash and cash equivalents	6.3	513	397
Amounts receivable for services	5.2	13,382	12,528
Plant and equipment	4.1	26	37
Intangible assets	4.2	3,017	3,364
Right-of-use assets	4.3	136	97
Total Non-Current Assets		17,074	16,423
<b>TOTAL ASSETS</b>		<b>26,289</b>	<b>29,426</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Payables	5.4	1,295	1,041
Lease liabilities	6.1	54	49
Employee related provisions	2.1(b)	8,256	7,758
<b>Total Current Liabilities</b>		<b>9,605</b>	<b>8,848</b>
<b>Non-Current Liabilities</b>			
Lease liabilities	6.1	84	49
Employee related provisions	2.1(b)	2,006	1,775
<b>Total Non-Current Liabilities</b>		<b>2,090</b>	<b>1,824</b>
<b>TOTAL LIABILITIES</b>		<b>11,695</b>	<b>10,672</b>
<b>NET ASSETS</b>		<b>14,594</b>	<b>18,754</b>
<b>EQUITY</b>			
Contributed equity	8.6	(16,597)	(10,666)
Accumulated surplus/(deficit)		31,191	29,420
<b>TOTAL EQUITY</b>		<b>14,594</b>	<b>18,754</b>

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



## Statement of changes in equity

For the year ended 30 June 2021

	Notes	Contributed equity (\$000)	Accumulated surplus/ (deficit) (\$000)	Total equity (\$000)
<b>Balance at 1 July 2019</b>		(9,631)	28,002	18,371
Initial application of AASB 16		-	8	8
<b>Restated balance at 1 July 2019</b>		(9,631)	28,010	18,379
Surplus/(deficit)		-	1,410	1,410
Total comprehensive income for the period		(9,631)	29,420	19,789
Transactions with owners in their capacity as owners:	8.6			
Capital appropriations		32	-	32
Other distributions to Energy Policy WA		(1,067)	-	(1,067)
<b>Total</b>		<b>(1,035)</b>	<b>-</b>	<b>(1,035)</b>
<b>Balance at 30 June 2020</b>		<b>(10,666)</b>	<b>29,420</b>	<b>18,754</b>
<b>Balance at 1 July 2020</b>		(10,666)	29,420	18,754
Surplus/(deficit)		-	1,771	1,771
Total comprehensive income for the period		<b>(10,666)</b>	<b>31,191</b>	<b>20,525</b>
Transactions with owners in their capacity as owners:	8.6			
Capital appropriations		69	-	69
Funds paid to Consolidated Fund		(6,000)	-	(6,000)
<b>Total</b>		<b>(5,931)</b>	<b>-</b>	<b>(5,931)</b>
<b>Balance at 30 June 2021</b>		<b>(16,597)</b>	<b>31,191</b>	<b>14,594</b>

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

## Statement of cash flows

For the year ended 30 June 2021

	Notes	2021 (\$000)	2020 (\$000)
<b>CASH FLOWS FROM STATE GOVERNMENT</b>			
Service appropriation		43,414	53,294
Income received from other public sector entities		527	376
Payments to Consolidated Fund		(6,000)	-
Capital appropriations		69	32
Holding account drawdown		400	400
Royalties for Regions Fund		115	133
<b>Net cash provided by State Government</b>		<b>38,525</b>	<b>54,235</b>
Utilised as follows:			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Payments</b>			
Employee benefits		(33,943)	(34,747)
Supplies and services		(2,719)	(15,420)
Finance costs		(5)	(4)
Accommodation		(4,196)	(4,562)
Grants and subsidies		(63)	(152)
GST payments on purchases		(805)	(2,036)
Other payments		(829)	(2,268)
<b>Receipts</b>			
GST receipts on sales		74	46
GST receipts from taxation authority		742	2,198
Other receipts		372	48
<b>Net cash provided by/(used in) operating activities</b>		<b>(41,372)</b>	<b>(56,897)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<b>Payments</b>			
Purchase of non-current assets		(784)	(632)
<b>Net cash provided by/(used in) investing activities</b>		<b>(784)</b>	<b>(632)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<b>Payments</b>			
Principal elements of lease (2019 – finance lease) payments		(73)	(75)
<b>Net cash provided by/(used in) financing activities</b>		<b>(73)</b>	<b>(75)</b>
Net increase/(decrease) in cash and cash equivalents		(3,704)	(3,369)
Cash balance transferred to Energy Policy WA		-	(1,062)
Cash and cash equivalents at the beginning of the period		12,330	16,761
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	6.3	<b>8,626</b>	<b>12,330</b>

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



## Summary of consolidated account appropriations

For the year ended 30 June 2021

	2021 Estimate (\$000) Budget Paper 2	2021 Estimate (\$000) Supplementary Funding	2021 Estimate (\$000) S25 Transfers (In/Out)	2021 Estimate (\$000) Amendments to Standing Appropriations	2021 Estimate (\$000) Revised Budget	2021 Actual (\$000) Actual	2021 Variance (\$000) to Revised Budget
<b>Delivery of services</b>							
Item 15 Net amount appropriated to deliver services	48,707	-	-	-	48,707	43,567	(5,140)
Amount authorised by Other Statutes							
- <i>Salaries and Allowances Act 1975</i>	1,101	-	-	-	1,101	1,101	-
<b>Total appropriations provided to deliver services</b>	<b>49,808</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>49,808</b>	<b>44,668</b>	<b>(5,140)</b>
<b>Capital</b>							
Item 101 Capital appropriation	69	-	-	-	69	69	-
<b>Administered Transactions</b>							
Recurrent Administered							
<b>Operating subsidy payments</b>							
Item 16 Bunbury Water Corporation	726	60	-	-	786	786	-
Item 17 Busselton Water Corporation	670	-	-	-	670	670	-
Item 18 Electricity Generation and Retail Corporation (Synergy)	890,989	-	-	-	890,989	884,895	(6,094)
Item 19 Forest Products Commission	200	-	-	-	200	200	-
Item 20 Kimberley Ports Authority	2,706	-	-	-	2,706	2,706	-
Item 21 Public Transport Authority	1,088,211	-	-	-	1,088,211	1,034,300	(53,911)
Item 22 Regional Power Corporation (Horizon Power)	40,174	6,916	-	-	47,090	47,090	-
Item 23 Southern Ports Authority	21,529	-	-	-	21,529	21,482	(47)
Item 24 Water Corporation of Western Australia	216,924	1,655	-	-	218,579	218,579	-
Item 25 Western Australian Land Authority (DevelopmentWA)	328,241	-	-	-	328,241	265,356	(62,885)
Item 26 Western Australian Land Authority (DevelopmentWA - Perth City Deal)	50,000	-	-	-	50,000	50,000	-
<b>Total operating subsidy payments</b>	<b>2,640,370</b>	<b>8,631</b>	<b>-</b>	<b>-</b>	<b>2,649,001</b>	<b>2,526,064</b>	<b>(122,937)</b>

## Summary of consolidated account appropriations

For the year ended 30 June 2021

	2021 Estimate (\$000) Budget Paper 2	2021 Estimate (\$000) Supplementary Funding	2021 Estimate (\$000) S25 Transfers (In/Out)	2021 Estimate (\$000) Amendments to Standing Appropriations	2021 Estimate (\$000) Revised Budget	2021 Actual (\$000) Actual	2021 Variance (\$000) to Revised Budget
<b>Grants, subsidies and transfer payments</b>							
Item 27 Department of Justice	6,375	-	-	-	6,375	-	(6,375)
Item 28 Gaming and Wagering Commission	3,800	-	-	-	3,800	3,800	-
Item 29 Goods and Services Tax (GST) Administration Costs	70,700	-	-	-	70,700	64,493	(6,207)
Item 30 Department of Jobs, Tourism, Science and Innovation	4,110	-	-	-	4,110	4,010	(100)
Item 31 Resolution of Native Title in the South West of Western Australia (Settlement)	60,000	-	(60,000)	-	-	-	-
Item 32 Provision for Business Case Development Fund	13,002	-	-	-	13,002	-	(13,002)
Item 33 Provision for Unfunded Liabilities in the Government Insurance Fund	15,000	-	-	-	15,000	12,259	(2,741)
Item 34 Provision for Voluntary Targeted Separation Scheme	25,640	-	(22,248)	-	3,392	-	(3,392)
Item 35 Refunds of Past Years Revenue Collections - Public Corporations	10,000	5,000	-	-	15,000	14,994	(6)
Item 36 Royalties for Regions	761,645	-	-	-	761,645	761,645	-
Item 37 State Property - Emergency Services Levy	19,249	-	-	-	19,249	18,075	(1,174)
Item 38 WA Health	957	-	-	-	957	150	(807)
Item 39 All Other Grants, Subsidies and Transfer Payments, comprising:							
Acts of Grace	300	-	-	-	300	-	(300)
Incidentals	240	-	-	-	240	-	(240)
Interest on Public Moneys held in Participating Trust Fund Accounts	2,150	-	-	-	2,150	701	(1,449)
Administration Costs-National Tax Equivalent Regime Scheme	100	-	-	-	100	68	(32)
Western Australian Land Information Authority - Valuation Services	170	-	-	-	170	105	(65)
Western Australian Treasury Corporation Management Fees	650	-	-	-	650	718	68
<b>Total grants, subsidies and transfer payments</b>	<b>994,088</b>	<b>5,000</b>	<b>(82,248)</b>	<b>-</b>	<b>916,840</b>	<b>881,018</b>	<b>(35,822)</b>



## Summary of consolidated account appropriations

For the year ended 30 June 2021

	2021 Estimate (\$000) Budget Paper 2	2021 Estimate (\$000) Supplementary Funding	2021 Estimate (\$000) S25 Transfers (In/Out)	2021 Estimate (\$000) Amendments to Standing Appropriations	2021 Estimate (\$000) Revised Budget	2021 Actual (\$000) Actual	2021 Variance (\$000) to Revised Budget
<b>Authorised by Other Statutes</b>							
<i>Judges' Salaries and Pensions Act 1950</i>	18,913	-	-	-	18,913	17,375	(1,538)
<i>Parliamentary Superannuation Act 1970</i>	11,421	-	-	-	11,421	9,824	(1,597)
<i>State Superannuation Act 2000</i>	551,563	-	-	20	551,583	406,654	(144,929)
<i>Betting Tax Act 2018</i>	24,810	-	-	10,190	35,000	33,412	(1,588)
<i>Western Australian Health Promotion Foundation Act 2016</i>	23,421	-	-	-	23,421	23,421	-
<i>Unclaimed Money Act 1990</i>	2,000	-	-	-	2,000	1,448	(552)
<i>Loan Acts - Interest</i>	634,000	-	-	-	634,000	629,762	(4,238)
<i>Western Australian Future Health Research and Innovation Fund Act 2012</i>	82,900	-	-	-	82,900	82,900	-
<b>Total amounts authorised by Other Statutes</b>	<b>1,349,028</b>	<b>-</b>	<b>-</b>	<b>10,210</b>	<b>1,359,238</b>	<b>1,204,796</b>	<b>(154,442)</b>
<b>TOTAL RECURRENT ADMINISTERED</b>	<b>4,983,486</b>	<b>13,631</b>	<b>(82,248)</b>	<b>10,210</b>	<b>4,925,079</b>	<b>4,611,878</b>	<b>(313,201)</b>
<b>Administered Capital</b>							
<b>Government equity contributions</b>							
Item 102 Animal Resources Authority	1,521	-	-	-	1,521	336	(1,185)
Item 103 Department of Biodiversity, Conservation and Attractions	3,700	-	-	-	3,700	-	(3,700)
Item 104 Department of Education	14,040	-	-	-	14,040	13,400	(640)
Item 105 Department of Justice	713	-	-	-	713	713	-
Item 106 Department of Transport	15,000	-	-	-	15,000	-	(15,000)
Item 107 Electricity Networks Corporation (Western Power)	166,338	-	-	-	166,338	133,574	(32,764)
Item 108 Kimberley Ports Authority	4,000	-	-	-	4,000	4,000	-
Item 109 Metropolitan Redevelopment Authority	211,539	-	-	-	211,539	211,539	-
Item 110 Pilbara Ports Authority	28,117	-	-	-	28,117	4,117	(24,000)
Item 111 Royalties for Regions	251,864	-	-	-	251,864	192,879	(58,985)
Item 112 Southern Ports Authority	640	-	-	-	640	640	-
Item 113 WA Health	30,239	-	-	-	30,239	22,610	(7,629)
Item 114 Western Australian Land Authority (DevelopmentWA)	34,800	-	-	-	34,800	15,000	(19,800)
<b>Total Government equity contributions</b>	<b>762,511</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>762,511</b>	<b>598,808</b>	<b>(163,703)</b>

## Summary of consolidated account appropriations

For the year ended 30 June 2021

	2021 Estimate (\$000) Budget Paper 2	2021 Estimate (\$000) Supplementary Funding	2021 Estimate (\$000) S25 Transfers (In/Out)	2021 Estimate (\$000) Amendments to Standing Appropriations	2021 Estimate (\$000) Revised Budget	2021 Actual (\$000) Actual	2021 Variance (\$000) to Revised Budget
<b>Other</b>							
Item 115 Debt Reduction Account	1,546,593	-	-	-	1,546,593	1,546,593	-
Total Other	1,546,593	-	-	-	1,546,593	1,546,593	-
<b>Authorised by Other Statutes</b>							
<i>Loan (Co-operative Companies) Act 2004</i>	6,000	-	-	-	6,000	6,000	-
Total authorised by Other Statutes	6,000	-	-	-	6,000	6,000	-
<b>TOTAL CAPITAL ADMINISTERED</b>	<b>2,315,104</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,315,104</b>	<b>2,151,401</b>	<b>(163,703)</b>
<b>GRAND TOTAL</b>	<b>7,348,467</b>	<b>13,631</b>	<b>(82,248)</b>	<b>10,210</b>	<b>7,290,060</b>	<b>6,808,016</b>	<b>(482,044)</b>



# NOTES TO THE FINANCIAL STATEMENTS

## 1. Basis of preparation

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

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

These annual financial statements were authorised for issue by the Accountable Authority of the Department on 17 September 2021.

## Statement of compliance

These general purpose financial statements are prepared in accordance with:

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

The FMA and the TIs take precedence over AASs. Several AASs are modified by TIs 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

Accounting 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 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.

## Notes to the financial statements

For the year ended 30 June 2021

## 2. Use of our funding

### Expenses incurred in the delivery of services

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

	Notes	2021 (\$'000)	2020 (\$'000)
Employee benefits expense	2.1(a)	34,915	34,576
Employee related provisions	2.1(b)	10,262	9,533
Grants and subsidies	2.2	63	164
Supplies and services	2.3	8,026	19,058
Accommodation expenses	2.4	4,186	4,096
Loss on disposal of non-current assets	2.5	-	5
Other expenses	2.6	835	873

### 2.1(a) Employee benefits expense

	2021 (\$'000)	2020 (\$'000)
Employee benefits <sup>(a)</sup>	31,663	31,459
Termination benefits <sup>(a)</sup>	202	84
Superannuation – defined contribution plans <sup>(b)</sup>	3,050	3,033
<b>Total employee benefits expenses</b>	<b>34,915</b>	<b>34,576</b>
Add: AASB 16 Non-monetary benefit <sup>(c)</sup>	80	87
Less: Employee Contributions (per the statement of comprehensive income)	(49)	(48)
<b>Net employee benefits</b>	<b>34,946</b>	<b>34,615</b>

(a) In 2020-21 a total of \$0.307 million expense benefits was paid, \$0.105 million related to leave entitlements paid out of leave provisions and \$0.202 million related to termination payments.

(b) Defined contribution plans include West State Superannuation Scheme (WSS), Gold State Superannuation Scheme (GSS), Government Employees Superannuation Board Schemes (GESBs) and other eligible funds. Includes payments of superannuation to GESB amounting to \$2.482 million.

(c) Additional non-monetary benefits include the provision of vehicle benefits measured at cost in accordance with the application of AASB 16.



## Notes to the financial statements

### For the year ended 30 June 2021

**Employee benefits:** include wages, salaries and social contributions, accrued and paid leave entitlements and paid sick leave, and non-monetary benefits (such as medical care, housing, cars and free or subsidised goods or services) for employees.

**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.

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

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

## Notes to the financial statements

### For the year ended 30 June 2021

#### 2.1(b) Employee related provisions

	2021 (\$000)	2020 (\$000)
<b>Current</b>		
<b>Employee benefits provisions</b>		
Annual leave <sup>(a)</sup>	3,788	3,350
Long service leave <sup>(b)</sup>	4,411	4,380
Deferred salary scheme <sup>(c)</sup>	42	14
	8,241	7,744
<b>Other provisions</b>		
Employment on-costs <sup>(d)</sup>	15	14
<b>Total current employee related provisions</b>	<b>8,256</b>	<b>7,758</b>
<b>Non-current</b>		
<b>Employee benefits provisions</b>		
Long service leave <sup>(b)</sup>	2,002	1,772
<b>Other provisions</b>		
Employment on-costs <sup>(d)</sup>	4	3
<b>Total non-current employee related provisions</b>	<b>2,006</b>	<b>1,775</b>
<b>Total employee related provisions</b>	<b>10,262</b>	<b>9,533</b>

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

(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.

## Notes to the financial statements

### For the year ended 30 June 2021

- (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 2.6 (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'.

	2021 (\$000)	2020 (\$000)
<b>Employment on-costs provision</b>		
Carrying amount at start of period	17	17
Additional/(reversals of) provisions recognised	3	7
Payments/other sacrifices of economic benefits	(1)	(7)
Unwinding of the discount	-	-
<b>Carrying amount at end of period</b>	<b>19</b>	<b>17</b>

#### Key sources of estimation uncertainty – long service leave

Key estimates and assumptions concerning the future are based on historical experience and various other factors that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

Several estimates and assumptions are used in calculating the Department's long service leave provision. These include:

- expected future salary rates;
- discount rates;
- employee retention rates; and
- expected future payments.

Changes in these estimations and assumptions may impact on the carrying amount of the long service leave provision. Any gain or loss following revaluation of the present value of long service leave liabilities is recognised as employee benefits expense.

## Notes to the financial statements

### For the year ended 30 June 2021

#### 2.2 Grants and subsidies

	2021 (\$000)	2020 (\$000)
<b>Recurrent</b>		
Contributions to the Australian Accounting Standards Board	49	49
Contributions to the Board of Treasurers Secretariat	14	111
Donations/Sponsorships	-	4
<b>Total grants and subsidies</b>	<b>63</b>	<b>164</b>

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

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

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

#### 2.3 Supplies and services

	2021 (\$000)	2020 (\$000)
<b>Supplies and services</b>		
Communications	89	101
Consultants	171	5,252
Contractors	1,083	3,493
Service provided by State Government agencies	5,374	6,431
Repairs and maintenance	76	26
Consumables	265	279
Travel	10	70
Legal costs <sup>(a)</sup>	31	2,584
Other <sup>(a)</sup>	927	822
<b>Total supplies and services expenses</b>	<b>8,026</b>	<b>19,058</b>

(a) Includes payments to State Solicitor's Office amounting to \$0.017 million and payments of insurance cover to RiskCover amounting to \$0.170 million.

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

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



## Notes to the financial statements

### For the year ended 30 June 2021

#### 2.4 Accommodation expenses

	2021 (\$000)	2020 (\$000)
<b>Accommodation expenses</b>		
Lease rentals <sup>(a)</sup>	4,186	4,096
<b>Total accommodation expenses</b>	<b>4,186</b>	<b>4,096</b>

(a) Includes lease rental payment to the Department of Finance.

**Rent expenses** include:

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

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

#### 2.5 Loss on disposal of non-current assets

	2021 (\$000)	2020 (\$000)
Loss on disposal of non-current assets	-	5
<b>Loss on disposal of non-current assets</b>	<b>-</b>	<b>5</b>

#### 2.6 Other expenses

	2021 (\$000)	2020 (\$000)
<b>Other expenses</b>		
Minor purchases	226	295
Audit fees	605	576
Expected credit losses expenses	-	2
Other	4	-
<b>Total other expense</b>	<b>835</b>	<b>873</b>

**Other expenses:**

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

**Minor purchases** includes purchases of minor equipment with a value of less than \$5,000.

**Audit fees** includes payment to the Office of Auditor General for the Department's financial audit and any other audit work undertaken by the Department.

**Expected credit losses** is an allowance of trade receivables and is measured at the lifetime expected credit losses at each reporting date. The Department has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. Please refer to Note 5.1. Movement in the allowance for impairment of trade receivables.

## Notes to the financial statements

### For the year ended 30 June 2021

#### 3. Our funding sources

##### How we obtain our funding

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

	Notes	2021 (\$000)	2020 (\$000)
Income from State Government	3.1	50,639	61,265
Other Income	3.2	379	58

##### 3.1 Income from State Government

	2021 (\$000)	2020 (\$000)
Appropriation received during the period:		
Service appropriation	44,668	54,457
<b>Total appropriation received</b>	<b>44,668</b>	<b>54,457</b>
Income received from other public sector entities during the period:		
Funding from Other State Government Agency	347	244
Strategic Alliance Fund	135	-
<b>Total grants and subsidies</b>	<b>482</b>	<b>244</b>
Resources received from other public sector entities during the period:		
Department of Finance	4,648	5,066
Department of Justice	278	1,009
Landgate	424	332
Department of Planning, Lands and Heritage	24	24
<b>Total services received</b>	<b>5,374</b>	<b>6,431</b>
Royalties for Regions Fund:		
Governance of the Royalties for Regions Program	115	133
<b>Total Royalties for Regions Fund</b>	<b>115</b>	<b>133</b>
<b>Total income from State Government</b>	<b>50,639</b>	<b>61,265</b>

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

## Notes to the financial statements

### For the year ended 30 June 2021

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

- cash component; and
- a receivable (asset).

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

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

### 3.2 Other income

	2021 (\$000)	2020 (\$000)
Recoups	-	10
Government Vehicle Scheme (GVS)	49	48
Strategic Alliance Fund	327	-
Other	3	-
<b>Total other income</b>	<b>379</b>	<b>58</b>

### Other income

Income from Recoups and Government Vehicle Scheme (GVS) are recorded as other income and is recognised in the accounting period in which the relevant performance obligations has been satisfied.

## 4. Key assets

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

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

	Notes	2021 (\$000)	2020 (\$000)
Plant and equipment	4.1	26	37
Intangibles	4.2	3,017	3,364
Right-of-use assets	4.3	136	97
<b>Total key assets</b>		<b>3,179</b>	<b>3,498</b>

## Notes to the financial statements

### For the year ended 30 June 2021

### 4.1 Plant and equipment

	Office Equipment (\$000)	Computer Equipment (\$000)	Total (\$000)
<b>1 July 2020</b>			
Gross carrying amount	72	62	134
Accumulated depreciation	(35)	(62)	(97)
Accumulated impairment loss	-	-	-
<b>Carrying amount at start of period</b>	<b>37</b>	<b>-</b>	<b>37</b>
Additions	-	-	-
Transfers	-	-	-
Other disposals	-	-	-
Impairment losses	-	-	-
Impairment losses reversed	-	-	-
Depreciation	(11)	-	(11)
<b>Carrying amount at 30 June 2021</b>	<b>26</b>	<b>-</b>	<b>26</b>
Gross carrying amount	59	-	59
Accumulated depreciation	(33)	-	(33)
Accumulated impairment losses	-	-	-

### Initial recognition

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

#### 4.1.1 Depreciation and impairment

### Charge for the period

	Notes	2021 (\$000)	2020 (\$000)
Depreciation			
Office equipment	4.1	11	12
Right-of-use-asset	4.3	75	83
<b>Total depreciation for the period</b>		<b>86</b>	<b>95</b>

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



## Notes to the financial statements

### For the year ended 30 June 2021

#### Finite useful lives

All 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
Office equipment	5 to 10 years
Computer equipment	3 to 5 years

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

#### Impairment

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

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

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

As the Department is a not-for-profit agency, the recoverable amount of regularly revalued specialised assets is anticipated to be materially the same as fair value.

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

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

## Notes to the financial statements

### For the year ended 30 June 2021

#### 4.2 Intangible assets

	Computer Software (\$000)	Website cost (\$000)	Work in Progress (\$000)	Total (\$000)
1 July 2020				
Gross carrying amount	10,983	100	45	11,128
Accumulated amortisation	(7,712)	(52)	-	(7,764)
<b>Carrying amount at start of period</b>	<b>3,271</b>	<b>48</b>	<b>45</b>	<b>3,364</b>
Additions	-	-	784	784
Other disposals	-	-	-	-
Transfers	722	-	(722)	-
Impairment losses	-	-	-	-
Impairment losses reversed	-	-	-	-
Amortisation expense	(1,121)	(10)	-	(1,131)
<b>Carrying amount at 30 June 2021</b>	<b>2,872</b>	<b>38</b>	<b>107</b>	<b>3,017</b>

#### Initial recognition

Intangible assets are initially recognised at cost. For assets acquired at significantly less than fair value, the cost is their fair value at the date of acquisition.

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

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

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

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

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

Subsequent measurement

The cost model is applied for subsequent measurement of intangible assets, requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses.

4.2.1 Amortisation and impairment

Charge for the period

	2021 (\$000)	2020 (\$000)
Computer software	1,121	1,032
Website cost	10	10
<b>Total amortisation for the period</b>	<b>1,131</b>	<b>1,042</b>

As at 30 June 2021 there were no indications of impairment to intangible assets.

The Department held no goodwill or intangible assets with an indefinite useful life during the reporting period. At the end of the reporting period there were no intangible assets not yet available for use.

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

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

Asset	Useful lives
Computer software <sup>(a)</sup>	10 years
Website costs	10 years

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

Impairment of intangible assets

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

The policy in connection with testing for impairment is outlined in note 4.1.1.

4.3 Right-of-use assets

	Notes	2021 (\$000)	2020 (\$000)
Vehicles		136	97
<b>Net carrying amount</b>		<b>136</b>	<b>97</b>

Additions to right-of-use assets during the 2021 financial year were \$0.114 million (2020 \$0.033 million).

Initial recognition

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

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

This includes all leased assets other than investment property right-of-use assets, which are measured in accordance with AASB 140 ‘Investment Property’.

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

Subsequent Measurement

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

Depreciation and impairment of right-of-use assets

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

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

Right-of-use assets are tested for impairment when an indication of impairment is identified. The policy in connection with testing for impairment is outlined in note 4.1.1.



## Notes to the financial statements

### For the year ended 30 June 2021

The following amounts relating to leases have been recognised in the statement of comprehensive income:

	2021 (\$000)	2020 (\$000)
Vehicles	75	83
<b>Total right-of-use asset depreciation</b>	<b>75</b>	<b>83</b>
Lease interest expense	5	4
Expenses relating to variable lease payments not included in lease liabilities	-	-
Short-term leases	-	-
Low-value leases	-	-
Gains or losses arising from sale and leaseback transactions	-	-

The total cash outflow for leases in 2021 was \$0.072 million (2020: \$0.079 million).

The Department's leasing activities and how these are accounted for:

The Department has leases for vehicles, office and residential accommodations.

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

The Department recognises leases as right-of-use assets and associated lease liabilities in the Statement of financial position.

The corresponding lease liabilities in relation to these right-of-use assets have been disclosed in note 6.1.

## 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	2021 (\$000)	2020 (\$000)
Receivables	5.1	350	332
Amounts receivable for services	5.2	13,782	12,928
Other current assets	5.3	352	338
Payables	5.4	1,295	1,041

## Notes to the financial statements

### For the year ended 30 June 2021

#### 5.1 Receivables

	2021 (\$000)	2020 (\$000)
<b>Current</b>		
Trade receivables	216	215
Allowance for impairment of trade receivables	-	(3)
GST receivable	134	120
<b>Total current receivables</b>	<b>350</b>	<b>332</b>

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

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

	2021 (\$000)	2020 (\$000)
Current <sup>(a)</sup>	400	400
Non-current	13,382	12,528
<b>Balance at end of period</b>	<b>13,782</b>	<b>12,928</b>

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

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

(a) Amount receivable for services balances for the year 30 June 2020 has been reclassified to reflect the current portion expected to be drawn down from the holding account during the year.

#### 5.3 Other current assets

	2021 (\$000)	2020 (\$000)
<b>Current</b>		
Purchase Leave - Debit position	4	5
Prepayments	348	333
<b>Total other current assets</b>	<b>352</b>	<b>338</b>

## Notes to the financial statements

### For the year ended 30 June 2021

#### 5.4 Payables

	2021 (\$000)	2020 (\$000)
<b>Current</b>		
Trade payables	5	31
Other tax payables	29	41
Accrued salaries	445	344
Accrued expenses	814	625
Other payables	2	-
<b>Total current payables</b>	<b>1,295</b>	<b>1,041</b>

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

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

## 6. Financing

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

	Notes
Lease liabilities	6.1
Finance costs	6.2
Cash and cash equivalents	6.3
Capital commitments	6.4

#### 6.1 Lease liabilities

	2021 (\$000)	2020 (\$000)
<b>Current</b>	<b>54</b>	<b>49</b>
<b>Non-current</b>	<b>84</b>	<b>49</b>
	<b>138</b>	<b>98</b>

#### Initial measurement

The Department measures a lease liability, at the commencement date, at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the Department uses the incremental borrowing rate provided by Western Australia Treasury Corporation.

## Notes to the financial statements

### For the year ended 30 June 2021

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

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that depend on an index or a rate initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options (where these are reasonably certain to be exercised); and
- payments for penalties for terminating a lease, where the lease term reflects the Department exercising an option to terminate the lease.

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

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

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

This section should be read in conjunction with Note 4.3 Right-of-use assets.

#### Subsequent Measurement

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

#### 6.2 Finance costs

	2021 (\$000)	2020 (\$000)
Lease interest expense	5	4
<b>Finance costs expensed</b>	<b>5</b>	<b>4</b>

'Finance costs' includes the interest component of lease liability repayments, and the increase in financial liabilities and non-employee provisions due to the unwinding of discounts to reflect the passage of time payable to State Fleet.



**Notes to the financial statements**  
For the year ended 30 June 2021

**6.3 Cash and cash equivalents**

	2021 (\$000)	2020 (\$000)
Cash and cash equivalents	8,105	11,914
Restricted cash and cash equivalents		
– Royalties for regions <sup>(a)</sup>	8	19
– Accrued salaries suspense account <sup>(b)</sup>	513	397
<b>Balance at end of period</b>	<b>8,626</b>	<b>12,330</b>

(a) Funds held for Governance of Royalties for Regions Program.

(b) 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 equivalent (and restricted cash and cash equivalent) assets comprise cash on hand which are subject to insignificant risk of changes in value.

**6.4 Capital commitments**

	2021 (\$000)	2020 (\$000)
Capital expenditure commitments, being contracted capital expenditure additional to the amounts reported in the financial statements, are payable as follows:		
Within 1 year	-	335
Later than 1 year and not later than 5 years	-	-
Later than 5 years	-	-
	<b>-</b>	<b>335</b>

**Notes to the financial statements**  
For the year ended 30 June 2021

**7. Financial instruments and Contingencies**

	Notes
Financial instruments	7.1
Contingent assets and liabilities	7.2

**7.1 Financial instruments**

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

	2021 (\$000)	2020 (\$000)
<b>Financial assets</b>		
Cash and cash equivalents	8,105	11,914
Restricted cash and cash equivalents	521	416
Receivables <sup>(a)</sup>	216	212
Amounts receivable for services	13,782	12,928
<b>Total financial assets</b>	<b>22,624</b>	<b>25,470</b>
<b>Financial liabilities</b>		
Payables <sup>(b)</sup>	1,295	1,041
Lease liabilities	138	98
<b>Total financial liability</b>	<b>1,433</b>	<b>1,139</b>

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

(b) The amount of payables excludes GST payable to the ATO (statutory payable).

**7.2 Contingent assets and liabilities**

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

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

The Department has no contingent assets and liabilities to report for Financial Year 2020-21.

8. Other disclosures

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

	Notes
Events occurring after the end of the reporting period	8.1
Key management personnel	8.2
Related party transactions	8.3
Related bodies	8.4
Affiliated bodies	8.4
Remuneration of auditors	8.5
Equity	8.6
Supplementary financial information	8.7
Explanatory statement	8.8

8.1 Events occurring after the end of the reporting period

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

8.2 Key management personnel

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

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

Compensation band (\$)	2021	2020
\$20,001 - 30,000	-	1
\$70,001 - 80,000	-	1
\$290,001 - 300,000	1	-
\$300,001 - 310,000	-	1
\$320,001 - 330,000	2	1
\$340,001 - 350,000	-	1
\$370,001 - 380,000	1	1
\$520,001 - 530,000	1	1
	2021 (\$000)	2020 (\$000)
Total compensation of senior officers	1,832	1,956

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

8.3 Related party transactions

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

Related parties of the Department include:

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

Material transactions with related parties

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

8.4 Related and affiliated bodies

The Department has no related or affiliated bodies.

8.5 Remuneration of auditors

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

	2021 (\$000)	2020 (\$000)
Auditing the accounts, financial statements, controls, and key performance indicators:		
Department of Treasury	215	212
Annual Report on State Finances	371	364
	586	576



**Notes to the financial statements**  
For the year ended 30 June 2021

**8.6 Equity**

	2021 (\$000)	2020 (\$000)
<b>Contributed equity</b>		
Balance at start of period	(10,666)	(9,631)
Contributions by owners		
Capital appropriation	69	32
<b>Total contributions by owners</b>	<b>(10,597)</b>	<b>(9,599)</b>
Distributions to owners		
Transfer of net assets to other agencies:		
Transfer of Public Utilities Office to the Department of Mines, Industry Regulation and Safety	-	(1,067)
Net assets transferred to Government:		
Funds paid to Consolidated Account	(6,000)	-
<b>Total distributions to owners</b>	<b>(6,000)</b>	<b>(1,067)</b>
<b>Balance at end of period</b>	<b>(16,597)</b>	<b>(10,666)</b>

**8.7 Supplementary financial information**

**(a) Write-offs**

During the financial year, \$17,602 (2020: Nil) was written off the Department's asset register under the authority of:

	2021 (\$000)	2020 (\$000)
The accountable authority	18	-
The Minister	-	-
Executive Council	-	-
	<b>18</b>	<b>-</b>

**8.8 Explanatory statement (Controlled Operations)**

All variances between annual estimates (original budget) and actual results for 2021, and between the actual results for 2021 and 2020 are shown below. Narratives are provided for key major variances which are greater than 10% and 1% of Total Cost of Services Budgets for the Statements of comprehensive income and Statement of cash flows.

**Notes to the financial statements**  
For the year ended 30 June 2021

**8.8.1 Statement of comprehensive income Variances**

	Variance note	Estimate 2021 (\$000)	Actual 2021 (\$000)	Actual 2020 (\$000)	Variance between Estimate and Actual (\$000)	Variance between Actual results for 2021 and 2020 (\$000)
<b>COST OF SERVICES</b>						
<b>Expenses</b>						
Employee benefits expense		35,715	34,915	34,576	(800)	339
Supplies and services	1, A	13,826	8,026	19,058	(5,800)	(11,032)
Depreciation and amortisation expense		1,254	1,217	1,137	(37)	80
Finance costs		6	5	4	(1)	1
Accommodation expenses		3,654	4,186	4,096	532	90
Grants and subsidies		163	63	164	(100)	(101)
Loss on disposal of non-current assets		-	-	5	-	(5)
Other expenses		1,340	835	873	(505)	(38)
<b>Total cost of services</b>		<b>55,958</b>	<b>49,247</b>	<b>59,913</b>	<b>(6,711)</b>	<b>(10,666)</b>
<b>Income</b>						
Other revenue		603	379	58	(224)	321
<b>Total income other than income from State Government</b>		<b>603</b>	<b>379</b>	<b>58</b>	<b>(224)</b>	<b>321</b>
<b>NET COST OF SERVICES</b>		<b>55,355</b>	<b>48,868</b>	<b>59,855</b>	<b>(6,487)</b>	<b>(10,987)</b>
<b>Income from State Government</b>						
Service appropriation	2, B	49,808	44,668	54,457	(5,140)	(9,789)
Income from other public sector entities		532	482	244	(50)	238
Services received free of charge	C	5,925	5,374	6,431	(551)	(1,057)
Royalties for Regions Fund		115	115	133	-	(18)
<b>Total income from State Government</b>		<b>56,380</b>	<b>50,639</b>	<b>61,265</b>	<b>(5,741)</b>	<b>(10,626)</b>
<b>SURPLUS/(DEFICIT) FOR THE PERIOD</b>		<b>1,025</b>	<b>1,771</b>	<b>1,410</b>	<b>746</b>	<b>361</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>1,025</b>	<b>1,771</b>	<b>1,410</b>	<b>746</b>	<b>361</b>

**Notes to the financial statements**  
For the year ended 30 June 2021

**Major Estimate and Actual (2021) Variance Narratives**

- (1) Variance relates to the repositioning of \$5.14 million from 2020-21 to 2021-22 to align with the expected timing of project expenditure, primarily for the Western Australian TAB Divestment Project and other various projects.
- (1) Service appropriations reduced in 2020-21 due to the repositioning of \$5.14 million from 2020-21 to 2021-22 to align with the expected timing of project expenditure, primarily for the Western Australian TAB Divestment Project and other various projects.

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

- (A) Variance relates to a reduction in consulting expenditure in 2020-21, predominately due the completion of the Partial Commercialisation of Landgate Project in 2019-20 and the revised timing of expenditure for the Western Australian TAB Divestment Project.
- (B) The decrease in service appropriation for 2020-21 primarily relates to the end of finite funding associated with the completion of the Partial Commercialisation of Landgate Project in 2019-20, along with the repositioning of funding associated with the Western Australian TAB Divestment Project.
- (C) The decrease in services received free of charge for 2020-21 primarily relates to the completion of the Partial Commercialisation of Landgate Project in 2019-20, along with the revised timing of the Western Australian TAB Divestment Project.

**Notes to the financial statements**  
For the year ended 30 June 2021

**8.8.2 Statement of financial position Variances**

	Variance note	Estimate 2021 (\$'000)	Actual 2021 (\$'000)	Actual 2020 (\$'000)	Variance between Estimate and Actual (\$'000)	Variance between Actual results for 2021 and 2020 (\$'000)
<b>ASSETS</b>						
<b>Current Assets</b>						
Cash and cash equivalents	1, A	12,214	8,105	11,914	(4,109)	(3,809)
Restricted cash and cash equivalents		-	8	19	8	(11)
Receivables		320	350	332	30	18
Amounts receivable for services	2	1,764	400	400	(1,364)	-
Other current assets		349	352	338	3	14
<b>Total Current Assets</b>		<b>14,647</b>	<b>9,215</b>	<b>13,003</b>	<b>(5,432)</b>	<b>(3,788)</b>
<b>Non-Current Assets</b>						
Restricted cash and cash equivalents		516	513	397	(3)	116
Amounts receivable for services	3	12,018	13,382	12,528	1,364	854
Plant and equipment		7	26	37	19	(11)
Intangible assets	B	3,210	3,017	3,364	(193)	(347)
Right-of-use assets		140	136	97	(4)	39
<b>Total Non-Current Assets</b>		<b>15,891</b>	<b>17,074</b>	<b>16,423</b>	<b>1,183</b>	<b>651</b>
<b>TOTAL ASSETS</b>		<b>30,538</b>	<b>26,289</b>	<b>29,426</b>	<b>(4,249)</b>	<b>(3,137)</b>
<b>LIABILITIES</b>						
<b>Current Liabilities</b>						
Payables	4	698	1,295	1,041	597	254
Lease liabilities		49	54	49	5	5
Employee related provisions		8,102	8,256	7,758	154	498
<b>Total Current Liabilities</b>		<b>8,849</b>	<b>9,605</b>	<b>8,848</b>	<b>756</b>	<b>757</b>
<b>Non-Current Liabilities</b>						
Lease liabilities		66	84	49	18	35
Employee related provisions		1,774	2,006	1,775	232	231
<b>Total Non-Current Liabilities</b>		<b>1,840</b>	<b>2,090</b>	<b>1,824</b>	<b>250</b>	<b>266</b>
<b>TOTAL LIABILITIES</b>		<b>10,689</b>	<b>11,695</b>	<b>10,672</b>	<b>1,006</b>	<b>1,023</b>
<b>NET ASSETS</b>		<b>19,849</b>	<b>14,594</b>	<b>18,754</b>	<b>(5,255)</b>	<b>(4,160)</b>
<b>EQUITY</b>						
Contributed equity		41,148	(16,597)	(10,666)	(57,745)	(5,931)
Accumulated surplus/(deficit)		(21,299)	31,191	29,420	52,490	1,771
<b>TOTAL EQUITY</b>		<b>19,849</b>	<b>14,594</b>	<b>18,754</b>	<b>(5,255)</b>	<b>(4,160)</b>



**Notes to the financial statements**  
For the year ended 30 June 2021

**Major Estimate and Actual (2021) Variance Narratives**

- (1) Variance is primarily related to the return of \$6 million in surplus cash to the Consolidated Account in 2020-21.
- (2) The balance represents the non-cash component of the service appropriation that is related to intangibles amortisation. The variance represents a movement from current to non-current to reflect the current portion drawn down from the holding account during the year.
- (3) The balance represents the non-cash component of the service appropriation that is related to intangibles amortisation. The variance represents a movement from current to non-current to reflect the current portion drawn down from the holding account during the year.
- (4) Variance relates to a higher than budgeted payables at year end, due to the timing of invoices received from suppliers for June 2021.

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

- (A) Variance is primarily related to the return of \$6 million in surplus cash to the Consolidated Account in 2020-21.
- (B) Variance represents a reduction in the carrying amount of the computer software due to the amortisation impact.

**Notes to the financial statements**  
For the year ended 30 June 2021

**8.8.3 Statement of cash flows Variances**

	Variance note	Estimate 2021 (\$000)	Actual 2021 (\$000)	Actual 2020 (\$000)	Variance between Estimate and Actual (\$000)	Variance between Actual results for 2021 and 2020 (\$000)
<b>CASH FLOWS FROM STATE GOVERNMENT</b>						
Service appropriation	1, A	48,554	43,414	53,294	(5,140)	(9,880)
Income received from other public sector entities		397	527	376	130	151
Payments to Consolidated Account	2, B	-	(6,000)	-	(6,000)	(6,000)
Capital appropriation		69	69	32	-	37
Holding account drawdown		400	400	400	-	-
Royalties for Regions Fund		115	115	133	-	(18)
<b>Net cash provided by State Government</b>		<b>49,535</b>	<b>38,525</b>	<b>54,235</b>	<b>(11,010)</b>	<b>(15,710)</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
<b>Payments</b>						
Employee benefits		(35,715)	(33,943)	(34,747)	1,772	804
Supplies and services	3, C	(7,983)	(2,719)	(15,420)	5,264	12,701
Finance costs		(6)	(5)	(4)	1	(1)
Accommodation		(3,654)	(4,196)	(4,562)	(542)	366
Grants and subsidies		(163)	(63)	(152)	100	89
GST payments on purchases	4, D	(2,281)	(805)	(2,036)	1,476	1,231
Other payments	5, E	(1,340)	(829)	(2,268)	511	1,439
<b>Receipts</b>						
GST receipts on sales			74	46	74	28
GST receipts from taxation authority	6, F	2,281	742	2,198	(1,539)	(1,456)
Other receipts		820	372	48	(448)	324
<b>Net cash used in operating activities</b>		<b>(48,041)</b>	<b>(41,372)</b>	<b>(56,897)</b>	<b>6,669</b>	<b>15,525</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Purchase of non-current assets		(1,025)	(784)	(632)	241	(152)
<b>Net cash used in investing activities</b>		<b>(1,025)</b>	<b>(784)</b>	<b>(632)</b>	<b>241</b>	<b>(152)</b>

8.8.3 Statement of cash flows Variances (continued)

	Variance note	Estimate 2021 (\$000)	Actual 2021 (\$000)	Actual 2020 (\$000)	Variance between Estimate and Actual (\$000)	Variance between Actual results for 2021 and 2020 (\$000)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>						
Principal elements of lease (2018 – finance lease) payments		(69)	(73)	(75)	(4)	2
		<b>(69)</b>	<b>(73)</b>	<b>(75)</b>	<b>(4)</b>	<b>2</b>
Net increase/(decrease) in cash and cash equivalents		400	(3,704)	(3,369)	(4,104)	(335)
Cash balance transferred to the Energy Policy WA		-	-	(1,062)	-	1,062
Cash and cash equivalents at beginning of the period		12,330	12,330	16,761	-	(4,431)
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>		<b>12,730</b>	<b>8,626</b>	<b>12,330</b>	<b>(4,104)</b>	<b>(3,704)</b>

Major Estimate and Actual (2021) Variance Narratives

- (1) Service appropriations reduced in 2020-21 due to the repositioning of \$5.14 million from 2020-21 to 2021-22 to align with the expected timing of project expenditure, primarily for the Western Australian TAB Divestment Project and other various projects.
- (2) Variance relates to the return of \$6 million in surplus cash to the Consolidated Account.
- (3) Service appropriations reduced in 2020-21 due to the repositioning of \$5.14 million from 2020-21 to 2021-22 to align with the expected timing of project expenditure, primarily for the Western Australian TAB Divestment Project and other various projects.
- (4) The reduction in GST payments on purchases is related to a reduction in consulting expenditure associated with the completion of the Partial Commercialisation of Landgate Project in 2019-20, along with the revised timing of expenditure for the Western Australian TAB Divestment Project.
- (5) Variance relates to a year end adjustment for an Australian Taxation Office GST payment.
- (6) Variance relates to a year end adjustment for an Australian Taxation Office GST refund.

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

- (A) The decrease in service appropriation for 2020-21 primarily relates to the end of finite funding associated with the completion of the Partial Commercialisation of Landgate Project in 2019-20, along with the repositioning of funding associated with the Western Australian TAB Divestment Project.
- (B) Variance relates to the return of \$6 million in surplus cash to the Consolidated Account in 2020-21.
- (C) The decrease in service appropriation for 2020-21 primarily relates to the end of finite funding associated with the completion of the Partial Commercialisation of Landgate Project in 2019-20, along with the repositioning of funding associated with the Western Australian TAB Divestment Project.
- (D) The reduction in GST payments on purchases is related to a reduction in consulting expenditure associated with the completion of the Partial Commercialisation of Landgate Project in 2019-20, along with the revised timing of expenditure for the Western Australian TAB Divestment Project.
- (E) Variance relates to a prior year end adjustment for an Australian Taxation Office GST payment in 2019-20.
- (F) Variance relates to a prior year end adjustment for an Australian Taxation Office GST refund in 2019-20.

9. Administered disclosures

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

	Note
Disclosure of administered income and expenses	9.1
Explanatory statement for administered income and expenses	9.2
Administered assets and liabilities	9.3
Supplementary funding	9.4
Special purpose accounts	9.5
Special purpose accounts created during the year	9.5.1



**Notes to the financial statements**  
For the year ended 30 June 2021

**9.1 Disclosure of administered income and expenses**

	2021 (\$000)	2020 (\$000)
<b>INCOME FROM ADMINISTERED ITEMS</b>		
<b>Income</b>		
Commonwealth grants	5,204,369	4,966,568
Government enterprises:		
Dividends	1,362,400	1,387,537
Income tax equivalent regime	931,463	1,135,766
Local Government rates equivalent regime	23,690	22,546
Consolidated Account revenue received from agencies	20,167,165	17,140,979
Gold State superannuation reimbursement	88,472	93,513
Interest	50,677	72,238
Loan guarantee fees	142,653	158,411
Pension recoups	11,920	12,411
Other revenue	26,144	81,986
<b>Total administered income</b>	<b>28,008,953</b>	<b>25,071,955</b>
<b>Expenses</b>		
Superannuation	(865,872)	259,832
Interest	626,726	721,016
Appropriations for:		
Operating subsidies	2,526,064	1,841,508
Services	18,512,677	17,017,095
Salaries and allowances	108,613	104,960
Other appropriations	2,858,513	2,487,080
Royalties for Regions <sup>(a)</sup>	812,100	738,537
Other expenses	105,992	12,093
<b>Total administered expenses</b>	<b>24,684,813</b>	<b>23,182,121</b>

(a) Represents the expensing of Royalties for Regions monies to agencies. As well as these expenses, there are also capital payments made by the Royalties for Regions program. For accounting purposes, these capital costs are not reflected in the Schedule of Administered Operating Transactions.

**Notes to the financial statements**  
For the year ended 30 June 2021

**9.2 Explanatory statement for administered income and expenses**

	Variance Note	Estimate 2021 (\$000)	Actual 2021 (\$000)	Actual 2020 (\$000)	Variance between Actual and Estimate (\$000)	Variance between Actual results for 2021 and 2020 (\$000)
<b>INCOME FROM ADMINISTERED ITEMS</b>						
<b>Income</b>						
Commonwealth grants	1	4,627,031	5,204,369	4,966,568	577,338	237,801
Government enterprises:						
Dividends	2	2,776,203	1,362,400	1,387,537	(1,413,803)	(25,137)
Income tax equivalent regime		875,777	931,463	1,135,766	55,686	(204,303)
Local government rates equivalent regime		25,747	23,690	22,546	(2,057)	1,144
Consolidated Account revenue received from agencies	3, A	17,360,473	20,167,165	17,140,979	2,806,692	3,026,186
Gold State superannuation reimbursement		79,053	88,472	93,513	9,419	(5,041)
Interest Income		52,542	50,677	72,238	(1,865)	(21,561)
Loan guarantee fees		134,826	142,653	158,411	7,827	(15,758)
Pension recoups		11,135	11,920	12,411	785	(491)
Other revenue		47,468	26,144	81,986	(21,324)	(55,842)
<b>Total Administered income</b>		<b>25,990,255</b>	<b>28,008,953</b>	<b>25,071,955</b>	<b>2,018,698</b>	<b>2,936,998</b>
<b>Expenses</b>						
Superannuation	4, B	198,695	(865,872)	259,832	(1,064,567)	(1,125,704)
Interest Expense		640,150	626,726	721,016	(13,424)	(94,290)
Appropriations for:						
Operating subsidies	C	2,653,774	2,526,064	1,841,508	(127,710)	684,556
Services		17,805,017	18,512,677	17,017,095	707,660	1,495,582
Salaries and allowances		107,263	108,613	104,960	1,350	3,653
Other appropriations	D	2,760,045	2,858,513	2,487,080	98,468	371,433
Royalties for Regions		821,360	812,100	738,537	(9,260)	73,563
Other expenses		99,372	105,992	12,093	6,620	93,899
<b>Total Administered expenses</b>		<b>25,085,676</b>	<b>24,684,813</b>	<b>23,182,121</b>	<b>(400,863)</b>	<b>1,502,692</b>

Major Estimate and Actual (2021) Variance Narratives

Income

1. Commonwealth Grants

The increase is mainly driven by the following material movements:

- higher GST grants (up \$684.6 million), due to higher than expected national GST collections as a result of stronger national economic conditions;
- lower capital transport infrastructure grants (down \$109.8 million), largely reflecting the later timing of projects;
- lower Disaster Recovery Funding Arrangements grants (down \$70.8 million), reflecting the reflow of unpaid claims (to 2021-22) due to delays in the Commonwealth’s assurance and audit processes; and
- higher North West Shelf royalty grants (up \$64.3 million), largely due to higher than forecast crude oil prices (benchmark crude oil prices averaged \$US54.6 per barrel in 2020-21 compared to the Budget assumption of \$US44.6 per barrel) and the consequent flow through to liquefied natural gas prices (which are linked to oil). This was partly offset by the impact of a higher than forecast \$US/\$A exchange rate (which averaged US74.7 cents in 2020-21 compared to the forecast of US72.6 cents).

2. Government Enterprises: Dividends

The decrease mainly reflects lower dividends from the Water Corporation (down \$615.9 million), the Insurance Commission of Western Australia (down \$490.4 million), Western Power (down \$191.6 million) and the Pilbara Ports Authority (down \$78.5 million), primarily due to the Government’s decision in January 2021 to defer interim dividends for the larger public corporations to 2021-22.

3. Consolidated Account Revenue Received from Agencies

The increase is primarily due to the combined impact of:

- higher than expected royalty revenue collections paid to the Consolidated Account by the Department of Mines, Industry Regulation and Safety (up \$1,691.1 million), primarily higher iron ore royalty receipts (the iron ore price averaged \$US154.5 per tonne in 2020-21 compared with a forecast \$US96.6 per tonne in the Budget); and
- higher than expected tax collections by RevenueWA (up \$1,028.4 million), mainly higher transfer duty, payroll tax, vehicle licence duty and landholder duty receipts, reflecting stronger than expected property and labour markets, and increased activity in the domestic economy.

Expenses

4. Superannuation

A reduction in unfunded defined benefit superannuation obligations reflects a substantial revaluation decrement, mainly due to:

- declining superannuation scheme membership (as members of closed unfunded schemes retire or leave the sector);
- the impact of a change in the long term bond rate used by the actuary to estimate the future value of employee entitlements;
- updated salary assumptions, reflecting the outlook for wages growth under current settings; and
- an increase in the return on superannuation assets (which offset the value of gross entitlements).

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

Income

A. Consolidated Account Revenue Received from Agencies

The increase is primarily due to:

- higher royalty revenue collections by the Department of Mines, Industry Regulation and Safety (up \$2,031.6 million), mainly higher iron ore royalties receipts, reflecting the increase in the average iron ore price in 2020-21 relative to 2019-20; and
- higher tax receipts from RevenueWA (up \$935.6 million), mainly higher transfer duty, payroll tax, vehicle licence duty and landholder duty receipts (as discussed earlier).



## Notes to the financial statements

### For the year ended 30 June 2021

#### Expenses

#### B. Superannuation

The significant reduction in superannuation cost in 2020-21 relative to 2019-20 reflects the revaluation decrement driven by the factors detailed earlier in this section.

#### C. Appropriations for: Operating Subsidies

The increase is mainly due to higher operating subsidy payments to:

- Synergy (up \$311.8 million), primarily due to funding to administer the \$600 Household Electricity Credit and \$500 Small Business and Charity Tariff Offset initiatives as part of the Government's COVID-19 response. These increases were partially offset by the impact in 2019-20 of other COVID-19 recovery initiatives, including the once-off doubling of the Energy Assistance Payment and \$2,500 Small Business and Charity Tariff Offset;
- Western Australian Land Authority (DevelopmentWA, up \$256.3 million), mainly reflecting movements across a range of projects, including increased funding for the Regional Land Booster Package (\$166 million), Perth City Deal (\$50 million), East Perth Power Station (\$17.2 million), Forrestdale Business Park West (\$14.5 million) and delivery of COVID-19 Recovery projects (\$10.7 million); and
- the Public Transport Authority (up \$132.7 million), largely due to foregone revenue as a result of the ongoing impact of COVID-19 on public transport patronage, and increased cleaning on the rail, bus and ferry fleet and facilities to reduce the risk of virus transmission. The increase in the operating subsidy includes support of METRONET growth and delivery.

#### D. Appropriations for: Other Appropriations

The increase largely reflects higher administered grants and transfer payments (up \$310.1 million), mainly reflecting the net impact of payments to:

- the Department of Finance (up \$355.5 million), mainly for COVID-19 related support including the Commonwealth funded HomeBuilder grants program and the State funded Building Bonus homebuyers grants program, and funding for the Small Business Payroll Tax grant;
- the Department of Fire and Emergency Services (down \$159.3 million), mainly reflecting additional funding in 2019-20 for claims under the Disaster Recovery Funding Arrangements Western Australia;
- the Department of the Premier and Cabinet (up \$70.9 million), to support payment obligations under the South West Native Title Agreement and Yamatji Nation Indigenous Land Use Agreement which commenced in 2020-21; and
- the Department of Mines, Industry Regulation and Safety (up \$47.1 million), for higher mining royalty rebates and the Residential Rent Relief Scheme.

## Notes to the financial statements

### For the year ended 30 June 2021

#### 9.3 Administered assets and liabilities

	2021 (\$000)	2020 (\$000)
<b>Current Assets</b>		
Cash and cash equivalent	2,590,271	6,271,980
Treasurer's Advances	9,738	6,212
Government enterprises:		
Dividends receivable	-	-
Tax equivalent receivable	188,440	178,505
Recoverable advances	2,763	2,815
Other receivables	113,822	79,535
<b>Total Administered Current Assets</b>	<b>2,905,034</b>	<b>6,539,047</b>
<b>Non-Current Assets</b>		
Investments	1,286	1,924
Recoverable advances	960	960
Other receivables	8,106	7,987
<b>Total Administered Non-Current Assets</b>	<b>10,352</b>	<b>10,871</b>
<b>TOTAL ADMINISTERED ASSETS</b>	<b>2,915,386</b>	<b>6,549,918</b>
<b>Current Liabilities</b>		
Superannuation	26,376	81,601
Interest payable	126,694	141,173
Appropriations payable	162,823	210,269
Special purpose account liabilities	2,156,044	6,725,916
Other payables	96,619	9,114
<b>Total Administered Current Liabilities</b>	<b>2,568,556</b>	<b>7,168,073</b>
<b>Non Current Liabilities</b>		
Borrowings	25,575,696	25,425,696
Superannuation	5,464,720	6,709,219
Appropriations payable	15,504,641	14,131,501
Other payables	268,679	199,016
<b>Total Administered Non-Current Liabilities</b>	<b>46,813,736</b>	<b>46,465,432</b>
<b>TOTAL ADMINISTERED LIABILITIES</b>	<b>49,382,292</b>	<b>53,633,505</b>

## Notes to the financial statements

### For the year ended 30 June 2021

#### 9.4 Supplementary funding

Supplementary funding approved and expended during 2020-21 was as follows:

	2021 Amount Approved (\$000)	2021 Amount Expended (\$000)
<b>Item 16 Bunbury Water Corporation</b>	60	60
	<b>60</b>	<b>60</b>
An operating subsidy of \$60,000 was required to meet higher than expected customer rebates incurred in 2020-21. Outcomes for these rebates are not known with certainty until final accounts for the financial year become available after 30 June each year. The funding was approved and fully drawn in 2020-21.		
<b>Item 22 Regional Power Corporation (Horizon Power)</b>	6,916	6,916
	<b>6,916</b>	<b>6,916</b>
Additional funding of \$6.9 million was approved and provided for the WA Small Business and Charity Tariff Offset, other social concession subsidies affected by COVID-19 related pressures and demand driven revisions to the Tariff Adjustment Payment subsidy. This funding was approved and fully drawn within the financial year.		
<b>Item 24 Water Corporation of Western Australia</b>	1,655	1,655
	<b>1,655</b>	<b>1,655</b>
An operating subsidy is paid to the Water Corporation where it is required to provide services for which it does not make a commercial return, or where it provides subsidies and concessions to eligible customers. The Water Corporation required additional funding of \$1.7 million for its annual operating subsidy payment, reflecting final outcomes from the previous year. This increase was required due to higher than expected customer concessions and the funding was approved and fully drawn in 2020-21.		
<b>Item 35 Refunds of Past Years Revenue Collections - Public Corporations</b>	5,000	4,994
	<b>5,000</b>	<b>4,994</b>
Refunds of National Tax Equivalent Regime (NTER) collections can change significantly in both volume and size from year to year. Supplementary funding of \$5 million was approved to meet refunds of overpayments to the Western Australian Land Authority (DevelopmentWA), Horizon Power, Southern Ports Authority and the Water Corporation. Under NTER arrangements, the repayment of overpaid tax obligations is unavoidable. This supplementary funding was almost fully drawn by the end of the current financial year.		

## Notes to the financial statements

### For the year ended 30 June 2021

#### Note 9.5 Special purpose accounts

	2021 (\$000)	2020 (\$000)
<b>Special Purpose Account Section 10 of the <i>Financial Management Act 2006</i></b>		
<b>Accrued salaries</b>		
The purpose of the special purpose account is to hold funds in accordance with section 26(2) of the <i>Financial Management Act 2006</i> .		
Balance at the start of the period	180,233	130,106
Receipts	60,596	50,127
Payments	-	-
<b>Balance at the end of the period</b>	<b>240,829</b>	<b>180,233</b>
<b>Bankwest Pension Trust</b>		
The purpose of the special purpose account is to hold funds received from BankWest in satisfaction of its liabilities under the <i>Superannuation and Family Benefits Act 1938</i> and other receipts.		
Balance at the start of the period	1,923	2,528
Receipts	1,458	1,441
Payments	(2,096)	(2,046)
<b>Balance at the end of the period</b>	<b>1,285</b>	<b>1,923</b>
<b>Commonwealth Payments For Specific Purposes Account</b>		
The purpose of the special purpose account is to receive National Specific Purpose Payments and National Partnership Payments from the Commonwealth Government pursuant to the Intergovernmental Agreement on Federal Financial Relations for disbursement to relevant government agencies and the Consolidated Account.		
Balance at the start of the period	-	4,898
Receipts	2,720,507	2,069,855
Payments	(2,642,022)	(2,074,753)
<b>Balance at the end of the period</b>	<b>78,485</b>	<b>-</b>
<b>Departmental receipts in suspense</b>		
The purpose of the special purpose account is to hold funds pending identification of the purpose for which these moneys were received pursuant to section 10(f) of the <i>Financial Management Act 2006</i> .		
Balance at the start of the period	(530)	21,527
Receipts	61,920	43,736
Payments	(61,077)	(65,793)
<b>Balance at the end of the period</b>	<b>313</b>	<b>(530)</b>



## Notes to the financial statements

For the year ended 30 June 2021

	2021 (\$000)	2020 (\$000)
<b>Independent schools – general building grants</b>		
The purpose of the special purpose account is to hold funds received from the Commonwealth Department of Employment, Education, Training and Youth Affairs for recurrent capital grants to independent schools in accordance with the provisions of the <i>State Grants (Schools Assistance) Act 2008</i> pending payment to independent schools.		
Balance at the start of the period	-	-
Receipts	19,786	18,832
Payments	(19,786)	(18,832)
<b>Balance at the end of the period</b>	<b>-</b>	<b>-</b>
<b>Independent schools – recurrent grants schools assistance acts</b>		
The purpose of the special purpose account is to hold funds received from the Commonwealth Department of Employment, Education, Training and Youth Affairs for recurrent capital grants to independent schools in accordance with the provisions of the <i>State Grants (Schools Assistance) Act 2008</i> pending payment to independent schools.		
Balance at the start of the period	-	-
Receipts	1,346,286	1,576,560
Payments	(1,346,286)	(1,576,560)
<b>Balance at the end of the period</b>	<b>-</b>	<b>-</b>
<b>Jervoise Bay Infrastructure Development Trust Account</b>		
The purpose of the special purpose account is to hold funds received from the Commonwealth being a grant for the development of facilities at Jervoise Bay.		
Balance at the start of the period	11,076	10,938
Receipts	41	138
Payments	-	-
<b>Balance at the end of the period</b>	<b>11,117</b>	<b>11,076</b>
<b>Local Authorities Tax Sharing Entitlements Account</b>		
The purpose of the special purpose account is to hold funds received from the Commonwealth pursuant to the <i>Local Government (Financial Assistance) Grants Act 1995</i> pending payment to local authorities.		
Balance at the start of the period	-	-
Receipts	304,905	303,897
Payments	(304,905)	(303,897)
<b>Balance at the end of the period</b>	<b>-</b>	<b>-</b>

## Notes to the financial statements

For the year ended 30 June 2021

	2021 (\$000)	2020 (\$000)
<b>Mortgage Moneys <i>Under the Transfer of Land Act 1893</i></b>		
The purpose of the special purpose account is to hold funds paid to the Treasurer in accordance with section 126 of the <i>Transfer of Land Act 1893</i> .		
Balance at the start of the period	93	92
Receipts	-	1
Payments	-	-
<b>Balance at the end of the period</b>	<b>93</b>	<b>93</b>
<b>Perth Children's Hospital Account</b>		
The purpose of the special purpose account is to hold money for the construction and establishment of the Perth Children's Hospital.		
Balance at the start of the period	7,238	12,714
Receipts	-	-
Payments	-	(5,476)
<b>Balance at the end of the period</b>	<b>7,238</b>	<b>7,238</b>
<b>Non-government schools – other recurrent grants</b>		
The purpose of the special purpose account is to hold funds received from the Commonwealth Department of Employment, Education, Training and Youth Affairs for recurrent grants to non-government schools in accordance with the <i>State Grants (Schools Assistance) Act 2008</i> pending payments to non-government schools.		
Balance at the start of the period	-	-
Receipts	28,604	16,467
Payments	(28,604)	(16,467)
<b>Balance at the end of the period</b>	<b>-</b>	<b>-</b>
<b>Perry Lakes Maintenance Account</b>		
The purpose of the special purpose account is to contribute to the costs of maintaining, operating and managing the athletics facilities at the AK Reserve.		
Balance at the start of the period	5,495	5,427
Receipts	20	68
Payments	-	-
<b>Balance at the end of the period</b>	<b>5,515</b>	<b>5,495</b>
<b>Perth's New Major Stadium Construction Account</b>		
The purpose of the special purpose account is to hold moneys for the construction of the New Major Stadium.		
Balance at the start of the period	11,547	11,547
Receipts	11,166	-
Payments	(126)	-
<b>Balance at the end of the period</b>	<b>22,587</b>	<b>11,547</b>

## Notes to the financial statements

For the year ended 30 June 2021

	2021 (\$000)	2020 (\$000)
<b>Public Bank Account Interest Earned Account</b>		
The purpose of the special purpose account is to hold funds in accordance with section 10(d) of the <i>Financial Management Act 2006</i> .		
Balance at the start of the period	47,239	44,926
Receipts	54,868	77,981
Payments	(48,520)	(75,668)
<b>Balance at the end of the period</b>	<b>53,587</b>	<b>47,239</b>
<b>Royalties For Regions Fund</b>		
The purpose of the special purpose account is to facilitate investment in regional Western Australia in the areas of infrastructure and headworks, local government and community services.		
Balance at the start of the period	1,000,000	1,000,000
Receipts	970,507	909,695
Payments	(970,507)	(909,695)
<b>Balance at the end of the period</b>	<b>1,000,000</b>	<b>1,000,000</b>
<b>Statutory Authorities Investment Account</b>		
The purpose of the special purpose account is to hold funds received from statutory authorities for investment purposes as provided by section 39(2) of the <i>Financial Management Act 2006</i> .		
Balance at the start of the period	889	735
Receipts	3	463
Payments	(2)	(309)
<b>Balance at the end of the period</b>	<b>890</b>	<b>889</b>
<b>Tariff Equalisation Fund</b>		
The purpose of the special purpose account is to allow the transparent transfer of appropriate funds from the Electricity Networks Corporation (Western Power) to the Regional Power Corporation (Horizon Power) to enable it to maintain uniform tariff protection in its areas of operation in accordance with the provisions of the <i>Electricity Industry Act 2004</i> .		
Balance at the start of the period	-	-
Receipts	185,000	171,000
Payments	(185,000)	(171,000)
<b>Balance at the end of the period</b>	<b>-</b>	<b>-</b>
<b>Western Australian Future Research and Innovation Fund</b>		
The purpose of the special purpose account is to assist with improving health outcomes for Western Australia by providing funding for the Future Health Research and Innovation Account, in accordance with the provisions of the <i>Western Australian Future Health Research and Innovation Fund Act 2012</i> .		
Balance at the start of the period	1,407,837	1,312,914
Receipts	118,007	94,923
Payments	(33,900)	-
<b>Balance at the end of the period</b>	<b>1,491,944</b>	<b>1,407,837</b>

## Notes to the financial statements

For the year ended 30 June 2021

	2021 (\$000)	2020 (\$000)
<b>Debt Repayment Account</b>		
To apply approved appropriation funds to the repayment of Western Australian State borrowings (as borrowed by the Treasurer under various Loan Acts from the Western Australian Treasury Corporation or elsewhere, as applicable), and / or credited to the Consolidated Account to serve as an alternative source of funding to new borrowings. The application of funds to either the repayment of State borrowings or to finance the Consolidated Account is to be based on the optimisation of the financing benefit to the Consolidated Account obtained by either debt repayment, debt avoidance, or a combination of these actions.		
Balance at the start of the period	-	-
Receipts	1,546,593	1,317,624
Payments	(1,546,593)	(1,317,624)
<b>Balance at the end of the period</b>	<b>-</b>	<b>-</b>
<b>National Redress Scheme and Civil Litigation for Survivors of Institutional Child Sexual Abuse</b>		
The purpose of the special purpose account is to hold money for meeting payments and related costs associated with the National Redress Scheme for Institutional Child Abuse (the Scheme) established under the Intergovernmental Agreement and the <i>National Redress Scheme for Institutional Child Sexual Abuse Act 2018</i> (Commonwealth) and costs of civil litigation.		
Balance at the start of the period	140,716	151,296
Receipts	-	-
Payments	(63,861)	(10,580)
<b>Balance at the end of the period</b>	<b>76,855</b>	<b>140,716</b>
<b>Noongar Land Fund</b>		
The purpose of the special purpose account is to establish a Noongar Land Fund in line with the terms of the Indigenous Land Use Agreements (ILUA's) which comprise the South West Native Title Settlement.		
Balance at the start of the period	-	-
Receipts	2,800	-
Payments	-	-
<b>Balance at the end of the period</b>	<b>2,800</b>	<b>-</b>
<b>Women and Newborn Health Service Reallocation Account</b>		
The purpose of the special purpose account is to meet the costs associated with relocating the Women and Newborn Health Service to the Queen Elizabeth II (QEII) Medical Centre campus.		
Balance at the start of the period	-	-
Receipts	-	-
Payments	-	-
<b>Balance at the end of the period</b>	<b>-</b>	<b>-</b>

Notes to the financial statements  
For the year ended 30 June 2021

	2021 (\$000)	2020 (\$000)
<b>WA Government Strategic Alliance Fund</b>		
The purpose of the special purpose account is for initiating, planning and implementing improvements to the State's banking and related processes.		
Balance at the start of the period	-	-
Receipts	964	-
Payments	(135)	-
<b>Balance at the end of the period</b>	<b>829</b>	<b>-</b>

Note 9.5.1 Special purpose accounts created during the year

The WA Government Strategic Alliance Fund was established during the year as a Treasurer's Special Purpose Account (TSPA) pursuant to section 10(a) of the *Financial Management Act 2006* (FMA) by the Department of Treasury.

The TSPA was created to hold moneys that the State of Western Australia is entitled to under Common Use Arrangement 140807: Transactional Banking and Merchant Services with the Commonwealth Bank of Australia (State Banking Contract) for the purpose of initiating, planning and implementing improvements to banking and related processes.

The Noongar Land Fund account was established during the year as a TSPA pursuant to section 10(a) of the FMA by the Department of Treasury.

The TSPA was created to hold moneys as are lawfully received for the purpose of the Account, including Parliamentary appropriations, moneys advanced under the FMA and transfers from other agencies. Money standing to the credit of the Account may be used for meeting Noongar Land Fund payments under the Indigenous Land Use Agreements (ILUA's).

The Women and Newborn Health Service Reallocation account was established during the year as a TSPA pursuant to section 10(a) of the FMA by the Department of Treasury. The TSPA was created to meet the costs associated with relocating the Women and Newborn Health Service to the Queen Elizabeth II (QEII) Medical Centre campus.





# AUDITED KEY PERFORMANCE INDICATORS

## Certification of Key Performance Indicators

For the year ended 30 June 2021

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 Treasury’s performance, and fairly represent the performance of the Department for the financial year ended 30 June 2021.



**Pauline Burton**  
Chief Finance Officer  
17 September 2021



**Michael Barnes PSM**  
Under Treasurer  
17 September 2021

# PERFORMANCE ASSESSMENT

## OUTCOMES

The outcomes that the Department works to achieve through its services are:

<b>Outcome one:</b> Sustainable and transparent public sector finances	➔	<b>Service one:</b> Financial management and reporting
<b>Outcome two:</b> A strong and competitive State economy	➔	<b>Service two:</b> Economic and revenue forecasts and policy development
<b>Outcome three:</b> Value for money outcomes in service delivery and infrastructure provision	➔	<b>Service three:</b> Evaluation and planning of government service delivery and infrastructure provision

### Measuring Our Performance

The Department of Treasury measures its performance through statistical information. Statistical indicators are included to help report performance in both outcome and service areas. The use of statistical data adds scope and objectivity to the sources of information used in measuring performance.

## KEY EFFECTIVENESS INDICATORS

### Government goal: Responsible financial management and better service delivery

## OUTCOME 1:

### Sustainable and transparent public sector finances

The Department works to maintain sustainable and transparent public sector finances. Its commitment to this key role is reflected in advice to Government on its fiscal strategy and targets; publication of reports on the State's finances; advice to Government and its agencies on the legislative framework underpinning financial management and accountability; management of the Public Ledger; and management of the Public Bank Account and Future Health Research and Innovation Fund (in conjunction with the Western Australian Treasury Corporation).

The key indicators of effectiveness demonstrate measurable outcomes of our effectiveness in this role.

Key indicators of effectiveness	2017-18 Actual	2018-19 Actual	2019-20 Actual	2020-21 Target	2020-21 Actual	Notes
Status of the State's credit rating <sup>(a)</sup>	Aa2 <sup>(b)</sup> AA+ <sup>(c)</sup>	Aa1 <sup>(b)</sup> AA+ <sup>(c)</sup>	Aa1 <sup>(b)</sup> AA+ <sup>(c)</sup>	Aa1 <sup>(b)</sup> AA+ <sup>(c)</sup>	Aa1 <sup>(b)</sup> AA+ <sup>(c)</sup>	1
Unqualified audit opinion on the Annual Report on State Finances	Yes	Yes	Yes	Yes	Yes	2
Percentage of financial reports released as per agreed timeframes <sup>(d)</sup>	100%	100%	100%	100%	100%	3

(a) S&P Global and Moody's currently assess the credit rating for Western Australia.

(b) Moody's.

(c) S&P Global.

(d) Following a review of the Department's Outcome Based Management Structure in 2020-21, this indicator has been reclassified from a key efficiency indicator to a key effectiveness indicator.

#### Notes:

1. Western Australia's economy and finances recovered rapidly from the COVID-19 pandemic during 2020-21. Buoyant international iron ore prices flowed through to the State's royalty collections which has funded Government initiatives in response to the pandemic and to the subsequent economic recovery. Net debt was largely contained throughout the financial year in comparison with all other States and Territories. On the back of these outcomes, both Moody's and S&P Global reaffirmed Western Australia's credit rating in October 2020 (Aa1 and AA+ respectively). Both of the credit rating agencies assess Western Australia's credit rating as having a 'stable' outlook. These ratings are both one 'notch' below triple-A assessments and represent very high credit worthiness for investment purposes.
2. The 2019-20 Annual Report on State Finances (ARSF) was released on 25 September 2020, in line with the 90-day statutory reporting deadline required by the *Government Financial Responsibility Act 2000*. The ARSF received an unqualified audit opinion from the Auditor General.
3. Treasury prepares whole-of-government financial reports required by, and subject to, the statutory reporting requirements of the *Government Financial Responsibility Act 2000*. For 2020-21, the 2019-20 Annual Report on State Finances; the September 2020, December 2020 and March 2021 Quarterly Financial Results Reports; the 2020-21 Government Mid-year Financial Projections Statement; and the 2020-21 Pre-election Financial Projections Statement were all released in line with the statutory reporting requirements and deadlines. Compliance with statutory reporting requirements is expected to continue throughout 2021-22.

## OUTCOME 2:

### A strong and competitive State economy

Accurate forecasting of Western Australia's economic and fiscal outlook is a major factor in maintaining a stable credit rating and, in turn, the foundation of a strong and competitive State economy. Good Government decision-making requires accurate revenue and economic forecasting to achieve the best possible economic, fiscal and service delivery outcomes for the State.

Key indicators of effectiveness	2017-18 Actual	2018-19 Actual	2019-20 Actual	2020-21 Target	2020-21 Actual	Notes
Accuracy of key general government revenue forecasts:						
- Tax revenue <sup>(a)(b)(e)</sup>	0.1%	-1.6%	-0.1%	+/-5.0%	15.2%	1
- Royalty revenue <sup>(b)(c)(d)(e)</sup>	1.5%	32.7%	32.6%	+/-5.0%	46.6%	2
Accuracy of key economic forecasts (percentage point difference):						
- Employment growth <sup>(e)</sup>	0.7	-0.6	-1.3	+/-0.5	2.0	3
- Real State Final Demand (SFD) growth <sup>(e)</sup>	2.1	-1.1	-2.2	+/-2.0	3.8	4

(a) For consistency with the scope of relevant Budget taxation forecasts, the Budget estimate for each financial year have been adjusted to account for tax reclassifications on the advice of the Australian Bureau of Statistics (ABS). Following the 2020-21 Budget, motor vehicle inspection fees and 'other' driver and vehicle service fees were reclassified from taxation revenue to sales of goods and services.

(b) 2020-21 actuals for tax and royalty revenue will be published in the 2020-21 Annual Report on State Finances. The estimated actual is at 9 August 2021 and may change following the receipt of additional data prior to the Annual Report on State Finances cut-off date.

(c) Following a review of the Department's Outcome Based Management Structure, this key effectiveness indicator has been revised to measure the accuracy of royalty income forecasts (rather than mining revenue forecasts). Budget papers include forecasts of royalty income but do not include a total for mining revenue (which includes royalty revenue, North West Shelf grants, condensate excise compensation grants and mining lease rentals). The actual results have been back-cast, for comparability purposes.

(d) Subsequent to the 2017-18 Budget, a policy to increase the gold royalty rate from 2.5% to 3.75% and remove the royalty exemption on the first 2,500oz of production was blocked by Parliament. In order to better assess forecasting performance, the impact of the increase in gold royalty income, that would have been raised if the policy had passed, has been removed from the original 2017-18 Budget forecast.

(e) Any changes to actual figures from previous reporting are due to the revision of the historical series from the ABS.

#### Notes:

1. Taxation revenue is estimated to be higher in 2020-21 than forecast in the 2020-21 Budget. This reflects stronger than anticipated activity in a number of sectors in the Western Australian economy including residential and commercial property, mining, and the vehicle market flowing through to the State's tax base in the form of payroll tax and transfer duties.

- Royalty revenue is expected to be significantly higher in 2020-21 than forecast due to a higher than anticipated iron ore price. Global iron ore supply has been slow to recover from the January 2019 tailings dam disaster in Brazil and there has been strong Chinese demand for iron ore, reflecting China's stimulus in response to COVID-19 has supported the commodity-intensive sectors of its economy.
- Employment growth in 2020-21 was significantly higher than forecast in the 2020-21 Budget due to a faster than expected recovery in the domestic economy and a sharp rise in demand for labour, including for many of the industries impacted at the onset of the pandemic. In addition, there has been robust activity in the mining and residential construction sectors.
- Real State Final Demand in 2020-21 was higher than the 2020-21 Budget estimate reflecting stronger than expected rates of household consumption, business investment, dwelling investment and government consumption.





# OUTCOME 3:

## Value for money outcomes in service delivery and infrastructure provision

To support the Government in making informed and timely decisions about the delivery of services and the provision of infrastructure, Treasury evaluates all agency funding proposals submitted to the Expenditure Review Committee (ERC) and provides the ERC with independent advice on the financial, economic and social implications of the proposals.

Capital funding proposals are typically underpinned by agency Strategic Asset Plans (SAPs). SAPs (which seek to prioritise the investment, management and disposal of assets over a 10-year horizon) are required to be submitted to Treasury on an annual basis, and play a key role in the evaluation of capital funding proposals.

Treasury endeavours to provide advice to the ERC at least five working days prior to the relevant meeting, to ensure that Committee members have ample time to consider recommendations and form an educated stance on the merits of agency funding proposals.

Key indicators of effectiveness	2017-18 Actual	2018-19 Actual	2019-20 Actual	2020-21 Target	2020-21 Actual	Notes
Percentage of advice provided to the Expenditure Review Committee at least 5 working days prior to their consideration <sup>(a)</sup>	N/A	66%	61%	90%	58%	1
Percentage of Ministerially endorsed Strategic Asset Plans (SAPs) for the upcoming year received and reviewed by Treasury before the commencement of the Budget bilateral process <sup>(b)</sup>	N/A	N/A	N/A	100%	82%	2

- (a) This key effectiveness indicator was introduced for the 2018-19 financial year. An actual result for the 2017-18 financial year is not available.
- (b) This is a new key effectiveness indicator, introduced for the 2020-21 financial year. Actual results for preceding financial years are not available.

Notes:

- The 2020-21 Actual for this KPI has been calculated to be 58%. This figure is lower than expected due to late submissions/adjustments being made after cut-off dates. Additionally, some matters had high complexity, leading to late deliveries.
- SAPs were received from all applicable agencies, though several were unable to provide their SAP in the required timeframes, resulting in a formal reported rate of 82% of SAPs received.



## KEY EFFICIENCY INDICATORS

### Government goal: Responsible financial management and better service delivery

## SERVICE 1:

### Financial management and reporting

This service involves the provision of advice on the Government's fiscal strategy, advice on the legislative framework underpinning financial management and accountability in the Western Australian public sector, the preparation and publication of regular reports on the State's finances, and maintenance of the Public Ledger.

The service contributes to the desired outcome of sustainable and transparent public sector finances.

Key indicators of efficiency	2017-18 Actual	2018-19 Actual	2019-20 Actual	2020-21 Target	2020-21 Actual	Notes
Average cost of financial reports released <sup>(a) (b)</sup>	\$280,624	\$251,956	\$262,652	\$261,565	\$246,903	1

(a) This is a new key efficiency indicator, introduced for the 2020-21 financial year. Actual results for preceding financial years have been back-cast for comparability purposes.

(b) This key efficiency indicator measures the average cost of producing the following whole-of-government financial reports: The Annual Report on State Finances, Quarterly Financial Results Reports, the Government Mid-year Financial Projections Statement and (during a State Election year) the Pre-election Financial Projections Statement.

#### Notes:

1. Relative to 2019-20, the average cost of whole-of-government financial reports declined slightly in 2020-21. This mainly reflects a reduction to the actual timeframe applicable to the preparation of some reports, and the inclusion of an additional report (the Pre-election Financial Projections Statement) in the calculation for 2020-21.

## SERVICE 2:

### Economic and revenue forecasts and policy development

This service involves analysis and advice on economic and revenue policy issues, including Commonwealth-State financial relations, the development of forecasts for each of the State's major revenue sources, and the provision of advice on economic reform.

The service contributes to the desired outcome of a strong and competitive State economy.

Key indicators of efficiency	2017-18 Actual	2018-19 Actual	2019-20 Actual	2020-21 Target	2020-21 Actual	Notes
Cost of providing Government with economic and revenue forecasting advice and policy development per economic paper <sup>(a)(b)</sup>	\$32,254	\$47,345	\$40,032	\$53,963	\$46,922	1, 2

(a) This is a new key efficiency indicator, introduced for the 2020-21 financial year. Actual results for preceding financial years have been back-cast for comparability purposes.

(b) This key efficiency indicator is measured by dividing the number of economic papers (including Ministerials, briefing notes, responses to Parliamentary Questions and Expenditure Review Committee submissions) by the total cost of economic and revenue forecasting and policy development activities during the year (including corporate overhead costs).

#### Notes:

1. The 2020-21 Actual result is higher than the 2019-20 Actual primarily due to a reduction in the average vacancy rate from 5.6% in 2019-20 to 1.6% in 2020-21, impacting the cost base of the service.
2. The 2020-21 Actual is lower than the 2020-21 Budget primarily due to a higher number of economic papers prepared during the year than expected, driven by the COVID-19 response.

## SERVICE 3:

### Evaluation and planning of government service delivery and infrastructure provision

This service aims to investigate agencies' operations in respect of efficiency and effectiveness and to advise Government on the allocation of taxpayers' resources to achieve Government desired outcomes. It includes the analysis, evaluation and planning of government services to ensure value for money outcomes in key areas including health, education, justice and infrastructure delivery.

The service contributes to the desired outcome of value for money outcomes in service delivery and infrastructure provision.

Key indicators of efficiency	2017-18 Actual	2018-19 Actual	2019-20 Actual	2020-21 Target	2020-21 Actual	Notes
Cost of providing Government with service delivery and infrastructure advice per paper produced <sup>(a)(b)</sup>	\$37,265	\$40,533	\$40,088	\$46,420	\$43,308	1, 2

(a) This is a new key efficiency indicator, introduced for the 2020-21 financial year. Actual results for preceding financial years have been back-cast for comparability purposes.

(b) This key efficiency indicator is measured by dividing the number of papers relating to government service delivery and infrastructure provision (including Ministerials, briefing notes, responses to Parliamentary Questions and Expenditure Review Committee submissions) by the total cost of associated policy activities during the year (including corporate overhead costs).

#### Notes:

1. The 2020-21 Actual result is higher than the 2019-20 Actual primarily due to a reduction in the number of papers prepared as a result of the State election and proceeding caretaker period that occurred during the year.
2. The 2020-21 Actual result is lower than the 2020-21 Budget primarily due to a higher number of papers prepared during the year in providing advice to the Expenditure Review Committee.





## OTHER STATUTORY INFORMATION

### Ministerial Directions

No Ministerial directives were received during the 2020-21 financial year.

### Other Legal Requirements

#### Contracts with senior officers

At the date of reporting, 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 agency other than normal contracts of employment of service.

#### Unauthorised Use of Credit Cards

Officers of the Department of Treasury hold corporate credit cards where their functions warrant usage of this facility. Despite each cardholder being reminded of their obligations annually under the Department's credit card policy, one employee inadvertently utilised the corporate credit card for personal use. The matter was not referred for disciplinary action as the Chief Finance Officer noted prompt advice and settlement of the personal use amount, and that the nature of the expenditure was immaterial and characteristic of an honest mistake.

	2021 \$
Aggregate amount of personal use expenditure for the reporting period	5
Aggregate amount of personal use expenditure settled by the due date (within 5 working days)	5
Aggregate amount of personal use expenditure settled after the period (after 5 working days)	-
Aggregate amount of personal use expenditure outstanding at balance date	-

#### Advertising

In accordance with section 175ZE of the *Electoral Act 1907*, the Department incurred the following expenditure for advertising, market research, polling, direct mail and media advertising. Total expenditure for 2020-21 was \$3,814.

	2021 \$
Advertising agencies	
- Initiative Media Australia Pty Ltd	3,714
- Economic Society of Australia	100
Market research organisations	-
Polling organisations	-
Direct mail organisations	-
Media advertising organisations	-
<b>Total expenditure</b>	<b>3,814</b>

Disability Access and Inclusion Plan

Our **Disability Access and Inclusion Plan (DAIP) 2018-2022**, which incorporates the Government’s seven desired outcomes, includes strategies which focus on ensuring people with a disability have the same access and inclusion as others in all areas of Treasury’s business and operations. The DAIP ensures people have equal access to employment, training and development, products and services, premises, communication and information technology.

Compliance with Public Sector Standards and Ethical Codes

Consistent with the Public Sector Standards (Standards), Treasury has implemented and reviewed a range of Human Resource-related policies, procedures and practices. During 2020-21 there were no formal grievances or breaches against the Standards. The People and Culture team supported Treasury’s strategic recruitment activities by providing a range of services, including the provision of:

- training to panel members covering contemporary recruitment methodologies;
- regular support and advice to ensure our processes and transactions complied with the Standards; and
- quality assurance services such as reviewing all selection reports.

Treasury continues a process of policy review to maintain compliance with the *Public Interest Disclosure Act 2003* (the Act). In 2020-21 we had no public interest disclosures lodged under the Act. Treasury submitted the Public Sector Entity Survey to the Public Sector Commission with no reports for breach of discipline under the *Public Sector Management Act 1994*.

Recordkeeping Plan

Treasury’s Recordkeeping Plan was approved by the State Records Commission in December 2017. In accordance with section 28 of the *State Records Act 2000* and State Records Commission Standard 2, principle 6, the next evaluation of our record keeping system will be completed within five years, prior to December 2022.

Training of Treasury staff occurs via our Click2Learn platform which contains online ‘Recordkeeping and Use of Information’ training which sits within our broader Accountable and Ethical Decision-Making (AEDM) training package. All new employees are required to complete this training to ensure they are compliant with the required standards. Existing staff are also required to complete the AEDM training every three years which includes our Code of Conduct and Treasury specific policies and procedures. Currently 71.2% of employees have completed the AEDM training.

Government Policy

Occupational Safety, Health and Injury Management

Our ongoing commitment to injury management is reflected in our injury management policy and guidelines which offer employees, with a work or non-work related injury or illness, assistance to return to work as soon as practicable. Treasury ensures compliance with the *Worker’s Compensation and Injury Management Act 1981*.

Measures	Results 2018-19	Results 2019-20	Results 2020-21	Targets	Comments
Number of fatalities	Nil	Nil	Nil	Nil	Nil
Lost time injury and disease incidence rate	Nil	Nil	Nil	0 or 10% reduction in incidence rate	Nil
Lost time injury and severity rate	Nil	Nil	Nil	0 or 10% reduction in severity rate	Nil
Percentage of injured workers returned to work (i) within 13 weeks	N/A	N/A	N/A	N/A	There were no lost time injuries during 2020-21
Percentage of injured workers returned to work (ii) within 26 weeks	N/A	N/A	N/A	Greater than or equal to 80%	There were no lost time injuries during 2020-21
Percentage of managers trained in occupational safety, health and injury management responsibilities, including refresher training within 3 years	22%	43%	38%	Greater than or equal to 80%	OSH for Managers Training was not conducted in 2020-21 due to the COVID-19 pandemic.  Training is recommencing in October 2021.

Board and Committee Remuneration

The only position that received remuneration for committee membership in 2020-21 was the independent chair of the Audit and Risk Committee.

Position	Name	Type of remuneration	Period of membership in 2020-21	Gross/actual remuneration for 2020-21 <sup>(a)</sup>
Independent chair of the Audit and Risk Committee	Ross Hughes	Annual Fee	12 months	\$27,375

(a) Reported remuneration excludes GST and travel expenses incurred as per Public Sector Commissioner’s Circular 2009-20 Reimbursement of Travel Expenses for Members of Government Boards and Committees.

WA Multicultural Policy Framework

Our Multicultural Plan 2021 was provided to the Minister for Citizenship and Multicultural Interests in January 2021. The Plan was developed in support of the Western Australian Multicultural Policy Framework developed by the Office of Multicultural Interests.

Our Multicultural Plan is our commitment to ensuring we are taking specific actions to ensure people from culturally and linguistically diverse backgrounds are afforded participation, equality and fairness in opportunities, policies, programs and services we provide. This Plan has been developed in alignment with Treasury’s [Strategic Plan](#), and [Workforce and Diversity Plan 2020-21](#).





# APPENDIX 1: TREASURY ADMINISTERED LEGISLATION

Treasury assists the Treasurer in administering the following Acts:

- *Advance Bank (Merger with St. George Bank) Act 1998*
- *Appropriation (Consolidated Fund) Acts (various)*
- *Auditor General Act 2006*
- *Australia and New Zealand Banking Group Act 1970*
- *Australia and New Zealand Banking Group Limited (NMRB) Act 1991*
- *Australia and New Zealand Banking Group Limited (Town & Country) Act 1995*
- *Bank Mergers Act 1997*
- *Bank Mergers (Taxing) Act 1997*
- *Bank of South Australia (Merger with Advance Bank) Act 1996*
- *Bank of Western Australia Act 1995*
- *Bell Group Companies (Finalisation of Matters and Distribution of Proceeds) Act 2015\**
- *Coal Industry Superannuation Act 1989*
- *Electricity Industry Act 2004 (Parts 9A and 9B only)*
- *Fire and Emergency Services Superannuation Act 1985*
- *Financial Agreement Act 1928*
- *Financial Agreement Act 1995*
- *Financial Management (Transitional Provisions) Act 2006*
- *Financial Management Act 2006*
- *Financial Relations Agreement (Consequential Provisions) Act 1999*
- *Government Financial Responsibility Act 2000*
- *Judges' Salaries and Pensions Act 1950*
- *Loan Acts (various)*
- *Motor Vehicle (Catastrophic Injuries) Act 2016*
- *Parliamentary Superannuation Act 1970*
- *Perth Building Society (Merger) Act 1986*
- *Perth Market (Disposal) Act 2015*
- *Pilbara Port Assets (Disposal) Act 2016*
- *Railways (Access) Act 1998*
- *Royalties for Regions Act 2009*  
(Pt. 2 only, except s.9 & 10, which are administered by the Minister for Regional Development, principally assisted by the Department of Primary Industries and Regional Development)

- *State Bank of South Australia (Transfer of Undertaking) Act 1994*
- *State Enterprises (Commonwealth Tax Equivalents) Act 1996*
- *State Entities (Payments) Act 1999*
- *State Superannuation Act 2000*
- *State Superannuation (Transitional and Consequential Provisions) Act 2000*
- *State Trading Concerns Act 1916*
- *Statistics Act 1907*
- *Superannuation and Family Benefits Act 1938*
- *Supply Acts (various)*
- *TAB (Disposal) Act 2019 (Parts 1 to 5, other than section 27, only)*
- *The Bank of Adelaide (Merger) Act 1980*
- *The Commercial Bank of Australia Limited (Merger) Act 1982*
- *The Commercial Banking Company of Sydney Limited (Merger) Act 1982*
- *Treasurer's Advance Authorisation Acts (various)*
- *Unclaimed Money Act 1990*
- *WADC and WA Exim Corporation Repeal Act 1998*
- *Western Australian Future Health Research and Innovation Fund Act 2012 (Part 3 only)*
- *Westpac Banking Corporation (Challenge Bank) Act 1996*

\* On 16 May 2016 the High Court of Australia declared this Act to be invalid in its entirety. (See *Bell Group N.V. (in liquidation) v Western Australia* [2016] HCA 21).

# FEEDBACK, ACCESSING ANNUAL REPORTS, AND CONTACTING US

## Feedback

Thank you for reading our 2020-21 Annual Report.

We welcome any feedback you have on the information presented in this report. You can provide comments and suggestions via the contact method that best suits you (email, phone, mail) from the Contact Details listed below.

## Accessing Annual Reports

A full copy of this document, and previous years' Annual Reports, are available from our [website](#) and the State Library of Western Australia.

Upon request, this report is available in an alternative format.

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