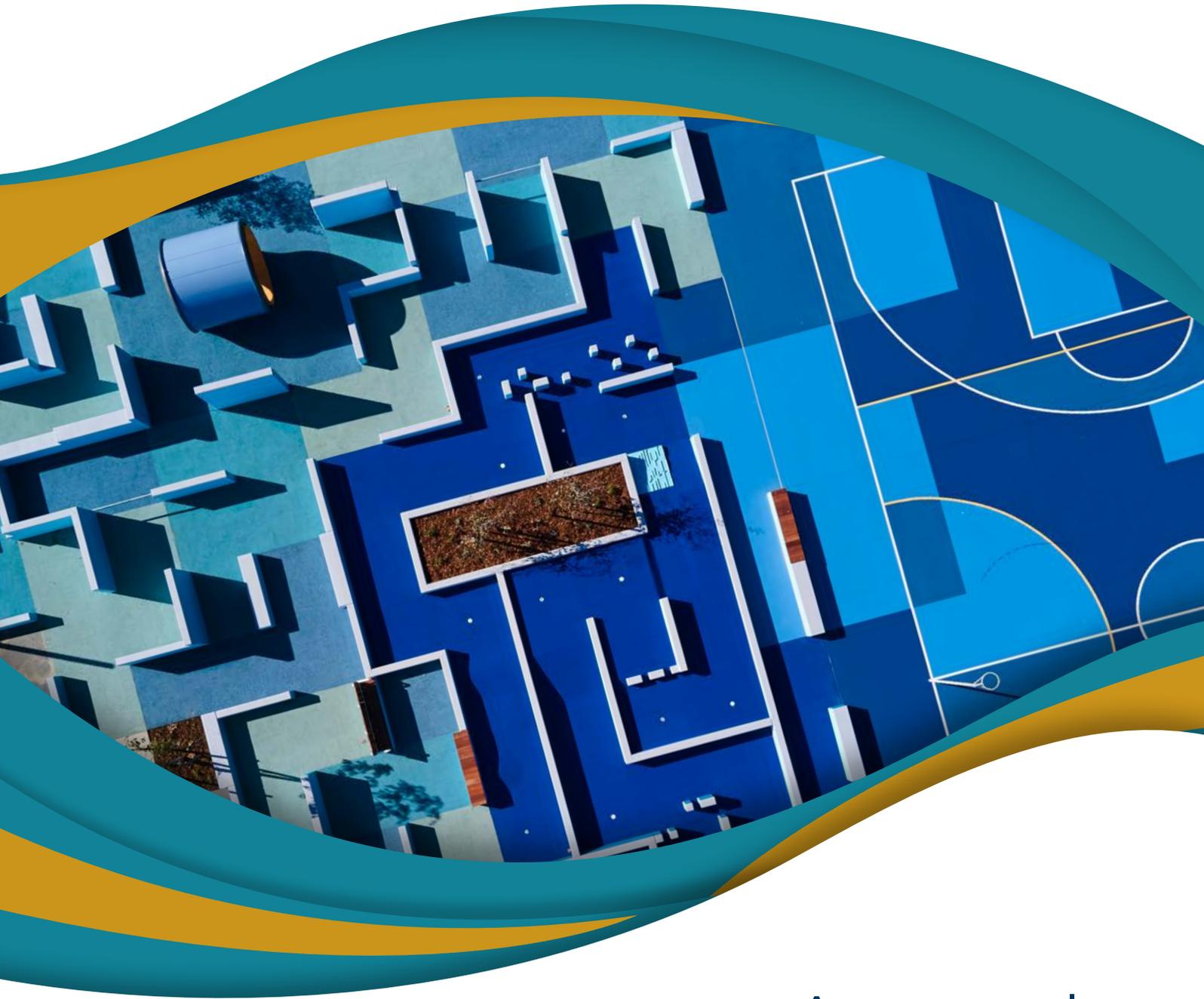




Department of  
**Local Government, Sport  
and Cultural Industries**



# Annual Report **2021-2022**





Marrageku's Jurrungu Ngan-ga at Carriageworks. Photo by Prudence Upton.



State of Western Australia.

Published by the Department of Local Government, Sport and Cultural Industries (DLGSC), Western Australia, October 2022.

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This document has been designed and written to make it accessible to as many people as possible. Copies of this publication are available in alternative formats upon request.

## **DLGSC contact details**

### **Perth office**

Gordon Stephenson House  
140 William Street  
Perth WA 6000

### **Leederville office**

246 Vincent Street  
Leederville WA 6007

Postal address: PO BOX 8349, Perth Business Centre WA 6849

Email: [info@dlgsc.wa.gov.au](mailto:info@dlgsc.wa.gov.au)

Website: [www.dlgsc.wa.gov.au](http://www.dlgsc.wa.gov.au)

## **Acknowledgement of country and peoples**

The DLGSC acknowledges the Aboriginal people throughout Western Australia as the Traditional Owners and Custodians of the lands, waters, and communities in which we operate. The DLGSC is committed to developing strong working relationships with Aboriginal people and is proud to celebrate the cultural diversity, strength and resilience of Aboriginal people, and is deeply grateful for the contributions they make to the State of Western Australia. We pay our respects to all Aboriginal people and their cultures, and to Elders both past and present.

## **About DLGSC**

The DLGSC works with partners across government and within its diverse sectors to enliven the Western Australian community and economy through support for and provision of sporting, recreational, cultural, and artistic policy, programs and activities for locals and visitors to the State. The DLGSC provides regulation and support to local governments and the racing, gaming, and liquor industries to maintain quality and compliance with relevant legislation, for the benefit of all Western Australians.

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Front cover image: Koolambidi Woola Bunbury. Photo by Bianca Turri, courtesy of City of Bunbury.

# Statement of compliance

**Hon David Templeman Dip Tchg BEd MLA**

**Minister for Culture and the Arts; Sport and Recreation; International Education; Heritage**

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 Local Government, Sport and Cultural Industries for the reporting period ended 30 June 2022.

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



Lanie Chopping

**Director General**

**Department of Local Government, Sport and Cultural Industries**

18 October 2022



OMI Leadership and Governance Program mentors: back to front: Shane Colquhoun, Tanvir Asgar, Matthew Young, Nilda Eisen, Wendy Rose, Candy Choo, Iqbal Samnakay, Katherine Sturley, Pearl Proud, Dee Roche, Nancy Bonfiglio-Pavisich, Wilson Tay, James Jegasothy (DLGSC), Melissa Grove, Matthew Brierley.

## About this report

This Annual Report describes the performance and operation of DLGSC during 2021-2022. The report has been prepared according to parliamentary reporting and legislative requirements and is arranged as follows:

**Agency achievements:** An overview of community and sector impact from across the agency.

**Agency performance:** Summarises DLGSC's performance against agreed financial and service delivery outcomes. This section includes DLGSC's performance against key performance indicators and financial statements.

**Disclosures and compliance:** Reports on governance, public accountability, financial management, information management, people management and equity and diversity.

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# Director General's foreword

The past year has seen DLGSC achieve important milestones on projects and initiatives aimed at building an inclusive and resilient Western Australian community. From progressing a significant reform agenda to delivering a number of funding programs, as well as contributing to significant events like the 2021 AFL Grand Final, the agency went from strength to strength.

The DLGSC rose to the challenges posed by COVID-19 and maintained our services to the Western Australian community. Importantly, we also delivered innovative and agile financial support packages to sectors impacted by the pandemic.

As Director General, I have been proud to watch DLGSC play an integral role in the State's COVID response, including: delivering additional funding to the culture and the arts sector through the expanded Getting the Show Back on the Road+ program, rebates to local business through the Alfresco Activation Rebate Program and supporting local sporting clubs through the COVID-19 Cleaning Subsidy.

Throughout 2021-22, DLGSC also worked to improve capability and outcomes across the local government, sport and recreation, and culture and arts sectors. Importantly, we progressed some of the State's most significant regulatory reform packages. In November, proposed local government reforms were released for public consultation. Based on the findings of several reports, the reforms are aimed at building capacity in the sector so that local governments are in the best position to respond to the economic, social, and environmental needs of their communities. We established a dedicated regulatory reform team to progress this work – part of a larger structural review to ensure we are positioned to best meet the needs of our stakeholders.

The tabling of the Perth Casino Royal Commission Final Report was a watershed moment for DLGSC and we are working with the Department of the Premier and Cabinet to implement the recommendations.



This is on top of the work we have already done improving governance across DLGSC and the Gaming and Wagering Commission.

Over the last year, we have worked closely with key stakeholders on projects across some of the State's most iconic sport and cultural spaces. This has included His Majesty's Theatre, Perth Cultural Centre, Perth Concert Hall, State Football Centre, and the new Screen Production Facility. An important and exciting addition to this list is the Aboriginal Cultural Centre project, with planning and engagement underway.

This year has also marked my first full year as Director General at DLGSC and I would like to take this opportunity to express my gratitude to our team for their outstanding commitment and professionalism. I also extend my thanks to our stakeholders for their support and to colleagues across government for working in partnership with us.

I look forward to the year ahead, delivering excellent outcomes for the Western Australian community.

**Lanie Chopping**



Koolambidi Woola Bunbury. Photo by Bianca Turri, courtesy of City of Bunbury.

# Agency overview

## Agency profile

The DLGSC works with partners across government and within its diverse sectors to enliven the Western Australian community and economy through support for and provision of sporting, recreational, cultural, and artistic policy, programs and activities for locals and visitors to the State.

The DLGSC provides regulation and support to local governments and the racing, gaming, and liquor industries to maintain quality and compliance with relevant legislation, for the benefit of all Western Australians.

## Responsible Ministers

The DLGSC was established on 1 July 2017 under the *Public Sector Management Act 1994*.  
On 30 June 2022, DLGSC was responsible to the following Ministers:



**Hon David Templeman**  
**Dip Tchg BEd MLA**  
In his roles as Minister for Culture and the Arts; Sport and Recreation.



**Hon Dr Tony Buti BPE (Hons),  
DipEd, MIR, LLB (Hons),  
DPhil MLA**  
In his roles as Minister for Aboriginal Affairs; Racing and Gaming; Citizenship and Multicultural Affairs.



**Hon John Carey BA (Hons) MLA**  
In his role as Minister for Local Government.

# Administered Legislation

## DLGSC

The DLGSC is the agency principally assisting the Minister for the following legislation as of 30 June 2022.

- *Arts and Culture Trust Act 2021*
- *Art Gallery Act 1959*
- *Caravan Parks and Caravan Grounds Act 1995*
- *Cat Act 2011*
- *City of Perth Act 2016*
- *Combat Sports Act 1987*
- *Control of Vehicles (Off-road Areas) Act 1978*
- *Dog Act 1976*
- *Gaming and Betting (Contracts and Securities) Act 2000*
- *Library Board of Western Australian Act 1951*
- *Liquor Control Act 1988*
- *Local Government (Miscellaneous Provisions) Act 1960*
- *Local Government Act 1995*
- *Major Events (Aerial Advertising) Act 2009*
- *Museum Act 1969*
- *Racing and Wagering Western Australia Act 2003*
- *Racing Bets Levy Act 2009*
- *Racing Penalties (Appeals) Act 1990*
- *Racing Restriction Act 2003*
- *South Fremantle Oil Installations Pipeline Act 1948*
- *Sports Drug Testing Act 2001*
- *State Records Act 2000*
- *Sunset Reserve Transformation Act 2014*
- *The Western Australian Turf Club Act 1892*
- *Western Australian Greyhound Racing Association Act 1981*
- *Western Australian Trotting Association Act 1946*
- *Western Australian Turf Club (Property) Act 1946*

## Entities within the portfolio

The following portfolio entities are those principally assisting the Minister for legislation as of 30 June 2022.

The Gaming and Wagering Commission:

- *Betting Control Act 1954*
- *Casino (Burswood Island) Agreement Act 1985*
- *Casino Control Act 1954*
- *Gaming and Wagering Commission Act 1987*
- *Gaming and Wagering Commission (Continuing Lotteries Levy) Act 2000*
- *TAB (Disposal) Act 2019*

(Except parts 1 to 5, other than section 27, which are administered by the Treasurer principally assisted by the Department of Treasury.)

The Metropolitan Cemeteries Board:

- *Cemeteries Act 1986*

The Library Board of Western Australia:

- *Legal Deposit Act 2012*

The Western Australian Local Government Grants Commission:

- *Local Government Grants Act 1978*

The Western Australian Museum:

- *Maritime Archaeology Act 1973*

## Governing Legislation

In performing its functions, DLGSC is compliant with relevant law, including, but not limited to:

- *Auditor General Act 2006*
- *Corruption, Crime and Misconduct Act 2003*
- *Disability Services Act 1993*
- *Equal Opportunity Act 1984*
- *Financial Management Act 2006*
- *Freedom of Information Act 1992*
- *Industrial Relations Act 1979*
- *Minimum Conditions of Employment Act 1993*
- *Procurement Act 2020*
- *Public Interest Disclosure Act 2003*
- *Public Sector Management Act 1994*
- *Salaries and Allowances Act 1975*
- *State Records Act 2000*
- *State Superannuation Act 2000*
- *Western Australian Jobs Act 2017*
- *Workers Compensation and Injury Management Act 1981*
- *Work Health and Safety Act 2020*

## Executive leadership

The DLGSC has the following business areas: local government; sport and recreation; culture and the arts; racing, gaming and liquor; Office of Multicultural Interests; specialist Aboriginal projects and engagement; regulatory reform; infrastructure; and State Records Office. These business areas are supported by the operational areas of corporate services, and strategy and performance accountability.

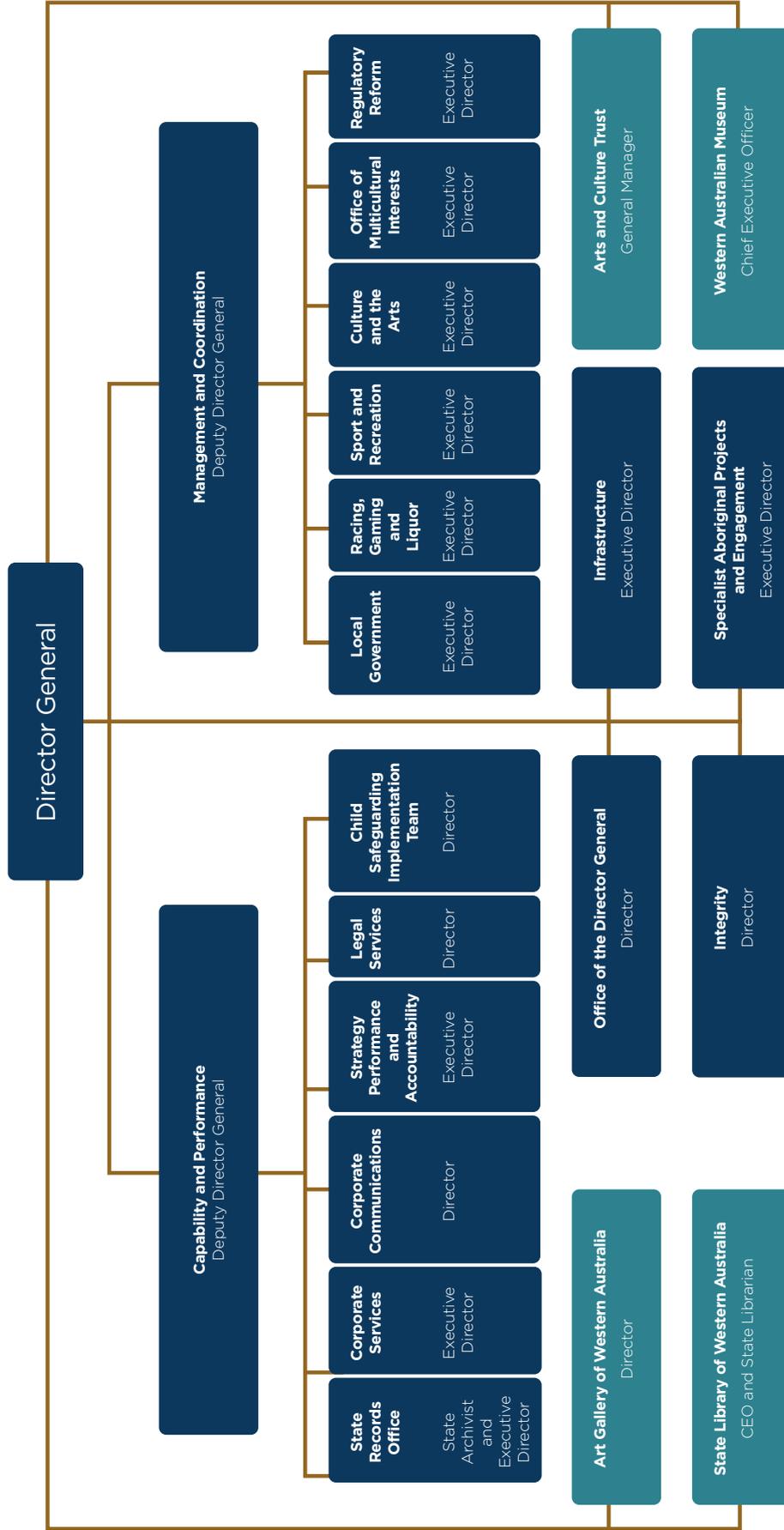
Below are the executive leadership roles on 30 June 2022.

Position	Role
Director General	Lanie Chopping
Deputy Director General – Management and Coordination	Erin Gauntlett
Deputy Director General – Capability and Performance	Robin Ho
Executive Director – Specialist Aboriginal Projects and Engagement	Kate Alderton
Executive Director – Corporate Services	Liam Carren
Executive Director – Infrastructure	Lisa Fanciulli
Executive Director – Local Government	Tim Fraser
Executive Director – Office of Multicultural Interests	James Jegasothy
Executive Director – Strategy and Performance Accountability	Lorna Mackie
Executive Director – Culture and the Arts	Shelagh Magadza
Acting Executive Director – Sport and Recreation	Mitch Hardy
Acting Executive Director – Regulatory Reform	Darrelle Merritt
Acting Executive Director – Racing Gaming and Liquor	Jennifer Shelton
State Archivist and Executive Director – State Records Office	Damian Shepherd



(Left to right) Tim Fraser, Kim Ellwood, Liam Carren, Lorna Mackie, Kate Alderton, Jennifer Shelton, Erin Gauntlett, Lanie Chopping, Robin Ho, Shelagh Magadza, Carolyn Spartalis, James Jegasothy, Damian Shepherd, Lisa Fanciulli, Mitch Hardy.

# Organisational Structure at 30 June 2022



# Statutory entities supported

The DLGSC supports a range of statutory entities in the delivery of local government, culture and arts, and sports and recreational services to the community.

## Key movements and changes

Throughout 2021-2022, DLGSC have supported the transition of the Perth Theatre Trust to the Arts and Culture Trust (ACT) effective from 1 July 2022. The ACT was created in accordance with the *Arts and Culture Trust Act 2021*. The ACT will oversee all types of art and cultural assets. The ACT will apply a Western Australian-wide lens to engagement, commercial activities and benefits for local businesses and the community.

The DLGSC has also embarked on a program of revision of the service level agreements for the various statutory entities that are enabled by DLGSC shared services.

As the State Government considers in detail the recommendations of the Perth Casino Royal Commission's (Royal Commission) final report, DLGSC continues to improve the quality of support and assistance to the Gaming and Wagering Commission (GWC).

The DLGSC and GWC have, over the past year, undertaken a significant program of governance and regulatory improvements in response to the interim report and matters raised by the Royal Commission. This work continues to 2023-24 as DLGSC assists GWC to evolve as a more independent statutory authority. The first key stage is the *Casino Legislation Amendment (Burswood Casino) Bill 2022*, introduced in Parliament on 22 June 2022, which provides for the establishment of an independent chairperson and deputy chairperson. Once passed by Parliament, arrangements will be established to enable GWC to continue this important regulatory function.

## Judicial / Semi-Judicial

### Liquor Commission

The Liquor Commission is established under Section 9B of the *Liquor Control Act 1988* comprising a chairperson and other members as determined by the Minister for Racing and Gaming. Executive and administrative support for the Liquor Commission are provided by DLGSC.

### Local Government Standards Panel

The Local Government Standards Panel (the Standards Panel) is the primary standards panel established under Part 5 Division 9 and Schedule 5.1 of the *Local Government Act 1995*. It provides for a complaints system whereby certain alleged misconduct by council members can be reviewed. Administration and support services for the Standards Panel are provided by DLGSC.

### Racing Penalties Appeal Tribunal

The Racing Penalties Appeal Tribunal (the Tribunal) is established under the *Racing Penalties (Appeals) Act 1990*. The Tribunal was established to confer jurisdiction in respect to appeals against penalties imposed in disciplinary proceedings arising from, or in relation to, the conduct of thoroughbred racing, harness racing and greyhound racing, and for related purposes. Administration and support services for the Tribunal are provided by DLGSC.

## Regulatory

### Combat Sports Commission

The Combat Sports Commission (the Commission) is established under *Combat Sports Act 1987*. The Commission's finances are managed by DLGSC under a service level agreement. The finance branch provides effective governance of the Commission's financial policies and processes.

### Gaming and Wagering Commission

The *Gaming and Wagering Commission Act 1987* establishes GWC to control and regulate gambling and provides the regulatory framework enabling permitted gambling. The DLGSC provides administrative support services for GWC.



## Advisory

### Control of Vehicles (Off-road Area) Act Advisory Committee

The control of vehicles in off-road areas in Western Australia is regulated under the *Control of Vehicles (Off-road Areas) Act 1978* and is administered by DLGSC. Section 17 of the Act establishes an Advisory Committee that advises the Minister for Local Government on matters relating to the use of land by vehicles, as provided for under the Act.

### Local Government Advisory Board

The Local Government Advisory Board (the Board) is a statutory body established under section 2.44 of the *Local Government Act 1995*. The role of the Board is to consider proposals for changes to district boundaries and wards and representation structures of local governments. The DLGSC provides research and administrative support to the Board.

## Service Delivery

### Gaming Community Trust

The Gaming Community Trust (the Trust) was established in 2002 to provide advice and make recommendations to the Minister for Racing and Gaming on the distribution of funds and grants for the general benefit of the community.

The funds administered by the Trust are derived from unclaimed winnings that are payable from:

- the conduct of gaming or betting that is authorised by the *Gaming and Wagering Commission Act 1987*; or
- the conduct of a gaming operations at Crown Casino.

Administration and support services for the Trust are provided by DLGSC.

### Problem Gambling Support Services

The Problem Gambling Support Services Committee (the Committee) was formed in 1995 under auspices of GWC. The Committee brings together representatives from the gambling industry and government to address the social and economic issues that result from problem gambling in Western Australia. Administrative and support services for the Committee are provided by DLGSC.

### WA Local Government Grants Commission

The WA Local Government Grants Commission (the Commission) is a statutory body established under the *Local Government Grants Act 1978*. Its principal function is to make recommendations to the Minister for Local Government regarding the allocation of Australian Government financial assistance grants to Western Australia's 137 local governments. Administration and support services for the Commission are provided by DLGSC.

## Western Australian Museum

The Western Australian Museum is a statutory authority established by the *Museum Act 1969*. It is a body corporate with perpetual succession, governed by a board of seven trustees, including the chair and vice-chair who are appointed by the Governor of Western Australia. The DLGSC provides asset management, digital and technology services, and corporate support services through a service level agreement.

## Art Gallery of Western Australia

The Art Gallery of Western Australia is a statutory authority established by the *Art Gallery Act 1959*. It is a body corporate with perpetual succession, governed by a board of eight members appointed by the Minister. The DLGSC provides asset management, digital and technology services, and corporate support services through a service level agreement.

## State Library of Western Australia

The Library Board of Western Australia is a statutory authority established by the *Library Board of Western Australia Act 1951*. It is a body corporate with perpetual succession, governed by a board of 13 members who are appointed by the Governor of Western Australia. The Act was amended in 1955 to include the management of the State Library of Western Australia in the board's responsibilities. The DLGSC provides asset management, digital and technology services, and corporate support services through a service level agreement.

## Arts and Culture Trust

*(Perth Theatre Trust up to 30 June 2022)*

The Arts and Culture Trust is a body corporate with perpetual succession, established by the *Arts and Culture Trust Act 2021*. It is a body corporate with perpetual succession, governed by a board of nine members appointed by the Minister. The DLGSC provides corporate support and digital and technology services through a service level agreement and information system support through a service level agreement.

## Swan Bells Foundation

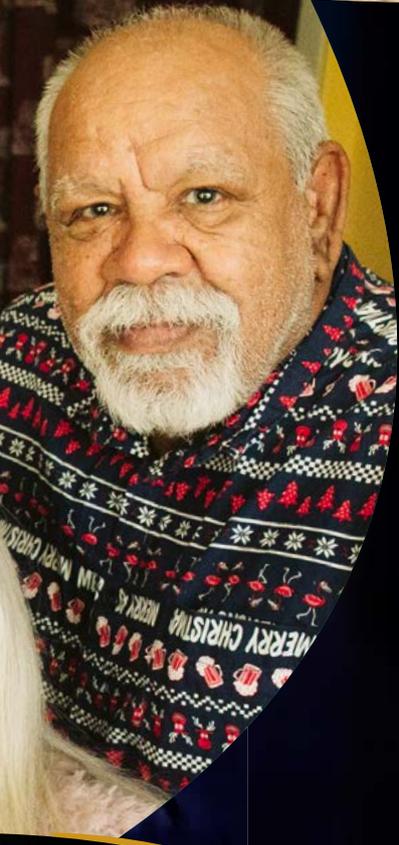
In accordance with the Western Australian Government's Perth - A City for People: October 1994 Policy, the Swan Bells Foundation Inc. was established by the State Government on 16 October 2000, under the *Associations Incorporation Act 1987*. The DLGSC provides accounting support for the Swan Bells Foundation Inc.





State Library of Western Australia.





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The positive impact of the work undertaken by DLGSC can be felt across the community. The DLGSC is committed to enriching and enlivening the lives of Western Australians, supporting, and enhancing communities, and building and maintaining strong regulatory functions. A focus on high performance and continuous improvement ensures that DLGSC is fostering the skills, capacity, and capability to be a trusted service provider to the people of Western Australia.

## Local government

The DLGSC engages with local government to deliver good governance to the community. The DLGSC administers a range of legislation impacting on local governments and the community, and receives and processes statutory applications.

In 2021-22, DLGSC continued to strengthen its engagement with the local government sector.

To better educate and build capacity across the sector, DLGSC has undertaken several projects over 2021-22, including:

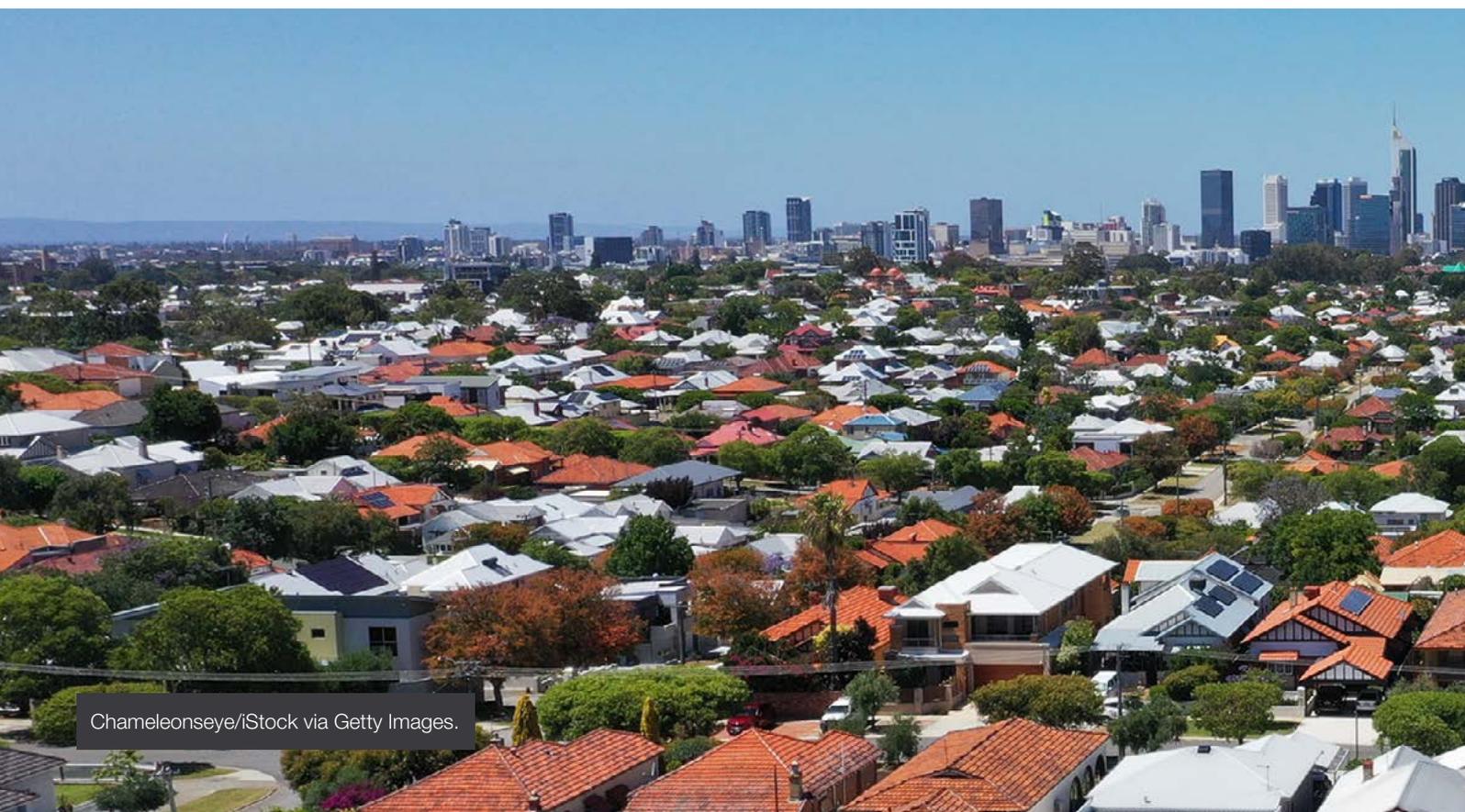
- the introduction of combined agency briefings, where the Corruption and Crime Commission, Office of the Auditor General, Public Sector Commission, State Records Office and DLGSC

provided presentations to local governments on a range of conduct and integrity matters;

- two Feedback Lab sessions with local government CEOs, governance practitioners and peak industry bodies to develop guidelines for dealing with behavioural complaints under the *Local Government Act (Model Code of Conduct) Regulations 2021*;
- a review of DLGSC's Local Government Compliance Framework commenced which aims to modernise and enhance DLGSC's approach to sector regulation; and
- the publication of model financial statements to streamline reporting, increase transparency for residents and ratepayers, and reduce the administrative burden for local governments.

The DLGSC worked with peak industry bodies such as the Western Australian Local Government Association and Local Government Professionals WA to strengthen sector capacity. This included support for local government to improve financial management, to assist small and/or regional local governments to transfer to a standardised chart of accounts to improve financial management, reporting and resource and information sharing.

This approach also included mentoring and leadership training to new chief executive officers in the Western Australian local government sector.



The DLGSC administers a range of legislation impacting on local governments and the community including the *Dog Act 1976*, *Cat Act 2011*, *Cemeteries Act 1986* and *Caravan Parks and Camping Grounds Act 1995*. In 2021-22, DLGSC processed more than 245 statutory applications under these Acts, and the *Local Government Act 1995* where there is delegated approval to DLGSC from the Minister. Among others, this includes applications to approve councillors' participation in meetings, differential rates assessments and burials.

The DLGSC also considers applications and prepares advice for the Minister for Local Government in relation to statutory approvals under the portfolio's legislation. In 2021-22, there were 150 recommendations made to the Minister in respect to applications for exhumations, caravan and camping applications and applications for assistance dogs.

In this financial year, the Investigation and Assessment Unit (IAU) had responsibility for both minor and serious breaches providing DLGSC with a central point for all complaints about local government. The IAU has revamped processes and developed an internal manual that provides guidance and benchmarks for finalising both minor and serious complaints; with better communication

with both complainants and respondents to ensure procedural fairness and provide parties with frequent updates on the progress of complaints.

### The DLGSC increased its **in-person visits** and **general engagement** with local governments

- 6** Webinars and information sessions
- 2** Multi-agency briefings
- 2** Feedback Lab sessions
- 8** LG Professionals branch meeting presentations
- 334** Calls answered on the LG Hotline
- 207** Emails resolved through the LG Hotline
- 45** Face-to-face visits to LGs
- 20** LG alerts
- 31** LG WALGA zone meetings



## Sport and recreation

The DLGSC supports Western Australians to have the opportunity to participate and progress in quality sport and active recreation more often, through a well-informed and connected sector. The DLGSC also provides strategic leadership and support for the sport and active recreation sectors with a focus on inclusion and accessibility.

Over the past year, more than \$6.9 million was invested in 90 state sporting associations and more than \$1.8 million went to five peak bodies through the industry investment programs to support sporting and active recreation opportunities for all Western Australians.

The development of the 2021–2024 Learning and Development Framework and Strategy has seen DLGSC support the learning and development of the sport and recreation workforce. Over the past year, more than 1,000 industry participants attended workshops on a range of topics to improve governance, leadership, and capacity in the sector.

From January to June 2022, a comprehensive stakeholder engagement program was undertaken to implement the Outdoor Framework. Aimed at getting more people outdoors and active, the engagement program brought together local governments, community recreation groups, state sporting associations, and the commercial recreation sectors to explore advocacy, funding and enabling opportunities to provide recreation activities.

In 2022, DLGSC implemented the Outdoor Active Recreation Participation program, the first dedicated recreation participation grants program. In its inaugural year, the program has supported 22 projects that address barriers to participation and improve experiences in outdoor active recreation.

Another initiative addressing accessibility was the Targeted Participation Program, which supported 12 organisations in 2021–22. It delivered outcomes for low participation groups in the areas of participation, leadership, partnerships, capacity building, behavioural change, and healthy environments.

In October 2021, DLGSC hosted the 2021 WA Trails and Recreation Forum in partnership with the Department of Biodiversity, Conservation and Attractions; the City of Albany; and Outdoors Great Southern. More than 200 people attended the three-day forum.

The DLGSC continued to offer affordable experiences at its five camps. A significant addition to the offerings was the November 2021 completion of the \$3.7 million Spinnaker Precinct at the Ern Halliday Recreation Camp in Hillarys. The refurbishment included a new 72-bed dormitory facility designed to support adult users, adequate segregation to support child safeguarding and improved disability access.

Active Farmers Games in 2021, Torbay, City of Albany.  
Image courtesy of Boyd Rae.



In 2021-22, more than \$11.8 million was provided via the Community Sporting and Recreation Facilities Fund (CSRFF) for community groups, local governments, and Aboriginal corporations to develop community level infrastructure for sport and recreation, with the aim of increasing participation.

In addition, 42 projects worth a total of \$3.3 million were supported as part of the Club Night Lights Program, which saw the installation and maintenance of floodlighting infrastructure to allow sport and recreation activities to be held at night.

The State Sporting Infrastructure Fund (SSIF) continued to support sporting facilities in planning, upgrades, and ongoing maintenance. It has allowed clubs to host state, national and international level sporting events and provide elite-level training.

The 10th anniversary of DLGSC's successful KidSport program was celebrated in 2021. Since 2011, more than 245,000 vouchers have supported more than 100,000 children to participate in club sport and swimming lessons.

The DLGSC delivers services across Western Australia through regional offices located in the Kimberley, Pilbara, Goldfields Wheatbelt, Mid West/ Gascoyne, South West and Great Southern. Services continued to expand and invest in regional sport and recreation in recognition of the integral part it plays in regional, rural, and remote communities.

Throughout 2021, several community programs were delivered from DLGSC's eight regional offices as well as significant industry forums held in the Gascoyne, Mid West, and Peel. Significant activities and collaboration occurred as part of the Kimberley Football Advisory Council culminating in DLGSC teaming up with the AFL to deliver a \$5 million investment into one of football's most skilled, passionate, and remote talent pools.

The Kimberley Investment Framework builds on recent State Government investments in Kimberley football, including \$339,000 for the recently commissioned floodlighting at Nipper Roe Sports Field in Broome and \$592,000 to upgrade change rooms and lighting at Clarrie Cassidy Oval in Wyndham.

The Fundamental Movement Skills package, Building Active Bodies and Brains, was launched in March 2022. Launched in the Pilbara, the package was designed in local Ngarluma and Yindjibarndi languages for implementation across playgroups, early childhood education and care organisations.

The DLGSC have funded Active Farmers, through the Strategic Initiatives Program, to deliver the Rural Resilience Project to farming communities across three Western Australian regions over a three-year period. Building on the Active Farmers Games in 2021, the project provides significant value to farming communities throughout the Great Southern, Wheatbelt and Mid West regions, through delivery of active recreation programs, capacity building activities and providing a platform for social connections for long term physical and mental health benefits.



## Recreation camps

**997**  
unique  
events



**103,726**  
participations

**55,217**  
bed nights



## Regional

**118** **\$2,229,780**  
projects funded



### Regional Athlete Travel Subsidy Scheme

**322** **\$137,000**  
athletes funded

## KidSport

Since 2011

### Over previous 10 years

more than \$36m has supported 100,000+ children to help pay club fees

2021-22:

**33,500**



vouchers



**\$5m+**

to community sport and recreation clubs

## Sport

**134** **\$2,359,265**  
projects funded

### Industry Investment Program

**88** **\$8,904,500**  
organisations funded

## Sport - High Performance

**4**



projects

**\$523,000**

funded

### Western Australian Institute of Sport

**\$8,053,902**



Operational funding and Olympic athlete support

## Recreation

**44** **\$1,366,065**  
projects funded



## Participation

**18** **\$1,692,164**  
projects funded





The DLGSC Pilbara work placement student (far right), with West Australian Netball League athlete, delivering a skills development clinic with students from Roebourne Primary School.

## Culture and the arts

The DLGSC supports the delivery of creative opportunities across culture and the arts. Investment in culture and the arts is essential to ensure Western Australians have ongoing access to cultural and artistic activities and experiences.

Through targeted grants and investment programs, DLGSC has continued to support the development of high-quality experiences for Western Australian communities. Importantly, DLGSC promoted a greater engagement of Aboriginal communities in the arts and encouraged the expression of Aboriginal culture.

Across the wider artistic community, artists and businesses have been able to access professional and skills development, culminating in more diverse artistic and cultural experiences for the public. In the past year more than 260 projects have been supported by more than \$7.7 million through the arts U-15K and 15K plus grant programs.

Improved access to and participation in the performing arts has also been made possible through initiatives such as the National Performing Arts Partnership which supports music, theatre, and dance organisations in Western Australia. In 2021-22, more than \$9.73 million was delivered to support five organisations across the State.

The development of these sectors is further supported through programs such as the Western Australian Theatre Development Initiative, which promotes the sharing of uniquely Western Australian stories, and the Regional Exhibition Touring Boost (RETB), which delivers exhibits to the State's regions via the Art Gallery of Western Australia and Art on the Move.

As part of RETB, artists have been able to take up residencies and explore local histories and narratives using archives and collections plus provide workshops to local communities. Engaging with local traditional owners and custodian Elders has resulted in successful artist-led workshops. Access to the Regional Traineeship Program has also allowed trainees to complete a Certificate II in Arts Administration with a regional arts organisation.

Another initiative aimed at regional Western Australia is the Regional Arts and Cultural Investment Program (RACIP). Through a range of fellowships and business development programs, RACIP supports the growth of culture and the arts in the regions which supports the emergence of uniquely Western Australian stories, emphasising those of Aboriginal histories and communities.

In September 2021, the State Government announced the \$20 million WA Production Attraction Incentive to be administered by Screenwest, which will help to draw new job-creation film and television projects to the State. It will provide skills development and training opportunities to create a pathway for the Western Australian screen industry, while helping unlock Australian Government funding to support local productions.

The third Virtual Reality Festival was held in the Perth Cultural Centre. Titled XR: WA, the festival, supported by DLGSC, featured local, national, and international speakers highlighting the crossover and connection between the creative sector and the games and immersive technology industries.

The DLGSC played a pivotal role in the historic AFL Grand Final held in Perth by working with the Western Australian music sector, and contributing through the Contemporary Music Fund, to ensure that some of Western Australia's most iconic musicians took centre stage and were broadcast to the world. This was a successful collaboration between sport and recreation and culture and the arts business areas within DLGSC and Tourism WA to bring benefits to the State and community.

The DLGSC is the lead agency on several infrastructure projects that are changing the face of Western Australia.

Working with the Department of Finance and the Art Gallery of Western Australia, DLGSC led the delivery of the Elevate rooftop redevelopment project, including construction of an external lift, rooftop sculpture garden, gallery, and event spaces.

The redevelopment of His Majesty's Theatre is underway with restoration of the original balconies, re-establishing it as a cultural icon of Perth.

As part of the Perth City Deal, DLGSC developed a master plan to guide the redevelopment of the Perth Cultural Centre which was released to the community with the aim of creating vibrant, safe, welcoming, and attractive areas that will connect Perth's cultural institutions with their surrounds.

In addition, DLGSC is responsible for a significant maintenance program that ensures the community can continue to enjoy and use key cultural assets.

## U15K grants

**193** **\$2,557,280**

applications supported

## 15K Plus grants

**68** **\$3,220,859**

applications funded supported

### Arts Organisations Investment Program (AOIP)

**35** **\$10,196,000**

organisations funded supported

### WA Theatre Development Initiative (WATDI)

**3** **\$299,951**

applications funded supported

## National Performing Arts Partnership

**5**

organisations

**\$9,732,725**

funded

Marrugeku

West Australian Symphony Orchestra

West Australian Ballet

Black Swan State Theatre Company

West Australian Opera



## Regional Arts and Cultural Investment Program (RACIP)

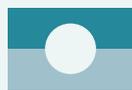
**\$3.5m**  
grants

**40**  
recipients

**15** shows supported

Commissioning  
**4** new large-scale works

telling unique Aboriginal stories



**8** programs supported

improving access to culture and the arts activities



## Regional Arts Sector Investment Program

**15**  
organisations supported

**4**  
fellowships awarded

**7**  
young artists and arts workers supported

across regional and remote WA

## Racing, gaming and liquor

The DLGSC regulates and supports the racing, gaming and liquor industries to ensure compliance with legislation. Activities undertaken are underpinned by our values and strategic direction, guiding the performance against financial and service delivery outcomes.

Under the *Liquor Control Act 1988*, DLGSC is tasked with regulating the sale, supply and consumption of alcohol; and the proper development of the liquor, tourism and hospitality industries; while also minimising harm caused to people through the use of liquor.

The DLGSC has a range of activities to support these initiatives. A comprehensive licensing and industry support team led the way in providing COVID-19 relief to licensees over the past year (refer page 42). The compliance team ensures that the policy measures in place are adhered to and that licensed venues remain safe for public enjoyment. The DLGSC also supports the functioning of the Liquor Commission to enable independent review of liquor-related decisions.

An innovative approach DLGSC has taken is the trialling of a BDR in the Pilbara, Kimberley, and Goldfields. The BDR prevents the sale of alcohol to banned individuals. Other measures that were introduced to reduce alcohol-related harm in 2021-22 include the introduction of carriage limits, which have resulted in several arrests and seizures of liquor in excess of carriage limits, and delivery regulations, which have improved safety related to liquor ordered online.

One of the risks managed by DLGSC is the conduct of individuals whose behaviour becomes harmful and dangerous following excessive consumption of alcohol. This is currently done by limiting access to licensed premises through the issue of prohibition orders issued by the Director of Liquor Licensing and barring notices issued by the Commissioner of Police.

The regulator for gaming and wagering in Western Australia is the GWC. The GWC is responsible for the regulation of gaming at the Perth Casino, community gaming and wagering activities.

The DLGSC provides GWC with services including policy, compliance and enforcement, and licensing functions.

A significant regulatory focus of DLGSC during the year included the response to the Perth Casino Royal Commission (refer page 47) and the licensing and the extensive, multi-jurisdictional probity investigations, which enabled probity approval granted to the relevant Blackstone Group entities and associated individuals.

The DLGSC provides services to the:

- Gaming Community Trust; and
- Problem Gambling Support Services Committee.

The DLGSC provides administrative and regulatory support to:

- Liquor Commission;
- Racing and Wagering Western Australia; and
- Racing Penalties Appeal Tribunal.

A major focus of work in 2021-22 for racing, gaming and liquor was oversight and advice on the sale of the Totalisator Agency Board (TAB).





Matthias Clamer/Stone via Getty Images.

# Office of Multicultural Interests

Cultural diversity is one of Western Australia's greatest assets and DLGSC works with cultural and linguistically diverse (CaLD) communities, service providers and government agencies to support and promote equity and accessibility.

The DLGSC developed a Multicultural Plan in January 2021 that outlined strategies to ensure that operations, services, and programs are inclusive and accessible to everyone. During 2021-22, DLGSC continued to deliver to the Plan. The realisation of the Plan will improve representation and participation of people from CaLD backgrounds across all aspects of its operations.

During 2021-22 a total of 61 government departments and agencies have signed up to the Western Australian Multicultural Policy Framework.

The Office of Multicultural Interests (OMI) online cultural competency training program, Diverse WA, supports this work and contributes to culturally responsive service delivery across the government and non-government sectors. Since its redevelopment in 2020, 213 agencies have registered and more than 6,000 users have accessed the program, with a training completion rate of 99 per cent and a satisfaction rate of over 95 per cent.

An increase in funding for OMI's Community Grants Program to \$1 million doubled the amount previously available to support community-led initiatives, including projects supporting parents, employment, leadership and regional communities. The OMI also provided interpreter scholarships to improve the skills of practising interpreters and increase the availability of quality interpreters for in-demand languages.

The OMI Leadership and Governance Program encourages greater diversity in representation on public, private and not-for-profit boards and committees. The past financial year saw 20 participants undertake the competitive program.

In conjunction with local government, OMI developed a presentation session to encourage people from CaLD backgrounds to consider nominating for the 2021 local government elections. This approach was aimed at increasing elected member representation on local government councils that is more reflective of the Western Australian community.

The OMI delivered two significant awards events in 2021-22. The Outstanding Community Languages Teacher of the Year Award was held in August 2021 to recognise excellence in teaching by volunteer community language teachers. In March 2022 as part of Harmony Week, the WA Multicultural Awards recognised individuals and organisations for their outstanding contributions towards a more inclusive and equitable Western Australia across categories as diverse as youth leadership, human rights, and crisis response and recovery.

Following the Taliban taking control of Afghanistan in August 2021, OMI facilitated engagement between the State Health Incident Coordination Centre (SHICC) and Western Australian service providers to ensure the provision of culturally appropriate support and services to evacuees. This included access to appropriate mental health services, access to interpreters, and legal advice and assistance.

The OMI also engaged with government agencies to support Ukrainian nationals who came to Western Australia following the invasion by Russia in February 2022. This included facilitating access to healthcare and enrolment for Ukrainian children in public schools.



Outstanding Community Languages Teacher of the Year Awards 2021, Perth Sinhala School.

## WA Interpreter Scholarships 2022

**19** practising interpreters gained scholarships

## Western Australian Multicultural Awards

A record  
**100**  
nominations

**10**  
award categories

  
Broadcast LIVE!

## Diverse WA

Since 2020

**213**  
agencies  
registered

**6,000+**  
users

cultural competency  
module  
**99%**  
completion  
rate

language services  
module  
**82%**  
completion  
rate

## Western Australian Multicultural Policy Framework

**61** all departments and SES agencies

## Aboriginal people and communities

The DLGSC is committed to reconciliation. Throughout the year, DLGSC supported and led several projects to enable reconciliation, cultural understanding, participation and inclusion.

In 2022, an Aboriginal Policy and Business Advisor position was established to lead and manage the development and implementation of DLGSC's Reconciliation Action Plan, and to coordinate the implementation of the Aboriginal Empowerment Strategy Western Australia 2021-2029 and Closing-the Gap WA Implementation Plan (the Plan).

To support Outcome 16 of the Plan – Aboriginal and Torres Strait Islander cultures and languages are strong, supported and flourishing, DLGSC is working with the Department of Education to establish an Aboriginal Languages Reference Group by December 2022. A central point will be established to drive state-wide language programs and share the successes made by existing practitioners in this area including language centres, cultural programs, schools, and tertiary institutions.

The DLGSC continued to support a major language initiative in the Kimberley region through funding of the Kimberley Aboriginal Law and Culture Centre to deliver the Julurru project.

In addition, the Connecting to Country program offers project funding to Western Australian Aboriginal people to undertake travel to Country to foster the intergenerational transfer of knowledge, preservation of culture and strengthening of communities.

The Partnership Acceptance Learning Sharing (PALS) program, an initiative of DLGSC, encourages Western Australian schools to develop projects promoting reconciliation in their local community. PALS funding is available to all Western Australian primary and secondary schools. The aim is to foster a deeper understanding of the achievements and diversity of Aboriginal people, which DLGSC considers essential to recognising our shared histories and unified futures.

Revealed – New and Emerging Aboriginal Artists from Western Australia is a joint annual event supported by DLGSC in partnership with the Australian Government Department of Infrastructure, Transport, Regional Development and Communications' Office for the Arts. The program consists of an art market, exhibition, professional development program, and symposium.



2022 Revealed Exhibition. Photo by Rebecca Mansell.



**Aboriginal Cultural Centre Steering Committee.** Back row - Cheryl Martin, Barry Winmar and Peter Hill. Front row - Kate Alderton (Principal Project Director), Charne Hayden, Sabine Winton MLA (ACC Steering Committee Chair), Bev Port-Louis. Absent - Gordon Hill.

## Aboriginal Cultural Centre

The State and Australian Governments, working in partnership with Aboriginal people, commenced work on planning for the Aboriginal Cultural Centre (ACC) to open in 2028. This Centre will recognise and celebrate Aboriginal culture from across Western Australia and provide spaces for art, performance, education, research, community, and commercial activities. A feasibility study was completed by the Department of the Premier and Cabinet. The project was then transitioned to DLGSC as lead agency. The State and Australian Governments have currently committed \$104 million to this project.

The development of the ACC on Whadjuk Noongar Boodja requires a carefully planned process that considers cultural protocols with Whadjuk Noongar as host nation, while also connecting with Aboriginal communities across the State.

In December 2021, six elected Whadjuk representatives were appointed to the ACC Steering Committee, making community representation 50 per cent of the membership. This reflects DLGSC's commitment to working in partnership with Aboriginal people on projects and services that affect them and their communities. The Whadjuk representatives have provided leadership and guidance for the business case phase on all project matters, including those of cultural significance such as site selection.

The DLGSC is undertaking a state-wide engagement process with Aboriginal communities to determine the scope for the business case and project definition plan, which are scheduled to be completed by September 2023.

## Aboriginal History WA

Working in partnership with the Aboriginal community, Aboriginal History WA (AHWA) has completed several significant projects over the past 12 months including:

- Remembering Mount Margaret Mission - A collection of child crayon drawings from 1939. A publication released to mark the centenary of the establishment of the Mount Margaret Mission.
- Moore River Native Settlement (MRNS) - A research publication, released to coincide with Reconciliation Week 2022, that provides a timeline and burial register of MRNS. The publication is a valuable resource for people researching their Aboriginal history.
- Historical Agricultural and Pastoral Lease Applications by Aboriginal People throughout Western Australia 1889-1933 - A publication to acknowledge the part that Aboriginal farmers and their families played in the agricultural development of Western Australia.

The Aboriginal History Research Services (AHRS) have continued to provide a critical service to assist the Western Australian Aboriginal community seeking restricted historical records relating to their family.

In 2021-22, AHRS undertook specialised research and provided comprehensive responses to 905 requests. These included AHRS responses to 337 family history applications, 509 requests for information related to the National Redress Scheme and 17 Freedom of Information requests.





Fri 50%  
Sat

Author Sally Morgan reviewing her family history with Aboriginal History Research Officer Casey Petersen.

## State Records Office

The State Records Office (SRO) is the Western Australian public records authority with responsibility for managing, preserving, and providing access to the State's records of information.

In 2021-22, SRO worked with other agencies to commence development of an Information

Management Framework for WA. The Framework aims to help government organisations navigate the requirements of legislation and policies that impact the collection, creation, management and sharing of information by government – enabling these organisations to provide better services to the community.



Ancestors Word Podcast. (L-R) Sarah Tout, Darryl Kickett, Gabriel Maddock, Anna Haebich & Dean Collard.

Through the Geoffrey Bolton Lecture 2021: Yarning Ancestors' Words, the SRO supported local researchers to put the 2019 Tandanya Declaration into practice by embracing Indigenous worldviews and beginning to decolonise archival principles.





The DLGSC Pilbara work placement student, Jerome Ieremia supporting Ngurra Kujungka on a roadshow at Jigalong Remote Community School with the West Coast Eagles and Basketball WA staff.



# COVID-19 Response

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Business continuity and recovery 42

## Response and sector support

The COVID-19 pandemic continued to impact Western Australian businesses and individuals in 2021-22 including the communities and sectors who are key DLGSC stakeholders.

Through the State Government's COVID-19 recovery and response stimulus, DLGSC successfully delivered critical support to Western Australia's culture and the arts, local government, CaLD, regulatory services, and sport and recreation sectors.

This was achieved through the Safe Transition Industry Support Package, announced on 10 February 2022. The Safe Transition Industry Support Package included:

- \$10 million extension to Getting the Show Back on the Road+;
- \$3 million Event Suppliers Support Program; and
- \$11.6 million Level 1 COVID-19 Business Assistance Package.

The Level 1 COVID-19 Business Assistance Package announced on 24 February 2022 included:

- \$1.8 million Nightclub Assistance Program;
- \$1.3 million Performing Arts, Theatres and Cinemas Assistance Program;
- \$3.5 million Waiver of Liquor Licensing fees; and
- \$5 million Alfresco Support Program.

In addition, the \$1.65 million Sport and Recreation COVID-19 Cleaning Subsidy program offered grants to local sporting clubs and organisations.

The ongoing partnership and policy work with CaLD communities and peak bodies, the Department of the Premier and Cabinet and Department of Health, ensured families and individuals from CaLD backgrounds across Western Australia had access to critical information and services and were included in the State's COVID-19 response.

## Business continuity and recovery

In December 2021, DLGSC enacted its Incident Management Team to lead and coordinate the COVID-19 pandemic response, including business continuity impacts. Weekly decision-making meetings were held throughout 2022, using the COVID-19 Response Plan as a dynamic document making necessary modifications as new health directions and information was released and operational needs changed.

A dedicated COVID-19 Response Team was created to support business continuity and manage staff health and wellbeing, providing guidance on a range of matters including vaccine mandates, public health measures and transmission mitigation methods.

There were no significant impacts to service delivery to the community during the reporting period.



West Australian Opera 2021 Koolbaridi wer Wardong. Photo by James Rogers.



Halfpoint Images/Moment via Getty Images.



# Regulatory Reform

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The DLGSC is leading an ambitious reform agenda designed to improve services to industry sectors and the community in our regulatory areas.

In early 2022, DLGSC established a regulatory reform team to progress the development, consultation and implementation of a range of reforms. During 2021-22, the team oversaw liquor and local government regulatory reform.

## Liquor

The regulatory reform team implements the Government's election commitment to consult with industry and stakeholders regarding further amendments to the *Liquor Control Act 1988*.

The team considered the importance of balancing the needs of the State's tourism and hospitality industries while ensuring the safety of the community and minimisation of alcohol-related harm.

One of the risks managed by DLGSC through its regulatory role, is the conduct of individuals whose behaviour becomes harmful and dangerous following excessive consumption of alcohol. This is currently done by limiting access to licensed premises through prohibition orders issued by the Director of Liquor Licensing and barring notices issued by the Commissioner of Police.

To complement these measures and support the State Government's priority to make it safer for Western Australians to enjoy a night out, in 2021-22, policy work commenced on introducing the concept of exclusion orders. These will prohibit people from prescribed precincts. The legislation to support the introduction of these precincts is expected to be introduced in the summer of 2022-23.

The DLGSC has also achieved non-regulatory reform in the liquor area that has delivered benefits in processing liquor licence applications, including:

- a review and update of online applications, reducing application related queries;
- improving application assessment turn around time;
- streamlining internal processes; and,
- building staff capacity through training.

## Local government

In November 2021, the Minister for Local Government announced a package of reform proposals, the most significant in more than 25 years. After public consultation, feedback indicated support for the introduction of reforms, including a local government inspector to provide oversight and handle complaints, and local government monitors to work with local governments to identify and solve problems.



The DLGSC is working with the Parliamentary Counsel's Office to prepare a draft bill for Parliament for these reforms, which will provide economic and social benefit to Western Australian communities.

Working with the Western Australian Local Government Association and Local Government Professionals WA, DLGSC introduced model financial statements. Supported by stakeholders, the model statements recognise the difference in capacity and resources of local governments depending on their size.

## Casino regulation

The Perth Casino Royal Commission Final Report (the Report) was tabled in Parliament on 24 March 2022 by the Minister for Racing and Gaming. The Report found that Crown Perth and its subsidiaries were not presently suitable to hold a gaming licence, or to be concerned in, or associated with the organisation and conduct of the Perth Casino. However, the Report did not recommend revoking the organisation's licence and instead outlined a detailed remediation pathway to ensure legal compliance.

In response, the State Government commenced implementation of immediate reforms, including the introduction of the *Casino Legislation Amendment (Burswood Casino) Bill 2022*.

The Department of the Premier and Cabinet is leading the State Government's response to the Report. The DLGSC and the regulator, GWC, are working closely to support the development and implementation of the response.

Over the past 12 months, DLGSC and GWC have implemented significant improvements to governance and regulatory frameworks, including:

- reviewing DLGSC's regulatory functions for racing, gaming and liquor and implementing a new structure to improve management, capability, and enhance the senior leadership team;
- improving education and awareness about DLGSC's Code of Conduct;
- releasing a new DLGSC Conflict of Interest guideline;
- releasing an online Gifts, Benefits and Hospitality declaration process;
- introducing mandatory Accountable and Ethical Decision-Making training;
- engaging an audit service provider to improve internal capability to respond to audit findings; and
- executing a memorandum of understanding between DLGSC and the Department of Communities for financial counselling services to enable the provision of counselling to families and individuals who may be experiencing financial hardship due to gambling.





DLGSC staff: Tanya Matear, Luke Branch.



# Capability Development

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## Strategy and performance accountability

In 2021-22, the Public Sector Commission approved an interim DLGSC structure, including the creation of the strategy and performance accountability business area.

Strategy and performance accountability lead the development of organisational capability across the following functions:

- corporate governance and audit;
- strategic policy coordination; and
- strategy and transformation (which includes project management and business improvement).

The team works collaboratively with partners across the organisation and government to deliver shared outcomes and benefits for our stakeholders.

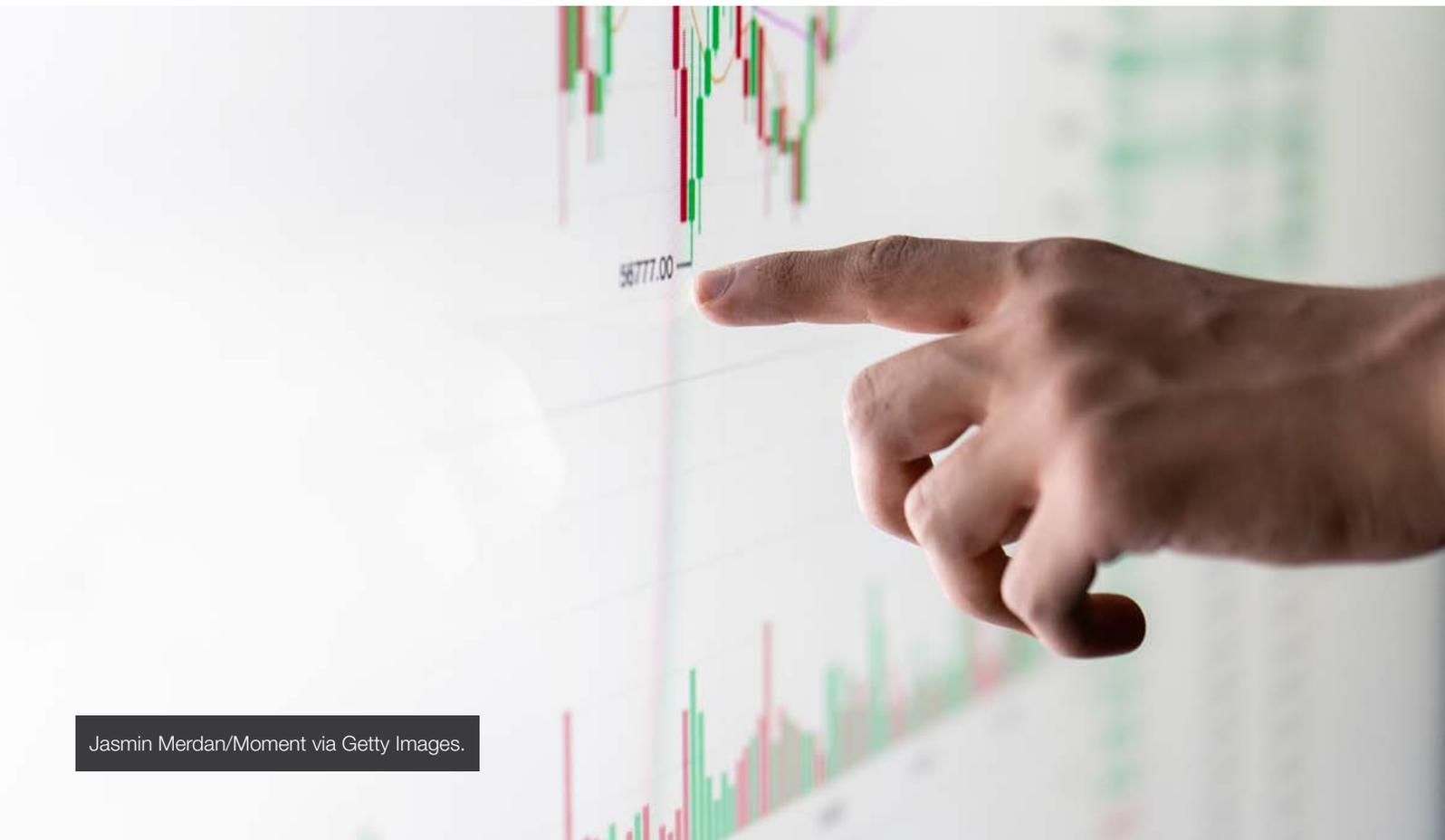
## Digital transformation

Throughout the year, DLGSC has continued its digital transformation to support the Digital Strategy for the Western Australian Government 2021-2025.

The DLGSC has made considerable progress to transition GovNext ICT infrastructure including:

- connecting its regional offices to standardised GovNext ICT infrastructure including high speed internet and Wi-Fi;
- providing standardised and upgraded IP telephony services across its regional offices, recreation camps and WA Museum regional locations; and
- providing network security with new firewalls as a shared infrastructure for all DLGSC, Western Australian Museum, State Library of Western Australia, Art Gallery of Western Australia and Arts and Culture Trust venues statewide.

In October 2021, DLGSC also signed a partnership agreement with the Office of Digital Government to access their Cybersecurity Operations Centre. This will enable DLGSC to share joint abilities and collaborate more effectively to support cyber security resilience and protect the wider government sector.



# Audit, governance and leadership

## Audit

Improving DLGSC's audit performance and culture has been a key priority during 2021-22. The DLGSC has sought to enhance its capability through a variety of strategies and activities.

There has been a strong leadership focus on addressing outstanding audit findings with DLGSC improving accountability at an executive level. This has included consistent and improved reporting to leadership, as well as across the agency, with a focus on accuracy and timeliness of information.

The DLGSC has strengthened its relationship with the Office of the Auditor General. This has been enhanced by the development of systems, processes and procedures to support engagement with all audit stakeholders.

Increased investment has ensured resourcing to functional areas to support audit remediation activities and sourcing external expert advice for complex matters.

In 2021, presentations were delivered to business areas across DLGSC to improve understanding of the role of governance and audit in the public sector, share DLGSC's current audit profile, and the work being undertaken to address audit findings.

Enhancing DLGSC's audit capability and response will be a continued key area of focus in 2022-23.

## Governance and leadership

In 2021, DLGSC implemented an interim structure with two new Deputy Directors General. The change in leadership structure and a review of governance arrangements resulted in a revised Corporate Executive membership to oversee governance and strategic decision making across service delivery, corporate services, audit and risk, integrity, and strategic projects.

A new Service Design and Delivery Committee supports the new Corporate Executive to provide advice on improving service delivery and better coordination of sector support and engagement functions. Other work was undertaken to review existing, and introduce other new governance committees, to reflect a more contemporary approach to public sector accountability and administration.

Integrity is a significant area of focus for DLGSC with a comprehensive program of policy, system, process, and practice changes to be introduced in the coming year.



Country Sport Enrichment Scheme: West Australian Netball League Match, Karratha.



# Agency Performance

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# Report on operations

## 2021-22

### Actual results versus budget targets

	<b>2021-22 Target<sup>(1)</sup></b>	<b>2021-22 Actual</b>	<b>Variation<sup>(2)</sup></b>	
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	
Total cost of services (expense limit)	392,905	300,703	(92,202)	(a)
Net cost of services	365,182	264,245	(100,937)	(a)
Total equity	723,960	548,664	(175,296)	(a)
Approved salary expense limit	49,834	44,394	(5,440)	(b)

(1) The 2021-22 Financial Targets reflect the financial targets in 2021-22 Resource Agreement.

(2) Further explanations are contained in Notes 10.1 'Explanatory Statement' to the financial statement.

(a) The 2021-22 Actual is lower than the Target predominantly relate to capital-based grants being awarded later than anticipated in the estimate and re-flowed to 2022-23.

(b) The 2021-22 Actual is lower than the Target due to vacancies.

<b>Working Cash Targets</b>	<b>2021-22 Target<sup>(1)</sup></b>	<b>2021-22 Actual</b>	<b>Variation (2)</b>	
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	
Working Cash Limit	18,772	13,774	4,998	(c)

(c) Working cash limit is below target mainly due to the reflow of infrastructure grant funding into 2022-23.

# Key performance indicators

**Outcome 1: Local governments are supported to meet legislative requirements of the Local Government Act.**

**Effectiveness KPI 1.1: Percentage of local governments where actions were taken in support of compliance with the legislative framework<sup>1</sup> Local governments.<sup>2</sup>**

## Why we measure

The role of DLGSC is to support the local government sector in the provision of good governance and compliance by monitoring, promoting and enforcing compliance with the relevant legislation.

The DLGSC's Compliance Framework outlines the approach taken to ensure that local governments, their elected members, and employees operate in compliance with the *Local Government Act 1995* (and associated Regulations). The Framework details the actions taken to support and achieve greater compliance, including the assessment and investigation of complaints, provision of advice services, guidance documents, and monitoring of key information provided to DLGSC by local governments.

The DLGSC measures local government compliance performance against this framework to identify areas for assistance to improve capability and governance. The DLGSC are actively increasing the support and guidance to local governments with the aim of reducing actions against specific local governments in the future. In addition to the development of a risk profiling tool, an engagement strategy and other compliance initiatives and material are being developed to achieve this outcome.

## What we measure

This indicator measures the percentage of local governments that had actions taken by DLGSC in the financial year.

## How we measure

This indicator shows the percentage of local governments that had action taken against their elected members or employees under that Compliance Framework in the financial year. Maintained performance is demonstrated by a result equal or above the target.

The Compliance Framework details the actions DLGSC may take in response to received complaints, including arms-length monitoring, requesting further information, dealing with complaints, breaches, probity audits, investigations and authorised inquiries.

Records are collated of all actions including issuing letters of improvement as well as other compliance actions, complaints, audits, inquiries etc taken by DLGSC in response to potential non-compliance, to determine which of Western Australia's local governments had action taken against them. The figure is then converted to a percentage, measured against the number of WA local governments.

1 The revised Outcome Based Management framework was implemented in 2020-21.

2 The revised Outcome Based Management framework was implemented in 2020-21.

## Performance

2017-2018	2018-2019	2019-2020	2020-2021	2021-2022 Target	2021-2022 Actual	Variance
N/A	N/A	N/A	22%	20%	31%	11%

## Analysis

A total of 42 local government (out of a total of 137) had formal action taken by DLGSC under the Compliance Framework in 2021-22. There was an increase of 11% compared to Target. The DLGSC adopted a risk-based approach to more proactively target and engage with local governments and increased its in-person visits and general engagement with local councils over the last twelve months. This promoted a wider sector understanding of the DLGSC's role in regulating Local Government through the reform.

### Outcome 2: A sustainable arts and cultural sector that facilitates attendance and participation in arts and cultural activity

#### Effectiveness KPI 2.1: Ratio of Government funding to other income earned for funded arts and cultural organisations

### Why we measure

We measure the ratio of leveraged revenue because it provides an indication of how successful a cohort of arts organisations has been in generating additional revenue to support arts and cultural activity. As a time-series, it is one of the indicators of changes in sustainability of the arts and cultural sector. The cohort of organisations used in this ratio are those organisations that receive multiyear funding, which are the organisations funded through the Arts Organisations Investment Program (AOIP) and the National Performing Arts Partnership Framework (NPAPF) program. Collectively these key arts organisations create and present high quality and diverse arts, cultural and creative experiences for the people of Western Australia. An aim of both of these programs is to provide base operational funding for the organisations so that they can then generate their own revenue and secure other income. The ratio of leveraged revenue tracks this leveraged funding level.

### What we measure

This indicator measures the ratio of the aggregate total funding in a year provided by DLGSC (it includes all DLGSC funding provided, including occasional one-off project funding) to this cohort of funded arts organisations (NPAP and AOIP organisations) against the aggregate total of their income from all other sources. Other sources include earned income, other government funding, sponsorship and private giving.

### How we measure

The ratio shows the total amount of income generated from other sources for each dollar of funding provided by DLGSC to the AOIP and NPAP funded organisations.

An increase in the ratio would suggest that overall, the arts and cultural sector is doing well at generating other income. A decrease in the ratio would suggest that overall, there are challenges for the sector either earning income or securing other government funding or philanthropy.

The underlying methodology was revised in 2020 from a methodology based on an average of organisation categories to a methodology based on the aggregate totals for all multiyear funded organisations. This was done to better align with objectives of the organisations funding programs, which are to fund a cohort that ensures a diverse and vibrant eco system is supported. An aggregate totals methodology better aligns to the objective of funding a cohort of organisations.

## Performance

2017-2018	2018-2019	2019-2020	2020-2021	2021-2022 Target	2021-2022 Actual	Variance
1:3.6	1:4.2	1:4.5	1:4.7	1:3.7	1:3.7	0%

## Analysis

The 2021-22 Actual leverage ratio (1:3.7) met the 2021-22 Target (1:3.7).

### Effectiveness KPI 2.2: Percentage of Western Australians attending or participating in an arts and cultural activity<sup>3</sup>.

## Why we measure

DLGSC captures data to understand and measure the public value it creates through its investments in culture and the arts and its role as a development agency for the sector. For culture and the arts, public value is the cultural, social and economic benefits created by culture and the arts for the Western Australian community. A strong response in the attendance or participation in arts and culture activity demonstrates that Western Australians support and value culture and the arts and will continue to seek experiences that foster belonging and a sense of community.

## What we measure

This indicator measures how many people attend or participate in arts and cultural activity in Western Australia. This indicator shows institutional value that relates to the broader community social benefits that are generated through participation or attendance at artistic and cultural activities. Arts and cultural activities include a range of activities such as the cinema, music, theatre, dance, visual arts, opera, festivals, libraries, galleries, museums, archives and community cultural events.

## How we measure

The annual Arts and Culture Monitor Survey measures the behaviour and attitudes towards arts and culture and is the study used to provide data for this indicator. The survey is a long standing and well-established time series and has been conducted since 2003. The survey captures the frequency as well as the percentage of Western Australians (people, aged 17 years and over) attending or participating in culture and the arts activities over a range of time periods. Respondents are asked the following question within the survey:

‘Did you attend or participate in an arts or cultural activity in the past twelve months?’

<sup>3</sup> The revised Outcome Based Management framework was implemented in 2020-21.

In 2022, 22,991 online panellists from Thinkfield were invited to complete an online survey, and 1,354 responses were received. This represents a sampling error of +/- 2.7 % at the 95 % confidence interval.

Maintained performance is demonstrated by a result equal or above the target.

## Performance



## Analysis

In 2022, 74% of respondents said they attended or participated in an arts or cultural activity in the past twelve months. The result has increased slightly from 73% in 2021. The figure is still a decrease from the pre-pandemic high of 82% in 2019. Audiences and participation rates have been maintained at a reasonably strong level due to the State's various business assistance schemes.

### Effectiveness KPI 2.3: Percentage of stakeholders who report that the Office of Multicultural Interests had a positive impact on the promotion and support of multiculturalism

## Why we measure

The DLGSC, through the Office of Multicultural Interests (OMI), supports the development of a vibrant and effective multicultural society in Western Australia. This is achieved through the promotion and support of multiculturalism in Western Australia and includes providing information, advice, funding, training and support, and facilitating partnerships and collaboration to achieve the full potential of multiculturalism within the State. This effectiveness indicator provides a measure of OMI's key stakeholders that believe the support provided contributes to achievement of a vibrant and effective multicultural society.

## What we measure

This indicator is informed by OMI's annual Stakeholder Satisfaction Survey which identifies to what extent stakeholders think that OMI has made an impact in achieving the full potential of multiculturalism in Western Australia, based on the following key objectives:

- Strengthening culturally diverse communities;
- Supporting development of culturally inclusive policies, programs and services across the public and community sectors;
- Facilitating full participation by culturally diverse communities in social, economic, cultural and civic activities;
- Developing intercultural understanding; and
- Promoting the benefits of Western Australia's diversity.

## How we measure

OMI surveys stakeholders to gain feedback via its OMI Stakeholder Satisfaction Survey each year as detailed above.

For the 2021–22 survey, as for the previous two years, respondents were also asked to provide feedback on the extent to which OMI made an impact on:

- responding to the COVID -19 pandemic and supporting culturally and linguistically diverse (CaLD) communities.

Respondents were asked to rate on a scale of no impact, a little impact, a moderate impact, a significant impact or a very significant impact. The survey results were calculated based on the subset of respondents who were able to form an opinion on each of the factors with the ‘don’t know’ responses removed.

The indicator score is based on the number and percentage of responses that indicated OMI had had a positive impact, which is defined as those who consider OMI had a ‘moderate, significant, or very significant impact. The final figure is determined by calculating the average score of all six questions.

A target of 80% is set as an acceptable customer satisfaction performance standard for most industries and takes into account factors outside the organisation’s control that can impact stakeholder satisfaction. Maintained performance is demonstrated by a result equal or above the target.

In 2021-22, a sample drawn from a list of 1,967 stakeholders was surveyed. The distribution of the sample was consistent with OMI’s stakeholders as follows:

Community organisations	37.40%
Another type of non-government organisation	17.56%
State Government agencies	11.96%
OMI grants applicants	13.23%
Individual/Business	10.94%
Local governments	4.58%
Australian Government agencies	1.53%
Consulates	2.80%
	<b>100.00%</b>

Emails were sent to all 1,967 stakeholders with the final sample of 393 responses gained via email (270) and telephone (123). The response rate was around 20%. The sample size and comparable results from the online survey is sufficient to be representative and hence the total sample provides a forecasting accuracy of +4.42% at the 95% level of confidence.

The data collection method (online or telephone) had no significant impact on the results and the sample size provided a good foundation for analysis.

## Performance

2017-2018	2018-2019	2019-2020	2020-2021	2021-2022 Target	2021-2022 Actual	Variance
89%	94%	90%	94%	80%	91%	11%

## Analysis

The 2021-22 result of 91% was higher than the target of 80%. The result was comparable to previous years and reflects OMI's continued focus on engagement through diverse projects and activities during the year. This includes supporting COVID-19 pandemic recovery efforts and WA public sector agencies' development and implementation of Multicultural Plans in accordance with the Western Australian Multicultural Policy Framework.

### Outcome 3: Gambling and liquor industries operate responsibly in accordance with legislation

**Effectiveness KPI 3.1: Percentage of audit and inspections that comply with requirements and statutory criteria.**

## Why we measure

The DLGSC is responsible for regulating and maintaining the integrity of lawful racing, gambling and liquor activities for Western Australians to participate in. Through conducting compliance audits and inspections, DLGSC contributes to the promotion, monitoring and enforcements of responsible and lawful gambling and liquor services and this indicator measures how effectively we are delivering the outcome.

## What we measure

This indicator measures the effectiveness of DLGSC's regulatory function within racing, gambling and liquor activities by conducting audit and inspections at licensees' venues and service providers.

## How we measure

The percentage of audit and inspections that comply with requirements and statutory criteria is calculated by dividing the number of compliant licensees/service providers by the total number of inspections conducted.

Maintained performance is demonstrated by a result equal or above the target.

## Performance

2017-2018	2018-2019	2019-2020	2020-2021	2021-2022 Target	2021-2022 Actual	Variance
97%	97%	98%	96%	95%	99%	4%

## Analysis

The actual compliance is higher than targeted indicating that licensees and permit holders are generally compliant with their statutory obligations under the administered legislation. Areas of non-compliance typically include a breach of a term or condition of the licence or permit, or issues with the standards of licensed premises.

### Outcome 4: A strong sport and recreation sector that facilitates participation

#### Effectiveness KPI 4.1: percentage of Western Australian participating in organised sport and recreation

### Why we measure

The DLGSC has a vital role to play with supporting the key community stakeholders (i.e., sport and recreation groups and local governments) throughout WA who are directly providing sport and recreation services to Western Australians. Targeted support to ensure quality service delivery, such as:

- sport and recreation infrastructure development;
- organisational development and capacity building;
- governance and management support;
- planning and policy implementation; and
- information and resources.

This support ultimately impacts on the number of people participating in sport and active recreation. The measure of participation numbers within organised sport and active recreation participation reflects how well our service delivery system is working to deliver a sector that promotes maximum participation.

### What we measure

While not directly responsible for organised sport and active recreation participation rates, DLGSC uses this indicator to measure how well the sport and recreation delivery system in WA is providing participation environments for members of our community. Analysis of any significant shifts in participation rates may highlight areas/issues within the delivery system that may impact DLGSC policy, planning and service directions.

## How we measure

The DLGSC's desired outcome is that participation rates for Western Australians in sport and active recreation be maintained and/or increased. The monitoring and understanding of participation rates are vital to assist DLGSC's delivery of programs and services to support Western Australia's ongoing participation and involvement in sport and active recreation.

Sport Australia in consultation with the Committee of Australian Sport and Recreation Officers (CASRO) fund and manage a National Participation in Sport and Physical Recreation Survey (AusPlay) to provide appropriate participation data to support current and future sport and recreation industry needs and outcomes. From late 2015, AusPlay became the single-source data currency for government and the sport sector that not only tracks Australian sport participation behaviours but also informs investment, policy and sport delivery.

Via the AusPlay Survey, baselines for the participation of adults and children in sport and physical activities, both at State and National level were established in 2016. In Western Australia, the baseline for participation by Western Australian adults (aged 15 years and over) in organised sport and active recreation was 56%.

AusPlay State/Territory data, Western Australia - <https://www.clearinghouseforsport.gov.au/research/ausplay>

AusPlay results for January 2021 to December 2021, published 29 April 2022. Refer to the Western Australian tables – Table 3.

## Performance

2017-2018	2018-2019	2019-2020	2020-2021	2021-2022 Target	2021-2022 Actual	Variance
57%	60%	63%	64%	56%	64%	8%

## Analysis

In 2021, 64% of Western Australian adults (aged 15 years and over) were involved in organised sport and active recreation, consistent with 2020 (64%) and an 8% increase on the baseline of 56% which was established in 2016 when the monitoring of participation rates in adults and children in sport and physical activities, both at State and National level commenced through the AusPlay survey.

Participation rates for Western Australians in organised sport and physical activities have steadily increased since 2016, a strong indicator that the Western Australian sport and recreation system is supporting the provision of participation opportunities for Western Australians.

## Service 1: Regulation and support of local government

### Efficiency KPI 1.1: Average cost per local government for regulation and support

#### Why we measure

The DLGSC aims to support the sector in the provision of good governance and compliance by monitoring, promoting and enforcing compliance with the *Local Government Act 1995* (and associated Regulations). Using a risk-based approach to identify areas needing targeted intervention and assistance, DLGSC provides training, advice, guidance and support across the local government sector. Through the provision of regulatory functions primarily related to the administration of the *Local Government Act 1995* including approvals, compliance monitoring and other statutory support, DLGSC assists local governments to achieve best practice in the sector. This indicator assesses the efficiency of DLGSC's resources to regulate and support Western Australian local governments.

#### What we measure

This indicator determines the cost of DLGSC's resourcing in providing regulation and support services to local government to ensure they fulfil their statutory obligations.

#### How we measure

The efficiency indicator combines the costs of both the proactive and reactive regulatory work undertaken by DLGSC, as well as the costs of other services for local governments such as processing of statutory approvals and costs associated with the administration and amendment of the *Local Government Act 1995* and other legislation and regulations.

Funds expended on grants and subsidies are removed from the total cost, which is then divided by 137 (the number of Western Australian local governments; excluding the two Indian Ocean Territory local governments and nine regional local governments) to produce the indicator.

Maintained performance is demonstrated by a result equal or below the target.

#### Performance

2017-2018	2018-2019	2019-2020	2020-2021	2021-2022 Target	2021-2022 Actual	Variance
\$98,803	\$76,743	\$99,795	\$74,655	\$83,000	\$75,201	(\$7,799)

#### Analysis

The average cost per local government is slightly lower (9%) than Target mainly due to lower salary costs as some positions were temporarily vacant, due to difficulties in filling positions.

## Service 2: Cultural and arts industry support

### Efficiency KPI 2.1: Grants operations expense as a percentage of direct grants approved

#### Why we measure

The DLGSC provides support to the Western Australian arts, cultural and creative sector through a range of funding programs, research services and policy advice. This support contributes to a vibrant sector that provides a range of opportunities for people to participate and attend activities, performances and exhibitions. It also provides opportunities for artists and arts organisations to develop their skills and the artform. Measuring the input costs of providing the grant funding as a percentage of total grant funding is an indicator of the efficiency of delivering grants funding programs.

#### What we measure

This indicator measures the cost of resources to deliver Culture and the Arts grant programs, as a percentage of the total grants paid through those grant programs. The indicator is primarily impacted by the level of grant funding provided, and the resourcing requirements to deliver the funding program.

#### How we measure

The input costs against output delivered as a percentage.<sup>4</sup>

The input cost is the total operations expense for administering grants which is the staffing and administration costs including corporate overheads for the publishing, receipt and assessment of applications, contract management and system support for the grants managed.

The output delivered is the total grants paid from grant contracts, service agreements and financial assistance agreements within the current financial year.

Maintained performance is demonstrated by a result equal or below the target.

#### Performance

2017-2018	2018-2019	2019-2020	2020-2021	2021-2022 Target	2021-2022 Actual	Variance
N/A	N/A	N/A	5%	3%	4%	1%

#### Analysis

There was a one percentage point increase on the 2021-22 Target to Actual due to additional costs associated with delivering COVID-19 business assistance packages. The COVID grants were generally low value and high volume, this required a higher level of resourcing as a proportion of the funding distributed to manage.

<sup>4</sup> The revised Outcome Based Management framework was implemented in 2020-21. This is not a new measure, but the calculation method has changed.

## Efficiency KPI 2.2: Average cost per project to support and promote multiculturalism

### Why we measure

The Office of Multicultural Interests (OMI) conducts a range of projects and initiatives to support culturally and linguistically diverse communities and promote multiculturalism. These are projects and initiatives other than those funded through OMI's grants programs and are critical to achieving OMI's remit to support and promote multiculturalism. The measure indicates the efficiency of OMI staff in delivering these projects to promote and support multiculturalism.

### What we measure

This indicator calculates the cost of delivering programs and projects, excluding grants.

### How we measure

Projects are detailed in the OMI operational plan, which is developed annually on a financial year basis, monitored throughout the year, and reviewed towards the end of the financial year. The total cost of OMI, excluding grants, is divided by the number of projects as identified in the operational plan.

Maintained performance is demonstrated by a result equal or below the target.

### Performance

2017-2018	2018-2019	2019-2020	2020-2021	2021-2022 Target	2021-2022 Actual	Variance
\$110,916	\$87,974	\$90,958	\$102,618	\$119,660	\$113,143	(\$6,517)

### Analysis

The average cost per project in 2021-22 is lower than the target due to lower salary costs as some positions were temporarily vacant, due to difficulties in filling positions.

## Service 3: Regulation of the gambling and liquor industries

### Efficiency KPI 3.1: Average cost of conducting inspections

#### Why we measure

On behalf of the Gaming and Wagering Commission, DLGSC undertakes inspectorial and audit activities to regulate the lawful conduct of gambling activities permitted under the *Betting Control Act 1954*, the *Casino Control Act 1984*, the *Gaming and Wagering Commission Act 1987*, and the *Racing and Wagering Western Australia Act 2003*.

The DLGSC also undertakes regular audits and inspections to regulate the sale, supply and consumption of liquor, and to minimise harm and ill-health to the public under the legislative framework provided in the

*Liquor Control Act 1988*. Additionally, inspections are undertaken to ensure that licensed premises are being operated and maintained to a standard that meets consumer expectations.

This measures the productivity of DLGSC in conducting the required audits and inspections.

## What we measure

This indicator measures DLGSC's efficiency in conducting these compliance audits and inspections.

## How we measure

This efficiency indicator is determined by dividing the allocated cost of service for the activity by the number of inspections and audits.

Maintained performance is demonstrated by a result equal or below the target.

## Performance

2017-2018	2018-2019	2019-2020	2020-2021	2021-2022 Target	2021-2022 Actual	Variance
\$759	\$804	\$680	\$938	\$1,495	\$1,442	(\$53)

## Analysis

The average cost of conducting inspections in 2021-22 is higher than the average actual cost in 2020-21 mainly due to the lower number of inspections.

The number of inspections in 2021-22 reduced mainly due to:

- vacancies due to, for example, planned retirements, and challenges within the labour market in filling vacant positions; and
- the ongoing impact of public health directions related to COVID-19.

### Efficiency KPI 3.2: Average cost of determining applications

## Why we measure

The DLGSC provides a licensing service for the liquor and gambling industries. The average cost of evaluating and determining applications measures the efficiency with which DLGSC carries out the application assessment.

## What we measure

The DLGSC measures the average cost of evaluating and determining applications for the liquor and gambling industries.

## How we measure

The average cost of determining an application is calculated by dividing the total costs for licensing services by the number of applications determined.

Maintained performance is demonstrated by a result equal or below the target.

## Performance

2017-2018	2018-2019	2019-2020	2020-2021	2021-2022 Target	2021-2022 Actual	Variance
\$476	\$490	\$437	\$413	\$748	\$624	(\$124)

## Analysis

The average cost of determining an application in 2021-22 is 17% lower than target due to a higher number of applications being processed than targeted. The increase in the number of applications determined over target was due to the approval of additional licences to support the liquor industry during the COVID pandemic. As the cost is calculated by dividing the total cost of licensing services by the number of applications determined, the increase in applications resulted in a lower cost per application.

Determinations in detail:

- 86% of the total applications determined relate to the liquor industry; and
- 14% of the applications determined relate to the gambling industries.

The increase in overall costs to \$624 in 2021-22 from \$413 in 2020-21 is attributed to 2957 fewer applications being determined than the previous year combined with total costs of providing services also increasing from the previous year. The large drop in applications determined was due to a lower amount of COVID liquor licence support being required by industry as compared to that provided in 2020-21.

### Service 4: Sport and recreation industry support

#### Efficiency KPI 4.1: Average cost of providing support services to sector/ funded organisations<sup>5</sup>

## Why we measure

The support services provided by DLGSC to sport and recreation industry organisations contribute to a strong sport and recreation system in Western Australia that facilitates participation. Support services contributing to a wide range of industry outcomes such as:

- the provision of quality participation environments;
- excellence in organisational governance and management;
- quality infrastructure provision including planning, design, development and management;

<sup>5</sup> The revised Outcome Based Management framework was implemented in 2020-21.

- the coordination of sport and recreation services and experiences statewide to maximise participation opportunities for Western Australians;
- promoting the understanding of government policy priorities and their relation and impact to sport and recreation; and
- ensuring there is ongoing sport and recreation contribution to wider public policy agendas.

The DLGSC recognises the limitations to providing a multitude of services direct to the Western Australian public; hence a key focus of DLGSC is to work with the key organisations within the community who are directly responsible for the delivery of sport and recreation programs and services.

It is through these funded organisations that DLGSC’s support services (advice, policy guidance, program implementation, resources and information) are then filtered through to the many regional groups, local clubs and community groups that deliver sport and recreation services to Western Australians.

Providing support for the development and implementation of policy frameworks; and the coordination of sport and recreation services and experiences statewide are vital objectives for DLGSC for facilitating participation by Western Australians in sport and active recreation.

## What we measure

The total number of funded organisations provided service support by DLGSC, and the service delivery cost for providing such support.

## How we measure

Total service delivery cost, excluding grants, divided by the total number of organisations\* provided service support\*\*. Maintained performance is demonstrated by a result equal or below the target.

\* organisations are defined as funded organisations that have an existing sport and recreation grant/s being managed by DLGSC. Funded organisations do not include recipients of social concession payments as part of the Regional Athlete Travel Assistance Program as the recipients are individuals. Funded organisations are recorded through the grants management systems within DLGSC.

\*\* service support refers to advice/information/resources (operational and strategic) provided by DLGSC staff to organisations supporting sport and recreation service delivery outcomes statewide. The breadth and depth of service support differs per organisation and is dependent upon the organisations’ level of funding, engagement and collaboration and/or project involvement with DLGSC throughout the year.

## Performance

2017-2018	2018-2019	2019-2020	2020-2021	2021-2022 Target	2021-2022 Actual	Variance
N/A	N/A	N/A	\$7,712	\$2,120	\$6,991	\$4,871

## Analysis

The variation is reflective of the additional resourcing and service support provided to existing sector funded organisations to manage the volume of Government election commitments (including COVID-19 recovery and relief programs) delivered by DLGSC in 2021-22, similar to 2020-21.

## Efficiency KPI 4.2: Grants operations expense as a percentage of direct grants approved<sup>6</sup>

### Why we measure

The DLGSC provides funding support through a range of sport and recreation grants, service agreements and infrastructure funding schemes including:

- Industry Investment Program;
- Regional Grants Scheme;
- Targeted Participation Funding;
- Every Club Funding;
- KidSport and other participation initiatives;
- Community Sporting and Recreation Facilities Fund; and
- State Sporting Infrastructure Fund.

These funding programs are based on a combination of identified industry need and current government policy priorities that contribute to the development of a strong sport and recreation sector in Western Australia that facilitates participation. They cover a wide range of infrastructure, organisational development, capacity building and participation issues, which support:

- the development of sustainable, good quality and well-designed infrastructure;
- well governed and managed sport and recreation delivery organisations;
- safe and inclusive participation environments which meet community expectations; and
- increased opportunities for Western Australians to participate in sport and active recreation activities statewide.

Note – DLGSC provides extensive service support to sport and recreation industry service providers seeking and receiving funding assistance inclusive of advisory support in organisational governance and management; infrastructure planning, design, development and management; strategic and operational planning; policy implementation and program service delivery as well as grants management advisory and consultancy support to organisations receiving funding support.

### What we measure

Total grants operating expenditure for the direct grants approved is divided by the total value of the grants paid in the financial year.

### How we measure

Direct grants approved refers to the sport and recreation grants and infrastructure grants and KidSport payments made from approved grants, service agreements and financial assistance agreements within the financial year.

Grants operating expenditure refers to the staffing expenses responsible for the administration, recording and compliance for the direct grants approved managed by DLGSC.

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<sup>6</sup> The revised Outcome Based Management framework was implemented in 2020-21.

## Performance

2017-2018	2018-2019	2019-2020	2020-2021	2021-2022 Target	2021-2022 Actual	Variance
N/A	N/A	N/A	1%	1%	1%	0%

## Analysis

There was no variation between the 2021-22 Budget target and Actual.

### Efficiency KPI 4.3: Average Cost per recreation camp experience<sup>7</sup>

## Why we measure

The DLGSC provides quality outdoor recreation experiences which encourage participation in outdoor activities and recreation camp programs. The extensive range of outdoor activities are delivered by skilled instructors for a wide range of clients, primarily for school and community not-for profit groups. These are provided in unique recreational camps environments across the five locations – Bickley, Ern Halliday, Point Walter, Woodman Point and Quararup (Albany).

Measuring the average cost of providing camp experiences, which includes accommodation options and participations in a wide range of activities, demonstrates the efficiency in which DLGSC provides its recreation camps management and service delivery to client groups.

## What we measure

The average cost per recreation camp experience measures the correlation between throughput volume of accommodation provided and a camp participant's engagement in a DLGSC organised physical activity program whilst attending the camp, and the cost to deliver these accommodation and participation activity services.

## How we measure

The average cost per camp experience is a direct average of the combined unit cost per camp bed nights and camp participations. A camp client may have multiple camp experiences during their stay at a camp. Maintained performance is demonstrated by a result equal to, or below the target.

The total number of bed nights is derived by multiplying the number of persons staying in the recreation camps by the number of nights stayed. The average cost of bed nights is the total cost of running camps (management, staffing, maintenance, etc.) divided by the total number of nights (recorded in the Kinetic Booking System).

The average cost per participation is the total cost of running programs divided by the total number of participations, which are recorded for every group/client utilising the recreation camps via the Kinetic Booking System.

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<sup>7</sup> The revised Outcome Based Management framework was implemented in 2020-21.

## Performance

2017-2018	2018-2019	2019-2020	2020-2021	2021-2022 Target	2021-2022 Actual	Variance
N/A	N/A	N/A	\$42	\$59	\$61	\$2

## Analysis

The increase in unit cost per recreation camp experience in 2021-22 (\$61) compared to the 2021-22 Budget target (\$59) was due to decreased camp bookings and program operations due to by COVID-19 restrictions from the beginning of Term 1 2022 to June 2022.



## Auditor General

### INDEPENDENT AUDITOR'S REPORT 2022

#### Department of Local Government, Sport and Cultural Industries

To the Parliament of Western Australia

## Report on the audit of the financial statements

### Basis for Qualified Opinion

I am unable to determine whether Taxation – Casino Tax is fairly stated due to the significant weaknesses in the control over the completeness of revenue, specific to the administered revenue. I am unable to confirm or verify by alternative means:

- Taxation – Casino Tax forming part of the Administered Schedule – Income and related disclosures in Note 10.2, Explanatory Statement for Administered Items, amounting to \$49,225k (2021: \$54,673k)
- the associated Receivable reported within the Administered Schedule – Assets and Liabilities amounting to \$4,331k (2021: \$3,875k).

As a result of these matters, I am unable to determine whether any adjustments might have been necessary.

### Opinion

I have audited the financial statements of the Department of Local Government, Sport and Cultural Industries (the Department), which comprise:

- the Statement of Financial Position at 30 June 2022, and the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended
- Administered schedules comprising the Administered assets and liabilities at 30 June 2022, and the Administered income and expenses by service for the year then ended
- Notes comprising a summary of significant accounting policies and other explanatory information.

In my opinion, except for the effects of the matters described in the Basis of Qualified Opinion paragraph, 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 Local Government, Sport and Cultural Industries for the year ended 30 June 2022 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 believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

## Responsibilities of the Director General for the financial statements

The Director General is responsible for:

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

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

- assessing the entity's ability to continue as a going concern
- disclosing, as applicable, matters related to going concern
- using the going concern basis of accounting unless the Western Australian Government has made policy or funding decisions affecting the continued existence of the 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.augasb.gov.au/auditors\\_responsibilities/ar4.pdf](https://www.augasb.gov.au/auditors_responsibilities/ar4.pdf).

# Report on the audit of controls

## Basis for Qualified Opinion

I identified the following significant weaknesses in control:

- In the validation of the completeness of revenue, specific to the administered revenue, Taxation – Casino Tax. The Department does not have adequate controls and procedures in place to ensure that all Taxation – Casino Tax due and entitled to be collected on behalf of the State has been received.
- In the procurement controls implemented by the Department. The controls were inadequate with purchase orders, in many instances, being raised subsequent to the receipt of an invoice. These weaknesses increase the risk of erroneous or fraudulent payments, and ordering of inappropriate or unnecessary goods or services.
- In the payroll system, processes and leave management controls as designed and implemented by the Department. These weaknesses could result in unauthorised access to the Department’s payroll system and increase the risk of erroneous or fraudulent payments. Salary errors such as overpayments, payments to individuals who are not entitled to receive payment, and overstated leave balances could occur. Consequently, controls to prevent invalid and inaccurate payroll payments were inadequate throughout 2021-22.
- In the management of access to the network and key systems. These weaknesses combined with policy and technical control issues leave the information technology environment at the risk of unauthorised or inappropriate access to the network and business systems. The general computer controls were therefore not adequate throughout 2021-22.

## Opinion

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

In my opinion, except for the possible effects of the four matters described in the Basis for Qualified Opinion paragraph, in all material respects, the controls exercised by the Department of Local Government, Sport and Cultural Industries 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 2022.

## The Director General’s responsibilities

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

## Auditor General's responsibilities

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

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

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

## Limitations of controls

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

## Report on the audit of the key performance indicators

### Opinion

I have undertaken a reasonable assurance engagement on the key performance indicators of the Department of Local Government, Sport and Cultural Industries for the year ended 30 June 2022. 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 Local Government, Sport and Cultural Industries are relevant and appropriate to assist users to assess the Department's performance and fairly represent indicated performance for the year ended 30 June 2022.

### The Director General's responsibilities for the key performance indicators

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

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

## **Auditor General's responsibilities**

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

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

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

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

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

## **Other information**

The Director General is responsible for the other information. The other information is the information in the entity's annual report for the year ended 30 June 2022, but not the financial statements, key performance indicators and my auditor's report.

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

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

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

information is not corrected, I may need to retract this auditor's report and re-issue an amended report.

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

This auditor's report relates to the financial statements, and key performance indicators of the Department of Local Government, Sport and Cultural Industries for the year ended 30 June 2022 included in the annual report on the Department's website. The Department's management is responsible for the integrity of the Department's website. This audit does not provide assurance on the integrity of the Department's website. The auditor's report refers only to the financial statements, controls and key performance indicators described above. It does not provide an opinion on any other information which may have been hyperlinked to/from the annual report. If users of the financial statements and key performance indicators are concerned with the inherent risks arising from publication on a website, they are advised to contact the entity to confirm the information contained in the website version.



Caroline Spencer  
Auditor General for Western Australia  
Perth, Western Australia  
23 September 2022

# Certification of financial statements

## Department of Local Government, Sport and Cultural Industries For the year ended 30 June 2022

The accompanying financial statements of the Department of Local Government, Sport and Cultural Industries have been prepared in compliance with the provisions of the *Financial Management Act 2006* from proper accounts and records to present fairly the financial transactions for the reporting period ended 30 June 2022 and the financial position as at 30 June 2022.

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.



**Liam Carren**  
Chief Finance Officer  
Department of Local Government,  
Sport and Cultural Industries

21 September 2022



**Lanie Chopping**  
Director General  
Department of Local Government,  
Sport and Cultural Industries  
Accountable Authority

21 September 2022

# Financial statements

## Department of Local Government, Sport and Cultural Industries Statement of Comprehensive Income

For the year ended 30 June 2022

	Notes	2022 \$'000	2021 \$'000
<b>COST OF SERVICES</b>			
<b>Expenses</b>			
Employee benefits expense	3.1(a)	49,921	48,389
Supplies and services	3.3	27,812	24,615
Depreciation and amortisation expense	5.1, 5.2, 5.3	5,579	5,625
Finance costs		13	11
Accommodation expenses	3.3	14,285	11,990
Grants and subsidies	3.2	192,025	133,782
Finance lease derecognition	3.3	5,468	277,154
Revaluation decrement	3.3	-	599
Other expenses	3.3	5,600	4,016
<b>Total cost of services</b>		<b>300,703</b>	<b>506,181</b>
<b>Income</b>			
<i>Revenue</i>			
User charges and fees	4.2	6,683	11,623
Sponsorship		61	150
Commonwealth grants and contributions	4.3	13,319	472
Other revenue	4.4	16,395	5,325
<b>Total income</b>		<b>36,458</b>	<b>17,570</b>
<b>NET COST OF SERVICES</b>		<b>264,245</b>	<b>488,611</b>
<b>Income from State Government</b>			
Service appropriation	4.1	220,156	333,424
Services received free of charge	4.1	1,919	1,078
Royalties for Regions Fund	4.1	17,465	12,920
Income from other public sector entities	4.1	7,520	14,986
<b>Total income from State Government</b>		<b>247,060</b>	<b>362,408</b>
<b>SURPLUS/(DEFICIT) FOR THE PERIOD</b>		<b>(17,185)</b>	<b>(126,203)</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
<b>Items not reclassified subsequently to profit or loss</b>			
Changes in asset revaluation surplus	9.9	10,604	-
<b>Total other comprehensive income</b>		<b>10,604</b>	<b>-</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>(6,581)</b>	<b>(126,203)</b>

The Statement of Comprehensive Income should be read in conjunction with the accompanying notes. See also the 'Schedule of income and expenses by service'.

## Department of Local Government, Sport and Cultural Industries

### Statement of Financial Position

As at 30 June 2022

	Notes	2022 \$'000	2021 \$'000
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	7.2	135,336	172,796
Restricted cash and cash equivalents	7.2	39,894	30,688
Receivables	6.1	6,155	5,928
Amounts receivable for services	6.2	160	160
Other current assets	6.3	1,100	4,321
<b>Total Current Assets</b>		<b>182,645</b>	<b>213,893</b>
<b>Non-Current Assets</b>			
Restricted cash and cash equivalents	7.2	1,050	928
Amounts receivable for services	6.2	57,571	44,777
Property, plant and equipment	5.1	337,316	280,755
Right-of-use assets	5.2	465	373
Intangible assets	5.3	-	-
Other non-current assets	6.3	1	3
<b>Total Non-Current Assets</b>		<b>396,403</b>	<b>326,836</b>
<b>TOTAL ASSETS</b>		<b>579,048</b>	<b>540,729</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Payables	6.4	14,477	4,282
Contract liabilities	6.5	1,665	2,787
Employee related provisions	3.1	10,304	10,792
Lease liabilities	7.1	180	171
Other current liabilities	6.6	1,523	896
<b>Total Current Liabilities</b>		<b>28,149</b>	<b>18,928</b>
<b>Non-Current Liabilities</b>			
Employee related provisions	3.1	1,940	2,571
Lease liabilities	7.1	295	210
<b>Total Non-Current Liabilities</b>		<b>2,235</b>	<b>2,781</b>
<b>TOTAL LIABILITIES</b>		<b>30,384</b>	<b>21,709</b>
<b>NET ASSETS</b>		<b>548,664</b>	<b>519,020</b>
<b>EQUITY</b>			
Contributed equity	9.9	686,948	650,723
Reserves	9.9	10,604	-
Accumulated surplus/(deficit)	9.9	(148,888)	(131,703)
<b>TOTAL EQUITY</b>		<b>548,664</b>	<b>519,020</b>

The Statement of Financial Position should be read in conjunction with the accompanying notes.  
See also the 'Schedule of assets and liabilities by service'.

## Department of Local Government, Sport and Cultural Industries

### Statement of Changes in Equity

For the year ended 30 June 2022

	Notes	Contributed equity \$'000	Reserves \$'000	Accumulated surplus / (deficit) \$'000	Total equity \$'000
<b>Balance at 1 July 2020</b>		698,797	-	(5,500)	693,297
Surplus/(deficit)		-	-	(126,203)	(126,203)
Other comprehensive income		-	-	-	-
<b>Total comprehensive income for the year</b>		-	-	<b>(126,203)</b>	<b>(126,203)</b>
Transactions with owners in their capacity as owners:	9.9				
Capital appropriations		30,490	-	-	30,490
Distribution to owners		(78,564)	-	-	(78,564)
Total		(48,074)	-	-	(48,074)
<b>Balance at 30 June 2021</b>		<b>650,723</b>	-	<b>(131,703)</b>	<b>519,020</b>
<b>Balance at 1 July 2021</b>		650,723	-	(131,703)	519,020
Surplus/(deficit)		-	-	(17,185)	(17,185)
Other comprehensive income		-	10,604	-	10,604
<b>Total comprehensive income for the year</b>		-	<b>10,604</b>	<b>(17,185)</b>	<b>(6,581)</b>
Transactions with owners in their capacity as owners:	9.9				
Capital appropriations		22,981	-	-	22,981
Other contributions by owners		14,181	-	-	14,181
Distribution to owners		(937)	-	-	(937)
Total		36,225	-	-	36,225
<b>Balance at 30 June 2022</b>		<b>686,948</b>	<b>10,604</b>	<b>(148,888)</b>	<b>548,664</b>

The Statement of Changes in Equity should be read in conjunction with the accompanying notes.

## Department of Local Government, Sport and Cultural Industries

### Statement of Cash Flows

For the year ended 30 June 2022

	Notes	2022 \$'000	2021 \$'000
<b>CASH FLOWS FROM STATE GOVERNMENT</b>			
Service appropriation		207,202	323,129
Capital appropriation		22,981	30,490
Holding account drawdown		160	160
Funds from other public sector entities		7,520	14,986
Royalties for Regions Fund		16,214	15,071
<b>Net cash provided by State Government</b>		<b>254,077</b>	<b>383,836</b>
<i>Utilised as follows:</i>			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Payments</b>			
Employee benefits		(50,303)	(47,318)
Supplies and services		(25,715)	(23,774)
Accommodation		(12,936)	(11,747)
Grants and subsidies		(183,499)	(136,932)
GST payments on purchases		(21,927)	(17,706)
GST payments to taxation authority		-	(78)
Other payments		(3,035)	(3,736)
<b>Receipts</b>			
Sale of goods and services		3	3
User charges and fees		7,442	8,371
Commonwealth grants and contributions		13,319	472
Interest received		-	-
GST receipts on sales		1,278	2,927
GST receipts from taxation authority		20,452	14,269
Other receipts		5,566	5,252
<b>Net cash used in operating activities</b>	7.2.2	<b>(249,355)</b>	<b>(209,997)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<b>Payments</b>			
Purchase of non-current assets		(32,854)	(24,113)
<b>Net cash used in investing activities</b>		<b>(32,854)</b>	<b>(24,113)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<b>Payments</b>			
Payments for principal element of lease		-	(270)
<b>Receipts</b>			
<b>Net cash used in financing activities</b>		<b>-</b>	<b>(270)</b>
Net increase/(decrease) in cash and cash equivalents		(28,132)	149,456
Cash and cash equivalents at the beginning of the year		204,412	54,956
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	7.2.1	<b>176,280</b>	<b>204,412</b>

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

## Administered Schedules

For the year ended 30 June 2022

### Administered income and expenses by service

	Compliance Audits and Inspections		Building Capacity and Participation		Regulation and Support of Local Government		Total	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
<b>Income from administered items</b>								
<b>Income</b>								
For transfer:								
Appropriation	41,156	47,989	860	860	42,539	15,691	84,555	64,540
Taxation - Casino Tax	49,225	54,673	-	-	-	-	49,225	54,673
Revenue - other	-	-	-	25	39	6,884	39	6,909
<b>Total administered income</b>	<b>90,381</b>	<b>102,662</b>	<b>860</b>	<b>885</b>	<b>42,578</b>	<b>22,575</b>	<b>133,819</b>	<b>126,122</b>
<b>Expenses</b>								
Supplies and services	-	-	945	860	-	-	945	860
Grants to Combat Sports Commission	-	-	-	-	-	-	-	-
Grants to Charitable and Other Public Bodies	-	-	-	-	-	-	-	-
Grants to Individuals Problem Gambling	500	500	-	-	-	-	500	500
Land Tax Assistance for Landlords	-	-	-	-	-	1,912	-	1,912
Lotterywest COVID-19 Relief Fund - Sport and Recreation Grants	-	-	-	-	-	-	-	6,879
Small Business Lockdown Assistance Grants Program	-	-	-	-	32,563	10,052	32,563	10,052
Small Business Cyclone Seroja Assistance Grants Scheme	-	-	-	-	150	740	150	740
Subsidies and Concessions	-	-	-	-	-	-	-	-
Subsidies to gambling and betting agencies and bookmakers	35,079	44,791	-	-	-	-	35,079	44,791
Transfer payments	48,769	51,512	-	25	-	22,513	48,769	74,050
Write off - Rugby WA Treasurer's Advance	-	-	1,015	-	-	-	1,015	-
<b>Total administered expenses</b>	<b>84,348</b>	<b>96,803</b>	<b>1,960</b>	<b>885</b>	<b>32,713</b>	<b>42,096</b>	<b>119,021</b>	<b>139,784</b>

## Administered Schedules

For the year ended 30 June 2022

### Administered assets and liabilities

	2022 \$'000	2021 \$'000
<b>Assets</b>		
Cash and cash equivalents	21,951	30,116
Receivables	4,331	3,875
Loans and advances	-	1,015
<b>Total administered assets</b>	<b>26,282</b>	<b>35,006</b>
<b>Liabilities</b>		
Payables	6	22,513
Treasurers advances	-	1,015
<b>Total administered liabilities</b>	<b>6</b>	<b>23,528</b>

## Notes to the financial statements

For the year ended 30 June 2022

### 1 – Basis of preparation

Department of Local Government, Sports and Cultural Industries (DLGSC) is a WA Government entity, controlled by the State of Western Australia which is the ultimate parent. DLGSC 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 DLGSC on 21 September 2022.

#### Statement of compliance

These general purpose financial statements are prepared in accordance with:

1. The *Financial Management Act 2006 (FMA)*
2. The Treasurer's Instructions (**the Instructions or TI**)
3. Australian Accounting Standards (**AAS**) including applicable interpretations
4. Where appropriate, those **AAS** paragraphs applicable for not for profit entities have been applied.

The FMA and TIs take precedence over AASs. Several AASs are modified by the TIs to vary application, disclosure format and wording. Where modification is required and has 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.

#### Accounting for Goods and Services Tax (GST)

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

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

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

## Notes to the Financial Statements

For the year ended 30 June 2022

### 1 – Basis of preparation (continued)

#### Contributed equity

Interpretation 1038 Contributions by Owners Made to Wholly-Owned Public Sector Entities requires transfers in the nature of equity contributions, other than as a result of a restructure of administrative arrangements, 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 will be credited directly to Contributed Equity.

#### Administered items

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

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

The accrual basis of accounting and applicable AASs have been adopted.

# Notes to the Financial Statements

For the year ended 30 June 2022

## 2 – Agency outputs

### How the Agency operates

This section includes information regarding the nature of funding DLGSC receives and how this funding is utilised to achieve DLGSC's objectives. This note also provides the distinction between controlled funding and administered funding:

	Notes
Agency objectives	2.1
Schedule of income and expenses by service	2.2
Schedule of assets and liabilities by service	2.3

### 2.1 Agency objectives

#### Mission

DLGSC's mission is to facilitate lively communities and economy and the offering of outstanding and inclusive sporting and cultural experiences. DLGSC is predominantly funded by Parliamentary appropriations.

#### Services

DLGSC provides the following services:

- **Service 1: Culture and Arts Industry Support**  
Supporting the delivery of culture and the arts activities across Western Australia through funding programs and partnerships.
- **Service 2: Regulation and Support of Local Government**  
Supporting local governments to fulfil their statutory obligations and to improve capability in the sector.
- **Service 3: Asset and Infrastructure Support Services to Client Agencies**  
Provision of efficient and effective asset and infrastructure support services to client agencies.
- **Service 4: Regulation of Gambling and Liquor Industries**  
Provision of services that ensure gambling and liquor industries operate responsibly in accordance with legislation.
- **Service 5: Sport and Recreation Infrastructure Support**  
Provide support to maintain a strong sport and recreation sector that facilitates participation.

## Notes to the Financial Statements

For the year ended 30 June 2022

### 2.2 Schedule of income and expenses by service

	Culture and Arts Industry Support		Regulation and Support of Local Government		Infrastructure Support Services to Client Agencies		Regulation of the Gambling and Liquor Industries		Sport and Recreation Infrastructure Support		Total	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
<b>COST OF SERVICES</b>												
<b>Expenses</b>												
Employee benefits expense	11,019	9,747	6,698	6,852	2,763	3,340	12,259	11,586	17,182	16,864	49,921	48,389
Supplies and services	4,868	4,271	2,855	3,010	3,797	4,441	8,003	5,482	8,289	7,411	27,812	24,615
Depreciation and amortisation expense	57	112	34	74	4,315	4,219	66	134	1,107	1,086	5,579	5,625
Finance costs	3	2	1	1	1	1	3	3	5	4	13	11
Accommodation expenses	987	107	583	71	8,130	9,972	1,139	128	3,446	1,712	14,285	11,990
Grants and subsidies	81,734	54,417	9,117	3,228	397	1,790	50	-	100,727	74,347	192,025	133,782
Finance lease derecognition	-	-	-	-	5,468	277,154	-	-	-	-	5,468	277,154
Revaluation decrement	-	-	-	-	-	599	-	-	-	-	-	599
Other expenses	620	265	3,235	2,770	37	230	1,471	314	237	437	5,600	4,016
<b>Total cost of services</b>	<b>99,288</b>	<b>68,921</b>	<b>22,523</b>	<b>16,006</b>	<b>24,908</b>	<b>301,746</b>	<b>22,991</b>	<b>17,647</b>	<b>130,993</b>	<b>101,861</b>	<b>300,703</b>	<b>506,181</b>
<b>Income</b>												
User charges and fees	9	-	125	104	111	76	3,102	7,047	3,336	4,396	6,683	11,623
Sponsorship	61	150	-	-	-	-	-	-	-	-	61	150
Commonwealth grants and contributions	444	270	171	61	10,933	-	59	70	1,712	71	13,319	472
Other revenue	29	7	3,223	2,711	11,578	1,229	1,258	1,209	307	168	16,395	5,325
<b>Total income</b>	<b>543</b>	<b>427</b>	<b>3,519</b>	<b>2,876</b>	<b>22,622</b>	<b>1,305</b>	<b>4,419</b>	<b>8,326</b>	<b>5,355</b>	<b>4,635</b>	<b>36,458</b>	<b>17,570</b>
<b>NET COST OF SERVICES</b>	<b>98,745</b>	<b>68,494</b>	<b>19,004</b>	<b>13,130</b>	<b>2,286</b>	<b>300,441</b>	<b>18,572</b>	<b>9,321</b>	<b>125,638</b>	<b>97,226</b>	<b>264,245</b>	<b>488,611</b>
<b>INCOME FROM STATE GOVERNMENT</b>												
Service appropriation	81,576	108,863	11,557	17,223	4,794	30,551	11,296	12,229	110,933	164,558	220,156	333,424
Services received free of charge	109	-	468	537	199	462	963	79	180	-	1,919	1,078
Royalties for Regions Fund	13,573	10,873	-	14	16	-	-	-	3,876	2,033	17,465	12,920
Income from other public sector entities	726	5,000	318	44	150	311	5,366	4,528	960	5,103	7,520	14,986
<b>Total income from State Government</b>	<b>95,984</b>	<b>124,736</b>	<b>12,343</b>	<b>17,818</b>	<b>5,159</b>	<b>31,324</b>	<b>17,625</b>	<b>16,836</b>	<b>115,949</b>	<b>171,694</b>	<b>247,060</b>	<b>362,408</b>
<b>SURPLUS/(DEFICIT) FOR THE PERIOD</b>	<b>(2,761)</b>	<b>56,242</b>	<b>(6,661)</b>	<b>4,688</b>	<b>2,873</b>	<b>(269,117)</b>	<b>(947)</b>	<b>7,515</b>	<b>(9,689)</b>	<b>74,468</b>	<b>(17,185)</b>	<b>(126,203)</b>

The schedule of income and expenses by service should be read in conjunction with the accompanying notes.

## Notes to the Financial Statements

### For the year ended 30 June 2022

#### 2.3 Schedule of assets and liabilities by service

	Culture and Arts Industry Support		Regulation and Support of Local Government		Asset and Infrastructure Support Services to Client Agencies		Regulation of the Gambling and Liquor Industries		Sport and Recreation Infrastructure Support		Total	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
<b>Assets</b>												
Current assets	60,121	65,171	5,918	10,857	27,311	26,330	16,893	17,404	72,402	94,131	182,645	213,893
Non-current assets	4,404	1,161	226	623	345,989	295,910	442	1,214	45,342	27,928	396,403	326,836
<b>TOTAL ASSETS</b>	<b>64,525</b>	<b>66,332</b>	<b>6,144</b>	<b>11,480</b>	<b>373,300</b>	<b>322,240</b>	<b>17,335</b>	<b>18,618</b>	<b>117,744</b>	<b>122,059</b>	<b>579,048</b>	<b>540,729</b>
<b>Liabilities</b>												
Current liabilities	3,267	2,658	5,440	2,704	2,482	1,890	3,946	2,918	13,014	8,758	28,149	18,928
Non-current liabilities	481	571	296	410	92	166	452	654	914	980	2,235	2,781
<b>TOTAL LIABILITIES</b>	<b>3,748</b>	<b>3,229</b>	<b>5,736</b>	<b>3,114</b>	<b>2,574</b>	<b>2,056</b>	<b>4,398</b>	<b>3,572</b>	<b>13,928</b>	<b>9,738</b>	<b>30,384</b>	<b>21,709</b>
<b>NET ASSETS</b>	<b>60,777</b>	<b>63,103</b>	<b>408</b>	<b>8,366</b>	<b>370,726</b>	<b>320,184</b>	<b>12,937</b>	<b>15,046</b>	<b>103,816</b>	<b>112,321</b>	<b>548,664</b>	<b>519,020</b>

The schedule of assets and liabilities by service should be read in conjunction with the accompanying notes.

## Notes to the Financial Statements

For the year ended 30 June 2022

### 3 – Use of our funding

#### Expenses incurred in the delivery of services

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

	Notes
Employee benefits expenses	3.1(a)
Employee related provisions	3.1(b)
Grants and subsidies	3.2
Other expenses	3.3

#### 3.1(a) Employee benefits expenses

	2022 \$'000	2021 \$'000
Employee benefits	44,998	43,989
Termination benefits	208	121
Superannuation - defined contributions plans	4,715	4,279
<b>Total employee benefits expenses</b>	<b>49,921</b>	<b>48,389</b>
Add: AASB 16 Non-monetary benefits	285	267
Less: Employee contributions	(92)	(97)
<b>Net employee benefits</b>	<b>50,114</b>	<b>48,559</b>

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

**Termination benefits:** 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 DLGSC 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:** are non-monetary employee benefits predominantly relating to the provision of vehicle and housing benefits that are recognised under AASB 16 which are excluded from the employee benefits expense.

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

## Notes to the Financial Statements

For the year ended 30 June 2022

### 3.1(b) Employee related provisions

	2022 \$'000	2021 \$'000
<b>Current</b>		
<b>Employee benefits provisions</b>		
Annual leave	4,194	4,124
Long service leave	5,069	5,622
Deferred salary scheme	-	-
	<b>9,263</b>	<b>9,746</b>
<b>Other provisions</b>		
Employment on-costs	1,041	1,046
<b>Total current employee related provisions</b>	<b>10,304</b>	<b>10,792</b>
<b>Non-Current</b>		
<b>Employee benefits provisions</b>		
Long service leave	1,723	2,286
	<b>1,723</b>	<b>2,286</b>
<b>Other provisions</b>		
Employment on-costs	217	285
<b>Total non-current employee related provisions</b>	<b>1,940</b>	<b>2,571</b>
<b>Total employee related provisions</b>	<b>12,244</b>	<b>13,363</b>

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

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

	2022 \$'000	2021 \$'000
Within 12 months of the end of the reporting period	2,616	2,688
More than 12 months after the end of the reporting period	1,578	1,436
	<b>4,194</b>	<b>4,124</b>

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.

**Long service leave liabilities:** Unconditional long service leave provisions are classified as current liabilities as DLGSC 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 DLGSC has an unconditional right to defer the settlement of the liability until the employee has completed the requisite years of service. Assessments indicate that actual settlement of the liabilities is expected to occur as follows:

	2022 \$'000	2021 \$'000
Within 12 months of the end of the reporting period	5,069	5,622
More than 12 months after the end of the reporting period	1,723	2,286
	<b>6,792</b>	<b>7,908</b>

## Notes to the Financial Statements

For the year ended 30 June 2022

### 3.1(b) Employee related provisions (continued)

The provision for long service leave is calculated at present value as DLGSC 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.

**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 premiums, are not employee benefits and are recognised separately as liabilities and expenses when the employment to which they relate has occurred. Employment on-costs are included as part of 'Other expenses, Note 3.3 (apart from the unwinding of the discount (finance cost))' and are not included as part of the Agency's 'employee benefits expense'. The related liability is included in 'Employment on costs provision'.

	2022 \$'000	2021 \$'000
<b>Employment on-costs provision</b>		
Carrying amount at start of period	1,331	1,088
Additional/(reversals of) provisions recognised	(73)	243
<b>Carrying amount at end of period</b>	<b>1,258</b>	<b>1,331</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 DLGSC's long service leave provision. These include:

- Expected future salary rates
- Discount rates
- Employee retention rates
- 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 2022

### 3.2 Grants and subsidies

	2022 \$'000	2021 \$'000
<b>Recurrent</b>		
Facilities Grants (Sport and Recreation)	33,162	4,500
Arts Projects and Programs	29,516	15,853
Sports Lotteries Account	18,137	16,871
Arts Lotteries Account	18,034	11,409
Royalties for Regions Fund	15,264	14,906
Getting the Show back on the Road	12,164	4,626
Western Australian Football Commission	11,767	11,407
WACA Ground Redevelopment	10,000	3,000
Sports Financial Grants	8,810	7,605
Community Engagement and Funding	5,834	5,813
Small Grants Election Commitments - 2021	5,123	13,156
Guide Dogs WA - Breeding and Cadet Program	5,000	-
ScreenWest	3,117	3,117
Alfresco Rebate	2,377	-
Other Grants	881	935
Covid Recovery Plan - 2021	-	5,400
Local Projects Local Jobs	-	360
Minor Works	-	2,465
<b>Capital</b>		
Community Sporting and Recreational Facilities Fund	12,839	9,045
Other grants and subsidies	-	3,315
<b>Total grants and subsidies</b>	<b>192,025</b>	<b>133,782</b>

Transactions in which DLGSC provides goods, services, assets (or extinguishes a liability) or labour to another party without receiving approximately equal value in return are categorised as 'Grant or subsidy 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.

Some grants are over multiple financial years, where the third party has met the conditions for the following year's grant payment this has been accrued in the above figures.

## Notes to the Financial Statement

For the year ended 30 June 2022

### 3.3 Other expenditure

	2022 \$'000	2021 \$'000
<b>Supplies and services</b>		
Communications	2,887	1,920
Freight & mail services	83	75
Computing & IT related equipment	772	864
Labour hire/temporary personnel	1,588	881
Professional & administrative services	9,587	9,270
Consultants and contractors	1,070	255
Consumables	997	1,182
Repairs and maintenance	180	193
Travel	234	306
Insurance and licenses	7,796	7,140
Operating lease, rental & hire costs	869	944
Advertising and promotion	175	171
Portable and attractive equipment	654	610
Minor works and management services	85	32
Other <sup>(a)</sup>	835	772
<b>Total supplies and services</b>	<b>27,812</b>	<b>24,615</b>
	2022 \$'000	2021 \$'000
<b>Accommodation expenses</b>		
Rental	6,141	5,680
Repairs and maintenance	6,592	5,703
Utilities	1,552	607
<b>Total accommodation expenses</b>	<b>14,285</b>	<b>11,990</b>
	2022 \$'000	2021 \$'000
<b>Other expenses</b>		
Audit fees	228	562
Write offs	-	143
Expected credit losses expense	-	53
Employment on-costs	269	348
Refund of previous year's revenue	30	63
Donations and sponsorships	621	158
Other <sup>(b)</sup>	4,452	2,689
<b>Total other expenses</b>	<b>5,600</b>	<b>4,016</b>
	2022 \$'000	2021 \$'000
<b>Finance lease derecognition</b>		
New Museum project <sup>(c)</sup>	5,468	277,154
	<b>5,468</b>	<b>277,154</b>
<b>Total other expenditure</b>	<b>53,165</b>	<b>317,775</b>

## Notes to the Financial Statements

### For the year ended 30 June 2022

- a) The Entertainment account category reported in 2021 has been remapped to "Other" in the Supplies and Services expense group. Other expense category in 2021 increased from \$0.692 million to \$0.772 million.
- b) The \$4.452 million includes the return of City of Perth Inquiry funds (\$3.054 million) and Perth Casino Royal Commission (PCRC) payment to Gaming and Wagering Commission (GWC) of Western Australia (\$1.280 million). The increase in 2021-22 is due to the return of City of Perth Inquiry funds to Treasury (additional \$0.504 million) and the PCRC payment (\$1.280 million).
- c) In November 2020, the Minister for Culture and Arts granted a 50 year lease to the WA Museum (WAM) to operate the WA Museum Boola Bardip for \$1 per annum. The lease is for the newly built museum and the four heritage buildings: the Beaufort Street Building, Jubilee Building, Hackett Hall and Old Gaol. The land and buildings were treated as separate components under AASB 16 with the land component recognised as an operating lease and the building being classified as a finance lease by DLGSC. Given that the lease with WAM is a concessionary lease, the lease payments to include in the measurement of the net investment in the lease is immaterial in value.

The museum building will still be required to be reported at the whole of government consolidation level as owned property, plant and equipment (PP&E). Therefore, an adjustment is required at consolidation level where, the lessor derecognises the asset from its books in accordance with AASB 16. The building costs are being treated as a finance lease and derecognised from DLGSC's financial statements. DLGSC as the lessor will need to maintain records of the owned PP&E assets and include these asset in its revaluation process at fair value.

**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.

#### **Rental 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.

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

**Expected credit losses** is an allowance of trade receivables, measured at the lifetime expected credit losses at each reporting date. DLGSC 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 6.1.1. Movement in the allowance for impairment of trade receivables.

**Software modification costs** are recognised as expenses as incurred.

**Employee on-cost** includes workers' compensation insurance and other employment on-costs. The on-costs liability associated with the recognition of annual and long service leave liabilities is included at Note 3.1(b) Employee related provisions. Superannuation contributions accrued as part of the provision for leave are employee benefits and are not included in employment on-costs.

## Notes to the Financial Statements

For the year ended 30 June 2022

### 4 – Our funding sources

#### How we obtain our funding

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

	Notes
Income from State Government	4.1
User fees and charges	4.2
Commonwealth grants	4.3
Other revenue	4.4

#### 4.1 Income from State Government

	2022 \$'000	2021 \$'000
<b>Appropriation received for the period:</b>		
Service appropriation	220,156	333,424
<b>Total appropriation received</b>	<b>220,156</b>	<b>333,424</b>
<b>Resources received from other public sector entities during the period:</b>		
Services received free of charge	1,919	1,078
<b>Total resources received</b>	<b>1,919</b>	<b>1,078</b>
<b>Royalties for Regions Fund</b>		
Regional Infrastructure and Headworks Account	17,465	12,920
<b>Total Royalties for Regions Fund</b>	<b>17,465</b>	<b>12,920</b>
Income from other public sector entities	7,520	14,986
<b>Total grants and subsidies from State Government</b>	<b>7,520</b>	<b>14,986</b>
<b>Total income from State Government</b>	<b>247,060</b>	<b>362,408</b>

## Notes to the Financial Statements

For the year ended 30 June 2022

**Service appropriations** are recognised as income at the fair value of consideration received in the period in which DLGSC gains control of the appropriated funds. DLGSC gains control of the appropriated funds at the time those funds are deposited in the bank account or credited to the holding account held at Treasury.

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

**Liabilities assumed by the Treasurer or other public sector entities** are recognised as income for an amount equivalent to the liability assumed when the liability is assumed.

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

**The Regional Infrastructure and Headworks Account, and Regional Community Services Accounts** are sub-funds within the over-arching 'Royalties for Regions Fund'. The recurrent funds are committed to projects and programs in WA regional areas and are recognised as income when DLGSC receives the funds.

## Notes to the Financial Statements

For the year ended 30 June 2022

### Summary of consolidated account appropriations

For the year ended 30 June 2022

	2022 Budget \$'000	2022 Supplementary funding \$'000	2022 Revised budget \$'000	2022 Actual \$'000	2022 Variance \$'000
<b>Delivery of services</b>					
Item 72 Net amount appropriated to deliver services	187,633		187,633	163,779	(23,854)
Item 75 Contribution to Community Sporting and Recreation Facilities Fund	13,000		13,000	13,000	-
Amount Authorised by Other Statutes					
- <i>Salaries and Allowances Act 1975</i>	359		359	359	-
- <i>Lotteries Commission Act 1990</i>	33,924		33,924	43,039	9,115
<b>Total appropriations provided to deliver services</b>	<b>234,916</b>	<b>-</b>	<b>234,916</b>	<b>220,177</b>	<b>(14,739)</b>
<b>Capital</b>					
Item 138 Capital appropriations	22,981		22,981	22,981	-
<b>Total capital appropriations</b>	<b>22,981</b>	<b>-</b>	<b>22,981</b>	<b>22,981</b>	<b>-</b>
<b>Administered transactions</b>					
Item 73 Administered grants, subsidies and other transfer payments	84,555		84,555	84,555	-
<b>Total administered transactions</b>	<b>84,555</b>	<b>-</b>	<b>84,555</b>	<b>84,555</b>	<b>-</b>
<b>GRAND TOTAL</b>	<b>342,452</b>	<b>-</b>	<b>342,452</b>	<b>327,713</b>	<b>(14,739)</b>

## Notes to the Financial Statements

For the year ended 30 June 2022

### 4.2 User charges and fees

	2022 \$'000	2021 \$'000
User charges and fees:		
Camps catering	327	420
King Street Arts Centre Studio Hire	109	32
Liquor fees and other charges <sup>(a)</sup>	3,092	7,048
Off-road vehicles	119	104
Programs and accommodation	2,989	3,976
State Records Office	41	42
Other fees and charges	6	1
	<b>6,683</b>	<b>11,623</b>

a) Liquor fees reduced due to the waiving of liquor licences as part of the Government's Covid-19 response.

Revenue is recognised at the transaction price when DLGSC transfers control of the services to customers. Revenue is recognised for the major activities as follows:

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

### 4.3 Commonwealth grants and contributions

	2022 \$'000	2021 \$'000
Indian Ocean Territories (Christmas and Cocos (Keeling) Islands)	626	312
Indigenous Visual Arts Industry Support Program - Revealed	160	160
General grants <sup>(a)</sup>	12,533	-
<b>Total Commonwealth grants and contributions</b>	<b>13,319</b>	<b>472</b>

a) The more significant grants relate to Perth Concert Hall redevelopment (\$3.6 million), Perth Cultural Centre – City Deal Works (\$3 million) and State Football Centre (\$1.6 million).

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

### 4.4 Other revenue

	2022 \$'000	2021 \$'000
Rentals	158	304
Recoup of expenditure	326	245
Car park revenue	387	378
Employee contributions - FBT	69	79
City of Perth inquiry	3,054	2,550
Banned drinkers register	1,225	1,186
Revaluation increment	11,065	-
Impairment gain	44	-
Other	67	583
<b>Total other income</b>	<b>16,395</b>	<b>5,325</b>

## Notes to the Financial Statements

For the year ended 30 June 2022

### 5 – Key Assets

This section includes information regarding the key assets DLGSC 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
Property, plant and equipment	5.1
Right-of-use assets	5.2
Intangible assets	5.3

## Notes to the Financial Statements

For the year ended 30 June 2022

### 5.1 Property, plant and equipment

	Land \$'000	Buildings \$'000	Improvements \$'000	Works in progress \$'000	Plant, equipment and vehicles \$'000	Accommodation equipment \$'000	Collections and works of art \$'000	Swan Bells \$'000	Exhibits - WIP \$'000	Total \$'000
<b>1 July 2020</b>										
Gross carrying amount	106,494	163,253	16,228	267,780	5,719	2,648	2,050	682	59,800	624,654
Accumulated depreciation	-	-	(3,427)	-	(1,680)	(2,193)	-	(212)	-	(7,512)
Accumulated impairment loss	-	-	-	-	-	-	-	-	-	-
<b>Carrying amount at start of year</b>	<b>106,494</b>	<b>163,253</b>	<b>12,801</b>	<b>267,780</b>	<b>4,039</b>	<b>455</b>	<b>2,050</b>	<b>470</b>	<b>59,800</b>	<b>617,142</b>
Additions	-	-	1,220	11,094	131	85	-	-	13,744	26,274
Disposals	-	(8,742)	-	-	-	-	(392)	-	-	(9,134)
Transfers <sup>(a)</sup>	-	-	-	(274,408)	8	(8)	-	-	(73,275)	(347,683)
Revaluation increments/(decrements)	(210)	(389)	-	-	-	-	-	-	-	(599)
Write offs	-	-	(137)	-	(4)	(2)	-	-	-	(143)
Depreciation	-	(3,603)	(651)	-	(528)	(113)	-	(7)	-	(5,102)
<b>Carrying amount at 30 June 2021</b>	<b>106,284</b>	<b>150,519</b>	<b>13,033</b>	<b>4,466</b>	<b>3,646</b>	<b>417</b>	<b>1,658</b>	<b>463</b>	<b>269</b>	<b>280,755</b>
Gross carrying amount	106,284	150,521	17,200	4,466	5,796	2,332	1,658	682	269	289,208
Accumulated depreciation	-	(2)	(4,167)	-	(2,150)	(1,915)	-	(219)	-	(8,453)
Accumulated impairment loss	-	-	-	-	-	-	-	-	-	-

a) WA Museum (Boola Bardip) was completed during 2020-21 with amount transferred from works in progress and being recognised as a finance lease by WA Museum resulting in the recognition of asset. In addition, works in progress for the His Majesty's Theatre balcony project was also transferred to Perth Theatre Trust.

## Notes to the Financial Statements

### For the year ended 30 June 2022

#### 5.1 Property, plant and equipment (continued)

	Land \$'000	Buildings \$'000	Improvements \$'000	Works in progress \$'000	Plant, equipment and vehicles \$'000	Accommodation equipment \$'000	Collections and works of art \$'000	Swan Bells \$'000	Exhibits - WIP \$'000	Total \$'000
<b>1 July 2021</b>										
Gross carrying amount	106,284	150,521	17,200	4,466	5,796	2,332	1,658	682	269	289,208
Accumulated depreciation	-	(2)	(4,167)	-	(2,150)	(1,915)	-	(219)	-	(8,453)
Accumulated impairment loss	-	-	-	-	-	-	-	-	-	-
<b>Carrying amount at start of period</b>	<b>106,284</b>	<b>150,519</b>	<b>13,033</b>	<b>4,466</b>	<b>3,646</b>	<b>417</b>	<b>1,658</b>	<b>463</b>	<b>269</b>	<b>280,755</b>
<b>Additions</b>										
Cost Adjustment	-	-	34	31,676	13	14	-	1	688	32,426
Disposals	-	-	-	-	-	-	-	-	-	-
Transfers from/(to) other reporting entities	597	13,583	-	(5,590)	-	-	-	-	(815)	7,775
Transfers from /(to) other asset classes	-	4,391	435	(4,826)	-	-	-	-	-	-
Revaluation increments/(decrements)	8,813	12,855	-	-	-	-	-	-	-	21,669
Impairment losses	-	-	-	-	-	-	-	-	-	-
Impairment losses reversed	-	-	-	-	-	-	-	-	-	-
Depreciation	-	(3,792)	(866)	-	(530)	(113)	-	(7)	-	(5,308)
<b>Carrying amount at 30 June 2022</b>	<b>115,694</b>	<b>177,556</b>	<b>12,636</b>	<b>25,726</b>	<b>3,129</b>	<b>318</b>	<b>1,658</b>	<b>457</b>	<b>142</b>	<b>337,316</b>
Gross carrying amount	115,694	177,562	17,670	25,570	5,809	2,313	1,658	682	142	347,100
Accumulated depreciation	-	(6)	(5,034)	-	(2,680)	(1,995)	-	(225)	-	(9,940)
Accumulated impairment loss	-	-	-	-	-	-	-	-	-	-

## Notes to the Financial Statements

For the year ended 30 June 2022

### 5.1 Property, plant and equipment (continued)

#### Initial recognition

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

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

#### Subsequent measurement

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

- land; and
- buildings

Land is carried at fair value.

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

Plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses.

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

Land and buildings were revalued as at 1 July 2021 by Landgate. The valuations were performed during the year ended 30 June 2022 and recognised at 30 June 2022. In undertaking the revaluation, fair value was determined by reference to market values for land: \$115,694,000 (2021: \$106,284,000) and buildings: \$177,501,103 (2021: \$150,516,021). For the remaining balance, fair value of buildings was determined on the basis of current replacement cost and fair value of land was determined on the basis of comparison with market evidence for land with low level utility (high restricted use land).

#### 5.1.1 Depreciation and impairment charge for the period

	Notes	2022 \$'000	2021 \$'000
<b>Depreciation</b>			
Plant, equipment and vehicles	5.1	530	528
Accommodation equipment	5.1	113	113
Buildings and improvements	5.1	4,658	4,454
Swan Bells	5.1	7	7
<b>Total depreciation for the period</b>		<b>5,308</b>	<b>5,102</b>

As at 30 June 2022 there were no indications of impairment to property, plant and equipment.

All surplus assets at 30 June 2022 have either been classified as assets held for sale or have been written-off.

## Notes to the Financial Statements

For the year ended 30 June 2022

### 5.1.1 Depreciation and impairment charge for the period (continued)

#### Useful lives

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

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

Asset	Useful life: years
Buildings	Up to 50 years
Plant, equipment and vehicles	5 to 20 years
Improvements	Up to 50 years
Accommodation equipment	3 to 20 years
Swan Bells	Up to 100 years
Computer hardware and software <sup>(a)</sup>	Up to 5 years

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

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

Land and works of art, which are considered to have an indefinite life, are not depreciated. Depreciation is not recognised in respect of these assets because their service potential has not, in any material sense, been consumed during the reporting period.

#### Impairment

Non-financial assets, including items of property, 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 DLGSC 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 2022

### 5.2 Right-of-use assets

	Buildings \$'000	Plant, equipment & vehicles \$'000	Total \$'000
<b>1 July 2020</b>			
Gross carrying amount	80	511	591
Accumulated amortisation	(31)	(176)	(207)
<b>Carrying amount at start of period</b>	<b>49</b>	<b>335</b>	<b>384</b>
Additions	84	165	249
Depreciation	(81)	(179)	(260)
<b>Carrying amount at 30 June 2021</b>	<b>52</b>	<b>321</b>	<b>373</b>
Gross carrying amount	83	613	696
Accumulated amortisation	(31)	(292)	(323)
<b>1 July 2021</b>			
Gross carrying amount	83	613	696
Accumulated amortisation	(31)	(292)	(323)
<b>Carrying amount at start of period</b>	<b>52</b>	<b>321</b>	<b>373</b>
Additions	295	101	396
Cost Adjustment			-
Disposals	(31)	(2)	(33)
Transfers			-
Depreciation	(99)	(172)	(271)
<b>Carrying amount at 30 June 2022</b>	<b>217</b>	<b>248</b>	<b>465</b>
Gross carrying amount	241	642	883
Accumulated amortisation	(24)	(394)	(418)

#### Initial recognition

Right-of-use (ROU) 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 ROU assets, which are measured in accordance with AASB 140 'Investment Property'.

DLGSC 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.

## Notes to the Financial Statements

For the year ended 30 June 2022

### 5.2 Right-of-use assets (continued)

#### 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 DLGSC 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 5.1.1.

The following amounts relating to leases have been recognised in the Statement of Comprehensive Income:

	2022 \$'000	2021 \$'000
Depreciation expense of right-of-use assets	271	260
Lease interest expense	13	11
Expenses relating to variable lease payments not included in lease liabilities		
Short-term leases		
Low-value leases	21	24

The total cash outflow for leases in 2022 was \$4.608 million and in 2021 was \$4.399 million. As at 30 June 2022 there were no indications of impairment to right-of-use assets.

#### *DLGSC's leasing activities and how these are accounted for:*

DLGSC has leases for vehicles, office and residential accommodations.

DLGSC 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.

DLGSC 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 7.1.

## Notes to the Financial Statements

For the year ended 30 June 2022

### 5.3 Intangible assets

	Other intangibles \$'000	Licences \$'000	Computer software \$'000	Works in progress \$'000	Total \$'000
<b>Year ended 30 June 2021</b>					
<b>1 July 2020</b>					
Gross carrying amount	97	1,244	7,647	723	9,711
Accumulated amortisation	(71)	(1,115)	(7,019)	-	(8,205)
Accumulated impairment losses	-	(23)	(497)	-	(520)
<b>Carrying amount at start of year</b>	<b>26</b>	<b>106</b>	<b>131</b>	<b>723</b>	<b>986</b>
Additions	-	-	-	-	-
Transfers	-	-	-	(723)	(723)
Amortisation expense	(26)	(106)	(131)	-	(263)
<b>Carrying amount at 30 June 2021</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Gross carrying amount	97	1,244	7,647	-	8,988
Accumulated amortisation	(97)	(1,221)	(7,150)	-	(8,468)
<b>Year ended 30 June 2022</b>					
<b>1 July 2021</b>					
Gross carrying amount	97	1,244	7,647	-	8,988
Accumulated amortisation	(97)	(1,221)	(7,150)	-	(8,468)
Accumulated impairment losses	-	(23)	(497)	-	(520)
<b>Carrying amount at start of year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Gross carrying amount	97	1,244	7,647	-	8,988
Accumulated amortisation	(97)	(1,221)	(7,150)	-	(8,468)

## Notes to the Financial Statements

For the year ended 30 June 2022

### 5.3 Intangible assets (continued)

#### Initial recognition

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

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:

- a) The technical feasibility of completing the intangible asset so that it will be available for use or sale;
- b) An intention to complete the intangible asset and use or sell it;
- c) The ability to use or sell the intangible asset;
- d) The intangible asset will generate probable future economic benefit;
- e) The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset;
- f) 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 costing \$50,000 or more 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.

#### 5.3.1 Amortisation and impairment charge for the period

	2022 \$'000	2021 \$'000
Licences	-	105
Computer software	-	158
<b>Total amortisation for the period</b>	<b>-</b>	<b>263</b>

## Notes to the Financial Statements

For the year ended 30 June 2022

### 5.3.1 Amortisation and impairment charge for the period (continued)

DLGSC 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 DLGSC 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:

Licenses	3-4 years
Software <sup>(a)</sup>	3-5 years

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

### Impairment of intangible assets

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

The policy in connection with testing for impairment is outlined in note 5.1.1.

## Notes to the Financial Statements

For the year ended 30 June 2022

### 6 – Other assets and liabilities

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

	Notes
Receivables	6.1
Amounts receivable for services	6.2
Other assets	6.3
Payables	6.4
Contract liabilities	6.5
Other liabilities	6.6

#### 6.1 Receivables

	2022 \$'000	2021 \$'000
<b>Current</b>		
Trade receivables	1,712	2,084
Allowance for impairment of trade receivables	(21)	(65)
GST receivable	4,464	3,909
<b>Total current receivables</b>	<b>6,155</b>	<b>5,928</b>

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

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

For trade receivables, DLGSC recognises an allowance for ECLs measured at the lifetime expected credit losses at each reporting date. DLGSC 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 3.3 for the amount of ECLs expensed in this financial year.

##### 6.1.1 Movement in the allowance for impairment of trade receivables

	2022 \$'000	2021 \$'000
<b>Reconciliation of changes in the allowance for impairment of trade receivables</b>		
Opening balance	65	12
Expected credit losses expense	-	53
Impairment gains	(44)	-
Amounts written off during the period	-	-
<b>Allowance for impairment at end of period</b>	<b>21</b>	<b>65</b>

## Notes to the Financial Statements

For the year ended 30 June 2022

The maximum exposure to credit risk at the end of the reporting period for trade receivables is the carrying amount of the asset inclusive of any allowance for impairment as shown in the table at Note 8.1(c) 'Financial instruments disclosures'.

DLGSC does not hold any collateral as security or other credit enhancements for trade receivables.

### 6.2 Amounts receivable for services

	2022 \$'000	2021 \$'000
Current	160	160
Non-current	57,571	44,777
<b>Total amounts receivable for services at end of period</b>	<b>57,731</b>	<b>44,937</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 not considered to be impaired (i.e. there is no expected credit loss of the holding accounts).

## Notes to the Financial Statements

For the year ended 30 June 2022

### 6.3 Other assets

	2022 \$'000	2021 \$'000
<b>Current</b>		
Prepayments	1,100	4,321
<b>Total current assets</b>	<b>1,100</b>	<b>4,321</b>
<b>Non-current</b>		
Prepayments	1	3
<b>Total non-current assets</b>	<b>1</b>	<b>3</b>
<b>Total other assets at end of period</b>	<b>1,101</b>	<b>4,324</b>

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

### 6.4 Payables

	2022 \$'000	2021 \$'000
<b>Current</b>		
Trade payables	1,012	1,725
Accrued expenses <sup>(a)</sup>	12,516	1,895
Accrued salaries	949	662
<b>Total payables at end of period</b>	<b>14,477</b>	<b>4,282</b>

a) Accrued expenses include accruals to return the City of Perth Inquiry funds to Treasury (\$3.055 million) and a grant payment to the Western Australian Cricket Association (\$5.5 million).

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

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

## Notes to the Financial Statements

For the year ended 30 June 2022

### 6.5 Contract liabilities

	2022 \$'000	2021 \$'000
Current	1,665	2,787
	<b>1,665</b>	<b>2,787</b>
	2022 \$'000	2021 \$'000
<b>Reconciliation of changes in contract liabilities</b>		
Opening balance	2,787	743
Additions	1,665	2,787
Revenue recognised in the reporting period	(2,787)	(743)
<b>Total contract liabilities at end of period</b>	<b>1,665</b>	<b>2,787</b>

DLGSC's contract liabilities relate to service and grant program delivery yet to be performed at the end of the reporting period.

DLGSC expects to satisfy the performance obligations unsatisfied at the end of the reporting period within the next 12 months.

### 6.6 Other liabilities

	2022 \$'000	2021 \$'000
<b>Current</b>		
Income received in advance	33	22
Unclaimed monies	18	18
Deposits	895	850
Liquor licence renewals	553	(18)
Contractor retentions	24	24
<b>Total other liabilities at end of period</b>	<b>1,523</b>	<b>896</b>

## Notes to the Financial Statements

For the year ended 30 June 2022

### 7 – Financing

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

	Notes
Lease liabilities	7.1
Cash and cash equivalents	7.2
Reconciliation of cash	7.2.1
Reconciliation of operating activities	7.2.2

#### 7.1 Lease liabilities

	2022 \$'000	2021 \$'000
Current	180	171
Non-current	295	210
<b>Total lease liabilities</b>	<b>475</b>	<b>381</b>

#### Initial measurement

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

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

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that depend on an index or a rate initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options (where these are reasonably certain to be exercised);
- payments for penalties for terminating a lease, where the lease term reflects DLGSC 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 DLGSC 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 dependant on sales are recognised by the DLGSC in profit or loss in the period in which the condition that triggers those payment occurs.

This section should be read in conjunction with note 5.2.

#### 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.

## Notes to the Financial Statements

For the year ended 30 June 2022

### 7.2 Cash and cash equivalents

#### 7.2.1 Reconciliation of cash

	2022 \$'000	2021 \$'000
Cash and cash equivalents	135,336	172,796
Restricted cash and cash equivalents	40,944	31,616
<b>Total cash and cash equivalents at end of period</b>	<b>176,280</b>	<b>204,412</b>
	2022 \$'000	2021 \$'000
<b>Restricted cash and cash equivalents</b>		
<b>Current</b>		
Community Sporting and Recreation Facilities Fund <sup>(a)</sup>	9,791	8,923
Sports Lotteries Account <sup>(b)</sup>	12,435	7,237
Arts Lotteries Account <sup>(b)</sup>	14,148	10,662
Royalties for Regions Fund <sup>(c)</sup>	1,674	2,671
Commonwealth Government grant - services to Indian Ocean Territories <sup>(d)</sup>	77	34
Sunset Reserve Property Special Purpose Account <sup>(e)</sup>	905	407
LG Local Projects Local Jobs <sup>(f)</sup>	32	32
Off-road Vehicles <sup>(g)</sup>	787	701
Other	45	21
<b>Total current</b>	<b>39,894</b>	<b>30,688</b>
<b>Non-current</b>		
Accrued salaries suspense account <sup>(h)</sup>	1,050	928
<b>Total non-current</b>	<b>1,050</b>	<b>928</b>
<b>Balance at end of period</b>	<b>40,944</b>	<b>31,616</b>

- a) The purpose of the CSRFF account is to hold monies appropriated for the purpose of making grants for the development of public sporting and recreation facilities, and for the management and administration of those grants.
- b) The purpose of the Lotteries Account is to hold funds received by DLGSC from Lotterywest pursuant to Section 22(1)(a) and (b) of the *Lotteries Commission Act 1990*.
- c) An agreement with Department of Primary Industries and Regional Development for funding from the Royalties for Regions for a number of projects. Unspent funds are committed to projects and programs in WA regional areas.
- d) The DLGSC and the Commonwealth Government have a Service Delivery Arrangement for the provision of services to the Indian Ocean Territories (IOT). The Commonwealth Government recoups DLGSC costs associated with these services. (Note 11).
- e) Sunset Reserve funds are utilised for the conservation and management of Sunset Heritage Precinct.
- f) Unspent funds are committed to Local Government's "Local Projects, Local Jobs" project.
- g) Unspent funds are committed to Off-Road Vehicles project.
- h) 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.

## Notes to the Financial Statements

For the year ended 30 June 2022

### 7.2.1 Reconciliation of cash (continued)

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

The accrued salaries suspense account consists of amounts paid annually, from DLGSC appropriations for salaries expense, into a Treasury suspense account to meet the additional cash outflow for employee salary payments in reporting periods with 27 pay days instead of the normal 26. No interest is received on this account.

### 7.2.2 Reconciliation of net cost of services to net cash flows used in operating activities

	Notes	2022 \$'000	2021 \$'000
Net cost of services		(264,245)	(488,611)
<b>Non-cash items:</b>			
Depreciation and amortisation expense	5.1, 5.2 & 5.3	5,579	5,625
Expected credit losses (gain)/expense	3.3	(44)	53
Services received free of charge	4.1	1,919	1,078
Net (gain)/loss from disposal of property, plant and equipment	3.3	-	-
Revaluation (increment)/decrement		(11,065)	599
New Museum Project		5,468	277,154
Other non-cash items		111	267
<b>(Increase)/decrease in assets:</b>			
Receivables <sup>(a)</sup>		328	(569)
Other current assets		3,221	(3,594)
Non-current assets		2	29
<b>Increase/(decrease) in liabilities:</b>			
Payables <sup>(a)</sup>		10,195	1,313
Current provisions		(488)	1,240
Contract liabilities		129	(600)
Current lease liabilities		9	(5)
Other current liabilities		627	(3,109)
Non-current provisions		(631)	(234)
Non-current lease liabilities		85	(4)
Net GST receipts/(payments) <sup>(b)</sup>		(197)	(589)
Change in GST in receivables/payables <sup>(c)</sup>		(358)	(40)
<b>Net cash used in operating activities</b>		<b>(249,355)</b>	<b>(209,997)</b>

a) Note that the Australian Taxation Office (ATO) receivable/payable in respect of GST and the receivable/payable in respect of the sale/purchase of non-current assets are not included in these items as they do not form part of the reconciling items.

b) This is the net GST paid/received, i.e. cash transactions.

c) This reverses out the GST in receivables and payables.

# Notes to the Financial Statements

For the year ended 30 June 2022

## 8 – Risks and Contingencies

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

	Notes
Financial risk management	8.1
Contingent assets and liabilities	8.2
Fair value measurements	8.3
Capital commitments	8.4

### 8.1 Financial risk management

Financial instruments held by DLGSC are cash and cash equivalents, restricted cash and cash equivalents, receivables, payables and finance leases. DLGSC has limited exposure to financial risks. DLGSC's overall risk management program focuses on managing the risks identified below.

#### a) Summary of risks and risk management

##### Credit risk

Credit risk arises when there is the possibility of DLGSC's receivables defaulting on their contractual obligations resulting in financial loss to DLGSC.

Credit risk associated with DLGSC's financial assets is minimal because the main receivable is the amounts receivable for services (holding account). For receivables other than Government, DLGSC trades only with recognised, creditworthy third parties. DLGSC has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history. In addition, receivable balances are monitored on an ongoing basis with the result that DLGSC's exposure to bad debts is minimal. Debt will be written-off against the allowance account when it is improbable or uneconomical to recover the debt. At the end of the reporting period there were no significant concentrations of credit risk.

##### Liquidity risk

Liquidity risk arises when DLGSC is unable to meet its financial obligations as they fall due.

DLGSC is exposed to liquidity risk through its trading in the normal course of business.

DLGSC has appropriate procedures to manage cash flows including drawdown of appropriations by monitoring forecast cash flows to ensure that sufficient funds are available to meet its commitments.

##### Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates and interest rates will affect DLGSC's income or the value of its holdings of financial instruments. DLGSC does not trade in foreign currency and is not materially exposed to other price risks. DLGSC's exposure to market risk for changes in interest rates relate primarily to the funds held in an interest bearing account.

Other than as detailed in the interest rate sensitivity analysis table at Note 8.1(e), DLGSC is not exposed to interest rate risk because the majority of cash and cash equivalents and restricted cash are non-interest bearing.

## Notes to the Financial Statements

For the year ended 30 June 2022

### 8.1 Financial risk management (continued)

#### b) Categories of 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:

	2022 \$'000	2021 \$'000
<b>Financial assets</b>		
Cash and cash equivalents	135,336	172,796
Restricted cash and cash equivalents	40,944	31,616
Financial assets at amortised cost <sup>(a)</sup>	59,422	46,956
<b>Total financial assets</b>	<b>235,702</b>	<b>251,368</b>
<b>Financial liabilities</b>		
Payables	14,477	4,282
Financial liabilities at amortised cost <sup>(b)</sup>	475	381
Other current liabilities	1,523	896
<b>Total financial liabilities</b>	<b>16,475</b>	<b>5,559</b>

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

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



## Notes to the Financial Statements

For the year ended 30 June 2022

### 8.1 Financial risk management (continued)

#### d) Liquidity risk and interest rate exposure

The following table details the DLGSC's interest rate exposure and the contractual maturity analysis of financial assets and financial liabilities. The maturity analysis section includes interest and principal cash flows. The interest rate exposure section analyses only the carrying amounts of each item.

#### Interest rate exposure and maturity analysis of financial assets and financial liabilities

	Weighted average effective interest rate %	Interest rate exposure				Maturity dates				
		Carrying amount \$'000	Fixed interest rate \$'000	Variable interest rate \$'000	Non-interest bearing \$'000	Nominal amount \$'000	Up to 1 month \$'000	1 to 3 months to 1 year \$'000	1 to 5 years \$'000	More than 5 years \$'000
<b>2022</b>										
<b>Financial Assets</b>										
Cash and cash equivalents	-	135,336	-	-	135,336	135,336	-	-	-	-
Restricted cash and cash equivalents	-	40,944	-	-	40,944	40,944	-	-	-	-
Receivables <sup>(a)</sup>	-	1,691	-	-	1,691	1,691	-	-	-	-
Amounts receivable for services	-	57,731	-	-	57,731	57,731	160	-	640	56,931
		<b>235,702</b>	<b>-</b>	<b>-</b>	<b>235,702</b>	<b>235,702</b>	<b>178,131</b>	<b>-</b>	<b>640</b>	<b>56,931</b>
<b>Financial Liabilities</b>										
Payables	-	14,477	-	-	14,477	14,477	14,477	-	-	-
Lease liabilities	-	475	-	-	475	488	29	32	132	294
Other financial liabilities	-	1,523	-	-	1,523	1,523	1,523	-	-	-
		<b>16,475</b>	<b>-</b>	<b>-</b>	<b>16,475</b>	<b>16,488</b>	<b>16,029</b>	<b>32</b>	<b>132</b>	<b>294</b>
										<b>1</b>

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

## Notes to the Financial Statements

For the year ended 30 June 2022

### 8.1 Financial risk management (continued)

#### d) Liquidity risk and interest rate exposure (continued)

##### Interest rate exposure and maturity analysis of financial assets and financial liabilities

	Weighted average effective interest rate %	Interest rate exposure				Maturity dates				
		Carrying amount \$'000	Fixed interest rate \$'000	Variable interest rate \$'000	Non-interest bearing \$'000	Nominal amount \$'000	Up to 1 month \$'000	1 to 3 months to 1 year \$'000	1 to 5 years \$'000	More than 5 years \$'000
<b>2021</b>										
<b>Financial Assets</b>										
Cash and cash equivalents	-	172,796	-	-	172,796	172,796	-	-	-	-
Restricted cash and cash equivalents	0.46%	31,616	-	-	31,616	31,616	-	-	-	-
Receivables <sup>a)</sup>	-	2,019	-	-	2,019	2,019	-	-	-	-
Amounts receivable for services	-	44,937	-	-	44,937	44,937	-	-	640	44,137
		<b>251,368</b>	<b>-</b>	<b>-</b>	<b>251,368</b>	<b>251,368</b>	<b>206,591</b>	<b>640</b>	<b>44,137</b>	<b>44,137</b>
<b>Financial Liabilities</b>										
Payables	-	4,282	-	-	4,282	4,282	4,282	-	-	-
Lease liabilities	-	381	-	-	-	381	9	145	200	9
Other financial liabilities	-	896	-	-	896	896	896	-	-	-
		<b>5,559</b>	<b>-</b>	<b>-</b>	<b>5,178</b>	<b>5,559</b>	<b>5,187</b>	<b>145</b>	<b>200</b>	<b>9</b>

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

## Notes to the Financial Statements

For the year ended 30 June 2022

### 8.2 Contingent assets and liabilities

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

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

#### 8.2.1 Contingent assets

As at the reporting period date DLGSC had no contingent assets.

#### 8.2.2 Contingent liabilities

##### Long service leave for casuals

The Department of Mines, Industry Regulation and Safety – Government Sector Labour Relations (GSLR) informed public sector agencies in September 2019 that the *Long Service Leave Act 1958* (LSL Act) applies to casual public sector employees. Since then public sector industrial agreements have been progressively renegotiated so that casual employees will accrue long service leave entitlements under their applicable award or agreement from the date it is registered. In February 2021, GSLR issued a Guidance Note on the transitional arrangements for long service leave entitlements of current casual employees from the LSL Act to the applicable industrial instruments. Further guidance was issued by GSLR on 19 April 2022 in relation to managing historical long service leave entitlements for those affected employees.

DLGSC has determined that the liabilities associated with long service leave entitlements for both current casual employees and those who have left employment are unable to be measured with sufficient reliability at reporting date due to the following factors:

- Difficulties in obtaining relevant underlying data for affected casual employees, particularly for those periods of service where the LSL Act applied.
- Determining continuous employment for casual employees under the LSL Act is unclear, particularly in identifying breaks in service for individual casual employees and whether any interruption in service impacts entitlement to long service leave.

The DLGSC are progressing the analysis and measurement of this liability as per the relevant Industrial agreements. DLGSC will apply a methodology acceptable to GSLR in calculating the entitlements under the relevant industrial instruments. Therefore, a provision has not been recognised in the financial statements for the long service leave entitlements as they are unable to be measured with sufficient reliability at reporting date.

##### Contaminated sites

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

DLGSC has identified one site which has been classified as “contaminated - remediation required” under the *Contaminated Sites Act 2003*. DLGSC has received Ministerial approval to relinquish the Management Order to allow the land to be transferred to Christ Church Grammar School to develop. The cost of remediation will be borne by Christ Church Grammar School therefore DLGSC is not expected to incur any costs associated with any remediation required. The Department of Planning, Lands and Heritage (DPLH) have now completed negotiating the transfer of the land on behalf of DLGSC and Landgate has advised that the majority of the land has been transferred as conditional freehold. DLGSC still retains two small parcels of land on the site.

## Notes to the Financial Statements

For the year ended 30 June 2022

### 8.3 Fair value measurements

Assets measured at fair value:

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Fair value at end of period \$'000
<b>2022</b>				
Land (Note 5.1)	-	6,390	109,304	115,694
Buildings (Note 5.1)	-	3,565	173,991	177,556
	-	<b>9,955</b>	<b>283,295</b>	<b>293,250</b>
<b>2021</b>				
Land (Note 5.1)	-	5,520	100,764	106,284
Buildings (Note 5.1)	-	3,010	147,506	150,516
	-	<b>8,530</b>	<b>248,270</b>	<b>256,800</b>

There were no transfers between Levels 1, 2 or 3 during the current and previous periods.

#### Valuation techniques used to derive Level 2 fair values

Level 2 fair values of Non-current assets held for sale, Land and Buildings (office accommodation) are derived using the market approach. Market evidence of sales prices of comparable land and buildings (office accommodation) in close proximity is used to determine price per square metre.

Non-current assets held for sale have been written down to fair value less costs to sell. Fair value has been determined by reference to market evidence of sales prices of comparable assets.

#### Fair value measurements using significant unobservable inputs (Level 3)

	Land \$'000	Buildings \$'000	Total \$'000
<b>2022</b>			
Fair value at start of period	100,764	147,506	248,270
Additions		13,187	13,187
Revaluation increments/(decrements) recognised in profit or loss	8,540	12,628	21,168
Transfers between asset classes		4,391	4,391
Depreciation expense		(3,721)	(3,721)
<b>Fair value at end of period</b>	<b>109,304</b>	<b>173,991</b>	<b>283,295</b>
<b>2021</b>			
Fair value at start of period	100,774	160,192	260,966
Revaluation increments/(decrements) recognised in profit or loss	(10)	(403)	(413)
Disposals	-	(8,743)	(8,743)
Depreciation expense	-	(3,540)	(3,540)
<b>Fair value end of period</b>	<b>100,764</b>	<b>147,506</b>	<b>248,270</b>
Total gains or losses for the period included in profit or loss	-	-	-

## Notes to the Financial Statements

For the year ended 30 June 2022

### 8.3 Fair value measurements (continued)

#### Valuation processes

There were no changes in valuation techniques during the period. However, the valuation processes have been significantly impacted by the COVID-19 pandemic.

Transfers in and out of a fair value level are recognised on the date of the event or change in circumstances that caused the transfer. Transfers are generally limited to assets newly classified as non-current assets held for sale as Treasurer's instructions require valuations of land, buildings and infrastructure to be categorised within Level 3 where the valuations will utilise significant Level 3 inputs on a recurring basis.

#### Land (Level 3 fair values)

Fair value for restricted use land is based on comparison with market evidence for land with low level utility (high restricted use land). The relevant comparators of land with low level utility is selected by the Western Australian Land Information Authority (Valuations and Property Analytics) and represents the application of a significant Level 3 input in this valuation methodology. The fair value measurement is sensitive to values of comparator land, with higher values of comparator land correlating with higher estimated fair values of land.

#### Buildings (Level 3 fair values)

Fair value for existing use specialised buildings assets is determined by reference to the cost of replacing the remaining future economic benefits embodied in the asset, i.e. the current replacement cost. Current replacement cost is generally determined by reference to the market observable replacement cost of a substitute asset of comparable utility and the gross project size specifications, adjusted for obsolescence. Obsolescence encompasses physical deterioration, functional (technological) obsolescence and economic (external) obsolescence.

Valuation using current replacement cost utilises the significant Level 3 input, consumed economic benefit/obsolescence of asset which is estimated by the Western Australian Land Information Authority (Valuations and Property Analytics). The fair value measurement is sensitive to the estimate of consumption/obsolescence, with higher values of the estimate correlating with lower estimated fair values of buildings and infrastructure.

#### Basis of valuation

In the absence of market-based evidence, due to the specialised nature of some non-financial assets, these assets are valued at Level 3 of the fair value hierarchy on an existing use basis. The existing use basis recognises that restrictions or limitations have been placed on their use and disposal when they are not determined to be surplus to requirements. These restrictions are imposed by virtue of the assets being held to deliver a specific community service.

#### Information about significant unobservable inputs (Level 3) in fair value measurements

Description	Fair value 2022 \$'000	Fair value 2021 \$'000	Valuation technique(s)	Unobservable inputs	Relationship of unobservable inputs to fair value
Buildings	173,991	147,506	Depreciated replacement cost	Historical cost per square metre floor area (m <sup>2</sup> )	Historical cost per m <sup>2</sup> increases fair value
Land	109,304	100,764	Market approach	Selection of land with similar approximate utility	Higher historical cost per m <sup>2</sup> increases fair value

## Notes to the Financial Statements

For the year ended 30 June 2022

### 8.4 Capital commitments

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

	2022 \$'000	2021 \$'000
Capital expenditure commitments, being contracted capital expenditure additional to the amounts reported in the financial statements are payable as follows:		
Within 1 year	29,267	16,771
Later than 1 year and not later than 5 years	239	-
Later than 5 years	-	-
	<b>29,506</b>	<b>16,771</b>

## Notes to the Financial Statements

For the year ended 30 June 2022

### 9 – 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	9.1
Future impact of Australian Accounting Standards not yet operative	9.2
Key management personnel	9.3
Related party transactions	9.4
Related bodies	9.5
Affiliated bodies	9.6
Special purpose accounts	9.7
Remuneration of auditor	9.8
Equity	9.9
Supplementary financial information	9.10

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

DLGSC has no adjusting or non-adjusting events after the end of the reporting period.

#### 9.2 Future impact of Australian Accounting Standards not yet operative

DLGSC cannot early adopt an Australian Accounting Standard unless specifically permitted by TI 1101 Application of Australian Accounting Standards and Other Pronouncements or by an exemption from TI 1101. Where applicable, DLGSC plans to apply the following Australian Accounting Standards from their application date.

	Operative for reporting periods beginning on/after
<p><i>AASB 17 Insurance Contracts</i></p> <p>This Standard establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts.</p> <p>DLGSC has not assessed the impact of the Standard.</p>	<b>1 Jan 2023</b>
<p><i>AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current</i></p> <p>This Standard amends AASB 101 to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current.</p> <p>These is no financial impact.</p>	<b>1 Jan 2023</b>

## Notes to the Financial Statements

For the year ended 30 June 2022

**Operative for  
reporting periods  
beginning on/after**

**AASB 2020-3** *Amendments to Australian Accounting Standards – Annual Improvements 2018–2020 and Other Amendments*

This Standard amends: (a) AASB 1 to simplify the application of AASB 1; (b) AASB 3 to update a reference to the Conceptual Framework for Financial Reporting; (c) AASB 9 to clarify the fees an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability; (d) AASB 116 to require an entity to recognise the sales proceeds from selling items produced while preparing property, plant and equipment for its intended use and the related cost in profit or loss, instead of deducting the amounts received from the cost of the asset; (e) AASB 137 to specify the costs that an entity includes when assessing whether a contract will be loss-making; and (f) AASB 141 to remove the requirement to exclude cash flows from taxation when measuring fair value.

**1 Jan 2022**

There is no financial impact.

**AASB 2020-6** *Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date*

This Standard amends AASB 101 to defer requirements for the presentation of liabilities in the statement of financial position as current or non-current that were added to AASB 101 in AASB 2020-1.

**1 Jan 2022**

There is no financial impact.

**AASB 2021-2** *Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates*

This Standard amends: (a) AASB 7, to clarify that information about measurement bases for financial instruments is expected to be material to an entity's financial statements; (b) AASB 101, to require entities to disclose their material accounting policy information rather than their significant accounting policies; (c) AASB 108, to clarify how entities should distinguish changes in accounting policies and changes in accounting estimates; (d) AASB 134, to identify material accounting policy information as a component of a complete set of financial statements; and (e) AASB Practice Statement 2, to provide guidance on how to apply the concept of materiality to accounting policy disclosures.

**1 Jan 2023**

There is no financial impact.

## Notes to the Financial Statements

For the year ended 30 June 2022

**Operative for  
reporting periods  
beginning on/after**

**AASB 2021-6**     *Amendments to Australian Accounting Standards – Disclosure of Accounting Policies: Tier 2 and Other Australian Accounting Standards*

This standard amends: (a) AASB 1049, to require entities to disclose their material accounting policy information rather than their significant accounting policies; (b) AASB 1054 to reflect the updated accounting policy terminology used in AASB 101 Presentation of Financial Statements; and (c) AASB 1060 to required entities to disclose their material accounting policy information rather than their significant accounting policy and to clarify that information about measurement bases for financial instruments is expected to be material to an entity's financial statements.

There is no financial impact.

**1 Jan 2023**

**AASB 2021-7**     *Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections*

This standard further defers (to 1 January 2025) the amendments to AASB 10 and AASB 128 relating to the sale or contribution of assets between an investor and its associated or joint venture. The standard also includes editorial corrections.

There is no financial impact.

**1 Jan 2022**

## Notes to the Financial Statements

For the year ended 30 June 2022

### 9.3 Key management personnel

DLGSC has determined key management personnel to include cabinet ministers and senior officers of DLGSC. DLGSC 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 DLGSC for the reporting period are presented within the following bands:

	2022	2021
<b>Compensation band (\$)</b>		
40,001 - 50,000	1	-
50,001 - 60,000	4	-
60,001 - 70,000	1	-
80,001 - 90,000	-	1
100,001 - 110,000	-	1
120,001 - 130,000	1	1
130,001 - 140,000	1	-
160,001 - 170,000	-	1
170,001 - 180,000	-	2
190,001 - 200,000	1	2
200,001 - 210,000	-	1
210,001 - 220,000	1	2
220,001 - 230,000	-	1
340,001 - 350,000	-	1
350,001 - 360,000	1	-
370,001 - 380,000	1	-
	<b>12</b>	<b>13</b>
	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
Short-term employee benefits	1,209	1,934
Post-employment benefits	150	234
Other long-term benefits	139	268
Termination benefits	233	-
<b>Total compensation of senior officers</b>	<b>1,731</b>	<b>2,436</b>

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

### 9.4 Related party transactions

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

Related parties of DLGSC 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).

## Notes to the Financial Statements

For the year ended 30 June 2022

### 9.4 Related party transactions (continued)

#### Significant transactions with Government-related entities

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

- income from State Government (Note 4.1);
- equity contributions (Note 9.9);
- lease rentals payments to the Department of Finance (Government Office Accommodation and State Fleet) (Note 3.3) and related outstanding balances (Note 7.1);
- insurance payments to the Insurance Commission and Riskcover fund (Note 3.3);
- Royalties for Regions Fund (Note 4.1);
- services received free of charge (Note 4.1);
- recoups for services provided to Gaming and Wagering Commission of Western Australia, and Racing Penalties Appeal Tribunal (Note 4.4);
- grant payment to Lotteries Commission towards the COVID-19 Relief Fund (Note 3.2);
- unspent funds returned to Gaming and Wagering Commission (Note 3.3);
- remuneration for services provided by the Auditor General (Note 9.8);
- payments to Combat Sports Commission (Note 9.6); and
- grants provided to West Australian Institute of Sport (Note 3.2 and 9.6)

#### Material transactions with other related parties

- superannuation payments to GESB (Note 3.1(a))

Outside of normal citizen type transactions with DLGSC, 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.

### 9.5 Related bodies

DLGSC has no related bodies.

## Notes to the Financial Statements

For the year ended 30 June 2022

### 9.6 Affiliated bodies

During the financial year the Department provided funding to the affiliated bodies listed below. An affiliated body is a body that receives more than half of its funding and resources from the Department but is not subject to operational control by that Department.

	2022 \$'000	2021 \$'000
Abigail Mama's Incorporated	80	-
Afghan Australia Cultural Council Inc	3	-
Al Mustafa Association	3	5
Al Noor Community Language Inc	15	15
Albany Italian Club Inc	-	54
Art on the Move (ATOM)	1,426	1,525
Broome Sports Association	-	60
Cambodian Welfare and Cultural Centre of WA Inc	-	175
Castellorizian Association of Western Australia (Inc)	-	225
Chin Community of WA Inc.	5	-
CircuitWest Inc.	1,098	-
Combat Sports Commission	945	860
Community Languages Western Australia Inc	-	115
Croatian Ethnic School of WA	7	27
Croquet West	-	51
Esperance Districts Recreation Association	-	25
Floorball Association of Western Australia	-	40
Friends of Mongolia	-	5
Full Gospel Worship Centre Perth WA Inc	5	7
Goldfields Sports Development Foundation	-	30
Great Southern Sports Talent Association (GSSTA)	-	50
Hang Gliding and Paragliding Association of Western Australia Inc	10	-
Happy Way Multicultural Association Inc	5	-
Haryana Society of Western Australia Inc	5	-
Hedayat Dari Community Language School	4	4
International Art Space	275	417
Judo Western Australia Inc	-	100
Korean Traditional Culture and Arts Community Inc	34	36
Kung Fu Wushu Western Australia Inc.	5	-
Kyle Chinese Language and Culture School Inc	18	22
Macedonian Cultural Centre Ilinden Perth Western Australia Inc	-	100
Marching WA Inc	-	23
Mid West Academy of Sport	200	200
Mid West Sports Federation	-	50
Muslim Heritage	-	3

## Notes to the Financial Statements

For the year ended 30 June 2022

	2022 \$'000	2021 \$'000
Outdoors WA Inc	180	140
Peel Regional Academy of Sports	130	100
Perth Myanmar Learning Centre	6	-
Pojulu Community Association in Western Australia Inc	5	-
Polish Club General W. Sikorski WA Inc.	-	138
Sahibzada Fateh Singh Jee Inc	30	-
Seniors Recreation Council of WA	192	-
Shree Swaminarayan Sidhant Sajivan Mandal Perth Inc	-	110
Siciliani Association of WA Inc	130	-
Somali Support Perth	3	-
South West Academy of Sport	235	235
South West Sports Development Federation Inc	20	10
SportWest	-	551
STRUT Dance Incorporated	321	-
Table Tennis Western Australia Inc	-	50
Team Connect WA Incorporated	105	-
The Perth Centre for Photography	-	140
The Vietnamese Catholic Ethnic School of WA Inc	32	40
Vasto Club - Casa D'Abruzzo Incorporated	-	187
Vietnamese Community in Australia WA Chapter Inc	187	88
Vietnamese Evangelical Church in Australia Perth	13	-
Vietnamese School of WA Inc	8	11
West Australian Institute of Sport	8,014	20,053
Western Australian Clay Target Association	-	175
Western Australian Flying Disc Association	-	65
Western Australian Speedway Commission Inc	140	140
Western Australian Sports Federation	896	629
Western Australian Telugu Association Inc	7	-
Western Australian Water Ski Association Inc	-	40
Western Australian Waveski Association Inc	-	10
Writing WA Inc.	196	-
Yugal Club of WA Inc	110	-
<b>Total</b>	<b>15,103</b>	<b>27,134</b>

## Notes to the Financial Statements

For the year ended 30 June 2022

### 9.7 Special purpose accounts

#### *Sunset Heritage Trust Account* <sup>(a)</sup>

The purpose of the account is to hold funds received from the Department of Finance to operate the Sunset Heritage Properties.

	2022 \$'000	2021 \$'000
Balance at start of period	407	788
Receipts	948	28
Payments	(450)	(409)
<b>Balance at end of period</b>	<b>905</b>	<b>407</b>

#### *Indian Ocean Territories Reimbursement Trust Fund* <sup>(b)</sup>

The Indian Ocean Territories Reimbursement Trust Fund was established in March 1996 and became operational in July 1996. The purpose of the account is to hold funds received from the Commonwealth, for services provided by DLGSC in relation to the regulation of liquor operations on Christmas and Cocos Islands. The balance of the trust fund at the end of the financial year is held in DLGSC's operating account. The figures presented below for the Trust Fund have been prepared on a cash basis.

	2022 \$'000	2021 \$'000
Balance at start of period	-	8
Receipts	59	70
Payments	(59)	(78)
<b>Balance at end of period</b>	<b>-</b>	<b>-</b>

#### *Community Sporting and Recreation Facilities Fund* <sup>(a)</sup>

The purpose of the account is to hold monies appropriated for the purpose of making grants for the development of public sporting and recreation facilities, and for the management and administration of those grants.

	2022 \$'000	2021 \$'000
Balance at start of period	8,923	1,328
Receipts	13,000	18,000
Payments	(12,132)	(10,405)
<b>Balance at end of period</b>	<b>9,791</b>	<b>8,923</b>

## Notes to the Financial Statements

For the year ended 30 June 2022

### Special purpose accounts (continued)

#### Logue Brook Trust Fund <sup>(b)</sup>

The purpose of the LBTF account is to hold monies appropriated for the purpose of funding the identification and re-establishment of recreation amenities, where practical, within the localities of nearby dams and inland water bodies following cessation of recreational access to Logue Brook. The money was received from Water Corporation in the 2007-08 financial year and after a change in government policy was repaid to Water Corporation in 2008-09. The balance of the account reflects interest earned on the amount. The Trust Fund was closed during the 2021-22 financial year.

	2022 \$'000	2021 \$'000
Balance at start of period	-	23
Receipts	-	1
Payments	-	(24)
<b>Balance at end of period</b>	<b>-</b>	<b>-</b>

#### Off-Road Vehicles Fund <sup>(a)</sup>

The purpose of the account is to hold funds collected for the registration of vehicles under the *Control of Vehicles (Off-road areas) Act* and to provide funds to meet the expenses of DLGSC in connection with administration of the Act pursuant to section 43(2) of the Act.

	2022 \$'000	2021 \$'000
Balance at start of period	701	666
Receipts	120	104
Payments	(34)	(69)
<b>Balance at end of period</b>	<b>787</b>	<b>701</b>

#### Arts Lotteries Special Purpose Account <sup>(a)</sup>

The purpose of the account is to hold moneys received, pursuant to section 22(2)(d) and 22(5) of the *Lotteries Commission Act 1990*, to be applied in such proportions and among such bodies engaged in the conduct of cultural activities in the State.

	2022 \$'000	2021 \$'000
Balance at start of period	10,662	3,064
Receipts	21,520	19,007
Payments	(18,034)	(11,409)
<b>Balance at end of period</b>	<b>14,148</b>	<b>10,662</b>

## Notes to the Financial Statements

For the year ended 30 June 2022

### Special purpose accounts (continued)

#### *Sports Lotteries Special Purpose Account* <sup>(a)</sup>

The purpose of the account is to hold moneys received, pursuant to section 22(2)(c) and 22(4) of the *Lotteries Commission Act 1990*, to be applied in such proportions and among such bodies engaged in the conduct of sport in the State.

	2022 \$'000	2021 \$'000
Balance at start of period	7,237	5,077
Receipts	21,571	19,007
Payments	(16,373)	(16,847)
<b>Balance at end of period</b>	<b>12,435</b>	<b>7,237</b>

a) Established under section 16(1)(b) of FMA

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

### 9.8 Remuneration of auditors

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

	2022 \$'000	2021 \$'000
Auditing the accounts, controls, financial statements and key performance indicators	725	706
	<b>725</b>	<b>706</b>

## Notes to the Financial Statements

For the year ended 30 June 2022

### 9.9 Equity

	2022 \$'000	2021 \$'000
Balance at start of period	650,723	698,797
<b>Contribution by owners</b>		
Capital appropriation	22,981	30,490
<b>Other Contributions by owners</b>		
Transfer from Art Gallery WA	13,187	-
Transfer from Planning	994	-
<b>Total contributions by owners</b>	<b>687,885</b>	<b>729,287</b>
<b>Distributions to owners</b>		
Transfer of net assets to other agencies:		
Transfer to the Perth Theatre Trust	-	523
Transfer to WA Museum	937	78,041
<b>Total distributions to owners</b>	<b>937</b>	<b>78,564</b>
<b>Total contributed equity at end of period</b>	<b>686,948</b>	<b>650,723</b>
	2022 \$'000	2021 \$'000
<b>Asset revaluation surplus</b>		
Balance at the start of period	-	-
Net revaluation increments/(decrements):		
Land	3,914	-
Buildings	6,690	-
<b>Total asset revaluation surplus at end of period</b>	<b>10,604</b>	<b>-</b>
	2022 \$'000	2021 \$'000
<b>Accumulated surplus/(deficit)</b>		
Balance at start of period	(131,703)	(5,500)
Result for the period	(17,185)	(126,203)
<b>Balance at end of period</b>	<b>(148,888)</b>	<b>(131,703)</b>
<b>Total equity at end of period</b>	<b>548,664</b>	<b>519,020</b>

## Notes to the Financial Statements

For the year ended 30 June 2022

### 9.10 Supplementary financial information

#### a) Write-offs

During the financial year, \$0 (2021: \$142,838) was written off DLGSC's asset register under the authority of:

	2022 \$'000	2021 \$'000
The accountable authority	-	-
The Minister	-	143
	-	<b>143</b>

## 10 – Explanatory statements

This section explains variations in the financial performance of DLGSC.

	Notes
Explanatory statement for controlled operations	10.1
Explanatory statement for administered items	10.2

### 10.1 Explanatory statement for controlled operation

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

All variances between annual estimates (original budget) and actual results for 2022, and between the actual results for 2022 and 2021 are shown below. Narratives are provided for key major variances which vary more than 10% from their comparative and that the variation is more than 1% of the:

- Total Cost of Services budgeted for the Statement of Comprehensive Income and Statement of Cash Flows, and
- Total Assets for the previous year for the Statement of Financial Position.

## Notes to the Financial Statements

For the year ended 30 June 2022

### 10.1.1 Statement of Comprehensive Income Variances

	Variance Notes	Estimate 2022 \$'000	Actual 2022 \$'000	Actual 2021 \$'000	Variance between actual and estimate \$'000	Variance between actual results for 2022 and 2021 \$'000
<b>COST OF SERVICES</b>						
<b>Expenses</b>						
Employee benefits expense	1	56,710	49,921	48,389	(6,789)	1,532
Supplies and services	2, A	17,937	27,812	24,615	9,875	3,197
Depreciation and amortisation expense	3	12,933	5,579	5,625	(7,354)	(46)
Finance costs		34	13	11	(21)	2
Accommodation expenses	4	19,287	14,285	11,990	(5,002)	2,295
Grants and subsidies	5, B	278,110	192,025	133,782	(86,085)	58,243
Finance lease derecognition	C		5,468	277,154	5,468	(271,686)
Loss on disposal of non-current assets			-	-	-	-
Revaluation decrement			-	599	-	(599)
Other expenses	6	8,444	5,600	4,016	(2,844)	1,584
<b>Total cost of services</b>		<b>393,455</b>	<b>300,703</b>	<b>506,181</b>	<b>(92,752)</b>	<b>(205,478)</b>
<b>Income</b>						
<b>Revenue</b>						
User charges and fees	7, D	11,807	6,683	11,623	(5,124)	(4,940)
Sponsorship			61	150	61	(89)
Commonwealth grants and contributions	8, E	9,000	13,319	472	4,319	12,847
Interest revenue			-	-		
Other revenue	9, F	6,916	16,395	5,325	9,479	11,070
<b>Total revenue</b>		<b>27,723</b>	<b>36,458</b>	<b>17,570</b>	<b>8,735</b>	<b>18,888</b>
<b>NET COST OF SERVICES</b>		<b>365,732</b>	<b>264,245</b>	<b>488,611</b>	<b>(101,487)</b>	<b>(224,366)</b>
<b>INCOME FROM STATE GOVERNMENT</b>						
Service appropriation	10, G	234,916	220,156	333,424	(14,760)	(113,268)
Services received free of charge		1,322	1,919	1,078	597	841
Royalties for Regions Fund	H	18,045	17,465	12,920	(580)	4,545
Income from other public sector entities	I	6,141	7,520	14,986	1,379	(7,466)
<b>Total income from State Government</b>		<b>260,424</b>	<b>247,060</b>	<b>362,408</b>	<b>(13,364)</b>	<b>(115,348)</b>
<b>Surplus/(deficit) for the period</b>		<b>(105,308)</b>	<b>(17,185)</b>	<b>(126,203)</b>	<b>88,123</b>	<b>109,018</b>
<b>Other comprehensive income</b>						
<b>Items not reclassified subsequently to profit or loss</b>						
Changes in asset revaluation surplus		-	10,604	-	10,604	10,604
<b>Total other comprehensive income</b>		<b>-</b>	<b>10,604</b>	<b>-</b>	<b>10,604</b>	<b>10,604</b>
<b>Total comprehensive income for the period</b>		<b>(105,308)</b>	<b>(6,581)</b>	<b>(126,203)</b>	<b>98,727</b>	<b>119,622</b>

# Notes to the Financial Statements

For the year ended 30 June 2022

## Major Estimate and Actual (2022) Variance Narratives

1. Employee benefit expense is lower than budget, driven predominantly by vacancies. The Department's core workforce has remained largely static over recent years but, in 2021-22, additional FTE budget was provided by Government to work on COVID response programs with many of these temporary positions unable to be filled due to the prevailing labour market.
2. Supplies and Services expense 2021-22 actual is higher than estimate due mainly to additional programs/ variations being allocated to the Department during the year (e.g. carryovers from 2020-21). Additionally, programs originally budgeted for under "Other expenses" in the estimate were classified as "Supplies and services" for the Annual Report.
3. Depreciation expense is below estimate by \$7.4 million mainly due to the estimate including depreciation for the new WA Museum. However, the accounting treatment determined the museum buildings were derecognised from the DLGSC asset register in 2020-21, hence not subject to depreciation in 2021-22.
4. Accommodation expenses are lower than the estimate primarily related to minor works projects occurring later than anticipated in the estimate.
5. Grants expense is lower than the estimate related predominantly to capital based grants being awarded later than anticipated in the estimate. This was due to a variety of reasons (e.g. additional time required for planning approvals).
6. Other Expenses are lower than the estimate mainly due to programs that were originally expected to involve expenses in this category, but when actual expenditure occurred the classification was in "Supplies and Services".
7. User charges and fees are lower than the estimate primarily due to the Government decision to waive Liquor licences as part of COVID response. Another key driver was the reduced camps revenue impacted by lower usage during the pandemic.
8. Commonwealth grants and contributions is higher than the estimate due to the early achievement of milestones for Perth City Deal projects.
9. Other revenue is higher than the estimate due to the recognition of asset revaluation increment during 2021-22.
10. Service appropriations are lower than the estimate predominantly due to the reflow of infrastructure grant funding into 2022-23. Milestone payments originally anticipated to occur in 2021-22 are now to occur in 2022-23.

## Major Actual (2022) and Comparative (2021) Variance Narratives

- A. Supplies and Services expense was higher in 2021-22 primarily due to project related expenditure related to the Aboriginal Cultural Centre that occurred in 2021-22.
- B. Grants expense was higher in 2021-22 mainly due to the additional election commitments.
- C. Finance lease derecognition in 2021 actuals include the finance lease associated with the new museum building costs being derecognised from the DLGSC asset register.
- D. Fees and Charges were lower in 2021-22 due to Liquor licences being waived as part of the Government's COVID response.
- E. Higher Commonwealth grants were predominately due to the Perth City Deal fund which were received in 2021-22.
- F. Higher Other revenue predominantly relates to the recognition of asset revaluation increment during 2021-22.
- G. Service appropriation was higher in 2020-21 due to Election commitment grant funding that was provided at the end of 2020-21, with expenditure against these funds carried forward into 2021-22.
- H. More Royalties for Regions funded projects occurred in 2021-22 than the prior year.
- I. Income from other public sector entities was lower in 2021-22 as a number of finite programs occurred in 2021 only.

## Notes to the Financial Statements

For the year ended 30 June 2022

### 10.1.2 Statement of Financial Position Variances

	Variance Notes	Estimate 2022 \$'000	Actual 2022 \$'000	Actual 2021 \$'000	Variance between actual and estimate \$'000	Variance between actual results for 2022 and 2021 \$'000
<b>ASSETS</b>						
<b>Current assets</b>						
Cash and cash equivalents		74,898	135,336	172,796	60,438	(37,460)
Restricted cash and cash equivalents		2,313	39,894	30,688	37,581	9,206
Receivables		4,175	6,155	5,928	1,980	227
Amounts receivable for services		160	160	160	-	-
Other current assets		164	1,100	4,321	936	(3,221)
<b>Total Current Assets</b>		<b>81,710</b>	<b>182,645</b>	<b>213,893</b>	<b>100,935</b>	<b>(31,248)</b>
<b>Non-current assets</b>						
Restricted cash and cash equivalents		1,159	1,050	928	(109)	122
Amounts receivable for services	A	57,861	57,571	44,777	(290)	12,794
Property, plant and equipment	1, B	595,728	337,316	280,755	(258,412)	56,561
Right-of-use assets		400	465	373	65	92
Intangible assets			-	-	-	-
Other non-current assets			1	3	1	(2)
<b>Total non-current assets</b>		<b>655,148</b>	<b>396,403</b>	<b>326,836</b>	<b>(258,745)</b>	<b>69,567</b>
<b>TOTAL ASSETS</b>		<b>736,858</b>	<b>579,048</b>	<b>540,729</b>	<b>(157,810)</b>	<b>38,319</b>
<b>LIABILITIES</b>						
<b>Current liabilities</b>						
Payables		450	14,477	4,282	14,027	10,195
Contract liabilities			1,665	2,787	1,665	(1,122)
Lease liabilities		174	180	171	6	9
Employee related provisions		9,573	10,304	10,792	731	(488)
Other current liabilities		200	1,523	896	1,323	627
<b>Total current liabilities</b>		<b>10,397</b>	<b>28,149</b>	<b>18,928</b>	<b>17,752</b>	<b>9,221</b>
<b>Non-current liabilities</b>						
Employee related provisions		2,252	1,940	2,571	(312)	(631)
Lease liabilities		232	295	210	63	85
		17			(17)	-
<b>Total non-current liabilities</b>		<b>2,501</b>	<b>2,235</b>	<b>2,781</b>	<b>(266)</b>	<b>(546)</b>
<b>TOTAL LIABILITIES</b>		<b>12,898</b>	<b>30,384</b>	<b>21,709</b>	<b>17,486</b>	<b>8,675</b>
<b>NET ASSETS</b>		<b>723,960</b>	<b>548,664</b>	<b>519,020</b>	<b>(175,296)</b>	<b>29,644</b>
<b>EQUITY</b>						
Contributed equity		665,545	686,948	650,723	21,403	36,225
Reserves		10,523	10,604	-	81	10,604
Accumulated surplus/(deficit)		47,892	(148,888)	(131,703)	(196,780)	(17,185)
<b>TOTAL EQUITY</b>		<b>723,960</b>	<b>548,664</b>	<b>519,020</b>	<b>(175,296)</b>	<b>29,644</b>

## Notes to the Financial Statements

For the year ended 30 June 2022

### Major Estimate and Actual (2022) Variance Narratives

1. Property, plant and equipment variance of \$258.4 million, between estimated (\$595.7 million) and actual (\$337.3 million), due to the new WA Museum lease being recognised as a finance lease, resulting in the derecognition of the asset from DLGSC in 2020-21.

### Major Actual (2022) and Comparative (2021) Variance Narratives

- A. Amounts receivable for services was higher in 2021-22 due to higher non-cash funding for capital projects. This includes the new WA Museum depreciation.
- B. Property, plant and equipment increased by \$56.6 million due to asset additions, revaluation and expenditure for capital works in progress projects. Asset additions include the camps revitalisation project and Art Gallery of WA main gallery. Several assets have been revalued, such as buildings and land with revaluation increment of \$21.7 million. During the year, several transactions have been added to works in progress for future capitalisation.

## Notes to the Financial Statements

For the year ended 30 June 2022

### 10.1.3 Statement of Cash Flows Variances

	Variance Notes	Estimate 2022 \$'000	Actual 2022 \$'000	Actual 2021 \$'000	Variance between actual and estimate \$'000	Variance between actual results for 2022 and 2021 \$'000
<b>CASH FLOWS FROM STATE GOVERNMENT</b>						
Service appropriation	1, A	221,962	207,202	323,129	(14,760)	(115,927)
Capital appropriation	B	22,981	22,981	30,490	-	(7,509)
Holding account drawdown		160	160	160	-	-
Funds from other public sector entities	C	6,141	7,520	14,986	1,379	(7,466)
Royalties for Regions Fund		18,045	16,214	15,071	(1,831)	1,143
<b>Net cash provided by State Government</b>		<b>269,289</b>	<b>254,077</b>	<b>383,836</b>	<b>(15,212)</b>	<b>(129,759)</b>
Utilised as follows:						
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
<b>Payments</b>						
Employee benefits	2	(56,034)	(50,303)	(47,318)	5,731	(2,985)
Supplies and services	3	(13,700)	(25,715)	(23,774)	(12,015)	(1,941)
Accommodation	4	(17,516)	(12,936)	(11,747)	4,580	(1,189)
Grants and subsidies	5, D	(278,110)	(183,499)	(136,932)	94,611	(46,567)
GST payments on purchases	E	(23,942)	(21,927)	(17,706)	2,015	(4,221)
GST payments to taxation authority		(78)	-	(78)	78	78
Other payments	6	(13,175)	(3,035)	(3,736)	10,140	701
<b>Receipts</b>						
Sale of goods and services			3	3	3	-
User charges and fees	7	11,807	7,442	8,371	(4,365)	(929)
Commonwealth grants and contributions	8, F	9,000	13,319	472	4,319	12,847
Interest received			-	-	-	-
GST receipts on sales		1,314	1,278	2,927	(36)	(1,649)
GST receipts from taxation authority	G	23,160	20,452	14,269	(2,708)	6,183
Other receipts		6,916	5,566	5,252	(1,350)	314
<b>Net cash used in operating activities</b>		<b>(350,358)</b>	<b>(249,355)</b>	<b>(209,997)</b>	<b>101,003</b>	<b>(39,358)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
<b>Payments</b>						
Purchase of non-current assets	9, H	(45,375)	(32,854)	(24,113)	12,521	(8,741)
<b>Net cash used in investing activities</b>		<b>(45,375)</b>	<b>(32,854)</b>	<b>(24,113)</b>	<b>12,521</b>	<b>(8,741)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>						
<b>Payments</b>						
Payments for principal element of lease		(262)	-	(270)	262	270
<b>Net cash used in financing activities</b>		<b>(262)</b>	<b>-</b>	<b>(270)</b>	<b>262</b>	<b>270</b>
Net increase/(decrease) in cash and cash equivalents	10, I	(126,706)	(28,132)	149,456	98,574	(177,588)
Cash and cash equivalents at the beginning of the year		205,076	204,412	54,956	(664)	149,456
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>		<b>78,370</b>	<b>176,280</b>	<b>204,412</b>	<b>97,910</b>	<b>(28,132)</b>

## Notes to the Financial Statements

For the year ended 30 June 2022

### Major Estimate and Actual (2022) Variance Narratives

1. Service appropriations are lower than the estimate predominantly due to the reflow of infrastructure grant funding into 2022-23. Milestone payments originally anticipated to occur in 2021-22 are now to occur in 2022-23.
2. Employee benefits payments is lower than estimate, driven predominantly by vacancies. The Department's core workforce has remained largely static over recent years but, in 2021-22, additional FTE budget was provided by Government to work on COVID response programs with many of these temporary positions unable to be filled due to the prevailing labour market.
3. Supplies and Services actual is higher than estimate mainly due to additional programs/variations being allocated to the department during the year (e.g. carryovers from 2020-21). Additionally, programs originally budgeted for under "Other Expenses" in the estimate were classified as supplies and services for the Annual Report.
4. Accommodation payments are lower than the estimate primarily related to minor works projects occurring later than anticipated in the estimate.
5. Grants payments are lower than the estimate related predominantly to capital based grants being awarded later than anticipated in the estimate. This was due to a variety of reasons (e.g. additional time required for planning approvals).
6. Other payments are lower than estimate due to the realignment to "Supplies and Services" to more accurately reflect nature of the expenses.
7. User charges and fees are lower than estimate mainly due to the Liquor licences being waived as part of the Government's COVID response and reduced camps revenue impacted by lower usage during the pandemic.
8. Commonwealth grants and contributions is higher than the estimate due to the early achievement of milestones for Perth City Deal projects.
9. Purchase of Non-current Assets are lower than estimate due to changes in timing of capital projects.
10. Net decrease in cash was lower than estimate by \$94.2 million mainly due to the reflow of payments into 2022-23 for capital projects and capital based grants being awarded later into 2022-23 than anticipated in the 2021-22 estimate.

### Major Actual (2022) and Comparative (2021) Variance Narratives

- A. Service appropriation was higher in 2020-21 due to election commitment grant funding that was provided at the end of 2020-21, with expenditure against these funds carried forward into 2021-22.
- B. Capital appropriation is lower in 2021-22 mainly due to works completed for WA New Museum in 2020-21 which is slightly offset by additional capital appropriation for the new asset investment plans.
- C. Funds from other public sector entities are lower in 2021-22 mainly due to COVID relief fund received in 2020-21.
- D. Grants and subsidies are higher in 2021-22 mainly due to the additional election commitments.
- E. GST payments have primarily increased in line with increased grant payments in 2021-22.
- F. Commonwealth grants and contributions are higher in 2021-22 mainly due to the Perth City Deal fund received in 2021-22.
- G. GST receipts from Taxation Authority was higher in 2021-22 mainly relating to higher grant payments during the financial year.
- H. Purchase of Non-current Assets is higher in 2021-22 mainly due to additional capital projects such as Perth City Deal and State Football Centre.
- I. Net movement in cash and cash equivalents is lower in 2021-22 mainly due to election commitment grant funding received at the end of 2020-21, with significant expenditure against these funds carried forward into 2021-22.

## Notes to the Financial Statements

### For the year ended 30 June 2022

#### 10.2 Explanatory statement for administered items

This explanatory section explains variations in the financial performance of DLGSC undertaking transactions as an agent of the government, as detailed in the administered schedules.

All variances between annual estimates and actual results for 2022, and between the actual results for 2022 and 2021 are shown below. Narratives are provided for key major variances which vary by more than 10% from their comparative and that the variation is more than 1% of the dollar aggregate of Total Administered Income for the previous year.

	Variance Notes	Estimate 2022 \$'000	Actual 2022 \$'000	Actual 2021 \$'000	Variance between actual and estimate \$'000	Variance between actual results for 2022 and 2021 \$'000
<b>Income from administered items</b>						
<b>Income</b>						
For transfer:						
Appropriation	A	84,555	84,555	64,540	-	20,015
Taxation - Casino Tax		51,500	49,225	54,673	(2,275)	(5,448)
Revenue - other	B		39	6,909	39	(6,870)
<b>Total administered income</b>		<b>136,055</b>	<b>133,819</b>	<b>126,122</b>	<b>(2,236)</b>	<b>7,697</b>
<b>Expenses</b>						
Supplies and services						
Grants to Combat Sports Commission		860	945	860	85	85
Grants to Charitable and Other Public Bodies						
Grants to Individuals Problem Gambling		500	500	500	-	-
Land Tax Assistance for Landlords	C	-	-	1,912	-	(1,912)
Lotterywest COVID-19 Relief Fund - Sport and Recreation Grants	D	-	-	6,879	-	(6,879)
Small Business Lockdown Assistance Grants Program	1, E	47,378	32,563	10,052	(14,815)	22,511
Small Business Cyclone Seroja Assistance Grants Scheme		120	150	740	30	(590)
Subsidies and Concessions						
Subsidies to gambling and betting agencies and bookmakers	2, F	39,581	35,079	44,791	(4,502)	(9,712)
Transfer payments <sup>(a)</sup>	3, G	74,000	48,769	74,050	(25,231)	(25,281)
Write off - Rugby WA Treasurer's Advance		1,015	1,015	-	-	1,015
<b>Total administered expenses</b>		<b>163,454</b>	<b>119,021</b>	<b>139,784</b>	<b>(44,433)</b>	<b>(20,763)</b>

## Notes to the Financial Statements

For the year ended 30 June 2022

### Major Estimate and Actual (2022) Variance Narratives

1. The actual disbursement under the Small Business Lockdown Assistance Grant Programs is lower than estimate in 2022 due to higher number of grants estimated to be provided in 2021-22.
2. Subsidies to gambling and betting agencies and bookmakers is lower than estimate due to delays in payment of Lotteries Commission claims for 2021-22
3. Transfer payments to Consolidated Fund is lower than estimate due to the actual amount only comprised Casino tax collected for 2021-22.

### Major Actual (2022) and Comparative (2021) Variance Narratives

- A. Appropriation is higher in 2021-22 due to additional fund being received for various COVID-19 relief grants schemes.
- B. Revenue other is lower in 2021-22 primarily due to the one-off funding received in 2020-21 from Lotterywest for COVID-19 Relief, with no additional fund allocated for 2021-22.
- C. Land Tax Assistance for Landlords final payments made in 2021. This program ceased in 2020-21.
- D. Lotterywest COVID-19 Relief fund payments made in 2020-21. This program ceased in 2020-21.
- E. Small Business Lockdown Assistance Grant Programs is higher in 2021-22 due to higher number of grants provided in 2021-22.
- F. Subsidies to gambling and betting agencies and bookmakers is lower in 2021-22 due to delays in payment of Lotteries Commission claims for 2021-22.
- G. Transfer payments to Consolidated Fund have decreased due to the return of unspent Land Tax Assistance for Landlords funding in 2020-21.

## Notes to the Financial Statements

For the year ended 30 June 2022

### 11 – Indian Ocean Territories

DLGSC and the Commonwealth Government have entered into Service Delivery Arrangements for the provision of services to the Indian Ocean Territories (Christmas and Cocos [Keeling] Islands). The receipts and payments are as below:

	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
Balance at start of period	35	183
Receipts	626	312
Payment	(584)	(460)
<b>Balance at end of period</b>	<b>77</b>	<b>35</b>

*The balance includes the Special Purpose Account disclosed under note 9.7.*



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Image courtesy of State Library of Western Australia.





# Disclosures and Compliance

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## Pricing policies

When analysing its fees and charges, DLGSC considers the Department of Treasury's recommendation that agencies should achieve full cost recovery where possible. When a fee was charged it was reviewed annually under Treasurer's Instruction 810 and the fee set in accordance with the Costing and Pricing Government Services Guidelines published by the Department of Treasury, unless prescribed by legislation.

## Major capital projects

### Elevate (Art Gallery of Western Australia)

The Art Gallery of Western Australia Elevate project was completed in November 2021. It included a new rooftop sculpture garden, internal gallery, event space and external lift.

The ground floor entry of the main gallery building was also refurbished to provide more functional access and better connection to the Perth Cultural Centre, which is also now complete.

### His Majesty's Theatre – Stage 3

Stage 3 of the His Majesty's Theatre redevelopment is a \$15 million commitment towards the reconstruction of the heritage balconies to improve patron amenities and re-establish His Majesty's as a cultural icon.

In addition to re-instatement of the balconies, the project will deliver an additional bar and function space; façade lighting; and signage and wayfinding to improve circulation within the venue. The project is due for completion in late 2022.

### Perth Concert Hall

The Perth Concert Hall redevelopment project is part of the Perth City Deal and the WA Recovery Plan. The \$52.4 million budget comprises \$36.351 million in State funding, \$12 million in Australian Government funding and a \$4 million commitment from the City of Perth.

The redevelopment will deliver refurbishments and upgrades to the venue that will increase culture and the arts offerings and contribute to the Perth arts and tourism sector.

The project is currently in schematic design, which is due to be submitted to the project steering committee and Australian Government for approval in late 2022.

### State Football Centre

The State Football Centre will be completed in the first half of 2023 in time for it to be used as a training venue for the 2023 FIFA Women's World Cup commencing in July.

The facility will contain two floodlit playing fields, three five a side pitches, administration facilities for Football West and other match day facilities.

The main works commenced on site in February 2022, with construction now well underway.

## Perth Rectangular Stadium: FIFA readiness works

The Perth Rectangular Stadium has been announced as a host venue for the FIFA Women's World Cup 2023. Upgrades were required to meet FIFA requirements. These include replacing the halogen lights with modern, lower energy LED lighting, pitch upgrades, new player amenities, a central players' race and new video boards and advertising ribbons.

The main works commenced on site in May 2022, with construction now well underway.

## Perth Cultural Centre rejuvenation

As part of the Perth City Deal, the Australian Government committed \$10 million and the State Government \$25 million, to the rejuvenation of the Perth Cultural Centre (PCC).

A master plan to guide the redevelopment of the PCC was released to the community in May 2022. This provides a holistic plan for development of the precinct as a cultural and community hub. The Project Definition Plan for Stage 1 of the redevelopment (public realm works) was approved in June 2022.

Rejuvenation of the PCC will create vibrant, safe, and attractive areas that will connect Perth's cultural institutions with their surrounds and deliver improved liveability, as well as, cultural, and tourism outcomes for the city.

## Screen Production Facility

On 20 February 2021, it was announced that Home Fire Creative Industries Pty Ltd (Home Fire) was invited to Stage 3 of the Screen Production Facility (SPF) project market-led proposal process. At this time, it was also announced that the State Government will invest \$100 million to build the SPF, with an additional \$20 million committed for a Screen Production Attraction Fund.

The State continues to work with Home Fire to develop the project.

## Unauthorised use of credit cards

Officers of DLGSC hold corporate credit cards where their functions warrant usage of this facility. Despite each cardholder being reminded of their obligations annually under the Agency's credit card policy, five employees inadvertently utilised the corporate credit card for personal expenses. The matter was not referred for disciplinary action as the Chief Financial 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.

	2022
Number of instances State Government purchasing cards have been used for personal purposes	5
Aggregate amount of personal use expenditure for the reporting period	\$64
Aggregate amount of personal use settled by due date (within 5 working days)	\$13
Aggregate amount of personal use settled after the period (after 5 working days)	\$51
Aggregate amount of personal use remaining unpaid at the end of the reporting period	-
Number of referrals for disciplinary action instigated by the notifiable authority during the reporting period	-

## Ministerial directives

No ministerial directives were received during the 2021-22 financial year.

## Public Interest Disclosures

There were no Public Interest Disclosures received during the 2021-22 financial year.

# Governance disclosures

## Boards and committee remuneration

### Local Government Advisory Board

Local Government Advisory Board - 1 July 2021 to 30 June 2022

Position on Board	Member's Name	Type of Remuneration	Period of Membership		Base Salary/ sitting fees	Gross/actual remuneration for the financial year
Chair	Dan Bull	Sitting fees – per session	26/10/2021	30/06/2022	\$637 per full day, \$414 per part day	\$2,070
Deputy Chair	Mary Adam	N/A – state government employee	1/07/2021	30/06/2022	Nil	
Member	Anthony Vuleta	N/A – local government employee	1/07/2021	30/06/2022	Nil	
Member	Russ Fishwick	Sitting fees – per session	1/07/2021	30/06/2022	\$414 per full day, \$269 per part day	\$1,076
Member	Caroline Knight	Sitting fees – per session	26/10/2021	30/06/2022	\$414 per full day, \$269 per part day	\$538
Deputy to the Deputy Chair	Caitlin Marson	N/A – state government employee	25/01/2021	30/06/2022	Nil	
Deputy Member	Helen Sarcich	N/A – local government employee	1/07/2021	30/06/2022	Nil	
Deputy Member	Karen Wheatland	N/A – state government employee	1/07/2021	30/06/2022	Nil	
Deputy Member	Jannah Stratford	Sitting fees – per session	26/10/2021	30/06/2022	\$414 per full day, \$269 per part day	\$807
<b>PREVIOUS MEMBERS (1 July 2021 to 31 August 2021)</b>						
Chair	Marion Blair	Sitting fees – per session	1/07/2021	31/08/2021	\$637 per full day, \$414 per part day	\$414
Member	Karen Chappel	Sitting fees – per session	1/07/2021	31/08/2021	\$414 per full day, \$269 per part day	\$269
Deputy to the Deputy Chair	Narrell Lethorn	N/A – state government employee	1/07/2021	31/08/2021	Nil	
Deputy Member	Dennis Wellington	Sitting fees – per session	1/07/2021	31/08/2021	\$414 per full day, \$269 per part day	
<b>TOTAL GROSS/ACTUAL REMUNERATION FOR 2021-22 FINANCIAL YEAR</b>						<b>\$5,174.00</b>

## Western Australian Local Government Grants Commission

WA Local Government Grants Commission Board - 1 July 2021 to 30 June 2022

Position on Board	Member's Name	Type of Remuneration	Period of Membership		Base Salary/ sitting fees	Gross/actual remuneration for the financial year
Chairperson	Fred Riebeling	Sitting Fee	1/07/2021	30/06/2022	\$637 full day, \$414 part day	\$10,701
Deputy Chairperson	Luke Stevens	N/A - state government employee	1/07/2021	30/06/2022	Nil	
Deputy to the Deputy Chair	Darrelle Merritt	N/A - state government employee	1/07/2021	30/06/2022	Nil	
Metropolitan Member	Colin Cameron	N/A - state government employee	1/09/2021	30/06/2022	Nil	
Deputy Metropolitan Member	Mayor David Goode	Sitting Fee	1/09/2021	30/06/2022	\$414 full day, \$269 part day	\$269
Country Urban Member	Cr Wendy Giles	Sitting Fee	1/07/2021	30/06/2022	\$414 full day, \$269 part day	\$6,292
Country Rural Member	Melinda Prinsloo	N/A - state government employee	1/09/2021	30/06/2022	Nil	
Deputy Country Rural Member	Cr Chris Mitchell	Sitting Fee	1/09/2021	30/06/2022	\$414 full day, \$269 part day	\$269
<b>PREVIOUS MEMBERS (1 July 2021 to 31 August 2021)</b>						
Metropolitan Member	Deb Hamblin	Sitting Fee	1/07/2021	31/08/2021	\$414 full day, \$269 part day	\$269
Country Rural Member	Ian West	Sitting Fee	1/07/2021	31/08/2021	\$414 full day, \$269 part day	\$269
<b>TOTAL GROSS/ACTUAL REMUNERATION FOR 2021-22 FINANCIAL YEAR</b>						<b>\$18,069.00</b>

## Local Government Standards Panel

Local Government Standards Panel - 1 July 2021 to 30 June 2022

Position on Board	Member's Name	Type of Remuneration	Period of Membership		Base Salary/ sitting fees	Gross/actual remuneration for the financial year
Presiding Member (and Departmental Member)	Tim Fraser	N/A - state government employee	1/07/2021	30/06/2022	Nil	
Local Government Member	Peter Christopher Rogers	N/A - state government employee	1/07/2021	30/06/2022	Nil	
Legal Member	Emma Power	Sitting Fees and Decision Writing	1/07/2021	30/06/2022	\$900 full day; \$480 part day, plus \$240/hour up to a maximum of \$900 per matter where required to write 'reasons for decision'.	\$30,486
Deputy for Departmental Member	Darrelle Merritt	N/A - state government employee	30/08/2021	30/06/2022	Nil	
Deputy for Local Government Member	Deborah Lynne Hopper	Sitting Fees	1/07/2021	8/12/2021	\$720 full day; \$470 part day	\$470
Deputy for Legal Member	Elanor Rowe	Sitting Fees and Decision Writing	1/07/2021	30/06/2022	\$900 full day; \$480 part day, plus \$240/hour up to a maximum of \$900 per matter where required to write 'reasons for decision'.	\$21,780
TOTAL GROSS/ACTUAL REMUNERATION FOR 2021-22 FINANCIAL YEAR						\$52,736.00

## Ministerial Multicultural Advisory Council (MMAC)

Ministerial Multicultural Advisory Council – 1 July 2021 to 30 June 2022

Position on Council	Member's Name	Type of Remuneration	Period of Membership		Base salary/ sitting fees	Gross / Actual Remuneration for the financial year
Member	Andrea Creado	Sitting fees – per session	01/07/2021	31/12/2021	\$385-full day; \$251-part day	\$1,004
Member	Maria Osman	Sitting fees – per session	01/07/2021	31/12/2021	\$385-full day; \$251-part day	\$1,255
Member	Joan Barbara Hillman	Sitting fees – per session	01/07/2021	31/12/2021	\$385-full day; \$251-part day	\$753
Member	Anh Nguyen	Sitting fees – per session	01/07/2021	01/01/2022	\$385-full day; \$251-part day	\$251
Member	Edward Ye Zhang	Sitting fees – per session	01/07/2021	31/12/2021	\$385-full day; \$251-part day	\$1,891
Member	Joansy King	Sitting fees – per session	01/07/2021	30/06/2022	\$385-full day; \$251-part day	\$2,393
Member	Wendy Sharon Rose	Sitting fees – per session	01/07/2021	30/06/2022	\$385-full day; \$251-part day	\$1,255
Member	Nafiso Mohamed	Sitting fees – per session	01/07/2021	31/12/2021	\$385-full day; \$251-part day	\$1,891
Member	Ting Chen	Sitting fees – per session	01/07/2021	30/06/2022	\$385-full day; \$251-part day	\$2,008
Member	Abudullah Khan	Sitting fees – per session	01/07/2021	30/06/2022	\$385-full day; \$251-part day	\$2,142
Member	Casta Tugaraza	Sitting fees – per session	01/07/2021	31/12/2021	\$385-full day; \$251-part day	\$1,255
Member	Salim Youssef	Sitting fees – per session	12/12/2021	30/06/2022	\$385-full day; \$251-part day	\$1,506
Member	Surya Prakash Babu Ambati	Sitting fees – per session	01/07/2021	30/06/2022	\$385-full day; \$251-part day	\$1,255
Member	Amit Khullar	Sitting fees – per session	24/01/2022	30/06/2022	\$385-full day; \$251-part day	\$251
Member	Anna Maria Harrison	Sitting fees – per session	24/01/2022	30/06/2022	\$385-full day; \$251-part day	\$753
Member	Nyaga Casty	Sitting fees – per session	24/01/2022	30/06/2022	\$385-full day; \$251-part day	\$502
Member	Geoffrey Midalia	Sitting fees – per session	24/01/2022	30/06/2022	\$385-full day; \$251-part day	\$502
Member	Haweya Ismail	Sitting fees – per session	24/01/2022	30/06/2022	\$385-full day; \$251-part day	\$502
Member	Morteza Tabatabaee	Sitting fees – per session	24/01/2022	30/06/2022	\$385-full day; \$251-part day	\$753
Member	Yati Nuryati Winfield	Sitting fees – per session	24/01/2022	30/06/2022	\$385-full day; \$251-part day	\$753
Member	Maria Antonia de Silva	Sitting fees – per session	09/05/2022	30/06/2022	\$385-full day; \$251-part day	\$251

## Liquor Commission

Details for membership and remuneration of the Liquor Commission is published in the Liquor Commission 2021-22 annual report.

## Gaming and Wagering Commission

Details for membership and remuneration of the Gaming and Wagering Commission is published in the Gaming and Wagering Commission 2021-22 annual report.

## Gaming Community Trust

Details for membership and remuneration of the Gaming Community Trust is published in the Gaming and Wagering Commission 2021-22 annual report.

## Racing Penalties Appeal Tribunal

Details for membership and remuneration of the Racing Penalties Appeal Tribunal is published in the Racing Penalties Appeal Tribunal 2021-22 annual report.

## Combat Sports Commission

Details for membership and remuneration of the Combat Sports Commission is published in the Combat Sports Commission 2021-22 annual report.

## Culture and the arts peer assessors

Peer assessment panels are an important part of DLGSC's grant application and evaluation process. Panels are made up of practicing artists and creative industries personnel with specialist expertise and an informed opinion of community trends, needs and interests. Each assessment round, a selection of peer assessors is assigned to a panel based on their individual expertise and experience and/or as representatives of community sectors.

This can include consideration of different types of creative practice, regional representation, Aboriginal representation, and CaLD representation. The primary role of the panel is to assess applications and make recommendations to DLGSC for funding on behalf of the people of Western Australia.

The culture and the arts peer assessors are not formally a board or committee, however DLGSC remunerates members of panels. Membership and remuneration for the 2021-22 financial year has been listed below.

Assessor	Total
Alison Craze	\$1,170
Anna Louise Richardson	\$2,700
Brooke Leeder	\$5,100
Carol Millner	\$2,700
Cecile Vuillat	\$1,800
Chloe Ogilvie	\$1,500
David Bowman-Bright	\$1,500
David Doyle	\$1,180
Devina McPherson	\$900
Gregory Apps	\$350
Harriet Roberts	\$420
Hayley-Jane Ayres	\$4,000
Helen Kruger	\$3,300
Hilary McKenna	\$1,800
Irma Woods	\$4,720
Jessica Knight	\$800
Jessyca Hutchens	\$900
Jordanna Rebbbeck	\$1,500
Judy Vince	\$420
Kate Rendell	\$1,800
Kathleen Toomath - Employee at Curtin University	0
Kenneth Hayward	\$1,500
Kyle Morrison	\$3,300
Libby Klysz	\$800
Lucy Dougan	\$5,100
Maitland Schnaars	\$800

Assessor	Total
Matthew Reuben James Ward	\$2,700
Meg Shields	\$800
Michael McCall	\$4,180
Michelle White	\$1,930
Natalie Jenkins	\$2,850
Neil Sheriff	\$200
Pamela Gaunt	\$3,720
Phaedra Watts	\$4,500
Philippa Maughan	\$1,100
Phillipa Davis	\$800
Pilar Kasat	\$1,500
Rachael Dease	\$1,800
Rachel Bin Salleh	\$900
Ricky Arnold	\$1,800
Robina Burton	\$800
Ryan Taaffe	\$4,000
Scott Elstermann	\$2,700
Scott McArdle	\$2,700
Shandell Cummings	\$2,700
Shane Colquhoun	\$420
Susan Waller	\$800
Susie Waller	\$1,500
Suzie Haslehurst	\$9,080
Tanya Schultz	\$3,300
Tara Gower	\$6,600
Ted Snell	\$2,640
Tim Carter	\$800
<b>Grand Total</b>	<b>\$116,880</b>

# Government policy requirements

## Disability Access and Inclusion Plan (DAIP) outcomes

The DLGSC works to ensure that people with disability, their families and carers have the same opportunities, rights, and responsibilities as others to access the services, information, and facilities it provides.

Having a well-informed, practical plan linked to the improvement of access and inclusion for people with disability is pivotal to the contribution of DLGSC to the lives of Western Australian communities and families.

The DLGSC's DAIP 2019-2024 can be read at: <https://www.dlgsc.wa.gov.au/daip>.

The DLGSC website is regularly reviewed to ensure information and documents are up to date, provided in alternative formats, and meet standards set by the Web Content Accessibility Guidelines 2.0AA.

The DLGSC also promotes the DAIP to staff through the induction program to ensure quality service and inclusion. The DLGSC has inclusive recruitment policies and procedures: job seekers can provide applications in alternative formats; interview formats are modified to suit an applicant's needs; and the requirements of employees with disability are accommodated when organising training courses.

The DLGSC has released and promoted a new disability awareness online training course and an unconscious bias online training course for staff. Disability awareness has been incorporated into the new recruitment panel member online training course. The DLGSC ensures training, support and assistance is available and provided to employees with disability.

The DLGSC provides disability awareness training to stakeholder groups, including sporting clubs, as well as providing consultancy support to ensure funded state sport associations have in place a range of policy frameworks supporting inclusive participation.

To support people with disability, their families, and carers to attend external consultations and public gatherings, DLGSC provides event information in clear, concise language and in accessible formats. The DLGSC also holds events in accessible venues and provides consultation information in alternative formats on request.

The State Records Office operates a joint DAIP with the State Library of Western Australia. Reporting of that plan is in the annual report of the State Library of Western Australia.

## Compliance with public sector standards and ethical codes

In accordance with Section 31(1) of the *Public Sector Management Act 1994*, DLGSC ensures compliance with its Code of Conduct, public sector standards and the code of ethics.

The Managing Conflicts Of Interest Guidelines were finalised and published on 11 August 2021, along with a conflict of interest declaration e-form, and a conflict of interest register. To raise awareness, there was a comprehensive communications strategy led by the Director General.

Online accountable and ethical decision-making (AEDM) training enables employees to apply and maintain the highest standards of ethical conduct across DLGSC. Conflict of interest training workshops continue to be made available to all DLGSC staff.

In 2022, the human resources key performance indicators dashboard included completion rates of AEDM training, conflict of interest (types and risks) and secondary employment declarations. The dashboard is provided to the Corporate Executive on a regular basis.

All new starters are required during induction, to read and acknowledge relevant policies online, with 100 per cent of new starters acknowledging the Code of Conduct.

There were no breaches of the Public Sector Standards in human resource management. There were no breaches found of the WA Public Sector Code of Ethics or DLGSC's Code of Conduct.

## Freedom of Information

The *Freedom of Information Act 1992* (FOI Act) creates a general right of access to documents held by DLGSC and provides a mechanism for the public to ensure that personal information held by DLGSC is accurate, complete, up to date, and not misleading.

The DLGSC is committed to making information available outside the FOI process, wherever possible, to improve openness and transparency in the delivery of our services to the community.

The total number of new applications received by DLGSC in 2021-22 was 52, a decrease of seven compared with the previous year.

Application type	2021-22
Requests for access to non-personal information	27
Requests for access to personal information	25
Requests for amendment of personal information	Nil
Applications carried over from 2020-21	3
<b>Total</b>	<b>55</b>
Application outcome	2021-22
Applications transferred in full	2
Applications withdrawn	17
Applications completed	48
Applications outstanding on 30 June 2022	5

## Recordkeeping plans

### The DLGSC Recordkeeping Plan compliance statement

The DLGSC Recordkeeping Plan was approved by the State Records Commission in March 2020. Records accountability is a large part of the training provided to new staff and is carried out online.

Staff can also receive group training via regularly held training sessions. Evaluations on the effectiveness of this training are conducted with an online survey. Up to date policies, procedures, system training videos and the DLGSC Recordkeeping Plan are accessible via the staff intranet.

The DLGSC is focusing on security and auditing of internal controls to ensure well documented processes are available to all staff.

## State Records Office Recordkeeping Plan compliance statement

The following information is provided as evidence of compliance with legislative requirements i.e., the *State Records Act 2000* and the State Records Commission (the Commission) Standards.

The State Records Office of Western Australia (SRO) Recordkeeping Plan was reviewed and an amended Plan approved by the Commission at its meeting on the 16 November 2021. The amended SRO Recordkeeping Plan, includes:

- a revised SRO Corporate Records Disaster Recovery Plan, including a revised vital records program and vital records register;
- revised SRO Records Management Policy and Procedures reflecting an upgrade to the records management system and other changes to recordkeeping practices; and
- the development of documentation for the implementation of digitisation procedures.

On 5 April 2022, the Commission also approved the amalgamation of previously separate retention and disposal schedules for the SRO and Commission to address the considerable overlap between the type of records maintained by the two organisations.

Recordkeeping training and awareness needs are regularly monitored and staff requiring assistance are provided with one-on-one instruction by request.

Staff are also informed of changes to recordkeeping processes at internal meetings and via email. Up to date policies and procedures are accessible via the DLGSC intranet. All new staff receive an induction tailored to their position in SRO, within a short timeframe from commencement.

The induction covers an overview of the recordkeeping responsibilities of each employee, in accordance with legislative requirements and the SRO Recordkeeping Plan.

## Substantive equity

The DLGSC recognises that not all members of the community share the same opportunities and continues to ensure substantive equality in all its practices and services. The DLGSC works to address and prevent all forms of discrimination in its services, policies, procedures, training, and legislation.

A wide range of services in local communities is supported by DLGSC targeting Aboriginal and Torres Strait Islander people, seniors, youth, carers, women, volunteers, children and families, and people from CaLD backgrounds.

The principles of substantive equality inform and facilitate access to connected services and programs that are integrated and responsive to community needs.

## Occupational health safety and injury management

The DLGSC leadership team is committed to providing a healthy and safe work environment and maintaining this for all staff, contractors, and visitors.

Workplace health and safety goes beyond just our legal obligation – it’s about making staff, contractors and community feel safe and supported whilst at work, and when visiting DLGSC.

The *Work Health and Safety Act 2020* provides the framework by which we aim to protect the health, safety, and welfare of all workers and those that may be affected by our work.

The DLGSC continually makes a concerted effort to improve the effectiveness and auditability of its safety and health management. Several strategies have been implemented that, with time and focus, will mature DLGSC in to establishing a best practice safety management system, inclusive of:

- resourcing to improve the capacity and capability of a functional Work Health and Safety team;
- retraining of the DLGSC Work Health and Safety Committee;
- informing the Corporate Executive through briefings and key metrics; and
- undertaking an independent workplace health and safety impact assessment, comparing systems and processes currently in place, with those required by the new Act.

Measures	Base year	Prior year	Current reporting year	Targets	Comments about targets
	2019-20	2020-21	2021-22		
Number of fatalities	0	0	0	0	Achieved
Lost time injury and disease incidence rate	1.68	1.61	0.63	0 or 10% reduction	Achieved
Lost time injury and severity rate	0.28	0.28	0.33 <sup>(1)</sup>	0 or 10% reduction	Not Achieved
Percentage of injured workers returned to work (i) within 13 weeks	100%	100%	100%	80%	Achieved
Percentage of injured workers returned to work (ii) within 26 weeks	100%	100%	100%	>=80%	Achieved
Percentage of managers trained in occupational safety, health, and injury management responsibilities, including refresher training within 3 years	Nil	7.69%	71% <sup>(2)</sup>	>=80%	Not Achieved

### Notes

1. During 2021-22, all lost time recorded, specifically those exceeding one day, totalled 60 days. Of note, out of the 3 LTI's sustained, one amounted to 58 days.
2. Mandating the Learning & Development Module “Injury Management for Supervisors/Managers” has significantly assisted key performance and is projected to exponentially increase.

## WA Multicultural Policy Framework

Responsibility for implementing DLGSC's Multicultural Plan (the Plan) rests with the lead business areas nominated against each action. The successful application of the Plan requires that all employees develop an awareness and understanding of the targets identified and, wherever practicable, proactively contribute to the initiatives developed to achieve them. The achievement of equity requires the intention and action of every person at every level in DLGSC.

Some of the key achievements for 2021-22 included:

- the DLGSC delivered a leadership and governance program to enable greater representation of Western Australians from CaLD backgrounds on public, private or not-for-profit sector boards and committees. The program provided a professional development opportunity for CaLD professionals to enable them to apply for, and participate on, boards and committees. The program included face to face training of 20 participants by skilled subject matter facilitators over four days, followed by a 12-month mentoring program with senior leaders with extensive board experience from diverse sectors;
- support for the implementation of the WA Language Services Policy 2020, DLGSC conducted an internal review across the organisation to reduce barriers for CaLD communities accessing DLGSC information, programs, funding, and complaints/feedback processes. This has included relevant DLGSC grants teams promoting funding opportunities more extensively across CaLD communities and beginning the process of making funding guidelines more accessible for those that require translation and interpreter services. Additionally, DLGSC also developed and promoted resources to enable their staff to better understand and utilise translation and interpreting services. This has included promotion of language service-related training, creation of a quick guide on how to use language services, and providing information on interpreter services on DLGSC's public website;
- as part of creating an inclusive and culturally responsive public sector, DLGSC extensively promoted and managed the delivery of the Diverse WA cultural competency training

program. Over 4,300 people completed the training, with the majority of participants coming from Western Australian public sector agencies, along with staff from local governments and not-for-profit organisations. The program has received significant positive feedback with a user satisfaction rate of over 95 per cent since DLGSC updated the program in late 2020 to make it more current and effective;

- In support of Harmony Week 2022, DLGSC held the 2022 Western Australian Multicultural Awards to recognise individuals and organisations who demonstrate excellence and innovation in advancing and promoting multiculturalism, inclusiveness, and participation; improving access to services; and promoting equity for people from CaLD backgrounds. Ten awards were presented to individuals and organisations that have excelled in various categories, including the Ronald Wilson Leadership Award;
- since 2020, DLGSC has signed up for the national Australian Human Rights Commission Racism It Stops With Me campaign which aims to support organisations to learn about racism and take action to create change. The DLGSC continued its promotion with staff being engaged and writing pledges about how they would prevent racism in the workplace. This included members of the senior leadership team and publication of pledges in the internal newsletter;
- following consultation across DLGSC, a standardised CaLD data collection methodology was developed that is being implemented across client-based services. This will help ensure that DLGSC is better placed to develop and deliver appropriate policies and programs that respond effectively to the needs of CaLD clients and stakeholders;
- in October 2021, DLGSC in partnership with the Western Australian Local Government Association ran a campaign in advance of the 2021 local government elections aimed at increasing diversity on local government councils; and
- a DLGSC leadership development program aimed at existing, emerging, and aspiring leaders is currently being established. This program will support all staff, including those from CaLD backgrounds, to progress within DLGSC leadership roles, boards, and committees.

## Advertising, market research, polling and direct mail

In accordance with section 175ZE of the *Electoral Act 1907*, DLGSC incurred the following expenditure to organisations providing services in relation to advertising, market research, polling, direct mail and media advertising. Total expenditure for 2021-22 was \$22,568.

Expenditure	Organisation	Amount (\$)	Total (\$)
Advertising	Initiative Media Australia Pty Ltd	17,959	17,959
Market research	-	-	-
Polling	-	-	-
Direct mail	-	-	-
Media advertising	Facebook LinkedIn Twitter	3,646 599 364	4,609
<b>Grand total</b>			<b>\$22,568</b>

### Impressions on paid social media posts:

- Facebook 477,416
  - LinkedIn 31,121
  - Twitter 53,235
- Total 561,772**

### Reach on paid social media posts:

- Facebook 145,565
  - LinkedIn 16,556
  - Twitter 34,459
- Total 196,580**





Riders enjoying Trail Bliss - Women's Mountain Bike Festival at Linga Longa Mountain Bike Club. Photo by Emily Mountford.



the Collective

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