

An aerial photograph of a complex urban intersection. A large semi-truck with a red trailer and a blue cab is stopped at a traffic light. The intersection features yellow cross-hatched markings on the pavement. Surrounding the intersection are parking lots, greenery, and a red running track. The text "Disclosures and Legal Compliance" is overlaid in the upper center of the image.

Disclosures and Legal Compliance



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 2020, 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 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 2020 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 Responsibility 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 entity'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.

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

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 2020.

The Director General's responsibilities

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

Auditor General's responsibilities

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

An assurance engagement 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 non-compliance with laws and regulations may occur and not be detected. Any projection of the outcome of the evaluation of the suitability of the design of controls to future periods is subject to the risk that the controls may become unsuitable because of changes in conditions.

Report on the 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 2020. The key performance indicators are the Under Treasurer-approved key effectiveness indicators and key efficiency indicators that provide performance information about achieving outcomes and delivering services.

In my opinion, in all material respects, the key performance indicators of the Department of Transport are relevant and appropriate to assist users to assess the agency's performance and fairly represent indicated performance for the year ended 30 June 2020.

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 entity's performance and whether the key performance indicators are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. I conducted my engagement in accordance with Standard on Assurance Engagements ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* issued by the Australian Auditing and Assurance Standards Board. That standard requires that I comply with relevant ethical requirements relating to assurance engagements.

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

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

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

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

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 2020 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 contact the entity to confirm the information contained in the website version of the financial statements and key performance indicators.



CAROLINE SPENCER
AUDITOR GENERAL
FOR WESTERN AUSTRALIA
Perth, Western Australia
/8 September 2020



Certification of Financial Statements

For the year ended 30 June 2020

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 2020 and the financial position as at 30 June 2020.

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.

A handwritten signature in black ink, consisting of a series of loops and a long horizontal stroke at the end.

Peter Parolo
Chief Finance Officer
Date 17 September 2020

A handwritten signature in black ink, featuring a large loop and a long horizontal stroke.

Peter Woronzow
Accountable Authority
Date 17 September 2020

Statement of Comprehensive Income

For the year ended 30 June 2020

	Note	2020 \$ 000	2019 \$ 000
COST OF SERVICES			
Expenses			
Employee benefits expense	3.1	143 367	135 303
Supplies and services	3.5	119 187	114 713
Depreciation and amortisation expense	5.1,5.2,5.3	24 019	21 031
Accommodation expenses	3.5	17 470	17 977
Grants and subsidies	3.2	213 991	119 044
Loss on disposal of non-current assets	3.3	1 546	450
Finance costs	3.4	114	-
Other expenses	3.5	40 399	3 646
Total cost of services		560 093	412 164
Income			
Revenue			
User charges and fees	4.2	272 552	272 017
Sales		75	30
Grants and contributions	4.3	15 404	10 605
Interest revenue		164	581
Other revenue	4.4	57 988	56 350
Total revenue		346 183	339 583
Gains			
Other gains	4.5	4 726	2 526
Total gains		4 726	2 526
Total income other than income from State Government		350 909	342 109
NET COST OF SERVICES	7.1.2	209 184	70 055
Income from State Government			
Service appropriation	4.1	226 150	76 343
Assets transferred		-	(35)
Services received free of charge		1 958	1 841
Royalties for Regions Fund		32 552	40 624
Total income from State Government		260 660	118 773
SURPLUS FOR THE YEAR		51 476	48 718
OTHER COMPREHENSIVE INCOME			
Items not reclassified subsequently to profit or loss			
Changes in asset revaluation surplus	9.10	1 055	927
Total other comprehensive income/(deficit)		1 055	927
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		52 531	49 645

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 2020

	Note	2020 \$ 000	2019 \$ 000
ASSETS			
Current Assets			
Cash and cash equivalents	7.1	59 998	51 631
Restricted cash and cash equivalents	7.1	139 260	105 239
Inventories	6.2	598	514
Receivables	6.1	10 580	8 513
Other current assets	6.4	4 164	3 824
Non-current assets classified as held for distribution to owners	9.9	-	7 757
Total Current Assets		214 600	177 478
Non-Current Assets			
Restricted cash and cash equivalents	7.1	2 141	1 607
Amounts receivable for services	6.3	276 738	256 291
Property, plant and equipment	5.1	158 976	148 510
Infrastructure	5.2	270 012	268 079
Intangible assets	5.3	38 198	40 418
Right-of-use assets	5.4	4 419	-
Construction in progress	5.5	22 847	13 122
Total Non-Current Assets		773 331	728 027
TOTAL ASSETS		987 931	905 505
LIABILITIES			
Current Liabilities			
Payables	6.5	23 338	21 280
Contract liabilities	6.6	4 713	-
Employee related provisions	3.1	22 890	21 258
Lease liabilities	7.2	2 081	-
Other current liabilities	6.7	333	430
Total Current Liabilities		53 355	42 968
Non-current Liabilities			
Employee related provisions	3.1	6 782	6 471
Lease liabilities	7.2	2 477	-
Total Non-Current Liabilities		9 259	6 471
TOTAL LIABILITIES		62 614	49 439
NET ASSETS		925 317	856 066
EQUITY			
	9.10		
Contributed equity		534 903	514 559
Reserves		3 885	2 830
Accumulated surplus		386 529	338 677
TOTAL EQUITY		925 317	856 066

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 2020

	Note	Contributed equity \$ 000	Reserves \$ 000	Accumulated surplus \$ 000	Total equity \$ 000
Balance at 1 July 2018		499 071	1 903	290 224	791 198
Changes in accounting policy		-	-	(265)	(265)
Restated balance at 1 July 2019		499 071	1 903	289 959	790 933
Surplus for the year		-	-	48 718	48 719
Other comprehensive income		-	927	-	927
Total comprehensive income for the year	9.10	499 071	2 830	338 677	840 579
Transactions with owners in their capacity as owners:					
Capital appropriations		20 634	-	-	20 634
Other contributions by owners					
• Regional Development Headworks Fund Distribution to owners		1 606	-	-	1 606
• Department of Planning Lands and Heritage		(52)	-	-	(52)
• Department of Treasury		(6 700)	-	-	(6 700)
		15 488	-	-	15 488
Balance at 30 June 2019		514 559	2 830	338 677	856 066
Balance at 1 July 2019		514 559	2 830	338 677	856 066
Initial application of AASB 15	6.6.1	-	-	(3 624)	(3 624)
Restated balance at 1 July 2019		514 559	2 830	335 053	852 442
Surplus for the year		-	-	51 476	51 476
Other comprehensive income		-	1 055	-	1 055
Total comprehensive income for the year		-	1 055	51 476	52 531
Transactions with owners in their capacity as owners:					
Capital appropriations		18 042	-	-	18 042
Other contributions by owners					
• Regional Development Headworks Fund Distribution to owners		6 173	-	-	6 173
• Department of Planning Lands and Heritage		8	-	-	8
• Department of Treasury		(3 879)	-	-	(3 879)
		20 344	-	-	20 344
Balance at 30 June 2020		534 903	3 885	386 529	925 317

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 2020

	Note	2020 \$ 000	2019 \$ 000
CASH FLOWS FROM STATE GOVERNMENT			
Service appropriation		205 703	56 509
Capital appropriations		18 042	20 634
Cash transferred (to)/from other agencies		(3 879)	(6 700)
Royalties for Regions Fund		38 725	42 230
Net cash provided by State Government		258 591	112 673
Utilised as follows:			
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Employee benefits		(139 985)	(134 760)
Supplies and services		(117 400)	(112 197)
Finance costs		(114)	-
Accommodation		(17 575)	(16 804)
Grants and subsidies		(212 572)	(118 752)
GST payments on purchases		(25 359)	(26 859)
Other payments		(36 992)	(4 342)
Receipts			
Sale of goods and services		75	31
User charges and fees		272 645	270 518
Grants and contributions		14 966	16 791
Interest received		239	663
GST receipts on sales		7 657	7 937
GST receipts from taxation authority		17 481	19 959
Other receipts		56 387	57 652
Net cash (used in) operating activities	7.1.2	(180 547)	(40 163)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments			
Purchase of non-current assets		(32 915)	(24 296)
Receipts			
Proceeds from sale of non-current assets		49	90
Net cash (used) in investing activities		(32 866)	(24 206)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments			
Repayment of lease liabilities		(2 256)	-
		(2 256)	-
Net increase/(decrease) in cash and cash equivalents		42 922	48 304
Cash and cash equivalents at the beginning of the year		158 477	110 173
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	7.1.1	201 399	158 477

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

Summary of Consolidated Account Appropriations

For the year ended 30 June 2020

	2020 Budget Estimate \$ 000	2020 Supplementary Funding \$ 000	2020 Revised Budget \$ 000	2020 Actual \$ 000	2020 Variance \$ 000
DELIVERY OF SERVICES					
Item 79 Net amount appropriated to deliver services	204 692	35 000	239 692	225 256	(14 436)
Section 25 Transfer of service appropriation	-	-	-	-	-
Amount authorised by other statutes					
- <i>Salaries and Allowances Act 1975</i>	894	-	894	894	-
Total appropriations provided to deliver services	205 586	35 000	240 586	226 150	(14 436)
CAPITAL					
Item 140 Capital appropriations	35 310	-	35 310	18 042	(17 268)
ADMINISTERED TRANSACTIONS					
Item 80 WA Coastal Shipping Commission	100	-	100	100	-
Total administered transactions	100	-	100	100	(17 268)
GRAND TOTAL	240 996	35 000	275 996	244 292	(31 704)

Notes to the Financial Statements

For the year ended 30 June 2020



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 17 September 2020.

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; and
4. Where appropriate, those accounting standard paragraphs applicable for not-for-profit entities have been applied.

The *Financial Management Act 2006* 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 plan and deliver transport solutions for the prosperity of Western Australians.

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 2020

	Strategic Transport Policy & Integrated Planning		Driver and Vehicle Services	
	2020 \$ 000	2019 \$ 000	2020 \$ 000	2019 \$ 000
COST OF SERVICES				
Expenses				
Employee benefits expense	19 266	16 826	90 561	87 017
Supplies and services	11 915	10 675	62 789	62 212
Depreciation and amortisation expense	588	224	8 562	7 703
Accommodation expenses	666	549	10 785	11 572
Grants and subsidies	41 827	62 452	28 061	28 093
Loss on disposal of non-current assets	-	2	549	324
Finance costs	4	-	34	-
Other expenses	35 357	363	1 133	2 107
Total cost of services	109 623	91 091	202 474	199 028
Income				
User charges and fees	55 702	58 725	178 256	172 463
Sales	2	1	11	113
Grants and contributions	9 069	5 184	5 952	5 388
Interest revenue	22	44	100	227
Other revenue	290	201	32 110	28 619
Total Revenue	65 085	64 155	216 429	206 810
Gains				
Other Gains	-	-	-	210
Total Gains	-	-	-	210
Total income other than income from State Government	65 085	64 155	216 429	207 020
NET COST OF SERVICES	44 538	26 936	(13 955)	(7 992)
INCOME FROM STATE GOVERNMENT				
Service appropriation	30 422	9 487	142 513	49 441
Assets received	-	-	-	-
Services received free of charge	263	229	1 234	1 192
Royalties for Regions Fund	3 000	1 600	29 193	30 470
Total income from State Government	33 685	11 316	172 940	81 103
SURPLUS/(DEFICIT) FOR THE YEAR	(10 853)	(15 620)	186 895	89 095

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

	Coastal Infrastructure		Marine Safety		On-demand Transport		Total	
	2020 \$ 000	2019 \$ 000	2020 \$ 000	2019 \$ 000	2020 \$ 000	2019 \$ 000	2020 \$ 000	2019 \$ 000
	15 523	13 137	12 155	12 811	5 862	5 512	143 367	135 303
	34 821	32 750	7 595	7 228	2 067	1 848	119 187	114 713
	12 346	11 322	2 121	1 391	402	391	24 019	21 031
	3 688	3 411	1 524	1 661	807	784	17 470	17 977
	5 312	10 619	924	1 306	137 867	16 574	213 991	119 044
	34	61	87	61	876	2	1 546	450
	43	-	31	-	2	-	114	-
	1 207	(3 243)	523	4 234	2 179	185	40 399	3 646
	72 974	68 057	24 960	28 692	150 062	25 296	560 093	412 164
	14 243	14 353	21 450	20 587	2 901	5 768	272 552	272 017
	37	1	24	36	1	-	75	30
	377	14	4	13	2	6	15 404	10 605
	22	39	14	31	6	240	164	581
	24 998	27 261	380	123	210	146	57 988	56 350
	39 677	41 668	21 872	20 790	3 120	6 160	346 183	339 583
	4 726	2 316	-	-	-	-	4 726	2 526
	4 726	2 316	-	-	-	-	4 726	2 526
	44 403	43 984	21 872	20 790	3 120	6 160	350 909	342 109
	28 571	24 073	3 088	7 902	146 942	19 136	209 184	70 055
	24 660	7 478	18 990	6 723	9 565	3 214	226 150	76 343
	-	(62)	-	27	-	-	-	(35)
	214	180	164	162	83	78	1 958	1 841
	213	5 416	34	30	112	3 108	32 552	40 624
	25 087	13 012	19 188	6 942	9 760	6 400	260 660	118 773
	(3 484)	(11 061)	16 100	(960)	(137 182)	(12 736)	51 476	48 718

2.3 Schedule of Assets and Liabilities by Service

As at 30 June 2020

	Strategic Transport Policy & Integrated Planning		Driver and Vehicle Services	
	2020 \$ 000	2019 \$ 000	2020 \$ 000	2019 \$ 000
Assets				
Current assets	28 869	22 061	135 234	114 935
Non-current assets	104 031	90 494	487 330	471 470
Total assets	132 900	112 555	622 564	586 405
Liabilities				
Current liabilities	7 177	5 341	33 623	27 826
Non-current liabilities	1 245	804	5 835	4 191
Total liabilities	8 422	6 145	39 458	32 017
NET ASSETS	124 478	106 410	583 106	554 388

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

Coastal Infrastructure		Marine Safety		On-demand Transport		Total	
2020 \$ 000	2019 \$ 000	2020 \$ 000	2019 \$ 000	2020 \$ 000	2019 \$ 000	2020 \$ 000	2019 \$ 000
23 401	17 375	18 020	15 636	9 076	7 471	214 600	177 478
84 326	71 274	64 939	64 139	32 705	30 649	773 331	728 027
107 727	88 649	82 959	79 775	41 781	38 120	987 931	905 505
5 818	4 207	4 480	3 785	2 257	1 809	53 355	42 968
1 010	633	777	571	392	272	9 259	6 471
6 828	4 840	5 257	4 356	2 649	2 081	62 614	49 439
100 899	83 809	77 702	75 420	39 132	36 040	925 317	856 066

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:

	Notes	2020 \$ 000	2019 \$ 000
Employee benefits expenses	3.1 (a)	143 367	135 303
Employee related provisions	3.1 (b)	29 672	27 729
Grants and subsidies	3.2	213 991	119 044
Loss on disposal of non-current assets	3.3	(1 546)	(450)
Finance costs	3.4	114	-
Other expenditures	3.5	177 056	136 336

3.1 (a) Employee benefits expenses

	2020 \$ 000	2019 \$ 000
Wages and salaries	128 173	120 410
Termination benefits	1 226	1 385
Superannuation – defined contribution plans ^(a)	12 333	11 783
Other related expenses	1 635	1 725
Total employee benefits expenses	143 367	135 303
Add: AASB 16 non-monetary benefits	596	-
Less: Employee contribution	(181)	-
	143 782	135 303

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

Wages and salaries: The amount includes wages and salaries, fringe benefits tax, and 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 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.

	2020 \$ 000	2019 \$ 000
Current		
Employee benefits provision		
Annual leave ^(a)	7 380	6 511
Long service leave ^(b)	15 138	14 515
Deferred salary scheme	21	3
	22 539	21 029
Other provisions		
Employment on-costs^(c)	310	290
Purchased leave	41	(61)
Total current employee related provisions	22 890	21 258
Non-current		
Employee benefits provision		
Long service leave ^(b)	6 691	6 384
	6 691	6 384
Other provisions		
Employment on-costs ^(c)	91	87
Total non-current employee related provisions	6 782	6 471
Total employee related provisions	29 672	27 729

(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:

	2020 \$ 000	2019 \$ 000
Within 12 months of the end of the financial year	6 600	5 940
More than 12 months after the end of the financial year	780	571
	7 380	6 511

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:

	2020 \$ 000	2019 \$ 000
Within 12 months of the end of the year	5 211	5 000
More than 12 months after the end of the year	16 618	15 899
	21 829	20 899

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 considering 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 3.5 and are not included as part of the Department's 'employee benefits expense'. The related liability is included in 'Employment on-costs provision'.

	2020 \$ 000	2019 \$ 000
Employment on-costs provision		
Carrying amount at the start of the year	377	365
Additional/ (reversals of) provisions recognised	25	(134)
Payments/other sacrifices of economic benefits	(1)	146
Carrying amount at the end of the year	401	377

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

	2020 \$ 000	2019 \$ 000
Aviation (Public Air Route) Subsidies	375	500
Bicycle Boulevards	1 520	3 472
CBD Transport Plan	2 250	2 229
Coastal Projects and Zone Management	1 050	1 057
Community Police	1 629	1 278
Country Age Pension Fuel Card Scheme (i)	26 332	26 552
Fare Subsidies (Pensioners)	1 129	1 566
Fremantle Port Rail Service	5 871	5 944
Local Projects - Local Jobs	154	699
Marine Communications	685	676
National Transport Reforms	321	316
On-Demand Transport – COVID-19 Relief (ii)	1 630	-
On-Demand Transport – Regional Reform	-	390
On-Demand Transport – Transition assistance package (iii)	2 770	-
Port Management (Port of Wyndham)	2 726	2 526
Public Transport Authority - CAT Bus Services (iv)	15 412	15 742
Recreational Boat Facilities	1 336	7 007
Regional Airport Development Scheme	1 164	7 576
RfR - Regional Aviation Support COVID 19	774	-
Student Fare Concessions	1 157	1 316
Taxi User Co-payment (v)	3 001	2 489
Taxi User Subsidy Scheme	9 786	10 560
Voluntary buy-back for Perth taxi plate owners (vi)	118 163	-
Western Australian Bicycle Network (vii)	13 736	26 074
Other Grants and Subsidies	1 020	1 075
	213 991	119 044

Grants expenses are those transactions where the Department provides goods, services or assets without receiving equal value in return. They can be either capital or operating payments and can be paid for general purposes or can be paid subject to terms and conditions.

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 in regional areas.*
- (ii) *The On-Demand Transport – Covid Relief was a one-off relief payment of \$2,500 paid to individuals and companies who held both an on-demand booking service authorisation and at least one passenger transport vehicle authorisation.*
- (iii) *The On-Demand Transport – Transition assistance package was a one-off payment of \$10,000 per Country Taxi-car Licence made to regional taxi operators to provide financial support to those providing regional taxi services to the community of Western Australia.*
- (iv) *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. (See note 9.7)*
- (v) *The Taxi User Co-payment 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.*
- (vi) *The Voluntary buy-back for Perth taxi plate owners was a scheme for all eligible owned Metropolitan taxi plates to be repurchased by the Government.*
- (vii) *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.*

3.3 Loss on disposal of non-current assets

	2020 \$ 000	2019 \$ 000
<i>Net proceeds from disposal of non-current assets</i>		
Property, plant and equipment	55	56
Infrastructure	-	35
Intangible assets	-	-
<i>Carrying amount of non-current assets disposed</i>		
Property, plant and equipment	(101)	(266)
Infrastructure	(77)	(118)
Intangible assets	(1 423)	(157)
Net gain/(loss)	(1 546)	(450)

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 Finance costs

	2020 \$ 000	2019 \$ 000
Lease interest expense	114	-
	114	-

3.5 Other expenditures

	2020 \$ 000	2019 \$ 000
Supplies and services		
Communications	12 646	11 985
Consultants and contractors	43 167	40 079
Consumables	17 155	17 374
Commissions	26 224	26 261
Data processing	427	330
Drivers licence card production	1 170	1 105
Number plate production	2 630	2 522
Repairs and maintenance	13 551	12 834
Travel	1 173	1 379
Other	1 044	844
	119 187	114 713
Accommodation expenses		
Rentals	15 161	15 797
Cleaning	2 309	2 180
	17 470	17 977
Other expenses		
Employment on-costs	1 025	1 066
Audit cost (i)	350	215
Catering	62	96
Corporate membership fees	288	268
Donations and sponsorship	25	8
Expected credit losses expense	1 566	(193)
Impairment losses	73	-
Storage and removal	269	146
Deed of settlement (ii)	35 000	
Prior year expense	1 741	1 976
Other	-	64
	40 399	3 646
Total other expenditures	177 056	136 336

(i) Audit cost includes the 2020 fee. See also note 9.8 Remuneration of Auditor.

(ii) Settlement of a litigation on behalf of State Government in respect to a dispute under the Marine and Harbours Act (1981) relating to an Agreement to build and operate a port in Western Australia. The settlement amount was agreed by a Cabinet decision.

3.5 Other expenditures (continued)

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.

Consumables: Consumables expenses include short-term leases with a lease term of 12 months or less and low-value leases with an underlying value of \$5,000 or less.

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

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

Please refer to note 6.1.1 Movement in 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	2020 \$ 000	2019 \$ 000
Income from State Government	4.1	260 660	118 773
User charges and fees	4.2	272 552	272 017
Grants and contributions	4.3	15 404	10 605
Other revenue	4.4	57 988	56 350
Other gains	4.5	4 726	2 526

4.1 Income from State Government

	2020 \$ 000	2019 \$ 000
Appropriation received during the year:		
Service appropriation (a)	225 256	75 449
Amounts authorised by other statutes	894	894
	226 150	76 343
Assets transferred to other State government agencies during the year:		
Infrastructure	-	(35)
	-	(35)

4.1 Income from State Government (continued)

	2020 \$ 000	2019 \$ 000
Services received free of charge from other State government agencies during the year:		
Department of Finance		
Accommodation	644	679
Landgate		
Provision of data	45	199
State Solicitor's Office		
Legal services	537	349
Main Roads Western Australia		
Accommodation	6	56
Secondments	387	327
Stakeholder engagement	5	-
Modelling services	6	5
Public Transport Authority		
Secondments	-	73
WA Treasury Corporation		
Advisory services	49	11
Department of Planning, Lands and Heritage		
Provision of data	162	137
Department of Primary Industries and Regional Development		
Advisory	12	5
Department of Water and Environmental Regulation		
Advisory	12	-
Stakeholder engagement	1	-
Modelling services	92	-
	1 958	1 841
Royalties for Regions Funds^(c)		
Country Age Pension Fuel Card Scheme	29 000	30 280
Broome Boating Facilities Upgrade	-	5 143
Geraldton Airport Runway	-	1 600
Regional Taxi Transition Fund	98	3 100
Regional Aviation Support COVID-19	3 000	-
Other	454	501
	32 552	40 624
TOTAL INCOME FROM STATE GOVERNMENT	260 660	118 773

4.1 Income from State Government (continued)

- (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 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

	2020 \$ 000	2019 \$ 000
Boat registration fees	20 161	19 260
Port charges	1 880	1 428
Small boat harbour fees	10 915	11 123
Other maritime fees	2 009	2 012
Motor drivers licence application fees	72 512	67 310
Motor vehicle recording, transfer, plate and inspection fees	102 462	103 374
Passenger transport vehicle fees	2 354	-
Perth parking licence fees	55 699	58 723
Taxi licence fees	-	1 016
Other fees	4 560	7 771
	272 552	272 017

Until 30 June 2019, revenue was recognised and measured at the fair value of consideration received or receivable. From 1 July 2019, revenue is recognised at the transaction price when the Department transfers control of the services to customers. Revenue is recognised for the major activities as follows:

Aside from Small Boat Harbour Fees (note 4.2), all revenue is recognised at a point-in-time for the performance obligations for these user fees and charges are satisfied when the services have been provided.

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 2018-19 Budget Statements, the Department retained \$346 million in 2020 (\$340 million in 2019) from the following:

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

4.3 Grants and contributions

	2020 \$ 000	2019 \$ 000
Commonwealth grants	875	777
General government grants	14 144	9 684
Other	385	144
	15 404	10 605

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

	2020 \$ 000	2019 \$ 000
Commissions	27 524	26 302
Rents and leases	15 556	17 064
Recoups of operating expenses	1 621	4 891
Harbour utility charges	5 834	5 484
Service level agreements	4 723	2 112
Other	2 730	497
	57 988	56 350

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 gains

	2020 \$ 000	2019 \$ 000
Revaluation increment - Land	4 726	2 526
	4 726	2 526

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	2020 \$ 000	2019 \$ 000
Property, plant and equipment	5.1	158 976	148 510
Infrastructure	5.2	270 012	268 079
Intangible assets	5.3	38 198	40 418
Right-of-use assets	5.4	4 419	-
Construction in progress	5.5	22 847	13 122

5.1 Property, plant and equipment

	Cost/ Fair value \$ 000	Accumulated depreciation \$ 000	Accumulated impairment losses \$ 000	Carrying amount \$ 000
2020				
<i>At fair value:</i>				
Land	133 214	-	5 060	128 154
Buildings	17 584	-	-	17 584
	150 798	-	5 060	145 738
<i>At cost:</i>				
Refurbishments, furniture and fittings	14 340	10 238	86	4 016
Plant and equipment	13 949	8 695	-	5 254
Computer hardware	15 471	13 440	-	2 031
Vehicles	1 337	828	-	509
Vessels	4 506	3 078	-	1 428
	49 603	36 279	86	13 238
Total	200 401	36 279	5 146	158 976
2019				
<i>At fair value:</i>				
Land	126 206	-	9 786	116 420
Buildings	17 568	-	-	17 568
	143 774	-	9 786	133 988
<i>At cost:</i>				
Refurbishments, furniture and fittings	13 443	8 735	-	4 708
Plant and equipment	12 559	8 020	-	4 539
Computer hardware	15 503	12 088	-	3 415
Vehicles	1 226	707	-	519
Vessels	4 103	2 762	-	1 341
	46 834	32 312	-	14 522
Total	190 608	32 312	9 786	148 510

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.

	Carrying amount at start of year \$ 000	Additions \$ 000	Revaluation \$ 000	Impairment losses reversed \$ 000	Impairment losses \$ 000
2020					
Land	116 420	-	-	4 726	-
Buildings	17 568	-	1 055	-	-
Refurbishments, furniture and fittings	4 708	215	-	-	-
Plant and equipment	4 539	1 786	-	-	-
Computer hardware	3 415	227	-	-	-
Vehicles	519	131	-	-	-
Vessels	1 341	430	-	-	-
	148 510	2 789	1 055	4 726	-
2019					
Land	113 946	-	-	2 526	-
Buildings	18 022	-	927	-	-
Refurbishments, furniture and fittings	4 208	1 514	-	-	-
Plant and equipment	4 724	951	-	-	-
Computer hardware	5 599	97	-	-	-
Vehicles	513	130	-	-	-
Vessels	1 566	94	-	-	-
	148 578	2 786	927	2 526	-

Information on fair value measurements is provided in note 8.3.

Information on capital commitments is provided in note 7.3.

Disposals \$ 000	Write-offs \$ 000	Transfers \$ 000	Depreciation \$ 000	Ceased to be held for distribution to owners \$ 000	Carrying amount at end of year \$ 000
-	-	8	-	7 000	128 154
-	-	-	(1 559)	520	17 584
-	-	-	(907)	-	4 016
(100)	-	-	(982)	11	5 254
-	-	-	(1 611)	-	2 031
(1)	-	-	(140)	-	509
-	-	-	(343)	-	1 428
(101)	-	8	(5 542)	7 531	158 976
-	-	(52)	-	-	116 420
-	-	-	(1 381)	-	17 568
(58)	-	-	(956)	-	4 708
(169)	(2)	-	(965)	-	4 539
(39)	-	-	(2 242)	-	3 415
-	-	-	(124)	-	519
-	-	-	(319)	-	1 341
(266)	(2)	(52)	(5 987)	-	148 510

5.1 Property, plant and equipment (continued)

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 2019 by the Western Australian Land Information Authority (Valuations and Property Analytics). The valuations were performed during the year ended 30 June 2020 and recognised at 30 June 2020. In undertaking the revaluation, fair value was determined by reference to market value: \$10,691,000 (2019: \$3,699,000). 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 2019 by the Western Australian Land Information Authority (Valuations and Property Analytics). The valuations were performed during the year ended 30 June 2020 and recognised at 30 June 2020. In undertaking the revaluation, fair value was determined by reference to market value: \$2,616,000 (2019: \$2,096,000). 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

	2020 \$ 000	2019 \$ 000
Depreciation		
Buildings	1 559	1 381
Refurbishments, furniture and fittings	907	956
Plant and equipment	982	965
Computer hardware	1 611	2 242
Vehicles and vessels	483	443
	5 542	5 987

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 and non-current assets classified as held for distribution to owners are 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 50 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

	2020 \$ 000	2019 \$ 000
Infrastructure		
At cost	446 132	435 936
Accumulated depreciation	(176 120)	(167 209)
Accumulated impairment losses	-	(648)
	270 012	268 079

Reconciliation

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

Infrastructure		
Carrying amount at the start of the year	268 079	267 505
Additions	11 526	10 175
Disposals	(77)	(118)
Write-offs	(41)	-
Transfers	(26)	(34)
Depreciation	(9 675)	(9 449)
Impairment losses	-	-
Ceased to be held for distribution to owners	226	-
Carrying amount at the end of the year	270 012	268 079

The Infrastructure policies are outlined in note 5.1.

5.2.1 Depreciation and impairment

Charge for the year

	2020 \$ 000	2019 \$ 000
Depreciation		
Infrastructure	9 675	9 449
	9 675	9 449

The Infrastructure policies are outlined in note 5.1.1.

Finite useful lives

Infrastructure assets are predominantly maritime infrastructure assets.

All infrastructure 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 expected useful lives for the Department's main types of infrastructure assets are:

Breakwaters and groynes	50 to 100 years
Jetties and boat pens	15 to 50 years
Navigation aids	5 to 50 years
Channel development	100 years

5.3 Intangible assets

	2020 \$ 000	2019 \$ 000
Software		
At cost	100 457	96 945
Accumulated amortisation	(62 259)	(56 527)
	38 198	40 418

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

Software		
Carrying amount at the start of the year	40 418	36 184
Additions	5 577	9 986
Disposals	(1 423)	(157)
Transfers	-	-
Impairment losses	-	-
Amortisation expense	(6 374)	(5 595)
Carrying amount at the end of the year	38 198	40 418

Initial recognition

Intangible assets, both externally acquired and internally generated, 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:

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

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

	2020 \$ 000	2019 \$ 000
<i>Amortisation</i>		
Intangible assets	6 374	5 595
	6 374	5 595

As at 30 June 2020 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 Right-of-use assets

	2020 \$ 000	2019 \$ 000
Land	43	-
Buildings	1 549	-
Plant and equipment	1 032	-
Computer hardware	744	-
Vehicles	1 051	-
	4 419	-

The Statement of Financial Position shows the following amounts in relation to leases:

	Cost \$ 000	Accumulated depreciation \$ 000	Accumulated Impairment losses \$ 000	Carrying amount \$ 000
2020				
At cost:				
Land	46	3	-	43
Buildings	1 963	414	-	1 549
Plant and equipment	1 416	384	-	1 032
Computer hardware	1 565	821	-	744
Vehicles	1 544	493	-	1 051
	6 534	2 115	-	4 419

Reconciliations of the carrying amounts of right-of-use assets at the beginning and end of the financial year are set out in the table below.

	Carrying amount at start of year \$ 000	Additions \$ 000	Disposals \$ 000	Depreciation \$ 000	Carrying amount at end of year \$ 000
2020					
Land	46	-	-	(3)	43
Buildings	1 780	367	(1)	(597)	1 549
Plant and equipment	617	799	-	(384)	1 032
Computer hardware	634	960	-	(850)	744
Vehicles	1 273	427	(56)	(593)	1 051
	4 350	2 553	(57)	(2 427)	4 419

5.4 Right-of-use assets (continued)

Initial recognition

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

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

This includes all leased assets other than investment property ROU assets, which are measured in accordance with AASB 140 'Investment Property'.

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

Subsequent Measurement

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

Depreciation and impairment of right-of-use assets

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the underlying assets. If ownership of the leased asset transfers to the Department at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. Right-of-use assets are tested for impairment when an indication of impairment is identified. The policy in connection with testing for impairment is outlined in note 5.1.

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

	2020 \$ 000	2019 \$ 000
Depreciation expense of right-of-use assets	2 427	-
Lease interest expense	114	-
Short-term leases	197	-
Low value leases	1 283	-
	4 021	-

The total cash outflow for leases in 2020 was \$2,370,000

The Department has leases for vehicles, office equipment, storage facilities, computer hardware and residential accommodation. The Department has also entered into Memorandum of Understanding Agreements (MOU) with the Department of Finance for the leasing of office accommodation. These are not recognised under AASB 16 because of substitution rights held by the Department of Finance and are accounted for as an expense as incurred.

Up to 30 June 2019, the Department classified leases as finance leases or operating leases. From 1 July 2019, the Department recognises leases as right-of-use assets and associated lease liabilities in the Statement of Financial Position.

The corresponding lease liabilities in relation to these right-of-use assets have been disclosed in note 7.2.

5.5 Construction in progress

	2020 \$ 000	2019 \$ 000
At cost:		
Vehicles and vessels	66	364
Computer hardware	467	286
Buildings and refurbishments	669	117
Intangibles	12 751	7 896
Infrastructure	8 894	4 459
	22 847	13 122

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

Carrying amount at the start of the year	13 122	11 773
Expenditure during the year	29 666	23 746
Transfers	-	-
Non-current assets commissioned during the year	(17 753)	(22 397)
Amounts expensed	(2 188)	-
Carrying amount at the end of the year	22 847	13 122

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	2020 \$ 000	2019 \$ 000
Receivables	6.1	10 580	8 513
Inventory	6.2	598	514
Amounts receivable for services	6.3	276 738	256 291
Other current assets	6.4	4 164	3 824
Payables	6.5	(23 338)	(21 280)
Contract liabilities	6.6	(4 713)	-
Other current liabilities	6.7	(333)	(430)

6.1 Receivables

	2020 \$ 000	2019 \$ 000
Current		
Receivables	10 392	6 861
Allowance for impairment of receivables	(3 165)	(1 641)
	7 227	5 220
Goods and Services Tax receivable	3 206	3 063
Interest receivable	22	99
Staff debtors	35	41
Other debtors	90	90
	10 580	8 513

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

	2020 \$ 000	2019 \$ 000
Reconciliation of changes in the allowance for impairment of receivables:		
Balance at the start of the year	1 641	1 633
Remeasurement under AASB 9	-	265
Restated balance at start of the year	1 641	1 898
Expected credit losses expense	1 566	(193)
Amounts written off during the year	(42)	(64)
Balance at end of the year	3 165	1 641

The maximum exposure to credit risk at the end of the financial year for receivables is the carrying amount of the asset inclusive of any allowance for impairment as shown in Note 8.1 Financial Instruments disclosure.

The Department does not hold any collateral as security or other credit enhancements for receivables.

6.2 Inventories

Closing Inventory comprises:

	2020 \$ 000	2019 \$ 000
Motor vehicle plates (at cost)	598	514
Total Inventories	598	514

Inventories are measured at the lower of cost and net realisable value.

6.3 Amounts receivable for services (Holding Account)

	2020 \$ 000	2019 \$ 000
Non-current	276 738	256 291

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.

Amounts receivable for services are not considered to be impaired (i.e. there is no expected credit loss of the holding accounts).

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

	2020 \$ 000	2019 \$ 000
Prepayments	4 164	3 824

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 year.

6.5 Payables

	2020 \$ 000	2019 \$ 000
Current		
Trade payables	20 634	20 027
Accrued expenses	1 315	809
Accrued salaries	1 389	444
	23 338	21 280

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 Contract liabilities

	2020 \$ 000	2019 \$ 000
Current	4 713	-
	4 713	-

Contract liabilities relate to Harbour revenue obligations yet to be fulfilled at the end of the financial year.

6.6.1 Movement in contract liabilities

	2020 \$ 000	2019 \$ 000
Reconciliation of change contract liabilities:		
Balance at the start of the year	-	-
Remeasurement under AASB 15	3 624	-
Restated balance at start of the year	3 624	-
Additions	4 713	-
Revenue recognised in the financial year	(3 624)	-
Balance at end of the year	4 713	-

The Department expects to satisfy the performance obligations unsatisfied at the end of the financial year within the next 12 months.

6.7 Other current liabilities

	2020 \$ 000	2019 \$ 000
Current		
Accruals	256	186
Other liabilities	77	244
	333	430

7. Financing

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

	Notes
Cash and cash equivalents	7.1
Reconciliation of cash	7.1.1
Reconciliation of operating activities	7.1.2
Lease liabilities	7.2
Capital commitments	7.3

7.1 Cash and cash equivalents

7.1.1 Reconciliation of cash

	Note	2020 \$ 000	2019 \$ 000
Cash and cash equivalents		59 998	51 631
		59 998	51 631
<i>Includes cash received as capital contributions remaining unspent at year-end of \$7,200,000 (2019: \$10,260,000).</i>			
Restricted cash and cash equivalents	8.1		
Current			
Perth Parking Licensing Account ⁽ⁱ⁾		131 039	93 435
Taxi Industry Development Account ⁽ⁱⁱ⁾		-	4 153
Royalties for Regions ⁽ⁱⁱⁱ⁾		8 065	7 559
Indian Ocean Territories Service Delivery Program ^(iv)		131	77
Commonwealth Paid Parental Leave Scheme ^(v)		25	15
		139 260	105 239
Non-current			
Accrued salaries suspense account ^(vi)		2 141	1 607
		2 141	1 607
Balance at the end of the year		201 399	158 477

(i) Funds held to meet the costs of administering the Perth Parking Management Act 1999 (see note 9.7).

(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. The Taxi Industry Development Account was closed 3 July 2019. (see note 9.7).

(iii) Unspent funds are committed to project and programs in WA regional areas.

(iv) Funds held to provide services to the Indian Ocean Territories (see note 9.12).

(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	2020 \$ 000	2019 \$ 000
Net cost of services		(209 184)	(70 055)
Non-cash items:			
Depreciation and amortisation expense	5.1, 5.2, 5.3	24 019	21 031
Expected credit losses	3.4	965	(193)
Loss on disposal of non-current assets	3.3	1 546	450
Services received free of charge	4.1	1 958	1 841
Impairment losses	3.4	73	-
Assets assumed/(transferred)	4.5	26	-
Other gains	4.6	(4 726)	(2 526)
(Increase)/decrease in assets			
Current inventories		(84)	29
Current receivables ⁽ⁱ⁾		(1 924)	6 311
Other current assets		(340)	1 264
Increase/(decrease) in liabilities			
Current payables ⁽ⁱ⁾		2 057	918
Contract liabilities		4 713	-
Current provisions		1 632	341
Other current liabilities		(97)	(300)
Non-current provisions		311	417
Net GST receipts/payments ⁽ⁱⁱ⁾		221	1 038
Change in GST in receivables/payables ⁽ⁱⁱⁱ⁾		(1 713)	(729)
Net cash used in operating activities		(180 547)	(40 163)

(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 Lease liabilities

	2020 \$ 000	2019 \$ 000
Current	2 081	-
Non-current	2 477	-
	4 558	-

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

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

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

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

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

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

This section should be read in conjunction with note 5.4

Subsequent measurement

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

7.3 Capital commitments

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

	2020 \$ 000
Property, plant and equipment	9 847
Intangible assets	33 105
	42 952

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 and liabilities	8.2
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 enough 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).

8.1 Financial risk management (continued)

(b) Categories of financial instruments

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

	2020 \$ 000	2019 \$ 000
Financial Assets		
Cash and cash equivalents	201 399	158 477
Financial assets at amortised cost ⁽ⁱ⁾	284 112	261 740
Total financial assets	485 511	420 217
Financial Liabilities		
Financial liabilities at amortised cost	27 693	21 466
Total financial liability	27 693	21 466

(i) Financial assets at amortised cost excludes GST recoverable from the ATO (statutory receivable).

(c) Credit risk exposure

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

	Total \$ 000	Current \$ 000	Days past due			
			< 30 Days \$ 000	31-60 Days \$ 000	61-90 Days \$ 000	>90 Days \$ 000
30 June 2020						
Expected credit loss rate		5.09%	10.91%	43.54%	79.82%	100.00%
Estimated total gross carrying amount at default ⁽ⁱ⁾	7 855	4 077	751	197	198	2 632
Expected credit losses	(3 165)	(207)	(82)	(86)	(158)	(2 632)
30 June 2019						
Expected credit loss rate		1.34%	4.1%	20.1%	84.4%	96.5%
Estimated total gross carrying amount at default ⁽ⁱ⁾	7 091	4 705	640	168	38	1 540
Expected credit losses	(1 641)	(63)	(26)	(34)	(32)	(1 486)

(i) Total gross carrying amount at default excludes GST recoverable from the ATO (statutory receivable).

8.1 Financial risk management (continued)

(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	Carrying Amount	Interest rate exposure		
			Fixed Interest Rate	Variable Interest Rate	Non-Interest Bearing
	%	\$ 000	\$ 000	\$ 000	\$ 000
2020					
Financial Assets					
Cash and cash equivalents	0.92%	59 998	-	17 281	42 717
Restricted cash and cash equivalents	0.92%	141 401	-	-	141 401
Receivables ⁽ⁱ⁾	-	7 375	-	-	7 375
Amounts receivable for services	-	276 738	-	-	276 738
		485 512	-	17 281	468 231
Financial Liabilities					
Payables	-	22 802	-	-	22 802
Lease liabilities	2.4%	4 558	4 558	-	-
Other current liabilities	-	333	-	-	333
		27 693	4 558	-	23 135

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

	Weighted Average Effective Interest Rate	Carrying Amount	Interest rate exposure		
			Fixed Interest Rate	Variable Interest Rate	Non-Interest Bearing
	%	\$ 000	\$ 000	\$ 000	\$ 000
2019					
Financial Assets					
Cash and cash equivalents	2.08	51 631	-	17 066	34 565
Restricted cash and cash equivalents	2.08	106 846	-	4 153	102 693
Receivables ⁽ⁱ⁾	-	5 449	-	-	5 449
Amounts receivable for services	-	256 291	-	-	256 291
		420 217	-	21 219	398 998
Financial Liabilities					
Payables	-	21 280	-	-	21 280
Contract liabilities	-	-	-	-	-
Lease liabilities	-	-	-	-	-
Other current liabilities	-	186	-	-	186
		21 466	-	-	21 466

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

Interest rate exposure		Maturity date				
	Nominal Amount	Up to 1 month	1-3 Months	3 Months to 1 year	1-5 Years	More than 5 years
	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000
	59 998	59 998	-	-	-	-
	141 401	141 401	-	-	-	-
	7 375	7 375	-	-	-	-
	276 738	-	-	-	276 738	-
	485 512	208 774	-	-	276 738	-
	22 802	22 802	-	-	-	-
	4 558	304	382	1 476	2 217	179
	333	-	333	-	-	-
	27 693	23 106	715	1 476	2 217	179

Interest rate exposure		Maturity date				
	Nominal Amount	Up to 1 month	1-3 Months	3 Months to 1 year	1-5 Years	More than 5 years
	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000
	51 631	51 631	-	-	-	-
	106 846	106 846	-	-	-	-
	5 449	5 449	-	-	-	-
	256 291	-	-	-	256 291	-
	420 217	163 926	-	-	256 291	-
	21 280	21 280	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	186	-	186	-	-	-
	21 466	21 280	186	-	-	-

8.1 Financial risk management (continued)

(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.

		-100 basis point		+100 basis point	
	Carrying amount \$ 000	Surplus \$ 000	Equity \$ 000	Surplus \$ 000	Equity \$ 000
2020					
Financial Assets					
Cash assets	17 281	(173)	(173)	173	173
Restricted cash assets	-	-	-	-	-
Financial Liabilities					
Lease liabilities	4 558	46	46	(46)	(46)
Total Increase/ (Decrease)	12 723	(127)	(127)	127	127
2019					
Financial Assets					
Cash assets	17 066	(171)	(171)	171	171
Restricted cash assets	4 153	(42)	(42)	42	42
Financial Liabilities					
Lease liabilities	-	-	-	-	-
Total Increase/ (Decrease)	21 219	(213)	(213)	213	213

8.2 Contingent assets and liabilities

The Department has no contingent assets or contingent liabilities as at 30 June 2020.

Contaminated sites

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

The Department is not aware of any contaminated sites, and the Department has not reported any suspected contaminated sites to DWER during the financial year.

8.3 Fair value measurements

	Level 1 \$ 000	Level 2 \$ 000	Level 3 \$ 000	Fair value at end of year \$ 000
Recurring fair value measurements				
2020				
Non-current assets classified as held for distribution to owners (Note 9.9)	-	-	-	-
Land (Note 5.1)	-	10 692	117 462	128 154
Buildings (Note 5.1)	-	2 616	14 968	17 584
	-	13 308	132 430	145 738

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 into Level 2 during 2020. This transfer related to the Welshpool Vehicle Examination Centre property which ceased to be classified as Non-current assets held for distribution to owners. The property has been reclassified as Property, plant and equipment.

	Level 1 \$ 000	Level 2 \$ 000	Level 3 \$ 000	Fair value at end of year \$ 000
Recurring fair value measurements				
2019				
Non-current assets classified as held for distribution to owners (Note 9.9)	-	7 520	-	7 520
Land (Note 5.1)	-	3 699	112 721	116 420
Buildings (Note 5.1)	-	2 096	15 472	17 568
	-	13 315	128 193	141 508

Land and buildings classified as held for distribution to owners during the period 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.

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).

8.3 Fair value measurements (continued)

Valuation techniques to derive Level 2 and Level 3 fair values (continued)

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
2020		
Fair value at start of year	112 721	15 472
Additions	8	-
Revaluation increments/(decrements) recognised in Profit or Loss	4 733	-
Revaluation increments/(decrements) recognised in Other Comprehensive Income	-	841
Transfers from/(to) Level 2	-	-
Disposals	-	-
Depreciation expense	-	(1 345)
Fair value at end of year	117 462	14 968
Total gains or losses for the year included in profit or loss, under 'Other gains'	4 733	-
	Land \$ 000	Buildings \$ 000
2019		
Fair value at start of year	110 182	15 866
Additions	-	-
Revaluation increments/(decrements) recognised in Profit or Loss	2 591	-
Revaluation increments/(decrements) recognised in Other Comprehensive Income	-	838
Transfers from/(to) Level 2	-	-
Disposals	(52)	-
Depreciation expense	-	(1 232)
Fair value at end of year	112 721	15 472
Total gains or losses for the year included in profit or loss, under 'Other gains'	2 591	-

8.3 Fair value measurements (continued)

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 2020 \$ 000	Fair value 2019 \$ 000	Valuation technique(s)	Unobservable inputs
Land	117 462	112 721	Market approach	Selection of land with similar approximate utility
Buildings	14 968	15 472	Current replacement cost	Consumed economic benefit/obsolescence of asset Historical cost per square metre floor area (m ²)

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 are 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 (m²)

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
Initial application of Australian Accounting Standards	9.2
Future impact of Australian standards issued not yet operative	9.3
Key management personnel	9.4
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Indian Ocean Territories Service Level Agreement	9.12
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Events occurring after the end of the financial year	9.14

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:

		2020 \$ 000	2019 \$ 000
Department of Biodiversity, Conservation and Attractions	Technical advice	3	-
Department of Planning, Lands and Heritage	Technical review and support	100	100
Department of Primary Industries and Regional Development	Technical functionality	13	336
DevelopmentWA	Technical advice	20	75
Department of Water and Environmental Regulation	Technical advice	-	-
Office of the Environmental Protection Authority	Technical review	50	50
WA Conservation and Parks Commission	Technical advice	-	-
WA Country Health Service	Technical advice and support	7	-
Western Australian Police Force	Provision of information	1	-
		194	561

9.2 Initial application of Australian Accounting Standards

(a) AASB 15 Revenue from Contract with Customers and AASB 1058 Income of Not-for-Profit Entities

AASB 15 Revenue from Contracts with Customers replaces AASB 118 Revenue and AASB 111 Construction Contracts for annual reporting periods on or after 1 January 2019. Under the new model, an entity shall recognise revenue when (or as) the entity satisfies a performance obligation by transferring a promised good or service to a customer and is based upon the transfer of control rather than transfer of risks and rewards.

AASB 15 focuses on providing enough information to the users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from the contracts with customers. Revenue is recognised by applying the following five steps:

- Identifying contracts with customers
- Identifying separate performance obligations
- Determining the transaction price of the contract
- Allocating the transaction price to each of the performance obligations
- Recognising revenue as each performance obligation is satisfied

Revenue is recognised either over time or at a point in time. Any distinct goods or services are separately identified and any discounts or rebates in the contract price are allocated to the separate elements.

In addition, income other than from contracts with customers are subject to AASB 1058 Income of Not-for-Profit Entities. Income recognition under AASB 1058 depends on whether such a transaction gives rise to liabilities or a contribution by owners related to an asset (such as cash or another asset) recognised by the Department.

The Department adopts the modified retrospective approach on transition to AASB 15 and AASB 1058. No comparative information is restated under this approach, and the Department recognises the cumulative effect of initially applying the Standard as an adjustment to the opening balance of accumulated surplus/(deficit) at the date of initial application (1 July 2019).

Under this transition method, the Department elects to apply the Standard retrospectively to all contracts and transactions that are not completed at the date of initial application.

Refer to Note 4.1, 4.2, 4.3 and 4.4 for the revenue and income accounting policies adopted from 1 July 2019.

The effect of adopting AASB 15 and AASB 1058 are as follows:

	30 June 2020	Adjustments	30 June 2020 Under AASB 118 and 1004
	\$ 000	\$ 000	\$ 000
User charges and fees	272 552	4 613	277 165
Grants and contributions	15 404	100	15 504
Other revenue	57 988	-	57 988
Net result	345 944	4 713	350 657
Contract Liabilities	4 713	(4 713)	-
	4 713	(4 713)	-

9.2 Initial application of Australian Accounting Standards (Continued)

(b) AASB 16 Leases

AASB 16 Leases supersedes AASB 117 Leases and related Interpretations. AASB 16 primarily affects lessee accounting and provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements of both lessees and lessors.

The Department applies AASB 16 Leases from 1 July 2019 using the modified retrospective approach. As permitted under the specific transition provisions, comparatives are not restated. The cumulative effect of initially applying this Standard is recognised as an adjustment to the opening balance of accumulated surplus/(deficit).

The main changes introduced by this Standard include identification of a lease within a contract and a new lease accounting model for lessees that require lessees to recognise all leases (operating and finance leases) on the Statement of Financial Position as right-of-use assets and lease liabilities, except for short term leases (lease terms of 12 months or less at commencement date) and low-value assets (where the underlying asset is valued less than \$5,000). The operating lease and finance lease distinction for lessees no longer exists.

Under AASB 16, the Department takes into consideration all operating leases that were off balance sheet under AASB 117 and recognises:

- (a) right-of-use assets and lease liabilities in the Statement of Financial Position, initially measured at the present value of future lease payments on 1 July 2019;
- (b) depreciation of right-of-use assets and interest on lease liabilities in the Statement of Comprehensive Income; and
- (c) the total amount of cash paid as principal amount, which is presented in the cash flows from financing activities, and interest paid, which is presented in the cash flows from operating activities, in the Statement of Cash Flows.

The Department measures concessionary leases that are of low value terms and conditions at cost at inception. There is no financial impact as the Department is not in possession of any material concessionary leases at the date of transition.

The right-of-use assets were assessed for impairment at the date of transition and the Department has not identified any impairments to its right-of-use assets. On transition, the Department has elected to apply the following practical expedients in the assessment of their leases that were previously classified as operating leases under AASB 117:

- (d) Where the lease term at initial application ended within 12 months, the Department has accounted for these as short-term leases;
- (e) Initial direct costs have been excluded from the measurement of the right-of-use asset;
- (f) Hindsight has been used to determine if the contracts contained options to extend or terminate the lease.

Measurement of lease liabilities

	\$ 000
Operating lease commitments disclosed as at 30 June 2019	77 498
Less:	
Government accommodation leases not recognised as liability	(69 148)
Commitments/leases commencing post 1 July 2019	(2 375)
Restated operating lease commitments disclosed as at 30 June 2019	5 975
Discounted using incremental borrowing rate at date of initial application	5 742
Less:	
Short-term leases not recognised as liability	(38)
Low value leases not recognised as liability	(1 354)
Lease liability recognised at 1 July 2019	4 350

9.3 Future impact of Australian standards issued not yet operative

The Department 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 Department plans to apply the following Australian Accounting Standards from their application date.

Operative for financial years commencing after 1 Jan 2020

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 2018-6 Amendments to Australian Accounting Standards – Definition of a Business

The Standard amends AASB 3 to clarify the definition of a business, assisting entities to determine whether a transaction should be accounted for as a business combination or as an asset acquisition. There is no financial impact.

AASB 2018-7 Amendments to Australian Accounting Standards – Definition of Material

The Standard principally amends AASB 101 and AASB 108. The amendments refine the definition of material in AASB 101. The amendments clarify the definition of material and its application by improving the wording and aligning the definition across AASB Standards and other publications. The amendment also includes some supporting requirements in AASB 101 in the definition to give it more prominence and clarifies the explanation accompanying the definition of material. There is no financial impact.

AASB 2019-1 Amendments to Australian Accounting Standards – References to the Conceptual Framework

This Standard sets out amendments to Australian Accounting Standards, Interpretations and other pronouncements to reflect the issuance of the Conceptual Framework for Financial Reporting (Conceptual Framework) by the AASB. There is no financial impact.

AASB 2019-2 Amendments to Australian Accounting Standards – Implementation of AASB 1059

This Standard makes amendments to AASB 16 and AASB 1059 to: (a) amend the modified retrospective method set out in paragraph C4 of AASB 1059; (b) modify AASB 16 to provide a practical expedient to grantors of service concession arrangements so that AASB 16 would not need to be applied to assets that would be recognised as service concession assets under AASB 1059; and (c) include editorial amendments to the application guidance and implementation guidance accompanying AASB 1059

The Department does not maintain any public private partnership that is within the scope of the Standard.

Operative for financial years commencing after 1 Jan 2022

AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current

This Standard amends AASB 101 to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. There is no financial impact.

9.4 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 (\$)	2020	2019
40 001 - 50 000	-	1
80 001 - 90 000	2	-
100 001 - 110 000	-	1
120 001 - 130 000	2	-
160 001 - 170 000	2	1
170 001 - 180 000	1	-
180 001 - 190 000	-	2
190 001 - 200 000	3	2
200 001 - 210 000	1	3
210 001 - 220 000	3	3
220 001 - 230 000	4	-
250 001 - 260 000	-	2
310 001 - 320 000	1	-
320 001 - 330 000	1	-
340 001 - 350 000	-	1
380 001 - 390 000	1	1
450 001 - 460 000	-	1
	2020	2019
	\$ 000	\$ 000
Short-term employee benefits	3 534	3 126
Post employment benefits	334	381
Other long-term benefits	423	344
Termination benefits	-	196
Total compensation of senior officers	4 291	4 047

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

9.5 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 Department is required to transact with the State and entities related to the State. These transactions are generally based on the standard terms and conditions that apply to all agencies.

Such transactions include:	Note	\$ 000
Income from State Government	4.1	260 660
Equity contributions	9.10	24 223
Superannuation payments (GESB portion)	3.1(a)	10 635
Rental payments to the Department of Finance (Government Office Accommodation and State Fleet) and the Department of Communities (Government Regional Officer Housing)	3.1 & 3.5	16 104
Insurance payments to the Insurance Commission and RiskCover fund	3.5	3 676
Remuneration for services provided by the Auditor General	9.8	256
Payments for repairs and maintenance to the Department of Finance	3.5	374
Transfer of excess On-demand Transport funding to the Department of Treasury	9.1	7 257
Recoup salary and wages for seconded employees from the Department of Finance and Department of Mines, Industry Regulation and Safety	3.1	179
Western Australian Bicycle Network, National Transport Reforms, CBD Transport Plan, East Perth Multi Modal Transport grants provided to Main Roads Western Australia	3.2	17 947
Payments for Strategic Transport Modelling Review, Technical work undertaken for Westport Project to Main Roads Western Australia	3.5	1 352
Central Area Transit (CAT) bus service and Local Projects - Local Jobs grants provided to Public Transport Authority of Western Australia	3.2	15 412
Marine Communications and Community Police grants provided to Western Australia Police Service	3.2	2 314
Contribution for the Support and Maintenance of the WAPOL Biometric Facial Recognition System to Western Australia Police Service	3.2	188
Advisory services provided from Western Australian Treasury Corporation	3.5	229

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.

9.6 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.

	2020 \$ 000	2019 \$ 000
Non-current assets		
Property, plant and equipment	3 562	3 565
Infrastructure	57	68
Total assets	3 619	3 633

9.7 Special purpose accounts

	2020 \$ 000	2019 \$ 000
Deposits		
Opening balance	3 637	4 378
Receipts		
Deposits – Bonds	90	60
Deposits – Trade Plates	131	160
Interest	36	75
	257	295
Payments		
Refunds – Bonds	(61)	(887)
Refunds – Trade Plates	(110)	(149)
	(171)	(1 036)
Closing balance	3 723	3 637

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.

	2020 \$ 000	2019 \$ 000
Receipts in Suspense		
Opening balance	6 882	6 590
Receipts credited to the suspense account	6 838	6 201
Refunds and subsequent allocations	(6 857)	(5 909)
Closing balance	6 863	6 882

The purpose of this account is to hold 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.

9.7 Special purpose accounts (continued)

	2020 \$ 000	2019 \$ 000
Taxi Fare Evasion Recoupment Account		
Opening balance	-	-
Receipts credited to the suspense account	1	1
Refunds and subsequent allocations	(1)	(1)
Closing balance	-	-

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

	2020 \$ 000	2019 \$ 000
Perth Parking Licensing Account		
Opening balance	93 435	54 093
Receipts		
Licence fees (see note 4.2)	56 542	58 723
	56 542	58 723
Payments		
Grants to State government agencies (see note 3.2)	(17 663)	(17 971)
Grants to local shires	(60)	-
Employee costs	(627)	(606)
Supplies and services	(588)	(804)
	(18 938)	(19 381)
Closing balance (see note 7.1.1)	131 039	93 435

This account was established in July 1999 under the Perth Parking Management Act 1999 (the Act) to set aside funds to be used to encourage a balanced transport system for gaining access to the Perth city area. All licence fee revenue generated by the Perth Parking Levy is reinvested into transport services and infrastructure within the Perth Parking Management Area from which it is generated, to deliver a more balanced transport system, including the ongoing provision of the Perth CAT bus system, free public transport within the Free Transit Zone, an incident response service and clearway towing, and administration of the Act.

9.7 Special purpose accounts (continued)

	2020 \$ 000	2019 \$ 000
Taxi Industry Development Account		
Opening balance	4 153	12 269
Receipts		
Service appropriation	-	1 500
Licence fees	-	745
Interest income	21	271
Other revenue	-	5
	4 174	2 521
Payments		
Grants and subsidies	(30)	(2 314)
Consultants' fees	(8)	(128)
Employee costs	(253)	(1 188)
Other payments	(4)	(307)
Transfer to the Consolidated Fund	(3 879)	(6 700)
	(4 174)	(10 637)
Closing balance (see note 7.1.1)	-	4 153

The purpose of this Account was to hold funds received by the Department for the purposes of the Taxi Act 1994. During the year, with the approval of the Minister, the account was closed and all money standing to the credit of the Account was returned to the Consolidated Account.

9.8 Remuneration of Auditor

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

	2020 \$ 000	2019 \$ 000
Auditing the accounts, financial statements and key performance indicator	256	186

The expense is included in Note 3.5 Other expenses.

9.9 Non-current assets classified as held for distribution to owners

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

	2020 \$ 000	2019 \$ 000
Opening balance		
Land	7 000	7 000
Buildings	520	520
Other plant, equipment and infrastructure	323	323
Less write-down to fair value less costs to distribute	(86)	(86)
	7 757	7 757
Assets ceased to be held for distribution to owners		
Land	(7 000)	-
Buildings	(520)	-
Other plant, equipment and infrastructure	(323)	-
Less write-down to fair value less costs to distribute	86	-
	(7 757)	-
Total assets classified as held for distribution to owners		
Land	-	7 000
Buildings	-	520
Other plant, equipment and infrastructure	-	323
Less write-down to fair value less costs to distribute	-	(86)
	-	7 757
Less assets distributed		
Land	-	-
Buildings	-	-
Other plant, equipment and infrastructure	-	-
Less write-down to fair value less costs to distribute	-	-
	-	-
Closing balance		
Land	-	7 000
Buildings	-	520
Other plant, equipment and infrastructure	-	323
Less write-down to fair value less costs to distribute	-	(86)
	-	7 757

Previously classified as held for distribution to owners, the Welshpool Vehicle Examination Centre property has been temporarily re-opened to cater for the additional demand from learner drivers that had their non-essential Practical Driving Assessment (PDA) bookings deferred during the COVID-19 restrictions. The assets associated with the property have been re-classified to their respective non-current asset category.

9.10 Equity

	2020 \$ 000	2019 \$ 000
CONTRIBUTED EQUITY		
Balance at the start of the financial year	514 559	499 071
Contributions by owners		
Capital contributions	18 042	20 634
Transfer of net assets		
• Regional Development Headwords Fund	6 173	1 606
• Department of Planning, Lands and Heritage	8	-
	24 223	22 240
Distributions to owners		
• Department of Treasury	(3 879)	(6 700)
• Department of Planning, Lands and Heritage	-	(52)
	(3 879)	(6 752)
Balance at the end of the financial year	534 903	514 559
RESERVES		
Asset Revaluation Surplus		
Balance at the start of the financial year	2 830	1 903
Net revaluation increments/(decrements)		
• Buildings	1 055	927
Balance at the end of the financial year	3 885	2 830
ACCUMULATED SURPLUS		
Balance at the start of the financial year	338 677	290 224
Initial application of AASB 15	(3 624)	(265)
Restated balance at the start of the financial year	335 053	289 959
Result for the year	51 476	48 718
Balance at the end of the financial year	386 529	338 677
Total equity at the end of the financial year	925 317	856 066

9.11 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:

	2020 \$ 000	2019 \$ 000
(i) Bad Debts		
The Accountable Authority	42	107

All of the debts written off had previously been provided for.

	2020 \$ 000	2019 \$ 000
(ii) Assets		
The Accountable Authority	41	2

(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 provided no gifts of public property during the current financial year.

9.12 Indian Ocean Territories Service Level Agreement

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

	2020 \$ 000	2019 \$ 000
Balance at the start of the year	77	63
Receipts	907	809
Payments	(853)	(795)
Balance at the end of the year	131	77

9.13 Explanatory statement (Controlled Operations)

All variances between estimates (original budget) and actual results for 2020 and between the actual results for 2020 and 2019 are shown below. Narratives are provided for selected major variances which are generally greater than 10% and \$1 million for the Statements of Comprehensive Income, Cash Flows, and the Statement of Financial Position.

Statement of Comprehensive Income Variances

	Variance note	Estimate 2020 \$ 000	Actual 2020 \$ 000	Actual 2019 \$ 000	Variance between estimate and actual \$ 000	Variance between actual result for 2020 and 2019 \$ 000
COST OF SERVICES						
Expenses						
Employee benefits expense		142 283	143 367	135 303	1 084	8 064
Supplies and services		127 852	119 187	114 713	(8 665)	4 474
Depreciation and amortisation expense	1, A	35 332	24 019	21 031	(11 313)	2 988
Accommodation expenses	2	7 005	17 470	17 977	10 465	(507)
Grants and subsidies	B	236 433	213 991	119 044	(22 442)	94 947
Loss on disposal of non-current assets	3, C	-	1 546	450	1 546	1 096
Finance costs	4	3 300	114	-	(3 186)	114
Other expenses	5, D	2 792	40 399	3 646	37 607	36 753
Total cost of services		554 997	560 093	412 164	5 096	147 929
Income						
Revenue						
User charges and fees		273 467	272 552	272 017	(915)	535
Sales		12	75	30	63	45
Grants and contributions	6, E	13 984	15 404	10 605	1 420	4 799
Interest revenue		296	164	581	(132)	(417)
Other revenue		56 443	57 988	56 350	1 545	1 638
Total revenue		344 202	346 183	339 583	1 981	6 600
Gains						
Other gains	7, F	-	4 726	2 526	4 726	2 200
Total gains		-	4 726	2 526	4 726	2 200
Total income other than income from State Government		344 202	350 909	342 109	6 707	8 800
NET COST OF SERVICES		210 795	209 184	70 055	(1 611)	139 129

9.13 Explanatory statement (Controlled Operations) (continued)

Statement of Comprehensive Income Variances (continued)

	Variance note	Estimate 2020 \$ 000	Actual 2020 \$ 000	Actual 2019 \$ 000	Variance between estimate and actual \$ 000	Variance between actual result for 2020 and 2019 \$ 000
INCOME FROM STATE GOVERNMENT						
Service appropriation	8, G	205 586	226 150	76 343	20 564	149 807
Assets received		-	-	(35)	-	35
Services received free of charge		1 989	1 958	1 841	(31)	117
Royalty for Regions Fund	H	34 447	32 552	40 624	(1 895)	(8 072)
Total income from State Government		242 022	260 660	118 773	18 638	141 887
SURPLUS FOR THE YEAR		31 227	51 476	48 718	20 249	2 758
OTHER COMPREHENSIVE INCOME						
<i>Items not reclassified subsequently to profit or loss</i>						
Changes in asset revaluation reserve	9	-	1 055	927	1 055	128
Total other comprehensive income		-	1 055	927	1 055	128
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		31 227	52 531	49 645	21 304	2 886

9.13 Explanatory statement (Controlled Operations) (continued)

Statement of Comprehensive Income Variances

Major Estimate and Actual (2020) Variance Narratives

1. Reduction of \$11.3 million is mainly a result of a decision made during 2019-20 in conjunction with the Department of Finance and the Office of the Auditor General (OAG), that Government Office Accommodation (GOA) inter-agency agreements do not fall into the scope of AASB 16.
2. Increase of \$10.5 million is due to the decision made during 2019-20 in conjunction with the Department of Finance and the Office of the Auditor General (OAG), that Government Office Accommodation (GOA) inter-agency agreements do not fall into the scope of AASB 16: Leases (AASB 16).
3. \$1.5 million relate to disposal of frontline components deemed obsolete and software managing omnibus licences ceasing to be operational as part of the On-Demand Transport reform.
4. Reduction of \$3.2 million is due to the decision made during 2019-20 in conjunction with the Department of Finance and the Office of the Auditor General (OAG), that Government Office Accommodation (GOA) inter-agency agreements do not fall into the scope of AASB 16: Leases (AASB 16).
5. The change mainly represents the settlement of a litigation on behalf of State Government in respect to a dispute under the *Marine and Harbours Act (1981)* relating to an Agreement to build and operate a port in Western Australia. The settlement amount was agreed by a Cabinet decision. (\$35.0 million).
The remaining increase (\$2.6 million) is mainly due to prior year adjustment relating to construction in progress previously capitalised but have now been expensed as a result of the On-Demand Transport reform, which resulted in system obsolescence (\$2.1 million);
6. Increase of \$1.4 million (10.2%) is mainly attributable to funding from Main Roads WA for Transport Infrastructure Campaign approved by Government during the Mid-Year Review 2019-20 process to inform the public of significant transport infrastructure projects being delivered across the State (\$1.0 million).
7. The \$4.7 million relates to the 2020 land revaluation increment. As DoT has no land asset revaluation surplus balance in the Statement of Financial Position, DoT has previously expensed land revaluation decrements through the Statement of Comprehensive Income. Any subsequent gains are therefore accounted under Other gains until all remaining accumulated impairment losses (\$5m) are reversed.
8. Service appropriation exceeds budget by \$20.0 million (10.0%) mainly due to increased funding of \$35.0 million in settlement of all claims for a long-outstanding legal matter against the state; \$3.4 million increase to fund Taxi User Subsidy Scheme; \$2.4 million for the continuation of the Westport Taskforce; \$2.4 million for Metronet's Transport Infrastructure Information Campaign; \$1.8 million for On-demand Transport's COVID-19 Relief Measures; offset by reduced funding of \$12.9 million for Principal Shared Path due to a realignment of the program.
9. \$1.1 million relates to the Department's building revaluation increments for 2020.

Major Actual (2020) and Comparative (2019) Variance Narratives

- A. The increase of \$2.99 million is mainly attributable to the introduction of AASB 16 in 2020 that requires recognition of assets and liabilities for all leases with a term of more than 12 months. Consequently, depreciation has been recognised for these right-of-use assets in 2020.
- B. Grants and Subsidies increased in 2020 by \$94.8 million (79.6%) mainly due to industry funded buy-back scheme of owned taxi plates (\$118.2 million) as part of the implementation of the new direction for the on-demand (taxi and charter) industry. This is partly offset by reduced spend in 2020 of \$13.0 million for Principal Shared Paths due to the cashflow of the program.
- C. The difference of \$1.1 million (243.6%) between the 2 years represents a general retirement of various DoT assets as well as frontline systems that were deemed obsolete as a result of the On-demand Transport reform.
- D. The change mainly represents the settlement of a litigation on behalf of State Government in respect to a dispute under the *Marine and Harbours Act (1981)* relating to an Agreement to build and operate a port in Western Australia. The settlement amount was agreed by a Cabinet decision. (\$35.0 million).

The remaining increase of \$1.7 million (47.4%) is mainly due to prior year adjustment relating to the On-demand Transport reform (\$2.1 million). This has resulted in system technology changes which has led to construction in progress components being obsolete.
- E. Grants and Subsidies revenue increased by \$4.8 million (45.3%) primarily due to funding from Main Roads WA for the WA Bicycle Network (\$2.3 million) and Transport Infrastructure Campaign (\$1.0 million); \$0.4 million for Information Technology costs associated with the move to Kings Square, Fremantle funded by Department of Finance.
- F. The \$2.2 million represents the increase in land revaluation increments from the previous year.
- G. Service Appropriation increased by \$149.8 million (196.2%) over 2019 primarily due to the voluntary Taxi Plate Buy Back Scheme (\$118.6 million) and Ex Gratia Payment in settlement of all claims for a long-outstanding legal matter against the state. (\$35.0 million).
- H. Royalties for Region (RfR) Fund in 2020 is \$8.1 million less than 2019 due to different funding requirements for RFR programs between the 2 years. For example, the Geraldton Airway Runway program funding is offset by the introduction of new RfR programs such as Regional Aviation Support COVID-19.

9.13 Explanatory statement (Controlled Operations) (continued)

Statement of Financial Position Variances

	Variance note	Estimate 2020 \$ 000	Actual 2020 \$ 000	Actual 2019 \$ 000	Variance between estimate and actual \$ 000	Variance between actual results for 2020 and 2019 \$ 000
ASSETS						
Current Assets						
Cash and cash equivalents	1, A	8 398	59 998	51 631	51 600	8 367
Restricted cash and cash equivalents	B	151 872	139 260	105 239	(12 612)	34 021
Inventories		-	598	514	598	84
Receivables	2, C	15 204	10 580	8 513	(4 624)	2 067
Other current assets	3	5 630	4 164	3 824	(1 466)	340
Non-current assets classified as held for distribution to owners	4, D	7 757	-	7 757	(7 757)	(7 757)
Total Current Assets		188 861	214 600	177 478	25 739	37 122
Non-Current Assets						
Restricted cash and cash equivalents		1 737	2 141	1 607	404	534
Amounts receivable for services		279 583	276 738	256 291	(2 845)	20 447
Property, plant and equipment	5	140 499	158 976	148 510	18 477	10 466
Infrastructure	6	226 664	270 012	268 079	43 348	1 933
Intangible assets		35 627	38 198	40 418	2 571	(2 220)
Right-of-use assets	7, E	83 094	4 419	-	(78 675)	4 419
Construction in progress	8, F	82 579	22 847	13 122	(59 732)	9 725
Total Non-Current Assets		849 783	773 331	728 027	(76 452)	45 304
TOTAL ASSETS		1 038 644	987 931	905 505	(50 713)	82 426

	Variance note	Estimate 2020 \$ 000	Actual 2020 \$ 000	Actual 2019 \$ 000	Variance between estimate and actual \$ 000	Variance between actual results for 2020 and 2019 \$ 000
LIABILITIES						
Current Liabilities						
Payables	9	19 930	23 338	21 280	3 408	2 058
Contract liabilities	10, G	-	4 713	-	4 713	4 713
Employee related provisions		22 078	22 890	21 258	812	1 632
Lease liabilities	11, H	-	2 081	-	2 081	2 081
Other current liabilities	12	3 713	333	430	(3 380)	(97)
Total Current Liabilities		45 721	53 355	42 968	7 634	10 387
Non-Current Liabilities						
Employee related provisions		6 054	6 782	6 471	728	311
Lease liabilities	13, I	85 879	2 477	-	(83 402)	2 477
Total Non-Current Liabilities		91 933	9 259	6 471	(82 674)	2 788
TOTAL LIABILITIES		137 654	62 614	49 439	(75 040)	13 175
NET ASSETS		900 990	925 317	856 066	24 327	69 251
EQUITY						
Contributed equity		554 114	534 903	514 559	(19 211)	20 344
Reserves	14, J	1 903	3 885	2 830	1 982	1 055
Accumulated surplus	15, K	344 973	386 529	338 677	41 556	47 852
TOTAL EQUITY		900 990	925 317	856 066	24 327	69 251

9.13 Explanatory statement (Controlled Operations) (continued)

Statement of Financial Position Variances

Major Estimate and Actual (2020) Variance Narratives

1. Cash and cash equivalents are greater than estimate by \$51.6 million (614.4%) mainly due to operating cash surplus in 2018-19 (\$24.0 million); operating cash surplus from 2019-20 due to reduced operating activities (\$13.0 million); Capital projects balances from 2018-19 from project delays (\$12.0 million); and unspent capital projects in 2019-20 (\$5.0 million).
2. The decrease of \$4.6 million (30.4%) relates to reduction of debtors for 18-19 by \$6 million and \$ 2.6 million increase for net movement in debtors for 2019-20.
3. The decrease of \$1.5 million (26.0%) compared to estimate relates to prepayment for 2018-19 which were expensed in 2019-20.
4. The increase of \$7.8 million (100%) is a result of the delay in the sale of Welshpool Licensing centre. Therefore, this asset is now reported under Property, plant and equipment.
5. Property, plant and equipment actual exceeded estimates by \$18.5 million (13.2%) primarily due more than anticipated projects being finalised and commissioned in 2019-20.
6. Infrastructure actual exceeded estimates by \$43.3 million (19.12%) primarily due to a number of infrastructure projects being finalised and commissioned in 2019-20.
7. Reduction of \$78.7 million (94.7%) is mainly a result of a decision made during 2019-20 in conjunction with the Department of Finance and the Office of the Auditor General (OAG), that Government Office Accommodation (GOA) inter-agency agreements do not fall into the scope of AASB 16: Leases.
8. Construction in progress trailed estimate by \$59.7 million (72.33%) due to more projects finalised and commissioned in 2019-20 then targeted. (refer to notes on Property, Plant and equipment and Infrastructure).
9. Payable are overestimate figures by \$3.4 million (17.1%) mainly relating to late receipt of invoices after end of year close off and paid in July 2020.
10. The \$4.8 million relate to Harbour revenue obligations yet to be fulfilled at the end of the financial year.
11. With the introduction of AASB 16 in 2020 which primarily affects lessee accounting, the Department measured a lease liability at the commencement date, at the present value of the lease payment that are not paid at that date. This has equated to \$2.1 million in 2020.
12. Other Current Liabilities is underestimate by \$3.4 million (91.0%) due to the reduction in the credit period of small suppliers from 30 to 20 days.
13. Reduction of \$83.4 million (97.1%) in lease liabilities is mainly a result of a decision made during 2019-20 in conjunction with the Department of Finance and the Office of the Auditor General (OAG), that Government Office Accommodation (GOA) inter-agency agreements do not fall into the scope of AASB 16: Leases (AASB 16).
14. The increase in reserves of \$2.0 million (104.1%) relates to changes in asset revaluation reserve for 19-20 (\$1.1 million) and \$0.9 million for asset revaluation reserve for 2018-19.
15. Accumulated surplus in 2020 exceeds estimate by \$41.6 million (12.1%) due to the increase in the opening surplus by \$21.3 million for 2019 operations; and \$23.5 million relates to accumulated surplus for 19-20.

Major Actual (2020) and Comparative (2019) Variance Narratives

- A. Cash and cash equivalents in 2020 compared to prior year is greater by \$8.4 million (16.2%) primarily due to operating cash surplus from 2019-20 resulting from reduced operating activities (\$13.0 million). This is offset by additional \$2 million in receivables in 2020 compare to 2019 due to timing of some of invoices of 19-20 paid later than the normal credit period.
- B. Restricted cash and cash equivalent increased by \$34.0 million (32.3%) primarily due to a net Perth Parking Fund increases in 2020 of \$36.7 million offset by reimbursement to Consolidated of \$3.9 million with the closure of the Taxi Industry Development Account.
- C. The increase of \$2.1 million (24.3%) in receivables in 2020 compare to 2019 is due to timing of some of invoices of 19-20 paid later than the normal credit period.
- D. The increase of \$7.8 million (100%) is a result of the delay in the sale of Welshpool Licensing centre. Therefore, this asset is now reported under Property, plant and equipment.
- E. The increase of \$4.4 million is mainly attributable to the introduction of AASB 16 in 2020 that requires recognition of assets and liabilities for all leases with a term of more than 12 months.
- F. The increase of \$9.7 million (74.1%) is due to more capital expenditure in 2019 on maritime assets and Information and Technology compare to 2018.
- G. The \$4.8 million relate to Harbour revenue related performance obligations yet to be fulfilled at the end of the financial year.
- H. With the introduction of AASB 16 in 2020 which primarily affects lessee accounting, the Department measured a lease liability at the commencement date, at the present value of the lease payment that are not paid at that date. This has equated to \$2.1 million in 2020.
- I. The increase of \$2.5 million in Lease liabilities is mainly due to the introduction of AASB 16 in 2019-20.
- J. Reserves has increased by \$1.1 million (37.3%) over 2019 due to surpluses arising from the increase in Department's building revaluation for 2020.
- K. Accumulated Surplus is increased by \$47.9 million (14.1%) over 2019. This variance relates to an increased surplus of \$51.4 million for 2020 mainly due to an additional \$37.6 million added to Perth Parking Fund, reduced operating activities but offset by the return of \$3.87 million of balance of TIDA to consolidated Fund.

9.13 Explanatory statement (Controlled Operations) (continued)

Statement of Cash Flows Variances

	Variance note	Estimate 2020 \$ 000	Actual 2020 \$ 000	Actual 2019 \$ 000	Variance between estimate and actual \$ 000	Variance between actual result for 2020 and 2019 \$ 000
CASH FLOWS FROM STATE GOVERNMENT						
Service appropriation	1, A	182 294	205 703	56 509	23 409	149 194
Capital appropriation	2, B	35 310	18 042	20 634	(17 268)	(2 592)
Administered equity contribution	3	5 220	-	-	(5 220)	-
Cash transferred (to)/from other agencies	4, C	-	(3 879)	(6 700)	(3 879)	2 821
Royalties for Regions Fund		38 694	38 725	42 230	31	(3 505)
Net cash provided by State Government		261 518	258 591	112 673	(2 927)	145 918
Utilised as follows:						
CASHFLOWS FROM OPERATING ACTIVITIES						
Payments						
Employee benefits		(141 927)	(139 985)	(134 760)	1 942	(5 225)
Supplies and services		(124 612)	(117 400)	(112 197)	7 212	(5 203)
Finance costs	5	(3 300)	(114)	-	3 186	(114)
Accommodation	6	(7 005)	(17 575)	(16 804)	(10 570)	(771)
Grants and subsidies	7, D	(236 433)	(212 572)	(118 752)	23 861	(93 820)
GST payments on purchases		(26 706)	(25 359)	(26 859)	1 347	1 500
Other payments	8, E	(4 043)	(36 992)	(4 342)	(32 949)	(32 650)
Receipts						
Sale of goods and services		12	75	31	63	44
User charges and fees		275 167	272 645	270 518	(2 522)	2 127
Grants and contributions	F	13 984	14 966	16 791	982	(1 825)
Interest received		296	239	663	(57)	(424)
GST receipts on sales		7 881	7 657	7 937	(224)	(280)
GST receipts from taxation authority	G	18 825	17 481	19 959	(1 344)	(2 478)
Other receipts		57 743	56 387	57 652	(1 356)	(1 265)
Net cash used in operating activities		(170 118)	(180 547)	(40 163)	(10 429)	(140 384)

	Variance note	Estimate 2020 \$ 000	Actual 2020 \$ 000	Actual 2019 \$ 000	Variance between estimate and actual \$ 000	Variance between actual result for 2020 and 2019 \$ 000
CASH FLOWS FROM INVESTING ACTIVITIES						
<i>Payments</i>						
Purchase of non-current assets	9, H	(38 284)	(32 915)	(24 296)	5 369	(8 619)
<i>Receipts</i>						
Proceeds from sale of non-current assets		-	49	90	49	(41)
Net cash used in investing activities		(38 284)	(32 866)	(24 206)	5 418	(8 660)
CASH FLOWS FROM FINANCING ACTIVITIES						
<i>Payments</i>						
Repayment of lease liabilities	10, I	(9 546)	(2 256)	-	7 290	(2 256)
Net cash used in financing activities		(9 546)	(2 256)	-	7 290	(2 256)
Net decrease in cash and cash equivalents	J	43 570	42 922	48 304	(648)	(5 382)
Cash and cash equivalents at the beginning of the year	11, K	118 437	158 477	110 173	40 040	48 304
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		162 007	201 399	158 477	39 392	42 922

9.13 Explanatory statement (Controlled Operations) (continued)

Statement of Cash Flows Variances

Major Estimate and Actual (2020) Variance Narratives

1. Service appropriation exceeds budget by \$23.4 million (12.8%) mainly due to increased funding of \$35.0 million for making ex gratia payment in settlement of all claims for a long-outstanding legal matter against the state; \$3.4 million increase to fund Taxi User Subsidy Scheme; \$2.4 million for the continuation of the Westport Taskforce; \$2.4 million for Metronet's Transport Infrastructure Information Campaign; \$1.8 million for On Demand Transport's COVID-19 Relief Measures; offset by reduced funding of \$12.9 million for Principal Shared Path due to a realignment of the program to the forward estimate years and deferral of \$9.5 million to 2021-22 for Busselton Margaret River Airport.
2. Capital appropriation is \$17.3 million (48.9%) below budget mainly due to the deferral of various programs to 2020-21 such as Spoilbank Marina Port Hedland (\$15.0 million), National Facial Biometric Matching Capability program (\$1.3 million) and Service WA Pilot Program (\$0.4 million); delay of Sale of Welshpool Licensing Centre to 2021-22 (\$3.4 million); offset by increased to capital appropriation (\$2.9 Million) as a result of the release of funds from Treasury Administered Account due to the completion of the Gateway Review on the On Demand Transport Business System Enhancement.
3. Administered equity contribution - \$5.2 million represents funding set aside by Government for the On-Demand Transport Business System Enhancement as administered equity until the conclusion of the Gateway Review as stipulated by ERC/Cabinet. Completion of the review resulted in the carryover of the project to 2021 and the release of funds from Treasury's Administered Account.
4. The reduction of \$3.9 million is a result of the closure of Taxi Industry Development Account (TIDA) that resulted in the balance of the TIDA account being transferred to Treasury's Consolidated Account.
5. The underspend of \$3.2 million (96.5%) is primarily due to the decision made during 2019-20 in conjunction with the Department of Finance and the Office of the Auditor General (OAG), that Government Office Accommodation (GOA) inter-agency agreements do not fall into the scope of AASB 16: Leases (AASB 16).
6. Reduction of \$10.6 million (150.9%) is due to the decision made during 2019-20 in conjunction with the Department of Finance and the Office of the Auditor General (OAG), that Government Office Accommodation (GOA) inter-agency agreements do not fall within the scope of AASB 16: Leases (AASB 16).
7. The underspend of \$23.9 million (10.1%) is mainly due to the changes to the Principal Shared Path program (\$12.5 million); deferral of the Busselton Margaret River Airport project to 2020-21 (\$9.5 million) and lower grant payments for Country age Pension Fuel Card (\$4.7 million). This is offset by increased grant payment for Taxi User Subsidy Scheme resulting from increased number of approved applicants (\$2.0 million) and Covid -19 On Demand Booking Service Relief Payments (\$1.6 million).
8. The change mainly represents the settlement of a litigation on behalf of State Government in respect to a dispute under the *Marine and Harbours Act (1981)* relating to an Agreement to build and operate a port in Western Australia. The settlement amount was agreed by a Cabinet decision. (\$35.0 million).

The remaining underspend of \$2.1 million (50.7%) is mainly due to reduced operating activities in 2020. Overall operating activities have been impacted by COVID-19.
9. The underspend of \$5.4 million is mainly due to deferral of Capital programs approved during the Mid-Year Review 2020 Budget Process (\$1.7 million) and general underspend in capital programs such as the Maritime Facilities Program (\$2.2 million) and Transforming Bunbury Waterfront (\$1.6 million).
10. The underspend of \$7.3 million (76.3%) is primarily due to the decision made during 2019-20 in conjunction with the Department of Finance and the Office of the Auditor General (OAG), that Government Office Accommodation (GOA) inter-agency agreements do not fall into the scope of AASB 16: Leases (AASB 16).
11. The increase in cash and cash equivalents at the beginning of the period of \$40.0 million (33.8%) is mainly a result of a cash surplus resulted from reduced operations (\$24 million) for 2019 and capital projects delays in 2019 (\$11 million) with the balance resulting from accrual invoices.

Major Actual (2020) and Comparative (2019) Variance Narratives

- A. Service Appropriation increased by \$149.2 million (264%) over 2019 primarily due to the voluntary Taxi Plate Buy Back Scheme (\$118.6 million); Ex Gratia Payment to James Point Pty Ltd (\$35.0 million); 2019-20 Mid-Year Review approval for Metronet Infrastructure Information campaign (\$2.4 million) and continuation of the Westport Taskforce (\$2.4 million); increased supplementary funding approved by ERC for Taxi User Subsidy Scheme (\$1.7 million) in 2020; offset by reduced funding of \$12.9 million for Principal Shared Path due to program realignment.
- B. The decrease of capital appropriations between 2019 and 2020 of \$2.6 million (12.6%) is mainly deferral of various capital programs as a result of underspends in capital programs during the year.
- C. The increase of \$2.8 million (42.1%) over 2020 figures is a result of the return of \$6.7 million from the TIDA account in 2019 to reimburse Consolidated Account due to the delay in drafting of the new On Demand Transport Act.
- D. The increase of \$93.8 million (79.0%) in 2020 is mainly a result of the voluntary Taxi Buy Plate Buy Back Scheme (\$118.2 million) offset by reduction in grant payment for Principal Shared Paths re-cashflowed (\$13.0 million); completion of Geraldton Airport Runway Pavement Renewal (\$6.5 million) and decreased grant payment for Broome Boating Facilities Upgrade in 2020 (\$3.6 million).
- E. The change mainly represents the settlement of a litigation on behalf of State Government in respect to a dispute under the *Marine and Harbours Act (1981)* relating to an Agreement to build and operate a port in Western Australia. The settlement amount was agreed by a Cabinet decision. (\$35.0 million).

The remaining underspend of \$2.4 million (54.3%) is mainly due to reduced operating activities in 2020 as a result of the ongoing pandemic impacting all facets of DoT's operations.
- F. The decrease of \$1.8 million (10.9%) is mainly due to payment from Main Roads for Safe Active Streets - Bike Boulevard and Stephenson Boulevard Project received in 2019 (\$6.6 million); payment from WA Planning Commission for Strategic Transport Modelling (\$0.3 million) offset by increase in 2020 to grant payment from Main Roads WA for WA Bicycle Network (\$2.3 million); Customer Information Centre (\$1.8 million) and METRONET Infrastructure Information Campaign (\$1.0 million).
- G. The decrease of \$2.5 million (12.4%) GST Receipts from Taxation Authority is primarily a result of reduced operating activities in 2020.
- H. The increase in purchase of non-current physical assets of \$8.6 million in 2020 is mainly due to the completion of Bandy Creek Weir (\$4.6 million) and Onslow - Beadon Creek Training Wall upgrade works (\$3.5 million).
- I. The increase in payment for Finance Leases of \$2.2 million in 2020 is the result of the introduction of AASB16 in the 2020 Financial Year.
- J. The net decrease in cash and cash equivalents 2020 of \$5.4 million (11.4%) is primarily due the increased payment to capital programs (\$8.6 million); by reduced net payment for operating activities (\$5.5 million) during 2020 impacted by COVID-19.
- K. The increase in cash and cash equivalents at the beginning of the period 2020 exceeds 2019 by \$48.3 million (43.8%) mainly due to the increase in Perth Parking Licence Account of \$36.7 million and reduced operating activities in the Department in light of the inevitable delays associated with the COVID-19 pandemic.

9.14 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	
	2020 \$ 000	2019 \$ 000	2020 \$ 000	2019 \$ 000
Expenses				
Transfer Payments				
Consolidated Account	-	-	1 404 362	1 350 039
Department of Local Government, Sport and Cultural Industries	-	-	85	60
Insurance Commission of Western Australia	-	-	1 019 945	970 911
WA Coastal Shipping Commission	100	100	-	-
Road Trauma Trust Account	-	-	78 666	76 526
Other expenses	-	-	456	-
Total administered expenses	100	100	2 503 514	2 397 536
Income				
For transfer to the Consolidated Account or Agencies				
Appropriations for transfer to the:				
Western Australian Coastal Shipping Commission	100	100	-	-
Infringements				
Plate and transfer infringements	-	-	8 184	8 058
Speed and red-light infringements	-	-	102 007	105 468
Final demand traffic infringements	-	-	2 174	2 134
On-demand Transport Levy	-	-	-	-
Motor vehicle registrations				
Motor vehicle fees	-	-	85	60
Motor vehicle registrations	-	-	997 183	948 835
Stamp duty	-	-	377 104	361 494
Third party motor vehicle insurance premiums	-	-	772 593	735 396
Catastrophic Injury Support Scheme	-	-	247 352	235 515
Collection of interstate licencing fees	-	-	-	4
Total administered income	100	100	2 506 682	2 396 964

The Department does not administer receipts or payments on behalf of Service 3 (Coastal Infrastructure), and it is excluded from the note.

	Marine Safety		On-demand Transport		Total	
	2020 \$ 000	2019 \$ 000	2020 \$ 000	2019 \$ 000	2020 \$ 000	2019 \$ 000
	-	-	37 917	-	1 442 279	1 350 039
	-	-	-	-	85	60
	-	-	-	-	1 019 945	970 911
	-	-	-	-	100	100
	-	-	-	-	78 666	76 526
	-	-	-	-	456	-
	-	-	37 917	-	2 541 531	2 397 636
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	100	100
	-	-	-	-	8 184	8 058
	-	-	-	-	102 007	105 468
	-	-	-	-	2 174	2 134
	-	-	43 414	5 213	43 414	5 213
	-	-	-	-	85	60
	-	-	-	-	997 183	948 835
	-	-	-	-	377 104	361 494
	-	-	-	-	772 593	735 396
	-	-	-	-	247 352	235 515
	-	-	-	-	-	4
	-	-	43 414	5 213	2 550 196	2 402 277

10.2 Explanatory statement for Administered Items

All variances between estimates (original budget) and actual results for 2020 and between the actual results for 2020 and 2019 are shown below. Narratives are provided for key major variances, which are generally greater than 10% and \$1,000,000.

	Variance note	Estimate 2020 \$ 000	Actual 2020 \$ 000	Actual 2019 \$ 000	Variance between estimate and actual \$ 000	Variance between actual result for 2020 and 2019 \$ 000
Expenses						
Transfer Payments						
Consolidated Account	1	1 043 386	1 442 279	1 350 039	398 893	92 240
Department of Local Government, Sport and Cultural Industries		106	85	60	(21)	25
Insurance Commission of Western Australia	2	-	1 019 945	970 911	1 019 945	49 034
Western Australian Coastal Shipping Commission		100	100	100	-	-
Road Trauma Trust Account		77 793	78 666	76 526	873	2 140
Other expenses		-	456	-	456	456
Total administered expenses		1 121 385	2 541 531	2 397 636	1 420 146	143 895
Income						
For transfer to the Consolidated Account or Agencies						
Appropriations for transfer to the:						
Western Australian Coastal Shipping Commission		100	100	100	-	-
Infringements						
Plate and transfer infringements		8 355	8 184	8 058	(170)	126
Speed and red-light infringements		100 821	102 007	105 468	1 186	(3 461)
Final demand fees – traffic infringements		2 459	2 174	2 134	(285)	40
On-demand Transport Levy	3,A	29 500	43 414	5 213	13 914	38 201
Motor vehicle registrations						
Motor vehicle fees		106	85	60	(21)	25
Motor vehicle registrations		980 044	997 183	948 835	17 139	48 348
Stamp duty	4	-	377 393	361 494	377 393	15 899
Third party motor vehicle insurance premiums	5	-	772 593	735 396	772 593	37 197
Catastrophic Injury Support Scheme	6	-	247 352	235 515	247 352	11 837
Collection of interstate licencing fees		-	-	4	-	(4)
Total administered income		1 121 385	2 550 485	2 402 277	1 429 100	148 208

10.2 Explanatory statement for Administered Items (continued)

Major Estimate and Actual (2020) Variance Narratives

1. Consolidated account transfer payments exceeded estimates by \$398.9 million (38.2%) mainly 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 \$1,019.9 million from Third Party insurance premiums (\$772.6 million) and Catastrophic Injury Support Scheme (\$247.4 million) collected on behalf and transferred to Insurance Commission of Western Australia. This item is not reflected in the Department's budget statement.
3. The On-demand Transport Levy collection is greater than expected (as part of the 10% surcharge/levy on all on -demand transport fare) mainly due to greater number of trips undertaken by On Demand Booking Service. This levy was to fund the voluntary buy back scheme for taxi drivers which was initially funded from the Consolidated Account.
4. Stamp Duty revenue collected amounted to \$377.1 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 as it falls under Insurance Commission of Western Australia.
5. Third Party Motor Vehicle Insurance premiums totalled \$772.6 million collected on behalf and transferred to Insurance Commission of Western Australia. This item is not reflected in the Department's budget statement.
6. Catastrophic Injury Support Scheme totalled \$247.4 million collected on behalf and transferred to Insurance Commission of Western Australia. This item is not reflected in the Department's budget statement.

Major Actual (2020) and Comparative (2019) Variance Narratives

- A. The increase in On Demand Transport Levy over 2019 of \$38.2 million (733%) is due to the commencement of the levy on 1 April 2019 which resulted in only 25 percent of returns lodged by the end of 2019-20 Financial year. The increase was also contributed by higher number of trips being undertaken compared to projections.

10.3 Administered assets and liabilities

	2020 \$ 000	2019 \$ 000
Current assets		
Cash	20 975	19 294
Accounts receivable (i)	11 142	5 689
Total current assets	32 117	24 983
Total administered assets	32 117	24 983
Current liabilities		
Payables	5 597	7 118
Accruals and interest payable	6 454	6 461
Total current liabilities	12 051	13 579
Total administered liabilities	12 051	13 579
(i) Notes to the Schedule of Administered Items – Accounts Receivable		
Current Receivables	21 517	15 607
Allowance for impairment of receivables	(10 375)	(9 918)
	11 142	5 689





Certification of Key Performance Indicators

For the year ended 30 June 2020

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 (DoT) performance, and fairly represent the performance of the DoT for the financial year ended 30 June 2020.

A handwritten signature in black ink, appearing to read 'P. Woronzow', is written over a light blue horizontal line.

Peter Woronzow
Accountable Authority

17 September 2020

Key Performance Indicators

For the year ended 30 June 2020

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; ensuring service delivery; and setting safety standards across the range of public and commercial transport systems in WA.

Together with its Portfolio partners, DoT has the expertise to deliver the integrated transport plans, 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, paths and waterways, and keeps people safe within those networks through an integrated approach to planning, licensing, and education and compliance strategies.

DoT made the following changes to its Outcome Based Management Framework during 2019-20 to reflect the On-demand Transport reform:

Key Effectiveness Indicators under 'Outcome 3: An accessible and safe transport system':

- discontinued Key Performance Indicator (KPI) "Percentage by which, the waiting time standard, for metropolitan area taxis, is met"; and
- introduced new KPI "Percentage of multi-purpose taxi journeys carrying passengers in wheelchairs which meet the waiting time standard".

Key Efficiency Indicators under 'Service 5: On-Demand Transport':

- Discontinued KPI "Cost of Regulation per Taxi Plate Administered"; and
- introduced new KPI "Cost per On-demand Transport Authorisation".

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.

State Government Goals	DoT Outcomes	DoT Services
Future Jobs and Skills Grow and diversify the economy, create jobs and support skills development.	Outcome 1 Integrated transport systems that facilitate economic development.	Service 1 Strategic Transport Policy and Integrated Planning
Strong Communities Safe communities and supported families.	Outcome 2 Vehicles and road users that meet established vehicle standards and driver competencies to deliver safe vehicles and safe drivers.	Service 2 Driver and Vehicle Services
Better Places A quality environment with liveable and affordable communities and vibrant regions.	Outcome 3 An accessible and safe transport system.	Service 3 Coastal Infrastructure Service 4 Marine Safety Service 5 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
Outcome 1 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 Percentage of regional Local Government Areas (LGAs) that have access to regular public transport air services between the LGA and Perth
Outcome 2 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) Percentage of driver licences issued that comply with the Graduated Driver Training and Licensing System (Safe Drivers) Percentage of driver's licence cards issued within 21 days of completed application
Outcome 3 An accessible and safe transport system.	Percentage of time maritime infrastructure is fit for purpose when required Rate of reported incidents (accidents) on the water per 10,000 registered recreational vessels Percentage of multi-purpose taxi journeys carrying passengers in wheelchairs which meet the waiting time standard

Explanation for significant variances

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

Departmental services	Efficiency indicators
Service 1 Strategic Transport Policy and Integrated Planning	Average cost per policy hour for strategic transport policy development Average cost per planning hour for integrated transport planning development
Service 2 Driver and Vehicle Services	Average cost per vehicle and driver transaction Average cost per vehicle inspection performed by Vehicle Examination Centres Average cost per vehicle inspection delivered through Authorised Inspection Stations Average cost per driver assessment
Service 3 Coastal Infrastructure	Average cost per day per maritime infrastructure asset managed
Service 4 Marine Safety	Average cost per private recreational vessel registration Cost to maintain Marine Pollution Response preparedness per registered vessel
Service 5 On-demand Transport	Cost per On-demand Transport Authorisation

Outcome 1: Integrated transport systems that facilitate economic development

DoT 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 Freight, Ports, Aviation 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:

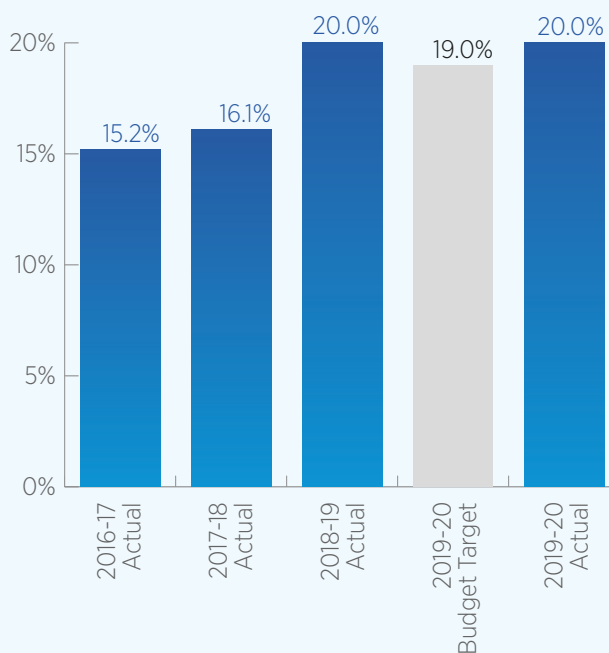
- percentage of containerised freight transported via rail in relation to total metropolitan container movements to and from Fremantle Port; and
- percentage of regional Local Government Areas (LGAs) that have access to regular public transport air services between the LGA and Perth.

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

This indicator measures how effectively DoT's container rail subsidy is shifting the transportation of containerised metropolitan freight from road to rail, thereby reducing heavy vehicle movement on arterial port roads. A significant proportion of metropolitan container movements occur on roads between the key freight precinct of Kewdale-Forrestfield and the Fremantle Inner Harbour.

The indicator compares the proportion of containers transported by rail through the North Quay Rail Terminal (NQRT) with the total number of containers moving through the Fremantle Inner Harbour.

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



Reason for significant variance

The variance between the 2019-20 Budget Target and the 2019-20 Actual is due to the container rail service achieving higher than predicted rail volumes during the first half of 2019-20. While the budget figures had predicted that grain-related container volumes would be lower in 2019-20, strong demand continued to drive rail volume growth during the first half of the financial year. These volume gains were eroded in the second half of the year due to COVID-19 having a negative impact on port throughput volumes and on rail use.

There was no significant variance between the 2018-19 Actual and the 2019-20 Actual.

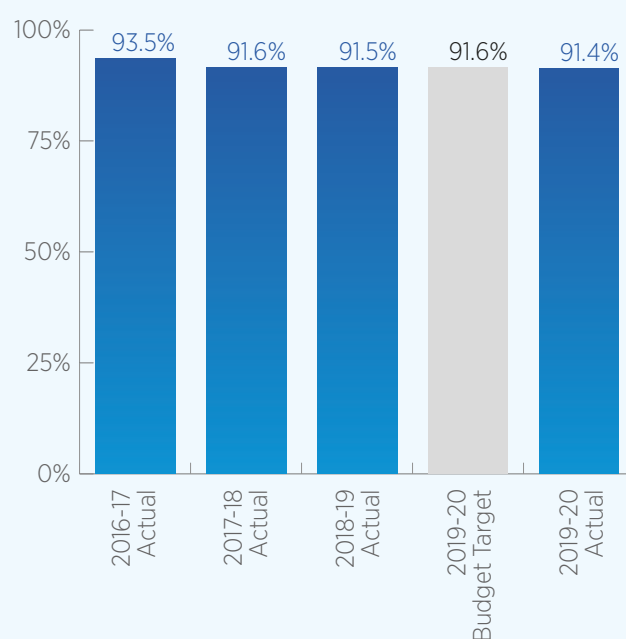
Percentage of regional Local Government Areas (LGAs) that have access to regular public transport air services between the LGA and Perth

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 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

There was no significant variance between the 2019-20 Budget Target and the 2019-20 Actual or between the 2018-19 Actual and the 2019-20 Actual.

A minor variance between the 2019-20 Budget Target and 2019-20 Actual and the 2018-19 Actual and 2019-20 Actual is due to Narrogin being reported twice, as a shire and a town in the previous year, which was corrected in the current year. This caused a reduction in the total number of LGAs from 109 to 108 and a reduction in the number of LGAs with a population greater than 500 and within 250km of RPT air services from 86 to 85.

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);
- percentage of driver licences issued that comply with the Graduated Driver Training and Licensing System (Safe Drivers); and
- 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)

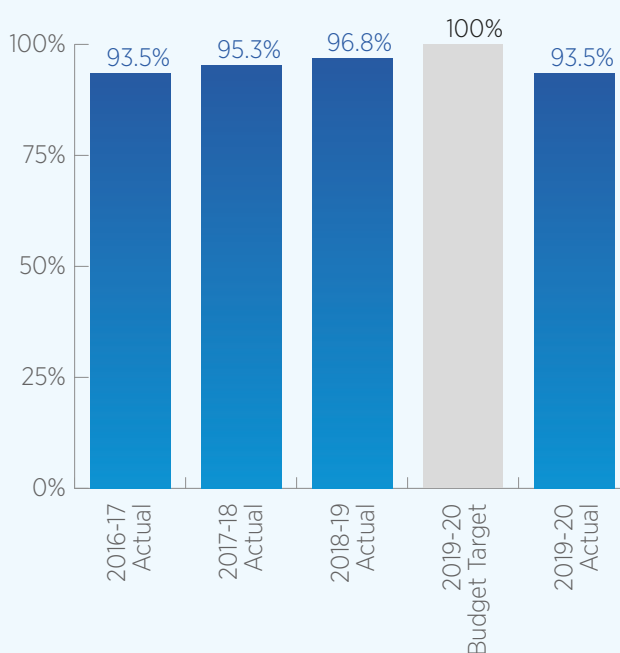
This indicator measures the extent to which vehicles meet established vehicle standards to deliver safe vehicles.

The data is derived from a sample of completed examination forms (Certificates of Inspection), which are reviewed by DoT. 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 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

Assessing compliance for this indicator is dependent upon verification of original source documents for completed vehicle examinations. The variance between the 2019-20 Budget Target and the 2019-20 Actual was due to delays in the return of certification of inspections forms from Regional Authorised Inspection Station providers to DoT which was impacted due to external provider COVID-19 delays.

A number of initiatives are in progress to resolve this manual compliance issue as DVS continues to work with AIS providers to minimise the delay.

There was no significant variance between the 2018-19 Actual and the 2019-20 Actual.

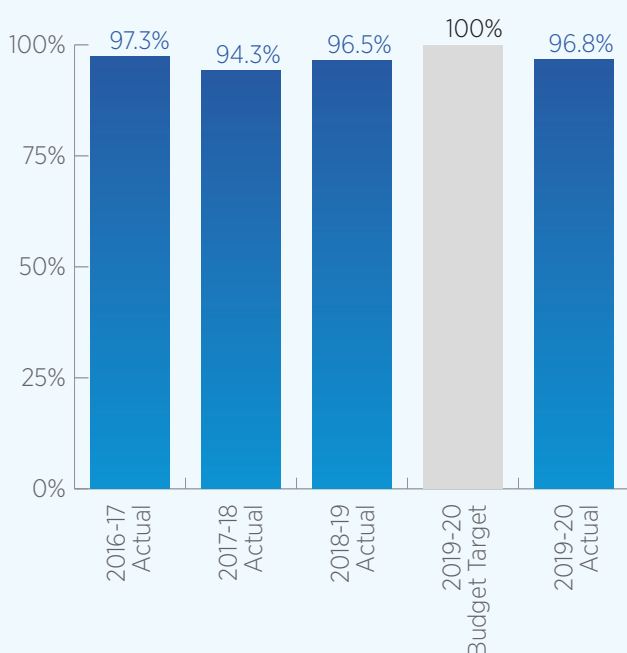
Percentage of driver licences issued that comply with the Graduated Driver Training and Licensing System (Safe Drivers)

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 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 reports that provide the driver licences issued in the last 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.

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



Reason for significant variance

There was no significant variance between the 2019-20 Budget Target and 2019-20 Actual or between the 2018-19 Actual and 2019-20 Actual.

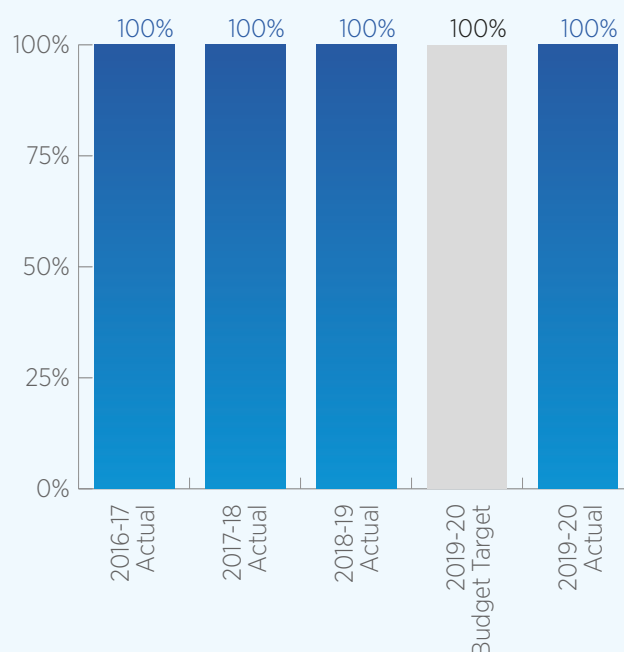
Percentage of driver's licence cards issued within 21 days of completed application

DoT is committed to issuing driver's licence cards in a timely manner to provide an effective 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.

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



Reason for significant variance

There was no significant variance between the 2019-20 Budget Target and the 2019-20 Actual or between the 2018-19 Actual and the 2019-20 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.

DoT is responsible for accessibility to marine related infrastructure and waterways. The Department also provides regulation, education, training and compliance monitoring to ensure safety of marine vessels and their users.

DoT is also responsible for ensuring an adequate accessible 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 WA Police in its community safety role.

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

Accessibility

- Percentage of multi-purpose taxi journeys carrying passengers in wheelchairs which meet the waiting time standard.
- Percentage of time maritime infrastructure is fit for purpose when required.

Safety

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

Percentage of multi-purpose taxi journeys carrying passengers in wheelchairs which meet the waiting time standard ¹

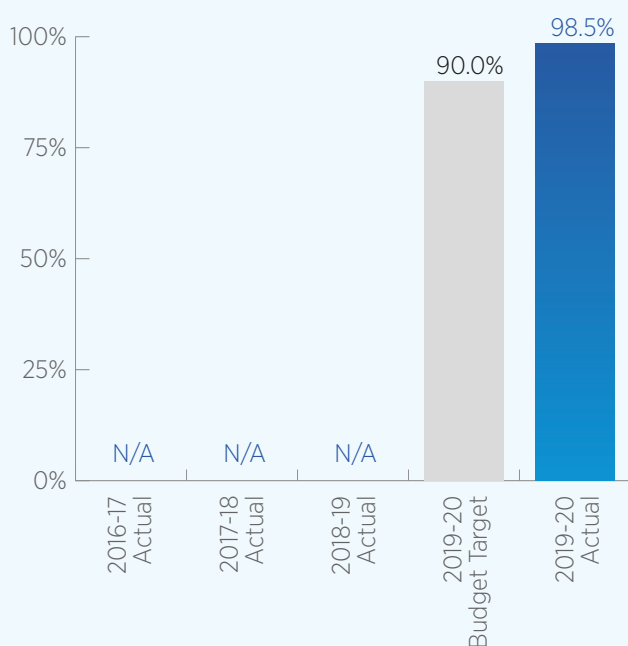
This indicator assists in identifying supply versus demand requirements for the multi-purpose taxi (MPT) industry and its customers. The wait times for MPTs, both pre-booked and requested 'as soon as possible', have been measured during both peak and off-peak times. Orders that meet the performance standard, 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.

¹ New Key Effectiveness Indicator for 2019-20

Percentage of multi-purpose taxi journeys carrying passengers in wheelchairs which meet the waiting time standard



Reason for significant variance

When the target of 90% was set, it was expected that this would be exceeded as the multi-purpose taxi dispatch service contract is closely managed. However, it was unknown what effect the on-demand transport industry reform would have on the KPI's performance when the target was set to allow for a period of transition for the industry. Another factor in exceeding the target may be that the reform has allowed the multi-purpose taxi dispatch service contractor to increase its fleet of wheelchair accessible vehicles, making more services available to people with disability.

Percentage of time maritime infrastructure is fit for purpose when required

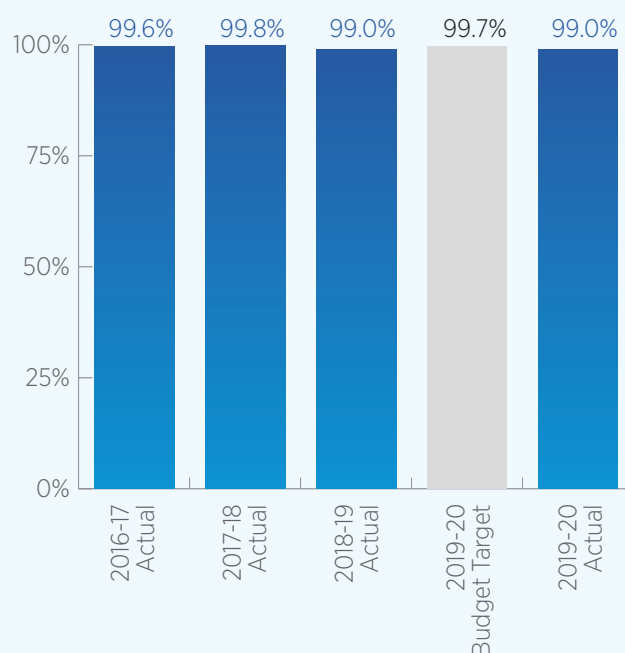
DoT is responsible for the planning, creation, enhancement and management of new and existing land and water-based maritime facilities for small craft boats throughout Western Australia.

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 2019-20.

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.

Percentage of time maritime infrastructure is fit for purpose when required



Reason for significant variance

There was no significant variance between the 2019-20 Budget Target and the 2019-20 Actual or between the 2018-19 Actual and the 2019-20 Actual.

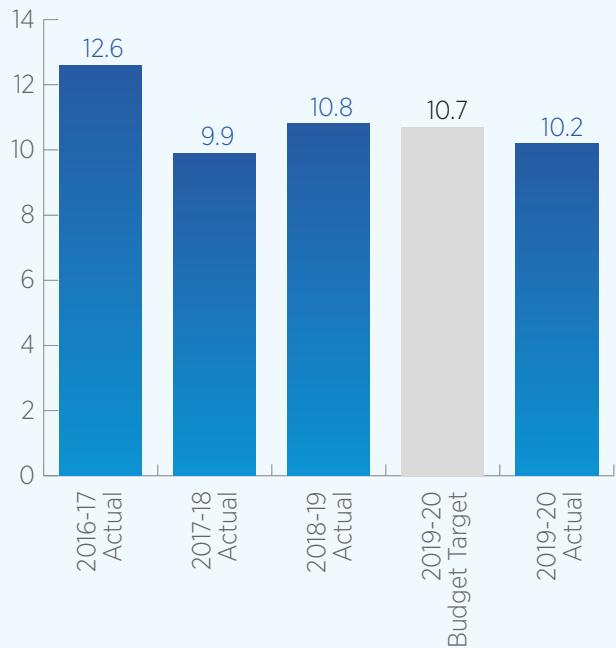
Rate of reported incidents (accidents) on the water per 10,000 registered recreational vessels

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 per ten thousand vessels).

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 vessels



Reason for significant variance

There was no significant variance between the 2019-20 Budget Target and the 2019-20 Actual.

The variance between the 2018-19 Actual and the 2019-20 Actual is due to a decrease in incidents driven by DoT's ongoing safety education behaviour change strategy, focusing on elements relating to boater location, weather interpretation, and safety equipment accessibility.

Measures of efficiency

The measures of efficiency indicate the key services provided (outputs) in relation to the cost of the resources (inputs) required to deliver them. While the effectiveness indicators measure DoT's success in achieving its 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 the efficiency indicators, all costs involved with providing the service, such as direct cost, corporate overheads and interdepartmental cost allocations, are included.

The following expenditures have been excluded in calculating efficiency indicators, as they either do not relate to the delivery of services by DoT or are specific project spending mostly funded by external sources such as for METRONET.

	2019-20	2018-19	2017-18
Non-reportable KPI cost	\$'000	\$'000	\$'000
Grant and subsidies	214,919	123,418	93,340
Non-core operation	68,598	24,382	28,756
Total non-reportable cost	283,517	147,800	122,096

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 specific projects that can have project specific efficiency measures.

The significant increase in the Grant and subsidies costs in 2019-20 reflects the State Government's commitment to buy back metropolitan taxi plates for \$118 million.

The non-core operations also had a significant cost increase in 2019-20, which was mainly due to the settlement of a litigation on behalf of State Government in respect to a dispute under the *Marine and Harbours Act*.

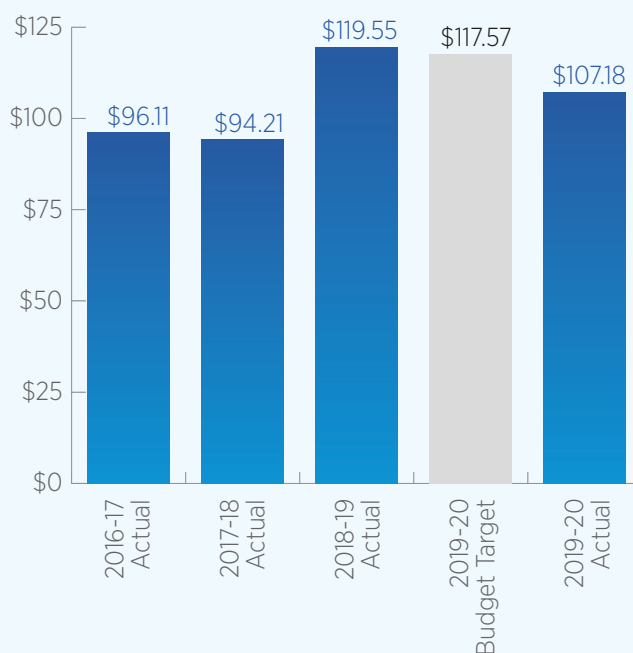
The measures of efficiency used for DoT and how they relate are as follows.

Service 1: Strategic transport policy and integrated planning

This service contributes to the provision of leadership for strategic management and development, 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

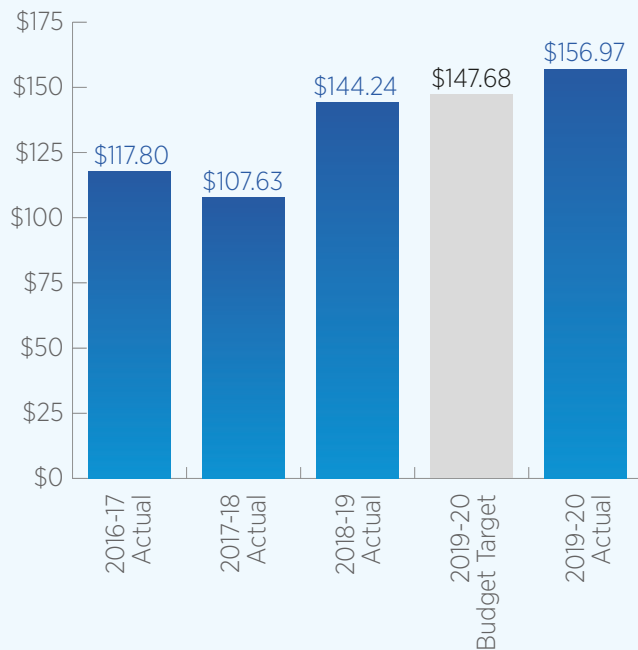


Reason for significant variance

The variance between 2019-20 Budget Target and 2019-20 Actual and the 2018-19 Actual and 2019-20 Actual is mainly due to restructure of the Policy and Planning business area resulting in movement of some staff across policy and planning functions.

The reverse impact is reflected in the KPI "Average cost per planning hour for integrated transport planning development".

Average cost per planning hour for integrated transport planning development



Reason for significant variance

The variance between 2019-20 Budget Target and 2019-20 Actual and the 2018-19 Actual and 2019-20 Actual is mainly due to restructure of the Policy and Planning business area resulting in movement of some staff across policy and planning functions.

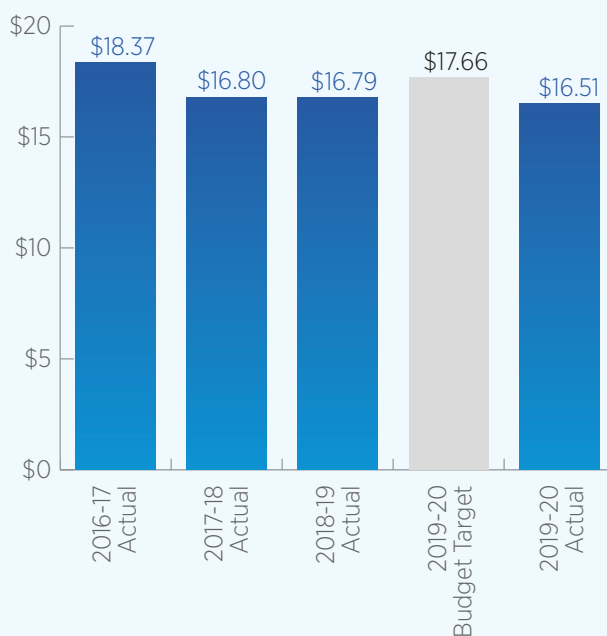
The reverse impact is reflected in the KPI "Average cost per policy hour for strategic transport policy development".

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

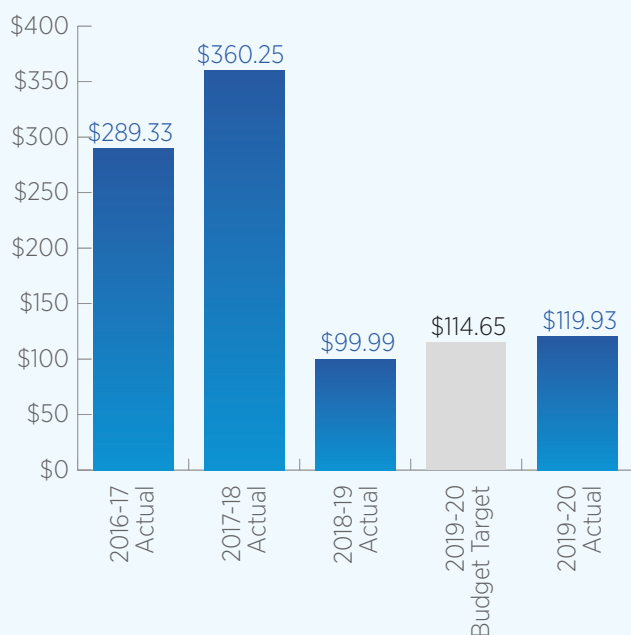


Reason for significant variance

The variance between 2019-20 Budget Target and 2019-20 Actual is due to the reduction in staff operating costs as a result of the reallocation of existing staff to assist with COVID-19-related externally funded services.

There was no significant variance between the 2018-19 Actual and 2019-20 Actual.

Average cost per vehicle inspection performed by Vehicle Examination Centres

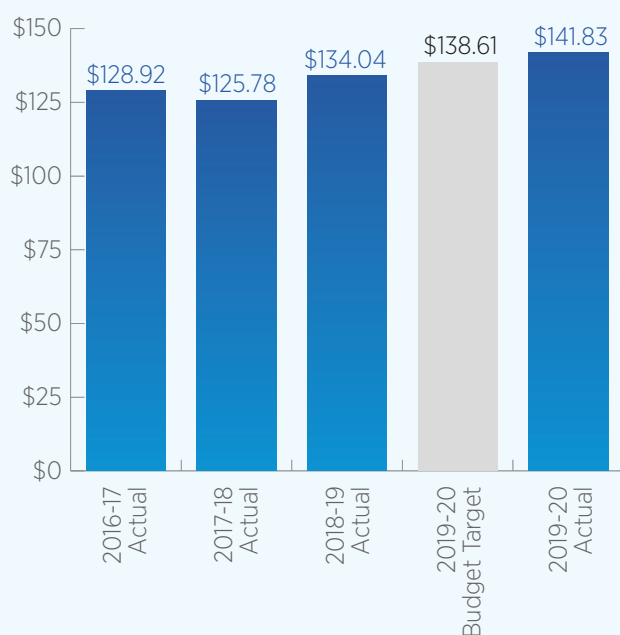


Reason for significant variance

There was no significant variance between the 2019-20 Budget Target and the 2019-20 Actual.

The variance between 2018-19 Actual and 2019-20 Actual is mainly due to the inspection requirement for heavy vehicles, previously registered under the Federal Interstate Registration Scheme (FIRS) that was anticipated to be annual but subsequently materialised as a one-time requirement.

Average cost per vehicle inspection delivered through Authorised Inspection Stations



Reason for significant variance

There was no significant variance between the 2019-20 Budget Target and the 2019-20 Actual.

The variance between the 2018-19 Actual and the 2019-20 Actual is due to an increase in operating cost by the Department to provide additional levels of contract and relationship management support for the growing network of Authorised Inspection Stations (AIS) across metropolitan and regional Western Australia.

Average cost per driver assessment



Reason for significant variance

There was no significant variance between the 2019-20 Budget Target and the 2019-20 Actual.

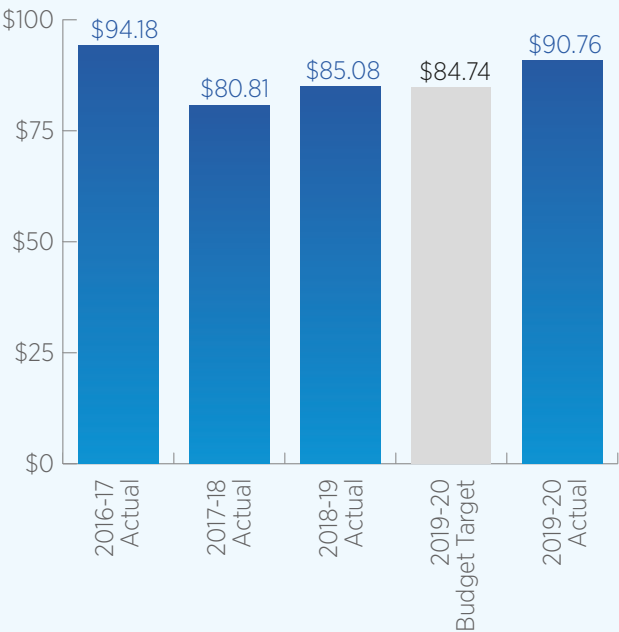
The variance between the 2018-19 Actual and the 2019-20 Actual is due to a reduction in the number of Practical Driving Assessments conducted due to COVID-19 restrictions.

Service 3: Coastal Infrastructure

This service contributes towards the Department’s outcome of an accessible and safe transport system through 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

The variance between 2019-20 Budget Target and 2019-20 Actual is due to cost increase and a reduction in assets volume. The cost increase is mainly driven by additional budget allocation to Port Hedland Spoilbank Marina, Maritime business amalgamation and increased accommodation cost due to office relocation.

The decommissioning of some infrastructure assets at Fremantle Fishing Boat Harbour and Two Rocks Marina has also contributed to reduce total Maritime Infrastructure Assets which has further increased the average cost reported under this KPI.

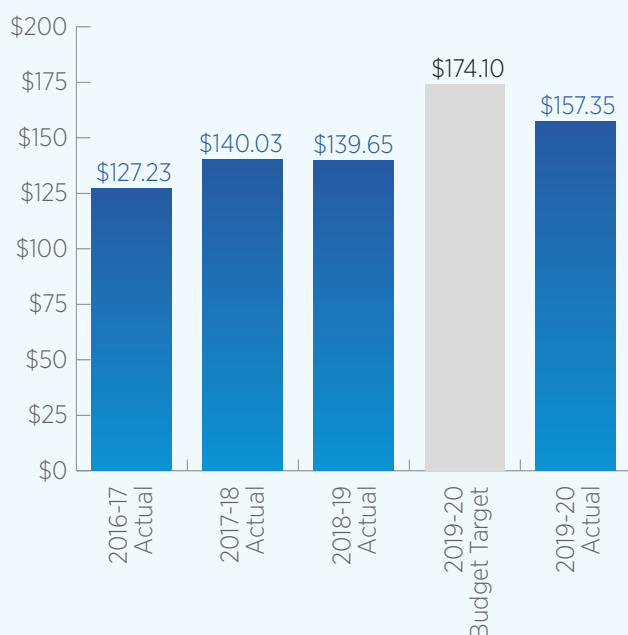
The variance between the 2018-19 Actual and 2019-20 Actual is due to increased costs associated with the Port Hedland Spoilbank Marina, Maritime business amalgamation and increased accommodation cost of moving into a new office building.

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 cost per private recreational vessel registration



Reason for significant variance

The variance between the 2019-20 Budget Target and the 2019-20 Actual is due to the reduction in costs driven by the Maritime business amalgamation and cost savings derived from printing and mail services as a result of switching to digital technologies, which was not factored in when setting the Budget Target.

The variance between the 2018-19 Actual and the 2019-20 Actual is due to DoT refining its internal cost allocation method to better reflect the cost of its services. This cost allocation method refinement did not have any significant impact on prior year results.

Cost to maintain Marine Pollution Response preparedness per registered vessel



Reason for significant variance

There was no significant variance between the 2019-20 Budget Target and the 2019-20 Actual.

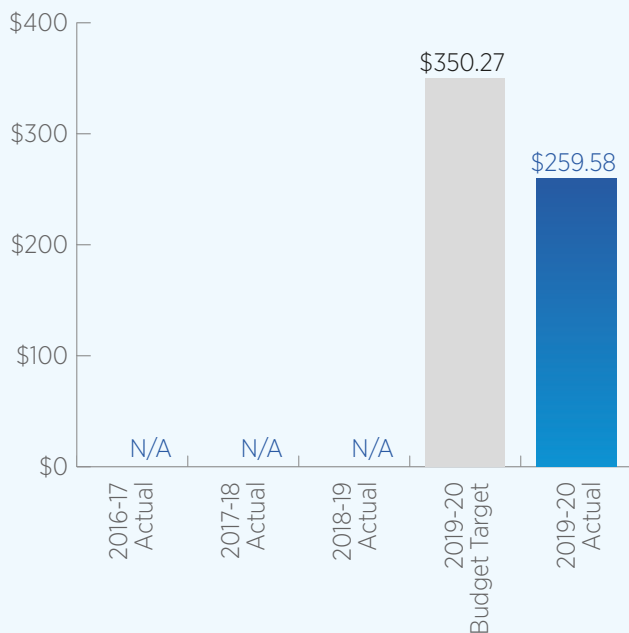
The variance between the 2018-19 Actual and the 2019-20 Actual is due to DoT refining its internal cost allocation method to better reflect the cost of its services. This cost allocation method refinement did not have any significant impact on prior year results.

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.

Cost per On-demand Transport Authorisation²



Reason for significant variance

The variance between the 2019-20 Budget Target and the 2019-20 Actual is due to an increase in number of On-demand Transport Authorisations issued than forecast and reduction in service cost through implementation of efficiency measures.

² New Key Efficiency Indicator for 2019-20

Ministerial Directives

No Ministerial directives were received during the 2019-20 financial year.

Other Financial Disclosures

Pricing policies of services provided

DoT reviews its fees and charges annually to reflect, where legally permissible, full cost recovery in providing its services. This is in accordance with Treasurer's Instructions 810 – Review of Fees and Charges and Department of Treasury's Costing and Pricing Government Services.

The following gazettes contain variations to DoT's fees and charges for the 2019-20 financial year:

- *Western Australia Government Gazette No. 66 dated 17 May 2019*
- *Western Australia Government Gazette No. 73 dated 31 May 2019*
- *Western Australia Government Gazette No. 74 dated 31 May 2019*
- *Western Australia Government Gazette No. 96 dated 28 June 2019*

Major capital projects

DoT's major capital projects, those valued at over \$5 million, for 2019-20 are detailed in the table below.

Incomplete Capital Projects

Project Name	Expected Year of Completion	Capital Expenditure up to 30/06/2020 \$'000	Estimated Capital Cost to Complete \$'000	Estimated Total Capital Cost of Project \$'000
OdT Reform Business System	2020-21	10,615	3,685	14,300
Transforming Bunbury's Waterfront - Stage 2 (Jetty Road)	2020-21	8,941	3,711	12,652

Completed Capital Projects

Project Name	Year of Completion	Estimated Total Capital Cost of Project Reported in 2019-20 \$'000	Total Capital Cost of Project as at 30/06/2020 \$'000	Explanation for Significant Variances
Nil.				

Employment statistics

DoT's staff headcount and full-time equivalent (FTE) statistics at 30 June 2020 are detailed in the table below.

Status	Headcount	FTE
Permanent Full Time	1,072	1,072.00
Permanent Part Time	216	147.38
Senior Executive Service	15	15.00
Temporary Full Time	172	172.00
Temporary Part Time	24	14.34
	1,499	1,420.72

Freedom of information

DoT's Freedom of Information (FOI) Coordinator is the initial point of contact for all FOI-related matters.

In accordance with the *Freedom of Information Act 1992* (the Act), DoT is required to deal with FOI access applications within 45 days of receipt, unless an extension of time is negotiated. The average time to process applications in 2019-20 was 28 days.

FOI fees and charges

FOI fees and charges are set under the Act. Apart from the application fee for non-personal information, all charges are discretionary. Details of DoT's 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
Preparing a copy of a tape, film or computerised information, or arranging delivery, packaging and postage of documents	Actual cost

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 received in writing within 30 days of the date of the initial decision.

Following an internal review, if the applicant still disagrees with DoT's decision, they may lodge a complaint with the Office of the Information Commissioner for an external review of the department's decision. 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 2019-20

FOI statistics for 2019-20 compared with the past three years are listed below.

Application	Amount 2016-17	Amount 2017-18	Amount 2018-19	Amount 2019-20
Total received (not including those transferred to another agency)	310	274	333	326
Internal reviews	13	15	10	12
External reviews	2	5	2	1
Transferred to another agency	2	9	8	10

Customer feedback

DoT values feedback from our customers to assist in improving our service delivery to meet the changing needs of our community.

Escalated customer feedback is managed via the Customer Feedback System (CFS), a bespoke, fit-for-purpose workflow within Objective, DoT's electronic document and record management system (EDRMS). Customer feedback is sorted into three categories: complaints, compliments and general feedback.

DoT provides an accessible, fair and equitable complaints-handling process, which allows 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)*.

In 2019-20, the following types of customer feedback were managed through the CFS:

Type of feedback	Number	Percentage
Complaints (including repeated complaints)	2,025	60.38
Compliments	101	3.01
General feedback (includes feedback, information and suggestions)	1,228	36.61
Total	3,354	100.00

Overall, the percentage of complaints received has reduced slightly in 2019-20 (down from 64 per cent in 2018-19) while general feedback has increased compared with 32.66 per cent previous year. DoT continues to analyse customer complaints and feedback processes, and ensures accessibility for customers wishing to submit a general enquiry online.

A breakdown of customer feedback received by business unit in 2019-20 is shown below.

Business Units	Complaints	Feedback, Information, Suggestions and Compliments	Total Customer Feedback	Total Customer Feedback by Percentage
Driver and Vehicle Services	1,796	1,141	2,937	87.57
Maritime	47	83	130	3.88
Regional Services	68	22	90	2.68
On-demand Transport	85	29	114	3.40
Other**	29	54	83	2.47
Total	2,025	1,329	3,354	100.00

** all other DoT business units combined

In 2019-20, there was a slight increase in the percentage of total feedback received relating to DoT's DVS business unit. However, the total number of complaints received regarding these services has decreased slightly when compared to the previous year (1,805 complaints).

The percentage of total feedback for the Maritime business unit has decreased to 3.88 per cent compared with 4.27 per cent the previous year when it was two separate business units (Coastal Infrastructure and Marine Safety).

DoT's On-demand transport business unit also experienced a drop in total feedback and complaints – 5.18 per cent in 2018-19 compared to 3.40 per cent this year. This is a significant achievement in light of the industry reforms implemented by the team, and demonstrates the concerted efforts to keep the industry informed of the legislative changes.

A Customer Feedback Working Group (Working Group) was established by DoT in 2019 to identify improvements to customer feedback policies, processes and systems, with a view to improving outcomes for our customers. The Working Group has developed a Customer Service Charter which is available on our website. The charter outlines our commitment to our customers, what they can expect from DoT and how they can assist the agency to deliver the best possible customer experience.

Creating a values-driven organisation

Future Ready Workforce update

In an environment of rapidly changing technologies that are changing the way we live and work, DoT established its Future Ready Workforce (FRW) program in 2018. This initiative aims to ensure DoT creates a capable, adaptive and responsive workforce for the continued delivery of the agency's strategic priorities for the long-term. The need for a digitally-enabled workforce was further highlighted by the COVID-19 pandemic, which saw large numbers of employees working remotely.

The FRW group comprises 24 representatives from across the agency. After participating in training, development and co-design workshops, the group developed five innovative solutions to equip DoT and its workforce for sustainable change and continued evolution.

The five prototypes will be piloted in the second half of 2020, focusing on flexible working arrangements, building a culture of trust, creating greater diversity and inclusion, identifying and developing talent, and enabling managers to lead more effectively.

DoT has facilitated the creation of People Plans for each business unit that outline the current and desired future states of their teams focusing on workforce composition, values, behaviours and capabilities.

In November 2019, a DoT-wide values assessment was conducted to understand the extent to which our organisational and personal values enable the delivery of DoT's operations and services. The assessment received a response rate of 64 per cent and showed our top values are great teamwork, work/home balance, great people and customer satisfaction. The results were unpacked with both leaders and their teams, and a cultural action plan is being designed to strengthen DoT as a values-driven organisation.

Establishing a fully conscious organisational culture requires change to be managed well at all levels. A change leadership training series has been developed to increase individuals' emotional intelligence and understanding of their impacts on others, create greater awareness of the drivers for change, and support employees to lead, achieve and thrive during change. The leadership series has been facilitated for teams in two business units.

The feedback captured from staff during the COVID-19 pulse check showed a strong mandate to continue enabling flexible working arrangements. DoT is now prioritising the development of a framework to support flexible working arrangements while taking into consideration the multifaceted nature of our workforce.

Workforce Diversity and Inclusion Plan 2016-20

DoT's Workforce Diversity and Inclusion Plan (WDIP) 2016-2020 builds on the positive steps that have already been taken by the agency to create an inclusive, values-driven culture. The WDIP outlines strategies to improve representation and outcomes for employees from six target diversity groups:

1. Aboriginal and Torres Strait Islander people
2. Culturally and linguistically diverse (CALD) people
3. People with disability
4. Youth (under 24 years of age)
5. Mature age
6. Women in the Senior Executive Service (SES)

The plan reaches the end of its four-year term at the end of 2020, and planning has already commenced on developing the next WDIP for 2021 onwards. There will be a renewed focus on priority areas to create meaningful change, aligned with DoT's and the public sector's strategic priorities. The approach will be supported through developing DoT's recruitment and selection techniques alongside our hiring managers and recruitment panel members.

The current WDIP has successfully achieved the following outcomes:

- An increase in females within leadership roles across DoT.
- Fresh thinking applied to Contact Centre customer service officer recruitment, resulting in an increase in the percentage of suitable younger candidates, improving age diversity. Changes included using contemporary language in job advertisements, simplified application questions, shorter response times and a new recruiting assessment approach. In 2018, 0 per cent of onboarded candidates were aged 30 years and under, while 36 per cent were aged 40 years and under. During 2019, these figures increased to 57 per cent and 86 per cent respectively.
- DoT and Main Roads continue to collaborate to promote benefits, events and opportunities from our corporate membership of the National Association of Women in Construction.
- Staff diversity awareness continued to be raised through DoT's induction program, intranet Newsflashes, publishing of employee profiles and celebrating special events and occasions for diversity groups such as Harmony Day and NAIDOC Week.
- DoT, in partnership with the Department of Planning, Lands and Heritage, hosted a morning tea event to celebrate International Women's Day in March. Guest speakers included Fadzi Whande, Principal Consultant Workforce Diversity for the PSC and a global inclusion and diversity strategist, who spoke on the theme, Each for Equal. The message highlighted how we can all contribute to achieving gender balance and ensure inclusion and belonging for all.
- POD is participating in a working group looking at joint traineeships and other employment pathway opportunities with Department of Communities (DoC), Fremantle Ports and the City of Fremantle. This opportunity has arisen through the co-location of agencies in the new Kings Square facilities at Fremantle. Early discussions are exploring the prospects to collaborate with DoC in regional areas.
- The selection process of participants in the 2020 Transport Portfolio Leadership Program included additional questions to capture diversity information and ensure a more diverse participant group.

Staff learning on discrimination and harassment has been reviewed and updated based on universal design principles.

Employee development

DoT's People and Organisational Development (POD) team offers and coordinates a range of development programs, targeted learning and training sessions to meet current upskilling needs and strengthen DoT's capabilities to achieve business unit and organisational outcomes. Programs are delivered by both internal staff and external providers who bring specialised expertise, deliver contemporary content and, where appropriate, provide e-learning packages.

During 2019-20, POD reviewed feedback from employee perception surveys, operational people planning analysis and Future Ready Workforce sessions undertaken across the business. Capability gaps were identified and responded to with the development of a range of new programs to meet the skills needs of the organisation. Ten new training sessions and programs were implemented and programs, while three ongoing programs were continued. Many of these programs have been adapted to be delivered both face to face, or modified to a webinar format.

In responding to DoT's highest priority areas, POD will continue to focus on delivering programs around everyday people management, leadership development and supporting capability development of the business. All programs and sessions are readily available to DoT employees through the intranet, which managers are also encouraged to utilise in support of their performance partnership program discussions and individual development plans.

At DoT, employee development is provided from day one, with induction essentials via e-learning to give a positive, effective and efficient onboarding experience.

Over the past year, DoT had two intakes of staff commence their Certificate IV in Leadership and Management. This program supports DoT's commitment to developing our female leadership capability, with a high proportion of female managers at 54.5 per cent. 14 per cent of participants have been promoted since undertaking the program.

Following significant feedback from our staff, DoT developed a program to focus on common people management matters with an Everyday People Management Program. The program provides all managers with foundational or refresher learning on people management. Key modules include:

- conversations to address behaviour and performance;
- confident decision making on key industrial relations matters
- effective delegation;
- giving and receiving feedback; and
- managing conflict and resistance.

For more experienced managers, DoT conducted The Power of Influence. Further, POD have reviewed our People Managers Program and updated the content in preparation to go to tender for a provider to deliver this program. Consultation has taken place and POD anticipates offering a choice of electives to allow participants to align their learning to their relevant business needs. A six-month Leadership and Development Program for the Transport Portfolio was scheduled, but unfortunately had to be postponed until February 2021 due to COVID-19.

The onset of COVID-19 required POD to quickly adapt to delivering development sessions and content online. POD responded with a series of webinars on leading virtual and geographically dispersed teams, which were well-received by delegates.

In late 2019, POD facilitated a pilot of LinkedIn Learning for 100 staff over a three-month period. Feedback from participants was positive regarding the ease of accessing learning at any time from any platform. Of particular value was being able to find content while in the workplace to facilitate specific learning, especially IT and technology-based learning. DoT is exploring the capability to offer LinkedIn Learning as an ongoing option.



Governance Disclosures

Board and committee remuneration

Members of boards and committees were remunerated as determined by the Minister for Transport. Details of these remunerations are shown in the table below:

Board Name	Position	Member Name	Period of Membership	Type of Remuneration	Gross/ actual remuneration (\$)
Road Freight Transport Industry Tribunal	Chair	Catherine Wallace	4 months	Nil	Nil
	Chair	Anne-Marie Brits	8 months	Nil	Nil
	Member	Transport Workers Union (represented by Timothy Dawson)	12 months	Time-based	Nil
	Member	Western Roads Federation (represented by Campbell Dumesny)	12 months	Time-based	Nil
<i>Each board member is entitled \$249 for the year. Invoices were received after year-end and will be settled in 2021.</i>					
Westport Taskforce Steering Committee	Independent Chair	Nicole Lockwood	12 months	Time-based	\$216,933
Freight and Logistics Council	Independent Chair	Nicole Lockwood	12 months	Sitting Fee	\$20,000
				Additional time-based remuneration as part of the COVID-19 Response	\$15,604

Other Legal Requirements

Act of Grace payments

DoT made no Act of Grace payments during the 2019-20 financial year.

Advertising

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

Advertising agency	2019-20
The Brand Agency	\$36,680.00
Media advertising	2019-20
Media advertising – non-campaign	
Adcorp Australia Limited	Nil
Initiative Media Australia Pty Ltd	\$694.84
Facebook	\$1,839.90
Media advertising – campaign	
Direct mail – Campaign Monitor	\$73.45
Total	\$39,288.19

Note: The Brand Agency's advertising costs are the creative component of the PlatesWA awareness campaign. PlatesWA generates revenue for the State Government.

Disability Access and Inclusion Plan

DoT is committed to providing access to our facilities, information and services to all Western Australians in a fair and non-discriminatory manner, including people with disability, their families and carers. This commitment is demonstrated in DoT's *Disability Access and Inclusion Plan (DAIP) 2017-22*, which contains a number of key strategies to improve access and inclusion for people with disability, their families and carers.

Key achievements in 2019-20 include:

- Opportunities to improve service delivery for people with disability have been considered as part of DoT's strategic planning. This is captured in DoT's strategic priority, 'Designing and Delivering Services for all Western Australians', in the Strategic Plan 2019-22.
- DoT has formed partnerships with two disability employment providers, Edge Employment and VisaBility, to increase attraction and recruitment opportunities.
- Contract management training includes information regarding DoT's DAIP and contractor responsibilities regarding the provision of services to people with disability.
- To recognise the International Day of People with Disability on 3 December 2019, DoT undertook the following initiatives:
 - DoT, PTA and Main Roads showcased examples of how the Transport Portfolio is assisting in access and inclusion of people with disability via internal Newsflashes to all staff in the week leading up to the day.
 - On the day, an awareness-raising video featuring renowned Paralympian, Kurt Fearnley, who was the 2019 International Day of People with Disability patron, was promoted to staff. Kurt encouraged Australians to take concrete action to help change the lives of people with disability.
 - The Town of Cottesloe was assisted by DoT in hosting an event on the newly extended Perth-Fremantle Principle Shared Path (PSP), which opened in August 2019. The inclusive and accessible event saw people of all abilities enjoy a morning "walk, ride or wheel" from Mosman Park Train Station to a local café for a complimentary morning tea. As well as providing event and promotional assistance, DoT representatives were in attendance alongside local MPs and councillors to observe and listen to the experiences of people with disability and learn how we can improve our project delivery accordingly.



- DoT established a partnership with Job Access to increase disability awareness and employment outcomes for staff. Job Access completed a review of DoT's recruitment and selection process from the perspective of an applicant with disability. The outcomes have been considered and recommendations are being implemented. Job Access will deliver three disability awareness training sessions for DoT, including a 'train the trainer' session so participants may then facilitate future training sessions for DoT.
- The long-term cycle network plan, cycle design guidelines and Portfolio cycling infrastructure policy are all inclusive of people with disability, catering for people of all ages and abilities.
- DoT reviewed recent community consultation processes to identify any improvements that could be made for future consultations to better accommodate people with different needs.

The Active Transport and Safety, Maritime, Westport and Freight, Ports, Aviation and Reform teams have all used the digital My Say Transport stakeholder engagement platform for consultation, which allows for improved online consultation. Each business unit also seeks feedback in person, by phone and via mail.

The Active Transport and Safety team also provided flexibility by sending consultation materials directly to customers who nominated to be consulted, and allocated time to fill out online surveys on behalf of those community members. Next steps are to review guiding resources for community consultation to identify any opportunities for improvement.

- Events published on the DoT website and Facebook are reviewed to ensure they are inclusive and accessible to people with disability. The DoT Communications team works with business units to ensure people registering for workshops and events can advise if they need special assistance.

DoT will continue to implement strategies from the DAIP 2017-22 to improve access to our services, facilities and information for people with disability, their families and carers.

Reconciliation Action Plan

DoT is committed to increasing opportunities for Aboriginal and Torres Strait Islander peoples to participate in the State's economy. Our vision for reconciliation is to foster cultural respect and build upon our relationships with Aboriginal and Torres Strait Islander peoples to ensure our workplaces, information and services are inclusive and accessible to all Western Australians.

Key achievements in 2019-20 include:

- In February 2020, DoT launched our *Reconciliation Action Plan (RAP) 2020-2022*, which aims to improve opportunities and access to our services for Aboriginal and Torres Strait Islander peoples. The plan was developed by the RAP working group, comprising representatives (including Aboriginal peoples) from across the agency, in consultation with employees, contractors and external stakeholders.
- DoT's RAP outlines deliverables to make our recruitment processes more accessible to Aboriginal and Torres Strait Islander peoples, as well as ways to improve and increase their employment outcomes at DoT.
- Improving service delivery for Aboriginal and Torres Strait Islander peoples is also a priority for DoT's Regional Services, Maritime and Driver and Vehicle Services teams. Deliverables within the RAP will help DoT to contribute to the State Government's priorities to deliver stronger regional economies and improve Aboriginal well-being.
- Team members from the Maritime Business Unit contributed to the art direction of the internal fit out of their new office building at Kings Square in Fremantle. They worked with Aboriginal performer, writer and artist, Dr Richard Walley OAM, to create a series of drawings illustrating and reflecting DoT and its relationship with the traditional stories of Fremantle. The artwork, can be seen throughout the building, including on fabrics and textiles, wayfinding signage, murals and etchings, and glazing.
- DoT participated in the Aboriginal Business Expo in March 2020 to support the building of relationships between the Government and Aboriginal business sectors. DoT provided an overview of our approach to Aboriginal procurement in accordance with the State's Aboriginal Procurement Policy. A key element of the overview was how Aboriginal businesses can engage with DoT.
- DoT teamed up with representatives from the Registry of Births, Deaths and Marriages, Centrelink and the Fines Enforcement Registry to attend a Clontarf Aboriginal College ID Forum. The purpose of the forum was to assist Aboriginal students in obtaining the correct ID documents to help them attain their driver's licence. Additionally, DoT provided an information session on the process of obtaining a driver's licence and issued learner's permits and logbooks for those who had completed the Keys for Life program.
- DoT continued to support Aboriginal businesses through our Kulbardi contract for office stationery and supplies, and temporary personnel supplier, Indigenous Managed Services.



- DoT hosted a joint agency event for NAIDOC Week at 140 William Street on Monday, 8 July 2019. The event included a Welcome to Country from Matthew McGuire, a keynote presentation by Rishelle Hume AM and a performance by Aboriginal Noongar-language choir, Madjitol Moora. NADIOC Week was promoted to staff through internal newsletters and the intranet, and employees were invited to attend or livestream the event.
- DoT continued efforts to improve access to services and break down barriers associated with the driver licensing system in remote communities through our Remote Services program. Ongoing successes of the Remote Services program include:
 - Continued partnerships with private industry, not-for-profit organisations, Aboriginal corporations and the WA Police to include learner's permit theory testing as part of a driver training program. This provides an alternate service-delivery channel and ensures candidates have a full understanding of traffic laws prior to undertaking their driver's assessment. To date, approximately 7,500 people have successfully completed the theory test through these partnerships.
 - DoT officers regularly visit remote communities, with approximately 142 visits across 55 locations undertaken in 2019-20. Through these visits:
 - › 300 driver's licences were issued, reissued or transferred;
 - › 163 driver's licences were renewed;
 - › 168 theory tests and 298 practical driving assessments were conducted across all licence classes;
 - › 284 learner's permits were issued or reissued; and
 - › 189 vehicle licensing activities were conducted.

DoT will continue to progress actions from our *Reconciliation Action Plan 2020-22* and improve service delivery and opportunities for Aboriginal and Torres Strait Islander peoples.

Compliance with Public Sector Standards and ethical codes

DoT is committed to promoting and sustaining the highest standard of ethical behaviour in the workplace by all our employees. DoT has numerous initiatives, policies, processes and systems in place to ensure the highest standards of ethical behaviour are displayed at all times.

During 2019-2020, DoT's activities to achieve compliance with public sector standards and ethical codes included:

- conducting a pulse survey to gather feedback from employees to understand areas affecting organisational performance and culture;
- acting on employee feedback and other input to evolve human resource management policies and procedures to enhance both employee and customer experiences;
- business units introducing targeted People Plans, incorporating desired values and behaviours;
- ongoing requirement for all employees to undertake online training in Accountable and Ethical Decision-Making, with a 99 per cent completion rate as at June 2020;
- ongoing Equal Employment Opportunity training to enable a workplace free of discrimination and harassment; and
- addressing allegations of misconduct in a timely and responsible way.

Compliance issues

Two Breach of Standard claims relating to the Employment Standard were received in 2019-2020. The claims were considered and dismissed by the Public Sector Commissioner.

In 2019-2020, seven cases of non-compliance with Code of Ethics/Code of Conduct were reported, with three cases resulting 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 the best business outcomes for the Department. The following information is provided in accordance with the State Records Commission Standard 2, Principle 6.

Efficiency and effectiveness of DoT's recordkeeping system

DoT's corporate Electronic Document and Records Management System (EDRMS) is Objective. All DoT staff have access to Objective, enabling them to capture and manage records in line with agency policies and procedures.

In 2019-20, DoT commenced a project to upgrade Objective to ensure ongoing version currency and enhance its functionality and usability.

In addition to Objective, business-specific systems are in place across DoT to capture both digital and hard copy records, enabling efficient and compliant recordkeeping throughout the agency. DoT's Information Management Services (IMS) branch works closely with business units to provide advice and review processes to progress to a fully digital recordkeeping environment.

In 2020-21, DoT's implementation of an information classification process will provide clear guidelines around the handling of DoT information according to sensitivity and the sharing of this information to support multi-agency service delivery.

Recordkeeping training and induction programs

DoT's online Recordkeeping Awareness Training (RAT) is mandatory for all staff and contractors, which covers their obligations to comply with both internal recordkeeping policies and procedures, as well as the Act.

All new employees, including contractors, are automatically enrolled in the online course as part of DoT's on-boarding process. As at 30 June 2020, 96.04 per cent of those enrolled have completed the course.

Assessment of the course is integrated into the online module and any feedback provided is monitored and reviewed. Course content is regularly assessed to ensure it continues to encompass prevailing operational and administrative practices and processes.

As part of the implementation of the information classification process within DoT, an online stand-alone training module was released in 2019-20, to ensure that all staff, including contractors and consultants, adhere to the requirements of the process.

DoT's employee induction program also includes information on recordkeeping responsibilities and the use of Objective. This assists employees in understanding how to create, manage, maintain and use government records in line with DoT policies and procedures.

Training effectiveness

The effectiveness of DoT's recordkeeping training is reflected in the strong use of Objective and the maturity of recordkeeping practices across all areas of the agency. This is evidenced by the increasing number of corporate documents stored and managed in Objective and is reinforced by positive feedback provided by employees.

Unauthorised use of credit cards

DoT employees hold corporate credit cards (purchasing cards) where the functions of their role warrant usage of this facility.

Every cardholder is reminded of their obligations annually under the Department's purchasing card policy. Despite this, 22 employees inadvertently utilised their purchasing cards in their personal capacity in 2019-20. None of these matters were referred for disciplinary action as the Chief Finance Officer noted that the nature of the expenditure was characteristic of an honest mistake.

The usage is detailed in the table below.

	2019-20
Number of instances the purchasing card has been used for personal use	27
Number of referrals for disciplinary action instigated during the reporting period	Nil
	\$
Aggregate amount of personal use expenditure for the reporting period	1,435
Aggregate amount of personal use expenditure settled by the due date (within 5 working days)	1,219
Aggregate amount of personal use expenditure settled after the period (after 5 working days)	216
Aggregate amount of personal use expenditure outstanding at balance date	-



Government Policy Requirements

Substantive equality

DoT is committed to achieving substantive equality in service delivery and employment for the diverse Western Australian community. The agency continuously looks for opportunities to improve access and outcomes for people with different needs.

Key achievements in 2019-20 included:

- DoT participated in workshops held by the Department of Local Government, Sport and Cultural Industries regarding the new State Multicultural Policy Framework, which was launched in February 2020. DoT helped shape resources to assist public sector agencies in exploring ideas and strategies to implement the Framework.
- We continued to partner with North Metropolitan TAFE in offering work experience placements at DoT to students enrolled in the Settlement Language Pathways to Employment and Training program. Maritime's property services team at Fremantle welcomed aboard two students, Radha and Yanchen.

Radha and Yanchen showed their previous experience in office administration by helping the property team to audit lease documentation and review jetty files. Both students said they enjoyed the friendly and supportive atmosphere, which helped them grow their confidence.

Radha said that she had “developed confidence in workplace communication”, while Yanchen said that “working in a team is great and culturally different to the way I worked in China”.

- DoT's services are responsive to the needs of customers who are unable to communicate effectively in spoken or written English. We provide interpreting services, and staff dealing directly with customers are able to identify when and how to work with an interpreter. The most popular language requested for interpreting services in 2019-20 was Arabic, which accounted for almost a quarter of all on-site interpreter visits across WA. Mandarin was the second most popular language.

DoT will continue to implement strategies to improve access to information, services and facilities for people with different needs.

Audit and Risk Management Committee

The Audit and Risk Management Committee (ARMC) provides oversight and advisory into the effectiveness of DoT's corporate governance, including risk management, control processes and internal audit.

The ARMC was established by the Director General – Transport as the accountable authority under Treasurer's Instruction 1201: Structure of the Internal Audit Function, which requires accountable authorities to develop and maintain an effective internal audit function. The ARMC is an independent committee, reporting directly to the Director General.

During 2019-20, DoT appointed an independent Chair and an independent external member. Additionally, two new internal members were also appointed: Executive Director Finance and Contracts, Public Transport Authority (PTA), and General Manager Regional Services, DoT. The committee now includes the following members:

- Chief Financial Officer – Department of Planning, Lands and Heritage (Chair)
- Executive Director, Finance and Contracts – PTA
- Executive Director Regional Services – DoT
- Appointed independent external member
- Executive Director, Office of Director General – DoT (ex-officio)

The ARMC met four times in 2019-20, with an additional meeting held for committee members to consider the draft internal audit plan.

Internal audit

DoT's Internal Audit function operates under the approved Internal Audit Charter. It provides an independent and objective assurance and consulting activity designed to add value and improve the operations of DoT. The function assists DoT in accomplishing its objectives by bringing a systematic and disciplined approach to evaluate and improve the effectiveness of risk management, controls, compliance and governance processes.

DoT's internal audits were conducted by EY, in accordance with the *Financial Management Act 2006* and Institute of Internal Auditors' International Standards for the Professional Practice of Internal Auditing. During 2019-20, DoT also appointed a Senior Internal Auditor to conduct internal audits.

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 by DoT in 2019-20 included:

- Contract Management Framework
- Contractors Embedded in the Workplace
- Aviation grants subsidies (Regional Airports Development Scheme (RADS) & Kimberley Subsidised Air Service (KSAS))
- Freight Industry Subsidy Grant
- Licensing (Jetty and Ferries)
- Marine Exemptions Process
- On-demand Booking Service Application Assessment Process
- On-demand Booking Service Levy
- Penetration Testing
- Purchasing Cards
- Risk Intelligence – Governance Framework Review
- Taxi Pate Owner Buyback Scheme
- Website Compliance

The recommendations arising from internal audits are managed and monitored through DoT's Audit Recommendation Management System. The implementation status of these 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, the Public Sector Commissioner's Circular: 2015-03 Risk Management and Business Continuity Planning and aligns with the international standard AS/NZS ISO 31000:2018 Risk Management – Principles and Guidelines.

DoT's structured risk management approach is integrated into management, planning and operational processes. This assists DoT in achieving its desired outcomes by providing a transparent process that identifies what is essential to success, and demonstrates the decision-making process regarding the acceptance of risks.

Integrity framework

DoT recently reshaped its Fraud and Corruption Control Plan into an Integrity Framework based on the Australian Standard Fraud and Corruption Control (AS 8001-2008).

The Integrity Framework aims to promote integrity and minimise the potential for incidents of fraud and corruption related to DoT's business processes, programs and systems, either by employees or others. Fraud and corruption control strategies are embedded within DoT's Risk Management Framework, and includes strategies to prevent, detect and respond 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 that is free of work-related injuries and disease, and to achieving excellence in occupational safety and health management.

In accordance with the Public Sector Commissioner's Circular 2018-03: 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 Work Health and Safety (WHS) Strategy

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. We encourage employees to bring their passion for life to work, and nurture an environment where all employees can thrive.

In readiness for updated Work Health and Safety (WHS) legislation, DoT rebranded its safety team from OHS to WHS. DoT's 2019-2020 WHS Strategy is designed to provide a structured approach to WHS, for both proactive and reactive health and safety activities undertaken by the POD WHS Team. It is based on partnering with other POD areas of expertise and 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.

DoT has an established injury management (IM) program, detailing the steps taken to assist injured employees to return to work as soon as medically appropriate. The procedures focus on early intervention IM strategies that may allow the injured employee to remain at work or return to work at the earliest appropriate time. DoT's IM procedure is compliant with the requirements of the *Workers' Compensation and Injury Management Act 1981* and the Code of Practice (Injury Management) 2005.

DoT's Corporate Executive is strongly committed to WHS management in the workplace. This is demonstrated by its endorsement of the DoT WHS Policy Statement and the establishment of the Corporate WHS Management Committee on behalf of the Director General – Transport. The Corporate WHS Management Committee is responsible for identifying and implementing WHS initiatives and making recommendations on policy and strategy to CorpEx. The Corporate WHS Management Committee is comprised of members from CorpEx and DoT's WHS Team in POD.

All employees can access DoT's WHS and IM information through the department's WHS Management System available on the intranet. WHS and IM information is widely communicated through various training sessions designed for both employees (Employee Induction) and people managers (WHS and IM for Managers). WHS information is also provided through DoT's three WHS subcommittees below, each chaired by an Executive Director of the relevant business unit/s:

- Maritime and Regional Services WHS Subcommittee;
- Driver and Vehicles Services and Business Information Systems WHS Subcommittee; and
- 140 William Street and On-demand Transport WHS Subcommittee.

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

During the year, DoT discussed and resolved issues raised by employees, reviewed accident and incident forms to ensure that 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 WHS Committee meetings is measured by member attendance rates, which subsequently forms part of the key performance indicators reported to CorpEx.

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 Employee Experience Team, comprising of three Employee Experience Partners who manages the workers' compensation claims and supports the management of the non-work-related injury management issues.

As of 30 June 2020, DoT had 18 open workers' compensation claims, of which all 18 claimants (100%) were back at work.

WHS Management System audit and results

The DoT WHS Management System was audited in 2016-2017 to ensure alignment with relevant health and safety management system specifications (including Australian Standard 4801), its core principles of relevant WHS legislation and DoT's risk profile. The audit was conducted by an external auditor from EY, utilising an AS 4801 Audit Tool. The following actions were addressed and implemented:

- DoT continues to implement a formal and proactive process to identify WHS risks across all sites. 626 roles were risk assessed and risk rated accordingly; roles that presented with a medium or high risk have been thoroughly reviewed and Safe Work Practices (SWPs) created.
- A DoT WHS Position Risk Register (electronic form) was then created and includes 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 register will detail the WHS risks associated with each of the 626 job positions within. It also provides links to all the supporting SWPs and WHS procedures that are relevant to the position. All DoT employees have access to the register and all managers have been advised on how to best utilise the register. The DoT WHS Position Risk Register and supporting documentation facilitates a comprehensive risk management approach DoT.

- Each DoT workplace now has a Site Specific Chemical Register, which documents all chemicals brought into the workplace. The register is managed by both management and the safety and health representative of the site. POD WHS manages the overarching DoT Chemical Register, which contains the combined information from the site-specific registers. Every chemical at a DoT workplace has a corresponding Safety Data Sheet (SDS) loading onto the safety page on the intranet.

It is proposed that in the 2020-21 financial year, the DoT WHS Management system will be audited again in readiness for updated WHS legislation.

WHS Training

In 2019-20 Work Health, Safety and Injury Management training programs were reviewed with the following results:

- POD WHS continues to roll out WHS and Injury Management for Managers training sessions. DoT currently has 87 per cent of managers trained in their WHS and IM responsibilities. All people managers must undergo a refresher WHS and IM for Managers training session every three years. POD WHS completed refresher training for 96 of DoT's 285 people managers in 2019-20 (note: the other 196 managers are not yet due to attend the refresher training).
- Mental Health Awareness sessions were conducted throughout the year as part of the Wellness@Work 2020 Strategy. The training provides leaders and employees with the ability to recognise changes in behaviour, appearance and performance within themselves and in

colleagues, enabling recognition of potential mental health issues.

- Ergonomic training sessions were conducted throughout the year for all employees. Vehicle ergonomics training 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 WHS Induction one-hour training sessions are available to all employees. All new starters at DoT attend the Employee Induction Day, which includes the WHS Induction session.
- Introduction of the Maritime Environmental Emergency Response (MEER) Safety Training session (available to all MEER Responders) designed to educate the responders on their WHS responsibilities and requirements during an emergency response.

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.

COVID-19 and WHS responses

DoT's operations and services evolved rapidly during COVID-19. Some services, such as PDAs, were significantly scaled back due to concerns around community transmission, whereas other services ramped up as community demand shifted from counter services to contact centres and digital channels. Expectantly, footfall in DoT's customer service centres fell, resulting in a spike in calls received throughout this period.

POD WHS undertook detailed safety risk assessments, with input from frontline employees and the union, to implement a range of ongoing safety measures to protect our customer service officers and driver assessors. These included the installation of clear Perspex screens across all counters at all DoT business centres, and line markings on the ground to ensure social distancing in the waiting areas.

A COVID-19 online hub was established on the DoT intranet, Transporta. The hub provided employees with live links to the Department of Health, the latest instructions from the State Government regarding health and safety measures, frequently asked questions, safety factsheets and working from home documentation.

At the peak of the pandemic, approximately 65 per cent of DoT's eligible workforce were working remotely. All employees who chose to work remotely had to complete the COVID-19 Working from Home WHS Checklist to ensure their home-based work environment met safety regulations. In total, POD WHS processed 921 applications to work remotely.

Special allowances were made for vulnerable and high-risk employees, as well as those with high-risk household members, on a case by case basis. Many frontline employees were assigned to suitable alternative duties, such as manning the SPIL hotline which could be administered from home.

POD WHS participated in the daily morning conference calls with all the DoT customer service centre managers and provided safety advice and recommendations as requested.

POD WHS developed various mental health and well-being factsheets, which could be accessed via the COVID-19 online hub, to promote both mental and physical well-being during the pandemic.

Other key WHS achievements and new initiatives

In 2019-20, the following achievements and activities supported DoT's management of WHS in the workplace:

- All WHS and IM performance targets achieved in 2019-20, with a significant reduction in lost time injury claims (from 22 claims in 2018-19 down to nine claims in 2019-20).
- Reduction in the total number of reportable incidents (from 246 incidents reported in 2018-19 down to 196 reported in 2019-20).
- Reduction in the total number of customer aggression incidents (from 52 in 2018-19 to 44 in 2019-20).

- The implementation of the DoT Wellness@Work strategy, which adopts an integrated approach to both mental and physical well-being. The strategy provides a holistic approach towards well-being while integrating contemporary human resources practices. Some of the initiatives within the strategy include the flu vaccination and skin check (mole assessment) programs; Mental Health Awareness and Psychological Safety Training sessions; corporate gym membership discounts; corporate health insurance discounts; and promoting several Safe Work Australia National Priorities, including asthma management and minimising sedentary behaviors through the 'Sit Less, Stand Up and Move More' campaign.
- Flagged expansion of the Mental Health First Aider Program across DoT in 2020-21, as part of the Wellness@Work Program.
- Introduction of the Safety Culture Project to empower managers and employees to adopt a culture of safety accountability within their daily activities as part of the DoT Future Ready Workforce Strategy. The Safety Culture Project also includes a Psychological Safety component that encourages a blame-free working environment where employees feel trusted and safe to report safety concerns.
- Launching the 'Fee for Service Contractor WHS Induction' video online to ensure all non-DoT staff working within DoT workplaces are inducted according to the agency's WHS requirements.
- Successful relocation the Maritime Business Unit from Marine House to its new activity based working (ABW) offices in Kings Square. This included transitioning employees to ABW, reviewing the office layout, ergonomics, emergency procedures, traffic management, risk assessments and First Aid requirements.
- Collaborating with the Transport Portfolio's WHS teams to align safety initiatives across the Portfolio, with a Transport Portfolio Safety Forum planned for February 2021.
- Scheduling of DoT proactive site visits to conduct workplace inspections, risk assessments, WHS audits and onsite training, as per the POD WHS Site Visits calendars for 2019 and 2020.
- Ensuring every DoT workplace has a registered safety and health representative. There are now 29 representatives across DoT, of which 24 have completed their training. The remaining five representatives are awaiting their training after recently being elected to the role.
- The review and implementation of the DoT Maritime Environmental Emergencies Response (MEER) Safety Management System (SMS). This SMS provides guidelines for developing site WHS plans for MEER and Marine Oil Pollution (MOP) Emergencies, in alignment with the relevant legislation.
- Successfully implementing the MEER SMS in two State MEER Exercises (Exercise Dampier Challenge in June 2019, and Exercise Browse in collaboration with Shell in October 2019, involving approximately 300 responders from 23 government and private organisations. Responders were deployed for both shoreline clean-up and marine-based operational activities.

DoT's WHS and Injury Management performance is demonstrated in the table below

Measure	2017-2018 ⁽¹⁾	2018-2019 ⁽¹⁾	2019-2020	Target	Comments towards targets
Number of fatalities	0	0	0	0 (zero)	Target achieved.
Lost time injury and/or disease incidence rate	0.984	1.601	0.633 ⁽²⁾	0-10% reduction in incidence rate	Target achieved. There were nine LTI claims in 2019-20 as compared to 22 LTI claims in 2018-19 and 13 LTI claims in 2017-2018.
Lost time injury and/or disease severity rate	23.0769	4.54%	0.00% ⁽³⁾	0-10% reduction in severity rate	Target achieved. There were no severe injuries and as a result we have achieved a reduction in severity rate.
Percentage of injured workers returned to work within 13 weeks	76.92%	95.45%	100% ⁽⁴⁾	Actual target to be stated	100% achieved. All nine of the LTI claims lodged in 2019-20 were returned to work within 13 weeks.
Percentage of injured workers returned to work within 26 weeks	100%	100%	100% ⁽⁵⁾	Actual percentage result	100% achieved. All nine LTI claims lodged in 2019-20 were back at work within 26 weeks.
Percentage of managers trained in occupational safety, health and injury management responsibilities	0.984.	1.601	87% ⁽⁶⁾	Greater than or equal to 80%	Target achieved.

Footnotes:

- (1) Results sourced from DoT Annual Reports 2017-2018 and 2018-19.
- (2) There were nine lost time injury (LTI) claims lodged in 2019-20, while the number of full time equivalent employees in DoT was 1,420.
- (3) There were no workers compensation (WC) claims lodged in 2019-20 with greater than 60 days or more lost from work.
- (4) There were nine WC claims with registered LTIs returned back to work within 13 weeks.
- (5) There were nine WC claims with registered LTIs returned to work within 26 weeks.
- (6) 249 of the 285 managers in DoT have completed WSH and IM training.







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Department of Transport
140 William Street
Perth Western Australia 6000
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www.transport.wa.gov.au
Phone: (08) 6551 6000
Fax: (08) 6551 6001

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