



Annual Report 2018–19

DMIRS



Design inspiration:

Three abstract birds depict this year's theme: a flock's efficiency is improved when birds fly together in a V formation. We believe this behaviour can be applied to DMIRS in that we are more efficient when we work together.

The colours of the birds represent our approach to maximise our impact as a regulator (purple), service provider (teal) and policy maker (red).





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Welcome

The Department of Mines, Industry Regulation and Safety is pleased to present its Annual Report for 2018–19

We acknowledge the traditional owners throughout Western Australia and their continuing connection to the land, water and community. We pay our respects to all members of these Aboriginal communities, their culture, to elders both past and present and to their leaders into the future.

Coming together is a beginning, keeping together is progress, working together is success

Edward Everett Hale

Our 2017–18 annual report, our first report after the 2017 Machinery of Government changes, focused on the first part of this quote: **coming together is a beginning**.

One year on, the second part of the quote, **keeping together is progress** is indicative of our work in coming together and embarking on a process to harmonise our functions. Now the dust has started to settle, our focus has turned to collaboration across DMIRS in order to get our work done efficiently and effectively.

The third instalment in this series, the annual report for 2019-20 will focus on the final part of the quotation: **working together is success**.

About this report

This annual report details our performance from 1 July 2018 to 30 June 2019.

We have adopted the principles of integrated reporting by presenting our information aligned with our roles of regulator, service provider and policy maker. This demonstrates how we are coming together in providing cohesive, versus siloed, reporting.

Enabling legislation

The department was established under the *Public Sector Management Act 1994* on 1 July 2017.

Accessibility

We are committed to providing accessible services to our customers and stakeholders.

This report is available online and in alternative formats upon request.

Translator and Interpreter Service

For our customers and stakeholders from culturally and linguistically diverse backgrounds, you may prefer to contact the Translator and Interpreter Service on 13 14 50 and we will arrange an interpreter to communicate the report to you.

Feedback

We welcome feedback and questions on this annual report and encourage you to do so:

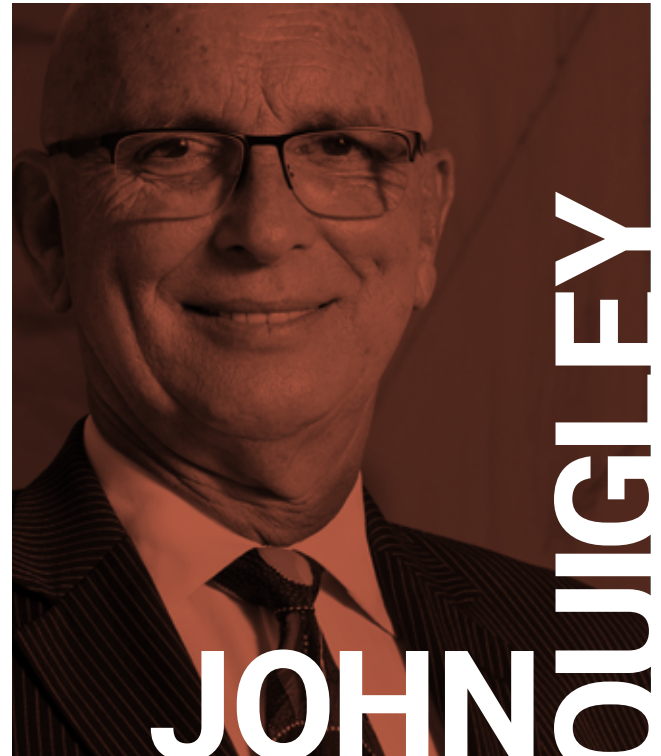
- ▶ in person: 100 Plain Street, East Perth;
- ▶ via email: StrategicPolicy@dmirs.wa.gov.au; or
- ▶ via this survey: <https://www.surveymonkey.com/r/DMIRSAR2018-19>



Statement of compliance



Hon Bill JOHNSTON MLA
Minister for Mines and Petroleum;
Energy; Industrial Relations



Hon John QUIGLEY LLB JP MLA
Attorney General;
Minister for Commerce

In accordance with section 63 of the *Financial Management Act 2006*, we hereby submit for your information and presentation to Parliament, the Annual Report of the Department of Mines, Industry Regulation and Safety for the year ended 30 June 2019.

The annual report has been prepared in accordance with the provisions of the *Financial Management Act 2006* and also fulfils obligations pursuant to section 73(3) of the *Building Services (Registration) Act 2011*; section 60 of the *Credit (Administration) Act 1984*; section 12A of the *Debt Collectors Licensing Act 1964*; section 1752E *Electoral Act 1907*; section 33 of the *Electricity Act 1945*; section 10A of the *Employment Agents Act 1976*; section 13CA of the *Gas Standards Act 1972*; section 31 of the *Land Valuers Licensing Act 1978*; section 51 of the *Motor Vehicle Dealers Act 1973*; section 59E(7) and 59H(2) of the *Plumbers Licensing Act 1995*; section 135(2) of the *Real Estate and Business Agents Act 1978*; section 12 of the *Retirement Villages Act 1992*; and section 112(2) of the *Settlement Agents Act 1981*.

David Smith
Director General
13 September 2019

SECTION 1
About us



**ABOUT
US**



Message from the Director General



Kaya Wandju

DMIRS plays a unique role in **supporting a safe, fair and responsible future for the Western Australian community, industry and resources sector**. It is a role that we take seriously in our efforts to build trust with our stakeholders, deliver exemplary regulatory practice and reform, and protect the community.

Our functions may be diverse in nature, however a common culture is developing with a shared commitment to our purpose and values which is enhancing the way we work together as a regulator, service provider and policy maker.

We continue to perform and deliver our services during a period of ongoing change. We have further revised and integrated structures, policies and processes to continuously improve how we serve the community. We have also seen changes in our leadership, gaining a new Minister for Commerce and the appointment and movement of members of our Corporate Executive and other senior personnel.

Significant strides have been made in realising our vision. During the year, we launched *Towards 2024* - the new strategic plan for DMIRS, which sets out who we are, where we want to go and how we are going to get there.

Our Corporate Executive continued to lead delivery of the *Towards 2024* strategy, and identified three priorities for the year ahead: improving approval pathways to reduce timeframes, streamline processes and improve transparency; collaborating with other agencies to deliver better outcomes; and improving the department's diversity profile and opportunities for women in leadership.

This annual report highlights our achievements in these areas of focus, none of which would have been possible without the dedication and commitment of our people.

Together, as a progressive and engaged workforce, we celebrate our diversity, deliver on our commitments and look for better ways of working so that our customers' experience is the best it can be.

Underlying everything we do are our values of being **respectful, responsive, forward thinking, transparent, fair, and ethical** – these are driven by our staff who help to make DMIRS a success.

David Smith
Director General



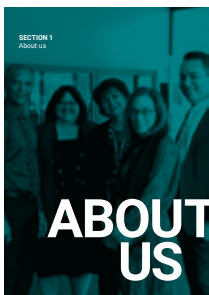
Executive summary

Welcome to the 2018–19 annual report for DMIRS.

Here we report on progress towards delivering the department's purpose, presented in the context of our three approaches and aligned to the priorities of government.

Our customers are at the centre of everything we do, and this report reflects our commitment to our stakeholders by detailing what matters to them.

Within DMIRS, we are committed to good governance, and have linked our report to the good governance principles: strategy, culture, relations, performance and compliance and accountability (referenced on the Public Sector Commission's website).



Our value statement, within *Towards 2024*, is that we lead with integrity, deliver on commitments, strive for excellence, and look for better ways of doing things.

In the **About us** section, we outline who we are and what we do, beginning with a message from our Director General, David Smith, who provides some insight with his year in review.

We cover our diverse range of stakeholders and illustrate the ways we have strengthened our relationships with them over the year. We also identify some of our strengths and challenges using the results from our stakeholder survey.

The regional map demonstrates the wide reach of the department's activities across Western Australia, and the extent of our administered legislation shows just how diverse our operations are, with 94 acts under our responsibility.

Additionally, this section details our performance management framework (Outcome Based Management) which is the formal mechanism by which DMIRS demonstrates accountability and transparency to Parliament and the public.

You will also learn about our governance activities with regard to:

- ▶ **strategy** – our new Strategic Plan *Towards 2024* (detailed in the Message from the DG), and our organisational structure and services;
- ▶ **culture** – our leadership structures and commitment to service delivery; and
- ▶ **relations** – our communication with stakeholders, and shared responsibilities with other agencies.



Every working day we set out to create value. We are constantly exploring innovative ways of creating new, generating more, and expanding on existing, value. Our report this year demonstrates this contribution.

Our performance outlines our most notable achievements over the year aligned with the priorities of Government and our approach as a regulator, service provider and policy maker. Noteworthy matters relating to our performance include: developing a code of practice for mentally healthy fly-in-fly out workplaces; completing a Service Delivery Strategy; the opening of the McLarty Explosives Facility; and commencing the new family violence tenancy laws.

An assessment of our effectiveness and efficiency is contained within a summary of the key performance indicator report, as well as other performance reporting.



Rather than reacting to problems, we aim to keep abreast of change. We adapt and refine ourselves, our systems and practices where necessary, and are agile in responding to the needs of Government and our customers.

Some current and emerging issues and trends that impacted DMIRS during the year are covered in **Significant issues and trends**. These include Streamline WA; the first stage legislative response to the Ministerial Review of the State Industrial Relations System; and regulating the removal of asbestos..



DMIRS is focused on being open and accountable to ensure we can meet our customer and stakeholder expectations now and into the future.

Our key performance indicators, financial statements and other reporting obligations are detailed in the **Disclosures and legal compliance** section.

We cover our governance activities in relation to compliance and accountability. This includes our statutory and other obligations, through audit, delegation of authority, and having policies, processes and plans to manage finances, risk, human resources, as well as ethical, equal opportunity, occupational health and safety and record keeping obligations.



Transparency is one of our six values, and we are committed to providing accurate information on our statutory reporting.

The **Appendices** contain statutory required reporting, including board and committee remuneration, and other Act-specific reporting.

By meeting the various reporting obligations, this section covers our compliance and accountability governance activities.

We have produced this report online as an interactive microsite. This approach is in keeping with the department's focus on maximising digital content delivery to limit the impact to the environment.

To engage with readers, we have also designed an innovative annual report snapshot (contained within **Our performance**), which summarises the key information from our report in an easily extractable, stand-alone document.

Thank you for taking the time to read about our contributions to the State during 2018–19.



Operational structure

Organisational chart

The department's organisational structure was implemented with effect from 22 January 2018.



Notes: (1) From 27 May 2019, Mick Banaszczyk acted in this role for the remainder of the financial year.
 (2) From 27 May 2019, Marka Haasnoot acted in this role for the remainder of the financial year.

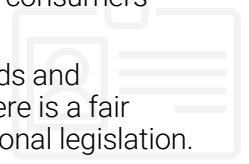


Our services

Industry Regulation and Consumer Protection

Industry Regulation and Consumer Protection works towards ensuring that building, plumbing, gas and electricity services are safe, and that there is a fair trading environment for Western Australian consumers and traders.

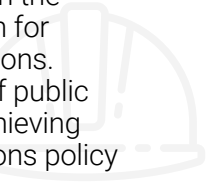
This is done by setting and enforcing the licensing and technical safety requirements, standards and legislation for the building, plumbing, gas and electrical industries. This Group also ensures there is a fair trading environment by applying the Australian Consumer Law and other trading and occupational legislation.



Safety Regulation

Safety Regulation oversees the regulatory and policy requirements of workers' health and safety in the resources and general industries sectors. It also covers the licensing regime and safety legislation for dangerous goods, including regulation of the State's major hazard facilities and petroleum operations. Safety Regulation is responsible for the coordination, governance, and consistent management of public sector labour relations, assists private sector employers and employees in understanding and achieving compliance with Western Australian employment laws, and shapes and implements labour relations policy and legislative reform.

Safety Regulation plays a significant part in building and strengthening Western Australia's economy, by ensuring that one of the State's most significant assets, its workforce, operates in a healthy and safe environment where worker's rights are protected.



Resource and Environmental Regulation

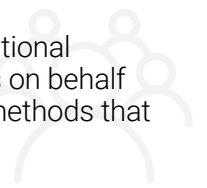
Resource and Environmental Regulation is responsible for the regulation of one of Western Australia's largest industry sectors, playing a critical role in building the State's economy while ensuring its resources are developed in a sustainable and responsible manner.

Resource and Environmental Regulation oversees the regulatory and policy requirements of the resources sector, in all areas with the exception of worker safety. Also delivering the department's geoscience functions, including providing geoscientific data to reduce risk for explorers and increase the attractiveness of Western Australia as a destination of choice for resource companies.



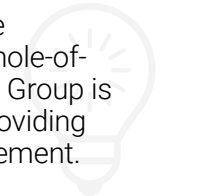
Service Delivery

Working collaboratively across the department, Service Delivery maintains strong links with operational areas, supplying and sharing relevant knowledge and information and delivers a range of services on behalf of DMIRS. Service Delivery remains alert to opportunities to improve and evolve service delivery methods that are efficient, effective and keep pace with the advancement of technology.



Strategic Business Innovation

The Strategic Business Innovation Group supports the department in building a high performance organisation and achieving its strategic and operational objectives. It does this by focusing on whole-of-department strategic capability, fostering innovative thinking, and maximising digital delivery. The Group is responsible for: creating vision and strategies; leading whole-of-government regulatory reform; providing specialist advice to add value and improve the departments operations; controls; and risk management.



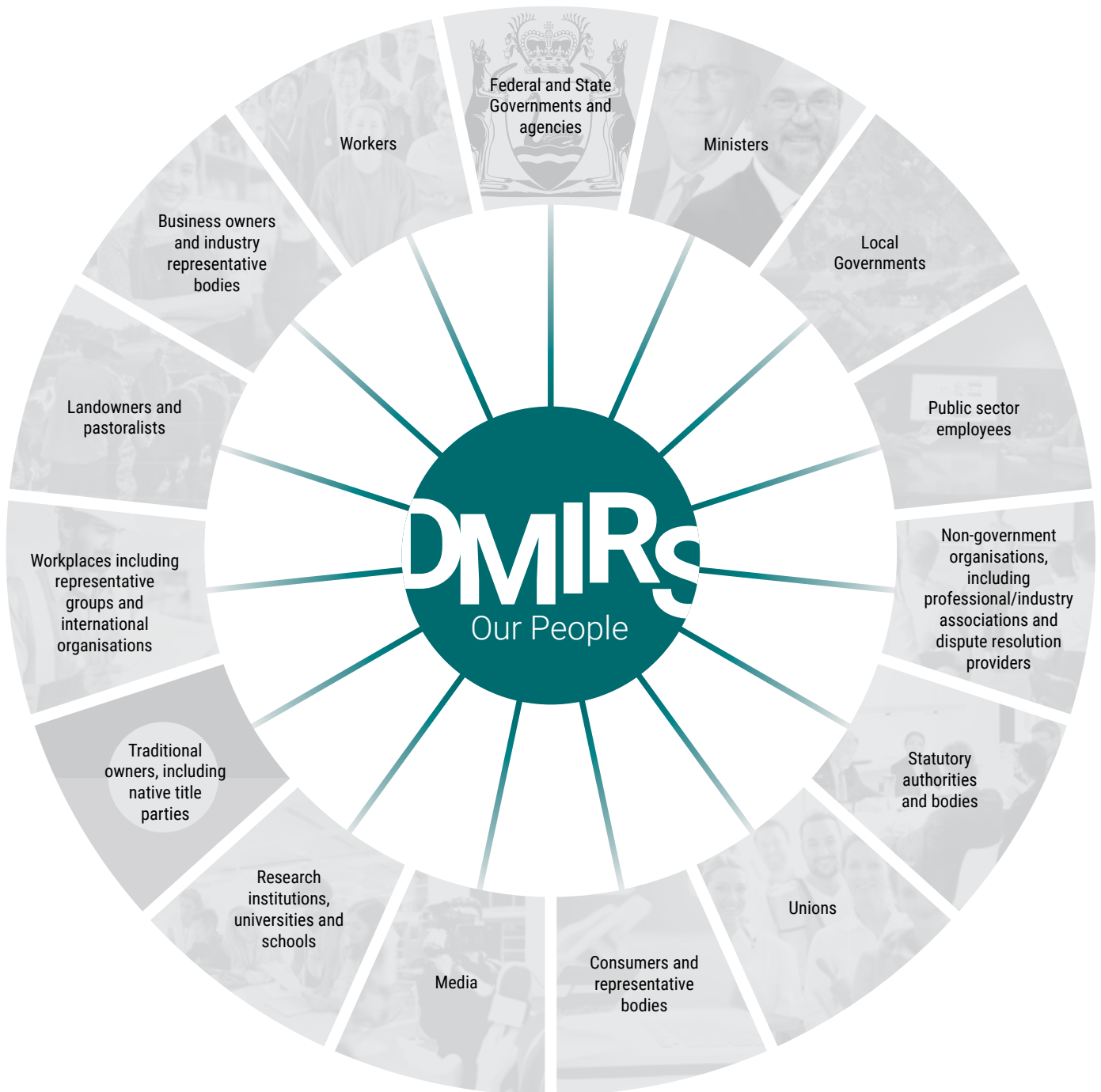
Corporate Services

Corporate Services provides a range of corporate functions, which work towards assisting the department in achieving its strategic and operational objectives by offering specialist advice, effective business systems and internal controls.





Connecting with stakeholders





Strengthening relationships

Our people	Guided by our values – respectful, responsive, forward thinking, transparent, fair and ethical, our 1,520 employees are the department’s most valuable asset in delivering positive stakeholder connection. Our people ‘lead with integrity, deliver on commitments, strive for excellence, and look for better ways of doing things’.
Federal and State Governments and agencies	Providing better services by addressing industry and market-wide challenges through cooperative action and joint legislative initiatives working collaboratively with agencies such as: <ul style="list-style-type: none"> ▶ Safe Work Australia; ▶ Fair Work Ombudsman; ▶ Australian Border Force; and ▶ Department of Treasury.
Ministers	Advising on legislation, operations and labour relations and providing recommendations for action on topics such as: <ul style="list-style-type: none"> ▶ proposed workplace health and safety legislation; and ▶ public sector industrial relations reform, bargaining and strategic advice.
Local Governments	Enabling a two-way exchange of information, advice and cooperative action to support building and planning outcomes that benefit the Western Australian community on topics such as: <ul style="list-style-type: none"> ▶ dangerous goods sites; and ▶ processing of building permit applications.
Public sector employees	Supporting and representing public sector employees to ensure coordination, good governance and management of public sector labour relations and wages policy.
Non-government organisations, including professional/industry associations and dispute resolution providers	Consulting to obtain feedback, staying informed and acknowledging joint issues and concerns. Where appropriate, acting jointly to deliver services, support compliance action and address regulatory issues with organisations such as: <ul style="list-style-type: none"> ▶ Shelter WA; ▶ Chamber of Minerals and Energy WA; and ▶ Chamber of Commerce and Industry of Western Australia.
Statutory authorities and bodies	Consulting with, and supporting, statutory authorities and bodies in the Minister’s portfolio in the discharging of their statutory role.
Unions	Working closely to support worker safety, understanding and working to resolve issues and concerns, and developing and negotiating industrial agreements.
Consumers and representative bodies	Working with consumers and representative bodies to obtain an understanding of issues and concerns, and assist in the distribution of information to inform and protect consumers on topics such as: <ul style="list-style-type: none"> ▶ family and domestic violence laws; and ▶ portable pool safety.
Media	Working with media outlets and representatives to distribute information about the department’s activities that are intended to inform, protect and support the community, consumers, businesses and industry. For example, our officers appear on the ABC Perth Drive radio program each week and 6PR Perth Live radio each fortnight. The department works with the Office of Multicultural Interests distributing key messages in a weekly alert informing over 2,000 culturally and linguistically diverse consumers and businesses.
Research institutions, universities and schools	Embracing opportunities to support innovation and research into policy and operational issues by collaborating with institutions such as the Western Australian Biodiversity Science Institute. Providing employment and training opportunities.
Traditional owners, including native title parties	Providing information, advice and mediation services to assist in achieving the best outcomes for all parties. For example, throughout the work on the Kidson Seismic Survey DMIRS was closely involved in the management of cultural heritage, land access and stakeholder engagement, particularly with the remote Kiwirrkurra, Kunawarrtji and Punmu Aboriginal communities. Additionally, registered native title body corporates; registered native title claimants; native title representative bodies; pastoral leases; Local and State Governments; and registered holders of mining and petroleum pipeline tenure interests were consulted.
Workplaces including representative groups and international organisations	Working closely to promote best practice in safety, environmental protection, heritage conservation and the resources sector demonstrated in our involvement with: <ul style="list-style-type: none"> ▶ the Golden Gecko Awards for Environmental Excellence; and ▶ the Work Health and Safety Excellence Awards.
Landowners and pastoralists	Seek understanding of issues and concerns, and providing feedback on how stakeholder input influences actions and decisions.
Business owners and industry representative bodies	Working with individual businesses and representative bodies to support the fair and effective administration of laws and policies, and obtaining input to the development of those laws and policies such as the Small Business Development Corporation.
Workers	Providing information, advice and conciliation and investigation actions to assist in the achievement of workers’ legal entitlements.



Stakeholder survey

A DMIRS stakeholder satisfaction survey was conducted for the first time in 2019. The main purpose of the survey was to ascertain the overall level of satisfaction with the department as an effective regulator in the resource and industry sectors (KPI 1 and KPI 3, see KPI Report in the **Disclosures and legal performance** section). The survey was also designed to collect supporting information to help identify key strengths and areas of improvement for the whole department.

The overall results were positive, with several strengths identified, particularly with respect to staff interactions and our processes. Some areas for improvement or challenges were also highlighted, with regards to our regulatory style and optimising outcomes (although levels of dissatisfaction were still relatively low). These have been summarised below:

Strengths⁽¹⁾

- ▶ Staff are **professional, courteous and respectful** (76% agree);
- ▶ Staff provide **reliable and accurate information**, and staff provide information **in the format I need** (71% agree with each);
- ▶ DMIRS provides **sufficient information** for my needs (69% agree);
- ▶ DMIRS is sufficiently **responsive to queries** (68% agree);
- ▶ DMIRS has appropriate regulations and legislation to achieve **adequate levels of safety and health** (67% agree); and
- ▶ DMIRS staff **conduct themselves with high ethical standards** and **staff genuinely try to help** (71% agree with each).

Challenges⁽²⁾

- ▶ Community knows what **DMIRS does, when and how to contact DMIRS** (23% disagree);
- ▶ DMIRS has an **aggregate amount of regulation that is manageable for my business*** (22% disagree);
- ▶ DMIRS has **easy to use online systems** (21% disagree); and
- ▶ DMIRS has **easy to follow processes, is influential in fostering a culture of voluntary compliance***, and **balances the needs of industry and the community** (20% disagree with each).

* asked of industry only

DMIRS has demonstrated a commitment to stakeholder satisfaction by adopting the strategic theme of being an **outward-facing department that is open, accountable and committed to improving longer term outcomes for the community** in our new Strategic Plan *Towards 2024*. We are focused on making it easier for our customers to do business with us.

Some of the key takeaways from the stakeholder survey for us to address include: timeliness of processes; balancing the needs of industry and the community; having the right policies in place; and taking an equitable and evidence-based approach to regulatory enforcement.

Investing in continuing to improve our performance in these key areas will be the focus for us over the next few years. We recognise that our stakeholders are diverse, as shown previously in connecting with our stakeholders, often with different interests and concerns, and we will continue to address this challenge through responsive engagement strategies.

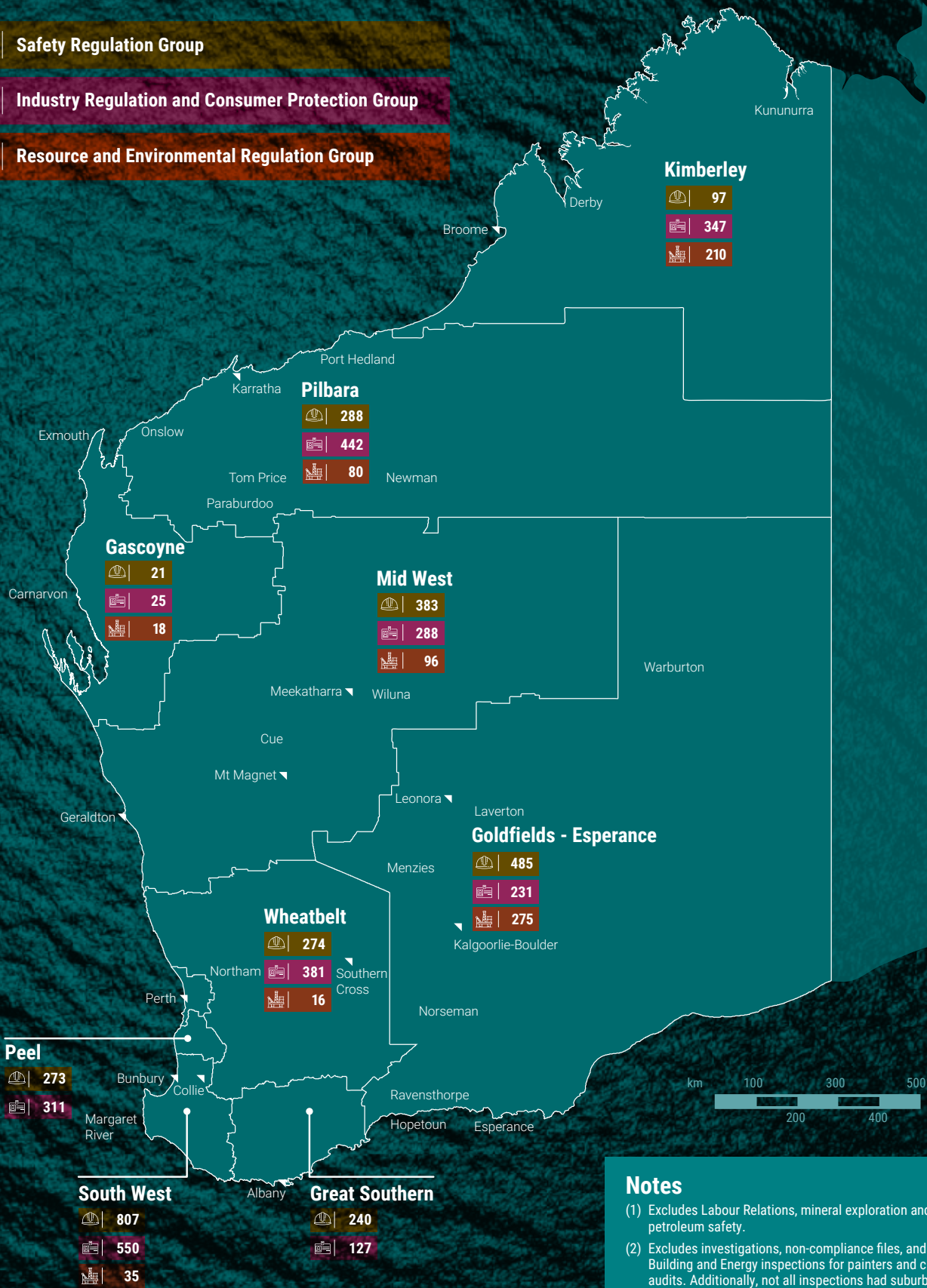
(1) Agree is a rating of 6 and above.

(2) Disagree is a rating of 4 and below. Note that these aspects have substantial neutral responses.

Regional services

Our offices are located around Western Australia for the convenience of our customers and are flagged on the map with a . One of our priorities in *Towards 2024* is to **develop strong community partnerships to improve customer satisfaction with our metropolitan, regional and remote services**. To demonstrate the widespread provision of our services across the State, the number of visits for Safety Regulation Group⁽¹⁾, Industry Regulation and Consumer Protection Group⁽²⁾ and Resource and Environmental Regulation Group is shown on the map below.

	Safety Regulation Group
	Industry Regulation and Consumer Protection Group
	Resource and Environmental Regulation Group



Notes

- (1) Excludes Labour Relations, mineral exploration and petroleum safety.
- (2) Excludes investigations, non-compliance files, and Building and Energy inspections for painters and cladding audits. Additionally, not all inspections had suburb information available.



Administered legislation

We assist the Ministers for Mines and Petroleum; Industrial Relations and Commerce in administration of the following Acts:

[Architects Act 2004](#)

[Associations Incorporation Act 2015](#)

[Auction Sales Act 1973](#)

[Barrow Island Royalty Trust Account Act 1985](#)

[Barrow Island Royalty Variation Agreement Act 1985](#)

[British Imperial Oil Company, Limited \(Private\) Act 1925](#)

[Building Act 2011](#)

[Building Services \(Complaint Resolution and Administration\) Act 2011](#)

[Building Services \(Registration\) Act 2011](#)

[Building Services Levy Act 2011](#)

[Business Names \(Commonwealth Powers\) Act 2012](#)

[Business Names Act 1962](#)

[Charitable Collections Act 1946](#)

[Chattel Securities Act 1987](#)

[Churches of Christ, Scientist, Incorporation Act 1961](#)

[Coal Miners' Welfare Act 1947](#)

[Commercial Tenancy \(Retail Shops\) Agreements Act 1985](#)

[Competition Policy Reform \(Taxing\) Act 1996](#)

[Competition Policy Reform \(Western Australia\) Act 1996](#)

[Conspiracy and Protection of Property Act of 1900](#)

[Construction Contracts Act 2004](#)

[Construction Industry Portable Paid Long Service Leave Act 1985](#)

[Co-operatives Act 2009](#)

[Credit \(Administration\) Act 1984](#)

[Credit \(Commonwealth Powers\) \(Transitional and Consequential Provisions\) Act 2010](#)

[Credit \(Commonwealth Powers\) Act 2010](#)

[Credit Act 1984](#)

[Dangerous Goods Safety Act 2004](#)

[Debt Collectors Licensing Act 1964](#)

[Decimal Currency Act 1965](#)

[Disposal of Uncollected Goods Act 1970](#)

[Distress for Rent Abolition Act 1936](#)

[Dividing Fences Act 1961](#)

[Electricity Act 1945](#)

[Employment Agents Act 1976](#)

[Employment Dispute Resolution Act 2008](#)

[Energy Coordination Act 1994^{\(1\)}](#)

[Energy Safety Act 2006](#)

[Energy Safety Levy Act 2006](#)

[Fair Trading Act 2010](#)

[Finance Brokers Control Act 1975](#)

[Fremantle Buffalo Club \(Incorporated\) Act 1964](#)

[Gas Standards Act 1972](#)

[Gas Supply \(Gas Quality Specifications\) Act 2009^{\(2\)}](#)

[Growers Charge Act 1940](#)

[Hire-Purchase Act 1959](#)

[Home Building Contracts Act 1991](#)

[Industrial Relations Act 1979](#)

[Land Valuers Licensing Act 1978](#)

[Law Reform \(Common Employment\) Act 1951](#)

[Limited Partnerships Act 2016](#)

[Long Service Leave Act 1958](#)

[Metric Conversion Act 1972](#)

[Mines Safety and Inspection Act 1994](#)

[Minimum Conditions of Employment Act 1993](#)

[Mining \(Validation and Amendment\) Act 1986](#)

[Mining Act 1978](#)

[Mining On Private Property Act 1898](#)

[Mining Rehabilitation Fund Act 2012](#)

[Motor Vehicle Dealers Act 1973](#)

[Motor Vehicle Repairers Act 2003](#)

[New Tax System Price Exploitation Code \(Taxing\) Act 1999](#)

[New Tax System Price Exploitation Code \(Western Australia\) Act 1999](#)

[Occupational Safety and Health Act 1984](#)

[Occupational Safety and Health \(Validation\) Act 1998](#)

[Offshore Minerals \(Registration Fees\) Act 2003](#)

[Offshore Minerals Act 2003](#)

[Offshore Minerals \(Consequential Amendments\) Act 2003](#)

[Offshore Petroleum \(Royalty\) Act 2006^{\(3\)}](#)

[Offshore Petroleum and Greenhouse Gas Storage Act 2006^{\(3\)}](#)

[Personal Property Securities \(Commonwealth Laws\) Act 2011](#)

[Petroleum \(Submerged Lands\) Act 1982](#)

[Petroleum \(Submerged Lands\) Registration Fees Act 1982](#)

[Petroleum Act 1936](#)

[Petroleum and Geothermal Energy Resources \(Registration Fees\) Act 1967](#)

[Petroleum and Geothermal Energy Resources Act 1967](#)

[Petroleum and Geothermal Energy Safety Levies Act 2011](#)

[Petroleum Pipelines Act 1969](#)

[Petroleum Products Pricing Act 1983](#)

[Petroleum Retailers Rights and Liabilities Act 1982](#)

[Petroleum Titles \(Browse Basin\) Act 2014](#)

[Plumbers Licensing Act 1995^{\(4\)}](#)

[Public and Bank Holidays Act 1972](#)

[Real Estate and Business Agents Act 1978](#)

[Residential Parks \(Long-Stay Tenants\) Act 2006](#)

[Residential Tenancies Act 1987](#)

[Retail Trading Hours Act 1987](#)

[Retirement Villages Act 1992](#)

[Sale of Goods \(Vienna Convention\) Act 1986](#)

[Sale of Goods Act 1895](#)

[Settlement Agents Act 1981](#)

[Street Collections \(Regulation\) Act 1940](#)

[Sunday Entertainments Act 1979](#)

[Transfer of Incorporation \(HBF and HIF\) Act 2009](#)

(1) Pt. 2 & 3 only; remainder of Act administered by the Minister for Energy principally assisted by the Department of Treasury

(2) Pt. 5 Div. 2 only; remainder of Act administered by the Minister for Energy principally assisted by the Department of Treasury

(3) On behalf of the Commonwealth

(4) Part 5A only, remainder of Act administered by the Minister for Water principally assisted by the Department of Water and Environmental Regulation



Performance Management Framework

Western Australia’s public sector performance management framework is referred to as Outcome Based Management (OBM). Our OBM reflects the department’s contribution towards these government goals:

Better Places:
A quality environment with liveable and affordable communities and vibrant regions

Strong Communities:
Safe communities and supported families

And towards our purpose of: **Supporting a safe, fair and responsible future for the Western Australian community, industry and resources sector.**

Outcome Based Management Structure

The following OBM Framework was endorsed by the Department of Treasury for the department’s reporting in 2018–19 and onwards:



The OBM structure is designed to be outward-facing, reflecting information that is of value to the public. A single outcome was chosen to provide a shared focus for the department, and the three services are reflective of the department’s functions and substantially align to the department’s organisational structure. Each of the three effectiveness key performance indicators are aligned with one of three services, to ensure the effectiveness of our core business is measured against this one outcome statement. The delivery of our services are measured by three efficiency and one cost effectiveness indicator. As these are all new indicators, where possible, results have been backcasted to provide a 2017–18 result for comparative purposes.



Shared responsibilities with other agencies

The department contributed to the delivery of several whole-of-government and cross-agency initiatives - each of which had shared accountabilities for their successful implementation. The following initiatives, were reported against the 2018–19 Resource Agreement.

Initiative	Related outcome	Contributing agencies	Commitment	Report against targets
Fatigue and Isolated Drivers in the Commercial Vehicle Sector	A workplace operated in a safe and healthy manner	<ul style="list-style-type: none"> ▶ Office of Minister Johnston ▶ DMIRS ▶ WA Police ▶ Main Roads WA 	Nil – using existing departmental resources	<p>Target: 250 proactive stops proposed.</p> <p>Results: WorkSafe inspectors carried out 283 investigations. Enforcement rate was 20%, with issue of 24 improvement notices, 7 prohibition notices, and 45 verbal directions.</p>
Exploration Incentive Scheme	Promoting greenfield exploration in WA's under explored areas for mineral deposits and on frontier petroleum basins	<ul style="list-style-type: none"> ▶ Office of Minister Johnston ▶ DMIRS ▶ Department of Primary Industries and Regional Development 	\$10 million	Maintain investment and exploration activity at levels required for the long term sustainability of the State's resources sector.

As one of our department's priorities in *Towards 2024* is to improve collaboration with other agencies to deliver better outcomes, DMIRS has focused throughout the year on additional cross-agency projects through the sharing of knowledge and expertise.

- ▶ DMIRS is part of the cross-agency and portfolio collaboration in three of the six outcome areas of Government's Our Priority: Sharing Prosperity reform to delivery better social, economic and environmental outcomes for the State. These outcome areas are - 'A strong economy', 'A liveable environment' and 'Regional prosperity'; and cover six specific whole-of-government targets. DMIRS is contributing to this collaboration through support and leadership on the outcome activity groups, and through the provision of direct assistance in the delivery of actions to deliver targets.
- ▶ With the assistance of WA Police and Main Roads WA, DMIRS was able to carry out 48 inspections under the Safe Road Transport of Dangerous Goods initiative.
- ▶ The HAZMAT Coordinating Committee (Department of Fire and Emergency Services; WA Police, Department of Health (Health); Department of Transport; ChemCentre; and DMIRS) coordinated appropriate responses to incidents involving dangerous goods.
- ▶ Two applications received and two permits were issued under the *Medicines and Poisons Act 2014* (delegated by Department of Health) in relation to purchase of specified carcinogenic substances allowing these workplaces to operate in a safe and healthy manner with respect to carcinogenic substances.
- ▶ DMIRS' Public Sector Labour Relations directorate worked with the Public Sector Commission and line agencies in supporting the Government's commitment to permanent employment through implementing *Commissioner's Instruction 23 – Conversion and appointment of fixed term contract and casual employees to permanency*.
- ▶ Working collaboratively, DMIRS and the Department of Water and Environmental Regulation (DWER) are the lead agencies in Streamline WA, a whole-of-government approach to improving regulation and regulatory practice to make it easier to do business in Western Australia. This initiative is also supported by the Department of Treasury (Treasury) and other agencies which are dependent on approved Streamline WA projects.
- ▶ DMIRS, along with DWER; Health; Department of Jobs, Tourism, Science and Innovation; Treasury; Department of Premier and Cabinet; Department of Biodiversity, Conservation and Attractions; and Department of Planning, Lands and Heritage are implementing the Government's response to the Independent Scientific Panel Inquiry into Hydraulic Fracture in Western Australia by delivering actions contained within the implementation plan.
- ▶ As part of the Government's Roadmap for Reform's Functional Area Leadership initiative, DMIRS is part of a pilot providing functional leadership in occupational safety and health across the WA public sector.



SECTION 2
Our performance

OUR PER FORM ANCE



Section 2: Our performance

The 2018–19 Resource Agreement between the department’s Director General, the then Minister for Mines and Petroleum; Commerce and Industrial Relations, and the Treasurer, was drafted in accordance with section 41 of the *Financial Management Act 2006*. It articulates the services to be delivered by the department, its financial and non-financial performance targets, and the government’s desired outcomes in the delivery of those services.

A summary of the department’s performance against whole-of-government and cross-agency initiatives is provided in the **About us** section. The department’s financial and non-financial performance is summarised on the next page, with more detailed information provided in the **Disclosures and legal compliance** section.

Key

Performance indicator results are assessed in relation to a set target. The result is indicated by the direction and the colour of the arrow indicating the status:

- above ▲ or below ▼ exceeded target;
- above ▲ or below ▼ did not meet target; or
- ▶ met target (variance $\pm 5\%$).

Snapshot of our performance



Inputs:

Our business:

\$260,778,000

Cost of services (total)⁽¹⁾

Target \$292,757,000

▼ Variation (\$31,979,000)⁽²⁾

\$149,136,000⁽³⁾

Salary expenses

Target \$149,819,000

► Variation (\$683,000)

1,398

full time
equivalent employees

\$460,612,000

Total equity

Target \$424,334,000

▲ Variation \$36,278,000

\$13,701,000⁽³⁾

Agreed working cash limit

Target \$14,557,000

▼ Variation (\$856,000)



61,127 calls related to workplace safety and health were received



406,559 licences, permits, certificates, approvals and registrations administered by Licensing Services



198,160 tenancy bonds transactions



3,651 applications for mining tenements received



100,041 calls and 8,451 emails handled by the Consumer Protection contact centre



8,751 inspections conducted by Building and Energy across Western Australia



14,280 calls to Wageline



37 safety alerts issued



88,755 calls and 16,246 emails handled by the Safety, Building and Energy contact centre



More than 300 stakeholders attended regional seminars about significant changes to the 2019 edition of the National Construction Code



19,387 subscribers to safety e-newsletters



2,194 mining tenements granted



12,869 scams were reported to Consumer Protection

(1) Net cost of services – Actual \$90,331,000, Target \$119,918,000 and Variation (\$29,587,000) for explanation of variance refer to note 9.13 of the Financial Statements.

(2) For explanation of variance between Actual and Target refer to note 9.13 of the Financial Statements.

(3) Actual derived from the Department of Treasury's Strategic Information Management System.

performance



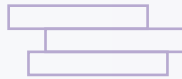
Value created:

Performance measure⁽³⁾

\$3.1 million total value of redress achieved for WA consumers, with \$759,000 recouped for regional consumers



185 audits of buildings with cladding completed



\$6.9 billion collected royalties (including Commonwealth shares), and royalty compliance audit program resulted in additional royalties of \$254.4 million assessed as being payable



\$377,990 in entitlements recovered for WA workers from proactive inspections and complaints



The new McLarty Explosives Facility opened 18 April 2019 with 36 explosives storage and manufacturing sites available for lease



24 public sector industrial agreements successfully negotiated covering the wages and employment conditions of almost 92,000 employees



New online ThinkSafe magazine launched



Approximately \$180,000 savings achieved with the launch of digital renewal reminders for licensed occupations



71%
stakeholders were satisfied with DMIRS as an effective resource sector regulator
▼ Target 86%

12
work-related traumatic injury fatalities
▲ Target 0

65%
stakeholders surveyed were satisfied with DMIRS as an effective industry regulator
▼ Target 75%

\$4,172
average cost of resource regulation per live title
▼ Target \$4,967

11.71:1
cost of work-related lost time injury and disease claims in relation to cost of Safety Advice and Regulation Service
▲ Target 10.78:1

96%
high risk licence applications determined within 14 days
▶ Target 100%

\$184
average cost per transaction to deliver industry advice and regulation services
Target \$158⁽⁴⁾

(3) Refer to [Key Performance Indicators – Disclosures and legal compliance](#) for explanation of variances.

(4) The target for this KPI was based on a methodology which has since been refined, so the result is not comparable to the target.

Our key achievements

Regulator:

The following are key indicators of our success as a regulator:

- ▶ **Regulated entities know and comply with the rules.**
- ▶ **Individuals and businesses have the confidence to operate in WA.**
- ▶ **Better regulatory outcomes at a lower cost to the community.**
- ▶ **Public confidence is high in our areas of responsibility.**

Our role as regulator has resulted in the following significant achievements for 2018–19:

Don't Duck Out, Make it SAFE

In response to the Western Australian Ombudsman's Report recommendations to prevent child drownings, the department led and funded a national portable pool education campaign in partnership with the Royal Life Saving Society Australia.

In consultation with retailers, the department developed brochures, and created shelf wobblers and stickers. These were distributed through a national Trader Engagement program led by Western Australia, resulting in point-of-sale displays at 300 Target stores, plus Kmart and Big W stores nationally. In Western Australia, Clark Rubber, Red Dot, Bunnings, Outback and Toyworld stores also participated in the program.

Drowning-prevention ambassadors were recruited, including a Perth mother whose son died in 2017 from injuries sustained when he drowned in a portable pool.

Don't Duck Out media launches were held in WA and Tasmania, and media releases were issued in other states. The resulting coverage on TV, radio and online reached more than half a million people. Videos were created along with a microsite at www.productsafety.gov.au/makeitsafe. The campaign videos were watched by more than 30,000 social media users. Thousands of parents and carers across Australia received campaign rubber ducks and fridge magnets to promote water safety messages. In WA, two large unfenced portable pools (drowning hazards) were dismantled through stakeholder engagement with local government authorities.

Code of practice for mentally healthy fly-in fly-out workplaces

On 2 April 2019, Mines and Petroleum Minister Bill Johnston launched Australia's first code of practice "Mentally healthy workplaces for fly-in fly-out (FIFO) workers in the resources and construction sector".

The code was developed in response to recommendations in a Legislative Assembly Committee report on the impact of FIFO practices on workers' mental health.

Produced following extensive public consultation, the code will help organisations address psychosocial hazards and risk factors in FIFO workplaces in particular. It may also be useful for other working-away-from-home arrangements as well as general workplaces.



Generating public value through risk-based regulation – lecture and workshops

Working closely with the Director General, representatives from across the department organised presentations by Harvard Academic and internationally recognised expert on risk-based regulation design, Professor Malcolm Sparrow on the topic of “Generating public value through risk-based regulation”. The event was planned to support the Government’s regulatory reform agenda, including the Streamline WA initiative, and provide opportunities for other agencies to participate.

Professor Sparrow, presented at a breakfast meeting for public sector leaders, in collaboration with the Public Sector Commission and Department of Premier and Cabinet. He delivered a three-part lecture and workshop for DMIRS staff and other agencies and also spoke at an industry sundowner.

The Institute of Public Administration Australia (Western Australia) provided secretariat support and publicity for the lecture, which was pivotal in generating significant interest from across the public sector.



Workshops were attended by close to 200 DMIRS staff, and 60 staff from other agencies. The feedback indicated the workshops were very relevant to the work being undertaken for regulatory reform. The workshops helped participants identify and understand some of the opportunities and challenges they will face as they progress their program of works, and operationalise what was learned during Professor Sparrow’s visit.



Importantly, pre and post-event surveys indicated significant shifts to a better understanding of the topics covered in the lecture.

Streamline WA: making it easier to do business in WA

The department is leading the way for regulatory reform with Streamline WA – a whole-of-government approach to make it easier to do business in Western Australia by improving regulation and regulatory practice.

Streamline WA brings government, industry and community representatives together to identify, prioritise and implement reform activities that reduce regulatory barriers, encourage investment and help businesses to prosper in WA.

Streamline WA is led by a Steering Committee, co-chaired by our Director General David Smith and Director General Mike Rowe of the Department of Water and Environmental Regulation. The departments are working collaboratively to provide project direction, and project and secretariat support.

The initiative has achieved a number of milestones since it commenced in December 2018.

During an initial round of consultation, 26 reform proposals were received from across government and industry associations.

A review of these submissions identified mining environmental approvals and tourist attraction regulation as early priorities for reform. Public and private sector collaborative working groups are being established to deliver effective regulatory reform in these areas, with more proposals in the pipeline.

A website containing an online portal was launched on 27 June 2019 by the Premier of Western Australia to provide a convenient gateway for the public to submit their ideas for regulatory reform.



Establishment of the National Regulators Community of Practice - WA Chapter

The Western Australian Chapter of the National Regulators Community of Practice is a network of public sector regulators, regulatory policy makers and others with a scholarly or professional interest in regulation. Established by the department in 2018, the creation of the WA Chapter was a result of identifying an opportunity to develop a network focused on regulatory issues of interest and importance to the State.

As well as providing an ongoing forum for networking and engagement, the WA Chapter hosts three to four free events each year where leading regulatory scholars and/or practitioners present on a current regulatory topic of interest and benefit to practising regulators.

The WA Chapter has stimulated excellent discussion and debate around regulation in Western Australia, as well as providing excellent networking and engagement opportunities that were not readily available. The collaboration between regulatory agencies, and increasing professional and personal connections with officers of agencies who are involved in regulatory design and implementation will, over time, encourage innovation and continuous improvement in regulatory practice in the State.

Water services to individual strata sub-divisions

The department has developed a solution to a long-standing problem around the installation of underground water and sewerage services to individual lots on survey-strata subdivisions.

A change to the Water Corporation's policy in 2015 meant developers only had to ensure there is an adequate connection to the corporation's infrastructure for the whole subdivision, not each lot. This change in policy had, in some instances, led to significant unexpected plumbing costs to purchasers of survey-strata subdivision lots.

Through successful collaboration with the Department of Planning, Lands and Heritage; the WA Planning Commission; Landgate; and the Water Corporation, the department has proposed a solution to ensure purchasers of survey-strata lots do not face significant unexpected plumbing costs when building a house on the lot.

Amalgamation of industry safety awards

The Work Health and Safety Excellence Awards recognise outstanding solutions and innovations to specific workplace health and safety issues in Western Australia. Launched in April 2019, the new-look awards are an amalgamation and upgrade of awards previously presented by the former departments of Mines and Petroleum (Safety and Health Resources Sector Awards) and Commerce (Work Safety Awards).

Submissions were invited from individuals, associations, partnerships, companies and other organisations operating under safety legislation administered by DMIRS. In this inaugural year for the amalgamated awards, 69 submissions were received across five award categories.

Use of mine tailings as road fill

Main Roads WA identified an area of barren tailings from a former mineral sands mining operation as being suitable for fill for a strategic road-building project.

DMIRS officers verified the tailings as safe to use as road fill following a field survey of tailings minerals and an analysis of samples.

Using the 300,000 cubic metres of mine tailings as road fill helps:

- ▶ prevent depletion of sand materials in the south-west of the State;
- ▶ save the State considerable expenditure in purchasing raw materials;
- ▶ reduce freight costs for transporting fill materials;
- ▶ reduce potential vehicle movements on already busy regional roads; and
- ▶ reduce the carbon footprint of the road-building project.

DMIRS officers continue to provide specialist technical advice for the road-building project.

Our key achievements

Service provider:

The following are key indicators of our success as a service provider:

▶ **We know and monitor our costs and keep them moderate.**

▶ **Customers have fewer touchpoints when doing business with us.**

▶ **Customers and staff find it easier to do business.**

▶ **Customers are satisfied with their treatment.**

Our role as service provider has resulted in the following significant achievements for 2018–19:

Acquisition of the Kidson Seismic Survey

Between June and August 2018 the department, in collaboration with Geoscience Australia and the Commonwealth Department of Industry, Innovation and Safety, undertook a high-tech seismic reflection survey of the Kidson Sub-basin. This Sub-basin is a remote south-east portion of the Canning Basin, one of the least geologically understood regions in Australia.

Running from Kiwirrkurra to Marble Bar - a distance of 872 kilometres - the Kidson Seismic Survey is the longest continuously onshore seismic line in Australia. The \$4.75 million survey was co-funded by the Commonwealth Government's "Exploring for the Future" program and Western Australia's Exploration Incentive Scheme.

Throughout the survey the department was closely involved in the management of cultural heritage, land access and stakeholder engagement, particularly with the remote Kiwirrkurra, Kunawarritji and Punmu Aboriginal communities. In addition, registered native title body corporates, registered native title claimants, native title representative bodies, pastoral leasees, Local and State Governments and registered holders of mining and petroleum pipeline tenure interests were consulted.

Revealing new structural and stratigraphic information about the Canning Basin, the Paterson Orogen and the Pilbara Craton, the Kidson Seismic Survey provides subsurface geological data valuable to minerals; petroleum and hydrological industries; researchers; and government departments.

By better understanding the location and scale of potential energy and mineral resources, the survey data is expected to stimulate new interest in the exploration of the area; improve exploration efficiency over a broad area; and potentially support more job opportunities in the region.

Raw data from the Kidson Seismic Survey revealed new geological features, highlighting new mineral resource potential in an area known to host significant copper and gold deposits. The preliminary results indicate there are more mineral resources to be found within the area. Having received a Minerals Research Institute of Western Australia grant, the department's geoscientists, working with the Centre of Exploration Targeting at the University of Western Australia, are also using the survey data to interpret underlying crystalline basement in the region.

The survey data is being used by the department to better understand the geology of the region and target drilling locations, as demonstrated by the department's Kidson Sub-basin Stratigraphic Drilling Project. Working with Geoscience Australia, and having secured Commonwealth funding, the project will provide stratigraphic information within the Waukarlycarly Embayment of the Canning Basin – an active mineral exploration area for which the stratigraphy is unknown. Drilling is planned to commence in the later half of 2019.



Kalgoorlie seismic line data acquisition

Completed 6 April 2019, the Eastern Goldfields Seismic Survey recorded valuable geological data in the area between Broad Arrow and Kambalda, Western Australia. Consisting of seven traverses along existing roads and tracks, across 305 kilometres, the survey was the culmination of comprehensive planning and stakeholder consultation by the department between July and December 2018.

It is estimated that both the raw data and final data products from the Eastern Goldfields Seismic Survey will be available by September 2019. This data will complement the department's existing aeromagnetic and radiometric surveys of the Eastern Goldfields area; regional ground gravity surveys; and existing Geoscience Australia deep 2D seismic traverses. The integration of Eastern Goldfields Seismic Survey data with field mapping and other survey data will provide a substantially improved understanding of the region's geology. Additionally, it will assist in delineating areas suitable for more detailed 3D seismic exploration surveys.

Tenancy Bonds Project delivers fast, automated, return of bond monies

Over the past 24 months, the department has been working with the Department of Justice on a residential tenancy bond project. The project involved developing a web interface with the Magistrates Court to improve accuracy. By automatically populating court application forms with the relevant bond data from the bond lodgement records, fewer matters are required to be reheard due to incorrect details being presented to the courts.

In August 2018, the final stage of the project implemented a 'hands free' feature enabling the Magistrates Court to send its orders to Bonds Administration electronically. This is where the tenants or lessors' electronic financial transactions details are held, so the system automatically issues payment in accordance with the court order; requiring no human intervention.



Under this system, tenants and lessors are now receiving monies in two to four days from the court order being made, resulting in substantial efficiencies and a faster return of bond monies.

Security of payment reform

Since 2017, the department has been assisting the Minister for Commerce implement the Government's election commitment to improve payment protections for subcontractors in the building and construction industry.

During 2017–18, officers assisted Mr John Fiocco and the Hon Matthew Swinbourn MLC to carry out an extensive inquiry and consultation process with industry stakeholders.

In October 2018, a final report was provided to the Minister and released publicly. The report contains 44 recommendations that provide a roadmap for improving payment protections for WA subcontractors.

The department is now working with the Minister to implement the recommendations and develop new legislation.

Kimberley Outreach Project – Kalumburu

The Kalumburu Community is the northernmost settlement in Western Australia. Located 12 hours' drive from the nearest town and 53 hours' drive from Perth, it is also one of WA's remotest communities.

In the latter half of 2018, the community obtained access to mobile phone coverage for the first time. Since many community members had not previously had access to this technology, the department travelled to the area to provide information about online safety and consumer rights, scam awareness, and consumer awareness in relation to mobile phone contracts.

This work demonstrated the department's commitment to delivering its services to the people of WA, regardless of where they are located.

The establishment of and building a rapport with key contacts in remote communities such as Kalumburu contribute towards the reduction of possible financial distress or other detriment to consumers who may be considered vulnerable or disadvantaged.



People Helping People – improving our service delivery

The department developed a Service Delivery Strategy and proposed new business model to reform customer service channels. It will result in a better choice for customers seeking to access DMIRS services. Once implemented, the Service Delivery Model (model) will provide a wider range of customer centric service delivery channels to make it easier and more convenient for customers to access information about regulatory obligations.

Our customer service teams and internal business partners are critical for the success of this strategy, which focuses on the simple concept of “People Helping People”.

The new model will repurpose and align existing resources to begin a five year plan to transform the way DMIRS designs and delivers future customer service initiatives by embedding the principles of customer needs, customer experience, single point resolution and digital services.

From August 2018 to February 2019, the department also conducted a review of its regional services.

The review examined the current service delivery model for all 14 regional offices, and proposals were developed for improving services to the regions, including digital service delivery and identifying better ways to use the department’s resources. Of these 14 offices, 12 are currently operational. Both the Norseman and Coolgardie offices are currently closed and their future will be determined as part of a public consultation process.

In September 2018, the department’s office at Brookman Street, Kalgoorlie was closed and all services previously provided from that location relocated to the department’s West Kalgoorlie office.

The proposals are being considered by the Minister for Ministers for Mines and Petroleum; Industrial Relations and Commerce, and will be released for public consultation in the second half of 2019.



Improving access to our services for all

DMIRS customer service officers work across a range of different business areas and in many locations across Western Australia, serving customers face-to-face, by phone and online.

They manage hundreds of thousands of customer queries each year and process many different types of applications, licences, permits and certificates.

Our customer service officers gain valuable experience working with a diverse range of people, including people with disability.

Director Customer Information, Robyn Parker, says that as part of the Disability Access and Inclusion Plan, there is ongoing training for staff to upgrade their skills.

“Training will be further developed and improved over time, to build and maintain a strong inclusive culture, so it is part of our everyday business,” said Robyn.

“I notice staff taking the time to do the things that make a difference to our visitors, such as providing extra assistance to the elderly or infirm; travelling in the lift with customers to reassure them; explaining forms and reading information for people.

For customers with a hearing impairment, we display hearing loss signs on our front counters state wide. We also use the National Relay Service which is proven to be an excellent way to assist people.”



Mineral Systems Atlas

The Mineral Systems Atlas is a new online, map-based product that collates and delivers pre-competitive geoscience data filtered to be specifically relevant to understanding and exploring for mineral deposits in Western Australia.

To create content for the Atlas, our geologists have been working with other experts to identify the critical geological processes that are understood to form and preserve mineral deposits; and translate these into geological features that indicate where these processes have occurred.

Maps of these geological features are created using automated queries that extract relevant information from primary Geological Survey databases; and become the “pages” of the Atlas, grouped together for each featured mineral system.

The Atlas includes an online guide that documents all aspects of the creation of the Atlas, particularly descriptions of current models for mineral deposit formation, and the procedures used to generate “proxy” geological maps of mineralising processes, and to generate these map layers.

The Atlas currently features information for the komatiite-hosted nickel sulphide and enriched iron-formation mineral systems. However, its modular and hierarchical design will readily permit the addition of information for other mineral systems and commodity groups in Western Australia as they become available.

The Atlas is a significant step towards streamlining the delivery of pre-competitive geoscience data, and should assist mineral explorers to more efficiently generate and test potential prospects.

Our key achievements

Policy maker:

The following key indicators of our success as a policy maker:

▶ **Business, community and industry behaviour supports policy intent.**

▶ **Disruptors are identified early enough for pre-emptive policy action.**

▶ **Intelligence is regularly shared and used for public benefit.**

▶ **New ideas on how to address regulatory challenges are on the policy agenda.**

Our role as policy maker resulted in the following significant achievements for 2018–19:

Consultation on work health and safety reform

The WA Government has committed to bringing all WA workplaces under a single modernised Work Health and Safety Act, based on the national model Work Health and Safety Bill.

Extensive consultation to develop the new laws is a State Government priority. Following the work done by the Ministerial Advisory Panel in the first phase of the consultation process, the department conducted the second stage seeking public comment on the 43 recommendations made by the Ministerial Advisory Panel regarding the Bill, along with an additional recommendation from the Minister's office.

The public consultation paper was released on 1 July 2018. Officers from the department delivered information sessions across the State to accompany the release of the paper.

The WA community had two months to provide feedback, with 66 submissions received by 7 September 2018.

The feedback received through this process is informing the Government's decisions in relation to the proposed new Work Health and Safety laws.

New family violence tenancy laws commence

New tenancy laws commenced in April 2019 that will better protect tenants experiencing family and domestic violence. The new laws mean that tenants who are the victims of family violence now have options. This may be to stay in the tenancy but have the name of the perpetrator taken off the lease, or to leave by legally ending the lease agreement by giving seven days' notice and evidence of family violence – this can be an order from the court or a signed family violence report from a designated person such as a doctor, police officer, social worker or psychologist.

Tenants dealing with family violence are also able to make the rental home safer by changing the locks or by making certain security upgrades. From October 2019, this may be done without the landlord's permission, but tenants will still have to advise the landlord that they intend to upgrade security.

The changes support the victims of family violence and put Western Australian residential tenancy laws at the forefront of similar laws across the country.



Inquiry into wage theft in Western Australia

DMIRS provided support for the Inquiry into Wage Theft in Western Australia, announced by the Minister for Industrial Relations in January 2019. The Inquiry was undertaken by Mr Tony Beech, former Chief Commissioner of the Western Australian Industrial Relations Commission.

As well as preparing material used to approve the establishment of the Inquiry, extensive secretariat support was provided to the Inquirer, such as launching and promoting the inquiry to the community, managing the submissions process, preparing submission summaries, and assisting with preparation of the inquiry report.

The inquiry report was provided to the Minister in June 2019.

Cyber and Information Security Management framework

DMIRS depends heavily on information and communications technology (ICT), with cyber security being a critical component within the ICT machinery. The department is widely recognised as a leading agency in the application of cyber security within the business and government, both from a strategic and operational perspective.

The DMIRS Cyber and Information Security Management (CISM) Framework and Cyber Security Policy was endorsed by the Director General on the 16 November 2018. The CISM Framework provides the department with the ability to consistently manage cyber security principles, policies and practices in one place. The goal of the framework is to minimise risk exposure and ensure business continuity by limiting the impact of a security incident through the proactive identification and treatment of cyber security threats to our information and ICT systems.

The DMIRS CISM Framework and Cyber Security policy has been well-received by the Office of Digital Government and is recognised as providing a good example to other agencies. DMIRS is considered a valuable member of WA Government's Cyber Security Working Group and is also a partner member of the Australian Cyber Security Centre.



Independent scientific hydraulic fracture stimulation

On 27 November 2018, following careful consideration of the Independent Scientific Panel Inquiry into Hydraulic Fracture Stimulation in Western Australia Report, the State Government announced a raft of new, world-class controls to ensure risks associated with hydraulic fracturing are low and manageable.

A Senior Officials Steering Group (SOSG) was formed to develop the Implementation Plan. The Plan is designed to address the inquiry's recommendations and the Government's decisions relating to hydraulic fracture stimulation, and oversee the implementation of actions. DMIRS and the Department of Water and Environmental Regulation (DWER) co-chair the SOSG and the Implementation Working Group (IWG).

The DMIRS-DWER partnership has seen the two agencies work collaboratively with the members of the SOSG. The co-location of staff at times assisted in delivering the Government's Plan.

Continued interagency collaboration will be critical during the implementation phase to implement reforms across a number of State Government agencies.

DMIRS provides secretariat support for both the SOSG and IWG, and leads the implementation project with DWER, under the direction of the SOSG.

Development of a Potash industry in Western Australia

Potash is vital for agriculture, providing the essential potassium and sulphur required to increase yield; nourish and protect crops from pests and disease; and improve water retention. While Western Australia has abundant potash resources – present in its large salt lakes and brine groundwater resources – there are currently no potash production projects within Australia. Consequently, the need to import potash results in higher prices for farmers.

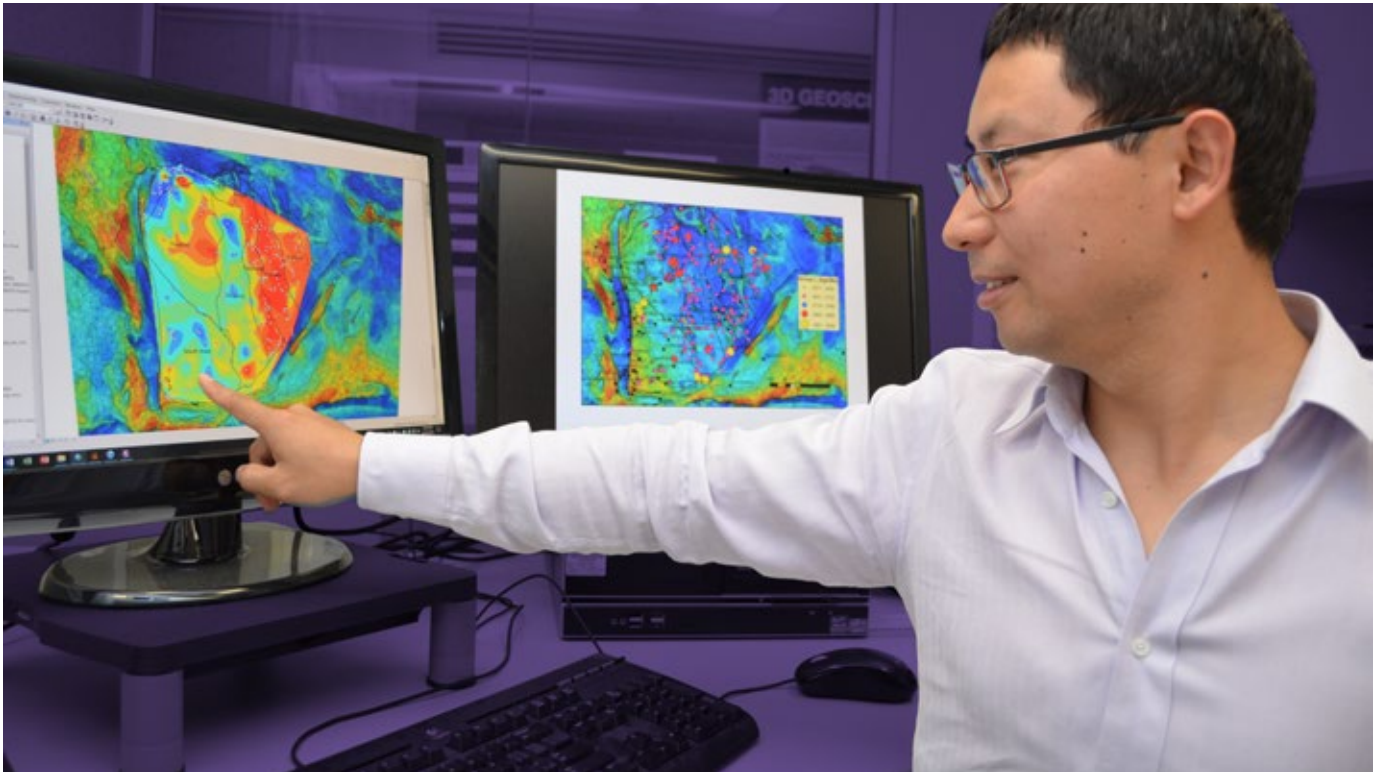
Given the high global demand for potash fertiliser, Western Australia is well placed to develop a new potash industry. However, as potash is dissolved within vast salt lake and brine groundwater resources, the mining tenures required would extend over areas ten to 20 times larger than those under tenure for conventional mining operations within Western Australia. As rent is calculated on a per hectare basis, the annual mining lease rental costs for these projects would be much higher by comparison with other mining operations.

In 2018, the Western Australian Government committed to assisting the development of a new potash industry in Western Australia by reducing the fixed cost imposed by government to a level more comparable with other conventional mining operations.

On 24 May 2019, the Mining Regulations 1981 were amended to introduce a reduced rental rate for mining leases, restricted to minerals dissolved in brine deposits, including potash. It is anticipated that this will stimulate the mineral sector, assist the development of a new industry, and create employment and community development opportunities for Western Australians.



DMIRS scientist wins prestigious international award



Dr Yongjun Lu, a Senior Geochronologist with the Geological Survey of Western Australia, DMIRS, became the 52nd recipient of the Society of Economic Geologists' Waldemar Lindgren Award for young scientists in 2018.

The award was for his work, including the use of geochemistry and trace element compositions of zircons, to identify granite rocks that might be prospective for copper-molybdenum-gold deposits. Dr Lu's research provides a new way of searching for economic mineralisation; and has attracted significant interest from industry.

Dr Lu was the first scientist in the Geological Survey of WA's 130 year history to win this prestigious international award. He was invited to deliver a presentation and accept the award at the organisation's 2019 conference in Chile.

Dr Lu said he was deeply honoured to have been chosen for the award by the society.

"It is such a privilege to win this very prestigious award," he said. "It's also recognition of the excellent work being done by the Geological Survey of Western Australia."

Dr Lu is currently working on the isotopic mapping and fertility of Archean granitic rocks in the State's south west.



SECTION 3

Significant issues impacting DMIRS

**SIG
NIFICANT
ISSUES
IMPACTING
DMIRSG**



Section 3: Significant issues impacting DMIRS

During 2018–19, the department has continued to identify opportunities across its broad range of regulatory, service provision and policy functions to harmonise information technology infrastructures, reporting mechanisms and operating structures across all of DMIRS’ metropolitan and regional offices. This work has been significant and has ultimately assisted in the department being better placed to respond, across its diverse regulatory responsibilities, to current and emerging issues. The following section outlines a number of the significant issues that have impacted the department during 2018–19.



The information in this section details the significant issues and trends for DMIRS, aligned to the department’s approach as regulator, service provider and policy maker.



Current and emerging issues and trends

Regulator



Protecting workers

- ▶ Providing safe workplaces is a top regulatory priority for DMIRS. The bringing together of WorkSafe and Resources Safety into the Safety Regulation Group has provided an opportunity to share regulatory experiences and practices and consider different approaches. The department's support for the new independent WorkSafe WA Commissioner, Darren Kavanagh, has also brought a new focus to workplace safety regulation.
- ▶ In response to the recommendations and findings of the Legislative Assembly's Education and Health Standing Committee's final report on the impact of **fly-in fly-out (FIFO) work practices on mental health**, in April 2019 the code of practice for mentally healthy workplaces for FIFO workers in the Western Australian resources and construction sectors was launched, as outlined in **Our performance**.
- ▶ Health and hygiene management plans are now required for mining operations and are maintained on the safety regulation system. Mining companies have six months to comply with this requirement.
- ▶ Following reports in 2017 of stonemasons in Queensland being diagnosed with silicosis, a proactive campaign focussing on **silica** in the stone benchtop industry is being undertaken by DMIRS. To help prevent occupational disease associated with exposure to silica dust in the workplace, strategies include the release of guidance and information for industry, educational activities for medical practitioners conducting health surveillance, and workplace inspections to raise awareness and improve work practices and compliance. This proactive campaign will continue and be expanded in 2019-20, incorporating air monitoring and inspections of workplaces in other high-risk industries.

- ▶ In June 2017, the Public Administration Committee of the Legislative Council commenced an inquiry to:
 - ▶ review the adequacy of existing **Occupational Health and Safety laws**;
 - ▶ review **WorkSafe's processes and resourcing**; and
 - ▶ make appropriate recommendations with the aim of **improving workplace safety**.

Submissions were invited, hearings were held and when released, the inquiry's report may have implications for existing inspector training, industry guidance, online systems, notification processes and other functions.

- ▶ With over 1,000 licensed asbestos removalists listed on the department's website, another issue for DMIRS, or more specifically WorkSafe, is regulating the removal of **asbestos** in Western Australia. In the 1980s Australian governments began banning the material due to concerns about asbestos-related deaths and diseases, with a national ban on all uses of asbestos coming into effect on 31 December 2003.

Safer buildings

- ▶ Following the Grenfell Tower **fire tragedy** in London in June 2017 and other building compliance issues in Australia, the Building Ministers' Forum commissioned an independent expert report *Building Confidence: improving the effectiveness of compliance and enforcement systems for the building and construction industry across Australia* (the report) by Professor Peter Shergold AC and Ms Bronwyn Weir. A number of regulatory failures in the building and construction sector and related building occupations were identified in the report. Recommendations included a wide range of reforms that will have significant impacts on building occupants; a range of building related occupations, such as engineers and building designers; and building regulators (including DMIRS, local governments and the Architects Board of Western Australia).



In response to this report, DMIRS is reviewing three major policy projects:

- ▶ the residential building approval process (Building Codes Australia [BCA] Class 1a and 10);
- ▶ the registration requirements for the building industry; and
- ▶ the commercial building approval process (BCA Class 2 to 9).

A series of public discussion papers arising out of those projects and containing proposals for reform are due to be released in the second half of 2019 to commence the formal consultation process with the public and industry.

Regulatory reform

- ▶ In 2017, the government's Service Priority Review found that economic, environmental and social opportunities could be maximised by developing and implementing regulation and regulatory practices that are **risk-based and outcomes-focused**.

In response, on 6 December 2018, Streamline WA was launched. **Streamline WA** is a whole-of-government approach to making it easier to do business in Western Australia by improving regulation and regulatory practice. It is led by a Steering Committee, which is co-chaired by DMIRS' Director General and the Director General of the Department of Water and Environmental Regulation. DMIRS provides secretariat support to the Steering Committee and both departments are working collaboratively to implement regulatory reform projects that will make it easier for industry and the community to interact with government.

Service provider



Protecting consumers

- ▶ Sterling First, the flagship of a group of several property management and investment companies (the Sterling First Group), entered voluntary administration with KPMG (formerly Ferrier Hodgson) on 3 May 2019. The demise of Sterling First and its subsidiary companies is primarily an investment issue, and the responsibility for action lies with the Commonwealth Government. DMIRS raised this matter with the Commonwealth regulator, the Australian Securities and Investments Commission (ASIC) on 12 April 2017. It is understood there are some 99 investors in Western Australia (101 nationally) affected by the insolvency of Sterling First and the dissolution of the investment scheme. Until the business enters liquidation, consumers affected will not have access to their invested funds except for those recovered for secured and unsecured creditors.

To assist those affected by the collapse, DMIRS is working to provide a **single WA Government contact point**. Work is being undertaken to provide coordinated assistance through other parties, such as Department of Communities (Housing), TenancyWA, AccessWA (through pro bono legal services) and, as relevant, ASIC.

- ▶ Through its **state-wide cladding audit**, DMIRS has taken responsibility for identifying and assessing buildings with unsafe combustible cladding. During a detailed risk assessment process, 475 privately-owned buildings were assessed and 423 buildings were eliminated from further review without any costs being borne by building owners. DMIRS has referred 52 buildings to permit authorities for enforcement actions.

Making it easier for our customers to do business with us

- ▶ The amalgamation of licensing services that occurred in 2017–18 has continued to produce efficient, streamlined and consistent services for licensees and applicants. Licensing Services administers over 400,000 occupational licences for and on behalf of three statutory Boards and five statutory office holders. During 2018–19 DMIRS processed over 125,000 licences. A number of continuous improvement initiatives were undertaken during the year to reduce the regulatory burden on Western Australians such as:
 - ▶ a review of the process for mutual recognition and development of a single webpage www.dmirs.wa.gov.au/mutualrecognition and consistent forms; and
 - ▶ the development of standardised digital renewal reminders and production of an information webpage about the changes www.dmirs.wa.gov.au/LSupdate.
- ▶ Both of these initiatives support the following licensing authorities: Building Services Board; Plumbers Licensing Board; Director of Energy Safety; Electrical Licensing Board; Commissioner for Consumer Protection; and WorkSafe WA Commissioner.
- ▶ Developing approvals, online systems and advice services that respond to the increasing needs of business and customers is a priority in *Towards 2024*. As such, DMIRS was focused on maximising our digital delivery and monitoring our performance. DMIRS has identified opportunities to improve approval and licensing processes by reducing duplication and increasing the transparency of DMIRS licensing performance. New whole-of-approval performance reporting across a number of licensing schemes, makes DMIRS more accountable to the public and industry.



Policy maker



Modernisation of laws

- ▶ A high priority for the Government and DMIRS, is the development of **modern safety and health laws** for Western Australia incorporating mines, petroleum and general safety into one Work Health and Safety Act (the Act) based on the National Model Work Health and Safety laws.

The department has conducted an extensive consultation process and the Work Health and Safety Bill is expected to be introduced into Parliament in 2019 for consideration by Parliament during 2019-20.

It is intended that the Act be supported by separate sets of regulations applying to workplaces generally in Western Australia, the mines sector, and the petroleum and geothermal sector. Comprehensive state-wide consultation will be required to provide recommendations for developing the three sets of regulations.

The introduction of new legislation will have implications for existing industry guidance, inspector training, online systems, notification processes and other functions. Further detail on this work can be found in **Our performance**.

- ▶ The Consumer Protection Legislation Amendment Bill 2018 was introduced into Parliament on 10 October 2018. This bill proposes changes to legislation that, if enacted, will increase various penalties, support the department's compliance activities, **enable tenants to secure furniture to prevent injuries and expand the trigger** for claims against home indemnity insurance and fidelity funds. The department has commenced initiatives in preparation for the bill becoming law.
- ▶ DMIRS continued its work on reviewing its tenancy-related laws to support **Government-wide strategic objectives for housing**. Preparations for a review of the *Residential Tenancies Act 1987* are underway and work on preparing for the next round of public consultations on proposed reforms to the *Retirement Villages Act 1992* continue.
- ▶ The Residential Parks (Long-stay Tenants) Amendment Bill 2018 was introduced to Parliament on 17 October 2018. The Bill implements the reforms recommended following the statutory review of the Act. These reforms will provide **greater certainty and transparency about contracts and costs**.

- ▶ A review of the *Motor Vehicle Dealers Act 1973* and the *Motor Vehicle Repairers Act 2003* has concluded and recommendations made to improve regulation of the sectors. Legislation will be developed to implement the recommendations from the review. The **regulatory framework for the motor vehicle sector** in Western Australia will be improved for the benefit of consumers, dealers and repair businesses.
- ▶ A review of the operation of the *Disposal of Uncollected Goods Act 1970* will be undertaken and recommendations to remove unnecessary regulatory processes and modernise the Act will be advanced. This will result in a simplified and streamlined process for **disposing of uncollected or abandoned goods**.

Regulation reform

- ▶ In 2013–14, a wide-ranging review of Western Australia's plumbing regulatory framework was undertaken by ACIL Allen Consulting. The review made 51 recommendations for change, many of which have been implemented. Implementing the remaining recommendations will require significant legislative and regulatory reform. Consultation and the drafting of legislative amendments will take place during 2019–20.

The proposed reforms will deliver much needed legislative change and ensure that WA has a **modern, flexible and efficient regulatory framework for plumbing** that provides the necessary consumer and public health protections, while enabling industry to innovate and adopt new technologies and practices.

Protecting workers

- ▶ In response to the government's Service Priority Review, DMIRS is supporting the implementation of several initiatives under the **Roadmap for Reform**. Examples include conversion to permanency arrangements, temporary labour hire, industrial relations support to government trading enterprises, and wages policy.
- ▶ In April 2019, the government announced its first stage legislative response to the **Ministerial Review of the State Industrial Relations System** by Mark Ritter SC and Stephen Price MLA, and released the Final Report of the Review. DMIRS is managing the process of implementing the proposed legislative reforms, which are aimed at **increasing protections for workers**.



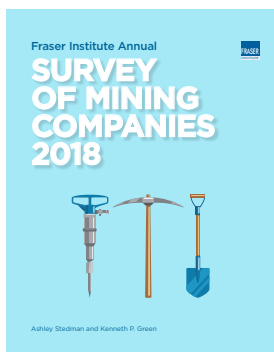
- ▶ The department will be supporting the **Inquiry into Wage Theft** and progressing the recommendations that are adopted by government.
- ▶ DMIRS is responsible for implementing several of the government’s public sector workforce commitments, such as, conversion and **appointment to permanency** framework, a review of the **redeployment and redundancy framework**, and improving agency practices.
- ▶ Mr John Fiocco and the Hon Matthew Swinbourn MLC were appointed to undertake an inquiry and targeted consultation with key industry stakeholders, and provide a report with recommendations for law reform to **improve payment protections in the building and construction industry**. The Fiocco Report was provided to the Minister for Commerce on 31 October 2018. The report contained a number of recommendations that provide a roadmap for improving payment protections for WA subcontractors. DMIRS will have a lead role in the implementation of the recommendations.

Protecting consumers

- ▶ In November 2018, the Government announced the introduction of **new ticket scalping legislation** to restrict the resale of event tickets and provide additional protections to consumers who purchase tickets on the ticket re-seller market.
The new legislation will give the Commissioner for Consumer Protection the power to enforce anti-ticket scalping measures, with breaches of the legislation seeing individuals fined up to a maximum of \$20,000 and body corporates fined up to a maximum of \$100,000. The department will be undertaking a program of community engagement and compliance activities to administer and enforce the new measures.

Economic and social trends

Our strong regulatory regime helps Western Australia maintain its position as one of the most attractive destinations in the world for mining investment.



The Fraser Institute’s 2018 Annual Survey of mining companies, released in February 2019, rated 83 jurisdictions around the world based on both their mineral prospectivity and the extent to which government policies encourage exploration and investment.

In the latest survey, Western Australia was ranked second in the world for overall investment attractiveness, behind Nevada. The next highest ranked Australian jurisdiction, in 13th place, was Queensland.

Fraser Institute’s Senior Policy Analyst Ashley Stedman said the latest rankings showed that the evidence was clear that mineral deposits alone were not enough to attract precious commodity investment dollars.

“A sound regulatory regime coupled with competitive fiscal policies is key to making a jurisdiction attractive in the eyes of mining investors,” Ms Stedman said.

Western Australia consistently ranks in the top five jurisdictions, achieving first place in 2013 and 2015.



SECTION 4

Disclosures and legal compliance

**DISCLOSURES
AND LEGAL
COMPLIANCE**



Section 4: Disclosures and legal compliance

Ministerial directives

There were no directives issued by either Minister during 2018–19.

Other financial disclosures

Pricing policies of services provided

Statutory fees are charged to the public for various services provided by the department. These fees and charges are reviewed annually in accordance with the government’s policy on the costing and pricing of government services. A robust costing methodology is used to determine the projected costs of service delivery, with particular attention to the level of cost recovery being achieved. Any increases in fees and charges are limited to the extent of cost recovery.

The department’s fee changes for 2018–19 were published in the WA Government Gazette on 25 June 2018:

- ▶ No. 95 of 2018: Mines and Petroleum Regulations Amendment (Fees and Charges) Regulations 2018; and
- ▶ No. 96 of 2018: Commerce and Industrial Relations Regulations Amendment (Fees and Charges) Regulations 2018.

The changes came into effect on 1 July 2018. Details regarding the fees are available on the department’s website.

Capital works

No capital projects were completed during 2018–19.

Act of grace payments

In response to *Treasurer’s Instruction 319: Act of Grace Payments*, all act of grace payments are to be disclosed in the annual report. Requests for an act of grace payment arise from many and varied situations and each request is assessed on the circumstances associated with that particular request. Act of grace payments are linked to the services delivered by the department.

Act of grace payments 2018–19

Controlled Funds

Payments date	Payment amount \$	Purpose of Payment
Jun-19	323.00	Refund of Prospection Application Fees
Jun-19	323.00	Refund of Prospection Application Fees
	646.00	

Administered Funds

Payments date	Payment amount \$	Purpose of Payment
Oct-18	5,000,000.00	Royalty Refund
Jan-19	250.00	Refund of Prospection Application Fees
Jan-19	250.00	Refund of Prospection Application Fees
Apr-19	1,463,314.87	Royalty Refund
May-19	1,430.00	Refund of Exploration Licence Application Fees
Jun-19	1,430.00	Refund of Exploration Licence Application Fees
Jun-19	1,430.00	Refund of Exploration Licence Application Fees
Jun-19	1,430.00	Refund of Exploration Licence Application Fees
Jun-19	10,150,019.26	Royalty Refund
	16,618,124.13	



Unauthorised use of credit cards

Officers of the department hold corporate credit cards where their functions warrant usage of this facility. Despite each cardholder being informed of their obligations under the department's credit card policy, 45 employees inadvertently made personal transactions using their credit card (four of which made two transactions).

These matters were not referred for disciplinary action as the Chief Finance Officer noted prompt advice and settlement of the personal use amount, and, that the nature of the expenditure was immaterial and characteristic of an honest mistake.

DMIRS is undertaking an internal audit on credit cards during 2019-20.

Personal expenditure for 2018–19 under *Treasurer's Instruction 321 Credit Cards - Authorised Use*

(a) The number of instances the Western Australian Government Purchasing Card has been used for a personal purpose	49
(b) The aggregate amount of personal use expenditure for the reporting period	\$2,183.48
(c) The aggregate amount of personal use expenditure settled by the due date	\$2,183.48
(d) The aggregate amount of personal use expenditure settled after the period required by paragraph (c)	\$0
(e) the aggregate amount of personal use expenditure outstanding at the end of the reporting period	\$0
(f) the number of referrals for disciplinary action instigated by the notifiable authority during the reporting period	0



Our people

We are proud of our people and the work they do. We are comprised of many different ethnicities, cultures, languages, ages and years of experience. Our people work across the diverse services that DMIRS provides and are key to our success.



A key achievement for us over the year was the launch of the *Diversity and Inclusion Plan 2019–2023* (the Plan). The Plan was launched in February 2019 and was communicated to all staff at corporate celebrations including International Women’s Day and Harmony Day. The Plan aims to strengthen workforce diversity and promote an inclusive workplace culture where all employees are valued, respected and connected.

Our staff profile

Full Time Equivalent (FTE)	2017–18	2018–19
Full time	1,244.59	1277.49
Part time	125.75	121.35
Secondment	28	27

Developing our people

Performance development

The department’s new online performance development plan, the My Performance and Development (MyPD) System was launched in July 2018, with over 800 staff receiving training across the department to-date.

Staff development

All staff were provided with development opportunities as part of the Leadership Development Framework (LDF), which included: resolving workplace issues; diversity; and the mentoring program. Managers were provided with in-house training on: occupational safety, health and injury management; managing performance; recruitment and selection; Management Accountabilities - Understanding Your Role; as well as participating in leadership development through the Management Excellence Development Program (MEDP) and externally through the Public Sector Management Program.

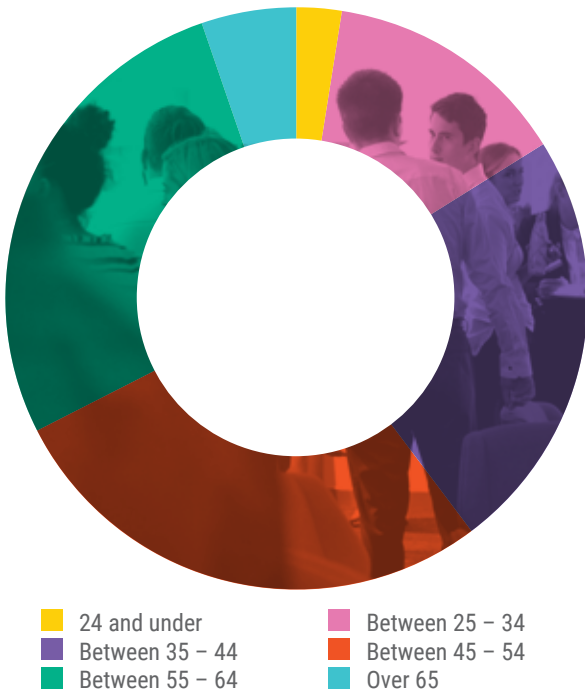
Opportunities to participate in further customised in-house programs and sponsored external public sector wide programs were also available.

The department met its gender balance targets in all LDF programs to ensure women had equal opportunity to develop their leadership capability such as the Learn, Explore and Do program, MEDP and Public Sector Management Program.



Sustaining our workforce

Breakdown of staff by age



To sustain the workforce and strengthen its diversity, we have participated in a number of successful employment programs.

2.76%
% employees 24 and under

Focusing on our goal to increase our numbers of staff aged 24 and under (2.76 per cent), over the year DMIRS has:

- ▶ participated in the Public Sector Commission’s School-Based Traineeship program; and
- ▶ coordinated an interagency graduate program and Public Sector Industrial Relations Graduate Program.

School-based traineeship program

During the year, the department welcomed a new school-based trainee who joins the program alongside the department’s current trainee, who will graduate from the program in late 2019. The department’s 2017 school-based trainee graduated from the program in late 2018 and was permanently appointed to the department.

Graduate program



The award-winning 18-month graduate program, coordinated in partnership with the Department of Jobs, Tourism, Science and Innovation, focuses on attracting talented university graduates to a career in the public sector. Through the program, graduates gain experience, build networks and improve their understanding of State Government through rotational opportunities in different business areas and departments.



Industrial relations graduate program

DMIRS is undertaking a number of initiatives to build industrial relations (IR) capabilities. One such initiative - the Public Sector Industrial Relations Graduate Program, was launched early 2019 in response to the Service Priority Review. The 12 month program was designed to meet the individual development needs of graduates and build the IR capability of participating agencies, with permanent placement of graduates on completion. A number of staff were also appointed by DMIRS as a result of the program recruitment process.

Development and implementation of the program promoted contemporary IR practices while fostering cooperative working relationships between the department, host agencies and the Public Sector Commission.

Workforce planning framework

With a key focus on strengthening the skills, diversity and flexibility of our workforce, work continued on the development of the department’s workforce planning framework. The new framework is being developed to align to the department’s operational planning process, the Leadership Development Framework and to promote diversity.



Women in leadership

“DMIRS is committed to promoting gender equality by working towards increasing the visibility and contribution of its female leaders and improving the opportunities for women in leadership”.

Director General, David Smith

DMIRS believes a gender-balanced leadership team has the ability to improve operational effectiveness and deliver better outcomes for the WA community.

Over the past year, DMIRS has been working towards increasing the workforce representation of women in leadership positions through a number of strategies including:

- ▶ encouraging equal numbers of women and men participating in internal leadership development programs and mentoring programs;
- ▶ promoting flexible working arrangements available for all DMIRS staff;
- ▶ providing women with opportunities to gain experience in senior level positions; and
- ▶ ensuring corporate funding is made available for women to attend programs and conferences to develop their leadership capabilities and progress their careers.

We recognise more work needs to be done to increase the representation of women in the leadership team both at Tiers 2 and 3 and in Level 7/Specified Callings Level (SCL) 4 and above.

Aboriginal employment

In 2018–19, the department continued to implement its Aboriginal Employment Strategy which focuses on attracting, developing and retaining Aboriginal and Torres Strait Islander employees. A key achievement within the strategy was the launch of the department’s Aboriginal Employment Program (AEP). As part of the AEP, the department hosted a community open day where interested candidates were invited to DMIRS to hear about upcoming employment opportunities and the important role DMIRS plays in the community. Through the AEP, the department recruited 10 people in a variety of levels. The AEP cohort commenced with the department in January 2019.

2.24%

Aboriginal and Torres Strait Islander employees

The department also commenced advertising established positions under section 51 of the *Equal Opportunity*

Act 1984 and continued to coordinate the Aboriginal Employee Network called Gnalla Mila, Gnalla Wangkiny (Our Future, Our Say).

Reconciliation

In addition to progressing the development of its reconciliation action plan, we hosted celebrations for NAIDOC Week and National Reconciliation Week. DMIRS also proudly promoted its acknowledgment of country through a mural at the Mineral House offices and through the DMIRS email signature block.

People with disability

The department is committed to maintaining an inclusive workplace where people with disability have equal access to employment and development opportunities. Over the last 12 months,

2.5%

Employees with disability

the department continued to work with Job Access and also established its own Reasonable Adjustment and Workplace Modification procedure to ensure employees with disability are supported in the workplace. The department also participated in the Public Sector Commission Adult People with Disability Traineeship Program. Other key achievements have been detailed in the **Disability access and inclusion** section further along.



Government policy requirements

Substantive equality

In accordance with the *Equal Opportunity Act 1984* and the *Public Sector Commissioner's Circular 2015-01: Implementation of the Policy Framework for Substantive Equality* the department is committed to ensuring substantive equality is reflected appropriately in divisional operations, strategies and policies.

We recognise the diversity of the community and are committed to providing services to meet our customer needs. The department continues to place emphasis on enhancing service delivery to people with disability, Aboriginal and Torres Strait Islander people and other culturally diverse client groups through the provision of specific information and education resources to ensure equal outcomes.

The department works through its *Diversity and Inclusion Plan 2019–2023*, *Disability Access and Inclusion Plan 2019–2023* and with other government departments, authorities, the community and industry, to achieve substantive equality.

Occupational safety, health and injury management

Commitment

Build and strengthen a workplace culture with a focus on our values, safety and wellness.

DMIRS has demonstrated a commitment to occupational safety, health (OSH) and injury management, by including the above priority in our new *Strategic Plan Towards 2024*.

The Director General and Corporate Executive have confirmed this commitment to provide a safe and healthy work environment, maintaining the safety and health of all employees, contractors and visitors by having OSH as a permanent standing item on the Corporate Executive meeting agenda.

304

OSH inductions

▼ **38 from 30 June 2018**

To support and demonstrate this commitment, the department's safety management

system aims to exceed the requirements of the *Occupational Safety and Health Act 1984* (OSH Act). During the year, this commitment was communicated to staff by the review and publication of the department's OSH Policy and other OSH procedures, guidelines and supporting documentation. The review of the OSH policies and procedures was endorsed by the OSH Committee and the elected safety and health representatives (safety representatives). They continue to be promoted and covered in the OSH induction and managers' OSH training.

299

ergonomic assessments

▲ **52 from 30 June 2018**

OSH is embedded in departmental systems including MyPD and in departmental Job Description Forms.

Additionally, The department continued to demonstrate its commitment to enhancing staff wellbeing through initiatives such as the:

- ▶ Working on Wellness (WoW) program (including an onsite gym);
- ▶ office ergonomics; and
- ▶ Employee Assistance Program (EAP).



Consultation

The department's employees are represented by their elected safety representatives on the OSH Committee, which is a consultative committee accountable to the Director General through the Corporate Executive. The Committee consists of five employer representatives and all safety representatives who attend meetings on a rotational basis. The committee is chaired by an executive member and an employee representative, also on a rotational basis.

118

hazard notifications

▲ **49 from 30 June 2018**

46

incident reports

▶ **4 from 30 June 2018**

The OSH Committee meets quarterly, to discuss and resolve OSH issues, to review hazards and incident statistics and reports. The OSH Committee meeting is preceded by a quarterly meeting, where safety representatives discuss which OSH issues should be addressed by the OSH Committee.

The OSH Committee minutes are tabled with the Corporate Executive and made available to staff via email to departmental managers; through safety representatives; departmental newsflashes; intranet; and on safety notice boards. Each quarter, the Work Health and Safety team present to Corporate Executive current data including hazards, incidents and emerging trends.

269

OSH newsflash item

▲ **114 from 30 June 2018**

To encourage consultation and ensure safety is discussed and promoted across the department, safety is a mandatory agenda item in all divisional and branch meetings. Managers also receive a monthly "Safety on the Agenda" email from the Manager Corporate OSH that includes safety alerts, current safety and health issues and DMIRS events and training.

Injury management

This financial year, in line with its duty of care under the *Workers' Compensation and Injury Management Act 1981*, DMIRS provided employees with a safe and caring work environment. Where a work-related injury or disease occurred, the department managed workers' compensation claims fairly and efficiently. The department continues to assist injured employees back to meaningful, productive and appropriate work. This is done as soon as possible, when medically appropriate, through graduated return to work programs, which are developed through a consultative process.

During 2018–19 there were seven workers' compensation claims lodged, five resulted in one day or more off work. Two workers' compensation claims were considered severe (60 days or more lost).

Safety management system

The department is working towards amalgamating the two safety management systems of its legacy departments. Both were assessed against the WorkSafe Plan audit and assessment (former Commerce received platinum certification in 2017, former Mines and Petroleum received gold in 2015).

One hundred per cent of the audit recommendations have been implemented.

A comprehensive review of all OSH policies, procedures, guidelines and other guidance material is continuing to take place.

This includes improvements in systems and processes, for instance to first aid procedures, reasonable adjustments and modifications and ergonomics procedures.

DMIRS is implementing an online OSH reporting system for all staff to be able to report hazards and incidents easily and efficiently. The system will further develop the strong safety reporting culture and enable effective reporting to managers and Corporate Executive.

Measure	Actual results ⁽¹⁾			Results against target		Comment on result
	2016–17	2017–18 ⁽²⁾	2018–19	Target		
Number of fatalities	0	0	0	0	Remains zero	
Lost time injury and/or disease incidence rate	0.25 ⁽³⁾	0.44	0.35	0 or 10% reduction (actual target can be stated)	26% reduction compared with 2017–18	
Lost time injury and/or disease severity rate	0	50% ⁽⁵⁾	40%	0 or 10% reduction (actual target can be stated)	10% reduction compared with 2017–18	
% of injured workers returned to work:	100%	100%	100%	Actual result to be stated	Target met	
i) within 13 weeks				Greater than or equal to 80%		
ii) within 26 weeks				Greater than or equal to 80%		
% of managers trained in OSH management responsibilities	100% ³	86%	93%	Greater than or equal to 80%	13% higher than target	

(1) This indicator examines a three-year trend and as such the comparison base is to be two years prior to the current reporting year (i.e. 2016–17 and 2017–18).

(2) Data from 2017–18 onwards is for the amalgamated department - DMIRS.

(3) Results from legacy agency Department of Commerce.

(4) Results from legacy agency Department of Mines and Petroleum.

(5) Number of severe injuries (60 days or more lost) divided by the number of LTI's as a percentage



Focus on mental health and wellbeing

During 2018–19, the department continued with its focus on mental health and wellbeing, including fitness for duties, which is covered by the newly introduced Health and Wellness Policy. The department has continued with its successful implementation of Managing Mental Health for Managers training and complementary Mental Health Awareness training for employees.

The department has a new EAP provider with presentations and onsite counselling sessions being provided to staff. Departmental emails, newswashes and posters have been used to promote service provider details.

The WoW program also had a mental health focus, running workshops on mindfulness, balancing your life, resilience and rewarding relationships.

Wellness

The department continued with its highly successful and award-winning wellness program, WoW, which is available to all DMIRS staff. This year, the program was shortlisted for the Institute of Public Administrations award for Best Practice in Health and Wellbeing. The WoW program is designed to raise an awareness of the benefits of a healthy lifestyle, improve employees' wellbeing and deliver high quality wellness information and tools to promote a culture of wellness.

The WoW program is integrated with the department's safety management system. The program aims to provide employees with opportunities to improve their health through increased knowledge, skills and attitudes potentially positively impacting absenteeism, presenteeism and incident rates.

Some of the events offered during the year were health and fitness checks, skin cancer screenings, influenza vaccinations, healthy cooking demonstrations, gut health and healthy eating.

33

Number of WoW events
▲ **8 from 30 June 2018**

The program is planned annually, considering current wellness trends and staff feedback and suggestions gained through an online survey. WoW also partners with health professionals to run innovative events. For example, in 2019 WoW partnered with staff from Edith Cowan University's Nutrition Research team to introduce a healthy eating program for staff.

In 2018, the WoW program ran three Wellness Expos at various DMIRS sites. These were a great success with over 300 staff attending. The Wellness Expos were organised during National Safe Work Month in October and featured an array of health and wellness stalls and activities. These included fatigue management;

2,395

WoW participation
▲ **745 from 30 June 2018**

massage; nutrition; craft activities; EAP information; health insurance funds; and healthy cooking.

The success of the WoW program was demonstrated in the results of the 2018 Public Sector Commission Employee Perception Survey that reported 86 per cent of staff felt the department was committed to their health and wellbeing in the workplace in comparison with the public sector average of only 62 per cent.



Government building contracts

DMIRS has not engaged in contracts with an estimated value of greater than \$2 million, either for construction or maintenance in its own right.



Other governance disclosures

Corporate Executive Subcommittees



Ministers



Director General



Corporate Executive

Audit and Risk Subcommittee

Met quarterly to provide oversight of the department's governance, risk management and assurance of the adequacy and effectiveness of management practices.

Key achievement:

- ▶ Approved DMIRS Risk Management Policy and Framework.
- ▶ endorsed and monitored the 'minus 100 project' that targeted and successfully mitigated 100 outstanding risk issues.

Digital Technology Subcommittee

Met monthly to provide an opportunity for leadership to consider and discuss new and strategic approaches to DMIRS technology.

Key achievement:

- ▶ Oversaw implementation of a single operating environment across the department.

Diversity and Inclusion Subcommittee

Met quarterly to monitor, discuss and drive diversity and inclusion in relation to the department's programs and systems to ensure compliance with regulation, government targets and DMIRS policy.

Key achievement:

- ▶ Launched the *DMIRS Diversity and Inclusion Plan 2019-2023*.

Finance Subcommittee

Met monthly to monitor and discuss DMIRS financial position.

Key achievements:

- ▶ Closely monitored DMIRS expenditure in relation to budget;
- ▶ coordinated review of cost recovery levels of DMIRS programs;
- ▶ oversaw transition of CUA contract staff to permanency; and
- ▶ monitored transition to a single Finance system.

Performance Subcommittee

Met five times during the year to assist leadership in their governance and oversight responsibilities.

Key achievements:

- ▶ Oversaw the implementation of the new DMIRS OBM, which involved a review of indicators and refinements in methodology where necessary; and
- ▶ endorsed the methodology for the stakeholder satisfaction survey.

Reform Subcommittee

After being established in early May, the Subcommittee met for the first time on 17 May 2019 and agreed to meet every two months to monitor reform recommendations from the Government's Roadmap for Reform initiatives.

Key achievement:

- ▶ Terms of reference developed.



Risk management

In accordance with *Treasurer's Instruction 825: Risk Management and Security*, the department has continued to implement its risk management policy, framework and procedures to ensure the effective management of risk. The focus in 2018–19 has been on further developing a 'risk aware' culture, maintaining adequate and appropriate controls and ensuring accountability for risk management at all levels of the department. A Risk Training strategy and messaging has been developed to support this.

An enterprise-wide risk management system for the department is being implemented to centralise the recording, assessment and reporting of risk management information. The system has been configured to ensure that the identification, assessment and management of risk is consistent and effective and is in accordance with the department's Risk Framework. Anticipated benefits include:

- ▶ improved visibility of risks, controls and treatments;
- ▶ sharing of risk information across business areas to allow better insights and decision making;
- ▶ consistent risk management functions and processes;
- ▶ easy access to real-time risk information; and
- ▶ enhanced risk analysis and reporting.

Alignment of the department's risk management function with the principles of the new ISO Risk Management Standards (AS ISO 31000:2018) further reiterates its focus on leadership in risk management. It also highlights the importance of integrating strategic and business planning processes with that of risk management. Commencing in 2018–19, and continuing in 2019–20, the department has, and will continue to work towards, integrating these two processes and the ongoing management of the department's strategic and operational risk profiles.

Public interest disclosures

The department is committed to the objectives of the *Public Interest Disclosure Act 2003*. It does not tolerate corrupt or improper conduct, and strongly supports disclosures being made by employees, contractors and community members that could stop or prevent wrongdoing. We recognise the value and importance of staff contributions to enhance administrative and management practices.

In accordance with section 23(f) of the *Public Interest Disclosure Act 2003*, the department is required to report to the Public Sector Commissioner on the number of Public Interest Disclosures received, the results and any action taken during the reporting period.

In 2018–19, there were no Public Interest Disclosures received or managed.



Other legal requirements

Expenditure on advertising, market research, polling and direct mail

In accordance with section 175ZE of the *Electoral Act 1907*, the department incurred the following expenditure in advertising, market research, polling, direct mail and media advertising.

Total expenditure for 2018–19 was \$595,532.49. Expenditure was incurred in the following areas (detailed below).

Expenditure	Organisation	Amount	Total	
Advertising⁽¹⁾	Initiative	\$234,516.05		
	Adcorp	\$97,694.34		
	Redwave Media Pty Ltd	\$18,000.00		
	Lush Digital Media	\$5,033.60		
	Mintox Media	\$4,000.00		
	Mulga Mail	\$3,372.00		
	Farm Guide Pty Ltd	\$3,060.00		
	West TV Ltd	\$3,000.00		
	Shire of Christmas Island	\$2,865.30 ⁽²⁾		
	Cocos (K) Islands Community Resource Centre	\$1,882.96 ²		
	Kununurra Visitor Centre	\$1,600.00		
	Facebook Inc.	\$1,047.54		
	Earthworks-jobs.com Ltd	\$1,016.59		
	West Australian Geologist	\$1,000.00		
	Construction, Forestry, Mining & Energy Union W.A. Directory	\$895.50		
	Derby Visitor Centre	\$800.00		
	The West Australian	\$459.46		
	The Magazine Works Pty Ltd	\$300.00		
	Other advertising	\$1,464.55	\$382,007.89	
	Market research organisations	Gartner Australasia Pty Ltd	\$112,200.00	
		Ipsos Pty Ltd	\$47,528.18	
		Royal Life Saving Society - Australia	\$9,805.30	
		Survey Monkey	\$2,890.11	
	Other market research organisations	\$500.00	\$172,923.59	
	Polling organisations	Mentimeter	\$170.49	\$170.49
	Direct mail organisations	Australia Post	\$15,646.86	
		Quickmail	\$14,287.25	
Mailchimp		\$3,738.90		
Vanguard Press		\$1,910.27		
Daniels Printing Craftsmen		\$1,410.00		
Createsend.com		\$1,098.13		
T&C Couriers		\$785.96		
Watway Pty Ltd		\$785.28		
Campaign Monitor		\$767.87		
Other direct mail organisations		\$767.87	\$40,430.52	
Total				\$595,532.49

(1) All expenditure associated with Media Advertising Organisations has been reported within Advertising Expenditure.

(2) Expenditure for services provided to the Indian Ocean Territories are fully compensated by the Federal Government.



Disability access and inclusion

The DMIRS Disability Access and Inclusion Committee was established in 2018. The Committee has 12 members from across the department including three members with disability.

During the year, the Committee met six times prioritising the development and implementation of the *DMIRS Disability Access and Inclusion Plan (DAIP) 2019–2023*. The DAIP was completed and endorsed in early 2019 in accordance with section 29 of the *Disability Services Act 1993* and schedule 3 of the *Disability Services Regulations 2004*.



The following table outlines key achievements in 2018–19 relating to the seven outcomes.

Outcome	Achievements
Outcome 1: <i>People with disability have the same opportunities as other people to access the services of, and any events organised by DMIRS.</i>	<ul style="list-style-type: none"> ▶ celebrated International Day of People with Disability with over 150 staff taking part in awareness events. ▶ supported a range of fundraising events resulting in greater staff awareness about disability via promotion and engagement. Events included: regular casual dress days which raised money for a range of disability charities; Guide Dog WA Corporate Challenge – DMIRS was a top three fund-raiser; and successfully took part in the Guide Dog WA PupArt initiative. ▶ reviewed guide for creating accessible events.
Outcome 2: <i>People with disability have the same opportunities as other people to access the buildings and other facilities of DMIRS.</i>	<ul style="list-style-type: none"> ▶ developed a Strategic Accommodation Plan that once implemented is expected to deliver improved accessibility outcomes. ▶ continued to consider accessibility and inclusivity in all improvements and maintenance to the department's facilities. For example a glass door was frosted to make it visible for assistant animals; and a vehicle has been modified to assist a staff member with a disability to continue to undertake fieldwork. ▶ reviewed and promoted the reasonable adjustment policy.
Outcome 3: <i>People with disability receive information from DMIRS in a format that will enable them to access the information as readily as other people are able to access it.</i>	<ul style="list-style-type: none"> ▶ ensured publications comply with the requirements of the <i>Disability Services Act 1993</i>. ▶ continued to review the department's policies with a focus on creating clear and easy to read documents. ▶ ensured online accessibility was considered for all new information technology projects and systems.
Outcome 4: <i>People with disability receive the same level and quality of service from the staff as other people receive from the staff of DMIRS.</i>	<ul style="list-style-type: none"> ▶ customer service staff completed training to assist in better serving customers with disability – DMIRS has 18 public-facing counters and a number of call centres across the State. ▶ ensured notices were displayed at all counters asking customers with hearing impairments to make themselves known so staff are able to provide appropriate assistance, resulting in better service delivery. ▶ continued to use the National Relay Service.
Outcome 5: <i>People with disability have the same opportunities as other people to make complaints to DMIRS.</i>	<ul style="list-style-type: none"> ▶ developed new complaint forms specifically for matters concerning disability access and inclusivity, available in a variety of formats. These forms were automatically directed to an email address monitored by the Committee to review and respond to.
Outcome 6: <i>People with disability have the same opportunities as other people to participate in any public consultation by DMIRS.</i>	<ul style="list-style-type: none"> ▶ sought consultation from advocacy groups in developing the department's DAIP, with feedback influencing the activities that were included. ▶ compiled an access and inclusion advocacy stakeholder list to assist in future consultation and design. ▶ promoted public consultation papers, available in various formats, on the website. Additionally various public consultations were advertised through state-wide press in an effort to provide a broader group of people to be informed of the consultation and have an opportunity to respond.
Outcome 7: <i>People with disability have the same opportunities as other people to obtain and maintain employment with DMIRS.</i>	<ul style="list-style-type: none"> ▶ prioritised access and inclusion for people with disability during recruitment. ▶ mentored two people with disability and one person with a disability completed work experience from the PSC Trainee Pilot Program. ▶ piloted diversity and inclusion training and disability awareness training to assist in raising understanding and promoting inclusion.



Compliance with public sector standards and ethical codes

The department is committed to maintaining an ethical, transparent and accountable workforce and actively encourages employees to uphold the highest standard of conduct and integrity at all times, in accordance with Commissioner's Instructions No. 7 and No. 8.

As part of the employee's induction program, new starters are required to complete face-to-face Accountable and Ethical Decision Making (AEDM) and Conflict of Interest (COI) training. As at 30 June 2019, 98 per cent of employees have completed AEDM training and 93 per cent of employees have completed COI training.

Breach of Standards claims

Breach of Standard claims may be made for all Standards other than the Discipline Standard.

In 2018–19 there were eight claims lodged against the Employment Standard. The claims were reviewed by the Public Sector Commissioner with no breaches found. No other category of breach claims was received.

Recordkeeping plans

Evaluation of record keeping systems

The department continuously monitors and evaluates the performance of its Electronic Document and Records Management Systems (EDRMS) to ensure compliance with both legislative standards and operational business requirements.

Unstructured data created by our internal users, and structured data submitted by our customers and uploaded into our EDRMS (via integration with departmental business systems), is closely and regularly monitored, audited, verified and reviewed for both quality assurance and data integrity. This includes qualitative and quantitative system checks that analyse data, providing accountability and transparency.

During 2018–19 additional functional EDRMS features were developed and released to enhance user experience and recordkeeping practices.

Training programs

All new departmental employees are required to complete the following mandatory corporate information management and recordkeeping training:

- ▶ Total recordkeeping awareness training (online): A self-paced learning and development package covering: government employee accountability and compliance standards; legislative requirements including the *State Records Act 2000* and the *Freedom of Information Act 1992*; benefits of best practice recordkeeping; consequences of inadequate record keeping; and the creation, access, storage and disposal of government records.
- ▶ Recordkeeping refresher training (online): completed every three years to ensure user's knowledge is up-to-date and best practice is maintained.
- ▶ EDRMS basics training (face-to-face): an introduction to the EDRMS; and the application of foundational information management principles that guide system use and data creation and storage.
- ▶ Objective training (online): for employees wanting to use the department's Objective EDRMS. All modules must be completed and passed, prior to gaining access to Objective.

In addition to mandatory training, other training options and resources include:

- ▶ one-on-one coaching sessions;
- ▶ direct support from Record Keeping Consultants;
- ▶ training sessions provided to meet the needs of individual operational areas (includes options for advanced EDRMS training modules); and
- ▶ an online EDRMS help page (contains over 15 categories of recordkeeping learning guides).

Corporate Information staff regularly attend workshops and presentations offered by the State Records Office and Records and Information Management Professionals Australasia for continuous professional development and to ensure their skills and knowledge remain current and relevant.



The table below outlines the number of employees who participated in corporate information management and recordkeeping training for 2018–19.

Training	No. of employees trained
Record Keeping Awareness (Online)	200
EDRMS Basics	263
EDRMS Advanced	44
Objective learning Online and Classroom	215
EDRMS Refresher	75
One-on-one coaching	25
Business folder owner	45
Corporate Information Management Induction	163
Industry training attended by CIM Team	35

International Labour Organization Convention 81: Labour inspections

Australia is a member nation of the International Labour Organization. The International Labour Organization is the peak international organisation responsible for setting international labour standards through the development and monitoring of International Conventions and Recommendations. The Australian Government ratified International Labour Organisation Convention 81 - Labour inspections on 24 June 1975. Article 21 of Convention 81 requires certain information to be published in annual reports for each of the central inspection authorities.

In Western Australia, the department is the central authority responsible for conducting inspections for wages and conditions of employment, and workplace safety.

Relevant laws and regulations

The reporting in this section relates to inspection services delivered by the department during 2018–19 for:

- ▶ workplace safety under the *OSH Act, Mines Safety and Inspection Act 1994 (MS&I Act), Petroleum (Submerged Lands) Act 1982, Petroleum and Geothermal Energy Resources Act 1967, and Petroleum Pipelines Act 1969 (Petroleum Acts)*; and
- ▶ wages and conditions of employment under the *Industrial Relations Act 1979 (IR Act)*.

Inspection staff

During 2018–19, the department employed the full-time equivalent of 174.4⁽¹⁾ workplace safety inspectors and 8.4 industrial relations inspectors.

Workplaces liable for inspection in WA

At the beginning of the reporting period the total number of businesses operating in WA was 230,570⁽²⁾.

During 2018–19, a total of 1.345 million people were employed in WA⁽³⁾.

It should be noted that workplaces covered by the Comcare system for workers' compensation are subject to the Commonwealth's work health and safety legislation, and are therefore outside of the jurisdiction of the State system for occupational safety and health.

Also note that the WA industrial relations system applies only to unincorporated businesses and the State public sector. It is estimated that between one third and one fifth of WA employees are covered by the State system.

(1) Not comparable to 2017–18 as workplace safety reporting was only against the *Occupational Safety and Health Act 1984*

(2) The Australian Bureau of Statistics 8165, Counts of Australian Businesses, including Entries and Exits, Jun 2014 to Jun 2018

(3) Australian Bureau of Statistics, catalogue no. 6291.0.55.001 Labour Force, Australia, Detailed – Electronic Delivery, June 2019, data released 25 July 2019



Inspections conducted

Inspections conducted during 2018–19 relating to workplace safety totalled 8,217. Also during the period, 387 employer activities were inspected under the IR Act.

▲ 212
more site inspections under the OSH Act in 2018–19 than 2017–18

Type of inspection	No. of inspections
Employers inspected under the IR Act	387
Sites inspected under the OSH Act	7,105
Site audits under the Petroleum Acts	46
Site inspections and audits under the MS&I Act	1,066

Inspection outcomes

During 2018–19, workplace safety enforcement proceedings resulted in 18 convictions. Fines imposed totalled \$1,073,900.

Of the 387 employer inspections conducted, 122 separate breaches of awards, agreements or legislation were identified. One enforcement proceeding was finalised during the period, resulting in penalties of \$22,000.

Industrial accidents and occupational diseases

In WA, a lost time injury or disease (LTI/D) is defined as one day/shift lost or more. Unless specified otherwise, lost time injury and disease data are based on workers' compensation claims for work-related injuries and diseases supplied by WorkCover WA that involve one or more days off work as a result of the work-related incident.

The LTI/D frequency and incidence rate are the principal measure of safety performance in WA, and are used to monitor performance against national targets.


- ▶ Frequency rate = number of LTI/Ds / number of hours worked x 1,000,000
- ▶ Incidence rate = number of LTI/Ds / number of workers x 100

According to the most recent preliminary workers' compensation claims data, work-related LTI/Ds in Western Australia recorded a 2.1 per cent reduction in frequency rate, from 7.57 LTI/Ds per one million hours worked in 2016–17 (revised data) to 7.41 in 2017–18 (preliminary data). The five-year trend (2013–14 to 2017–18) shows a 9.5 per cent reduction.

There was a 1.6 per cent reduction in the incidence rate, from 1.27 LTI/Ds per one hundred employees in 2016–17 (revised data) to 1.22 in 2017–18 (preliminary data). The five-year trend (2013–14 to 2017–18) shows a 13.2 per cent reduction.

Note: The LTI/D figures have been rounded up to two decimal places

Information on disease groups that are being monitored at a national level can be accessed on the Safe Work Australia website: www.safeworkaustralia.gov.au



SECTION 4.1
Financial and non-financial
performance

FINANCIAL AND NON-FINANCIAL PERFORMANCE



Auditor General

INDEPENDENT AUDITOR'S REPORT

To the Parliament of Western Australia

DEPARTMENT OF MINES, INDUSTRY REGULATION AND SAFETY

Report on the Financial Statements

Opinion

I have audited the financial statements of the Department of Mines, Industry Regulation and Safety which comprise the Statement of Financial Position as at 30 June 2019, the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows, Schedule of Income and Expenses by Service, Schedule of Assets and Liabilities by Service, and Summary of Consolidated Account Appropriations and Income Estimates for the year then ended, and Notes comprising a summary of significant accounting policies and other explanatory information, including Administered transaction 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 Mines, Industry Regulation and Safety for the year ended 30 June 2019 and the financial position at the end of that period. They are in accordance with Australian Accounting Standards, the *Financial Management Act 2006* and the Treasurer's Instructions.

Basis for Opinion

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

Responsibility of the Director General for the Financial Statements

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

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

Auditor's Responsibility for the Audit of the Financial Statements

As required by the *Auditor General Act 2006*, my responsibility is to express an opinion on the financial statements. The objectives of my audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the | financial statements.





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

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

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

Report on Controls

Opinion

I have undertaken a reasonable assurance engagement on the design and implementation of controls exercised by the Department of Mines, Industry Regulation and Safety. 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 Mines, Industry Regulation and Safety 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 2019.

The Director General's Responsibilities

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



Auditor General's Responsibilities

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

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

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

Limitations of controls

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

Report on Key Performance Indicators

Opinion

I have undertaken a reasonable assurance engagement on the key performance indicators of the Department of Mines, Industry Regulation and Safety for the year ended 30 June 2019. The key performance indicators are the key effectiveness indicators and the key efficiency indicators that provide performance information about achieving outcomes and delivering services.

In my opinion, in all material respects, the key performance indicators of the Department of Mines, Industry Regulation and Safety are relevant and appropriate to assist users to assess the Department's performance and fairly represent indicated performance for the year ended 30 June 2019.

The Director General's Responsibility for Key Performance Indicators

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

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



Auditor General's Responsibility

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

An assurance engagement involves performing procedures to obtain evidence about the amounts and disclosures in 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 and 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 Mines, Industry Regulation and Safety for the year ended 30 June 2019 included on the Department's website. The Department's management is responsible for the integrity of the Department's website. This audit does not provide assurance on the integrity of the Department's website. The auditor's report refers only to the financial statements and key performance indicators described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these financial statements or key performance indicators. If users of the financial statements and key performance indicators are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial statements and key performance indicators to confirm the information contained in this website version of the financial statements and key performance indicators.

CAROLINE SPENCER
AUDITOR GENERAL
FOR WESTERN AUSTRALIA
Perth, Western Australia
// September 2019

SECTION 4.2
Key performance indicators

KEY PERFORMANCE INDICATORS





Certification of key performance indicators

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 Mines, Industry Regulation and Safety's performance, and fairly represent the performance of the Department of Mines, Industry Regulation and Safety for the financial year ended 30 June 2019.

David Smith
Accountable Authority
3 September 2019





Section 4.2: Key performance indicators

Outcome Based Management Framework (OBM)

The department's new OBM framework was implemented as part of the 2018–19 Budget cycle process. The framework represents our strategic direction and aligns to government goals.

DMIRS has adopted an outward-facing, client-centric approach to the provision of the department's services. A public-facing service model, when considered in conjunction with a single, integrated outcome statement, is meaningful for external stakeholders as it represents those operational services most easily understood by the community. It is reflected in the department's name: resources, safety and industry regulation.

Outcome



Supporting a safe, fair and responsible future for the community, industry and resources sector.

Services

- ▶ Service 1 - Resource Advice and Regulation
- ▶ Service 2 - Safety Advice and Regulation
- ▶ Service 3 - Industry Advice and Regulation

Key Performance Indicators

The department adopted a limited number of high-level, aggregated key performance indicators (KPIs) both in terms of effectiveness in achievement of the outcome and resource efficiency for each of its services.

Figures reported as 2017–18 actuals for each KPI have been recast where possible to allow comparison with 2018–19 results.

The 2018–19 targets were sourced from the '2018–19 Budget' figure published in the 2019–20 Budget Papers.



Key effectiveness indicators

The department's purpose and outcome is **Supporting a safe, fair and responsible future for the community, industry and resources sector**. Key effectiveness indicators measure the extent of impact of the delivery of services on the achievement of our agency outcome. We deliver services that contribute to achieving this outcome by providing advice and regulatory activities to industry, community and government in a way that is consistent, transparent and timely. This includes licensing, compliance activities, provision of advice and policy information, targeted stakeholder engagement, and inclusive, relevant and responsive customer service.

Satisfaction with DMIRS as an effective resource sector regulator (KPI 1), and as an effective industry regulator (KPI 3)

Stakeholder satisfaction survey

A key measure of effectiveness is stakeholder satisfaction with the effectiveness of our regulatory services. To determine our influence in delivering effective regulation to support sustainable industry development for KPI 1 and 3, an annual stakeholder satisfaction survey (survey) was introduced in 2018–19.

What we measure

Stakeholder satisfaction with the department's regulatory role is measured as part of an annual online survey. The survey was sent to stakeholders who engaged with the resource advice and regulation (KPI 1) or industry advice and regulation (KPI 3) service streams in the previous 12 months. This included representatives from government departments, local government bodies, community members, industry, non-government organisations and regional community groups.

The overall effectiveness of DMIRS as a resource sector regulator (KPI 1) and as an industry regulator (KPI 3) was quantified with the following question:

KPI 1 – Satisfaction with DMIRS as an effective resource regulator: *“Overall how satisfied are you with the performance of DMIRS as an effective resource sector regulator?”*

KPI 3 – Satisfaction with DMIRS as an effective industry regulator: *“Overall how satisfied are you with the performance of DMIRS as an effective industry regulator?”*

How we measure

An online quantitative perception survey was developed to collect stakeholder feedback in relation to advice and regulatory services provided by the department's resource and environmental compliance, resource tenure, geoscience and resource strategy, consumer protection, building and plumbing, electricity and gas, and labour relations functions.

Respondents were asked to rate their level of satisfaction on a scale of 0-10. The percentage of respondents who gave a rating between six and ten is reported as overall satisfaction.

Our performance

Of those who responded to the stakeholder satisfaction survey:

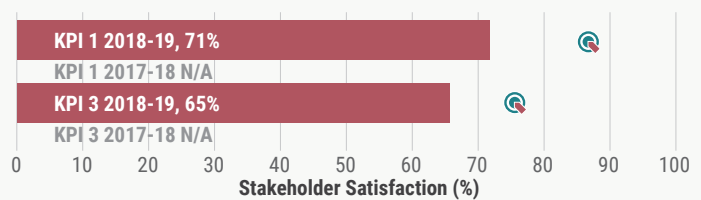
- ▶ 1,116 provided a response to KPI 1; and
- ▶ 950 provided a response to KPI 3.

Slightly fewer than three in four stakeholders expressed satisfaction with the effectiveness of DMIRS as a resource sector regulator and two in three were satisfied with the effectiveness of DMIRS as an industry regulator.



KPI 1 – Stakeholder satisfaction with DMIRS as an effective resource sector regulator

KPI 3 – Stakeholder satisfaction with the department as an effective industry regulator



KPI 1 Target 86%; KPI 3 Target 75%

Source: DMIRS Stakeholder Satisfaction Survey 2018-19, % respondents satisfaction rating at least 6 out of 10



Satisfaction with DMIRS as an effective resource sector regulator (KPI 1)

Results in detail

The results show that 71 per cent of respondents were satisfied with DMIRS as an effective resource sector regulator. This result is 15 per cent lower than the 2018–19 target of 86 per cent.

A satisfaction measure was previously reported for the Department of Mines and Petroleum (DMP). However, there are significant differences in the organisational areas reported against compared with the former survey, as well as a revised methodology and changes to sample composition (i.e. previously the sample was drawn from the former DMP contact lists, but now was drawn from across a much larger organisation, DMIRS). This means that the current results cannot be compared to previous DMP surveys nor the target, which in the absence of available benchmarks had been based on past results of the DMP's satisfaction measure.

Key strengths identified by government, community and resource industry stakeholders were being sufficiently responsive to queries and providing sufficient information for the needs of respondents. A further strength identified by resource industry stakeholders was that we can be trusted to make fair and reasonable decisions.

Areas for improvement common to all stakeholders were balancing the needs of industry and the community appropriately, and having timely processes. A further area for improvement amongst resource sector stakeholders was having the right policies in place. Amongst government and community stakeholders, additional areas for improvement were taking an approach to enforcement or regulations that are equitable and evidence-based, and overseeing an amount of regulation that is appropriate.

Satisfaction with DMIRS as an effective industry regulator (KPI 3)

Results in detail

The results show that 65 per cent of respondents to KPI 3 were satisfied with DMIRS as an effective industry regulator. This result is 10 per cent lower than the 2018–19 target of 75 per cent. As this is a new indicator no historical data is available. An initial target was set at 75 per cent as an estimate of the level of satisfaction that might be expected overall for highly variable operational areas.

The relatively higher levels of dissatisfaction for this indicator compared with KPI 1 can largely be explained by the nature of interactions undertaken with the industry advice and regulation service stream. A relatively high proportion of stakeholders had initiated contact with the department to make a complaint about industry, and these respondents were more likely to report they were dissatisfied overall.

The survey found that satisfaction is driven by DMIRS' key strengths of being sufficiently responsive to queries, providing sufficient information for the needs of respondents and being trusted to make fair and reasonable decisions. Areas for improvement identified were balancing the needs of industry and the community appropriately and having the right policies in place.

Work-related traumatic injury fatalities (KPI 2)

Safely returning home from work each day is a fundamental expectation we all share and the regulation of workplace safety is one of our primary functions.

The number of work-related traumatic injury fatalities was selected as our effectiveness indicator to demonstrate to the community, regulated industries and all workplaces the gravity with which we approach the task of continuing to reduce the risk of, and hopefully eliminate, work-related fatalities.

This measure provides an overview of our efforts toward achieving our desired outcome by creating safe and healthy workplaces and informed and educated employers and employees.



The nature, frequency, location and circumstance of fatalities can influence where regulatory effort is directed (e.g. enforcement, education and information by industry sector) and the amount or type of regulatory effort required (total resources).

What we measure

The number of work-related traumatic injury fatalities reported to DMIRS annually under the following legislation:

- ▶ *Mines Safety and Inspection Act 1994,*
- ▶ *Petroleum (Submerged Lands) Act 1982,*
- ▶ *Petroleum and Geothermal Energy Resources Act 1967,*
- ▶ *Dangerous Goods Safety Act 2004,*
- ▶ *Petroleum Pipelines Act 1969,*
- ▶ *Occupational Safety and Health Act 1984 (OSH Act),*
- ▶ *Energy Safety Act 2006,*
- ▶ *Electricity Act 1945, and*
- ▶ *Gas Standards Act 1972.*

While reported work-related traumatic injury fatality numbers are consistently low or declining, any work-related death is still one too many. As such, the target for this measure is set at zero (0).

How we measure

A work-related traumatic injury fatality will be included in the KPI 2 report if:

- ▶ the fatality occurred (i.e. date the individual deceased) between 1 July and 30 June of the relevant financial year; and
- ▶ the fatality was work-related as determined by the Director of Investigations who, having weighed up all the evidence, is confident that the fatality is work-related. Such evidence would include, but not be limited to:
 - ▶ coroner’s report;
 - ▶ medical report;
 - ▶ police report; and
 - ▶ investigation report.

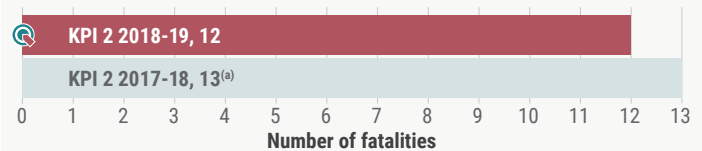
Due to the duration of any investigation into these incidents the work-related status may vary between years and if this occurs it will be noted.

For detailed information on how work-related is determined by DMIRS please refer to “Recording of traumatic work-related fatalities by WorkSafe” on DMIRS’ website: <http://www.commerce.wa.gov.au/> (search for **work-related fatalities**).

Our performance

12
 ▲ from target
 ▼ 1 from 2017–18

During 2018–19 there were 12⁽¹⁾ confirmed work-related fatalities reported, comprising ten investigated by the WorkSafe Directorate and two by the Mines Safety Directorate. By comparison, in 2017–18 there were 13 confirmed work-related traumatic injury fatalities, of which nine were investigated by the WorkSafe Directorate and four by the Mines Safety Directorate.



(a) Revised figure from that previously published in the *State of the Work Environment Report*, January 2019.

Further information on work-related traumatic injury fatalities in WA

The State of the Work Environment series is produced by the WorkSafe Directorate of DMIRS with the assistance of WorkCover WA, to promote awareness of occupational safety and health in Western Australia.

(1) Other fatalities were notified to DMIRS in 2018–19; their work-related status is yet to be determined due to either ongoing investigations or pending a coronial finding.



Key efficiency indicators

Key efficiency indicators are a measure of the value for money we provide by achieving the appropriate balance of resource inputs to service outputs when delivering our services to the community. They demonstrate how efficiently we are conducting our activities and can be represented as an average cost per service or through a measure of timeliness.

Service 1: Resources Advice and Regulation - Average cost of resource regulation per live title (KPI 4)

This efficiency indicator measures the department's **Resource Advice and Regulation Service** – ensuring that the State's natural resources are developed and managed responsibly through the provision of resource advice and regulatory services to the Western Australian community.

The resource sector plays a vital role in the State's economy. The department's role as a provider of advice and regulation services to the resources sector contributes to making Western Australia a destination of choice for responsible resource exploration and development activities by the resource industry.

What we measure

The amount of resource development and exploration in the State is demonstrated through the number of live resources titles (minerals and petroleum).

Resource development and exploration occurs in the context of the resource management 'lifecycle'. Activities associated with the resource management 'lifecycle' include:

- ▶ pre-competitive work as per the geoscience and resource strategy;
- ▶ determination of applications for, and administering, minerals and petroleum tenures;
- ▶ management of resource tenures over the duration of their operation;
- ▶ resource, environmental and other technical and administrative compliance;
- ▶ decommissioning and rehabilitation; and
- ▶ administration of royalties payments based on mineral and petroleum sales (commodity sales by industry).

All activities within this 'lifecycle' are associated with a mining title; the number and average cost associated with regulating each title forming the basis of this efficiency KPI.

The average cost per live title is an indicator of the efficiency with which the department conducts its resource advice and regulation activities.

How we measure

A 'live title' is defined as: *a title (minerals and petroleum) giving the right to explore for, recover and develop Western Australia's natural resources.*

Live titles include those that:

- ▶ have been approved during the current year;
- ▶ are renewed during that year; or
- ▶ are subject to ongoing regulation by the department.

The average cost per live title is calculated by:

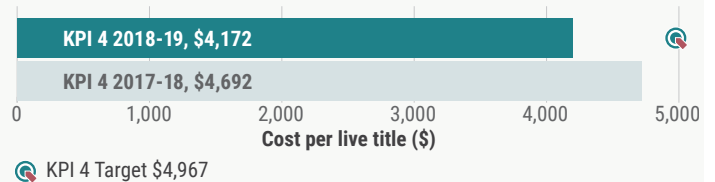
$$\frac{\text{Total cost of Resource Advice and Regulation Service}}{\text{Number of live titles}}$$

Our performance

\$4,172

- ▼ 16% from target
- ▼ 11% from 2017-18

The average cost per live title for 2018-19 is \$4,172, which is lower than both the target and the 2017-18 actual. This is due largely to a reduction in the cost of service (expenditure) in 2018-19.





Results in detail

- ▶ The 2018–19 actual cost of service is lower than both the 2017–18 (10 per cent) and the budget cost of service (13 per cent) due to budget repair measures initiated by the government and savings measures by the department. The department initiated savings measures in response to shortfalls in cash, as revenue streams are volatile and reflect the upturns and downturns experienced by the Industry and Resource Sectors.

Service 2: Safety Advice and Regulation - Cost of work-related lost time injury and disease claims in relation to cost of service (KPI 5)

The Safety Advice and Regulation Service has a strong alignment to building safe and resilient communities through its provision of advice and regulatory services in the area of occupational safety and health. The service’s focus is on building capacity and changing behaviours through education, advice and regulation, thus contributing to improved workplace and general community safety and health.

To measure the extent to which the department achieves safety advice and regulation, we have adopted the cost effectiveness indicator ‘Cost of work-related lost time injury and disease claims in relation to the cost of service’.

What we measure

This measure demonstrates the department’s capacity to effectively administer and enforce safety legislation in order to build safe and resilient communities. It reflects the relationship between the total cost of regulatory effort and workplace safety outcomes.

Our focus is on efficiently changing behaviours through regulation, education and building industry and community capacity.

How we measure

The total annual cost of compensable claim payments in Western Australia (WorkCover WA claims data) is divided by the total cost of the Safety Advice and Regulation Service to produce a ratio. This illustrates the relationship between the cost of service and the annual cost to the community due to workplace injuries or disease i.e. for every dollar DMIRS spent regulating and educating within the sector, ‘x’ is spent on workers’ compensation.

$$\frac{\text{Annual total cost of compensable injury and disease claims}}{\text{Total cost of Safety Advice and Regulation Service}}$$

The target for this indicator was set using the calculated average across five years excluding the latest preliminary data for comparable injury and disease claim costs.

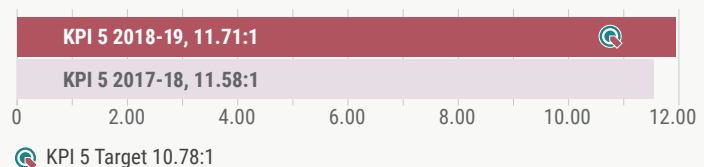
It should be noted that preliminary data is available approximately 12 months after the close of each reporting period, however these data considerably underestimate claim costs due to the shorter development time for claims at the point of extraction. Hence it is preferable to use revised data from prior reporting periods for the calculation of this indicator, as it is more stable and less likely to undergo further substantial revision. This means there is a two-year lag in claims data used (i.e. 2016–17 claims data has been used with the 2018–19 cost of Service 2).

Our performance

11.71:1

- ▲ 9% higher than the target of 10.78:1
- ▶ Consistent with 2017–18

For each dollar of expenditure by DMIRS on safety advice and regulation, \$11.71 is distributed in lost time injury claims (by WorkCover). This result is consistent with the 2017–18 result of 11.58:1 and nine per cent higher than the target for this KPI.





Results in detail

- ▶ The variation from target is driven by both a reduction in lost time injury claims (2016–17) and reduced cost of service.
- ▶ The 2018–19 actual cost of service is lower than the budget cost of service, due to budget repair measures initiated by the government and savings measures by the department. The department initiated savings measures in response to shortfalls in cash, as revenue streams are volatile and reflect the upturns and downturns experienced by the Industry and Resources Sectors.

Percentage of high risk work licence applications determined within agreed timeframes (KPI 6)

A High Risk Work Licence (HRWL) is a nationally recognised licence required to undertake high risk work, such as to operate a crane or erect scaffolding. The licence is granted for each classification of high risk work the holder has been trained in and assessed as competent. High risk work licensing in Western Australia is conducted by WorkSafe.

HRWL per class issued, renewed or modified equate to approximately 90 per cent of the entire quantity of licences and registrations delivered by the **Safety Advice and Regulation Service** of DMIRS.

This measure demonstrates the department's capacity to effectively administer and enforce the primary step in safety regulation in order to build safe and resilient communities – a key focus of the department and government.

What we measure

By providing a comprehensive and timely licensing service to the community, a major barrier to supporting safe and responsible work environments is removed.

The number of HRWL applications finalised within 14 days for each category—new, modification, or renewal—is calculated as a proportion of the total applications finalised during the same reporting period.

New, modified, and renewed HRWL applications are considered to be equivalent in workload but the volume of each category varies so a weighted average is used for this measure.

How we measure

The average is calculated for each category by dividing the number of applications finalised within 14 days by the total number of that category of application finalised during the same period. The average timeliness is then weighted (W) by the per cent volume of that category for the same reporting period, and then adding the three results.

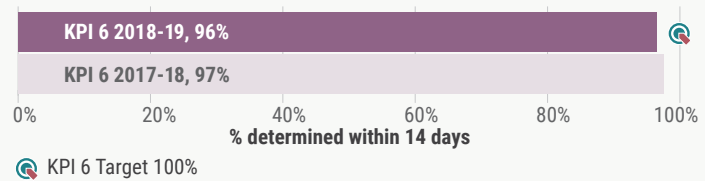
$$\text{KPI 6} = (\text{Ave New} \times W1) + (\text{Ave Modification} \times W2) + (\text{Ave Renewal} \times W3)^{(1)}$$

Our performance

96%

- ▶ met target
- ▶ Consistent with 2017–18

The majority (96 per cent) of HRWL applications are finalised within 14 days. The target set for this measure is to finalise all HRWL applications within this 14 day timeframe.



Results in detail

- ▶ High efficiency levels have been maintained despite a 19 per cent increase in renewals and a 10 per cent increase in modification applications between 2017–18 and 2018–19. Overall, 77,544 applications were processed in 2018–19, 12 per cent more than the 68,937 in 2017–18.

Further information available on our website: <http://www.commerce.wa.gov.au> (search for **high risk work licence**).

(1) weighting by volume. W = W1 + W2 + W3 = 1



Service 3: Industry Advice and Regulation - Average cost per transaction to deliver industry advice and regulation services (KPI 7)

This indicator measures the average cost per advice or regulatory service transaction provided to the community in the areas of consumer protection, building, plumbing, electricity, gas, and labour relations.

The aim of the **Industry Advice and Regulation Service** is to find a balance between empowering the business user through education and advice, whilst minimising barriers for businesses to successfully and lawfully trade. This indicator is therefore indicative of the per-unit cost to provide a healthy economy and business environment.

What we measure

While this indicator is highly aggregated overall, the underpinning elements have been determined by the individual business areas. By using a quantity figure, the department can determine the resource distribution and effort across the industry sector and type of transaction. For example an increase in investigation figures may indicate that a redistribution would be beneficial towards areas of education and advice.

How we measure

A transaction is defined for this indicator as: an action by DMIRS to provide a service or regulatory action to an external stakeholder, initiated by either party.

An action refers to community education and media services, addressing an enquiry, determination of an application, licence or registration, resolution of a complaint or conciliation, and finalisation of compliance actions such as an investigation, inspection, audit, and/or legal matter all of which are to only be counted once finalised (e.g. investigations are counted based on the date that the investigation was finalised).

Total cost of the Industry Advice and Regulation Service is divided by the number of transactions.

$$\frac{\text{Total cost of Industry Advice and Regulation Service}}{\text{Number of transactions}}$$

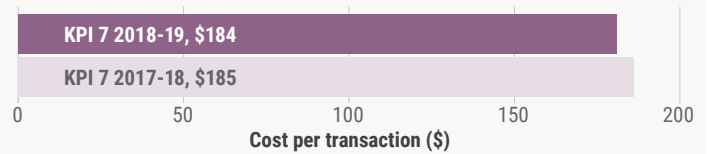
Our performance

\$184

► Consistent with 2017–18

The average cost per transaction to deliver industry advice and regulation services is \$184, which is consistent with the 2017–18 result.

The target for this KPI (\$158) was based on a methodology which has since been refined. Therefore the 2018–19 result is not comparable to the target due to these changes in the KPI methodology since setting the target.



Results in detail

- The average cost per transaction to deliver industry advice and regulation services is consistent (less than one per cent) with that recorded in 2017–18. This is due to the cost of service being less (four per cent) than 2017–18 as the department initiated savings measures in response to shortfalls in cash, coupled with slightly fewer (four per cent) transactions from 2017–18.



SECTION 4.3
Financials

FINANCIALS



Financial Statements

Certification of Financial Statements

For the reporting period ended 30 June 2019

Department of Mines, Industry Regulation and Safety

The accompanying financial statements of the Department of Mines, Industry Regulation and Safety 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 2019 and the financial position as at 30 June 2019.

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.



David Smith
Accountable Authority
3 September 2019



Clint Mitchell
A/Chief Finance Officer
3 September 2019



Statement of Comprehensive Income

For the year ended 30 June 2019

	Note	2019 \$000	2018 \$000
COST OF SERVICES			
Expenses			
Employee benefits expense	3.1(a)	153,002	178,576
Supplies and services	3.3	60,209	60,157
Depreciation and amortisation expense	5.1.1, 5.2.1	5,112	6,304
Accommodation expenses	3.3	15,586	12,107
Grants and subsidies	3.2	17,248	15,764
Impairment expenses	5.2.1	-	3,323
Loss on disposal of non-current assets	4.6	5	-
Other expenses	3.3	9,616	4,071
Total cost of services		260,778	280,302
Income			
<i>Revenue</i>			
User charges and fees	4.2	162,641	156,923
Sales	4.2	110	126
Interest revenue	4.3	6,343	5,343
Commonwealth grants and contributions	4.4	134	383
Other revenue	4.5	1,219	4,672
Total Revenue		170,447	167,447
<i>Gains</i>			
Gain on disposal of non-current assets	4.6	-	23
Total Gains		-	23
Total income other than income from State Government		170,447	167,470
NET COST OF SERVICES		90,331	112,832
Income from State Government			
Service appropriation	4.1	123,006	138,710
Services received free of charge	4.1	3,120	3,098
State grants and subsidies	4.1	100	100
Royalties for Regions Fund	4.1	5,224	10,822
Total income from State Government		131,450	152,730
SURPLUS/(DEFICIT) FOR THE PERIOD		41,119	39,898
OTHER COMPREHENSIVE INCOME			
Items not reclassified subsequently to profit or loss			
Changes in asset revaluation surplus		(3,654)	(5,492)
Total other comprehensive income		(3,654)	(5,492)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		37,465	34,406

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



Statement of Financial Position

As at 30 June 2019

	Note	2019 \$000	2018 \$000
ASSETS			
Current Assets			
Cash and cash equivalents	7.1	1,345	2,527
Restricted cash and cash equivalents	7.1	355,572	326,486
Receivables	6.1	19,884	23,743
Amounts receivable for services	6.2	3,816	3,010
Other current assets	6.3	2,264	1,979
Total Current Assets		382,881	357,745
Non-Current Assets			
Restricted cash and cash equivalents	7.1	1,539	1,072
Amounts receivable for services	6.2	32,303	31,222
Property, plant and equipment	5.1	124,903	131,444
Intangible assets	5.2	4,361	5,898
Total Non-Current Assets		163,106	169,636
TOTAL ASSETS		545,987	527,381
LIABILITIES			
Current Liabilities			
Payables	6.4	10,723	12,165
Amounts due to the Treasurer	6.5	10,000	25,330
Revenue received in advance	6.6	13,840	12,939
Provisions	3.1.b	25,958	34,607
Other current liabilities	6.7	1,240	1,199
Total Current Liabilities		61,761	86,240
Non-Current Liabilities			
Payables	6.4	1,684	550
Revenue received in advance	6.6	10,400	10,845
Provisions	3.1.b	6,614	6,162
Other non-current liabilities	6.7	4,916	611
Total Non-Current Liabilities		23,614	18,168
TOTAL LIABILITIES		85,375	104,408
NET ASSETS		460,612	422,973
EQUITY			
Contributed equity	9.11	234,145	233,971
Reserves		104,588	108,242
Accumulated surplus/(deficit)		121,879	80,760
TOTAL EQUITY		460,612	422,973

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 2019

	Note	Contributed equity \$000	Reserves \$000	Accumulated surplus/ (deficit) \$000	Total equity \$000
Balance at 1 July 2017	9.11	50,536	113,734	40,862	205,132
Balance transferred from Department of Commerce		182,314	-	-	182,314
Restated balance at 1 July 2017		232,850	113,734	40,862	387,446
Surplus/(deficit)		-	-	39,898	39,898
Other comprehensive income		-	(5,492)	-	(5,492)
Total comprehensive income for the period		-	(5,492)	39,898	34,406
Transactions with owners in their capacity as owners:					
Capital appropriations		350	-	-	350
Other contributions by owners		865	-	-	865
Distributions to owners		(94)	-	-	(94)
Total		1,121	-	-	1,121
Balance at 30 June 2018		233,971	108,242	80,760	422,973
Balance at 1 July 2018	9.11	233,971	108,242	80,760	422,973
Surplus/(deficit)		-	-	41,119	41,119
Other comprehensive income		-	(3,654)	-	(3,654)
Total comprehensive income for the period		-	(3,654)	41,119	37,465
Transactions with owners in their capacity as owners:					
Other contributions by owners		174	-	-	174
Total		174	-	-	174
Balance at 30 June 2019		234,145	104,588	121,879	460,612

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 2019

	Note	2019 \$000	2018 \$000
CASH FLOWS FROM STATE GOVERNMENT			
Service appropriation		123,006	133,508
Capital appropriations		–	350
Holding account drawdown		1,887	5,202
Royalties for Regions Fund		5,224	10,822
Net cash provided by State Government		130,117	149,882
Utilised as follows:			
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Employee benefits		(162,837)	(184,153)
Supplies and services		(54,741)	(57,678)
Accommodation		(16,986)	(14,462)
Grants and subsidies		(17,248)	(15,222)
Other payments		(6,875)	(2,705)
GST payments on purchases		(10,263)	(7,362)
Receipts			
Sale of goods and services		147	281
User charges and fees		169,536	153,955
Grants and contributions		234	511
GST receipts on user charges and fees		3,615	489
GST receipts from taxation authority		6,340	8,072
Other receipts		7,118	7,008
Net cash (used in) operating activities	7.1.2	(81,960)	(111,266)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments			
Purchase of non-current physical assets		(4,461)	(2,398)
Receipts			
Proceeds from sale of non-current assets		5	25
Net cash (used in) investing activities		(4,456)	(2,373)
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipts			
Proceeds from Borrowings		–	20,000
Payments			
Repayment of borrowings		(15,330)	–
Net cash provided by/(used in) financing activities		(15,330)	20,000
Net increase in cash and cash equivalents		28,371	56,243
Cash balances transferred in		–	197,775
Cash balances transferred out		–	(2,664)
Cash and cash equivalents at the beginning of the period		330,085	78,731
CASH AND CASH EQUIVALENTS AT THE END THE PERIOD	7.1.1	358,456	330,085

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



Summary of Consolidated Account Appropriations and Income Estimates

For the year ended 30 June 2019

	2019 Estimate \$000	2019 Actual \$000	Variance \$000	2019 Actual \$000	2018 Actual \$000	Variance \$000
Delivery of Services						
Item 86 Net amount appropriated to deliver services	114,338	121,512	7,174	121,512	136,883	(15,371)
Service appropriation – Service to industry component	10,730	–	(10,730)	–	–	–
Amount authorised by Other Statutes – <i>Salaries and Allowances Act 1975</i>	1,494	1,494	–	1,494	1,827	(333)
Total appropriations provided to deliver services	126,562	123,006	(3,556)	123,006	138,710	(15,704)
Capital						
Capital appropriations	–	–	–	–	350	(350)
Administered Transactions						
Item 87 Administered grants, subsidies and other transfer payments	43,630	89,330	45,700	89,330	63,301	26,029
Amount authorised by other statutes – <i>Petroleum (Submerged Lands) Act 1982</i>	232	339	107	339	457	(118)
Total administered transactions	43,862	89,669	45,807	89,669	63,758	25,911
GRAND TOTAL	170,424	212,675	42,251	212,675	202,468	10,207
Details of Expenses by Service						
Providing resource sector information and advice to the industry, community and government	108,424	94,213	(14,211)	94,213	34,688	59,525
Managing land access for resource related activities	73,837	66,062	(7,775)	66,062	50,960	15,102
Regulating resource sector development for Health and Safety, Social Responsibility, Environment and Dangerous Goods	110,496	100,503	(9,993)	100,503	63,794	36,709
Total Cost of Services	292,757	260,778	(31,979)	260,778	280,302	111,336
Less Total Income	172,839	170,447	(2,392)	170,447	167,470	2,977
Net Cost of Services	119,918	90,331	(29,587)	90,331	112,832	(22,501)
Adjustments ⁽¹⁾	6,644	32,675	26,031	32,675	25,878	6,797
Total appropriations provided to deliver services	126,562	123,006	(3,556)	123,006	138,710	(15,704)
Capital Expenditure						
Adjustment for other funding sources	–	–	–	–	350	(350)
Capital appropriations	–	–	–	–	350	(350)

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



Summary of Consolidated Account Appropriations and Income Estimates

For the year ended 30 June 2019

	2019 Estimate \$000	2019 Actual \$000	Variance \$000	2019 Actual \$000	2018 Actual \$000	Variance \$000
Details of Income Estimates						
Income disclosed as Administered Income						
Royalties						
Petroleum – State	5,657	7,967	2,310	7,967	7,032	935
Iron Ore	4,223,237	5,945,550	1,722,313	5,945,550	4,503,856	1,441,694
Alumina	103,815	135,718	31,903	135,718	108,625	27,092
Lithium	130,670	86,301	(44,369)	86,301	93,915	(7,615)
Copper	76,729	68,829	(7,900)	68,829	63,991	4,837
Nickel	71,453	66,577	(4,876)	66,577	63,796	2,781
Gold	315,193	294,152	(21,041)	294,152	278,695	15,458
Other	130,594	108,161	(22,433)	108,161	110,638	(2,477)
Lease rentals	99,382	106,987	7,605	106,987	105,320	1,667
Total Royalties	5,156,730	6,820,241	1,663,511	6,820,241	5,335,868	1,484,373
Regulatory Fees						
Regulatory Fees and Fines	254	136	(118)	136	245	(109)
	254	136	(118)	136	245	(109)
Special Purpose Accounts						
Home Indemnity Insurance	23,516	20,305	(3,211)	20,305	25,791	(5,486)
Rental Accommodation Account	6,436	–	(6,436)	–	–	–
	29,952	20,305	(9,647)	20,305	25,791	(5,486)
Other						
Appropriations	43,862	89,669	45,807	89,669	63,758	25,911
Regulatory Fees and Fines	–	2,491	2,491	2,491	266	2,225
Other Revenue	329	8,635	8,306	8,635	8,262	373
GRAND TOTAL	5,231,127	6,941,477	1,710,350	6,941,477	5,434,190	1,507,287

Adjustment comprise movements in cash balances and other accrual items such as receivables, payables and superannuation.

Note 10.1 'Disclosure of administered income and expenses by service' and Note 10.2 'Explanatory statement for Administered Items' provides details of any significant variations between estimates and actual results for 2019 and between the actual results for 2019 and 2018.



Notes to the Financial Statements

1. Basis of Preparation

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

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

These annual financial statements were authorised for issue by the Director General of the department on 30 August 2019.

Statement of Compliance

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

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

The *Financial Management Act 2006* and the Treasurer's Instructions take precedence over AAS. Several AAS are modified by the Instructions to vary application, disclosure format and wording. Where modification is required and has had a material or significant effect upon the reported results, details of that modification and the resulting financial effect are disclosed in the notes to the financial statements.

Basis of preparation

These financial statements are presented in Australian dollars applying the accrual basis of accounting and using the historical cost convention. Certain balances will apply a different measurement basis (such as the fair value basis). Where this is the case the different measurement basis is disclosed in the associated note. All values are rounded to the nearest thousand dollars (\$'000).

Judgement 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 TI 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. Agency 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.

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2.1 Agency objectives

Mission

The department's mission is to support a safe, fair and responsible future for the Western Australian community, industry and resource sector.

The department is predominantly funded by Parliamentary appropriations. A net appropriation agreement between the Treasurer and the Accountable Authority is in place to allow the department to retain its operating revenue.

Services

The department provides the following services:

Service 1: Resources Advice and Regulation

Ensuring the State's natural resources are developed and managed responsibly through the provision of resource advice and regulatory services to the Western Australian community.

Service 2: Safety Advice and Regulation

The provision of advice and regulatory services to the Western Australian community in the area of occupational safety and health.

Service 3: Industry Advice and Regulation

The provision of advice and regulatory services to the Western Australian community in the areas of consumer protection; plumbing and building; electricity and gas; and labour relations.

The department also administers assets, liabilities, income and expenses on behalf of Government which are not controlled by, nor integral to the function of the department. These administered balances and transactions are not recognised in the principal financial statements of the department but schedules are prepared using the same basis as the financial statements and are presented at Note 10.1 'Disclosure of administered income and expenses by service' and Note 10.3 'Administered assets and liabilities'.

2.2 Schedule of income and expenses by service

For the year ended 30 June 2019

	Service 1: Resources Advice and Regulation		Service 2: Safety Advice and Regulation		Service 3: Industry Advice and Regulation		Total	
	2019 \$000	2018 \$000	2019 \$000	2018 \$000	2019 \$000	2018 \$000	2019 \$000	2018 \$000
COST OF SERVICES								
Expenses								
Employee benefits expense	47,782	59,993	44,583	49,254	60,637	69,329	153,002	178,576
Supplies and services	30,554	30,564	13,109	14,134	16,546	15,459	60,209	60,157
Depreciation and amortisation expense	1,980	2,213	878	1,281	2,254	2,810	5,112	6,304
Accommodation expenses	3,937	2,299	5,321	4,340	6,328	5,468	15,586	12,107
Grants and subsidies	9,071	7,736	207	195	7,970	7,833	17,248	15,764
Impairment	–	–	–	585	–	2,738	–	3,323
Loss on disposal of other assets	–	–	1	–	4	–	5	–
Other expenses	889	1,847	1,963	911	6,764	1,313	9,616	4,071
Total cost of services	94,213	104,652	66,062	70,700	100,503	104,950	260,778	280,302
Income								
User charges and fees	43,758	41,724	59,822	52,821	59,061	62,378	162,641	156,923
Sales	37	50	61	62	12	14	110	126
Interest Revenue	3,094	2,223	–	–	3,249	3,120	6,343	5,343
Commonwealth grants and contributions	–	–	–	63	134	320	134	383
Gain on disposal of non-current assets	–	12	–	11	–	–	–	23
Other revenue	2,478	2,221	368	275	(1,627)	2,176	1,219	4,672
Total income other than income from State Government	49,367	46,230	60,251	53,232	60,829	68,008	170,447	167,470
NET COST OF SERVICES	44,846	58,422	5,811	17,468	39,674	36,942	90,331	112,832
INCOME FROM STATE GOVERNMENT								
Service appropriation	66,801	75,031	22,202	26,630	34,003	37,049	123,006	138,710
Resources received free of charge	1,667	1,190	711	1,136	742	772	3,120	3,098
Royalties for Regions Fund	5,082	10,055	22	157	120	610	5,224	10,822
State Grants and Subsidies	100	100	–	–	–	–	100	100
Total income from State Government	73,650	86,376	22,935	27,923	34,865	38,431	131,450	152,730
SURPLUS/DEFICIT FOR THE PERIOD	28,804	27,954	17,124	10,455	(4,809)	1,489	41,119	39,898

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

The three services methodology was introduced for the 2018–19 reporting period. The 2017–18 actual has been recast for comparability purposes.

2.3 Schedule of assets and liabilities by service

As at 30 June 2019

	Service 1: Resources Advice and Regulation		Service 2: Safety Advice and Regulation		Service 3: Industry Advice and Regulation		Total	
	2019 \$000	2018 \$000	2019 \$000	2018 \$000	2019 \$000	2018 \$000	2019 \$000	2018 \$000
Assets								
Current assets	156,761	137,679	27,547	9,084	198,573	210,982	382,881	357,745
Non-current assets	100,888	123,426	28,544	29,286	33,674	16,924	163,106	169,636
Total assets	257,649	261,105	56,091	38,370	232,247	227,906	545,987	527,381
Liabilities								
Current liabilities	12,152	21,002	23,640	36,997	25,969	28,241	61,761	86,240
Non-current liabilities	2,253	2,392	3,594	2,041	17,767	13,735	23,614	18,168
Total liabilities	14,405	23,394	27,234	39,038	43,736	41,976	85,375	104,408
NET ASSETS	243,244	237,711	28,857	(668)	188,511	185,930	460,612	422,973

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

The three services methodology was introduced for the 2018–19 reporting period. The 2017–18 actual has been recast for comparability purposes.





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	2019 \$000	2018 \$000
Employee benefits expenses	3.1 (a)	153,002	178,576
Employee benefits provisions	3.1 (b)	32,572	40,769
Grants and subsidies	3.2	17,248	15,764
Other expenditure	3.3	85,411	76,335
3.1(a) Employee benefits expenses			
Wages and salaries		138,441	159,840
Termination benefits		168	3,709
Superannuation – defined contribution plans ⁽¹⁾		14,393	15,027
Total employee benefits expenses		153,002	178,576

(1) 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: Employee expenses include all costs related to employment including wages and salaries, fringe benefits tax, leave entitlements, termination payments and Workcover premiums.

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

Superannuation: The amount recognised in profit or loss of the Statement of Comprehensive Income comprises employer contributions paid to the GSS (concurrent contributions), the WSS, the GESBs, or other superannuation funds. 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 agency to GESB extinguishes the agency'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 agency 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 period the services are *delivered*.

	2019 \$000	2018 \$000
Current		
Employee benefits provisions		
Annual leave ⁽¹⁾	7,716	12,671
Long service leave ⁽²⁾	17,754	21,371
Deferred salary scheme ⁽³⁾	265	279
Purchased leave ⁽⁴⁾	85	161
	25,820	34,482
Other provisions		
Employment on-costs ⁽⁵⁾	138	125
Total current employee benefits provisions	25,958	34,607
Non-current		
Employee benefits provisions		
Long service leave ⁽²⁾	6,579	6,140
Deferred salary scheme ⁽³⁾	-	-
Other provisions		
Employment on-costs ⁽⁵⁾	35	22
Total non-current employee benefits provisions	6,614	6,162
Total employee benefits provisions	32,572	40,769

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

	2019 \$000	2018 \$000
Within 12 months of the end of the reporting period	5,246	9,086
More than 12 months after the end of the reporting period	2,470	3,586
	7,716	12,672

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.

(2) **Long service leave liabilities:** Unconditional long service leave provisions are classified as current liabilities as the department does not have an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

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

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

	2019 \$000	2018 \$000
Within 12 months of the end of the reporting period	6,601	8,284
More than 12 months after the end of the reporting period	17,733	19,227
	24,334	27,511

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



(3) **Deferred salary scheme liabilities:** Represent agreements between the department and individual employees, whereby the employee sacrifices salary in order to purchase additional leave. The liability for leave is measured on a discount basis by calculating the present value of estimated future cash outflows. Actual settlement of the liabilities is expected to occur as follows:

	2019 \$000	2018 \$000
Within 12 months of the end of the reporting period	–	–
More than 12 months after the end of the reporting period	265	279
	265	279

(4) **Purchased leave liabilities** are classified as current where there is no unconditional right to defer settlement for at least 12 months after the end of the reporting period. Actual settlement of the liabilities is expected to occur as follows:

	2019 \$000	2018 \$000
Within 12 months of the end of the reporting period	85	161
More than 12 months after the end of the reporting period	–	–
	85	161

(5) **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 3.3 (*apart from the unwinding of the discount (finance cost)*) and are not included as part of the departments 'employee benefits expense'. The related liability is included in 'Employment on-costs provision'.

	2019 \$000	2018 \$000
Employment on-costs provision		
Carrying amount at the start of period	147	151
Balance transferred in	–	92
Additional/(reversals of) provisions recognised	204	257
Payments /other sacrifices of economic benefits	(177)	(353)
Carrying amount at end of period	174	147

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

	2019 \$000	2018 \$000
Recurrent		
Co-Funded Drilling Scheme (Exploration Incentive Scheme)	5,490	4,287
Mineral Research Institute of WA (MRIWA)	2,550	3,000
Farmsafe WA	70	70
Asbestos Diseases Society	100	100
Employment Law Centre Western Australia	395	330
Property Industry Grants	6,476	6,659
Australian Building Codes Board	580	580
Building Commission	100	100
Council on the Aging WA Inc.	–	26
Other Miscellaneous Grants – contributions to Commonwealth & others	1,487	612
Total grants and subsidies	17,248	15,764

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

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

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

3.3 Other expenditure

	2019 \$000	2018 \$000
Supplies and services		
Consultants and contractors	41,031	41,195
Advertising and promotion	710	660
Travel	1,862	1,940
Communication	975	1,291
Consumables	2,161	2,045
Maintenance	1,130	1,277
Insurance	727	829
Lease rent & hire costs	2,983	2,688
Utilities	1,291	1,290
Other	7,339	6,942
Total supplies and services expenses	60,209	60,157
Accommodation expenses		
Lease rentals	13,089	9,645
Repairs and maintenance	1,415	1,599
Cleaning	1,082	863
Total accommodation expenses	15,586	12,107
Other expenses		
Audit Fees	588	320
Doubtful debts expense	–	238
Employment On Costs	27	(93)
Industry fidelity claims	3,390	1,153
Minor Plant & Equipment	2,115	859
Refunds of prior years revenues	46	66
Other expenses	3,450	1,528
Total other expenses	9,616	4,071
Total other expenditure	85,411	76,335



Supplies and services:

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

Accommodation expenses:

Operating lease payments are recognised on a straight line basis over the lease term, except where another systematic basis is more representative of the time pattern of the benefits derived from the use of the leased asset.

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

Other:

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

Audit Fees: an expense is recognised for external audit services received during the 2018–19 reporting period.

Doubtful debts expense was recognised as the movement in the allowance for doubtful debts. From 2018–19, expected credit losses expense is recognised as the movement in the allowance for expected credit losses. The allowance for expected credit losses of trade receivables is measured at the lifetime expected credit losses at each reporting date. The department has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. Refer to note 6.1.1 Movement in the allowance for impairment of receivables.

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

Industry Fidelity Claims are paid as a reimbursement to people who suffer pecuniary or property loss through defalcation by a licensee or employee of a real estate agent or settlement agent.

Minor Plant & Equipment: items identified as portable and attractable that do not meet the criteria of an asset are expensed in the year the item is acquired.

Other Expenses: this includes items recorded as prior period expenses and various other minor other miscellaneous expense items.

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	2019 \$000	2018 \$000
Income from State Government	4.1	131,450	152,730
User charges and fees	4.2	162,751	157,049
Interest revenue	4.3	6,343	5,343
Commonwealth grants and contributions	4.4	134	383
Other revenue	4.5	1,219	4,672
Gains/(Losses)	4.6	(5)	23

4.1 Income from State Government

	2019 \$000	2018 \$000
Appropriation received during the period:		
Service appropriation ⁽¹⁾	123,006	138,710
	123,006	138,710
Services received free of charge from other State government agencies during the period:		
State Solicitors Office		
– legal services	1,762	2,276
Department of Treasury and Finance		
– procurement and accommodation services	607	621
Landgate		
– land dealings, land information, valuation services and products	740	201
Department of Primary Industries and Regional Development		
– to support the Accountable Authority of the Commission to fulfill its statutory obligations	11	–
Total services received	3,120	3,098
State grants and subsidies – Specific Purpose	100	100
	100	100



	2019 \$000	2018 \$000
Royalties for Regions Fund:		
District allowance	224	76
Royalties for Regions funding agreement ⁽²⁾	5,000	10,000
Regional Community Services Account ⁽²⁾	–	123
Regional Infrastructure and Headworks Account ⁽²⁾	–	623
Total Royalties for Regions Fund	5,224	10,822
Total Income from State Government	131,450	152,730

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

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

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

The receivable (holding account – note 6.2) comprises the following:

- ▶ The budgeted depreciation expense for the year; and
- ▶ Any agreed increase in leave liabilities during the year.

(2) **The Regional Infrastructure and Headworks Account, funding agreement and, Regional Community Services Accounts** are sub-funds within the over-arching 'Royalties for Regions Fund'. The recurrent funds are committed to projects and programs in WA regional areas and are recognised as revenue when the department gains control on receipt of the funds.

4.2 User fees and charges and Sales

	2019 \$000	2018 \$000
User fees and charges		
Petroleum annual licences	4,407	4,246
Mining, prospecting and exploration licences	6,837	6,792
Explosives and dangerous goods licences and fees	6,683	6,095
Mining Safety Levy	41,709	36,255
Petroleum Safety	4,352	4,279
Mining Rehabilitation Fund	30,608	29,036
WorkSafe	6,944	6,107
EnergySafety	15,834	15,272
Motor Vehicle Dealers and Repairers	2,340	2,316
Consumer Protection	14,153	12,969
Building Commission	21,482	25,976
Rental Accommodation Account	5,329	5,813
Other fees	1,963	1,767
Total User Fees and Charges	162,641	156,923
Sales		
General Sales	110	126
Total Sales	110	126
Total User fees and charges and Sales	162,751	157,049

User fees and charges

Revenue is recognised and measured at the fair value of consideration received or receivable. Revenue is recognised for the major business activities as follows:

Revenue is recognised by reference to the stage of completion of the transaction for relevant services.

Sales

Revenue is recognised from the sale of goods when the significant risks and rewards of ownership transfer to the purchaser and can be measured reliably.



4.3 Interest revenue

	2019 \$000	2018 \$000
Mining Rehabilitation Fund Interest	3,094	2,223
Other Interest Revenue	3,249	3,120
Total interest revenue	6,343	5,343

4.4 Commonwealth grants and contributions

	2019 \$000	2018 \$000
Other funding contributions	134	383

4.5 Other Revenue

	2019 \$000	2018 \$000
Miscellaneous revenue	–	2,490
Other Revenue – Recoups	1,219	2,182
	1,219	4,672

4.6 Gains/(Losses)

	2019 \$000	2018 \$000
Net proceeds from disposal of non-current assets	(5)	23

Realised and unrealised gains are usually recognised on a net basis. These include gains arising on the disposal of non-current assets.

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

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. This section sets out both the key accounting policies and financial information about the performance of these assets:

	Notes	2019 \$000	2018 \$000
Property, plant and equipment	5.1	124,903	131,444
Intangibles	5.2	4,361	5,898
Total key assets		129,265	137,342

5.1 Property, plant and equipment

Year ended 30 June 2018	Land \$000	Buildings \$000	Leasehold Improvements \$000	Furniture, plant, equipment and vehicles \$000	Computer hardware and software \$000	Scientific equipment \$000	Works in Progress \$000	Total \$000
1 July 2017								
Gross Carrying Amount	69,585	58,791	730	7,818	6,952	423	2,788	147,087
Accumulated Depreciation	-	-	(67)	(4,349)	(5,750)	(159)	-	(10,325)
Accumulated Impairment Loss	-	-	-	-	-	-	-	-
Carrying amount at start of period	69,585	58,791	663	3,469	1,202	264	2,788	136,762
Balance transferred in	-	-	354	1,025	1,105	-	-	2,484
Additions	-	15	-	2,182	513	14	-	2,724
Transfers ⁽¹⁾	865	-	-	-	-	-	-	865
Revaluation increments/(decrements) ⁽²⁾	(3,958)	(1,534)	-	-	-	-	-	(5,492)
Transfers from work in progress	-	-	-	970	-	-	(970)	-
Other Disposals ⁽²⁾	(94)	-	-	(393)	(347)	-	-	(834)
Reclassification	-	-	-	-	-	-	(1,379)	(1,379)
Depreciation	-	(1,216)	(156)	(829)	(1,431)	(54)	-	(3,686)
Carrying amount at 30 June 2018	66,398	56,056	862	6,424	1,042	224	439	131,444

Year ended 30 June 2019	Land \$000	Buildings \$000	Leasehold Improvements \$000	Furniture, plant, equipment and vehicles \$000	Computer hardware and software \$000	Scientific equipment \$000	Works in Progress \$000	Total \$000
1 July 2018								
Gross Carrying Amount	66,398	56,142	1,186	13,572	10,695	438	439	148,869
Accumulated Depreciation	-	(86)	(324)	(7,149)	(9,653)	(214)	-	(17,425)
Accumulated Impairment Loss	-	-	-	-	-	-	-	-
Carrying amount at start of period	66,398	56,056	862	6,424	1,042	224	439	131,444
Balance transferred in	-	-	-	-	-	-	-	-
Additions	-	-	-	35	109	9	-	154
Transfers ⁽¹⁾	-	-	-	-	-	-	-	-
Revaluation increments/(decrements) ⁽²⁾	4,766	(8,420)	-	-	-	-	-	(3,654)
Transfers from work in progress	-	439	-	-	-	-	(439)	-
Other Disposals	-	-	(5)	-	-	-	-	(5)
Reclassification	-	-	-	-	-	-	-	-
Depreciation	-	(1,191)	(126)	(855)	(811)	(54)	-	(3,037)
Carrying amount at 30 June 2019	71,164	46,884	731	5,604	341	179	-	124,903

(1) The Department of Planning, Lands and Heritage (DPLH) is the only agency with the power to sell Crown land. The land is transferred to DPLH for sale and the agency accounts for the transfer as a distribution to owner.

(2) Recognised in the Statement of Comprehensive Income. Where an asset measured at cost is written-down to recoverable amount, an impairment loss is recognised in profit or loss. Where a previously revalued asset is written down to recoverable amount, the loss is recognised as a revaluation decrement in other comprehensive income. Information on fair value measurements is provided in Note 8.3.



Initial recognition

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

Assets transferred as part of a machinery of government change are transferred at their fair value.

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

Subsequent measurement

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

- ▶ land, and
- ▶ buildings

Land is carried at fair value.

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

All other property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses.

Land and buildings are independently valued annually by the Western Australian Land Information Authority (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 reporting period.

Land and buildings were revalued as at 1 July 2018 by the Western Australian Land Information Authority (Valuations and Property Analytics). The valuations were performed during the year ended 30 June 2019 and recognised at 30 June 2019. In undertaking the revaluation, fair value was determined by reference to market values for land: \$36,206,000 (2018: \$31,585,000) and buildings: \$27,785,000 (2018: \$36,895,000). For the remaining balance, fair value of buildings was determined on the basis of current replacement cost and fair value of land was determined on the basis of comparison with market evidence for land with low level utility (high restricted use land).

Revaluation model:

1. Fair Value 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. When buildings are revalued by reference to recent market transactions, the accumulated depreciation is eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount.

2. Fair value in the absence of market-based evidence:

Buildings are specialised or where land is restricted: Fair value of land and buildings is determined on the basis of existing use.

Existing use buildings: Fair value is determined by reference to the cost of replacing the remaining future economic benefits embodied in the asset, i.e. the current replacement cost. Where the fair value of buildings is determined on the current replacement cost basis, the gross carrying amount and the accumulated depreciation are restated proportionately with the change in the carrying amount of the asset.

Restricted use land: Fair value 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).

Significant assumptions and judgements: 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.



5.1.1 Depreciation and impairment

Charge for the period

	2019 \$000	2018 \$000
Depreciation		
Buildings	1,191	1,216
Leasehold Improvements	126	156
Furniture, plant, equipment and vehicles	855	829
Computer hardware and software	811	1,431
Scientific equipment	54	54
Total depreciation for the period	3,037	3,686

As of 30 June 2019 there were no indications of impairment to property, plant and equipment.

All surplus assets at 30 June 2019 have either been classified as assets held for sale or have been written-off.

Please refer to note 5.2 for guidance in relation to the impairment assessment that has been performed for intangible assets.

Finite useful lives

All property, plant and equipment having a limited useful life are systematically depreciated over their estimated useful lives in a manner that reflects the consumption of their future economic benefits. The exceptions to this rule include items under operating leases and land.

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

Asset	Useful Life: years
Buildings	33 to 50 years
Lease Improvements	10 years
Furniture	5 to 10 years
Office Equipment	3 to 5 years
Computer Servers	3 years
Software ⁽¹⁾	3 to 5 years
Scientific Equipment	7 years
Motor Vehicles	3 to 5 years
Plant and Equipment	5 to 25 years

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

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

Leasehold improvements are depreciated over the shorter of the lease term and their useful lives.

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

Impairment

Non-financial assets, including items of property, plant and equipment and intangibles 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, unless a specialised asset has been identified as a surplus asset, 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.



5.2 Intangible assets

Year ended 30 June 2018	Software in Progress \$000	Licences \$000	Computer Software \$000	Total \$000
1 July 2017				
Gross carrying amount	–	–	4,144	4,144
Accumulated amortisation	–	–	(3,771)	(3,771)
Carrying amount at start of period	–	–	373	373
Balance transferred in	3,279	12	7,027	10,318
Additions	1,153	–	8	1,161
Transfer completed software	(976)	–	976	–
Reclassification	(13)	–	–	(13)
Impairment losses	(3,065)	–	(258)	(3,323)
Amortisation expense	–	–	–	–
Asset write down	–	(12)	(2,606)	(2,618)
Carrying amount at 30 June 2018	378	–	5,520	5,898
Year ended 30 June 2019				
1 July 2018				
Gross carrying amount	378	–	24,974	25,352
Accumulated amortisation	–	–	(19,454)	(19,454)
Carrying amount at start of period	378	–	5,520	5,898
Balance transferred in	–	–	–	–
Additions	228	–	827	1,055
Transfer completed software	–	–	–	–
Reclassification	(17)	–	–	(17)
Impairment losses	(378)	–	(122)	(500)
Asset write down	–	–	–	–
Amortisation expense	–	–	(2,075)	(2,075)
Carrying amount at 30 June 2019	211	–	4,150	4,361

Initial recognition

Acquisition of intangible assets costing \$5,000 or more and internally generated intangible assets costing \$200,000 or more that comply with the recognition criteria as per AASB 138.57 (as noted below), are capitalised.

Costs incurred below these thresholds 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 of the following are demonstrated:

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

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

Subsequent measurement

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



5.2.1 Amortisation and impairment

Charge for the period

	2019 \$000	2018 \$000
Licences	–	12
Computer Software	2,075	2,606
Total amortisation for the period	2,075	2,618

As at 30 June 2019, other than as noted below there were indications of impairment to intangible assets. The below note provides further explanation.

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

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

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

Asset	Useful Life: years
Computer Software ⁽¹⁾	3 years
Licences	3 years

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

Impairment of intangible assets

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

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

	2019 \$000	2018 \$000
Software in progress	–	3,065
Computer software	–	258
Total impairment for the period	–	3,323

Licences

Licences have a finite useful life and are carried at cost less accumulated amortisation and accumulated impairment losses.

Development Costs

Research costs are expensed as incurred. Development costs incurred for an individual project are carried forward when the future economic benefits can be reasonably regarded as assured and the total project costs are likely to exceed \$200,000. Other development costs are expensed as incurred.

Computer Software

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



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	2019 \$000	2018 \$000
Receivables	6.1	19,884	23,743
Amounts receivable for service	6.2	36,119	34,232
Other assets	6.3	2,264	1,979
Payables	6.4	12,407	12,715
Amounts due to the Treasurer	6.5	10,000	25,330
Revenue received in advance	6.6	24,240	23,784
Other liabilities	7.6	6,156	1,810

6.1 Receivables

	2019 \$000	2018 \$000
Current		
Trade receivables	14,924	13,585
Allowance for impairment of trade receivables	(834)	(975)
Accrued interest revenue	1,406	1,463
GST receivable	884	1,063
Accrued Revenue	3,504	8,607
Total current	19,884	23,743

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

6.1.1 Movement in the allowance for impairment of receivables

	2019 \$000	2018 \$000
Reconciliation of changes in the allowance for impairment of receivables		
Balance at start of period	975	820
Balance transferred in	-	3
Remeasurement under AASB 9	-	-
Restate balance at start of period	975	823
Doubtful debts expense	-	238
Expected credit losses expense	(97)	-
Amounts written off during the period	(44)	(86)
Balance at end of period	834	975

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

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

The collectability of receivables is reviewed on an ongoing basis and any receivables identified as uncollectible are written-off against the allowance account.



6.2 Amounts receivable for services (Holding Account)

	2019 \$000	2018 \$000
Current	3,816	3,010
Non-current	32,303	31,222
Balance at end of period	36,119	34,232

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

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

6.3 Other assets

	2019 \$000	2018 \$000
Current		
Prepayments	2,264	1,951
Miscellaneous assets (includes credit card and travel clearing accounts)	–	28
Total current	2,264	1,979
Balance at end of period	2,264	1,979

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

6.4 Payables

	2019 \$000	2018 \$000
Current		
Trade payables	6,952	8,686
Other payables	3,457	2,171
Accrued salaries	291	1,042
Accrued expenses	23	266
Total current	10,723	12,165
Non-current		
Trust accounts		
Consumer Credit Act (WA)	80	103
Departmental Receipts in Suspense	–	2
Building Services Trust Dispute Remedies Account	–	–
Real Estate and Business Agents Supervisory Board	487	434
Co-operatives – Companies Liquidation Account	11	11
Other Miscellaneous	1,106	–
Total non-current	1,684	550
Balance at end of period	12,407	12,715

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

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

The accrued salaries suspense account (See Note 7.5.1 '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 reporting.



6.5 Amounts due to the Treasurer

	2019 \$000	2018 \$000
Current		
Mining Rehabilitation Fund	–	5,330
Mining Safety Levy	8,000	18,000
Petroleum and Geothermal Safety Levy	2,000	2,000
Total Current	10,000	25,330
Total amounts due to the Treasurer	10,000	25,330

The **amount due to the Treasurer** is in respect of a Treasurer's Advance. This amount is payable within 12 months after the reporting period. Although no interest is charged on the outstanding amount, the carrying amount is equivalent to fair value.

6.6 Revenue received in advance

	2019 \$000	2018 \$000
Current		
Licences and fees ⁽¹⁾	13,840	12,939
Total Current	13,840	12,939
Non Current		
Licences and fees ⁽¹⁾	10,400	10,845
Total Non Current	10,400	10,845
Total revenue received in advance	24,240	23,784

(1) Unearned revenues are revenue received in advance for multiple year licences for EnergySafety, Motor Vehicle Repairers, Plumbers, Real Estate, Settlement Agents, Painters, Builders and Building Surveyors. This revenue will be recognised from 2018–19 and subsequent years.

6.7 Other liabilities

	2019 \$000	2018 \$000
Current		
Unclaimed monies	1,240	1,199
Total Current	1,240	1,199
Non Current		
Lease payable	4,916	611
Total Non Current	4,916	611
Total other liabilities	6,156	1,810



7. Financing

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

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

7.1 Cash and cash equivalents

7.1.1 Reconciliation of cash

	Notes	2019 \$000	2018 \$000
Current			
Cash on hand		14	14
Cash and cash equivalents		1,331	2,513
Total cash and cash equivalents		1,345	2,527
Restricted cash and cash equivalents			
	8.1		
Current			
Building Services Account		12,253	16,986
Consumer Credit Act		54	103
Co-operatives Companies Liquidation Account		11	11
Departmental Receipts in Suspense		28	2
EnergySafety Account		15,489	14,903
Mines Safety Levy ⁽¹⁾		16,520	10,531
Mining Rehabilitation Fund ⁽²⁾		150,473	122,616
Motor Vehicle Repair (MVR) Industry Compensation Account		144	138
Motor Vehicle Repair (MVR) Industry Education and Research Account		157	147
Petroleum and Geothermal Energy Safety Levy ⁽¹⁾		3,327	1,588
Real Estate - Education and General Purpose Account		20,560	22,734
Real Estate - Fidelity Guarantee Account		46,743	46,426
Real Estate - Home Buyers Assistance Account		12,174	13,865
Real Estate and Business Agents Supervisory Board Trust Account		488	432
Settlement Agents - Education and General Purpose Account		28,661	27,649
Settlement Agents - Fidelity Guarantee Account		47,314	47,595
State Trading Concerns		1,176	1,173
Indian Ocean Territories - Commonwealth Government		-	31
Royalties for Regions		-	(444)
Total Current restricted cash and cash equivalents		355,572	326,486
Non current			
Accrued salaries suspense account ⁽³⁾		1,539	1,072
Total non current restricted cash and cash equivalents		1,539	1,072
Balance at end of period		358,456	330,085

(1) The recoup of the costs of administering the Safety reforms cannot be invoiced until after the end of the financial year. See Note 9.8 for further information.

(2) These funds are applied for regulatory services under the *Mining Rehabilitation Fund Act 2012*. See Note 9.8 for further information.

(3) Funds held in the suspense account for the purpose of meeting the 27th pay in a reporting period that occurs every 11th year. This account is classified as non-current for 10 out of 11 years.

For the purpose of the statement of cash flows, cash and cash equivalent (and restricted cash and cash equivalent) assets comprise cash on hand 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	2019 \$000	2018 \$000
Net cost of services		(90,331)	(112,832)
Non-cash items			
Depreciation and amortisation expense	5.1	5,112	6,304
Doubtful debts expense	3.3	–	238
Expected credit losses expense			
Services received free of charge	4.1	3,120	3,098
Reclassification of assets		–	13
Net (gain)/loss on disposal of property, plant and equipment		5	(23)
Impairment loss		–	3,323
(Increase)/decrease in assets			
Current receivables ⁽¹⁾		3,859	(9,083)
Other current assets		(286)	1,186
Increase/(decrease) in liabilities			
Current payables ⁽¹⁾		(1,442)	(1,930)
Current provisions		(8,649)	(2,850)
Current Revenue received in advance		901	1,093
Other current liabilities		41	(335)
Non-current payables		1,134	50
Non-current provisions		453	(1,295)
Non-current Revenue received in advance		(445)	1,244
Other non-current liabilities		4,305	(291)
Net GST receipts/(payments) ⁽²⁾		308	710
Change in GST in receivables/payables ⁽³⁾		(45)	114
Net cash (used in) operating activities		(81,960)	(111,266)

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

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

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

7.2 Commitments

7.2.1 Non-cancellable operating lease commitments

	2019 \$000	2018 \$000
Commitments for minimum lease payments are payable as follows:		
Within 1 year	14,427	15,673
Later than 1 year and not later than 5 years	73,787	75,786
Later than 5 years	20,543	42,421
Balance at end of period	108,757	133,880

Operating leases are expensed on a straight line basis over the lease term as this represents the pattern of benefits derived from the leased properties.

The department has entered into multiple property leases which are non-cancellable with terms up to eleven (11) years, with rent payable monthly in advance. Contingent rent provisions for most lease agreements require that the minimum lease payments shall be increased by the lower of CPI or up to 4.00% per annum. Options exist to renew the lease at the end of the lease terms for an additional term up to a maximum of three years.

Other leases are not linked to CPI, and have a fixed increment.



7.2.2 Capital commitments

	2019 \$000	2018 \$000
Capital expenditure commitments, being contracted capital expenditure additional to the amounts reported in the financial statements, are payable as follows:		
Within 1 year	4,722	4,916
Later than 1 year and not later than 5 years	3,259	6,268
Balance at end of period	7,981	11,184

The totals presented for capital commitments are GST inclusive.

7.2.3 Other expenditure commitments

	2019 \$000	2018 \$000
Other expenditure commitments for day to day operations contracted for at the end of the reporting period but not recognised as liabilities, are payable as follows:		
Within 1 year	–	3,388
	–	3,388

The totals presented for other expenditure commitments are GST inclusive.

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

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

8. Risks and contingencies

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

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

8.1 Financial risk management

Financial instruments held by the department are cash and cash equivalents, restricted cash and cash equivalents, receivables, payables, Western Australian Treasury Corporation (WATC)/Bank borrowings, finance leases and Treasurer's advances. The department has limited exposure to financial risks. The department's overall risk management program focuses on managing the risks identified below.

(a) Summary of risks and risk management

Credit Risk

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

Credit risk associated with the department's financial assets is minimal because the main receivable is the amounts receivable for services (holding account) and Safety Levies. 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. Debt will be written-off against the allowance account when it is improbable or uneconomical to recover the debt. At the end of the reporting period there were no significant concentrations of credit risk.

Liquidity risk

Liquidity risk arises when 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 drawdown of appropriations by monitoring forecast cash flows to ensure that sufficient funds are available to meet its commitments.

Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates and interest rates will affect the departments 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. The departments exposure to market risk for changes in interest rates relate primarily to the long-term debt obligations.



(b) Categories of financial instruments

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

	2019 \$000	2018 \$000
Financial assets		
Cash and cash equivalents	1,345	2,527
Restricted cash and cash equivalents	357,112	327,558
Receivables ⁽¹⁾	–	22,680
Amounts receivable for services	–	34,232
Financial assets at amortised cost ⁽¹⁾	55,119	–
Total financial assets	413,576	386,997
Financial liabilities		
Financial liabilities measured at amortised cost	23,647	39,244
Total financial liability	23,647	39,244

(1) The amount of loans and receivables and Financial assets at amortised costs 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			
			<30days \$000	31-60 days \$000	61-90 days \$000	>91 days \$000
30 June 2019						
Expected credit loss rate		0.42%	1.30%	1.84%	3.82%	3.82%
Estimated total gross carrying amount at default	4,439	1,126	22	1,656	2	1,633
Expected credit losses	(97)	(5)	–	(30)	–	(62)
1 July 2018 (Restatement)						
Expected credit loss rate		1.99%	6.11%	8.95%	29.77%	36.32%
Estimated total gross carrying amount at default	2,845	816	48	44	1	1,936
Expected credit losses	–	–	–	–	–	–

(d) Liquidity risk and interest rate exposure

The following table discloses 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 amounts of each item.

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

	Weighted Average Effective Interest %	Carrying Amount \$000	Interest rate exposure			Nominal Amount \$000	Maturity dates					
			Fixed interest rate \$000	Variable Interest Rate \$000	Non-interest Bearing \$000		up to 1 month \$000	1-3 months \$000	3 months to 1 year \$000	1-5 years \$000	More than 5 years \$000	
2019												
Financial Assets												
Cash and cash equivalents	-	1,345	-	-	1,345	1,345	1,345	-	-	-	-	-
Restricted cash and cash equivalents	1.98	357,111	-	304,874	52,237	357,111	355,572	-	-	-	-	1,539
Receivables ⁽¹⁾⁽¹⁾	-	55,119	-	-	55,119	55,119	53,863	65	175	1,016	-	-
		413,575	-	304,874	108,701	413,575	410,780	65	175	1,016	1,539	
Financial Liabilities												
Payables	-	12,407	-	-	12,407	12,407	12,407	-	-	-	-	-
Unclaimed monies	-	1,240	-	-	1,240	1,240	1,240	-	-	-	-	-
Amounts due to the Treasurer	-	10,000	-	-	10,000	10,000	-	-	25,330	-	-	-
		23,647	-	-	23,647	23,647	13,647	-	25,330	-	-	-

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

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

	Weighted Effective Interest Rate %	Carrying Amount \$000	Interest rate exposure			Nominal Amount \$000	Maturity dates					
			Fixed interest rate \$000	Variable Interest Rate \$000	Non-interest Bearing \$000		up to 1 month \$000	1-3 months \$000	3 months to 1 year \$000	1-5 years \$000	More than 5 years \$000	
2018												
Financial Assets												
Cash and cash equivalents	-	2,527	-	-	2,527	2,527	2,527	-	-	-	-	-
Restricted cash and cash equivalents	1.98	327,558	-	280,359	47,200	327,558	326,486	-	-	-	-	1,072
Receivables ⁽²⁾⁽²⁾	-	22,680	-	-	22,680	22,680	21,424	65	175	1,016	-	-
Loans receivable	-	-	-	-	-	-	-	-	-	-	-	-
Amounts receivable for services	-	34,232	-	-	34,232	34,232	2,096	-	914	31,222	-	-
		386,997	-	280,359	106,639	386,997	352,533	65	1,089	32,238	1,072	
Financial Liabilities												
Payables	-	12,715	-	-	12,715	12,715	12,715	-	-	-	-	-
Unclaimed monies	-	1,199	-	-	1,199	1,199	1,199	-	-	-	-	-
Amounts due to the Treasurer	-	25,330	-	-	25,330	25,330	-	-	25,330	-	-	-
		39,244	-	-	39,244	39,244	13,914	-	25,330	-	-	-

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





(e) Interest rate sensitivity analysis

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

	Carrying Amount \$000	-100 basis points Surplus \$000	Equity \$000	+100 basis points Surplus \$000	Equity \$000
2019					
Financial Assets					
Restricted cash and cash equivalents	304,874	(3,049)	(3,049)	3,049	3,049
Financial Liabilities					
Payables	-	-	-	-	-
Borrowings	-	-	-	-	-
Total increase/(decrease)	304,874	(3,049)	(3,049)	3,049	3,049
2018					
Financial Assets					
Restricted cash and cash equivalents	280,359	(2,804)	(2,804)	2,804	2,804
Financial Liabilities					
Payables	-	-	-	-	-
Borrowings	-	-	-	-	-
Total increase/(decrease)	280,359	(2,804)	(2,804)	2,804	2,804

8.2 Contingent assets and liabilities

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

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

8.2.1 Contingent assets

There are no known contingent assets to report for the department as at 30 June 2019.

8.2.2 Contingent liabilities

The following contingent liabilities are additional to the liabilities included in the financial statements:

Fidelity Guarantee Account (FGA) Claims

A total of 24 claims against the Fidelity Guarantee Accounts with a total value of \$4,314,541 consisting of:

- 19 claims against the Real Estate Agents FGA yet to be decided and with a total value of \$3,520,816.
- 1 claim against the Settlement Agents FGA yet to be decided to the value of \$380,000

These figures do not include legal costs or any interest claims. Reasonable legal costs are claimable. Claims for interest are not allowable, as per proceedings in the Supreme Court after the State Administrative Tribunal decided that interest wasn't allowable.

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 on the basis of the risk to human health, the environment and environmental values. Where sites are classified as contaminated – remediation required or possibly contaminated – investigation required, the department may have a liability in respect of investigation or remediation expenses.

Three sites are still identified as known or "suspected" of being contaminated". These three sites are still yet to be classified by the Department of Environment and Conservation (DEC) now known as Department of Water and Environmental Regulation (DWER). The department is unable to assess the likely outcome of the classification process, and accordingly, it is not practicable to estimate the potential financial effect or to identify the uncertainties relating to the amount or timing of any outflows.

Whilst there is no possibility of reimbursement of any future expenses that may be incurred in the remediation of these sites, the department may apply for funding from the Contaminated Sites Management Account (2015) to undertake further investigative work or to meet remediation costs that may be required.

Litigation in Progress

The department is currently involved in two (2) legal cases. Depending on the outcomes of these matters this may result in an estimated Contingent Liability for costs of \$460k.



8.3 Fair value measurements

Assets measured at fair value:	Level 2	Level 3	Fair value at end of period
2019	\$000	\$000	\$000
Land (note 5.1)	36,206	34,958	71,164
Buildings (Note 5.1)	27,785	18,663	46,448
	63,991	53,621	117,612

Assets measured at fair value:	Level 2	Level 3	Fair value at end of period
2018	\$000	\$000	\$000
Land (note 5.1)	31,585	34,813	66,398
Buildings (Note 5.1)	36,895	14,572	51,467
	68,480	49,385	117,865

There were no transfers between Levels 1, 2 or 3 during the current period.

Valuation techniques to derive Level 2 fair values

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

Fair value measurements using significant unobservable inputs (Level 3)

	Land	Buildings
2019	\$000	\$000
Fair value at start of period	34,813	14,572
Additions	–	4,566
Revaluation increments/(decrements) recognised in Other Comprehensive Income	150	(22)
Disposals	(5)	(143)
Depreciation expense	–	(310)
Fair value at end of period	34,958	18,663

	Land	Buildings
2018	\$000	\$000
Fair value at start of period	35,860	15,316
Additions	865	–
Revaluation increments/(decrements) recognised in Other Comprehensive Income	(1,912)	(425)
Depreciation expense	–	(319)
Fair value at end of period	34,813	14,572

Valuation processes

There were no changes in valuation techniques during the period.

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



Land (Level 3 fair values)

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

Buildings and Infrastructure (Level 3 fair values)

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

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

Significant Level 3 inputs are derived and evaluated as follows:

Historical cost per square metre floor area (m²)

The costs of constructing specialised buildings with similar utility are extracted from financial records, then indexed by movements in CPI.

Consumed economic benefit/obsolescence of asset

These are estimated by the Western Australian Land Information Authority (Valuation Services).

Selection of land with restricted utility

Fair value for restricted use land is determined by comparison with market evidence for land with low level utility. Relevant comparators of land with low level utility are selected by the Western Australian Land Information Authority (Valuation Services).

Basis of valuation

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

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

Description	Fair value as at 30 June 2019 (30 June 2018)	Valuation techniques	Unobservable inputs	Relationship to unobservable inputs to fair value
Land	(2018 Fair Value: \$34,813) <hr/> 2019 Fair Value: \$34,958	Selection of land with similar approximate utility	Selection of land with similar approximate utility	Higher value of similar land increases estimated fair value
Buildings	(2018 Fair Value: \$14,572) <hr/> 2019 Fair Value: \$18,663	Current Replacement Cost	Consumed economic benefit/obsolescence of asset <hr/> Historical cost per square metre floor area (m ²)	Greater consumption of economic benefit or increased obsolescence lowers fair value <hr/> Higher historical cost per m ² increases fair value



9. Other disclosures

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

	Notes
Events occurring after the end of the reporting period	9.1
Initial application of Australian Accounting Standards	9.2
Future impact of Australian standards issued not yet operative	9.3
Key management personnel	9.4
Related parties	9.5
Related bodies	9.6
Affiliated bodies	9.7
Special purpose financial statements	9.8
Remuneration of auditors	9.9
Act of Grace (and ex-gratia) payments	9.10
Equity	9.11
Supplementary financial information	9.12
Explanatory statements	9.13

9.1 Events occurring after the end of the reporting period

The department has not recognised any significant events that have occurred after the end of the reporting period.

9.2 Initial application of Australian Accounting Standards

AASB 9 Financial Instruments

AASB 9 *Financial instruments* replaces AASB 139 *Financial instruments: Recognition and Measurements* for annual reporting periods beginning on or after January 1 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

The department applied AASB 9 prospectively, with an initial application date of 1 July 2018. The adoption of AASB 9 has resulted in changes in accounting policies and adjustments to the amounts recognised in the financial statements. In accordance with AASB 9.7.2.15, the department has not restated the comparative information which continues to be reported under AASB 139. Differences arising from adoption have been recognised directly in Accumulated surplus/(deficit)

The effect of adopting AASB 9 as at 1 July 2018 was, as follows:

	Adjustments	1 July 2018 \$000
Assets		
Trade receivables	(a), (b)	-
Total Assets		-
Total adjustments on Equity		
Accumulated surplus/(deficit)	(a), (b)	-

The nature of these adjustments are described below:

(a) Classification and measurement

Under AASB 9, financial asset are subsequently measured at amortised cost, fair value through other comprehensive income (fair value through OCI) or fair value through profit or loss (fair value through P/L). The classification is based on two criteria: the department's business model for managing assets; and whether the assets' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding.

The assessment of the department's business model was made as of the date on initial application, 1 July 2018. The assessment of whether contractual cash flows on financial assets are solely comprised of principal and interest was made based on the facts and circumstances at the initial recognition of the assets

The classification and measurement requirements of AASB 9 did not have a significant impact to the department. The following are the changes in the classification of the department's financial assets:

- ▶ Trade receivables and Loans and advances (i.e. Other debtors) classified as Loans and receivables as at 30 June 2018 are held to collect contractual cash flows and give rise to cash flows representing solely payments of principal and interest. These are classified and measured as Financial assets at amortised cost beginning 1 July 2018.
- ▶ The department did not designate any financial assets as at fair value through P/L.



In summary, upon the adoption of AASB 9, the department had the following required (or elected) reclassifications as at 1 July 2018:

	\$000	AASB 9 Category		
		Amortised cost \$000	Fair value through OCI \$000	Fair value through P/L \$000
AASB 139 category	\$000			
Loans and receivables				
Trade receivables	12,610	12,610	-	-
Loans and advances	-	-	-	-
	12,610	12,610	-	-

(b) Impairment

The adoption of AASB 9 has fundamentally changed the department's accounting for impairment losses for financial assets by replacing AASB 139's incurred loss approach with a forward-looking expected credit loss (ECL) approach. AASB 9 requires the department to recognise an allowance for ECLs for all financial assets not held at fair value through P/L.

Upon adoption of AASB 9, the department did not recognise any change to impairment of the department's receivables as at 1 July 2018.

Set out below is the reconciliation of the ending impairment allowances in accordance with AASB 139 to the opening loss allowances determined in accordance with AASB 9:

	Impairment under AASB 139 as at 30 June 2018 \$000	Remeasurement \$000	ECL under AASB 9 at 1 July 2018 \$000
Loans and receivables under AASB 139 / Financial assets at amortised cost under AASB 9	975	-	975
	975	-	975

9.3 Future impact of Australian Accounting Standards not yet operative

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

		Operative for reporting periods beginning on/after
AASB 15	<i>Revenue from Contracts with Customers</i>	1 Jan 2019
<i>Nature of Change</i>	This Standard establishes the principles that the department shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers. The mandatory effective date of this Standard is currently 1 January 2019 after being amended by AASB 2016-7.	
<i>Impact</i>	The department's income is primarily derived from appropriations which will be measured under AASB 1058 and this will not be affected by this change. Although the recognition of revenues will be deferred until the department has discharged its performance obligations, these revenues are expected to be fully recognised at year-end and no contract liability will exist.	
<i>Transition</i>	The department will adopt the modified retrospective approach on transition to AASB 15. No comparative information will be restated under this approach, and the department will recognise 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.	
AASB 16	<i>Leases</i>	1 Jan 2019
<i>Nature of Change</i>	This Standard introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value.	
<i>Impact</i>	The recognition of additional assets and liabilities, mainly from operating leases, will increase the departments total assets by \$84,876,356 and total liabilities by \$84,876,356. In addition, interest and depreciation expenses will increase, offset by a decrease in rental expense for the year ending 30 June 2020 and beyond.	
	The above assessment is based on the following accounting policy positions:	
	<ul style="list-style-type: none"> ▶ Option 1/Option 2 of the modified retrospective approach on transition; ▶ the 'low value asset' threshold set at AUD \$5,000 (unless GROH, GOA or State Fleet) ▶ For leases classified as 'short term' (12 months or less), these are not recognised under AASB 16 (unless GROH, GOA or State Fleet:) ▶ Land, buildings and investment property ROU assets are measured under the fair value model, subsequent to initial recognition; and ▶ Discount rates are sourced from WA Treasury Corporation (WATC) 	



Operative for reporting periods beginning on/after

<i>Transition</i>	The department will adopt the modified retrospective approach on transition to AASB 16. No comparative information will be restated under this approach, and the department will recognise 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	
<i>AASB 1058</i>	<i>Income of Not-for-Profit Entities</i>	1 Jan 2019
<i>Nature of Change</i>	This Standard clarifies and simplifies the income recognition requirements that apply to not-for-profit (NFP) entities, more closely reflecting the economic reality of NFP entity transactions that are not contracts with customers. Timing of income recognition is dependent on whether such a transaction gives rise to a liability, or other performance obligation (a promise to transfer a good or service), or, a contribution by owners, related to an asset (such as cash or another asset) received by an agency. The department anticipates that the application will not materially impact appropriation or untied grant revenues.	
<i>Impact</i>	AASB 1058 will have no impact on appropriations and recurrent grants received by the department – they will continue to be recognised as income when funds are deposited in the bank account or credited to the holding account.	
<i>Transition</i>	The department will adopt the modified retrospective approach on transition to AASB 1058. No comparative information will be restated under this approach, and will recognise 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.	
<i>AASB 1059</i>	<i>Service Concession Arrangements: Grantors</i>	1 Jan 2020
<i>Nature of Change</i>	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 mandatory effective date of this Standard is currently 1 January 2020 after being amended by AASB 2018-5	
<i>Impact</i>	The department does not manage any public private partnerships that is within the scope of the Standard	
<i>AASB 2016-8</i>	<i>Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit entities</i>	1 Jan 2019
<i>Nature of Change</i>	This Standard inserts Australian requirements and authoritative implementation guidance for not-for-profit entities into AASB 9 and AASB 15. This guidance assists not-for-profit entities in applying those Standards to particular transactions and other events. There is no financial impact.	
<i>AASB 2018-4</i>	<i>Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Public Sector Licensors</i>	1 Jan 2019
<i>Nature of Change</i>	This Standard amends AASB 15 to add requirements and authoritative implementation guidance for application by not-for-profit public sector licensors to transactions involving the issue of licences. There is no financial impact as the department does not issue licences.	
<i>AASB 2018-5</i>	<i>Amendments to Australian Accounting Standards – Deferral of AASB 1059</i>	1 Jan 2019
<i>Nature of Change</i>	This Standard amends the mandatory effective date of AASB 1059 so that AASB 1059 is required to be applied for reporting periods beginning on or after 1 January 2020 instead of 1 January 2019. There is no financial impact	
<i>AASB 2018-7</i>	<i>Amendments to Australian Accounting Standards – Definition of Material</i>	1 Jan 2020
<i>Nature of Change</i>	This Standard clarifies the definition of material and its application by improving the wording and aligning the definition across AASB Standards and other publications. There is no financial impact.	
<i>AASB 2018 - 8</i>	<i>Amendments to Australian Accounting Standards – Right-of-Use Assets of Not-for-Profit Entities</i>	1 Jan 2019
<i>Nature of Change</i>	This Standard provides a temporary option for not-for-profit entities to not apply the fair value initial measurement requirements for right-of-use assets arising under leases with significantly below-market terms and conditions principally to enable the entity to further its objectives.	
<i>Impact</i>	The department will elect to apply the option to measure right-of-use assets under peppercorn leases at cost (which is generally about \$1). As a result, the financial impact of this Standard is not material.	



9.4 Key management personnel

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

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

Compensation Band \$	2019	2018
0 to 10,000	1	–
20,001 to 30,000	2	–
30,001 to 40,000	2	–
40,001 to 50,000	2	–
70,001 to 80,000	1	–
130,001 to 140,000	1	–
160,001 to 170,000	2	1
170,001 to 180,000	2	4
180,001 to 190,000	3	5
190,001 to 200,000	7	3
200,001 to 210,000	–	2
210,001 to 220,000	1	2
220,001 to 230,000	–	1
230,001 to 240,000	–	1
240,001 to 250,000	3	3
250,001 to 260,000	3	3
260,001 to 270,000	–	1
270,001 to 280,000	–	1
290,001 to 300,000	–	2
300,001 to 310,000	–	2
400,001 to 410,000	–	1
460,001 to 470,000	–	1
520,001 to 530,000	–	1
670,001 to 680,000	1	–
	\$000	\$000
Short-term employee benefits	4,911	6,664
Post-employment benefits	–	987
Other long-term benefits	431	253
Termination benefits	–	386
Total compensation of senior officers	5,342	8,290

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 and controlled entity of the State of Western Australia.

Related parties of the agency 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 public sector entities, including related bodies 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:

- ▶ Income from State Government (Note 4.1);
- ▶ Services received free of charge (Note 4.1);
- ▶ Equity contributions (Note 9.11);
- ▶ Royalties for Regions Fund (Note 4.1);
- ▶ Superannuation payments to GESB (Note 3.1(a));



- ▶ Lease rental payments to the Department of Finance (Government Office Accommodation and State Fleet) and the Housing Authority (Government Regional Officer Housing) (Note 3.3) and related outstanding balances (Note 7.2.1);
- ▶ amounts due to the Treasurer (Note 6.5);
- ▶ insurance payments to the Insurance Commission and Riskcover fund (Note 3.3);
- ▶ remuneration for services provided by the Auditor General (Note 9.9).

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 Related bodies

The department had no related bodies as defined in the *Financial Management Act 2006* and Treasurer's Instruction 951.

9.7 Affiliated bodies

The department has no affiliated bodies.

9.8 Special Purpose Accounts

Controlled	2019	2018
Special Purpose Accounts section 16 of <i>Financial Management Act 2006</i>	\$000	\$000
Building Services Account	12,253	16,986
Consumer Credit Act (WA)	54	103
Co-operatives Companies Liquidation Account	11	11
Departmental Receipts in Suspense	28	2
EnergySafety Account	15,489	14,903
Indian Ocean Territories – Commonwealth Government	–	31
Mines Safety Levy	16,520	10,236
Mining Rehabilitation Fund Levy	150,473	122,616
Motor Vehicle Repair Industry Compensation Account	144	138
Motor Vehicle Repair Industry Education & Research Account	157	147
Petroleum and Geothermal Energy Safety Levy	3,327	1,539
Real Estate – Education and General Purpose Account	20,560	22,734
Real Estate – Fidelity Guarantee Account	46,743	46,426
Real Estate – Home Buyers Assistance Account	12,174	13,865
Real Estate and Business Agents Supervisory Board Trust Account	488	432
Settlement Agents – Education and General Purpose Account	28,661	27,649
Settlement Agents – Fidelity Guarantee Account	47,314	47,595
Royalties for Regions	–	(444)
State Trading Concerns	1,176	1,172
	355,572	326,142
Administered	2019	2018
	\$000	\$000
Environmental Called-In Performance Bond Money Fund	5,061	5,093
Special Projects Fund	3,848	2,494
	8,909	7,587

Building Services Account

Holds funds used for the provision of functions and services in accordance with building services acts.

	2019	2018
	\$000	\$000
Balance at start of period	16,986	–
Balance transferred in	–	15,166
Add Receipts	26,146	31,221
Less Payments	(30,879)	(29,401)
Balance at end of period	12,253	16,986

Following the tragic Grenfell Tower fire in London in June 2017, during the financial year the department contacted and assisted all government departments and agencies regarding the risk presented by combustible cladding and requested they undertake audits of their respective portfolios, this is known as the Building Cladding Audit.

In conducting the review, all 22 buildings under the care of the department were cleared from requiring further remedial action.



Consumer Credit Act (WA)

Holds funds pending distribution in accordance with the *Consumer Credit (WA) Act 1996* or court direction.

	2019 \$000	2018 \$000
Balance at start of period	103	–
Balance transferred in	–	103
Add Receipts	52	–
Less Payments	(101)	–
Balance at end of period	54	103

Co-operatives Companies Liquidation Account

Holds unclaimed funds pending redistribution in accordance with the *Companies (Co-operative) Act 1943* section 290(1).

	2019 \$000	2018 \$000
Balance at start of period	11	–
Balance transferred in	–	12
Add Receipts	–	–
Less Payments	–	(1)
Balance at end of period	11	11

Departmental Receipts in Suspense

This account is to hold monies temporarily, pending identification of the purpose for which the funds were received.

	2019 \$000	2018 \$000
Balance at start of period	2	–
Balance transferred in	–	22
Add Receipts	55	15
Less Payments	(29)	(35)
Balance at end of period	28	2

EnergySafety Account

Holds funds used for the provision of functions and services in accordance with the *Energy Safety Act 2006*.

	2019 \$000	2018 \$000
Balance at start of period	14,903	–
Balance transferred in	–	12,062
Add Receipts	20,101	16,795
Less Payments	(19,515)	(13,954)
Balance at end of period	15,489	14,903

Environmental Called-In Performance Bond Money Fund

The account is to hold called-in performance bond monies received in respect to section 126 of the *Mining Act (1978)*. Funds are to be used to provide for the rehabilitation of mining sites.

	2019 \$000	2018 \$000
Balance at start of period	5,093	5,063
Add Receipts	–	30
Less Payments	(32)	–
Balance at end of period	5,061	5,093



Indian Ocean Territories – Commonwealth Government

The Department has a service delivery agreement with the Commonwealth Government to undertake to provide its normal service to the Christmas and Cocos Islands. Following Machinery of Government (MOG) changes, the balance of the Indian Ocean Territories account has been transferred to the Special Projects Fund, which is outlined further below.

	2019 \$000	2018 \$000
Balance at start of period	31	–
Balance transferred in/(out)	(31)	37
Add Receipts	–	276
Less Payments	–	(282)
Balance at end of period	–	31

Mines Safety Levy

This fund is to hold all levies received from mining companies and is to be applied to the cost of administering the *Mines Safety and Inspection Act 1994*.

	2019 \$000	2018 \$000
Balance at start of period	10,226	(14,773)
Add Treasurers Advance	–	18,000
Add Receipts	41,304	33,374
Less Payments	(35,010)	(26,375)
Balance at end of period	16,520	10,226

Mining Rehabilitation Fund Levy

This fund is to hold all levies which are applied to the cost of administering the Mining Rehabilitation Fund Levies for regulatory services under the *Mining Rehabilitation Fund Act 2012*.

	2019 \$000	2018 \$000
Balance at start of period	122,616	92,400
Add Receipts	33,817	30,876
Less Payments	(5,960)	(660)
Balance at end of period	150,473	122,616

Motor Vehicle Repair Industry Compensation Account

Holds funds used for the Motor Vehicle Repairers Industry in accordance with the *Motor Vehicle Repairers Act 2003*.

	2019 \$000	2018 \$000
Balance at start of period	138	–
Balance transferred in	–	120
Add Receipts	27	19
Less Payments	(21)	(1)
Balance at end of period	144	138

Motor Vehicle Repair Industry Education & Research Account

Holds funds used for the Motor Vehicle Repairers Industry in accordance with the *Motor Vehicle Repairers Act 2003*.

	2019 \$000	2018 \$000
Balance at start of period	147	–
Balance transferred in	–	132
Add Receipts	25	21
Less Payments	(15)	(6)
Balance at end of period	157	147



Petroleum and Geothermal Energy Safety Levy

This fund is to hold all levies which are applied to the cost of administering the Petroleum and Geothermal Energy Safety Levies for regulatory services under the *Petroleum and Geothermal Energy Resource Act 1967* (PGERA67) and the *Petroleum Pipelines Act 1969* (PPA69).

	2019 \$000	2018 \$000
Balance at start of period	1,539	(1,603)
Add Treasurer's Advance	–	2,000
Add Receipts	4,540	4,268
Less Payments	(2,752)	(3,126)
Balance at end of period	3,327	1,539

Real Estate – Education and General Purpose Account

Holds funds used for the operation of the Education and General Purpose Account in accordance with the *Real Estate and Business Agents Act 1978*.

	2019 \$000	2018 \$000
Balance at start of period	22,734	–
Balance transferred in	–	25,331
Add Receipts	9,418	6,696
Less Payments	(11,592)	(9,293)
Balance at end of period	20,560	22,734

Real Estate – Fidelity Guarantee Account

Holds funds used for the operation of the Fidelity Guarantee Account in accordance with the *Real Estate and Business Agents Act 1978*.

	2019 \$000	2018 \$000
Balance at start of period	46,426	–
Balance transferred in	–	45,579
Add Receipts	2,193	1,356
Less Payments	(1,876)	(509)
Balance at end of period	46,743	46,426

Real Estate – Home Buyers Assistance Account

Holds funds used for the operation of the Home Buyers Assistance Account in accordance with the *Real Estate and Business Agents Act 1978*.

	2019 \$000	2018 \$000
Balance at start of period	13,865	–
Balance transferred in	–	15,234
Add Receipts	5,837	3,309
Less Payments	(7,528)	(4,678)
Balance at end of period	12,174	13,865

Real Estate and Business Agents Supervisory Board Trust Account

Holds funds as a result of legal proceedings and liquidations of agencies in accordance with the Trust Statement.

	2019 \$000	2018 \$000
Balance at start of period	432	–
Balance transferred in	–	362
Add Receipts	58	78
Less Payments	(2)	(8)
Balance at end of period	488	432



Royalties for Regions

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

	2019 \$000	2018 \$000
Balance at start of period	(444)	-
Balance transferred in	-	2,061
Add Receipts	5,000	10,721
Less Payments	(4,556)	(13,226)
Balance at end of period	-	(444)

Settlement Agents – Education and General Purpose Account

Holds funds used for the operation of the Education and General Purpose Account in accordance with the *Settlement Agents Act 1981*.

	2019 \$000	2018 \$000
Balance at start of period	27,649	-
Balance transferred in	-	26,685
Add Receipts	1,941	1,727
Less Payments	(929)	(763)
Balance at end of period	28,661	27,649

Settlement Agents – Fidelity Guarantee Account

Holds funds used for the operation of the Fidelity Guarantee Account in accordance with the *Settlement Agents Act 1981*.

	2019 \$000	2018 \$000
Balance at start of period	47,595	-
Balance transferred in	-	45,790
Add Receipts	2,682	1,983
Less Payments	(2,963)	(178)
Balance at end of period	47,314	47,595

Special Projects Fund

The account was created to hold funds for the purpose of participating in significant projects with other countries, the Commonwealth and the private sector to the mutual benefit of the other participants and the State of Western Australia.

This account includes an agreement between the Commonwealth and the department to carry out inspection services at Christmas Island. With an opening balance of \$6,373, a balance transferred in from the former Department of Commerce for \$30,821, \$398,112 receipts and \$326,530 payments, giving a closing balance of \$108,776.

	2019 \$000	2018 \$000
Balance at start of period	2,494	3,514
Add Receipts	2,501	266
Less Payments	(1,147)	(1,286)
Balance at end of period	3,848	2,494

State Trading Concerns

The fund was created under the *State Trading Concerns Act 1916* and controls income received in respect of the provisions of copyright materials and relevant trade mark advertising opportunities or similar arrangements.

	2019 \$000	2018 \$000
Balance at start of period	1,173	-
Balance transferred in	-	1,131
Add Receipts	183	61
Less Payments	(180)	(19)
Balance at end of period	1,176	1,173



9.9 Remuneration of auditors

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

	2019 \$000	2018 \$000
Auditing the accounts, financial statements controls, and key performance indicators	277	261

9.10 Act of Grace payments

Act of Grace payments are those payments that are not payable in pursuance of the law or are not payable under a legal liability, approved by the relevant accountable authority.

	2019 \$000	2018 \$000
The Minister	1	-

9.11 Equity

	2019 \$000	2018 \$000
Contributed Equity		
Balance at start of period	233,971	50,536
<i>Contributions by owners</i>		
Capital appropriation	-	350
Other contributions by owners:		
Landgate	174	865
Balance transferred in from Department of Commerce ⁽¹⁾	-	182,314
Total contributions by owners	174	183,529

	2019 \$000	2018 \$000
<i>Distributions to owners</i>		
Department of Treasury	-	-
Other Contributions	-	(94)
Total distributions to owners	-	(94)
Balance at end of period	234,145	233,971

	2019 \$000	2018 \$000
Asset revaluation surplus		
Balance at start of period	108,242	113,734
<i>Net revaluation increments/(decrements)</i>		
Land	4,766	(3,958)
Buildings	(8,419)	(1,534)
Balance at end of period	104,588	108,242

(1) Balance transferred in is the result of the redesignation of the former Department of Commerce and the former Department of Mines and Petroleum to form the new Department of Mines, Industry Regulation and Safety as at July 1, 2017. The Asset Revaluation Reserve accounts were transferred to the Department of Jobs, Tourism, Science and Innovation.



	2019 \$000	2018 \$000
Accumulated Surplus		
Balance at start of period	80,760	40,862
Balance transferred in from Department of Commerce	–	–
Result for the period	41,119	39,898
Adoption of prior year expense	–	–
Balance at the end of period	121,879	80,760
Total equity at end of period	460,612	422,973

9.12 Supplementary financial information

(a) Write-offs

During the financial year, \$43,765 (2018: \$151,000) was written off the department's asset register under the authority of:

	2019 \$000	2018 \$000
The Director General	44	151
	44	151

(b) Losses through theft, defaults and other causes

	2019 \$000	2018 \$000
Losses of public moneys and, public and other property through theft or default.	–	(1)
	–	(1)

(c) Gifts of public property

	2019 \$000	2018 \$000
The department did not provide any gifts of public property	–	–

9.13 Explanatory statement (Controlled Operations)

All variances between estimates (original budget) and actual results for 2019, and between the actual results for 2019 and 2018 are shown below. Narratives are provided for key major variances, which are generally greater than:

- 10% and \$10.0 million for the Statements of Comprehensive Income and Cash Flows; and,
- 10% and \$10.0 million for the Statement of Financial Position.

	Variance Note	Estimate 2019 \$000	Actual 2019 \$000	Actual 2018 \$000	Variance between estimate and actual \$000	Variance between actual results for 2019 and 2018 \$000
Statement of Comprehensive Income Variances						
Expenses						
Employee benefits expenses	1 A	172,207	153,002	178,576	19,205	(25,574)
Supplies and services		63,025	60,209	60,157	2,816	52
Depreciation and amortisation expense		5,947	5,112	6,304	835	(1,192)
Accommodation expenses	2	19,172	15,586	12,107	3,586	3,479
Grants and subsidies	3	15,236	17,248	15,764	(2,012)	1,484
Other expenses	4	17,170	9,616	7,394	7,554	2,222
Loss on disposal of other assets		-	5	-	(5)	5
Total cost of services		292,757	260,778	280,302	31,979	(19,524)
Income						
<i>Revenue</i>						
User charges and fees	5 B	158,939	162,641	156,923	(3,702)	5,718
Sales		855	110	126	745	(16)
Commonwealth Grants received		613	134	383	479	(249)
Interest revenue		5,408	6,343	5,343	(935)	1,000
Other revenue	6	7,024	1,219	4,672	5,805	(3,453)
Total Revenue		172,839	170,447	167,447	2,392	3,000
<i>Gains</i>						
Gain on disposal of non-current assets		-	-	23	-	(23)
Total Gains		-	-	23	-	(23)
Total income other than income from State Government		172,839	170,447	167,470	2,392	2,977
NET COST OF SERVICES		(119,918)	(90,331)	(112,832)	29,587	(22,501)
Income from State Government						
Service appropriation	C	126,562	123,006	138,710	3,556	(15,704)
Services received free of charge		2,846	3,120	3,098	(274)	22
State Grant and Subsidies		-	100	100	(100)	-
Royalties for Regions Fund	D	5,227	5,224	10,822	3	(5,598)
Total income from State Government		134,635	131,450	152,730	3,185	(21,280)
SURPLUS/(DEFICIT) FOR THE PERIOD		14,717	41,119	39,898	32,772	1,221



	Variance Note	Estimate 2019 \$000	Actual 2019 \$000	Actual 2018 \$000	Variance between estimate and actual \$000	Variance between actual results for 2019 and 2018 \$000
OTHER COMPREHENSIVE INCOME						
Items not reclassified subsequently to profit or loss						
Changes in asset revaluation surplus	E	-	(3,654)	(5,492)	3,654	1,838
Total other comprehensive income		-	(3,654)	(5,492)	3,654	1,838
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		14,717	37,465	34,406	36,426	3,059

	Variance Note	Estimate 2019 \$000	Actual 2019 \$000	Actual 2018 \$000	Variance between estimate and actual \$000	Variance between actual results for 2019 and 2018 \$000
Statement of Financial Position (Controlled Operations)						

ASSETS						
Current Assets						
Cash and cash equivalents	7	12,761	1,345	2,527	11,416	(1,182)
Restricted cash and cash equivalents	8 F	301,190	355,572	326,486	(54,382)	29,086
Receivables	9	11,827	19,884	23,743	(8,057)	(3,859)
Amount receivable for services		3,577	3,816	3,010	(239)	806
Other current assets		6,259	2,264	1,979	3,995	285
Total Current Assets		335,614	382,881	357,745	(47,267)	25,136
Non current Assets						
Restricted cash and cash equivalents		601	1,539	1,072	(938)	467
Amounts receivable for services		33,036	32,303	31,222	733	1,081
Property, plant and equipment	G	134,519	124,903	131,444	9,616	(6,541)
Intangible assets	10	15,258	4,361	5,898	10,897	(1,537)
Other non-current assets		4,256	-	-	4,256	-
Total Non-Current Assets		187,670	163,106	169,636	24,564	(6,530)
TOTAL ASSETS		523,284	545,987	527,381	(22,703)	18,606



	Variance Note	Estimate 2019 \$000	Actual 2019 \$000	Actual 2018 \$000	Variance between estimate and actual \$000	Variance between actual results for 2019 and 2018 \$000
Statement of Financial Position (Controlled Operations)						
LIABILITIES						
Current Liabilities						
Payables		12,512	10,723	12,165	1,789	(1,442)
Other current liabilities		4,339	1,240	1,199	3,099	41
Revenue received in advance		10,433	13,840	12,939	(3,407)	901
Amount due to Treasurer	11 H	20,000	10,000	25,330	10,000	(15,330)
Provisions	I	34,812	25,958	34,607	8,854	(8,649)
Total Current Liabilities		82,096	61,761	86,240	20,335	(24,479)
Non-Current Liabilities						
Payables		-	1,684	550	(1,684)	1,134
Revenue received in advance		9,000	10,400	10,845	(1,400)	(445)
Provisions		6,893	6,614	6,162	279	452
Other non-current liabilities		961	4,916	611	(3,955)	4,305
Total Non-Current Liabilities		16,854	23,614	18,168	(3,676)	4,757
TOTAL LIABILITIES		98,950	85,375	104,408	16,659	(19,722)
NET ASSETS		424,334	460,612	422,973	(39,362)	38,328
EQUITY						
Contributed equity	12	272,257	234,145	233,971	38,112	174
Reserves		113,734	104,588	108,242	9,146	(3,654)
Accumulated surplus/(deficit)	13 J	38,343	121,879	80,760	(83,536)	41,119
TOTAL EQUITY		424,334	460,612	422,973	(36,278)	37,639



	Variance Note	Estimate 2019 \$000	Actual 2019 \$000	Actual 2018 \$000	Variance between estimate and actual \$000	Variance between actual results for 2019 and 2018 \$000
Statement of Cash Flows (Controlled Operations)						
CASH FLOWS FROM STATE GOVERNMENT						
Service appropriation	K	121,665	123,006	133,508	(1,341)	(10,502)
Capital appropriations		-	-	350	-	(350)
Holding account drawdown		3,010	1,887	5,202	1,123	(3,315)
Royalties for Regions Fund	L	5,227	5,224	10,822	3	(5,598)
Distribution to owners		-	-	-	-	-
Net cash provided by State Government		129,902	130,117	149,882	(215)	(19,765)

	Variance Note	Estimate 2019 \$000	Actual 2019 \$000	Actual 2018 \$000	Variance between estimate and actual \$000	Variance between actual results for 2019 and 2018 \$000
CASH FLOWS FROM OPERATING ACTIVITIES						
Payments						
Employee benefits	14 M	(172,455)	(162,837)	(184,153)	(9,618)	21,316
Supplies and services		(61,840)	(54,741)	(57,678)	(7,099)	2,937
Accommodation		(16,245)	(16,986)	(14,462)	741	(2,524)
Grants and subsidies		(15,236)	(17,248)	(15,222)	2,012	(2,026)
Other payments		(26,040)	(6,875)	(2,705)	(19,165)	(4,170)
GST payments on purchases		-	(10,263)	(7,362)	10,263	(2,901)
Finance costs		-	-	-	-	-
Receipts						
Sale of goods and services		3,997	147	281	3,850	(134)
User charges and fees	15 N	158,939	169,536	153,955	(10,597)	15,581
Grants and contributions		613	234	511	379	(277)
GST receipts on sales		-	3,615	489	(3,615)	3,126
GST receipts from ATO		7,507	6,340	8,072	1,167	(1,732)
Other receipts		8,679	7,118	7,008	1,561	110
Net cash provided by/(used in) operating activities		(112,081)	(81,960)	(111,266)	(30,121)	29,306



CASH FLOWS FROM INVESTING ACTIVITIES

Payments						
Proceeds from sale of non-current assets		-	5	25	(5)	(20)
Receipts						
Purchase of non-current physical assets		(4,916)	(4,461)	(2,398)	(455)	(2,063)
Net cash provided by/(used in) investing activities		(4,916)	(4,456)	(2,373)	(460)	(2,083)

CASH FLOWS FROM FINANCING ACTIVITIES

Receipts						
Proceeds from borrowings	0	-	-	20,000	-	(20,000)
Repayments of borrowings		(6,830)	-	-	(6,830)	-
Net cash from financing activities		(6,830)	-	20,000	(6,830)	(20,000)

	Variance Note	Estimate 2019 \$000	Actual 2019 \$000	Actual 2018 \$000	Variance between estimate and actual \$000	Variance between actual results for 2019 and 2018 \$000
Net increase/(decrease) in cash and cash equivalents		6,075	28,371	56,243	(22,296)	(27,872)
Cash balances transferred in		-	-	197,775	-	(197,775)
Cash balances transferred out		-	-	(2,664)	-	2,664
Cash and cash equivalents at the beginning of the period		308,477	330,085	78,731	(21,608)	251,354
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		314,552	358,456	330,085	(43,904)	28,371



Major Variance Narratives (Controlled Operations)

Variations between estimate and actual

- 1) Employee benefits expenses are under the estimate by \$19.2 million (12.5%) due to reductions for the second and third tranches of the Voluntary Targeted Separation Scheme initiated by Government as part of whole-of-government savings measures.
- 2) Accommodation expenses are under the estimate by \$3.6 million (23%) due to lease renegotiations and the associated costs with leased premises.
- 3) Grants and subsidies are higher than the estimate by \$2 million (13.2%) due an increased number of First Home Buyers grants provided as falling housing prices increase the eligibility of the grant. In addition there was higher grant expenditure with the Exploration Incentive Scheme.
- 4) As a result of reductions in employee benefits this has impacted on other expenses which is down \$7.6 million on the estimate. Refer to note 1.
- 5) User Fees and Charges are higher than the estimate by \$3.7 million (2.3%) due to Mines Safety and Inspection Levy actuals increasing as the number of hours worked by the industry increases.
- 6) Other revenues are under the estimate by \$5.8 million (17%) due to low collections of Dangerous Goods licences.
- 7) Cash and cash equivalents are under the estimate by \$11.4 million (88.68%) reflecting the volatile nature of the departments revenue streams as they respond to industry activity. This results in reduced collections of unrestricted revenue, which subsequently causes cash balances to be drawn upon during the year.
- 8) Restricted Cash and cash equivalents are higher than the estimate by \$54.4 million (18%) due to increases in the Mines Safety and Inspection Levy, Mining Rehabilitation Fund and Property Industry accounts.
- 9) Receivables are higher than the estimate by \$8.1 million (68.1%) due to Mines Safety and Inspection Levy actuals increasing as the number of hours worked by the industry increases. As this levy is billed retrospectively after each quarter, movements in actuals are subsequently reflected in receivables .
- 10) Intangible assets are \$10.9 million (250%) under the estimate due to impairments of the Online licensing and Plumbers e-lodgement projects, and the rescheduling of the purchase and acquisition of information and communication technology capital assets under the Department's Strategic Information Plan.
- 11) Amounts due to the Treasurer are \$10 million (100%) under the estimate due to the Mines Safety and Inspection Levy actuals increasing as the number of hours worked by the industry increases. This enabled the early than planned repayment of some of the Treasurers Advance previously provided in 2017–18. Refer to point 5 above.
- 12) Contributed Equity is under budget by \$38.1 million (14%) due to alignment differences in budget allocations and actuals allocations. While Contributed Equity is under budget, overall budget allocations for Equity are over budget due to accumulation of funds in special purpose accounts. Refer point 13 below.
- 13) Accumulated surplus is over the estimate by \$83.5 million (217.8%) due to the accumulation of funds in special purpose accounts over a number of years.
- 14) Employee benefits expenses are under the estimate by \$9.6 million (6%) due to reductions for the second and third tranches of the Voluntary Targeted Separation Scheme initiated by Government as part of whole-of-government savings measures. Refer to point 1 above.
- 15) User Fees and Charges are higher than the estimate by \$10.6 million (6.7%) due to Mines Safety and Inspection Levy actuals increasing as the number of hours worked by the industry increases. Refer to point 5 above.

Variations between actual results for 2019 and 2018

- A) Employee benefits expenses are under 2018 actuals by \$25.6 million (9.91%) due to severances taken in 2018 under the Voluntary Targeted Separation Scheme initiated by Government as part of whole-of-government savings measures.
- B) User charges and Fees has seen a \$5.7 million (3.7%) increase over 2018 actuals due to Mines Safety and Inspection Levy actuals increasing as the number of hours worked by the industry increases.
- C) Service appropriations are under 2018 actuals by \$15.7 million (11.3%) due to measures such as the Voluntary Targeted Separation Scheme initiated by Government as part of whole-of-government savings measures.
- D) Royalties for Regions funding reduced by \$5.6 million (51.7%) from 2018 actuals due to a change in the funding of the Exploration Incentive Scheme. Over two years, Royalties for Region funding of the Exploration Incentive Scheme is being replaced by additional appropriations raised through mining tenement rentals.
- E) Changes in asset revaluation surplus has decreased by \$1.8 million (50%) as a result of revaluations of land and building held by the department as undertaken by Landgate as a part of their annual valuation of department assets.
- F) Restricted cash and cash equivalents has increased by \$29.1 million (8.9%) as a result of increases in Mining Rehabilitation Fund and property industry accounts.
- G) Property plant and equipment has reduced by \$6.5 million (5%) as a result of revaluations undertaken by Landgate on assets held by the department. Refer to point E above.
- H) Amounts due to the Treasurer have reduced by \$15.33 million (60.52%) due to the Mines Safety and Inspection Levy actuals increasing as the number of hours worked by the industry increases. This enabled the early than planned repayment of some of the Treasurers Advance previously provide in 2017–18.



- I) Provisions has decreased by \$8.6 million (25%) as a result of the Voluntary Targeted Separation Scheme initiated by Government and a proactive approach taken by the department to reduce excess leave balances.
- J) Accumulated surplus has increased by \$41.1 million (50.9%) due to increases in Mining Rehabilitation Fund, property industry accounts and the Mines Safety and Inspection Levy. Refer to points B and F above.
- K) Cash flows for service appropriations are under 2018 actual by \$10.5 million (9%) due to measures such as the Voluntary Targeted Separation Scheme initiated by Government as part of whole-of-government savings measures. Refer to point C above.
- L) Royalties for regions funding reduced by \$5.6 million (51.7%) from 2018 actuals due to a change in the funding of the Exploration Incentive Scheme. Over two years, Royalties for Region funding of the Exploration Incentive Scheme is being replaced by additional appropriations raised through mining tenement rentals. Refer to point D above.
- M) Employee benefits cash flow are under 2018 actuals by \$21.3 million (11.6%) due to severances taken in 2018 under the Voluntary Targeted Separation Scheme initiated by Government as part of whole-of-government savings measures. Refer to point A above.
- N) User charges and fees collections have increase by \$15.58 million (10.14%) over 2018 actuals due to Mines Safety and Inspection Levy actuals increasing as the number of hours worked by the industry increases. Refer to point B above.
- O) Proceeds from borrowings has decreased by \$20 million from 2018 actuals as no further Treasurers Advances were required in 2018–19 . Increases in the Mines Safety and Inspection Levy enabled the early than planned repayment of some of the Treasurers Advances provided previously. Refer to point H above.

10. Administered disclosures

This section sets out all of 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 income and expenses	10.2
Administered assets and liabilities	10.3

10.1 Disclosure of administered income and expenses by service

	Service 1: Resources Advice and Regulation		Service 2: Safety Advice and Regulation		Service 3: Industry Advice and Regulation		Total	
	2019 \$000	2018 \$000	2019 \$000	2018 \$000	2019 \$000	2018 \$000	2019 \$000	2018 \$000
COST OF SERVICES								
Expenses								
<i>Petroleum (Submerged Lands) Act 1982</i>	339	457	–	–	–	–	339	457
Refunds of previous years' revenue	82,336	62,517	–	–	–	–	82,336	62,517
Services and contracts	6,176	1,835	149	108	26,910	23,958	33,235	25,901
Receipts paid into Consolidated Account	5,773,271	5,257,426	–	–	371	247	5,773,642	5,257,673
Grants and subsidies	824	815	–	–	2,884	2,829	3,708	3,644
Total administered expenses	5,862,946	5,323,050	149	108	30,165	27,034	5,893,260	5,350,192
Income								
For transfer:								
Royalties and Rentals ⁽¹⁾	6,820,241	5,335,868	–	–	–	–	6,820,241	5,335,868
Regulatory fees and fines	–	–	4	–	132	245	136	245
Commonwealth Grants	2,112	223	106	43	273	–	2,491	266
Appropriations	89,669	63,758	–	–	–	–	89,669	63,758
Other revenue	329	521	–	12	28,611	33,520	28,940	34,053
Total administered income	6,912,351	5,400,370	110	55	29,016	33,765	6,941,477	5,434,190
(1) Royalties								
Petroleum - State	7,967	7,032						
Iron Ore	5,945,550	4,503,856						
Alumina	135,718	108,625						
Lithium	86,301	93,915						
Copper	68,829	63,991						
Nickel	66,577	63,796						
Gold	294,152	278,695						
Other	108,161	110,638						
Lease rentals	106,987	105,320						
Total	6,820,241	5,335,868						



10.2 Explanatory Statement for Administered Items

All variances between estimates (original budget) and actual results for 2019, and between the actual results for 2019 and 2018 are shown below. Narratives are provided for key major variances, which are generally greater than 10% or \$10m.

	Variance Note	Estimate 2019 \$000	Actual 2019 \$000	Actual 2018 \$000	Variance between estimate and actual \$000	Variance between actuals for 2019 and 2018 \$000
INCOME FROM ADMINISTERED ITEMS						
INCOME						
For transfer:						
Royalties and Rentals	1 A	5,146,000	6,820,241	5,335,868	(1,674,241)	1,484,373
Regulatory fees		254	136	245	118	(109)
Commonwealth Grants	2 B	-	2,491	266	(2,491)	2,225
Appropriations	3 C	43,862	89,669	63,758	(45,807)	25,911
Other revenue	4 D	41,011	28,940	34,053	12,071	(5,113)
Total Administered Income		5,231,127	6,941,477	5,434,190	(1,710,350)	1,507,287
EXPENSES						
Petroleum (Submerged Lands) Act 1982		232	339	457	(107)	(118)
Refunds of previous years' revenue	5 E	42,460	82,336	62,517	(39,876)	19,819
Services and contracts	6 F	29,719	33,235	25,901	(3,516)	7,334
Receipts paid into Consolidated Account	7 G	5,166,252	5,773,642	5,257,673	(607,390)	515,969
Grants and subsidies		778	3,708	3,644	(2,930)	64
Total Administered Expenses		5,239,441	5,893,260	5,350,192	(653,819)	543,068
NET INCOME FROM ADMINISTERED ITEMS		(8,314)	1,048,217	83,998	(1,056,531)	964,219

Major estimate and actual (2019) variance narratives

- Royalties and Rentals were over the original budget by \$1.6 billion (31%) as a result of increased iron ore prices and a marginally lower exchange rate. Additionally the dispute between BHP and the State Government for prior year unpaid iron ore Royalties was settled with a further \$250 million payable to the State. Refer to point (7) below.
- Commonwealth Grants were over the nil budget by \$2.5 million as a result of the establishment of a Collaborative Drilling Agreement in the Southern Canning Basin and services provided to the Indian Ocean Territories.
- Appropriations were over the original budget by \$45.8 million (104%) due to the payment of Royalty rebates to Magnetite producers as a result of higher iron ore prices, resulting in higher Royalties paid and an additional Royalty Rebate for the Koolyanobbing Mine Financial Assistance project. Refer to point (5) below.
- Other revenue is under the original budget by \$12 million (29%) due to Home Indemnity Insurance premium revenue being lower than originally expected.
- Refunds of previous year's revenue were over the original budget by \$39.9 million (94%) due to increased Royalty rebates paid to Magnetite producers who, as a consequence of the higher price of iron ore, paid higher Royalties and an additional Royalty Rebate for the Koolyanobbing Mine Financial Assistance project. Refer to point (3) above.
- Service and contracts expense is over the original budget by \$3.5 million (12%) a result of an act of grace payment linked to the Koolyanobbing Mine Financial Assistance project partially offset by lower than expected Home Indemnity Insurance claim costs.
- Receipts paid into the consolidated account were over the original budget by \$607.4 million (12%) as a result of increased iron ore prices and a marginally lower exchange rate. Refer to point (1) above.

Major actual (2019) and comparative data (2018) variance narratives

- Royalties and Rentals increased by \$1.4 billion (26%) as a result of increased iron ore prices and a marginally lower exchange rate. Included within this increase is the recognition of the settlement of \$250m between BHP and the State Government for prior years unpaid royalties. Refer to point (G) below.
- Commonwealth Grants increased by \$2.2 million (836%) as a result of the establishment of a Collaborative Drilling Agreement in the Southern Canning Basin.
- Appropriations increased by \$25.9 million (41%) due to increased appropriations received as a result of an increase in payments of Royalty rebates to Magnetite producers as a result of higher iron ore prices, resulting in higher Royalties paid and an additional Royalty Rebate for the Koolyanobbing Mine Financial Assistance project. Refer to point (E) below.
- Other revenue decreased by \$5 million (15%) as a result of decreased Home Indemnity Insurance premium revenue.
- Refunds of previous year's revenue increased by \$19.8 million (32%) due to increased Royalty rebates paid to Magnetite producers who, as a consequence of higher iron ore prices, paid higher Royalties and an additional Royalty Rebate for the Koolyanobbing Mine Financial Assistance project. Refer to point (C) above.
- Services and contracts increased by \$7.3 million (28%) as a result of an act of grace payment linked to the Koolyanobbing Mine Financial Assistance project.
- Receipts paid into the consolidated account increased by \$516 million (10%) as a result of increased iron ore prices and a marginally lower exchange rate. Refer to point (A) above.



10.3 Administered assets and liabilities

	2019 \$000	2018 \$000
Current Assets		
Cash and cash equivalents	28,319	18,097
Restricted cash and cash equivalents	423,970	421,482
Receivables ⁽¹⁾	2,408,869	1,362,653
Finance Lease Receivable	693	654
Total Administered Current Assets	2,861,851	1,802,886
Non-Current Assets		
Finance Lease Receivables	4,141	4,834
Total Administered Non-Current Assets	4,141	4,834
TOTAL ADMINISTERED ASSETS	2,865,992	1,807,720
Current Liabilities		
Payables	20,559	20,896
Other liabilities	863	867
Payments received in advance	–	2,715
Other current liabilities	399,490	386,206
Total Current Liabilities	420,912	410,684
TOTAL ADMINISTERED LIABILITIES	420,912	410,684

(1) This mainly represents royalties not collected as at 30 June 2019 on production which occurred prior to balance date.

Other matters of uncertainty

Mining companies owing royalties of approximately \$5.5 million (2018: \$5.596 million) are currently under administration and action is being taken to recover the funds that were due in the quarter that they went into administration. In the event that these funds are not collected, a bad debt may arise.

Home Indemnity Insurance

The contingent liability for Home Indemnity Insurance (HII) has been assessed to be the future claims liability (FCL) as at 30 June 2019. The FCL is an estimation of the future claims costs which will arise as a result of events which will occur in the future for currently in-force HII policies. In accordance with the PricewaterhouseCoopers actuarial report, the future claims liability has been assessed at an approximate value of \$20,012,000 (2018: \$20,125,000).

10.4. Supplementary financial information

(a) Write-offs

During the financial year, \$279k (2018: \$0) was written off the department's asset register under the authority of:

	2019 \$000	2018 \$000
Director General	279	–
	279	–

51 individually recognised debts which were written-off during the period related to lease rentals and licences recognised under *The Mining Act*.

(b) Act of grace payments

During the financial year, six (6) payments totalling \$16.6m (2018 \$0) were paid out as act of grace payments for circumstances relating to mining tenements and returned royalties under the authority of:

	2019 \$000	2018 \$000
The Minister	5	–
The Governor	16,613	–
	16,618	–

Approval from the Governor was granted for payment of a royalty rebate on Iron Ore royalty revenue relating to the Koolyanobbing Mine.

SECTION 5
Appendices





Section 5: Appendices

Act specific reporting

The department is required by some of the Acts that it administers to report details in the annual report concerning the performance of functions under that Act. Required details include the number, nature and outcome of compliance activities conducted under the powers of the Act, and other general issues relating to administration of the Act by the responsible person or body. E.g. Commissioner for Consumer Protection or the Plumbers Licensing Board.

Please note, some figures relating to ongoing complaints, investigations or inquiries for the start of the current financial year (2018–19), differ slightly to the ongoing figures for the end of the previous financial year (2017–18) provided within the department’s 2017–18 Annual Report.

This is due to the data within the Complaints and Licensing System (CALs) used by the department being dynamic in nature. Details and classifications of certain types of complaints, investigations or inquiries are updated as further information regarding these complaints, investigations or inquiries is obtained. This potential reclassification can result in different ‘ongoing’ figures.

Credit Administration Act 1984

Regulation of consumer credit was referred to the Commonwealth pursuant to the *Credit (Commonwealth Powers) Act 2010 (WA)*. The *Credit (Administration) Act 1984* has not been repealed, but the department no longer carries out any regulatory operations in respect of it.

<i>Debt Collectors Licensing Act 1964</i>	<i>Employment Agents Act 1976</i>	<i>Land Valuers Licensing Act 1978</i>
a) The number, nature and outcomes of:		
i) investigations and inquiries undertaken by, or by the direction of, the Commissioner for the purposes of this Act		
Outstanding as at 1 July 2018	Outstanding as at 1 July 2018	Outstanding as at 1 July 2018
Alleged unlicensed activities 0	Alleged unlicensed activities 1	Valuation practices 0
General compliance issues 0	General compliance issues 0	Licensing issues 0
Conciliations 0	Conciliations 0	Issues with fees and charges 1
Commenced 2018–19	Commenced 2018–19	Commenced 2018–19
Alleged unlicensed activities 9	Alleged unlicensed activities 31	Valuation practices 2
General compliance issues 0	General compliance issues 24	Licensing issues 1
Conciliations 9	Conciliations 6	Issues with fees and charges 0
Concluded 2018–19	Concluded 2018–19	Concluded 2018–19
Alleged unlicensed activities 9	Alleged unlicensed activities 22	Valuation practices 2
General compliance issues 0	General compliance issues 15	Licensing issues 0
Conciliations 9	Conciliations 6	Issues with fees and charges 1
Outcomes	Outcomes	Outcomes
Complaint referred to another body 5	Admin Warning Accepted 8	Both investigations resulted in education, advice or information being provided.
Education, advice or information given 2	No Offence Identified in Complaint 5	
Agreement reached to settle 1	Other Outcome 4	
CP policy reason 1	Education, advice or information given 3	
	No Offence Detected 2	
ii) matters that have been brought before the State Administrative Tribunal (SAT)		
No matters were brought before the SAT	No matters were brought before the SAT	No matters were brought before the SAT
b) the number and nature of matters referred to in paragraph (a) that are outstanding		
There were no matters outstanding as at 1 July 2019	There were 10 matters outstanding as at 1 July 2019 all relating to alleged unlicensed activities.	There was one matter outstanding as at 1 July 2019 alleging the Land Valuer failed to exercise due care, diligence and skill when providing a valuation report.
c) any trends or special problems that may have emerged		
There were no trends of special problems that emerged this financial year.	The main cause of complaints received by DMIRS for this Act continued to be related to allegations of persons operating as an Employment Agent without the necessary licence. No trends or special problems emerged this financial year.	There were no trends or special problems identified.
d) forecasts of the workload of the Commissioner in performing functions under this Act in the year after to which this report relates		
There are no changes anticipated.	There are no changes anticipated.	There are no changes anticipated.
e) any proposals for improving the performance of the Commissioner’s functions under this Act		
There were no recommendations for improving the performance of the Commissioner’s functions.	Proposals to amend the <i>Employment Agents Act 1976</i> are being considered by the Minister.	Amendments are proposed that will support the department’s compliance activities.



Motor Vehicle Dealers Act 1973	Plumbers Licensing Act 1995	Real Estate and Business Agents Act 1978
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a) The number, nature and outcomes of:

i) investigations and inquiries undertaken by, or by the direction of, the Commissioner for the purposes of this Act

Outstanding as at 1 July 2018	136	Outstanding as at 1 July 2018	14	Outstanding as at 1 July 2018	184
Alleged unlicensed activities	23	Alleged unlicensed plumbing	3	General compliance	134
General compliance issues	8	Other regulation breaches	5	Financial compliance	50
Inquiries	105	Professional misconduct	6	Commenced 2018-19	975
Commenced 2018-19	1,442	Commenced 2018-19	4	General compliance	754
Alleged unlicensed activities	45	Alleged unlicensed plumbing	0	Financial compliance	221
General compliance issues	45	Other regulation breaches	1	Concluded 2018-19	834
Inquiries	1,352	Professional misconduct	3	General compliance	711
Concluded 2018-19	1,429	Concluded 2018-19	15	Financial compliance	123
Alleged unlicensed activities	45	Alleged unlicensed plumbing	2	Investigation Outcomes	834
General compliance issues	31	Other regulation breaches	6	Education, advice or	
Inquiries	1,353	Professional misconduct	7	information given	369
Investigation Outcomes	76	Outcomes	15	Admin Warning Accepted	192
Other Outcome	17	No further action	13	No Offence Detected	145
Education, advice or information given	14	Fine imposed	1	Other Outcome	70
Prosecution Action Approved	12	Warning letter issued	1	No Action Taken - Other Reason	29
No Offence Detected	11			Referred for Investigation	29
No Action Taken – Other Reason	11				
Corrective Advice Accepted	11				
Inquiry Outcomes	1,353				
Education, advice or					
information given	558				
Agreement reached to settle	508				
Other Outcome	105				
Complaint lapsed or withdrawn	88				
Sufficient evidence -					
Consumer did not accept resolution	52				
CP policy reason	42				

ii) matters that have been brought before the State Administrative Tribunal

SAT Outcome	2	No matters were brought before the SAT
Proceedings Withdrawn		
Review Commissioner's decision to impose the restrictive licence condition.		

SAT Outcome **9**
Commissioner's Decision Affirmed

Application to review the Commissioner's decision to refuse renewal of his real estate and sales representative licence.

Consent Orders

Failed to ascertain a material fact in relation to a transaction and failing to communicate a material fact.

Disqualified

Unfit and improper conduct.

Reprimanded

- ▶ Withdrew moneys from a trust account other than for the purposes of a transaction; received an amount greater than the amount agreed in writing with the client; and failed to exercise due skill, care and diligence.
- ▶ Failed to pay moneys withdrawn from a trust account to the person or persons lawfully entitled or authorised to receive them; and failed to exercise due skill, care and diligence, by failing to take necessary steps to prevent rewarding itself with moneys that it was not entitled to receive.
- ▶ Failed to properly supervise the agency business and take reasonable steps to ensure that sales representative and other employees of the agency business complied the provisions of the Act.
- ▶ Unauthorised withdrawal of moneys from a trust account and failure to exercise due skill, care and diligence.
- ▶ Unauthorised withdrawal of moneys from a trust account.

Supervision order granted

Made unauthorised withdrawals from the Agency's trust account and engaged in other misconduct in his role as a licensed person.



Motor Vehicle Dealers Act 1973	Plumbers Licensing Act 1995	Real Estate and Business Agents Act 1978
iii) matters that have been dealt with through the conciliation process⁽¹⁾		
		Outstanding as at 1 July 2018 5 Landlord enquiry 3 Other nature 2 Rental bonds 0 Property management 0 Commenced 2018–19 68 Landlord enquiry 24 Other nature 23 Rental bonds 11 Property management 10 Concluded 2018–19 73 Landlord enquiry 27 Other nature 25 Rental bonds 11 Property management 10 Conciliation Outcomes 73 Agreement reached to settle 36 Education, advice or information given 17 Complaint lapsed or withdrawn 7 Other Outcome 7 Sufficient evidence - Consumer did not accept resolution 6
b) the number and nature of matters referred to in paragraph (a) that are outstanding		
Investigation Matters Outstanding at 1 July 2019 45 Unlicensed activity 23 General breach of legislation or regulation 18 Other disputes 4 Inquiry Matters Outstanding at 1 July 2019 104 Dispute Cause Unavailable at 1 July 2019 60 Dispute about the extent of the problem 18 Other disputes 10 On amount or type of redress 7 Poor communication between trader and consumer 6 Trader did not acknowledge that problem exists 3	Matters Outstanding as at 1 July 2019 7 Alleged unlicensed plumbing 1 Other regulation breaches 1 Professional misconduct 5	Investigation Matters Outstanding at 1 July 2019 325 Audit Matters 170 Other Nature 54 Property Management 39 Unlicensed, unregistered 20 Trust Account 14 Rental bonds 14 Failure to act in the best interests of the principal 14 Conciliation Matters Outstanding at 1 July 2019 0 There were no outstanding conciliation matters
c) any trends or special problems that may have emerged		
The department has had a focus on licensed motor vehicle dealers who engage in consignment selling. <ul style="list-style-type: none"> ▶ A total of 32 dealers were visited this financial year to ensure compliance with the consignment selling requirements of the <i>Motor Vehicle Dealers Act 1973</i>. ▶ Eight investigations have been undertaken into consignment selling as a result of the Commissioner for Consumer Protection being notified of the issues by the respective appointed company auditors. ▶ Five successful prosecution actions for significant breaches relating to consignment selling was undertaken by the department in the Magistrates Court. 	Challenges were been identified in licensing and regulation of plumbing work in Western Australia. A Consultation Regulatory Impact Statement was released for industry and public consultation in mid-2018 and the department is finalising a Decision Regulatory Impact Statement to submit to the government that will address several challenges and shortcomings in the regulation of plumbing in the State. This is likely to include recommendations for legislative and regulation amendment, as well as additional resources to undertake compliance activities in plumbing.	New laws in relation to more options for tenants affected by family and domestic violence were introduced from April 2019. The department continues to work towards educating and supporting the real estate industry, landlords, tenancy advocates and the general WA community to enhance awareness of these changes to ensure victims and their families are appropriately supported by these new laws.
d) forecasts of the workload of the Commissioner in performing functions under this Act in the year after to which this report relates		
The workload should remain consistent for the 2019–20 financial year with the focus continuing on consignment selling and unlicensed motor vehicle dealing.	Given the industry regulation challenges identified and being addressed through the Decision Regulatory Impact Statement, it is likely there will be increased workload in undertaking licensing and compliance activities provided under the Act across the department.	There are no changes anticipated to the workload of the Commissioner in performing functions under the <i>Real Estate and Business Agents Act 1978</i> .

(1) Unlike the other Acts, REBA specifically states that the number, nature and outcome of matters that have been dealt with through the conciliation process under this Act are required to be included in the Annual Report.



Motor Vehicle Dealers Act 1973	Plumbers Licensing Act 1995	Real Estate and Business Agents Act 1978
e) any proposals for improving the performance of the Commissioner's functions under this Act		
The department will trial a compliance monitoring program using social media, in particular Gumtree and Twitter, Facebook pages and Facebook Marketplace, to detect unlicensed motor vehicle dealing activities and for gathering of evidence.	The Plumbers Licensing Board has developed a schedule of strategic priorities to focus its efforts and assist it in performing its obligations and functions under the Act. The Board intends to work collaboratively with the department to progress its priorities, which include more clearly establishing the legal boundaries under which it performs its functions (several pieces of legal advice have been received related the scope of the Board's powers in licensing of operatives and imposing restrictions/conditions etc.); better understanding of, and working with, the compliance and audit activities undertaken by the department on the Board's behalf; forging more effective communication channels with industry and training organisations (mainly through the Plumber's Industry Reference Group and consultation pathways with the Training Council and registered training organisations).	Amendments are proposed that will support the department's compliance activities.
Settlements Agents Act 1981	Electricity Act 1945	Gas Standards Act 1972
a) The number, nature and outcomes of:		
i) investigations and inquiries undertaken by, or by the direction of, the Commissioner for the purposes of this Act		
Outstanding as at 1 July 2018 5	Outstanding as at 1 July 2018 2,571	Outstanding as at 1 July 2018 384
General compliance 5	Audits 2	Audits 19
Financial compliance 0	Compliance Inspections 2,353	Compliance Inspections 147
Inquiries 0	Investigations 216	Investigations 218
Commenced 2018-19 98	Commenced 2018-19 4,694	Commenced 2018-19 848
General compliance 40	Audits 1	Audits 6
Financial compliance 57	Compliance Inspections 4,430	Compliance Inspections 285
Inquiries 1	Investigations 263	Investigations 557
Concluded 2018-19 95	Concluded 2018-19 4,921	Concluded 2018-19 1,044
General compliance 37	Audits (Network Operator) 3	Audits 21
Financial compliance 57	Compliance Inspections 4,677	Compliance Inspections 396
Inquiries 1	Investigations 241	Investigations 627
Outcomes 95	Outcomes 4,993	Outcomes 1,144
Education, advice or information given 65	Appeal - Rejected 1	Appeal - Rejected 1
No Offence Detected 14	Appeal - Withdrawn 18	Appeal - Withdrawn 3
Admin Warning Accepted 6	Completed - no action required 2,931	Commissioning Gas 6
Other Outcome 5	Corrective Action Request 4	Extension Approved 6
Referred for Investigation 3	Further Investigation Required 23	Commissioning Gas 2
No Action Taken - Other Reason 2	Incident Report/Hazard Alert - Issue 2	Extension Rejected 524
	Infringement - Issue 1	Completed - no action required 524
	Inspector's Order - Issued 64	Further Investigation Required 8
	Job Created in Error 656	Gas Interpretation - Approved 4
	Not Electricity Related 2	Incident Report/Hazard Alert - Issue 1
	Not Inspected - no action required 1,124	Infringement - Issue 9
	Prosecution - Lapsed 3	Inspector's Order - Cancel 16
	Prosecution - Proceed 4	Inspector's Order - Issued 159
	Provide Advice - RCDs 85	Not Gas Related 18
	Provide Advice 20	Not Inspected - no action required 38
	Referred to Network Operator 6	Prosecution - Proceed 2
	Stop Sale Notice - Issue 1	Provide Advice 9
	Warning - Verbal 5	Variation/Exemption - Approved 18
	Warning - Written 43	Warning - Verbal 233
		Warning - Written 93
ii) matters that have been brought before the State Administrative Tribunal		
No matters were brought before the SAT	No matters were brought before the SAT	No matters were brought before the SAT
b) the number and nature of matters referred to in paragraph (a) that are outstanding		
Outstanding at 1 July 2019 8	Outstanding at 1 July 2019 2,341	Outstanding at 1 July 2019 188
Trust Account Investigation 4	Compliance Inspections 2,103	Audits 4
Settlement of a Real Estate transaction 2	Investigations 238	Compliance Inspections 36
Sale of property - residential 1		Investigations 148
Settlement agents real estate licence 1		



Settlements Agents Act 1981	Electricity Act 1945	Gas Standards Act 1972
c) any trends or special problems that may have emerged		
Trust Account breaches continue to be the dominant issue for Settlement Agents.	There are no evident trends or special problems at this stage.	There are no evident trends or special problems at this stage.
d) forecasts of the workload of the Commissioner in performing functions under this Act in the year after to which this report relates		
The department will continue to conduct proactive compliance visits to settlement agents and assist the industry as required.	There are no changes anticipated.	There are no changes anticipated to the workload of the Director in performing functions under the <i>Gas Standards Act 1972</i> .
e) any proposals for improving the performance of the Commissioner's functions under this Act		
Amendments are proposed that will support the Department's compliance activities.	There are no proposed changes at this stage.	There are no proposed changes at this stage.

Retirement Villages Act 1992

a) As soon as practicable after 30 June, but on or before 31 December, in each year, the Commissioner shall prepare and forward to the Minister a report on the operation of this Act during that year.					
i) Number		ii) Nature		iii) Outcome	
Outstanding as at 1 July 2018	26	Outstanding as at 1 July 2018	13	Concluded 2018-19	50
Compliance	12	Tenant enquiry	6	Action Taken - Other Reason	13
Investigation	12	General Breach of Legislation	3	No Offence Detected	13
Conciliation	2	Trust Account	2	Education, advice or information given	10
Commenced 2018-19	37	Conduct other	1	Other Outcome	10
Compliance	7	Failure to act in the best interests of the principal	1	Referred to Other	4
Investigation	3	Concluded 2018-19	50		
Conciliation	27	Other Disputes	17		
Concluded 2018-19	50	General Breach of Legislation	15		
Compliance	15	Tenant enquiry	9		
Investigation	13	Fees	5		
Conciliation	22	Contracts non-adherence to terms of contract	4		
b) matters that have been brought before the State Administrative Tribunal					
No matters were brought before the SAT		No matters were brought before the SAT		No matters were brought before the SAT	
c) any trends or special problems that may have emerged					
There were no trends or special problems identified.		There were no trends or special problems identified.		There were no trends or special problems identified.	
d) forecasts of the workload of the Commissioner in performing functions under this Act in the year after to which this report relates					
There are no changes anticipated.		There are no changes anticipated.		There are no changes anticipated.	
e) any proposals for improving the performance of the Commissioner's functions under this Act					
There are no proposed changes at this stage, however, a review of the Act is being conducted and will propose a number of reforms following consultation with the community.					



Government policy requirements

Board remuneration

The department is required to report on the individual and aggregate costs of remunerating all positions on boards and committees as defined in *Premier's Circular 2017/08 – State Government Boards and Committees*.

Board of Examiners

Board of Examiners – Mine Managers and Underground Supervisors Certificate Board

Position	Name	Type of remuneration	Period of membership	Gross / actual remuneration 2018–19 FY
Chair	Mr Andrew Chaplyn	Ineligible	12 months	\$0
Member	Mr Anil Atri	Ineligible	12 months	\$0
Member	Mr Russell Cole, Chamber of Mines And Energy of WA	Did not apply	12 months	\$0
Member	Ms Holly Allday, Chamber of Mines And Energy of WA	Did not apply	12 months	\$0
Member	Professor Roger Thompson, WA School of Mines	Did not apply	9 months	\$0
Total				\$0

Board of Examiners – Quarry Managers Certificate Board

Position	Name	Type of remuneration	Period of membership	Gross / actual remuneration 2018–19 FY
Chair	Mr Andrew Chaplyn	Ineligible	12 months	\$0
Member	Mr Anil Atri	Ineligible	12 months	\$0
Member	Mr John Soubotian, TAFE	Did not apply	12 months	\$0
Member	Mr Andrew Haslam, Chamber of Mines And Energy of WA	Did not apply	12 months	\$0
Member	Mr Robert Murdoch, Chamber of Mines And Energy of WA	Did not apply	12 months	\$0
Total				\$0

Board of Examiners – Winding Engine Drivers Certificate Board

Position	Name	Type of remuneration	Period of membership	Gross / actual remuneration 2018–19 FY
Chair	Mr Andrew Chaplyn	Ineligible	12 months	\$0
Member	Mr Anil Atri	Ineligible	12 months	\$0
Total				\$0



Building Services Board

Position	Name	Type of remuneration	Period of membership	Gross / actual remuneration 2018–19 FY
Chair	Ms Genevieve Cleary	Full/half day	12 months	\$9,096
Member	Mr Helmut Schwanke	Full/half day	12 months	\$6,372
Member	Mr Jack Mast	Full/half day	12 months	\$5,478
Member	Ms Faye Stewart	Full/half day	12 months	\$4,980
Member	Mr Laurie Kruize	Full/half day	12 months	\$5,478
Member	Ms Joanne Motteram	Full/half day	12 months	\$4,980
Member	Ms Serena Giudice	Full/half day	12 months	\$4,980
Member	Ms Angela Lefante	Full/half day	7 months	\$3,486
Member	Ms Deborah Smith	Full/half day	7 months	\$2,988
Total				\$47,838

Charitable Collections Advisory Committee

Position	Name	Type of remuneration	Period of membership	Gross / actual remuneration 2018–19 FY
Chair	Mrs Annette Frazer	Per meeting	12 months	\$4,070
A/Chair	Ms Helen Grzyb	Per meeting	1 month	\$370
Member	Ms Helen Grzyb	Per meeting	11 months	\$2,750
Member	Mr Henry Thong	Per meeting	12 months	\$2,750
Member	Mrs Rachelle Spyker	Per meeting	12 months	\$3,000
Member	Dr Jane Hutchison	Per meeting	8 months	\$2,000
Total				\$14,940

Commission for Occupational Safety and Health

Position	Name	Type of remuneration	Period of membership	Gross / actual remuneration 2018–19 FY
Chair	Ms Stephanie Mayman	Annual ⁽¹⁾	12 months	\$30,028 ⁽²⁾
Member	Mr Darren Kavanagh	Ineligible	6 months	\$0
Member	Mr Ian Munns	Ineligible	6 months	\$0
Member	Mr Andrew Chaplyn	Ineligible	12 months	\$0
Member	Dr Barry Chesson	Half day	12 months	\$3,876 ⁽²⁾
Member	Dr Matthew Davies	Half day	12 months	\$4,272
Member	Dr Michael Lucas	Half day	1 month	\$384
Member	Dr Lin Fritschi	Half day	11 months	\$2,340
Member	Ms Nicole Roocke	Half day	5 months	\$1,536
Member	Ms Adrienne LaBombard	Half day	8 months	\$1,584
Member	Ms Andrea Roelofs	Half day	12 months	\$3,504 ⁽²⁾
Member	Ms Rachael Lincoln	Half day	12 months	\$3,096
Member	Mr Owen Whittle	Did not apply	12 months	\$0
Member	Mr Glenn McLaren	Did not apply	12 months	\$0
Member	Ms Joy Barrett	Did not apply	12 months	\$0
Total				\$50,620

(1) The Chair, Commission for Occupational Safety and Health (COSH), is paid a stipend of \$22,691 per annum. This stipend covers the sitting fees payable for chairing COSH committees and working groups. Effective 9 October 2018, the Chair, COSH is also paid an allowance of \$9,059 per annum. This allowance covers the additional and strategic functions undertaken in association with the *Work Health and Safety Bill*. This allowance is in place for a period of two years or until the Bill is passed by Parliament, whichever is the sooner.

(2) Remuneration for the following members was reported incorrectly in the DMIRS Annual Report 2017–18: Ms Stephanie Mayman was remunerated \$24,097.34 (not \$27,097.34 as reported); Mr Barry Chesson was remunerated \$3,840 (not \$2,688 as reported); and Ms Andrea Roelofs was remunerated \$3,072 (not \$3,702 as reported).



Agricultural Working Group

Position	Name	Type of remuneration	Period of membership	Gross / actual remuneration 2018–19 FY
Chair	Ms Stephanie Mayman	Annual ⁽¹⁾	12 months	\$0
Member	Mr Darren Kavanagh	Ineligible	6 months	\$0
Member	Mr Ian Munns	Ineligible	6 months	\$0
Member	Mr Brett Cooper	Ineligible	9 months	\$0
Member	Ms Margaret Hector, Country Women's Association of Western Australia	Half day	12 months	\$1,473
Member	Ms Melanie Jensen, Chamber of Commerce and Industry of Western Australia	Half day	12 months	\$1,231
Member	Mr Darren Spencer, WA Shearing Industry Association	Half day	12 months	\$1,466
Member	Mr Antony Pearson, Unions WA	Half day	12 months	\$1,224
Member	Mr Doug Hall, Pastoralists and Graziers Association of Western Australia	Half day	12 months	\$1,224
Member	Mr Peter Nunn, Chamber of Commerce and Industry of Western Australia	Half day	12 months	\$1,224
Member	Mr Trent Kensett-Smith, WA Farmers Federation	Half day	3 months	\$484
Member	Mr Grady Powell, WA Farmers Federation	Half day	5 months	\$484
Member	Mr Trevor Whittington, WA Farmers Federation	Half day	2 months	\$747
Member	Mr Owen Whittle, Unions WA	Half day	12 months	\$982
Total				\$10,539

(1) Included within COSH remuneration.

Construction Industry Safety Advisory Committee

Position	Name	Type of remuneration	Period of membership	Gross / actual remuneration 2018–19 FY
Chair	Mr Darren Kavanagh ⁽¹⁾	Ineligible	6 months	\$0
Chair	Mr Ian Munns ⁽²⁾	Ineligible	6 months	\$0
Member	Mr Chris Kirwin	Ineligible	12 months	\$0
Member	Mr Bob Benkesser, Construction, Forestry, Mining and Energy Union	Half day	12 months	\$1,950
Member	Mr Owen Whittle, Unions WA	Half day	12 months	\$1,466
Member	Mr Steve McCartney, Australian Manufacturing Workers' Union	Half day	12 months	\$1,701
Member	Mr Kim Drew, Chamber of Commerce and Industry of Western Australia	Half day	12 months	\$733
Member	Mr Kim Richardson, Master Builders Association of Western Australia	Did not apply	12 months	\$0
Member	Ms Rachelle Gill, Housing Industry Association	Did not apply	12 months	\$0
Total				\$5,850

(1) WorkSafe Western Australia Commissioner – January to June 2019.

(2) WorkSafe Western Australia Commissioner – July to December 2018.



Mining Industry Advisory Committee

Position	Name	Type of remuneration	Period of membership	Gross / actual remuneration 2018–19 FY
Chair	Mr Andrew Chaplyn	Ineligible	10 months	\$0
Member	Ms Christina Folley	Ineligible	9 months	\$0
Member	Dr Gary Bryant	Did not apply	9 months	\$0
Member	Mr Gary Wood	Did not apply	1 month	\$0
Member	Mr Christopher Davis	Did not apply	1 month	\$0
Member	Ms Peta Libby	Did not apply	1 month	\$0
Member	Ms Meagan Smart	Half day	9 months	\$1,036
Member	Ms Helen Anderson	Half day	9 months	\$1,036
Member	Mr Peter Burton	Did not apply	9 months	\$0
Member	Mr Gregory Busson	Did not apply	9 months	\$0
Member	Mr Glenn McLaren	Did not apply	10 months	\$0
Member	Mr Gregory Stagbouer	Did not apply	10 months	\$0
Member	Mr Robert Watson	Did not apply	9 months	\$0
Member	Ms Pearl Lim	Did not apply	9 months	\$0
Member	Ms Adrienne LaBombard	Did not apply	10 months	\$0
Total				\$2,072

Occupational Diving Working Group

Position	Name	Type of remuneration	Period of membership ⁽¹⁾	Gross / actual remuneration 2018–19 FY
Chair	Mr Darren Kavanagh	Ineligible ⁽²⁾	6 months	\$0
Chair	Mr Ian Munns	Ineligible ⁽³⁾	5 months	\$0
Member	Dr Anthony Hart, Department of Primary Industries and Regional Development	Ineligible	6 months	\$0
Member	Mr Peter Rickerby, Chamber of Commerce and Industry of Western Australia	Half day	8 months	\$1,231
Member	Mr Arnold Piccoli, Chamber of Commerce and Industry of Western Australia	Half day	3 months	\$0 ⁽⁴⁾
Member	Mr Aaron Irving, Chamber of Commerce and Industry of Western Australia	Half day	11 months	\$1,480
Member	Mr Jack McCabe, Unions WA	Half day	11 months	\$1,231
Member	Mr Owen Whittle, Unions WA	Half day	11 months	\$982
Member	Mr David Passmore, Australian Defence Force	Did not apply	9 months	\$0
Member	Mr Warren Starr, University of Western Australia	Did not apply	6 months	\$0
Total				\$4,924

(1) The first meeting of the Occupational Diving Working Group was on 13 August 2018.

(2) WorkSafe Western Australia Commissioner - January to June 2019.

(3) WorkSafe Western Australia Commissioner - July to December 2018.

(4) Mr Arnold Piccoli was not remunerated for his attendance in 2018–19, as he was not formally appointed as a member until after May 2019.



Consumer Advisory Committee

Position	Name	Type of remuneration	Period of membership	Gross / actual remuneration 2018–19 FY
Chair	Mr Scott Phillips	Half day	12 months	\$1,900
Member	Ms Bronwyn Kitching	Half day	12 months	\$1,250
Member	Ms Kathryn Lawrence	Half day	12 months	\$1,000
Member	Ms Gemma Mitchell	Half day	12 months	\$750
Member	Ms Louise Giolitto	Half day	12 months	\$0
Member	Ms Linda Castle	Half day	12 months	\$1,000
Member	Ms Bev Jowle	Half day	9 months	\$750
Total				\$6,650

Electrical Licensing Board

Position	Name	Type of remuneration	Period of membership	Gross / actual remuneration 2018–19 FY
Chair	Mr Kevan McGill	Full/half day	12 months	\$8,460
Member	Mr Peter Beveridge	Full/half day	12 months	\$4,860
Member	Mr Momcilo Andric	Full/half day	12 months	\$3,300
Member	Mr Geoff Kelly	Full/half day	12 months	\$3,980
Member	Dr Fiona McGaughey	Full/half day	5 months	\$2,000
Member	Mr John Ripp	Full/half day	5 months	\$1,440
Member	Mr Peter Carter	Full/half day	5 months	\$1,440
Member	Mr Donald Saunders	Ineligible	5 months	\$0
Member	Mr Pat Tierney	Full/half day	7 months	\$2,200
Member	Mr Frank Hough	Full/half day	7 months	\$3,520
Member	Mr James Murie	Full/half day	7 months	\$3,630
Member	Mr Sajjid Abdoolakhan	Ineligible	7 months	\$0
Total				\$34,830

Legislative Advisory Committee (Work Health and Safety)

Position	Name	Type of remuneration	Period of membership ⁽¹⁾	Gross / actual remuneration 2018–19 FY
Chair	Ms Stephanie Mayman	Annual ⁽²⁾	6 months	\$0
Member	Mr Darren Kavanagh	Ineligible	6 months	\$0
Member	Dr Ivor Roberts	Ineligible	6 months	\$0
Member	Mr Anil Atri	Ineligible	6 months	\$0
Member	Ms Adrienne LaBombard, Chamber of Minerals and Energy of Western Australia	Half day ⁽²⁾	6 months	\$1,245
Member	Ms Rachael Lincoln, Chamber of Commerce and Industry Western Australia	Half day	6 months	\$0 ⁽³⁾
Member	Mr Owen Whittle, Unions WA	Half day	6 months	\$1,245
Total				\$2,490

(1) The first meeting of the Legislative Advisory Committee was on 24 January 2019.

(2) Included within COSH remuneration

(3) Due to non-attendance during 2018–19, a sitting fee was not paid.



Mine Survey Board

Position	Name	Type of remuneration	Period of membership	Gross / actual remuneration 2018–19 FY
Chair	Mr Andrew Chaplyn	Ineligible	12 months	\$0
Member	Mr Martin Robinson, Curtin University and TAFE	Did not apply	12 months	\$0
Member	Mr Anthony Snow, Surveyor General	Did not apply	11 months	\$0
Member	Mr Russell Haigh, Institution of Surveyors Australia	Did not apply	11 months	\$0
Member	Mr Shan Watson, Institution of Engineering and Mining Surveyors Australia	Did not apply	11 months	\$0
Member	Mr Benjamin Ingham, Institution of Engineering and Mining Surveyors Australia	Did not apply	11 months	\$0
Total				\$0

Motor Vehicle Industry Advisory Committee

Position	Name	Type of remuneration	Period of membership	Gross / actual remuneration 2018–19 FY
Chair	Mr David Hillyard	Ineligible	12 months	\$0
Member	Mr Stephen Moir	Did not apply	12 months ⁽¹⁾	\$0
Member	Mr Patrick Browne	Did not apply	12 months ⁽¹⁾	\$0
Member	Ms Julie Wadley	Did not apply	12 months ⁽¹⁾	\$0
Member	Ms Robyn Cook	Did not apply	1 month	\$0
Member	Mr Phillip Lytton	Did not apply	1 month	\$0
Member	Ms Sarah Macaulay	Did not apply	12 months ⁽¹⁾	\$0
Member	Ms Lesley Yates	Did not apply	12 months ⁽¹⁾	\$0
Member	Mr David Dye	Did not apply	10 months ⁽¹⁾	\$0
Member	Mr Dale Henry	Did not apply	10 months ⁽¹⁾	\$0
Member	Mr Christopher Seivers	Did not apply	10 months ⁽¹⁾	\$0
Total				\$0

(1) These appointments expired on 30 April 2019. Reappointments and new appointments were endorsed by Cabinet on 20 May 2019.

Plumbers Licensing Board

Position	Name	Type of remuneration	Period of membership	Gross / actual remuneration 2018–19 FY
Chair	Ms Shona Zulsdorf	Full/half day	11 months	\$9,230
Member	Ms Sonia McKeiver	Full/half day	12 months	\$5,940
Member	Mr Brian Bintley	Full/half day	12 months	\$5,557
Member	Mr Michael Wynne	Full/half day	12 months	\$6,161
Member	Mr Murray Thomas	Full/half day	11 months	\$4,808
Member	Ms Diane Massara	Full/half day	12 months	\$5,259
Member	Ms Gladys Demissie	Full/half day	8 months	\$3,608
Member	Mr Richard Schwenke	Full/half day	4 months	\$902
Total				\$41,465

Property Industry Advisory Committee

Position	Name	Type of remuneration	Period of membership	Gross / actual remuneration 2018–19 FY
Chair	Mr David Hillyard	Ineligible	12 months	\$0
Member	Mr Bradley James Potter	Did not apply	12 months	\$0
Member	Ms Francie Lee Andrews	Did not apply	12 months	\$0
Member	Mr Dion Dosualdo	Did not apply	12 months	\$0
Member	Ms Andrea McKay Constable	Did not apply	12 months	\$0
Member	Mr Patrick Geoffrey Lilburne	Did not apply	12 months	\$0
Member	Ms Lisa Jane Joyce	Did not apply	12 months	\$0
Member	Mr Neville Alan Pozzi	Did not apply	12 months	\$0
Member	Ms Kara Lee Grant	Did not apply	12 months	\$0
Total				\$0

Thank you

Thank you to all of our staff who were involved in the production of this annual report.



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Thank
you