



# DISCLOSURES AND LEGAL COMPLIANCE

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## Auditor General

### INDEPENDENT AUDITOR'S REPORT

To the Parliament of Western Australia

### DEPARTMENT OF TRANSPORT

### Report on the Financial Statements

#### **Opinion**

I have audited the financial statements of the Department of Transport which comprise the Statement of Financial Position as at 30 June 2018, the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows, Schedule of Income and Expenses by Service, Schedule of Assets and Liabilities by Service, and Summary of Consolidated Account Appropriations and Income Estimates for the year then ended, and Notes comprising a summary of significant accounting policies and other explanatory information, including Administered transactions and balances.

In my opinion, the financial statements are based on proper accounts and present fairly, in all material respects, the operating results and cash flows of the Department of Transport for the year ended 30 June 2018 and the financial position at the end of that period. They are in accordance with Australian Accounting Standards, the *Financial Management Act 2006* and the Treasurer's Instructions.

#### **Basis for Opinion**

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

#### **Responsibility of the Director General for the Financial Statements**

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

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

#### **Auditor's Responsibility for the Audit of the Financial Statements**

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



Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

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

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

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

### **Report on Controls**

#### ***Opinion***

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

My opinion has been formed on the basis of the matters outlined in this report.

In my opinion, in all material respects, the controls exercised by the Department of Transport are sufficiently adequate to provide reasonable assurance that the receipt, expenditure and investment of money, the acquisition and disposal of property and the incurring of liabilities have been in accordance with legislative provisions during the year ended 30 June 2018.

#### ***The Director General's Responsibilities***

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



**Auditor General's Responsibilities**

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

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

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

**Limitations of Controls**

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

**Report on the Key Performance Indicators****Opinion**

I have undertaken a reasonable assurance engagement on the key performance indicators of the Department of Transport for the year ended 30 June 2018. The key performance indicators are the key effectiveness indicators and the key efficiency indicators that provide performance information about achieving outcomes and delivering services.

In my opinion, in all material respects, the key performance indicators of the Department of Transport are relevant and appropriate to assist users to assess the Department's performance and fairly represent indicated performance for the year ended 30 June 2018.

**The Director General's Responsibility for the Key Performance Indicators**

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

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

**Auditor General's Responsibility**

As required by the *Auditor General Act 2006*, my responsibility as an assurance practitioner is to express an opinion on the key performance indicators. The objectives of my engagement are to obtain reasonable assurance about whether the key performance indicators are relevant and appropriate to assist users to assess the agency's performance and whether the key performance indicators are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion.



I conducted my engagement in accordance with Standard on Assurance Engagements ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* issued by the Australian Auditing and Assurance Standards Board. That standard requires that I comply with relevant ethical requirements relating to assurance engagements.

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

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

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

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

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

This auditor's report relates to the financial statements and key performance indicators of the Department of Transport for the year ended 30 June 2018 included on the Department's website. The Department's management is responsible for the integrity of the Department's website. This audit does not provide assurance on the integrity of the Department's website. The auditor's report refers only to the financial statements and key performance indicators described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these financial statements or key performance indicators. If users of the financial statements and key performance indicators are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial statements and key performance indicators to confirm the information contained in this website version of the financial statements and key performance indicators.



CAROLINE SPENCER  
AUDITOR GENERAL  
FOR WESTERN AUSTRALIA  
Perth, Western Australia  
3 September 2018

# CERTIFICATION OF FINANCIAL STATEMENTS

For the year ended 30 June 2018

The accompanying financial statements of the Department of Transport 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 2018 and the financial position as at 30 June 2018.

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



**Peter Parolo**

Chief Finance Officer

31 August 2018



**Richard Sellers**

Director General

31 August 2018

# STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2018

	Note	2018 \$ 000	2017 \$ 000
<b>COST OF SERVICES</b>			
<b>Expenses</b>			
Employee benefits expense	3.1	136 252	133 227
Supplies and services	3.4	107 528	115 559
Depreciation and amortisation expense	5.1,5.2,5.3	20 856	21 282
Accommodation expenses	3.4	16 844	15 995
Grants and subsidies	3.2	91 558	109 880
Loss on disposal of non-current assets	3.3	283	992
Other expenses	3.4	4 109	16 788
<b>Total cost of services</b>		<b>377 430</b>	<b>413 723</b>
<b>Income</b>			
<b>Revenue</b>			
User charges and fees	4.2	261 681	259 194
Sales		181	105
Grants and contributions	4.3	19 627	6 882
Interest revenue		689	883
Other revenue	4.4	54 310	52 452
Other income	4.5	78	6 460
<b>Total revenue</b>		<b>336 566</b>	<b>325 976</b>
<b>Total income other than income from State Government</b>		<b>336 566</b>	<b>325 976</b>
<b>NET COST OF SERVICES</b>		<b>40 864</b>	<b>87 747</b>
<b>Income from State Government</b>	4.1		
Service appropriation		59 776	57 757
Assets received		147	177
Services received free of charge		1 710	1 228
Royalties for Regions Fund		36 649	33 936
<b>Total income from State Government</b>		<b>98 282</b>	<b>93 098</b>
<b>SURPLUS FOR THE YEAR</b>		<b>57 418</b>	<b>5 351</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
<i>Items not reclassified subsequently to profit or loss</i>			
Changes in asset revaluation surplus	9.9	(345)	(54)
<b>Total other comprehensive income/(deficit)</b>		<b>(345)</b>	<b>(54)</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>57 073</b>	<b>5 297</b>

See also the Schedule of Income and Expense by Service.

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

# STATEMENT OF FINANCIAL POSITION

As at 30 June 2018

	Note	2018 \$ 000	2017 \$ 000
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	7.1	31 005	29 992
Restricted cash and cash equivalents	7.1	78 143	40 365
Inventories	6.2	543	557
Receivables	6.1	15 203	9 230
Other current assets	6.4	5 088	5 557
Non-current assets classified as held for distribution to owners	9.8	7 757	-
<b>Total Current Assets</b>		<b>137 739</b>	<b>85 701</b>
<b>Non-Current Assets</b>			
Restricted cash and cash equivalents	7.1	1 025	515
Amounts receivable for services	6.3	236 457	216 582
Property, plant and equipment	5.1	148 578	160 058
Infrastructure	5.2	267 505	252 542
Intangible assets	5.3	36 184	30 232
Construction in progress	5.4	11 773	25 638
<b>Total Non-Current Assets</b>		<b>701 522</b>	<b>685 567</b>
<b>TOTAL ASSETS</b>		<b>839 261</b>	<b>771 268</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Payables	6.5	20 362	21 416
Employee related provisions	3.1	20 917	22 858
Other current liabilities	6.6	730	773
<b>Total Current Liabilities</b>		<b>42 009</b>	<b>45 047</b>
<b>Non-current Liabilities</b>			
Employee related provisions	3.1	6 054	6 650
<b>Total Current Liabilities</b>		<b>6 054</b>	<b>6 650</b>
<b>TOTAL LIABILITIES</b>		<b>48 063</b>	<b>51 697</b>
<b>NET ASSETS</b>		<b>791 198</b>	<b>719 571</b>
<b>EQUITY</b>			
Contributed equity	9.9	499 071	484 517
Reserves		1 903	2 248
Accumulated surplus		290 224	232 806
<b>TOTAL EQUITY</b>		<b>791 198</b>	<b>719 571</b>

See also the 'Schedule of Assets and Liabilities by Service'.

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



# STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2018

	Note	Contributed equity \$ 000	Reserves \$ 000	Accumulated surplus \$ 000	Total equity \$ 000
<b>Balance at 1 July 2016</b>		479 825	2 302	227 455	709 582
Surplus for the year		-	-	5 351	5 351
Other comprehensive income		-	(54)	-	(54)
<b>Total comprehensive income for the year</b>	9.9	-	(54)	5 351	5 297
Transactions with owners in their capacity as owners:					
Capital appropriations		15 226	-	-	15 226
Other contributions by owners					
Regional Development Headworks Fund		11 575	-	-	11 575
Department of Lands		740	-	-	740
Landgate		1 115	-	-	1 115
Distribution to owners					
Public Transport Authority		(23 956)	-	-	(23 956)
Department of Treasury		-	-	-	-
Department of Lands		(8)	-	-	(8)
		4 692	-	-	4 692
<b>Balance at 30 June 2017</b>		<b>484 517</b>	<b>2 248</b>	<b>232 806</b>	<b>719 571</b>
<b>Balance at 1 July 2017</b>		<b>484 517</b>	<b>2 248</b>	<b>232 806</b>	<b>719 571</b>
Surplus for the year		-	-	57 418	57 418
Other comprehensive income		-	(345)	-	(345)
<b>Total comprehensive income for the year</b>		<b>-</b>	<b>(345)</b>	<b>57 418</b>	<b>57 073</b>
Transactions with owners in their capacity as owners:					
Capital appropriations		18 287	-	-	18 287
Other contributions by owners					
Regional Development Headworks Fund		3 488	-	-	3 488
Department of Planning, Lands and Heritage		49	-	-	49
Distribution to owners					
Public Transport Authority		(7 270)	-	-	(7 270)
		14 554	-	-	14 554
<b>Balance at 30 June 2018</b>		<b>499 071</b>	<b>1 903</b>	<b>290 224</b>	<b>791 198</b>

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

# STATEMENT OF CASH FLOWS

For the year ended 30 June 2018

	Note	2018 \$ 000	2017 \$ 000
<b>CASH FLOWS FROM STATE GOVERNMENT</b>			
Service appropriation		39 901	42 243
Capital appropriations		18 287	15 226
Cash transferred (to)/from other agencies		(7 270)	(23 956)
Royalties for Regions Fund		40 137	45 511
<b>Net cash provided by State Government</b>		<b>91 055</b>	<b>79 024</b>
Utilised as follows:			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Payments</b>			
Employee benefits		(138 823)	(135 404)
Supplies and services		(109 710)	(109 793)
Accommodation		(17 720)	(16 167)
Grants and subsidies		(86 923)	(107 700)
GST payments on purchases		(23 114)	(24 172)
Other payments		(2 282)	(3 851)
<b>Receipts</b>			
Sale of goods and services		180	107
User charges and fees		261 809	255 940
Grants and contributions		12 986	6 748
Interest received		674	1 154
GST receipts on sales		7 361	8 049
GST receipts from taxation authority		15 642	16 670
Other receipts		53 498	57 583
<b>Net cash (used in) operating activities</b>	7.1.2	<b>(26 422)</b>	<b>(50 836)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<b>Payments</b>			
Purchase of non-current physical assets		(25 421)	(32 880)
<b>Receipts</b>			
Proceeds from sale of non-current physical assets		89	57
<b>Net cash (used) in investing activities</b>		<b>(25 332)</b>	<b>(32 823)</b>
Net increase/(decrease) in cash and cash equivalents		39 301	(4 635)
Cash and cash equivalents at the beginning of the year		70 872	75 507
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	7.1.1	<b>110 173</b>	<b>70 872</b>

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



# SUMMARY OF CONSOLIDATED ACCOUNT APPROPRIATIONS AND INCOME ESTIMATES

For the year ended 30 June 2018

	2018 Estimate \$ 000	2018 Actual \$ 000	Variance \$ 000	2018 Actual \$ 000	2017 Actual \$ 000	Variance \$ 000
<b>DELIVERY OF SERVICES</b>						
Item 80 Net amount appropriated to deliver services	63 839	54 250	(9 589)	54 250	56 500	(2 250)
Section 25 Transfer of service appropriation	-	4 269	4 269	4 269	-	4 269
Amount authorised by other statutes						
Salaries and Allowances Act 1975	1 257	1 257	-	1 257	1 257	-
<b>Total appropriations provided to deliver services</b>	<b>65 096</b>	<b>59 776</b>	<b>(5 320)</b>	<b>59 776</b>	<b>57 757</b>	<b>2 019</b>
<b>CAPITAL</b>						
Item 126 Capital appropriations	19 037	18 287	(750)	18 287	15 226	3 061
<b>ADMINISTERED TRANSACTIONS</b>						
Item 81 Western Australian Coastal Shipping Commission	100	100	-	100	100	-
<b>Total administered transactions</b>	<b>100</b>	<b>100</b>	<b>-</b>	<b>100</b>	<b>100</b>	<b>-</b>
<b>GRAND TOTAL</b>	<b>84 233</b>	<b>78 163</b>	<b>(6 070)</b>	<b>78 163</b>	<b>73 083</b>	<b>5 080</b>
<b>Details of expenses by service</b>						
Coastal Infrastructure	70 608	59 783	(10 825)	59 783	70 775	(10 992)
Marine Safety	27 079	30 437	3 358	30 437	29 553	884
On-demand Transport	31 970	28 200	(3 770)	28 200	49 636	(21 436)
Driver and Vehicle Services	202 800	195 178	(7 622)	195 178	202 421	(7 243)
Strategic Transport Policy and Integrated Planning	81 842	63 832	(18 010)	63 832	61 338	2 494
<b>Total cost of services</b>	<b>414 299</b>	<b>377 430</b>	<b>(36 869)</b>	<b>377 430</b>	<b>413 723</b>	<b>(36 293)</b>
Less: Total income	333 289	336 566	3 277	336 566	325 976	10 590
<b>Net cost of services</b>	<b>81 010</b>	<b>40 864</b>	<b>(40 146)</b>	<b>40 864</b>	<b>87 747</b>	<b>(46 883)</b>
Adjustments (i)	(15 914)	18 912	34 826	18 912	(29 990)	48 902
<b>Total appropriations provided to deliver services</b>	<b>65 096</b>	<b>59 776</b>	<b>(5 320)</b>	<b>59 776</b>	<b>57 757</b>	<b>2 019</b>

	2018 Estimate \$ 000	2018 Actual \$ 000	Variance \$ 000	2018 Actual \$ 000	2017 Actual \$ 000	Variance \$ 000
<b>Capital expenditure</b>						
Purchase of non-current physical assets	33 347	25 421	(7 926)	25 421	32 880	(7 459)
Delivery of Services						
Internal funds and balances	(6 445)	2 219	8 664	2 219	(4 247)	6 466
Other	(5 865)	(5 865)	-	(5 865)	(1 832)	(4 033)
Royalties for Regions	(2 000)	(3 488)	(1 488)	(3 488)	(11 575)	8 087
<b>Capital appropriations</b>	<b>19 037</b>	<b>18 287</b>	<b>(750)</b>	<b>18 287</b>	<b>15 226</b>	<b>3 061</b>
<b>DETAILS OF INCOME ESTIMATES</b>						
Income disclosed as Administered Income	1 011 563	2 309 915	1 298 352	2 309 915	2 209 719	100 196

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

Note 9.12 'Explanatory Statement' and Note 10.2 'Explanatory Statement for Administered Items' provide details of any significant variances between estimates and actual results for 2018 and between actual results for 2018 and 2017.



# NOTES TO THE FINANCIAL STATEMENTS

## 1. Basis of preparation

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

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

These annual financial statements were authorised for issue by the Accountable Authority of the Department on 31 August 2018.

### Statement of compliance

These general purpose financial statements have been prepared in accordance with:

- 1) The Financial Management Act 2006
- 2) The Treasurer's Instructions
- 3) Australian Accounting Standards including applicable interpretations
- 4) Where appropriate, those accounting standard paragraphs applicable for not-for-profit entities have been applied.

The *Financial Management Act* and the Treasurer's instructions take precedence over Australian Accounting Standards. Several Accounting Standards are modified by the Instructions to vary application, disclosure format and wording. Where modification is required and has had a material or significant financial effect upon the reported results, details of that modification and the resulting financial effect are disclosed in the notes to the financial statements.

### Basis of preparation

The financial statements have been prepared on the accrual basis of accounting using the historical cost convention, except for land and buildings which have been measured at fair value.

The accounting policies adopted in the preparation of the financial statements have been consistently applied throughout all financial years presented unless otherwise stated.

The financial statements are presented in Australian dollars and all values are rounded to the nearest thousand dollars (\$000).

### Judgements and estimates

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

### Contributed equity

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

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

## 2. Department outputs

### How the Department operates

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

	Note
Department objectives	2.1
Schedule of Income and Expenses by Service	2.2
Schedule of Assets and Liability by Service	2.3

### 2.1 Department objectives

#### Mission

The Department's mission is to provide and enable safe, accessible and efficient movement for the economic and social prosperity of Western Australia

The Department is predominantly funded by user fees and charges determined by prevailing market forces. It is also funded by other controlled revenues and Parliamentary appropriations.

### Services

The Department provides the following services:

**Service 1:** Strategic Transport Policy and Integrated Planning.

Contributes towards the provision of leadership for strategic transport management, development and protection of economic nodes and networks through the provision of a range of services.

**Service 2:** Driver and Vehicle Services

Contributes towards the provision of safe, accessible, sustainable and efficient transport services and systems through the provision of driver licensing and vehicle registration services.

**Service 3:** Coastal Infrastructure

Contributes towards the Department's outcome of an accessible and safe transport system through the provision of a range of coastal infrastructure services.

**Service 4:** Marine Safety

Contributes towards the safe and sustainable use of navigable waters through the provision of a range of marine safety regulatory and education services.

**Service 5:** On-demand Transport

Provides a regulatory environment that encourages competition and innovation in the on-demand transport industry to deliver safe, accessible and efficient on-demand transport services for our community.



**2.2 Schedule of Income and Expenses by Service**  
**For the year ended 30 June 2018**

	Strategic Transport Policy and Integrated Planning				Driver and Vehicle Services		Coastal Infrastructure		Marine Safety		On-demand Transport		Total	
	2018 \$000	2017 \$000	2018 \$000	2017 \$000	2018 \$000	2017 \$000	2018 \$000	2017 \$000	2018 \$000	2017 \$000	2018 \$000	2017 \$000	2018 \$000	2017 \$000
COST OF SERVICES														
Expenses														
Employee benefits expense	14 870	13 504	87 860	88 178	12 901	12 375	14 260	13 374	6 361	5 796	136 252	133 227		
Supplies and services	7 486	9 704	57 220	59 780	31 435	32 726	8 273	8 832	3 114	4 517	107 528	115 559		
Depreciation and amortisation expense	403	435	7 197	8 130	11 191	10 637	1 604	1 587	461	493	20 856	21 282		
Accommodation expenses	637	605	12 162	12 351	2 521	1 902	758	692	766	445	16 844	15 995		
Grants and subsidies	40 217	36 524	27 607	27 730	5 121	6 720	1 130	1 109	17 483	37 797	91 558	109 880		
Loss on disposal of non-current assets	1	36	144	245	26	596	111	100	1	15	283	992		
Other expenses	218	530	2 988	6 007	(3 412)	5 819	4 301	3 859	14	573	4 109	16 788		
Total cost of services	63 832	61 338	195 178	202 421	59 783	70 775	30 437	29 553	28 200	49 636	377 430	413 723		
Income														
User charges and fees	57 893	56 324	164 971	163 748	12 979	15 796	19 927	19 326	5 911	4 000	261 681	259 194		
Sales	4	22	128	10	3	16	46	56	-	1	181	105		
Grants and contributions	7 901	308	7 023	5 207	4 700	1 348	3	14	-	5	19 627	6 882		
Interest revenue	48	43	273	277	46	40	43	40	279	483	689	883		
Other revenues	486	336	26 270	25 509	24 357	23 786	2 064	2 976	1 133	(155)	54 310	52 452		
Other income	-	-	-	(100)	78	6 560	-	-	-	-	78	6 460		
Total income other than income from State Government	66 332	57 033	198 665	194 651	42 163	47 546	22 083	22 412	7 323	4 334	336 566	325 976		
NET COST OF SERVICES	(2 500)	4 305	(3 487)	7 770	17 620	23 229	8 354	7 141	20 877	45 302	40 864	87 747		

## 2.2 Schedule of Income and Expenses by Service (continued)

	Strategic Transport Policy and Integrated Planning			Driver and Vehicle Services			Coastal Infrastructure			Marine Safety			On-demand Transport			Total	
	2018 \$000	2017 \$000		2018 \$000	2017 \$000		2018 \$000	2017 \$000		2018 \$000	2017 \$000		2018 \$000	2017 \$000		2018 \$000	2017 \$000
<b>INCOME FROM STATE GOVERNMENT</b>																	
Service appropriation	6 755	5 978		38 675	38 305		5 858	5 435		6 037	5 579		2 451	2 460		59 776	57 757
Assets received	18	-		100	-		15	-		8	177		6	-		147	177
Services received free of charge	193	127		1 106	814		168	116		173	119		70	52		1 710	1 228
Royalties for Regions Fund	4 900	2 936		31 175	28 500		532	2 500		31	-		11	-		36 649	33 936
<b>Total income from State Government</b>	<b>11 866</b>	<b>9 041</b>		<b>71 056</b>	<b>67 619</b>		<b>6 573</b>	<b>8 051</b>		<b>6 249</b>	<b>5 875</b>		<b>2 538</b>	<b>2 512</b>		<b>98 282</b>	<b>93 098</b>
<b>SURPLUS FOR THE YEAR</b>	<b>14 366</b>	<b>4 736</b>		<b>74 543</b>	<b>59 849</b>		<b>(11 047)</b>	<b>(15 178)</b>		<b>(2 105)</b>	<b>(1 266)</b>		<b>(18 339)</b>	<b>(42 790)</b>		<b>57 418</b>	<b>5 351</b>

### 2.3 Schedule of Assets and Liabilities by Service As at 30 June 2018

	Strategic Transport Policy and Integrated Planning				Driver and Vehicle Services		Coastal Infrastructure		Marine Safety		On-demand Transport		Total	
	2018 \$000		2017 \$000		2018 \$000	2017 \$000	2018 \$000	2017 \$000	2018 \$000	2017 \$000	2018 \$000	2017 \$000	2018 \$000	2017 \$000
Assets														
Current assets	15 565	8 870	89 117	56 837	13 498	8 064	13 912	8 279	5 647	3 651	137 739	85 701		
Non-current assets	79 272	70 956	453 885	454 668	68 749	64 512	70 854	66 226	28 762	29 205	701 522	685 567		
Total assets	94 837	79 826	543 002	511 505	82 247	72 576	84 766	74 505	34 409	32 856	839 261	771 268		
Liabilities														
Current liabilities	4 747	4 658	27 180	29 901	4 117	4 230	4 243	4 343	1 722	1 915	42 009	45 047		
Non-current liabilities	684	693	3 918	4 385	593	634	611	651	248	287	6 054	6 650		
Total liabilities	5 431	5 351	31 098	34 286	4 710	4 864	4 854	4 994	1 970	2 202	48 063	51 697		
NET ASSETS	89 406	74 475	511 904	477 219	77 537	67 712	79 912	69 511	32 439	30 654	791 198	719 571		

The Schedule of Assets and Liabilities by Service should be read in conjunction with the accompanying notes.



### 3. Use of our funding

#### Expenses incurred in the delivery of services

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

	Note	2018 \$ 000	2017 \$ 000
Employee benefits expenses	3.1 (a)	136 252	133 227
Employee related provisions	3.1 (b)	26 971	29 508
Grants and subsidies	3.2	91 558	109 880
Loss on disposal of non-current assets	3.3	(283)	(992)
Other expenditures	3.4	128 481	148 342

#### 3.1 (a) Employee benefits expenses

Wages and salaries		118 064	118 570
Termination benefits		4 499	727
Superannuation – defined contribution plans <sup>(a)</sup>		11 723	11 877
Other related expenses		1 966	2 053
<b>Total employee benefits expenses</b>		<b>136 252</b>	<b>133 227</b>

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

### 3.1 (a) Employee benefits expenses (continued)

#### Wages and salaries:

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

#### Termination benefits:

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

#### Superannuation:

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

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

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

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

### 3.1(b) Employee related provisions

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

	2018 \$ 000	2017 \$ 000
<b>Current</b>		
<b>Employee benefits provision</b>		
Annual leave <sup>(a)</sup>	7 230	8 510
Long service leave <sup>(b)</sup>	13 402	13 993
Deferred salary scheme	-	92
	<b>20 632</b>	<b>22 595</b>
<b>Other provisions</b>		
Employment on-costs <sup>(c)</sup>	284	310
Purchased leave	1	(47)
<b>Total current employee related provisions</b>	<b>20 917</b>	<b>22 858</b>
<b>Non-current</b>		
<b>Employee benefits provision</b>		
Long service leave <sup>(b)</sup>	5 973	6 560
	<b>5 973</b>	<b>6 560</b>
<b>Other provisions</b>		
Employment on-costs <sup>(c)</sup>	81	90
<b>Total non-current employee related provisions</b>	<b>6 054</b>	<b>6 650</b>
<b>Total employee related provisions</b>	<b>26 971</b>	<b>29 508</b>

(a) Annual leave liabilities: Classified as current as there is no unconditional right to defer settlement for at least 12 months after the end of the financial year. Assessments indicate that actual settlement of the liabilities is expected to occur as follows:

	2018 \$ 000	2017 \$ 000
Within 12 months of the end of the financial year	6 389	6 981
More than 12 months after the end of the financial year	841	1 529
	<b>7 230</b>	<b>8 510</b>

The provision for annual leave is calculated at the present value of expected payments to be made in relation to services provided by employees up to the reporting date.

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

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



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

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

	2018 \$ 000	2017 \$ 000
Within 12 months of the end of the financial year	4 306	4 973
More than 12 months after the end of the financial year	15 069	15 580
	<b>19 375</b>	<b>20 553</b>

The provision for long service leave is calculated at present value as the Department does not expect to wholly settle the amounts within 12 months. The present value is measured taking into account the present value of expected future payments to be made in relation to services provided by employees up to the reporting date. These payments are estimated using the remuneration rate expected to apply at the time of settlement, and discounted using market yields at the end of the financial year on national government bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

(c) Employment on-costs: The settlement of annual and long service leave liabilities gives rise to the payment of employment on-costs including workers' compensation insurance. The provision is the present value of expected future payments.

Employment on-costs, including workers' compensation insurance, are not employee benefits and are recognised separately as liabilities and expenses when the employment to which they relate has occurred. Employment on-costs are included as part of 'Other expenses, Note 3.4 and are not included as part of the Department's 'employee benefits expense'. The related liability is included in 'Employment on-costs provision'.

<b>Employment on-costs provision</b>	2018 \$ 000	2017 \$ 000
Carrying amount at the start of the year	400	433
Additional/(reversals of) provisions recognised	(4)	(214)
Payments/other sacrifices of economic benefits	(31)	181
<b>Carrying amount at the end of the year</b>	<b>365</b>	<b>400</b>

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

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

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

- Expected future salary rates;
- Discount rates;
- Employee retention rates; and
- Expected future payments.

Changes in these estimations and assumptions may impact on the carrying amount of the long service leave provision.

Any gain or loss following revaluation of the present value of long service leave liabilities is recognised as employee benefits expense.

### 3.2 Grants and subsidies

	2018 \$ 000	2017 \$ 000
Country Age Pension Fuel Card Scheme <sup>(i)</sup>	26 163	26 350
Central Area Transit (CAT) bus services <sup>(ii)</sup>	14 894	15 009
CBD Transport Plan	2 228	2 100
Coastal Adaptation	757	725
Community Police	1 284	1 191
East Perth Multi Modal Transport Initiatives	1 749	-
Fremantle Port rail service	3 549	2 517
Marine communications	667	658
National Transport Reforms	309	177
Pensioner subsidies	1 465	1 339
Port management	1 928	2 114
Public air transport	380	434
Recreational boating facilities	1 805	3 881
Regional airport development	2 059	4 510
Student subsidies	1 399	1 471
Taxi user subsidies <sup>(iii)</sup>	12 194	10 770
Western Australian Bicycle Network <sup>(iv)</sup>	13 411	10 147
On-Demand Transport – Transition assistance package <sup>(v)</sup>	2 245	24 143
Jurien Bay to Cervantes Trail	-	1 180
Local Projects - Local Jobs	1 405	124
Other	1 667	1 040
	91 558	109 880

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

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

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

(i) The Country Age Pension Fuel Card provides support for the transport needs of age pensioners living in regional areas.

(ii) The Central Area Transit (CAT) bus services grant provides for disbursements made to the Public Transport Authority from the Perth Parking Fund for administering and operating the free Central Area Transit and the Free Transit Zone services in Perth.

(iii) The Taxi User Subsidy scheme provides taxi travel at a reduced rate for people who have a severe and permanent disability that prevent them using conventional public transport services.

- (iv) The Western Australian Bicycle Network grants program provides funding to local government authorities in Western Australia for the design and implementation of bicycle network infrastructure and programs in accordance with State Government priorities set out in the *Western Australian Bicycle Network Plan*. Payments can contribute up to 50 percent of project costs.
- (v) The On-Demand Transport Transition Assistance Package consisted of the Hardship and Transition Adjustment Assistance grants. Both grants were one off payments made to Perth metropolitan taxi plate owners suffering financial hardship following industry changes and reform. Payments continued until November 2017.

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

	2018 \$ 000	2017 \$ 000
<b>Net proceeds from disposal of non-current assets</b>		
Property, plant and equipment	80	57
Infrastructure	-	-
Intangible assets	-	-
<b>Carrying amount of non-current assets disposed</b>		
Property, plant and equipment	(137)	(467)
Infrastructure	(147)	(581)
Intangible assets	(79)	(1)
Net gain/(loss)	(283)	(992)

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



## 3.4 Other expenditures

	2018 \$ 000	2017 \$ 000
<b>Supplies and services</b>		
Communications	11 673	12 487
Consultants and contractors	37 232	44 033
Consumables	16 506	16 055
Commissions	22 953	22 503
Data processing	237	224
Drivers licence card production	1 046	1 145
Number plate production	2 416	2 403
Repairs and maintenance	12 839	13 471
Travel	1 236	1 290
Other	1 390	1 948
	<b>107 528</b>	<b>115 559</b>
<b>Accommodation expenses</b>		
Lease rentals	14 698	14 048
Cleaning	2 146	1 947
	<b>16 844</b>	<b>15 995</b>
<b>Other expenses</b>		
Employment on-costs	1 328	1 027
Audit cost <sup>(i)</sup>	210	209
Catering	62	95
Corporate membership fees	391	372
Donations and sponsorship	22	16
Doubtful debts expense	67	26
Act of Grace payments	1	1
Impairment losses <sup>(ii)</sup>	734	3 930
Revaluation decrement – Land	231	9 721
Storage and removal	92	243
Prior year expense <sup>(iii)</sup>	777	962
Other	194	186
	<b>4 109</b>	<b>16 788</b>
<b>Total other expenditures</b>	<b>128 481</b>	<b>148 342</b>

(i) Audit cost includes the 2018 fee. See also note 9.7 Remuneration of Auditor.

(ii) See also note 5.1 Property Plant and equipment; note 5.2 Infrastructure; note 5.3 Intangible assets; note 5.4 Construction in progress; and note 9.8 Non-current assets classified as held for distribution to owners.

(iii) Included within prior year expense is a refund of prior year revenue related to Perth Parking licence fees.

### Supplies and services

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

### Repairs and maintenance

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.

### Accommodation expenses

The Department holds operating leases for a number of branch office buildings, motor vehicles and office equipment. Operating lease payments are expensed on a straight-line basis over the lease term as this represents the pattern of benefits derived from the leased properties.

### Other expenses

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

### Doubtful debt expense

Doubtful debts are recognised as the movement in the provision for doubtful debts. Please refer to note 6.1.1 Movement of the allowance for impairment of receivables.

### Employee on-cost

Employee on-costs include 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 provision. Superannuation contributions accrued as part of the provision for leave are employee benefits and are not included in employment on-costs.

## 4. Our funding sources

### How we obtain our funding

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

	Notes	2018 \$ 000	2017 \$ 000
Income from State Government	4.1	98 282	93 098
User charges and fees	4.2	261 681	259 194
Grants and contributions	4.3	19 627	6 882
Other revenue	4.4	54 310	52 452
Other income	4.5	78	6 460

## 4.1 Income from State Government

	2018 \$ 000	2017 \$ 000
Appropriation received during the year:		
Service appropriation <sup>(a)</sup>	58 519	56 500
Amounts authorised by other statutes	1 257	1 257
	59 776	57 757
<b>Assets transferred (to)/ from other State government agencies during the year <sup>(b)</sup>:</b>		
Infrastructure	-	177
Property, plant and equipment	147	-
	147	177
<b>Services received free of charge from other State government agencies during the year:</b>		
Department of Finance	645	632
Landgate	209	138
State Solicitor's Office	312	274
Main Roads Western Australia	112	30
Public Transport Authority	110	129
WA Treasury Corporation	51	6
Department of Planning, Lands and Heritage	271	19
	1 710	1 228
<b>Royalties for Regions Funds<sup>(c)</sup></b>		
Country Age Pension Fuel Card Scheme	31 000	28 500
Broome Boating Facilities Upgrade	500	-
Geraldton Airport Runway	4 900	-
Jurien Bay to Cervantes Trail	-	600
Recreational Boating Facilities Scheme	-	2 500
Regional Airport Development Scheme	-	2 102
Other	249	234
	36 649	33 936
<b>TOTAL INCOME FROM STATE GOVERNMENT</b>	<b>98 282</b>	<b>93 098</b>

**(a) Service appropriation** is recognised as revenue at fair value in the year in which the Department gains control of the appropriated funds. The Department gains control of appropriated funds at the time those funds are deposited into the Department's bank account or credited to the Amounts receivable for services (holding account) held at held at Treasury.



Service appropriation funds the net cost of services delivered (as set out in note 2.2). Appropriation revenue comprises the following:

- Cash component; and
- A receivable (asset).

**(b) Transfer of assets:** Discretionary transfers of assets (including grants) and liabilities between State Government agencies are reported under Income from State Government. Transfers of asset and liabilities in relation to a restructure of administrative arrangements are recognised as distribution to owners by the transferor and contribution by owners by the transferee under AASB 1004 in respect of net assets transferred. Other non-discretionary non-reciprocal transfers of assets and liabilities designated as contributions by owners under Treasurer's instruction 955 *Contributions by Owners Made to Wholly Owned Public Sector Entities* are also recognised directly to equity.

**(c) The Royalties for Regions Fund** is committed to various WA Regional projects and programs.

Royalties for regions funds are recognised as revenue at fair value in the year in which the Department obtains control over the funds. The Department obtains control of the funds at the time the funds are deposited into the Department's bank account.

## 4.2 User charges and fees

	2018 \$ 000	2017 \$ 000
Boat registration fees	18 779	18 157
Port charges	873	598
Small boat harbour fees	10 805	13 919
Other maritime fees	1 789	1 806
Motor drivers licence application fees	61 169	62 809
Motor vehicle recording, transfer, plate and inspection fees	102 021	99 445
Perth parking licence fees	57 890	56 321
Taxi licence fees	1 660	1 115
Other fees	6 695	5 024
	261 681	259 194

Revenue is recognised on delivery of the service to the client or by reference to the stage of completion of the transaction.

Revenue is received in the form of various registration, examination and licence fees (including Stamp Duty and Third Party Motor Vehicle Insurance). This revenue is received for services provided including undertaking inspections and/or issuing licences associated with the fees. Revenue is generally not refundable and is recognised at the time it is received.

The Treasurer may make a determination providing for prescribed receipts to be retained for services under the control of the Department. In accordance with the determination specified in the 2017-18 Budget Statements, the Department retained \$337 million in 2018 (\$326 million in 2017) from the following:

- Regulatory fees and fines
- Grants and contributions
- Sale of goods and services
- Taxation
- GST receipts
- Other receipts

#### 4.3 Grants and contributions

	2018 \$ 000	2017 \$ 000
Commonwealth grants	1 034	468
General government grants	18 154	5 480
Other	439	934
	<b>19 627</b>	<b>6 882</b>

Revenue is recognised at fair value when the Department obtains control over the assets comprising the contributions usually when cash is received.

Other non-reciprocal contributions that are not contributions by owners are recognised at their fair value. Contributions of services are only recognised when a fair value can be reliably determined, and the services would be purchased if not donated.

#### 4.4 Other revenue

	2018 \$ 000	2017 \$ 000
Commissions	24 355	23 316
Rents and leases	17 121	17 206
Recoups of operating expenses	1 872	1 925
Harbour utility charges	5 432	4 766
Service level agreements	3 849	4 541
Other	1 681	698
	<b>54 310</b>	<b>52 452</b>

Revenue from other operating activities, including rendering of services and the sale of assets is recognised when the Department has passed control of the goods or other assets or delivery of the service to the customer.

Recoupment of operating activities is recognised when invoiced.

#### 4.5 Other income

	2018 \$ 000	2017 \$ 000
Net assets assumed/(transferred)	78	317
Deed of Release	-	6 143
	78	6 460

### 5. Key assets

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

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

	Notes	2018 \$ 000	2017 \$ 000
Property, plant and equipment	5.1	148 578	160 058
Infrastructure	5.2	267 505	252 542
Intangible assets	5.3	36 184	30 232
Construction in progress	5.4	11 773	25 638

## 5.1 Property, plant and equipment

	Cost/Fair value \$ 000	Accumulated depreciation \$ 000	Accumulated impairment losses \$ 000	Carrying amount \$ 000
<b>2018</b>				
At fair value:				
Land	113 946	-	-	113 946
Buildings	18 033	11	-	18 022
	131 979	11	-	131 968
At cost:				
Refurbishments, furniture and fittings	13 050	8 842	-	4 208
Plant and equipment	12 063	7 339	-	4 724
Computer hardware	15 540	9 941	-	5 599
Vehicles	1 113	600	-	513
Vessels	4 009	2 443	-	1 566
	45 775	29 165	-	16 610
<b>Total</b>	<b>177 754</b>	<b>29 176</b>	<b>-</b>	<b>148 578</b>
	Cost/Fair value \$ 000	Accumulated depreciation \$ 000	Accumulated impairment losses \$ 000	Carrying amount \$ 000
<b>2017</b>				
At fair value:				
Land	121 129	-	-	121 129
Buildings	20 009	-	-	20 009
	141 138	-	-	141 138
At cost:				
Refurbishments, furniture and fittings	14 173	9 375	-	4 798
Plant and equipment	11 164	6 744	-	4 420
Computer hardware	15 141	7 710	-	7 431
Vehicles	1 090	733	-	357
Vessels	4 121	2 206	-	1 915
	45 689	26 768	-	18 921
<b>Total</b>	<b>186 827</b>	<b>26 768</b>	<b>-</b>	<b>160 059</b>



## 5.1 Property, plant and equipment (continued)

Reconciliations of the carrying amounts of property, plant and equipment at the beginning and end of the financial year are set out in the table below.

2018	Carrying amount at start of year \$ 000	Additions \$ 000	Revaluation \$ 000	Disposals \$ 000	Impairment losses \$ 000	Transfers \$ 000	Depreciation \$ 000	Held for distribution to owners \$ 000	Carrying amount at end of year \$ 000
Land	121 129	-	(231)	-	-	48	-	(7 000)	113 946
Buildings	20 009	187	(345)	-	-	78	(1 387)	(520)	18 022
Refurbishments, furniture and fittings	4 798	752	-	(94)	-	-	(1 162)	(86)	4 208
Plant and equipment	4 420	1 257	-	(24)	-	-	(918)	(11)	4 724
Computer hardware	7 431	661	-	(14)	-	-	(2 479)	-	5 599
Vehicles	357	295	-	(5)	-	-	(134)	-	513
Vessels	1 915	-	-	-	-	(8)	(341)	-	1 566
	<b>160 059</b>	<b>3 152</b>	<b>(576)</b>	<b>(137)</b>	<b>-</b>	<b>118</b>	<b>(6 421)</b>	<b>(7 617)</b>	<b>148 578</b>
2017	Carrying amount at start of year \$ 000	Additions \$ 000	Revaluation \$ 000	Disposals \$ 000	Impairment losses \$ 000	Transfers \$ 000	Depreciation \$ 000	Held for distribution to owners \$ 000	Carrying amount at end of year \$ 000
Land	130 118	-	(9 721)	-	-	732	-	-	121 129
Buildings	20 325	769	(54)	(50)	-	287	(1 268)	-	20 009
Refurbishments, furniture and fittings	5 767	304	-	-	-	-	(1 273)	-	4 798
Plant and equipment	3 791	1 613	-	(54)	-	(100)	(830)	-	4 420
Computer hardware	7 043	3 346	-	(363)	-	-	(2 595)	-	7 431
Vehicles	277	180	-	-	-	-	(100)	-	357
Vessels	1 842	432	-	-	-	-	(359)	-	1 915
	<b>169 163</b>	<b>6 644</b>	<b>(9 775)</b>	<b>(467)</b>	<b>-</b>	<b>919</b>	<b>(6 425)</b>	<b>-</b>	<b>160 059</b>

Information on fair value measurements is provided in note 8.3.

### Capitalisation/expensing of assets

Items of property, plant and equipment and infrastructure costing \$5,000 or more are recognised as assets, and the cost of utilising assets is expensed (depreciated) over their useful lives. Items of property, plant and equipment and infrastructure costing less than \$5,000 are immediately expensed directly to the Statement of Comprehensive Income (other than where they form part of a group of similar items which is significant in total).

### Initial recognition and measurement

Property, plant and equipment and infrastructure are initially recognised at cost. For items of property, plant and equipment and infrastructure acquired at no cost or for nominal cost, the cost is their fair value at the date of acquisition.

### Subsequent measurement

After initial recognition of an asset, the revaluation model is used for the measurement of land and buildings, and the cost model for all other property, plant and equipment and infrastructure. Land and buildings are carried at fair value less accumulated depreciation (buildings only) and accumulated impairment losses. All other items of property, plant and equipment and infrastructure are stated at historical cost less accumulated depreciation and accumulated impairment losses.

Where market-based evidence is available, the fair value of land and buildings is determined on the basis of current market values determined by reference to recent market transactions.

Where market-based evidence is not available, the fair value of land and buildings is determined on the basis of existing use. This normally applies where buildings are specialised or where land use is restricted. Fair value for existing use buildings is determined by reference to the cost of replacing the remaining future economic benefits embodied in the asset, i.e. current replacement cost.

Land assets were last revalued as at 1 July 2017 by the Western Australian Land Information Authority (Valuations and Property Analytics). The valuations were performed during the year ended 30 June 2018 and recognised at 30 June 2018. In undertaking the revaluation, fair value was determined by reference to market value: \$3,764,000 (2017: \$10,930,000). For the remaining balance, fair value of land was determined on the basis of comparison with market evidence for land with low level utility (high restricted use land).

Building assets were last revalued as at 1 July 2017 by the Western Australian Land Information Authority (Valuations and Property Analytics). The valuations were performed during the year ended 30 June 2018 and recognised at 30 June 2018. In undertaking the revaluation, fair value was determined by reference to market value: \$2,156,000 (2017: \$3,016,000). For the remaining balance, fair value of buildings was determined on the basis of current replacement cost.

When buildings are revalued, the accumulated depreciation is eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount. Fair value for restricted use land is determined by comparison with market evidence for land with similar approximate utility (high restricted use land) or market value of comparable unrestricted land (low restricted use land). Independent valuations of land and buildings are provided annually by the Western Australian Land Information Authority (Valuations and Property Analytics) and recognised annually to ensure that the carrying amount does not differ materially from the asset's fair value at the end of the financial year.

The most significant assumptions and judgements in estimating fair value are made in assessing whether to apply the existing use basis to assets and in determining estimated economic life. Professional judgement by the valuer is required where the evidence does not provide a clear distinction between market type assets and existing use assets.

Information on fair value measurements is provided in note 8.3.

### Derecognition

Upon disposal or derecognition of an item of property, plant and equipment, any revaluation surplus relating to that asset is retained in the asset revaluation surplus.

### Asset revaluation surplus

The asset revaluation surplus is used to record increments and decrements on the revaluation of non-current assets.

#### 5.1.1 Depreciation and impairment

Charge for the year

	2018 \$ 000	2017 \$ 000
<b>Depreciation</b>		
Buildings	1 387	1 268
Refurbishments, furniture and fittings	1 162	1 273
Plant and equipment	918	830
Computer hardware	2 479	2 595
Vehicles and vessels	475	459
	6 421	6 425

### Finite useful lives

All non-current assets 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 useful lives of key assets are reviewed annually.

Land is not depreciated. Other assets are depreciated using the straight-line method at rates that are reviewed annually. Estimated useful lives for each class of depreciable asset are:

Buildings	20 to 40 years
Computer hardware	4 to 7 years
Refurbishments, furniture and fittings	3 to 20 years
Plant and equipment	4 to 20 years
Vehicles	5 to 20 years
Vessels	10 years

## Impairment

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

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

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

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

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

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

Please refer to note 5.3 for guidance in relation to the impairment assessment that has been performed for intangible assets.



## 5.2 Infrastructure

	2018 \$ 000	2017 \$ 000
<b>Infrastructure</b>		
At cost	426 091	401 556
Accumulated depreciation	(157 938)	(149 014)
Accumulated impairment losses	(648)	-
	<b>267 505</b>	<b>252 542</b>

### Reconciliation

Reconciliations of the carrying amounts of infrastructure at the beginning and end of the financial year are set out below:

<b>Infrastructure</b>		
Carrying amount at the start of the year	252 542	245 803
Additions	25 162	15 848
Disposals	(147)	(581)
Transfers	-	307
Depreciation	(9 178)	(8 835)
Impairment losses	(648)	-
Held for distribution to owners	(226)	-
Carrying amount at the end of the year	<b>267 505</b>	<b>252 542</b>

The Infrastructure policies are outlined in note 5.1.

### 5.2.1 Depreciation and impairment

Charge for the year

	2018 \$ 000	2017 \$ 000
<b>Depreciation</b>		
Infrastructure	9 178	8 835
	<b>9 178</b>	<b>8 835</b>
<b>Impairment</b>		
Infrastructure	648	-
	<b>648</b>	<b>-</b>

The Infrastructure policies are outlined in note 5.1.1.

### Finite useful lives

The expected useful life for infrastructure is 5 to 100 years.

An impairment loss (\$648,000) was recognised in relation to the Bandy Creek Weir which experienced substantial damage following a previous flooding event. A proposal has since been put forward to remove the damaged weir and construct a new structure that will be capable of fulfilling the functions of the existing weir and be more resilient to future damage from a similar event. Physical damage to this infrastructure asset has led to the decision that it has become functionally obsolete and therefore approved for demolition. Given that the weir is expected to be replaced in its entirety, it has been estimated to have no recoverable amount.

With the asset measured at cost, the impairment loss has been recognised in profit or loss.

### 5.3 Intangible assets

	2018 \$ 000	2017 \$ 000
<b>Software</b>		
At cost	87 395	76 472
Accumulated amortisation	(51 211)	(46 240)
	<b>36 184</b>	<b>30 232</b>

Reconciliations of the carrying amounts of intangible assets at the beginning and end of the financial year are set out below.

<b>Software</b>		
Carrying amount at the start of the year	30 232	27 079
Additions	11 288	11 780
Disposals	(79)	(1)
Transfers	-	1 115
Impairment losses	-	(3 719)
Amortisation expense	(5 257)	(6 022)
Carrying amount at the end of the year	<b>36 184</b>	<b>30 232</b>

#### Initial recognition

Acquisitions of intangible assets costing \$5,000 or more are capitalised. The cost of utilising the assets is expensed (amortised) over their useful lives. Costs incurred below this threshold are immediately expensed directly to the Statement of Comprehensive Income.

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

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

### Computer software

Software that is an integral part of the related hardware is recognised as property, plant and equipment. Software that is not an integral part of the related hardware is treated as an intangible asset. Software costing less than \$5,000 is expensed in the year of acquisition.

#### 5.3.1 Amortisation and impairment

Charge for the year

	2018 \$ 000	2017 \$ 000
<b>Amortisation</b>		
Intangible assets	5 257	6 022
	<b>5 257</b>	<b>6 022</b>
<b>Impairment</b>		
Intangible assets	-	3 719
	<b>-</b>	<b>3 719</b>

As at 30 June 2018 there were no indications of impairment to intangible assets.

The Department held no goodwill or intangible assets with an indefinite useful life during the financial year. Intangible assets with finite lives are amortised over the year of the expected benefit (estimated useful life) on the straight-line basis using rates which are reviewed annually. All intangible assets controlled by the Department have a finite useful life and zero residual value.

The expected useful life for intangible assets is 3 to 20 years.

### Impairment of intangible assets

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

*The policy regarding testing for impairment is outlined in note 5.1.1.*

#### 5.4 Construction in progress

	2018 \$ 000	2017 \$ 000
At cost:		
Vehicles and vessels	270	192
Computer hardware	229	594
Buildings and refurbishments	248	486
Intangibles	7 997	8 986
Infrastructure	3 029	15 380
	<b>11 773</b>	<b>25 638</b>

Reconciliations of the carrying amounts of construction in progress at the beginning and end of the financial year are set out below.

	2018 \$ 000	2017 \$ 000
Carrying amount at the start of the year	25 638	27 920
Expenditure during the year	24 017	30 815
Transfers	155	-
Non-current assets commissioned during the year	(37 918)	(32 627)
Impairment losses	-	(211)
Amounts expensed	(119)	(259)
Carrying amount at the end of the year	<b>11 773</b>	<b>25 638</b>

Assets under construction are not depreciated until commissioned.

## 6. Other assets and liabilities

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

	Notes	2018 \$ 000	2017 \$ 000
Receivables	6.1	15 203	9 230
Inventory	6.2	543	557
Amounts receivable for services	6.3	236 457	216 582
Other current assets	6.4	5 088	5 557
Payables	6.5	(20 362)	(21 416)
Other current liabilities	6.6	(730)	(773)

### 6.1 Receivables

	2018 \$ 000	2017 \$ 000
Current		
Receivables	13 049	7 120
Allowance for impairment of receivables	(1 633)	(1 644)
	<b>11 416</b>	<b>5 476</b>
Goods and Services Tax receivable	3 442	3 390
Interest receivable	181	167
Staff debtors	74	88
Other debtors	90	110
	<b>15 203</b>	<b>9 230</b>

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



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

	2018 \$ 000	2017 \$ 000
<b>Reconciliation of changes in the allowance for impairment of receivables:</b>		
Balance at the start of the year	1 644	2 007
Doubtful debt expense	64	26
Amounts written off during the year	(75)	(389)
Amount recovered during the year	-	-
<b>Balance at end of the year</b>	<b>1 633</b>	<b>1 644</b>

The collectability of receivables is reviewed on an ongoing basis and any receivables identified as uncollectible are written-off against the allowance account. The allowance for uncollectible amounts (doubtful debts) is raised when there is objective evidence that the Department will not be able to collect the debts.

### 6.2 Inventories

Closing Inventory comprises:

	2018 \$ 000	2017 \$ 000
Charts and publications (at cost) (i)		
Motor vehicle plates (at cost)	-	34
<b>Total Inventories</b>	<b>543</b>	<b>523</b>
	<b>543</b>	<b>557</b>

#### Inventories

Inventories are measured at the lower of cost and net realisable value. Costs are assigned by the method most appropriate for each class of inventory, with the majority being measured on a first in first out basis.

(i) Maritime and Chart Publications are no longer held for sale. They are now available for download from the Department's website free of charge.

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

	2018 \$ 000	2017 \$ 000
Non-current	236 457	216 582

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 Department receives funding on an accrual basis. The appropriations are paid partly in cash and partly as an asset (holding account receivable). The accrued amount receivable is accessible on the emergence of the cash funding requirement to cover leave entitlements and asset replacement.

#### 6.4 Other current assets

	2018 \$ 000	2017 \$ 000
Prepayments	5 088	5 557

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 financial year covering a term extending beyond that period.

#### 6.5 Payables

	2018 \$ 000	2017 \$ 000
<b>Current</b>		
Trade payables	19 338	20 301
Accrued expenses	613	743
Accrued salaries	411	373
	<b>20 362</b>	<b>21 416</b>

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

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

The accrued salaries suspense account (See Note 7.1.1 'Restricted cash and cash equivalents') consists of amounts paid annually, from Department appropriations for salaries expense, into a Treasury suspense account to meet the additional cash outflow for employee salary payments in financial years with 27 pay days instead of the normal 26. No interest is received on this account.

#### 6.6 Other current liabilities

	2018 \$ 000	2017 \$ 000
<b>Current</b>		
Income received in advance	440	591
Other liabilities	106	-
Accruals and interest payable	184	182
	<b>730</b>	<b>773</b>

## 7. Financing

This section sets out the material balances and disclosures associated with the financing and cash flows of the agency.

	Notes
Cash and cash equivalents	7.1
Reconciliation of cash	7.1.1
Reconciliation of operating activities	7.1.2
Commitments	7.2
Capital commitments	7.2.1
Other expenditure commitments	7.2.2
Non-cancellable operating lease commitments	7.2.3
Minimum lease revenue commitments	7.2.4

### 7.1 Cash and cash equivalents

#### 7.1.1 Reconciliation of cash

	Notes	2018 \$ 000	2017 \$ 000
<b>Cash and cash equivalents</b>		31 005	29 992
		31 005	29 992

Includes cash received as capital contributions remaining unspent at year-end of \$3,984,000 (2017: \$1,693,000).

<b>Restricted cash and cash equivalents</b>	8.1		
<b>Current</b>			
Perth Parking Licensing Account <sup>(i)</sup>		54 093	23 257
Taxi Industry Development Account <sup>(ii)</sup>		12 269	13 183
Royalties for Regions <sup>(iii)</sup>		11 703	3 908
Indian Ocean Territories Service Delivery Program <sup>(iv)</sup>		63	-
Commonwealth Paid Parental Leave Scheme <sup>(v)</sup>		15	17
		78 143	40 365
<b>Non-current</b>			
Accrued salaries suspense account <sup>(vi)</sup>		1 025	515
		1 025	515
<b>Balance at the end of the year</b>		<b>110 173</b>	<b>70 872</b>

- (i) Funds held to meet the costs of administering the Perth Parking Management Act 1999.*
- (ii) Funds held to meet the costs of administering the Taxi Act 1994 such as board members' remuneration, the cost of taxi plates surrendered to the Minister, and research grants for research, promotion and development of projects benefitting the taxi industry.*
- (iii) Unspent funds are committed to project and programs in WA regional areas.*
- (iv) Funds held to provide services to the Indian Ocean Territories.*
- (v) Funds to facilitate the access by eligible employees to Paid Parental Leave.*
- (vi) Funds held in suspense account for meeting the 27th pay that occurs every 11th year.*

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

## 7.1.2 Reconciliation of net cost of services to net cash flows provided by/ (used in) operating activities

	Notes	2018 \$ 000	2017 \$ 000
<b>Net cost of services</b>		(40 864)	(87 747)
<b>Non-cash items:</b>			
Depreciation and amortisation expense	5.1, 5.2, 5.3	20 856	21 282
Doubtful debt expense	3.4	67	26
Loss on disposal of non-current assets	3.3	283	992
Services received free of charge	4.1	1 710	1,228
Impairment losses	3.4	734	3 930
Assets assumed/(transferred)	4.5	(78)	(317)
Asset revaluation decrement – Land	3.4	231	9 721
<b>(Increase)/decrease in assets</b>			
Current inventories		14	1
Current receivables <sup>(i)</sup>		(5 921)	103
Other current assets		469	(1 925)
<b>Increase/(decrease) in liabilities</b>			
Current payables <sup>(i)</sup>		(1 054)	9 116
Current provisions		(1 941)	(2 701)
Other current liabilities		(43)	(4 850)
Non-current provisions		(596)	289
Net GST receipts/payments <sup>(ii)</sup>		(111)	547
Change in GST in receivables/payables <sup>(iii)</sup>		(178)	(531)
<b>Net cash used in operating activities</b>		<b>(26 422)</b>	<b>(50 836)</b>

(i) 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.

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

(iii) This reverses out the GST in receivables and payables.

The Department is not exposed to changes in liabilities arising from financing activities, including changes arising from cash flows and non-cash changes.



## 7.2 Commitments

### 7.2.1 Capital expenditure commitments

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

	2018 \$ 000	2017 \$ 000
Within one year:	5 579	5 347
Later than one year but not later than five years	94	823
Later than five years	-	-
	<b>5 673</b>	<b>6 170</b>
Information technology assets	55	212
Property fit out - Cockburn and Midland	508	2 021
Local Projects Local Jobs	-	220
Hillarys Boat Harbour and Two Rocks Marina upgrade	4 612	-
Bandy Creek Weir Reinstalment Project	347	-
Recreational boating facilities	151	3 717
	<b>5 673</b>	<b>6 170</b>

### 7.2.2 Other expenditure commitments

Other expenditure commitments (inclusive of GST) contracted for at the end of the financial year but not recognised as liabilities, are payable as follows:

	2018 \$ 000	2017 \$ 000
Within one year:	18 329	16 562
Later than one year but not later than five years	2 401	3 642
Later than five years	-	-
	<b>20 730</b>	<b>20 204</b>
The other expenditure commitments include amounts for:		
Fremantle Port Rail service support	2 897	6 117
Human Resource Management initiatives	692	540
Mobile taxi security patrol	-	724
Regulated Regular Public Transport Air Service	550	-
Regional airport facility grants	11 697	11 873
On-demand Transport initiatives	442	387
Your Move Service Platform	122	-
Freight Logistics Council	200	-
Secure taxi ranks	-	32
Information technology systems	3 935	432
Other minor commitments	195	99
	<b>20 730</b>	<b>20 204</b>

### 7.2.3 Non-cancellable operating lease commitments

Commitments in relation to leases contracted for at the end of the financial year but not recognised in the financial statements are payables as follows:

	2018 \$ 000	2017 \$ 000
Within one year:	12 082	11 668
Later than one year but not later than five years	36 530	31 873
Later than five years	35 886	34 577
	<b>84 498</b>	<b>78 118</b>

**Judgements made by management in applying accounting policies operating lease commitments**

The Department has entered into a number of leases for buildings for branch office accommodation. Some of these leases relate to buildings of a temporary nature and it has been determined that the lessor retains substantially all the risks and rewards incidental to ownership. Accordingly, these leases have been classified as operating leases.

**7.2.4 Minimum lease revenue commitments**

Future minimum rentals under non-cancellable operating leases are receivable as follows:

	2018 \$ 000	2017 \$ 000
Within one year	15 612	14 274
Later than one year but not later than five years	53 804	50 912
Later than five years	142 119	144 017
	<b>211 535</b>	<b>209 203</b>

## 8. Risks and Contingencies

This section sets out the Department's key risk management policies and measurement techniques.

	Notes
Financial risk management	8.1
Contingent assets	8.2.1
Contingent liabilities	8.2.2
Fair value measurements	8.3

### 8.1 Financial risk management

Financial instruments held by the Department are cash and cash equivalents (restricted and non-restricted), receivables and payables. The Department has limited exposure to financial risks and its 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 the Department's receivables defaulting on their contractual obligations resulting in financial loss to the Department.

The maximum exposure to credit risk at the end of the financial year in relation to each class of recognised financial asset is the gross carrying amount of those assets inclusive of any allowance for impairment as shown in the table at Note 8.1(c) 'Financial instruments disclosures' and note 6.1 'Receivables'.

Credit risk associated with the Department's financial assets is minimal because the main receivable is the amounts receivable for services (holding account). For receivables other than Government, the Department trades only with recognised, creditworthy third parties. The Department 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 the Department's exposure to bad debts is minimal. At the end of the financial year there were no significant concentrations of credit risk.

##### *Liquidity risk*

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

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

The Department has appropriate procedures to manage cash flows including drawdowns 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 the Department's income or the value of its holdings of financial instruments. The Department does not trade in foreign currency and is not materially exposed to other price risks (for example, equity securities or commodity prices changes).

Other than as detailed in the interest rate sensitivity analysis table at Note 8.1(e) Financial instruments disclosures, the Department is not exposed to interest rate risk as it has no borrowings, and cash and cash equivalents are non-interest bearing (apart from certain restricted cash accounts).

**(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 financial year are:

	2018 \$ 000	2017 \$ 000
<b>Financial Assets</b>		
Cash and cash equivalents	31 005	29 992
Restricted cash and cash equivalents	79 168	40 880
Receivables <sup>(i)</sup>	11 761	5 840
Amounts receivable for services	236 457	216 582
	<b>358 391</b>	<b>293 294</b>
<b>Financial Liabilities</b>		
Payables	<b>20 362</b>	<b>21 416</b>

(i) Receivables excludes GST recoverable from the ATO (statutory receivable).



## (c) Ageing analysis of financial assets

	Carrying Amount \$ 000	Not past due and not impaired \$ 000	Past due but not impaired					Impaired Financial Assets \$ 000
			Up to 1 month \$ 000	1-3 Months \$ 000	3 Months to 1 year \$ 000	1-5 Years \$ 000	More than 5 years \$ 000	
<b>2018</b>								
Cash and cash equivalents	31 005	31 005	-	-	-	-	-	-
Restricted cash and cash equivalents	79 168	79 168	-	-	-	-	-	-
Receivables <sup>(i)</sup>	11 761	10 773	654	299	12	17	6	-
Amounts receivable for services	236 457	236 457	-	-	-	-	-	-
	358 391	357 403	654	299	12	17	6	-
<b>2017</b>								
Cash and cash equivalents	29 992	29 992	-	-	-	-	-	-
Restricted cash and cash equivalents	40 880	40 880	-	-	-	-	-	-
Receivables <sup>(i)</sup>	5 840	4 763	686	337	18	32	4	-
Amounts receivable for services	216 582	216 582	-	-	-	-	-	-
	293 294	292 217	686	337	18	32	4	-

(i) Receivables excludes the GST recoverable from the Australian Taxation Office (statutory receivable)

**(d) Liquidity risk and interest rate exposure**

The following table details the Department'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 amount of each item.

**Interest rate exposures and maturity analysis of financial assets and financial liabilities**

	Weighted Average Effective Interest Rate %	Interest Rate Exposure			Nominal Amount \$ 000	Maturity Date				
		Carrying Amount \$ 000	Variable Interest Rate \$ 000	Non-Interest Bearing \$ 000		Up to 1 month \$ 000	1-3 Months \$ 000	3 Months to 1 year \$ 000	1-5 Years \$ 000	More than 5 years \$ 000
<b>2018</b>										
<b>Financial Assets</b>										
Cash and cash equivalents	1.96	31 005	16 679	14 326	31 005	31 005	-	-	-	-
Restricted cash and cash equivalents	1.96	79 168	12 269	66 899	79 168	79 168	-	-	-	-
Receivables <sup>(i)</sup>	-	11 761	-	11 761	11 761	11 761	-	-	-	-
Amounts receivable for services	-	236 457	-	236 457	236 457	-	-	-	236 457	-
		358 391	28 948	329 443	358 391	121 934	-	-	236 457	-
<b>Financial Liabilities</b>										
Payables	-	20 362	-	20 362	20 362	20 362	-	-	-	-
		20 362	-	20 362	20 362	20 362	-	-	-	-

(i) Receivables excludes the GST recoverable from the Australian Taxation Office (statutory receivable)

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

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

	Weighted Average Effective Interest Rate %	Interest Rate Exposure				Maturity Date				
		Carrying Amount \$ 000	Variable Interest Rate \$ 000	Non- Interest Bearing \$ 000	Nominal Amount \$ 000	Up to 1 month \$ 000	1-3 Months \$ 000	3 Months to 1 year \$ 000	1-5 Years \$ 000	More than 5 years \$ 000
<b>2017</b>										
<b>Financial Assets</b>										
Cash and cash equivalents	1.99	29 992	21 266	8 726	29 992	29 992	-	-	-	-
Restricted cash and cash equivalents	1.99	40 880	13 183	27 697	40 880	40 880	-	-	-	-
Receivables <sup>(i)</sup>	-	5 840	-	5 840	5 840	5 840	-	-	-	-
Amounts receivable for services	-	216 582	-	216 582	216 582	-	-	-	216 582	-
		293 294	34 449	258 845	293 294	76 197	-	-	216 582	-
<b>Financial Liabilities</b>										
Payables	-	21 416	-	21 416	21 416	21 416	-	-	-	-
		21 416	-	21 416	21 416	21 416	-	-	-	-

(i) Receivables excludes the GST recoverable from the Australian Taxation Office (statutory receivable)

**(e) Interest rate sensitivity analysis**

The following table represents a summary of the interest rate sensitivity of the Department's financial assets and liabilities at the end of the financial year on the surplus for the year and equity for a 1% change in interest rates. It is assumed that the change in interest rates is being held constant throughout the financial year.

	Carrying amount \$ 000	-100 basis point		+100 basis point	
		Surplus \$ 000	Equity \$ 000	Surplus \$ 000	Equity \$ 000
<b>2018</b>					
<b>Financial Assets</b>					
Cash assets	16 679	(167)	(167)	167	167
Restricted cash assets	12 269	(123)	(123)	123	123
Total Increase/(Decrease)	28 948	(290)	(290)	290	290
<b>2017</b>					
<b>Financial Assets</b>					
Cash assets	21 266	(213)	(213)	213	213
Restricted cash assets	13 183	(132)	(132)	132	132
Total Increase/(Decrease)	34 449	(345)	(345)	345	345

**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 nominal value.

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

**8.2.1 Contingent assets**

The Department has no contingent assets as at 30 June 2018.

**8.2.2 Contingent liabilities**

The Department's policy is to disclose, as a contingency, any obligation which may arise due to special circumstances or events. At the date of this report, the Department is aware of the following potential future obligation:

- The Department of Transport (Department) is the department responsible for assisting the Minister of Transport in the administration of Transport related Acts. The Minister on behalf of the State is party to a legal proceeding. As the Department is not a legal entity per se, any potential legal proceedings are not likely to have a material effect on the Department's financial statement.

### 8.3 Fair value measurements

Recurring fair value measurements	Level 1 \$ 000	Level 2 \$ 000	Level 3 \$ 000	Fair value at end of year \$ 000
<b>2018</b>				
Non-current assets classified as held for distribution to owners (Note 9.8)	-	7 520	-	7 520
Land (Note 5.1)	-	3 764	110 182	113 946
Buildings (Note 5.1)	-	2 156	15 866	18 022
	-	<b>13 440</b>	<b>126 048</b>	<b>139 488</b>

Transfers into and transfers out of the fair value hierarchy level are recognised on the date of the event or change in circumstances that caused the transfer.

There was a transfer of \$7,520,000 from Level 2 fair value land and buildings during the year. This transfer relates to the Welshpool Vehicle Examination Centre property which has been assessed as surplus to requirements and is being prepared for distribution to owners. The property has been classified as Non-current assets held for distribution to owners.

Land and buildings classified as held for distribution to owners during the year are recognised at the lower of carrying amount and fair value less costs to distribute. The fair value of these assets has been determined by reference to market evidence of sale prices of comparable assets.

Recurring fair value measurements	Level 1 \$ 000	Level 2 \$ 000	Level 3 \$ 000	Fair value at end of year \$ 000
<b>2017</b>				
Land (Note 5.1)	-	10 930	110 199	121 129
Buildings (Note 5.1)	-	3 016	16 993	20 009
	-	<b>13 946</b>	<b>127 192</b>	<b>141 138</b>

## Valuation techniques to derive Level 2 and Level 3 fair values

### *Land and buildings (Level 2 fair values)*

Level 2 fair values of land and buildings are derived using the market approach.

Level 2 valuation inputs were used to determine the fair value of market type land and building assets.

Fair values have been derived from sale prices of comparable land and buildings after adjusting for differences in key attributes such as property size, assuming open and liquid market transactions and that the land is in a vacant and marketable condition. Adjustments are made for comparable utility. The most significant inputs into this valuation approach is price per square metre.

### *Land and buildings (Level 3 fair values)*

Level 3 valuation inputs were used to determine the fair value of non-market or current use type land and building assets. Assets were valued at the Level 3 valuation hierarchy where there was no observable market evidence of sale prices for comparable sites or where significant Level 3 inputs were used on a recurring basis.

Land with public use restrictions have been categorised as Level 3 due to adjustments by Level 3 inputs to the market approach; including restoration costs (low restricted use land) and adjustments to recognise low level utility (high restricted use land).

Level 3 fair values of buildings are derived using the cost approach.

Fair values for existing use specialised buildings are valued at replacement cost and 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. While unit rates based on square metres can be supported from market evidence, other inputs (such as estimates of residual value, useful life, pattern of consumption and asset condition) required extensive professional judgement and impacted significantly on the determination of fair value, and have therefore been classified as having been valued using Level 3 valuation inputs.

There were no changes in the valuation techniques during the year.



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

The following table presents the changes in the fair value of assets measured using significant unobservable inputs (Level 3) for recurring fair value measurements.

	Land \$ 000	Buildings \$ 000
<b>2018</b>		
Fair value at start of year	110 199	16 993
Additions	48	266
Revaluation increments/(decrements) recognised in Profit or Loss	(65)	-
Revaluation increments/(decrements) recognised in Other Comprehensive Income	-	(169)
Disposals	-	-
Depreciation expense	-	(1 224)
Fair value at end of year	<b>110 182</b>	<b>15 866</b>
Total gains or losses for the year included in profit or loss, under 'Other Gains'	-	-
<b>2017</b>		
Fair value at start of year	118 731	16 939
Additions	740	1 294
Revaluation increments/(decrements) recognised in Profit or Loss	(9 272)	-
Revaluation increments/(decrements) recognised in Other Comprehensive Income	-	129
Disposals	-	(294)
Depreciation expense	-	(1 075)
Fair value at end of year	<b>110 199</b>	<b>16 993</b>
Total gains or losses for the year included in profit or loss, under 'Other Gains'	-	-

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

The following table summarises the quantitative information about the significant unobservable inputs used in Level 3 fair value measurement.

There were no significant interrelationships between the unobservable inputs.

Description	Fair value 2018 \$ 000	Fair value 2017 \$ 000	Valuation technique(s)	Unobservable inputs
Land	110 182	110 199	Market approach	Selection of land with similar approximate utility
Buildings	15 866	16 993	Current replacement cost	Consumed economic benefit/obsolescence of asset Historical cost per square metre floor area (m <sup>2</sup> )

## Valuation processes

An annual assessment of land and building fair values are undertaken by the Western Australian Land Information Authority (Valuations and Property Analytics) and are determined by professionally qualified valuers.

Generally, every four or five years (depending on location) a principle valuation calculation is performed by physical inspection or verification of the asset. In other years, fair values are determined by indexing the previous year's valuation amount by a factor which represents the analysis of the movement in valuation inputs from year to year. Changes in Level 2 and Level 3 fair values of land and buildings are analysed by the Department at the end of each financial year.

## Basis of valuation

In the absence of market based evidence, due to the specialised nature of some land and buildings, 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 as authorised by legislation. Many of the Department's land and building assets have a restricted use for maritime purposes under the Marine and Harbours Act.

The main Level 3 inputs used are derived and evaluated as follows:

### *Selection of land with restricted utility*

Due to the restricted nature and unique characteristics of some land, there is no observable market evidence of sale prices. Fair values for restricted use land is determined by comparison with market evidence for land with low level utility and adjustments made to the price per square metre. Relevant comparators of land with low level utility are selected by the Western Australian Land Information Authority (Valuations and Property Analytics).

### *Consumed economic benefit/obsolescence of assets*

Represents the difference between the replacement cost of buildings and its current condition. This is estimated by the Western Australian Land Information Authority (Valuations and Property Analytics).

### *Historical cost per square metre floor area (m<sup>2</sup>)*

The cost of constructing specialised buildings are obtained from actual construction costs per square metre of other similar or reference buildings, historical building costs, quantity surveyors and standard rates from construction guides.

## 9. Other disclosures

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

	Notes
Services provided free of charge	9.1
Future impact of Australian standards issued not yet operative	9.2
Key management personnel	9.3
Related party transactions	9.4
Jointly controlled assets	9.5
Special purpose accounts	9.6
Remuneration of auditors	9.7
Non-current assets classified as held for distribution to owners	9.8
Equity	9.9
Supplementary financial information	9.10
Indian Ocean Territories Service Level Agreement	9.11
Explanatory statement	9.12
Events occurring after the end of the financial year	9.13

### 9.1 Services provided free of charge

During the year the following services were provided to other agencies free of charge for functions outside the normal operations of the Department:

		2018 \$ 000	2017 \$ 000
Department of Parks and Wildlife	Technical advice	-	12
Department of Planning	Technical review and support	-	150
Department of Planning, Lands and Heritage	Technical review and support	200	-
Department of Premier and Cabinet	Technical advice	-	5
Department of Regional Development	Technical advice	-	2
Department of Water and Environmental Regulation	Technical advice	100	-
Fremantle Port Authority	Technical advice	-	10
Public Sector Commission	Technical advice	-	2
Public Transport Authority	Operational services	-	43
Western Australian Planning Commission	Technical advice	-	15
WA Conservation and Parks Commission	Technical advice	10	-
Western Australian Police Service	Provision of information	65	88
		375	327

## 9.2 Future impact of Australian standards issued not yet operative

The Agency cannot early adopt an Australian Accounting Standard unless specifically permitted by Treasurer's instruction 1101 'Application of Australian Accounting Standards and Other Pronouncements' or by an exemption from Treasurer's instruction 1101. Where applicable, the agency plans to apply the following Australian Accounting Standards from their application date.

### Operative for financial years commencing after 1 Jan 2018

#### *AASB 9 Financial Instruments*

This Standard supersedes AASB 139 Financial Instruments: Recognition and Measurement, introducing a number of changes to accounting treatments. The Department has yet to assess the potential impact of the standard.

*AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)*  
[AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Int 2, 5, 10, 12, 19 & 127]

This Standard makes consequential amendments to other Australian Accounting Standards and Interpretations because of issuing AASB 9 in December 2010.

The mandatory application date of this Standard has been amended by AASB 2012-6 and AASB 2014-1 to 1 January 2018. Other than the exposures to AASB 9 noted above, the Department is only insignificantly impacted by the application of the Standard.

#### *AASB 2014-1 Amendments to Australian Accounting Standards*

Part E of this Standard makes amendments to AASB 9 and consequential amendments to other Standards. These changes have no impact as Appendix E has been superseded and the Department was not permitted to early adopt AASB 9.

#### *AASB 2014-5 Amendments to Australian Accounting Standards arising from AASB 15*

This Standard gives effect to the consequential amendments to Australian Accounting Standards (including Interpretations) arising from the issuance of AASB 15. The mandatory application date of this Standard has been amended by AASB 2015-8 to 1 January 2018. The Department has not yet determined the application or the potential impact of the Standard.

#### *AASB 2014-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2014)*

This Standard gives effect to the consequential amendments to Australian Accounting Standards (including Interpretations) arising from the issuance of AASB 9 (December 2014). The Department has not yet determined the application or the potential impact of the Standard.

#### *AASB 2015-8 Amendments to Australian Accounting Standards – Effective Date of AASB 15*

This Standard amends the mandatory application date of AASB 15 to 1 January 2018 (instead of 1 January 2017). It also defers the consequential amendments that were originally set out in AASB 2014-5. There is no financial impact arising from this Standard.

*AASB 2016-3 Amendments to Australian Accounting Standards Clarifications to AASB 15*

This Standard clarifies identifying performance obligations, principal versus agent considerations, timing of recognising revenue from granting a licence, and, provides further transitional provisions to AASB 15. The Department has not yet determined the application or the potential impact when the deferred AASB 15 becomes effective from 1 January 2019.

*AASB 2016-7 Amendments to Australian Accounting Standards Deferral of AASB 15 for Not-for-Profit Entities*

This Standard defers, for not-for-profit entities, the mandatory application date of AASB 15 to 1 January 2019, and the consequential amendments that were originally set out in AASB 2014-5. There is no financial impact arising from this standard.

**Operative for financial years commencing after 1 Jan 2019***AASB 15 Revenue from Contracts with Customers*

This Standard establishes the principles that the agency shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. The mandatory application date of this Standard is currently 1 January 2019 after being amended by AASB 2016-7.

The Department's income is principally derived from appropriations which will be measured under AASB 1058 and will be unaffected by this change. However, the agency has not yet determined the potential impact of the Standard on 'User charges and fees' and 'Sales' revenue. In broad terms, it is anticipated that the terms and conditions attached to these revenues will defer revenue recognition until the agency has discharged its performance obligations.

*AASB 16 Leases*

This Standard introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value.

Whilst the impact of AASB 16 has not yet been quantified, most of the Department's non-cancellable operating leases will be brought onto the Statement of Financial Position. Interest and amortisation expense will increase, and rental expense will decrease.

*AASB 1058 Income of Not-for-Profit Entities*

This Standard clarifies and simplifies the income recognition requirements that apply to not-for-profit (NFP) entities, more closely reflecting the economic reality of NFP entity transactions that are not contracts with customers. Timing of income recognition is dependent on whether such a transaction gives rise to a liability or other performance obligation (a promise to transfer a good or service), or a contribution by owners, related to an asset (such as cash or another asset) received by an agency. The Department anticipates that the application will not materially impact appropriation or untied grant revenues.



**Operative for financial years commencing after 1 Jan 2019 (continued)***AASB 1059 Service Concession Arrangements: Grantors*

This Standard addresses the accounting for a service concession arrangement (a type of public private partnership) by a grantor that is a public sector agency by prescribing the accounting for the arrangement from the grantor's perspective. Timing and measurement for the recognition of a specific asset class occurs on commencement of the arrangement and the accounting for associated liabilities is determined by whether the grantee is paid by the grantor or users of the public service provided. The Department has not identified any public private partnerships within scope of the Standard.

*AASB 2016-8 Amendments to Australian Accounting Standards Australian Implementation Guidance for Not-for-Profit Entities*

This Standard inserts Australian requirements and authoritative implementation guidance for not-for-profit entities into AASB 9 and AASB 15. This guidance assists not-for-profit entities in applying those Standards to particular transactions and other events. There is no financial impact.

**9.3 Key Management Personnel**

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

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

Compensation Band (\$)	2018	2017
40 001 – 50 000	-	1
70 001 – 80 000	-	1
150 001 – 160 000	-	2
180 001 – 190 000	1	2
190 001 – 200 000	1	2
200 001 – 210 000	2	1
210 001 – 220 000	1	1
220 001 – 230 000	1	-
310 001 – 320 000	1	-
360 001 – 370 000	-	1
370 001 – 380 000	1	-
400 001 – 410 000	-	1
500 001 – 510 000	1	-

The decrease in number of senior officers, from 12 to 9 during the year, is due to acting arrangements implemented to cover instances of leave.

	2018 \$ 000	2017 \$ 000
Short term employee benefits	1 989	1 954
Post employment benefits	220	220
Other long term benefits	205	210
Termination benefits	-	-
<b>Total compensation of senior officers</b>	<b>2 414</b>	<b>2 384</b>

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

#### 9.4 Related Party Transactions

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

Related parties of the department include:

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

### Significant transactions with Government related entities

In conducting its activities, the agency 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:	Note	\$ 000
Income from State Government	4.1	98 282
Equity contributions	9.9	21 824
Superannuation payments (GESB portion)	3.1(a)	10 676
Lease rentals payments to the Department of Finance (Government Office Accommodation and State Fleet) and the Department of Communities (Government Regional Officer Housing)	3.4	8 065
Insurance payments to the Insurance Commission and RiskCover fund	3.4	3 332
Remuneration for services provided by the Auditor General	9.7	182
Refunds to Department of Communities	6.6	161
Payments for variable outgoings, repairs and maintenance, Government Campus Network, ICT, and local government rates to Department of Finance	3.4	3 776
Lease payments for fleet motor vehicles to Department of Finance State Fleet	3.4	719
Return of excess recurrent appropriation from Department of Treasury	6.6	4 032
Refunds of Royalties for Regions revenue from prior years to Department of Treasury	3.4	268
Western Australian Bicycle Network, National Transport Reforms, CBD Transport Plan, East Perth Multi Modal Transport grants provided to Main Roads Western Australia	3.2	10 235
Payments for Strategic Transport Modelling Review and repairs and maintenance to Main Roads Western Australia	3.4	2 080
Perth Parking Licensing Account Equity transfer to Public Transport Authority of Western Australia	9.9	7 270
Central Area Transit (CAT) bus service and Local Projects - Local Jobs grants provided to Public Transport Authority of Western Australia	3.2	14 985
Marine Communications and Community Police grants provided to Western Australia Police Service	3.2	1 951
Contribution for the Support and Maintenance of the WAPOL Biometric Facial Recognition System to Western Australia Police Service	3.4	46
Payments for Perth Stadium - Burswood Jetty design modifications to Department of Local Government, Sport and Cultural Industries	3.4	145

### Material transactions with other related parties

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

### 9.5 Jointly controlled assets

The following represents the Department's 50% ownership interest in the Marine Operations Centre with the Department of Primary Industries and Regional Development. The jointly controlled assets are included in the financial statements.

	2018 \$ 000	2017 \$ 000
<b>Non-current assets</b>		
Property, plant and equipment	3 412	3 630
Infrastructure	78	90
<b>Total assets</b>	<b>3 490</b>	<b>3 720</b>

### 9.6 Special purpose accounts

<b>Deposits</b>	2018 \$ 000	2017 \$ 000
Opening balance	4 330	4 406
<b>Receipts</b>		
Deposits – Bonds	193	119
Deposits – Trade Plates	162	92
Interest	18	97
	373	308
<b>Payments</b>		
Refunds – Bonds	(51)	(369)
Refunds – Trade Plates	(274)	(15)
	(325)	(384)
<b>Closing balance</b>	<b>4 378</b>	<b>4 330</b>

The Account holds deposits for performance bonds and motor vehicle trade plate deposits. These monies are held in a private trustee capacity, and in accordance with Treasurer's instruction 1101A Financial Reporting by Departments are only reported in these notes to the financial statements.

<b>Receipts in Suspense</b>	<b>2018 \$ 000</b>	<b>2017 \$ 000</b>
Opening balance	6 030	5 656
Receipts credited to the suspense account	7 523	7 363
Refunds and subsequent allocations	(6 963)	(6 989)
<b>Closing balance</b>	<b>6 590</b>	<b>6 030</b>

The purpose of this account is to holds funds pending identification of the purpose for which these monies were received. Upon identification, these funds are subsequently allocated to relevant revenue accounts or refunded to the customer.

<b>Perth Parking Licensing Account</b>	<b>2018 \$ 000</b>	<b>2017 \$ 000</b>
Opening balance	23 257	10 781
<b>Receipts</b>		
Licence fees	57 890	56 321
	57 890	56 321
<b>Payments</b>		
Grants to State government agencies	(24 910)	(41 385)
Grants to local shires	(1 277)	-
Employee costs	(582)	(315)
Supplies and services	(285)	(481)
Refund of prior year revenue	-	(1 664)
	(27 054)	(43 845)
<b>Closing balance</b>	<b>54 093</b>	<b>23 257</b>

This Account was established to hold funds for administering the *Perth Parking Management Act 1999*.

## 9.6 Special purpose accounts (continued)

<b>Taxi Industry Development Account</b>	<b>2018 \$ 000</b>	<b>2017 \$ 000</b>
Opening balance	13 183	35 585
<b>Receipts</b>		
Service appropriation	1 365	1 500
Licence fees	965	836
Interest income	256	724
Other revenue	68	-
	2 654	3 060
<b>Payments</b>		
Grants and subsidies	(1 163)	(21 874)
Consultants' fees	(791)	(1 663)
Employee costs	(1 296)	(1 321)
Other payments	(318)	(604)
	(3 568)	(25 462)
<b>Closing balance</b>	<b>12 269</b>	<b>13 183</b>

The purpose of this Account is to hold funds received by the Department for the purposes of the *Taxi Act 1994*.

<b>Taxi Fare Evasion Recoupment Account</b>	<b>2018 \$ 000</b>	<b>2017 \$ 000</b>
Opening balance	-	1
Receipts credited to the suspense account		
Refunds and subsequent allocations	1	1
	(1)	(2)
<b>Closing balance</b>	<b>-</b>	<b>-</b>

The purpose of this Account is to reimburse taxi drivers with monies collected from passengers who failed to pay their fare.

### 9.7 Remuneration of Auditor

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

	2018 \$ 000	2017 \$ 000
Auditing the accounts, financial statements and key performance indicator.	184	182

The expense is included in Note 3.4 Other expenses.

### 9.8 Non-current assets classified as held for distribution to owners

The following table represents a summary of assets held for distribution to owners:

	2018 \$ 000	2017 \$ 000
<b>Opening balance</b>		
Land	-	-
Buildings	-	-
Other plant, equipment and infrastructure	-	-
Less write-down to fair value less costs to distribute	-	-
	-	-
<b>Assets reclassified as held for distribution to owners</b>		
Land	7 000	-
Buildings	520	-
Other plant, equipment and infrastructure	323	-
Less write-down to fair value less costs to distribute	(86)	-
	7 757	-
<b>Total assets classified as held for distribution to owners</b>		
Land	7 000	-
Buildings	520	-
Other plant, equipment and infrastructure	323	-
Less write-down to fair value less costs to distribute	(86)	-
	7 757	-
<b>Less assets distributed</b>		
Land	-	-
Buildings	-	-
Other plant, equipment and infrastructure	-	-
Less write-down to fair value less costs to distribute	-	-
	-	-
<b>Closing balance</b>		
Land	7 000	-
Buildings	520	-
Other plant, equipment and infrastructure	323	-
Less write-down to fair value less costs to distribute	(86)	-
	7 757	-



### 9.8 Non-current assets classified as held for distribution to owners (continued)

The Welshpool Vehicle Examination Centre property has been assessed as surplus to requirements and is being prepared for sale. As an agreement could not be reached with a potential buyer, the Department is undertaking due diligence along with the Department of Planning, Lands and Heritage who will then appoint a specialist selling agent, if required, to market the property with an expected sale date within the next twelve months.

An impairment loss (\$86,000) was recognised in relation to two refurbishment and fit-out assets located at the Welshpool Vehicle Examination Centre. As part of the reclassification to being held for distribution to owners, an assessment was made to ensure that all assets were being carried at the lower of carrying amount and fair value in accordance with AASB 5 *Non-current Assets Held for Sale and Discontinued Operations*. The refurbishment and fit-out assets had a total carrying amount of \$86,000 at the time of reclassification and were estimated to have no recoverable amount.

### 9.9 Equity

	2018 \$ 000	2017 \$ 000
<b>CONTRIBUTED EQUITY</b>		
Balance at the start of the financial year	484 517	479 825
<b>Contributions by owners</b>		
Capital contributions	18 287	15 226
<b>Transfer of net assets</b>		
Regional Development Headwords Fund	3 488	11 575
Department of Lands	-	740
Landgate	-	1 115
Department of Planning, Lands and Heritage	49	-
	21 824	28 656
<b>Distributions to owners</b>		
Public Transport Authority	(7 270)	(23 956)
Department of Lands	-	(8)
	(7 270)	(23 964)
<b>Balance at the end of the financial year</b>	<b>499 071</b>	<b>484 517</b>

<b>RESERVES</b>	<b>2018 \$ 000</b>	<b>2017 \$ 000</b>
<b>Asset Revaluation Surplus</b>		
Balance at the start of the financial year	2 248	2 302
Net revaluation increments/(decrements)		
Land	-	-
Buildings	(345)	(54)
Balance at the end of the financial year	1 903	2 248
<b>ACCUMULATED SURPLUS</b>		
Balance at the start of the financial year	232 806	227 455
Result for the year	57 418	5 351
Balance at the end of the financial year	290 224	232 806
<b>Total equity at the end of the financial year</b>	<b>791 198</b>	<b>719 571</b>

## 9.10 Supplementary financial information

### (a) Write-offs

Public and other property, revenue and debts due to the State were written-off in accordance with section 48 of the Financial Management Act 2006 under the authority of:

	<b>2018 \$ 000</b>	<b>2017 \$ 000</b>
(i) Bad Debts		
The Accountable Authority	75	110
The Executive Council	-	279
	75	389

Of the debts written off, \$73,000 had been previously provided for.

(ii) Cash		
The Accountable Authority	-	5
(iii) Assets		
The Accountable Authority	-	4

### (b) Losses through theft, defaults and other causes

The Department suffered no losses of public money or other property through theft, defaults or other causes during the current financial year.

**(c) Gifts of public property**

The Department made one act of grace payment of \$1,310 during the current financial year.

**9.11 Indian Ocean Territories Service Level Agreement**

The provision of services to the Indian Ocean Territories is recouped from the Commonwealth government.

	2018 \$ 000	2017 \$ 000
Balance at the start of the year	-	26
Receipts	947	348
Payments	(884)	(374)
<b>Balance at the end of the year</b>	<b>63</b>	<b>-</b>

**9.12 Explanatory statement (Controlled Operations)**

All variances between estimates (original budget) and actual results for 2018 and between the actual results for 2018 and 2017 are shown below. Narratives are provided for selected major variances which are generally greater than 5% and \$8,274,000 for the Statement of Comprehensive Income and Cash flows; and 5% and \$15,425,000 for the Statement of Financial Position.

## Statement of Comprehensive Income Variances

	Variance note	Estimate 2018 \$ 000	Actual 2018 \$ 000	Actual 2017 \$ 000	Variance between estimate and actual \$ 000	Variance between actual result for 2018 and 2017 \$ 000
<b>COST OF SERVICES</b>						
<b>Expenses</b>						
Employee benefits expense		138 349	136 252	133 227	(2 097)	3 025
Supplies and services	1	116 425	107 528	115 559	(8 897)	(8 031)
Depreciation and amortisation expense		22 367	20 856	21 282	(1 511)	(426)
Accommodation expenses		16 395	16 844	15 995	449	849
Grants and subsidies	2, A	118 672	91 558	109 880	(27 114)	(18 322)
Loss on disposal of non-current assets		-	283	992	283	(709)
Other expenses	B	2 091	4 109	16 788	2 018	(12 679)
<b>Total cost of services</b>		<b>414 299</b>	<b>377 430</b>	<b>413 723</b>	<b>(36 869)</b>	<b>(36 293)</b>
<b>Income</b>						
<b>Revenue</b>						
User charges and fees		262 605	261 681	259 194	(924)	2 487
Sales		61	181	105	120	76
Grants and contributions	C	16 288	19 627	6 882	3 339	12 745
Interest revenue		373	689	883	316	(194)
Other revenue		53 962	54 310	52 452	348	1 858
Other income		-	78	6 460	78	(6 382)
<b>Total revenue</b>		<b>333 289</b>	<b>336 566</b>	<b>325 976</b>	<b>3 277</b>	<b>10 590</b>
<b>Total income other than income from State Government</b>		<b>333 289</b>	<b>336 566</b>	<b>325 976</b>	<b>3 277</b>	<b>10 590</b>
<b>NET COST OF SERVICES</b>		<b>81 010</b>	<b>40 864</b>	<b>87 747</b>	<b>(40 146)</b>	<b>(46 883)</b>

## Statement of Comprehensive Income Variances (continued)

	Variance note	Estimate 2018 \$ 000	Actual 2018 \$ 000	Actual 2017 \$ 000	Variance between estimate and actual \$ 000	Variance between actual result for 2018 and 2017 \$ 000
<b>INCOME FROM STATE GOVERNMENT</b>						
Service appropriation		65 096	59 776	57 757	(5 320)	2 019
Assets received		-	147	177	147	(30)
Services received free of charge		1 989	1 710	1 228	(279)	482
Royalty for Regions Fund	3	45 671	36 649	33 936	(9 022)	2 713
<b>Total income from State Government</b>		112 756	98 282	93 098	(14 474)	5 184
<b>SURPLUS FOR THE YEAR</b>		<b>31 746</b>	<b>57 418</b>	<b>5 351</b>	<b>25 672</b>	<b>52 067</b>
<b>OTHER COMPREHENSIVE INCOME</b>						
<b>Items not reclassified subsequently to profit or loss</b>						
Changes in asset revaluation reserve		-	(345)	(54)	(345)	(291)
<b>Total other comprehensive income</b>		<b>-</b>	<b>(345)</b>	<b>(54)</b>	<b>(345)</b>	<b>(291)</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>31 746</b>	<b>57 073</b>	<b>5 297</b>	<b>25 327</b>	<b>51 776</b>

## 9.12 Explanatory statement (Controlled Operations) (continued)

### Statement of Comprehensive Income Variances

#### Major Estimate and Actual (2018) Variance Narratives

1. Supplies and services expense was less than estimate by \$8.9 million (-7.6%) mainly due to delays in expenditure in Two Rocks Redevelopment that will necessitate the deferral of expenses (\$2.4 million) to 2018-19; reduced costs associated with Country Age Pension Fuel Card Scheme (\$0.5 million) and overall general underspend throughout the department.
2. Grants and Subsidies expenditure was less than estimated by \$27.1 million (-22.9%) primarily due to the deferral of the Busselton-Margaret River Regional Airport Upgrade project (\$9.5 million), Geraldton Runway renewal project (\$4.9 million) and delay of the Broome Boating Facilities Upgrade project (\$5.2 million) to 2018-19; and underspends associated with the Country Age Pension Fuel Card Subsidy (\$4.8 million) and Bike Boulevards-Safe Active Streets (\$1.0 million).
3. Reduced Royalties for Region fund of \$9.0 million (-19.8%) is primarily due to a delay in the Broome Boating Facilities Upgrade project (\$5.2 million) to 2018-19; an underspend of the Country Age Pension Fuel card scheme (\$3.1 million); and in the Recreational Boating Facilities Scheme (\$0.7 million).

#### Major Actual (2018) and Comparative (2017) Variance Narratives

- A. Grants and Subsidies decreased in 2018 by \$18.3 million (-16.7%) mainly due to the cessation of the Transition Assistance Package (\$20.9 million) relating to the On-demand Transport Reform (that provided transition adjustment assistance and hardship funds to taxi owners impacted by the reform in the taxi industry) in 2017; and reduced Regional Airport Development Scheme grants because of reduced funding from Royalties for Regions (\$2.2 million) in 2018. These reductions have been partially offset by increases in the Bike Boulevard-Safe Active Streets Program (\$3.3 million) and the Principal Shared Path Program (\$1.4 million).
- B. Other Expenses decreased in 2018 by \$12.7 million (-75.5%) primarily due to the 2017 net land revaluation decrement of \$9.7 million recognised as an expense; and impairment losses to two intangible assets totalling \$3.9 million mainly associated with the cancellation of an Australian Post Office contract in 2017.
- C. Grants and Contributions revenue increased by \$12.7 million (185.2%) primarily due to the funding for Bike Boulevard (Safe Active Streets) (\$6.0 million) in 2018, the increase for the Burswood Jetty provided by Public Transport Authority (PTA) (\$4.0 million); Metronet Office (\$0.8 million) funded from PTA; and increased services in the Indian Ocean Territories (\$0.5 million) funded by the Department of Infrastructure Regional Development and Cities (Commonwealth).

## 9.12 Explanatory statement (Controlled Operations) (continued)

## Statement of Financial Position Variances

	Variance note	Estimate 2018 \$ 000	Actual 2018 \$ 000	Actual 2017 \$ 000	Variance between estimate and actual \$ 000	Variance between actual result for 2018 and 2017 \$ 000
<b>ASSETS</b>						
<b>Current Assets</b>						
Cash and cash equivalents		19 192	31 005	29 992	11 813	1 013
Restricted cash and cash equivalents	A	65 264	78 143	40 365	12 879	37 778
Inventories		-	543	557	543	(14)
Receivables		8 257	15 203	9 230	6 946	5 973
Other current assets		4 627	5 088	5 557	461	(469)
Non-current assets classified as held for distribution to owners		-	7 757	-	7 757	7 757
<b>Total Current Assets</b>		<b>97 340</b>	<b>137 739</b>	<b>85 701</b>	<b>40 399</b>	<b>52 038</b>
<b>Non-Current Assets</b>						
Restricted cash and cash equivalents		356	1 025	515	669	510
Amounts receivable for services	B	236 457	236 457	216 582	-	19 875
Property, plant and equipment	1	168 963	148 578	160 058	(20 385)	(11 480)
Infrastructure	2	202 824	267 505	252 542	64 681	14 963
Intangible assets		25 517	36 184	30 232	10 667	5 952
Construction in progress	3	96 757	11 773	25 638	(84 984)	(13 865)
<b>Total Non-Current Assets</b>		<b>730 874</b>	<b>701 522</b>	<b>685 567</b>	<b>(29 352)</b>	<b>15 955</b>
<b>TOTAL ASSETS</b>		<b>828 214</b>	<b>839 261</b>	<b>771 268</b>	<b>11 047</b>	<b>67 993</b>



## 9.12 Explanatory statement (Controlled Operations) (continued)

## Statement of Financial Position Variances

	Variance note	Estimate 2018 \$ 000	Actual 2018 \$ 000	Actual 2017 \$ 000	Variance between estimate and actual \$ 000	Variance between actual result for 2018 and 2017 \$ 000
<b>LIABILITIES</b>						
<b>Current Liabilities</b>						
Payables		12 190	20 362	21 416	8 172	(1 054)
Employee related provisions		22 893	20 917	22 858	(1 976)	(1 941)
Other current liabilities		6 784	730	773	(6 054)	(43)
<b>Total Current Liabilities</b>		<b>41 867</b>	<b>42 009</b>	<b>45 047</b>	<b>142</b>	<b>(3 038)</b>
<b>Non-Current Liabilities</b>						
Employee related provisions		6 453	6 054	6 650	(399)	(596)
<b>Total Non-Current Liabilities</b>		<b>6 453</b>	<b>6 054</b>	<b>6 650</b>	<b>(399)</b>	<b>(596)</b>
<b>TOTAL LIABILITIES</b>		<b>48 320</b>	<b>48 063</b>	<b>51 697</b>	<b>(257)</b>	<b>(3 634)</b>
<b>NET ASSETS</b>		<b>779 894</b>	<b>791 198</b>	<b>719 571</b>	<b>11 304</b>	<b>71 627</b>
<b>EQUITY</b>						
Contributed equity		497 981	499 071	484 517	1 090	14 554
Reserves		2 302	1 903	2 248	(399)	(345)
Accumulated surplus		279 611	290 224	232 806	10 613	57 418
<b>TOTAL EQUITY</b>		<b>779 894</b>	<b>791 198</b>	<b>719 571</b>	<b>11 304</b>	<b>71 627</b>

## 9.12 Explanatory statement (Controlled Operations) (continued)

### Statement of Financial Position Variances

#### Major Estimate and Actual (2018) Variance Narratives

1. Property Plant and Equipment trailed estimates by \$20.4 million (12.1%) primarily due to 2017 net land devaluation of \$9.7 million and delays to projects being finalised and commissioned in 2018.
2. Infrastructure exceeded estimates by \$64.7 million (31.9%) primarily due to several major infrastructure projects being finalised and commissioned in 2018.
3. Construction in progress trailed estimates by \$85.0 million (87.8%) due to several major projects being finalised and commissioned in 2018 (refer to note on Infrastructure).

#### Major Actual (2018) and Comparative (2017) Variance Narratives

- A. Restricted cash and cash equivalents increases by \$37.8 million (93.7%) primarily due to the completion of major transport programs funded from the Perth Parking Fund (such as Wellington Street Bus Station and Northbridge Bus Layover) in 2017.
- B. Amounts receivable for services increased by \$19.9 million (9.1%) representing an increase in the non-cash component of service appropriation.

## 9.12 Explanatory statement (Controlled Operations) (continued)

## Statement of Cash Flows Variances

	Variance note	Estimate 2018 \$ 000	Actual 2018 \$ 000	Actual 2017 \$ 000	Variance between estimate and actual \$ 000	Variance between actual result for 2018 and 2017 \$ 000
<b>CASH FLOWS FROM STATE GOVERNMENT</b>						
Service appropriation		45 221	39 901	42 243	(5 320)	(2 342)
Capital appropriation		19 037	18 287	15 226	(750)	3 061
Cash transferred (to)/from other agencies	A	(7 270)	(7 270)	(23 956)	-	16 686
Royalties for Regions Fund		47 671	40 137	45 511	(7 534)	(5 374)
<b>Net cash provided by State Government</b>		104 659	91 055	79 024	(13 604)	12 031
Utilised as follows:						
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
<b>Payments</b>						
Employee benefits		(137 993)	(138 823)	(135 404)	(830)	(3 419)
Supplies and services		(112 629)	(109 710)	(109 793)	2 919	83
Accommodation		(16 395)	(17 720)	(16 167)	(1 325)	(1 553)
Grants and subsidies	1, B	(118 672)	(86 923)	(107 700)	31 749	20 777
GST payments on purchases		(26 706)	(23 114)	(24 172)	3 592	1 058
Other payments		(3 898)	(2 282)	(3 851)	1 616	1 569
<b>Receipts</b>						
Sale of goods and services		38	180	107	142	73
User charges and fees		262 316	261 809	255 940	(507)	5 869
Grants and contributions		16 288	12 986	6 748	(3 302)	6 238
Interest received		373	674	1 154	301	(480)
GST receipts on sales		7 881	7 361	8 049	(520)	(688)
GST receipts from taxation authority		18 825	15 642	16 670	(3 183)	(1 028)
Other receipts		53 962	53 498	57 583	(464)	(4 085)
<b>Net cash used in operating activities</b>		(56 610)	(26 422)	(50 836)	30 188	24 414

## 9.12 Explanatory statement (Controlled Operations) (continued)

## Statement of Cash Flows Variances

	Variance note	Estimate 2018 \$ 000	Actual 2018 \$ 000	Actual 2017 \$ 000	Variance between estimate and actual \$ 000	Variance between actual result for 2018 and 2017 \$ 000
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
<b>Payments</b>						
Purchase of non-current physical assets		(33 347)	(25 421)	(32 880)	7 926	7 459
<b>Receipts</b>						
Proceeds from sale of non-current physical assets		-	89	57	89	32
<b>Net cash used in investing activities</b>		<b>(33 347)</b>	<b>(25 332)</b>	<b>(32 823)</b>	<b>8 015</b>	<b>7 491</b>
Net decrease in cash and cash equivalents		14 702	39 301	(4 635)	24 599	43 936
Cash and cash equivalents at the beginning of the year		70 110	70 872	75 507	762	(4 635)
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>		<b>84 812</b>	<b>110 173</b>	<b>70 872</b>	<b>25 361</b>	<b>39 301</b>

## 9.12 Explanatory statement (Controlled Operations) (continued)

### Statement of Cash Flows Variances

#### Major Estimate and Actual (2018) Variance Narratives

1. Grants and Subsidies was below budget by \$31.7 million (-26.8%) primarily due to the deferral of the Busselton- Margaret River Regional Airport Upgrade project (\$9.5 million), Geraldton Runway renewal project (\$4.9 million); a delay in the Broome Boating Facilities Upgrade project (\$5.2 million) to 2018-19; and an underspend associated with the Country Age Pension Fuel Card Subsidy (\$4.8 million); Bike Boulevards/Safe Active Streets (\$1.0 million); and other timing differences impacting various Department of Transport grants.

#### Major Actual (2018) and Comparative (2017) Variance Narratives

- A. Cash transferred (to) other agencies decreased by \$16.7 million (69.7%) primarily due to the completion of the Wellington Street Bus Station and Northbridge Bus Layover projects funded from the Perth Parking Licensing Account in 2017.
- B. Grants and Subsidies decreased by \$20.8 million (19.2%) in 2018 primarily due to the cessation of the Transition Assistance Package (part of the On-demand Transport Reform) in 2017 that provided transition adjustment assistance and hardship funds to taxi owners impacted by the taxi industry reforms.

## 9.13 Events occurring after the end of the financial year

There are no significant events occurring after the reporting date.

## 10. Administered disclosures

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

	Notes
Disclosure of administered income and expenses by service	10.1
Explanatory statement for administered items	10.2
Administered assets and liabilities	10.3

## 10.1 Disclosure of administered expenses and income by service

	Strategic Transport Policy and Integrated Transport		Driver and Vehicle Services		Marine Safety		Total	
	2018 \$ 000	2017 \$ 000	2018 \$ 000	2017 \$ 000	2018 \$ 000	2017 \$ 000	2018 \$ 000	2017 \$ 000
<b>Expenses</b>								
Transfer Payments								
Consolidated Account	-	-	1 286 846	1 221 806	-	-	1 286 846	1 221 806
Department of Local Government, Sport and Cultural Industries	-	-	59	63	-	-	59	63
Insurance Commission of Western Australia	-	-	938 490	900 605	-	-	938 490	900 605
Western Australia Police	-	-	-	15	-	-	-	15
WA Coastal Shipping Commission	100	100	-	-	-	-	100	100
Federal and Interstate Agencies	-	-	1 351	1 496	1 949	2 649	3 300	4 145
Road Trauma Trust Account	-	-	79 837	83 064	-	-	79 837	83 064
Other expenses	-	-	421	-	-	-	421	-
<b>Total administered expenses</b>	100	100	2 307 004	2 207 049	1 949	2 649	2 309 053	2 209 798

## 10.1 Disclosure of administered expenses and income by service (continued)

	Strategic Transport Policy and Integrated Transport			Driver and Vehicle Services			Marine Safety			Total		
	2018 \$ 000	2017 \$ 000	2018 \$ 000	2017 \$ 000	2018 \$ 000	2017 \$ 000	2018 \$ 000	2017 \$ 000	2018 \$ 000	2017 \$ 000	2018 \$ 000	2017 \$ 000
<b>Income</b>												
For transfer to the Consolidated Account or Agencies												
Appropriations for transfer to the:												
Western Australian Coastal Shipping Commission	100	100	-	-	-	-	-	-	100	-	100	100
Infringements												
Plate and transfer infringements	-	-	8 190	8 830	-	-	-	-	8 190	-	8 830	8 830
Speed and red-light infringements	-	-	108 502	110 110	-	-	-	-	108 502	-	110 110	110 110
Final demand fees – traffic infringements	-	-	2 364	2 252	-	-	-	-	2 364	-	2 252	2 252
Dealer plates	-	-	-	120	-	-	-	-	-	-	-	120
Motor vehicle registrations												
Motor vehicle fees	-	-	59	63	-	-	-	-	59	-	63	63
Motor vehicle registrations	-	-	894 449	842 743	-	-	-	-	894 449	-	842 743	842 743
Stamp duty	-	-	354 463	340 737	-	-	-	-	354 463	-	340 737	340 737
Third party motor vehicle insurance premiums	-	-	710 903	705 998	-	-	-	-	710 903	-	705 998	705 998
Catastrophic Injury Support Scheme	-	-	227 587	194 606	-	-	-	-	227 587	-	194 606	194 606
Collection of interstate licencing fees	-	-	1 351	1 496	-	-	-	-	1 351	-	1 496	1 496
Firearm licence fees	-	-	-	15	-	-	-	-	-	-	-	15
Collection of vessel survey fees	-	-	-	-	-	-	1 947	2 649	1 947	-	2 649	2 649
<b>Total administered income</b>	100	100	2 307 868	2 206 970	1 947	2 649	2 309 915	2 209 719				

The Department does not administer receipts or payments on behalf of Service 3 (Coastal Infrastructure) or Service 5 (On-demand Transport) and they are excluded from the note.



## 10.2 Explanatory statement for Administered Items

All variances between estimates (original budget) and actual results for 2018 and between the actual results for 2018 and 2017 are shown below. Narratives are provided for key major variances, which are generally greater than 5% and \$20,231,000.

	Variance note	Estimate 2018 \$ 000	Actual 2018 \$ 000	Actual 2017 \$ 000	Variance between estimate and actual \$ 000	Variance between actual result for 2018 and 2017 \$ 000
<b>Expenses</b>						
Transfer Payments						
Consolidated Account	1, A	911 196	1 286 846	1 221 806	375 650	65 040
Department of Local Government, Sport and Cultural		58	59	63	1	(4)
Insurance Commission of Western Australia	2	-	938 490	900 605	938 490	37 885
Western Australia Police		-	-	15	-	(15)
Western Australian Coastal Shipping Commission		100	100	100	-	-
Federal and Interstate Agencies		1 773	3 300	4 145	1 527	(845)
Road Trauma Trust Account		98 436	79 837	83 064	(18 599)	(3 227)
Other expenses		-	421	-	421	421
<b>Total administered expenses</b>		<b>1 011 563</b>	<b>2 309 053</b>	<b>2 209 798</b>	<b>1 297 490</b>	<b>99 255</b>

## 10.2 Explanatory statement for Administered Items (continued)

	Variance note	Estimate 2018 \$ 000	Actual 2018 \$ 000	Actual 2017 \$ 000	Variance between estimate and actual \$ 000	Variance between actual result for 2018 and 2017 \$ 000
<b>Income</b>						
For transfer to the Consolidated Account or Agencies						
Appropriations for transfer to the:						
Western Australian Coastal Shipping Commission		100	100	100	-	-
<b>Infringements</b>						
Plate and transfer infringements		8 305	8 190	8 830	(115)	(640)
Speed and red-light infringements		121 464	108 502	110 110	(12 962)	(1 609)
Final demand fees – traffic infringements		2 000	2 364	2 252	364	112
Dealer plates		-	-	120	-	(120)
<b>Motor vehicle registrations</b>						
Motor vehicle fees		58	59	63	1	(4)
Motor vehicle registrations	B	873 660	894 449	842 743	20 789	51 706
Stamp duty	3	-	354 463	340 737	354 463	13 726
Third party motor vehicle insurance premiums	4	-	710 903	705 998	710 903	4 905
Catastrophic Injury Support Scheme	5, C	-	227 587	194 606	227 587	32 981
Collection of interstate licencing fees		-	1 351	1 496	1 351	(145)
Firearm licence fees		4 203	-	15	(4 203)	(15)
Collection of vessel survey fees		1 773	1 947	2 649	174	(702)
<b>Total administered income</b>		<b>1 011 563</b>	<b>2 309 915</b>	<b>2 209 719</b>	<b>1 298 352</b>	<b>100 196</b>

## 10.2 Explanatory statement for Administered Items (continued)

### Major Estimate and Actual (2018) Variance Narratives

1. Consolidated account transfer payments exceeded estimates by \$375.7 million (41.2%) due to stamp duty on motor vehicle registrations collected on behalf of the Office of State revenue and transferred to the Consolidated Account. This item is not reflected in the Department's budget statement.
2. Insurance Commission of Western Australia transfer payments totalled \$938.5 million from Third Party insurance premiums (\$710.9 million) and Catastrophic Injury Support Scheme (\$227.6 million) collected on behalf and transferred to Insurance Commission of Western Australia. This item is not reflected in the Department's budget statement.
3. Stamp Duty revenue collected amounted to \$354.5 million due to stamp duty on motor vehicle registration collected on behalf of the Office of State Revenue. This item is not reflected in the Department's budget statements.
4. Third Party Motor Vehicle Insurance premiums totalled \$710.9 million collected on behalf of, and transferred to the Insurance Commission of Western Australia. This item is not reflected in the Department's budget statement.
5. Catastrophic Injury Support Scheme totalled \$227.6 million collected on behalf of, and transferred to Insurance Commission of Western Australia. This item is not reflected in the Department's budget statement.

### Major Actual (2018) and Comparative (2017) Variance Narratives

- A. Consolidated account transfer payments exceeded 2017 by \$65.0 million (5.3%) primarily due to increased Motor Vehicle Licence fee revenue (\$51.7 million) (6.1%); and an increase in Stamp Duty revenue (\$13.7 million) (4.0%).
- B. Motor vehicle registration fee revenue increased by \$51.7 million (6.1%) due to an annual fee increase and growth in the number of registered vehicles.
- C. The increase of \$33.0 million (17.0%) for Catastrophic Injury Support Scheme (CISS) is a result of an annual fee increase and growth in the number of registered vehicles.

## 10.3 Administered assets and liabilities

	2018 \$ 000	2017 \$ 000
<b>Current assets</b>		
Cash	13 559	12 690
Accounts receivable (i)	6 750	5 886
<b>Total current assets</b>	<b>20 309</b>	<b>18 576</b>
<b>Total administered assets</b>	<b>20 309</b>	<b>18 576</b>
<b>Current liabilities</b>		
Payables	6 745	6 307
Accruals and interest payable	6 318	5 884
<b>Total current liabilities</b>	<b>13 063</b>	<b>12 191</b>
<b>Total administered liabilities</b>	<b>13 063</b>	<b>12 191</b>

(i) Notes to the Schedule of Administered Items – Accounts Receivable

Current Receivables	16 471	15 186
Allowance for impairment of receivables	(9 721)	(9 300)
	<b>6 750</b>	<b>5 886</b>

# CERTIFICATION OF KEY PERFORMANCE INDICATORS

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**For the year ended 30 June 2018**

I hereby certify that the key performance indicators are based on proper records, are relevant and appropriate for assisting users to assess the Department of Transport's performance, and fairly represent the performance of the Department of Transport for the financial year ended 30 June 2018.



**Richard Sellers**

Accountable Authority

31 August 2018

# KEY PERFORMANCE INDICATORS

## For the year ended 30 June 2018

### DoT's outcome structure and links to the overall Government Goals

The transport function is integral to business and commerce and is important for social interaction and connecting communities. DoT's focus is on strategic transport policy and planning, regulation and the delivery of safe and sustainable transport services and programs. This includes the licensing of drivers, vehicles, aircraft and vessels; developing and planning infrastructure; and setting and ensuring service and safety standards across the range of public and commercial transport systems in Western Australia.

Together with its portfolio partners, DoT has the expertise to deliver integrated transport plans and policy and high-quality services needed to connect a complex, interrelated economic and social network. DoT connects people with goods and services through an intricate system of roads, railways, airports, ports and waterways and keeps people safe within those networks through an integrated approach to planning, licensing, and education and compliance strategies.

The breadth and diversity of DoT's functions and services means that DoT contributes to three of the Government's strategic goals outlined in the following table.

Government strategic goals	Departmental desired outcomes	Departmental services
<b>Future Jobs and Skills:</b> Grow and diversify the economy, create jobs and support skills development.	<b>Outcome 1.</b> Integrated transport systems that facilitate economic development.	<b>Service 1.</b> Strategic Transport Policy and Integrated Planning
<b>Strong Communities:</b> Safe communities and supported families.	<b>Outcome 2.</b> Vehicles and road users that meet established vehicle standards and driver competencies to deliver safe vehicles and safe drivers.	<b>Service 2.</b> Driver and Vehicle Services
<b>Better Places:</b> A quality environment with liveable and affordable communities and vibrant regions.	<b>Outcome 3.</b> An accessible and safe transport system.	<b>Service 3.</b> Coastal Infrastructure <b>Service 4.</b> Marine Safety <b>Service 5.</b> On-demand Transport

## Key Performance Indicators

The following table outlines DoT's corporate key performance indicators (KPIs) and how they fit within the Department's outcome structure.

Departmental desired outcomes	Effectiveness indicators	Departmental services	Efficiency indicators
<b>Outcome 1.</b> Integrated transport systems that facilitate economic development	Percentage of containerised freight transported via rail in relation to total metropolitan container movements to and from Fremantle Port	<b>Service 1.</b> Strategic Transport Policy and Integrated Planning	Average cost per policy hour for strategic transport policy development
	Percentage of regional Local Government Areas (LGAs) that have access to regular public transport air services between the LGA and Perth		Average cost per planning hour for integrated transport planning development
<b>Outcome 2.</b> Vehicles and road users that meet established vehicle standards and driver competencies to deliver safe vehicles and safe drivers	Percentage of vehicle examinations completed in accordance with the Australian Design Rules (Safe Vehicles)	<b>Service 2.</b> Driver and Vehicle Services	Average cost per vehicle and driver transaction
	Percentage of driver licences issued that comply with the Graduated Driver Training and Licensing System (Safe Drivers)		Average cost per vehicle inspection performed by Vehicle Examination Centres
	Percentage of driver's licence cards issued within 21 days of completed application		Average cost per vehicle inspection delivered through Authorised Inspection Stations
			Average cost per driver assessment



Departmental desired outcomes	Effectiveness indicators	Departmental services	Efficiency indicators
<b>Outcome 3.</b> An accessible and safe transport system	Percentage of time maritime infrastructure is fit for purpose when required	<b>Service 3.</b> Coastal Infrastructure	Average cost per day per maritime infrastructure asset managed
	Rate of reported incidents (accidents) on the water per 100 commercial vessels surveyed		Average survey cost per commercial vessel
	Rate of reported incidents (accidents) on the water per 10,000 registered recreational vessels	<b>Service 4.</b> Marine Safety	Average cost per private recreational vessel registration
			Cost to maintain Marine Pollution Response preparedness per registered vessel
	Percentage by which the waiting time standard for Metropolitan Area Taxis is met	<b>Service 5.</b> On-demand Transport	Cost of regulation per taxi plate administered

### Explanation for significant variances

Results with significant variances of five per cent or more compared to the target or to the prior year results are explained in greater detail.

## Outcome 1: Integrated transport systems that facilitate economic development

DoT's Policy, Planning and Investment Division develops, integrates and regulates Western Australia's transport systems and infrastructure, which is integral to servicing the State's business and social communities.

DoT determines the location of major transport routes and infrastructure, their suitability for a range of transport services and how each route integrates into the broader transport system for boats, trains, aircraft and vehicles.

Providing regular and adequate public transport air services to key Western Australian regional communities is the responsibility of the Transport Strategy and Reform Directorate. DoT ensures all aircraft that carry passengers for regular public transport or charter purposes within the State are licensed annually.

DoT measures its effectiveness in meeting this outcome through the:

- Percentage of containerised freight transported via rail in relation to total metropolitan container movements to and from Fremantle port.
- Percentage of regional Local Government Areas (LGAs) that have access to regular public transport air services between the LGA and Perth.

### Percentage of containerised freight transported via rail in relation to total metropolitan container movements to and from Fremantle Port

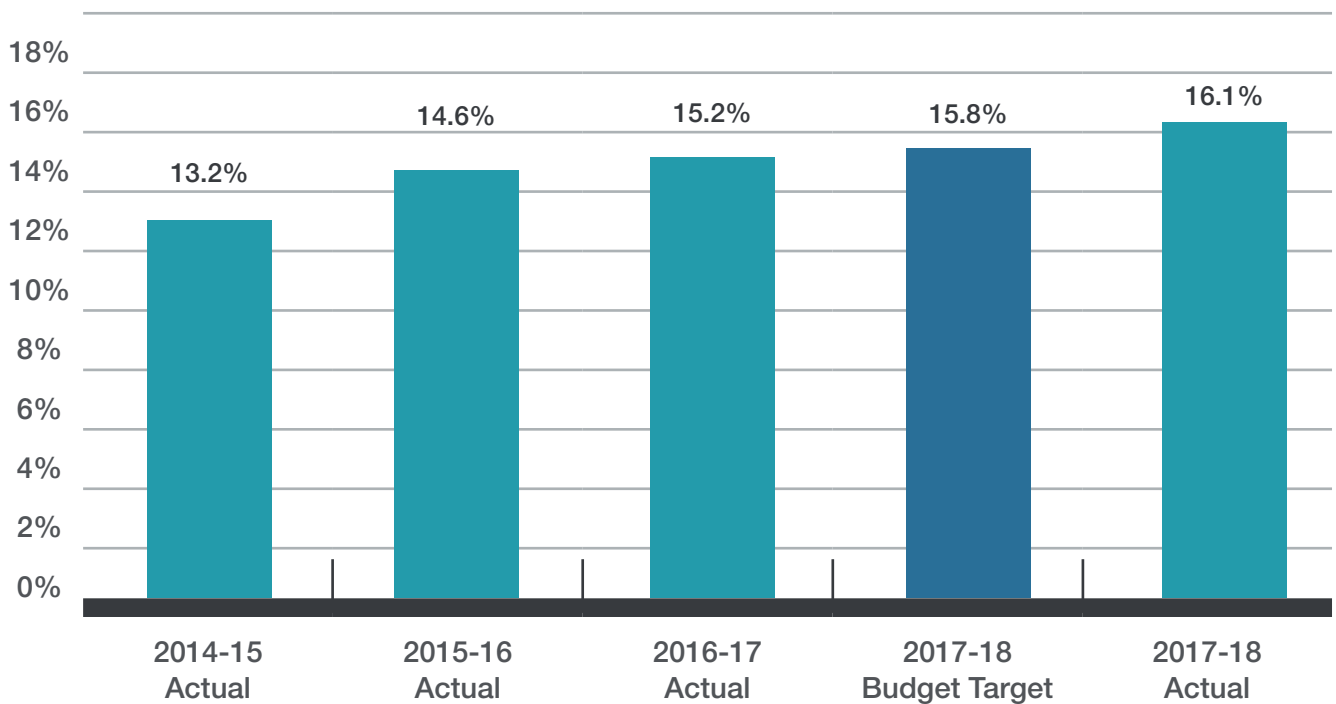
This indicator informs how effectively DoT is shifting the transportation of freight to rail, and thereby reducing heavy vehicle movements and congestion and improving the efficiency of the road network.

A significant proportion of metropolitan container movements occur on arterial roads between the key freight precinct of Kewdale-Forrestfield and Fremantle Port. In order to reduce the impact of an increasing freight task on metropolitan roads, the State Government is committed to increasing the volume of freight on rail by way of subsidising the freight rail service between North Quay Rail Terminal at Fremantle Port and Forrestfield Terminal.

The outcome of this indicator is measured by capturing the proportion of total metropolitan container freight movements by rail to total port container volume movements to and from Fremantle Port. Specifically, this is measured as a percentage of Twenty-foot Equivalent Unit (TEU) freight transported by rail, in relation to total TEU movements through Fremantle Port.

The percentage indicates performance variances in rail movements compared to total volume movements.

Percentage of containerised freight transported via rail in relation to total metropolitan container movements to and from Fremantle Port



#### Reason for significant variance

There was no significant variance noted this year between 2017-18 Budget Target and 2017-18 Actual.

The variance between the 2016-17 Actual and 2017-18 Actual is due to an increase in overall total container throughput at Fremantle Port in 2017-18 by more than seven per cent to 769,403 Twenty-foot Equivalent Unit (TEU) containers. This increase provided the basis for growth in rail volumes. The increase in the container rail subsidy rate from \$30 per TEU to \$50 per TEU which came into effect on 1 January 2018, further supported the observed significant growth in rail mode share to 16.1 per cent in 2017-18. Since the increase in the subsidy rate, the rail mode share averaged above 17 per cent.

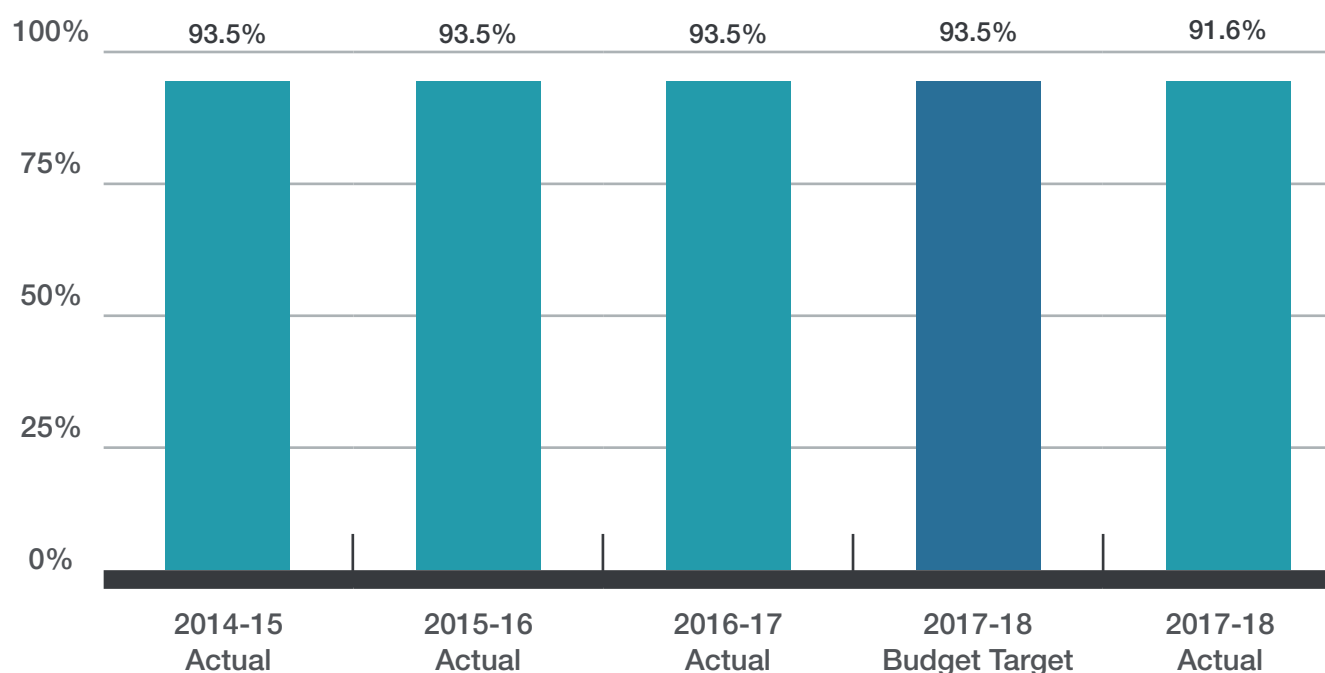
### Percentage of regional Local Government Areas (LGAs) that have access to regular public transport air services between the LGA and Perth

This indicator measures DoT's effectiveness in meeting its responsibility in ensuring regional communities have access to regular public transport (RPT) air services to Perth for economic and social purposes.

The outcome of this indicator is measured by determining the percentage of LGAs that have a population greater than 500 and that are within 250 kilometres of an airport by sealed road which receives two or more RPT air services per week in each direction.

The high percentage achieved indicates that regional communities have access to RPT air services within 250 kilometres of the airport receiving two or more RPT air services per week. A reduction in the percentage of LGAs being serviced by RPT air services would indicate that services to remote communities are not being maintained.

Percentage of regional Local Government Areas (LGAs) that have access to regular public transport air services between the LGA and Perth



#### Reason for variance

The Budget Target for 2017-18 was based on 2016-17 Actual. In 2016-17, there was a total of 93 Local Government Areas (LGAs) with population greater than 500, and of these 87 LGAs met the target i.e. had a population greater than 500 and were within 250km of an RPT air service.

In 2017-18 the total number of LGAs with population greater than 500 increased to 95 but the LGAs meeting the target remained the same as last year i.e. 87 as the 2 additional LGAs (Mukinbudin and Mount Marshall) did not receive RPT air services within 250 km. This resulted in the Actual for 2017-18 being slightly lower than the Budget Target.

## Outcome 2: Vehicles and road users that meet established vehicle standards and driver competencies to deliver safe vehicles and safe drivers

Driver and Vehicle Services (DVS) is responsible for licensing the State's drivers and registering vehicles under the *Road Traffic (Authorisation to Drive) Act 2008*, *Road Traffic (Vehicles) Act 2012* and *Road Traffic (Administration) Act 2008*. Drivers must demonstrate that they are competent to drive a vehicle through complying with the requirements of Section 16 of the *Road Traffic (Authorisation to Drive) Regulations 2014*. Vehicles must be registered before they may lawfully be used on the road. The *Road Traffic (Vehicles) Regulations 2014* details the specific requirements for examination against the Australian Design Rules, which allow a vehicle to be deemed roadworthy.

DoT measures its effectiveness in meeting this outcome through:

- the percentage of vehicle examinations completed in accordance with the Australian Design Rules (Safe Vehicles);
- the percentage of driver licences issued that comply with the Graduated Driver Training and Licensing System (Safe Drivers); and
- the percentage of driver's licence cards issued within 21 days of completed application.

### Percentage of vehicle examinations completed in accordance with the Australian Design Rules (Safe Vehicles)

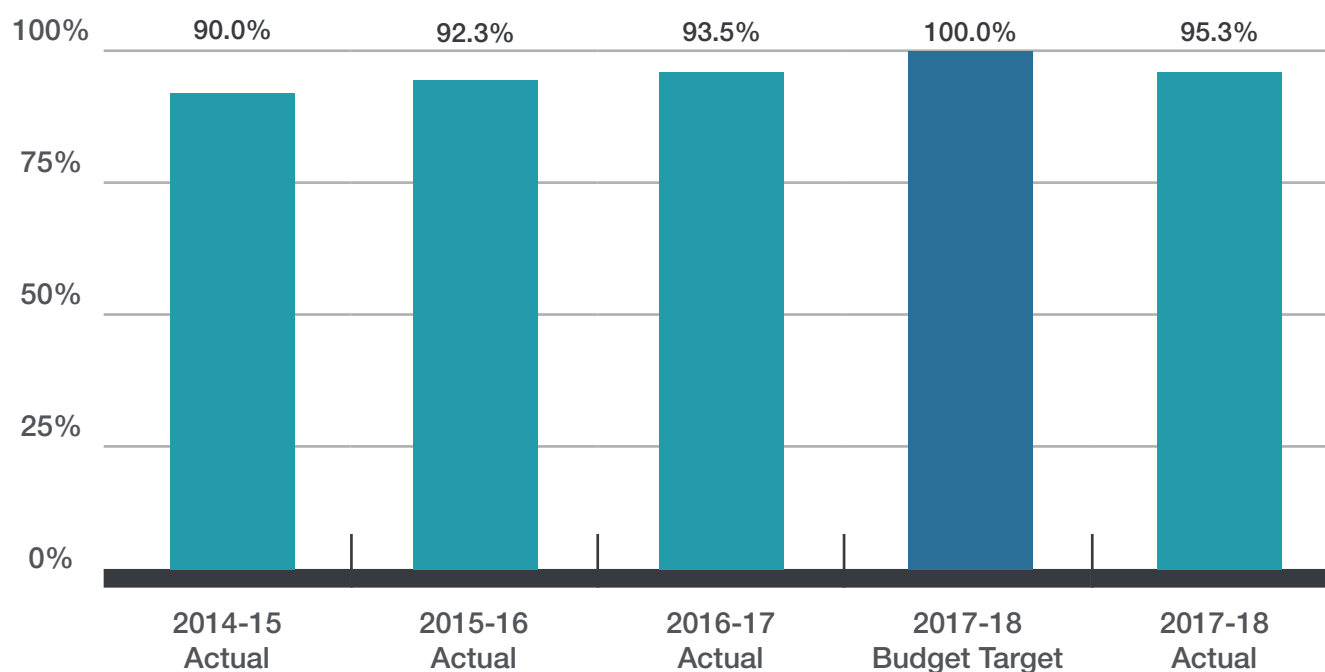
This indicator measures the extent to which vehicles meet established vehicle standards to deliver safe vehicles.

The data is derived from a sample of completed examination forms (Certificates of Inspection), which are reviewed by DoT's auditor. The number of forms that pass the criteria are counted and divided by the total number of forms audited. The results are then expressed as a percentage.

The sample audit is conducted on a weekly basis. The system is based on using automated (HYPERION) reports that provide details of vehicles that passed examinations in the last week as recorded in Transport Executive Licensing Information System (TRELIS), of which 10 samples are selected at random to a total of 100 per quarter.

The Certificates of Inspection created by TRELIS and/or the Vehicle Inspection System for each identified record are then checked and compared against the data in TRELIS to determine that all relevant sections of the examination have been completed and integrity of data maintained.

**Percentage of vehicle examinations completed in accordance with the Australian Design Rules (Safe Vehicles)**



#### Reason for significant variance

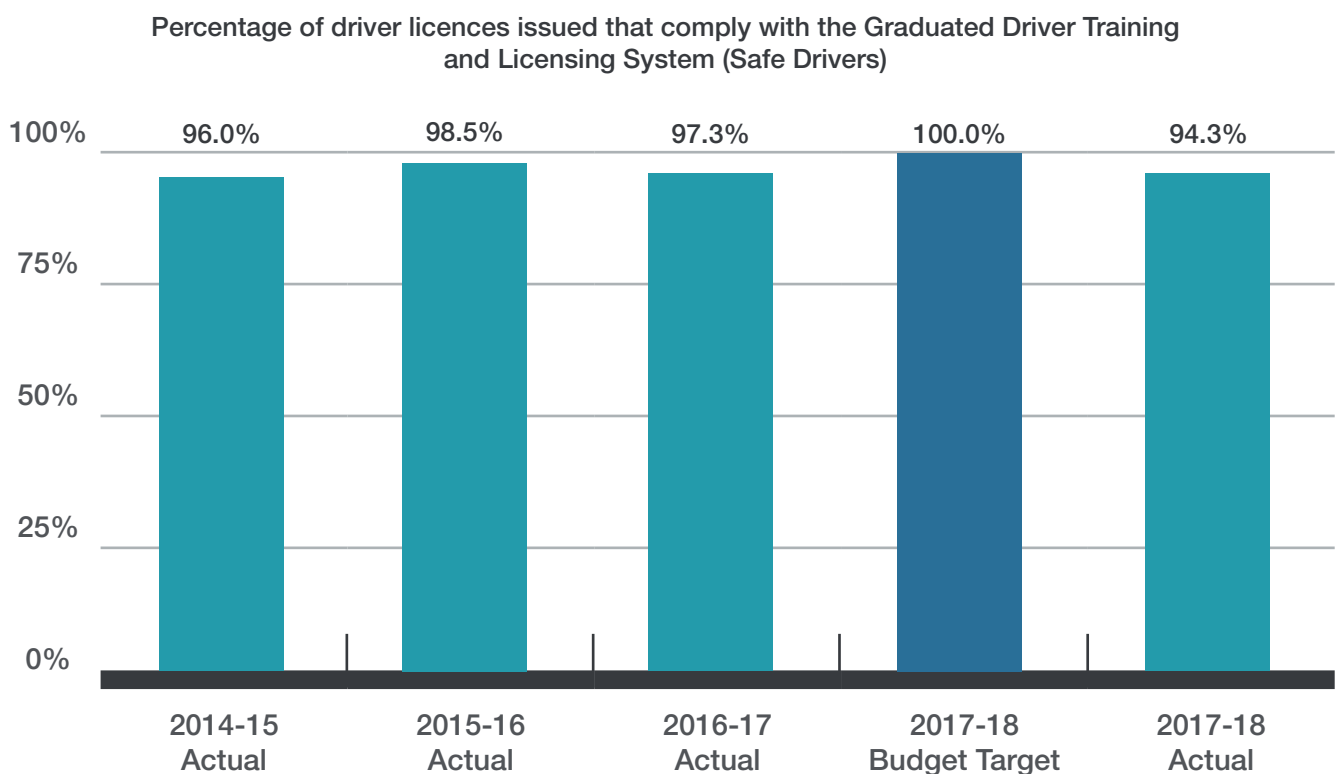
There was no significant variance noted this year between 2017-18 Budget Target and 2017-18 Actual or 2016-17 Actual and 2017-18 Actual.

### Percentage of driver licences issued that comply with the Graduated Driver Training and Licensing System (Safe Drivers)

This indicator measures the extent to which the licensing processes of drivers establish levels of competencies that will deliver safe drivers.

A sample of all driver licences issued under the Graduated Driver Training and Licensing System (GDT&LS) are reviewed by DoT's auditor and the number of licences that complied with each key component in the GDT&LS are recorded and divided by the total number of licences assessed. The resulting figure is then expressed as a percentage.

The sample audit is conducted on a weekly basis. The system is based on using automated (HYPERION) reports that provide the driver licences issued in the past week, of which 10 samples are selected at random to a total of 100 per quarter. All process components related to the GDT&LS are then checked to determine that compliance with each criterion is met.



#### Reason for significant variance

The variance between the 2017-18 Budget Target and the 2017-18 Actual is due to changes to the GDT&LS process within the first half of the reporting period that affected log book hours and declarations, impacting documentation provided for this KPI. As a result of this being resolved and processes strengthened, this KPI improved in the second part of the reporting period.

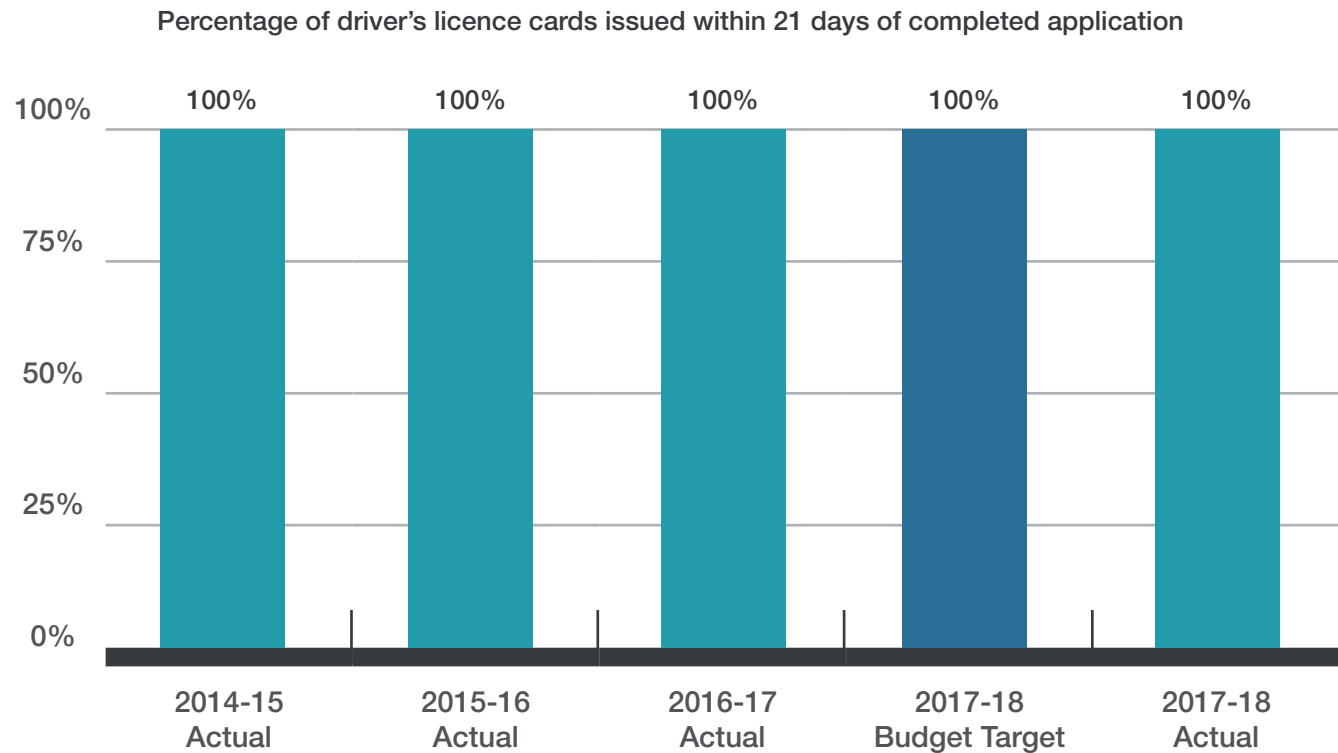
There was no significant variance noted this year between 2016-17 Actual and 2017-18 Actual.

Percentage of driver’s licence cards issued within 21 days of completed application

DoT is committed to issuing driver’s licence cards in a timely manner in order to provide excellent service to its customers.

This measure is calculated by dividing the total number of licence cards issued within the timeframe (21 days) by the total number of licence cards issued (multiplied by 100), to determine the percentage.

This indicator demonstrates that DoT is providing an effective service to its customers by issuing all driver’s licence cards within 21 days of completed application.



Reason for significant variance

There was no significant variance noted this year between 2017-18 Budget Target and 2017-18 Actual or 2016-17 Actual and 2017-18 Actual.



## Outcome 3: An accessible and safe transport system

Under the *Transport Coordination Act 1966* (the Act), the *Jetties Act 1926* and the *Shipping and Pilotage Act 1967*, DoT is responsible for coordinating and planning the accessibility and safety considerations for the transport system.

A range of business units are involved in ensuring the accessibility and safety across the transport system. DoT's Coastal Infrastructure business unit is responsible for accessibility to marine related infrastructure and waterways while its Marine Safety business unit provides regulation, education, training and compliance monitoring to ensure safety of marine vessels and their users.

DoT's On-demand Transport business unit is responsible for ensuring an adequate taxi service is provided to the public of Western Australia. Vehicle and driver safety in taxis is the responsibility of Driver and Vehicle Services in its role in administering road laws, as defined in the *Road Traffic (Administration) Act 2008*. This is covered under Outcome 2 of DoT's outcome structure: 'Vehicles and road users that meet established vehicle standards and driver competencies to deliver safe vehicles and safe drivers'. However, safety for taxi operators and passengers, not related to use of vehicles on the road (for example, speeding or careless driving), is the responsibility of the Western Australia Police in its community safety role.

The effectiveness indicators below measure transport system accessibility and safety for DoT.

### Accessibility

- Percentage by which the waiting time standard for Metropolitan Area Taxis is met; and
- Percentage of time maritime infrastructure is fit for purpose when required.

### Safety

- Rate of reported incidents (accidents) on the water per 100 commercial vessels surveyed; and
- Rate of reported incidents (accidents) on the water per 10,000 registered recreational vessels.

### Effectiveness key performance indicators – Accessibility

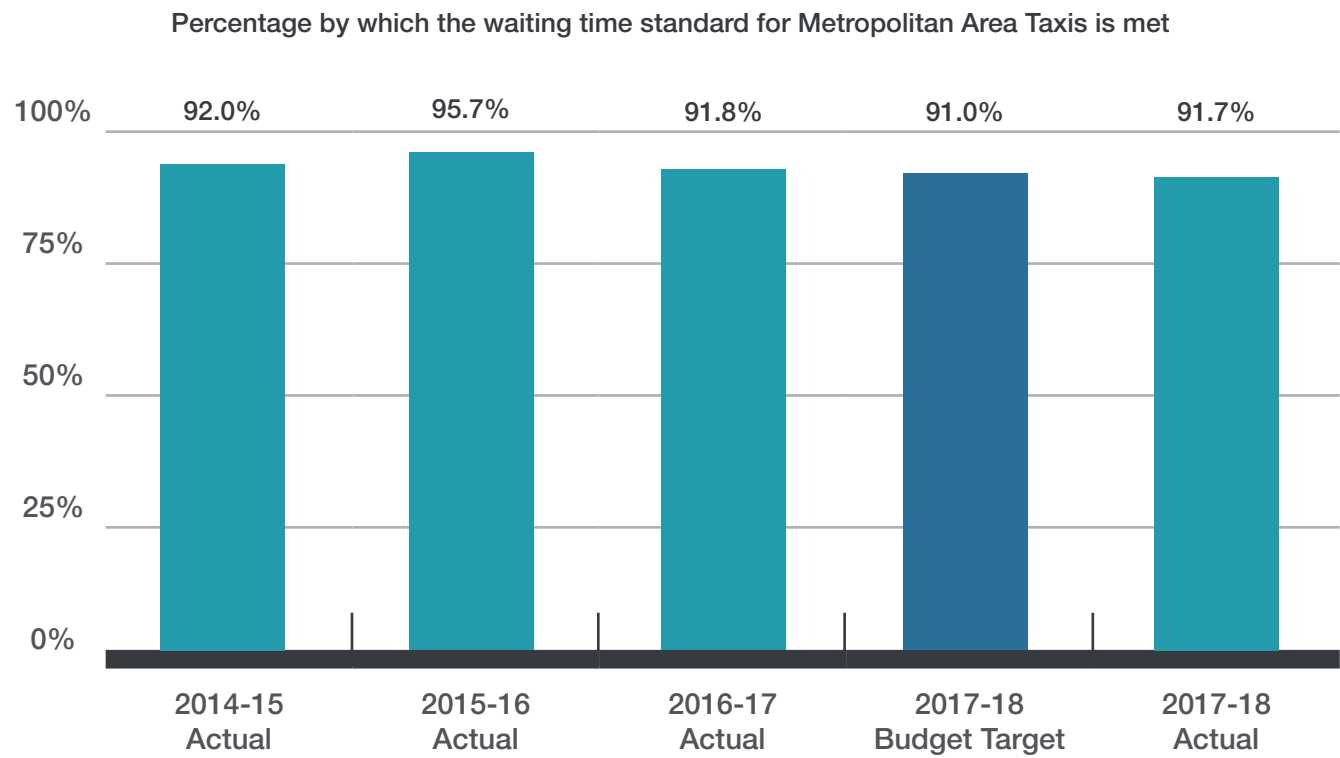
#### Percentage by which the waiting time standard for Metropolitan Area Taxis is met

Following the 1999 National Competition Policy Review of the Perth Metropolitan Taxi Industry, the then Department for Planning and Infrastructure introduced performance standards for the industry. Performance standards have been in place since 1 July 2000 and the taxi industry is required to meet these standards.

This indicator assists in identifying supply versus demand requirements for the taxi industry and its customers. The wait times for taxis, both pre-booked and requested 'as soon as possible', have been measured during both peak and off-peak times. Orders that meet the performance standard, as detailed in the table below, are determined and presented as a percentage against all bookings.

Booking type	Period	Target time
Pre-booked	Peak	5 min
Pre-booked	Off-peak	5 min
ASAP	Peak	20 min
ASAP	Off-peak	15 min

This assessment gives DoT the ability to provide the Minister with evidence-based policy recommendations and, therefore, directly assists the regulatory function of DoT.



Reason for significant variance

There was no significant variance noted this year between 2017-18 Budget Target and 2017-18 Actual or 2016-17 Actual and 2017-18 Actual.

### Percentage of time maritime infrastructure is fit for purpose when required

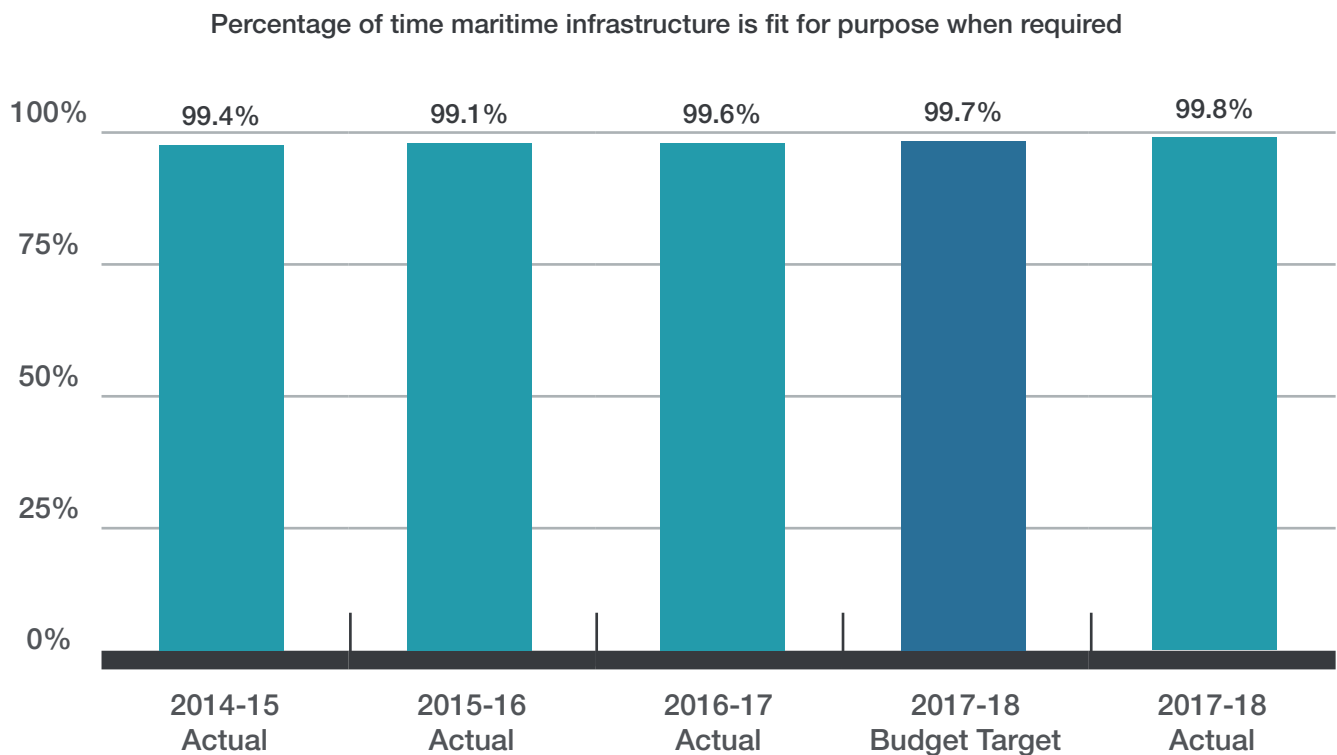
DoT is responsible for the planning, creation, enhancement and management of new and existing land and water-based maritime facilities for small craft boats throughout Western Australia.

DoT manages and maintains facilities at approximately 50 discrete locations throughout the State, including a variety of maritime infrastructure assets, such as jetties, boat launching facilities, pens and mooring areas, as well as associated navigational aids and access to facilities via dredged channels.

This indicator measures the percentage of time that these maritime facilities under DoT's managerial control were accessible to the public throughout 2017-18.

The accessibility of four maritime facilities — pens, jetties, navigational aids and dredged channels — is individually calculated in terms of percentage. These individual percentages are then aggregated and divided by four to arrive at the indicator's result.

The high percentage of availability achieved indicates that maritime facilities under DoT's managerial control were appropriately maintained and accessible to the public.



### Reason for significant variance

There was no significant variance noted this year between 2017-18 Budget Target and 2017-18 Actual or 2016-17 Actual and 2017-18 Actual.

## Effectiveness key performance indicators – Safety

### Rate of reported incidents (accidents) on the water per 100 commercial vessels surveyed

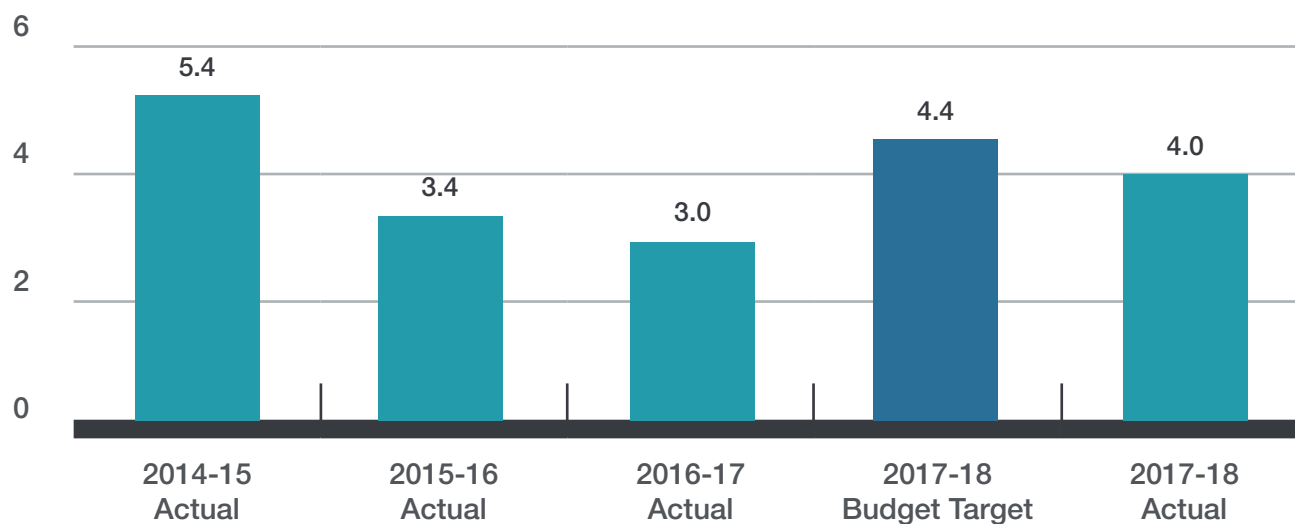
This indicator measures the effectiveness of DoT's safety initiatives in ensuring that commercial vessels in Western Australia meet minimum standards for construction and equipment safety before they are allowed to operate.

The Commercial Vessel Safety branch (CVS) within DoT is a delegate to the National System for Domestic Commercial Vessel Safety under the auspice of the *Marine Safety (Domestic Commercial Vessel) National Law 2012*. As a delegate of the National Regulator, CVS ensures all commercial vessels in Western Australia are subject to survey to certify they meet minimum standards for construction and equipment safety before they are allowed to operate.

All accidents that result in serious injury or death, or cause damage to the vessel rendering it unseaworthy or unsafe must be reported.

The information for this indicator is derived from DoT's commercial vessel database and the marine incidents database. It is calculated by dividing the number of incidents by the number of commercial vessels holding current survey certificates (expressed as a rate per hundred vessels).

Rate of reported incidents (accidents) on the water per 100 commercial vessels surveyed



### Reason for significant variance

The variance between 2017-18 Budget Target and 2017-18 Actual is due to the broadened definition of what constitutes an incident as set by the National Regulator Australian Maritime Safety Authority (AMSA) under the *National Law Act 2012*, Schedule 1 to now include types that DoT previously treated as complaints. Additionally with the transition of functions to AMSA as of July 2018, customers pre-empting the transfer of domestic commercial vessels to AMSA reported incidents to the National Regulator resulting in decreased incidents in 2017-18.

The variance between the 2016-17 Actual and 2017-18 Actual is due to an increase in the number of surveyed vessels from 1,837 in 2016-17 to 1,919 in 2018-19. This unexpected increase relates partly to charter boat/passenger vessels which were involved in incidents predominantly (67 per cent) of a minor nature, resulting from the National Regulator AMSA broadening the definition of incidents as defined by relevant Australian laws to include incidents of which some examples include, a close quarters situation and loss of cargo of a vessel.

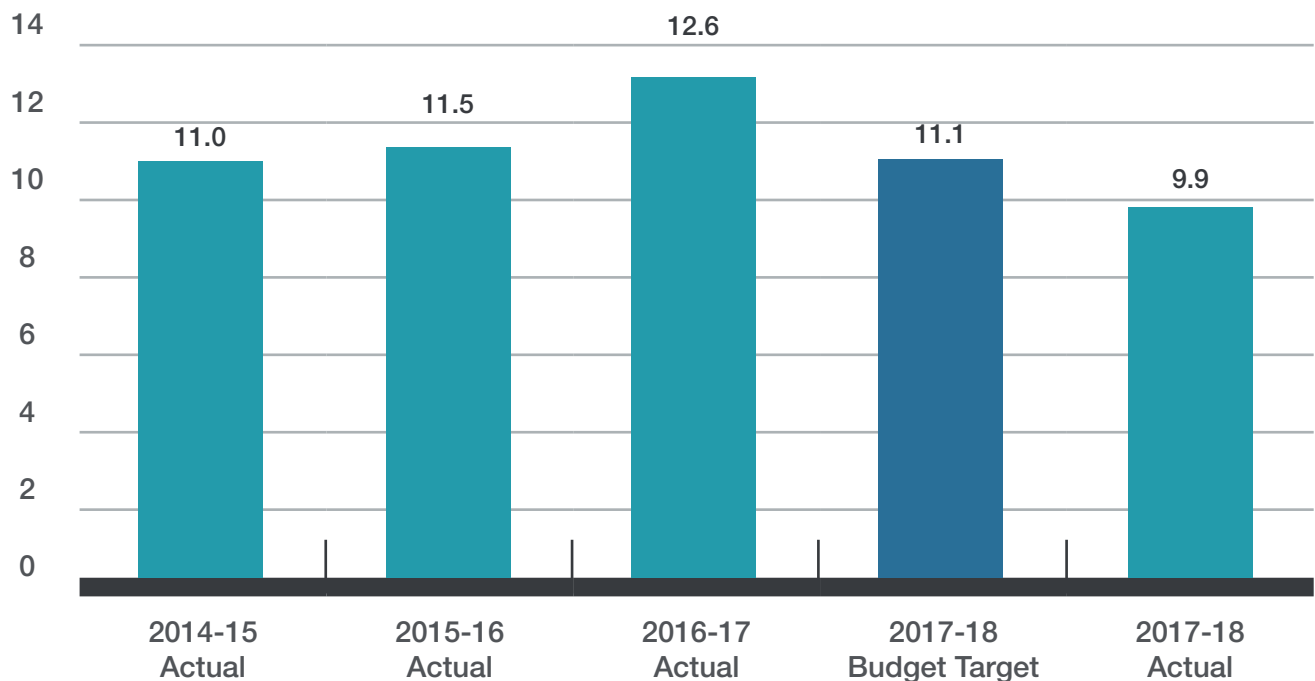
### Rate of reported incidents (accidents) on the water per 10,000 registered recreational vessels

This indicator measures the effectiveness of DoT's safety initiatives on recreational boating behaviour.

The data for this indicator is sourced from DoT's recreational vessel registration and the marine incidents database. It is calculated by dividing the number of incidents by the number of registered recreational vessels (expressed as a rate).

Under the *Navigable Waters Regulations 1958*, all vessels that have a motor or have the capacity to have a motor fitted, must be registered to operate on navigable waters in Western Australia. In addition, it is a requirement under the *Western Australian Marine Act 1982* for people to report any accident or incident that results in serious injury or death, or the vessel being damaged enough to make it unseaworthy or unsafe.

Rate of reported incidents (accidents) on the water per 10,000 registered recreational vessel



#### Reason for significant variance

The variance between 2017-18 Budget Target and 2017-18 Actual is due to the number of minor incidents, predominantly in the metropolitan area, decreasing by 10.8 per cent. To further improve water safety, DoT is implementing a safety education behaviour change strategy from now until 2023. The strategy will focus on boater location, weather interpretation and safety equipment accessibility.

The variance between the 2016-17 Actual and 2017-18 Actual is due to a decrease in incidents. This can be contributed to DoT's greater emphasis on implementing a water safety education behaviour change strategy focusing on boater location, weather interpretation and safety equipment accessibility.

### Measures of efficiency

The measures of efficiency relate to the outputs (services provided) to the level of resource inputs required to produce them, for example, cost per unit of output. While the effectiveness indicators measure the success in achieving the Departmental desired outcomes, the efficiency indicators measure the efficiency (in most cases, the cost per unit of the service delivered) in providing the services that relates to these outcomes.

When calculating cost measures of efficiency all costs involved with providing the service, such as corporate, division and business unit overheads are included.

The following expenditures have been excluded in calculating efficiency indicators as they either do not directly relate to the services provided by the Department or are not considered to be a cost of service delivery.

	2017-18 \$'000	2016-17 \$'000
<b>Non-reportable KPI cost</b>		
Grant and subsidies	93,340	109,880
Non-core operation	28,756	31,272
<b>Total non-reportable cost</b>	122,096	141,152

For example, non-core operation costs include functions that are not directly related to the reportable KPIs, such as all costs associated with administering grants and subsidies and one-off short-term projects such as the METRONET project office costs.

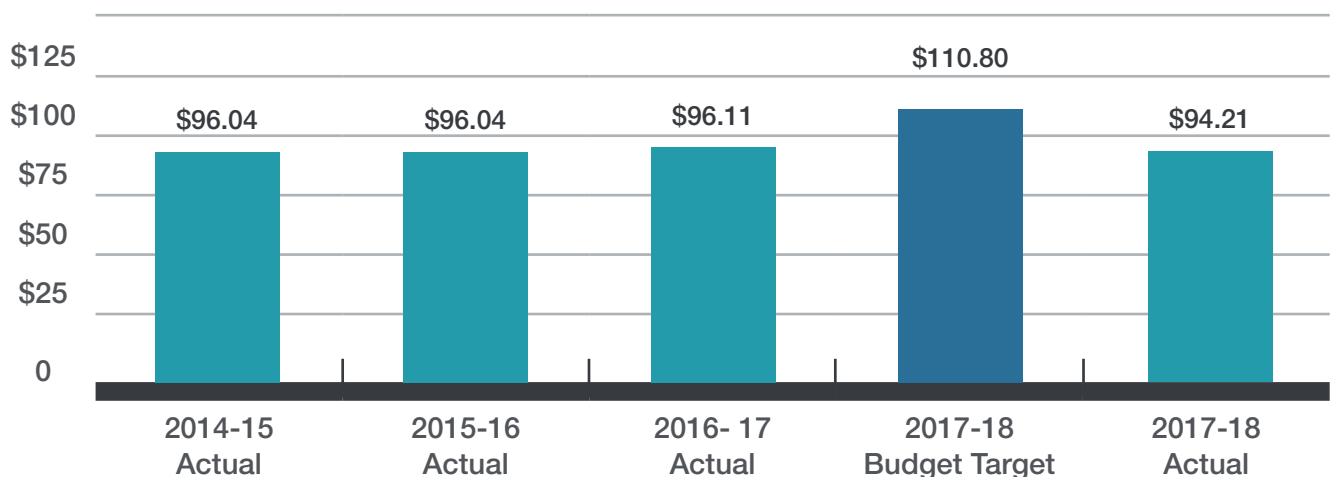
The measures of efficiency used for DoT and how they relate are as follows.

## Service 1: Strategic transport policy and integrated planning

This service contributes to the provision of leadership for strategic management and protection of economic nodes and networks through the provision of a range of services including:

- analysis, planning and implementation of urban infrastructure projects and models to manage future travel demands;
- strategic policy development which supports the achievement of sustainable, effective and practical solutions for Western Australian transport networks and addresses capacity issues;
- policy advice and strategic transport solutions to government;
- representation and negotiation, on behalf of the State Government, at national level transport-related forums to produce positive outcomes that promote and protect Western Australian interests;
- program management and delivery of major intermodal infrastructure planning and development activities that assists in economic development;
- quality assurance and assessment of the return on investment for government funds in transport projects; and
- monitoring industry and public demand-growth to provide best practice transport channels and access which alleviated environmental impacts.

**Average cost per policy hour for strategic transport policy development**



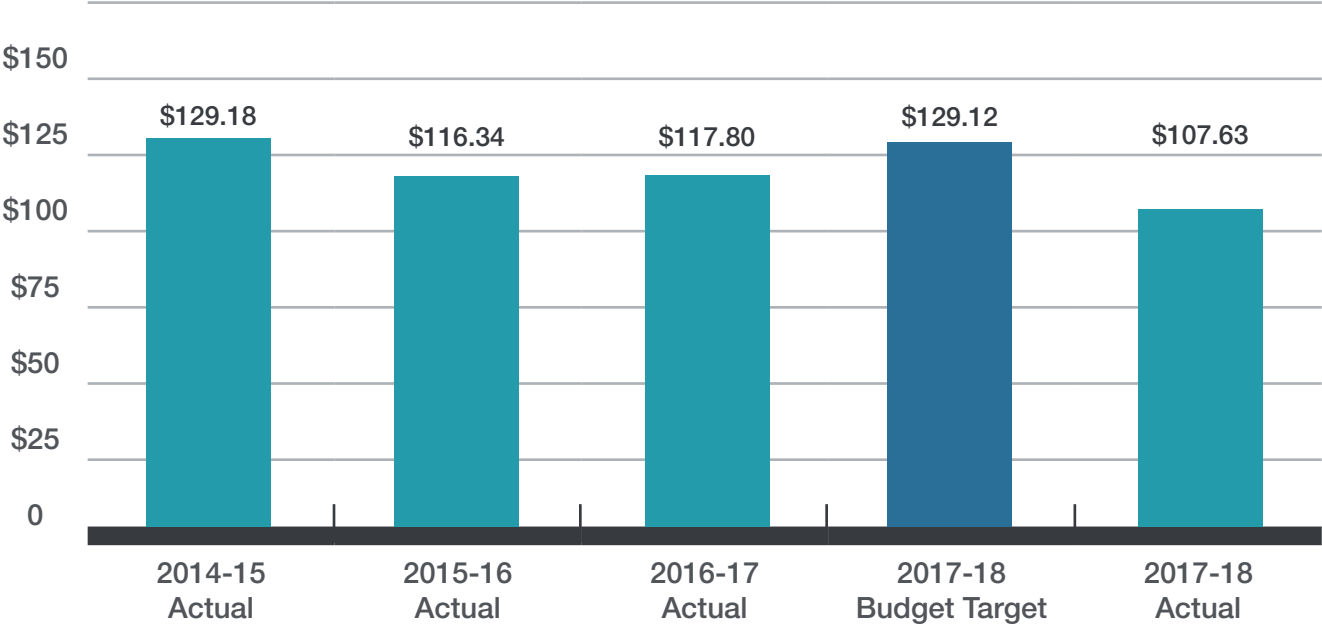
### Reason for significant variance

The variance between 2017-18 Budget Target and 2017-18 Actual is due to an accumulation of several factors including:

- the transfer of resources to planning development areas and other projects;
- delays in projects and new initiatives resulting in lower than budgeted expenditure in employment and other costs; and
- efficiencies achieved through the Voluntary Targeted Separation Scheme.

There was no significant variance noted this year between 2016-17 Actual and 2017-18 Actual.

Average cost per planning hour for integrated transport planning development



Reason for significant variance

The variance between 2017-18 Budget Target and 2017-18 Actual is due to an accumulation of several factors including:

- delays in projects and new initiatives resulting in lower than budgeted expenditure in employment and other costs; and
- efficiencies achieved through the Voluntary Targeted Separation Scheme.

The variance between 2016-17 Actual and 2017-18 Actual is due to the higher number of hours allocated to planning development in 2017-18, consequently lowering the average cost.

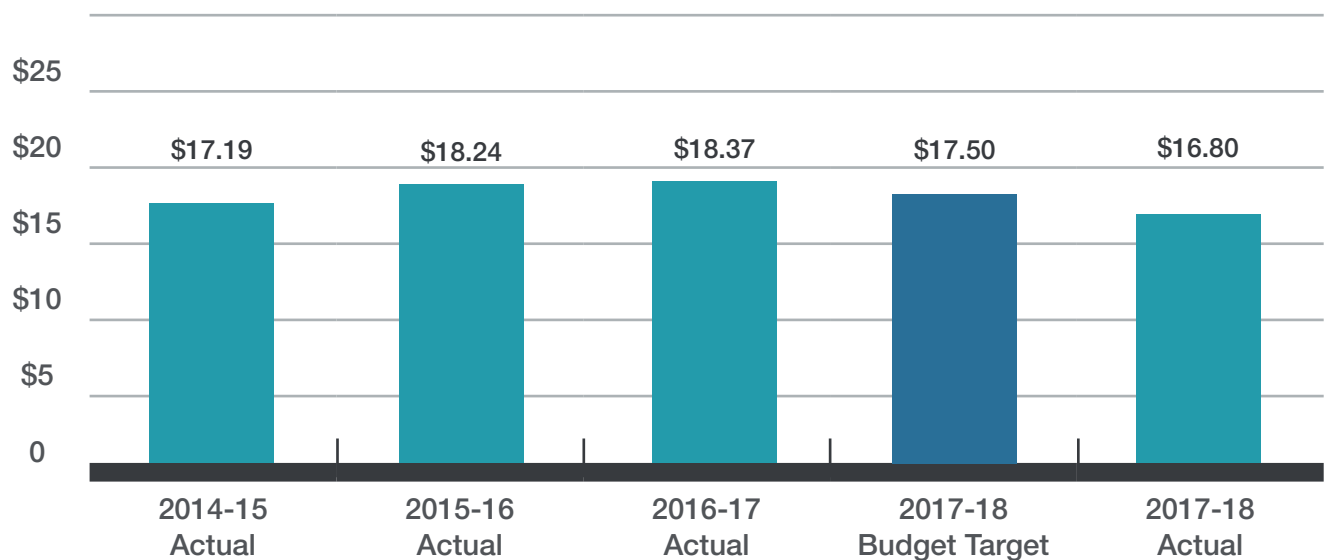


## Service 2: Driver and Vehicle Services

This service contributes towards the provision of safe, accessible, sustainable and efficient transport services and systems through the provision of driver licensing and vehicle registration services for:

- setting motor vehicle standards in accordance with national and State Government requirements, examining motor vehicles for compliance with those standards and registering and transferring compliant motor vehicles;
- setting standards and requirements for the issue of a driver's licence in accordance with State Government legislation and national identity and security and privacy policies;
- assessing driver competency, issuing and renewing driver licences in accordance with national and State Government requirements and driver competency standards;
- securing and maintaining a database of registered vehicles and drivers and managing vehicle identification numbers to support the enforcement of road traffic and other relevant laws;
- collecting revenue on behalf of government; and
- informing and educating road users about driver licensing, vehicle registration and related requirements.

Average cost per vehicle and driver transaction

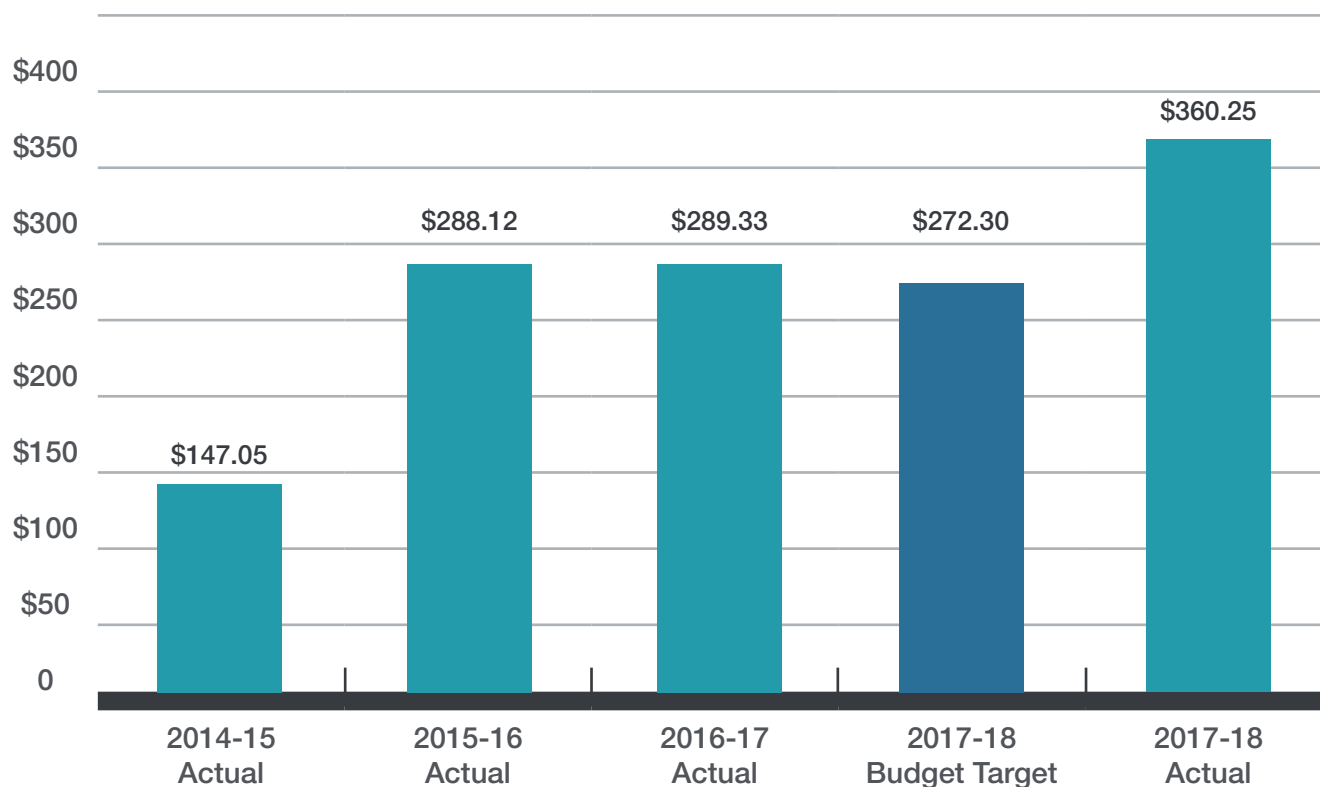


### Reason for significant variance

There was no significant variance noted this year between 2017-18 Budget Target and 2017-18 Actual.

The variance between 2016-17 Actual and 2017-18 Actual is due to the combined impact of a reduction in operating cost and an increase in transaction volumes. The reduction in operating cost is mainly due to the discontinuation of the Australia Post Office web-based system contract and the associated software write-off in 2016-17.

Average cost per vehicle inspection performed by Vehicle Examination Centres

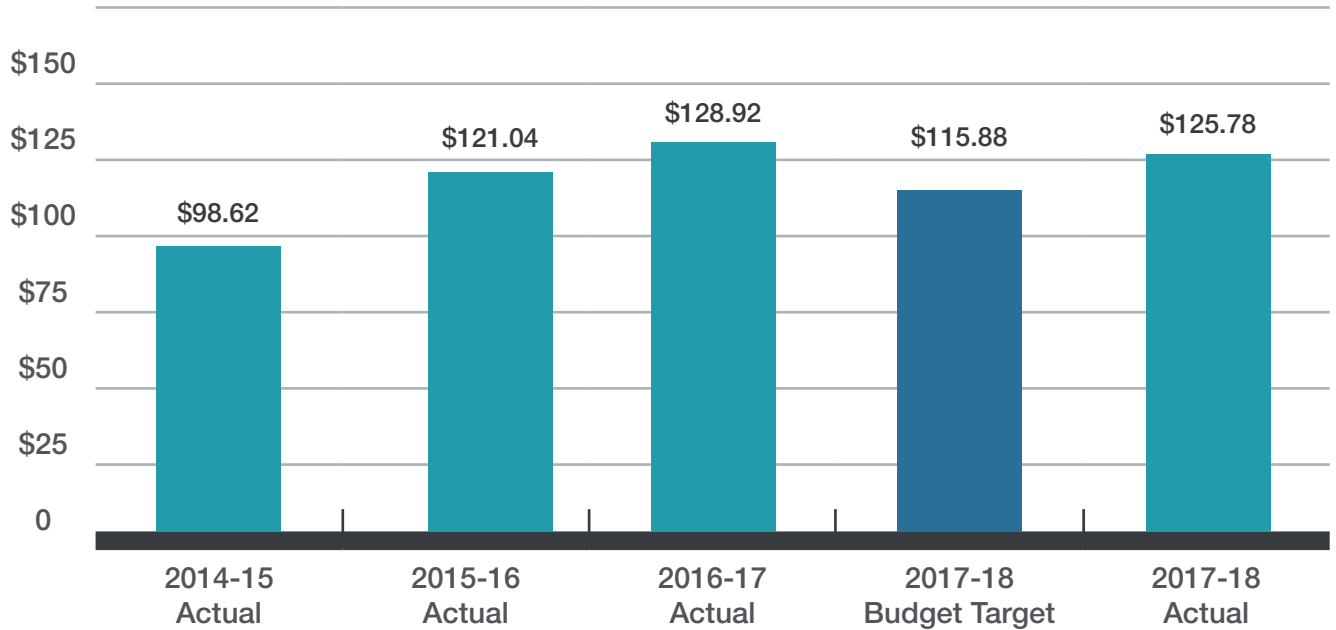


#### Reason for significant variance

The variance between 2017-18 Budget Target and 2017-18 Actual is due to the shift of inspection volumes from DoT's Vehicle Examination Centres (VEC) to external Authorised Inspection Stations (AIS) with the expansion of the AIS partnership model. DoT has retained resources to effectively manage VEC demand until 2018-19. From 2018-19 DoT's VECs will only inspect light and heavy vehicles that require a specialised skill set and vehicles that are high risk from a safety perspective, with all other inspections being performed by AIS.

The variance between 2016-17 Actual and 2017-18 Actual is due to the shift of inspection volumes from VEC to AIS with the expansion of the AIS partnership model. During this period DoT retained resources to effectively manage VEC demand until the expansion process was complete.

Average cost per vehicle inspection delivered through Authorised Inspection Stations

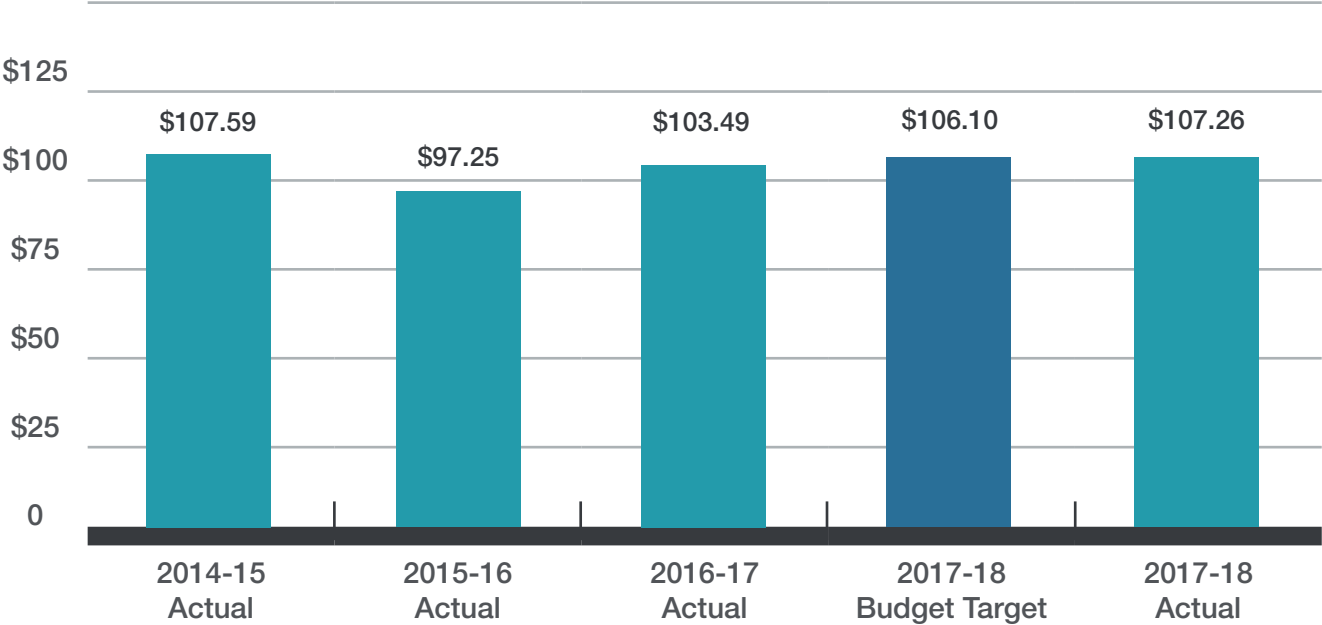


#### Reason for significant variance

The variance between 2017-18 Budget Target and 2017-18 Actual is due to the continued expansion of the Authorised Inspection Stations (AIS) partnership model in which there is a shift of inspection volumes from Vehicle Examination Centres to AIS. Furthermore, the volume of light vehicle inspections exceeded budget targets which required the corresponding commission to be paid to AIS.

There was no significant variance noted this year between 2016-17 Actual and 2017-18 Actual.

Average cost per driver assessment



Reason for significant variance

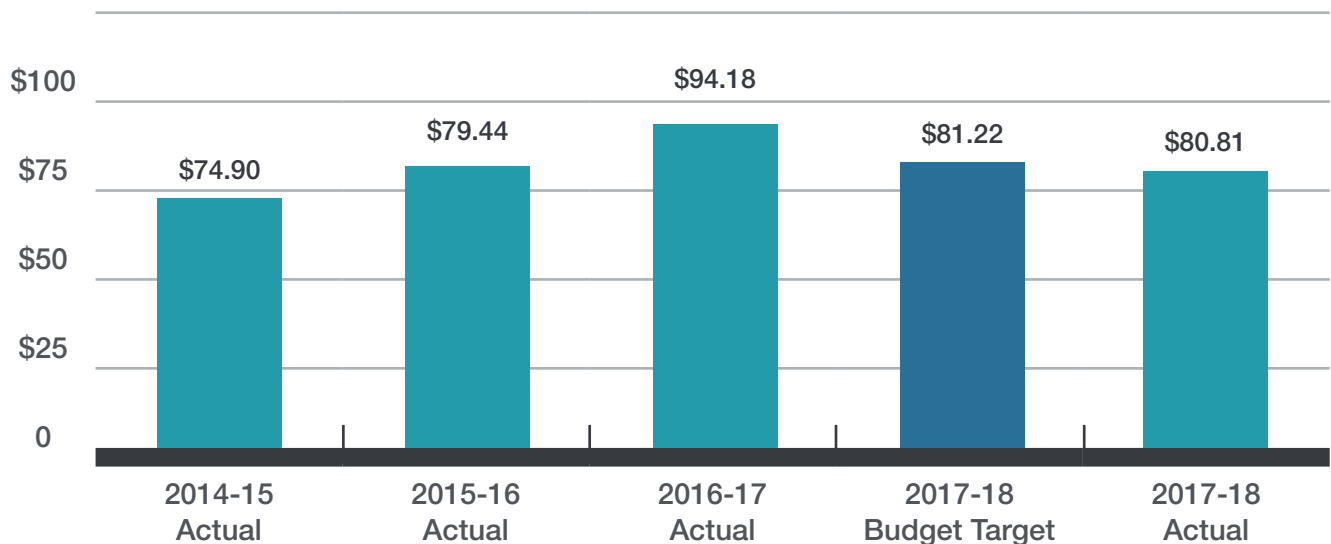
There was no significant variance noted this year between 2017-18 Budget Target and 2017-18 Actual or 2016-17 Actual and 2017-18 Actual.

## Service 3: Coastal Infrastructure

This service contributes towards the Department's outcome of an accessible and safe transport system through a range of coastal infrastructure services including:

- planning, building and managing new and existing land and water-based maritime facilities;
- the provision of coastal engineering advice and solutions for new and existing land and water-based maritime facilities; and
- the provision of oceanographic, cartographic and geographic information.

Average cost per day per maritime infrastructure asset managed



### Reason for significant variance

There was no significant variance noted this year between 2017-18 Budget Target and 2017-18 Actual.

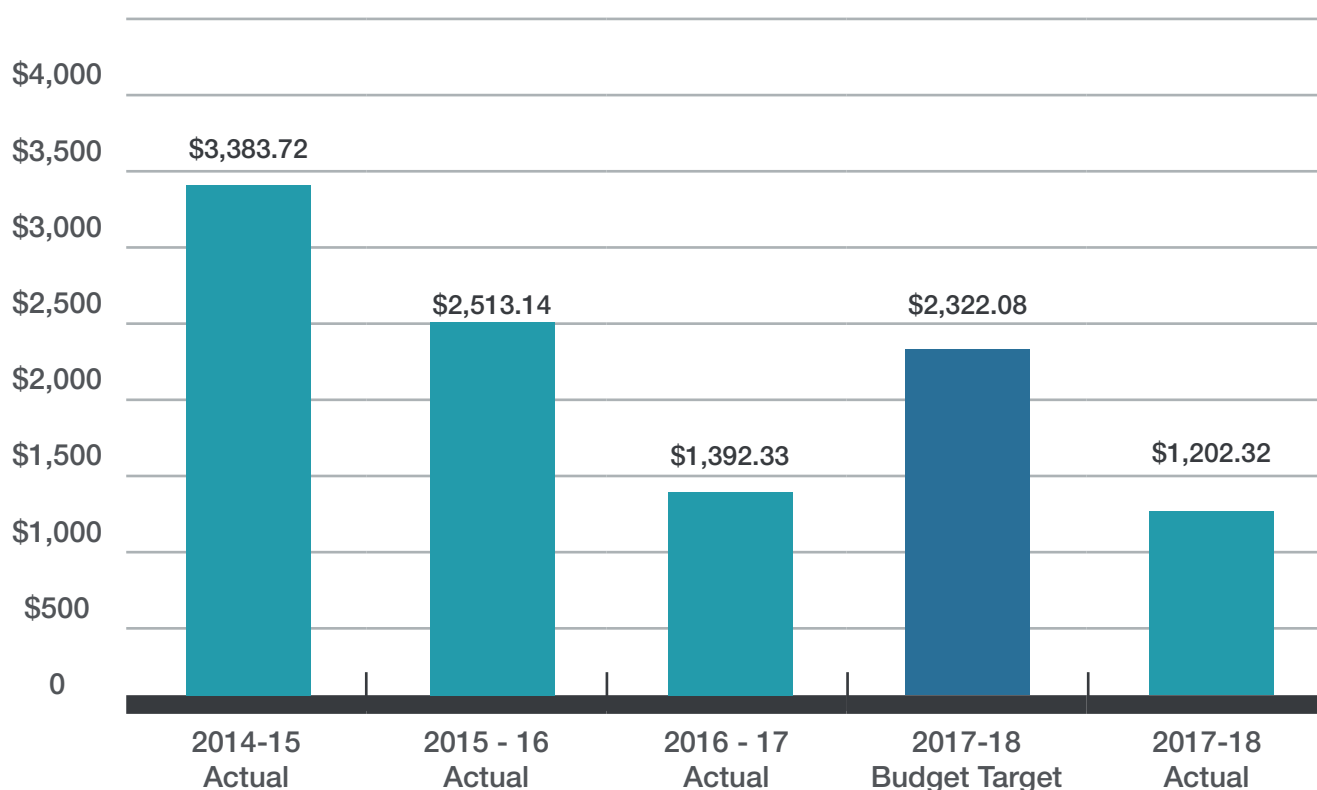
The variance between 2016-17 Actual and 2017-18 Actual is due to the 2016-17 one-off, unbudgeted revaluation loss of \$8.9 million on Coastal Infrastructure land-based facilities. If this cost was removed from the 2016-17 Actual KPI calculations the KPI - Average cost per day per Maritime Infrastructure Asset Managed would be \$80.07, which is only a 0.9 per cent variance to the 2017-18 Actual.

## Service 4: Marine Safety

This service contributes towards the safe and sustainable navigable waters through the provision of a range of marine safety regulatory and education services including:

- regulation and administration of marine industry services and safety standards, including on water compliance patrols;
- licensing of recreations vessel, marine safety education, navigational services and aids in accordance with relevant legislation; and
- marine protection through provision of a pollution response team.

Average survey cost per commercial vessel

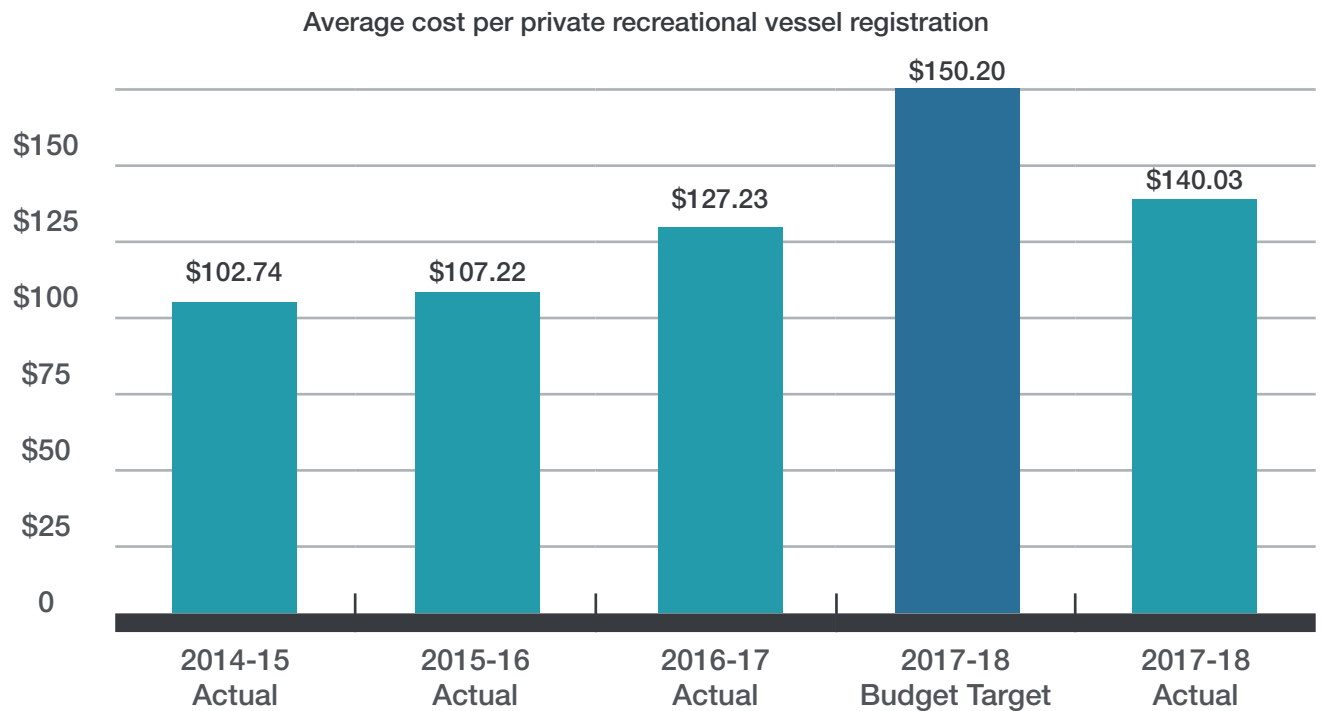


### Reason for significant variance

The variance between 2017-18 Budget Target and 2017-18 Actual is attributable to 2017-18 being the final year of transition of domestic commercial vessel functions to the Australian Marine Safety Authority (AMSA). In accordance with the AMSA transition agreement plan, DoT ceased using Departmental Surveyors and directed customers to contact any Australian Private Accredited Surveyors for survey work.

The 2017-18 Budget Target was set assuming the majority of survey work would be conducted by private surveyors anywhere in Australia and the certificate of survey recorded could be issued by any state. However, most private surveys were still conducted in Western Australia and submitted to DoT for Certificate of Survey resulting in a larger than anticipated volume which lowered the average cost.

The variance between 2016-17 Actual and 2017-18 Actual is due to reduced employment costs in 2017-18 as a result of transferring the commercial vessel survey function to AMSA.

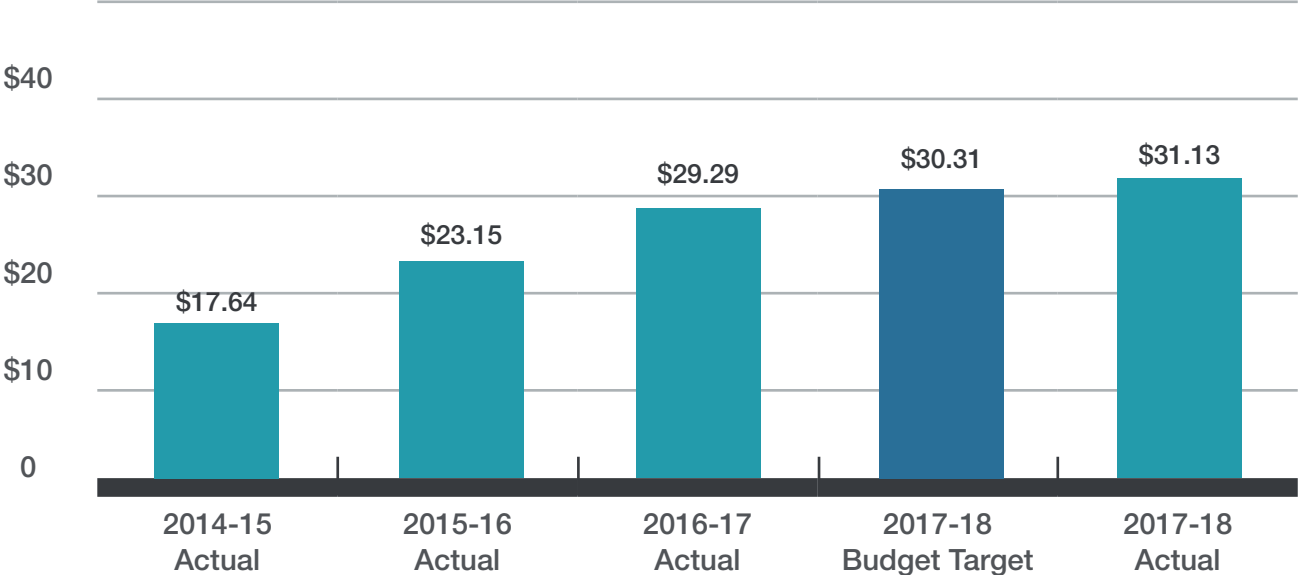


#### Reason for significant variance

The variance between 2017-18 Budget Target and 2017-18 Actual is due to lower than anticipated employment and repairs and maintenance costs.

The variance between 2016-17 Actual and 2017-18 Actual is due to a greater emphasis in 2017-18 on implementing a water safety education behaviour change strategy focusing on boater location, weather interpretation and safety equipment accessibility.

Cost to maintain Marine Pollution Response preparedness per registered vessel



Reason for significant variance

There was no significant variance noted this year between 2017-18 Budget Target and 2017-18 Actual.

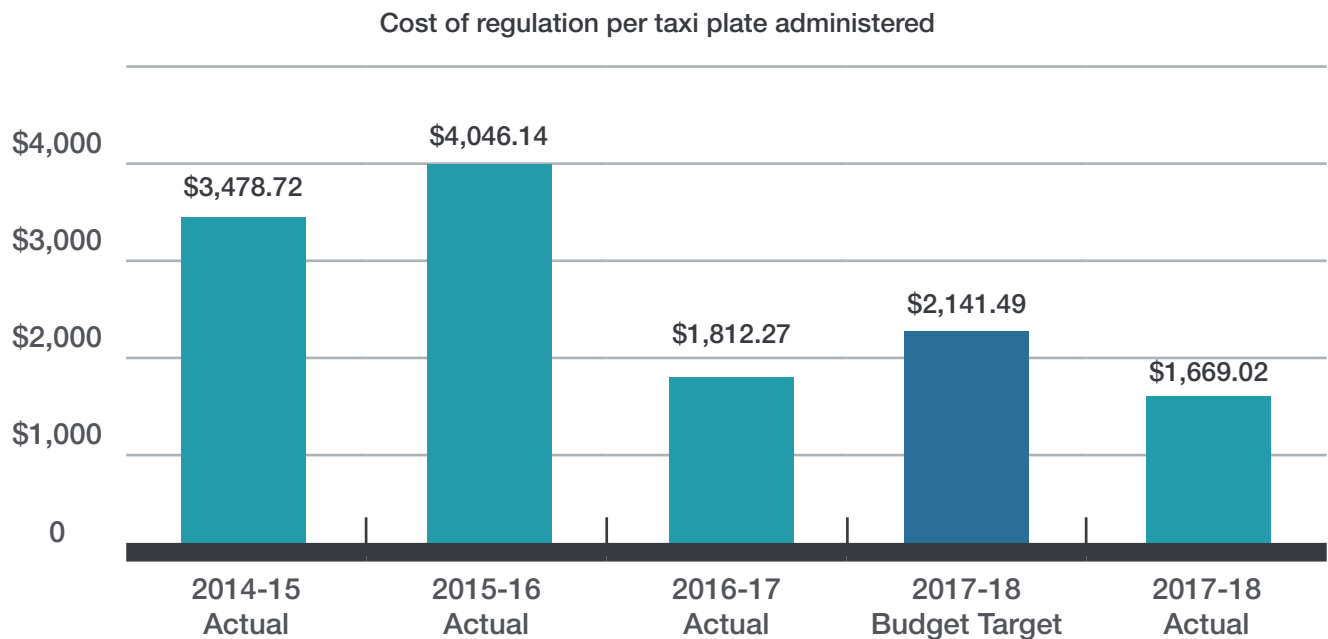
The variance between 2016-17 Actual and 2017-18 Actual is associated with enhancing DoT’s ability to fulfil Hazard Management Agency obligations in respect to the Maritime Environment Emergency Response.



## Service 5: On-demand Transport

This service provides a regulatory environment that encourages competition and innovation in the on-demand transport industry to deliver safe, accessible and efficient on-demand transport services for our community through:

- collecting and analysing data to regulate new and existing taxi and omnibus providers in the industry through education and compliance;
- administering travel subsidies for taxi users, students and pensioners; and
- supporting government planning and policy development for on-demand transport services.



### Reason for significant variance

The variance between 2017-18 Budget Target and 2017-18 Actual for the cost of regulating a taxi plate administered is associated with cost savings through implementation of efficiencies as part of the on-demand transport reform.

The variance between 2016-17 Actual and 2017-18 Actual is associated with cost savings through implementation of efficiencies as part of the on-demand transport reform.



# MINISTERIAL DIRECTIVES

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No Ministerial directives were received during the 2017-18 financial year.

# OTHER FINANCIAL DISCLOSURES

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## Pricing policies of services provided

The Department reviews its fees and charges annually to reflect, where legally permissible, full cost recovery in the provision of its services pursuant to the departmental policy for costing and pricing.

The following gazettes contain variations to DoT's fees and charges for the 2017-18 financial year:

- Western Australia Government Gazette No. 93 dated 12 May 2017
- Western Australia Government Gazette No. 100 dated 26 May 2017
- Western Australia Government Gazette No. 123 dated 23 June 2017

## Major capital projects

DoT's major capital projects, those over \$5 million, for the 2017-18 financial year are detailed in the table below.

Incomplete Capital Projects				
Project Name	Expected Year of Completion	Capital Expenditure \$000	Estimated Capital Cost to Complete \$000	Estimated Total Capital Cost of Project \$000
On-demand Transport Reform Business System	2019-20	1,490	5,650	7,140
Transforming Bunbury's Waterfront - Stage 2 (Jetty Road)	2018-19	888	10,422	11,310
Completed Capital Projects				
Project Name	Year of Completion	Estimated Total Capital Cost of Project Reported in 2017-18 \$000	Total Capital Cost of Project as at 30 June 2018 \$000	Explanation for Significant Variances
Exmouth Boat Harbour	2017-18	20,228	20,884	The variance is mainly due to the unanticipated site conditions including unsuitable material under road/hardstand pavements, clashes with existing services, and contractor delay costs associated with overcoming these conditions.
Burswood Public Jetty	2017-18	5,000	5,221	The variance is mainly due to the unanticipated dredging required from the mud wave unavoidably created by the reclamation construction.

## Employment and industrial relations

Full-time equivalents (FTE) and headcount at 30 June 2018 are detailed in the table.

Status	Headcount*	FTE*
Permanent full-time	1,078	1,078.00
Permanent part-time	201	132.02
Temporary full-time	84	84.00
Temporary part-time	18	10.54
Senior Executive Service	16	16.00
<b>Total</b>	<b>1,397</b>	<b>1,320.56</b>

In 2017-18, DoT continued to work in partnership with its Joint Consultative Committee to consult on initiatives and address any issues.

## Freedom of Information

The Freedom of Information (FOI) Coordinator is the initial contact point for all FOI related matters.

In accordance with the *Freedom of Information Act 1992* (the Act), DoT is required to respond to FOI access applications within 45 days of receipt, unless an extension of time is negotiated. The average time to process applications in 2017-18 was 24 days.

### FOI fees and charges

Fees and charges are set under the Act. Apart from the application fee for non-personal information, all charges are discretionary. Details of fees and charges are listed below.

Application	Amount
Personal information about applicant	No fee
Application fee (for non-personal information)	\$30.00
Charge for time taken dealing with the application	\$30.00 per hour
Charge for access time supervised by staff	\$30.00 per hour
Charges for photocopying	\$30.00 per hour for staff time and 20 cents per copy

\*Headcount and FTE numbers include paid employees and employees on unpaid leave.



## Rights of review

The Act allows dissatisfied applicants to request an internal review of the initial decision made by DoT. In accordance with Section 40 of the Act, a request for an internal review must be forwarded to the FOI Coordinator, in writing within 30 days of the date of the initial decision.

Following an internal review, matters remaining in dispute can be submitted to the Office of the Information Commissioner for external review. Such applications must be submitted within 60 days from the date of internal review decision.

No fees or charges apply to internal or external reviews.

## FOI statistics for 2017-18

FOI statistics for 2017-18, compared with previous years, are detailed in the table below.

FOI application	Number received 2014-15	Number received 2015-16	Number received 2016-17	Number received 2017-18
Total received (not including those transferred to another agency)	257	351	310	274
Internal reviews	19	15	13	15
External reviews	7	7	2	5
Transferred to another agency	7	10	2	9
<b>Total</b>	<b>290</b>	<b>383</b>	<b>327</b>	<b>303</b>

## Customer Feedback

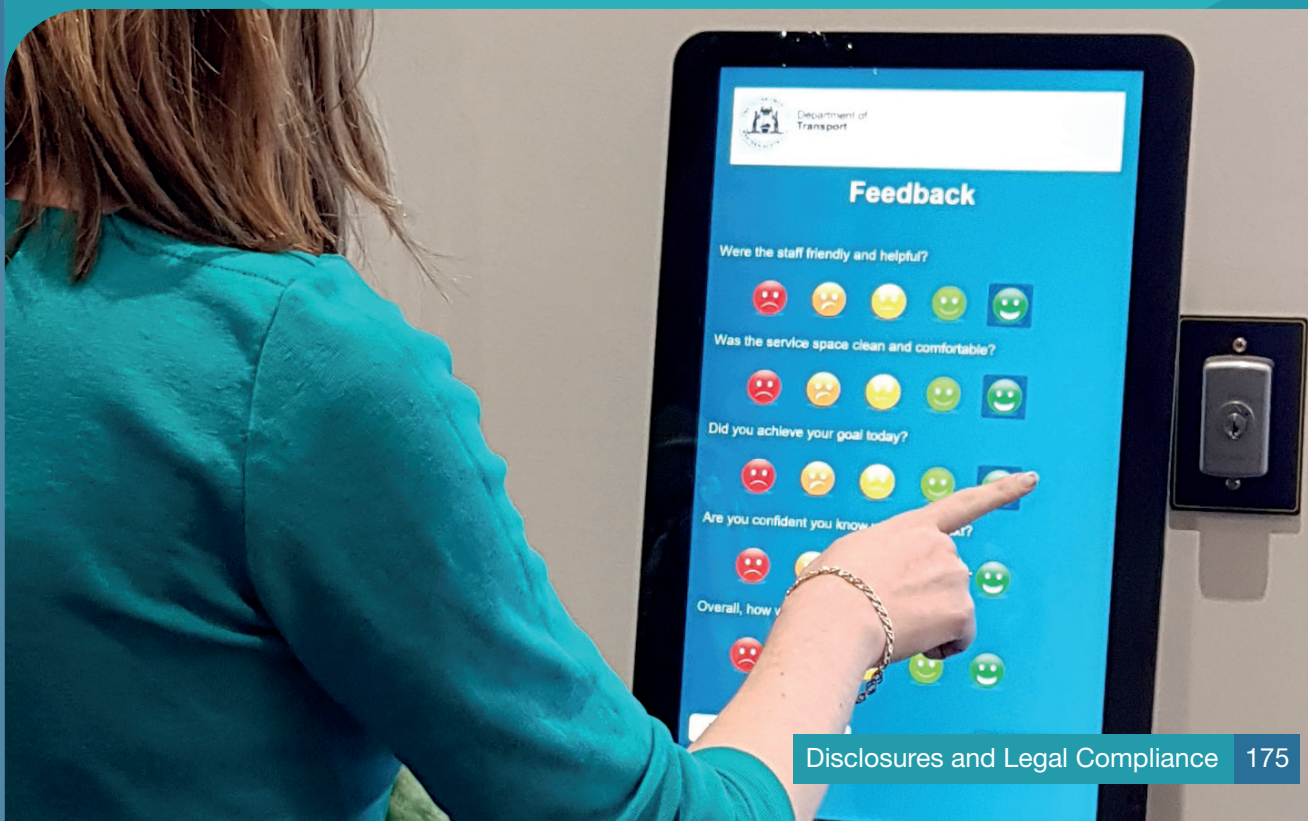
DoT's Complaints Handling Policy and Procedures allow complaints to be made in person, by phone, fax, online or in writing – in line with the *Australian Standard on Complaints Handling (AS ISO 10002-2006)*.

Customer feedback, including Complaints are managed via the Customer Feedback System (CFS), a bespoke fit for purpose workflow within Objective - the Department's electronic document and record management system (EDRMS).

### *Type of feedback (overall) received in 2017-18*

Type of feedback		
Complaints (including repeat complaints)	2,165	64.07%
Compliments	158	4.68%
Feedback and information	1,056	31.25%
<b>Total</b>	<b>3,379</b>	<b>100.00%</b>

In 2017-18, DoT continued to analyse customer feedback and ensure accessibility for customers wishing to submit a general enquiry online. Overall the percentage of complaints against feedback received has remained relatively constant.



**Breakdown of feedback by business unit in 2017-18**

Business units	Complaints	Feedback, Information and Compliments	Total customer feedback	Total customer feedback percentage
Driver and Vehicle Services	1,698	983	2,681	79.34%
Marine Safety	52	58	110	3.26%
Coastal Infrastructure	39	28	67	1.98%
Regional Services	86	23	109	3.23%
On-demand Transport	245	36	212	8.32%
Other	45	86	131	3.87%
<b>Total</b>	<b>2,165</b>	<b>1,215</b>	<b>3,379</b>	<b>100.00%</b>

2017-18 saw an increase in the number of complaints received particularly for On-demand Transport and Coastal Infrastructure. Factors that could be attributed to this increase are the continuing improvement of processes to formally capture complaints and ongoing transport industry reform activities.

## Creating a values driven organisation

### Cultural Development Strategy

DoT continued to implement Stage 2 of its Cultural Development Strategy to embed a customer experience culture. This enabled its great people to further collaborate, innovate and lead to deliver DoT's Vision to provide the best integrated and intelligent transport services and solutions for the Western Australian community.

Cross-functional cultural development teams met to work on projects and initiatives to build the desired culture, facilitating Executive alignment on 'what does Customer Experience mean for Transport'. This defined the strategy of partnering with Executives to embed a culture of customer experience that delivers outcomes in line with DoT's vision.



## Building capability

### Performance Partnership Program

DoT's Performance Partnership Program (PPP) provides a framework for all employees and people managers to have ongoing discussions about performance objectives, measures and learning, and development needs to ensure they are set up for success.

DoT's People and Organisational Development (POD) business unit continued to build on the program's success, providing tailored solutions to optimise employee performance and potential.

In 2017-18, DoT focused on building the capability of managers and employees to have crucial conversations, participate in coaching conversations and provide effective feedback.

As a result of the PPP, at 30 June 2018:

- 99 per cent of DoT employees had a performance review in the past six months;
- 100 per cent of DoT employees had a current Individual Performance Plan;
- 100 per cent of DoT employees had a current Individual Learning and Development Plan; and
- 99 per cent of DoT employees who completed a performance review discussion were assessed as "meeting expectations".

### People Managers Program

DoT continued to deliver its highly effective People Managers Program to empower managers to effectively lead and manage their people to support the achievement of DoT's strategic objectives.

Now in its fifth year, this engaging and practical program, provides participants with the opportunity to obtain a nationally accredited Certificate IV in Leadership and Management.

In 2017-18, 52 leaders and emerging leaders completed the program and a further 23 commenced.

### Certificate IV for Compliance Officers Program

DoT continued to deliver its Certificate IV for Compliance Officers Program to ensure all compliance officers have the necessary skills and capability to succeed in their compliance and community education roles.

This investment in people demonstrates DoT's commitment to career development and highlights the importance DoT places on delivering its service to the community.

Through the 12-month program, officers gain a nationally accredited qualification - Certificate IV in Government (Investigations). In 2017, 55 officers successfully completed the program and a further 23 commenced in 2018.

## Diversity Plan 2016-2020

DoT recognises that a diverse and inclusive workforce helps us understand the needs of our diverse community as we strive to deliver the best transport services and solutions.

DoT's *Workforce Diversity Plan 2016-2020* aims to further improve outcomes for employees from diverse groups. The Plan outlines initiatives to help raise awareness of the benefits of a diverse workforce and provide opportunities to diversity groups, specifically in relation to the employment and retention of Aboriginal and Torres Strait Islander people, people with disability and women in leadership.

The following was achieved in 2017-18 to support the implementation of the plan:

- All DoT employees were encouraged to participate in significant events such as National Reconciliation Week, Disability Awareness Week, Harmony Week, NAIDOC and International Women's Day.
- A disability awareness information session was provided to DoT employees. Facilitated by participants of Leadership WA program 'Leadability', the session aimed to build greater awareness and understanding of challenges people with disability can face when accessing and participating in the workplace.

- DoT continued to successfully participate in the Public Sector Commission Aboriginal Traineeship Program, welcoming two trainees anticipated to successfully complete their Certificate III in Government (Administration) by September 2018. Two trainees from the 2016-17 program intake are continuing their careers with DoT.
- DoT's continuing partnership with the Autism Academy and Australian Computer Society Foundation saw an intern continue their career with DoT. Supporting the intern program enables DoT to showcase the unique abilities people with disability bring to the workplace.
- Mandatory cultural awareness training continues to be part of the DoT induction and onboarding program, to help employees work more effectively with colleagues and customers from diverse backgrounds.
- Online discrimination and harassment training was made mandatory and included in the DoT induction and onboarding program. This training is to ensure all employees and managers are aware of their obligations in the prevention of and response to behaviour of this kind.

## Radar Awards

DoT's reward and recognition program, the Radar Awards, continued to build a high performing, values-driven workforce by formally recognising individuals and teams who live the DoT values of:

- Clear Direction;
- Fresh Thinking;
- Excellent Service; and
- Great People.

Following improvements to the program in 2016-17 there continues to be very high participation. During 2017-18 more than 60 nominations were received from employees recognising their peers for outstanding achievements. Across four rounds, 65 nominations were received.

## Employee Perception Survey

To continue to improve DoT's culture and employee engagement, the results of the Public Sector Employee Perception Survey informed four specific priority areas for the whole of DoT:

- Appropriate workplace behaviour;
- Fair recruitment and promotion;
- Effective people management; and
- Effective change management.

A comprehensive suite of strategies including improvements to communication, processes and training continue to be implemented and evaluated to address these priority areas.



DG Richard Sellers with staff member Asha Vergone

## Leave Management Strategy

DoT adopted a leave liability reduction strategy in January 2016 in response to the challenge of achieving the Treasury Cap for leave liability set in 2013 of \$29.2 million. The strategy was developed due to the increase in DoT's leave liability to \$34 million in mid-2015.

One of the key components of the strategy was to amend DoT's Leave Management Policy and Procedure for all employees by determining they must:

- not exceed 150 hours of annual leave balance at any time; and
- clear their long service leave balance within three years of being credited.

The strategy incorporated two key elements:

- to create a culture where employees planned and cleared their leave as they earned it; and
- Executive leaders led by example by reducing their own excessive leave.

Executive leaders were required to drive the cultural shift with their direct reports to ensure employees planned and cleared leave. Leave planning discussions are now included in the six-monthly formal performance review.

To assist executive leaders drive this cultural shift, monthly reports were and still are tabled at each Corporate Executive Meeting. Business unit monthly reports are also provided to each Executive to assist them with accountability and responsibility to manage their people in accordance with the Policy and DoT Corporate Executive endorsed strategy.

The strategy achieved the outcome in July 2017 when DoT fell below the Cap for the first time, achieving a liability of \$28.6 million. The strategy continues to be effective with the liability at 30 June 2018 at \$26.6 million.

DoT's myTime - a cloud-based system allowing staff to record their time and attendance information and leave and payroll records - continued to assist with leave management monitoring.

The effects of the DoT Leave Management Culture include good financial management, and greater workplace productivity, wellbeing and safety.

### Peer Support Program

DoT continued to deliver its Peer Support Program as part of its commitment to employee wellbeing.

Through the cost-effective program, a network of DoT employees, known as Peer Support Officers, volunteer to provide a brief point of contact for colleagues who require help with personal or work-related issues.

Peer Support Officers assist colleagues to resolve issues by helping them explore available options and feel empowered to act in a manner that is aligned with DoT's values-driven culture.

Additional members joined the program in 2018 and all Peer Support Officers received formal training to ensure they felt capable and confident performing their important role and valued for their contribution.

# GOVERNANCE DISCLOSURES

## Unauthorised use of credit cards

DoT staff hold corporate credit cards (purchasing cards) where their functions warrant usage of this facility. Despite each cardholder being reminded of their obligations annually under the Department's purchasing card policy, 13 employees inadvertently utilised their purchasing cards in their personal capacity in 2017-18. None of these matters were referred for disciplinary action as the Chief Finance Officer noted the nature of the expenditure was immaterial and characteristic of an honest mistake.

The usage is detailed in the table below.

Description	2017-18
Number of instances the purchasing card has been used for personal use	26
Number of referrals for disciplinary action instigated during the reporting period	Nil
Aggregate amount of personal use expenditure for the reporting period	\$698
Aggregate amount of personal use expenditure settled by the due date (within five working days)	\$131
Aggregate amount of personal use expenditure settled after the period (after five working days)	\$567
Aggregate amount of personal use expenditure outstanding at balance date	-

# OTHER LEGAL REQUIREMENTS

## Act of Grace payments

In 2017-18, DoT made one Act of Grace payment for \$1,310.

## Advertising

As required under section 175ZE of the *Electoral Act 1907*, the following statement relates to advertising expenditure, which includes creative development, media placement, market research, polling and direct mail.

Advertising agency	2017-18
Impact Communications	\$3,925.00
<b>Media advertising</b>	
<b>Media advertising – non-campaign</b>	
Adcorp Australia Limited	\$16,998.86
Facebook	\$847.34
Media on Mars	\$250.00
<b>Media advertising – campaign</b>	
Adcorp Australia Limited	\$5,245.57
Marsh Advertising Agency	\$2,000.00
<b>Market research</b>	\$9,997.27
<b>Polling</b>	Nil
<b>Direct mail</b>	\$6,845.94
<b>Total</b>	<b>\$46,109.98</b>



## Disability Access and Inclusion Plan

DoT is committed to providing access to transport facilities, information and services for all Western Australians, including people with disability, their families and carers.

This commitment is demonstrated in our Disability Access and Inclusion Plan (DAIP) 2017-22, with key milestones already achieved in 2017-18.

Launched in September 2017, DAIP 2017-22 was developed by an internal staff working group and a representative from the Disability Services Commission (now Department of Communities).

The DAIP builds on the success of DoT's previous DAIP and outlines strategies to guide further improvements to access and inclusion for people with disability and their carers.

An early ambition was developing the Your Move website - which won the national Australian Web Award for best government website in 2017. The comprehensive digital engagement platform was designed to enable simple, customer-centric access to the full range of travel behaviour change programs and travel choice information offered by DoT - on any device, anywhere, at any time of the day. It's built to AA standards as per Web Content Accessibility Guidelines 2.0 and is constantly being improved in response to users' needs.

Changes were made in-store at Driver and Vehicle Services (DVS) centres, with height adjustable counters allowing elderly people and people with disability to be seated during their interactions. A concierge provides targeted 'in person' assistance, giving clearer direction and support to people with disability.

A clause was included in the grant guidelines for Bike Week, asking prospective event planners to "demonstrate how their event takes into account and provides for the needs of people with disability". One event to successfully gain funding was Beyond the Wheelchair - a free community Adaptive Mountain Biking Come-n-Try workshop in Albany, where people with or without disability could trial varying adaptive cycles on a nearby bush trail.

Two students were provided internships under The Australian Computer Society (ACS) scholarship program, run in conjunction with the Autism Academy for students diagnosed as being on the Autism Spectrum. Both were presented their graduation certificates in February 2018 at the ACS Foundation's graduation ceremony, and DoT was presented a Certificate of Recognition for providing an internship opportunity and support to these two young people.

Raising awareness is a key factor of the DAIP. Increased employee awareness has been about developing understanding of specific requirements for including people with disability in their service provision through online Equal Employment Opportunity (EEO) and anti-discrimination training.

Contractors were exposed to the DAIP and reporting requirements, where services are being delivered to the public. DoT developed an online survey for DVS and Aviation Services contractor reporting, sent to approximately 450 contractors providing a service to public on behalf of DoT.

Accessibility initiatives continued to be a key consideration in the development of infrastructure projects throughout the State.

Beyond the Wheelchair event



### Exmouth Boat Harbour upgrade

The recent upgrade of the Exmouth Boat Harbour incorporated several accessibility improvements:

- The existing harbour office and new public toilet are now accessible via ramps;
- A number of ACROD parking bays have been provided; and
- New footpaths and pedestrian ramps have been built to appropriate grades.

### Albany Waterfront Marina

A section of the Albany Waterfront Marina floating pen system was improved to accommodate disabled soldiers training for the Paralympics. The type of yacht used in the Olympics does not have a motor fitted, which makes it difficult to move in and out of a pen – particularly for people with a disability. A small section of the walkway now provides easy access to the vessel.

### Burswood Jetty

Accessibility was a key consideration during design and construction of the new Burswood Jetty, adjacent to Optus Stadium. DoT engaged a specialist accessibility consultant to review the jetty design to ensure it met the requirements of AS1428 and the Disability Standards for Accessible Public Transport 2002 (Part 6.5).

Due to the nature of floating pontoons, the gradient of the access gangways changes with tidal levels – however the jetty has been designed so it does not exceed the maximum allowable slope.

Other elements such as gangway width and handrail height are also accessibility compliant, and tactile markers have been incorporated at various locations to warn users of potential hazards.



Exmouth Boat Harbour

## Reconciliation Action Plan

DoT is dedicated to increasing opportunities for Aboriginal and Torres Strait Islander peoples to participate in the State's economy.

This commitment is demonstrated in the *Reconciliation Action Plan 2017-19*, developed alongside the Department of Aboriginal Affairs and Reconciliation Australia, outlining strategies to increase awareness and improve access to our information and services for Aboriginal and Torres Strait Islander peoples.

A number of successes were achieved in 2017-18.

DoT continues supporting the Aboriginal Traineeship program through the Public Sector Commission (PSC). In 2017-18 DoT hosted two trainees, and has previously retained a large percentage of PSC trainees by providing employment opportunities at the end of the traineeship. DoT recognises the fresh thinking and cultural perspective the trainees offer around delivering services to the Aboriginal community.

Staff awareness has grown with content included during inductions, on the internal online portal Transporta as 'Newsflash' items, and with celebratory events such as National Reconciliation Week and NAIDOC week.

Eighty per cent of employees have completed 'Sharing Culture' training, and staff members who undertake remote service delivery are required to complete cultural awareness training with a local group to ensure relevance to the communities they will be visiting.

Culturally diverse DoT employees have participated in customer experience working groups and other process improvement committees, offering varied perspectives to ultimately benefit customers.

DoT's Driver and Vehicle Services (DVS) business unit now provides alternate options so licences are more accessible for those who experience difficulties with the mainstream process. Those with literacy issues or unable to use a computer can take paper-based or oral theory tests, or officer assisted Hazard Perception Tests (HPT); and in regional areas testing can be completed outside of DoT offices.

The Remote Services program continues improving access for those in regional communities, with June 2018 marking 10 years of crucial partnerships, including not-for-profit organisations, private industry, Aboriginal corporations and WA Police.

Through these partnerships, strategies have been devised to provide alternative channels to deliver DVS services, such as the learner's permit theory testing. This step is crucial to ensure candidates have a full understanding of traffic laws before beginning their assessment. To date 5,768 customers in regional and remote areas have successfully completed the theory test through these partnerships.

DoT officers continue to visit remote communities, with approximately 166 visits across 62 locations undertaken in 2017-18. Through these visits:

- 274 driver's licences were issued, reissued or transferred;
- 234 theory tests and 404 Practical Driving Assessments were conducted; and
- 355 learner's permits were issued or reissued.

Some customers in remote communities are unable to provide birth certificates when applying for a driver's licence or WA Photo Card. So in August 2017, DoT teamed up with the Registry of Births, Deaths and Marriages to pilot a program allowing the agencies to verify birth details in the Goldfields.

While still primarily focused on driver and vehicle licensing, Remote Services has broadened its scope of work to include other regional and remote transport issues.



The Department supports Aboriginal businesses, such as the Kulbardi contract for supply of copy paper, envelopes, DoT business cards, office stationery and kitchen supplies. Additional information has been placed on Transporta to raise awareness of how Aboriginal businesses can be directly engaged.

DoT will continue implementing actions from the *Reconciliation Action Plan 2017-19* and improve service delivery and opportunities for Aboriginal and Torres Strait Islander peoples, focusing on increasing the range of DoT services available in 2018-19.

## Compliance with Public Sector Standards and ethical codes

As public servants, DoT's employees work with integrity for the people of Western Australia. DoT is in a position of trust and requires standards of ethical behaviour that reflects the community's expectations.

During 2017-18, DoT continued to review its human resource management policies and procedures to empower managers to effectively manage their people in line with DoT's culture and values.

These reviews resulted in the following achievements:

- Revision of the Managing Suspected Breaches of Discipline Policy and Procedure for ease of use for employees and managers.
- Revision of the Performance Management Policy and Procedure to reinforce alignment with DoT's values and clarify the process for managing performance that is not meeting expectations.
- Updates to the Managing Displaced Employees Policy and Procedure to be principle based and linked to organisational change processes.
- Updates to the Recruitment and Selection Policy and Procedure to provide increased flexibility with continued focus on best practice in fair and transparent merit based selection.

DoT continued to make its Accountable and Ethical Decision Making online training program available to employees throughout 2017-18, with 99 per cent of employees at 30 June having completed the program.

### Compliance issues

One Breach of Standard claim relating to the Employment Standard was received in 2017-18. This claim was considered and dismissed by the Public Sector Commissioner.

In 2017-18, 29 cases of non-compliance with the Code of Ethics/Code of Conduct were reported; 26 resulted in disciplinary investigations.

## Better recordkeeping

DoT is committed to continuously improving its recordkeeping culture, tools and practices to ensure compliance with the *State Records Act 2000* (the Act) and best business outcomes for the Department. In line with the State Records Commission Standard 2, Principle 6 the following information is provided.

### Efficiency and effectiveness of DoT's recordkeeping systems

Objective is DoT's electronic document and records management system, enabling staff to capture and manage business records in line with departmental policies and procedures. In addition to Objective, a range of corporate systems are used to capture and manage DoT records, whether digital or hard copy, enabling efficient and compliant recordkeeping throughout. DoT is working towards a fully digital recordkeeping environment. Over the past year the Information Management Services (IMS) branch has been working with business areas reviewing activities and business processes to transition to digital recordkeeping.

A key activity for the IMS branch over the past year has been working with the METRONET and Westport project teams to establish their recordkeeping environments.

### Recordkeeping training and induction programs

All staff are required to complete DoT's online Recordkeeping Awareness Training which explains the employee's obligations to comply with both DoT's recordkeeping policies and procedures, and the Act. All DoT staff, including contractors, are enrolled in the course on commencement with DoT. At 30 June 2018, 99 per cent of those enrolled completed the course, which includes a brief quiz on the content. Feedback provided after the course is monitored and reviewed, and course content is regularly checked to ensure it reflects current operational and administrative practices and processes.

The induction program includes specific information on recordkeeping and the use of Objective in creating, managing, maintaining and the use of government records, in line with relevant DoT policies and procedures.

Training is usually conducted one-on-one, and is supplemented by workgroup training where requested by a business unit. An ongoing program of training for regional staff ensures they are abreast of their roles and responsibilities in relation to recordkeeping. An Objective online training program is also in place and available to all staff.

### Training effectiveness

The effectiveness of DoT's recordkeeping training is reflected in the widespread use of Objective, and staff understanding of recordkeeping requirements. This is evidenced by positive feedback provided by staff through internal surveys on the use of Objective and general awareness of recordkeeping.



# GOVERNMENT POLICY REQUIREMENTS

## Substantive equality

DoT is committed to providing services to the diverse Western Australian community in a fair and non-discriminatory manner, and ensuring its employee profile reflects the community we serve.

DoT's Substantive Equality Framework Implementation Plan 2015-18 aims to meet the needs of our whole community, by improving access and outcomes for those with different needs.

To assist those from English speaking backgrounds or with literacy difficulties, DoT managed the National Austroads Project - Hazard Perception Test (HPT) for Cars and Motorcycles. Using state-of-the-art computer-generated imagery, car HPT video clips were produced and successfully implemented in October 2017, with motorcycle-specific HPT video clips planned for 2018-19.

The process of transferring an overseas driver licence has been simplified to assist those from Culturally and Linguistically Diverse (CaLD) backgrounds. With the Commonwealth Department of Social Services (DSS) Free Translating Service moving to an online document lodgement system, DSS can now send translated documents to the customer when they apply for a WA driver licence.

Employee awareness is key on a number of levels, with training provided for those in recruitment and selection, so panel members can ensure decisions are free from discrimination and bias. All jobs are advertised with an equity and diversity statement, encouraging people from culturally diverse backgrounds, Aboriginal peoples and people with disability to apply. Diverse WA Cultural Competency training is provided to all employees, with a completion rate of 87 per cent.

A network of employees acts as Access and Inclusion Champions, providing a contact point across the Department to:

- Promote Access and Inclusion news and events within their work areas; and
- Provide practical advice on equality matters.

Resources are provided so staff can effectively engage with CaLD communities, including a Community Engagement page on the Transporta portal, which links to a range of helpful materials.

DoT has partnered with other government agencies to develop strategies to improve service deliveries, including:

- Western Australian CaLD Across Government Network.
- Equal Opportunity Commission Substantive Equality forums.
- Office of Multicultural Interests Language Services Workshops.

A relationship with North Metropolitan TAFE has allowed work experience students enrolled in the Settlement Language Pathways to Employment and Training (SLPET) course to gain on-the-job experience with DoT, providing benefits for students and employees alike as they learn from one another.

This employment-focused course aims to assist students from the Adult Migrant English Program with the transition to work in Australia. The 80-hour work experience placement means students can overcome the "no local experience" and start integrating into the Australian workplace.

DoT's Cultural Development Strategy highlights the values-driven workforce that embraces diversity and fosters a workplace where people want to belong.





Azam Alidousti, Settlement Language Pathways to Employment and Training (SLPET) course, North Metropolitan TAFE

## Audit and Risk Management Committee

The Audit and Risk Management Committee (ARMC) provides independent assurance on corporate governance and monitoring responsibilities in relation to reporting, internal control structure, risk management systems and internal audit functions.

The ARMC chaired by the Director General includes the following members:

- Managing Director Transport Services;
- Managing Director Policy Planning and Investment;
- Director Office of the Director General (ODG); and
- Executive Director Finance and Commercial Services, Main Roads as the cross-Portfolio representative.

The Committee contains two ex-officio members, the Executive Director Finance and Procurement Services (Chief Finance Officer) and Manager Governance Review and Audit, Office of the Director General. A representative from the Office of the Auditor General also attends meetings as an independent member, and contracted internal auditors Ernst & Young attend as independent observers.

The Audit and Risk Management Committee met four times in 2017-18.

## Internal audit

Operating under the approved Internal Audit Charter, the Internal Audit Function adds value by providing independent and objective consultation to improve the operations of DoT.

It helps DoT achieve its objectives by bringing a systematic and disciplined approach to evaluating and improving the effectiveness of risk management, controls, and governance processes.

DoT's internal audits are conducted by Ernst & Young, in accordance with the *Financial Management Act 2006* and Institute of Internal Auditors International Standards for the Professional Practice of Internal Auditing.

The annual Internal Audit Plan is aligned with DoT's strategic objectives and risks, with a focus on core functions and controls.

Internal audits conducted in 2017-18 included:

- Freight Industry Grant Subsidy
- Fees and Charges
- Hull Identification Number Program Management
- IT Demand Management
- Leave Management
- Penetration Testing
- Driver and Vehicle Services Plates Retention Strategy Assessment
- Safe Active Streets Program Assessment
- Taxi User Subsidy Scheme
- Transition Assistance Package
- Coastal Infrastructure Business Unit Maximo Invoicing

Recommendations from internal audits are managed and monitored through DoT's Audit Recommendation Management System. The status of implementation of recommendations are reported on a quarterly basis to the ARMC.

## Risk management

DoT is committed to ensuring a comprehensive risk management process that meets the requirements of Treasurer's Instruction 825 and the Public Sector Commissioner's Circular: 2015-03 Risk Management and Business Continuity Planning, and is aligned to the international standard AS/NZS ISO 31000:2009 Risk Management – Principles and Guidelines.

A structured risk management approach is integrated into management, planning and operational processes. This assists DoT in achieving desired outcomes by providing a transparent process identifying what is essential for success, and demonstrating the decision-making process regarding the acceptance of risks.

DoT's fraud and corruption risk management process is incorporated within DoT's risk management framework. DoT's Fraud and Corruption Control Plan sets out the relevant policies and obligations for all employees with respect to preventing, detecting and responding to incidents of fraud and corruption.

## Occupational safety, health and injury management

DoT's executives, safety and health representatives, and employees are committed to achieving a workplace environment free of work related injuries and disease, and a standard of excellence in occupational health and safety management.

In accordance with the Public Sector Commissioner's Circular 2009-11: Code of Practice: Occupational Safety and Health in the Western Australian Public Sector (the Circular), DoT complies with the requirements of the *Occupational Safety and Health Act 1984*, the *Workers' Compensation and Injury Management Act 1981* and the Circular.

### DoT's Occupational Health and Safety (OHS) Strategy

#### ***Our commitment to our employees***

DoT is committed to its corporate legislative responsibility to promote health and safety in the workplace.

In support of this commitment, DoT strives to promote and maintain a values driven workplace that encourages employees to bring their passion for life to work and to nurture an environment where all employees can thrive.

DoT's 2017-2018 Occupational Health and Safety (OHS) Strategy is designed to provide a structured approach to OHS for both proactive and reactive health and safety activities undertaken by the People and Organisational Development (POD) OHS Team. It is based on a partnering model with other POD areas of expertise and with the DoT business units. It provides DoT with a structured and fit for purpose safety management system that addresses its legislative obligations and enables business units and line managers to actively manage safety.

The Department has an established injury management program, detailing the steps taken to assist injured employees to return to work as soon as medically appropriate. The procedure focuses

on early intervention injury management strategies to effectively allow the injured employee to remain at work or return to work at the earliest appropriate time. The department's injury management procedure is compliant with the requirements of the *Workers' Compensation and Injury Management Act 1981* and the *Code of Practice (Injury Management) 2005*.

All employees can access the department's OHS and Injury Management (IM) information through the department's OHS Management System on the intranet site. OHS and IM information is widely communicated through various training sessions designed for both employees (Employee Induction) and people managers (OHS and IM for Managers). OHS information is also provided through various Occupational Health and Safety Subcommittees.

DoT has three OHS Subcommittees, these are:

- Marine House and Regional Services OHS Subcommittee;
- Driver and Vehicles Services and On Demand Transport OHS Subcommittee; and
- 140 William Street OHS Subcommittee.

Each committee is chaired by the Executive Director or General Manager of the relevant business unit.

DoT's Corporate Executive is strongly committed to OHS management in the workplace. This is demonstrated by its endorsement of the DoT OHS Policy Statement and the establishment of the Corporate OHS Management Committee on behalf of the Director General, DoT.

The Corporate OHS Management Committee supports the effective management of OHS at DoT. More specifically, it is responsible for identifying and implementing OHS initiatives and making recommendations on policy and strategy to the Corporate Executive. The members of the Corporate OHS Management Committee include the Executive Directors, General Managers and POD OHS (DoT OHS Team). The Committee is chaired by the Managing Director of Transport Services.

### Consultation mechanisms

Management and employees are committed to improved and effective consultation in the workplace.

The three OHS Subcommittees comprise of safety and health representatives and management representatives. They meet quarterly to discuss matters relating to workplace issues that affect the health and welfare of employees, as well as the continuous improvement of OHS performance. The agenda and meeting minutes for each of the OHS subcommittee meetings and the Corporate OHS Management Committee Meetings are displayed on dedicated OHS noticeboards across all DoT sites.

During the year, the Department discussed and resolved issues raised by employees, reviewed accident and incident forms to ensure hazards were addressed to eliminate or reduce future issues, discussed injury trends and identified preventative measures that promote a safe working environment, at the various committee meetings.

The safety and health representatives, in consultation with management, are responsible for updating the noticeboards. The effectiveness of the OHS Committee meetings is measured by member attendance rates, which subsequently forms part of the key performance indicators reported to Corporate Executive.

### Workers' Compensation and Injury Management

DoT has a strong focus on early intervention and return to work. People Managers are trained in the importance of good injury management and return to work procedures, all with the purpose of promoting a supportive, productive and positive workplace.

DoT has a dedicated Workers' Compensation and Injury Management Consultant who manages the workers' compensation claims and supports the management of the non-work related injury management issues.

As of 30 June 2018, DoT had 26 open workers' compensation claims, with 23 employees back at work.

### OHS Management System audit and results

The DoT OHS Management System was audited in 2016 to ensure alignment with relevant health and safety management system specifications (including Australian Standard 4801), its core principles of relevant OHS legislation and DoT's risk profile. The audit was conducted by an external auditor from Ernst and Young, utilising an AS 4801 Audit Tool implementing a number of actions.

DoT has developed and implemented a formal proactive process to identify risks across all sites. Six hundred and 26 job roles were risk assessed and rated accordingly. All roles that presented with a medium or high risk have been thoroughly reviewed and Job Safety Analysis / Safe Work Practices created. This ensures the employees are aware of the risks, understand what is required of them and are able to work in a manner that is safe for them and those around them.

A DoT OHS Risk Register has been created, including common public sector hazards described in the Circular such as aggression, manual handling, working in isolation, organisational change, inadequate workstations and inadequate work organisation. The DoT OHS Risk Register and supporting documentation facilitates a comprehensive risk management approach.

Each DoT workplace now has a Site Specific Chemical Register. The register is used to document all chemicals brought into the workplace. The register is maintained by management, and the safety and health representative of the site. POD OHS manages the DoT Chemical Register, which contains the combined information from the site specific registers. Every chemical at a DoT workplace has a corresponding Material Safety Data Sheet (MSDS) that has been uploaded to the safety page on the intranet. To date, there are 305 MSDSs available online.

## OHS Training

In 2017-18, Occupational Health, Safety and Injury Management training programs were reviewed with the following results:

- POD OHS continues to roll out OHS and Injury Management for Managers' training sessions. DoT currently has 88 per cent of managers trained in their OHS and Injury Management responsibilities.
- All people managers in DoT will now have to undergo a refresher training session every three years. POD OHS is currently in the process of conducting the OHS and IM for Managers Refresher training for approximately 284 managers – completion is expected by the end of 2018.
- Ergonomic training sessions were conducted throughout the year for all employees. Vehicle ergonomics was also conducted in all regional offices and for the Remote Licensing Team to promote good ergonomics on long distance driving.
- Manual Tasks, Ergonomics and OHS Induction one-hour training sessions are available to all employees. All new starters at DoT attend the Employee Induction Day, which includes the OHS Induction session.
- Introduction of the WorkPlace Safety Training session is available to all employees and designed to educate DoT employees on their OHS responsibilities.

These sessions were undertaken on site at each business unit and via video conferencing for the regional sites. This allowed for a greater number of managers and employees to attend the sessions.

## Other key achievements

In 2017-18, the following achievements and activities supported DoT's management of OHS in the workplace:

- Scheduling of DoT proactive site visits to conduct workplace inspections, risk assessments, OHS audits and onsite training, as per the POD OHS Site Visits calendar for 2018.
- DoT has 34 Safety and Health Representatives (SHRs) across 25 DoT workplaces. All the SHRs have completed the mandatory five day SHR training course. The SHRs currently receive OHS training every quarter (provided by POD OHS) as part of their continuing education.
- The successful relocation of the Midland Business Centre to its new offices included reviewing the office layout, ergonomics, emergency procedures, traffic management, risk assessments and first aid requirements.
- The successful roll out of the 2018 DoT Flu Vaccination Program had a total of 624 DoT employees were vaccinated (43 per cent).
- The DoT Maritime Environmental Emergencies Response (MEER) Safety Management System was developed and implemented, providing guidelines for the development of site OHS Plans for MEER / Marine Oil Pollution (MOP) Emergencies, in alignment with the relevant Occupational Safety and Health legislation.
- The 'Fee for Service Contractor OHS Induction' process and checklist was developed to ensure all non DoT staff working within DoT workplaces are inducted accordingly and understand DoT's OHS requirements.





## OHS and injury management performance

DoT's OHS and injury management performance in 2017-18 is detailed in the following table.

### Occupational safety, health and injury management performance

Measure	2015-16 <sup>(1)</sup>	2016-17 <sup>(1)</sup>	2017-18	Target	Comments towards targets
Number of fatalities	0 (zero)	0 (zero)	0 (zero)	0 (zero)	Target achieved.
Lost time injury and/or disease incidence rate	2.148	1.2022	0.984 <sup>(2)</sup>	0 or 10% reduction in incidence rate	Target achieved with continued improvement. There were 13 LTI claims in 2017-18 as compared to 17 LTI claims in 2016-17 and 30 LTI claims in 2015-2016.
Lost time injury and/or disease severity rate	13.333	0.00	23.0769 <sup>(3)</sup>	0 or 10% reduction in severity rate	Target not achieved. Whilst there was a drop in the number of LTI claim in 2017-2018, three of the claims had greater than 60 days off work.
Percentage of injured workers returned to work within 13 weeks	90%	100%	76.92% <sup>(4)</sup>	Actual target to be stated	76.92% achieved. 10 of the 13 LTI claims lodged in 2017-18 were returned to work within 13 weeks.
Percentage of injured workers returned to work within 26 weeks	100%	100%	100% <sup>(5)</sup>	Actual percentage result	Target achieved with consistency. All 13 LTI claims lodged in 2017-18 were back at work within 26 weeks.
Percentage of managers trained in occupational safety, health and injury management responsibilities	82%	84%	88%	Greater than or equal to 80%	Target achieved

**Notes:**

- <sup>1</sup> The results are sourced from DoT's Annual Reports 2015-16 and 2016-17.
- <sup>2</sup> There were 13 lost time injury (LTI) claims lodged in 2017-18, while the number of full time equivalents in was 1320.43.
- <sup>3</sup> There were three workers' compensation (WC) claims lodged in 2017-18 with greater than 60 days or more lost from work.
- <sup>4</sup> Ten of the 13 WC claims with registered LTIs returned to work within 13 weeks.
- <sup>5</sup> All 13 WC claims with registered LTIs returned to work within 26 weeks.



The information contained in this publication is provided in good faith and believed to be accurate at the time of publication. The State shall in no way be liable for any loss sustained or incurred by anyone relying on the information.

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