



GOVERNMENT OF
WESTERN AUSTRALIA

Department of
**Jobs, Tourism, Science
and Innovation**

Annual Report 2020-21

Acknowledgement of Country

We acknowledge the Traditional Custodians throughout Western Australia and their continuing connection to the land, waters and culture. We pay our respects to all Aboriginal peoples and their Elders, past, present and emerging.

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Cover image: Aperture Array Verification System 2 -Test Array for the Square Kilometre Array (SKA) in Australia. Credit: Michael Goh / ICPAR.
This page: Western Australian Christmas tree (*Nuytsia floribunda*), Cape Le Grand.



Contents

Overview..... 5

Message from the Director General 5

Our highlights of 2020-21 8

Agency performance16

Report on operations 16

Creating local jobs 17

Facilitating WA's major projects 19

Diversifying the economy 24

Promoting and growing WA's defence sector 34

Developing industrial land to support industry 37

Growing international investment and trade 40

Supporting science and innovation 46

Actual results versus budget targets 58

Key performance indicators 59

Disclosures and legal compliance 60

Independent auditors report 60

Certification of Financial Statements 66

Notes to the financial statements 72

Certification of key performance indicators 124

Performance overview 125

Ministerial directives 131

Other legal requirements 131

Governance policy requirements 135

Appendix 1 137

Legislation and changes to legislation 137

Statement of Compliance

For year ended 30 June 2021

HON ROGER COOK MLA

DEPUTY PREMIER; MINISTER FOR STATE DEVELOPMENT, JOBS AND TRADE

In accordance with Section 63 of the *Financial Management Act 2006*, it is my pleasure to 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 2021.

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

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



Rebecca Brown

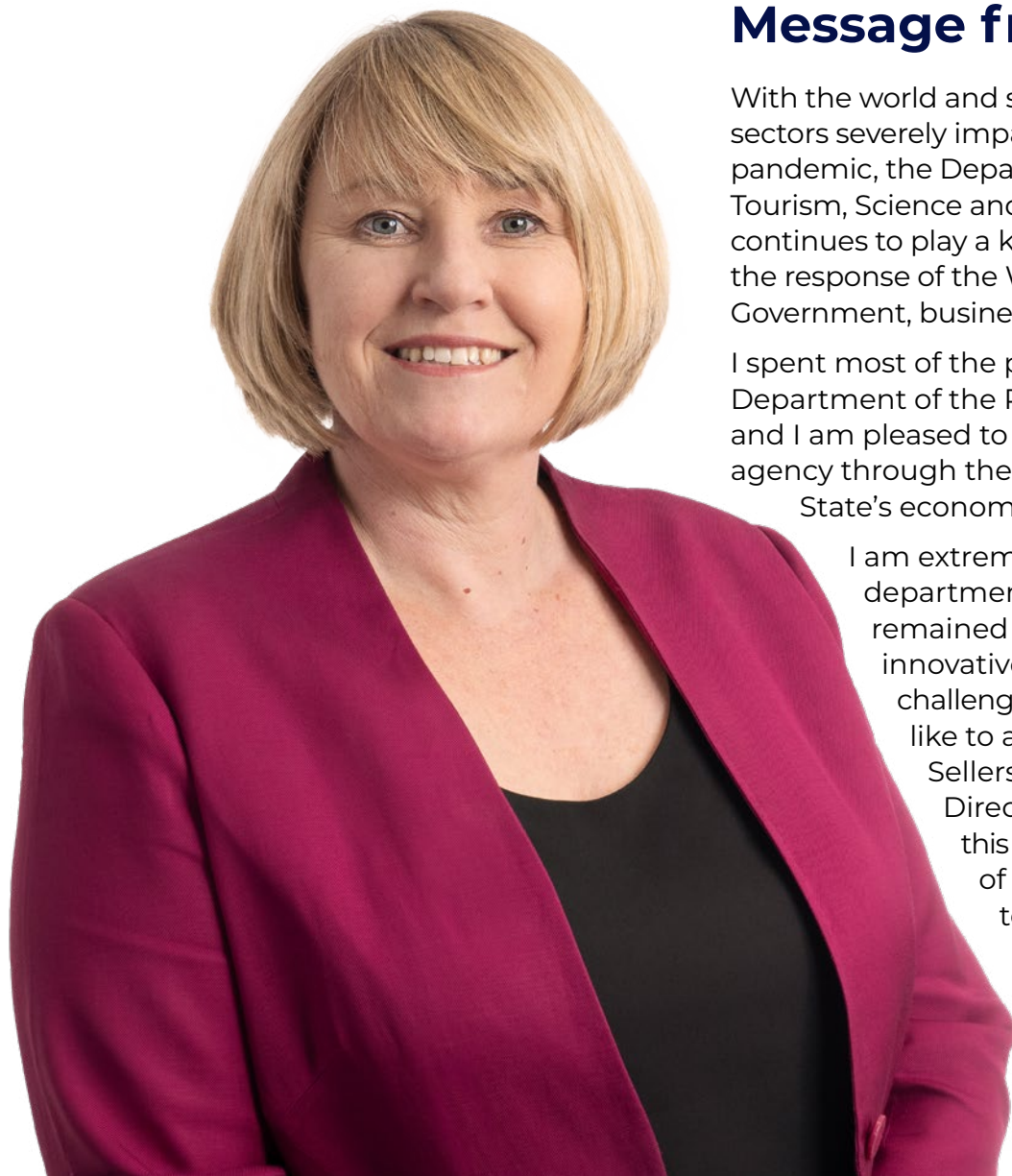
Director General

Department of Jobs, Tourism, Science and Innovation

1 October 2021

Overview

Message from the Director General



With the world and some of the State's key sectors severely impacted by the COVID-19 pandemic, the Department of Jobs, Tourism, Science and Innovation (JTSI) continues to play a key role in supporting the response of the Western Australian Government, businesses and industry.

I spent most of the past year at the Department of the Premier and Cabinet, and I am pleased to return to lead the agency through the next phase of the State's economic recovery.

I am extremely proud of how the department and staff have remained resilient, flexible and innovative during such a challenging period, and I would like to acknowledge Richard Sellers, who was Acting Director General during this time. The achievements of the department is a testament to his leadership.

As a key economic development agency, we worked closely with industry and government to develop and implement a range of recovery initiatives. We have reprioritised our work and shifted our focus to address the significant impacts of the pandemic on WA's industry and economy.

Our strong engagement with industry helped us deliver new initiatives to enable industries and businesses to survive and position themselves for the return to the 'new normal.' These measures were included in the \$5.5 billion WA Recovery Plan, which was launched in July 2020 by the State Government to help WA get back on the road to becoming a thriving and innovative community in which to live, work, visit and do business.

The department is the lead agency for the industry stream of the WA Recovery Plan and is responsible for directly delivering 29 projects. We are supporting a range of sectors and industries including tourism, defence, international education, science

and innovation, renewable hydrogen, space and future battery and critical minerals. Our initiatives are directly helping tourism operators, international education providers, small to medium enterprises, personal protective equipment manufacturers and resource sector exporters.

As part of the WA Recovery Plan, we have accomplished a lot and delivered some fantastic outcomes for WA in 2020-21.

We are doing everything we can to create the right environment for businesses and industry to restart, develop and grow. In 2020-21 we continued to support the delivery of the Local Capability Fund in 2020-21, with the WA Government announcing \$12 million funding to help small and medium sized businesses improve their capability and competitiveness to supply goods, services and works to the government, major projects and other important markets. As part of the WA Recovery Plan, this included an

additional \$10 million to help WA's businesses recover from COVID-19, and increase the supply of locally made personal protective equipment.

To further boost manufacturing opportunities in WA, we led feasibility studies into producing wind turbines locally as well as manufacturing and maintaining iron ore railcar wagons. Developing these new industries right here in WA will deliver hundreds of new jobs and reduce the reliance on international supply chains for parts and equipment.

In 2020-21, we updated the WA Industry Participation Strategy to ensure local businesses are receiving a greater share of government spending and contracts. Since 2018, this strategy has played a pivotal role in supporting more than 42,000 jobs including 11,000 in the regions.

We are also fast tracking the implementation of the Western Australian Renewable Hydrogen Strategy with additional funding as part of the WA Recovery Plan. The strategy will help

grow the industry in WA and pave the way for the State to become a major exporter of renewable energy, whilst creating jobs for Western Australians.

We continue to lead on the implementation of the Battery and Critical Minerals Industry Strategy to ensure WA has a world-leading, sustainable, value-adding future battery industry that creates local jobs and helps to diversify the economy. A key priority is to attract global investment into the next value-add step of the battery supply chain - precursor or cathode active materials manufacturing. Through the WA Recovery Plan, we are administering a \$13.2 million incentive to attract investment into cathode active materials manufacturing and supporting Western Australia's participation in global battery supply chains.

The WA Government's investment of \$87.6 million to fast-track 4 infrastructure projects at the Australian Marine Complex is already starting to deliver results, with

the construction of the first project underway in 2020-21. These infrastructure projects will create up to 600 construction jobs, grow the State's defence industry and enable WA to secure more defence contracts in the future.

COVID-19 has had a massive impact on international education, and we launched the International Education Recovery and Renewal Plan to enable the sector to reposition, recover and achieve long-term sustainability beyond the pandemic. The sector is being supported by \$1.5 million in funding from the WA Government as part of the WA Recovery Plan.

In response to the independent review of the international offices, in September 2020 the Premier announced that WA's international network was moving to a hub-and-spoke model with the State's 8 international offices grouped into 5 regions - ASEAN, China, India-Gulf, North East Asia and UK/Europe. Under this model, WA will be expanding its global footprint in the coming years to foster


new investment and trade opportunities in a diverse range of markets and industries. In 2020-21, we also appointed 4 new Investment and Trade Commissioners and launched the Invest and Trade Western Australia website to promote the State as a world-leading investment and trade destination.

And in the tourism space, we provided funding to nearly 1,000 tourism businesses through the \$14.4 million WA Recovery Program to help them adapt and manage the impact of COVID-19. We also worked with airlines to offer affordable airfares to key tourism destinations across WA to support operators and encourage Western Australians to explore their own backyard.

It is terrific to see so much progress being made on so many projects to support the recovery journey for WA. All these fantastic initiatives would not be possible without the department's leadership team and staff. I would like to thank you

for your continued support, hard work and dedication to helping our State's recovery. It is brilliant to see the positive impact and great outcomes that our work is delivering for WA.

There is still a lot to be done on our journey out of the pandemic, into the 'new normal'. We must continue to grow and develop our capability, build and maintain our critical partnerships and support the delivery of the WA Government's agenda. I look forward to working with staff, our partners and stakeholders to achieve this.



Rebecca Brown

Director General
Department Of Jobs, Tourism,
Science and Innovation
1 October 2021

Our highlights of 2020-21



01.

Unveiled the new and improved WA Buy Local Policy 2020, which aims to create an extra 3,000 regional jobs and more than 200 apprenticeships and traineeships during the first 12 months of its operation.



02.

Through the Local Capability Fund, 45 businesses shared a total of \$2 million to improve their ability to supply to major WA Government projects, and 96 businesses shared in an extra \$10 million funding pool to help them recover from COVID-19 and supply locally made personal protective equipment.



03.

Led the development of the Supply Chain Opportunities and Investment Attraction Strategy as part of the WA Recovery Plan to grow the capability, competitiveness and participation of WA businesses in the domestic and global supply chains of established and emerging industries.



Our highlights of 2020-21



- 04.** Delivered a record of 18 Regional Communication Forums to provide small and medium sized businesses the opportunity to learn more about WA Government contract opportunities in their region.



- 05.** Managed the delivery of the largest Northern Australia Infrastructure Fund loan in WA, with a \$150 million loan to Strandline Resources for the Coburn Heavy Mineral Sands Project, which is expected to generate up to 315 construction and 190 operational jobs.
-



- 06.** The \$18 million Collie Futures Industry Development Fund funded Renergi's \$9.4 million waste-to-energy project to convert municipal solid waste and forestry waste into biofuel and biochar; Cannaponics to develop a new facility that will supply the rapidly emerging medicinal cannabis market; and Holista Colltech to diversify and produce medicinal-grade collagen, and the creation of Collie Ridge Resort to provide better accommodation to support the Collie region as a growing destination for adventure tourism, conferences and weekend getaways.
-

Our highlights of 2020-21

**07.**

Led the implementation of the WA Renewable Hydrogen Strategy and Renewable Hydrogen Roadmap, bringing forward the goals set out in the strategy from 2040 to 2030. Administered the \$15 million Renewable Hydrogen Fund as well as delivering a range of enabling and technical studies required to grow the industry.

**08.**

Funded 7 feasibility studies as well as 4 capital works projects through the WA Renewable Hydrogen Fund, including Horizon Power's Denham Hydrogen Microgrid project, Fortescue Future Industries Christmas Creek Mobility project in the Pilbara, ATCO's Hydrogen Refueller project in Jandakot and Yara Pilbara/Engie's YURI Green Ammonia Project on the Burrup Peninsula.

**09.**

Commenced activation work on the Oakajee Strategic Industrial Area as a hydrogen precinct and downstream mineral processing precinct. We received over 65 submissions worldwide for Expressions of Interest which has allowed us to commence work towards building a business case for the development of the site.



Our highlights of 2020-21



10.

Led the implementation of the Battery and Critical Minerals Industry Strategy and administering \$13.2 million as part of the WA Recovery Plan to attract investment into cathode active materials manufacturing and supporting WA's participation in global battery supply chains.



11.

Awarded 4 Collaborative Research Grants worth \$867,650 to enable WA's publicly funded universities to establish partnerships with the Department of Defence and 4 local small businesses, and supported 9 WA students through the Research Higher Degree Student Grants.



12.

Funded 22 small to medium sized businesses through the \$200,000 WA Defence-Ready Initiative to improve their capabilities and support WA's defence industry.



Our highlights of 2020-21



- 13.** Developed the Defence Industry Veterans Employment Scheme, which encourages veterans to take up a career in the defence industry by providing scholarships to support their entry into the defence industry careers.



- 14.** Fast tracked infrastructure projects at the Australian Marine Complex as part of the WA Recovery Plan and the WA Government's \$87.6 million investment, with work on the first of the 4 projects underway in March 2021.



- 15.** Implemented a hub-and-spoke model with the State's 8 international offices, grouped into 5 regions - ASEAN, China, India-Gulf, North East Asia and UK/Europe, and appointed 4 new Investment and Trade Commissioners to strengthen investment and trade outcomes.



Our highlights of 2020-21



16.

Launched the Invest and Trade Western Australia website to promote Western Australia globally as a leading investment and trade destination by showcasing the State's unique opportunities to potential investors and buyers.



17.

Delivered 2 rounds of the Access Asia Business Grant, which provided \$630,000 in funding to 38 small and medium-sized enterprises seeking to expand into Asia as well as 8 Asia Business Capability workshops to upskill local businesses on engaging with the Asian markets.



18.

Developed and implemented the Western Australian International Education Recovery and Renewal Plan to help the sector reposition, recover and achieve long-term sustainability beyond the COVID-19 pandemic.



Our highlights of 2020-21



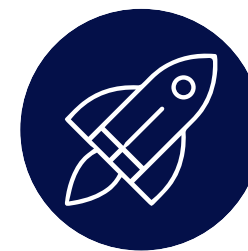
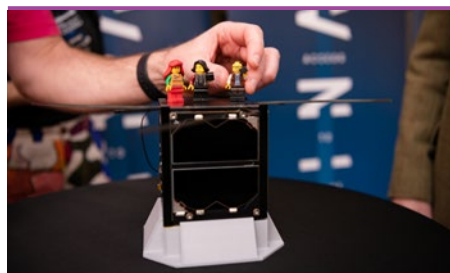
19.

Supported, via the New Industries Fund, entrepreneurs and Small and Medium Enterprises (SMEs) impacted by COVID-19 with free business and mentoring advice through the X-TEND COVID-19 Recovery program as well as increasing the Innovation Voucher grant support to a record 36 businesses.



20.

Announced \$500,000 to support Curtin University's Binar Space Program which will see Western Australia's first spacecraft launched into space in August 2021.



21.

Administered \$22.067 million in grants to build science and research capability in Western Australia which supported science engagement, collaboration, excellence and infrastructure, including supporting Phenomics Fellow Dr Ruey Leng Loo and past Phenomics Fellow Professor Elaine Holmes in a global research effort to better understand the pathologies and long-term health impacts of COVID-19, and \$5 million to WA universities for COVID-19 research through the WA Recovery Plan.

Our highlights of 2020-21



22.

Supported approval to extend the current mining area at the Robe Valley mining operations, which is expected to create up to 250 construction jobs and around 300 operational roles.



23.

Finalised the surrender of Lake Kepwari mining lease and coordinated all the necessary regulatory processes to enable the former open-cut coalmine to open as a new recreational precinct.



24.

Provided approvals for Woodside to accelerate LNG production from its Pluto fields, with the new onshore pipeline supporting up to 320 construction jobs, and the Waitsia Joint Venture to fill North West Shelf LNG processing capacity and develop a new large-scale domestic gas plant, which will create 200 jobs.



Agency performance

Report on operations

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.

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.

With the world and some of the State's key sectors severely impacted by the COVID-19 pandemic, we played a key role in supporting the response of government.

We are the lead agency for the industry stream of the WA Recovery Plan and are responsible for directly delivering 29 projects. This was a major focus of our work throughout 2020-21.



Agreement signing between JTSI Director General Rebecca Brown and Department of Communities Director General Mike Rowe to deliver initiatives as part of the WA Buy Local Policy.

Creating local jobs

Our key focus is to create more jobs for Western Australians through a range of initiatives which promote industry development and growth. This includes supporting local industry to participate in major projects across Western Australia, in particular WA Government contracts. In 2020-21, the Western Australian Industry Participation Strategy and the updated WA Buy Local Policy 2020, played a critical role in stimulating the economy

and supporting thousands of local jobs as part of the COVID-19 recovery.

Western Australian Industry Participation Strategy

We led the review of the Western Australian Industry Participation Strategy (WAIPS) to ensure WA businesses are receiving a greater share of Government funding. This included progressing improvements to simplify processes, strengthen

accountability measures required of WA Government agencies, and create better outcomes for WA businesses and communities, including more local jobs. As a result of the strategy, 18,512 jobs were supported in Western Australia, including 4,972 in the regions in 2020-21. In addition, it's estimated that the strategy supported more than 1,312 apprenticeships and traineeships in Western Australia, including 460 in the regions.

2020-21 WAIPS Statistics



216
participation
plans received



18,512
estimated jobs
supported including
4,972 in the regions



1,312
estimated
apprenticeships
and traineeships
supported, including
460 in the regions

Western Australian Buy Local Policy 2020

In 2020-21, we supported the WA Government to release the new and improved WA Buy Local Policy 2020, which aims to create more regional jobs and ensure regional businesses benefit from the WA Government's annual \$27 billion spend on goods, services and works. The revised policy encourages government agencies to prioritise local businesses that are based in the regional location in which the work or service is being provided. The revamped Buy Local Policy complements the Government's successful implementation of the *Western Australian Jobs Act 2017* and the Western Australian Industry Participation Strategy in creating local jobs and boosting the economy. The new policy is expected to create an extra 3,000 regional jobs and more than 200 apprenticeships and traineeships during the first 12 months of its operation, which is critical for our recovery from the economic impacts of COVID-19.

Local Capability Fund

The Local Capability Fund plays an important role in supporting businesses impacted by COVID-19 and creating jobs, with the WA Government announcing a record \$12 million funding for the program in 2020-21. The fund, administered by the department, helps local small and medium sized businesses improve their capability and competitiveness to supply goods, services and works to the government, major projects and other important markets.

In 2020-21, we supported 45 businesses through 4 general funding rounds worth a total of \$2 million. The funding rounds focused on major WA Government projects; priority private and public sector markets; national and international standards; and Aboriginal businesses.

As part of the WA Recovery Plan, 96 small to medium sized businesses

were also supported through an additional 3 rounds of funding worth \$10 million. The funding rounds focused on feasibility studies into manufacturing Personal Protective Equipment (PPE); local manufacture of PPE; and supporting businesses that have been impacted by COVID-19.

Regional Communication Forums

As part of the WA Government's commitment to job creation and regional development, we delivered a record of 18 Regional Communication Forums in 2020-21. The forums provided small and medium sized businesses the opportunity to learn more about WA Government contract opportunities in their region. According to our survey, on average 96% of respondents found the presentations and information very helpful, and more than 90% indicated they would attend a similar event in the future.

Facilitating WA's major projects

We facilitate a range of large and complex projects across the State on behalf of the WA Government, helping to create thousands of jobs for Western Australians. The majority of these projects are in the resources and oil and gas sectors, but increasingly include infrastructure and renewable energy projects.

Streamline WA – Lead Agency Framework

Streamline WA is a whole-of-government initiative to make it easier to do business in WA by improving regulation and regulatory practice. As part of Streamline WA, the revised Lead Agency Framework was released in July 2020, to improve the way government agencies facilitate complex projects that require multi-agency interactions and approvals. Under the Lead Agency Framework, the department is supporting a range of projects including the development of the

State's critical minerals industry and facilitating the development of projects including Lynas Rare Earths' Kalgoorlie Rare Earth Processing Facility; Hastings Technology's Metals' Yangibana Rare Earths Project; and Covalent Lithium's Hydroxide Refinery.

Major projects

In 2020-21, we facilitated the approval process for 9 key projects, resulting in significant private sector capital expenditure of around \$1.5 billion. These projects included:

» **Robe Valley:** In July 2020, we supported approval under the *Iron Ore (Robe River) Agreement Act 1964* for stage 3 of the Robe Valley Sustaining Project to extend the current mining area at the Robe Valley mining operations and upgrade/construction of associated infrastructure. The project is

expected to create up to 250 construction jobs and around 300 new operational roles.

- » **Christmas Creek mine:** In 2020-21, we supported approval for Chichester Metals Pty Ltd to establish a number of new mining areas at Christmas Creek to sustain mining operations and associated jobs at the mine site.
- » **Iron Bridge magnetite:** Fortescue Metals Group's subsidiary The Pilbara Infrastructure (TPI) is expanding its port facilities at Port Hedland to convey, stockpile and load up to 22 million tonnes per annum of magnetite ore onto ships for the \$4.5 billion Iron Bridge Joint Venture (IBJV) Project. In 2020-21, we supported approval of TPI's port infrastructure to handle the ore received from the IBJV, which is expected to create around 100 construction jobs.



Karratha Gas Plant, North West Shelf Project. Credit: Woodside Energy Ltd.

- » **Jimblebar:** In September 2020, approval was granted for BHP Iron Ore Pty Ltd to develop additional areas for mining infrastructure and new surplus water management options at its Jimblebar operations, approximately 40 kilometres east of Newman, under the *Iron Ore (McCamey's Monster) Agreement Authorisation Act 1972*. The works include new overburden storage areas, new haul and access roads and a new pipeline and infrastructure to transfer water. Approximately 60 construction jobs are expected to be created as a result of the project.
- » **Orebody 35 pit:** In February 2021, approval was granted for BHP Iron Ore Pty Ltd to expand its Orebody 35 pit, located approximately 7 kilometres from Newman, under the *Iron Ore (McCamey's Monster) Agreement Authorisation Act 1972* and the *Iron Ore (Mount Newman) Agreement Act 1964*. The project works include mining of the pit and the construction of new haul and ramp roads.
- » **Whaleback Hub** In September 2020, approval was granted for BHP Iron Ore Pty Ltd to upgrade its existing Ore Handling Plant located at its Whaleback Hub at Newman, under the *Iron Ore (Mount Newman) Agreement Act 1964*. The project includes upgrades to conveyor drives, pulleys and electrical starters. A temporary construction workforce of approximately 250 workers is expected to be created as a result of the project.
- » **Eneabba Project:** Since the 1990's Iluka Resources has been storing by-product from its Mineral Separation Plant (MSP) in a monazite pit at Eneabba. In 2020, Iluka completed the Eneabba Phase 1 project that involves mining and screening the by-product to produce approximately 20% monazite product for export. The Eneabba Phase 2 project, approved in 2021, will construct infrastructure to further process the 20% monazite to significantly enhance its economic value. Approximately 90% monazite Heavy Mineral Product will be produced for export and a Heavy Mineral Concentrate will be produced for processing at the MSP to generate zircon, ilmenite and rutile products. The project will create 100 construction and 30 operational jobs.
- » **North West Shelf infrastructure:** Woodside Energy Limited, the operator of the North West Shelf Project, is constructing infrastructure to enable gas to be received at the Karratha Gas Plant from third-party sources for processing. Woodside obtained approval to process gas on behalf of the Waitsia Joint Venture and Woodside Burrup Pty Ltd, which will be received through onshore infrastructure. The processing of this gas utilises excess capacity at the Karratha Gas Plant that would otherwise be unutilised. The project represents a significant step in transitioning the Karratha Gas Plant into a facility that can process gas on behalf of third parties and potentially extend the life of the plant.



Official opening of Lake Kepwari with the Member for Collie-Preston Mick Murray, Premier Mark McGowan, Traditional Custodian of the Collie River Joe Northover and then Minister for Environment Stephen Dawson.

- » **Lake Kepwari:** In December 2020, former coal mining void Lake Kepwari was opened as a recreational precinct, featuring a campground and boating facilities. Premier Coal was required to rehabilitate this former coal mining void. As part of our role, we liaised with Premier Coal, finalised the surrender of Lake Kepwari from the mining lease and coordinated all the necessary regulatory processes.

Gascoyne Gateway single jetty deep-water port and renewables hub

Gascoyne Gateway Limited (GGL) proposes to privately fund, build and operate a new single jetty deep-water port and renewables hub, located 10km south of Exmouth. The port is proposed to provide the Exmouth Gulf's existing marine traffic with a better place to berth, including tourist vessels, and enable the Royal Australian Navy to bring its vessels

to Exmouth. GGL referred its plan to the Environmental Protection Authority (EPA) in May 2021, which we helped to facilitate. The EPA is considering the potential impacts of this proposal.

Burrup LNG projects and WA Domestic Gas Policy

The department is working with Woodside and other gas project developers to expand and backfill the LNG facilities on the Burrup Peninsula. This year, the WA Government secured new domestic gas, local content, industry participation and community development agreements for projects to keep the North West Shelf (NWS) full in the near term.

This includes approvals for Woodside to accelerate LNG production from its Pluto fields, with the new onshore pipeline supporting up to 320 construction jobs. In addition approvals have been given to the Waitsia Joint Venture to fill NWS

capacity for the time being, and develop a new large-scale domestic gas plant, which will create 200 jobs.

The new domestic gas agreements incorporate changes to the *WA Domestic Gas Policy*, which were announced in August 2020. The policy will improve transparency for the local market and prevent export of local WA gas, in order to protect supply for Western Australians. Supply from new LNG and Perth Basin gas developments provides an opportunity to attract new industrial development to the State.

Unlocking stranded iron ore deposits

As countries look to stimulate their economies to recover from the impacts of the COVID-19 pandemic, the price of iron ore has been driven to record highs. To capitalise on this opportunity, we have been liaising with proponents and key government agencies to leverage existing infrastructure to develop stranded iron



Pluto LNG Plant, Karratha. Credit: Woodside Energy Ltd.

ore deposits in the Pilbara. For example, we are working with the Pilbara Ports Authority to develop additional export capacity within the inner harbour of Port Hedland. The Port of Ashburton has also been identified as having potential to accommodate the export of iron ore, and we are ensuring this will not impact the current and future operations within the Ashburton North Strategic Industrial Area.



The Abrolhos Islands our pristine fishing ground.
Credit: Abrolhos Octopus.

Diversifying the economy

At the core of our business, is working across the public sector, with industry and our other partners to support the WA Government to grow and diversify the economy.

We are the lead agency for implementing Diversify WA, the Western Australian Government's economic development framework. The vision of the framework is for WA to have a strong and diversified economy delivering secure, quality jobs through increased investment across a broad range of industries. In response to COVID-19, we adapted Diversify WA to clarify its scope and incorporate new priorities for the State.

Some highlights in 2020-21 included:

Iron ore railcars

To boost local manufacturing opportunities in WA and create local jobs, we established an action group in late 2020 to investigate the viability of manufacturing and

maintaining iron ore railcar wagons in the Pilbara or other parts of WA. The Iron Ore Railcar Wagons Manufacturing, Refurbishment and Maintenance Action Group comprised of BHP, Fortescue Metals Group, Rio Tinto, Roy Hill, Mineral Resources Limited, Citic Pacific, Aurizon, Australian Steel Institute, Chamber of Minerals and Energy of Western Australia, Freight and Logistics Council of WA and the Australian Manufacturing Workers' Union. The action group commissioned an independent pre-feasibility study into the possible opportunities for local industry participation in the manufacture, refurbishment and maintenance of iron ore railcar wagons in WA. Key findings included a range of options to be scoped for inclusion in a full feasibility study. The government also announced a \$15 million Local Manufacturing Investment Fund to help WA manufacturers retool their workshops with world-class technology to manufacture rail wagon parts and

undertake research and development on innovative manufacturing techniques. The new industry is expected to support hundreds of new jobs in Western Australia and reduce the reliance on international supply chains for parts and equipment.

Wind farms future manufacturing

As part of the WA Recovery Plan, we led a feasibility study into producing wind turbine components locally. With support from the Local Industry Participation in Wind Farm Supply Action Group, the study explored how government can increase local manufacturing in WA to help develop new technology and industries, like the renewable energy sector, and strengthen the existing construction sector. The department is now preparing a detailed framework to support and grow the sector, and inform government's ongoing collaboration with local businesses, investors and suppliers to the wind farm market to increase local participation. The WA Government has

committed \$10 million to support the development of a wind turbine manufacturing industry in the State.

Northern Australia Infrastructure Facility

As lead agency for Western Australia's participation in the Northern Australia Infrastructure Facility (NAIF), we continued to support access to \$5 billion of Australian Government funding for low-interest loans for infrastructure projects in Northern Australia. We continue to work closely with NAIF to assist its consideration of loans for a diverse range of future projects in the Kimberley, Pilbara, Gascoyne and Goldfields regions, which have the potential to generate regional employment, business investment and Indigenous community development. In 2020-21, we managed the delivery of the largest NAIF loan to date in Western Australia, with a \$150 million loan to Strandline Resources for the Coburn Heavy Mineral Sands Project. The WA-



Emu Downs wind farm.

based project is expected to generate up to \$922 million of net public benefit to the region over 25 years and create up to 315 construction and 190 operational jobs. We also provided input into the statutory review of the NAIF, which is required after 5 years of its operation. This resulted in a number of reforms including the inclusion of the Ngaanyatjarra lands in the north eastern goldfields region within the defined NAIF area, which takes in the Musgraves mineral province.

Collie Futures Industry Development Fund

Together with the South West Development Commission we administer the \$18 million Collie Futures Industry Development Fund, which supports industry-led projects that will create jobs and help Collie's largely coal-based economy adapt to the challenges of Australia's energy

transition. In 2020-21, we supported some innovative projects through the Fund. In the renewable energy sector, we provided funding to Renergi's \$9.4 million waste-to-energy project that will convert municipal solid waste and forestry waste into biofuel and biochar. This project has also received funding support from the Commonwealth Government's Australian Renewable Energy Agency (ARENA) and is being

developed in collaboration with the Shire of Collie. In the agribusiness/ biotech sector, the fund is helping private company Cannaponics to develop a new facility that will supply the rapidly emerging medicinal cannabis market, as well as local business Holista Colltech to diversify and produce medicinal-grade collagen.

LNG Jobs Taskforce

We provide support to the LNG Jobs Taskforce, a first time collaboration between government, industry and unions to maximise local jobs and economic benefits from the LNG industry. The taskforce comprises the Minister for State Development, Jobs and Trade; and leaders from Woodside Energy, Chevron Australia, Santos, INPEX and Shell Australia, as well as representatives from the Australian Petroleum Production and Exploration Association and UnionsWA. The group's vision is to establish Western Australia as a global leader in LNG collaboration,



APPEA Conference 2021 panel discussion featuring CEO of Future Energy Exports Cooperative Research Centre Eric May; department Deputy Director General Chris Clark; Woodside Vice President Technology Jason Crusan; and East Petrofac Business Development Manager David Perry.

innovation, maintenance and support, exporting services across Australia and internationally, generating local jobs and business opportunities. Due to COVID-19, the LNG Jobs Taskforce has amended the scope of existing projects, to achieve its vision and help WA's economy recover from the pandemic. Key highlights in 2020-21 included:

- » **GeneratER program:** The GeneratER program aims to help WA's small to medium enterprises connect with the energy supply chain, demonstrate local solutions to industry challenges through pilots, and maximise opportunities for collaboration and innovation. We provide financial support to the GeneratER program through our partnership with National Energy Resources Australia. The first round of the GeneratER program launched in June 2021, with WA based businesses having the opportunity to submit an expression of interest to 3 challenges owned by Chevron Australia.

- » **Future Energy Exports Cooperative Research Centre (FEnEX CRC):** The WA Government is providing \$10 million over 10 years to support the FEnEX CRC, a priority initiative of the LNG Jobs Taskforce. The research centre will execute cutting-edge, industry-led research, education and training to help sustain Australia's position as a leading LNG exporter, and enable it to become a leading global

hydrogen exporter. The department, in collaboration with the FEnEX CRC, is investigating the development of a 'Futures Facility,' a microscale LNG plant to allow testing of new processes in Kwinana. As part of the FEnEx CRC board, we also provide important insights into local opportunities and Government priorities to ensure that the centre provides benefits to the WA community.



Staff from the department (Chris Clark, Marzia Zamir, Karina Schaap) with the Vice President of the French Australian Chamber of Commerce WA Chapter Christine Caseris.

- » **Forward Work Plans:** The LNG Jobs Taskforce continued the Forward Work Plans initiative in 2020-21. The initiative helps local businesses plan their participation in the LNG sector during both construction and operations by providing 2 years' advance visibility of future works. The plans give WA



Northern Minerals.

businesses greater opportunities to tender for work on LNG projects, which is expected to support more jobs for Western Australians. At the Australasian Oil and Gas Energy Conference 2021, Woodside, Chevron, Santos and Shell provided an update on their Forward Work Plans. They were also joined by a range of prime contractors from the oil and gas sector who presented their Forward Work Plans for the first time, reaching further into the supply chain.

- » **LNG Operator Skills Framework:** We are also providing funding to South Metropolitan TAFE to develop standardised teaching, learning and assessment resources for the LNG Operator Skills Framework. The framework is an industry-led initiative, which was funded by the Australian Petroleum Production and Exploration Association on behalf of its members to standardise the training of LNG workers in Western Australia, so their qualifications are recognised by all LNG operating companies.

Western Australian Future Battery Industry Strategy

We are leading the implementation of the Battery and Critical Minerals Industry Strategy to ensure that WA has a world-leading, sustainable, value-adding future battery industry that provides local jobs and economic diversification. Due to the impacts of COVID-19, together with industry and other government departments, we updated the strategy to place a greater focus on strengthening Western Australia's participation in global supply chains, and to demonstrate the State as a reliable, additional supplier of battery and critical minerals and materials. Through the WA Recovery Plan, we are administering \$13.2 million from the WA Government to attract global investment into the next value-add step of the battery supply chain, cathode active materials manufacturing, and to support Western Australia's participation in

global battery supply chains. In 2020-21, we also continued to support growth and investment in the State's battery and critical minerals sectors by influencing several strategic national initiatives, engaging with prospective investors to highlight the opportunities and advantages of the industry, and providing project facilitation assistance to all downstream battery and critical minerals industry projects.

Western Australian Renewable Hydrogen Strategy

We are implementing the Renewable Hydrogen Strategy which outlines the vision for WA to become a significant producer, user and exporter of renewable hydrogen. The strategy aims to develop the State's hydrogen industry across 4 areas - export, remote applications, blending in natural gas networks, and transport. It is supported through 26 initiatives as outlined in the Renewable Hydrogen Roadmap.



Minister for Hydrogen Industry, Hon. Alannah MacTiernan MLC visiting Australia's first renewable hydrogen plant in Denham. Credit: Horizon Power.

In 2020-21, we announced 4 capital works projects to receive funding from the first round of the Renewable Hydrogen Fund. These projects are Fortescue Future Industries Christmas Creek Renewable Hydrogen Mobility Project; ATCO Australia's hydrogen refuelling station in Jandakot; Horizon Power's Hydrogen Microgrid Demonstration Project in Denham; and Yara Pilbara Fertiliser's YURI Green Ammonia project in the Pilbara. These projects join the 7 successful feasibility studies that were announced in early 2020.

Due to the speed to which the hydrogen industry is growing, and in line with the decarbonisation targets of our key markets, in August 2020 the Government accelerated the strategy's long term 2040 goals to 2030. As part of the WA Recovery Plan, we also received additional funding to implement the strategy. The funding

will be used to deliver the second round of the Renewable Hydrogen Fund; review legal frameworks; expand our Renewable Hydrogen Unit; identify suitable locations for geological storage of hydrogen; develop a detailed hydrogen value chain model; and conduct a study blending hydrogen in the WA gas network.

We have commenced activation work on the Oakajee Strategic Industrial Area as a hydrogen precinct and downstream mineral processing precinct. In September 2020 we released a worldwide Expressions of Interest and received over 65 submissions, more than half of which came from international companies or consortia looking to produce or use renewable hydrogen in the Mid West. This has allowed us to commence work towards building a business case for the development of the site.

ICT Consultative Forum

In 2020, we established the ICT Consultative Forum, after being approached by peak industry bodies such as the Australian Information Industry Association and CORE Innovation Hub. The forum provides an opportunity for industry and government to discuss a range of issues and opportunities, including the impact of COVID-19; local job growth; business competitiveness, productivity and efficiency through the greater adoption of ICT; and mapping the ICT sector in WA. Particular focus was given to the industry's ability to contribute to COVID-19 recovery and to promote the benefits of digital technology to SMEs. In 2020-21, the group successfully surveyed the local industry to identify the structure, key markets and opportunities for the ICT sector in WA.

Boost for WA renewable hydrogen industry

Our work in developing WA's renewable hydrogen industry is attracting investment from the Federal Government, helping to back our efforts in positioning Western Australia as the nation's leader in renewable hydrogen development.

In a boost to WA's hydrogen industry, \$71.2 million of Australian Renewable Energy Agency funding was committed to 2 WA renewable hydrogen projects.

Yara Pilbara Fertilisers and ENGIE, will receive up to \$42.5 million to develop a renewable power to hydrogen plant that will be integrated with Yara's existing ammonia plant in the Pilbara. ATCO Australia's Clean Energy Innovation Park will also receive up to \$28.7 million to develop a 10MW commercial scale hydrogen production plant in the Mid-West region.

Both of these projects received grants through the first round of the Renewable Hydrogen Fund and will continue to be supported by the Government as they progress.

In addition, National Energy Resources Australia announced 13 hydrogen technology clusters across Australia with 3 of these based in WA. The WA Government also contributed funding towards the WA-based clusters.

The clusters aim to accelerate the development of the hydrogen supply chain, reduce overlaps and identify gaps in the development, deployment and commercialisation of new hydrogen focused technologies.

The successful WA clusters are - Pilbara Technology Cluster; Western Australian Hydrogen Technology Cluster; and Peel and South-West Metro Hydrogen Technology Cluster.



Assembled solar photovoltaic (PV) cells at the Denham Hydrogen Demonstration Plant.



Call centres and back-office processing

To capitalise on the growing trend of call centre and back-office processing returning to Australia from overseas, we have developed a new program to encourage local, national and international operators from the sector to set up or expand their operation in Western Australia. Supported by \$14.9 million over 4 years as part of the WA Recovery Plan, the Call Centre and Back Office Processing Scheme will create hundreds of local jobs and grow the industry in WA. In 2020-21, we have finalised financial agreements with 3 local companies the TSA Group, Oracle CMS and Royal Life Saving Society WA Inc.

Square Kilometre Array

Together with the Australian Government, we have been maximising outcomes for local content from the Square Kilometre Array (SKA) project. To make sure WA significantly benefits from the project, we have been encouraging WA businesses to participate in the SKA project procurement process. We have also provided support in 2020-21 to secure the site lease and related infrastructure upgrades. The (SKA) project is a €2 billion international project to build the world's largest radio telescope in Western Australia's Murchison region. Thousands of low-frequency antennas will make up the SKA and enable astronomers to pick up weak radio waves from the distant cosmos, which will expand our knowledge of the universe. The Australian Government has also announced a \$387 million

Installing SKALA antennae for the Aperture Array Verification System test array. 132,000 of these antennas will form the first phase of SKA-Low in Australia. Credit: ICRAR/Curtin.

investment to build the Square Kilometre Array radio telescope, which will secure opportunities for Australian organisations and scientists to innovate at the cutting edge of computing and will help astronomers learn more about the universe.

High-performance computing data centre

We have facilitated the site selection and Government approvals for DUG Technology. The DUG Technology project plans to build the world's first carbon-free, high-performance computing data centre, powered by renewables in Geraldton. Its location is ideal to play a key role in Australia's involvement in the Square Kilometre Array project - one of the largest international scientific research projects in history.



Left to right: DUG's Chief Information Officer Dr Stuart Midgley with WA's Investment and Trade Commissioners Nicole Fasana (North East Asia), Krista Dunstan (ASEAN) and then Commissioner Jennifer Mathews (India-Gulf).



WA Defence Advocate RADM (Rtd) Raydon Gates AO CSM, Shadow Minister for Defence Industry Matt Keogh, Minister for Defence Industry, Hon. Paul Papalia MLA with technology from Chironix.

Promoting and growing WA's defence sector

Through Defence West, we aim to support and promote WA's defence industry to make the most of the opportunities on offer as the Australian Government invests more than \$270 billion in defence capabilities.

Defence Science Centre

The Defence Science Centre (DSC) brings together university researchers, businesses and government to undertake research that will support defence and national security needs. These relationships help to strengthen WA's defence sector capabilities, commercialise emerging technologies and diversify the State's economy. In 2020-21, through the Collaborative Research Grants, we awarded \$867,650 to WA's publicly funded universities to establish partnerships with the Department of Defence and 4 local small businesses. We also supported 8 WA students through the Research Higher Degree Student Grants, to help

them address real-world defence topics. This year, 2 of the grant recipients have been successful in receiving nearly \$500,000 in combined research funding from the Department of Defence.

The DSC rolled out a new engagement initiative, Defence and Research Teaming. The initiative brings together industry, academia and our locally-based army and navy personnel to address challenges in undersea communication, and individual and team propulsion, with a total of \$40,000 awarded for further concept development.

Land Forces 2021

Western Australia's world-class defence organisations and their capabilities were showcased at the international Land Forces 2021 industry expo. This included 21 local defence organisations, supported by Defence West, to exhibit at the Land Forces event. A further 8 high profile WA defence companies also participated with their own stands.

Veterans' Issues

The department is responsible for supporting the Veterans' Issues portfolio, providing administrative support to the Veterans Advisory Council, administering the Anzac Day Trust grants and supporting commemorative events. We also help develop programs and schemes to support veterans' transition from active service to new careers and establish community connections. We are also responsible for delivering the Defence Industry Veterans Employment Scheme, which encourages veterans to take-up a career in the defence industry by providing scholarships to support their entry into the defence industry careers. The program supports 20 scholarships per year, worth \$5,000 each.

Anzac Day Trust Small Grants Program

We provided funding of \$499,098 through the Anzac Day Trust to 17 volunteer organisations supporting Western Australian veterans. These grants, which range from \$1,100 to \$100,000, provide support to the State's veterans by improving the facilities of ex-service organisations that provide assistance and fellowship. Volunteer organisations perform an important role in the community, delivering support to veterans and their families through many initiatives and projects. Funded projects range from the purchase of furniture for a local RSLWA club, the construction of a permanent war memorial and creation of 3 new displays at the RAAFA Aviation Heritage Museum, to the purchase of IT equipment and maintenance of a club carpark.



Veterans Arthur Leggett and Syd Shaw - two of Western Australia's last living links to the North African Campaign in World War 2 - attending the Prisoners of War memorial service at Kings Park in 2021.

WA Defence-Ready Initiative

In December 2020, the WA Government announced that 22 small to medium sized businesses will share \$200,000 in funding through the Defence-Ready Initiative to improve their capabilities and support WA's defence industry. The initiative aims to increase the number of Western Australian businesses in becoming 'defence-ready' and subsequently entering or advancing their capabilities within the defence supply chain. Successful businesses from a range of sectors including ship maintenance, technical maintenance equipment and security services, received grants of up to \$15,000 each for improvements in cyber security, physical security and certifications.

WA Indo-Pacific Defence and Defence Industry Strategy Series

As part of the WA Indo-Pacific Defence and Defence Industry Strategy Series, we hosted 5 workshops with WA's defence scholars, industry leaders and the WA Government to examine the rapid changes in Australia's defence industry and how we can capture growth opportunities. The workshops focused on WA's new defence strategic environment; understanding security implications of the emerging cyber environment; implications of autonomous, uncrewed and undersea capabilities for WA; defining 'success' for the WA Defence and Defence Industries Strategic Plan; and Sea

Power Alliances in the Indo-Pacific – opportunities for WA. A report compiling the discussion and outcomes from each workshop was delivered to the Minister for Defence Industry.

AMC fast-tracked priority infrastructure projects

As part of the WA Recovery Plan, the WA Government announced an \$87.6 million investment at the Australian Marine Complex to fast-track 4 infrastructure projects. The upgrade is expected to create up to 600 local jobs, boost opportunities for local industry and grow WA's capacity to undertake future defence work as part of the WA Recovery Plan. We are providing support to DevelopmentWA in progressing these projects.

Developing industrial land to support industry

We are responsible for developing strategic industrial land to support industry development and growth. This includes planning and managing Strategic Industrial Areas in key locations throughout WA to ensure they are project-ready.

Australian Marine Complex

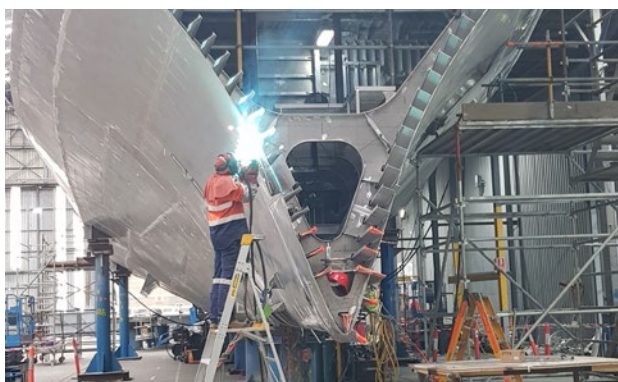
In November 2020, we released the Australian Marine Complex (AMC) Strategic Infrastructure and Land Use

Plan (SILUP) to identify upgrades required to guide the AMC's development as a nationally significant industrial area for the defence, marine and resource industries. The AMC is home to hundreds of businesses in manufacturing, fabrication, assembly, technology, repair and maintenance for the marine, defence and resources sectors. As one of 2 locations identified for naval ship building in Australia, the AMC is of strategic national importance. The plan ensures the AMC

has the long-term capacity to meet the future needs of the defence industry, while continuing to support the marine and resource sectors that currently use it to undertake major projects in WA. It is a key deliverable from the Western Australian Defence and Defence Industries Strategic Plan. The AMC Infrastructure Strategy was released alongside the SILUP, outlining how the recommended infrastructure improvements would attract more defence work to Western Australia.



The Australian Marine Complex.



As part of the WA Recovery Plan, the WA Government announced an \$87.6 million investment at the Australian Marine Complex to fast-track 4 infrastructure projects. The upgrade is expected to create up to 600 local jobs, boost opportunities for local industry and grow WA's capacity to undertake future defence work as part of the WA Recovery Plan. We are providing support to DevelopmentWA in progressing these projects.



Location of future port in Kwinana.

Strategic Industrial Areas

Oakajee

In 2020, we launched the Oakajee Renewable Hydrogen Activation Expression of Interest (EOI) to better understand what is required to transform Oakajee into a globally competitive sustainable area with a focus on renewable hydrogen. The EOI attracted interest from 65 national and international respondents, proposing a range of renewable hydrogen applications including transport, power firming, mineral processing, chemical production, advanced manufacturing, blending into the gas network and future export opportunities. Among submissions were large companies with capacity and capability to establish a hydrogen supply chain.

Kwinana and Rockingham

In 2020-21, we continued to work with a number of proponents wanting to locate to the area, considering the highest and best use of remaining strategic industrial

land to support jobs and economic development. The allocation of strategic industrial land is integral to implement facilities for downstream processing projects to support the growth of the State's future battery and hydrogen industries, and incorporate renewable energy sources. We also provided ongoing support to the Westport Project as a program partner to deliver WA's future port. The Westport Project is planned for Kwinana, near Anketell Road and will address Perth's future freight needs.

Kemerton

In 2020-21, we initiated the process for a Strategic Assessment under Part 10 of the *Environment Protection and Biodiversity Conservation Act 1999* (Cth) and Strategic Proposal under Part IV of the *Environmental Protection Act 1986* (WA) for the Kemerton Strategic Industrial Area, supported by Royalties for Regions funding to deliver serviced industrial land. The strategic assessment will establish environmental

Major manufacturing plant to create thousands of jobs

We provided conditional support in August 2020 for a major job creating manufacturing plant in the Burrup Strategic Industrial Area that would transform natural gas into urea.

Perdaman Chemicals and Fertiliser's \$4.3 billion urea project, proposes a 2.1 million tonne per annum granular urea plant, which would create around 2,500 jobs during construction and 200 permanent residential jobs during operation.

In May 2021, Perdaman announced that it had signed an offtake agreement with Australia's largest supplier of fertilisers, Incitec Pivot Limited, for 100% of production over 20 years. This achieves one of the key agreement milestones prior to Perdaman commencing construction.

The Perdaman urea plant project involves a significant extension to the Dampier Cargo Wharf,

upgrades to seawater supply infrastructure, and upgrades to roads to allow better access to Hearson Cove. These improvements will boost the investment attractiveness of the Burrup Strategic Industrial Area.

When complete, the output from the plant will be sold across Australia and internationally, producing food for more than 90 million people every year.

commitments and obligations for the State and companies over the next 50 years. It will provide certainty for industrial proponents and protect environmentally significant areas such as native vegetation and wetlands. We have also continued to support the development of heavy industry in Kemerton including the Albemarle lithium hydroxide plant, which is now under construction.

Burrup and Maitland Strategic Industrial Areas

We continue to work closely with stakeholders on the Burrup Peninsula including the Murujuga Aboriginal Corporation to protect the cultural and heritage value of the area while supporting the coexistence of activities which create economic development and jobs for the community. We contributed to the

nomination of the Murujuga Cultural Landscape to the UNESCO World Heritage List, led by Murujuga Aboriginal Corporation and the Department of Biodiversity, Conservation and Attractions. We also worked with proponents to progress efficient and sustainable industries, such as Perdaman's granular urea plant, and on projects to establish infrastructure to produce renewable hydrogen and reduce emissions on the Burrup.

Growing international investment and trade

We help attract investment into the State and increase trade through Invest and Trade WA.

We promote investment opportunities and Western Australia's range of products and services to overseas markets, and

provide information and advice to WA companies wanting to increase their investment readiness or export capability.

Our services can be provided through our Perth hub, referrals or introductions to the best-placed agencies across the Invest and Trade WA network. This includes our overseas offices, industry bodies and other government agencies. We also support Western Australia's economic and cultural relationships with international markets and grow international education opportunities.

Invest and Trade WA

Invest and Trade WA was established in July 2019 to grow and diversify the State's economy and create new jobs, by helping industry access international markets and attract investment to the State.

Following the independent review of our international offices, in 2020-21 we implemented a hub-and-spoke model

which groups the State's 8 international offices in 5 regions - ASEAN, China, India-Gulf, North East Asia and UK/Europe, and appointed 4 new Investment and Trade Commissioners. Under this model WA will be expanding its global footprint in the coming years to foster new investment and trade opportunities in a diverse range of markets and industries.

In January 2021, we also launched the Invest and Trade WA website to promote Western Australia globally as a leading investment and trade destination. The website showcases the State's unique opportunities to potential investors and buyers, and provides a range of resources, including 8 Market Outlooks, to assist Western Australian businesses who are looking to expand their operations into international markets.

In 2020-21, we continued to assist a large volume of international



Left to right: Mr Steve Hall, Chief Executive Officer, National Electrical Contractors Association; Ibu Dewi Tobing, former Consul General of Indonesia in Perth; JTISI Director General, Rebecca Brown; JTISI Deputy Director General, Simone Spencer; Nashid Chowdhury, Economic Development and Advocacy Lead, City of Joondalup; Krista Dunstan, Investment and Trade Commissioner for WA in ASEAN.

investment and trade enquiries, both onshore and offshore, across a range of sectors including space, defence, health and medical technology, renewables, hydrogen, critical minerals and creative industries.

International engagement

We delivered a range of international trade and investment events and delegations to promote the State's industries in key international markets.

Due to COVID-19, we delivered many of our international events and delegations virtually. Some of these included:

- » Signing of a Memorandum of Understanding between WA and Ba Ria-Vung Tau Province, a key economic zone in Vietnam, to promote co-operation in economic development, education and vocational training and culture and the arts.
- » Signing of a Memorandum of Understanding between the



Ms Kaylene Gulich, Chief Executive Officer, Western Australian Treasury Corporation; JTSI Director General, Rebecca Brown; Mr Kou Fukuchi, Managing Director, MUFG Bank.

- department and the Human Resources Development Agency of Energy and Mineral Resources of the Republic of Indonesia which aims to leverage the State's expertise and strengths in vocational education and training, especially in the mining and energy sectors.
- » Hosting a Virtual Business Matching Program with the Department of Primary Industries and Regional Development, supported by the Investment and Trade Office in Jakarta in Indonesia, which focuses on primary industry exports.
- » Signing of a Memorandum of Understanding with Japan's largest commercial bank, MUFG Bank, to promote Japanese investment into hydrogen and critical minerals industries.

- » Hosting a Virtual Ministerial trade mission to Europe, focusing on opportunities in hydrogen and future batteries.
- » Hosting trade missions for Western Australian companies, including 10 tech start-ups, to attend the first London Tech Week, held as an online rather than in person event.
- » Hosting virtual site visits for investors from the USA and New Zealand to inspect projects and opportunities in regional Western Australia.
- » Sponsorship of the City of Joondalup's virtual trade mission to Indonesia for 100 local companies, and for 9

regional Western Australian METS companies to attend the Austmine in person conference in May 2021.

- » Virtual briefings, in partnership with Amazon India, for Western Australian companies looking to sell their products through e-commerce channels in India.



Dr Sandy Chong, Principal of Verity Consulting, delivering Asia Business Capability workshop.

The \$25 million Australia-China Natural Gas Technology Partnership Fund is a joint initiative between the department as well as the Commonwealth Department of Industry, Science, Energy and Resources; North West Shelf Joint Venture; and China's National Energy Administration, the Chinese partner to the Fund. We hosted the Fund's 20th Working Group Virtual Meeting in March 2021.

We also coordinated economic and industry briefings for visiting Ambassadors and government delegations from major trading partners such as Japan, Korea and

countries in the European Union, and extensive engagement, both virtual and face-to-face, with local and international stakeholders to grow investment and trade opportunities for Western Australia. This included welcoming the new Consul General of China and providing a briefing on WA's economy and industry.

Asian engagement

We continued to implement the Asian Engagement Strategy 2019-2030: Our future with Asia to strengthen our economic and cultural ties with Asia. This included delivering 2 rounds of the Access Asia Business Grants, which provided \$630,000 in funding to 38 small and medium-sized enterprises (SMEs) seeking to expand into Asia as well as delivering 8 Asia Business Capability workshops to upskill local SMEs on engaging with the Asian markets. In addition, we supported 10 Asian business councils to develop their strategic plans and delivered an Asia

business forum in partnership with Austmine and the Australia Indonesia Business Council, which focused on promoting mining and METS opportunities in Indonesia to WA industry.

International education

In 2019, Western Australia welcomed more than 50,000 students from 147 countries who were living and studying in Perth. However, due to COVID-19 WA's international education sector has been significantly impacted financially and operationally. To guide the sector's recovery and renewal, we established the Western Australian International Education Advisory Group which is chaired by our Director General and includes government representatives, education providers, peak industry bodies, partners and a student representative. Together with the Advisory Group, we developed the WA International Education Recovery



Dr Hendro Fujiono, Co-founder of FujiShepard & Associates delivering the 'Doing Business in Indonesia' Asia Business Capability workshop.



International Education Recovery and Renewal Launch.

and Renewal Plan which outlines strategies and initiatives to help the sector reposition, recover and achieve long-term sustainability. It is supported by \$1.5 million from the WA Government as part of the WA Recovery Plan.

In 2020-21, we implemented a number of initiatives as part of the plan:

- » The Online Capability Fund provided grants of up to \$40,000 to 14 local international education providers to develop and expand their online courses and enable students to commence their studies offshore.
- » The International Education COVID-19 Industry Support Fund provided up to \$50,000 to enable WA's small and medium international education providers to sustain their businesses.
- » In partnership with StudyPerth and TAFE International Western Australia, the Student Engagement and Wellbeing Program delivered events and activities which were enjoyed by more than 1,000 students, and more than 1,500 Explorer Passes were redeemed by onshore international students for tours and experiences around Perth and Western Australia.
- » 60 education providers, Consular Corps, community and multicultural groups were awarded grants of up to \$10,000 to implement their own student engagement and support initiatives.
- » Development of an offshore marketing strategy to promote Perth and Western Australia as a study destination of choice among prospective students and their parents.

Investment and trade policy

We continued to advocate for WA's interests on investment and trade policy issues in interactions with the Australian Government and other states.

In 2020-21, we worked with WA Government agencies to develop policy positions and provided input into negotiations on the Australia-European Union Free Trade Agreement and the Australia-United Kingdom Free Trade Agreement. We also coordinated the State's response to Australia's Foreign Relations (State and Territory Arrangements) Act 2020, including successfully notifying 57 arrangements between WA Government agencies and national foreign governments, and 81 arrangements between WA Government agencies and foreign subnational governments within the allocated timeframe. New foreign arrangements are now subject to review under the Act and we are coordinating this process on behalf of the WA Government.

In response to stricter Foreign Investment Review Board (FIRB) requirements, we developed new guidelines for Western Australian agencies to address FIRB requests, ensuring that every proposal is reviewed according to an allocated risk rating. We also advised other Western Australian Government agencies on trade policy issues regarding the World Trade Organization (WTO). This included advice to the Department of Primary Industries and Regional Development on China's measures against Australian wine and barley in the WTO.

In addition, through the Indonesia-Australia Comprehensive Economic Partnership Agreement we provided opportunities for WA businesses, in particular from the agribusiness sector, to export WA carrots, onions, Celebration grapes and Bravo apples to Indonesia for the first time.



AGRIFresh Wicked Baby Carrots trays ready for market. Credit: AGRIFresh.

Supporting science and innovation

We are responsible for supporting research and development across government departments, attracting investment in Western Australian innovation, and creating links across government agencies and between industry, research and academic organisations at local, national and international levels.



Students from schools in the STEM Enterprise Schools program participated in the Resources Technology Showcase in June. (Copyright Department of Education 2021)

New Industries Fund

We administer the New Industries Fund, which provided \$16.7 million over 4 years to support and accelerate new and emerging businesses to diversify the WA economy and create new jobs. The 4-year fund concluded in June 2021, and since 2017 it has supported more than 4,000 innovative small to medium sized businesses across the State through a range of programs.

Some highlights in 2020-21 included:

- » The Innovator of the Year program resumed in 2021 following its postponement in 2020 due to COVID-19. The annual program provides finalists with a suite of business and commercialisation training, including pitch presentation, one-on-one mentoring, a legal health check and financial planning. The 2021 winners will be announced in

November at an awards ceremony, where winners of the six categories, will share in a total prize pool of \$140,000.

- » The State's Cyber Security; Life Sciences; and Data Science innovation hubs played an important role in reducing the economic impact of COVID-19 on start-ups and small and medium sized enterprises (SMEs) by continuing to deliver seminars, workshops, podcasts, expert service delivery and events. They continue to build capability, economic resilience, jobs and connect SME's to local, national and international networks. In addition the WA AustCyber Innovation Hub delivered Western Australia's inaugural 'Cyber West Summit 2021', which addressed significant contemporary cyber security issues such as underpinning critical infrastructure, law enforcement and defence, finance,

health, education and data science. The successful event included high-calibre local and national speakers, panel discussions, networking opportunities and enabled 12 local companies (including 3 start-ups) to showcase their products and service to 320 attendees.

- » The X-TEND WA program is a capability building program that supports both entrepreneurs and investors. In 2020-21 5 proponents from Round 2 successfully completed their programs that supported med-tech, export, regional entrepreneurship and investment and growth and diversity in private investment. Quantum Tech Exchange was an X-TEND Round 1 recipient that facilitates cross sector collaboration of emerging businesses from mining, energy, agri and defence for the burgeoning space sector supply chain. Due to its impactful program delivery it received an additional, \$100,000 in follow on co-contribution funding to



Cyber West Summit 2021.



Then Minister for Innovation and ICT, Hon. Dave Kelly MLA and Mr Yaz Mubarakai MLA visit WasteSorted e-waste grant recipient, Total Green Recycling, who were awarded \$80,000 through the program.

support another cohort of SMEs to participate in the successful program. To support innovative businesses impacted by COVID-19, we granted up to \$100,000 in funding to 5 providers to deliver the X-TEND COVID-19 Recovery program, which provided free business advice and mentoring to more than 200 businesses.

» The Innovation Vouchers Program provides up to \$20,000 in funding to help start-up or small businesses commercialise their ideas and innovations. The 2020 round supported a record 36 businesses impacted by COVID-19, from a \$689,000 funding pool. One of this year's

recipients, local robotics company Nexxis, is developing its smart industrial robotic arm technology to improve technical support, testing and safety in mining, offshore oil and gas and industrial applications. The funding is also helping medical technology start-up VeinTech, which has designed a handheld ultraportable unit to help find veins faster and more accurately for cannulation.

» In January 2021, we announced \$1 million in funding for 9 projects as part of the WasteSorted e-waste grants. The grants help create long term innovative ways to process e-waste, and increase the volume of e-waste being reused and recycled. When fully implemented, the 9 initiatives will divert approximately 1,000 tonnes of e-waste annually from landfill in Western Australia.

Roborigger

Roborigger has developed a new way of thinking about lifting and logistics operations. The company envisions an environment in which people make the decisions and become the controllers, while the machines do the physical work.

Originally developed in 2016 by TENSA Equipment, a heave compensation and motion monitoring company for offshore oil and gas industry, Roborigger provides robust hardware and software solutions that improve safety by keeping workers away from heavy loads. Their equipment makes crane lifting operations easier, and faster, by controlling loads wirelessly and increasing efficiency through web based, real time access to data, images and performance analysis.

Following development partnerships with Multiplex and Woodside, involving

a 12-month trial with end users (riggers and dogmen) on crane yards and the development of control system in collaboration with Curtin University, Roborigger units have been deployed commercially since 2018.

Roborigger opened a new production facility in Wangara this year, which houses 10 mechanical, mechatronics and industrial automation engineers. Their team has grown from 5 employees in 2019 to 17 full time employees and 7 contractors in 2021.

Since winning 3 Platinum awards in the last WA Innovator of the Year (IOTY) program, which took place in 2019, Roborigger has received a \$5 million Series A investment with Blackbird Venture Capital and gained contracts with Laing O'Rourke (NSW), Built (NSW), Newmont (NT) and Hutchinson Builders (QLD). Further to this, they have secured



2019 Innovator of the Year Platinum Award Winner - Tensa Equipment for Roborigger.

new markets in Indonesia, Japan, the Middle East, and Germany.

In addition to their involvement in our IOTY program, we are proud to have supported Roborigger, via TENSA equipment, through our Local Capability Fund (LCF).



Minister for Innovation and ICT, Don Punch MLA, launches the 2021 WA Innovator of the Year program in April.

Science and research capability

In 2020-21 we administered \$22.067 million in grants to build the science and research capability in Western Australia.

Research excellence

The Premier's Science Fellowship Program attracted a new leading researcher, Dr Mengbin (Ben) Ye to Curtin University to advance artificial intelligence research in Western Australia. Existing Fellow Dr Ruey Leng Loo continued in her human phenomics research at Murdoch University. The WA Recovery Plan supported \$5 million for 34 COVID-19 research projects to support resilience for small business, the health system and vulnerable groups. Funding continued for the International Centre for Radio Astronomy Research, Busselton Health Study, Science and Agribusiness Connect initiative and the Science on the Swan Conference.

Research collaboration

We supported research collaboration amongst researchers, government, industry and community through the Western Australian Biodiversity Science Institute, Western Australian Marine Science Institution, Future Battery Industries Cooperative Research Centre, SmartSat Cooperative Research Centre, Cyber Security Cooperative Research Centre, Food Agility Cooperative Research Centre and the Sustainable Built Environment National Research Centre.

Research infrastructure

\$1.99 million was co-invested in equipment (bringing the total co-investment to date to \$6.55 million) with Bioplatforms Australia, Microscopy Australia, the National Imaging Facility, the Integrated Marine Observing System, Australian National Fabrication Facility and the

Terrestrial Ecosystems Research Network. We continued to fund the Pawsey Supercomputing Centre to allow access for WA researchers and industry to supercomputing and visualisation services.

Growing WA's space industry

In 2020-21, we continued to advance the growth of WA's space industry. Working with the Australian Space Agency, we have facilitated partnerships and engaged with the global space industry to diversify and grow WA's economy.

In January 2021, we announced \$500,000 to support Curtin University's Binar Space Program which will see Western Australia's first spacecraft launched to space in August 2021. A further 6 spacecraft will be launched in late 2021 – 2022, with all 7 Binar CubeSats spacecraft designed and manufactured in Western Australia. The 7 spacecraft will



JTSI General Manager Space James Yuen, AROSE Co-founder Russell Potapinski, and Minister for State Development, Jobs and Trade; Science, Hon. Roger Cook MLA at the AROSE launch event. Credit: Michael Goh.

form Australia's first home grown constellation of satellites in space and position Western Australia as the national leader in the design, manufacturing and operation of spacecraft in space.

We have continued to support the activities of the Australian Remote

Operations for Space and Earth (AROSE), the Australian Space Data Analysis Facility and the Space Automation, AI and Robotics Control Complex. In May 2021, AROSE opened its head office in Perth, and has attracted 4 new partners including Canadian space robotics and technology company MDA. The industry-

led, not-for-profit consortium will position the State as a global centre for remote operations technologies on Earth and in space, and support WA's industry and universities to bid for space exploration projects.

In June 2021, 3 Western Australian-led projects were also awarded \$200,000 as part of the Australian Government's Moon to Mars Demonstrator Feasibility Grants program.

These projects are:

- » An AROSE led project that will demonstrate the feasibility of an Australian operated Lunar Construction Rover and develop a business and commercialisation plan to secure further investment.
- » Curtin University's Binar Prospector project that will lay the foundations for proposed future Moon missions to locate and produce high resolution digital mapping of resources on the Moon using their Binar CubeSat space craft.



WA Chief Scientist Professor Peter Klinken AC and AROSE CEO Leanne Cunnold at the AROSE launch event. Credit: Michael Goh.

- » A University of Western Australia led project in collaboration with Fugro Marine Australia that will demonstrate the feasibility of their optical laser technology to provide communications support for NASA's inspirational Artemis Program to send the first woman and next man to the Moon by 2024.

The projects highlight the important contribution Western Australia is making to space exploration, research and commercial activities.

WA's health and medical life sciences

Western Australia is home to a burgeoning health and medical life sciences industry. COVID-19 has amplified interest in the industry and highlighted the importance of building resilience and capability to secure local manufacturing opportunities and health and medical supply chains.

The department, working in collaboration with the Department

of Health, is leading the development of the Health and Medical Life Sciences Industry Growth Strategy which will support local capability, commercialisation opportunities and jobs in the industry.

Together with Business Events Perth and the City of Perth, we also secured Australia's largest life sciences conference, AusBiotech 2022, for Perth in October 2022. Attracting more than 1,000 national and international biotech leaders, investors and stakeholders, the conference will discuss issues such as regenerative medicine, gene therapies, biotech investment, precision medicine and clinical trials. It will also showcase Western Australia's med tech pharma (MTP) sector, secure new partnerships and pursue commercialisation opportunities. The conference will also highlight the expertise available to local MTP companies through the WA Government's highly successful MTPConnect WA Life Sciences Innovation Hub.



Chief Scientist activities

Chief Scientist Professor Peter Klinken AC continues to provide independent advice to the WA Government, working with staff from the department and the community to provide advice on science and innovation issues in Western Australia. In 2020-21, the Chief Scientist was an active member of the Future Health Research and Innovation Fund Advisory Council, the Australian Space Agency Advisory Board, and contributor to the Commonwealth's Forum of Australian Chief Scientists and Rapid Research Information Forum.



Professor Klinken remains heavily involved in WA's renewable energy transition, liaising with industry and contributing to the WA Renewable Hydrogen Council and the WA Government Future Battery and Critical Minerals Ministerial Taskforce. He has continued to help facilitate projects funded under the New Industries Fund and is involved in the development of the WA Health and Medical Life Sciences Industry Growth Plan. Professor Klinken is chair of the panel for the Future Jobs, Future Skills: Driving STEM skills in WA, and launched the Take 2 STEM campaign demonstrating to students how studying 2 STEM subjects would prepare them for the jobs of the future.

Recognising WA's unique and abundant biodiversity and the opportunity for commercialisation of research, Professor Klinken continues to champion the development of biodiscovery legislation for WA, and exploring opportunities to expand Western Australia's synthetic biology, genomics and clinical trial capabilities.

Skills for the jobs of the future

We continued to implement the State's science, technology, engineering and mathematics (STEM) strategy, to build a globally competitive and innovative workforce with the skills to develop WA's technological future and create new jobs.

In 2020-21 we delivered the following:

- » Supported 7 recipients of the Digital and Technology Skills grants to adapt and safely deliver their upskilling projects in a COVID-19 environment. Activities included a film-making course, coding courses targeted at women seeking to develop careers in technology, and digital literacy programs for Aboriginal youth.
- » Partnered with the Department of Education to deliver the STEM Enterprise Schools program, bringing together 1,300 teachers from 136 schools to improve STEM education.

STEM skills help build a globally competitive and innovative workforce with the skills to drive our technological future and create new job opportunities. (Copyright Department of Education 2021)

- » Reached students, parents and educators through the Take 2 STEM campaign from June to December 2020, with almost half the students who recalled the campaign reporting they are now more likely to study STEM.
- » The Governor's School STEM Awards continued to celebrate achievements in STEM education, awarding 5 schools in November 2020.

The 2020 Premier's Science Awards ceremony recognised and celebrated the outstanding scientific research and engagement taking place in Western Australia. Nearly 200 people from across the science sector attended the in person and virtual ceremony in September, with Professor Steven Tingay and Professor Ryan Lister being jointly awarded the 2020 Scientist of the Year. We launched the 20th year of awards in April 2021.

We also announced that the Gravity Discovery Centre and Observatory in Gingin will receive \$300,000 over the next 3 years to expand its STEM engagement activities. We also continued our annual funding to Scitech and sponsored events such as FameLab; Curtin University's Great Science Share for Schools; the WA IT and Telecommunications Alliance's Game Changer Awards; and the Science Teachers Association of WA's Transformers 2021.



Winners of Governor's School STEM Awards Ashdale Secondary College with then Minister for Science, Hon. Dave Kelly MLA and Governor of Western Australia Kim Beazley.



Professor Ryan Lister, then Minister for Science, Hon. Dave Kelly MLA and Professor Steven Tingay at the 2020 Premier's Science Awards ceremony.



Parliamentary Secretary to the Minister for Regional Development; Agriculture and Food; Hydrogen Industry Darren West, Premier Mark McGowan and Member for the Agricultural Region Sandra Carr at the Gravity Discovery Centre.

Chief Scientist plays critical role in COVID-19 response

WA's Chief Scientist Professor Peter Klinken AC has played a pivotal role in connecting and encouraging government, academia and industry to accelerate Western Australia's response to COVID-19.

With expertise in life sciences, he was able to provide connections to help with COVID-19 projects undertaken by the

department and other State and Commonwealth agencies, and encouraged local companies to shift from business-as-usual activities, to undertake COVID-19 response projects.

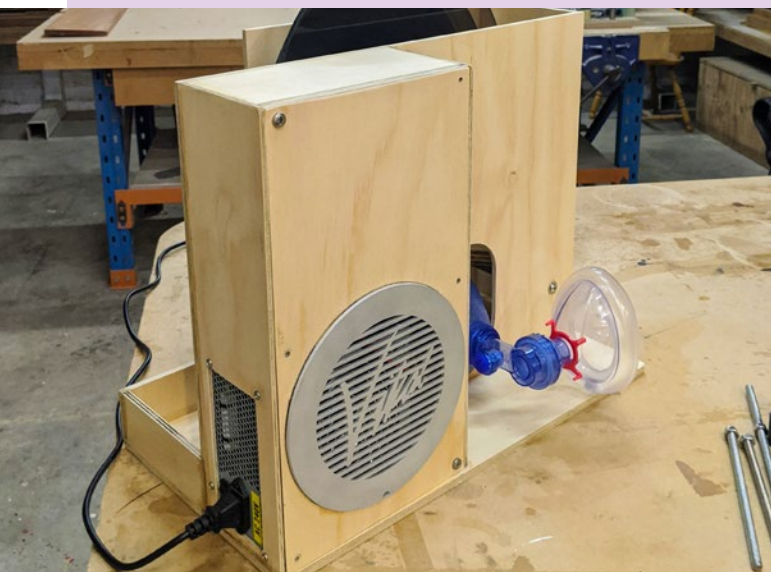
In a short timeframe, the Chief Scientist assessed COVID-19 research proposals from WA's 5 universities for the Treasurer, with 34 applicants sharing in \$5 million of funds. Working with the department, he contributed to the review panel which assessed COVID-19 Personal Protective Equipment products made by WA manufacturers, resulting in the award of funding from a \$3.5 million pool.

Professor Klinken participated in the Forum of Australian Chief Scientists and the Rapid Research Information Forum, which continues to provide scientific information to inform the Commonwealth Government's response to the pandemic.

Supporting the Department of Health, Professor Klinken was heavily involved

with its DETECT/CRISPR programs for coronavirus detection and chaired a panel which evaluated COVID-19 research grant applications for a \$3 million funding pool. Many of the projects funded addressed the mental health impact of the pandemic. For example, researchers at Curtin University developed a Cognitive Behaviour Therapy self-help guide, which was distributed to more than 800 health and community services providers.

Professor Klinken's role in assisting local companies to support Western Australia's response to the pandemic helped ensure we had the right equipment if the situation escalated. For example, Vikal used its expertise in manufacturing custom superyachts to produce 4 prototype ventilators for the Department of Health, while metal fabricators Adarsh Australia produced 10,000 face shields for frontline healthcare workers.



Prototype ventilator made by Vikal.



Team responsible for Vikal prototype ventilator.

Actual results versus budget targets

	2020-21 Original Target \$'000	2020-21 Actual \$'000	Variation \$'000
Total cost of services (approved expense limit) (see Statement of Comprehensive Income)	271,721	334,447	(62,726)
Net cost of services (see Statement of Comprehensive Income)	268,033	329,604	(61,571)
Total equity (see Statement of Financial Position)	24,711	51,682	26,971
Net increase/(decrease) in cash held (see Statement of Cash Flows)	(12,184)	17,160	29,344
Approved salary expense level	37,437	39,333	1,896

Explanatory Notes to Variations against Revised Targets

Further explanations are contained in Note 8.11 'Explanatory statement' to the financial statements.

Total cost of services

The higher level of expenditure in 2020-21 was mainly the result of a \$100 million grant payment to Edith Cowan University for the relocation of campuses under the Perth City Deal, offset by the deferral of expenditure, mostly to 2021-22, for a number of programs and activities.

Net cost of services

The variance is comprised of the \$62.7 million variance in total cost of services offset by a small favourable variance in third party income.

Total equity

The variance in total equity is mostly the result of a higher than anticipated end of year cash balance. The department was unable to expend all of its allocated funding on planned activities and has deferred some spending to 2021-22.

Net increase/(decrease) in cash held

The variation to cash movement is explained in *Total equity* above.

Approved salary expense level

The increase in salary expenditure was largely driven by a number of severance payments during the year as a result of restructures across the agency as well as a number of new positions that were created and filled.

Key performance indicators

Key Efficiency Indicators

Key Efficiency Indicators assist with the assessment of agency performance in the achievement of government desired outcomes.

	2020-21 Target	2020-21 Actual
KPI 1 Stakeholder satisfaction with the department's effectiveness in providing leadership in the development of Western Australian industry sectors	n/a	6.5
KPI 2 Growth in key industries for economic diversification	0.5%	-1.5%
KPI 3 Share of Western Australia's merchandise exports in key markets for diversification	9.5%	9.8%
KPI 4 Western Australia's share of Australia's international student enrolments	n/a	5.7%

Key Efficiency Indicators

Key Efficiency Indicators assist with the assessment of agency service delivery. They monitor the relationship between the service delivered and the resources used to produce the service.

	2020-21 Target	2020-21 Actual
KPI 5 Ratio of Total Cost of Services to gross state product	1: 1,816	1: 1,478

Disclosures and legal compliance



Auditor General

INDEPENDENT AUDITOR'S OPINION

2021

Department of Jobs, Tourism, Science and Innovation

To the Parliament of Western Australia

Report on the audit of the financial statements

Opinion

I have audited the financial statements of the Department of Jobs, Tourism, Science and Innovation (Department) which comprise:

- the Statement of Financial Position at 30 June 2021, and the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows and Summary of Consolidated Account Appropriations for the year then ended
- 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 2021 and the financial position at the end of that period
- in accordance with Australian Accounting Standards, the *Financial Management Act 2006* and the Treasurer's Instructions.

Page 1 of 6

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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 & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (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.

Emphasis of Matter – Contingent Liability

A contingent liability has been disclosed in Note 7.2 of the financial statements, recognising that a claim of \$28 billion was made against the State in respect of a legal dispute between the parties to a State Agreement, and the Western Australian Government. This claim is still current. My opinion is not modified in this regard.

Responsibilities of the Director General for the financial statements

The Director General is responsible for:

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

In preparing the financial statements, the Director General is responsible for:

- assessing the entity's ability to continue as a going concern
- disclosing, as applicable, matters related to going concern
- using the going concern basis of accounting unless the Western Australian Government has made policy or funding decisions affecting the continued existence of the Department.

Auditor's responsibilities for the audit of the financial statements

As required by the *Auditor General Act 2006*, my responsibility is to express an opinion on the financial statements. The objectives of my audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material 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. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

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

Report on the audit of controls

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 2021.

The Director General's responsibilities

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

Auditor General's responsibilities

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

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

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

Limitations of controls

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

Report on the audit of the key performance indicators

Opinion

I have undertaken a reasonable assurance engagement on the key performance indicators of the Department of Jobs, Tourism, Science and Innovation for the year ended 30 June 2021. The key performance indicators are the Under Treasurer-approved key effectiveness indicators and key efficiency indicators that provide performance information about achieving outcomes and delivering services.

In my opinion, in all material respects, the key performance indicators of the Department of 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 2021.

The Director General's responsibilities for the key performance indicators

The Director General is responsible for the preparation and fair presentation of the key performance indicators in accordance with the *Financial Management Act 2006* and the Treasurer's Instructions and for such internal 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 responsibilities

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

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

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

My independence and quality 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.

Other information

The Director General is responsible for the other information. The other information is the information in the entity's annual report for the year ended 30 June 2021, but not the financial statements, key performance indicators and my auditor's report.

My opinions do not cover the other information and, accordingly, I do not express any form of assurance conclusion thereon.

Matters relating to the electronic publication of the audited financial statements and key performance indicators

This auditor's report relates to the financial statements, controls and key performance indicators of the Department of Jobs, Tourism, Science and Innovation for the year ended 30 June 2021 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, controls 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, controls or key performance indicators. If users of the financial statements, controls and key performance indicators are concerned with the inherent risks arising from publication on a website, they are advised to contact the entity to confirm the information contained in the website version of the financial statements, controls and key performance indicators.



Caroline Spencer
Auditor General for Western Australia
Perth, Western Australia
1 October 2021

Department of Jobs, Tourism, Science and Innovation

Certification of Financial Statements

For the reporting period ended 30 June 2021

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 reporting period ended 30 June 2021 and the financial position as at 30 June 2021.

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



Rebecca Brown
Director General
1 October 2021



Renato Sansalone
Chief Financial Officer
1 October 2021

Department of Jobs, Tourism, Science and Innovation

Statement of Comprehensive Income

For the year ended 30 June 2021

	Notes	2021 \$'000	2020 \$'000
COST OF SERVICES			
Expenses			
Employee benefits expenses	2.1 (a)	43,888	41,422
Supplies and services	2.3	17,080	19,434
Depreciation and amortisation expenses	4.1.1, 4.2.1, 4.3	1,782	1,808
Accommodation expenses	2.3	4,552	5,546
Grants and subsidies	2.2	266,935	109,137
Finance costs	6.2	43	73
Other expenses	2.3	167	10,410
Total cost of services		334,447	187,830
Income			
Commonwealth grants	3.3	3,936	510
Property income	3.2	-	1,611
Other income	3.4	907	2,261
Total income		4,843	4,382
NET COST OF SERVICES		329,604	183,448
Income from State Government			
Service appropriation	3.1	346,456	162,528
Income from other public sector entities	3.1	1,780	804
Resources received	3.1	2,198	1,184
Royalties for Regions Fund	3.1	3,723	10,175
Total income from State Government		354,157	174,691
SURPLUS / (DEFICIT) FOR THE PERIOD		24,553	(8,757)
Other comprehensive income		-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		24,553	(8,757)

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 2021

ASSETS	Notes	2021 \$'000	2020 \$'000
Current Assets			
Cash and cash equivalents	6.3	29,480	12,355
Restricted cash and cash equivalents	6.3	8,600	8,923
Receivables	5.1	15,342	5,123
Amounts receivable for services	5.2	345	110
Other current assets	5.3	841	1,145
Total Current Assets		54,608	27,656
Non-Current Assets			
Restricted cash and cash equivalents	6.3	752	394
Receivables	5.1	6,499	6,831
Amounts receivable for services	5.2	5,625	3,527
Property, plant and equipment	4.1	635	725
Intangible assets	4.2	109	166
Right-of-use assets	4.3	3,493	2,716
Other non-current assets	5.3	93	69
Total Non-Current Assets		17,206	14,428
TOTAL ASSETS		71,814	42,084
LIABILITIES			
Current Liabilities			
Payables	5.4	6,106	2,744
Contract liabilities	5.5	151	-
Lease liabilities	6.1	1,265	1,353
Employee related provisions	2.1 (b)	8,562	8,999
Total Current Liabilities		16,084	13,096
Non-Current Liabilities			
Payables	5.4	104	104
Lease liabilities	6.1	2,202	1,431
Employee related provisions	2.1 (b)	1,742	1,720
Total Non-Current Liabilities		4,048	3,255
TOTAL LIABILITIES		20,132	16,351
NET ASSETS		51,682	25,733
EQUITY			
Contributed equity	8.9	46,013	44,617
Accumulated surplus/(deficit)		5,669	(18,884)
TOTAL EQUITY		51,682	25,733

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 2021

	Notes	Contributed equity \$'000	Accumulated surplus / (deficit) \$'000	Total equity \$'000
Balance at 1 July 2019		69,822	(10,091)	59,731
Initial application of AASB 16		-	(36)	(36)
Restated balance at 1 July 2019		69,822	(10,127)	59,695
Surplus / (deficit)		-	(8,757)	(8,757)
Other comprehensive income		-	-	-
Total comprehensive income for the year		-	(8,757)	(8,757)
Transactions with owners in their capacity as owners:				
Capital appropriations	8.9	251	-	251
Distributions to owners ^(a)	8.9	(25,456)	-	(25,456)
Total		(25,205)	-	(25,205)
Balance at 30 June 2020		44,617	(18,884)	25,733
Balance at 1 July 2020		44,617	(18,884)	25,733
Surplus / (deficit)		-	24,553	24,553
Other comprehensive income		-	-	-
Total comprehensive income for the year		-	24,553	24,553
Transactions with owners in their capacity as owners:				
Capital appropriations	8.9	3,485	-	3,485
Distributions to owners ^(b)	8.9	(2,089)	-	(2,089)
Total		1,396	-	1,396
Balance at 30 June 2021		46,013	5,669	51,682

^(a) Capital contributions transferred to Tourism WA and transfer of Technology Parks to Government^(b) Capital contributions transferred to Tourism WA

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 2021

	Notes	2021 \$'000	2020 \$'000		Notes	2021 \$'000	2020 \$'000
CASH FLOWS FROM STATE GOVERNMENT				Receipts			
Service appropriations		344,013	161,632	Sale of goods and services		-	1,611
Capital appropriations		3,485	261	Commonwealth grants		3,936	510
Capital appropriations distributed to owner		(2,089)	(186)	GST receipts on sales		1,173	479
Funds from other public sector entities		1,780	33	GST receipts from taxation authority		3,857	4,007
Holding account drawdown		110	110	Other receipts		1,201	2,166
Royalties for Regions Fund		3,723	10,175	Net cash used in operating activities		(332,177)	(168,928)
Net cash provided by State Government		351,022	172,025				
				CASH FLOWS FROM INVESTING ACTIVITIES			
Utilised as follows:				Payments			
CASH FLOWS FROM OPERATING ACTIVITIES				Purchase of non-current assets		(43)	(178)
Payments				Receipts			
Employee benefits		(42,564)	(39,671)	Proceeds from sale of non-current assets		78	-
Supplies and services		(16,449)	(19,410)	Net cash used in investing activities		35	(178)
Accommodation		(3,534)	(3,880)				
Grants and subsidies		(264,507)	(109,137)	CASH FLOWS FROM FINANCING ACTIVITIES			
GST payments on purchases		(14,572)	(4,486)	Payments			
Finance costs		(43)	(73)	Principal elements of lease payments		(1,720)	(1,683)
Other payments		(675)	(1,044)	Net cash used in financing activities		(1,720)	(1,683)
				Net increase in cash and cash equivalents		17,160	1,236
				Cash and cash equivalents at the beginning of the period		21,672	20,436
				Cash and cash equivalents at the end of the period	6.3	38,832	21,672

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

For the year ended 30 June 2021

	2021 Budget	2021 Supplementary Funding	2021 Revised Budget	2021 Actual	2020 Variance against revised budget
	\$'000	\$'000	\$'000	\$'000	\$'000
Delivery of Services					
Item 43 Net amount appropriated to deliver services	236,309	104,629	340,938	340,938	-
Section 25 Transfer of service appropriation	-	-	-	-	-
Amount Authorised by Other Statutes					
- <i>Salaries and Allowances Act 1975</i>	1,508	-	1,508	1,508	-
Other appropriations	4,110	-	4,110	4,010	(100)
Total appropriations provided to deliver services	241,927	104,629	346,556	346,456	(100)
Capital					
Item 118 Capital appropriation	11,597	-	11,597	3,485	(8,112)
Administered Transactions					
Item 44 Administered grants, subsidies and other transfer payments	22,970	519	23,489	23,489	-
GRAND TOTAL	276,494	105,148	381,642	373,430	(8,212)

Department of Jobs, Tourism, Science and Innovation

Notes to the financial statements

For the year ended 30 June 2021

Note 1. Basis of preparation

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

A description of the nature of the department's operations and its principal activities are included in the Annual Report which does not form part of these financial statements.

These annual financial statements were authorised for issue by the Director General (Accountable Authority) of the department on 1 October 2021.

Statement of compliance

These general purpose financial statements are prepared in accordance with:

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

The FMA and the TIs take precedence over AASs. Several AASs are modified by the TIs 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).

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 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.

Consolidation

The department's financial statements include Tourism WA only to the extent it has provided direct funding and some resources (personnel, accommodation and some systems) to Tourism WA.

Tourism WA is a separate reporting entity under the *Western Australian Tourism Commission Act 1983* and is governed by a Board of Commissioners as the Accountable Authority. Tourism WA's financial results are presented separately and not consolidated into these financial statements. For full disclosure of the financial results and financial position of Tourism WA, refer to Tourism WA's Annual Report. Also refer to note 8.6 *Affiliated bodies* for details on funding and resources provided to Tourism WA.

Department of Jobs, Tourism, Science and Innovation

Notes to the financial statements

For the year ended 30 June 2021

Note 2. Use of our funding

Expenses incurred in the delivery of services

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

	Notes
Employee benefits expenses	2.1(a)
Employee related provisions	2.1(b)
Grants and subsidies	2.2
Other expenses	2.3

2.1 (a) Employee benefits expenses

	2021	2020
	\$'000	\$'000
Employee benefits	38,535	37,671
Termination benefits	1,815	494
Superannuation - defined contribution plans	3,538	3,257
Total employee benefits expenses	43,888	41,422
Add: AASB 16 non-monetary benefits	394	450
Less: Employee contributions	(59)	(56)
Net employee benefits	44,223	41,816

Employee benefits: include wages, salaries and social contributions, accrued and paid leave entitlements and paid sick leave, and non-monetary benefits (such as medical care, housing, cars and free or subsidised goods or services) for employees.

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

Superannuation: the amount recognised in profit or loss of the Statement of Comprehensive Income comprises employer contributions paid to the GSS (concurrent contributions), the WSS, the GESBs, or other superannuation funds.

Department of Jobs, Tourism, Science and Innovation

Notes to the financial statements

For the year ended 30 June 2021

2.1 (a) Employee benefits expenses (continued)

AASB 16 non-monetary benefits: non-monetary employee benefits, that are employee benefits expenses, predominantly relate to the provision of vehicle and housing benefits and are measured at the cost incurred by the department.

Employee contributions: contributions made to the department by employees towards employee benefits that have been provided by the department. This includes both AASB 16 and non-AASB 16 employee contributions.

2.1 (b) Employee related provisions

	2021	2020
	\$'000	\$'000
Current		
<u>Employee benefits provisions</u>		
Annual leave	4,024	4,125
Long service leave	4,155	4,576
Deferred salary scheme	68	51
Purchased leave	13	-
	<u>8,260</u>	<u>8,752</u>
<u>Other provisions</u>		
Annual leave - overseas staff	280	215
Employment on-costs	22	32
	<u>302</u>	<u>247</u>
Total current employee related provisions	<u>8,562</u>	<u>8,999</u>
Non-current		
<u>Employee benefits provisions</u>		
Long service leave	1,737	1,714
<u>Other provisions</u>		
Employment on-costs	5	6
Total non-current employee related provisions	<u>1,742</u>	<u>1,720</u>
Total employee related provisions	<u>10,304</u>	<u>10,719</u>

Provision is made for benefits accruing to employees in respect of 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.

Department of Jobs, Tourism, Science and Innovation

Notes to the financial statements

For the year ended 30 June 2021

2.1 (b) Employee related provisions (continued)

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.

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

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

The provision for long service leave is calculated at present value as the department does not expect to wholly settle the amounts within 12 months. The present value is measured taking into account the present value of expected future payments to be made in relation to services provided by the 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.

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.

Annual leave - overseas staff: Classified as current as there is no unconditional right to defer settlement for at least 12 months after the end of the reporting period.

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 Note 2.3 'Other expenses' (apart from the unwinding of the discount (finance cost)) and are not included as part of the department's 'employee benefits expenses'. The related liability is included in 'Employment on-costs provision'.

	2021 \$'000	2020 \$'000
Employment on-costs provision		
Carrying amount at start of period	38	18
Additional/(reversals of) provisions recognised	-	20
Payments/other sacrifices of economic benefits	(11)	-
Unwinding of the discount	-	-
Carrying amount at end of period	27	38

Department of Jobs, Tourism, Science and Innovation

Notes to the financial statements

For the year ended 30 June 2021

2.1 (b) Employee related provisions (continued)**Key sources of estimation uncertainty - long service leave**

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

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

- expected future salary rates;
- discount rates;
- employee retention rates; and
- expected future payments.

Changes in these estimations and assumptions may impact on the carrying amount of the long service leave provision. Any gain or loss following revaluation of the present value of long service leave liabilities is recognised as employee benefits expense.

2.2 Grants and subsidies

	2021	2020
<u>Recurrent</u>	\$'000	\$'000
Grant funding to Tourism WA	71,891	65,023
Science grants and sponsorships	26,802	28,887
Industry Development grants	11,247	2,433
COVID-19 University Research grants	4,900	-
New Industries Fund grants	4,007	2,483
International Education grants	2,895	3,180
Collie Futures Fund grants	2,129	2,413
Renewable Hydrogen grants	2,004	182
Defence Science Centre grants	1,163	691
Future Energy Exports Cooperative Research Centre	1,000	-
International Trade - grants, contributions and scholarships	905	2,035
Defence West grants	493	-
Onslow Community Development Fund grants	195	1,423
Other grants and sponsorships	3,004	387

Department of Jobs, Tourism, Science and Innovation

Notes to the financial statements

For the year ended 30 June 2021

2.2 Grants and subsidies (continued)

	2021 \$'000	2020 \$'000
<u>Capital</u>		
Perth City Deal - Edith Cowan University	100,000	-
COVID-19 Response infrastructure project grants	34,300	-
Total grants and subsidies	266,935	109,137
<u>Paid to:</u>		
Commonwealth, private entities, universities and individuals	157,061	40,797
Tourism WA	71,891	65,023
Other Western Australian public sector entities (excluding Tourism WA)	37,641	1,877
Local government	342	1,440
Total grants and subsidies	266,935	109,137

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

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

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

Department of Jobs, Tourism, Science and Innovation

Notes to the financial statements

For the year ended 30 June 2021

2.3 Other expenses

	2021	2020
	\$'000	\$'000
Supplies and services		
Professional services	7,815	9,210
General administration expenses	4,097	5,403
Legal fees	2,183	1,184
Computer expenses	1,219	1,198
Advertising and promotion	1,057	1,210
Travel	155	700
Insurance	158	84
Communications expenses	126	155
Research	98	82
Vehicles	72	74
Operating lease, rental and hire costs	66	92
Printing and stationery	34	42
Total supplies and services expenses	17,080	19,434
Accommodation expenses		
Rentals	3,473	3,270
Expenses recognised in relation to Technology Parks	-	1,720
Repairs and maintenance	842	378
Utilities	144	116
Cleaning	93	62
Total accommodation expenses	4,552	5,546

Department of Jobs, Tourism, Science and Innovation

Notes to the financial statements

For the year ended 30 June 2021

2.3 Other expenses (continued)

	2021 \$'000	2020 \$'000
Other expenditures		
Employment on-costs	98	125
Write-down of interest in WA Marine Science Institute joint venture	69	-
Revaluation decrement - land	-	10,200
Net loss on foreign currency exchange	-	85
Total other expenditures	167	10,410
Total other expenses	21,799	35,390

Supplies and services are recognised as an expense in the reporting period in which they are incurred.

Rental expenses include:

- i) Short-term leases with a lease term of 12 months or less;
- ii) Leases with another wholly-owned public sector lessor agency;
- iii) Low-value leases with an underlying value of \$5,000 or less; and
- iv) Variable lease payments, recognised in the period in which the event or condition that triggers those payments occurs.

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

Employment on-costs 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 provisions'. 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

For the year ended 30 June 2021

Note 3. Our funding sources

How we obtain our funding

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

	Notes
Income from State Government	3.1
Property income	3.2
Commonwealth grants	3.3
Other income	3.4

3.1 Income from State Government

	2021 \$'000	2020 \$'000
Appropriation received during the period:		
Service appropriation	346,456	162,528
Total appropriation received	346,456	162,528
Income received from other public sector entities during the period:		
Industry Development	800	-
International Education	980	-
Forgiveness of loan on transfer of Technology Parks to Government	-	771
WA Health and Medical Life Sciences	-	33
Total income received from other public sector entities	1,780	804
Resources received from other public sector entities during the period:		
State Solicitors Office	2,183	1,172
Department of Finance	12	12
Other	3	-
Total resources received from other public sector entities	2,198	1,184

Department of Jobs, Tourism, Science and Innovation

Notes to the financial statements

For the year ended 30 June 2021

3.1 Income from State Government (continued)

	2021 \$'000	2020 \$'000
Royalties for Regions Fund:		
Regional Community Services Account	3,723	10,175
Total Royalties for Regions Fund	3,723	10,175
Total income from State Government	354,157	174,691

Service appropriations are recognised as revenues at the fair value of consideration received in the period in which the department gains control of the appropriated funds. The department gains control of the appropriated funds at the time those funds are deposited in the bank account or credited to the holding account held at Treasury.

Income from other public sector entities is recognised as income when the department has satisfied its performance obligations under the funding agreement. If there is no performance obligation, income will be recognised when the department receives the funds.

Resources received from other public sector entities are recognised as income (and assets or expenses) equivalent to the fair value of the assets, or the fair value of those services that can be reliably determined and which would have been purchased if not donated.

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

3.2 Property income

	2021 \$'000	2020 \$'000
Revenue from technical and industrial estates (Technology Parks)	-	1,611
Total property income	-	1,611

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

Department of Jobs, Tourism, Science and Innovation

Notes to the financial statements

For the year ended 30 June 2021

3.3 Commonwealth grants

Recurrent

Defence West - Australian Marine Complex studies

Defence Science Centre

Defence West - other

Total Commonwealth grants

2021	2020
\$'000	\$'000
3,636	-
270	510
30	-
3,936	510

Recurrent grants are recognised as income when the grants are receivable.

Commonwealth grants received in 2020-21 were from the Department of Defence.

3.4 Other income

Onslow Community Development Fund - Chevron contributions

Defence Science Centre - University contributions

Loan discount unwinding

Gorgon CO2 gas injection project - Chevron contribution

Executive Vehicle Scheme contributions

Gain on disposal of non-current assets

Gain on foreign exchange

Contributions to Premier's Science Awards ceremony

Miscellaneous income

Total other income

2021	2020
\$'000	\$'000
199	952
170	400
106	556
100	100
58	66
43	-
32	-
60	117
139	70
907	2,261

Department of Jobs, Tourism, Science and Innovation

Notes to the financial statements

For the year ended 30 June 2021

Note 4. Key assets

Assets the department utilises for economic benefit or service potential

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

Notes

Property, plant and equipment	4.1
Intangibles	4.2
Right-of-use assets	4.3

4.1 Property, plant and equipment

Year ended 30 June 2021	Land \$ 000	Buildings and leasehold improvements \$ 000	Furniture, fittings and equipment \$ 000	Computer equipment \$ 000	Vehicles \$ 000	Total \$ 000
1 July 2020						
Gross carrying amount	195	511	49	312	437	1,504
Accumulated depreciation	-	(129)	(49)	(306)	(295)	(779)
Accumulated impairment loss	-	-	-	-	-	-
Carrying amount at start of period	195	382	-	6	142	725
Additions	-	43	-	-	-	43
Disposals - gross carrying amount	-	-	-	-	(181)	(181)
Disposals - accumulated depreciation	-	-	-	-	147	147
Revaluation increments/(decrements)	-	-	-	-	-	-
Impairment losses ^(a)	-	-	-	-	-	-
Impairment losses reversed ^(a)	-	-	-	-	-	-
Depreciation	-	(24)	-	(6)	(69)	(99)
Carrying amount at 30 June 2021	195	401	-	-	39	635

Department of Jobs, Tourism, Science and Innovation

Notes to the financial statements

For the year ended 30 June 2021

4.1 Property, plant and equipment (continued)

	Land \$ 000	Buildings and leasehold improvements \$ 000	Furniture, fittings and equipment \$ 000	Computer equipment \$ 000	Vehicles \$ 000	Total \$ 000
Comprising:						
Gross carrying amount	195	554	49	312	256	1,366
Accumulated depreciation	-	(153)	(49)	(312)	(217)	(731)
Accumulated impairment loss	-	-	-	-	-	-
Carrying amount at 30 June 2021	195	401	-	-	39	635

^(a) Recognised in the Statement of Comprehensive Income. Where an asset measured at cost is written down to recoverable amount, an impairment loss is recognised in profit or loss. Where a previously revalued asset is written down to recoverable amount, the loss is recognised as a revaluation decrement in other comprehensive income.

Initial recognition

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

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

Subsequent measurement

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

- land, and
- buildings.

Land is carried at fair value.

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

Plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses.

Department of Jobs, Tourism, Science and Innovation

Notes to the financial statements

For the year ended 30 June 2021

4.1 Property, plant and equipment (continued)

Land and buildings are independently valued annually by the Western Australian Land Information Authority (Landgate) and recognised annually to ensure that the carrying amount does not differ materially from the asset's fair value at the end of the reporting period.

Land and buildings were revalued as at 1 July 2020 by Landgate. The valuations were performed during the year ended 30 June 2021 and recognised at 30 June 2021. In undertaking the revaluation, fair value was determined by reference to market values for land: \$195,000 (2020: \$195,000) and buildings: \$325,000 (2020: \$325,000). Leasehold improvements relate to overseas office accommodation and 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.

4.1.1 Depreciation and impairment

Charge for the period

Depreciation

Buildings and leasehold improvements

Furniture, fittings and equipment

Computer equipment

Vehicles

Total depreciation for the period

	2021	2020
	\$'000	\$'000
Buildings and leasehold improvements	24	23
Furniture, fittings and equipment	-	-
Computer equipment	6	26
Vehicles	69	87
Total depreciation for the period	99	136

As at 30 June 2021, there were no indications of impairment to property, plant and equipment.

All surplus assets at 30 June 2021 have either been classified as assets held for sale or have been written off.

Finite useful lives

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

Department of Jobs, Tourism, Science and Innovation

Notes to the financial statements

For the year ended 30 June 2021

4.1.1 Depreciation and impairment (continued)

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
Buildings	40 years
Leasehold improvements	Shorter of remaining term of lease or estimated useful life of improvement
Furniture, fittings and equipment	5 to 10 years
Computer equipment	3 years
Vehicles	5 years

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

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.

Impairment

Non-financial assets, including items of property, plant and equipment, intangible assets and right-of-use assets, 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 is increased to its recoverable amount. However this reversal does 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.

Department of Jobs, Tourism, Science and Innovation

Notes to the financial statements

For the year ended 30 June 2021

4.2 Intangible assets

Year ended 30 June 2021**1 July 2020**

Gross carrying amount

Accumulated amortisation

Carrying amount at start of period

Additions

Disposals - gross carrying amount

Disposals - accumulated amortisation

Impairment losses

Impairment losses reversed

Amortisation expense

Carrying amount at 30 June 2021

Comprising:

Gross carrying amount

Accumulated amortisation

Carrying amount at 30 June 2021

Computer software \$'000	Total \$'000
178	178
(12)	(12)
166	166
-	-
-	-
-	-
-	-
-	-
(57)	(57)
109	109
178	178
(69)	(69)
109	109

Department of Jobs, Tourism, Science and Innovation

Notes to the financial statements

For the year ended 30 June 2021

4.2 Intangible assets (continued)

Initial recognition

Intangible assets are initially recognised at cost. For assets acquired at significantly less than fair value, the cost is their fair value at the date of acquisition.

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

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

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

Costs incurred below these thresholds are immediately expensed directly to the Statement of Comprehensive Income.

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

Following a decision by the IFRS Interpretations Committee in March 2021, Software as a Service (SaaS) arrangements will no longer be capitalised if the department has no control over the software. Refer to Note 8.2 'Changes in accounting policies' for further information.

As a result of the change in accounting policy, the department has determined that configuration and customisation costs of \$292,052 incurred in 2021 relate to the implementation of SaaS arrangements and have been partly expensed and partly classified as prepayments (Note 5.3) based on the term of the arrangement.

Subsequent measurement

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

Department of Jobs, Tourism, Science and Innovation

Notes to the financial statements

For the year ended 30 June 2021

4.2.1 Amortisation and impairment

Charge for the period

	2021 \$'000	2020 \$'000
Computer software	57	12
Total amortisation for the period	57	12

As at 30 June 2021 there were no indications of impairment to intangible assets.

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

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

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

Asset	Useful life
Computer software ^(a)	3 to 5 years

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

Impairment of intangible assets

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

The policy in connection with testing for impairment is outlined in note 4.1.1.

Department of Jobs, Tourism, Science and Innovation

Notes to the financial statements

For the year ended 30 June 2021

4.3 Right-of-use assets

	2021	2020
	\$'000	\$'000
Accommodation	3,375	2,587
Vehicles	118	129
Net carrying amount	3,493	2,716

Additions to right-of-use assets during the 2021 financial year were \$2,403,007 (2020: \$0).

Initial recognition

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

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

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

Subsequent measurement

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

Depreciation and impairment of right-of-use assets

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the underlying assets.

If ownership of the leased asset transfers to the department at the end of the lease term, or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Right-of-use assets are tested for impairment when an indication of impairment is identified. The policy in connection with testing for impairment is outlined in note 4.1.1

Department of Jobs, Tourism, Science and Innovation

Notes to the financial statements

For the year ended 30 June 2021

4.3 Right-of-use assets (continued)

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

	2021 \$'000	2020 \$'000
Accommodation	1,538	1,561
Vehicles	88	99
Total right-of-use asset depreciation	1,626	1,660
Lease interest expense	43	73
Expenses relating to variable lease payments not included in lease liabilities	65	375
Short-term leases and leases entered into under a Memorandum of Understanding with the Department of Finance	3,300	3,201
Low-value assets	2	-

The total cash outflow for leases in 2021 was \$1,755,767 (2020: \$1,658,000).

The department has leases for vehicles, office accommodation and residential accommodation.

The department has also entered into Memorandum of Understanding Agreements (MOUs) with the Department of Finance for the leasing of office accommodation. These are not recognised under AASB 16 *Leases* because of substitution rights held by the Department of Finance and are accounted for as an expense as incurred.

The department recognises leases as right-of-use assets and associated lease liabilities in the Statement of Financial Position.

The corresponding lease liabilities in relation to these right-of-use assets have been disclosed in note 6.1.

Department of Jobs, Tourism, Science and Innovation

Notes to the financial statements

For the year ended 30 June 2021

Note 5. Other assets and liabilities

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

	Notes
Receivables	5.1
Amounts receivable for services	5.2
Other assets	5.3
Payables	5.4
Contract liabilities	5.5

5.1 Receivables

	2021 \$'000	2020 \$'000
<u>Current</u>		
Receivables	616	741
Accrued revenue	275	-
GST receivable	10,374	743
	<u>11,265</u>	<u>1,484</u>
Loans and advances:		
Loans receivable	4,700	4,256
Less: Loan discounting	(623)	(617)
Net Loans Receivable - Current	<u>4,077</u>	<u>3,639</u>
Total current	15,342	5,123
<u>Non-Current</u>		
Loans and advances:		
Loans receivable	7,286	7,730
Less: Loan discounting	(787)	(899)
Total non-current	6,499	6,831
Nominal total loans receivable (current and non-current) before discounting ^(a)	<u>11,986</u>	<u>11,986</u>
Total receivables	21,841	11,954

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

^(a) Loans receivables comprises two non-interest bearing loans with principals outstanding of \$9,986,000 and \$2,000,000 respectively. The terms of both loans were renegotiated during the year to defer repayments.

Department of Jobs, Tourism, Science and Innovation

Notes to the financial statements

For the year ended 30 June 2021

5.2 Amounts receivable for services (holding account)

	2021 \$'000	2020 \$'000
Current	345	110
Non-current	5,625	3,527
Balance at end of period	5,970	3,637

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.

Amounts receivable for services are considered not impaired (ie. there is no expected credit loss of the holding account).

5.3 Other assets

	2021 \$'000	2020 \$'000
<u>Current</u>		
Prepayments	658	885
Refundable rental bonds	183	260
Total current	841	1,145
<u>Non-current</u>		
Prepayments	93	-
WA Marine Science Institute joint venture	-	69
Total non-current	93	69
Balance at end of period	934	1,214

Prepayments 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.

Refundable rental bonds relate to bonds paid for overseas and local accommodation.

WA Marine Science Institute (WAMSI) joint venture in the prior year represented a joint venture agreement between The Australian Institute of Marine Science (Commonwealth) and the State of Western Australia and 9 other parties with equal participating shares. The department's share of the joint venture was 10% of WAMSI's net asset position. The department is no longer a party to the agreement following a variation in March 2021.

Department of Jobs, Tourism, Science and Innovation

Notes to the financial statements

For the year ended 30 June 2021

5.4 Payables

	2021 \$'000	2020 \$'000
<u>Current</u>		
Trade payables	1,788	1,012
Other payables	354	471
Accrued expenses	2,819	711
Accrued salaries	1,145	550
Total current	6,106	2,744
<u>Non Current</u>		
Bonds held and repayable	104	104
Total non-current	104	104
Balance at end of period	6,210	2,848

Payables are recognised at the amounts payable when the department becomes obliged to make future payments as a result of a purchase of assets or services or agreed contractual milestones on grants. 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 after the reporting period. The department considers the carrying amount of accrued salaries to be equivalent to its fair value.

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

5.5 Contract liabilities

	2021 \$'000	2020 \$'000
Reconciliation of changes in contract liabilities		
Opening balance	-	-
Additions	151	-
Revenue recognised in the reporting period	-	-
Balance at end of period	151	-
Current	151	-
Non-current	-	-
	151	-

The department's contract liabilities relate to award program obligations not yet performed where third party payments have been received in advance.

Department of Jobs, Tourism, Science and Innovation

Notes to the financial statements

For the year ended 30 June 2021

Note 6. Financing

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

	Notes
Lease liabilities	6.1
Finance costs	6.2
Cash and cash equivalents	6.3
Capital commitments	6.4

6.1 Lease liabilities

	2021	2020
	\$'000	\$'000
Current	1,265	1,353
Non-current	2,202	1,431
Total lease liabilities	3,467	2,784

Department of Jobs, Tourism, Science and Innovation

Notes to the financial statements

For the year ended 30 June 2021

6.1 Lease liabilities (continued)

Initial measurement

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

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

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

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

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

Variable lease payments, not included in the measurement of lease liability, are recognised by the department in profit or loss in the period in which the condition that triggers those payments occurs.

This section should be read in conjunction with note 4.3.

Subsequent Measurement

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

6.2 Finance costs

Finance costs

Lease interest expense

Finance costs expensed

	2021 \$'000	2020 \$'000
	43	73
	43	73

Finance costs represents the interest component of lease liability repayments.

Department of Jobs, Tourism, Science and Innovation

Notes to the financial statements

For the year ended 30 June 2021

6.3 Cash and cash equivalents

	2021 \$'000	2020 \$'000
Cash and cash equivalents	29,480	12,355
Restricted cash and cash equivalents:		
Restricted cash and cash equivalents - Royalties for Regions ^(a)	6,852	6,991
Restricted cash and cash equivalents - Special Purpose Accounts ^(b)	1,595	1,775
Restricted cash and cash equivalents - other	153	157
Total restricted cash and cash equivalents - current	8,600	8,923
Restricted cash and cash equivalents - non-current - accrued salaries suspense account ^(c)	752	394
Balance at end of period	38,832	21,672

^(a) Unspent funds are either committed to projects and programs in WA regional areas or will be returned to the Department of Treasury.

^(b) Refer to Note 8.7 for details of Special Purpose Accounts.

^(c) The accrued salaries suspense account consists of amounts paid annually, from the department's appropriations for salary expense, into a Treasury suspense account to meet the additional cash outflow for employee salary payments in reporting periods with 27 days instead of the normal 26. No interest is received on this account.

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 3 months or less that are readily convertible to a known amount of cash and which are subject to insignificant risk of changes in value.

6.4 Capital commitments

The department had no capital expenditure commitments at the end of the reporting period.

Department of Jobs, Tourism, Science and Innovation

Notes to the financial statements

For the year ended 30 June 2021

Note 7. Financial instruments and contingencies

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

	Notes
Financial Instruments	7.1
Contingent assets and liabilities	7.2

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 are:

	2021 \$'000	2020 \$'000
<u>Financial assets</u>		
Cash and cash equivalents	38,832	21,672
Financial assets at amortised cost ^(a)	17,620	15,108
Total financial assets	56,452	36,780
<u>Financial liabilities</u>		
Financial liabilities at amortised cost	6,210	2,848
Total financial liabilities	6,210	2,848

^(a) The amount of financial assets at amortised cost excludes GST recoverable from the ATO (statutory receivable).

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

The department has no contingent assets at reporting date.

Department of Jobs, Tourism, Science and Innovation

Notes to the financial statements

For the year ended 30 June 2021

7.2.2 Contingent liabilities

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

Litigation in progress

A contingent liability for a legal dispute between Mineralogy Pty Ltd and International Minerals Pty Ltd, and the Western Australian Government, was disclosed in the 2019-20 financial statements.

The dispute related to a State Agreement originally made in 2002 and the subsequent impact of Ministerial decisions. The entities were claiming compensation of around \$28 billion (including interest penalties).

Given the size of the claim and to address the financial risk to Western Australia, the Western Australian Parliament passed the *Iron Ore Processing (Mineralogy Pty. Ltd.) Agreement Amendment Act 2020* (the Act) on 13 August 2020. The Act removed the capacity for the claimants to pursue litigation and damages claims connected with this dispute and prevents future damages claims in relation to the consideration of future proposals that might be submitted under the State Agreement. The Act is specific and precisely targeted at this dispute and the associated parties noted above.

In September 2020, Mr Clive Palmer, Mineralogy, International Minerals and Zeph Investments Pte Ltd (a company incorporated in Singapore ultimately owned by Mr Palmer and holding all of the shares in Mineralogy) commenced 3 separate proceedings in the High Court of Australia challenging the constitutional validity of the Act. The proceedings are being vigorously defended by Western Australia. The claim by Zeph Investments was discontinued on 24 December 2020 with costs to Western Australia. The claims by Mr Palmer, Mineralogy and International Minerals were heard by the High Court on 15-18 June 2021 and judgement is currently reserved. It is anticipated that the Act is likely to withstand scrutiny by the High Court.

Mineralogy and International Minerals also commenced proceedings in the Federal Court of Australia in connection with the enactment of the Act and obtained orders in the Supreme Court of Queensland to enforce 2 arbitral awards. The State succeeded in setting aside the enforcement orders, and Mineralogy and International Minerals have appealed to the Queensland Court of Appeal. Both the Federal Court and Queensland Court of Appeal proceedings are currently adjourned pending the High Court's decision concerning the validity of the Act.

Department of Jobs, Tourism, Science and Innovation

Notes to the financial statements

For the year ended 30 June 2021

7.2.2 Contingent liabilities (continued)

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 any 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 the 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 maximum potential contingent liability for the ISG at 30 June 2021 was \$15.868 million (2020: \$15.868 million).

Contaminated Sites

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

The department has no known contaminated sites and has not reported any contaminated sites under the *Contaminated Sites Act 2003*.

Department of Jobs, Tourism, Science and Innovation

Notes to the financial statements

For the year ended 30 June 2021

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 application of Australian Accounting Standards / changes in accounting policies	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
Equity	8.9
Supplementary financial information	8.10
Explanatory statement	8.11

8.1 Events occurring after the end of the reporting period

The Statement of Comprehensive Income and Statement of Financial Position have been prepared on the basis of conditions existing at reporting date. There is no additional evidence of events or conditions occurring after balance date that may have an impact on the financial statements.

Department of Jobs, Tourism, Science and Innovation

Notes to the financial statements

For the year ended 30 June 2021

8.2 Initial application of Australian Accounting Standards / changes in accounting policies

AASB 1059 Service Concession Arrangements: Grantors

AASB 1059 applies to annual reporting periods beginning on or after 1 January 2020. The Standard applies to arrangements that involve an operator providing public services related to a service concession asset on behalf of a public sector grantor for a specified period of time and managing at least some of those services.

The adoption of AASB 1059 has no impact to the department. The department has assessed its contracts with third party suppliers and determined there were no service concession arrangements in place.

Software as a Service (SaaS) arrangements

Following the IFRS Interpretations Committee agenda decision on *Configuration or Customisation Costs in a Cloud Computing Arrangement* in March 2021, the department has amended its intangible assets capitalisation policy and adopted the treatment set out in the IFRS IC agenda decision with effect from 1 July 2020. The change in treatment is to recognise those costs as intangible assets only if the implementation activities create an intangible asset that the department controls and the intangible asset meets the recognition criteria. Costs that do not result in intangible assets are expensed as incurred, unless they are paid to the suppliers of the SaaS arrangement to significantly customise the cloud-based software for the department, in which case the costs are recorded as a prepayment for services and amortised over the expected renewable term of the arrangement.

The accounting policy change is to be applied retrospectively however, to allow sufficient time to make determinations and implement the changes, the department has elected to assess and amend the treatment of existing intangible assets that no longer meet the recognition criteria (ie. those reported in the prior year accounts) in the coming year.

The department made no other voluntary changes to accounting policies during the reporting period.

Department of Jobs, Tourism, Science and Innovation

Notes to the financial statements

For the year ended 30 June 2021

8.3 Key management personnel

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

The total fees, salaries, superannuation, non-monetary benefits and other benefits for senior officers of the department for the reporting period are presented within the following bands:

Compensation band (\$)	2021	2020
400,001 - 410,000	1	-
350,001 - 360,000	-	1
340,001 - 350,000	-	1
330,001 - 340,000	-	1
290,001 - 300,000	1	-
280,001 - 290,000	1	-
270,001 - 280,000	-	1
240,001 - 250,000	-	1
230,001 - 240,000	1	1
220,001 - 230,000	2	1
210,001 - 220,000	3	1
200,001 - 210,000	3	1
190,001 - 200,000	5	4
180,001 - 190,000	-	2
170,001 - 180,000	-	1
160,001 - 170,000	-	1
140,001 - 150,000	1	-
130,001 - 140,000	-	1
120,001 - 130,000	-	1
100,001 - 110,000	-	1
70,001 - 80,000	1	-
60,001 - 70,000	1	-
50,001 - 60,000	-	1
40,001 - 50,000	2	-
30,001 - 40,000	1	-
	\$'000	\$'000
Total compensation of senior officers	4,302	4,345

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

Department of Jobs, Tourism, Science and Innovation

Notes to the financial statements

For the year ended 30 June 2021

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;
- all senior officers and their close family members, and their controlled or jointly controlled entities;
- other agencies and statutory authorities, including related bodies, that are included in the whole of government consolidated financial statements (ie. 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

There were no related party transactions that involved key management personnel and/or their close family members and/or their controlled (or jointly controlled) entities.

8.5 Related bodies

The department has no related bodies.

8.6 Affiliated bodies

Western Australian Tourism Commission (trading as Tourism Western Australia)

Tourism WA is a separate reporting entity under the *Western Australian Tourism Commission Act 1983* and is governed by a Board of Commissioners as the Accountable Authority.

Tourism WA has been an affiliated body of the department since July 2017 in that:

- the majority of its funding is provided through the department; and
- the department does not control its operations.

Funding provided to Tourism WA in 2020-21 totalled \$85,359,490 (2020: \$77,369,499), comprising:

- \$71,891,000 cash funding provided by way of grants that are included in Note 2.2 'Grants and subsidies' (2020: \$65,023,000); and
- \$13,468,490 in resources (personnel, accommodation and some systems) whereby the department retains the funding provided by Government (2020: \$12,346,499).

Department of Jobs, Tourism, Science and Innovation

Notes to the financial statements

For the year ended 30 June 2021

8.7 Special purpose accounts

All special purpose accounts have been established under section 16(1)(d) of the *Financial Management Act 2006* and are included in the department's general and administered financial statements.

Special Projects Fund

The special purpose 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 within the department's general financial statements.

	2021 \$'000	2020 \$'000
Balance at start of period	522	628
Receipts	-	-
Payments	-	(106)
Balance at end of period	522	522

Australia China Natural Gas Technology Partnership Trust Fund

The special purpose 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. This is a controlled fund and figures are incorporated within the department's general financial statements.

	2021 \$'000	2020 \$'000
Balance at start of period	644	406
Receipts	-	455
Payments	(143)	(217)
Balance at end of period	501	644

Department of Jobs, Tourism, Science and Innovation

Notes to the financial statements

For the year ended 30 June 2021

8.7 Special purpose accounts (continued)**Defence Science Centre**

The Defence Science Centre (DSC) special purpose account is a cooperative venture between the Science and Technology Group of the Department of Defence on behalf of the Commonwealth Government, the Government of Western Australia, and participating Western Australian universities. This is a controlled fund and figures are incorporated within the department's general financial statements.

The DSC's purpose is to fund collaborative research projects, PhD students and industry internships relevant to defence and the defence industry in Western Australia.

There shall be credited to the account such moneys as are received from the State Government or allocated from the department's appropriation on behalf of the State Government, the Commonwealth Government and participating universities for the purpose of the DSC.

There shall be charged against the Account such moneys as are paid for the purpose of the operations of the DSC.

	2021	2020
	\$'000	\$'000
Balance at start of period	609	-
Receipts	890	1,300
Payments	(931)	(691)
Balance at end of period	568	609

Department of Jobs, Tourism, Science and Innovation

Notes to the financial statements

For the year ended 30 June 2021

8.7 Special purpose accounts (continued)

Onslow Macedon Social Infrastructure Fund

The special purpose account quarantines funds received and paid in respect to social infrastructure under the Macedon State Development Agreement (Domestic Gas) in the township of Onslow. This is a controlled fund and figures are incorporated within the department's general financial statements.

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 as per 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 and 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.

Department of Jobs, Tourism, Science and Innovation

Notes to the financial statements

For the year ended 30 June 2021

8.7 Special purpose accounts (continued)

Ashburton North Social Infrastructure Fund

The special purpose account quarantines funds received and paid in respect to social infrastructure under the Ashburton North State Development Agreement (Wheatstone Project) in the township of Onslow.

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 as per the agreement entered into between the State of Western Australia and Chevron Australia Pty Ltd.

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).

This account is separated between controlled and administered funds and figures are incorporated within the department's general and administered financial statements respectively.

	2021 \$'000	2020 \$'000
<u>Ashburton North Social Infrastructure Fund (Onslow Community Development Fund) - controlled funds</u>		
Balance at start of period	-	471
Receipts	199	952
Payments	(195)	(1,423)
Balance at end of period (controlled funds)	4	-

Ashburton North Social Infrastructure Fund - administered funds

There was no balance at end of period and there were no receipts or payments in the current or prior year.

Department of Jobs, Tourism, Science and Innovation

Notes to the financial statements

For the year ended 30 June 2021

8.7 Special purpose accounts (continued)**Ashburton North Critical Services Infrastructure Fund (Administered)**

The special purpose account quarantines funds received and paid in respect to critical services infrastructure under the Ashburton North State Development Agreement (Wheatstone Project) in the township of Onslow. This is an administered fund and figures are incorporated within the department's administered financial statements.

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 as per the agreement entered into between the State of Western Australia and Chevron Australia Pty Ltd.

Moneys standing to the credit of the account may be applied for the purpose of the fund as agreed between the parties and subject to the terms of the Ashburton North State Development Agreement (Wheatstone Project).

	2021	2020
	\$'000	\$'000
Balance at start of period	2,429	10,000
Receipts	9,201	30,637
Payments	(11,630)	(38,208)
Balance at end of period	-	2,429

Department of Jobs, Tourism, Science and Innovation

Notes to the financial statements

For the year ended 30 June 2021

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:

	2021 \$'000	2020 \$'000
Auditing the accounts, financial statements controls, and key performance indicators	101	129
Auditing Royalties for Regions Annual Report financials	10	4
	111	133

8.9 Equity

Contributed equity

Balance at start of period

44,617 69,822

Contributions by owners

Capital appropriations

3,485 251

Total contributions by owners**3,485 251**

Distributions to owners

Distributions to owners - capital appropriations to Tourism WA

(2,089) (186)

Net assets transferred to Government

- (25,270)

Total distributions to owners**(2,089) (25,456)****Balance at end of period****46,013 44,617**

Department of Jobs, Tourism, Science and Innovation

Notes to the financial statements

For the year ended 30 June 2021

8.10 Supplementary financial information

(a) Write-offs

During the financial year nil was written off the department's asset register under the authority of:

The accountable authority
Ministers
Executive Council

2021 \$'000	2020 \$'000
-	-
-	-
-	-
-	-

(b) Losses through theft, defaults and other causes

Losses of public money and other property through theft or default
Amounts recovered

2021 \$'000	2020 \$'000
-	-
-	-
-	-

(c) Gifts of public property

Gifts of public property provided by the department

2021 \$'000	2020 \$'000
-	-
-	-

8.11 Explanatory statement (controlled operations)

All variances between annual estimates (original budget) and actual results for 2021, and between the actual results for 2021 and 2020, are shown below. Narratives are provided for key major variances, which are greater than 10% and 1% of the prior year Total Cost of Services for the Statements of Comprehensive Income and Cash Flows, and greater than 10% and 1% of estimated Total Assets for the Statement of Financial Position.

Estimates reported in this note represent original budget estimates. During the course of any given year, budgets are revised to account for new or adjusted Government initiatives through the whole-of-Government Mid Year Budget Review Process and other State Budget review processes.

Department of Jobs, Tourism, Science and Innovation

Notes to the financial statements

For the year ended 30 June 2021

8.11 Explanatory statement (controlled operations) - continued

Statement of Comprehensive Income variances	Variance Note	Estimate 2021 \$'000	Actual 2021 \$'000	Actual 2020 \$'000	Variance between actual and estimate \$'000	Variance between actual results for 2021 and 2020 \$'000
COST OF SERVICES						
Expenses						
Employee benefits expenses		46,944	43,888	41,422	(3,056)	2,466
Supplies and services	1, a	26,992	17,080	19,434	(9,912)	(2,354)
Depreciation and amortisation expenses		1,698	1,782	1,808	84	(26)
Accommodation expenses		5,015	4,552	5,546	(463)	(994)
Grants and subsidies	2, b	189,327	266,935	109,137	77,608	157,798
Finance costs		-	43	73	43	(30)
Other expenses	c	1,745	167	10,410	(1,578)	(10,243)
Total cost of services		271,721	334,447	187,830	62,726	146,617
Income						
Commonwealth grants	3, d	-	3,936	510	3,936	3,426
Property Income		-	-	1,611	-	(1,611)
Other income	4	3,688	907	2,261	(2,781)	(1,354)
Total income		3,688	4,843	4,382	1,155	461
NET COST OF SERVICES		268,033	329,604	183,448	61,571	146,156
Income from State Government						
Service appropriation	5, e	241,927	346,456	162,528	104,529	183,928
Income from other public sector entities		-	1,780	804	1,780	976
Resources received		1,124	2,198	1,184	1,074	1,014
Royalties for Regions Fund	6, f	12,564	3,723	10,175	(8,841)	(6,452)
Total income from State Government		255,615	354,157	174,691	98,542	179,466
SURPLUS / (DEFICIT) FOR THE PERIOD		(12,418)	24,553	(8,757)	36,971	33,310
OTHER COMPREHENSIVE INCOME						
Other comprehensive income		-	-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		(12,418)	24,553	(8,757)	36,971	33,310

Department of Jobs, Tourism, Science and Innovation

Notes to the financial statements

For the year ended 30 June 2021

8.11 Explanatory statement (controlled operations) - continued

Statement of Financial Position variances	Variance Note	Estimate 2021 \$'000	Actual 2021 \$'000	Actual 2020 \$'000	Variance between actual and estimate \$'000	Variance between actual results for 2021 and 2020 \$'000
ASSETS						
Current Assets						
Cash and cash equivalents		5,673	29,480	12,355	23,807	17,125
Restricted cash and cash equivalents		3,421	8,600	8,923	5,179	(323)
Receivables		5,490	15,342	5,123	9,852	10,219
Amounts receivable for services		110	345	110	235	235
Other current assets		1,145	841	1,145	(304)	(304)
Total Current Assets		15,839	54,608	27,656	38,769	26,952
Non-Current Assets						
Restricted cash and cash equivalents		394	752	394	358	358
Receivables		5,336	6,499	6,831	1,163	(332)
Amounts receivable for services		5,860	5,625	3,527	(235)	2,098
Property, plant and equipment	7	10,676	635	725	(10,041)	(90)
Intangible assets		166	109	166	(57)	(57)
Right-of-use assets	8, g	1,434	3,493	2,716	2,059	777
Other non-current assets		69	93	69	24	24
Total Non-Current Assets		23,935	17,206	14,428	(6,729)	2,778
TOTAL ASSETS		39,774	71,814	42,084	32,040	29,730
LIABILITIES						
Current Liabilities						
Payables		2,977	6,106	2,744	3,129	3,362
Contract liabilities		-	151	-	151	151
Lease liabilities	8	54	1,265	1,353	1,211	(88)
Employee related provisions		8,766	8,562	8,999	(204)	(437)
Total Current Liabilities		11,797	16,084	13,096	4,287	2,988

Department of Jobs, Tourism, Science and Innovation

Notes to the financial statements

For the year ended 30 June 2021

8.11 Explanatory statement (controlled operations) - continued

	Variance Note	Estimate 2021 \$'000	Actual 2021 \$'000	Actual 2020 \$'000	Variance between actual and estimate \$'000	Variance between actual results for 2021 and 2020 \$'000
Non-Current Liabilities						
Payables		104	104	104	-	-
Lease Liabilities	8, g	1,442	2,202	1,431	760	771
Employee related provisions		1,720	1,742	1,720	22	22
Total Non-Current Liabilities		3,266	4,048	3,255	782	793
TOTAL LIABILITIES		15,063	20,132	16,351	5,069	3,781
NET ASSETS		24,711	51,682	25,733	26,971	25,949
EQUITY						
Contributed equity		56,013	46,013	44,617	(10,000)	1,396
Accumulated surplus/(deficit)		(31,302)	5,669	(18,884)	36,971	24,553
TOTAL EQUITY		24,711	51,682	25,733	26,971	25,949

Department of Jobs, Tourism, Science and Innovation

Notes to the financial statements

For the year ended 30 June 2021

8.11 Explanatory statement (controlled operations) - continued

Statement of Cash Flows variances

	Variance Note	Estimate 2021 \$'000	Actual 2021 \$'000	Actual 2020 \$'000	Variance between actual and estimate \$'000	Variance between actual results for 2021 and 2020 \$'000
CASH FLOWS FROM STATE GOVERNMENT						
Service appropriations	5, e	239,484	344,013	161,632	104,529	182,381
Capital appropriations	9, h	11,597	3,485	261	(8,112)	3,224
Capital appropriations distributed to owner	9, h	(201)	(2,089)	(186)	(1,888)	(1,903)
Funds from other public sector entities		-	1,780	33	1,780	1,747
Holding account drawdowns		110	110	110	-	-
Royalties for Regions Fund	6, f	12,564	3,723	10,175	(8,841)	(6,452)
Net cash provided by State Government		263,554	351,022	172,025	87,468	178,997
CASH FLOWS FROM OPERATING ACTIVITIES						
Payments						
Employee benefits		(46,944)	(42,564)	(39,671)	4,380	(2,893)
Supplies and services	1, a	(25,948)	(16,449)	(19,410)	9,499	2,961
Accommodation		(5,015)	(3,534)	(3,880)	1,481	346
Grants and subsidies	2, b	(189,327)	(264,507)	(109,137)	(75,180)	(155,370)
GST payments on purchases	10, i	(5,000)	(14,572)	(4,486)	(9,572)	(10,086)
Finance costs		-	(43)	(73)	(43)	30
Other payments		(1,745)	(675)	(1,044)	1,070	369
Receipts						
Sale of Goods and Services		-	-	1,611	-	(1,611)
Commonwealth grants	3, d	-	3,936	510	3,936	3,426
GST receipts on sales		300	1,173	479	873	694
GST receipts from taxation authority		4,700	3,857	4,007	(843)	(150)
Other receipts	4	3,261	1,201	2,166	(2,060)	(965)
Net cash used in operating activities		(265,718)	(332,177)	(168,928)	(66,459)	(163,249)

Department of Jobs, Tourism, Science and Innovation

Notes to the financial statements

For the year ended 30 June 2021

8.11 Explanatory statement (controlled operations) - continued

	Variance Note	Estimate 2021 \$'000	Actual 2021 \$'000	Actual 2020 \$'000	Variance between actual and estimate \$'000	Variance between actual results for 2021 and 2020 \$'000
CASH FLOWS FROM INVESTING ACTIVITIES						
Payments						
Purchase of non-current assets	7	(10,110)	(43)	(178)	10,067	135
Receipts						
Proceeds from sale of non-current assets		-	78	-	78	78
Net cash used in investing activities		(10,110)	35	(178)	10,145	213
CASH FLOWS FROM FINANCING ACTIVITIES						
Receipts						
Loan repayments received		1,486	-	-	(1,486)	-
Payments						
Principal elements of lease payments		(1,396)	(1,720)	(1,683)	(324)	(37)
Net cash used in financing activities		90	(1,720)	(1,683)	(1,810)	(37)
Net increase/(decrease) in cash and cash equivalents		(12,184)	17,160	1,236	29,344	15,924
Cash and cash equivalents at the beginning of the period		21,672	21,672	20,436	-	1,236
Cash and cash equivalents at the end of the period		9,488	38,832	21,672	29,344	17,160

Department of Jobs, Tourism, Science and Innovation

Notes to the financial statements

For the year ended 30 June 2021

8.11 Explanatory statement (controlled operations) - continued**Major estimate and actual (2021) variance narratives****1 Supplies and services**

The reduction in spending against budget, and compared to prior year actual, was due to the deferral of expenditure, mostly to 2021-22, for some Royalties for Regions programs as well as other activities of the department.

2 Grants and subsidies

The increase was mainly the result of a \$100 million grant payment to Edith Cowan University for the relocation of campuses under the Perth City Deal. This project was assigned to the department after the 2020-21 Budget had been finalised. The additional grant was offset by other grant expenditure that has been deferred to 2021-22.

3 Commonwealth grants

The majority of the variance, for the current and prior year, relates to the receipt of Department of Defence funding in 2020-21 for the undertaking of studies to guide the development of the Australian Marine Complex in Henderson. This funding was not anticipated when annual estimates were prepared.

4 Other income

The variance in other income is largely due to lower contributions (and corresponding expenditure) from Chevron towards the Onslow Community Development Fund, lower than budgeted loan discount unwinding revenue for two loans payable to the department and lower than anticipated contributions from third parties for industry programs/events.

5 Service appropriation

The higher service appropriation was mainly supplementary funding received for the \$100m grant payment to Edith Cowan University (see note 2 above).

6 Royalties for Regions Fund.

Funding was less than original estimates, and prior year actuals, largely due to the deferral of associated program activities to 2021-22, and forward years, for two major programs.

7 Property, plant and equipment

The variance is due to a \$10 million COVID-19 Response capital project, assigned to the department and included in original 2020-21 estimates, that was subsequently transferred to another State Government agency during the year.

8 Right-of-use assets / lease liabilities

During the year there were a number of right-of-use asset additions, with an associated increase in lease liabilities, in relation to overseas office accommodation and housing that were not included in original estimates.

9 Capital appropriations / Capital appropriations distributed to owner

Capital appropriations were less than estimated due to the transfer of a \$10 million capital project during the year (refer to Note 7 above). This variance was offset by \$1.9 million in service appropriation that was converted to capital appropriation funding for additional Tourism WA capital projects, which is reflected in the increase in distributions to owner (the provision of capital funding by the department to Tourism WA).

10 GST payments on purchases

The substantial increase in GST payments against original estimates, and in comparison to the prior year, is due to \$10 million in GST that was payable on the \$100 million grant to Edith Cowan University (refer to Note 2 above).

Department of Jobs, Tourism, Science and Innovation

Notes to the financial statements

For the year ended 30 June 2021

8.11 Explanatory statement (controlled operations) - continued

Major actual (2021) and comparative (2020) variance narratives

a **Supplies and services**

See Note 1 above.

b **Grants and subsidies**

The increase in expenditure compared to the prior year was the result of the \$100m grant to Edith Cowan University (refer to Note 2 above) and an overall increase in grant programs administered by the department in 2020-21 as part of the State's COVID-19 Response.

c **Other expenses**

Prior year expenses included a \$10.2 million decrement in relation to Technology Parks assets that were revalued and transferred to DevelopmentWA.

d **Commonwealth grants**

See Note 3 above.

e **Service appropriation**

Service appropriations were substantially greater than the prior year, largely due to the \$100m grant to Edith Cowan University (refer to Note 2 above) and an uplift in funding for programs administered by the department in 2020-21 as part of the State's COVID Response.

f **Royalties for Regions Fund.**

Refer to Note 6 above.

g **Right-of-use assets / lease liabilities**

Refer to Note 8 above.

h **Capital appropriations / Capital appropriations distributed to owner**

The increase in capital appropriations and distributions to owner compared to prior year is due to the conversion of service appropriation to capital funding (refer to Note 9 above) and an uplift in funding for lease principal repayments.

i **GST payments on purchases**

Refer to Note 10 above.

Department of Jobs, Tourism, Science and Innovation

Notes to the financial statements

For the year ended 30 June 2021

Note 9. Administered disclosures

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

	Notes
Administered income and expenses	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 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 2021

9.1 Administered income and expenses

	2021	2020
	\$'000	\$'000
Income		
Service appropriation	23,489	22,279
Income from external project proponents ^(a)	10,014	34,509
Interest received on loans	129	140
Other income (unwinding of discount on loan receivable)	755	702
Total administered income	34,387	57,630
Expenses		
Grants and subsidies - Onslow Social and Critical Infrastructure ^(a)	11,701	34,509
Grants and subsidies - State Programs ^(b)	20,786	21,423
Grant to Tourism WA	2,800	2,800
Transfer payments ^(c)	1,205	1,190
Total administered expenses	36,492	59,922

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

^(b) 2020-21 includes Burrup Seawater Pipeline Subsidy \$10.857 million (2019-20: \$12.410 million) paid to Water Corporation of Western Australia, Pilbara Port Authority Bulk Liquids Berth Subsidy \$9.110 million (2019-20: \$9.013 million) and funding to the Anzac Day Trust of \$0.799 million (2019-20: \$0).

^(c) Transfer payments represent the transfer of loan repayments and interest receipts to the Consolidated Account.

Department of Jobs, Tourism, Science and Innovation

Notes to the financial statements

For the year ended 30 June 2021

9.2 Explanatory statement for administered items

All variances between annual estimates and actual results for 2021, and between the actual results for 2021 and 2020, are shown below. Narratives are provided for key major variances, which are greater than 10% and 1% of estimated total administered income.

	Variance note	Estimate 2021 \$'000	Actual 2021 \$'000	Actual 2020 \$'000	Variance between actual and estimate \$'000	Variance between actual results for 2021 and 2020 \$'000
Income						
Service appropriation		22,970	23,489	22,279	519	1,210
Income from external project proponents	1, a	24,858	10,014	34,509	(14,844)	(24,495)
Interest received on loans		142	129	140	(13)	(11)
Other income (unwinding of discount on loans receivable)		698	755	702	57	53
Total administered income		48,668	34,387	57,630	(14,281)	(23,243)
Expenses						
Grants and subsidies - Onslow Critical Services Infrastructure	1, a	24,858	11,701	34,509	(13,157)	(22,808)
Grants and subsidies - State Programs		20,170	20,786	21,423	616	(637)
Grant to Tourism WA		2,800	2,800	2,800	-	-
Transfer payments	2	1,705	1,205	1,190	(500)	15
Total administered expenses		49,533	36,492	59,922	(13,041)	(23,430)

Department of Jobs, Tourism, Science and Innovation

Notes to the financial statements

For the year ended 30 June 2021

9.2 Explanatory statement for administered items (continued)

Major estimate and actual (2021) variance narratives

1 **Income from external project proponents / Grants and subsidies - Onslow Critical Services Infrastructure**

Onslow Critical Services Infrastructure projects (Wheatstone project) are milestone dependant and funded by Chevron Australia. Funds are drawn down and distributed as grants only when appropriate milestones are met. While actual may vary from estimate in a particular year due to revised milestones on infrastructure projects, income and expenditure is expected to be on target over the full life of the project.

2 **Transfer payments**

Represents loan and interest repayments received and returned to the Consolidated Account. Estimated loan receipts were overstated when the original budget was prepared.

Major actual (2021) and comparative (2020) variance narratives

a **Income from external project proponents / Grants and subsidies - Onslow Critical Services Infrastructure**

See Note 1 above.

Department of Jobs, Tourism, Science and Innovation

Notes to the financial statements

For the year ended 30 June 2021

9.3 Administered assets and liabilities

	2021 \$'000	2020 \$'000
Current assets		
Cash and cash equivalents	1,977	4,519
Receivables	894	3,943
Loan receivables ^(a)	7,499	532
Total administered current assets	10,370	8,994
Non-current assets		
Loan receivables ^(a)	6,018	13,305
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	6,018	13,305
TOTAL ADMINISTERED ASSETS	16,388	22,299
Current liabilities		
Payables	67	3,872
Total administered current liabilities	67	3,872
TOTAL ADMINISTERED LIABILITIES	67	3,872

^(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. The total discount netted off the receivables at balance date is \$1.543 million.

^(b) Represents 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.

Certification of key performance indicators

I hereby certify that the key performance indicators are based on proper records, are relevant and appropriate for assisting users to assess the Department of 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 ended 30 June 2021.

A handwritten signature in black ink, appearing to read 'R Brown', followed by a horizontal flourish.

Rebecca Brown
Director General
1 October 2021

Performance overview

Key performance indicators

The following Key Performance Indicators (KPIs) were developed in consultation with the Department of Treasury and the Office of the Auditor General (OAG). These KPIs came into effect in July 2020 and this is the first year they have been reported on. These changes occurred to more closely align the department's KPIs with government goals. Where results are available and comparable, actuals for historical years have been provided.

The government goal that is supported by the Department of Jobs, Tourism, Science and Innovation (JTSI) is: "WA Jobs Plan: local manufacturing and production, creating WA jobs and training for the jobs of the future".

The desired outcome supporting this is: "Provide leadership in the development of Western Australian industry sectors to grow the economy and create jobs." This reflects JTSI's role in leading Western Australia's economic development and international trade and investment as well as promoting the defence, international education, and science and innovation sectors.

The KPI section in this Annual Report does not include KPIs relating to Tourism Western Australia. For further information on these, refer to the 2020-21 Annual Report of Tourism Western Australia.

The KPIs provide an indication of whether JTSI has achieved this outcome. JTSI has two types of KPIs.

Key Effectiveness Indicators

Key Effectiveness Indicators assist with the assessment of agency performance in the achievement of government desired outcomes.

Key Efficiency Indicators

Key Efficiency Indicators assist with the assessment of agency service delivery. They monitor the relationship between the service delivered and the resources used to produce the service.

Key effectiveness indicators

1. Stakeholder satisfaction with the department's effectiveness in providing leadership in the development of Western Australian industry sectors

This KPI measures stakeholder satisfaction of our industry development role through an online quantitative perception survey introduced in 2020-21.

An independent third party conducted this survey during July 2021. The survey was sent to approximately 660 industry and government stakeholders of the

department. This included representatives from industry bodies, private firms, universities, research organisations, start-ups and other government agencies.

Respondents were asked to rate their level of satisfaction on a scale of 0–10 of the performance of JTSI over the past 12 months.

The result of a 6.5 level of satisfaction for 2020-21 is the average rating of the 89 survey respondents. As this was the first survey, these results will be considered a baseline for future targets.

KPI 1	2020-21 Target	2020-21 Actual	2019-20 Actual	2018-19 Actual	2017-18 Actual
Stakeholder satisfaction with the department's effectiveness in providing leadership in the development of Western Australian industry sectors	n/a	6.5	n/a	n/a	n/a

Notes:

- As 2020-21 is the first year that stakeholder satisfaction was measured, it is not possible to report historical actuals, nor was it appropriate to set a 2020-21 Target.
- The result for 2020-21 is the average rating from 89 respondents to the question "On a scale of 0 – 10, where 0 is very dissatisfied and 10 is very satisfied, how satisfied are you with JTSI's performance over the past 12 months?".

2. Growth in key industries for economic diversification

This KPI provides an indication of how well JTSI is influencing the desired outcome of growing the economy and creating jobs. In particular, this indicator focuses on the long-term goal, as expressed through the Government's economic development framework Diversify WA, of achieving economic growth through a broader range of industries.

This KPI measures growth in industry gross value added for a selected group of industries that are considered vital to the long-term diversification of Western Australia's economy: agriculture, forestry and fishing; manufacturing; wholesale trade; retail trade; accommodation and food services; professional, scientific and technical services; education and training; and arts and recreation services.

The target for 2020-21 was not achieved. This can be largely attributed to impacts from the COVID-19 pandemic that led to a decline in output in the accommodation and food services and agriculture, forestry and fishing industries.

KPI 2	2020-21 Target	2020-21 Actual	2019-20 Actual	2018-19 Actual	2017-18 Actual
Growth in key industries for economic diversification	0.5%	-1.5%	2.1%	0.3%	-0.9%

Notes:

- The source data for this KPI is the Australian Bureau of Statistics publication 'Australian National Accounts: State Accounts', which provides data on industry gross value added for each of the states and territories on a financial year basis. This publication is released in November each year, which means there is a one-year lag in reporting this KPI (eg. the result reported for 2020-21 represents data for the period July 2019 to June 2020).
- Progress to economic diversification is best measured by the production volume of key industries, rather than the nominal value of that production, which can be influenced by changes in prices. As such, the calculation of this KPI uses the chain volume measures of industry gross value added, as these measures adjust for changes in prices between financial years to provide a series that reflects production volumes.
- For future reporting, historical revisions to the Australian Bureau of Statistics data may result in revisions to results in previous reporting periods.

3. Share of Western Australia's merchandise exports in key markets for diversification

This KPI provides an indication of how well JTSI is influencing the desired outcome of growing the economy and creating jobs through growing exports in key emerging markets.

This KPI measures the combined share of Western Australia's merchandise exports delivered to India and the countries that

form the Association of Southeast Asian Nations (ASEAN) as a percentage of total Western Australian merchandise exports to international markets.

The target for 2020-21 was achieved. The higher share, compared to prior year, was largely driven by an increase in exports to India.

KPI 3	2020-21 Target	2020-21 Actual	2019-20 Actual	2018-19 Actual	2017-18 Actual
Share of Western Australia's merchandise exports in key markets for diversification	9.5%	9.8%	9.7%	12.2%	12.3%

Notes:

- i. The ASEAN countries are Brunei Darussalam, Cambodia, Indonesia, Laos, Malaysia, Myanmar, Philippines, Singapore, Thailand and Vietnam.
- ii. The source data for this KPI is the Australian Bureau of Statistics publication 'International Trade in Goods and Services, Australia', which provides monthly values of Western Australia's merchandise exports to individual destination countries.
- iii. For future reporting, historical revisions to the Australian Bureau of Statistics data may result in revisions to results in previous reporting periods.

4. Western Australia's share of Australia's international student enrolments

This KPI provides an indication of how well JTSI is influencing the desired outcome of growing the economy and creating jobs through increasing Western Australia's share of Australia's international student enrolments.

This KPI measures Western Australia's share of Australia's

international student enrolments, as reported by the Commonwealth Department of Education, Skills and Employment.

While no target was set due to the large degree of uncertainty associated with the international education sector during 2020 and

2021 (associated with the COVID-19 pandemic), Western Australia achieved a 5.7% share of Australia's international student enrolments, which is the same as the previous year and slightly greater than 2018-19.

KPI 4	2020-21 Target	2020-21 Actual	2019-20 Actual	2018-19 Actual	2017-18 Actual
Western Australia's share of Australia's international student enrolments	n/a	5.7%	5.7%	5.6%	6.0%

Notes:

- The source data for this KPI is the Commonwealth Department of Education, Skills and Employment's 'International student data', which provides data on international student enrolments for each of Australia's states and territories.
- Given the large degree of uncertainty associated with the international education sector during 2020 (associated with the COVID-19 pandemic), JTSI deemed it inappropriate to set a target for this KPI for 2020-21.
- For future reporting, historical revisions to the Australian Bureau of Statistics data may result in revisions to results in previous reporting periods.

Key efficiency indicators

This indicator measures the Government's influence on the State's overall economic performance by relating the department's spend to gross state product.

The target was not achieved for 2020-21. This was driven by an increase in Total Cost of Services, compared to original budget estimates, that was proportionately

greater than the rate of increase of gross state product for the year.

KPI 5	2020-21 Target	2020-21 Actual	2019-20 Actual	2018-19 Actual	2017-18 Actual
Ratio of Total Cost of Services to gross state product	1:1,816	1:1,478	1:2,863	1:3,267	1:3,371

i. Total cost of services used for measurement of this indicator comprises services 1 to 4 of the department:

1. International Engagement, Trade and Investment;
2. Project Facilitation;
3. Industry Development; and
4. Science and Innovation

Tourism costs are included in an efficiency indicator, separately reported in Tourism WA's Annual Report, that reports on the ratio of Tourism WA's total cost of services to total visitor spend in Western Australia.

ii. The 2020-21 gross state product used in measuring this indicator represents the Department of Treasury's forecast for the year. Actual gross state product statistics are usually released annually in November for the preceding financial year by the Australian Bureau of Statistics.

WA Multicultural Policy Framework

The department's Multicultural Policy Plan 2021-25 was submitted in March 2021. The plan outlines our commitment to activities which will work to achieve outcomes that support the capacity and contribution of people from culturally and linguistically diverse backgrounds in WA's civic, social and economic environments.

Ministerial directives

No Ministerial directives were received during this financial year.

Other legal requirements

Expenditure on advertising, market research, polling and direct mail

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

	Amount (\$'000)
2020-21	
a. Advertising agencies	-
b. Market research organisations	47
c. Polling organisations	-
d. Direct mail organisations	-
e. Media advertising organisations	502
Total	550

	Amount (\$'000)
b. Market research organisations	
The Lab Insight & Strategy Melbourne Pty Ltd	47
Total	47

	Amount (\$'000)
e. Media advertising organisations	
Initiative Media Australia Pty Ltd	474
Marketforce Limited	1
Relativity Group Pty Ltd	5
The Brand Agency Unit Trust	23
Total	502

Unauthorised use of credit cards

Officers of the department hold corporate credit cards where their functions warrant usage of this facility. Despite each cardholder being reminded of their obligations annually, 8 employees inadvertently used the corporate credit card for various purchases where the expense was not for business purposes. The incidences were not referred for disciplinary action as the Chief Financial Officer noted prompt advice and settlement of the personal use amount, and that the nature of the expenditure was immaterial and characteristic of an honest mistake.

Unauthorised use of credit cards (continued)

2020-21	Amount (\$)
Aggregate amount of personal use expenditure for the reporting period	416
Aggregate amount of personal use expenditure settled by the due date (within 5 working days)	262
Aggregate amount of personal use expenditure settled after the period (after 5 working days)	154
Aggregate amount of personal use expenditure outstanding at balance date	19

Disability Access and Inclusion Plan

The department's Disability Access and Inclusion Plan (DAIP) is in accordance with the legislative framework. The 7 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 5-year (2018-2023) DAIP has been implemented and includes all outcomes required under the legislation. During 2020-21, 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 the 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.** The department maintains its premises (including conference and meeting rooms) to facilitate ease of access for all people. The department always ensures 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 the department if they require information in alternative formats. The department also continues to maintain its website to facilitate stronger alignment with current standards. All new online information and functionality implemented by the 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 are aware of the need to support 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. The 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, the department gains public input directly and through survey organisations and other research bodies. The 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.** The department's recruitment and employment policies and practices reflect the aim of having a diverse workforce and supporting personnel with disability. The department also captures accurate demographic and disability data from its employees.

Compliance with 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 encourage ethical behaviour and deal promptly and fairly with instances of misconduct.

All new employees receive a comprehensive corporate 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. departmental policies are available to all employees, including Code of Conduct, plus the newly developed Fraud and Corruption Risk Management Framework and a Conflict of Interest Framework.

These new frameworks have been endorsed by the department's Risk and Audit Committee and approved by Strategic Corporate Executive. The role of the Integrity Officer has been established to manage these Frameworks and change management plans have been developed to support their effective rollout with consistent and clear communications. 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.

The management of employees is undertaken in accordance with the public sector standards in human resource management and approved public sector policies and procedures. In 2020-21, one breach claim against the public sector standards was received. No reports of non-compliance were lodged with respect to the Code of Ethics or the Department of Jobs, Tourism, Science and Innovation's Code of Conduct.

Record-keeping Plan

The State Records Act 2000 requires the department to have a Record-keeping Plan and to comment in the Annual Report on compliance with the plan.

The department's current Record-keeping Plan, along with the record retention and disposal authority and record-keeping policies, has been approved by the State Records Commission. The plan acknowledges the department's responsibility to ensure all employees are aware of their

compliance responsibilities and provided with training in these areas.

Under Section 28 of the State Records Act 2000, no more than 5 years must lapse between the Record-keeping Plan and its review. The current Record-keeping Plan was approved in 2019 and applies until 2023. In accordance with State Records Standards, Standard 2, Principle 6 the following compliance information is provided.

Evaluation of record-keeping systems:

The record-keeping system infrastructure is maintained at latest release levels to comply with required standards. Regular reviews of the record-keeping system ensure its effectiveness and efficiency in meeting compliance and operational requirements. Additional functions within the record-keeping system are utilised when required.

Record-keeping training program:

Staff receive induction and ongoing coaching in relation to the

department's record-keeping policies, practices and procedures. Experienced Information Management staff are available to provide record-keeping advice and Electronic Document and Records Management System training on a one-on-one, ad hoc or project basis. Information Management staff receive regular specialist external training such as Freedom of Information Coordinator workshops.

Evaluation of the record-keeping training program: The overall training program is reviewed and updated regularly according to the evolving requirements of the department.

Record-keeping induction program: An induction is provided to all new staff within 3 months of commencement. Additionally, new employees receive direct support from the Information Management team that generally covers the Record-keeping Plan and staff responsibilities.

Governance policy requirements

Occupational safety, health and injury management

We are committed to developing a culture of safety awareness at all levels of the organisation. Our executive team supports 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 and suggest improvements to practices and procedures. All occupational safety and health related information is readily available to staff.

In 2020-21 the Occupational Safety and Health (OSH) Committee

members met regularly and have actively worked to promote and resolve any issues or hazards. Our OSH representatives conducted regular workplace inspections to ensure the workplace was free of hazards. Business Services and Facilities staff work closely with OSH representatives, employees and managers to resolve OSH matters.

Our OSH management system aligns with the Code of Practice, Occupational Safety and Health in Western Australian Public Sector. The health and well-being of our employees has been a priority through intermittent COVID-19 lockdowns that increased the department's working from home

arrangements. The working from home arrangements are continuously reviewed and improved to be flexible and agile to respond to these unprecedented times.

The department complies with the Workers' Compensation and Injury Management Act 1981 with a focus on the employee being able to return safely to meaningful work following illness and injury. Our internal policy outlines the steps to be taken to assist an employee impacted by these circumstances. In 2020-21 no employees required assistance with return to work following injury or illness.

Occupational safety and health statistics

Measures

	Results 2018-19 Prior year	Results 2019-20 Prior Year	Current Reporting Year	Targets	Comments towards targets
No. of fatalities	0	0	0	0	Achieved
Lost time injury and disease incident rate	0.74%	0.34%	0%	0 or 10% reduction	Achieved
Lost time injury and severity rate	0	0	0	0 or 10% reduction in severity	Achieved
Percentage of injured workers returned to work (1) within 13 weeks	100%	100%	100%	100%	Achieved
Percentage of injured workers returned to work (1) within 26 weeks	100%	100%	100%	Greater than or equal to 80%	Achieved
Percentage of managers trained in occupational safety, health and injury management responsibilities, including refresher training within 3 years	0%	0%	6.64%	Greater than or equal to 80%	Not Achieved. Training for managers is planned for 2021-22.

*The performance reporting examines a 3-year trend, as such, the comparison base is 2 years prior to the current reporting year.

Appendix 1

Legislation and changes to legislation

The department administers 12 Statutes and 65 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 2020-21 reporting year.

Statutes administered by the department

1. *Agent General Act 1895*
2. *Anzac Day Act 1960*
3. *Government Agreements Act 1979*
4. *Industry and Technology Development Act 1998*
5. *Nuclear Activities Regulation Act 1978*
6. *State Agreements Legislation Repeal Act 2013*
7. *Texas Company (Australasia) Limited (Private) Act 1928*
8. *The Commonwealth Oil Refineries, Limited (Private), Act, 1940*
9. *Western Australian Aged Sailors, Soldiers and Airmen's Relief Fund Act 1932*
10. *Western Australian Jobs Act 2017*
11. *Western Australian Products Symbol Act 1972*
12. *Western Australian Tourism Commission Act 1983*

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*

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

Forest products

15. *Albany Hardwood Plantation Agreement Act 1993*
16. *Bunbury Treefarm Project Agreement Act 1995*
17. *Collie Hardwood Plantation Agreement Act 1995*
18. *Dardanup Pine Log Sawmill Agreement Act 1992*
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-Nimngarra) 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 Authorization 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 Authorization 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* [Agreement expired]
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. *Paper Mill Agreement Act 1960 [Agreement expired]*
- 61. *Pigment Factory (Australind) Agreement Act 1986 [Agreement expired]*
- 62. *Railway (Roy Hill Infrastructure Pty Ltd) Agreement Act 2010*

- 63. *Railway and Port (The Pilbara Infrastructure Pty Ltd) Agreement Act 2004*
- 64. *Railway (BBI Rail Aus Pty Ltd) Agreement Act 2017*
- 65. *Silicon (Kemerton) Agreement Act 1987*

Agreements terminated in 2020-21

Nil

New Agreement Acts ratified in 2020-21

Nil

New Statutes in 2020-21

Nil

Variations in 2020-21

Nil

Agreement Acts amended in 2020-21

Iron Ore Processing (Mineralogy Pty Ltd) Agreement Act 2002

Agreement Acts repealed in 2020-21

Nil



Department of
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