



GOVERNMENT OF
WESTERN AUSTRALIA

Department of
Local Government,
Sport and Cultural
Industries

East Perth
Train Station 8 Mins



Annual report 2022-23



The cast of West Australian Opera's *Into the Woods*. His Majesty's Theatre, Perth, March 2023. Photo by Dylan Alcock / West Beach Studio



Published by the Department of Local Government, Sport and Cultural Industries (DLGSC), Western Australia, September 2023.

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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.

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 past and present.

Ngalang kwerl DLGSC, ngalak Aboriginal boodja-k warniny wer nyininy. Ngalak kaaditj bandang Aboriginal moort nijda marawar koomba koort boodja-k nyininy, yeyi baal kwerl Western Australia. Koora, yeyi, boordakan, nidja Aboriginal boodja wer kep, kalyakoorl. Ngalak djinang noonan moorditj nagolak wer kaadadjiny, ngalang koort baal moorart. Ngalak koodakarn ngalang dandjoo warniny. Ngalak kaadatj bandang Aboriginal bridiya nidja nyininy wer boodja-k kaaradjiny.

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ISSN: 2208-7915

Front cover image: Morocco v Colombia, FIFA Women's World Cup™ Australia and New Zealand 2023, outside Perth Rectangular Stadium, 3 August 2023. Paul Kane/Getty Images



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 2023.

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**

21 September 2023

About this report

This annual report describes the performance and operation of DLGSC during the 2022-23 financial year. The report has been prepared according to parliamentary reporting and legislative requirements and is arranged as follows:

Agency achievements

An overview of infrastructure in the community, as well as 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

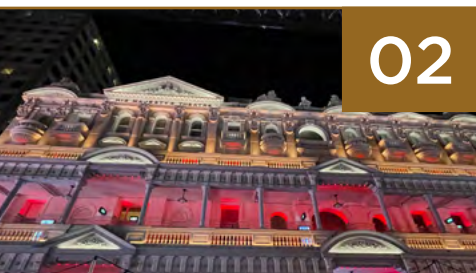
Reports on governance, public accountability, financial management, information management, people management and equity and diversity.

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Director General's foreword



The past 12 months has seen the Department of Local Government, Sport and Cultural Industries (DLGSC) sharpen its focus on strategic operations as well as embed continuous improvement in the planning and delivery of the many programs and services we provide for the people of Western Australia (WA).

There has been significant and sustained focus on our reform agenda.

We have supported the Government's delivery of the biggest set of local government reforms in more than 25 years to strengthen accountability and transparency across that sector. In our Racing, Gaming and Liquor (RGL) portfolio we have helped improve community safety while supporting the vibrancy of our entertainment precincts through our work on the Protected Entertainment Precincts legislation. Our regulation of the sale of alcohol helps minimise harm in areas where communities are at risk. And our sustained work to implement the reform recommendations of the Perth Casino Royal Commission (PCRC) Final Report is key to reducing the risk of gambling-related harm in our community. These important reforms aim to streamline regulations in WA.

All the work being done as part of our reform agenda will bring significant benefits to the people of WA and we are committed to driving these forward.

One of the things I most enjoy about being part of DLGSC is our ability to make people's lives better. To encourage inclusivity and a more vibrant, connected and engaged community through the many programs, we provide grant funding

across the areas of multicultural interests, sport and recreation, culture and the arts, and local government. Every dollar directly benefits the community, whether that be through providing night lighting at a football field to increase women's participation in sport or supporting Perth band Voyager to travel overseas to take part in the iconic Eurovision Song Contest.

The DLGSC has a diverse range of responsibilities but the one critical element common to all the work we do is that it provides opportunities for everyone in our community to live their best life. We provide regulatory support, funding and opportunities for people, communities, local governments, organisations and businesses to bring about positive change and a more vibrant, inclusive and connected WA.

We showcase this through DLGSC's Office of Multicultural Interests (OMI) which works to achieve an inclusive and harmonious society where everyone has a strong sense of belonging, can participate and contribute fully in all aspects of life and achieve their goals. Also, our agency's approach to leading the development of the Aboriginal Cultural Centre (ACC) is an example of genuine engagement for effective co-design. The year saw significant upgrades to Perth's Rectangular Stadium in anticipation of Perth hosting five 2023 FIFA Women's World Cup™ matches in July 2023. The updates allowed the facility to meet requirements, as well as provide benefits for future events.

Concurrent with our external reform agenda, we are reforming inside the organisation as well. As part of our ongoing work to ensure we have

a workforce and culture that is fit for the future, we were early participants of the Public Sector Commission's (PSC) Agency Capability Review (ACR) program. This is a strategic, public sector-wide approach to improvement that identifies the capabilities needed to be a high performing agency in the WA context. I welcomed the findings which highlighted the areas of significant progress and reform that we have achieved over the past 18 months and reaffirmed our transformation phase moving forward.

I am also pleased with the outcomes of our work to build leadership capacity at all levels of the organisation. Our continuous work to empower people and develop leaders at every level, is making a positive impact on the organisation and will help drive and guide the best outcomes for the future.

I would like to thank the staff who make all the great work we do possible. The DLGSC's biggest asset is our people and we have commenced work to develop our Employee Wellbeing Plan. We all strive to be good humans and much like our WA communities, work hard to ensure there is a place here for everyone who wants to make a difference.

Thank you to the many stakeholders, partners and agencies we work so closely with to help make WA a better place to live, work, create, and play. We have achieved some significant wins, and with your continued collaboration and support we look forward to the year ahead optimising the work we do together for the benefit of our community.



Lanie Chopping

“

One of the things I most enjoy about being part of DLGSC is our ability to make people's lives better.

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Agency overview

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Agency overview

The DLGSC works collaboratively across government and partners with community organisations, peak bodies and other diverse stakeholders to enliven the WA community and economy.

This is achieved through the provision of policy, programs and activities for sport and recreation, multicultural interests and culture and the arts to support the local community 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*. In 2022-23, 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; Citizenship and Multicultural Interests.
In his role as Minister for Racing and Gaming to 14 December 2022.



Hon Reece Whitby
MLA

In his role as Minister for Racing and Gaming from 14 December 2022.



Hon John Carey
BA (Hons) MLA

In his role as Minister for Local Government to 8 June 2023.



Hon David Michael
MLA

In his role as Minister for Local Government from 8 June 2023.

Administered legislation

DLGSC

The DLGSC is the agency principally assisting the Minister for the following legislation as of 30 June 2023:

- *Art Gallery Act 1959*
- *Arts and Culture Trust Act 2021*
- *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 DLGSC assists the following portfolio entities in principally assisting the relevant Minister for the following legislation as of 30 June 2023.

The Gaming and Wagering Commission of Western Australia:

- *Betting Control Act 1954*
- *Casino (Burswood Island) Agreement Act 1985*
- *Casino Control Act 1954*
- *Gaming and Wagering Commission (Continuing Lotteries Levy) Act 2000*
- *Gaming and Wagering Commission Act 1987*
- *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 Library Board of Western Australia:

- *Legal Deposit Act 2012*

The Metropolitan Cemeteries Board:

- *Cemeteries Act 1986*

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 consists of two divisions, Management and Coordination and Capability and Performance, and four directorates of Infrastructure, Specialist Aboriginal Projects and Engagement, Office of the Director General and Integrity.

Management and Coordination includes local government, sport and recreation, culture and the arts, racing, gaming and liquor, Office of Multicultural Interests, and regulatory reform.

Capability and Performance supports all DLGSC business areas and Cultural Statutory Authorities by the operational areas of corporate services, finance, legal services, corporate communications and strategy and performance accountability. This also includes the whole-of-government State Records Office (SRO).

The Corporate Executive membership on 30 June 2023:

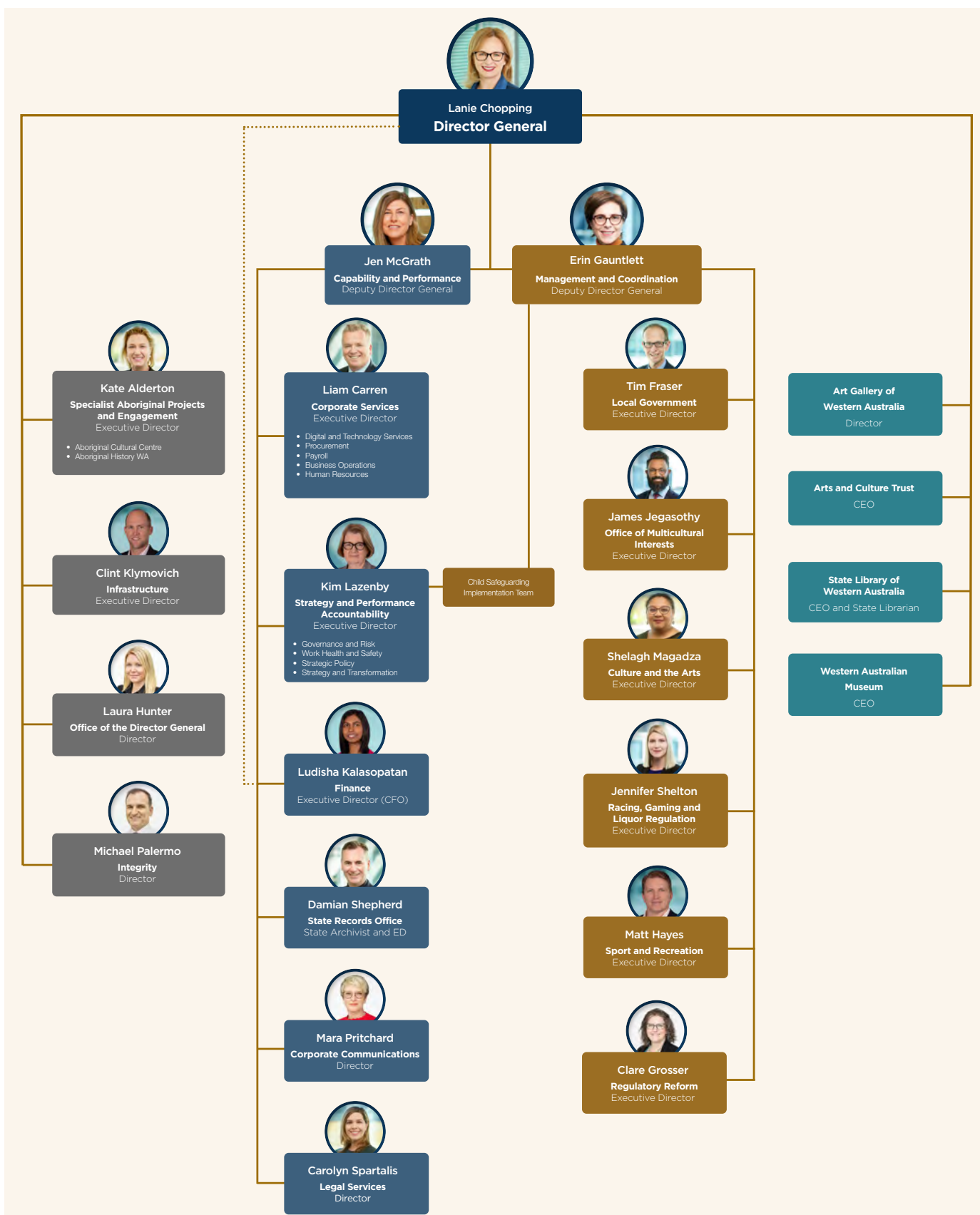
| Position | Role |
|--|--------------------------|
| Director General | Lanie Chopping |
| Deputy Director General – Management and Coordination | Erin Gauntlett |
| Deputy Director General – Capability and Performance | Jennifer McGrath |
| Executive Director – Specialist Aboriginal Projects and Engagement | Kate Alderton |
| Executive Director – Corporate Services | Liam Carren |
| Executive Director – Infrastructure | Clint Klymovich (acting) |
| Executive Director – Local Government | Tim Fraser |
| Executive Director – Office of Multicultural Interests | James Jegasothy |
| Executive Director – Strategy and Performance Accountability | Kim Lazenby |
| Executive Director – Culture and the Arts | Shelagh Magadza |
| Executive Director – Sport and Recreation | Matt Hayes (acting) |
| Executive Director – Racing, Gaming and Liquor | Jennifer Shelton |
| Executive Director – Finance | Ludisha Kalasopatan |



(Left to right) Matt Hayes, Clint Klymovich, Jennifer Shelton, Ludisha Kalasopatan, Erin Gauntlett, Kate Alderton, Lanie Chopping, Shelagh Magadza, James Jegasothy, Kim Lazenby, Tim Fraser, Jennifer McGrath, Liam Carren

Organisational structure

at 30 June 2023



Cultural statutory authorities supported

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

State Library of Western Australia

The Library Board of Western Australia is a statutory authority established by section 5 of the *Library Board of Western Australia Act 1951*. Stories from the past, the present and those yet to unfold, are treasured by the library as a vibrant record of our shared history. The library strives for its collections to represent the richness and diversity of the WA community and to empower all Western Australians to understand our past, discover new ideas and shape the future. Asset management, digital and technology services, financial management and corporate support services are provided by DLGSC.

Western Australian Museum

The Western Australian Museum is a statutory authority established under section 7 of the *Museum Act 1969*. The Western Australian Museum comprises six public sites and a collection and research centre. They house more than 8 million objects, from rare fossils to the iconic racing yacht Australia II. It also provides regional services and manages sites and services through agreements with third parties. Asset management, digital and technology services, financial management and corporate support services are provided by DLGSC.



State Library of Western Australia



Arts and Culture Trust

The Arts and Culture Trust (ACT) is a statutory authority established under section 7 of the *Arts and Culture Trust Act 2021*. The ACT venues are utilised by local, national and international performing arts companies, performers and artists, both professional and amateur. Asset management, digital and technology services, financial management and corporate support services are provided by DLGSC.

Art Gallery of Western Australia

The Art Gallery of Western Australia is a statutory authority established under section 5 of the *Art Gallery Act 1959*. The gallery houses the State Art Collection of more than 18,500 works by renowned local and international artists ranging from the 1800s to today. Asset management, digital and technology services, financial management and corporate support services are provided by DLGSC.



State Theatre Centre of Western Australia. Photo by Dave Walters



The Art Gallery of Western Australia, AGWA Rooftop view. Photo by Robert Frith

Other entities supported

Judicial / Semi-Judicial

Liquor Commission

The Liquor Commission is established under section 8 of the *Liquor Control Act 1988* to provide a flexible system to review the decisions of the Director of Liquor Licensing. Executive and administrative support is provided by DLGSC.

Local Government Standards Panel

The Local Government Standards Panel is established under section 5.122 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. Executive and administrative support is provided by DLGSC.

Racing Penalties Appeal Tribunal

The Racing Penalties Appeal Tribunal (RPAT) is established under section 4 of the *Racing Penalties (Appeals) Act 1990*. The RPAT is 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. Executive and administrative support is provided by DLGSC.

Regulatory

Combat Sports Commission

The Combat Sports Commission (CSC) is established under section 4 of the *Combat Sports Act 1987*. The CSC regulates combat sports within WA and formulates recommended standards, specifications, codes of conduct and guidelines to ensure proper standards in combat sports. Executive and administrative support, including financial management, is provided by DLGSC.

Gaming and Wagering Commission

The GWC is established under section 42 of the *Gaming and Wagering Commission Act 1987* (GWC Act) and is responsible for regulating the conduct of gaming and wagering in WA. Executive support is provided by the GWC Secretariat. Corporate, licensing, compliance and policy support is provided by DLGSC.

Independent Monitor

The Office of Independent Monitor is established under section 21J of the *Casino Control Act 1984* following the Final Report of the PCRC. The Independent Monitor has statutory functions relating to the oversight of remediation of the management and operation of Burswood Casino and reporting to the Minister for Racing and Gaming and the GWC on the progress and efficacy of the remediation. Staff and administrative support, including financial management, is provided by DLGSC.

Key movements and changes

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

As the State Government considers in detail the recommendations of the PCRC Final Report, DLGSC continues to improve the quality of support and assistance to the Gaming and Wagering Commission of Western Australia (GWC). Over the past year, DLGSC and GWC have undertaken a significant program of governance and regulatory improvements in response to the interim report and matters raised by the PCRC. This work continues into 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) Act 2022*, which provided an independent chairperson and deputy chairperson to the GWC.



Advisory

Control of Vehicles (Off-road Areas) Act Advisory Committee

The Control of Vehicles (Off-road Areas) Act Advisory Committee is established under section 17 of the *Control of Vehicles (Off-road Areas) Act 1976*. The Committee advises the Minister for Local Government on matters relating to the use of land by vehicles, as provided for under the Act. Executive and administrative support is provided by DLGSC.

Local Government Advisory Board

The Local Government Advisory Board is a statutory body established under section 2.44 and Schedule 2.5 of the *Local Government Act 1995*. It considers proposals for changes to district boundaries and wards and representation structures of local governments. Executive and administrative support is provided by DLGSC.

WA Local Government Grants Commission

The WA Local Government Grants Commission is a statutory body established under section 4 of the *Local Government Grants Act 1978*. It makes recommendations to the Minister for Local Government regarding the allocation of the Commonwealth Government's financial assistance grants to WA's 137 local governments and the Indian Ocean Territories. Executive and administrative support is provided by DLGSC.

Service Delivery

Gaming Community Trust

The Gaming Community Trust is established under section 109D of the GWC Act. It provides advice and makes recommendations to the Minister for Racing and Gaming on the distribution of funds and grants for the general benefit of the community. Executive and administrative support is provided by DLGSC.

Problem Gambling Support Services Committee

The Problem Gambling Support Services Committee (PGSSC) was formed under auspices of the GWC. It brings together representatives from the gambling industry and government to address the social and economic issues that result from problem gambling in WA. Executive and administrative support is provided by DLGSC.

Swan Bells Foundation Incorporated

The Swan Bells Foundation Inc. (Swan Bells) is established under the *Associations Incorporation Act 2015*. It manages the Bell Tower and the promotion and development of bellringing in WA. Accounting and administrative support is provided by DLGSC.



The official opening of the reinstated wrap-around balconies at His Majesty's Theatre on 12 February 2023



02

Infrastructure in the community

Infrastructure in the community
Major capital projects

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Infrastructure in the community

The DLGSC contributes to the WA community by leading the planning, funding, delivery and maintenance of cultural and sporting infrastructure and major capital projects.

In 2022-23, more than \$9.8 million was provided to 43 projects via the Community Sporting and Recreation Facilities Fund for community groups, local governments and Aboriginal corporations to develop community level infrastructure for sport and recreation, with the aim of increasing participation.

Additionally, 38 projects worth a total of \$4.5 million were supported in 2022-23 as part of our Club Night Lights Program, which saw the installation of new or upgraded floodlighting infrastructure to allow sport and recreation activities to be held at night.



Testing of new LED lighting at HBF Park. Photo by Dave Walters

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

The DLGSC has a centralised maintenance program for buildings in the culture and arts portfolio and the recreation camps. The service is provided in partnership with the Maintenance Service Arranger contracted through the Department of Finance. The program includes preventative maintenance, statutory compliance and a minor works program that is prioritised to address risk to public safety and security of collection material.



Major capital projects

His Majesty's Theatre

Stage 3 of the His Majesty's Theatre redevelopment was completed in November 2022. This included the reinstatement of two levels of the heritage balconies faithfully restored to their original design. The project also delivered an additional bar and function space, façade lighting plus signage and wayfinding to improve circulation within the venue.

Perth Concert Hall

Currently in the design development stage, the Perth Concert Hall redevelopment project is part of the Perth City Deal and the WA Recovery Plan. In March 2023, the State Government announced an additional \$97.9 million for this project, taking the total budget to \$150 million. 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.

Perth Cultural Centre

As part of the Perth City Deal, the State Government committed \$25 million, and the Commonwealth Government committed \$10 million to the rejuvenation of the Perth Cultural Centre. The master plan was approved in 2021, and DLGSC progressed the design ready for construction commencement in late 2023. Completion is expected in early 2025.

The rejuvenated Perth Cultural Centre will include more green spaces, better lighting and security and accessible pathways throughout the public areas. It will create vibrant, safe and attractive spaces that will connect Perth's cultural institutions with their surrounds and deliver improved liveability, as well as cultural and tourism outcomes for the city.

State Football Centre

The State Football Centre was completed for use as a training venue for the 2023 FIFA Women's World Cup™ in July and August 2023.



Perth Concert Hall. Photo by Dave Walters

Owned and leased by VenuesWest, the facility consists of two floodlit playing fields and match day facilities, including changerooms, sports science and administration facilities for Football West and three five-a-side pitches.

Perth Rectangular Stadium

The Perth Rectangular Stadium (HBF Park) was announced as a host venue for the FIFA Women's World Cup™ 2023. To meet FIFA requirements, the upgrades were completed in May 2023. This included 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.

Hockey Australia Centre of Excellence

In December 2022, the Premier announced that WA successfully retained Hockey Australia's High Performance Program. The bid proposal included a \$135 million capital investment to upgrade the Perth Hockey Centre at Curtin University to a

world-class, purpose-built Hockey Australia Centre of Excellence. The project is in the schematic design stage and will include three international hockey pitches, a specialist goalkeeper training facility, an indoor hockey centre and extensive recovery, gym and support facilities.

Screen Production Facility

In November 2022, the Premier and Ministers for Planning and Culture and the Arts announced the Malaga location for the Screen Production Facility project. The alternative site was selected following challenges with the original proposed location at Victoria Quay, Fremantle.

The Western Australian Planning Commission approved the project development application on 31 May 2023. This project is part of the market led proposal process. The proponent's proposal was submitted on 16 June 2023 and is under consideration by the State Government.



(L-R) Meg Knuckey (FIFA), Carl Pekin (DLGSC), Hon Minister David Templeman MLA Minister for Sport and Recreation, Peter Bauchop (VenuesWest) survey turf works ahead of the FIFA Women's World Cup™



Yaburgurt Winjan Cirkelstone by Thomas Danbo, Giants of Mandurah 2023.
Photo by Dan MacBride. Image courtesy of FORM Building a State of Creativity

03

Community and sector impact

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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 WA.

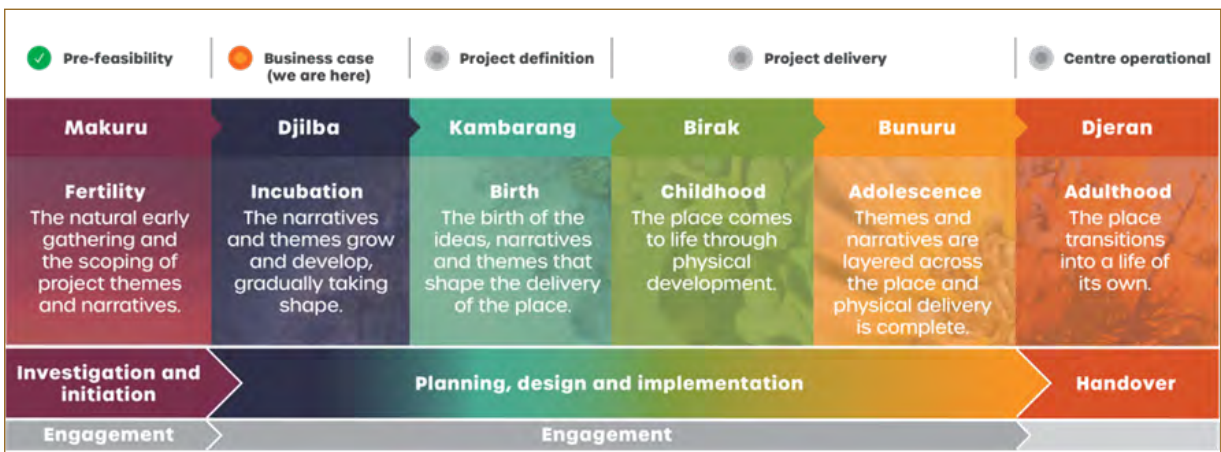
Aboriginal Cultural Centre

In partnership with Aboriginal people and their communities, the State Government has commenced planning for the ACC to empower Aboriginal people in sharing their stories, history and demonstrating culture.

The ACC will become a powerful symbol of truth telling, justice, healing and reconciliation, creating a culturally safe place for Aboriginal people in the State’s capital city. It will play a role in the economic empowerment of Aboriginal people through the growth of the cultural industries and tourism sectors, creating employment and training opportunities.

The Terrace Road car park, on the traditional lands of the Whadjuk Noongar people in Boorloo (Perth), has been selected as the site for the ACC. This was informed by the Whadjuk community representatives that are part of the Project Steering Committee. The site was chosen primarily because of its connection to the Swan River (Derbarl Yerrigan), Heirisson Island (Matta Gerup) and Kings Park (Katta Koomba), which are places of cultural significance to Noongar people.

The ACC’s cultural framework grounds the project in the cycle of its host country on Whadjuk Noongar Boodja (Country) by aligning planning and development with the Noongar six seasons framework developed by Dr Richard Walley OAM. The ACC project team are currently in the incubation phase, or Djilba, where the cultural narratives and themes grow and develop.



Source: Six Seasons Framework, Intellectual Property of Dr Richard Walley OAM.
The six seasons framework outlines each phase of the project’s development which is connected to Noongar boodja (Country) seasons and life cycle.

Meaningful engagement is integral to a successful outcome for the ACC. A strong connection to Country and Aboriginal-led approaches are guiding the outcome of putting culture at the heart of all decision making. The Whadjuk Noongar people are acknowledged as the host nation in the

development of the ACC project, this is reflected in the cultural protocols that underpin the governance and Aboriginal Engagement Strategy.

Throughout 2022-23, the project team engaged extensively with the Noongar community. The first phase was based on two stages:

- Ni boola da waangkiny (Listen to the many voices talking)
- Ni kaartdijin (Listening and gathering knowledge).

This engagement and consultation has confirmed the functional pillars that embody the services required to raise awareness, advance progress of reconciliation, celebrate culture, support economic empowerment and contribute to community connectedness in a culturally appropriate and safe manner.



During 2022, 61 meetings with more than 380 people from the Noongar Nation of the South West region of WA were held and 32 meetings with more than 530 participants were held throughout the Mid West, Pilbara, Kimberley and Goldfields regions.

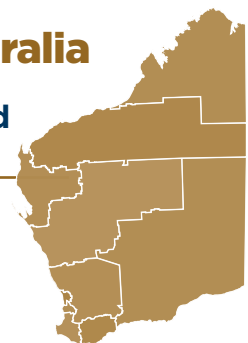
The project's next phase will expand engagement across regional WA with Aboriginal people and communities, traditional knowledge holders as well as language, art and cultural centres.

Noongar Nation – South West of Western Australia

 **61 meetings**  **over 380 people consulted**

Regional Western Australia

 **32 meetings**  **over 530 participants**



The appointment of six Whadjuk Cultural Authority representatives to the Aboriginal Cultural Centre Steering Committee was a first for a major state infrastructure project. The integration of policies and procedures with cultural considerations and decision making demonstrates the State Government's commitment to working in partnership with Aboriginal people on projects and services that affect them and their communities. The representatives will provide cultural knowledge, guidance and direction to ensure Aboriginal interests are at the forefront of all decision-making processes.



Marrugeku Ses Bero and Stanley Nalo in Burrbgaja Yalirra 2. Photo by Carlita Sari



Aboriginal History WA

The DLGSC Aboriginal History WA (AHWA) team provides dedicated research services to help Aboriginal Western Australians trace their personal and family histories, as well as undertaking truth-telling projects that help build shared understanding of our history. Under the *State Records Act 2000*, AHWA has responsibility for managing access to restricted State Government records of the Aboriginal Affairs Planning Authority and its predecessor agencies.

The Aboriginal History Research Service (AHRS) continues to provide a critical service to assist the WA Aboriginal community seeking copies of restricted ancestral and personal historical records. In 2022-23, AHRS undertook specialised research and provided comprehensive responses to 1,033 requests. These included responses to 354 family history applications, 592 Requests for Information (RFIs) related to the National Redress Scheme, 33 birth confirmation requests from the Department of Justice and 16 requests relating to the Northern Territory Stolen Generations Scheme.

Family history responses involve extensive research to locate and review records and produce detailed genealogical charts. In 2022-23, the unit experienced a 13% increase in applications.

The AHWA completed research for an online database to assist Aboriginal families establish links to children sent to the former Perth and Swan orphanages and missions.

The resource was compiled from a range of historical sources, including admission registers, microfilms, State Government files, death and burial records and newspapers. It adds to those records already made available by AHWA and is an aid for individuals seeking to establish links to family and country.

Research is being finalised for a project dedicated to the history of residential town blocks purchased or leased by Aboriginal people in WA. Containing around 200 landholder names dating as far back as 1900, this is a resource for descendants seeking to locate town blocks once owned by their ancestors.

Phase one research was completed for an historical online database providing details of Aboriginal people engaged as Police Trackers. Research estimates at least 2,000 WA Aboriginal men and a smaller number of women toiled for police authorities as trackers, some of whom volunteered while many others were forced to track. Records dating back to 1830s detail the many successes of these trackers in endeavours such as locating missing or capturing wanted persons. It is the first of its kind to comprehensively identify their contributions.

The DLGSC partners with the Aboriginal community and stakeholders to provide information and assistance to access ancestral records.

1,033 requests

354 Family history applications

33 Births, Deaths and Marriages

592 National Redress requests

16 NIAA NT Stolen Generations requests



Overall 13% increase in the number of requests in 2022-23 when compared to the previous year.

The AHWA and the State Library of WA:

- continue monthly family history information sessions through Storylines
- partner with the Department of Justice and the Waalitj Foundation for family history sessions for Casuarina Prison and the WA Museum's Emerging Curators program
- deliver research skills sessions at John Tonkin College, Lynwood Senior High School and to participants from the Polly Farmer Follow the Dream program.

In June 2023, DLGSC participated in the annual Australian Institute of Aboriginal and Torres Strait Islander Studies Summit. Co-convened with the South West Aboriginal Land and Sea Council, it was attended by Aboriginal communities, academics, native title stakeholders, legal experts, non-profit and cultural sectors and government from across Australia.

Aboriginal people and communities

Across all portfolios, DLGSC supports a wide range of initiatives and services that assist Aboriginal and Torres Strait Islander peoples in the community,

some of which are detailed as follows.

National Reconciliation Week runs from 27 May to 3 June and DLGSC encourages reconciliation through increasing awareness of and celebrating Aboriginal histories, communities, cultures and achievements.

The DLGSC was nominated lead agency for the Closing the Gap Target – Aboriginal and Torres Strait Islander cultures and languages are strong, supported and flourishing. The target is that by 2031, there is a sustained increase in the number and strength of Aboriginal and Torres Strait Islander languages being spoken.

The DLGSC convened its first meetings with seven WA Aboriginal Language Centres in June to create partnerships to determine the road map to Aboriginal language revitalisation. The Kimberley Language Resource Centre received \$200,000 to conduct a research and planning project called the State of Language Continuation in the Kimberley.

The Languages Policy Partnership advocates for greater reform at a national level. The DLGSC represents the State Government on this group, presenting an opportunity to inform the national agenda.



AHWA Officer Casey Petersen (left) pictured with Gail Mabo at a family history information stall set up for the AIATSIS Summit



Revealed Market Day, Fremantle Arts Centre, May 2023. Photo by Sophie Minisalle

The Stephen Michael Foundation received \$200,000 to support the implementation of their Strategic Plan 2022-25, business development and marketing plans. The foundation delivers 10 key programs in more than 30 schools reaching more than 5,000 participants.

Binar Sports provides life opportunities and pathways for Aboriginal youth through basketball and has grown to more than 650 players and 194 parent volunteers in and around Midland, Kalgoorlie, Albany and Bunbury. Funding of \$150,000 was received (annually for three years) through the Inclusive Participation Grants Program.

The Wirnan Intergenerational Cultural Engagement and Learning Project was identified by Kimberley Aboriginal leaders as an important culture-based activity which promotes the intergenerational transfer of culture and knowledge to build strong social and emotional wellbeing outcomes. Funding of \$258,000 delivered eight intergenerational projects and 85 sessions with more than 250 artists, youth and community.

Connecting to Country supports WA Aboriginal people and organisations to undertake on country activities that foster the intergenerational transfer of knowledge, preservation of culture and strengthening of communities.

Twenty projects around city and regional WA received total funding of \$469,384.

The 2023 Revealed Aboriginal art exhibition and markets was a collaboration between Fremantle Arts Centre and the Aboriginal Art Centre Hub of WA to promote the work of emerging Aboriginal artists from across WA. The exhibition featured approximately 300 curated artworks by 100 independent and art centre artists from across WA. Sales totalled \$407,463.

The DLGSC is progressing with the development of a Reflect Reconciliation Action Plan (RAP) to provide a framework for supporting reconciliation and underpinning commitments towards better outcomes for Aboriginal and Torres Strait Islander people. In 2023, the RAP Steering Committee was established to oversee progress and development. The first phase involved a stocktake of existing policies, programs and initiatives.

Child Safeguarding Implementation Unit

The State Government is six years into a 10-year plan to implement recommendations of the Royal Commission into Institutional Responses to Child Sexual Abuse (the Royal Commission). The recommendations establish a framework of reforms for organisations that work with children which are designed to improve prevention, response and reporting of child sexual abuse.

The DLGSC, along with organisations in local government, sport and recreation, arts and cultural industry sectors and multicultural organisations, are working to embed these child safety reforms into their operations.

In June 2022, DLGSC established the Child Safeguarding Implementation Unit (CSIU) to support the department, its industry sectors and partner organisations to implement reforms recommended by the Royal Commission, including the National Principles for Child Safe Organisations.

The DLGSC is the lead agency for the transfer of Royal Commission recommendations:

- Recommendation 14.1 – All sport and recreation institutions, including arts, culture, community and hobby groups, that engage with or provide services to children should implement the Child Safe Standards identified by the Royal Commission.
- Recommendation 14.4 – The independent state and territory oversight bodies that implement the Child Safe Standards should establish a free email subscription function for the sport and recreation sector so that all providers of these services to children can subscribe to receive relevant child safe information and links to resources.

In line with Royal Commission Recommendation 6.12 (led by Department of Communities), related to using the role of local governments in building a community approach for improved child safe practices, the CSIU has been working with local governments and the Western Australian Local Government Association to promote the adoption of the Child Safe Awareness Policy template throughout the sector.

In June 2022, DLGSC was tasked with progressing ministerial actions arising from the Sport Integrity Australia review of allegations regarding the Western Australian Institute of Sport Women's Artistic Gymnastics Program.

The DLGSC also has an ongoing role in providing information and historical records to the National Redress Scheme (for survivors of institutional child sexual abuse) to facilitate the application process. This includes responding to RFIs, facilitating direct personal responses to survivors if requested and working with State and Commonwealth agencies to progress reforms to the scheme. The CSIU works together with AHWA and the State Library WA to process RFIs.

Through this work, CSIU contributes to the operation of the scheme which enables people who have experienced institutional child sexual abuse to gain access to redress. This can include a monetary payment, access to counselling and psychological care and a direct personal response from the institution.

A key focus of the CSIU is to ensure that team wellbeing is prioritised. In recognition of the risk of vicarious trauma for staff exposed to material describing child abuse, especially child sexual abuse, CSIU engaged the Sexual Abuse Resource Centre (SARC) to provide training around how to recognise, minimise and address the impacts of vicarious trauma. Additionally, CSIU have engaged a professional supervisor to offer monthly group and individual psychological sessions to team members. These sessions are designed to build on the training provided by SARC, as well as providing an opportunity for individualised support.



Polly Hilton of the West Australian Ballet in Goldberg Variations. His Majesty's Theatre, September 2022. Photo by Bradbury Photography

Culture and the Arts

The Culture and the Arts division promotes participation to support the growth of cultural and creative industries. Investment in the culture and the arts sector is essential to ensure Western Australians have ongoing access to cultural and artistic activities and experiences.

The DLGSC supports artists throughout their careers, from emerging to internationally renowned and builds sector capacity through targeted grants and investment programs. We have continued to support the development of high-quality experiences for local communities.

In partnership with the Commonwealth Government, DLGSC supports five National Performing Arts Partnership Framework Organisations: Black Swan State Theatre Company, Murrumbidgee, West Australian Ballet, West Australian Opera and West Australian Symphony Orchestra. The State Government provides \$9,732,728 per annum and these companies play a fundamental role in supporting performing artists and creatives and the creation of new WA work.

National Performing Arts Partnerships

5 Organisations supported

\$9,732,728

The DLGSC supported 35 small to medium arts and cultural organisations to the value of \$10,196,000 in 2022-23 through the Arts Organisations Investment Program (AOIP). Collectively they provide an environment for creative risk, innovation and experimentation and a platform for creating new and emerging work. Leveraging funding from a range of sources and partners, they create employment opportunities in the sector.



Arts Organisations Investment Program

35 Organisations supported

\$10,196,000

The next round of AOIP opened for applications in September 2022. There were 37 WA organisations awarded a total of \$56 million over the next four years. Six new entrants are among the successful applicants, including two regionally based organisations, an arts centre and theatre, a circus, multi-arts events and a literature and storytelling organisation.

Additionally, DLGSC supports individual artists, creative workers and groups through project grants to develop and grow a vibrant sector that promotes participation and active engagement in high quality arts and cultural experiences. Through the U-15K grants program 145 projects were supported and 39 were supported through the 15K-Plus. The DLGSC invested \$3,337,248 in a range of strategic initiatives which support exceptional and strategic projects or activities that contribute to a vibrant art, cultural and creative.

U-15K grants

145 projects supported

\$1,928,095

15K-Plus grants

39 projects supported

\$1,873,506

The Contemporary Music Fund (CMF) helps homegrown contemporary music artists with projects enabling them to produce and promote their work, along with building links nationally and internationally. It consists of two funding programs which include invitation-only targeted initiatives and grants funding through the U-15K and 15K-Plus programs. The fund aims to capitalise on opportunities for the contemporary music sector and ensure a strong representation of musicians and music professionals from Aboriginal, regional, cultural and gender diverse backgrounds. There were 26 projects supported with \$737,233 in 2022-23.

 **Contemporary Music Fund**
26 applications supported
 **\$737,233**

The Creative Learning Program delivers initiatives that provide meaningful creative learning experiences, improve student engagement, enhance learning capabilities and build the capacity of educators and artists/creatives.

It is delivered through two key funding programs: Creative Learning Partnership and Creativity for Schools.

More than \$3.2 million in funding was provided to nine organisations and two schools through the Creative Learning Partnerships program. It supports two-year partnerships that engage approximately 22,500 students and 2,061 teachers from a range of socio-economic and geographically located WA schools.

Through the Creativity for Schools program, creative professionals are partnered with schools in a series of collaborations and residencies. Eight projects and three residencies, engaging 13 schools were funded. Of these schools, 45% are located in Perth and outer metropolitan Perth and 55% in regional WA including the Kimberley, Goldfields and the South West.

The State Cultural Treasures Awards honour senior WA artists who have made lifelong contributions to their art form and community. The 2022 awards, the first since 2015, recognised Kim Scott, Helen Matthews, Helicopter Tjungurrayi, Chris Hill, Terri Charlesworth OAM, Ernie Dingo and Wayne Jowandi Barker. Nannup Music Festival was also recognised for its contribution to the WA cultural landscape and community.

| | | | | |
|---|---|---|--|---|
|  |  |  |  | <p>8 recipients of the State Cultural Treasures Awards in 2022 to celebrate and honour senior Western Australian artists and organisations who have made outstanding lifelong contributions to their art form and community.</p> |
| Kim Scott Writing | Helen Matthews Music | Helicopter Tjungurrayi Visual Arts | Nannup Music Festival Community Impact Organisation | |
|  |  |  |  | |
| Chris Hill Design | Terri Charlesworth OAM Dance | Ernie Dingo AM Theatre and Film | Wayne Jowandi Barker Community Impact Individual | |

The DLGSC provided \$3,465,000 of operational funding to support Screenwest, WA's screen industry development organisation. It aims to attract national and international screen productions to WA which create jobs, boost local business activity and provide training and skills development.

Screen Industry Investment Program **\$3,465,000**

Funding to support the activities of Screenwest, Western Australia's screen industry development organisation

Screenwest administer the Royalties for Regions funded Western Australian Regional Screen Fund, to attract screen projects made in the regions. Six productions were supported with funding. They will provide employment, tourism and economic benefits to regional WA and are expected to deliver \$29.29 million to the local economy and create 711 local jobs, with 424 of these being opportunities for regionally based people.

Western Australian Regional Screen Fund **6 productions supported** **\$4,000,000**

711 jobs expected to be created for Western Australians

The \$2 million State Government Digital Games and Interactive Fund, run by Screenwest, was launched in August 2022. It supports the pre-production, production and post-production of game development for PC, consoles, mobiles, virtual reality, augmented reality and extended reality. The inaugural round closed in January 2023 – with 41 applications received and 13 projects supported totalling \$690,000.



Mark Coles Smith as Young Jay, in ABC series *Mystery Road: Origin*. 2022. Near Kalgoorlie, Western Australia. Photography by David Dare Parker. © Bunya Productions

Local Government

The DLGSC Local Government division is focused on providing effective regulation of the local government sector and in turn better outcomes for ratepayers and residents across WA.

Reforms to the *Local Government Act 1995* commenced to strengthen local democracy and provide greater transparency and accountability. The reforms have been a major focus throughout the year and informed by more than five years of research and consultation.

Further details on DLGSC's regulatory reform program, including the Local Government reforms, can be found on page 67.

A new regulatory approach has been published that outlines DLGSC's strategy to support and enforce effective regulation of the local government sector. As part of this, early interventions have been undertaken to assist local governments dealing with emergent issues and working with them to improve capability. The DLGSC's Support and Engagement team continued to provide advice and support to the sector through webinars, guidance materials and responding to the Local Government Advisory Hotline and email enquiries which experienced a 143% increase.



LG Hotline
649 calls answered
667 emails resolved

The regulatory approach is currently being implemented to focus on support and compliance actions to improve local government capability and a consistent approach to identifying and addressing local government non-compliance.

The DLGSC's Investigations and Assessment Unit (IAU) streamlined processes to support the Local Government Standards Panel, which resulted in a drop of 29.2% in the average time to deliver findings of a minor breach complaint against breaches of the *Local Government Act 1995*.

In 2022-23, the IAU was responsible for providing executive support to the Local Government Standards Panel, as well investigating serious breaches by elected members, reported offences under the *Local Government Act 1995* and referrals of alleged serious misconduct from the Corruption and Crime Commission. The IAU has continued to improve internal processes over the year and received 54 complaints, finalised 69 complaint investigations including two matters being prosecuted in the Magistrates Court and the referral of another matter to the State Administrative Tribunal.

The DLGSC has two regular webinar series for the local government sector, with 15 webinars hosted in 2022-23. The first of the webinar series was a partnership with LG Professionals WA and was targeted at local government CEO's and staff. This covered a variety of topics to improve sector capability through collaboration, education and providing best practice tools and resources. The second series were reform webinars aimed at a general audience including elected officials, local government professionals, interested stakeholders and the public.

15 Webinars and info sessions 

In 2022-23, DLGSC rolled out an electronic form on our website which enables differential rate and minimum payment applications to be submitted via e-form. The electronic form is designed to be simpler and reduce incomplete applications being submitted. An infographic was released with guidance and key information to assist with submitting a successful application.

New guidance material for annual financial reporting has been developed to support the sector on best practice financial policy and accounting practices. The Introduction to Local Government Accounting Guidelines were designed to primarily assist local government finance officers and, where appropriate, non-finance officers, to understand the function and role of finance.

The Non-Current Physical Asset Guidelines have been developed to include guidance to local governments to assess the useful life of their assets based on their asset management plan. This reiterates the accounting standard requirement for annual reviews. The Financial Better Practice Review Program is a new DLGSC initiative. This program provides councils the opportunity to strengthen governance through DLGSC support and advice, the promotion of best practice and innovation, and fostering a continuous improvement culture. The DLGSC developed a checklist covering risk management, internal control and legislative compliance aiming at ensuring operational activities and supporting systems are addressed.

The DLGSC administers a range of legislation impacting 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 2022-23, DLGSC processed more than 256 statutory applications under the *Local Government Act 1995* and under these acts, where there is delegated approval to DLGSC from the Minister.

Among others, this included:

- applications to approve councillors' participation in meetings, differential rates assessments and burials on land outside of public cemeteries
- applications for 10 caravan permits to camp outside of licenced camping facilities
- accreditation processes for 41 assistance dogs.

The *Dog Amendment (Stop Puppy Farming) Act 2021* requires the design and development of a centralised registration system (CRS) for dogs and cats. In 2022-23, DLGSC undertook in-depth engagement activities with local governments to inform them of requirements for the CRS.

A request for tender for the development and implementation of the CRS was released to market in January 2023 and closed in March 2023. Responses have been evaluated and the report presented for endorsement to the State Tender Review Committee.

Processing of statutory applications under Acts

2021-22 → 2022-23
>245 → >256



The Christmas Sand Sculpture Village at Elizabeth Quay received funding from the State Government's CBD Revitalisation Grant Program, administered by DLGSC



Launch of the Office of Multicultural Interests' Strategic Plan 2023-2026. Front row: DLGSC Director General Lanie Chopping; Hon Minister Buti, Minister for Multicultural Interests; Executive Director Office of Multicultural Interests James Jegasothy. Back rows: Community stakeholders

Office of Multicultural Interests

The OMI assists the State Government and the WA community to achieve the full potential of multiculturalism.

Effective planning at the national, state and local levels is essential for successful settlement of migrants and refugees. This was an area of focus for DLGSC in 2022-23 following the reopening of national and state borders and renewed intake of humanitarian entrants and skilled migrants. The DLGSC facilitated a cross-agency collaborative response on settlement to ensure the necessary services and social infrastructure supports were available to meet the needs of new arrivals.

In May 2023, DLGSC hosted the first meeting of the Interagency Settlement Group after a hiatus during the pandemic, bringing together key Commonwealth and State agencies involved in this collective response and to foster continued cooperation in settlement services. The group provides a forum through which the three tiers of government can provide coordinated and strategic settlement support.

In response to humanitarian crises in Myanmar, Sri Lanka, Türkiye and Syria, DLGSC facilitated the provision of State Government aid to assist response and recovery efforts overseas and provided support to WA communities impacted by the crises.

The OMI Strategic Plan 2023–2026 was launched in April 2023. The plan is an important vehicle to communicate our work to stakeholders as well as highlighting OMI's work in the context of whole-of-government themes, strategies and plans, and within the context of DLGSC.

Equality of opportunity, equitable outcomes and mutual respect are a key focus. The DLGSC continued to work with public sector agencies to support implementation of the Western Australian Multicultural Policy Framework. This financial year marked the second reporting period of implementation for agencies.

All 64 agencies that have reporting obligations have submitted multicultural plans and are collectively implementing 1,451 actions addressing strategies across three priority policy areas.

Of note are actions across government in promoting the benefits of cultural and linguistic diversity and improving workplace culture, making up 54% of all actions recorded.

Western Australian Multicultural Policy Framework (WAMPF)

64 State Government agencies are implementing the WAMPF

1,451 actions addressing strategies in three policy priority areas

The DLGSC recognises the role faith institutions play in supporting Culturally and Linguistically Diverse (CaLD) communities and coordinates a Multifaith Network. Activities included a Mandatory Reporting Online Forum in September 2022 to inform faith leaders of changes to the *Children and Community Services Act 2004* that expanded the categories of mandatory reporters to include ministers of religion.

A Multifaith Forum at Parliament House in June 2023 hosted 32 leaders from diverse religious and cultural backgrounds. The first since 2020, the forums provide an opportunity to increase dialogue between faith leaders and encourage collaborative efforts.

As the principal event for Harmony Week, the Western Australian Multicultural Awards 2023 were held in March. The awards recognise the significant contributions made by people and organisations who promote and strengthen WA's multicultural society. More than 70 nominations were received in 12 award categories.

The Outstanding Community Languages Teacher of the Year Award 2022 was held in August in partnership with Community Languages WA – with 13 teachers nominated. The award celebrates excellence in teaching by community language teachers and the importance of supporting language learning, maintenance and the benefits it brings to the State. Close to \$700,000 in funding is provided annually to community language schools through the annual Community Languages Program grants. In 2022-23, the grants funded more than 7,361 students across 53 community language schools.



Community Language School Grants

7,361 students
800 volunteer teachers
34 languages
2 regional schools

An event held in October 2022 recognised the 16 scholarship participants who completed a Foundations in Translating and Interpreting short course. Offered through a partnership with the Australian Institute for Translators and Interpreters and the National Accreditation Authority for Translators and Interpreters, the scholarships aim to increase the number of qualified and credentialed interpreters in WA.

The Diverse WA online cultural competency training program supports the provision of culturally responsive services and policy and program development and implementation. This year saw a 71% increase in the number of registered users which now totals 21,083, of which around 64% were State Government employees.



Diverse WA Online Cultural Competency Program

21,083 registered users
258 registered agencies
71% increase in registered users in 2022-23

More than 70 people attended a Becoming a Local Council Member forum for Western Australians from CaLD backgrounds in June 2023. The DLGSC hosted the forum to provide information about the role of a local government councillor and support an increase in the number of Western Australians from CaLD backgrounds nominating in the October 2023 local government elections.

The Leadership and Governance Program continues to encourage greater representation by Western Australians from CaLD backgrounds on public, private or not-for-profit sector boards and committees. In November 2022, 20 participants were awarded their graduation certificates and of these, 10 had already secured board positions. The DLGSC continues to seek and promote board opportunities to alumni to help boards and committees reflect the diversity of WA's population.



Attendees at the Multicultural Awards 2023, 14 March 2023 at The Ritz Carlton. Photo by Jessica Wyld

The Community Grants Program provides funding to CaLD community associations and community service organisations to design, deliver and partner on projects that build capacity, address needs and contribute to the cultural, economic and civic life of the State. During the year, 54 projects totalling \$1 million were funded including major festivals such as the Chinese New Year Fair and Diwali Mela, and a range of capacity building projects covering topics such as health and wellbeing, family and domestic violence prevention, mental health and economic and civic participation. The program funded 20 projects to celebrate cultural diversity during Harmony Week 2023, with support from our Culture and the Arts and Sport and Recreation portfolios.

The DLGSC Community Support Fund provided triennial funding to six not-for-profit CaLD peak umbrella community associations to deliver support services to their member associations and community members.

Mostly staffed by committed volunteers, these associations provide services, advocacy and support for CaLD communities across a broad range of areas, including education, youth development, settlement, economic participation and wellbeing.

Community Support Fund

6 peak umbrella CaLD associations supported from 2023 to 2025

2 regionally based organisations (Mid West and South West)



(L) President of the Organisations of African Communities in WA, Dr Casty Nyaga at the Jambo Africa Festival, March 2023





Ocean Heroes runs monthly free events around WA, aiming to improve the wellbeing of those on the autism spectrum and their families through surfing. Trigg Beach, Western Australia, January 2023. Photo by Daniel de Giosa, DG Imagery

Sport and Recreation

The DLGSC Sport and Recreation division promotes participation and achievement in sport and recreation to support a healthy lifestyle for all Western Australians through physical activity.

Over the past year, DLGSC administered \$31,851,490 in funding through 380 grants to support participation, high performance, capacity building and integrity initiatives for the sport and recreation community all over WA.

 **380 grants**
 **\$31,851,490**

In 2022-23, a record amount of \$21,050,030 in funding from the Sports Lotteries Account was distributed to approximately 100 state sporting organisations and peak bodies to deliver participation, capacity building, high performance programs and integrity initiatives across the State. We also saw a record amount of \$4,493,955 in funding from the Sports Wagering Account distributed to deliver participation, capacity building and integrity initiatives across WA.

The DLGSC Consolidated Fund distributed \$5,312,105 to 24 organisations to support sport and active recreation projects. This included trail planning projects in metropolitan and regional areas, professional development initiatives for senior staff in state sporting associations, state active recreation organisations and peak bodies and operational funding for the Western Australian Institute of Sport and Nature Play WA.

Sports Lotteries Account

 **\$21,050,030**

100 organisations and peak bodies

Sports Wagering Account

 **\$4,493,955**

to deliver participation, capacity building and integrity initiatives across WA

Consolidated Fund

 **\$5,312,105**

24 organisations to support sport and active recreation projects



DLGSC Director General Lanie Chopping tosses the coin for Hockeyroos v China, 26 March 2023, Perth Hockey Stadium

Our Industry Investment Program supports the delivery of quality sport and active recreation opportunities. More than \$8.2 million was invested in state sporting associations through this program, with a further \$922,000 invested through the Regional Servicing Grants Program to improve capacity and grow participation in our regions.

State sporting associations report their Women in Leadership target annually. In March 2023, the representation of women on state sporting association boards was 50.5%, an increase from 49.8% in 2022.

State Sporting Associations

\$8.2m through the Industry Investment Program

\$900k through the Regional Servicing Grants Program

50.5% women on SSA Boards

The DLGSC delivered several key projects including:

- the successful WA bid to retain Hockey Australia's High Performance Program (see page 27).
- leading market research and business case components of the National Rugby League Working Group.

The Sport and Recreation Learning and Development Strategy targeted state sporting associations, peak bodies, state active recreation organisations, local government associations, regional associations and clubs. The year saw 25 learning and development activities held for 673 participants.

The DLGSC Inclusive Participation grants provide financial support to sport and recreation organisations to increase opportunities for low participation groups. Over three years, 18 organisations were awarded \$4.2 million in funding. The projects were designed for people with disability, those from CaLD or Aboriginal backgrounds, adolescent girls, LGBTQIA+ and youth who are disengaged, homeless or at risk.

In 2022-23, more than 21,100 children accessed approximately 23,000 KidSport vouchers valued at \$3.2 million. Of all the children involved in the program, 16% were Aboriginal, 8.5% were children with disability and 4.8% were from a CaLD background.

KS KIDSPORT

21,137 children

23,164 vouchers

\$3,229,325



(L-R): DLGSC Manager Recreation Glenn Morley; Hon Minister Templeman MLA, Minister for Sport and Recreation; Katie Brown, Chair Outdoors WA; DLGSC Deputy Director General Erin Gauntlett

Our Equip Me for Sport Partnership with Fair Game supports low-income families to access second-hand sports equipment. More than 150 children accessed sport for the first time because they had the necessary equipment.

The DLGSC continued to provide the WA community with quality, affordable outdoor active recreation opportunities through access to a sustainable camp network. In 2022-23, the total overnight stays (bed nights) and activity participations delivered 252,235 camp experiences which is the strongest performance in its history. We also made an investment in upgrading accommodation, activity, and safety equipment across the camps network to enhance the client experience.

The Outdoor Active Recreation Participation Program provides financial support to organisations to deliver accessible outdoor active recreation opportunities. There were 20 projects funded to a value of \$395,798 – aligning with the More People More Active Outdoors Framework.

State Active Recreation Organisations deliver recreation outcomes for a specific active recreation activity. This is achieved by developing and delivering the activity as a recreational pursuit and providing leadership and advocacy to a network of members and affiliates. During 2022-23, there were six organisations recognised for the first

time as State Active Recreation Organisations: HikeWest, Recfishwest, Australian Trail Horse Riders Association, Climbers Association of WA, Recreation Trail-Bike Riding Association and WA 4WD Association.

Outdoors October is a community initiative to promote the health and wellbeing benefits of outdoor recreation, led by Outdoors WA and supported by DLGSC. We hosted an industry mountain bike day to connect key stakeholders and demonstrate the broad community benefits of outdoor recreation. Outdoors WA conducted Happy Hikers, an initiative to increase hiking participation by providing educational hikes to new walkers. The DLGSC provided funding support for this initiative that hosted 14 events with 90 participants.

The WA Strategic Trails Blueprint 2022–2027 was launched at the WA Trails Forum in October 2022. The blueprint was developed in partnership with the Department of Biodiversity, Conservation and Attractions, with contributions from multiple government agencies and non-government organisations. It is an overarching guide for consistent and coordinated planning, development and management of quality trails and trail experiences. There were 11 projects valued at \$187,810 funded through the WA Hiking Participation Grant Program and 15 projects valued at \$306,302 funded through the WA Trail Planning Grant Program.



Adaptive Mountain Biking, Arklow Trails. Image courtesy of Trails WA

Racing, Gaming and Liquor

The DLGSC's RGL division is engaged in a range of activities and services across the WA community. These vary from licensing, inspection and auditing of liquor and gambling industries, overarching policy expertise and legislation, and programs designed to raise awareness of the risks associated with excesses in these activities. See page 62 for more detail on regulatory reform.

Additionally, RGL provides executive support for the administration of the GWC, Liquor Commission, RPAT, Gaming Community Trust and the PGSSC. In accordance with the GWC Act, DLGSC assist the GWC in carrying out its functions.

The DLGSC has continued with the trial of the Banned Drinkers Register (BDR) which identifies individuals who are banned from purchasing takeaway alcohol and stops their purchase. The BDR is currently in operation in the Pilbara, Kimberley and Goldfields, and since May 2023, in Carnarvon and Gascoyne Junction.

Section 175 liquor restrictions of the *Liquor Control Act 1988* declare an area of the State alcohol restricted ('dry communities') and prohibit the possession and consumption of liquor within the declared area. The DLGSC obtains Ministerial approval on behalf of Aboriginal communities seeking to reduce alcohol-related harm, improve cultural participation and the social and emotional wellbeing of the community.

There are currently 26 dry communities across WA. In the past year, DLGSC obtained Ministerial approval for three new ones, and renewed 17 existing dry communities.

In the statutory role of Director of Liquor Licensing (DLL), the Director General of DLGSC, is committed to minimising harm and negative social impacts on WA communities arising from excessive alcohol consumption. The DLL is charged with administering the *Liquor Control Act 1988*, which regulates the sale, supply and consumption of liquor in WA. Section 64 of the Act provides the DLL with the ability to impose conditions considered to be in the public interest or to reduce harm.

During the year, actions under section 64 included:

- finalising an inquiry in the Pilbara towns of Wickham, Point Samson, Karratha, Dampier and Newman
- finalising an inquiry in the Kimberley towns of Kununurra and Wyndham
- progressing an inquiry in the Kimberley towns of Derby and Broome
- conducting and finalising an inquiry in the Gascoyne town of Carnarvon and surrounds.

The PCRC Final Report, which contained 59 recommendations, was tabled in Parliament in March 2022. The PCRC was established to inquire into the suitability of Crown Perth to continue to hold a casino gaming licence and to examine the appropriateness of the State's casino regulatory framework.

Over the year DLGSC, along with the Department of the Premier and Cabinet, progressed the Government's staged response to the PCRC. In March 2023, the State Government supported 49 of 59 recommendations. Of the remaining nine, eight were supported in principle, and one was supported in part. These will be implemented to restore the community's confidence that WA's only casino is managed in a responsible and accountable way. One recommendation does not require a State Government position as it is only relevant if the prohibition on poker machines is lifted. The State Government remains committed to maintaining its ban on poker machines and restricting electronic gaming machines to within the casino.

During 2022-23, the Gaming Community Trust was reconstituted and approved an improved grants framework, including new guidelines to target specific charitable purposes in the community. Projects must demonstrate a benefit to the community, be benevolent or charitable in nature and align to one or more defined categories. In June 2023, the first online funding round of up to \$559,000 was opened.



2,124
Face to face counselling sessions

The DLGSC provides legislative, regulatory and other policy advice on WA's position on gambling policy and harm minimisation activities. This includes participating in interjurisdictional meetings, research and working groups to ensure nationally consistent policy and regulatory changes are applied in WA.

The State Government is party to the National Consumer Protection Framework for Online Wagering (NCPF), a harm minimisation framework co-developed by the Commonwealth Government to provide nationally consistent measures to minimise gambling harm related to online wagering activity. The DLGSC participates in the Implementation Governance Committee and associated working parties. The NCPF consists of 10 consumer protection measures which all jurisdictions have committed to progressively implementing. In the past year, the DLGSC has implemented NCPF standards for activity statements, consistent gambling messaging and staff training in WA.



632
Calls to gambling helpline

The PGSSC is chaired and supported by DLGSC. It supports research, education and awareness, and free counselling support for people affected by gambling harm.

This includes a 24/7 Problem Gambling Helpline, Gambling Help WA (face-to-face counselling), Gambling Help Online, and an annual gambling harm awareness week.

The DLGSC undertakes inspection and audit activities on behalf of the GWC to regulate the lawful conduct of gambling activities permitted under the GWC Act, the *Betting Control Act 1954*, the *Casino Control Act 1984* and the *Racing and Wagering Western Australia Act 2003*. The key activities in relation to the GWC include:

- audits, inspections and investigations
- policy advice and research
- delivering amendments to directions, procedure manuals and rules for authorised games or rules of racing.



468
Online help requests

13,765 applications relating to liquor were determined

2,576 applications were determined on behalf of the Gaming and Wagering Commission



Crown Perth Casino – Audit & Inspection Compliance Operation. (L to R): Phillip Pride, Principal Compliance Coordinator; Zoran Coseski, Inspector; Richard Duncan, Inspector; Meng Fong, Principal Strategic Compliance Officer; Leigh Radis, General Manager Compliance; Antony Jacques, Inspector

Regional overview

The DLGSC has a commitment to regional presence which echoes across all our portfolio areas – through active community participation and place-based services and co-design, as well as regulation to effectively support the WA community.

The DLGSC provides a vital service to regional communities across the State. We have 10 offices across nine regions which play an important role in enlivened and successful regional communities. It is achieved through people and organisational development projects, local partnerships and funding support for facilities and programs. It also provides services to the Indian Ocean Territories under the standard arrangements with the Commonwealth Government.

The DLGSC has a place-based focus for collaborative, long-term approaches to build thriving communities. This is particularly apparent in the grant programs DLGSC administers which increase opportunities for regional people to participate in the community across the State's diverse regions.

This includes the Community Participation and Inclusion Program, Community Sporting and Recreation Facilities Fund, Regional and Remote Festivals Fund and Community Grants Program.

We pursue ongoing engagement with regional stakeholders to create strong partnerships with community, government and not-for-profit organisations. Below are some of DLGSC's regional activities over the past year.

In April 2023, our Corporate Executive held its first regional meeting in Albany and met with a range of key stakeholders. This forms part of our commitment of two regional meetings per year to expand DLGSC's regional presence.

The Regional Arts and Culture Investment Program continued to create jobs, promote economic development and improve social cohesion by supporting activities in regional WA totalling \$5,037.81.



The Alternative Archive opening event, Goldfields Arts Centre, Kalgoorlie, January 2023. ART ON THE MOVE, Regional Exhibition Touring Boost. Photo by Mellen Burns

Additionally, a total of \$1,450,000 went to the Regional Exhibition Touring Boost which creates more opportunities for regional Western Australians to engage with high-quality visual arts by increasing the number of touring exhibitions available to regional audiences.

The DLGSC has been engaging with the Shire of Halls Creek since 2016 around the development of recreation (trails and biking) infrastructure in and around Halls Creek. The bike track proposal was adopted following a Community Safety Forum in December 2022.

In conjunction with the Shire of Halls Creek, East Kimberley Job Pathways and local schools, a multi-level pindan temporary bike and pump track was constructed. The bike track features a launch ramp with staging area, three run lines each with tabletop jumps of varying technical challenge, providing controlled progression from beginner to advanced skill levels. The adjoining pump track circuit complements the BMX track. Common Ground Trails designed the courses and the Shire constructed additional infrastructure at the site including lighting and shade structures, barbeques and other public amenities.

As part of this, young people from local schools and communities from up to 120km away attended to engage in the participatory design activity, using manual tools to prepare and shape bike jumps. The engagement generated design ideas and engendered local ownership of the project amongst end users. It also involved elements of local capacity building around track development and maintenance. A video documentary was made showcasing the construction and multifaceted stakeholder engagement. The DLGSC also partnered with WestCycle to source more than 100 donated helmets alongside bikes sourced by East Kimberley Job Pathways.

The Community Place Based Grants program provided funding for the development and delivery of school holiday and out of school activity sport and recreation programs for young people in the Kimberley, Goldfields, Pilbara and Gascoyne regions. The programs are co-designed with local communities, are structured and place based. An investment of \$495,000 in 2022-23 has helped fund projects in Carnarvon, Warburton, Port Hedland, Roebourne, Newman, Broome, Derby, Fitzroy Crossing, Halls Creek and smaller remote communities.



Shire of Halls Creek, multi-level pindan temporary bike and pump track

The DLGSC increased resourcing in Carnarvon to support agency-wide initiatives for the community. The DLGSC commissioned a report to identify issues and opportunities to assist in reconnecting youth with the community to improve wellbeing and foster cultural connections. This includes looking at a range of sports, cultural activities and non-sport activities. A series of findings and recommendations are being reviewed to facilitate a coordinated multi-agency approach. The work aligns with local liquor reform work.

The Nintirri Centre received a WA Hiking Participation Grant to deliver an Aboriginal Tour Guide Training Program to build the hiking skills and knowledge of local people to be able to safely lead hiking activities for visitors on the Tom Price, Paraburdoo and Karijini National Park trails.

The Catch a Dream Foundation received a WA Hiking Participation Grant to support Maaladjiny to deliver the SW Narrative Bushwalks project which engaged more than 100 predominately Aboriginal people through 11 guided bushwalks on Wardandi, Willman, Pinjareb and Keneang country to encourage physical fitness and mental wellbeing.

Through the WA Trail Planning Grant Program, a range of projects were supported and completed

that involved engaging Aboriginal Elders and community members. One of them was the Pemberton Arboretum Trail Development Corridor Evaluation located in the South West Boojarah.

In partnership with Department of Biodiversity, Conservation and Attractions, the DLGSC supported Gooniyandi Rangers in the Kimberley to do trail maintenance training through Outdoors Great Southern.

In March 2023, OMI staff visited the Great Southern and the South West to engage with regional stakeholders and attend Katanning Harmony Festival celebrations, funded through the OMI Community Grants Program. They met with CaLD community leaders and relevant agencies in Katanning, Mount Barker, Albany, Manjimup and Busselton.

In collaboration with the Multicultural Youth Advocacy Network of Western Australia, DLGSC funded the Youth Affairs Council of WA to conduct engagement sessions with youth from CaLD backgrounds and community stakeholders in the Christmas Island and Cocos Keeling Islands. The aim was to identify key issues and opportunities relating to young people locally.



FIFA Women's World Cup™ regional tour in WA, Matildas' player Kim Carroll with Sport and Recreation Acting Executive Director Matt Hayes

In May 2023, DLGSC staff also went to Christmas Island and Cocos Keeling Islands to gain an understanding of issues impacting CaLD communities, identify future opportunities and scope initiatives for delivery in 2023-24.

The Community Grants Program provides funding to empower CaLD communities to design, deliver and partner on projects that address their needs. During the year, 17 projects were funded across WA regions. To encourage regional applications, eligibility for these grants is broader for regional applicants, allowing non-CaLD specific regional organisations and local governments to apply where there is no other suitable CaLD organisation.

The Community Languages Program provides support to eligible CaLD not-for-profit community associations to teach languages other than English to students from kindergarten to Year 12 outside school hours. Two community language schools in the Mid West and South West were funded.

The Community Support Fund provides triennial funding to not-for-profit CaLD community peak umbrella associations to deliver coordination, advocacy and support services to member

associations and community members. In 2022-23, Bunbury Multicultural Group and the Midwest Multicultural Association were among the six organisations that received funding.

In December 2022, Ex-Tropical Cyclone Ellie made land fall in the Northern Territory and caused heavy rainfall and flooding across the eastern and central Kimberley. Several communities were impacted by the cyclone and Fitzroy Crossing was isolated due to extensive flooding. The DLGSC engaged with local community organisations to identify issues and to share relevant emergency support information. Insights were shared with the Department of Fire and Emergency Services.

The DLGSC local government and racing, gaming and liquor sector has a strong presence throughout regional WA in capacities as varied as licensing, inspection and auditing, overarching policy expertise and legislation alongside programs designed to raise awareness. See page 42 and 52, as well as the section on regulatory reform from page 62.



OMI staff member, Zinab Al Hilaly (far right), with Suka Duka (Seniors Group) from Cocos Keeling Islands



Dancers from the Korean School of WA at the Outstanding Community Language Teacher of the Year Awards 2022. Photo by Dan Grant



04

Government policy requirements

| | |
|---|----|
| Disability Access and Inclusion Plan 2019-2024 | 60 |
| Multicultural Plan 2020-2023 | 60 |

The DLGSC is committed to cross-government collaboration, to develop and implement whole-of-government priorities to improve the lives of Western Australians.

We contribute to more than 50 whole-of-government strategies, frameworks and action plans, at both state and national levels. Contributions span the portfolios of Aboriginal affairs, multicultural interests, climate action and the environment, health and human services, industry, jobs and diversification, disaster and emergency management, infrastructure and digital inclusion.

The DLGSC continues to build strategic policy capability and capacity across the agency to support strategic input into sector and whole-of-government policy.

- Disability awareness is incorporated into the recruitment panel member online training course. The DLGSC continues to provide contemporary disability awareness training and managing unconscious bias training for staff.
- The DLGSC ensures training, support and assistance is available to staff. Employees with disability are offered the opportunity to participate in LeadAbility, which empowers people with disability to develop the skills to become confident leaders.
- Disability awareness training is extended to external stakeholder groups, including sporting clubs, as well as consultancy support to ensure funded state sport associations have in place a range of policy frameworks supporting inclusive participation.
- All event information is provided in clear, concise language and in accessible formats to support people with disability, their families and carers to attend external consultations and public gatherings. Events are held in accessible venues and consultation on information in alternative formats on request.

Disability Access and Inclusion Plan 2019-2024

The DLGSC Disability Access and Inclusion Plan (DAIP) outcomes strive to ensure 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.

A well-informed, practical plan linked to the improvement of access and inclusion for people with disability is pivotal. Some of the key initiatives include:

- A regular review of our website ensures information and documents are up to date, provided in alternative formats and meet standards set by the Web Content Accessibility Guidelines 2.0AA.
- Our recruitment policies and procedures are inclusive: job seekers can provide applications in alternative formats and interview formats are modified to suit an applicant's needs.
- We have partnered with the National Disability Recruitment Coordinator to advertise all positions in the agency directly to people with disability. Advertised vacancies now include National Relay Service access for applicants with vision impairment.

Multicultural Plan 2020-2023

The DLGSC Multicultural Plan outlines strategies to ensure that operations, services and programs are inclusive and accessible to everyone. Through the realisation of the Multicultural Plan, DLGSC aims to improve representation and participation of Western Australians from CaLD backgrounds across all aspects of its operations.

Key achievements for 2022-23 included:

- Harmony Week 2023 was promoted through DLGSC communications channels, including Facebook, Instagram, the website, weekly e-newsletter and X (formerly Twitter). We also held the WA Multicultural Awards 2023.
- Through the OMI Community Grants Program, 20 projects were supported to celebrate the State's cultural and linguistic diversity during Harmony Week, such as communities in the Shire of Kellerberrin and the Kimberley Arts Network's portrait painting project.
- Since 2020, DLGSC has signed up for the National Australian Human Rights Commission's Racism. It Stops with Me campaign and DLGSC continued its promotion in 2022-23.

- Through DLGSC's Asian Engagement Through Sport Funding Program, sporting alliances continue to be strengthened. The program complements the WA Asian Engagement Strategy 2019-2030. Five applications were recommended in 2022-23 for funding valued at \$223,800.
- We have continued to promote delivery of the Diverse WA Cultural Competency training program to local governments.
- In June 2023, DLGSC held a forum for Western Australians from CaLD backgrounds in preparation for the 2023 local government elections.
- The Outstanding Community Languages Teacher of the Year Awards was held in August 2022.
- The Sport and Recreation Inclusive Participation Grants Program approved funding of \$244,123 to four organisations in the first year to deliver programs for CaLD communities. A further four funded organisations have identified CaLD communities as their secondary target population group.
- To help reduce barriers for CaLD communities accessing online information, Culture and the Arts funding pages and RGL application pages on the DLGSC website have been enhanced to make them more user friendly, taking into consideration people with English as a second language.
- In recognition of significant cultural dates, the SRO shared and promoted stories about the contributions of migrants to WA, including stories shared by the National Archives of Australia via social media for Harmony Week, Eid, and Lunar New Years.



Pedus Eweama (President Nigerian Association of WA), former premier Mark McGowan, Chidiebere Josephine Eweama at the Multicultural Awards 2023. Photo by Jessica Wyld





05

Regulatory reform

Racing, Gaming and Liquor
Local Government

64
67

The State Government has committed to substantial reforms across the sport and recreation, local government and racing, gaming and liquor portfolios. Specific funding has been assigned to each of these reforms to enable them to be progressed.

Racing, Gaming and Liquor

Liquor

In 2022-23, progress towards the February 2021 announcement of the commitment to reform the *Liquor Control Act 1988* has continued.

In November 2022, DLGSC published a consultation paper 'The Next Chapter of WA's Liquor Laws' and invited the public to provide their ideas on how to improve WA's liquor licensing laws. Almost 200 responses were received when submissions closed in January 2023. This feedback provided DLGSC with a better understanding of issues with the current liquor regulatory framework and opportunities for improvement.

The DLGSC formed three stakeholder working groups for government, industry and harm minimisation to assist in refining specific reforms identified from the previous consultation. In May 2023, targeted consultation was undertaken with the groups on key aspects of the liquor reform, further informing government of the opportunities and challenges the reform present.

Additionally, DLGSC is investigating and progressing reforms to streamline and modernise the liquor licensing framework and systems to reduce liquor licensing timeframes and complexity.

The RGL Licensing and Compliance System Replacement project has commenced and aims to address the existing system's shortcomings and provide a modern, efficient and cost-effective platform for managing licensing and compliance operations from start through to completion.

Empowering industry to better meet modern customer needs

The DLGSC continues to review and innovate processes to help licensees meet customer needs and reduce application times and costs, especially when applying for special event licences.



Mark Hatfield/Getty Images

Simplifying application processes empowers approved licensed venues to trade for extended hours to cover international sporting events such as the 2022 FIFA World Cup™, held in Qatar.

The ongoing licence and process reform enables businesses and communities to activate where events are broadcast late at night or early in the morning here in WA, giving licensed venues the ability to respond to modern customer needs.

For special events, application fees may be calculated on the number of people expected at the licensed venue across the tournament schedule, with a cap of \$1,245.50 put in place for this event regardless of the number of patrons present.

The consultation attracted strong support from all stakeholders, including support towards establishing the BDR in legislation, increasing pathways for relevant individuals to be placed on the register, providing powers to WA Police officers to place individuals on the BDR for alcohol related offences, allowing certain prescribed professionals to refer people to the BDR and strengthening controls regarding secondary supply.

The amendments to the Act through the Liquor Control Amendment (Banned Drinkers Register) Bill 2023 is progressing through Parliament, as announced in March 2023. Work is underway to support the operations of the BDR Bill once the legislation is in place.

Banned Drinkers Register

In late 2022, a public consultation process on proposed legislative amendments of the *Liquor Control Act 1988* to strengthen the impact and outcomes of the BDR was undertaken. Extensive engagement with key stakeholders, including licensees of all licensed premises participating in the BDR, was also undertaken.

BDR statistics as at 30 June 2023

| Region | Barring Notices | Prohibition Orders | Voluntary Referrals | Total |
|--------------|-----------------|--------------------|---------------------|------------|
| Pilbara | 43 | 51 | 6 | 100 |
| Kimberley | 26 | 55 | 23 | 104 |
| Goldfields | 40 | 35 | 4 | 79 |
| Gascoyne | 15 | 0 | 1 | 16 |
| Total | 124 | 141 | 34 | 299 |

Protected Entertainment Precincts

The *Liquor Control Act 1988* was amended in December 2022, through the *Liquor Control Amendment (Protected Entertainment Precincts) Act 2022* to create protected entertainment precincts. The new laws seek to ban violent offenders and perpetrators of anti-social behaviour from these precincts so that families and patrons can enjoy a safe night out.

Protected Entertainment Precincts have been established in Northbridge/Perth, Scarborough, Hillarys, Fremantle and Mandurah. There are three mechanisms available to exclude offenders from the Protected Entertainment Precincts:

- short-term exclusions orders of up to six months
- extended exclusion orders of up to five years
- mandatory exclusion orders for persons found guilty of specified offences of up to five years.

Up to 30 June 2023, the Western Australian Police Force issued 21 short-term orders and the DLL issued two extended exclusion orders, each for five years.

Gambling legislation reforms

The PCRC found that the legislation by which the Perth Casino is regulated is not-fit-for purpose and requires replacement by a modern regulatory framework.

Recommendations 14 and 15 of the Final Report recommended the *Casino Control Act 1984* be replaced by a new Act and the GWC Act be revised (if required). The PCRC acknowledged that reaching the final outcomes for all the recommended regulatory reforms would take time so existing regulatory arrangements will have to remain in place. Recommendation 35 made suggestions about interim measures that could be taken.

Following the release of the report, DLGSC moved swiftly to implement priority reforms, including the passage of the *Casino Legislation Amendment (Burswood Casino) Act 2022* that:

- creates the Office of the Independent Monitor
- provides for the appointment of an independent chair for the GWC
- provides for GWC members to elect their deputy chair



iStock/Getty Images Plus

- increases the maximum penalty that can be imposed on the casino licensee to \$100 million
- increases the maximum penalty for non-compliance with a GWC direction to \$250,000
- strengthens the powers of the Minister to direct GWC in relation to Burswood Casino and the PCRC recommendations
- strengthens the powers of the GWC to direct the casino licensee.

Accordingly, the remaining legislative reforms will be progressed in two further tranches.

The State Government aims to introduce the second tranche before the end of 2023.

Local Government

In May 2023, the Local Government Amendment Bill 2023 was passed and the first tranche of the most significant reforms of the *Local Government Act 1995* in 25 years were passed. The *Local Government Amendment Act 2023* (the Amendment Act) introduces key reforms related to elections and other priority matters for the next local government election in October 2023. The reforms will strengthen local democracy and provide greater transparency and accountability.

The priority sections of the Amendment Act that have been brought into effect are:

- Amendments to the Local Government Regulations Amendment Regulations 2023 (the Regulations) support the published Model Financial Statements templates and guidelines for 2022-23. The DLGSC released guidance material in May 2023.
- The Regulations introduce classes of local governments (classes 1 – 4) for the purposes of implementing tiered reforms.
- The Regulations also bring changes to representation, such as a minimum and maximum number of council members based on a local government's population.
- Additionally, regulation amendments came into place related to the recruitment of general practitioners and dentists by local governments. These aim to ease the burden on many regional local governments trying to ensure their communities have medical services.

The other sections will be proclaimed in consultation with the sector and in conjunction with the development of regulations and associated guidance material. Work on a second tranche is continuing in consultation with the sector. This includes the establishment of the Local Government Inspector and the introduction of local government monitors for early intervention.

Caravan Parks and Camping Grounds

The DLGSC is working towards reforms that will provide greater certainty in relation to affordable housing in caravan parks and lifestyle villages. Relevant amendments to the *Caravan Parks and Camping Grounds Act 1995* are in development.

Off-Road Vehicles

The reforms to improve the registration and licensing system for Off-Road Vehicles (ORV) is progressing. This includes an increase to penalties to prevent illegal ORV activity. The reforms require legislative change and the State Government is currently working on amendments to the *Control of Vehicles (Off-Road Areas) Act 1978*.

The ORV Advisory Committee has been investigating multiple sites for new areas as well as ongoing maintenance requirements at existing areas across WA. In May 2023, DLGSC successfully obtained approval from DevelopmentWA to set aside land in Keralup for future use. The DLGSC is working with a commercial operator to prepare the ORV facility and upon implementation, this will help to address the rising demand south of Perth.

In mid-2022, DLGSC successfully coordinated upgrades to the value of \$66,135 at the Ledge Point ORV area, through the ORV Account. The upgrades have resulted in significant trail improvements and the construction of a family viewing platform.

Staged Overview of Budget Paper Process

The high-level stages in the Budget Estimation process:

| 1 | 2 | 3 | 4 | 5 |
|---|--|---|---|--|
| Project Planning | Writing & Preparation of Estimates File & Budget Paper | Review & Approval | Final Estimates | Estimates Printing |
| <ul style="list-style-type: none"> Consider the services to be provided in the current financial year. Identify the services to be provided in the current financial year. Identify the services to be provided in the current financial year. Identify the services to be provided in the current financial year. Identify the services to be provided in the current financial year. | <ul style="list-style-type: none"> Develop the Estimates File & Budget Paper. Develop the Estimates File & Budget Paper. Develop the Estimates File & Budget Paper. Develop the Estimates File & Budget Paper. Develop the Estimates File & Budget Paper. | <ul style="list-style-type: none"> Review the Estimates File & Budget Paper. Review the Estimates File & Budget Paper. Review the Estimates File & Budget Paper. Review the Estimates File & Budget Paper. Review the Estimates File & Budget Paper. | <ul style="list-style-type: none"> Finalize the Estimates File & Budget Paper. Finalize the Estimates File & Budget Paper. Finalize the Estimates File & Budget Paper. Finalize the Estimates File & Budget Paper. Finalize the Estimates File & Budget Paper. | <ul style="list-style-type: none"> Print the Estimates File & Budget Paper. Print the Estimates File & Budget Paper. Print the Estimates File & Budget Paper. Print the Estimates File & Budget Paper. Print the Estimates File & Budget Paper. |

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06

Capability development

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| Agency Capability Review | 70 |
| Audit | 70 |
| Governance and leadership | 70 |
| Work health and safety and injury management | 71 |
| Digital foundations | 72 |
| State Records Office | 72 |

Agency Capability Review

The State Government introduced the Agency Capability Framework and the ACR as a fit for purpose approach to public sector improvement through the assessment of agency capability.

The DLGSC was selected by the PSC to participate in the ACR program from June 2022 to March 2023. In late April 2023, the PSC released DLGSC's ACR Executive Summary Report. It identified three specific lines of inquiry:

- asset management – securing economic investment and reducing risk levels
- strategic policy and service improvement – ensuring collective State outcomes through grant investment
- results – an outcome-focused approach and managing for efficiency.

Prior to the release of the Executive Summary, DLGSC had started working towards maturing our capability. This included, but is not limited to:

- establishing a business improvement function
- progress in implementing the PCRC recommendations
- finalising our Corporate Executive structure to increase our strategic focus
- further progress on the Aboriginal Cultural Centre, thereby strengthening our commitment to working with Aboriginal people and their communities.

We continue to prioritise key improvement initiatives, such as our audit reform, grants program of work, and the project to commence development of the next DLGSC Strategic Plan. This will allow DLGSC to continue on its maturity journey.

Audit

Improving DLGSC's audit performance has continued to be a key priority during 2022-23, with a strong focus on addressing external and internal audit findings from prior years as well as undertaking new internal audits.

There has been a continued focus on furthering a positive audit culture within DLGSC. This has included audit briefing sessions for staff and the Governance and Risk branch supporting business areas to engage with the Office of the Auditor General (OAG) and internal auditors.

Improvements in DLGSC's financial and information systems controls is evidenced by the OAG Audit 2022-23 outcomes with two of the qualifications from the prior year removed.

Governance and leadership

To enable DLGSC to operate effectively, a new permanent Corporate Executive structure with reviewed classification of Senior Executive Service (SES) positions was implemented in September 2022.

The leadership is focussed on renewal and forward planning. Our new Corporate Executive members have varied experience in both central and line agencies, with the changes resulting in a more strategic approach to engagement across government.

To further strengthen DLGSC's corporate governance, three new Corporate Executive sub committees were established in 2022-23:

- The Corporate Policy Committee directs and coordinates the development, management, implementation and evaluation of corporate policies and associated frameworks, procedures and guidelines.
- The Corporate Work Health and Safety Committee aims to ensure the department complies with its health and safety duties by providing leadership and oversight of work health and safety matters.
- The Workforce Committee considers workforce matters and progresses initiatives to improve the employee experience, to deliver the best standard of service to DLGSC stakeholders. To support this Committee, two staff consultative groups have been established: the Workforce Engagement Consultative Group and the Workforce Capability Consultative Group.

Our work will continue in 2023-24 to improve internal governance, including a review of existing committees.

Work health and safety and injury management

The DLGSC is committed to providing a healthy and safe work environment for all staff, contractors and visitors. The *Work Health and Safety Act 2020* provides the framework to protect the health, safety and welfare of all workers and those that may be affected by our work.

The DLGSC hosted 28 recreation-specific training events, with 192 staff participating in nationally or industry-recognised courses. Participants in fire training courses included internal staff and on-site catering personnel.

The DLGSC held mandatory Work Health and Safety (WHS) fundamentals awareness training online regarding the updated WHS legislation, duty holders, consultation and communication, incident reporting and investigation. In 2022-23, several strategies were implemented that, with time and focus, will mature DLGSC to establish a best

practice safety management system, inclusive of, and not limited to:

- A reinvigorated WHS Consultative Committee. As the mechanism for consultation on WHS matters, the committee discusses and resolves WHS issues and reviews relevant policies, procedures and safety systems.
- A WHS Gap Analysis was undertaken to assess DLGSC's capability, maturity and compliance with the WHS Act and regulations.
- The establishment of a Corporate WHS Committee, a sub-committee of Corporate Executive, to lead and oversee the implementation of the WHS Gap Analysis recommendations.
- Increased resourcing of the WHS function to widen capacity and capability.
- The development and circulation of a WHS Commitment Statement.

| Measures | Results - Base year ⁽¹⁾ | Results - Prior year | Results - Current reporting year | Targets | Comments about targets |
|--|------------------------------------|----------------------|----------------------------------|--------------------------------------|------------------------|
| | 2020-21 | 2021-22 | 2022-23 | | |
| Number of fatalities | 0 | 0 | 0 | 0 | Target achieved |
| Lost time injury and disease incidence rate | 1.61 | 0.63 | 0.70 ⁽²⁾ | 0 or 10% reduction in incidence rate | Target achieved |
| Lost time injury and disease severity rate | 28% | 33% | 50% ⁽³⁾ | 0 or 10% reduction in severity rate | Target not achieved |
| Percentage of injured workers returned to work (i) within 13 weeks | 100% | 100% | 100% | Greater than or equal to 80% | Target achieved |
| Percentage of injured workers returned to work (ii) within 26 weeks | 100% | 100% | 100% | Greater than or equal to 80% | Target achieved |
| Percentage of managers trained in work health and safety injury management responsibilities, including refresher training within three years | 7.69% | 71% | 66.5% ⁽⁴⁾ | Greater than or equal to 80% | Target not achieved |

Notes

1. The performance reporting examines a three-year trend and, as such, the comparison base year is two years prior to the current reporting year.
2. Four claims were lodged where one day or shift or more was lost from work, with an FTE of 567.25.
3. Lost time injury and disease severity rate was inclusive of two injuries amounting to more than 60 days lost from work, out of four lost time injury claims lodged. The prior year reflected one out of the three lost time injury claims amounting to more than 60 days lost from work.
4. Refresher training is required at least every three years, or sooner if the risk profile of the department or work areas change significantly or when there are legislative changes. With the introduction of the WHS regulations in March 2022, DLGSC staff are required to undertake an updated training module. Therefore the 2022-23 actual considers only training undertaken this financial year and not within a three-year period. Training rates were also impacted due to a new learning and development online platform being implemented.

Digital foundations

The DLGSC has made considerable progress in strengthening its cyber security, improving ICT governance, policies and procedures and stabilising its legacy systems and applications over the past year. We continued the investment in building our digital capabilities, laying a solid foundation to meet the digital requirements of service delivery arms and the increasing public expectations around digital access.

Whether it is the digitisation of the State's cultural assets, storage of collections, streaming digital content at hybrid events, providing secure public-facing services in the Sport and Recreation portfolio, managing licensing or grant applications or collaboration and data sharing with local government and other agencies – the future for DLGSC is increasingly digital.

Three significant projects were initiated in 2022-23:

- the procurement of a central registration system to manage dog and cat registrations across 139 local governments
- a new racing, gaming and liquor licensing system to increase access to the system, support streamlined lodgment and approvals as well as integrating seamlessly with regulatory partners
- implementation of a new infrastructure asset maintenance system.

State Records Office

Established under the *State Records Act 2000*, the SRO is part of DLGSC and supports the State Records Commission in its statutory role under the Act.

The SRO seeks to achieve a secure and discoverable record of government that is valued by our community and used to create a legacy for Western Australians.

The SRO supports a wide range of clients, including researchers, writers and other artists, using State archives. Support is provided through a joint service operated with the State Library of WA and AHRS, based at the Alexander Library in the Perth Cultural Centre. This joint approach ensures the State archives collection is accessible seven days a week during State Library open hours. The SRO also provides a digitisation on-demand service for remote access to the collection.

The SRO facilitates several working groups and communities of practice to support continuous improvement of information management across government. These include the Information Classification Working Group and Community of Practice to support implementation of the WA Government Information Classification Policy. A new Information Management Hub was also launched to facilitate the sharing of information and experience across government.

The new Strategic Plan for the SRO 2023–2026 gives priority to establishing meaningful and ongoing engagement with Aboriginal people to facilitate access and use of State archives. State records and archives are critical sources of information for the essential and unfinished business of reconciliation with Aboriginal people across Australia. The archives shine a powerful light on the extraordinary determination and courage of Aboriginal people to protect their rights and preserve their connection to Country through the oldest continuous culture in the world.



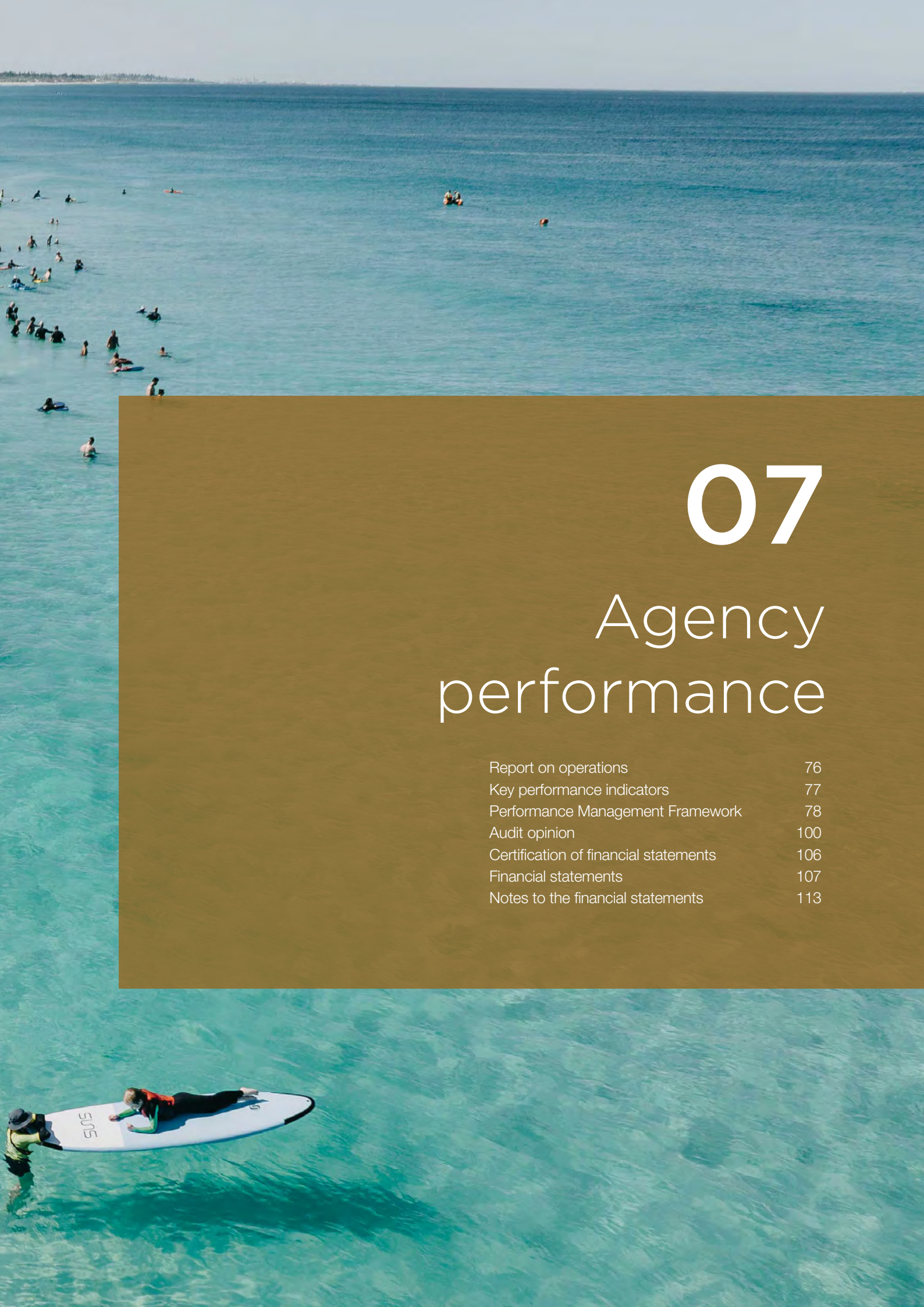
dowell/Getty Images



C. Y. O'Connor. Source State Library of Western Australia - 090783PD



Ocean Heroes free event, Trigg Beach, Western Australia, January 2023.
Photo by Daniel de Giosa, DG Imagery



07

Agency performance

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Report on operations

2022-23

Actual results versus budget targets

| | 2022-23 Target ⁽¹⁾ | 2022-23 Actual | Variation ⁽²⁾ | |
|-----------------------|----------------------------------|-------------------|--------------------------|-----|
| | \$'000 | \$'000 | \$'000 | |
| Total Cost of Service | 401,825 | 314,987 | (86,838) | (a) |
| Net Cost of Services | 368,536 | 279,784 | (88,752) | (a) |
| Total Equity | 474,708 | 622,602 | 147,894 | (a) |
| Salary Expense Level | 46,467 | 61,333 | 14,866 | (b) |

(1) The 2022-23 Financial Targets reflect the financial targets in 2022-23 Resource Agreement.

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

(a) The 2022-23 Actual is lower than the Target, predominantly related to the reflow of capital-based grants due to building industry pressures.

(b) The 2022-23 Actual was higher than the Target, primarily due to increases to the Public Sector Wages Policy, and additional staffing approved during the 2022-23 financial year to meet various Government commitments.

| Working Cash Targets | 2022-23 Target ⁽¹⁾ | 2022-23 Actual | Variation ⁽²⁾ | |
|----------------------|----------------------------------|-------------------|--------------------------|-----|
| | \$'000 | \$'000 | \$'000 | |
| Working Cash Limit | 19,542 | 15,183 | 4,359 | (c) |

(c) the working cash limit is below target, predominantly related to the reflow of capital-based grants due to building industry pressures.

Key performance indicators

Certification of key performance indicators

The Department of Local Government, Sport and Cultural Industries for the year ended 30 June 2023

I hereby certify that the key performance indicators are based on proper records, are relevant and appropriate for assisting users to assess the Agency's performance, and fairly represent the performance of the Agency for the financial year ended 30 June 2023.



Lanie Chopping

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

15 September 2023

Performance Management Framework

The below table illustrates the relationship between DLGSC's services, the desired outcomes and the relevant government goal. The DLGSC's key effectiveness indicators help to determine whether DLGSC's desired outcome has been achieved through service delivery. The key efficiency indicators monitor the relationship between the services delivered and the resources used to provide the service.

| Government Goal | Desired Outcome | Service |
|--|--|--|
| Strong Communities: Supporting our local and regional communities to thrive. | Outcome 1 – A sustainable arts and culture sector that facilitates attendance and participation in arts and cultural activity. | Service 1 – Cultural and Arts Industry Support. |
| Investing in WA's Future: Tackling climate action and supporting the arts, culture and sporting sectors to promote vibrant communities. | Outcome 2 – Local governments are supported to meet legislative requirements of the Local Government Act. | Service 2 – Regulation and support of local government. |
| | Outcome 3 – Efficient and effective asset and infrastructure support services to client agencies. | Service 3 – Asset and infrastructure support services to client agencies.* |
| | Outcome 4 – Gambling and liquor industries operate responsibly in accordance with legislation. | Service 4 – Regulation of the Gambling and Liquor Industries. |
| | Outcome 5 – A strong sport and recreation sector that facilitates participation. | Service 5 – Sport and recreation industry support. |

* Effectiveness and efficiency indicators are not reported for this outcome as it relates to the services provided by DLGSC to support the outcome and activities of the client agencies. An exemption from the requirements of Treasurer's Instruction 904(2)(iv) Key Performance Indicators, has been provided by the Under Treasurer.

Outcome 1: A sustainable arts and cultural sector that facilitates attendance and participation in arts and cultural activity.

Effectiveness KPI 1.1: 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 (NPAPF 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 NPAPF 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

| 2019-2020 | 2020-2021 | 2021-2022 | 2022-2023 Target | 2022-2023 Actual* | Variance |
|-----------|-----------|-----------|------------------|-------------------|----------|
| 1:4.5 | 1:4.7 | 1:3.7 | 1:3.4 | 1:3.3 | -3% |

Analysis

The 2022-2023 Actual leverage ratio is slightly below the 2022-2023 Target (under 5% Variance).



Puppets in the City, Spare Parts Puppet Theatre, Forrest Place, Perth CBD, April 2023.

Effectiveness KPI 1.2: Percentage of Western Australians attending or participating in arts and cultural activity.¹

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 arts and culture 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 arts and culture 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?'

In 2023, 22,994 online panellists from Thinkfield were invited to complete an online survey, and 1,392 responses were received. This represents a sampling error of +/- 2.6 % at the 95 % confidence interval.

Performance

| 2019-2020 | 2020-2021 | 2021-2022 | 2022-2023 Target | 2022-2023 Actual* | Variance |
|-----------|-----------|-----------|------------------|-------------------|----------|
| 74% | 73% | 74% | 73% | 78% | 5% |

Analysis

In 2023, 78% of Western Australians attended or participated in an arts or cultural activity in the past 12 months, an increase of 5% from the 2022-2023 Target, and 4% from the 2021-2022 Actual. The increased attendance in 2022-2023 reflects a post COVID-19 recovery, with attendance rates approaching pre-pandemic levels.

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

Effectiveness KPI 1.3: 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
- 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.

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 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 five 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 2022-2023, a sample drawn from a list of 1,893 stakeholders was surveyed. The distribution of the sample was consistent with OMI's stakeholders as follows:

| | |
|---------------------------------------|----------------|
| Community organisation | 34.16% |
| Another type of non-government | 15.22% |
| State Government agency | 15.58% |
| OMI grants applicant | 12.16% |
| Individual/Business | 14.70% |
| Local government | 4.19% |
| Australian Government agency | 1.04% |
| Consulate | 2.95% |
| Total | 100.00% |

Emails were sent to all 1,893 stakeholders with the final sample of 352 responses gained via email (298) and telephone (54). The overall response rate was around 19%. 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 +4.7% 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

| 2019-2020 | 2020-2021 | 2021-2022 | 2022-2023 Target | 2022-2023 Actual | Variance |
|-----------|-----------|-----------|------------------|------------------|----------|
| 90% | 94% | 91% | 80% | 94% | 14% |

Analysis

The 2022-2023 Actual result of 94% was higher than the 2022-2023 Target of 80% and represents a 3% increase in stakeholder satisfaction from the 2021-2022. The stability in overall performance outcomes year to year is indicative of OMI's commitment to fulfilling its role in assisting the Western Australian Government to achieve the full potential of multiculturalism. OMI's values of diversity, respect, fairness, integrity, collaboration, leadership, and excellence are reflected in the responses provided by its stakeholders and the portfolio's efficient and effective engagement strategy.



Ngurra Kutjuwarra (On Country, Together), Warlayirti Artists Aboriginal Corporation, Great Sandy Desert, WA 2021. Photo by Lucinda White



Outcome 2: Local governments are supported to meet legislative requirements of the Local Government Act.

Effectiveness KPI 2.1: Percentage of local governments where actions were taken in support of compliance with the legislative framework.²

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 the 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.

What we measure

This indicator measures the percentage of local governments that had actions taken by DLGSC in the financial year. Maintained performance is demonstrated by a result equal or above the target.

How we measure

This indicator shows the percentage of local governments that had action taken against their elected members or employees under that framework in the financial year.

The 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.

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

Performance

| 2019-2020 | 2020-2021 | 2021-2022 | 2022-2023 Target | 2022-2023 Actual | Variance |
|-----------|-----------|-----------|------------------|------------------|----------|
| N/A | 22% | 31% | 20% | 34% | 14% |

*As a more pro-active approach is undertaken to working with Local Governments in 2022-23, the actual now incorporates actions taken by DLGSC in support and engagement activities, in addition to serious breaches.

Analysis

A total of 47 local governments (out of a total of 137) had action taken by DLGSC under the framework in 2022-2023. The DLGSC undertakes an early intervention approach to proactively target and engage with local governments at risk of non-compliance. As a result of this proactive early intervention, a greater number of actions were taken in 2022-2023 than initially targeted.



Jacobs Stock Photography Ltd/Getty Images

Outcome 4: Gambling and liquor industries operate responsibly in accordance with legislation.

Effectiveness KPI 4.1: 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

| 2019-2020 | 2020-2021 | 2021-2022 | 2022-2023 Target | 2022-2023 Actual | Variance |
|-----------|-----------|-----------|------------------|------------------|----------|
| 98% | 96% | 99% | 95% | 97% | 2% |

Analysis

2022-2023 Actual compliance is higher than the 2022-2023 target, 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, breach of the Act or issues with the standard of licensed premises.

Outcome 5: A strong sport and recreation sector that facilitates participation

Effectiveness KPI 5.1: percentage of Western Australians 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
- information and resources.

This support ultimately impacts 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

Whilst not directly responsible for organised sport and active recreation participation rates, DLGSC uses this measure as an indicator of 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 2022 to December 2022, published 28 April 2023. Refer to Table 3.

Performance

| 2019-2020 | 2020-2021 | 2021-2022 | 2022-2023 Target | 2022-2023 Actual | Variance |
|-----------|-----------|-----------|------------------|------------------|----------|
| 63% | 64% | 64% | 56% | 63% | 7% |

Analysis

In 2022, 63% of Western Australian adults (aged 15 years and over) were involved in organised sport and active recreation, a 7% 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, and remained stable at around 63-64% since 2019, a strong indicator that the Western Australian sport and recreation system is supporting the provision of participation opportunities for Western Australians.



DLGSC regional staff

Service 1. Cultural and Arts industry support

Efficiency KPI 1.1: 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.³

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

| 2019-2020 | 2020-2021 | 2021-2022 | 2022-2023 Target | 2022-2023 Actual | Variance |
|-----------|-----------|-----------|------------------|------------------|----------|
| N/A | 5% | 4% | 5% | 4% | -1% |

Analysis

The 2022-2023 Actual percentage (4%) was slightly below the 2022-2023 Target (5%).

³ 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 1.2: 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

| 2019-2020 | 2020-2021 | 2021-2022 | 2022-2023 Target | 2022-2023 Actual | Variance |
|-----------|-----------|-----------|------------------|------------------|----------|
| \$90,958 | \$102,618 | \$113,143 | \$118,720 | \$172,174 | \$53,454 |

Analysis

The 2022-2023 Actual is higher than the 2022-2023 Target (45%) due to the administration of donations made by the State Government to international crises in Myanmar, Sri Lanka and Turkey-Syria.

Service 2. Regulation and support of local government

Efficiency KPI 2.1: 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.

Performance

| 2019-2020 | 2020-2021 | 2021-2022 | 2022-2023 Target | 2022-2023 Actual | Variance |
|-----------|-----------|-----------|------------------|------------------|----------|
| \$99,795 | \$74,655 | \$75,201 | \$80,657 | \$119,780 | \$39,123 |

Analysis

The 2022-2023 Actual is greater than the 2022-2023 Target (49%) mostly due to underspent expenditure in 2021-2022 (as a result of tight labour market in 2021-22 resulting in delays in procurement) being carried over into 2022-2023 for regulatory reform for local government and stop puppy farming initiatives as part of the Mid-Year Review budget process.

Service 4. Regulation of the gambling and liquor industries

Efficiency Measure 4.1: 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

| 2019-2020 | 2020-2021 | 2021-2022 | 2022-2023 Target | 2022-2023 Actual | Variance |
|-----------|-----------|-----------|------------------|------------------|----------|
| \$680 | \$938 | \$1,442 | \$1,456 | \$1,495 | \$39 |

Analysis

The 2022-2023 Actual is slightly greater than the 2022-2023 Target (2%) mostly due to additional funding to implement the legislative, regulatory and governance responses to the Perth Casino Royal Commission final report recommendations as part of the Mid-Year Review budget process. This is offset by an increase in the number of inspections conducted in 2022-2023. The increase in inspections conducted was due to an increase in inspectorate resources and a focus in the area of Casino regulation. The inspectorate continued to focus on the compliance program at the Casino conducting audits and inspections across control areas relating to casino operations, electronic gaming machines, casino revenue and tax.

Efficiency Measure 4.2: 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

| 2019-2020 | 2020-2021 | 2021-2022 | 2022-2023 Target | 2022-2023 Actual | Variance |
|-----------|-----------|-----------|------------------|------------------|----------|
| \$437 | \$413 | \$624 | \$728 | \$948 | \$220 |

Analysis

The 2022-2023 Actual is greater than the 2022-2023 Target (30%) mostly due to additional funding to implement the legislative, regulatory and governance responses to the Perth Casino Royal Commission final report recommendations as part of the Mid-Year Review budget process.

Service 5. Sport and recreation industry support

Efficiency Measure 5.1: Average cost of providing support services to sector/funded organisations⁴

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
- 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
- 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 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.

** 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.

⁴ The revised Outcome Based Management framework was implemented in 2020-21.

Performance

| 2019-2020 | 2020-2021 | 2021-2022 | 2022-2023 Target | 2022-2023 Actual | Variance |
|-----------|-----------|-----------|------------------|------------------|----------|
| N/A | \$7,712 | \$6,991 | \$9,953 | \$12,399 | \$2,446 |

Analysis

The increase in the 2022-2023 Actual compared to the 2022-2023 Target is primarily due to COVID recovery and relief funding grants being finalised reflecting a post COVID-19 environment, and additional employee expenses related to the new public sector wages policy.

Efficiency Measure 5.2: Grants operations expense as a percentage of direct grants approved⁵

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
- 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
- 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.

⁵ The revised Outcome Based Management framework was implemented in 2020-21.

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.

Performance

| 2019-2020 | 2020-2021 | 2021-2022 | 2022-2023 Target | 2022-2023 Actual | Variance |
|-----------|-----------|-----------|------------------|------------------|----------|
| N/A | 1% | 1% | 1% | 2% | 1% |

Analysis

The 2022-2023 Actual percentage (2%) is slightly above the 2022-2023 Target (1%).

Efficiency Measure 5.3: Average Cost per recreation camp experience⁶

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.

⁶ The revised Outcome Based Management framework was implemented in 2020-21.

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.

Performance

| 2019-2020 | 2020-2021 | 2021-2022 | 2022-2023 Target | 2022-2023 Actual | Variance |
|-----------|-----------|-----------|------------------|------------------|----------|
| N/A | \$42 | \$61 | \$47 | \$51 | \$4 |

Analysis

The slight variation to the unit cost between 2022-2023 Actual and 2022-2023 Budget is mostly due to increased support to meet the increased focus on returning Camp activity to post COVID-19 levels.



Audit opinion



Auditor General

INDEPENDENT AUDITOR'S REPORT

2023

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 was unable to obtain sufficient and appropriate audit evidence for Taxation – Casino Tax, as adequate internal controls have not been established to ensure all administered casino tax revenue of \$56.2 million (2022: \$49.225 million) were accurately accounted for. I could not confirm Taxation – Casino Tax by alternative means. Consequently, I am unable to determine whether any adjustments were necessary to Administered Schedule – Income from administered items and related disclosures in the financial statements.

Opinion

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

- the Statement of Financial Position at 30 June 2023, 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 2023, 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 2023 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.

Emphasis of Matter – Special Purpose Account Overdrawn

I draw attention to Note 9.7 to the financial report which states the Department has breached section 19 of the *Financial Management Act 2006* by overdrawing the Sunset Heritage Trust Account prior to seeking approval by the Treasurer. My opinion is not modified in respect to this matter.

Responsibilities of the Director General for the financial statements

The Director General is responsible for:

- keeping proper accounts
- preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards, the *Financial Management Act 2006* and the Treasurer's Instructions
- such internal control as 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 misstatements, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists.

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

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

Report on the audit of controls

Basis for Qualified Opinion

I identified the following significant weaknesses in controls:

- in the design and implementation of controls over the completeness and accuracy of revenue, specific to the administered revenue, Taxation – Casino Tax. Consequently, 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 throughout 2022-23.
- in the payroll system, processes and leave management controls as designed and implemented by the Department. These weaknesses could increase the risk of salary errors such as overpayments, payments to individuals who are not entitled to receive payment and overstated leave balances or fraudulent payments. Consequently, controls to prevent invalid and inaccurate payroll payments were inadequate throughout 2022-23.
- in the design and implementation of controls over grants and subsidies expenditure. These weaknesses resulted in inconsistent grant administration that increase the risk of error in the expenditure of moneys in accordance with legislative provisions or fraudulent payments. Consequently, controls to prevent invalid and inaccurate grant payments were inadequate throughout 2022-23.
- in the design and implementation of controls over the approval of payments from the Sunset Heritage Trust special purpose account. Payments continued to be made resulting in this account being overdrawn without the prior approval of the Treasurer as required by the *Financial Management Act 2006*. Consequently, controls to ensure that payments made from this special purpose account are appropriately approved in line with legislative requirements were inadequate throughout 2022-23.

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 the State's financial reporting framework (the overall control objectives).

In my opinion, except for the possible effects of the three 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 the State's financial reporting framework during the year ended 30 June 2023.

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 Engagement 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 2023. 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 2023.

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 controls 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 management relating to the report on financial statements, 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 ASQM 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements*, the Office of the Auditor General maintains a comprehensive system of quality management 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 2023, 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

The 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 2023 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
18 September 2023

Certification of financial statements

Department of Local Government, Sport and Cultural Industries For the year ended 30 June 2023

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 2023 and the financial position as at 30 June 2023.

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.



Ludisha Kalasopatan

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

15 September 2023



Lanie Chopping

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

15 September 2023

Financial statements

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

For the year ended 30 June 2023

| | Notes | 2023 \$'000 | 2022 \$'000 |
|--|---------------|----------------|-----------------|
| COST OF SERVICES | | | |
| Expenses | | | |
| Employee benefits expenses | 3.1(a) | 69,238 | 49,921 |
| Supplies and services | 3.3 | 35,356 | 27,812 |
| Depreciation and amortisation expenses | 5.1, 5.2, 5.3 | 6,111 | 5,579 |
| Finance costs | 7.2 | 9 | 13 |
| Accommodation expenses | 3.3 | 17,064 | 14,285 |
| Grants and subsidies | 3.2 | 172,260 | 192,025 |
| Finance lease derecognition | 3.3 | 1,209 | 5,468 |
| Other expenses | 3.3 | 13,740 | 5,600 |
| Total cost of services | | 314,987 | 300,703 |
| Income | | | |
| User charges and fees | 4.2 | 13,050 | 6,683 |
| Sponsorship | | 40 | 61 |
| Commonwealth grants | 4.3 | 16,551 | 13,319 |
| Other income | 4.4 | 5,562 | 16,395 |
| Total income | | 35,203 | 36,458 |
| NET COST OF SERVICES | | 279,784 | 264,245 |
| Income from State Government | | | |
| Service appropriation | 4.1 | 289,298 | 220,156 |
| Income from other public sector entities | 4.1 | 6,191 | 7,520 |
| Resources received | 4.1 | 1,389 | 1,919 |
| Royalties for Regions Fund | 4.1 | 13,929 | 17,465 |
| Total income from State Government | | 310,807 | 247,060 |
| SURPLUS/(DEFICIT) FOR THE PERIOD | | 31,023 | (17,185) |
| OTHER COMPREHENSIVE INCOME | | | |
| Items not reclassified subsequently to profit or loss | | | |
| Changes in asset revaluation surplus | 9.9 | 17,802 | 10,604 |
| Total other comprehensive income | | 17,802 | 10,604 |
| TOTAL COMPREHENSIVE INCOME FOR THE PERIOD | | 48,825 | (6,581) |

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

Department of Local Government, Sport and Cultural Industries

Statement of Financial Position

As at 30 June 2023

| | Notes | 2023 \$'000 | 2022 \$'000 |
|--------------------------------------|--------|----------------|----------------|
| ASSETS | | | |
| Current assets | | | |
| Cash and cash equivalents | 7.3 | 149,616 | 135,336 |
| Restricted cash and cash equivalents | 7.3 | 42,781 | 39,894 |
| Receivables | 6.1 | 5,667 | 6,155 |
| Amounts receivable for services | 6.2 | 160 | 160 |
| Other current assets | 6.3 | 2,229 | 1,100 |
| Total current assets | | 200,453 | 182,645 |
| Non-current assets | | | |
| Restricted cash and cash equivalents | 7.3 | 1,567 | 1,050 |
| Amounts receivable for services | 6.2 | 70,063 | 57,571 |
| Property, plant and equipment | 5.1 | 379,540 | 337,316 |
| Right-of-use assets | 5.2 | 215 | 465 |
| Intangible assets | 5.3 | - | - |
| Other non-current assets | 6.3 | - | 1 |
| Total non-current assets | | 451,385 | 396,403 |
| TOTAL ASSETS | | 651,838 | 579,048 |
| LIABILITIES | | | |
| Current liabilities | | | |
| Payables | 6.4 | 9,400 | 14,477 |
| Contract liabilities | 6.5 | 1,239 | 1,665 |
| Employee related provisions | 3.1(b) | 13,839 | 10,304 |
| Lease liabilities | 7.1 | 112 | 180 |
| Other current liabilities | 6.6 | 1,770 | 1,523 |
| Total current liabilities | | 26,360 | 28,149 |
| Non-current liabilities | | | |
| Employee related provisions | 3.1(b) | 2,758 | 1,940 |
| Lease liabilities | 7.1 | 118 | 295 |
| Total non-current liabilities | | 2,876 | 2,235 |
| TOTAL LIABILITIES | | 29,236 | 30,384 |
| NET ASSETS | | 622,602 | 548,664 |
| EQUITY | | | |
| Contributed equity | 9.9 | 712,061 | 686,948 |
| Reserves | 9.9 | 28,406 | 10,604 |
| Accumulated deficit | 9.9 | (117,865) | (148,888) |
| TOTAL EQUITY | | 622,602 | 548,664 |

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

Department of Local Government, Sport and Cultural Industries

Statement of Changes in Equity

For the year ended 30 June 2023

| | Notes | Contributed equity \$'000 | Reserves \$'000 | Accumulated surplus / (deficit) \$'000 | Total equity \$'000 |
|---|-------|------------------------------|--------------------|--|------------------------|
| Balance at 1 July 2021 | | 650,723 | - | (131,703) | 519,020 |
| Deficit | | - | - | (17,185) | (17,185) |
| Other comprehensive income | | - | 10,604 | - | 10,604 |
| Total comprehensive income for the period | | - | 10,604 | (17,185) | (6,581) |
| Transactions with owners in their capacity as owners: | 9.9 | | | | |
| Capital appropriation | | 22,981 | - | - | 22,981 |
| Other contributions by owners | | 14,181 | - | - | 14,181 |
| Distributions to owners | | (937) | - | - | (937) |
| Total | | 36,225 | - | - | 36,225 |
| Balance at 30 June 2022 | | 686,948 | 10,604 | (148,888) | 548,664 |
| Balance at 1 July 2022 | | 686,948 | 10,604 | (148,888) | 548,664 |
| Surplus | | - | - | 31,023 | 31,023 |
| Other comprehensive income | | - | 17,802 | - | 17,802 |
| Total comprehensive income for the period | | - | 17,802 | 31,023 | 48,825 |
| Transactions with owners in their capacity as owners: | 9.9 | | | | |
| Capital appropriation | | 40,304 | - | - | 40,304 |
| Refund of 2022 capital appropriations to Treasury | | (1,886) | - | - | (1,886) |
| Other contributions by owners | | 305 | - | - | 305 |
| Distributions to owners | | (13,610) | - | - | (13,610) |
| Total | | 25,113 | - | - | 25,113 |
| Balance at 30 June 2023 | | 712,061 | 28,406 | (117,865) | 622,602 |

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 2023

| | Notes | 2023 \$'000 | 2022 \$'000 |
|---|-------|------------------|------------------|
| CASH FLOWS FROM STATE GOVERNMENT | | | |
| Service appropriation | | 276,646 | 207,202 |
| Capital appropriation | | 38,418 | 22,981 |
| Holding account drawdown | | 160 | 160 |
| Funds from other public sector entities | | 6,191 | 7,520 |
| Royalties for Regions Fund | | 13,775 | 16,214 |
| Net cash provided by State Government | | 335,190 | 254,077 |
| <i>Utilised as follows:</i> | | | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Payments | | | |
| Employee benefits | | (64,584) | (50,303) |
| Supplies and services | | (29,200) | (25,715) |
| Accommodation | | (16,002) | (12,936) |
| Grants and subsidies | | (177,117) | (183,499) |
| GST payments on purchases | | (24,190) | (21,927) |
| Other payments | | (16,757) | (3,035) |
| Receipts | | | |
| Sale of goods and services | | - | 3 |
| User charges and fees | | 13,035 | 7,442 |
| Commonwealth grants | | 16,551 | 13,319 |
| GST receipts on sales | | 1,547 | 1,278 |
| GST receipts from taxation authority | | 22,684 | 20,452 |
| Other receipts | | 5,025 | 5,566 |
| Net cash used in operating activities | 7.3.2 | (269,008) | (249,355) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Payments | | | |
| Purchase of non-current assets | | (48,498) | (32,854) |
| Net cash used in investing activities | | (48,498) | (32,854) |
| <hr/> | | | |
| Net increase/(decrease) in cash and cash equivalents | | 17,684 | (28,132) |
| Cash and cash equivalents at the beginning of the period | | 176,280 | 204,412 |
| CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD | 7.3.1 | 193,964 | 176,280 |

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

Administered Schedules

For the year ended 30 June 2023

Administered income and expenses by service

| | Compliance Audits and Inspections | | Building Capacity and Participation | | Regulation and Support of Local Government | | Total | |
|--|-----------------------------------|----------------|-------------------------------------|----------------|--|----------------|----------------|----------------|
| | 2023 \$'000 | 2022 \$'000 | 2023 \$'000 | 2022 \$'000 | 2023 \$'000 | 2022 \$'000 | 2023 \$'000 | 2022 \$'000 |
| Income from administered items | | | | | | | | |
| Income | | | | | | | | |
| For transfer: | | | | | | | | |
| Appropriation | 55,965 | 41,156 | 956 | 860 | 156 | 42,539 | 57,077 | 84,555 |
| Taxation - Casino Tax | 56,200 | 49,225 | - | - | - | - | 56,200 | 49,225 |
| Other revenue | - | - | - | - | 16 | 39 | 16 | 39 |
| Total administered income | 112,165 | 90,381 | 956 | 860 | 172 | 42,578 | 113,293 | 133,819 |
| Expenses | | | | | | | | |
| Supplies and services | | | | | | | | |
| Grants to Combat Sports Commission | - | - | 956 | 945 | - | - | 956 | 945 |
| Grants to Charitable and Other Public Bodies | | | | | | | | |
| Grants to Individuals Problem Gambling | 500 | 500 | - | - | - | - | 500 | 500 |
| Lotterywest COVID-19 Relief Fund - Sport and Recreation Grants | - | - | - | - | 5 | - | 5 | - |
| Regional Cemetery Boards | - | - | - | - | 156 | - | 156 | - |
| Small Business Lockdown Assistance Grants Program | - | - | - | - | 1,196 | 32,563 | 1,196 | 32,563 |
| Small Business Cyclone Seroja Assistance Grants Scheme | - | - | - | - | - | 150 | - | 150 |
| Small Business COVID Top-up | - | - | - | - | 866 | - | 866 | - |
| Refund of 2022 appropriation to Treasury | 4,512 | - | - | - | - | - | 4,512 | - |
| Subsidies and Concessions | | | | | | | | |
| Subsidies to gambling and betting agencies and bookmakers | 60,532 | 35,079 | - | - | - | - | 60,532 | 35,079 |
| Supplementary funding to Gaming and Wagering Commission | 1,800 | - | - | - | - | - | 1,800 | - |
| Transfer payments ^(a) | 55,923 | 48,769 | - | - | - | - | 55,923 | 48,769 |
| Write off - Rugby WA Treasurer's Advance | - | - | - | 1,015 | - | - | - | 1,015 |
| Total administered expenses | 123,267 | 84,348 | 956 | 1,960 | 2,223 | 32,713 | 126,446 | 119,021 |

(a) Transfer payments represent the transfer of non-retainable regulatory fees to the Consolidated Account.

Administered Schedules

For the year ended 30 June 2023

Administered assets and liabilities

| | 2023 \$'000 | 2022 \$'000 |
|---------------------------------------|----------------|----------------|
| Assets | | |
| Cash and cash equivalents | 8,515 | 21,951 |
| Receivables | 4,608 | 4,331 |
| Total administered assets | 13,123 | 26,282 |
| Liabilities | | |
| Payables | - | 6 |
| Total administered liabilities | - | 6 |

Notes to the financial statements

For the year ended 30 June 2023

1 – Basis of preparation

The 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 the accountable authority of the DLGSC on 15 September 2023.

Statement of compliance

These general purpose financial statements are prepared in accordance with:

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

The FMA and TIs take precedence over AAS. Several AAS 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 DLGSC 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 2023

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 2023

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 enable dynamic and inclusive communities and support the Western Australian economy. DLGSC is predominantly funded by Parliamentary appropriations.

Services

DLGSC provides the following services:

- Service 1: Culture and Arts Industry Support**
 Supporting the delivery of arts and culture 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: Office of the Independent Monitor (Oversight of Burswood Casino Remediation)**
 The Casino Legislation (Burswood Casino) Amendment Act 2022 established the Office of the Independent Monitor to oversee remediation at the Perth Casino.
- Service 6: Sport and Recreation Industry 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 2023

2.2 Schedule of income and expenses 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 | | Office of the Independent Monitor | | Sport and Recreation Industry Support | | Total | |
|---|-----------------------------------|----------------|--|----------------|--|----------------|--|----------------|-----------------------------------|----------------|---------------------------------------|----------------|----------------|-----------------|
| | 2023 \$'000 | 2022 \$'000 | 2023 \$'000 | 2022 \$'000 | 2023 \$'000 | 2022 \$'000 | 2023 \$'000 | 2022 \$'000 | 2023 \$'000 | 2022 \$'000 | 2023 \$'000 | 2022 \$'000 | 2023 \$'000 | 2022 \$'000 |
| COST OF SERVICES | | | | | | | | | | | | | | |
| Expenses | | | | | | | | | | | | | | |
| Employee benefits expenses | 12,446 | 11,019 | 10,182 | 6,698 | 5,392 | 2,763 | 18,657 | 12,259 | 770 | - | 21,791 | 17,182 | 69,238 | 49,921 |
| Supplies and services | 10,350 | 4,868 | 3,781 | 2,855 | 3,847 | 3,797 | 7,884 | 8,003 | 374 | - | 9,120 | 8,289 | 35,356 | 27,812 |
| Depreciation and amortisation expenses | 55 | 57 | 41 | 34 | 4,698 | 4,315 | 79 | 66 | - | - | 1,238 | 1,107 | 6,111 | 5,579 |
| Finance costs | 2 | 3 | 1 | 1 | 1 | 1 | 2 | 3 | - | - | 3 | 5 | 9 | 13 |
| Accommodation expenses | 837 | 987 | 619 | 583 | 11,123 | 8,130 | 1,199 | 1,139 | 57 | - | 3,229 | 3,446 | 17,064 | 14,285 |
| Grants and subsidies | 68,920 | 81,734 | 4,768 | 9,117 | 5,596 | 397 | - | 50 | - | - | 92,976 | 100,727 | 172,260 | 192,025 |
| Finance lease derecognition | - | - | - | - | 1,209 | 5,468 | - | - | - | - | - | - | 1,209 | 5,468 |
| Other expenses | 4,208 | 620 | 1,786 | 3,235 | 706 | 37 | 3,147 | 1,471 | 10 | - | 3,883 | 237 | 13,740 | 5,600 |
| Total cost of services | 96,818 | 99,288 | 21,178 | 22,523 | 32,572 | 24,908 | 30,968 | 22,991 | 1,211 | - | 132,240 | 130,993 | 314,987 | 300,703 |
| Income | | | | | | | | | | | | | | |
| User charges and fees | 9 | 9 | 130 | 125 | 135 | 111 | 7,434 | 3,102 | - | - | 5,342 | 3,336 | 13,050 | 6,683 |
| Sponsorship | 40 | 61 | - | - | - | - | - | - | - | - | - | - | 40 | 61 |
| Commonwealth grants | 383 | 444 | 120 | 171 | 5,200 | 10,933 | 60 | 59 | - | - | 10,788 | 1,712 | 16,551 | 13,319 |
| Other income | 148 | 29 | 171 | 3,223 | 496 | 11,578 | 61 | 1,258 | 1,164 | - | 3,522 | 307 | 5,562 | 16,395 |
| Total income | 580 | 543 | 421 | 3,519 | 5,831 | 22,622 | 7,555 | 4,419 | 1,164 | - | 19,652 | 5,355 | 35,203 | 36,458 |
| NET COST OF SERVICES | 96,238 | 98,745 | 20,757 | 19,004 | 26,741 | 2,286 | 23,413 | 18,572 | 47 | - | 112,588 | 125,638 | 279,784 | 264,245 |
| INCOME FROM STATE GOVERNMENT | | | | | | | | | | | | | | |
| Service appropriation | 102,088 | 81,576 | 17,633 | 11,557 | 22,033 | 4,794 | 19,964 | 11,296 | - | - | 127,580 | 110,933 | 289,298 | 220,156 |
| Income from other public sector entities | 65 | 726 | 49 | 318 | 21 | 150 | 5,940 | 5,366 | - | - | 116 | 960 | 6,191 | 7,520 |
| Resources received | 296 | 109 | 589 | 468 | 33 | 199 | 228 | 963 | 47 | - | 196 | 180 | 1,389 | 1,919 |
| Royalties for Regions Fund | 10,489 | 13,573 | - | - | 140 | 16 | - | - | - | - | 3,300 | 3,876 | 13,929 | 17,465 |
| Total income from State Government | 112,938 | 95,984 | 18,271 | 12,343 | 22,227 | 5,159 | 26,132 | 17,625 | 47 | - | 131,192 | 115,949 | 310,807 | 247,060 |
| SURPLUS/(DEFICIT) FOR THE PERIOD | 16,700 | (2,761) | (2,486) | (6,661) | (4,514) | 2,873 | 2,719 | (947) | - | - | 18,604 | (9,689) | 31,023 | (17,185) |

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 2023

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 | | Office of the Independent Monitor | | Sport and Recreation Industry Support | | Total | |
|--------------------------|-----------------------------------|----------------|--|----------------|--|----------------|--|----------------|-----------------------------------|----------------|---------------------------------------|----------------|----------------|----------------|
| | 2023 \$'000 | 2022 \$'000 | 2023 \$'000 | 2022 \$'000 | 2023 \$'000 | 2022 \$'000 | 2023 \$'000 | 2022 \$'000 | 2023 \$'000 | 2022 \$'000 | 2023 \$'000 | 2022 \$'000 | 2023 \$'000 | 2022 \$'000 |
| Assets | | | | | | | | | | | | | | |
| Current assets | 84,634 | 60,121 | 3,388 | 5,918 | 15,603 | 27,311 | 24,584 | 16,893 | 540 | - | 71,754 | 72,402 | 200,453 | 182,645 |
| Non-current assets | 9,389 | 4,404 | 967 | 226 | 361,705 | 345,989 | 1,846 | 442 | - | - | 77,478 | 45,342 | 451,385 | 396,403 |
| TOTAL ASSETS | 94,023 | 64,525 | 4,305 | 6,144 | 377,308 | 373,300 | 26,430 | 17,335 | 540 | - | 149,232 | 117,744 | 651,838 | 579,048 |
| Liabilities | | | | | | | | | | | | | | |
| Current liabilities | 5,323 | 3,267 | 2,349 | 5,440 | 4,031 | 2,482 | 5,636 | 3,946 | 346 | - | 8,675 | 13,014 | 26,360 | 28,149 |
| Non-current liabilities | 551 | 481 | 420 | 296 | 197 | 92 | 749 | 452 | 83 | - | 876 | 914 | 2,876 | 2,235 |
| TOTAL LIABILITIES | 5,874 | 3,748 | 2,769 | 5,736 | 4,228 | 2,574 | 6,385 | 4,398 | 429 | - | 9,551 | 13,928 | 29,236 | 30,384 |
| NET ASSETS | 88,149 | 60,777 | 1,536 | 408 | 373,080 | 370,726 | 20,045 | 12,937 | 111 | - | 139,681 | 103,816 | 622,602 | 548,664 |

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 2023

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 expenditure | 3.3 |

3.1(a) Employee benefits expenses

| | 2023 \$'000 | 2022 \$'000 |
|--|----------------|----------------|
| Employee benefits | 63,052 | 44,998 |
| Termination benefits | - | 208 |
| Superannuation - defined contributions plans | 6,186 | 4,715 |
| Total employee benefits expenses | 69,238 | 49,921 |
| Add: AASB 16 Non-monetary benefits (not included in employee benefits expense) | 237 | 285 |
| Less: Employee contributions (per the Statement of comprehensive income) | (56) | (92) |
| Net employee benefits | 69,419 | 50,114 |

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 are 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 is the amount recognised in profit or loss of the Statement of comprehensive income and comprises employer contributions paid to the Gold State Superannuation (GSS) (concurrent contributions), the West State Superannuation (WSS), other Government Employees Superannuation Board (GESBs) schemes, 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 are 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 2023

3.1(b) Employee related provisions

| | 2023 \$'000 | 2022 \$'000 |
|--|----------------|----------------|
| Current | | |
| Employee benefits provisions | | |
| Annual leave | 5,837 | 4,172 |
| Long service leave | 6,504 | 5,069 |
| Deferred salary scheme | 55 | 22 |
| | 12,396 | 9,263 |
| Other provisions | | |
| Employment on-costs | 1,443 | 1,041 |
| Total current employee related provisions | 13,839 | 10,304 |
| Non-Current | | |
| Employee benefits provisions | | |
| Long service leave | 2,450 | 1,723 |
| | 2,450 | 1,723 |
| Other provisions | | |
| Employment on-costs | 308 | 217 |
| Total non-current employee related provisions | 2,758 | 1,940 |
| Total employee related provisions | 16,597 | 12,244 |

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 are 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:

| | 2023 \$'000 | 2022 \$'000 |
|---|----------------|----------------|
| Within 12 months of the end of the reporting period | 3,677 | 2,616 |
| More than 12 months after the end of the reporting period | 2,160 | 1,556 |
| | 5,837 | 4,172 |

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 are unconditional long service leave provisions that 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:

| | 2023 \$'000 | 2022 \$'000 |
|---|----------------|----------------|
| Within 12 months of the end of the reporting period | 2,340 | 5,069 |
| More than 12 months after the end of the reporting period | 6,614 | 1,723 |
| | 8,954 | 6,792 |

Notes to the Financial Statements

For the year ended 30 June 2023

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 involve the settlement of annual and long service leave liabilities that 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 DLGSC's 'Employee benefits expenses'. The related liability is included in 'Employment on costs provision'.

| | 2023 \$'000 | 2022 \$'000 |
|---|----------------|----------------|
| Employment on-costs provision | | |
| Carrying amount at start of period | 1,258 | 1,331 |
| Additional/(reversals of) provisions recognised | 493 | (73) |
| Carrying amount at end of period | 1,751 | 1,258 |

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 2023

3.2 Grants and subsidies

| | 2023 \$'000 | 2022 \$'000 |
|---|----------------|----------------|
| Recurrent | | |
| Facilities Grants (Sport and Recreation) | 42,852 | 33,162 |
| Arts Projects and Programs | 20,625 | 29,516 |
| Sports Lotteries Account | 21,066 | 18,137 |
| Arts Lotteries Account | 19,963 | 18,034 |
| Royalties for Regions Fund | 15,311 | 15,264 |
| Getting the Show back on the Road | 4,698 | 12,164 |
| Western Australian Football Commission | 13,507 | 11,767 |
| WACA Ground Redevelopment | - | 10,000 |
| Sports Financial Grants | 8,613 | 8,810 |
| Community Engagement and Funding | 2,646 | 5,834 |
| Small Grants Election Commitments - 2021 | 356 | 5,123 |
| Guide Dogs WA - Breeding and Cadet Program | - | 5,000 |
| CBD Activation Grants | 4,070 | - |
| ScreenWest | 10,371 | 3,117 |
| Alfresco Rebate | - | 2,377 |
| Other Grants | 839 | 881 |
| Capital | | |
| Community Sporting and Recreational Facilities Fund | 7,343 | 12,839 |
| Total grants and subsidies | 172,260 | 192,025 |

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'. These payments or transfers are recognised at fair value at the time of the transaction and are recognised as an expense in the reporting period in which they are paid. 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.

Notes to the Financial Statement

For the year ended 30 June 2023

3.3 Other expenditure

| | 2023 \$'000 | 2022 \$'000 |
|---|----------------|----------------|
| Supplies and services | | |
| Communications | 3,307 | 2,887 |
| Freight and mail services | 77 | 83 |
| Computing and IT related equipment | 1,034 | 772 |
| Labour hire/temporary personnel | 2,083 | 1,588 |
| Professional and administrative services | 15,964 | 9,587 |
| Consultants and contractors | 1,376 | 1,070 |
| Consumables | 1,281 | 997 |
| Repairs and maintenance | 165 | 180 |
| Travel | 619 | 234 |
| Insurance and licenses | 6,722 | 7,796 |
| Operating lease, rental and hire costs | 1,000 | 869 |
| Advertising and promotion | 141 | 175 |
| Portable and attractive equipment | 766 | 654 |
| Minor works and management services | 9 | 85 |
| Other | 812 | 835 |
| Total supplies and services expenses | 35,356 | 27,812 |
| | | |
| | 2023 \$'000 | 2022 \$'000 |
| Accommodation expenses | | |
| Office rental | 6,719 | 6,141 |
| Repairs and maintenance | 9,408 | 6,592 |
| Utilities | 937 | 1,552 |
| Total accommodation expenses | 17,064 | 14,285 |
| | | |
| | 2023 \$'000 | 2022 \$'000 |
| Other expenses | | |
| Audit fees | 968 | 228 |
| Write offs | 8 | - |
| Expected credit losses expense | 8 | - |
| Employment on-costs | 605 | 269 |
| Refund of 2022 appropriation to Treasury ^(a) | 9,948 | 3,085 |
| Donations and sponsorships | 2,195 | 621 |
| Other | 8 | 1,397 |
| Total other expenses | 13,740 | 5,600 |
| | | |
| | 2023 \$'000 | 2022 \$'000 |
| Finance lease derecognition | | |
| New Museum project ^(b) | 1,209 | 5,468 |
| | 1,209 | 5,468 |
| Total other expenditure | 67,369 | 53,165 |

Notes to the Financial Statements

For the year ended 30 June 2023

- (a) Relates to return of 2022 appropriations to Treasury (\$9.935 million).
- (b) 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 maintain records of the owned PP&E assets and include these assets 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.

Office rental is expensed as incurred as Memorandum of Understanding Agreements between the DLGSC and the Department of Finance for the leasing of office accommodation contains significant substitution rights.

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 recognised for movement in allowance for impairment of trade receivables. Please refer to note 6.1.1. Movement in the allowance for impairment of trade receivables for more details.

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.

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

Notes to the Financial Statements

For the year ended 30 June 2023

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 income | 4.4 |

4.1 Income from State Government

| | 2023 \$'000 | 2022 \$'000 |
|---|----------------|----------------|
| Appropriation received during the period | | |
| Service appropriation | 289,298 | 220,156 |
| Total service appropriation received | 289,298 | 220,156 |
| Income received from other public sector entities during the period | | |
| Grants and subsidies from State Government | 6,191 | 7,520 |
| Total income from other public sector entities | 6,191 | 7,520 |
| Resources received from other public sector entities during the period | | |
| Services received free of charge | 1,389 | 1,919 |
| Total resources received | 1,389 | 1,919 |
| Royalties for Regions Fund | | |
| Regional Infrastructure and Headworks Account | 13,929 | 17,465 |
| Total Royalties for Regions Fund | 13,929 | 17,465 |
| Total income from State Government | 310,807 | 247,060 |

Notes to the Financial Statements

For the year ended 30 June 2023

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.

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 is a sub-fund within the over-arching 'Royalties for Regions Fund'. The recurrent funds are committed to projects and programs in WA regional areas and are recognised as income when DLGSC receives the funds.

Notes to the Financial Statements

For the year ended 30 June 2023

Summary of consolidated account appropriations

For the year ended 30 June 2023

| | 2023 Budget \$'000 | 2023 Supplementary funding \$'000 | 2023 Revised budget \$'000 | 2023 Actual \$'000 | 2023 Variance \$'000 |
|---|--------------------------|--|-------------------------------------|--------------------------|----------------------------|
| Delivery of services | | | | | |
| Item 74 Net amount appropriated to deliver services | 269,745 | (34,732) | 235,013 | 235,660 | 647 |
| Item 77 Contribution to Community Sporting and Recreation Facilities Fund | 12,000 | - | 12,000 | 12,000 | - |
| Amount Authorised by Other Statutes | | | | | |
| - <i>Salaries and Allowances Act 1975</i> | 364 | - | 364 | 364 | - |
| - <i>Lotteries Commission Act 1990</i> | 35,582 | 5,692 | 41,274 | 41,274 | - |
| Total appropriations provided to deliver services | 317,691 | (29,040) | 288,651 | 289,298 | 647 |
| Capital | | | | | |
| Item 140 Capital appropriation | 61,885 | (21,581) | 40,304 | 40,304 | - |
| Total capital appropriation | 61,885 | (21,581) | 40,304 | 40,304 | - |
| Administered transactions | | | | | |
| Item 75 Administered grants, subsidies and other transfer payments | 43,174 | 13,903 | 57,077 | 57,077 | - |
| Total administered transactions | 43,174 | 13,903 | 57,077 | 57,077 | - |
| GRAND TOTAL | 422,750 | (36,718) | 386,032 | 386,679 | 647 |

Notes to the Financial Statements

For the year ended 30 June 2023

4.2 User charges and fees

| | 2023 \$'000 | 2022 \$'000 |
|--|----------------|----------------|
| Camps catering | 406 | 327 |
| King Street Arts Centre Studio Hire | 133 | 109 |
| Liquor fees and other charges ^(a) | 7,422 | 3,092 |
| Off-road vehicles | 123 | 119 |
| Programs and accommodation | 4,917 | 2,989 |
| State Records Office | 23 | 41 |
| Other fees and charges | 26 | 6 |
| Total | 13,050 | 6,683 |

(a) Liquor fees were less in 2022 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

| | 2023 \$'000 | 2022 \$'000 |
|--|----------------|----------------|
| Indian Ocean Territories (Christmas and Cocos (Keeling) Islands) | 611 | 626 |
| Indigenous Visual Arts Industry Support Program - Revealed | 90 | 160 |
| General grants ^(a) | 15,850 | 12,533 |
| Total Commonwealth grants | 16,551 | 13,319 |

(a) In 2023, the significant grants relate to the State Football Centre (\$10.6 million) and Perth Concert Hall redevelopment (\$5.2 million). In 2022, the significant grants related to the 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 income

| | 2023 \$'000 | 2022 \$'000 |
|---------------------------|----------------|----------------|
| Rentals | 211 | 158 |
| Recoup of expenditure | 4,815 | 326 |
| Car park revenue | 260 | 387 |
| Employee contributions | 62 | 69 |
| City of Perth inquiry | - | 3,054 |
| Banned drinkers register | 29 | 1,225 |
| Revaluation increment | - | 11,065 |
| Impairment gain | - | 44 |
| Other | 185 | 67 |
| Total other income | 5,562 | 16,395 |

Notes to the Financial Statements

For the year ended 30 June 2023

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 |
|---|--------------|
| Infrastructure, 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 2023

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 |
|--|----------------|---------------------|------------------------|--------------------------------|---|--------------------------------------|--|-------------------------|-----------------------------|-----------------|
| 1 July 2022 | | | | | | | | | | |
| Gross carrying amount | 115,694 | 177,562 | 17,670 | 25,726 | 5,809 | 2,313 | 1,658 | 682 | 142 | 347,256 |
| Accumulated depreciation | - | (6) | (5,034) | - | (2,680) | (1,995) | - | (225) | - | (9,940) |
| Carrying amount at start of period | 115,694 | 177,556 | 12,636 | 25,726 | 3,129 | 318 | 1,658 | 457 | 142 | 337,316 |
| Additions | - | - | 106 | 47,816 | 58 | 130 | 110 | - | 635 | 48,855 |
| Cost Adjustment | - | 16 | - | (4,042) | - | - | - | - | - | (4,026) |
| Disposals | - | - | - | - | - | - | (8) | - | - | (8) |
| Transfers from/(to) other reporting entities | 218 | - | - | (14,277) | - | - | - | - | (457) | (14,516) |
| Transfers from /(to) other asset classes | - | - | - | 320 | - | - | - | - | (320) | - |
| Revaluation increments/(decrements) | 1,662 | 16,140 | - | - | - | - | - | - | - | 17,802 |
| Impairment losses | - | - | - | - | - | - | - | - | - | - |
| Impairment losses reversed | - | - | - | - | - | - | - | - | - | - |
| Depreciation | - | (4,352) | (878) | - | (532) | (114) | - | (7) | - | (5,883) |
| Carrying amount at 30 June 2023 | 117,574 | 189,360 | 11,864 | 55,543 | 2,655 | 334 | 1,760 | 450 | - | 379,540 |
| Gross carrying amount | 117,574 | 189,360 | 17,776 | 55,543 | 5,867 | 2,167* | 1,760 | 682 | - | 390,729 |
| Accumulated depreciation | - | - | (5,912) | - | (3,212) | (1,833)* | - | (232) | - | (11,189) |

* An asset was fully depreciated and disposed to the value of \$276,000 during the year.

Notes to the Financial Statements

For the year ended 30 June 2023

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 |
|--|----------------|---------------------|------------------------|--------------------------------|---|--------------------------------------|--|-------------------------|-----------------------------|-----------------|
| 1 July 2021 | | | | | | | | | | |
| 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) |
| Carrying amount at start of period | 106,284 | 150,519 | 13,033 | 4,466 | 3,646 | 417 | 1,658 | 463 | 269 | 280,755 |
| Additions | - | - | - | - | - | - | - | - | - | - |
| Cost Adjustments | - | - | 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) | - | - | - | - | - | 0 |
| Revaluation increments/(decrements) | 8,813 | 12,855 | - | - | - | - | - | - | - | 21,669 |
| Impairment losses | - | - | - | - | - | - | - | - | - | - |
| Impairment losses reversed | - | - | - | - | - | - | - | - | - | - |
| Write offs | - | - | - | - | - | - | - | - | - | - |
| Depreciation | - | (3,792) | (866) | - | (530) | (113) | - | (7) | - | (5,308) |
| Carrying amount at 30 June 2022 | 115,694 | 177,556 | 12,636 | 25,726 | 3,129 | 318 | 1,658 | 457 | 142 | 337,316 |
| Gross carrying amount | 115,694 | 177,562 | 17,670 | 25,726 | 5,809 | 2,313 | 1,658 | 682 | 142 | 347,256 |
| Accumulated depreciation | - | (6) | (5,034) | - | (2,680) | (1,995) | - | (225) | - | (9,940) |

Notes to the Financial Statements

For the year ended 30 June 2023

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 2022 by Landgate. The valuations were performed during the year ended 30 June 2023 and recognised at 30 June 2023. In undertaking the revaluation, fair value was determined by reference to market values for land: \$117,574,000 (2022: \$115,694,000) and buildings: \$189,308,464 (2022: \$177,501,103). 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

| | Notes | 2023 \$'000 | 2022 \$'000 |
|--|-------|----------------|----------------|
| Depreciation | | | |
| Plant, equipment and vehicles | 5.1 | 532 | 530 |
| Accommodation equipment | 5.1 | 114 | 113 |
| Buildings and improvements | 5.1 | 5,230 | 4,658 |
| Swan Bells | 5.1 | 7 | 7 |
| Total depreciation for the period | | 5,883 | 5,308 |

As at 30 June 2023, there were no indications of impairment to property, plant and equipment.

All surplus assets at 30 June 2023 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 2023

5.1.1 Depreciation and impairment (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 and improvements | Up to 50 years |
| Plant, equipment and vehicles | 5 to 20 years |
| Accommodation equipment | 3 to 20 years |
| Swan Bells | Up to 100 years |
| Computer hardware and software ^(a) | 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 2023

5.2 Right-of-use assets

| | Buildings \$'000 | Plant, equipment & vehicles \$'000 | Total \$'000 |
|---|---------------------|---|-----------------|
| At 1 July 2022 | | | |
| Gross carrying amount | 241 | 642 | 883 |
| Accumulated depreciation | (24) | (394) | (418) |
| Carrying amount at start of period | 217 | 248 | 465 |
| Additions | - | 117 | 117 |
| Cost Adjustment | 9 | 7 | 16 |
| Disposals | (155) | - | (155) |
| Depreciation | (40) | (188) | (228) |
| Carrying amount at 30 June 2023 | 31 | 184 | 215 |
| Gross carrying amount | 86 | 759 | 845 |
| Accumulated depreciation | (55) | (575) | (630) |
| At 1 July 2021 | | | |
| Gross carrying amount | 83 | 613 | 696 |
| Accumulated depreciation | (31) | (292) | (323) |
| Carrying amount at start of period | 52 | 321 | 373 |
| Additions | 295 | 101 | 396 |
| Disposals | (31) | (2) | (33) |
| Depreciation | (99) | (172) | (271) |
| Carrying amount at 30 June 2022 | 217 | 248 | 465 |
| Gross carrying amount | 241 | 642 | 883 |
| Accumulated depreciation | (24) | (394) | (418) |

Initial recognition

At the commencement date of the lease, DLGSC recognises right-of-use (ROU) assets are measured at cost comprising of:

- 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 2023

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:

| | 2023 \$'000 | 2022 \$'000 |
|---|----------------|----------------|
| Depreciation expense of right-of-use assets | 228 | 271 |
| Lease interest expense | 9 | 13 |
| Low-value leases | 19 | 21 |

The total cash outflow for leases in 2023 was \$5.114 million and in 2022 was \$4.608 million. As at 30 June 2023 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 2023

5.3 Intangible assets

| | Other intangibles \$'000 | Licences \$'000 | Computer software \$'000 | Works in progress \$'000 | Total \$'000 |
|---|--------------------------------|--------------------|--------------------------------|--------------------------------|-----------------|
| Year ended 30 June 2023 | | | | | |
| 1 July 2022 | | | | | |
| 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) |
| Carrying amount at start of period | - | - | - | - | - |
| Additions | - | - | - | - | - |
| Disposals | - | - | - | - | - |
| Amortisation expense | - | - | - | - | - |
| Carrying amount at 30 June 2023 | - | - | - | - | - |
| Year ended 30 June 2022 | | | | | |
| 1 July 2021 | | | | | |
| 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) |
| Carrying amount at start of period | - | - | - | - | - |
| Additions | - | - | - | - | - |
| Transfers | - | - | - | - | - |
| Amortisation expense | - | - | - | - | - |
| Carrying amount at 30 June 2022 | - | - | - | - | - |

Notes to the Financial Statements

For the year ended 30 June 2023

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.

Acquired and internally generated intangible asset costing \$5,000 or more that comply with the recognition criteria of AASB 138.57 Intangible Assets (as noted above), are capitalised.

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

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; and
- f. The ability to measure reliably the expenditure attributable to the intangible asset during its development.

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

| | 2023 \$'000 | 2022 \$'000 |
|--|----------------|----------------|
| Licences | - | - |
| Computer software | - | - |
| Total amortisation for the period | - | - |

Notes to the Financial Statements

For the year ended 30 June 2023

5.3.1 Amortisation and impairment charge for the period (continued)

As at 30 June 2023, there were no indications of impairment to intangible assets.

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:

| Asset | Useful life: years |
|-------------------------|--------------------|
| Licenses | 3-4 years |
| Software ^(a) | 3-5 years |

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

Impairment of intangible assets

Intangible assets with indefinite 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 2023

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

| | 2023 \$'000 | 2022 \$'000 |
|---|----------------|----------------|
| Current | | |
| Trade receivables | 1,521 | 1,712 |
| Allowance for impairment of trade receivables | (29) | (21) |
| GST receivable | 4,175 | 4,464 |
| Total current receivables | 5,667 | 6,155 |

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 DLGSC 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

| | 2023 \$'000 | 2022 \$'000 |
|--|----------------|----------------|
| Reconciliation of changes in the allowance for impairment of trade receivables: | | |
| Opening balance | 21 | 65 |
| Expected credit losses expense | 8 | - |
| Impairment losses reversed during the period | - | (44) |
| Allowance for impairment at end of period | 29 | 21 |

Notes to the Financial Statements

For the year ended 30 June 2023

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 (Holding Account)

| | 2023 \$'000 | 2022 \$'000 |
|---|----------------|----------------|
| Current | 160 | 160 |
| Non-current | 70,063 | 57,571 |
| Total amounts receivable for services at end of period | 70,223 | 57,731 |

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

The amounts receivable for services are financial assets at amortised cost, and 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 2023

6.3 Other assets

| | 2023 \$'000 | 2022 \$'000 |
|--|----------------|----------------|
| Current | | |
| Prepayments | 1,552 | 1,100 |
| Accrued income | 677 | - |
| Total current assets | 2,229 | 1,100 |
| Non-current | | |
| Prepayments | - | 1 |
| Total non-current assets | - | 1 |
| Total other assets at end of period | 2,229 | 1,101 |

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

| | 2023 \$'000 | 2022 \$'000 |
|--|----------------|----------------|
| Current | | |
| Trade payables | 2,615 | 1,012 |
| Accrued expenses ^(a) | 5,399 | 12,516 |
| Accrued salaries | 1,386 | 949 |
| Total payables at end of period | 9,400 | 14,477 |

(a) Accrued expenses for 2023 include accruals largely relating to asset maintenance (\$2 million) and information technology expenditure (0.8 million). Accrued expenses for 2022 largely relate to return of 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 for DLGSC and is generally within 15-20 days.

Accrued salaries represent the amount due to staff but unpaid at the end of the reporting period. Accrued salaries are settled within a fortnight after the reporting period. 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 2023

6.5 Contract liabilities

| | 2023 \$'000 | 2022 \$'000 |
|--|----------------|----------------|
| Reconciliation of changes in contract liabilities | | |
| Opening balance | 1,665 | 2,787 |
| Additions | 1,239 | 1,665 |
| Revenue recognised in the reporting period | (1,665) | (2,787) |
| Total contract liabilities at end of period | 1,239 | 1,665 |

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

| | 2023 \$'000 | 2022 \$'000 |
|---|----------------|----------------|
| Current | | |
| Income received in advance | 44 | 33 |
| Unclaimed monies | 3 | 18 |
| Deposits | 981 | 895 |
| Liquor licence renewals | 456 | 553 |
| Contractor retentions | 286 | 24 |
| Total other liabilities at end of period | 1,770 | 1,523 |

Notes to the Financial Statements

For the year ended 30 June 2023

7 – Financing

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

| | Notes |
|--|-------|
| Lease liabilities | 7.1 |
| Finance costs | 7.2 |
| Cash and cash equivalents | 7.3 |
| Reconciliation of cash | 7.3.1 |
| Reconciliation of operating activities | 7.3.2 |

7.1 Lease liabilities

| | 2023 \$'000 | 2022 \$'000 |
|--------------------------------|----------------|----------------|
| Current | 112 | 180 |
| Non-current | 118 | 295 |
| Total lease liabilities | 230 | 475 |

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); and
- 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 2023

7.2 Finance costs

| | 2023 \$'000 | 2022 \$'000 |
|-------------------------------------|----------------|----------------|
| Lease interest expense | 9 | 13 |
| Total finance costs expensed | 9 | 13 |

Finance costs includes the interest component of lease liability repayments due to the unwinding of discounts to reflect the passage of time.

7.3 Cash and cash equivalents

7.3.1 Reconciliation of cash

| | 2023 \$'000 | 2022 \$'000 |
|---|----------------|----------------|
| Cash and cash equivalents | 149,616 | 135,336 |
| Restricted cash and cash equivalents | 44,348 | 40,944 |
| Total cash and cash equivalents at end of period | 193,964 | 176,280 |

| | 2023 \$'000 | 2022 \$'000 |
|---|----------------|----------------|
| Restricted cash and cash equivalents | | |
| Current | | |
| Community Sporting and Recreation Facilities Fund ^(a) | 13,799 | 9,791 |
| Sports Lotteries Account ^(b) | 12,018 | 12,435 |
| Arts Lotteries Account ^(b) | 14,821 | 14,148 |
| Royalties for Regions Fund ^(c) | 885 | 1,674 |
| Commonwealth Government grant - services to Indian Ocean Territories ^(d) | 71 | 77 |
| Sunset Reserve Property Special Purpose Account ^(e) | (83) | 905 |
| LG Local Projects Local Jobs ^(f) | - | 32 |
| Off-road Vehicles ^(g) | 778 | 787 |
| National Redress Scheme | 442 | - |
| Other | 50 | 45 |
| Total current | 42,781 | 39,894 |
| Non-current | | |
| Accrued salaries suspense account ^(h) | 1,567 | 1,050 |
| Total non-current | 1,567 | 1,050 |
| Balance at end of period | 44,348 | 40,944 |

Notes to the Financial Statements

For the year ended 30 June 2023

7.3.1 Reconciliation of cash (continued)

- (a) The Community Sporting and Recreation Facilities Fund is an appropriation funded special purpose account for providing grants to local government and community groups to develop community infrastructure for sports and recreation.
- (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 reimburses DLGSC costs associated with these services. (Note 11).
- (e) Sunset Reserve funds are utilised for the conservation and management of the 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.

For the purpose of the Statement of cash flows, cash and cash equivalent (and restricted cash and cash equivalent) assets comprise cash on hand which are subject to insignificant risk of changes in value.

The accrued salaries suspense account consists of amounts paid annually into a Treasury's special purpose 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.

Notes to the Financial Statements

For the year ended 30 June 2023

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

| | Notes | 2023 \$'000 | 2022 \$'000 |
|--|----------------|------------------|------------------|
| Net cost of services | | (279,784) | (264,245) |
| Non-cash items: | | | |
| Depreciation and amortisation expenses | 5.1, 5.2 & 5.3 | 6,111 | 5,579 |
| Expected credit losses (gain)/expense | 3.3 | 8 | (44) |
| Resources received | 4.1 | 1,389 | 1,919 |
| Revaluation (increment)/decrement | | - | (11,065) |
| New Museum Project | | 1,209 | 5,468 |
| Adjustment for other non-cash items | | 2 | 111 |
| (Increase)/decrease in assets | | | |
| Receivables ^(a) | | 190 | 328 |
| Other current assets | | (279) | 3,221 |
| Non-current assets | | 1 | 2 |
| Increase/(decrease) in liabilities | | | |
| Payables ^(a) | | (2,073) | 10,195 |
| Current provisions | | 3,536 | (488) |
| Contract liabilities | | 29 | 129 |
| Current lease liabilities | | (69) | 9 |
| Other current liabilities | | (210) | 627 |
| Non-current provisions | | 818 | (631) |
| Non-current lease liabilities | | (176) | 85 |
| Net GST receipts/(payments) ^(b) | | - | (197) |
| Change in GST in receivables/payables ^(c) | | 290 | (358) |
| Net cash used in operating activities | | (269,008) | (249,355) |

(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 2023

7.4 Capital commitments

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

| | 2023 \$'000 | 2022 \$'000 |
|--|----------------|----------------|
| Capital expenditure commitments, being contracted capital expenditure additional to the amounts reported in the financial statements are payable as follows: | | |
| Within 1 year | 6,346 | 29,267 |
| Later than 1 year and not later than 5 years | 223 | 239 |
| | 6,569 | 29,506 |

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 |

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.

Notes to the Financial Statements

For the year ended 30 June 2023

8.1 Financial risk management (continued)

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 and it has no borrowings other than finance leases (fixed interest rate).

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:

| | 2023 \$'000 | 2022 \$'000 |
|--|----------------|----------------|
| Financial assets | | |
| Cash and cash equivalents | 149,616 | 135,336 |
| Restricted cash and cash equivalents | 44,348 | 40,944 |
| Financial assets at amortised cost ^(a) | 71,715 | 59,422 |
| Total financial assets | 265,679 | 235,702 |
| Financial liabilities | | |
| Payables | 9,400 | 14,477 |
| Financial liabilities at amortised cost ^(b) | 230 | 475 |
| Other current liabilities | 1,770 | 1,523 |
| Total financial liabilities | 11,400 | 16,475 |

(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 2023

8.1 Financial risk management (continued)

c) Credit risk exposure

The following table details the credit risk exposure on DLGSC's trade receivables using a provision matrix.

| | Days past due | | | | | | | | |
|--|-----------------|-------------------|-------------------------|--------------------------|---------------------------|---------------------------|---------------------------|---------------------------|------------------------|
| | Total \$'000 | Current \$'000 | 31-90 days \$'000 | 91-150 days \$'000 | 151-210 days \$'000 | 211-270 days \$'000 | 271-330 days \$'000 | 331-395 days \$'000 | >390 days \$'000 |
| 30 June 2023 | | | | | | | | | |
| Expected credit loss rate | 100% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 100.00% |
| Estimated total gross carrying amount at default | 191 | 68 | 45 | 26 | - | 1 | 3 | 19 | 29 |
| Expected credit losses | (29) | - | - | - | - | - | - | - | (29) |
| | Days past due | | | | | | | | |
| | Total \$'000 | Current \$'000 | 31-90 days \$'000 | 91-150 days \$'000 | 151-210 days \$'000 | 211-270 days \$'000 | 271-330 days \$'000 | 331-395 days \$'000 | >390 days \$'000 |
| 30 June 2022 | | | | | | | | | |
| Expected credit loss rate | 100% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 100.00% |
| Estimated total gross carrying amount at default | 192 | 85 | 66 | 20 | - | - | - | - | 21 |
| Expected credit losses | (21) | - | - | - | - | - | - | - | (21) |

Notes to the Financial Statements

For the year ended 30 June 2023

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 | | | | Nominal amount \$'000 | Maturity dates | | | | |
|--------------------------------------|--|------------------------|----------------------------|-------------------------------|-----------------------------|-----------------------|----------------------|--------------------------------|---------------------------|---------------------|--------------------------|
| | | Carrying amount \$'000 | Fixed interest rate \$'000 | Variable interest rate \$'000 | Non-interest bearing \$'000 | | Up to 1 month \$'000 | 1 to 3 months to 1 year \$'000 | 3 months to 1 year \$'000 | 1 to 5 years \$'000 | More than 5 years \$'000 |
| 2023 | | | | | | | | | | | |
| Financial Assets | | | | | | | | | | | |
| Cash and cash equivalents | - | 149,616 | - | - | 149,616 | 149,616 | 149,616 | - | - | - | - |
| Restricted cash and cash equivalents | - | 44,348 | - | - | 44,348 | 44,348 | 44,348 | - | - | - | - |
| Receivables ^(a) | - | 1,492 | - | - | 1,492 | 1,492 | 1,492 | - | - | - | - |
| Amounts receivable for services | - | 70,223 | - | - | 70,223 | 70,223 | 160 | - | - | 640 | 69,423 |
| | | 265,679 | - | - | 265,679 | 265,679 | 195,616 | - | - | 640 | 69,423 |
| Financial Liabilities | | | | | | | | | | | |
| Payables | - | 9,400 | - | - | 9,400 | 9,400 | 9,400 | - | - | - | - |
| Lease liabilities ^(b) | 3.1% | 230 | - | - | 230 | 242 | 12 | 24 | 83 | 123 | - |
| Other financial liabilities | - | 1,770 | - | - | 1,770 | 1,770 | 1,770 | - | - | - | - |
| | | 11,400 | - | - | 11,400 | 11,412 | 11,182 | 24 | 83 | 123 | - |

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

(b) The amount of lease liabilities include \$32,000 from leased buildings and \$198,000 from leased vehicles.

Notes to the Financial Statements

For the year ended 30 June 2023

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

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

(b) The amount of lease liabilities include \$218,835 from leased buildings and \$255,927 from leased vehicles.

Notes to the Financial Statements

For the year ended 30 June 2023

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 2023

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 |
|----------------------|-------------------|-------------------|-------------------|--|
| 2023 | | | | |
| Land (Note 5.1) | | 6,860 | 110,714 | 117,574 |
| Buildings (Note 5.1) | - | 3,776 | 185,584 | 189,360 |
| | - | 10,636 | 296,298 | 306,934 |
| | Level 1 \$'000 | Level 2 \$'000 | Level 3 \$'000 | Fair value at end of period \$'000 |
| 2022 | | | | |
| Land (Note 5.1) | - | 6,390 | 109,304 | 115,694 |
| Buildings (Note 5.1) | - | 3,565 | 173,991 | 177,556 |
| | - | 9,955 | 283,295 | 293,250 |

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 |
|--|----------------|---------------------|-----------------|
| 2023 | | | |
| Fair value at start of period | 109,304 | 173,991 | 283,295 |
| Additions | 218 | - | 218 |
| Cost adjustments | - | 16 | 16 |
| Revaluation increments/(decrements) recognised in other comprehensive income | 1,192 | 15,843 | 17,035 |
| Depreciation expense | - | (4,266) | (4,266) |
| Fair value at end of period | 110,714 | 185,584 | 296,298 |
| Total gains or losses for the period included in profit or loss | - | - | - |
| 2022 | | | |
| 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 from/(to) Level 2 | - | 4,391 | 4,391 |
| Depreciation expense | - | (3,721) | (3,721) |
| Fair value end of period | 109,304 | 173,991 | 283,295 |
| Total gains or losses for the period included in profit or loss | - | - | - |

Notes to the Financial Statements

For the year ended 30 June 2023

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 and buildings 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 Landgate 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 Landgate. 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.

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 2023 \$'000 | Fair value 2022 \$'000 | Valuation technique(s) | Unobservable inputs | Relationship of unobservable inputs to fair value |
|-------------|------------------------------|------------------------------|------------------------------------|---|--|
| Buildings | 185,584 | 173,991 | Depreciated replacement cost | Historical cost per square metre floor area (m ²) | Historical cost per m ² increases fair value |
| Land | 110,714 | 109,304 | Market approach | Selection of land with similar approximate utility | Higher historical cost per m ² increases fair value |

Notes to the Financial Statements

For the year ended 30 June 2023

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>Operating for reporting periods beginning on/after 1 Jan 2023</p> <p><i>AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates</i></p> <p>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.</p> <p>There is no financial impact.</p> | <p>1 Jan 2023</p> |

Notes to the Financial Statements

For the year ended 30 June 2023

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 2022-7 *Editorial Corrections to Australian Accounting Standards and Repeal of Superseded and Redundant Standards*

This Standard makes editorial corrections to various Australian Accounting Standards and AASB Practice Statement 2 Making Materiality Judgements.

There is no financial impact.

1 Jan 2023

AASB 2022-8 *Amendments to Australian Accounting Standards – Insurance Contracts: Consequential Amendments*

This Standard amends: (a) AASB 1; (b) AASB 3; (c) AASB 5; (d) AASB 7; (e) AASB 9; (f) AASB 15; (g) AASB 17; (h) AASB 119;

(i) AASB 132; (j) AASB 136; (k) AASB 137; (l) AASB 138;

(m) AASB 1057; and (n) AASB 1058, to permit public sector entities to continue applying AASB 4 and AASB 1023 to annual periods beginning on or after 1 January 2023 but before 1 July 2026.

There is no financial impact.

1 Jan 2023

Notes to the Financial Statements

For the year ended 30 June 2023

| | | Operative for reporting periods beginning on/after |
|---------------------|--|---|
| | Operative for reporting periods beginning on/after 1 Jan 2024 | |
| <i>AASB 2020-1</i> | <p><i>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> | 1 Jan 2024 |
| <i>AASB 2022-5</i> | <p><i>Amendments to Australian Accounting Standards – Lease Liability in a Sale and Leaseback</i></p> <p>This Standard amends AASB 16 to add measurement requirements for sale and leaseback transactions that satisfy the requirements in AASB 15 to be accounted for as a sale.</p> <p>There is no financial impact.</p> | 1 Jan 2024 |
| <i>AASB 2022-6</i> | <p><i>Amendments to Australian Accounting Standards – Non-current Liabilities with Covenants</i></p> <p>This Standard amends AASB 101 to improve the information an entity provides in its financial statements about liabilities arising from loan arrangements for which the entity's right to defer settlement of those liabilities for at least twelve months after the reporting period is subject to the entity complying with conditions specified in the loan arrangement.</p> <p>The Standard also amends an example in Practice Statement 2 regarding assessing whether information about covenants is material for disclosure.</p> <p>There is no financial impact.</p> | 1 Jan 2024 |
| <i>AASB 2022-10</i> | <p><i>Amendments to Australian Accounting Standards – Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities.</i></p> <p>This Standard amends AASB 13 including adding authoritative implementation guidance and providing related illustrative examples, for fair value measurements of non-financial assets of not-for-profit public sector entities not held primarily for their ability to generate net cash inflows.</p> <p>The Department has not assessed the impact of the Standard.</p> | 1 Jan 2024 |

Operative for reporting periods beginning on/after

**Operative for reporting periods beginning on/after
1 Jan 2025**

AASB 17

Insurance Contracts

This Standard establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts. It was amended by AASB 2022-8 to take effect for Not-For-Profit insurance contracts from 1 July 2026.

The Department has not assessed the impact of the Standard

1 Jan 2026

AASB 2021-7C

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 associate or joint venture.

The standard also includes editorial corrections.

The Department has not assessed the impact of the Standard.

1 Jan 2025

AASB 2022-9

Amendments to Australian Accounting Standards – Insurance Contracts in the Public Sector

This Standard amends AASB 17 and AASB 1050 to include modifications with respect to the application of AASB 17 by public sector entities.

This Standard also amends the following Standards to remove the temporary consequential amendments set out in AASB 2022-8 since AASB 4 and AASB 1023 do not apply to public sector entities for periods beginning on or after 1 July 2026: (a) AASB 1; (b) AASB 3; (c) AASB 5; (d) AASB 7; (e) AASB 9; (f) AASB 15; (g) AASB 119; (h) AASB 132; (i) AASB 136; (j) AASB 137; (k) AASB 138; (l) AASB 1057; and (m) AASB 1058

There is no financial impact.

1 Jan 2026

Notes to the Financial Statements

For the year ended 30 June 2023

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:

| | 2023 | 2022 |
|--|---------------|---------------|
| Compensation band (\$) | | |
| 0 - 50,000 | - | 1 |
| 50,001 - 100,000 | 4 | 5 |
| 100,001 - 150,000 | 1 | 2 |
| 150,001 - 200,000 | 3 | 1 |
| 200,001 - 250,000 | 4 | 1 |
| 250,001 - 300,000 | 2 | - |
| 300,001 - 350,000 | - | - |
| 350,001 - 400,000 | 1 | 2 |
| | 15 | 12 |
| | 2023 | 2022 |
| | \$'000 | \$'000 |
| Short-term employee benefits | 2,189 | 1,209 |
| Post-employment benefits | 260 | 150 |
| Other long-term benefits | 274 | 139 |
| Termination benefits | - | 233 |
| Total compensation of senior officers | 2,723 | 1,731 |

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 2023

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 rental 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);
- resources received (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);
- 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)
- superannuation payments to GESB (Note 3.1(a))

Material transactions with other related parties

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 2023

9.6 Affiliated bodies

During the financial year, DLGSC 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 an agency but is not subject to operational control by that agency.

| | 2023 \$'000 | 2022 \$'000 |
|---|----------------|----------------|
| Abigail Mama's Incorporated | 50 | 80 |
| Afghan Australia Cultural Council Inc | 3 | 3 |
| Al Mustafa Association | 6 | 3 |
| Al Noor Community Language Inc | 11 | 15 |
| Art on the Move (ATOM) | 1,446 | 1,426 |
| Australian Bowhunters WA (ABA WA) | 25 | - |
| Chin Community of WA Inc. | - | 5 |
| CircuitWest Inc. | - | 1,098 |
| Combat Sports Commission | 956 | 945 |
| Community Languages Western Australia Inc | 115 | - |
| Croatian Ethnic School of WA | 6 | 7 |
| Drill Dance WA | 10 | - |
| Esperance Districts Recreation Association | 25 | - |
| Ellenbrook Punjabi Council Inc | 5 | - |
| Fencing Western Australia | 65 | - |
| Full Gospel Worship Centre Perth WA Inc | - | 5 |
| Gosnells Chinese Association | 10 | - |
| Hang Gliding and Paragliding Association of Western Australia Inc | 10 | 10 |
| Happy Way Multicultural Association Inc | - | 5 |
| Haryana Society of Western Australia Inc | - | 5 |
| Hedayat Dari Community Language School | - | 4 |
| HikeWest Incorporated | 50 | - |
| International Art Space | - | 275 |
| Kiteboarding Western Australia INC | 70 | - |
| Korean Traditional Culture and Arts Community Inc | 4 | 34 |
| Kung Fu Wushu Western Australia Inc. | 20 | 5 |
| Kyle Chinese Language and Culture School Inc | 19 | 18 |
| Mandurah Filipino Sports Club Inc | 2 | - |
| Mid-West Academy of Sport | 220 | 200 |
| Outdoors WA Inc | 225 | 180 |
| Peel Regional Academy of Sports | 130 | 130 |
| Perth Myanmar Learning Centre | 6 | 6 |
| Perth Pathshala Bangla School (PBS) | 4 | - |
| Pojulu Community Association in Western Australia Inc | - | 5 |
| Sahibzada Fateh Singh Jee Inc | - | 30 |

Notes to the Financial Statements

For the year ended 30 June 2023

| | 2023 \$'000 | 2022 \$'000 |
|--|----------------|----------------|
| Screenwest Australia Ltd | 14,371 | - |
| School of Malayalam Language Incorporated | 20 | - |
| Seniors Recreation Council of WA | 239 | 192 |
| Siciliani Association of WA Inc | - | 130 |
| Somali Support Perth | - | 3 |
| South-West Academy of Sport | 235 | 235 |
| South-West Sports Development Federation Inc | - | 20 |
| SportWest | 1,328 | - |
| Squash WA | 215 | - |
| STRUT Dance Incorporated | - | 321 |
| Tamil Association of WA Inc | 32 | - |
| Team Connect WA Incorporated | - | 105 |
| The Perth Centre for Photography | 140 | - |
| The Vietnamese Catholic Ethnic School of WA Inc | 32 | 32 |
| Trails WA Inc | 266 | - |
| Vietnamese Community in Australia WA Chapter Inc | 129 | 187 |
| Vietnamese Evangelical Church in Australia Perth | 11 | 13 |
| Vietnamese School of WA Inc | - | 8 |
| West Australian Institute of Sport | - | 8,014 |
| Western Australian Gliding Association | 10 | - |
| Western Australian Ice Racing | 10 | - |
| Western Australian Speedway Commission Inc | 160 | 140 |
| Western Australian Sports Federation | - | 896 |
| Western Australian Telugu Association Inc | 5 | 7 |
| Western Australian Water Ski Association Inc | 50 | - |
| Western Australian Polo Association | 70 | - |
| Writing WA Inc. | - | 196 |
| Yugal Club of WA Inc | - | 110 |
| Total | 20,816 | 15,103 |

Notes to the Financial Statements

For the year ended 30 June 2023

9.7 Special purpose accounts

Sunset Heritage Trust Account ^(a)

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

| | 2023 \$'000 | 2022 \$'000 |
|---------------------------------|----------------|----------------|
| Balance at start of period | 905 | 407 |
| Receipts | 11 | 948 |
| Payments | (999) | (450) |
| Balance at end of period | (83)* | 905 |

*This account was overdrawn, breaching Section 19 of the *Financial Management Act 2006* without seeking prior approval from the Treasurer due to a timing issue where approval will be sought subsequent to year end. The Department funded the shortfall from its unrestricted cash, pending additional funding to be approved and received. Payments made for this Trust Account during 2022-23 were in accordance with the intended purpose of this Special Purpose Account.

Indian Ocean Territories Reimbursement Trust Fund ^(b)

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.

| | 2023 \$'000 | 2022 \$'000 |
|---------------------------------|----------------|----------------|
| Balance at start of period | 77 | 77 |
| Receipts | 701 | 59 |
| Payments | (707) | (59) |
| Balance at end of period | 71 | 77 |

Community Sporting and Recreation Facilities Fund ^(a)

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.

| | 2023 \$'000 | 2022 \$'000 |
|---------------------------------|----------------|----------------|
| Balance at start of period | 9,791 | 8,923 |
| Receipts | 12,011 | 13,000 |
| Payments | (8,003) | (12,132) |
| Balance at end of period | 13,799 | 9,791 |

Notes to the Financial Statements

For the year ended 30 June 2023

Special purpose accounts (continued)

Off-Road Vehicles Fund ^(a)

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

| | 2023 \$'000 | 2022 \$'000 |
|---------------------------------|----------------|----------------|
| Balance at start of period | 787 | 701 |
| Receipts | 123 | 120 |
| Payments | (132) | (34) |
| Balance at end of period | 778 | 787 |

Arts Lotteries Special Purpose Account ^(a)

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.

| | 2023 \$'000 | 2022 \$'000 |
|---------------------------------|----------------|----------------|
| Balance at start of period | 14,148 | 10,662 |
| Receipts | 20,637 | 21,520 |
| Payments | (19,964) | (18,034) |
| Balance at end of period | 14,821 | 14,148 |

Sports Lotteries Special Purpose Account ^(a)

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.

| | 2023 \$'000 | 2022 \$'000 |
|---------------------------------|----------------|----------------|
| Balance at start of period | 12,435 | 7,237 |
| Receipts | 20,649 | 21,571 |
| Payments | (21,066) | (16,373) |
| Balance at end of period | 12,018 | 12,435 |

Notes to the Financial Statements

For the year ended 30 June 2023

Special purpose accounts (continued)

National Redress Scheme ^(a)

The purpose of the account is to hold funds to provide support to at-risk children.

| | 2023 \$'000 | 2022 \$'000 |
|---------------------------------|----------------|----------------|
| Balance at start of period | - | - |
| Receipts | 647 | - |
| Payments | (205) | - |
| Balance at end of period | 442 | - |

(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:

| | 2023 \$'000 | 2022 \$'000 |
|--|----------------|----------------|
| Auditing the accounts, controls, financial statements and key performance indicators | 842 | 810 |
| | 842 | 810 |

Notes to the Financial Statements

For the year ended 30 June 2023

9.9 Equity

| | 2023 \$'000 | 2022 \$'000 |
|---|------------------|------------------|
| Balance at start of period | 686,948 | 650,723 |
| Contribution by owners | | |
| Capital appropriation | 40,304 | 22,981 |
| Refund of 2022 capital appropriations to Treasury | (1,886) | - |
| Other contributions by owners | | |
| Transfer from Art Gallery WA | 87 | 13,187 |
| Transfer from Planning | 218 | 994 |
| Total contributions by owners | 725,671 | 687,885 |
| Distributions to owners | | |
| Transfer of net assets to other agencies: | | |
| Transfer to the Arts and Culture Trust | 13,154 | - |
| Transfer to WA Museum | 456 | 937 |
| Total distributions to owners | 13,610 | 937 |
| Total contributed equity at end of period | 712,061 | 686,948 |
| Asset revaluation surplus | | |
| Balance at the start of period | 10,604 | - |
| Net revaluation increments/(decrements): | | |
| Land | 1,662 | 3,914 |
| Buildings | 16,140 | 6,690 |
| Total asset revaluation surplus at end of period | 28,406 | 10,604 |
| Accumulated surplus/(deficit) | | |
| Balance at start of period | (148,888) | (131,703) |
| Result for the period | 31,023 | (17,185) |
| Balance at end of period | (117,865) | (148,888) |
| Total equity at end of period | 622,602 | 548,664 |

Notes to the Financial Statements

For the year ended 30 June 2023

9.10 Supplementary financial information

a) Write-offs

During the financial year, \$8,160(2022: \$0) was written off DLGSC's asset register under the authority of:

| | 2023 \$'000 | 2022 \$'000 |
|---------------------------|----------------|----------------|
| The accountable authority | 8 | - |
| The Minister | - | - |
| | 8 | - |

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 operations

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 2023, and between the actual results for 2023 and 2022 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 following variance analyses for the:

1. Estimate and actual results for the current year
 - Total cost of services of the estimate for the Statement of comprehensive income and Statement of cash flows (i.e. 1% of \$401,825,000); and
 - Total assets of the estimate for the Statement of financial position (i.e. 1% of \$497,547,000).
2. Actual results for the current year and the prior year actual
 - Total cost of services for the previous year for the Statements of comprehensive income and Statement of cash flows (i.e. 1% of \$300,703,000), and
 - Total assets for the previous year for the Statement of financial position (i.e. 1% of \$579,048,000).

Notes to the Financial Statements

For the year ended 30 June 2023

10.1.1 Statement of Comprehensive Income Variances

| | Variance Notes | Estimate 2023 \$'000 | Actual 2023 \$'000 | Actual 2022 \$'000 | Variance between actual and estimate \$'000 | Variance between actual results for 2023 and 2022 \$'000 |
|--|----------------|-------------------------|-----------------------|-----------------------|--|---|
| COST OF SERVICES | | | | | | |
| Expenses | | | | | | |
| Employee benefits expenses | 1,A | 55,903 | 69,238 | 49,921 | 13,335 | 19,317 |
| Supplies and services | 2,B | 13,604 | 35,356 | 27,812 | 21,752 | 7,544 |
| Depreciation and amortisation expenses | 3 | 12,849 | 6,111 | 5,579 | (6,738) | 532 |
| Finance costs | | 23 | 9 | 13 | (14) | (4) |
| Accommodation expenses | | 17,915 | 17,064 | 14,285 | (851) | 2,779 |
| Grants and subsidies | 4,C | 293,593 | 172,260 | 192,025 | (121,333) | (19,765) |
| Finance lease derecognition | D | - | 1,209 | 5,468 | 1,209 | (4,259) |
| Other expenses | 5,E | 7,938 | 13,740 | 5,600 | 5,802 | 8,140 |
| Total cost of services | | 401,825 | 314,987 | 300,703 | (86,838) | 14,284 |
| Income | | | | | | |
| User charges and fees | F | 14,217 | 13,050 | 6,683 | (1,167) | 6,367 |
| Sponsorship | | - | 40 | 61 | 40 | (21) |
| Commonwealth grants | 6,G | 12,418 | 16,551 | 13,319 | 4,133 | 3,232 |
| Other income | H | 6,654 | 5,562 | 16,395 | (1,092) | (10,833) |
| Total income | | 33,289 | 35,203 | 36,458 | 1,914 | (1,255) |
| NET COST OF SERVICES | | 368,536 | 279,784 | 264,245 | (88,752) | 15,539 |
| Income from State Government | | | | | | |
| Service appropriation | I | 318,701 | 289,298 | 220,156 | (29,403) | 69,142 |
| Income from other public sector entities | 7 | 1,998 | 6,191 | 7,520 | 4,193 | (1,329) |
| Resources received | | - | 1,389 | 1,919 | 1,389 | (530) |
| Royalties for Regions Fund | J | 13,944 | 13,929 | 17,465 | (15) | (3,536) |
| Total income from State Government | | 334,643 | 310,807 | 247,060 | (23,836) | 63,747 |
| SURPLUS/(DEFICIT) FOR THE PERIOD | | (33,893) | 31,023 | (17,185) | 64,916 | 48,208 |
| OTHER COMPREHENSIVE INCOME | | | | | | |
| Items not reclassified subsequently to profit or loss | | | | | | |
| Changes in asset revaluation surplus | | - | 17,802 | 10,604 | 17,802 | 7,198 |
| Total other comprehensive income | | - | 17,802 | 10,604 | 17,802 | 7,198 |
| TOTAL COMPREHENSIVE INCOME FOR THE PERIOD | | (33,893) | 48,825 | (6,581) | 82,718 | 55,406 |

Notes to the Financial Statements

For the year ended 30 June 2023

Major Estimate and Actual (2023) Variance Narratives

1. Employee benefits expenses are higher than the estimate by \$13.3 million, primarily due to increases to the Public Sector Wages Policy, and additional staffing approved during the 2022-23 financial year to meet various Government commitments.
2. Supplies and services expense is higher than the estimate by \$21.8 million in line with additional funding for government commitments, approved during the 2022-23 financial year. These commitments include the Perth Casino Royal Commission Implementation, the Aboriginal Cultural Centre and the Perth Cultural Centre.
3. Depreciation expense is below estimate by \$6.7 million due to inclusion of depreciation for the new WA Museum. However, as a result of a revised accounting treatment, the museum building costs were derecognised from the DLGSC asset register in 2021-22 and hence are not subject to depreciation in 2022-23.
4. Grants and subsidies expense is lower than the estimate by \$121.3 million predominately as a result of the reflow of capital grants into 2023-24 due to pressures on the building and construction industry.
5. Other expenses are higher than estimate by \$5.8 million, largely due to humanitarian payments made to support crisis relief in Myanmar and Sri Lanka, and the payment of to the Department of Treasury relating to appropriations received in a prior financial year which is timing related and has been reprofiled across the forward estimates.
6. Commonwealth grants income is higher than the estimate by \$4.1 million, primarily due to the receipt of funding for the State Football (Soccer) Centre in 2022-23, in line with revised milestone schedules.
7. Income from other public sector entities is above estimate by \$4.2 million, largely due to revised forecasts following the publication of the original budget relating mostly to service fees from the Gaming and Wagering Commission

Major Actual (2023) and Comparative (2022) Variance Narratives

- A. Employee benefits expense was higher in 2022-23 by \$19.3 million primarily due to increases to the Public Sector Wages Policy, and additional staffing approved during the 2022-23 financial year to meet various Government commitments, such as the Aboriginal Cultural Centre.
- B. Supplies and Services expense was higher in 2022-23 by \$7.5 million in line with additional funding for government commitments, approved during the 2022-23 financial year. These commitments include the Screen Production Facility, and payments associated with the Aboriginal Cultural Centre.
- C. Grants and subsidies expense was lower in 2022-23 by \$19.8 million predominantly due to lower grants paid for the WACA Ground Redevelopment and Baldivis Indoor Recreation projects due to pressures in the building and construction industry.
- D. Finance lease derecognition includes the finance lease associated with the new WA museum building costs being derecognised from the DLGSC asset register. These costs are lower in 2022-23 by \$4.3 million due to majority of the works being finalised in 2021-22.
- E. Other expenses are higher in 2022-23 by \$8.1 million, primarily due to a repayment to the Department of Treasury relating to appropriations received in the prior financial year which is timing related and has been reprofiled across the forward estimates.
- F. User charges and fees income was higher in 2022-23 by \$6.4 million, largely due to an increase in liquor licencing annual fee which was waived for part of 2021-22 as part of the COVID-19 relief package, and an increase in camp activity as it returns to pre-COVID-19 levels.
- G. Commonwealth grants income increased by \$3.2 million, primarily due to the receipt of funding for the State Football (Soccer) Centre in 2022-23, in line with revised milestone schedules.
- H. Other income was lower in 2022-23 by \$10.8 million due to a revaluation increment of \$11.065M recognised in 2021-22; however, the revaluation increment for 2022-23 is recognised in other comprehensive income.
- I. Service appropriation was higher in 2022-23 by \$69.1 million, primarily due to the carryover of capital grants and the associated appropriation from 2021-22 to 2022-23, due to pressures in the building and construction industry.
- J. Royalties for regions fund is lower in 2022-23 by \$3.5 million primarily due to lower funds for the Screen Industry Investment Program and for the Geraldton Basketball Stadium upgrade in line with the program budget.

Notes to the Financial Statements

For the year ended 30 June 2023

10.1.2 Statement of Financial Position Variances

| | Variance Notes | Estimate 2023 \$'000 | Actual 2023 \$'000 | Actual 2022 \$'000 | Variance between actual and estimate \$'000 | Variance between actual results for 2023 and 2022 \$'000 |
|--------------------------------------|-------------------|----------------------------|--------------------------|--------------------------|--|--|
| ASSETS | | | | | | |
| Current assets | | | | | | |
| Cash and cash equivalents | | 11,442 | 149,616 | 135,336 | 138,174 | 14,280 |
| Restricted cash and cash equivalents | | 11,346 | 42,781 | 39,894 | 31,435 | 2,887 |
| Receivables | | 5,402 | 5,667 | 6,155 | 265 | (488) |
| Amounts receivable for services | | 160 | 160 | 160 | - | - |
| Other current assets | | 4,158 | 2,229 | 1,100 | (1,929) | 1,129 |
| Total current assets | | 32,508 | 200,453 | 182,645 | 167,945 | 17,808 |
| Non-current assets | | | | | | |
| Restricted cash and cash equivalents | | 1,530 | 1,567 | 1,050 | 37 | 517 |
| Amounts receivable for services | A | 75,185 | 70,063 | 57,571 | (5,122) | 12,492 |
| Property, plant and equipment | B | 381,882 | 379,540 | 337,316 | (2,342) | 42,224 |
| Right-of-use assets | | 1,190 | 215 | 465 | (975) | (250) |
| Intangible assets | | 3,579 | - | - | (3,579) | - |
| Other non-current assets | | 1,673 | - | 1 | (1,673) | (1) |
| Total non-current assets | | 465,039 | 451,385 | 396,403 | (13,654) | 54,982 |
| TOTAL ASSETS | | 497,547 | 651,838 | 579,048 | 154,291 | 72,790 |
| LIABILITIES | | | | | | |
| Current liabilities | | | | | | |
| Payables | | 3,037 | 9,400 | 14,477 | 6,363 | (5,077) |
| Contract liabilities | | - | 1,239 | 1,665 | 1,239 | (426) |
| Employee related provisions | | 10,753 | 13,839 | 10,304 | 3,086 | 3,535 |
| Lease liabilities | | 236 | 112 | 180 | (124) | (68) |
| Other current liabilities | | 5,317 | 1,770 | 1,523 | (3,547) | 247 |
| Total current liabilities | | 19,343 | 26,360 | 28,149 | 7,017 | (1,789) |
| Non-current liabilities | | | | | | |
| Employee related provisions | | 2,286 | 2,758 | 1,940 | 472 | 818 |
| Lease liabilities | | 395 | 118 | 295 | (277) | (177) |
| Other non-current liabilities | | 815 | - | - | (815) | - |
| Total non-current liabilities | | 3,496 | 2,876 | 2,235 | (620) | 641 |
| TOTAL LIABILITIES | | 22,839 | 29,236 | 30,384 | 6,397 | (1,148) |
| NET ASSETS | | 474,708 | 622,602 | 548,664 | 147,894 | 73,938 |
| EQUITY | | | | | | |
| Contributed equity | | 734,440 | 712,061 | 686,948 | (22,379) | 25,113 |
| Reserves | | 10,715 | 28,406 | 10,604 | 17,691 | 17,802 |
| Accumulated deficit | | (270,447) | (117,865) | (148,888) | 152,582 | 31,023 |
| TOTAL EQUITY | | 474,708 | 622,602 | 548,664 | 147,894 | 73,938 |

Notes to the Financial Statements

For the year ended 30 June 2023

Major Estimate and Actual (2023) Variance Narratives

Nil

Major Actual (2023) and Comparative (2022) Variance Narratives

- A. Amounts receivable for services was higher in 2022-23 by \$12.5 million due to higher non-cash funding for capital projects. This includes the new WA Museum depreciation.
- B. Property, plant and equipment increased by \$42.2 million due to asset additions, revaluation and expenditure for capital works projects in progress. This includes the capitalisation of costs associated with the State Hockey Centre and the State Football (Soccer) Centre

Notes to the Financial Statements

For the year ended 30 June 2023

10.1.3 Statement of cash flows variances

| | Variance Notes | Estimate 2023 \$'000 | Actual 2023 \$'000 | Actual 2022 \$'000 | Variance between actual and estimate \$'000 | Variance between actual results for 2023 and 2022 \$'000 |
|---|----------------|-------------------------|-----------------------|-----------------------|--|---|
| CASH FLOWS FROM STATE GOVERNMENT | | | | | | |
| Service appropriation | A | 268,816 | 276,646 | 207,202 | 7,830 | 69,444 |
| Capital appropriation | 1,B | 61,885 | 38,418 | 22,981 | (23,467) | 15,437 |
| Holding account drawdown | | 160 | 160 | 160 | - | - |
| Funds from other public sector entities | 2 | 36,320 | 6,191 | 7,520 | (30,129) | (1,329) |
| Royalties for Regions Fund | | 13,944 | 13,775 | 16,214 | (169) | (2,439) |
| Net cash provided by State Government | | 381,125 | 335,190 | 254,077 | (45,935) | 81,113 |
| Utilised as follows: | | | | | | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | | | |
| Payments | | | | | | |
| Employee benefits | 3,C | (55,272) | (64,584) | (50,303) | (9,312) | (14,281) |
| Supplies and services | 4,D | (20,423) | (29,200) | (25,715) | (8,777) | (3,485) |
| Accommodation | E | (19,837) | (16,002) | (12,936) | 3,835 | (3,066) |
| Grants and subsidies | 5 | (293,593) | (177,117) | (183,499) | 116,476 | 6,382 |
| GST payments on purchases | | (25,872) | (24,190) | (21,927) | 1,682 | (2,263) |
| GST payments to taxation authority | | (300) | - | - | 300 | - |
| Other payments | 6,F | (1,440) | (16,757) | (3,035) | (15,317) | (13,722) |
| Receipts | | | | | | |
| Sale of goods and services | | 3,955 | - | 3 | (3,955) | (3) |
| User charges and fees | G | 9,377 | 13,035 | 7,442 | 3,658 | 5,593 |
| Commonwealth grants | H | 15,697 | 16,551 | 13,319 | 854 | 3,232 |
| Interest received | | 1 | - | - | (1) | - |
| GST receipts on sales | | 1,539 | 1,547 | 1,278 | 8 | 269 |
| GST receipts from taxation authority | | 24,882 | 22,684 | 20,452 | (2,198) | 2,232 |
| Other receipts | | 8,522 | 5,025 | 5,566 | (3,497) | (541) |
| Net cash used in operating activities | | (352,764) | (269,008) | (249,355) | 83,756 | (19,653) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | | |
| Payments | | | | | | |
| Purchase of non-current assets | 7,I | (76,150) | (48,498) | (32,854) | 27,652 | (15,644) |
| Net cash used in investing activities | | (76,150) | (48,498) | (32,854) | 27,652 | (15,644) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | | | |
| Payments | | | | | | |
| Principal elements of lease payments | | (282) | - | - | 282 | - |
| Net cash used in financing activities | | (282) | - | - | 282 | - |
| Net increase/(decrease) in cash and cash equivalents | | (48,071) | 17,684 | (28,132) | 65,755 | 45,816 |
| Cash and cash equivalents at the beginning of the period | | 72,389 | 176,280 | 204,412 | 103,891 | (28,132) |
| CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD | | 24,318 | 193,964 | 176,280 | 169,646 | 17,684 |

Notes to the Financial Statements

For the year ended 30 June 2023

Major Estimate and Actual (2023) Variance Narratives

1. Capital appropriation was lower than the estimate by \$23.5 million due to the reflow of various capital projects into future financial years due to pressures in the building and construction industry.
2. Funds from other public sector entities is lower than the estimate by \$30.1 million mostly due to an income category classification update with actuals reflected under service appropriation and the budget reflected as a receipt from a public sector entity.
3. Employee benefits payments are higher than the estimate by \$9.3 million, primarily due to increases to the Public Sector Wages Policy, and additional staffing approved during the 2022-23 financial year to meet various Government commitments.
4. Supplies and services payments are higher than the estimate by \$8.8 million in line additional funding for government commitments, approved during the 2022-23 financial year. These commitments include the Perth Casino Royal Commission Implementation, the Aboriginal Cultural Centre and the Perth Cultural Centre.
5. Grants and subsidies payments is lower than the estimate by \$116.5 million predominately due to the reflow of capital grants into 2023-24 as a result of pressures on the building and construction industry.
6. Other payments are higher than the estimate by \$15.3 million, largely due to humanitarian payments to support crisis relief in Myanmar and Sri Lanka, and the payment to the Department of Treasury regarding appropriations received in a prior financial year which is timing related and has been reprofiled across the forward estimates.
7. Payments for the purchase of non-current assets was lower than the estimate by \$27.7 million, primarily due to the reflow of various capital projects into future financial years due to pressures in the building and construction industry.

Major Actual (2023) and Comparative (2022) Variance Narratives

- A. Service appropriation was higher in 2022-23 by \$69.4 million, primarily due to the carryover of capital grants and the associated appropriation from 2021-22 to 2022-23, due to pressures in the building and construction industry.
- B. Capital appropriation was higher in 2022-23 by \$15.4 million in line with the higher capital payments primarily associated with the State Football (Soccer) Centre and screen production facility, in line with the program budgets.
- C. Employee benefits payments were higher in 2022-23 by \$14.3 million, primarily due to increases to the Public Sector Wages Policy, and additional staffing approved during the 2022-23 financial year to meet various Government commitments.
- D. Supplies and services payments were higher in 2022-23 by \$3.5 million in line with additional funding for government commitments, approved during the 2022-23 financial year. These commitments include the Screen Production Facility, and payments associated with the Aboriginal Cultural Centre.
- E. Accommodation payments were higher in 2022-23 by \$3 million due to increased maintenance works across various assets, including the new WA museum and remediation works at the Roe Steet Carpark and WA Museum Geraldton.
- F. Other payments are higher in 2022-23 by \$13.7 million, primarily due to a payment of to the Department of Treasury relating to appropriations received in a prior financial year which is timing related and has been reprofiled across the forward estimates.
- G. Receipts of user charges and fees was higher in 2022-23 by \$5.6 million, largely due to liquor licencing annual fee being waived for part of 2021-22 as part of the COVID-19 relief package, and an increase in camp activity as it returns to pre-COVID-19 levels.
- H. Commonwealth grant receipts increased in 2022-23 by \$3.2 million, primarily due to the receipt of funding for the State Football (Soccer) Centre in 2022-23, in line with revised milestone schedules.
- I. Payments for purchase of non-current assets were higher in 2022-23 by \$15.6 million, primarily due to increased capital payments associated with the State Football (Soccer) Centre and Screen Production Facility in line with milestones.

Notes to the Financial Statements

For the year ended 30 June 2023

10.2 Explanatory statement for administered items

This explanatory section explains variations in the financial performance of DLGSC undertaking transactions that it does not control but has responsibility to the government for, as detailed in the administered schedules.

All variances between annual estimates and actual results for 2023, and between the actual results for 2023 and 2022 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 total administered income for the following variance analyses for the:

1. Estimate and actual results for the current year (i.e. 1% \$96,174,000); and
2. Actual results for the current year and the prior year (i.e. 1% of 133,819,000).

| | Variance Notes | Estimate 2023 \$'000 | Actual 2023 \$'000 | Actual 2022 \$'000 | Variance between actual and estimate \$'000 | Variance between actual results for 2023 and 2022 \$'000 |
|--|----------------|-------------------------|-----------------------|-----------------------|--|---|
| Income from administered items | | | | | | |
| Income | | | | | | |
| For transfer: | | | | | | |
| Appropriation | 1,A | 43,174 | 57,077 | 84,555 | 13,903 | (27,478) |
| Taxation - Casino Tax | B | 53,000 | 56,200 | 49,225 | 3,200 | 6,975 |
| Revenue - other | | - | 16 | 39 | 16 | (23) |
| Total administered income | | 96,174 | 113,293 | 133,819 | 17,119 | (20,526) |
| Expenses | | | | | | |
| Supplies and services | | | | | | |
| Grants to Combat Sports Commission | | 953 | 956 | 945 | 3 | 11 |
| Grants to Charitable and Other Public Bodies | | | | | | |
| Grants to Individuals Problem Gambling | | 500 | 500 | 500 | - | - |
| Lotterywest COVID-19 Relief Fund - Sport and Recreation Grants | | - | 5 | - | 5 | 5 |
| Regional Cemetery Boards | | - | 156 | - | 156 | 156 |
| Small Business Lockdown Assistance Grants Program | 2,C | - | 1,196 | 32,563 | 1,196 | (31,367) |
| Small Business Cyclone Seroja Assistance Grants Scheme | | - | - | 150 | - | (150) |
| Small Business COVID Top-up | | - | 866 | - | 866 | 866 |
| Refund of 2022 appropriation to Treasury | 3,D | - | 4,512 | - | 4,512 | 4,512 |
| Subsidies and Concessions | | | | | | |
| Subsidies to gambling and betting agencies and bookmakers | 4,E | 41,721 | 60,532 | 35,079 | 18,811 | 25,453 |
| Supplementary funding to Gaming and Wagering Commission | 5,F | - | 1,800 | - | 1,800 | 1,800 |
| Transfer payments | G | 53,000 | 55,923 | 48,769 | 2,923 | 7,154 |
| Write off - Rugby WA Treasurer's Advance | H | - | - | 1,015 | - | (1,015) |
| Total administered expenses | | 96,174 | 126,446 | 119,021 | 30,272 | 7,425 |

Notes to the Financial Statements

For the year ended 30 June 2023

Major Estimate and Actual (2023) Variance Narratives

1. Appropriation in 2022-23 is higher than the estimate by \$13.9 million due to increased gambling subsidies to the Lotteries Commission in line with increased gambling turnover.
2. The Small Business Lockdown Assistance Grants Program was established in response to COVID-19 restrictions, with the final payment approved in 2022-23 for the program. As this final payment was approved during the 2022-23 financial year, it is not reflected in the estimate.
3. The DLGSC returned \$4.5 million to Department of Treasury relating to appropriation received in the previous financial year for COVID-19 support programs.
4. Subsidies to Gambling and Betting Agencies and Bookmakers in 2022-23 was higher than the estimate by \$18.8 million reflecting a revision to Lotteries Commission projections due to increased gambling turnover.
5. Supplementary funding to Gaming and Wagering Commission was primarily required in 2022-23 due to additional expenditure by the Gaming and Wagering Commission following the Perth Casino Royal Commission.
6. Transfer payments relate to Casino Tax that is received by DLGSC and paid to the Consolidated Account. The higher transfer payments in 2022-23 compared to the estimate are a result of the additional measures instituted by DLGSC to ensure the appropriate verification of Casino Tax paid by the casino licensee.

Major Actual (2023) and Comparative (2022) Variance Narratives

- A. Appropriation in 2022-23 was lower than 2021-22 by \$27.5 million, primarily due to the majority of the funding for Small Business Lockdown Assistance Grants Program being received in 2021-22.
- B. The higher than estimated Casino Tax of \$7 million is a result of DLGSC, on behalf of the Gaming and Wagering Commission, instituting additional measures to ensure the appropriate verification of Casino Tax paid by the casino licensee.
- C. Small Business Lockdown Assistance Grants are lower in 2022-23 by \$31.4 million as this was grant program established in response to COVID-19 restrictions. This program was largely complete, and the majority of payments were made in 2021-22.
- D. DLGSC returned \$4.5 million to Department of Treasury relating to appropriation received in the previous financial year for COVID-19 support programs.
- E. Subsidies to Gambling and Betting Agencies and Bookmakers was higher in 2022-23 by \$25.5 million reflecting a revision to Lotteries Commission projections due to increased gambling turnover.
- F. Supplementary funding to Gaming and Wagering Commission was primarily required in 2022-23 to accommodate additional expenditure by the Gaming and Wagering Commission following the Perth Casino Royal Commission.
- G. Transfer payments refer to the Casino Tax that is received by DLGSC and paid to the Consolidated Account. The higher transfer payments in 2022-23 by \$7.2 million are a result of the additional measures instituted by DLGSC to ensure the appropriate verification of Casino Tax paid by the casino licensee.
- H. In the 2021-22 financial year, a debt associated with a loan to Rugby WA was waived, and the associated expense recognised.

Notes to the Financial Statements

For the year ended 30 June 2023

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:

| | 2023 \$'000 | 2022 \$'000 |
|---------------------------------|----------------|----------------|
| Balance at start of period | 77 | 35 |
| Receipts | 701 | 626 |
| Payment | (707) | (584) |
| Balance at end of period | 71 | 77 |

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



Drone shot of a road on a salt flat, Western Australia. Abstract Aerial Art/Digital Vision/Getty Images

08

Other disclosures, compliance and requirements

| | |
|--|-----|
| Pricing policies | 178 |
| Unauthorised use of credit cards | 178 |
| Ministerial directives | 178 |
| Public Interest Disclosures | 178 |
| Compliance with public sector standards and ethical codes | 178 |
| Substantive equality | 180 |
| Recordkeeping | 180 |
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Pricing policies

When analysing our 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.

Unauthorised use of credit cards

Officers of DLGSC hold corporate credit cards where their functions warrant their usage. Cardholders are reminded of their obligations annually under DLGSC's purchasing card policy, however, seven 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.

| 2023 | |
|--|-------|
| Number of instances State Government purchasing cards have been used for personal purposes | 10 |
| Aggregate amount of personal use expenditure for the reporting period | \$315 |
| Aggregate amount of personal use settled by due date (within 5 working days) | \$162 |
| Aggregate amount of personal use settled after the period (after 5 working days) | \$153 |
| 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 2022-23.

Public Interest Disclosures

There was one Public Interest Disclosure received during 2022-23.

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 DLGSC Managing Conflict of Interest Guidelines have been updated. A comprehensive communication campaign to support the launch has been developed, to increase understanding and raise awareness of compliance amongst staff. Staff conflict of interest declarations are submitted via an e-form which generates an annual update reminder. An enhanced Secondary Employment Guideline delineates conflicts of interest associated with secondary employment.

The Accountable and Ethical Decision-Making training enables employees to apply and maintain the highest standards of ethical conduct. Conflict of interest training workshops continue to be made available to staff.

An updated corporate induction package has been developed and will include a dedicated page for all new starters and managers covering DLGSC values, workplace behaviour, Code of Conduct and acceptable use of resources. All new starters are required to read and acknowledge relevant policies, including the Code of Conduct.

In 2022-23, no breaches of the Public Sector Standards in Human Resource Management were upheld. Two breaches of the WA Public Sector Code of Ethics and DLGSC's Code of Conduct were sustained.

Public sector diversity

The DLGSC prioritises continuous improvement across all its services to ensure inclusivity of all people. Our Recruitment and Attraction Plan 2023-2025 is being developed to help meet the aspirational targets set by the PSC in the Workforce Diversification and Inclusion Strategy 2020-2025. Strategies include all adverts being updated with diversity statements and advert reviews include links to the Jobs and Skills WA Aboriginal Services page for assistance.

The initiatives currently in place to increase diversity include:

- Partnering with the National Disability Recruitment Coordinator to advertise all agency positions directly to people with disability.
- Advertising all positions on the Aboriginal Service Jobs Board via Job Skills WA.
- Creating particular positions to be filled by Aboriginal or Torres Strait Islander people to ensure culturally appropriate representation.

The DLGSC diversity statistics, as reported against the PSC targets for the period 1 April to 30 June 2023:

| Diversity group | DLGSC April – June 2023 | Public sector average June 2023 | Public sector target |
|--|-------------------------|---------------------------------|----------------------|
| Women in SES | 63.04% | 50.2% | 50% |
| People from CaLD backgrounds | 13.17% | 16.5% | 15.5% |
| Aboriginal and Torres Strait Islander people | 1.4% | 2.7% | 3.7% |
| People with disability | 2.44% | 1.6% | 5% |
| Youth | 10.29% | 5.4% | 5.8% |

Diversity and inclusion has been incorporated into the annual Learning and Development Plan to assist in developing cultural competencies. A new Learning Management System was implemented in April 2023 and includes online modules for Diverse WA and Unconscious Bias training for all staff.

Substantive equality

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

The DLGSC acknowledges that Aboriginal people, as First Nations Peoples of Australia, have a unique place in society. Aboriginal people and people from migrant and refugee backgrounds have vastly different starting points and there are different challenges for each in terms of achieving equitable outcomes.

We support a wide range of services in local communities targeting Aboriginal and Torres Strait Islander people, seniors, youth, carers, women, volunteers, children, families and people from CaLD backgrounds.

Recordkeeping

Freedom of Information

The *Freedom of Information Act 1992* (FOI Act) creates a general right of access to documents held by DLGSC and offices and bodies regarded to be part of DLGSC for the purposes of the FOI Act. The FOI Act also provides a mechanism for the public to ensure that personal information held by DLGSC and offices and bodies regarded to be part of 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 DLGSC received 80 new FOI applications in 2022-23, a substantial increase from the previous year. Five existing FOI applications were also carried over from 2021-22, making a total of 85 applications for 2022-23. Four of the 85 requests were for internal review.

Additionally, four external reviews were raised with the Office of the Information Commissioner in 2022-23. These applications are made directly to the Office of the Information Commissioner and are not included in the figures below.

| Application type | 2022-23 |
|---|-----------|
| Requests for access to non-personal information | 40 |
| Requests for access to personal information | 45 |
| Requests for amendment of personal information | 0 |
| Total | 85 |

| Application Outcome | 2022-23 |
|--|-----------|
| Applications transferred in full | 1 |
| Applications withdrawn | 43 |
| Applications completed | 38 |
| Applications outstanding on 30 June 2023 | 3 |
| Total | 85 |

DLGSC Recordkeeping Plan compliance statement

The DLGSC Recordkeeping Plan was approved by the State Records Commission in March 2020 and is due for a review in 2025. 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 sessions. Evaluations on the effectiveness of this training is conducted via online survey. Up-to-date policies, procedures, system training videos and the DLGSC Recordkeeping Plan are accessible via the DLGSC intranet.

The DLGSC is focusing on security and auditing of internal controls to ensure well documented processes are available to staff. Appropriate classification of information and records enables privacy protections and accountable information sharing within government. The DLGSC have started implementation of the whole-of-government Information Classification Policy, to be implemented by 2025. Readiness activities for the introduction of the Privacy and Responsible Information Sharing legislation have commenced.

The anticipated commencement of the legislation is 31 December 2024.

State Records Office Recordkeeping Plan compliance statement

The following information is provided as evidence of compliance with legislative requirements, for example the *State Records Act 2000* and the State Records Commission Standards.

The SRO Recordkeeping Plan includes SRO Records Management Policy and Procedures, the SRO Corporate Records Disaster Recovery Plan and documentation for the implementation of digitisation procedures.

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 within a short time from commencement. The induction covers an overview of the recordkeeping responsibilities of each employee, in accordance with legislative requirements and the SRO Recordkeeping Plan.



Members of DLGSC's Legal Team — (L to R) Alexandria Bishop, Carolyn Spartalis, Susan Goodman

Governance disclosures

Boards and committee remuneration

Local Government Advisory Board

1 July 2022 – 30 June 2023

| Position on Board | Member's Name | Type of Remuneration | Period of Membership | Term of appointment / tenure | Base salary/ sitting fees | Gross / Actual Remuneration for financial year |
|--|---------------------|----------------------|--|------------------------------|--------------------------------|--|
| Chairperson | Cr Dan Bull | Sitting Fee | 01/07/2022 to present | Sessional | \$637 full day, \$414 part day | \$3,726 |
| Deputy Chair | Ms Mary Adam | N/A | 01/07/2022 to 31/08/2022 and 29/11/2022 to present | Sessional | Nil | - |
| Member | Mr Anthony Vuleta | N/A | 01/07/2022 to 31/08/2022 and 29/11/2022 to present | Sessional | Nil | - |
| Member | Cr Russ Fishwick | Sitting Fee | 01/07/2022 to 31/08/2022 and 29/11/2022 to present | Sessional | \$414 full day, \$269 part day | \$2,152 |
| Member | Cr Caroline Knight | Sitting Fee | 01/07/2022 to present | Sessional | \$414 full day, \$269 part day | \$2,799.20 |
| Deputy to the Deputy Chair | vacant | N/A | - | Sessional | Nil | - |
| Deputy Member | Ms Joanne Soderlund | N/A | 29/11/2022 to present | Sessional | Nil | - |
| Deputy Member | Cr Karen Wheatland | N/A | 01/07/2022 to 31/08/2022 and 29/11/2022 to present | Sessional | Nil | - |
| Deputy Member | Cr Jannah Stratford | Sitting Fee | 01/07/2022 to present | Sessional | \$414 full day, \$269 part day | - |
| Total | | | | | | \$8,677.20 |
| PREVIOUS MEMBERS (1 July 2022 to 1 February 2023) | | | | | | |
| Deputy to the Deputy Chair | Ms Caitlin Marson | N/A | 01/07/2022 to 01/02/2023 | Sessional | Nil | - |

Western Australian Local Government Grants Commission

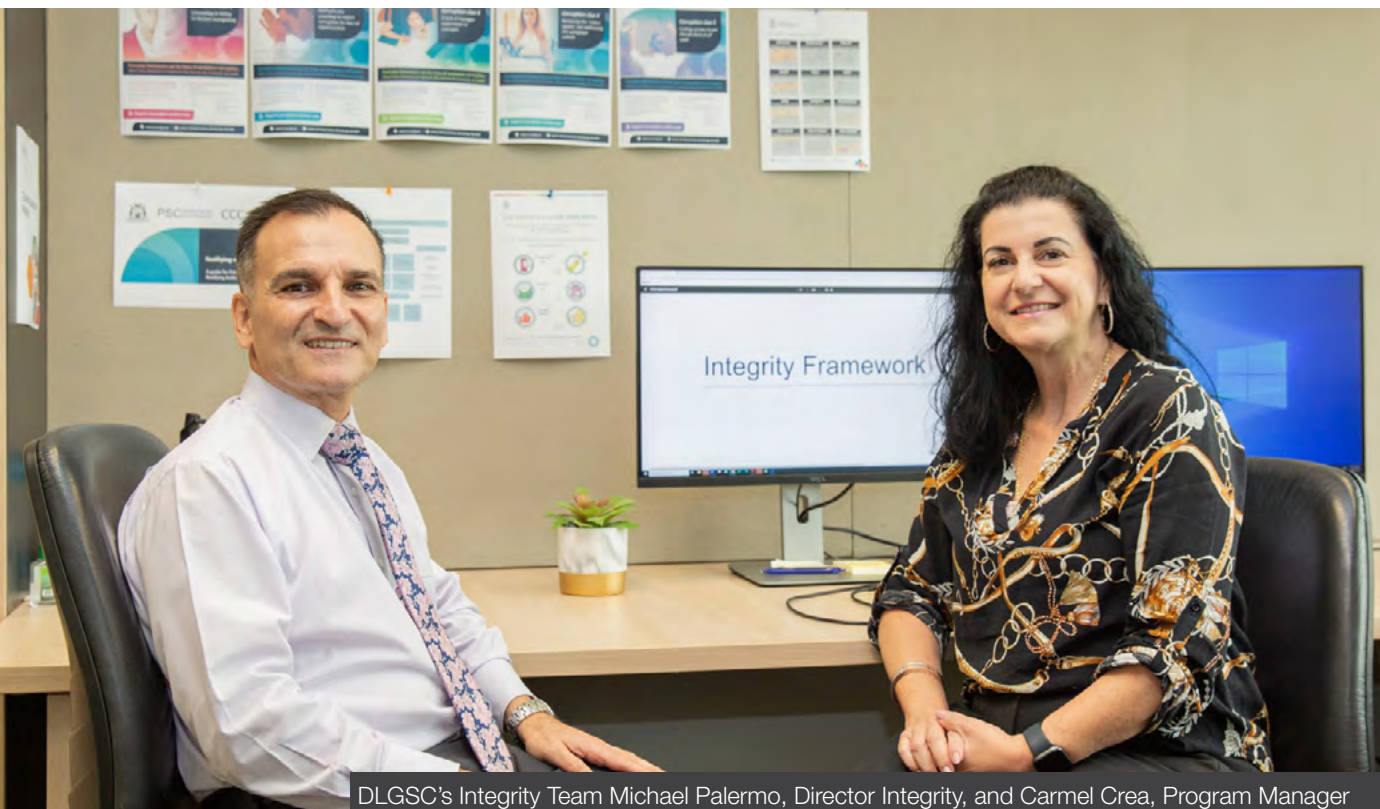
1 July 2022 – 30 June 2023

| Position on Board | Member's Name | Type of Remuneration | Period of Membership | Term of appointment / tenure | Base salary/ sitting fees | Gross / Actual Remuneration for financial year |
|--|-------------------------|----------------------|--------------------------|------------------------------|--------------------------------|--|
| Chairperson | vacant | Sitting Fee | N/A | Sessional | \$637 full day, \$414 part day | - |
| Deputy Chairperson | Mr Luke Stevens | N/A | 01/07/2022 to present | Sessional | Nil | - |
| Deputy to the Deputy Chair | vacant | N/A | N/A | Sessional | \$414 full day, \$269 part day | - |
| Metropolitan Member | Mr Colin Cameron | N/A | 01/07/2022 to present | Sessional | Nil | - |
| Deputy Metropolitan Member | Cr David Goode | Sitting Fee | 01/07/2022 to present | Sessional | \$414 full day, \$269 part day | \$828 |
| Country Urban Member | vacant | Sitting Fee | N/A | Sessional | \$414 full day, \$269 part day | - |
| Deputy Country Urban Member | vacant | Sitting Fee | N/A | Sessional | \$414 full day, \$269 part day | - |
| Country Rural Member | Ms Melinda Prinsloo | N/A | 01/07/2022 to present | Sessional | Nil | - |
| Deputy Country Rural Member | Cr Christopher Mitchell | Sitting Fee | 01/07/2022 to present | Sessional | \$414 full day, \$269 part day | - |
| Total | | | | | | \$828 |
| PREVIOUS MEMBERS (1 July 2022 to 9 December 2022) | | | | | | |
| Chairperson | Hon Fred Riebeling | Sitting Fee | 01/07/2022 to 31/08/2022 | Sessional | \$637 full day, \$414 part day | \$414 |
| Deputy to the Deputy Chair | Ms Darrelle Merritt | N/A | 01/07/2022 to 09/12/2022 | Sessional | Nil | - |
| Country Urban Member | Dr Wendy Giles | Sitting Fee | 01/07/2022 to 31/08/2022 | Sessional | \$414 full day, \$269 part day | \$414 |
| Deputy Country Urban Member | Cr Deborah Botica | Sitting Fee | 01/07/2022 to 31/08/2022 | Sessional | \$414 full day, \$269 part day | - |

Local Government Standards Panel

1 July 2022 – 30 June 2023

| Position on Board | Member's Name | Type of Remuneration | Period of Membership | Term of appointment / tenure | Base salary/ sitting fees | Gross / Actual Remuneration for financial year |
|---|-----------------------------|---|-----------------------|------------------------------|---------------------------|--|
| Presiding Member (and Departmental Member) | Mr Tim Fraser | N/A | 01/07/2022 to present | Sessional | Nil | - |
| Deputy for Departmental Member | Ms Suleila Felton | N/A | 16/01/2023 to present | Sessional | Nil | - |
| Legal member | Ms Emma Power | Meeting sitting and decision writing fees | 01/07/2022 to present | Sessional | \$5,280 | \$48,036 |
| Deputy for Legal Member | Ms Elanor Rowe Harper | Meeting sitting and decision writing fees | 01/07/2022 to present | Sessional | \$3,840 | \$39,780 |
| Local Government Member | Cr Peter Christopher Rogers | N/A | 01/07/2022 to present | Sessional | Nil | - |
| Deputy for Local Government Member | Cr Renee McClennan | Meeting sitting fees | 25/07/2022 to present | Sessional | \$470 | - |
| Total | | | | | | \$87,816 |



DLGSC's Integrity Team Michael Palermo, Director Integrity, and Carmel Crea, Program Manager

Ministerial Multicultural Advisory Council

1 July 2022 – 30 June 2023

| Position on Board | Member's Name | Type of Remuneration | Period of Membership | Term of appointment / tenure | Base salary/ sitting fees | Gross / Actual Remuneration for financial year |
|-------------------|-----------------------------|----------------------|-------------------------|------------------------------|---------------------------|--|
| Chair | Hon Dr Tony Buti MLA | N/A | N/A | N/A | Nil | - |
| Co-Chair | Mr Enzo Sirna AM | N/A | 01/01/2021 to present | Sessional | Nil | - |
| Member | Mr Abdullah Khan | Sitting Fee | 01/01/2021 to present | Sessional | \$251 | \$753 |
| Member | Ms Amal Youssef | N/A | 27/03/2023 to present | Sessional | Nil | - |
| Member | Dr Anh Nguyen | Sitting Fee | 27/03/2023 to present | Sessional | \$251 | - |
| Member | Mr Amit Khullar | Sitting Fee | 24/01/2022 to present | Sessional | \$251 | \$753 |
| Member | Ms Anna Harrison JP | Sitting Fee | 24/01/2022 to present | Sessional | \$251 | \$502 |
| Member | Hon Avor Makur Chuot MLC | N/A | 27/03/2023 to present | Sessional | Nil | - |
| Member | Mr Balwinder Balli Singh JP | Sitting Fee | 09/05/2022 to present | Sessional | \$251 | \$1,004 |
| Member | Dr Carina Hoang | Sitting Fee | 09/05/2022 – 28/02/2023 | Sessional | \$251 | - |
| Member | Dr Casty Nyaga | Sitting Fee | 24/01/2022 to present | Sessional | \$251 | - |
| Member | Mr Geoff Midalia | Sitting Fee | 24/01/2022 to present | Sessional | \$251 | \$502 |
| Member | Ms Haweya Ismail | Sitting Fee | 24/01/2022 to present | Sessional | \$251 | \$753 |
| Member | Ms Joansy King | Sitting Fee | 01/01/2021 – 28/02/2023 | Sessional | \$251 | \$1,004 |
| Member | Ms Karla Benitez | Sitting Fee | 27/03/2023 to present | Sessional | \$251 | - |
| Member | Ms Maria de Silva | Sitting Fee | 09/05/2022 to present | Sessional | \$251 | \$1,004 |
| Member | Ms Meredith Hammat MLA | N/A | 01/05/2022 – 31/12/2022 | Sessional | Nil | - |
| Member | Mr Morteza Tabatabaee | Sitting Fee | 24/01/2022 to present | Sessional | \$251 | \$1,004 |
| Member | Ms Naomi Cyrus | Sitting Fee | 09/05/2022 – 28/02/2023 | Sessional | \$251 | \$502 |
| Member | Mr Paul Kyaw | Sitting Fee | 27/03/2023 to present | Sessional | \$251 | - |
| Member | Mr Surya Ambati | Sitting Fee | 01/01/2021 – 23/02/2023 | Sessional | \$251 | \$1,004 |
| Member | Mr Salim Youssef | Sitting Fee | 01/01/2021 – 28/02/2023 | Sessional | \$251 | \$251 |
| Member | Mr Satish Nair | Sitting Fee | 27/03/2023 to present | Sessional | \$251 | - |
| Member | Mr Ted Nguyen | N/A | 24/01/22 to 28/02/2023 | Sessional | Nil | - |
| Member | Mr Ting Chen | Sitting Fee | 01/01/2021 to present | Sessional | \$251 | \$1,004 |
| Member | Ms Wendy Rose | Sitting Fee | 01/01/2021 to present | Sessional | \$251 | \$753 |
| Member | Ms Yati Nurvati Winfield | Sitting Fee | 24/01/2022 to present | Sessional | \$251 | \$1,004 |
| Total | | | | | | \$11,797 |

Liquor Commission

Details for membership and remuneration of the Liquor Commission are published in the Liquor Commission 2022-23 annual report.

Gaming and Wagering Commission

Details for membership and remuneration of the GWC are published in the GWC 2022-23 annual report.

Gaming Community Trust

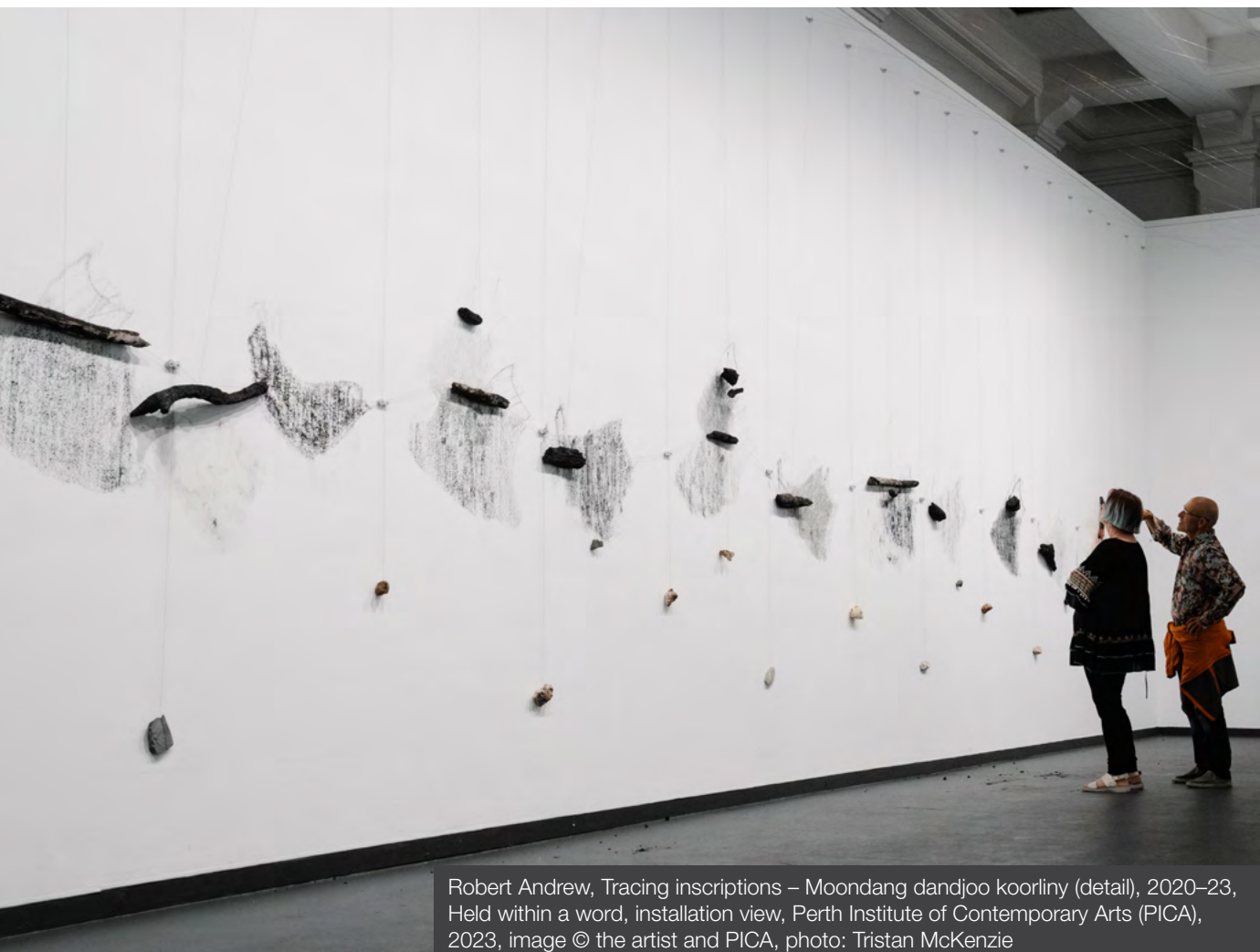
Details for membership and remuneration of the Gaming Community Trust are published in the GWC 2022-23 annual report.

Racing Penalties Appeal Tribunal

Details for membership and remuneration of the RPAT is published in the RPAT 2022-23 annual report.

Combat Sports Commission

Details for membership and remuneration of the CSC are published in the CSC 2022-23 annual report.



Robert Andrew, Tracing inscriptions – Moondang dandjoo koorliny (detail), 2020–23, Held within a word, installation view, Perth Institute of Contemporary Arts (PICA), 2023, image © the artist and PICA, photo: Tristan McKenzie

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, 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 WA. Peer assessors are not formally a board or committee, however DLGSC remuneration for the 2022-23 financial year has been listed below:

| Assessor | Amount | Assessor | Amount |
|------------------------------|---------|-----------------------------|------------------|
| Mr Aaron Beach | \$3,600 | Dr Lucy Dougan | \$2,800 |
| Mrs Alissa de Souza | \$1,500 | Mr Luke Rinaldi | \$6,000 |
| Ms Amanda Bell | \$1,196 | Miss Marlee Hutton | \$3,200 |
| Ms Amber Launay | \$4,400 | Mr Michael McCall | \$3,200 |
| Ms Anna Richardson | \$2,800 | Ms Michelle White | \$1,180 |
| Ms Annette Carmichael | \$3,600 | Mr Miles Openshaw | \$3,000 |
| Ms Ashley Yihsin Chang | \$1,800 | Ms Natalie Jenkins — Chair | \$7,080 |
| Ms Belinda Hermawan | \$3,600 | Mr Nicholas Maclaine | \$3,200 |
| Dr Carol Dowling | \$3,200 | Ms Rachael Dease | \$6,700 |
| Dr Carol Millner | \$3,200 | Ms Rachel Bin Salleh | \$1,800 |
| Mx Carolina Duca | \$1,800 | Mr Ricky Arnold | \$4,700 |
| Dr Cassie Lynch | \$3,600 | Mr Ron Bradfield | \$1,180 |
| Ms Cristy Burne | \$3,500 | Mr Ryan Taaffe | \$1,800 |
| Mr David Bowman-Bright | \$1,400 | Dr Sam Lynch | \$3,500 |
| Ms Deborah Robertson | \$1,800 | Mr Scott Elstermann | \$3,300 |
| Ms Elizabeth Spencer — Chair | \$4,740 | Mr Sean Walsh — Chair | \$3,000 |
| Mr Evan Kennea | \$3,600 | Miss Shandell Cummings | \$6,400 |
| Mr Guy Boyce | \$1,100 | Ms Simone Flavelle | \$3,600 |
| Miss Hannah Chambers | \$4,000 | Mr Stephen Kinnane | \$800 |
| Mrs Hayley-Jane Ayres | \$3,500 | Ms Storm Helmore | \$3,200 |
| Mrs Helen Kruger | \$2,800 | Ms Sukhjit Khalsa | \$1,817 |
| Ms Irma Woods | \$4,500 | Ms Suzie Haslehurst — Chair | \$4,000 |
| Ms Jenna Mathie | \$400 | Ms Tanya Schultz | \$6,000 |
| Mr Jeremy Smith | \$1,500 | Ms Tara Gower | \$2,800 |
| Ms Jessica Knight | \$800 | Ms Tui Raven | \$800 |
| Mr Jim Cathcart | \$3,600 | Mr Tyler Hill | \$1,400 |
| Mrs Jude van der Merwe | \$3,600 | Mr Zachary James | \$1,500 |
| Ms June Moorhouse — Chair | \$6,300 | Total | \$169,393 |

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 2022-23 was \$61,836.74.

| Expenditure | Organisation | Amount (\$) | Total (\$) |
|--------------------|--|----------------------------------|--------------------|
| Advertising | Initiative Media Australia Pty Ltd | \$58,739 | \$58,739 |
| Market research | | - | - |
| Polling | | - | - |
| Direct mail | | - | - |
| Media advertising | Facebook LinkedIn X Instagram | \$2,977.09 \$120.65 - - | \$3,097.74 |
| Grand total | | | \$61,836.74 |

Social media activities

Impressions on social media posts:

- Facebook: 3.2 million
- LinkedIn: 291,000
- X: 12,000
- Instagram: 18,000

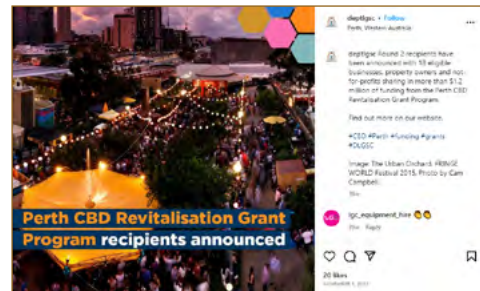
Total: 3,521,000

Reach on paid social media posts:

- Facebook: 214,000

Impressions on paid social media posts:

- Facebook: 460,000





Audience at the Silent Disco in the Pleasure Garden. FRINGE WORLD Festival 2023. Photo by Miles Noel

DLGSC contact details

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Bell Tower. majaiva/E+/Getty Images