



Government of **Western Australia**
Department of **Jobs, Tourism, Science and Innovation**



ANNUAL REPORT 2018-19



The Department of Jobs, Tourism, Science and Innovation acknowledges the traditional custodians of country throughout Western Australia and recognises their continuing connection to land, waters and community. We pay our respects to all Aboriginal peoples, their cultures, their contributions; and to Elders past, present and emerging.

About this report

This report is published by the Department of Jobs, Tourism, Science and Innovation (JTSI) in electronic format, complete and in sections, with limited use of images to reduce the download time. The online version is available on our website www.jtsi.wa.gov.au

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This report is available in other formats for people with special needs. Please contact us via the details opposite.

The department was formed in July 2017 and comprises the Western Australian Tourism Commission. As a statutory authority, the Western Australian Tourism Commission prepares a separate annual report, available at www.tourism.wa.gov.au

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We're on the move!

The department is moving premises early 2020. If you're reading this report after January 2020, you can find our new contact details at: www.jtsi.wa.gov.au

Statement of compliance

For year ended 30 June 2019

Hon. Mark McGowan MLA

PREMIER; MINISTER FOR STATE DEVELOPMENT, JOBS AND TRADE

In accordance with Section 63 of the *Financial Management Act 2006*, I hereby submit for your information and presentation to Parliament, the Annual Report of the Department of Jobs, Tourism, Science and Innovation for the reporting period ended 30 June 2019.

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

The financial statements comply with Australian Accounting Standards – Reduced Disclosure Requirements issued by the Australian Accounting Standards Board.



Rebecca Brown

Director General

Department of Jobs, Tourism, Science and Innovation

1 September 2019

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Director General Rebecca Brown and staff from JTSI and the Premier's Office met with Murujuga Aboriginal Corporation's Peter Jefferies during their visit to the Burrup in November 2018.



In November 2018, Director General Rebecca Brown met with the Murujuga World Heritage Committee and Directors General from relevant Government agencies and the Chair of the Environmental Protection Authority to discuss the Murujuga World Heritage Nomination. L-R standing: Mardudhunera Heritage Committee Representative Raelene Cooper; Department of Water and Environmental Regulation DG Mike Rowe; EPA Chair Tom Hatton; Department of Biodiversity, Conservation and Attractions DG Mark Webb; Wong-goo-tt-oo Heritage Committee Representative Peter Hicks; Rebecca Brown; Murujuga Aboriginal Corporation CEO Peter Jeffries; Department of Planning, Lands and Heritage DG Gail McGowan; and seated, front row Yindjibarndi Heritage Committee Representative Tootsie Daniel.



Section 1: Overview of the agency

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Message from the Director General

The Department of Jobs, Tourism, Science and Innovation has undergone significant change throughout 2018-19 as we continue to transform to meet the requirements of our clients and drive a culture of collaboration, learning and results. We have prioritised working with our many stakeholders to leverage opportunities for advancing the economic growth of our State, diversify industry and create jobs. We have continued to grow our knowledge and networks, and work closely with industry to facilitate, partner and advance the State's globally recognised talents and capabilities.

The work of our department spans the breadth of Western Australia and ranges from the resources sector and rare earth minerals, to defence industries and emerging technologies and innovation, and to the important services of international education and tourism. We are an active partner with industry and academia, seeking to facilitate and support opportunities for growth and development ranging from the \$5000 start-up to the major projects beyond \$10 billion.

Supporting the Western Australian Government and our Ministers, including through the department's contribution and efforts to deliver on the Government's 'Our Priorities: Sharing Prosperity' program, is core to our work and partnering with other government agencies.

We have achieved an enormous amount throughout this year, through the hard work and efforts of all our staff, and through promoting an environment of forward thinking, agility and partnership.

We have supported and driven significant initiatives aimed at promoting jobs growth and local content including:

- implementation of the *WA Jobs Act 2017* and the Western Australian Industry Participation Strategy (WAIPS), including delivery of the first annual report by the Premier to Parliament highlighting the widespread recognition that these initiatives now establish a solid foundation for enhanced local industry participation;
- the Premier's LNG Jobs Taskforce;
- timely approvals for major projects in the resources sector; and
- facilitating strategic planning and development of land to attract and accommodate delivery of major projects.

Our span of work has also included providing critical thinking and support to progress other key industry areas including battery materials, international education and defence industries. This has been made possible by successfully partnering with many across the public sector, industry, federal government agencies and academia.

Significant to the department's journey this year has been the critical focus on building our networks and capability to support and drive opportunities from overseas markets for investment and trade for Western Australia. This includes recognising our existing important investment and trade partners in the UK, North Asia and the Middle East, but also recognising the significant opportunities from South Asia and the rapidly changing demographics and growing economies. We are leveraging local networks with key stakeholders, including Asian Business Councils, have commenced a review into our overseas offices and are progressing organisational change to deliver a contemporary approach to investment and trade.

Our efforts and networks on science and innovation continue to ensure we are able to leverage the best outcomes for Western Australians and our local science community. Key achievements include delivering the New Industries Fund to support and accelerate new and emerging businesses, providing \$22.3 million in science grants to the local community, securing \$6 million for the Western Australian space industry and supporting the Western Australian Government's first State STEM Skills Strategy and Science and Innovation Framework.

All our achievements and momentum forward are made possible by the talented and passionate staff within the department that go above and beyond to work collaboratively with industry and our key stakeholders to support the growth of Western Australia. The next year will continue to be an exciting time of opportunity and change as we embed a new structure and move to our new premises.

It has been my pleasure to lead the department through this exciting time and I thank the executive and all staff for their dedication to the work that they do every day and to the commitment they hold to advancing the interests of Western Australia.



Rebecca Brown

Director General

Department of Jobs, Tourism, Science and Innovation

Our 2018–19 highlights



Our Director General and the Premier attended the LNG2019 gas conference in China in April 2019.

Progressed approvals across the resources sector resulting in capital expenditure by the private sector of \$9.4 billion.

Delivered the Asia Business Series forums where business people with connections to Indonesia, Vietnam, Korea and India were able to talk about trade partnerships and investment.

Established the LNG Jobs Taskforce to position Western Australia as a global liquefied natural gas (LNG) hub and create new long-term job opportunities focused on servicing, maintaining and improving existing operations.

Implemented the WA Industry Participation Strategy to boost local participation and create more jobs for Western Australians.

Continued working with traditional owners and other government agencies to progress the UNESCO World Heritage nomination of Murujuga and to ensure industry can continue to coexist and thrive.

Supported the Western Australian Government to launch the Future Battery Industry Strategy in response to the rapid uptake of electric vehicles and battery-based energy storage systems, which is driving global demand for lithium-ion batteries.

Supported the Western Australian Government to launch the Science Industry PhD Fellowship program with 24 Fellowships awarded to PhD students.

Held the Innovator of the Year awards which resulted in semi-finalists receiving a suite of training and prize money.

Supported the Western Australian agribusiness sector's participation at the world's biggest food show in Dubai, the Gulfood Exhibition, in February 2019.

Established the Collie Futures Industry Fund to help industry-led projects set up or expand in the Collie region.

Supported the Western Australian Government to launch the Defence and Defence Industries Strategic Plan and held the Western Australian Indo-Pacific Defence Conference that attracted international and national delegates.



Established the Defence Science Centre. The centre aims to harness the capabilities of universities to deliver integrated solutions for the defence sector.



Partnered with the City of Perth to help 11 companies travel to the United States of America to attend BIO 2019.

Commenced the Henderson Precinct Strategic Infrastructure and Land Plan to ensure the Henderson precinct remains a leading national naval shipbuilding and sustainment hub.



Facilitated project approvals to support Albemarle Corporation at Kemerton. 500 construction jobs are expected to be generated with a further 500 operational jobs.



Helped Avertas Energy, Australia's first waste-to-energy facility, manage complex issues they faced being the pioneer for this technology in Western Australia.

Supported the Western Australian Government to launch the International Education Strategy, in partnership with StudyPerth. The strategy aims to guide future government and industry action.



Developed Western Australia's first-ever Science, Technology, Engineering and Mathematics (STEM) Skills Strategy to drive WA's jobs of the future.

About the department

The Department of Jobs, Tourism, Science and Innovation (JTSI) was formed on 1 July 2017 as part of the Western Australian Government's Machinery of Government changes.

The department is led by the Director General Rebecca Brown and reports to the Premier and Minister for State Development, Jobs and Trade the Hon. Mark McGowan MLA along with four other Ministers:

- Hon. Alannah MacTiernan MLC, Minister Assisting the Minister for State Development, Jobs and Trade
- Hon. Paul Papalia CSC MLA, Minister for Tourism; Defence Issues
- Hon. Peter Tinley AM MLA, Minister for Asian Engagement
- Hon. Dave Kelly MLA, Minister for Innovation and ICT; Science.

Who we are

We are Western Australia's lead agency for economic development, international trade and investment, and tourism. We also lead the promotion and development of the defence, international education, science and innovation sectors in Western Australia.

What we do

We support the State Government in creating jobs for Western Australians and promoting a strong and diverse economy that delivers benefits to all areas of Western Australia.

Our functions include:

- **Developing and coordinating** State-significant projects and infrastructure.
- **Negotiating and managing** agreements between development proponents and the Western Australian Government.
- **Supporting** the development of industry in Western Australia, by improving local industry capability and participation, and developing industrial land.
- **Promoting** Western Australia as an extraordinary holiday destination.
- **Assisting** the development of export markets and managing Western Australia's international network of trade and investment offices.
- **Providing** strategic policy advice on State development issues.
- **Promoting** Western Australia's defence sector capability and capacity.
- **Developing** the State's science and innovation capabilities by encouraging investment and linkages between the private, public and academic sectors.

Legislation

Our department administers various Statutes and State Agreements on behalf of the Western Australian Government.

As part of this responsibility, we also negotiate new agreements, variations, terminations and repeals of State Agreement Acts as required.

A list of the Acts and Agreement Acts is provided in Appendix 1.

The following Statutes are administered by the department:

1. *Agent General Act 1895*
2. *Government Agreements Act 1979*
3. *Industry and Technology Development Act 1998*
4. *Nuclear Activities Regulation Act 1978*
5. *Texas Company (Australasia) Limited (Private) Act 1928*
6. *The Commonwealth Oil Refineries, Limited (Private), Act 1940*
7. *Western Australian Jobs Act 2017*
8. *Western Australian Product Symbol Act 1972*
9. *Western Australian Tourism Commission Act 1983*



Director General Rebecca Brown and JTSI staff at the launch of the Defence Science Centre in June 2019.

Organisational structure

Science and Innovation

Develops the State's science and innovation capacity and capabilities, encourages collaboration between government, industry and academia, promotes scientific excellence and innovative achievements, administers funding and leverages investment.

Policy, Planning and Economic Development

Provides strategic policy advice on State development issues, develops strategic infrastructure and is responsible for State significant projects. Promotes export market development and manages the Western Australian Government's network of international trade and investment offices.

Resources Development and Defence

Leads and assists the development and expansion of Western Australia's resources and industry sectors, improves local industry capability and participation, and promotes Western Australia's defence sector.

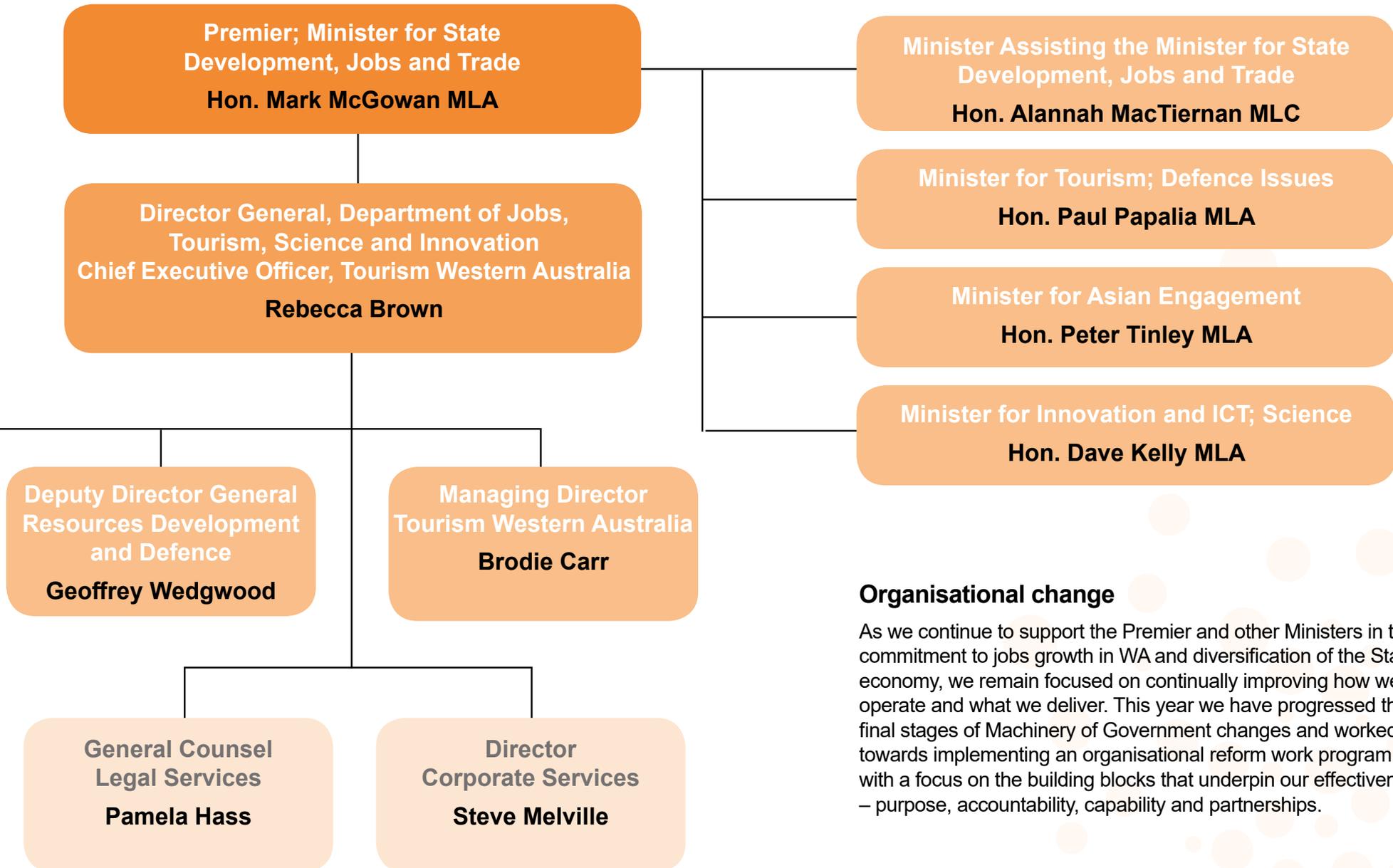
Tourism Western Australia

Promotes Western Australia as an extraordinary holiday destination, with a focus on marketing the State; developing, attracting and promoting major sporting, cultural and business events; and supporting the development of significant tourism infrastructure projects.

Our department is supported by **Legal** and **Corporate Services**.

Deputy Director General
Science & Innovation
Fiona Roche

Deputy Director General
Policy, Planning and
Economic Development
Joe Ostojich



Organisational change

As we continue to support the Premier and other Ministers in their commitment to jobs growth in WA and diversification of the State's economy, we remain focused on continually improving how we operate and what we deliver. This year we have progressed the final stages of Machinery of Government changes and worked towards implementing an organisational reform work program, with a focus on the building blocks that underpin our effectiveness – purpose, accountability, capability and partnerships.

Executive team



Rebecca Brown

Director General

Department of Jobs, Tourism, Science and Innovation
Chief Executive Officer, Tourism Western Australia

Rebecca joined the department as Director General in September 2018. She is also Chief Executive Officer of Tourism WA. Rebecca has worked for both Federal and State Government agencies in revenue and economic policy, social policy, resourcing and performance. She oversaw the reform of the WA Health system, including the establishment of a new governance model and the development of the *Health Services Act 2016*.

She has held senior positions at WA Treasury and the Department of the Premier and Cabinet.



Fiona Roche

Deputy Director General Science and Innovation

Fiona has worked in the government sector for much of her career, particularly in central agencies with a policy coordination role. Before joining the department in 2017, she was Executive Director, Office of Science in the Department of the Premier and Cabinet (DPC). She previously worked in senior roles in DPC and the Public Sector Commission with a focus on governance, integrity and diversity.



Joe Ostojich

Deputy Director General

Policy, Planning and Economic Development

Joe has been with the department since 2006, and he was appointed to his current position in 2014. He has worked on significant projects for the State including the Gorgon LNG project, and the Roy Hill iron ore project. Prior to joining the department, Joe worked for the Australian Government in the area of international trade finance and risk management.



Geoffrey Wedgwood

Deputy Director General

Resources Development and Defence

Geoffrey joined the department as Deputy Director General in September 2016. He has a wealth of resources-related experience, particularly in oil and gas, mineral sands, and iron ore, across both the public and private sectors.



Brodie Carr

Managing Director

Tourism WA

Brodie was appointed Managing Director of Tourism WA in October 2018. Brodie has more than 20 years of brand marketing partnerships, commercial rights and business strategy experience. He was previously Global CEO of the World Surf League where he propelled professional surfing into a top-three sport globally (behind NBA and NFL).



Pamela Hass

General Counsel

Legal Services

Pamela joined the department in 2011. Her previous positions include University Secretary and Special Legal Counsel at The University of Western Australia and General Counsel at Curtin University. Pamela was the first national president of the Australian Corporate Lawyers Association – the association for in-house counsel – from Western Australia. Pamela has worked as a lawyer in private practice as well as State and Federal agencies in Brisbane, Canberra and Sydney as well as Perth.



Steve Melville

Director

Corporate Services

Steve joined the department in 2011 from the Forest Products Commission of WA. He has a range of financial, marketing and management experience in both the government and private sectors.

Performance management framework

The department facilitates investment in the State, supports the development of export markets and opportunities, and promotes the State as an attractive tourist destination. It also has a focus on innovation and technological developments and overall support for businesses around the State.

The following table illustrates the relationship between the agency's services and desired outcomes, and the government goal it contributes to.

Government goal	Desired outcomes	Services
Future jobs and skills: Grow and diversify the economy, create jobs and support skills development	Provide leadership in the development of Western Australian industry sectors to grow the economy and create jobs	1. Development of industry sectors and facilitate investment
	Increased competitiveness and viability of the Western Australian Tourism industry	2. Designation of industry sectors and facilitate investment 3. Event tourism 4. Tourism destination development

The Department of Jobs, Tourism, Science and Innovation (JTSI) includes the Western Australian Tourism Commission. As a statutory authority, the Western Australian Tourism Commission prepares a separate annual report, which is available at www.tourism.wa.gov.au

Shared responsibility with other agencies

Operating under the Western Australian Government's Lead Agency Framework, we strive to achieve better cooperation and greater efficiency across government for the delivery of projects that benefit Western Australia.

Section 2: Agency performance

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Railway in Collie. Image credit: SWDC



Pluto LNG Plant onshore gas plant employees. Credit: Woodside Energy Ltd.

Overview

We are focused on building strong partnerships across government and with industry to support the Western Australian Government to grow and diversify the economy and create jobs.

Across our portfolio we are working to encourage growth within existing and new industries, stimulate innovation, attract investment, promote development of infrastructure, boost apprenticeships and support workforce skills development.

This year we have taken significant steps to deliver the Government's commitment to create an additional 150,000 jobs in Western Australia by 2023-24, including through our initiatives and partnerships on major resource projects, battery materials, strategic industrial land, defence industries, international engagement, trade and investment, international education and science and innovation.

Creating more jobs for Western Australians

We are delivering the Government's priority commitment for the creation of an additional 150,000 jobs in WA by 2023-24, including 30,000 jobs in regional areas through a range of initiatives to promote industry development and growth.

Western Australian Jobs Act 2017

The *Western Australian Jobs Act 2017* (WA Jobs Act) is a Western Australian Government initiative intended to provide local businesses, in particular small and medium sized enterprises, with more opportunities to compete for Western Australian

agency supply contracts and create jobs. This market is estimated to be worth \$27 billion per annum.

The WA Jobs Act involves the development and implementation of several initiatives. These include the Western Australian Industry Participation Strategy (WAIPS), the Industry Link Advisory Service, regionally-based Local Content Advisers and the WA Industry Link portal.

The WA Industry Link portal is a central online information source which shows how supply opportunities for local business can be pursued and provides information to Western Australian Government agencies on their responsibilities under the WA Jobs Act.

In March 2018, nine Western Australian Government pilot projects were established under WAIPS, eight of which are underway. The ninth project, METRONET railcar procurement, is still to be awarded and is the first strategic project under the WA Jobs Act.

In October 2018, WAIPS became fully operational and represents a new era in Western Australian Government purchasing for both agencies and businesses as it applies to all agencies and all forms of procurement.

A key feature of the WAIPS approach is the use of participation plans as part of the tender evaluation criteria. The plans, which are weighted at either 10 or 20 per cent, must outline anticipated levels of local employment and participation. Successful bidders must, as part of their contract, report on fulfilment of plan commitments.

Another jobs strategy announced by the Western Australian Government in July 2018 at the WA Industry Link Roadshow in Broome, was the Local

Capability Fund where the Western Australian Government provides assistance of up to \$20,000 to assist businesses in securing contract opportunities by enhancing their competitiveness, capacity and capability.

Western Australian Government procurement is an important lever in achieving job targets because of its size, regularity, openness and equity and function as a reference site for other markets. Through ongoing consultation, we will support continual improvements to policy and process that further assist Western Australian businesses.

Local Jobs Bill

Since the successful delivery of the WA Jobs Act, we are partnering with industry and across Western Australian Government to lead the development of the Government's Local Jobs Bill. This Bill will provide a further platform to grow and diversify our economy by ensuring the benefits from projects within the mining, construction and energy industry sectors flow through to local businesses, creating more jobs for Western Australians.

The State Government's LNG Jobs Taskforce

Through our partnerships with the oil and gas industry we support the Government's LNG Jobs Taskforce role as a critical driver to establish Western Australia as a liquefied natural gas (LNG) hub servicing Australia and the broader Asia-Pacific region. This will create new long-term job opportunities focused on developing complementary industries to construct, service and maintain existing and future operations.

The taskforce is chaired by the Premier and includes the chief executive officers from Woodside Energy, Chevron Australia, Shell Australia, Santos and INPEX Australia, as well as representatives from APPEA and UnionsWA. The taskforce met for the first time in December 2018, with the members agreeing on a shared vision for the initiative.

In March 2019, the taskforce endorsed the 2019-20 Implementation Plan, setting six priority action areas and established four working groups tasked with developing detailed action plans for a range of initiatives relating to:

- education, training and innovation
- business development and diversification
- technology and operations capabilities
- downstream, future energies and renewables.

The Premier announced the Government's \$10 million commitment towards a collaborative bid for Commonwealth co-funding to establish the Future Energy Exports Co-operative Research Centre.

Major projects

The importance of partnerships with industry and business in creating jobs cannot be understated and we are helping to facilitate the creation of thousands of jobs through our project development and approval process.

This year we progressed a number of large mineral and energy projects resulting in significant private sector capital expenditure and job creation. We also worked with the LNG projects in preparation for their final investment decisions. Projects included¹:

Koodaideri

A new development was approved at Koodaideri to sustain Rio Tinto's mining production, resulting in a capital expenditure of \$3.5 billion and approximately 2,000 construction jobs and 600 operational jobs.

South Flank

In July 2018, the State approved BHP Billiton Iron Ore's \$4.8 billion South Flank Project located in the Pilbara. Producing about 80 million tonnes of iron ore per annum, the project will also create about 2,500 construction jobs and 600 new operational roles.

Venus

In November 2018, BHP Nickel West sought and obtained approval for the development of its Venus underground ore deposit at the Leinster Nickel Operations. The Venus project, with over 200,000 tonnes of contained nickel, is critical as it ensures the continuity of nickel ore supply to the Leinster concentrator, the product from which feeds the Kalgoorlie smelter and then the Kwinana Nickel

Refinery. Approval of the Venus project ensured job security for over 200 employees in mine operations and a further 10 new jobs in construction. Venus is part of the pipeline of projects recently announced by Nickel West that ensure the future of the Leinster Nickel Operations to at least 2,040, and possibly beyond.

Eliwana

Fortescue Metals Group's \$1.8 billion, 30 million tonnes per annum, Eliwana Pilbara iron ore project is expected to create up to 1,900 jobs during construction and 500 full-time site positions over its more than 20 year operation. In mid-2018, variations to the *Railway and Port (The Pilbara Infrastructure Pty Ltd) Agreement Act 2004* passed through Parliament, followed by the grant of authorities for the Fortescue Metals Group to carry out site investigations along the proposed railway route. In mid-2019, the Minister for State Development, Jobs and Trade approved commencement of construction of the 143 kilometre long Eliwana railway.

Robe River

We supported approvals under the *Iron Ore (Robe River) Agreement Act 1964* for the Robe Valley Sustaining Project Stage 1 to create approximately 180 jobs; and the West Angelas Project Stage 1 to generate a further 180 jobs (approximately).

This year we also supported a wave of planned investment in new and expanded gas projects in Western Australia, supporting the ongoing supply of domestic gas to Western Australian industry while creating opportunities for local contractors and

products, as well as creating local jobs and boosting workforce skills development.

Browse to North West Shelf

The Browse Joint Venture selected a development concept during the year to connect the Browse Basin gas fields to North West Shelf infrastructure via a 900 kilometre pipeline and to the Karratha Gas Plant.

The \$28.5 billion project has the potential to stimulate the creation of an oil and gas logistics hub in Broome and create a peak of 1,800 construction jobs. An estimated 720 further jobs will be created or sustained during operations, including 320 jobs in the Karratha region. We continue to work with the joint venturers to progress development of the project.

Scarborough to Pluto

This project will provide a \$15 billion investment and a peak construction workforce of potentially 3,200 jobs. Additionally, almost 600 jobs will be created or sustained during operations including almost 230 jobs in the Karratha region during operations. The project, which announced a number of Front End Engineering and Design contracts during the year, involves a 430 kilometre pipeline to new gas processing facilities to be built at the Pluto site in Karratha.

Talison Lithium mine expansion

Western Australia is resource-rich in lithium. Lithium is needed to manufacture batteries that power electric vehicles and mobile telephones, and global demand is growing rapidly due to its application in electric vehicles, new generation batteries, lightweight metal

¹ Estimates of capital expenditure and jobs for projects in this section have been sourced from the relevant companies.

alloys for aircraft and high temperature lubricants. The lithium mines in Western Australia are providing thousands of jobs, and we're supporting corporations that mine lithium.

Talison Lithium Pty Ltd (Talison) owns and operates the Greenbushes lithium mine, 90 kilometres southeast of Bunbury, and is a 100 per cent joint venture between China's Tianqi Lithium (51 per cent) and the USA's Albemarle Corporation (49 per cent). The Greenbushes mine is the largest and highest-grade hard rock lithium (spodumene) mine in the world, supplying about a third of global requirements for lithium. This year Talison approved a major expansion of the Greenbushes mine. The expansion project will have a lifespan of about three years, will employ up to 500 construction personnel and will have an expected capital expenditure of \$834 million. The total operational full-time equivalent increase to the workforce will be between 380 and 450.

Avertas Energy

Avertas Energy will be Australia's first thermal waste-to-energy facility. Construction has commenced at the project site in the Kwinana Industrial Area. When fully operational the facility will divert 400,000 tonnes of residual household, commercial and industrial waste from landfill each year. The waste will be thermally treated and convert the recovered energy into steam to produce electricity.

Construction is scheduled to be complete in 2021, at which point the facility will start to deliver up to 36 megawatts of electricity into the South West Interconnected System, sufficient to power more than 50,000 households. The facility will produce less greenhouse gas emissions than if the residual waste used went to landfill.

During the construction phase, more than 800 jobs, including apprenticeships, will be created and about 60 full-time jobs will be created once the facility is operational. The project will spend up to \$700 million in the construction phase, with ongoing maintenance and operations costs contributing to the local economy.

We worked closely with the project proponents for more than eight years to assist them in managing the complex issues faced in being a pioneer for this new technology in Western Australia.

Native Title, heritage and environmental approvals

The development of major projects results in a range of inter-related impacts and issues. Proponents require access to land and waters for development of their projects and thus require a range of regulatory approvals.

We deliver expert technical advice and assistance on Native Title, heritage, land access and environmental policy matters. We also work with proponents to understand and scope project impacts and develop strategies to assist them to achieve timely, effective approvals.



Director General Rebecca Brown with JTSI staff members Marzia Zamir, Dylan Lipinski and Christine Ginbey on site at Talison's Greenbushes Lithium Mine.

During the year, we played a significant role in the delivery of project approvals for a number of State significant projects, including:

- Subsea 7 Pipeline Fabrication Project
- Woodside's Burrup Hub expansion
- Project Sea Dragon
- Ashburton North Strategic Industrial Area
- Anketell Strategic Industrial Area.

Economic development and diversification

At the core of our business is working across government and with our partners to support the Western Australian Government to grow and diversify the economy.

Large-scale renewables and hydrogen

Supporting emerging industries that will drive industry diversification, employment growth and new export opportunities for Western Australia is a key priority. The emergence of large-scale renewables, particularly wind and solar, provides an opportunity for the State to also contribute to the world's transition to a lower carbon future.

We have provided support to the Asian Renewable Energy Hub (AREH) for the development of what would become one of the largest integrated renewable projects in the world. It is estimated AREH will generate over 3500 jobs during construction and operation, facilitating the production of renewable hydrogen and associated products for export and domestic use. AREH has the capacity to create new industries in WA, as well as supply cheap, renewable power to the region.

We have worked with the proponents to secure an option to lease the project land and continue to work with AREH on other required approvals to enable the project to reach final investment decision by 2023.

Future Battery Industry Strategy

We are helping to facilitate a stronger economy through our partnerships with industry and research organisations, which will help create more jobs in emerging industries and diversify the State economy.

Since the launch of the State's Future Battery Industry Strategy on 31 January 2019, we have been working with government, industry and research organisations on implementation plans across the strategy's four action themes – investment attraction, project facilitation, research and technology sector development, and adoption of battery technologies – new opportunities.

We have also:

- Developed draft investment attraction strategies for priority markets to enable targeted marketing of Western Australia's competitive advantages to international investors.
- Advised on nine outbound ministerial delegations and diplomatic delegations to realise the State Government's vision for a future battery industry.
- Released a funding assistance register to assist future battery proponents source State and/or Federal Government funding for their projects.
- Met numerous potential future battery proponents on matters relating to securing appropriate industrial land, access to export infrastructure and essential services, and project facilitation services we offer.

Lithium processing

We are working with industry through the allocation of strategic industrial land to support proponents on a range of new strategic industrial uses, including mineral processing, fuel distribution and chemical manufacturing.

In 2018-19, we saw new and continued investments in lithium processing, a key energy material to support battery technology in the global electric vehicle industry.

In May 2018, Covalent Lithium signed an Option to Lease over Lot 15 Mason Road, Kwinana, giving it exclusive rights to develop the site. Covalent Lithium is planning to construct a lithium carbonate/lithium hydroxide refinery as a joint venture between SQM and Kidman Resources.

We facilitated project approvals to support Albemarle Corporation begin site works at its 90 hectare plant site in the Kemerton Strategic Industrial Area in January 2019. In March 2019, the Premier and key Ministers attended the official Albemarle groundbreaking ceremony, marking commencement of construction of the \$1 billion Kemerton Lithium Plant. Albemarle's Kemerton Lithium Plant will process up to 1 million tonnes per annum of spodumene ore concentrate from the world's highest grade hard rock lithium deposit at the Talison Lithium Greenbushes mine. It is expected to generate 500 construction jobs and up to 500 operational jobs in the southwest. The Albemarle Kemerton Plant will become Western Australia's and the nation's largest lithium hydroxide manufacturing plant, with approval to produce up to 100,000 tonnes per annum of premium battery grade lithium hydroxide.

Collie Futures Fund

The Collie Futures Fund is a Western Australian Government election commitment to drive economic diversification and local job creation in Collie, in WA's South-West. Collie's economy is based on coal mining and coal-fired power generation. However, changes in technology and the rapid emergence of renewables are reducing demand for coal-fired generation in the South West Interconnected System.

In January 2019, we established the Collie Futures Industry Development Fund. Funding of \$18 million, over four years, has been allocated to the Fund to assist industry-led projects to establish or expand in the Collie region, with up to \$2 million per project on offer. The Fund is designed to support the commercialisation and implementation of projects that demonstrate significant job creation potential. The Fund builds on the \$2 million Small Grants Program (a supporting program under the Collie Futures Fund) which is being delivered by the South West Development Commission.

The Collie Roundhouse conservation project is the first successful application and \$998,532 has been allocated to the National Trust of Western Australia to undertake environmental remediation works on the site of WA's largest and only remaining railway roundhouse. The building conservation works will preserve this important part of Collie's industrial heritage and help make it suitable for public access and future leasing to tourism-related businesses. Another five applications were progressing through the assessment process at year-end.

Lake Kepwari

In late 2018, Premier Coal submitted an additional proposal for the rehabilitation of a former coal mining

void, now referred to as Lake Kepwari. The proposal was to enable the full flow of the Collie River through the lake and to close off the existing diversion channel. The Minister for State Development, Jobs and Trade approved the proposal in November 2018. Premier Coal's implementation of the proposal is nearing completion with new inlet and outlet channels created to reconnect with the Collie River.

We are working cooperatively with the Department of Biodiversity, Conservation and Attractions and Premier Coal to transition the area into one of the south west region's key recreation attractions for boating and skiing enthusiasts. The completion of rehabilitation at the lake will enable it to be surrendered from the mining lease.

Steel fabrication

The Premier convened a meeting in February 2019 with senior representatives from government, the steel fabrication industry, unions and iron ore project proponents. The overall objective was to ensure the long-term competitiveness of the Steel Fabrication industry in WA.

We are supporting the Western Australian Government to achieve this objective, including through a study of key issues and actions identified by industry stakeholders. A steering committee representing steel roundtable stakeholders and others is working to ensure the study is informed by a comprehensive industry engagement process, is comprehensive and that it achieves all requirements outlined in the terms of reference. The final report is scheduled to be tabled during 2019–2020 and will provide advice on identified issues and barriers, as well as potential actions that could provide increased opportunities to the steel fabrication industry, creating sustainable jobs growth.

Defence

We are supporting the Western Australian Government to champion the interests of Western Australia's defence industry to make the most of the opportunities on offer as the Commonwealth invests more than \$200 billion in defence capabilities.

In October 2018, the Western Australian Government launched the Defence and Defence Industries Strategic Plan. This year we worked with the Western Australian Defence Advocate, and with the local defence industry and a range of government departments on the implementation of these strategies:

- Supporting a strong and enduring defence presence
- Growing the State's defence and industry capability and contribution
- Developing strategic infrastructure
- Building research and innovation partnerships
- Advanced education, training and skilling
- Supporting families and veterans.

We have collaborated with the Commonwealth's Centre for Defence Industry Capability to enhance Western Australia's defence industry, and taken every opportunity to promote the sector. For the first time, Western Australia was represented at Land Forces held in Adelaide in September 2018, and at the Avalon Air show in Victoria in February 2019. We supported WA industry at both events by hosting several companies on our stand at Land Forces and facilitating introductions and meetings with international defence prime contractors.



As a priority initiative, we have commenced strategic infrastructure and land planning for the Henderson Precinct and the Australian Marine Complex (AMC) to meet current and future defence requirements.

Infrastructure also needs to be optimised to meet the needs of other key industry sectors including mining, oil and gas, marine, manufacturing and fabrication. This will ensure Western Australia remains competitive in bidding for future naval work. Our ongoing work in this area will enable the future development of the precinct as a leading national naval shipbuilding and sustainment hub, as well as a common-use and mixed-use industrial area.

Defence Science Centre

We officially launched the Defence Science Centre (DSC) in June 2019. The DSC is a collaboration between the Western Australian Government, the Defence Science and Technology Group (DST) and Western Australia's four public universities.

The DSC aims to harness the capabilities of universities to deliver integrated solutions for the defence sector and to facilitate the growth of defence science research networks among academia, DST and industry.

Our management of the DSC will focus on enhancing research and development connections, and fostering a globally-engaged, competitive and innovative defence and national security sector.

It will also support the commercialisation and translation of defence-related research outcomes in addition to using a collaborative approach towards defence industry workforce development. It will support capability and capacity development of students undertaking research projects in areas where defence has an interest or in a defence-related industry.

Western Australian Indo-Pacific Defence Conference 2018

We worked with partners to hold the inaugural Western Australian Indo-Pacific Defence Conference, which was dedicated to promoting defence and security issues and was held on 31 October 2018. The conference attracted international and domestic speakers from defence, industry and academia. Keynote speakers at the conference included the Federal Minister for Defence, the Federal Minister for Defence Industry and the Federal Shadow Minister for Defence.



The RAAF Globemaster at the Avalon Air Show, where WA was represented in February 2019.

Industrial land

To support industry development and growth throughout Western Australia, we are responsible for the development of strategic industrial land, including the planning and management of Strategic Industrial Areas (SIAs) in key locations throughout Western Australia. We work to ensure SIAs are project-ready. To do this we undertake a range of technical investigations and ensure appropriate zoning and development controls are in place.

As the chair of the Industrial Lands Steering Committee, our Director General is committed to removing barriers to industrial land development and investment. We support the committee to provide improved coordination, advice and action between Western Australian Government agencies with an industrial development responsibility, to deliver the Government's industrial land development objectives.

Kemerton Strategic Industrial Area

We are delivering the Western Australian Government's commitment to create serviced land at Kemerton Strategic Industrial Area. In May 2019, construction began on the \$5.25 million Kemerton Road and Drainage Project. Due for completion in September 2019, Kemerton Road will provide access to the Albemarle Lithium Kemerton Plant and an additional 350 hectares of industrial land within the core of the Kemerton Strategic Industrial Area.

Kwinana

In September 2017, the Western Australian Government announced the formation of the Westport Taskforce to consider the long-term planning of freight associated with the metropolitan area, focussing on the inner and outer harbours of the Port of Fremantle as well as Bunbury Port.

Kwinana is the State's premier Strategic Industrial Area and relies on Fremantle outer harbour for container exports.

This year we have worked closely with the Westport Taskforce to deliver a long-term trade plan. This addresses the jobs and economic development opportunities of the port zones, while ensuring the smooth operation of Kwinana Strategic Industries and defence opportunities arising from the Naval Base and associated sustainment industry in and around the Australian Marine Complex.

Burrup Strategic Industrial Area

Murujuga (also referred to as the Dampier Archipelago), is an area of great cultural and spiritual significance, a vital part of Western Australia's and Australia's cultural heritage, and the site of an unprecedented collection of internationally significant petroglyphs ('rock art').

The Burrup Peninsula within Murujuga is also a key location for jobs and an export industry critical to the Western Australian and national economies, as well as an important source of domestic gas to fuel the Western Australian economy.

We are working closely with other agencies and traditional owners to progress the UNESCO World Heritage nomination of Murujuga to ensure protection of petroglyphs and to ensure industry can continue to co-exist and thrive with the region's cultural and heritage values.



Australian Marine Complex General Manager Jonathan Smith, JTSI Director General Rebecca Brown and JTSI Industry Development Executive Director John O'Hare at the 2019 Australasian Oil and Gas Exhibition and Conference, held in Perth in March 2019. Credit: Rovis Media



Premier Mark McGowan (right) with JTSI Deputy Director General Joe Ostojich (left) and LandCorp CEO Frank Marra on site at Kemerton, set to support the Albemarle lithium processing plant.

This year we have worked closely with Murujuga Aboriginal Corporation (MAC) to transfer former industrial sites to the Murujuga National Park, jointly managed by MAC and the Department of Biodiversity, Conservation and Attractions. We are working with MAC to progress tourism opportunities. This includes the Murujuga Living Knowledge Centre in Conzinc Bay where a number of senior Western Australian Government officials visited in October 2018. The MAC received \$1.33 million in funding to progress the centre (April 2019).

We have also worked with proponents to progress future downstream gas processing projects within the Burrup Strategic Industrial Area. Within the lead agency framework, we have been supporting consultation with key stakeholders, including MAC, and facilitating infrastructure requirements, environmental scoping and heritage considerations to support the \$4.5 billion Perdaman Urea project.

Maitland Strategic Industrial Area

Maitland, some 30 kilometres from Dampier Public Wharf, has long been planned as an area to support strategic industry, building upon the opportunity created through the Burrup Strategic Industrial Area. While drivers have changed since Maitland was first planned over 20 years ago, the area continues to provide significant opportunity to host a range of industries.

This year we undertook further coastal inundation modelling to inform the preparation of the Maitland SIA Improvement Scheme and undertook a range of land access considerations in association with other agencies to progress Maitland and to prepare an infrastructure services corridor to link Maitland with industries within the Burrup Strategic Industrial Area.

Northern Australia Infrastructure Facility

As lead agency for Western Australia's participation in the Northern Australia Infrastructure Facility (NAIF) we continue to support access to \$5 billion of Commonwealth funds for low-interest loans for infrastructure projects in Northern Australia. This year we managed the delivery of the first NAIF loan in Australia, with a \$16.8 million NAIF loan to Onslow Marine Support Base Pty Ltd for its stage-two supply base expansion.

We are working with NAIF on a range of projects including the publicly announced Kalium Lakes' Beyondie Sulphate of Potash project (\$74 million loan), Sheffield Resources' Thunderbird Mineral Sands project (\$95 million loan), and Pilbara Minerals' Pilgangoora Lithium-Tantalum Project (\$19.5 million loan).

Port Hedland Dust Management

In August 2017, the Western Australian Government released for public comment the Port Hedland Dust Management Taskforce's 2016 Report to Government, which made recommendations for managing dust in Port Hedland. We managed the public consultation process and worked with the Department of Health, Department of Water and Environmental Regulation, and the Department of Planning, Lands and Heritage to review and consider the feedback received.

The Western Australian Government released its response to the taskforce report in October 2018, with a focus on decreasing dust exposure for Hedland residents without jeopardising the industries that underpin prosperity in the Pilbara. The Western Australian Government supported the taskforce recommendation that appropriate planning

controls be implemented to prohibit sensitive land uses and restrict population growth in the west end of Port Hedland.

To deliver this recommendation, the Western Australian Planning Commission will consider an improvement plan and improvement scheme designed to achieve the land use outcomes described in the taskforce report. Full responsibility for operating and maintaining the Port Hedland air quality monitoring network will be transferred to the Department of Water and Environmental Regulation, which will also develop a dust management guideline for bulk handling port premises.

Growing international trade and investment

Achieving a strong, diverse and resilient economy will require sustained support for Western Australian exporters and export-ready businesses, and investment facilitation that converts potential into actual investment. We have a critical trade and investment function, underpinned by our eight overseas trade and investment offices and a team based in Perth.

International engagement

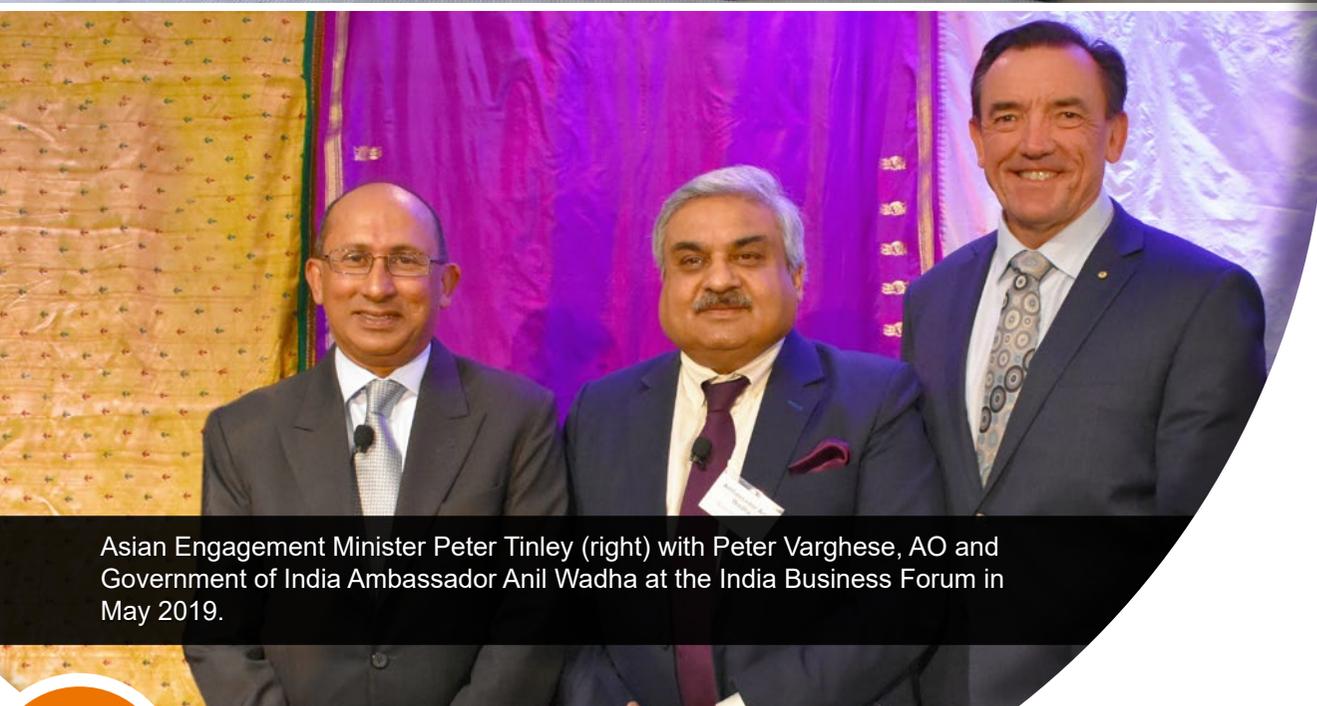
During 2018-19, we coordinated 463 international trade activities, with a focus on promoting, attracting and developing export markets and investment linkages for the State across all our priority sectors. We also assisted 250 companies regarding investment in Western Australia, and assisted with 1,179 enquiries regarding trade with international markets.

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Premier Mark McGowan visited Hyogo, Japan in January 2019 and met with Governor Ido and other dignitaries.



Asian Engagement Minister Peter Tinley (right) with Peter Varghese, AO and Government of India Ambassador Anil Wadha at the India Business Forum in May 2019.

We hosted and supported a range of Western Australian Government trade and investment missions, including:

- The Premier led a resources focussed mission to Beijing where he met key figures from the central government, state-owned enterprises and top private investors.
- In April 2019 the Premier returned to China to attend the LNG2019 conference in Shanghai, and also met with an airline to promote direct flights.
- The Minister for Asian Engagement, Peter Tinley, visited Vietnam in 2019 meeting education agents, the President of AusCham-Vietnam, the Vietnamese Government's Vice Minister for Trade, the HCMC People Committee and the Ba Rei-Vung Tau Provincial Government.
- In August and November 2018 the Minister for Tourism, Paul Papalia, led two missions to India with representatives from Perth Airport, Tourism Australia and Tourism WA, for discussions with airlines about direct flights.

We supported a range of WA businesses to explore opportunities. Examples include supporting five Western Australian start-ups to join the Startup Catalyst's Mission at London Tech Week; supporting Western Australia's agribusiness sector to participate in the world's biggest food show in Dubai, the Gulfood Exhibition, in February 2019; and facilitating introductions in the UAE that have led to successful business deals for Perth Mint.

We assisted with inbound delegations, such as the Zhejiang Hailiang Education Group visit to Western Australia, and an eight-day visit to Western Australia for eight gourmet food importers from ASEAN, in partnership with our colleagues at Department of Primary Industries and Regional Development.

We also maintain a number of highly valued and valuable Sister-State relationships. Western Australia's longstanding Sister-State relationship with the Hyogo Prefecture was reaffirmed at a meeting between the Premier and Governor Toshizo Ido, as well as senior representatives from the Hyogo Prefectural Government.

Asian engagement

Western Australia's relationship with Asia is a success story of exponential growth and mutually beneficial trade, investment and cultural exchange. Western Australia has many strengths that support our competitive advantage in Asian markets, and we are working on a long-term plan for growing our role and partnerships with Asia.

Asian Engagement Strategy

We're supporting the Western Australian Government to develop an Asian Engagement Strategy to shape and strengthen Western Australia's relationships with Asia.

Consultation formally commenced in November 2018, with the Minister for Asian Engagement releasing our consultation paper at the Western Australia-ASEAN Trade and Investment Dialogue. Having completed the consultation process this year, the Minister launched the Asian Engagement Strategy in August 2019.

ASEAN Trade and Investment Dialogue

As part of the Government's commitment to build business literacy with Asia, we hosted the inaugural Western Australia-ASEAN Trade and Investment Dialogue. The event brought together business and thought leaders to renew their focus on the way Western Australia sees South East Asia. It included a full-day roundtable with the Minister for Asian Engagement and 40 invited participants, as well as a free public seminar attended by about 220 people.

Asian Business Councils

We are delivering the Asia Business Series forums in cooperation with Asian Business Councils, consulates, the Department of Foreign Affairs and Trade, Austrade, State Government departments and key industry associations. There have been four forums to date – Indonesia, Vietnam, Korea and India.

Australia-China Natural Gas Technology Partnership Fund

The Australia-China Natural Gas Technology Partnership Fund is a joint initiative of the Western Australian Government, the Federal Government and North West Shelf Australia LNG. The Fund's aim is to support a range of activities, which provide opportunities for training, research and technology transfer between Australia and China in the natural gas and LNG industry. One of the key initiatives of the Fund in 2018 was the delivery of the Executive Gas Training Program for 25 senior managers and officers from major Chinese oil and gas corporations and the Chinese Government.

International education

International education is Australia's fourth-largest export after coal, iron ore and natural gas. The increasing global demand for quality education offerings provides a clear opportunity for Western Australia. We are supporting the Western Australian Government to promote the State as an education destination of choice for both national and international students and increase our market share of international students. We are working towards Western Australia being globally-recognised as a place to live, learn and launch bright futures.

In 2018, Western Australia's export income from international education totalled \$1.922 billion. This year, we supported the Premier and the Minister for Education and Training to launch the State's plan to attract more international students to Western Australia – *Where bright futures begin: International Education in Perth, Western Australia 2018-2025*.

The strategy was developed working in close collaboration with StudyPerth and provides a framework to guide future Western Australian Government and industry action focused on growing the number of students from around the world coming to study in Perth. We are now working with partners across the sector to implement the strategy, consistent with the Action Plan by StudyPerth that outlined 17 deliverables to increase numbers of international students coming to our State.

Invest and Trade Western Australia

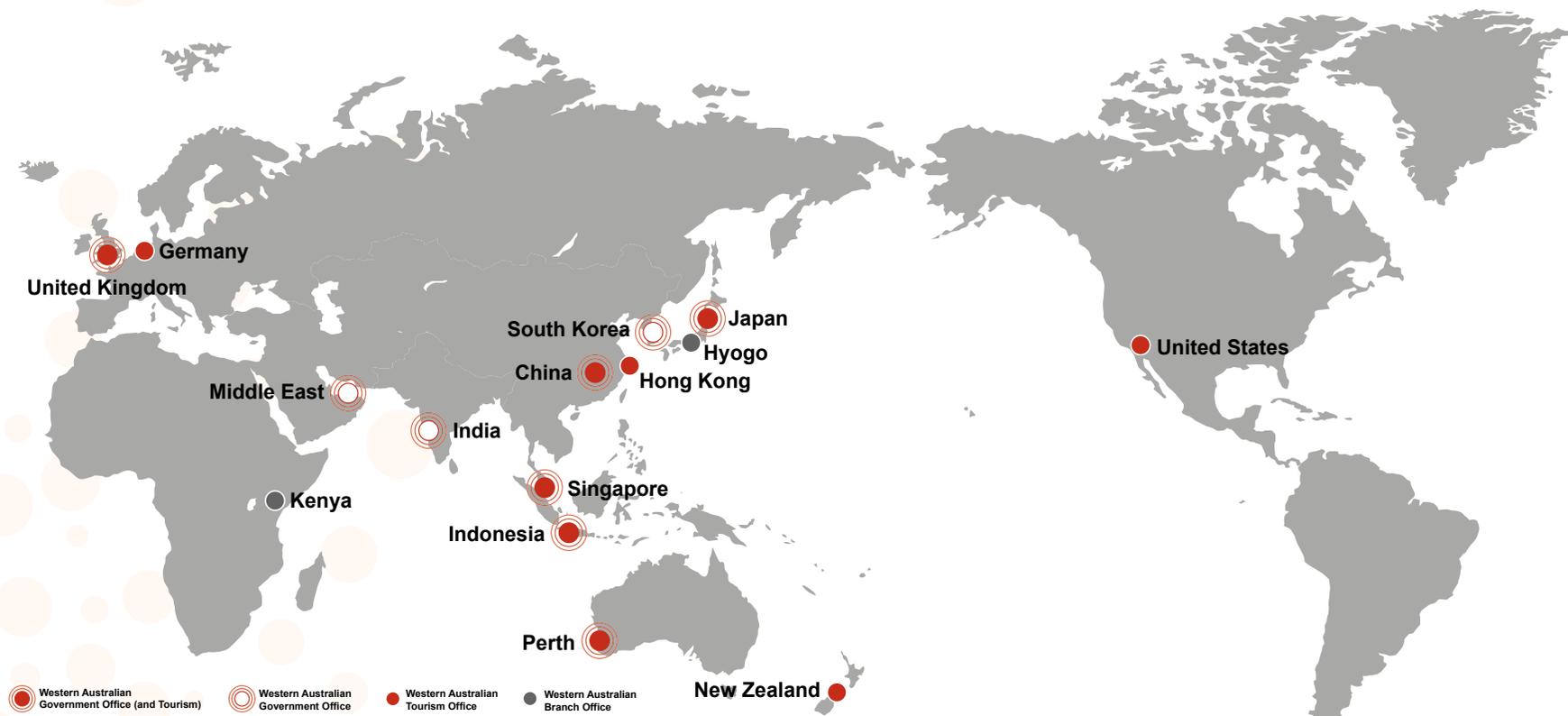
Throughout the year we laid the groundwork for establishing Invest and Trade Western Australia (ITWA). ITWA will be responsible for attracting and facilitating investment into and promoting trade with Western Australia. It will promote our State as a premium trade partner and a top destination for investment, education and tourism. It will be Western Australia's "front door" for investment and trade prospects and make a measurable impact on the scale and conversion of opportunities.

Western Australia's overseas offices

The Western Australian Government operates offices in the State's key trading regions, with headquarters in Perth.

Overseas office review

Critical to supporting the Government's objective for a strong, diverse and resilient economy are our eight overseas trade and investment offices. The offices were consolidated under our management in July 2017 as part of broader Machinery of Government changes across the Western Australian public sector. Having brought these overseas offices together for the first time, it was clear there were substantially different practices between each office and likely opportunities to raise standards and outcomes and share positive learning, all the while acknowledging the influence of local business conditions in each location. To leverage these opportunities the Director General commissioned an independent review and audit of the overseas trade and investment offices in March 2019. The review and audit will be delivered in late 2019.



Supporting science and innovation

Our focus is on building our competitive advantages across a number of priority areas to encourage private sector investment and innovation. This is in support of the Western Australian Government's mission to create jobs and diversify the economy through scientific knowledge and innovation. This year, we delivered programs, provided grants, established hubs and supported the development of new initiatives in the science and innovation sectors.

New Industries Fund

The New Industries Fund (NIF) is a priority program we deliver to support and accelerate new and emerging businesses to diversify the Western Australian economy and create new jobs and industries.

The Western Australian Government's Plan for Jobs identified innovation hubs as important vehicles to grow jobs and educational opportunities, foster innovation and create vibrant communities. This year we partnered with universities and industry growth centres to establish innovation hubs in cyber security, data science and life sciences, and appointed hub directors to drive engagement with stakeholders, provide strategic leadership and create opportunities for collaboration among government, industry and academia.

We partnered with the City of Perth to assist 11 companies to travel to Philadelphia USA to attend BIO 2019, the largest annual Biotech convention

globally. The delegation was led by Deputy Premier; Minister for Health Hon. Roger Cook MLA, and WA Chief Scientist Professor Peter Klinken AC. The delegation met with science parks, large pharma companies and entrepreneurs about successful innovation systems, regulatory alignment, intellectual property management and the potential impact of emerging technologies.

As part of the WA Innovator of the Year program, sixteen semi-finalists received a suite of commercialisation training and more than \$160,000 in prizes was awarded. The overall winner (\$75,000) was uDrew, an online tool that allows homeowners and contractors to instantly design, engineer and approve their own building projects. The Emerging Innovation Category Winner (\$25,000) was The Noisy Guts Project and the Growth Category Winner (\$25,000) was chemo@home.

The WA Innovator of the Year Awards acknowledge and reward exceptional Western Australians who



Pictured at the Australian Pavilion, BIO 2019: Western Australia's Chief Scientist Professor Peter Klinken AC; WA's quokka mascot Roger; JTSI Director of Innovation Dr Deb Cousins; and City of Perth Economic Development Unit's Michael Pasquale. The BIO International Convention is the world's largest event for the biotechnology industry. A Western Australian delegation, including 11 WA companies, travelled to Philadelphia, USA for the event in June 2019.

have developed an outstanding innovative product, technology or service. In 2019, Rio Tinto became the program's primary sponsor.

The Innovation Vouchers Program (IVP) is a competitive grants program that supports small and medium-sized enterprises to progress their ideas by helping them overcome some of the initial barriers to commercialisation. We awarded 15 entrepreneurs a total of \$271,718 in 2019-20 round of the IVP for a broad range of industries from mining to medical technology, food science and Aboriginal heritage monitoring.

This year we developed the X-TEND WA Program; a competitive, co-investment program that supports organisations to deliver educational programs for entrepreneurs and investors. Six training providers were awarded a total of \$516,000 to deliver programs during 2019-20.

We launched the Science Industry PhD Fellowships program with 24 Fellowships, valued at \$30,000 over three years, awarded to PhD students. The program encourages researchers and industry to work together, adding value to the PhD experience and strengthening collaboration and research impact in economic high growth areas.

The new International Access Pass Program for the games industry was designed and delivered in consultation with local industry, national industry associations and other State governments. This pilot program focuses on the local games industry, which has potential for new and emerging businesses in Western Australia. Thirteen Western Australians were awarded an International Access Pass grant, enabling them to put their product on the global stage during 2019.

Scientific capabilities and research

This year we provided \$22.3 million in science grants to organisations including Scitech, the Western Australian Marine Science Institution, the Western Australian Biodiversity Science Institute, the International Centre for Radio Astronomy Research and the Pawsey Super Computing Centre.

We secured \$10.5 million in funding to leverage over \$28 million combined investment from the Commonwealth Government. This was done through the National Collaborative Research Infrastructure Strategy and Western Australian research institutions for new world-class tools for science. The cutting-edge equipment will support researchers, industry and government, and underpin advances that benefit the State's economy, community and environment.

We partnered with the Cooperative Research Centres (CRC) Association to run a 'Deep Dive into Collaboration' workshop for institutions and companies seeking funding under the CRC program to boost the potential success of future CRC applications from Western Australia.

We provided funding support for successful bids to establish a Future Battery Industries CRC and

SmartSat CRC. These CRCs will undertake new industry-focused research to generate new jobs in emerging fields where Western Australia has a strategic advantage. The CRCs will result in new high technology products and services for export to the growing economies in our region.

We provided \$8.6 million funding support to Scitech, Western Australia's premier science centre, to deliver community programs to develop STEM interest and awareness and prepare the workforce with skills required for jobs of the future. We are working with Scitech to support the organisation's relocation to a new state-of-the-art science centre.

The Science and Agribusiness Connect (SAC) project continues to build the capability of Western Australia's agricultural science sector. To date, 126 scholarships have been allocated under the SAC Tertiary Program.

The Agriculture and Aquaculture Entrepreneurship Program encourages Western Australian industry to seek out international best practice and innovation. In 2018-19, there were six new entrepreneurship scholarships supporting innovation in digital agriculture, scallop aquaculture, legume inoculation, black soldier fly farming and truffle preservation.

The Premier's Agriculture and Food Fellowship Program is an investment in leading digital agriculture and big data expertise. Funding provided by the Western Australian Government has been matched by Curtin and Murdoch Universities to employ the Centre for Digital Agriculture team. It is also expected to fund PhDs and develop Masters and Honours students. Ultimately, this support builds the skills needed for future jobs in the agriculture industry.

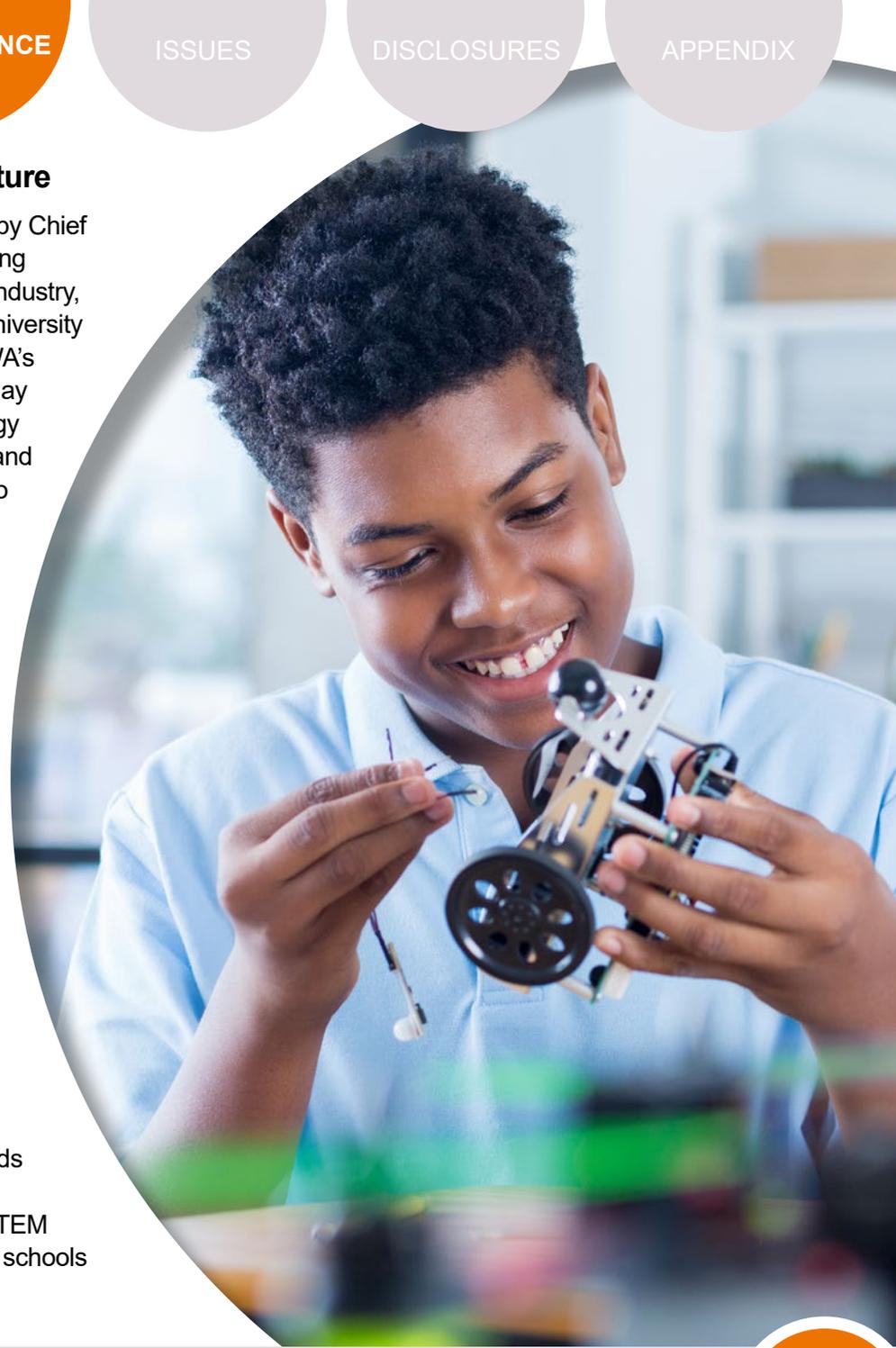
Skills for the Jobs of the Future

The STEM Advisory Panel, chaired by Chief Scientist Peter Klinken and comprising experts from the school education, industry, vocational education and training, university and community sectors, delivered WA's first State STEM Skills Strategy in May 2019. The State STEM Skills Strategy aims to build a globally competitive and innovative workforce with the skills to drive WA's technological future and create new job opportunities.

State funding of \$3.359 million secured over four years is kick-starting initiatives under the State STEM Skills Strategy.

The 2018 Premier's Science Awards ceremony, held during National Science Week, was attended by 200 guests from across the science sector. The awards recognise and celebrate the achievements of the Western Australian science community and help promote the importance of STEM. Professor David Blair was the 2018 WA Science Hall of Fame Inductee.

The Governor's School STEM Awards continued successfully for a fourth year, celebrating achievements in STEM education in primary and secondary schools across all education sectors.





Western Australia's Chief Scientist Professor Peter Klinken and Minister for Science, Innovation and ICT Dave Kelly.



Growing the Western Australian space industry

The Australian Space Agency (ASA) was established to support the diversification of the national economy, triple the size of Australia's space sector and grow an additional 20,000 jobs by 2030. We have been working closely with stakeholders to maximise the State's involvement with ASA.

In August 2018, the Minister for Science provided ASA with the State's funding proposal. Throughout the year, we worked with the Chief Scientist to promote WA's space industry and research capabilities and advocated for Commonwealth investment into the State.

In June 2019, we secured a Commonwealth commitment of \$6 million for the Western Australian space industry. We also negotiated a Memorandum of Understanding between the Western Australian Government and ASA that provides a high-level framework for collaboration on space industry activities.

Western Australian Science and Innovation Framework 2018-2022

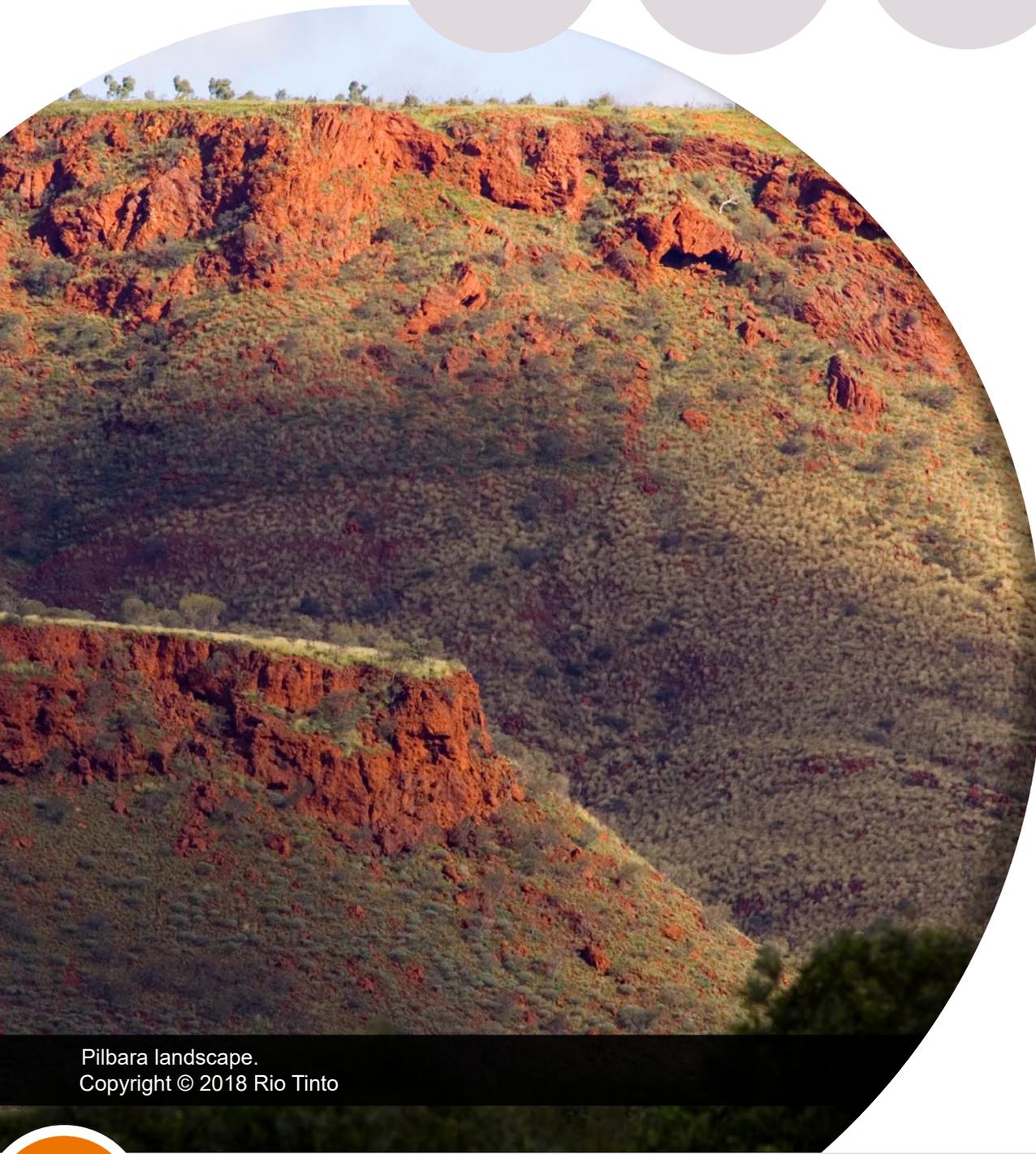
During 2018-19 we supported Minister for Science, Innovation and ICT Dave Kelly to release a new Western Australian Science and Innovation Framework 2018-2022 (August 2018).

The Framework articulates eight priority areas including STEM, technology, space, environment, health, food, energy and mining. It will ensure we leverage our competitive advantages and focus on areas that create jobs and diversify the economy.

**Section 3:
Significant issues
impacting the agency**

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Perth city. Image credit (and ATE image on our front cover): Tourism Australia



Pilbara landscape.
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Significant issues impacting the agency

In 2018-19, the department progressed a range of initiatives that underpin the Western Australian Government's commitment to job creation, economic diversification and regional prosperity. In February 2019, the Western Australian Government released its 'Our Priorities: Sharing Prosperity' reform agenda. This agenda sets out a range of specific targets across the economic, education and regional development domains, which provided further focus to the department's activities this year.

Job creation

Despite moderate growth, full-time employment increased within the Western Australian economy in 2018-19, which stabilised unemployment and underemployment. Full-time employment rose by over 24,000 in 2018-19, although this was partly offset by a fall in part-time employment of 12,000.

Throughout 2018-19 we supported the Government to deliver a range of initiatives aimed at further bolstering employment levels, particularly in emerging industries and throughout regional Western Australia.

In addition to stimulating jobs growth by investing in the development of new export markets, such as the future battery industry, defence technologies and renewable hydrogen - we launched a number of initiatives to reinvigorate existing sectors. An area of focus for JTSI this year was the implementation of the International Education Strategy for Western Australia.

We supported the Western Australian Government's commitment to increasing the number of jobs available for Western Australians into the future, helping launch the Government's Future Jobs, Future Skills Strategy in May 2019. We continue to work across the sector, with academia and industry to implement this critical STEM skills agenda.

Economic diversification

Historically, the Western Australian economy has relied on the mining industry for investment, export earnings and employment. Seventy per cent of Western Australia's private new capital expenditure came from the mining industry in 2018-19 (excluding downstream minerals processing). Minerals and petroleum accounted for around 90 per cent of Western Australia's merchandise exports in 2018. The mining industry created more employment than any other industry in 2018-19. Average annual employment in the mining industry increased by 14,000 to 106,000 in 2018-19 (eight per cent of total employment).

However, the landscape of the global economy is changing and the Western Australian Government has stressed the need to diversify the State's economy in order to secure Western Australia's economic prosperity for future generations.

In 2018-19, the volume of Western Australia's iron ore exports to China fell by four per cent, after growing at an average annual rate of 16 per cent in the ten years to 2017-18. Given the importance of international trade to the Western Australian economy, new markets need to be developed and more investment is required to increase the productive capacity of existing and emerging export industries. In particular, iron ore exporters need to

find new markets for their product as the demand from China continues to fall.

We continued to support the Premier in pursuing trade missions and new market opportunities for expanding Western Australia's trade and investment potential. Visits to Japan, Korea and China during 2019 helped to strengthen ties between Western Australia and these important trading partners.

This year also saw a focus on pursuing new investment opportunities in the tourism, events and creative industries sector, with the department exploring how existing relationships across the Asia region could be strengthened by forging greater cultural investment ties.

Regional prosperity

There are positive signs that mining investment is set to rise again, which will assist in the recovery of construction activity and the economy more broadly. Newly committed mining projects include: Stage 2 of Chevron's Gorgon LNG project; BHP's South Flank iron ore project; Fortescue Metals Group's Eliwana,



The Chevron-operated Gorgon LNG Project's first cargo shipment. Credit: Chevron Australia



Iron Bridge Stage 2 and Queens Valley iron ore projects; Rio Tinto's Koodaideri iron ore project and the second stage of Tianqi's lithium processing facility in Kwinana.

Several major gas projects are also being considered to backfill, or possibly expand, existing LNG facilities. Exploration expenditure also increased by 23 per cent in 2018-19, with the majority of expenditure in petroleum, gold, iron ore and copper.

We coordinated a range of activities this year to progress the Government's Local Jobs Bill. The purpose of this Bill is to ensure that regional communities are poised to benefit from this next wave of major resource project investment in Western Australia. In parallel, JTSI continued to progress enhancements to the Western Australian Industry Participation Strategy to further encourage regional sourcing and local industry development.

For new industry to prosper across the State it is important that a steady and affordable supply of natural gas is available for domestic market use. We administer the Western Australia Domestic Gas Policy, which secures the State's long term energy needs by ensuring LNG exporters make gas available to domestic consumers. LNG exporters are required to make 15 per cent of their gas exports available to local consumers. The policy has proven effective and the Western Australian gas market is well-supplied.

The next phase of Western Australian LNG industry development is focused on expanding and backfilling the LNG facilities on the Burrup Peninsula. We are working to facilitate these developments to tight timeframes. New domestic gas commitments from these projects will provide an opportunity for new industrial development.

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Auditor General

INDEPENDENT AUDITOR'S REPORT

To the Parliament of Western Australia

DEPARTMENT OF JOBS, TOURISM, SCIENCE AND INNOVATION

Report on the Financial Statements

Opinion

I have audited the financial statements of the Department of Jobs, Tourism, Science and Innovation 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, and Summary of Consolidated Account Appropriations and Income Estimates for the year then ended, and Notes comprising a summary of significant accounting policies and other explanatory information, including Administered transactions and balances.

In my opinion, the financial statements are based on proper accounts and present fairly, in all material respects, the operating results and cash flows of the Department of Jobs, Tourism, Science and Innovation 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 decisions affecting the continued existence of the Department.

Auditor's Responsibility for the Audit of the Financial Statements

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

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

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

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

Report on Controls

Opinion

I have undertaken a reasonable assurance engagement on the design and implementation of controls exercised by the Department of Jobs, Tourism, Science and Innovation. 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 Jobs, Tourism, Science and Innovation 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 judgement, including the assessment of the risks that controls are not suitably designed or implemented as designed. My procedures included testing the implementation of those controls that I consider necessary to achieve the overall control objectives.

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

Limitations of Controls

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

Report on the Key Performance Indicators

Opinion

I have undertaken a reasonable assurance engagement on the key performance indicators of the Department of Jobs, Tourism, Science and Innovation 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 Jobs, Tourism, Science and Innovation 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 the Key Performance Indicators

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

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

Auditor General's Responsibility

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

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

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

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

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

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

This auditor's report relates to the financial statements and key performance indicators of the Department of Jobs, Tourism, Science and Innovation 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
13 September 2019

**Department of Jobs, Tourism, Science and Innovation
Certification of Financial Statements
For the year ended 30 June 2019**

The accompanying financial statements of the Department of Jobs, Tourism, Science and Innovation 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 financial year 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.



Peter Carden
Chief Finance Officer
Date: 29 August 2019



Rebecca Brown
Accountable Authority
Director General
Date: 29 August 2019

Department of Jobs, Tourism, Science and Innovation
Financial Statements and Notes
For the year ended 30 June 2019

The Agency has pleasure in presenting its audited general purpose financial statements for the financial reporting period ended 30 June 2019 which provides users with the information about the department's stewardship of resources entrusted to it. The financial information is presented in the following structure:

Financial Statements

Statement of comprehensive income
Statement of financial position

Statement of changes in equity
Statement of cash flows
Summary of consolidated account appropriations and income estimates

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Department of Jobs, Tourism, Science and Innovation
Statement of Comprehensive Income
For the year ended 30 June 2019

	Notes	2019 \$'000	2018 \$'000
COST OF SERVICES			
Expenses			
Employee benefits expense	2.1 (a)	36,238	36,605
Supplies and services	2.3	23,182	12,569
Depreciation	4.1.1	226	306
Finance Costs	6.2	73	22
Accommodation expenses	2.3	4,366	4,426
Grants and subsidies	2.2	99,214	92,338
Other expenses	2.3	1,649	5,296
Total cost of services		164,948	151,562
Income			
<i>Revenue</i>			
Property Income	3.2	1,802	1,859
Commonwealth grants and contributions	3.3	438	255
Interest revenue		1	1
Other revenue	3.4	1,204	1,576
Total revenue		3,445	3,691
<i>Gains</i>			
Gain on disposal of non-current assets	3.5	-	34
Other Gains	3.5	80	118
Total Gains		80	152
Total income other than income from State Government		3,525	3,843
NET COST OF SERVICES		161,423	147,719
Income from State Government			
Service appropriation	3.1	146,759	138,620
Services received free of charge	3.1	1,025	493
Royalties for Regions Fund	3.1	11,274	880
Total income from State Government		159,058	139,993
Total Comprehensive Loss for the Period		(2,365)	(7,726)

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

Department of Jobs, Tourism, Science and Innovation
Statement of Financial Position
As At 30 June 2019

	Note	2019 \$'000	2018 \$'000
ASSETS			
Current Assets			
Cash and cash equivalents	6.3	13,526	19,574
Restricted cash and cash equivalents	6.3	6,516	2,758
Receivables	5.1	1,529	1,449
Property, plant and equipment held for distribution	4.1, 8.9	35,069	-
Other current assets	5.3	1,247	1,190
Total Current Assets		57,887	24,971
Non-Current Assets			
Restricted cash and cash equivalents	6.3	394	249
Receivables	5.1	9,562	9,180
Amounts receivable for services	5.2	2,741	1,775
Property, plant and equipment	4.1	786	37,676
Other non-current assets	5.3	68	69
Total Non-Current Assets		13,551	48,949
TOTAL ASSETS		71,438	73,920
LIABILITIES			
Current Liabilities			
Payables	5.4	1,630	2,548
Employee related provisions	2.1 (b)	7,789	7,013
Total Current Liabilities		9,419	9,561
Non-Current Liabilities			
Employee related provisions	2.1 (b)	1,410	1,388
Bonds payable	5.4	107	104
Other non-current liabilities	6.1	771	771
Total Non-Current Liabilities		2,288	2,263
TOTAL LIABILITIES		11,707	11,824
NET ASSETS		59,731	62,096
EQUITY			
Contributed equity	8.10	69,822	69,822
Accumulated deficit		(10,091)	(7,726)
TOTAL EQUITY		59,731	62,096

See also the 'Schedule of Assets and Liabilities by Service'.
The Statement of Financial Position should be read in conjunction with the accompanying notes.

Department of Jobs, Tourism, Science and Innovation
Statement of Changes in Equity
For the year ended 30 June 2019

	Note	Contributed equity \$'000	Accumulated deficit \$'000	Total equity \$'000
Balance of equity at 1 July 2017		-	-	-
Total comprehensive income / (deficit) for the year	8.10	-	(7 726)	(7 726)
Transactions with the owners in their capacity as owners:				
Capital appropriations			-	-
Other contributions by owners ^(a)	8.10	69 822	-	69 822
Distributions to owners ^(a)		-	-	-
Changes in asset revaluation surplus		-	-	-
Movement for the period		<u>69 822</u>	<u>(7 726)</u>	<u>62 096</u>
Balance of Equity at 30 June 2018		<u>69 822</u>	<u>(7 726)</u>	<u>62 096</u>
(a) The Department of Jobs, Tourism, Science and Innovation was created on July 1 2017. Contributions by and distributions to owners are mainly the result of a restructure of administrative arrangements by Government.				
Balance of equity at 1 July 2018		69 822	(7 726)	62 096
Total comprehensive income / (deficit) for the year	8.10		(2 365)	(2 365)
Transactions with the owners in their capacity as owners:				
Capital appropriations		150	-	150
Other contributions by owners ^(a)	8.10	-	-	-
Distributions to owners ^(a)		(150)	-	(150)
Correction prior year balance		-	-	-
Changes in asset revaluation surplus		-	-	-
Movement for the period		<u>-</u>	<u>(2 365)</u>	<u>(2 365)</u>
Balance of Equity at 30 June 2019		<u>69 822</u>	<u>(10 091)</u>	<u>59 731</u>

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

Department of Jobs, Tourism, Science and Innovation
Statement of Cash Flows
For the year ended 30 June 2019

	Note	2019 \$'000	2018 \$'000		Note	2019 \$'000	2018 \$'000
CASH FLOWS FROM STATE GOVERNMENT				Receipts			
Service appropriations		145,793	137,631	Sale of Goods and Services		1,802	1,859
Capital appropriations		150	-	Commonwealth Grants		438	255
Holding account drawdowns		45	225	GST receipts on sales		336	232
Cash balances transferred in by owner			31,985	Other receipts		1,164	1,725
Capital appropriations distributed to owner		(150)		Net cash provided by/(used in) operating activities		<u>(159,257)</u>	<u>(144,452)</u>
Non-retained cash distributed to owner		-	(3,466)				
Royalties for Regions Fund - Capital		-	-				
Royalties for Regions Fund - Recurrent		11,274	880				
Net cash provided by State Government		<u>157,112</u>	<u>167,255</u>				
CASH FLOWS FROM OPERATING ACTIVITIES				CASH FLOWS FROM INVESTING ACTIVITIES			
Utilised as follows:				Payments			
Payments				Purchase of non-current assets		-	(264)
Employee benefits		(35,717)	(38,877)	Receipts			
Supplies and services		(22,432)	(11,835)	Proceeds from sale of non-current assets		-	42
Accommodation		(4,366)	(4,426)	Net cash provided by/(used in) investing activities		<u>-</u>	<u>(222)</u>
Grants and subsidies		(99,214)	(92,338)				
GST payments on purchases		(4,721)	(3,114)	Net increase/(decrease) in cash and cash equivalents		(2,145)	22,581
GST Payments to taxation authority		4,194	2,747	Cash and cash equivalents at the beginning of the period		22,581	-
Other payments		(741)	(680)	Cash and cash equivalents at the end of the period	6.3	<u>20,436</u>	<u>22,581</u>

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

Department of Jobs, Tourism, Science and Innovation
Summary of Consolidated Account Appropriations and Income Estimates
For the year ended 30 June 2019

	2019 Estimate (a) \$'000	2019 Actual \$'000	Variance \$'000	2018 Actual \$'000	2019 Vs 2018 Variance to prior year \$'000
Delivery of Services					
Net amount appropriated to deliver services	150,727	146,075	(4,652)	137,936	8,139
Royalties for Regions Fund - recurrent ^(b)	12,144	11,274	(870)	880	10,394
Amount authorised by Other Statutes - <i>Salaries and Allowances Act 1975</i>	681	684	3	684	-
Total appropriations provided to deliver services	163,552	158,033	(5,519)	139,500	18,533
Capital					
Capital appropriations	-	-	-	-	-
Capital appropriations (Royalties for Regions)	-	-	-	-	-
Total capital appropriations	-	-	-	-	-
Administered Transactions					
Administered grants, subsidies and other transfer payments	19,183	18,761	(422)	18,761	-
Total Administered transactions	19,183	18,761	(422)	18,761	-
GRAND TOTAL	182,735	176,794	(5,941)	158,261	18,533

The Summary of Consolidated Account Appropriations and Income Estimates should be read in conjunction with the accompanying notes.

Department of Jobs, Tourism, Science and Innovation
Summary of Consolidated Account Appropriations and Income Estimates
For the year ended 30 June 2019

	2019 Estimate ^(a) \$'000	2019 Actual \$'000	Variance \$'000	2018 Actual \$'000	2019 Vs 2018 Variance to prior year \$'000
Details of Expenses by Service					
Development of industry sectors and facilitate investment	100,059	88,211	(11,848)	76,281	11,930
Tourism	76,520	76,737	217	75,281	1,456
Total Cost of Services	176,579	164,948	(11,631)	151,562	13,386
Less Total Income	5,164	3,525	(1,639)	3,843	(318)
Net Cost of Services	171,415	161,423	(9,992)	147,719	13,704
Adjustment for movement in cash balances & other accrual items ^(c)	(7,863)	(3,390)	4,473	(8,219)	4,829
Total appropriations provided to deliver services	163,552	158,033	(5,519)	139,500	18,533
Capital Expenditure					
Purchase of non-current physical assets	45	-	(45)	264	(264)
Adjustment for movement in cash balances & other funding sources ^(c)	-	-	-	-	-
Capital appropriation from State Government	-	-	-	-	-
Details of Income Estimates - Administered					
Administered income from the consolidated account	22,236	22,236	-	21,983	253
Administered Income from sources other than the consolidated fund	72,034	30,313	(41,721)	70,333	(40,020)
Total Income disclosed as administered income	94,270	52,549	(41,721)	92,316	(39,767)

(a) "Estimate" refers to the Department's budget estimates approved under section 40 of the Financial Management Act 2006 and TI 953.

(b) Royalties for Regions in 2018-19 budget comprised the WA Branding Project, the Agribusiness Connect Program and the Collie Futures Fund.

(c) Adjustments comprise movements in cash balances and other accrual items such as receivables, payables and superannuation. The adjustment also includes outgoings expenditure funded by cash balances domiciled in Special Purpose Accounts, thus not requiring a current year appropriation.

Note 9.1, 'Disclosure of administered income and expenses by service' and note 9.2 'Explanatory Statement for Administered Items' provide details of any significant variations between estimates and actual results for 2019.

The Summary of Consolidated Account Appropriations and Income Estimates should be read in conjunction with the accompanying notes.

Department of Jobs, Tourism, Science and Innovation
Notes to the Financial Statements
For the year ended 30 June 2019

Note 1. Basis of Preparation

The Department of Jobs, Tourism, Science and Innovation is a WA Government entity and is controlled by the State of Western Australia, which is the ultimate parent. The entity is a no-for-profit entity (as profit is not its principal objective).

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

These annual financial statements were authorised for the issue by the Accountable Authority of the department on 29 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 (**TI's**)
- 3) Australian Accounting Standards (**AAS**) - Reduced Disclosure Requirements
- 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's. Several AAS's are modified by TI's to vary application, disclosure format and wording. Where modification is required and has had a material or significant financial effect upon the reported results, details of that modification and the resulting financial effect are disclosed in the notes to the financial statements.

Basis of Preparation

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).

Estimates, where disclosed, are approved under Section 40 of the *Financial Management Act 2006*.

Judgements and Estimates

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

Contributed equity

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

Consolidation

Tourism WA is governed by a Board of Commissioners appointed under the Western Australian Tourism Commission Act 1983 and consequently, its financial results are presented separately and not consolidated into these financial statements.

The financial statements of the Department of Jobs, Tourism, Science and Innovation will include Tourism WA only to the extent it has provided direct funding and services free-of-charge to Tourism WA.

To facilitate interpretation of the financial reports of the Department of Jobs, Tourism, Science and Innovation, funding and services provided to Tourism WA are disclosed as "**Tourism**" in the Details of Expense by Service in the Summary of Consolidated Account Appropriations and Income Estimates. These disclosures do not represent the full and comprehensive financial result and financial position of Tourism WA.

For a full disclosure of the financial results and financial position of Tourism WA, refer to the annual report and financial statements of Tourism WA.

Department of Jobs, Tourism, Science and Innovation
Notes to the Financial Statements
For the year ended 30 June 2019

Note 2. Use of our funding

Expenses incurred in the delivery of services

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

	Notes	2019	2018
		\$'000	\$'000
Employee benefits expense	2.1(a)	36,238	36,605
Employee related provisions	2.1(b)	9,199	8,401
Grants and Subsidies	2.2	99,214	92,338
Other expenditure	2.3	29,197	22,291

2.1 (a) Employee benefits expense

	2019	2018
	\$'000	\$'000
Wages and Salaries	33,305	31,911
Termination benefits	-	1,804
Superannuation - defined contribution plans ^(a)	2,933	2,890
Total employee benefits expense	<u>36,238</u>	<u>36,605</u>

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

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

**Department of Jobs, Tourism, Science and Innovation
Notes to the Financial Statements
For the year ended 30 June 2019**

2.1 (a) Employee benefits expense (continued)

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 agency 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.

2.1 (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		
<u>Employee benefits provisions</u>		
Annual leave ^(a)	3,435	2,946
Long Service Leave ^(b)	4,308	4,038
Deferred Salary Scheme ^(c)	34	18
	<u>7,777</u>	<u>7,002</u>
<u>Other provisions</u>		
Employment on-costs ^(d)	12	11
Total current employee related provision	<u>7,789</u>	<u>7,013</u>
Non-current		
<u>Employee benefits provisions</u>		
Long Service Leave ^(b)	1,404	1,383
<u>Other provisions</u>		
Employment on-costs ^(d)	6	5
Total non-current employee related provision	<u>1,410</u>	<u>1,388</u>
Total employee related provisions	<u>9,199</u>	<u>8,401</u>

Department of Jobs, Tourism, Science and Innovation
Notes to the Financial Statements
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2.1 (b) Employee related provisions (continued)

- ^(a) **Annual leave liabilities:** Classified as current as there is no unconditional right to defer settlement for at least 12 months after the end of the reporting period. The provision for annual leave is calculated at the present value of expected payments to be made in relation to services provided by employees up to the reporting date.
- ^(b) **Long service leave liabilities:** Unconditional long service leave provisions are classified as **current** liabilities as the agency 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 agency has an unconditional right to defer the settlement of the liability until the employee has completed the requisite years of service. The provision for long service leave is calculated at present value as the Agency does not expect to wholly settle the amounts within 12 months. The present value is measured taking into account the present value of expected future payments to be made in relation to services provided by employees up to the reporting date. These payments are estimated using the remuneration rate expected to apply at the time of settlement, and discounted using market yields at the end of the reporting period on national government bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.
- ^(c) **Deferred salary scheme liabilities:** 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:
- ^(d) **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 agency's 'employee benefits expense'. The related liability is included in 'Employment on-costs provision'. A detailed breakdown of the provision is not provided as it is considered to be immaterial.

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 agency'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.

Department of Jobs, Tourism, Science and Innovation
Notes to the Financial Statements
For the year ended 30 June 2019

2.2 Grants and Subsidies

	2019	2018
	\$'000	\$'000
<u>Recurrent</u>		
Science grants	22,955	21,324
Science and agribusiness connect program grants	489	744
International Trade grants, contributions and scholarships	383	139
New Industries Fund grants	4,193	1,968
Industry participation grants	1,262	582
Onslow Community Development Fund grants (Wheatstone and Macedon)	260	1,043
International education grants	3,491	1,411
Tourism WA grants	65,999	64,847
Other grants	182	280
Total Grants and Subsidies	99,214	92,338
<u>Paid to:-</u>		
State Government (excluding the Tourism Commission of Western Australia)	2,959	1,153
Tourism WA	65,999	64,847
Local Government	274	1,044
Private entities and individuals	29,982	25,294
Total Grants and Subsidies	99,214	92,338

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

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

Grants and other transfers to third parties (other than contribution to owners) are recognised as an expense in the 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, government supported entities, and community groups.

Department of Jobs, Tourism, Science and Innovation
Notes to the Financial Statements
For the year ended 30 June 2019

2.3 Other Expenditure

	2019	2018
	\$'000	\$'000
Supplies and services		
Consultants and contractors	14,831	5,840
Expenses recognised in relation to technology parks	1,765	1,797
Resources received free of charge	1,025	493
Advertising and promotion	801	793
Travel	1,047	761
Communication	312	352
Consumables	883	688
Maintenance	89	81
Lease payments	12	55
Insurance ^(a)	91	107
Printing	178	161
Other staff costs ^(b)	1,674	1,327
Legal Fees	474	114
Total supplies and services expenses	23,182	12,569
Accommodation expenses		
Lease rentals ^(c)	4,110	4,046
Repairs and maintenance	-	-
Cleaning	29	19
Electricity	103	136
Other accommodation expenses	124	225
Total accommodation expenses	4,366	4,426

^(a) Includes \$71,000 (2017-18 \$94,000) (excluding GST) paid to RiskCover for general insurances.

^(b) Includes \$58,000 (2017-18 \$116,000) (excluding GST) paid to RiskCover for Workers Compensation.

^(c) Includes \$2,975,000 (\$2,538,000 2017-18) (excluding GST) paid to the Department of Finance. The remaining lease payments were paid to non-related providers, mainly for international trade offices at overseas locations.

**Department of Jobs, Tourism, Science and Innovation
Notes to the Financial Statements
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2.3 Other Expenditure (continued)

	2019 \$'000	2018 \$'000
Other expenses		
Net loss on foreign currency exchange	49	37
Employment on-costs	5	12
Return of non-retained receipts to owner ^(a)	-	3,466
Revaluation decrement - buildings	-	257
Revaluation decrement - land	1,595	1,524
Total other expenses	1,649	5,296
Total other expenditure	29,197	22,291

^(a) 2018 includes \$860,000 loan repayment receipts and \$2,606,000 in Royalties for Regions funding returned.

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. [AASB 117.33].

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.

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 2.1(b) Employee related provision. Superannuation contributions accrued as part of the provision for leave are employee benefits and are not included in employment on-costs.

Department of Jobs, Tourism, Science and Innovation
Notes to the Financial Statements
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Note 3. Our funding sources

How we obtain our funding

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

	Notes	2019 \$'000	2018 \$'000
Income from State Government	3.1	159,058	139,993
Property income	3.2	1,802	1,859
Commonwealth grants and contributions	3.3	438	255
Other sources	3.4	1,204	1,576
Gains	3.5	80	152
3.1 Income from State Government			
Appropriation received during the period			
Service appropriation ^(a)		146,759	138,620
		146,759	138,620
Liabilities assumed by other State Government agencies during the period ^(b)			
Assets transferred from/(to) other State Government agencies during the period ^(b)		-	-
Total liabilities assumed and assets transferred		-	-
Services received free of charge from other State Government agencies during the period ^(c) :			
State Solicitors Office - legal services		1,013	493
Finance - Building Management and Works - accommodation lease services		12	-
Total services received		1,025	493
Royalties for Regions Fund			
Regional Community Services Fund ^(d)		11,274	880
Regional Infrastructure and Headworks Fund ^(d)		-	-
Total Royalties for Regions Fund		11,274	880
Total Income from State Government		159,058	139,993

Department of Jobs, Tourism, Science and Innovation
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3.1 Income from State Government (continued)

^(a) **Service Appropriations** are recognised as revenues at fair value in the period in which the agency gains control of the appropriated funds. The agency 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. Appropriation revenue comprises the following:

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

The receivable (holding account – note 5.2) comprises the following:

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

^(b) **Transfer of assets:** Discretionary transfers of assets (including grants) and liabilities between State government agencies are reported under Income from State Government. Transfers of assets and liabilities in relation to a restructure of administrative arrangements are recognised as distribution to owners by the transferor and contribution by owners by the transferee under AASB 1004. Other non-discretionary non-reciprocal transfers of assets and liabilities designated as contributions by owners under TI 955 are also recognised directly to equity.

^(c) **Services received free of charge.** Where services or assets have been received free of charge or for nominal cost, the agency recognises the revenue (and assets or expenses) equivalent to the fair value of the assets and/or the fair value of those services that can be reliably determined and which would have been purchased if not donated.

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

3.2 Property income

	2019	2018
	\$'000	\$'000
Revenue from technical and industrial estates (technology parks)	1,802	1,859
Total sale of goods and services	1,802	1,859

Revenue is recognised and measured at the fair value of consideration received or receivable. Revenue is recognised by reference to the stage of completion of the transaction.

Under a Net Appropriation Determination, the agency retains revenue from sale of goods and services.

Department of Jobs, Tourism, Science and Innovation
Notes to the Financial Statements
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3.3 Commonwealth grants and contributions

	2019	2018
	\$'000	\$'000
National Water Infrastructure Development Fund - Western Trade Coast managed aquifer recharge feasibility study ^(a)	438	255
Total Commonwealth grants and contributions	438	255

^(a) this is a non-reciprocal grant, fully expended during the year.

For **non-reciprocal grants**, the agency recognises revenue when the grant is receivable at its fair value as and when its fair value can be reliably measured.

3.4 Other sources

	2019	2018
	\$'000	\$'000
Australia China Natural Gas Technology Partnership Fund Contributions	430	430
Gorgon CO2 gas injection project	100	100
Contributions to <i>Premier's Science Awards</i> ceremony	202	35
Contributions to <i>WA Innovator of the Year</i>	122	338
Loan discount unwinding	316	578
Other receipts	34	95
Total funding from other sources	1,204	1,576

Department of Jobs, Tourism, Science and Innovation
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	2019 \$'000	2018 \$'000
3.5 Gains		
<u>Net proceeds from disposal of non-current assets</u>		
Plant, equipment and vehicles	-	41
<u>Carrying amount of non-current assets disposed</u>		
Plant, equipment and vehicles	-	(7)
Net gain/(loss) on disposal of non-current assets	-	34
Gains/(loss) on foreign currency translation	80	118
Net gain/(loss) on foreign currency translation	80	118
Total gains/(losses)	80	152

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

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

Foreign currency transactions are translated at the exchange rate applicable on the date the transactions occur. Exchange gains and losses are brought to account in determining the result for the year. Foreign currency assets and liabilities are converted to Australian dollars using exchange rates prevailing at balance date.

Note 4. Key assets

Assets the Agency utilises for economic benefit or service potential

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

	Notes	2019 \$'000	2018 \$'000
Property, Plant and Equipment	4.1	35,855	37,676
Total key assets		35,855	37,676

Department of Jobs, Tourism, Science and Innovation
Notes to the Financial Statements
For the year ended 30 June 2019

4.1 Property, plant and equipment (continued)

For the year ended 30 June 2019	Land	Buildings & Leasehold Improvements	Furniture, Plant and Equipment	Computer Hardware and Software	Vehicles	Total
1 July 2018	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000
Gross carrying amount	32,549	4,826	68	327	437	38,207
Accumulated depreciation	-	(89)	(68)	(256)	(118)	(531)
Accumulated impairment loss	-	-	-	-	-	-
Carrying amount at start of the period	32,549	4,737	-	71	319	37,676
Additions	-	-	-	-	-	-
Transfers ^(a)	-	-	-	-	-	-
Other disposals	-	-	-	-	-	-
Revaluation increments/(decrements) ^(a)	(1,595)	-	-	-	-	(1,595)
Depreciation ^(b)	-	(97)	-	(39)	(90)	(226)
Carrying amount at 30 June 2019	30,954	4,640	-	32	229	35,855
Gross carrying amount	30,954	4,746	68	327	437	36,532
Accumulated depreciation	-	(106)	(68)	(295)	(208)	(677)
Net carrying amount ^(c)	30,954	4,640	-	32	229	35,855
Classified as:						
Property, plant and equipment held for distribution (note 8.9)	30,759	4,310				35,069
Property, plant and equipment - non-current	195	330	-	32	229	786
	30,954	4,640	-	32	229	35,855

^(a) There is no reserve in respect of land and buildings, and valuation decrements are taken directly to profit or loss.

^(b) Accumulated depreciation for buildings & leasehold improvements varies by \$80,000 from the depreciation for the year to represent the diminution in value of these assets to agree with independent valuation for 2018-19. The diminution in value was treated as a depreciation expense for the year, as it was lower than notional depreciation, notwithstanding that no accumulated depreciation provision is currently maintained for those assets.

^(c) Includes land and buildings at Technology Parks classified as current assets held for distribution - see note 8.9.

Department of Jobs, Tourism, Science and Innovation
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4.1 Property, plant and equipment (continued)

Initial Recognition

Items of property, plant and equipment, costing \$5,000 or more are measured initially at cost. Where an asset is acquired for no 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.

When applicable, the initial cost for a non-financial physical asset under a finance lease is measured at amounts equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease.

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: \$30,552,000 (2018: \$32,147,000) and buildings: \$4,565,000 (2018 valuation: \$4,645,000). 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). Leasehold improvements, mainly at overseas offices are not included in the valuation.

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.

Department of Jobs, Tourism, Science and Innovation
Notes to the Financial Statements
For the year ended 30 June 2019

4.1 Property, plant and equipment (continued)

4.1.1 Depreciation and impairment

Charge for the period

	2019	2018
	\$'000	\$'000
Depreciation		
Buildings	97	170
Furniture, Plant and Equipment	-	-
Computer Hardware and Software	39	57
Vehicles	90	79
Total Depreciation for the period	<u>226</u>	<u>306</u>

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

Finite useful lives

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

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

Asset	Useful life: years
Buildings	40 years
Furniture, Plant and Equipment	5 to 10 years
Computer Hardware and Software ^(a)	3 years
Vehicles	5 years

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

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

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 land assets because their service potential has not, in any material sense, been consumed during the reporting period. The department has no capitalised works of art.

Department of Jobs, Tourism, Science and Innovation
Notes to the Financial Statements
For the year ended 30 June 2019

4.1 Property, plant and equipment (continued)

4.1.1 Depreciation and impairment (continued)

Impairment

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

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

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

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

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

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

There are no indications of impairment at the date of this report.

4.2 Intangible assets

The agency has no intangible assets at the date of this report.

Department of Jobs, Tourism, Science and Innovation
Notes to the Financial Statements
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Note 5. Other assets and liabilities

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

	Notes	2019 \$'000	2018 \$'000
Receivables	5.1	11,091	10,629
Amounts receivable for services	5.2	2,741	1,775
Other assets	5.3	1,315	1,259
Payables	5.4	1,737	2,652
Other liabilities	6.1	771	771
5.1 Receivables			
<u>Current</u>			
Receivables		615	652
GST receivable		562	321
		1,177	973
Loans and Advances			
Loans receivable		400	1,032
Less: Loan Discounting		(48)	(556)
Net Loan Receivable - Current		352	476
Total Current		1,529	1,449
<u>Non Current</u>			
Loans and Advances			
Loans receivable		11,586	10,954
Less: Loan Discounting		(2,024)	(1,774)
Total Non Current		9,562	9,180
Nominal total loans receivable, current and non-current - before discounting ^(a)		11,986	11,986
Total Receivables		11,091	10,629

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

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.

The Department does not consider any of its receivables materially impaired and has not recorded an allowance for impairment of receivables at the end of the reporting period.

^(a) Loans receivables comprises two loans. Both loans are non-interest bearing. One loan has a principal outstanding of \$2,000,000 with \$400,000 annual repayments commencing in 2019-20. The other loan has a principal outstanding of \$9,986,000 with payments currently suspended, scheduled to recommence in 2020-21.

Department of Jobs, Tourism, Science and Innovation
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5.2 Amounts receivable for services (Holding Account)

	2019	2018
	\$'000	\$'000
Current	-	-
Non-current	2,741	1,775
Balance at end of period	2,741	1,775

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 considered not impaired (i.e. there is no expected credit loss of the Holding Account)

5.3 Other assets

	2019	2018
	\$'000	\$'000
<u>Current</u>		
Refundable rental bonds on overseas and local accommodation	244	203
Prepayments	823	883
Property Management receivable	180	104
Total current	1,247	1,190
<u>Non-current</u>		
WA Marine Science Institute joint venture	68	69
Total non-current	68	69
Balance at end of period	1,315	1,259

Other 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.

Property management receivable which represents the net accumulated surplus of incomings over outgoings of the managing agent in respect to technology parks managed on behalf of the Agency.

WA Marine Science Institute Joint Venture is a joint venture between The Australian Institute of Marine Science (Commonwealth) and the State of Western Australia and nine other parties in equal shares. The value of the joint venture is stated at 10% of the net assets of the institute.

Department of Jobs, Tourism, Science and Innovation
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5.4 Payables

	2019	2018
	\$'000	\$'000
<u>Current</u>		
Trade payables	727	1,020
Other payables	618	1,072
Accrued expenses	159	163
Accrued salaries	126	293
Total current	1,630	2,548
<u>Non Current</u>		
Bonds held and repayable	107	104
Total non-current	107	104
Balance at end of period	1,737	2,652

Payables are recognised at the amounts payable when the agency 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 agency considers the carrying amount of accrued salaries to be equivalent to its fair value.

The accrued salaries suspense account (See Note 6.3.1 'Restricted cash and cash equivalents') consists of amounts paid annually, from agency appropriations for salaries expense, into a Treasury suspense account to meet the additional cash outflow for employee salary payments in reporting periods with 27 pay days instead of the normal 26. No interest is received on this account.

Bonds held and repayable relate to undertaking bonds received under the Burrup and Maitland Industrial Estates Agreement Implementation Deed.

Department of Jobs, Tourism, Science and Innovation
Notes to the Financial Statements
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Note 6 Financing

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

<u>Current</u>	Notes
Borrowings	6.1
Finance costs	6.2
Cash and cash equivalents	6.3
Commitments	6.4
Non-cancellable operating lease commitments	6.4.1
Capital commitments	6.4.2

6.1 Borrowings

	2019	2018
	\$'000	\$'000
<u>Non Current</u>		
Loan payable - Landcorp	771	771
Balance at end of period	771	771

Borrowings are interest only, with interest payable quarterly. Loan was established in 1995 for construction of enterprise units at the Bentley Technology Park. The principal is repayable in part or in full only when the enterprise units, to which the loan relates, are sold. The interest rate is variable and is based on the rate charged by the Western Australian Treasury Corporation on borrowings equal to the balance outstanding for a one year term.

Department of Jobs, Tourism, Science and Innovation
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Note 6 Financing (continued)

6.2 Finance costs

	2019	2018
	\$'000	\$'000
Unwinding of discounts applied to provisions	-	-
Discount costs applied to loan receivables	58	-
Interest expense	15	22
Finance costs expensed	73	22

'Finance cost' includes interest payable on borrowings and the increase in financial liabilities and non-employee provisions due to the unwinding of discounts to reflect the passage of time.

The Department has no finance leases in place at the end of the reporting period.

6.3 Cash and cash equivalents

	Notes	2019	2018
		\$'000	\$'000
Cash and cash equivalents		13,526	19,574
Restricted cash and cash equivalents	7.1	6,516	2,758
Restricted cash - accrued salaries suspense account ^(a)	7.1	394	249
Balance at end of period		20,436	22,581

^(a) 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.

Department of Jobs, Tourism, Science and Innovation
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Note 6 Financing (continued)

6.4 Commitments

6.4.1 Non-cancellable operating lease commitments

	2019	2018
	\$'000	\$'000
Commitments for minimum lease payments are payable as follows:		
Within 1 year	4,717	3,123
Later than 1 year and not later than 5 years	11,560	498
Later than 5 years	14,818	-
Total lease commitments ^(a)	31,095	3,621

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 a short-term property lease for continuation of office accommodation at 1 Adelaide Terrace, East Perth, ending on 30 September 2019, with two three month options. The department is certain to exercise the first option while the exercise of the second option may depend on timing of relocation. The department has also signed a long-term property lease in relation to office accommodation at 1 William Street Perth from 1 January 2020, for a ten year term and one 3 year option, with rent increases of 3.25% per annum.

The department enters into property leases on behalf of its eight overseas located trade offices. These leases vary in terms and conditions.

(a) Lease commitments include commitments to the Department Finance for accommodation (\$28,276,000); and State Fleet WA for vehicles (\$147,000). All other commitments are external to the State.

6.4.2 Capital commitments

	2019	2018
	\$'000	\$'000
Capital expenditure commitments, being contracted capital expenditure additional to the amounts reported in the financial statements, are payable as follows:		
Within 1 year	-	-
Later than 1 year and not later than 5 years	-	-
Later than 5 years	-	-
Balance at end of period	-	-

The totals presented for capital commitments are GST inclusive.

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

The agency has entered into a number of leases for buildings and overseas trade office accommodation. 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.

Department of Jobs, Tourism, Science and Innovation
Notes to the Financial Statements
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Note 7 Financial Instruments and Contingencies

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

	Notes
Financial Instruments	7.1
Contingent assets	7.2.1
Contingent liabilities	7.2.2

7.1 Financial Instruments

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

	2019	2018
	\$'000	\$'000
<u>Financial Assets</u>		
Cash and cash equivalents	13,526	19,574
Restricted cash and cash equivalents		
Royalties for Regions	4,858	173
Special Purpose Accounts	1,504	2,414
Holding account at Treasury	394	249
Other	154	171
Total restricted cash assets	6,910	3,007
Total cash assets	20,436	22,581
Loans and receivables ^(a)	13,450	12,186
Total financial assets	33,886	34,767
<u>Financial liabilities</u>		
Financial liabilities measured at amortised cost	2,508	3,423
Total financial liability	2,508	3,423

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

Department of Jobs, Tourism, Science and Innovation
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Note 7.2: 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.

7.2.1 Contingent assets

There are no known contingent assets.

7.2.2 Contingent liabilities

The following contingent liabilities are excluded from the liabilities included in the financial statements:

Litigation in progress

Following arbitration it is possible that damages may be claimed by a party to a State Agreement. The Department is unable to quantify the potential liability, if any.

Industry and Technology Development Act

As the responsible Minister under the Industry and Technology Development Act of 1998 (ITD Act), the Minister for State Development (or his predecessors) is a signatory to one Investment Security Guarantee (ISG). ISGs are signed by the Minister, General Manager of the Forest Products Commission (FPC) and timber processors. Under an ISG, the Minister is liable to pay compensation under certain circumstances where the Forest Products Commission (FPC) is unable to supply contracted amounts of timber. The total contingent liability for the one ISG at 30 June 2019 was \$12.6 million (2018 \$11.7 million).

There are no other known contingent liabilities.

**Department of Jobs, Tourism, Science and Innovation
Notes to the Financial Statements
For the year ended 30 June 2019**

Note 8. 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	8.1
Initial impact of Australian standards issued not yet operative	8.2
Key management personnel	8.3
Related party transactions	8.4
Related bodies	8.5
Affiliated bodies	8.6
Special purpose accounts	8.7
Remuneration of auditors	8.8
Non-current assets classified as assets held for sale	8.9
Equity	8.10
Supplementary financial information	8.11
Explanatory statement	8.12

Note 8.1 Events occurring after the end of the reporting period

No events occurred after the end of the reporting period which would materially effect the results in the Statement of Comprehensive Income, the balances in the Statement of Financial Position or the notes to the financial statements.

Note 8.2 Initial application of Australian Accounting Standards

AASB 9 Financial Instruments

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

The Agency applied AASB 9 prospectively, with an initial application date of 1 January 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 Agency 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).

Department of Jobs, Tourism, Science and Innovation
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The effect of adopting AASB 9 as at 1 July 2018 was, as follows:

	Adjustments	1 July 2018
		\$'000
Trade Receivables	(a), (b)	-
Loans and Advances	(a)	-
Total Assets		-

The nature of these adjustments are described below:

(a) Classification and measurement. Under AASB 9, financial assets 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 Agency's business model for managing the assets; and whether the assets' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding.

The assessment of the Agency's business model was made as of the date of initial application, 1 January 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 as at the initial recognition of the assets.

The classification and measurement requirements of AASB 9 did not have a significant impact to the Agency. The following are the changes in the classification of the Agency'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 Agency did not designate any financial assets as at fair value through P/L.

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

	AASB 9 Category		
	Amortised	Fair value	Fair value
	cost	through OCI	through P/L
	\$000	\$000	\$000
AASB 139 category			
Loans and receivables			
Trade receivables	652	-	-
Loans and advances	11,986	-	-
	12,638	-	-

**Department of Jobs, Tourism, Science and Innovation
Notes to the Financial Statements
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(b) Impairment. The adoption of AASB 9 has fundamentally changed the Agency'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 Agency to recognise an allowance for ECLs for all financial assets not held at fair value through P/L.

The department has not recognised any impairment losses in respect to financial assets.

Department of Jobs, Tourism, Science and Innovation
Notes to the Financial Statements
For the year ended 30 June 2019

Note 8.3 Key Management Personnel

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

Compensation Band \$

\$930 001 to \$940 000 ^(a)
 \$380 001 to \$390 000
 \$320 001 to \$330 000
 \$270 001 to \$280 000
 \$260 001 to \$270 000
 \$250 001 to \$260 000
 \$240 001 to \$250 000
 \$220 001 to \$230 000
 \$210 001 to \$220 000
 \$200 001 to \$210 000
 \$190 001 to \$200 000
 \$180 001 to \$190 000
 \$170 001 to \$180 000
 \$160 001 to \$170 001
 \$100 001 to \$110,001
 \$ 80 001 to \$ 90 000
 \$ 20 001 to \$ 30 000
 \$ 10 001 to \$ 20 000

	<u>2019</u>	<u>2018</u>
	-	1
	1	-
	-	1
	2	2
	-	1
	1	-
	2	1
	1	2
	-	3
	2	1
	2	2
	3	2
	3	1
	-	1
	1	-
	1	-
	-	1
	1	-
	\$'000	\$'000
	<u>3,975</u>	<u>4,771</u>

Total compensation of senior officers

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

Key management personnel includes personnel provided to Tourism Western Australia on a free of charge basis.

^(a) The compensation shown in the \$930,001 to \$940,000 band for 2018 includes termination benefits.

Department of Jobs, Tourism, Science and Innovation
Notes to the Financial Statements
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Note 8.4 Related party transactions

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

Related parties of the department include:

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

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.

Note 8.5 Related bodies

The department has no related bodies.

Department of Jobs, Tourism, Science and Innovation
Notes to the Financial Statements
For the year ended 30 June 2019

Note 8.6 Affiliated bodies

Tourism WA is an affiliated body governed by a Board of Commissioners appointed under the Western Australian Tourism Commission Act 1983, an independent body not under the control of the Department of Jobs, Tourism, Science and Innovation.

The financial statements of the Department of Jobs, Tourism, Science and Innovation include Tourism WA only to the extent that the department has provided direct funding and services to Tourism WA.

Funding and services are provided to Tourism WA as follows:

- a share of the department's service appropriation, passed on to Tourism WA by way of grants, and
- staff provided to Tourism WA on a '*services provided free of charge*' basis.

All other operational expenditure of Tourism WA is incurred directly by the Commission utilising grant funding received from the department, direct receipts of Royalties for Regions funding and its own-source income.

Funding and the cost of services provided to Tourism WA are disclosed in the Summary of Consolidated Account Appropriations and Income Estimates, under "Details of Expense by Service". These disclosures do not represent the full and comprehensive financial result and financial position of Tourism WA.

For a full disclosure of the financial results and financial position of Tourism WA, refer to the annual report and financial statements of Tourism WA.

Department of Jobs, Tourism, Science and Innovation
Notes to the Financial Statements
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	2019	2018
	\$'000	\$'000
Note 8.7 Special Purpose Accounts		
Special Purpose Accounts established under section 16(1)(d) of the Financial Management Act 2006		
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 is a controlled fund and figures are incorporated into the Department's general Financial Statements.		
Balance at start of the period	628	628
<u>Add receipts</u>	-	-
<u>Less payments</u>	-	-
Balance at end of the period	628	628
Australia China Natural Gas Technology Partnership Trust Fund		
The account holds funds for the purpose of training Chinese managers from the natural gas industry in China, as well as joint Australia/China research programs. Training is conducted in both countries.		
Balance at start of the period	1,054	1,421
<u>Add receipts</u>		
Contribution from Industry	430	430
Total Receipts	430	430
<u>Less payments</u>		
Salaries	85	167
Travel	88	134
Grants - Training	-	5
Other Services - Training Related	857	45
Other payments	48	446
Total Payments	1,078	797
Balance at end of the period	406	1,054
This is a controlled fund and figures are incorporated into the Department's general Financial Statements.		

Department of Jobs, Tourism, Science and Innovation
Notes to the Financial Statements
For the year ended 30 June 2019

	2019 \$'000	2018 \$'000
Note 8.7 Special Purpose Accounts (continued)		
<i>Ashburton North Social Infrastructure Fund (Onslow Community Development Fund - Controlled)</i>		
<p>The purpose of the special purpose account is to quarantine funds received and paid in respect to social infrastructure under the Ashburton North State Development Agreement (Wheatstone Project) in the township of Onslow.</p> <p>There shall be credited to the account such moneys as are received from Chevron Australia Pty Ltd and the State of Western Australia for the purposes of developing social infrastructure for the township of Onslow in terms of the agreement entered into between the State of Western Australia and Chevron Australia Pty Ltd.</p> <p>Moneys standing to the credit of the Account may be applied for the purpose of the fund as agreed between the parties, subject to the terms of the Ashburton North State Development Agreement (Wheatstone Project).</p> <p>The fund is separated into Controlled and Administered sections.</p>		
Balance at start of the period	733	3,014
<u>Add</u> Receipts		
Receipts from Chevron Australia Pty Ltd	-	-
Total Receipts	-	-
<u>Less</u> Payments		
Shire of Ashburton:- Project expenditures	262	2,281
Total Payments	262	2,281
Balance at end of the period	471	733

This is a controlled fund and figures are incorporated into the Department's general Financial Statements.

**Department of Jobs, Tourism, Science and Innovation
Notes to the Financial Statements
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	2019 \$'000	2018 \$'000
Note 8.7 Special Purpose Accounts (continued)		
<i>Onslow Macedon Social Infrastructure Fund - (Controlled)</i>		
The purpose of the special purpose account is to quarantine funds received and paid in respect to social infrastructure under the Macedon State Development Agreement (Domestic Gas) in the township of Onslow.		
There shall be credited to the account such moneys as are received from the Macedon Joint Venturers - BHP Billiton Petroleum (Australia) Pty Ltd and Apache PVG Pty Ltd for the purposes of developing social infrastructure in and around the township of Onslow in terms of the agreement entered into between the State of Western Australia and the Macedon Joint Venturers.		
Moneys standing to the credit of the Account may be applied for the purpose of the fund as agreed by the Onslow Macedon Social Infrastructure Working Group, subject to the terms of the Macedon State Development Agreement.		
The projects to which this fund relates have now been completed and no further receipts or payments are expected.		
Balance at start of the period	-	319
<u>Add Receipts</u>		
Macedon Joint Venturers	-	-
	-	-
<u>Less Payments</u>		
Shire of Ashburton	-	319
	-	319
Balance at end of the period	-	-
This is a controlled fund and figures are incorporated into the Department's general Financial Statements.		

Department of Jobs, Tourism, Science and Innovation
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	2019 \$'000	2018 \$'000
Note 8.7 Special Purpose Accounts (continued)		
<i>Ashburton North Social Infrastructure Fund (Administered)</i>		
<p>The purpose of the special purpose account is to quarantine funds received and paid in respect to social infrastructure under the Ashburton North State Development Agreement (Wheatstone Project) in the township of Onslow.</p> <p>There shall be credited to the account such moneys as are received from Chevron Australia Pty Ltd and the State of Western Australia for the purposes of developing social infrastructure for the township of Onslow in terms of the agreement entered into between the State of Western Australia and Chevron Australia Pty Ltd.</p> <p>Moneys standing to the credit of the Account may be applied for the purpose of the fund as agreed between the parties, subject to the terms of the Ashburton North State Development Agreement (Wheatstone Project).</p> <p>Funds are generally received from Chevron Australia Pty Ltd and applied to the project within the same financial year.</p> <p>The fund is separated into Controlled and Administered sections.</p>		
Balance at start of the period	234	-
<u>Add</u> receipts		
Chevron Australia Pty Ltd	156	732
Net GST Receipts (includes prior year balance)	-	-
	156	732
<u>Less</u> payments		
Shire of Ashburton	390	498
	390	498
Balance at end of the period	-	234
<p>This is an administered fund and is incorporated into the Department's administered Financial Statements which appear in notes 9.1 to 9.3.</p>		

Department of Jobs, Tourism, Science and Innovation
Notes to the Financial Statements
For the year ended 30 June 2019

	2019	2018
	\$'000	\$'000
Note 8.7 Special Purpose Accounts (continued)		
<i>Ashburton North Critical Services Infrastructure Fund (Administered)</i>		
<p>The purpose of the special purpose account is to quarantine funds received and paid in respect to critical services infrastructure under the Ashburton North State Development Agreement (Wheatstone Project) in the township of Onslow.</p> <p>There shall be credited to the account such moneys as are received from Chevron Australia Pty Ltd and the State of Western Australia for the purposes of developing critical services infrastructure for the township of Onslow in terms of the agreement entered into between the State of Western Australia and Chevron Australia Pty Ltd.</p> <p>Moneys standing to the credit of the Account may be applied for the purpose of the fund as agreed between the parties, subject to the terms of the Ashburton North State Development Agreement (Wheatstone Project).</p> <p>Funds are generally received from Chevron Australia Pty Ltd and applied to the project within the same financial year.</p>		
Balance at start of the period	16,745	-
<u>Add receipts</u>		
Chevron Australia Pty Ltd	29,266	68,830
	29,266	68,830
<u>Less payments</u>		
Water Corporation	-	13,800
Horizon Power	14,680	37,300
Department of Main Roads	20,820	928
Other	1,026	41
Net GST Receipts/Payments (includes prior year balance)	(515)	16
	36,011	52,085
Balance at end of the period	10,000	16,745
<p>This is an administered fund and is incorporated into the Department's administered Financial Statements which appear in notes 9.1 to 9.3.</p>		

Department of Jobs, Tourism, Science and Innovation
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	2019 \$'000	2018 \$'000
Note 8.8 Remuneration of Auditors		
Remuneration paid or payable to the Auditor General in respect of the audit for the current financial year is as follows:		-
Auditing the accounts, financial statements controls, and key performance indicators	61	60

Department of Jobs, Tourism, Science and Innovation
Notes to the Financial Statements
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Note 8.9 Non-current assets classified as assets held for distribution

The following table represents a summary of assets held for sale:

	Land	Buildings	Less write-down from cost to fair value less selling costs	Total
	\$'000	\$'000	\$'000	\$'000
2018				
Opening Balance	-	-	-	-
Assets reclassified as held for sale	-	-	-	-
Total assets classified as held for sale	-	-	-	-
Less assets sold	-	-	-	-
Closing balance	-	-	-	-
2019				
Opening Balance	-	-	-	-
Assets reclassified as held for sale	30 759	4 310	-	35 069
Total assets classified as held for sale	30 759	4 310	-	35 069
Less assets sold	-	-	-	-
Closing balance	30 759	4 310	-	35 069

The identified assets are not held for a general sale to the public. It is proposed that the assets will be transferred, following a decision by Government, to Landcorp at agreed value during the 2019-20 financial year.

Department of Jobs, Tourism, Science and Innovation
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Note 8.10 Equity

	2019	2018
	\$'000	\$'000
Contributed equity		
Balance at the start of period	69,822	-
Contributions by owners		
Capital appropriations - Tourism WA	150	
<i>Transfer of net assets from other agencies</i>		
<i>Transfers as a result of a restructure of administrative arrangements - Machinery of Government</i>		
Department of State Development (the former) ^(a)	-	17,121
Department of Mines, Industry Regulation and Safety ^(b)	-	50,155
Department of Premier and Cabinet ^(c)	-	2,749
WA Tourism Commission ^(d)	-	(203)
Total contributions to owners	<u>69,972</u>	<u>69,822</u>
Distributions to owners		
Distributions to owners - Tourism WA	(150)	
<i>Transfers of net assets to other agencies</i>	-	-
Total distributions to owners	<u>(150)</u>	<u>-</u>
Balance at end of period	<u><u>69,822</u></u>	<u><u>69,822</u></u>

- (a) Represents the opening balance transferred in from the continuing entity, the former Department of State Development.
- (b) Represents assets and liabilities transferred in relation to the former Department of Commerce, including, land & buildings, employee leave entitlement provisions and various other assets.
- (c) Represents assets and liabilities transferred from the Department of Premier and Cabinet in respect to the Office of Science and Overseas Trade Offices at London, Dubai and Tokyo. The transfer includes employee leave entitlement provisions and various other assets.
- (d) Represents employee provisions transferred from the WA Tourism Commission to the department. No assets were transferred.

Department of Jobs, Tourism, Science and Innovation
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Accumulated deficit		
Balance at the start of period	(7,726)	-
Result for the period	(2,365)	(7,726)
Balance at the end of period	<u>(10,091)</u>	<u>(7,726)</u>
Total equity at end of period	<u>59,731</u>	<u>62,096</u>

Note 8.11 Supplementary financial information

(a) Write-offs		
During the financial year no amounts were written off in respect to the agency's asset register or other assets.	-	-
(b) Losses through theft, defaults and other causes		
During the financial year there were no write-offs in respect of losses of public money and other property though theft and	-	-
(c) Gifts of public property.		
In overseas trade offices from time to time, minor redundant assets of no recoverable value to the agency, if deemed Other than in the circumstances noted above, there were no gifts of public property provided by the agency during the financial year.	-	-

Department of Jobs, Tourism, Science and Innovation
Notes to the Financial Statements
For the year ended 30 June 2019

Note 8.12 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 5% and greater than a dollar aggregate, being 2% of Total Cost of Services for the Statements of Comprehensive Income and Cash Flows (calculated as \$3,302,000), 2% of Total Assets for the Statements of Financial Position (calculated at \$1,429,000) or \$25 million.

	Variance Note	Estimate 2019 \$'000	Actual 2019 \$'000	Actual 2018 \$'000	Variance between estimate and actual results for \$'000	Variance between actual results for 2019 and 2018 \$'000
Statement of Comprehensive Income variances						
COST OF SERVICES						
Expenses						
Employee benefits expense		36,057	36,238	36,605	181	(367)
Supplies and services	1	32,214	23,182	12,569	(9,032)	10,613
Depreciation		319	226	306	(93)	(80)
Finance costs		28	73	22	45	51
Accommodation expenses		4,695	4,366	4,426	(329)	(60)
Grants and subsidies	2	103,266	99,214	92,338	(4,052)	6,876
Other expenses	3	-	1,649	5,296	1,649	(3,647)
Total cost of services		176,579	164,948	151,562	(11,631)	13,386
Income						
Revenue						
Property Income		1,961	1,802	1,859	(159)	(57)
Commonwealth grants and contributions		438	438	255	-	183
Other revenue & interest revenue	4	2,765	1,205	1,577	(1,560)	(372)
Total Revenue		5,164	3,445	3,691	(1,719)	(189)
Gains		-	80	152	80	(72)
Total income other than income from State Government		5,164	3,525	3,843	(1,639)	(261)
NET COST OF SERVICES		171,415	161,423	147,719	(9,992)	13,647
Income from State Government						
Service appropriation	5	151,408	146,759	138,620	(4,649)	8,139
Services received free of charge		1,124	1,025	493	(99)	532
Royalties for Regions Fund	6	12,144	11,274	880	(870)	10,394
Total income from State Government		164,676	159,058	139,993	(5,618)	19,065
(Deficit) / Total Comprehensive Loss for the Period		(6,739)	(2,365)	(7,726)	4,374	5,418

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Notes to the Financial Statements
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Note 8.12 Explanatory Statement (Controlled Operations) - continued

Statement of Comprehensive Income - Narratives for major variances

Major variances between actual and estimate for 2019

1 Supplies and services.

The reduction in spending against budget was due to the subsequent repositioning of \$2.1 million of program expenditure to later years. The programs repositioned included: Burrup heritage studies (\$0.8 million), Asian engagement initiatives (\$0.6 million) and several other projects (\$0.7 million). In addition to budget repositioning, the department held other professional services expenditure to minimal levels across major discretionary expense categories.

2 Grants and subsidies.

Grants in respect to the Collie Future Fund, amounting to \$3.6 million have been deferred to 2019-20 - the program was launched in January 2109 and applications were being assessed at June 30, an additional \$2.1 million of budget was reflowed for Science related programs.

3 Other expenses and finance costs.

Actual costs includes decrement in value of land and buildings \$1,595,000.

4 Other revenue and interest revenue.

Receipt of \$1.5 million into the Onslow Community Development Fund was postponed until 2019-20, in line with project milestones. Other gains, included foreign exchange, accounted for the remainder.

5 Service appropriation.

Service Appropriation variations were due to repositioning of funding for key projects and initiatives in response to movements in milestone timing.

6 Royalties for Regions Fund.

Program receipts were in line with budget with the exception of a reduction in the WA branding project where expenditure requirements were reassessed against a revised business case.

Major variances between actual results for 2019 and 2018

1 Supplies and services.

The increase in expenditure over the prior year includes \$5.3 million in expenditure for serviced industrial lands at Shotts and Kemerton in conjunction with variation caused by profiled variation on other project timelines.

2 Grants and subsidies.

The New Industries Fund ramped up in activity in 2018-19 with expenditure moving from \$1.7 million in 2018-19 to \$4.6 million in 2018-19. Timing on other based science programs saw grants expenditure increase by around \$1.5 million in 2018-19. Grants in respect to International Education initiatives increased by \$2.1 million over the prior year.

3 Other expenses and finance costs Vs Prior Year.

An expense of \$1,595,000 million representing valuation decrements in respect to land and buildings as a result of annual valuations of land holdings conducted by the Government valuer. The prior year also included \$3,466,000 in payments to the consolidated fund.

4 Other revenue and interest revenue.

Sundry receipts and gains, included foreign exchange, accounted for the variation.

5 Service appropriation.

Service Appropriation variations are primarily due to timing of major project profiles embedded in the department's budget in addition to variations in funding included in Tourism WA's budget. Additional variations caused by repositioning of selected program initiatives to later years also impacts the quantum.

6 Royalties for Regions Fund.

In 2017-18 \$0.880 million in Royalties for Regions funding was received for the Science and Agribusiness connect program. In 2018-19 \$5.267 million was received in relation to serviced lands at Shotts and Kemerton; \$1.454 million was received in relation to the WA Branding project; \$3.750 million was received in relation to the Colie Future Fund, and \$0.803 million was received in respect of the Science and Agribusiness Connect program.

Department of Jobs, Tourism, Science and Innovation
Notes to the Financial Statements
As At 30 June 2019

Note 8.12.2 Explanatory Statement (continued)

Statement of Financial Position variances

	Variance Note	Estimate 2019 \$'000	Actual 2019 \$'000	Actual 2018 \$'000	Variance between estimate and actual results \$'000	Variance between actual results for 2019 and 2018 \$'000
ASSETS						
Current Assets						
Cash and cash equivalents	1	15,485	13,526	19,574	(1,959)	(6,048)
Restricted cash and cash equivalents	2	855	6,516	2,758	5,661	3,758
Receivables		1,937	1,529	1,449	(408)	80
Property, plant and equipment held for distribution	3	-	35,069	-		
Other current assets		2,677	1,247	1,190	(1,430)	57
Total Current Assets		20,954	57,887	24,971	1,864	(2,153)
Non-Current Assets						
Restricted cash and cash equivalents		253	394	249	141	145
Receivables	4	6,663	9,562	9,180	2,899	382
Amounts receivable for services	5	1,380	2,741	1,775	1,361	966
Property, plant and equipment	3	42,917	786	37,676	(42,131)	(36,890)
Other non-current assets		-	68	69	68	(1)
Total Non-Current Assets		51,213	13,551	48,949	(37,662)	(35,397)
TOTAL ASSETS		72,167	71,438	73,920	(35,798)	(37,550)
LIABILITIES						
Current Liabilities						
Payables	9	1,104	1,630	2,548	526	(918)
Provisions	10	8,698	7,789	7,013	(909)	776
Other current liabilities		-	-	-	-	-
Total Current Liabilities		9,802	9,419	9,561	(383)	(142)
Non-Current Liabilities						
Provisions	10	1,578	1,410	1,388	(168)	22
Bonds Repayable		104	107	104	3	3
Loans		736	771	771	35	-
Total Non-Current Liabilities		2,418	2,288	2,263	(130)	25
TOTAL LIABILITIES		12,220	11,707	11,824	(513)	(117)
NET ASSETS		59,947	59,731	62,096	(35,285)	(37,433)
EQUITY						
Contributed equity	6	67,220	69,822	69,822	2,602	-
Reserves	7	11,036	-	-	(11,036)	-
Accumulated (deficit)	8	(18,309)	(10,091)	(7,726)	8,218	(2,365)
TOTAL EQUITY		59,947	59,731	62,096	(216)	(2,365)

Department of Jobs, Tourism, Science and Innovation
Notes to the Financial Statements
As At 30 June 2019

Note 8.12.2 Explanatory Statement (continued)

Statement of Financial Position - Narratives for major variances

Major variances between actual and estimate for 2018

- 1 **Cash and Cash Equivalents.**
Balance sheet movements (receivables and payables), spending from Special Purpose Account reserves and the surplus for the year accounts for the variance in cash and cash equivalents.
- 2 **Restricted Cash and Cash Equivalents.** Restricted Cash and Cash Equivalents represents cash held predominately in special purpose accounts in relation to the Collie Future Fund Royalties for Regions project, the Onslow Community Development Funds for the Wheatstone project, The Australia China Natural Gas Technology Partnership Fund, the agency's Special Projects Fund in relation to other Royalties for Regions Funding. The variation represents timing differences only, as over time, the full value of the funds will be expended for their designated purposes.
- 3 **Property, plant and equipment & Property, plant and equipment held for distribution.**
Since the budget was determined, two rounds of building valuation have taken place, with a net decline in value of \$3.1 million (including land assets and buildings, via the Statement of Comprehensive Income). Asset additions for the year were lower than budget. Assets held at technology parks have been reclassified as current assets held for distribution, as they are likely to be transferred to Landcorp in 2019-20, through equity as a distribution to owners.
- 4 **Receivables - non-current.** The variance is driven by renegotiation of loan repayment schedules in respect to loans held.
- 5 **Amounts receivable for services.**
Under Machinery of Government changes, additions to the Tourism WA asset replacement holding account are required to be held by the agency. This was not anticipated in the budget.
- 6 **Contributed equity.**
Represents variation in budget balances following machinery of government changes.
- 7 **Reserves**
Machinery of Government changes budgeted for the transfer of an asset revaluation reserve. The reserve was subsequently rolled into equity through Machinery of Government adjustments.
- 8 **Accumulated Surplus, Reserves and Contributed Equity.** Accumulated surplus and contributed equity reflect variations in Machinery of Government balances yet to flow through the budget.

Major variances between actual results for 2019 and 2018

- 1 **Cash and Cash Equivalents.**
Balance sheet movements (receivables and payables) and the surplus for the year accounts for the variance in cash and cash equivalents.
- 2 **Restricted Cash and Cash Equivalents.** Restricted Cash and Cash Equivalents represents cash held predominately in special purpose accounts in relation to the Onslow Community Development Funds for the Wheatstone project, The Australia China Natural Gas Technology Partnership Fund, the agency's Special Projects Fund and any applicable Royalties for Regions Funding. The variation represents timing differences only, as over time, the full value of the funds will be expended for their designated purposes.
- 3 **Property, plant and equipment & Property, plant and equipment held for distribution.**
Since the budget was determined, two rounds of building valuation have taken place, with a net decline in value of \$3.1 million (including land assets and buildings, via the Statement of Comprehensive Income). Asset additions for the year were lower than budget. Assets held at technology parks have been reclassified as current assets held for distribution, as they are likely to be transferred to Landcorp in 2019-20, through equity as a distribution to owners.
- 4 **Receivables - non-current.** The variance is driven by renegotiation of loan repayment schedules in respect to loans held.
- 5 **Amounts receivable for services.**
Under Machinery of Government changes, additions to the Tourism WA asset replacement holding account are required to be held by the agency.
- 9 **Payables.** The timing of the payment cycle in relation to payables, combined with the Department's project milestones, results in payables balances that do not show consistency from period to period. The timing of major payments out of Special Purpose Accounts can have a significant impact on payables balances. The addition of Machinery of Government functions has added
- 10 **Provisions.**
The positive result against prior year is the product of pro-active leave management the departure of staff with significant provisions during the year..
- 8 **Accumulated Surplus, Reserves and Contributed Equity.**
Accumulated surplus and contributed equity reflect variations in MOG balances yet to flow through the budget. Also reflects lag in spending of project funds in Special Purpose Accounts.

Department of Jobs, Tourism, Science and Innovation
Notes to the Financial Statements
For the year ended 30 June 2019

Note 8.12.3 Explanatory Statement (continued)

Statement of Cash Flows
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	Variance	Estimate	Actual	Actual	Variance	Variance		Variance	Estimate	Actual	Actual	Variance	Variance
	Note	2019	2019	2018	between	between		Note	2019	2019	2018	between	between
		\$'000	\$'000	\$'000	estimate	actual			\$'000	\$'000	\$'000	estimate	actual
					and	results						and	results
					actual	for 2019						actual	for 2019
					and	and 2018						and	and 2018
CASH FLOWS FROM STATE GOVERNMENT													
Service appropriations	1	151,074	145,793	137,631	(5,281)	8,162	Receipts		1,961	1,802	1,859	(159)	183
Capital appropriations		-	150	-	-	150	Sale of Goods and Services		438	438	255	-	104
Holding account drawdowns		45	45	225	-	(180)	Commonwealth grants		-	336	232	336	-
Non-retained receipts distributed to owner	2	-	-	(3,466)	-	3,466	GST receipts on sales	8	-	-	-	-	(561)
Cash balances transferred in by owner	3	-	-	31,985	-	(31,985)	GST receipts from taxation authority	8	2,525	1,164	1,725	(1,361)	(274)
							Other receipts	9	(169,853)	(159,257)	(144,452)	10,596	(15,022)
Royalties for Regions Fund: Recurrent	4	12,144	11,274	880	(870)	10,394	Net cash provided by/(used in) operating activities						
Net cash provided by State Government		163,263	157,262	167,255	(6,151)	(9,993)	CASH FLOWS FROM INVESTING ACTIVITIES						
							Payments		(45)	-	(264)	45	264
							Purchase of non-current assets		-	-	42	-	(42)
							Receipts		(45)	-	(222)	45	222
							Proceeds from sale of non-current assets						
							Net cash provided by/(used in) investing activities						
							CASH FLOWS FROM FINANCING ACTIVITIES						
							Receipts						
							Loan repayments received	10	1,032	-	-	(1,032)	-
							Payments		(1,032)	-	-	1,032	-
							Loan repayments distributed to owner	10	(28)	-	-	-	-
							Interest Payments		(28)	-	-	-	-
							Net cash provided by/(used in) financing activities						
							Net increase/(decrease) in cash and cash equivalents	11	(6,663)	(1,995)	22,581	4,668	(24,576)
							Cash and cash equivalents at the beginning of the period		23,256	22,581	-	(675)	22,581
							Cash and cash equivalents at the end of the period		16,593	20,586	22,581	3,993	(1,995)

Utilised as follows:

CASH FLOWS FROM OPERATING ACTIVITIES

Payments

Employee benefits	5	(35,966)	(35,717)	(38,877)	249	3,160
Supplies and services	6	(30,675)	(22,432)	(11,835)	8,243	(10,597)
Accommodation		(4,648)	(4,366)	(4,426)	282	60
Grants and subsidies	7	(103,267)	(99,214)	(92,338)	4,053	(6,876)
GST payments on purchases	8	-	(4,721)	(3,114)	(4,721)	(1,607)
GST refund from (payments to) taxation authority	8	-	4,194	2,747	4,194	1,447
Other payments		(221)	(741)	(680)	(520)	(61)

Notes to the Financial Statements For the year ended 30 June 2019

Note 8.12.3 Explanatory Statement (continued)

Statement of Cash Flows - Narratives for major variances

Major variances between actual and estimate for 2019

- 1 **Service Appropriation.** Service Appropriation variations were due to repositioning of funding for key projects and initiatives in response to movements in milestone timing.
- 4 **Royalties for Regions Fund.** Program receipts were in line with budget with the exception of a reduction in the WA branding project where expenditure requirements were reassessed against a revised business case.
- 6 **Supplies and services.** The reduction in spending against budget was due to the subsequent repositioning of \$2.1 million of program expenditure to later years. The programs repositioned included: Burrup heritage studies (\$0.8 million), Asian engagement initiatives (\$0.6 million) and several other projects (\$0.7 million). In addition to budget repositioning, the department held other professional services expenditure to minimal levels across major discretionary expense categories.
- 7 **Grants and Subsidies.** Grants in respect to the Collie Future Fund, amounting to \$3.6 million have been deferred to 2019-20 - the program was launched in January 2109 and applications were being assessed at June 30. An additional \$2.1 million of budget was reflowed for Science related programs.
- 8 **GST payments and receipts.** Except for significant individual transactions, GST receipts and payments are not profiled in the Department's budget papers.
- 9 **Other receipts.** Receipt of \$1.5 million into the Onslow Community Development Fund was postponed until 2018-19, in line with project milestones. Variation on other income sources and gains, including foreign exchange, accounted for the remainder.
- 10 **Cash flows from financing activities.** Receipts from loans and payment to the Consolidated Fund did not occur following renegotiation of the underlying loan's repayment terms.
- 11 **Net increase/(decrease) in cash and cash equivalents.** Includes the result for the year and movement in asset and liability accounts.

Major variances between actual results for 2019 and 2018

- 1 **Service Appropriation.** Service Appropriation variations are primarily due to timing of major project profiles embedded in the department's budget as well as variations in funding included in Tourism WA's budget. Additional variations caused by repositioning of selected program initiatives to later years also impacts the quantum.
- 2 **Non-retained receipts distributed to owner.** Prior year represents Royalties for Regions receipts received through changes to administrative arrangements and subsequently returned to owner.
- 3 **Cash balances transferred in from owner.** Prior year represents balances transferred in on formation of the department through changes to administrative arrangements.
- 4 **Royalties for Regions Fund.** In 2017-18 \$0.880 million in Royalties for Regions funding was received for the Science and Agribusiness connect program. In 2018-19 \$5.267 million was received in relation to serviced lands at Shotts and Kemerton; \$1.454 million was received in relation to the WA Branding project; \$3.750 million was received in relation to the Colie Future Fund, and \$0.803 million was received in respect of the Science and Agribusiness Connect program.
- 5 **Employee Benefits.** Prior year included the cost of a voluntary severance program.
- 6 **Supplies and services.** The increase in expenditure over the prior year includes \$5.3 million in expenditure for serviced industrial lands at Shotts and Kemerton in conjunction with variation caused by profiled variation on other project timelines.
- 7 **Grants and Subsidies.** The New Industries Fund ramped up in activity in 2018-19 with expenditure moving from \$1.7 million in 2018-19 to \$4.6 million in 2018-19. Timing on other science programs saw grants expenditure increase by around \$1.5 million in 2018-19. Grants in respect to International Education initiatives increased by \$2.1 million over the prior year.
- 8 **GST payments and receipts.** Except for significant individual transactions, GST receipts and payments are not profiled in the Department's budget papers.
- 9 **Other receipts.** Sundry receipts and gains, included foreign exchange, accounted for the variation.
- 10 **Cash flows from financing activities.** Receipts from loans and subsequent payment to the Consolidated Fund did not occur following renegotiation of the underlying loan's repayment terms.
- 11 **Net increase/(decrease) in cash and cash equivalents.** Includes the result for the year and movement in asset and liability accounts.

Department of Jobs, Tourism, Science and Innovation
Notes to the Financial Statements
For the year ended 30 June 2019

Note 9 Administered disclosures

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

Administered transactions and balances relate to activities and functions that the department manages on behalf of Government and do not contribute to the department's services or objectives.

	Notes
Disclosure of administered income and expenses by service	9.1
Explanatory statement for administered items	9.2
Administered assets and liabilities	9.3

Northern Australia Infrastructure Facility

Under section 96 of the Australian Constitution, the Commonwealth Parliament may provide financial assistance to the State on such terms and conditions as the Parliament thinks fit.

The Government of Western Australia participates in the Commonwealth Government's "Northern Australia Infrastructure Facility" (NAIF), whereby Commonwealth loans are facilitated for eligible projects on behalf of private industry participants contributing towards economic growth in Northern Australia.

Cash receipts and payments in relation to the facility are received by the department and passed on to approved recipients.

Accounting advice received has determined that the transactions may be treated on a "pass through" basis in the financial statements of the department, and not recognised as either income, expense, asset or liability as all responsibility and liability remains with the Commonwealth.

Consequently, NAIF transactions, while passing through the department's dedicated NAIF bank account in its administered accounts, do not appear in the administered financial statements.

Department of Jobs, Tourism, Science and Innovation
Notes to the Financial Statements
For the year ended 30 June 2019

Note 9.1
Disclosure of Administered Income and expenses

	2019 \$'000	2018 \$'000
INCOME AND APPROPRIATION		
Service Appropriation	22,236	21,983
Total Income from State Government	<u>22,236</u>	<u>21,983</u>
<u>Income</u>		
Income from external project proponents ^(c)	29,422	69,562
Interest received on loans	155	57
Other income (unwinding of discount on loan receivable)	736	714
Total administered revenue	<u>30,313</u>	<u>70,333</u>
Total Administered Income and Appropriation	<u>52,549</u>	<u>92,316</u>
<u>Expenses</u>		
Grants and subsidies - State Programs ^(a)	19,455	18,761
Grants and subsidies - Onslow Social and Critical Infrastructure ^(b)	44,300	52,184
Grants to Tourism WA	2,800	2,800
Non-retained receipts distributed to owner	1,181	1,176
Total administered expenses	<u>67,736</u>	<u>74,921</u>
Administered Surplus/(Deficit) for the year	<u>(15,187)</u>	<u>17,395</u>

^(a) 2018-19 includes Burrup Seawater Pipeline Subsidy \$10,334 million (2017-8 \$10.08 million) paid to Water Corporation of Western Australia and the Pilbara Port Authority Bulk Liquids Berth Subsidy \$9.121 million (2017-18 \$8.68 million).

^(b) Includes payments of \$29,422 million paid out of funds received from Chevron in 2018-19 plus \$14.878 million paid out of funds received from Chevron in 2017-18.

^(c) Income received from Chevron Australia and paid out as grants in respect to the Wheatstone critical and social infrastructure programs in respect to the township of Onslow.

Department of Jobs, Tourism, Science and Innovation
Notes to the Financial Statements
For the year ended 30 June 2019

All variances between estimates (original budget) and actual results for 2018, and between the actual results for 2019 and 2018 are shown below. Narratives are provided for key major variances, which are generally greater than 5% and greater than a dollar aggregate, being 2% of Total Cost of Services for the Statement of Comprehensive Income (calculated as \$1,354,000) or \$25 million.

Note 9.2 Explanatory statement for administered items

	Variance note	Estimate 2019 \$'000	Actual 2019 \$'000	Actual 2018 \$'000	Variance between estimate and actual \$'000	Variance between actual results for \$'000
INCOME AND APPROPRIATION						
Service Appropriation		22,236	22,236	21,983	-	253
Total Income from State Government Income		22,236	22,236	21,983	-	253
Income from external project proponents	1	71,200	29,422	69,562	(41,778)	(40,140)
Interest received on loans		136	155	57	19	98
Other income (unwinding of discount on loans receivable)	2	698	736	714	38	22
Total administered revenue		72,034	30,313	70,333	(41,721)	(40,020)
Total Administered Income and Appropriation		94,270	52,549	92,316	(41,721)	(39,767)
Expenses						
Loan Discounting		-	-	-	-	-
Grants and subsidies - State Programs		19,436	19,455	18,761	19	694
Grants and subsidies - Onslow Social and Critical Infrastructure	3	68,400	44,300	52,184	(24,100)	(7,884)
Grants to Tourism WA		2,800	2,800	2,800	-	-
Non-retained receipts distributed to owner	4	136	1,181	1,176	1,045	5
Total administered expenses		90,772	67,736	74,921	(23,036)	(7,185)
Administered Surplus/(Deficit) for the year	5	3,498	(15,187)	17,395	(18,685)	(32,582)

Major estimate and actual variance narratives

Major variances between actual and estimate for 2019

- Income from external project proponents.** The Onslow critical and social infrastructure projects (Wheatstone project) are milestone dependant and funded by Chevron. Funds are drawn down and distributed as grants only when appropriate milestones are met. While actual may vary from estimate in a particular year, income and expenditure is expected to be on target over the full life of the project.
- Other income.** Represents discount unwinding in respect to loans that have been issued at non-commercial rates of interest.
- Grants and subsidies - Onslow Social and Critical Infrastructure.** The Onslow critical and social infrastructure projects (Wheatstone project) are milestone dependant and funded by Chevron. Funds are drawn down and distributed as grants only when appropriate milestones are met. While actual may vary from estimate in a particular year, income and expenditure is expected to be on target over the full life of the project. Grants and income from external proponents are directly linked.
- Non-retained receipts distributed to owner.** Represents receipts from loan repayments returned to the consolidated fund at State Treasury. Loan receipts were not correctly profiled in the budget following machinery of government changes, resulting in the variance shown.
- Administered surplus/(deficit) for the year.** Income is received from Chevron Australia and paid out as grants in respect to the Wheatstone critical and social infrastructure programs for the township of Onslow. \$17,378,000 was received from Chevron in 2017-18, with \$14,878,000 paid or accrued in 2018-19, resulting in an administered deficit for the year - the remaining \$2,500,000 will be paid in 2019-20.

Major variances between actual results for 2019 and 2018

- Income from external project proponents.** The Onslow critical and social infrastructure projects (Wheatstone project) are milestone dependant and funded by Chevron. Funds are drawn down and distributed as grants only when appropriate milestones are met. While actual may vary from estimate in a particular year, income and expenditure is expected to be on target over the full life of the project.
- Other income.** Represents discount unwinding in respect to loans that have been issued at non-commercial rates of interest.
- Grants and subsidies - Onslow Social and Critical Infrastructure.** The Onslow critical and social infrastructure projects (Wheatstone project) are milestone dependant and funded by Chevron. Funds are drawn down and distributed as grants only when appropriate milestones are met. While actual may vary from estimate in a particular year, income and expenditure is expected to be on target over the full life of the project. Grants and income from external proponents are directly linked.
- Non-retained receipts distributed to owner.** Represents receipts from loan repayments returned to the consolidated fund at State Treasury.
- Administered surplus/(deficit) for the year.** Income is received from Chevron Australia and paid out as grants in respect to the Wheatstone critical and social infrastructure programs for the township of Onslow. \$17,378,000 was received from Chevron in 2017-18, with \$14,878,000 paid or accrued in 2018-19, resulting in an administered surplus in 2017-18 and an administered deficit in 2018-19 - the remaining \$2,500,000 will be paid in 2019-20.

Department of Jobs, Tourism, Science and Innovation
Notes to the Financial Statements
As At 30 June 2019

Note 9.3 Administered assets and liabilities

	2019	2018
	\$'000	\$'000
<u>Current assets</u>		
Cash and cash equivalents	14,034	21,030
Receivables	-	35
Loan receivables ^(a)	465	424
GST receivable	750	511
Total administered current assets	15,249	22,000
<u>Non-current assets</u>		
Loan receivables ^(a)	13,720	14,051
Loan receivables potentially convertible to grants - Dampier Gas Pipeline ^(b)	88,067	88,067
Loan receivables provision for conversion to grants - Dampier Gas Pipeline ^(b)	(88,067)	(88,067)
Total administered non-current assets	13,720	14,051
TOTAL ADMINISTERED ASSETS	28,969	36,051
<u>Current liabilities</u>		
Payables	8,250	145
Total administered current liabilities	8,250	145
TOTAL ADMINISTERED LIABILITIES	8,250	145
NET ASSETS	20,719	35,906
<u>Equity</u>		
Contributed equity	18,511	18,511
Surplus/(deficit) for the period	(15,187)	17,395
Accumulated surplus/(deficit)	17,395	-
TOTAL EQUITY	20,719	35,906

(a) This represents the discounted value of loans, at non-commercial interest rates, receivable from third parties. The loans are discounted periodically, with the discount unwound and shown as income over the intervening periods. Net discount netted off the balance date is \$2.432 million.

(b) Relates to a loan established in relation to the Dampier to Bunbury Natural Gas Pipeline. Under the loan agreement, executed in 2004, the proponent may, at its absolute discretion, apply to the minister to convert the loan into a grant, hence rendering the loan no longer repayable.

Administered contingent assets and liabilities

There are no known administered contingent assets and liabilities

**Department of Jobs, Tourism, Science and Innovation
Certification of Key Performance Indicators**

I hereby certify that the performance indicators are based on proper records, are relevant and appropriate for assisting users to assess the Department of Jobs, Tourism Science and Innovation's performance and fairly represent the performance of the Department of Jobs Tourism Science and Innovation for the financial year ending 30 June 2019.



Rebecca Brown
Director General

29 August 2019

Performance overview

Key Performance Indicators

Under the Outcome Based Management framework, our department measures its performance through agreed Key Performance Indicators (KPIs).

These KPIs measure our performance and help evaluate the work we do towards achieving desired outcomes.

The KPIs for the department are under review with a revised Outcome Based Management structure expected to be in place for the 2019–20 reporting period.

The following is a summary of our performance against currently approved KPIs for 2018-19.

The KPI section in this annual report does not include the KPIs relating to Tourism Western Australia. For further information on Tourism Western Australia KPIs refer to the 2018-19 annual report of the Western Australian Tourism Commission.

Audited KPI effectiveness indicators

Effectiveness indicators provide information regarding the effectiveness of the department in achieving its objectives. The department has two effectiveness indicators:

Effectiveness KPI # 1	Target	Actual 2018-19	Actual 2017-18
Extent to which agreed milestones for projects where the department is lead agency are achieved within the reporting period	85%	81%	80%

This indicator measures the extent to which agreed milestones across major projects where the department is the lead agency were achieved.

In 2018-19, the department achieved 81% of these milestones against a target of 85%.

External variables such as market conditions, timing of investment decisions and obtaining necessary approvals effect the achievement of milestones.

Effectiveness KPI # 2	Target	Actual 2018-19	Actual 2017-18
Extent to which State Agreement proponents comply with their reporting obligations and meet the Agreement objectives	95%	96%	96%

This indicator measures the extent to which companies subject to State Agreement Act reporting requirements met their annual reporting obligations.

The result of 96% indicates that the department has ensured companies perform against their reporting obligations under the various State Agreement Acts.

Audited KPI efficiency indicator

This efficiency indicator measures the cost efficiency of the department in delivering projects across its portfolio of responsibilities.

Efficiency KPI	Target	Actual 2018-19	Actual 2017-18
Average cost per project facilitated	\$638,000 ^(a)	\$589,900	\$438,500

^(a)The Estimated Actual for 2018-19, included in the 2019-20 budget papers was adjusted from \$638,000 to \$608,000 to allow for budget funding repositioning and other adjustments approved throughout the 2018-19 year.

The budget KPI included 88 projects, while the 2018–19 actual calculation included a review of projects, including new projects and concluded projects during the year, bringing the actual total to 82 projects.

Projects may commence and cease in any given year, and the financial impact of any one particular project may not be proportional to the average cost of projects. The movement in project numbers in 2018-19 had the impact of driving the average cost per project facilitated downwards.

Certain projects receive specific funding while the majority of projects are progressed using agency core funding. Specific project funding, when received for a finite period can have the impact of yielding inconsistent results from year to year. Grants programs and policy development costs are excluded from this KPI.

Actual for the year was 7.5% lower than budget, reflecting a variation in the number of projects and a significant repositioning of budgeted project funds from 2018-19 into later years to recognise revised milestone timelines of funded projects. The department also achieved savings across its cost of services in 2018-19 by actively holding costs to low levels. The variation between actual results and estimated actual for the year was only 3.0%.

The Under Treasurer has approved discontinuation of the efficiency KPI “Average cost per identified major state initiative”. Following Machinery of Government changes on 1 July 2017, this KPI is considered no longer relevant or representative of the department’s activities and focus.

Financial performance

Actual results versus budget targets

	2018-19 Target (1) (\$000)	2018-19 Actual (\$000)	Variation (\$000)
Total cost of services (expense limit) (sourced from Statement of Comprehensive Income)	176,579	164,948	(11,631)
Net cost of services (sourced from Statement of Comprehensive Income)	171,415	161,423	(9,992)
Total equity (sourced from Statement of Financial Position)	59,947	59,731	(216)
Net increase / (decrease) in cash held (sourced from Statement of Cash Flows)	(6,663)	(1,995)	4,668
Approved salary expense level	31,797	32,124	327

(1) Budget statements for the department are included in budget statements for the combined entity of the Department of Jobs, Tourism, Science & Innovation and Tourism WA. Consequently, neither entity is separately identifiable from the published budget statements, necessitating the preparation of annual estimates in terms of Treasurer's Instruction 953 and approved by the Minister in accordance with section 40 of the Financial Management Act 2006. The budget estimates used throughout the financial statements reflect the Section 40 estimates.

Total cost of services

The department's result against total cost of services was \$11,631,000 under target for the year. Prime drivers of the result include the Royalties for Regions funded Collie Future Fund, which launched in January 2019. At 30 June 2019, the department was in the process of assessing several funding applications. The budget variation of \$3,750,000 for the Collie Future Fund will be addressed early in 2019-20.

\$4,200,000 in budget funding (\$2,100,000 in grants and \$2,100,000 in other project related professional services) was repositioned to later years through the mid-year review and budget processes to realign the budget with known project milestones and expenditure timelines.

\$1,003,000 in budgeted Royalties for Regions funding was not drawn-down in relation to the WA

Branding project following the submission of a new business plan. Timing of project implementation resulted in an additional \$785,000 of approved expenditure deferred until 2019-20.

The budget included a payment of \$1,032,000 to the consolidated fund for repatriation of loan receipts. The receipts and payment did not occur during the year as a consequence of the approval of a revised repayment schedule for the underlying loan.

The remainder of the variance in total cost of services, including overseas offices which came in at \$476,000 under budget, is the result of savings generated across general expense and overhead categories through the department.

Net cost of services

Net cost of services follows the same pattern as total cost of services, subject to the inclusion of external income.

The major variance in income was the Onslow Community Development Fund (Special Purpose Account) which was budgeted to commence annual receipts of \$1,500,000 from Chevron into the fund to progress community-based projects in the township of Onslow under the Wheatstone Development Agreement.

In 2018-19 it was determined that the Special Purpose Account had sufficient funds to its credit for current needs, and the annual Chevron contribution into the fund would commence when the budgets for new projects were established.

Net decrease in cash held

The prime driver of the improved cash position compared to budget was the underspend in the Collie Future Fund (\$3,750,000) and Royalties for Regions WA Branding Project (\$785,000) in addition to other savings generated across the department.

Other financial disclosures

Employment and industrial relations

Our people

The Department of Jobs, Tourism, Science and Innovation (JTISI) was formed on 1 July 2017 and became the employing authority for staff from the following former agencies:

- Department of State Development
- Western Australian Tourism Commission
- Industry Development Division of the Department of Commerce
- Office of Science
- Agent General Office London
- North Asia and Middle East overseas offices from the Department of the Premier and Cabinet
- International Education from the Department of Education Services.

The department provides staff to support the work of the Western Australian Tourism Commission (Tourism WA) under a service arrangement.

The full time equivalent (FTE) allocation by gender and tier for the department as at 30 June 2019 was:

2017-18	Female	Male	Total
FTE no. by Tier 1, 2 & 3	7	11	18
% by Tier 1, 2, 3	39%	61%	100%
FTE no. of Total Agency	148.6	96.1	244.7
% of Total Agency	60.7%	39.3%	100%

2018-19	Female	Male	Total
FTE no. by Tier 1, 2 & 3	9	9	18
% by Tier 1, 2, 3	50%	50%	100%
FTE no. Total Agency	173.51	93.3	266.81
% of Total Agency	65%	35%	100%

Industrial relations

Five staff members are employed under the *Salaries and Allowances Tribunal Act 1975* and most of the remainder are employed under the Public Service and Government Officer's CSA General Agreement 2017. The Department of Mines, Industry Regulation and Safety provides a payroll service for staff located at 1 Adelaide Terrace, East Perth under a service level agreement; and staff working at the Western Australian Tourism Commission are paid by the department. There were no significant industrial relations issues during 2018–19.

Senior staff changes

On 3 September 2018, Rebecca Brown commenced as Director General and Chief Executive Officer for Tourism WA; and on 8 October 2018, Brodie Carr commenced following his appointment as Managing Director, Tourism WA. Robert Delane, acting Deputy Director General International Education, Trade and Investment, ceased employment with JTISI on 31 August 2018 and Geoffrey Wedgwood, Deputy Director General Resources Development and Defence ceased employment with the agency on 28 June 2019.

Workforce planning

We are committed to building capability and supporting our people. Various initiatives were offered to staff during the financial year as:

- Leadership capability for different levels was enhanced, with staff successfully gaining places in the 2019 Public Sector Management Program and the 2019 CEDA Copland Leadership Program.



- Women at different levels in the agency participated in the CEDA Women in Leadership event and in March, 20 JTSI staff attended International Women's Day Events hosted by Engineers Australia and the Chamber of Commerce and Industry WA.
- The newly developed Work Development Plans were rolled out and managers and staff were provided training on constructive performance development conversations.
- Plain English & Grammar training was offered to staff across the agency.
- The Mentoring Program was launched in March with 13 staff participating.

- An initiative was undertaken to enable executive support staff to do their jobs more efficiently and effectively and support a culture of working together using departmental systems and processes in a consistent way.
- Through the department's Career Development Support Scheme, financial assistance and study leave were also available to staff, supporting staff to undertake higher education or other learning programs of relevance to the agency.

In January 2019, two university graduates joined the department as part of our continued support for youth through a joint initiative with two other government agencies.

Pricing policies

The department does not provide any goods and services for which fees are charged.

Capital projects

The department currently administers no capital projects.

Ministerial directives

No Ministerial directives were received during this financial year.



JTSI staff participated in a variety of programs during 2018-19, including leadership and mentoring programs, and career development.



Governance disclosures

Unauthorised use of credit cards

Officers of the department hold corporate credit cards where their functions warrant use of the facility. All cardholders are advised of their credit card use obligations when issued with their card.

Thirty-one individual events occurred during 2018-19 and in each case repayment was made by the officer involved as soon as they were aware of the error.

The matters were not referred for disciplinary action as the Chief Financial Officer noted prompt advice and settlement of the personal use amount, and that the expenditure was characteristic of a legitimate mistake.

2018-19	Amount (\$)
Aggregate amount of personal use expenditure for the reporting period	1,049
Aggregate amount of personal use expenditure settled by the due date (within five working days)	260
Aggregate amount of personal use expenditure settled after the period (after five working days)	789
Aggregate amount of personal use expenditure outstanding at balance date	nil

Other legal requirements

Advertising

The department incurred the following expenditure on advertising.

Media advertising and promotion	Amount (\$)
Faircount Media Asia Pty Ltd	25,900
Perth USAsia Centre	41,663
Indo-Australian Chamber of Commerce	2,091
Initiative Media Australia Pty Ltd	7,955
State Law Publisher	582
Adcorp Australia	832
Yaffa Media Pty Ltd	3,010
Asia Pacific Defence Reporter	3,750
Alyka Pty Ltd	38,250
TOTAL	124,033

Disability Access and Inclusion Plan outcomes

Our department's Disability Access and Inclusion Plan (DAIP) is in accordance with the legislative framework.

The seven desired outcomes in the DAIP are supported by strategies to address the gaps identified in meeting the legislative requirements. The strategies are also informed by the review and consultation undertaken in preparation of the plan.

A five-year (2018-2023) DAIP has been implemented by the department and includes all outcomes required under the legislation.

During 2018-19, the following activities were progressed:

Outcome 1 - People with disability have the same opportunities as other people to access the services of, and any events organised by, the department.

Best endeavours are made for all events conducted or sponsored by our department to ensure that the events facilitate the desired access and inclusion outcomes expressly or implicitly set out in the DAIP. Specifically, all things reasonable are done to ensure that there are sufficient facilities at the venue for persons with disability to attend and maximise their participation in and enjoyment of the event.

Outcome 2 - People with disability have the same opportunities as other people to access the buildings and other facilities of the department.

Our department maintains its premises (including parking and conference and meeting rooms) to facilitate ease of access for all people. We always ensure that advice is sought when planning and designing any facilities or undertaking major refurbishments.

Outcome 3 - People with disability receive information from the department in a format that will enable them to access the information as readily as other people are able to access it.

People can contact our department if they require information in alternative formats. We also continue to maintain our website to facilitate stronger alignment with current standards. All new online information and functionality implemented by our department is developed in line with best practice for people with disability wherever possible.

Outcome 4 - People with disability receive the same level and quality of service from staff as other people receive from staff of the department.



Staff members who interact with the public receive awareness training and support to enable them to assist visitors with a disability.

Outcome 5 - People with disability have the same opportunities as other people to make complaints to the department.

All existing complaint mechanisms are aimed at meeting the needs of people with disability. Our department provides a variety of feedback mechanisms for people with disability to lodge grievances and comments.

Outcome 6 - People with disability have the same opportunities as other people to participate in any public consultation by the department.

When consultation is sought, we gain public input directly and through survey organisations and other research bodies. Our department reminds all staff and survey organisations of this outcome in the DAIP, including the ability to provide the same opportunities for people with disability to be involved in any public consultation.

Outcome 7 - People with disability have the same opportunities as other people to be employed by the department.

Our department's recruitment and employment policies and practices reflect the aim of having a diverse workforce and supporting personnel with disability. We also capture accurate demographic and disability data from our employees.

Recordkeeping

Our department operates two records management systems for our two main offices in Western Australia. Both systems have respective recordkeeping plans enabling the ongoing digitisation, retention and disposal of records to be effectively managed for both sites. We are actively moving files off site and moving to electronic file management wherever possible to enable these offices to both relocate to single accommodation at One William Street in 2020.

Freedom of information

Our Corporate Services division manages the processes for the department under the *Freedom of Information Act 1992*. The department's Information Statement was updated during the year and made available on our website. The Information Statement describes the functions of the department, the nature of the information held by the department and the type of information made available to the public.

The department received 12 applications for access to information under the *Freedom of Information Act 1992*, all of which were non-personal. The average time taken to process each application was 40 days.

The department received two applications for an internal review of its decisions. The department confirmed its decisions in both cases. Neither of the applicants lodged a complaint with the Office of the Information Commissioner.

"The department's social club, Club 1AT, runs a program of events throughout the year, which range from physical activities such as the bi-annual and hotly contested petanque and bowling tournaments, to events with a social focus such as sundowners, movies, and the annual Cancer Council's Biggest Morning Tea and bake-off competition.

Club1AT events bring together staff with different interests from all areas of the department, and form a vital part of the social glue connecting different people and parts of the agency. Club 1AT events provide a chance to celebrate our staff's strengths, outside of the office, ranging from baking to bowling and with lots of fun in between."

— Annabel Price, Science and Innovation Project Officer
(and social club Easter prize winner, April 2019)

Government policy requirements

Compliance of public sector standards and ethical codes

We are committed to fostering a culture of ethical behaviour and ensuring the highest standards of integrity and transparency in all interactions. We actively discourage corrupt acts and deal promptly and fairly with instances of misconduct.

All new employees receive a comprehensive induction with a strong focus on the expectation of highly ethical behaviour, declarations of conflicts of interest and responsibility for reporting suspected unethical behaviours or actions.

The Corruption and Crime Commission (CCC) tabled its report, "Report on WA Commissioner in Japan" in State Parliament on 12 March 2019. The report outlined the CCC's findings in regard to its investigation into the Government of Western Australia's Tokyo Office, and conduct of the trade commissioner.

The CCC report stated that its investigation was conducted with comprehensive assistance from JTSI.

The Director General announced in March 2019 the commencement of an International Offices Review—a comprehensive and independent review of the Government's international trade offices, and the associated support and oversight arrangements of these offices. This review is expected to be completed in late 2019.

The Director General also commissioned an internal audit, conducted by KPMG, of the overseas trade offices, including an audit of the remuneration, entitlements and travel of all Commissioners and Agent Generals over the last ten years. This audit is expected to be completed in quarter one of 2019-20.

Departmental policies are available to all employees, including a Code of Conduct and Conflict of Interest Policy. Employees are aware there is an obligation to disclose interests that could reasonably create a perception of bias, or an actual conflict of interest.

During 2018-19, we continued to integrate and consolidate human resources management policies and procedures to ensure they met legislative and governance responsibilities in regards to managing people across the business.

Our department's Work Development Plans encourage open and honest discussion between managers and employees relating to our agency values, including integrity.

Experienced independent recruitment consultants are used for the majority of long-term and permanent appointments across the agency. The department's human resources staff also review all selection reports prior to approval by the Director General.

In accordance with the *Public Interest Disclosure Act 2003*, the department has duly appointed Public Interest Disclosure Officers and has published internal policies and procedures related to its obligations. During 2018–19 there were:

- 0 public interest disclosures
- 0 formal grievances
- 1 disciplinary matter
- 3 breach of standards claims with 2 dismissed and 1 in review.

Substantive equality

Our department is committed to the principles of substantive equality. Although we do not deliver services directly to Indigenous or minority groups in our community, we interact with Indigenous people

through consultation and forums, where community members are invited to give feedback on proposed and existing State projects.

Occupational safety, health and injury management

Our department is committed to developing a culture of safety awareness at all levels of the organisation. Our executive works to support the work of managers, employees and other stakeholders in identifying and managing safety and health issues in the workplace.

Our staff are encouraged to be proactive and identify and report hazards, as well as suggest improvements to practices and procedures. All occupational safety and health related information is readily available to staff.

We currently have occupational safety and health committees at each of the department's Perth locations that meet regularly and actively work to promote and resolve any issues or hazards.

During 2018-19, six Occupational Safety and Health (OSH) representatives were appointed or renewed their roles. Our OSH representatives conducted quarterly workplace inspections to ensure the workplace was free of hazards. Facilities management staff work closely with OSH representatives and the safety coordinator to resolve OSH matters.

As a result of the amalgamation of the department, work is continuing for the development of a JTSI occupational safety and health system and management plan that also includes review of current policies and programs. The JTSI management plan will align with the Code of

Practice, Occupational Safety and Health in the Western Australian Public Sector.

A health and wellness program has been offered across the department, providing the opportunity for participation to improve morale and related health benefits. These have included flu vaccination, skin cancer screenings and lunchtime classes such as yoga and

Pilates. First Aid training for staff was also undertaken in February and June 2019.

The department also offers free counselling to staff, partners and immediate family through our employee assistance providers.

Injury management

The department complies with the *Worker*

Compensation and Injury Management Act 1981 with a focus on the officer being able to return safely to meaningful work following illness or injury. Our internal policy outlines the steps to be taken to assist an officer impacted by these circumstances.

In 2018-19, no employees required assistance with return to work following injury or illness.

Occupational Safety and Health – statistics

Measures	Former agencies ⁽¹⁾	Results, targets and commentary for Department of Jobs, Tourism, Science and Innovation				
		Results 2016-17 ⁽²⁾ Prior year	Results 2017-18 ⁽²⁾ Prior year	Current reporting year	Targets	Comments towards targets
No. of fatalities	DSD	0	0	0	0	Achieved
	Tourism WA	0				
Lost time injury and disease incident rate	DSD	0.6%	0	0.74%	0 or 10% reduction	Not achieved
	Tourism WA	0				
Lost time injury and severity rate	DSD	0	0	0	0 or 10% reduction in severity	Achieved
	Tourism WA	0				
Percentage of injured workers returned to work (1) within 13 weeks	DSD	n/a	n/a	0	100%	Achieved
	Tourism WA	n/a				
Percentage of injured workers returned to work (2) within 26 weeks	DSD	n/a	n/a	100%	Greater than or equal to 80%	Achieved
	Tourism WA					
Percentage of managers trained in occupational safety, health and injury management responsibilities, including refresher training within 3 years	DSD	50%	60%	100%	Greater than or equal to 80%	Not Achieved. OSH training for managers and staff planned for 2019-20. OSH is covered in all new employee inductions.
	Tourism WA	69%				

(1) Former agencies for JTSI includes only whole agencies i.e. former Department of State Development (DSD) & Western Australian Tourism Commission (Tourism WA) (the prior years do not include Office of Science; Industry Development, Department of Commerce or International Education).

(2) The performance reporting examines a three-year trend and, as such, the comparison base is two years prior to the current reporting year.

Appendix 1: Legislation and changes to legislation

The department administers five Statutes and 64 State Agreements on behalf of the Western Australian Government. As part of this responsibility, we also negotiate new agreements, variations, terminations and repeals of State Agreement Acts as required.

This list outlines the Acts and Agreement Acts, by commodity, as at the end of the 2018–19 reporting year.

Statutes administered by the department

1. *Government Agreements Act 1979*
2. *Nuclear Activities Regulation Act 1978*
3. *Texas Company (Australasia) Limited (Private) Act 1928*
4. *The Commonwealth Oil Refineries, Limited (Private), Act 1940*
5. *State Agreements Legislation Repeal Act 2013*

Agreement Acts administered by the department

Alumina

1. *Alumina Refinery Agreement Act 1961*
2. *Alumina Refinery (Pinjarra) Agreement Act 1969*
3. *Alumina Refinery (Mitchell Plateau) Agreement Act 1971 [Agreement terminated]*
4. *Alumina Refinery (Wagerup) Agreement and Acts Amendment Act 1978*
5. *Alumina Refinery (Worsley) Agreement Act 1973*

Charcoal, iron and steel

6. *Wundowie Charcoal Iron Industry Sale Agreement Act 1974*

Coal

7. *Collie Coal (Griffin) Agreement Act 1979*
8. *Collie Coal (Western Collieries) Agreement Act 1979*

Copper

9. *Western Mining Corporation Limited (Throssell Range) Agreement Act 1985*

Diamonds

10. *Diamond (Argyle Diamond Mines Joint Venture) Agreement Act 1981*

Energy

11. *Goldfields Gas Pipeline Agreement Act 1994*
12. *Ord River Hydro Energy Project Agreement Act 1994*
13. *Pilbara Energy Project Agreement Act 1994 [Agreement terminated]*

Forest products

14. *Albany Hardwood Plantation Agreement Act 1993*
15. *Bunbury Treefarm Project Agreement Act 1995*
16. *Collie Hardwood Plantation Agreement Act 1995*
17. *Dardanup Pine Log Sawmill Agreement Act 1992*
18. *Paper Mill Agreement Act 1960 [Agreement expired]*
19. *Wood Processing (WESFI) Agreement Act 2000*
20. *Wood Processing (Wesbeam) Agreement Act 2002*

Gas

21. *North West Gas Development (Woodside) Agreement Act 1979*
22. *Barrow Island Act 2003* (which incorporates the Gorgon Gas Processing and Infrastructure Project Agreement)
23. *Natural Gas (Canning Basin Joint Venture) Agreement Act 2013 [Agreement terminated]*

Gold

24. *Tailings Treatment (Kalgoorlie) Agreement Act 1988 [Agreement expired]*

Iron ore and steel

25. *BHP Billiton (Termination of Agreements) Agreement Act 2006*
26. *Iron Ore Agreements Legislation (Amendment, Termination and Repeals) Act 2011*
27. *Iron Ore (Channar Joint Venture) Agreement Act 1987*
28. *Iron Ore (FMG Chichester Pty Ltd) Agreement Act 2006*
29. *Iron Ore (Goldsworthy-Nimingarra) Agreement Act 1972*
30. *Iron Ore (Hamersley Range) Agreement Act 1963*
31. *Iron Ore (Hamersley Range) Agreement Act Amendment Act 1968*
32. *Iron Ore (Hope Downs) Agreement Act 1992*
33. *Iron Ore (McCamey's Monster) Agreement Authorisation Act 1972*
34. *Iron Ore (Marillana Creek) Agreement Act 1991*
35. *Iron Ore (Mount Bruce) Agreement Act 1972*

36. *Iron Ore (Mount Goldsworthy) Agreement Act 1964*
37. *Iron Ore (Mount Newman) Agreement Act 1964*
38. *Iron Ore (Murchison) Agreement Authorisation Act 1973*
39. *Iron Ore (Rhodes Ridge) Agreement Authorisation Act 1972*
40. *Iron Ore (Robe River) Agreement Act 1964*
41. *Iron Ore (Wittenoom) Agreement Act 1972*
42. *Iron Ore (Yandicoogina) Agreement Act 1996*
43. *Iron Ore Processing (Mineralogy Pty Ltd) Agreement Act 2002*
- Mineral sands**
44. *Mineral Sands (Eneabba) Agreement Act 1975*
45. *Mineral Sands (Cooljarloo) Mining and Processing Agreement Act 1988*
46. *Mineral Sands (Beenup) Agreement Act 1995*
- Nickel**
47. *Nickel (Agnew) Agreement Act 1974*
48. *Nickel Refinery (BHP Billiton Nickel West Pty Ltd) (Termination of Agreements) Agreement Act 2008*
49. *Poseidon Nickel Agreement Act 1971*
- Oil**
50. *Oil Refinery (Kwinana) Agreement Act 1952*

Salt

51. *Dampier Solar Salt Industry Agreement Act 1967*
52. *Evaporites (Lake MacLeod) Agreement Act 1967*
53. *Leslie Solar Salt Industry Agreement Act 1966*
54. *Onslow Solar Salt Agreement Act 1992*
55. *Shark Bay Solar Salt Industry Agreement Act 1983*

Uranium

56. *Uranium (Yeelirrie) Agreement Act 1978*

Miscellaneous

57. *Cement Works (Cockburn Cement Limited) Agreement Act 1971*
58. *Industrial Lands (CSBP & Farmers Limited) Agreement Act 1976*
59. *Industrial Lands (Kwinana) Agreement Act 1964*
60. *Pigment Factory (Australind) Agreement Act 1986*
61. *Railway (Roy Hill Infrastructure Pty Ltd) Agreement Act 2010*
62. *Railway and Port (The Pilbara Infrastructure Pty Ltd) Agreement Act 2004*
63. *Railway (BBI Rail Aus Pty Ltd) Agreement Act 2017*
64. *Silicon (Kemerton) Agreement Act 1987*

Agreements terminated in 2018-19

Natural Gas (Canning Basin Joint Venture) Agreement Act 2013

New Agreement Acts ratified in 2018-19

Nil

New Statutes in 2018-19

Nil

Variations in 2018-19

Nil

Agreement Acts repealed in 2018-19

Nil



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