



Government of Western Australia
Department of Finance



Annual Report 2023-24





Acknowledgement of Country

The Department of Finance kaditj nidja boodjar, kep wer boola-moort Western Australia kalyakool moondang-ak kaaradj-midi. Ngalak bandan Aboriginal boola-moort wer baalaban kadadjiny wer Birdiya koora wer yeyi koota-djinanginy.


The Department of Finance acknowledges the traditional custodians throughout Western Australia and their continuing connection to the land, waters and community. We pay our respects to all members of the Aboriginal communities and their cultures, and to Elders both past and present.

Our Aboriginal brand was developed by Nani Creative in collaboration with Whadjuk Noongar designer Paige Pryor.

It is an extension of our pebble brand and values, and reflects our commitment to collaboration, community connections, regional presence, moving forward and staff and community.

Scan the QR code to learn more.





Statement of Compliance

For the year ended 30 June 2024

Hon Sue Ellery MLC

Minister for Finance

In accordance with section 63 of the *Financial Management Act 2006*, I hereby submit for your information and presentation to Parliament, the Annual Report of the Department of Finance for the reporting period ending 30 June 2024.

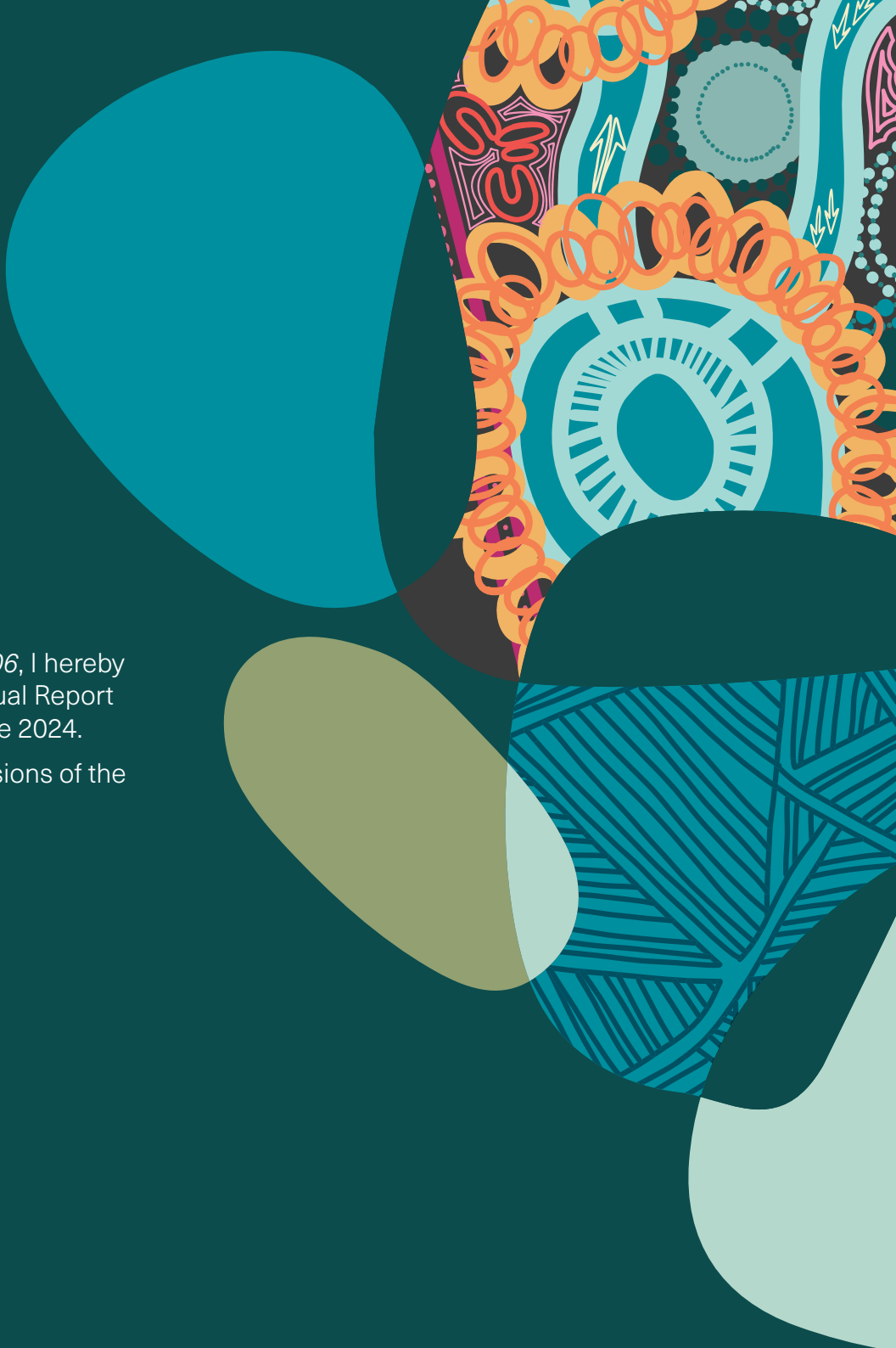
The Annual Report has been prepared in accordance with the provisions of the *Financial Management Act 2006*.



Jodi Cant

Director General

23 August 2024

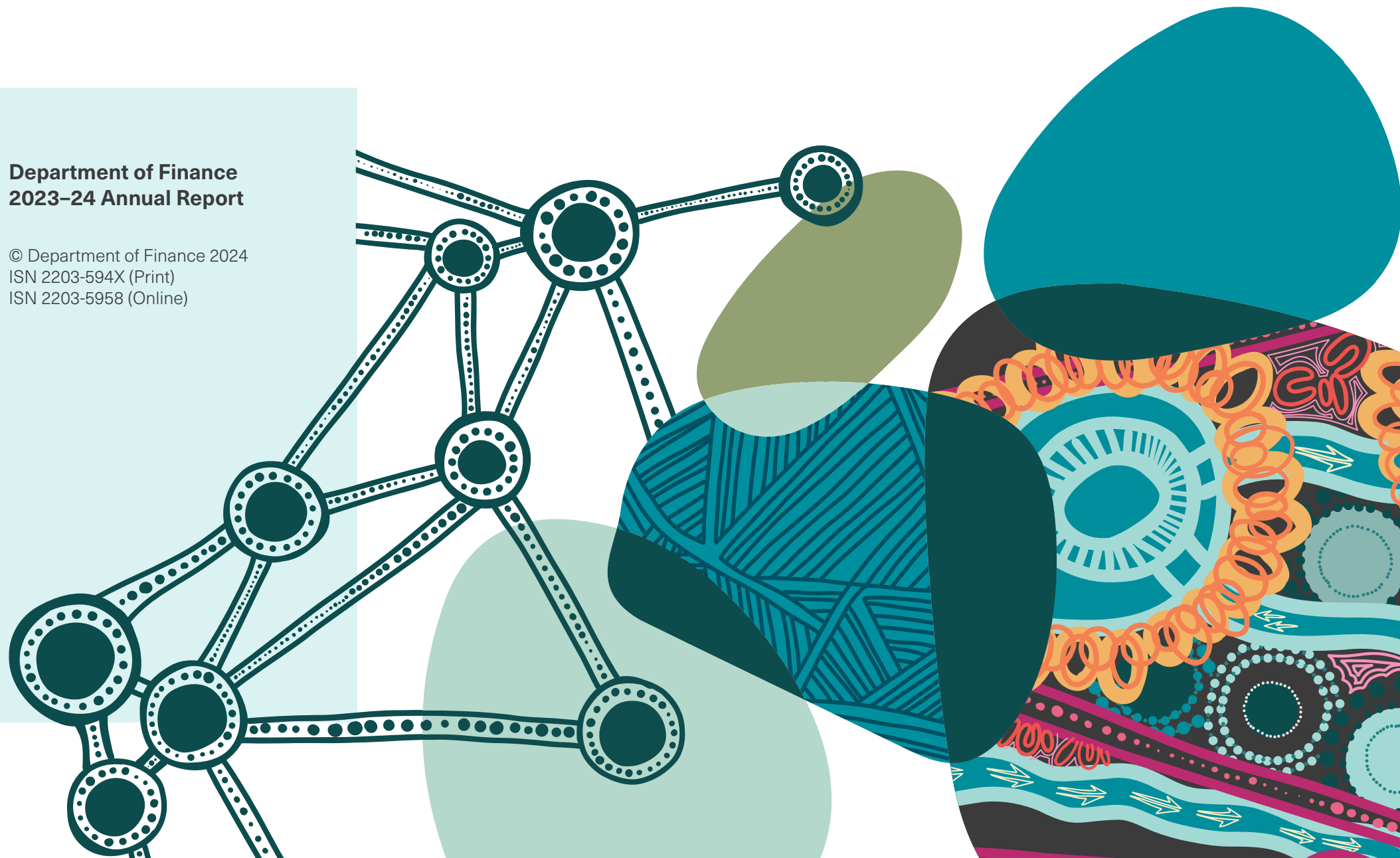


Contents

Overview	1	Financial Statements	82
Message from the Director General	2	Administered schedules	87
Performance highlights	5	Notes to the financial statements	89
About us	7	Key Performance Indicators	151
Agency Performance	15	Certification of key performance indicators	152
Advise	16	Performance assessment	152
Build	28	Other Statutory Information	159
Buy	49	Ministerial directions	160
Collect	57	Other legal requirements	160
Deliver	61	Government policy requirements	166
Our People	66	Image credits	171
Report on operations	74	Contact	174
Disclosures and legal compliance	78		

Department of Finance 2023–24 Annual Report

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Overview

Message from the Director General

Performance highlights

About us



Aerial view of Rat Island, part of the Easter Group of the Houtman Abrolhos, where Finance restored a jetty

Message from the Director General



Each year, producing the annual report provides the opportunity to reflect on what we have achieved over the past 12 months. And, in doing so, it gives me pleasure to share the breadth of work the Department of Finance delivers as a central agency, throughout the State for the people of Western Australia.

Our role as a central agency

Finance plays an integral role in many aspects of Government policy, projects and service delivery. We are one of four central agencies, working alongside the Department of the Premier and Cabinet, Department of Treasury and the Public Sector Commission.

We are the functional lead for whole-of-government procurement, we deliver infrastructure throughout the State and collect taxes and royalties to support the growing WA economy.

This broad portfolio sees us facilitate and lead everything from supporting the delivery of schools, police stations, hospitals and cultural facilities, through to helping procure leading edge equipment for a range of government agencies. We also provide maintenance services throughout the State, including in unique locations such as Rat Island, off the WA coast, and the Indian Ocean territories of Cocos Keeling Islands and Christmas Island.

One of the outstanding features of Finance is that our work takes us to almost every part of this fantastic State. We accomplish this with a team of exceptional staff based in the regions and metropolitan area.

Five core areas

We deliver our services through five core areas: advise, build, buy, collect and deliver, which are all reflected in this report.

This year, we provided strategic oversight of significant government infrastructure projects such as the Bunbury Regional Hospital redevelopment, Geraldton Health Campus redevelopment, and the new Women and Babies Hospital. These are important projects that will deliver high quality healthcare for our State, particularly in the regions.

Asset Investment

We continued to work with government and building and construction partners to identify additional ways to support a vibrant and sustainable sector. Finance is implementing strategies to attract more Tier 1 construction companies to WA, support the development and growth of local Tier 2 contractors, and improve value for money outcomes in delivering the State's \$39 billion Asset Investment Program.

We are also leading a reform package for procurement practices aimed at bolstering the local building and construction industry. In this space, we continued consultation on the Master Builders Association of WA's Building Reform package and implemented updates to contracts and tender approvals which provide better risk sharing and transparency for building companies.

Recognising the importance of oversight and transparency of major infrastructure projects, we launched the interactive WA Government Infrastructure Pipeline of Works, an online dashboard featuring

current and planned non-residential building and other infrastructure projects that are part of the Government's significant infrastructure investment.

The pipeline provides a source of information for the construction industry on infrastructure investment approved by the State and enables businesses to plan for government work that may be of interest.

Delivering infrastructure for WA

In terms of non-residential infrastructure, we delivered 130 projects with a total value of \$930 million on behalf of the WA Government and the community.

Some of our projects in 2023-24 included Jilbup Primary School, Henley Brook Primary School, an early childhood centre at Roebourne District High School, Armadale Courthouse and Police Complex, John Forrest Secondary College upgrade and the Perth Zoo café, function centre and playground.

Gender equality

Improvements in gender equality took another step forward this financial year.

In June the WA Government announced the gender equality disclosure clause would be a permanent requirement in government contracting. This followed the successful two-year pilot by the Department of Communities, supported by Finance.

The \$63 million Fremantle Hospital 40-bed Mental Health redevelopment was the first WA Government construction project to trial gender equality targets and reporting.

As part of this, ADCO Construction committed to appointing 25-30 per cent female staff on its project team where the industry average is about 13 per cent. Their female representation by the end of this year was 48 per cent and the State team also engaged a high representation of women on the project.



Leveraging State purchasing power

In another area of growth, we continued our whole-of-government approach to leverage the buying power of State agencies. An example of this capability, along with advancing social outcomes, is the Aboriginal Procurement Policy.

In 2023-24, the number of contracts awarded by WA agencies exceeded the policy's four per cent target of total awarded contracts to registered Aboriginal businesses. Finance awarded 102 contracts with a combined contract value of \$40.1 million to registered Aboriginal businesses.

Contributing to net zero

With the Government's commitment to achieve net zero emissions by 2050, we are working with the Department of Water and Environmental Regulation and other agencies on climate and environmental initiatives, planning for potential whole-of-government projects and contributing to policy development.

Cost-of-living measures

RevenueWA paid \$7.5 million to 16,771 households in 2023-24 as part of the WA Government's Household Electricity Credit scheme.

In terms of housing supply initiatives, we provided \$28.8 million in rebates and concessions for eligible off-the-plan purchases of apartments in 2023-24.

As of 30 June 2024, we had paid 24,027 State Building Bonus grants worth \$480.5 million and 18,401 Commonwealth HomeBuilder grants worth \$440.8 million over the duration of those schemes.

Striving to be the best place to work

This year, we continued to build momentum and deliver even more outcomes that demonstrate why we are the #bestplacetowork.

During the year, we launched our first Strategic Workforce Development Plan 2023-27 which we developed through comprehensive research and staff consultation.

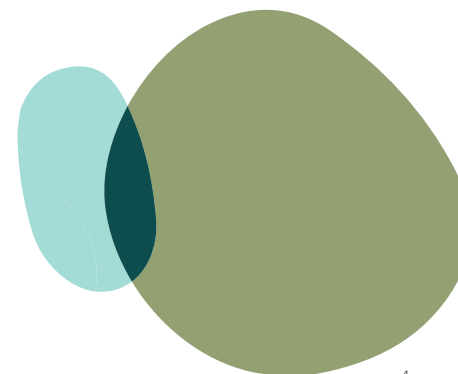
As always, I would like to acknowledge all of our staff for their outstanding work over the past year as we grow together as an agency and as colleagues. And to my Corporate Executive and leadership team, thank you for your ongoing contribution and support.

I would also like to recognise Jenna McMahon, who participated in the Public Sector Commission's Women in Executive Leadership Program in 2023-24. From 1 July, Nicola Jordan will be our next participant in the program.

Finally, I look forward to the new financial year and to see what we can accomplish together as we continue to deliver what's needed today, to achieve a better tomorrow.

Jodi Cant

Director General



Performance highlights

\$23.1 billion

revenue collected on behalf of the WA Government

\$4.4 billion

worth of goods and services contracts awarded for government agencies

\$204.4 million

value of grants and subsidies administered

\$40.1 million

in contracts awarded under the Aboriginal Procurement Policy

\$18.7 million

savings realised through office accommodation strategies

80%

customer satisfaction score across Finance



\$3.7 billion +

combined value of projects
managed by Major Projects

\$930 million

worth of capital works projects
and programs delivered

\$225 million

of maintenance and works delivered



About us

We are a central agency that provides leadership and strategic advice across the public sector to support the delivery of services throughout WA.

We undertake a vital central role within the WA Government to sustain and grow the economy while supporting communities.

Finance leads whole-of-government procurement, provides leadership and advice, delivers infrastructure projects such as schools, hospitals and community facilities, leads the collection of taxes and royalties and coordinates initiatives to stimulate the WA economy.

We do this in collaboration with the other central agencies: Department of the Premier and Cabinet, Public Sector Commission and the Department of Treasury.



We deliver a range of services that are reflected through five core areas:

Advise

We provide strategic advice across the WA Government and the public sector on reform projects, project and asset management, procurement, and policy.

Build

We plan, deliver and manage fit-for-purpose solutions for major community infrastructure such as schools, hospitals, prisons, cultural and sporting facilities and government office accommodation.

Buy

We lead government procurement and leverage our buying power to secure products and services for government, driving value for money for WA taxpayers.

Collect

We collect revenue to fund government services and administer payment of grants and subsidies to the WA community.

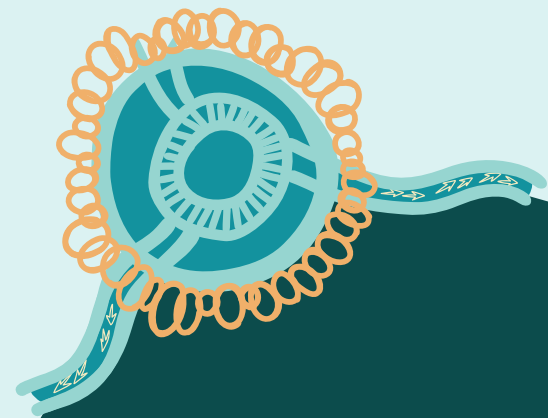
Deliver

We facilitate and optimise delivery of corporate services, using insights and leading technologies to continuously innovate and improve.



Our vision

We serve Western Australia to deliver what is needed today to achieve a better tomorrow.



Our purpose

To lead and deliver services on behalf of government to benefit the community.

Our values guide all aspects of our operations



Empathy

We listen, understand, and respect other perspectives.



Clarity

We are clear on our purpose, our role and how we support others.



Collaboration

We value each other's contributions and create better outcomes when working together.



Growth

We learn, develop, inspire and improve in a changing environment.

Organisational chart



The Hon Sue Ellery MLC
Minister for Finance



Jodi Cant
Director General



Kate Ingham
Deputy Director
General

Advisory
Services



Shaun Whitmarsh
Deputy Director
General

Buildings and
Contracts



Henrietta Farrell
Chief Customer
Officer

Customer
Experience and
Strategy



Nicki Godecke
Deputy Director
General

Major
Projects



Chris McMahon
Commissioner of
State Revenue

RevenueWA



Geoff Gilbert
Deputy Director
General

Service and
Invest



Jenna McMahon
Director

Office of the
Director General

Our locations

Northern Region

Goonoonooram / Kununurra	1
Rubibi / Broome	2
South Hedland*	3
Barlgarra / Karratha	4

Central Region

Carnarvon*	5
Geraldton*	6
Merredin / Merredin	7
Northam	8
Karlkurla / Kalgoorlie	9
Kepa kurl / Esperance	10

Metropolitan Region

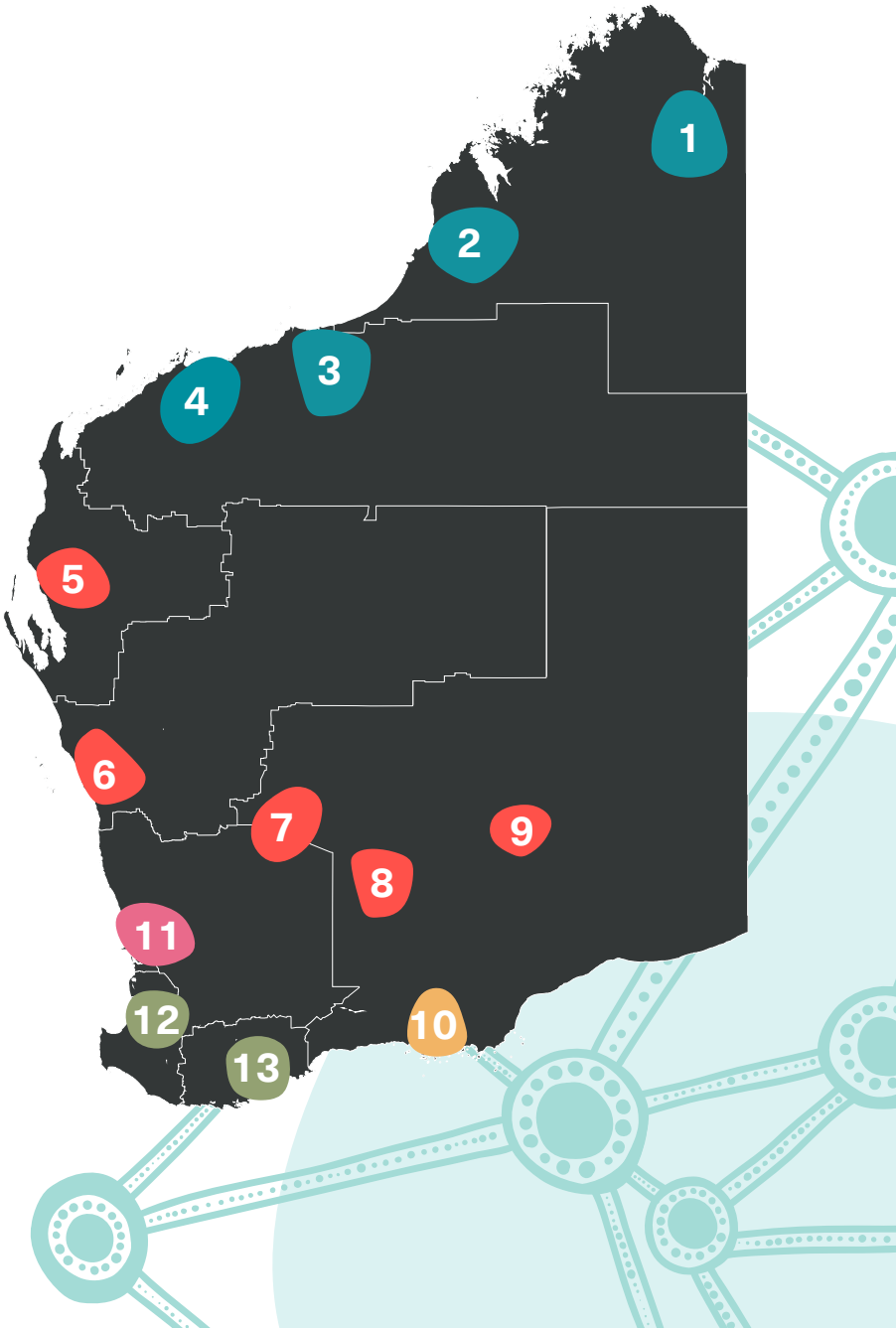
Boorloo / Perth	11
Southern Region	
Goombarrap / Bunbury	12
Kinjarling / Albany	13

Aboriginal place names relate to the specific location of our offices.

The Department of Finance recognises the diversity of Aboriginal people, culture and language and that spelling of place names may vary.

With thanks to Noongar Boodjar Aboriginal Language Centre, Yawoorroong Miriuwung Gajerrong Yirrgeb Noong Dawang Aboriginal Corporation, Ngarluma Aboriginal Corporation, Nyamba Buru Yawuru, Goldfields Aboriginal Language Centre Aboriginal Corporation.

*Finance is working with Aboriginal language centres to confirm these town names



Enabling legislation

Finance was established as a department on 1 July 2011 under section 35 of the *Public Sector Management Act 1994*.

Responsible Minister

Finance reports to the Minister for Finance, the Hon Sue Ellery MLC.



Legislation and schemes administered

The Department of Finance administers the following Acts:

Betting Tax Act 2018

Betting Tax Assessment Act 2018

Commonwealth Places (Mirror Taxes Administration) Act 1999

Duties Act 2008

First Home Owner Grant Act 2000

Land Tax Act 2002

Land Tax Assessment Act 2002

Pay-roll Tax Act 2002

Pay-roll Tax Assessment Act 2002

Pay-roll Tax (Indigenous Wages) Rebate Act 2012

Pay-roll Tax Rebate Act 2010

Pay-roll Tax Rebate Act 2012

Procurement Act 2020

Public Works Act 1902 ^[a]

Rates and Charges (Rebates and Deferments) Act 1992

Stamp Act 1921

Taxation Administration Act 2003

^[a] Part 1A of the *Public Works Act 1902* is administered by the Minister for Finance and principally assisted by the Western Australian Building Management Authority.

Performance management framework

Outcomes-based management framework

Broad government goals are supported at agency level by specific outcomes. Agencies deliver services to achieve these outcomes.

The table (right) illustrates the relationship between the agency’s services and desired outcomes, and the Government goal it contributes to.

The key effectiveness indicators measure the extent of impact of the delivery of services on the achievement of desired outcomes. The key efficiency indicators monitor the relationship between the services delivered and the resources used to produce the service.

Government Goals	Desired Outcomes	Services
Strong and sustainable finances: responsible, achievable, affordable budget management.	Due and payable revenue is collected and eligible grants, subsidies and rebates paid.	1. Revenue assessment and collection, and grants and subsidies administration.
	Value-for-money from public sector procurement.	2. Development and management of Common Use Contract Arrangements, State Fleet leasing and disposal, and providing facilitation service for agency specific contracts.
	Value-for-money from the management of the Government’s non-residential buildings and public works.	3. Leads the management of government buildings including planning, project delivery, and maintenance thereof.

Changes to the outcomes-based management framework

In 2023-24 Finance's Outcome Based Management Framework was updated to reflect our core business. The previous Service Three: Corporate Services to Client Agencies has been removed and the associated expenditure allocated to the remaining service lines.

Shared responsibilities with other agencies

Integral to the success of both Finance and the Government is the ability to partner with others. As a central agency, Finance works closely across the sector to facilitate the efficient operations of government, informed decision-making, and value for money outcomes for Western Australians.

This is achieved by providing leadership and strategic advice to Government on initiatives to improve the operations and management of services across the public sector.



Agency Performance

Advise
Build
Buy

Collect
Deliver
Our People



The background features several overlapping organic shapes in shades of orange and red. A large red shape is on the left, partially overlapping a large orange shape below it. Another orange shape is in the top left corner, and a fourth orange shape is on the right side. The text is positioned in the white space on the right.

Advise

We provide strategic advice across the WA Government and the public sector on reform projects, project and asset management, procurement and policy.

Our role enhances public sector and community outcomes through sector-wide leadership, strategic advice and procurement support across all WA Government agencies.

Prioritising the economic participation of Aboriginal businesses

We administer the Aboriginal Procurement Policy (APP) on behalf of Government with the aim to increase contracting opportunities for Aboriginal businesses.

We work with all State agencies, promoting employment and business opportunities.

In December 2023, the APP was updated to enable the engagement of Aboriginal Controlled Community Organisations (ACCOs) by government agencies to be counted in an agency's performance for policy targets. Agencies can directly engage ACCOs as part of the Procurement Rules under the same exception used to directly engage Aboriginal businesses.

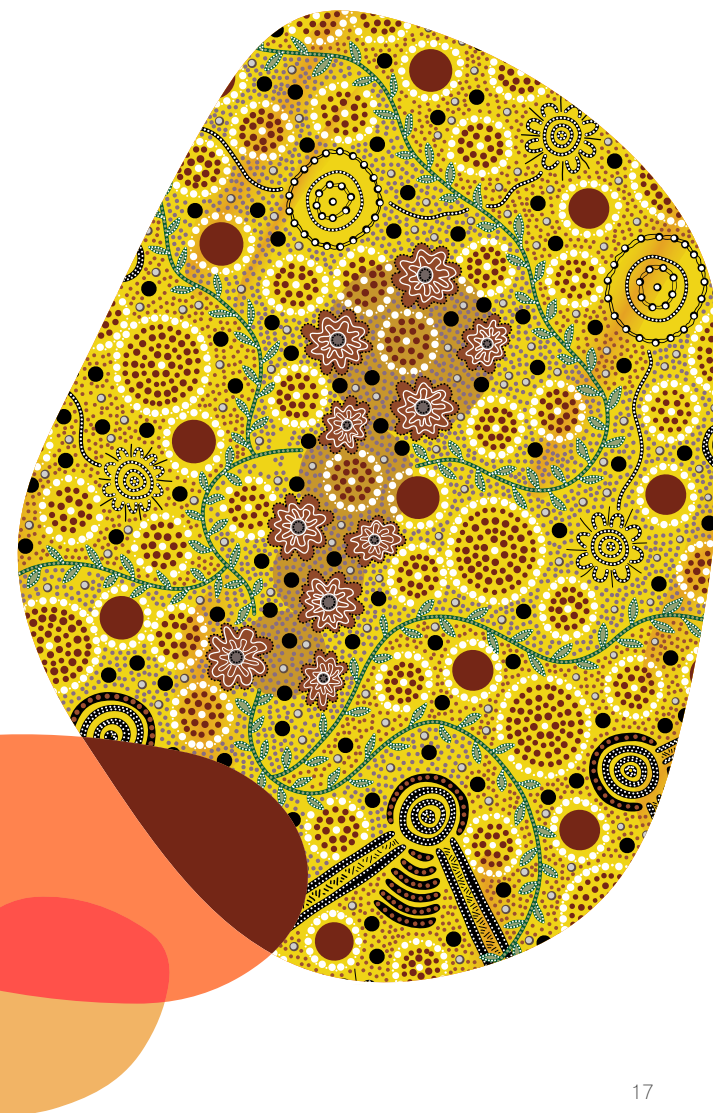
In 2023-24, the number of contracts awarded by State agencies is on track to exceed the policy's four per cent target of total awarded contracts to registered Aboriginal businesses.

During the first half of 2023-24, 164 new contracts have been awarded to 96 Aboriginal businesses across the WA Government. This represents around six per cent of all relevant WA Government

contracts awarded and had a combined total value of \$293 million, exceeding the total value of Aboriginal business contracts for the year 2022-23.

In 2023, the Office of the Auditor General (OAG) commenced a review to assess to what extent the policy's implementation was supporting positive outcomes for Aboriginal businesses and communities.

The current target of four per cent will be held across the 2024-25 financial year while we await the outcome of the OAG review.



Contracts awarded to Aboriginal businesses

During the financial year, we awarded **102 contracts** above \$50,000 to **Aboriginal businesses** for goods, services and works throughout WA.

This comprises of contracts:

On behalf of WA Government agencies

93 contracts to 26 Aboriginal businesses, with a total value of \$37.5 million

For Finance

9 contracts to 9 Aboriginal businesses, with a total value of \$2.6 million

102
contracts
worth
\$40.1
million

Examples include:

- **Albany Entertainment Centre**
Stage 1A temporary interim fixing measures, Colab Construction (\$648,798)
- **Albany Shellfish Hatchery**
Colab Construction (\$2.7 million)
- **Brabham Primary School**
Forward works, Boodjera Construct (\$620,600)
- **Broome Senior High School**
STEM and canteen plaza project, H&M Tracey Construction (\$2.6 million)
- **Construction Training Fund**
Construction futures centre alterations and additions, Boodjera Construct Pty Ltd (\$852,872)
- **Denmark Senior High School**
Proposed STEM facility, Colab Construction (\$1.1 million)

- **Department of Energy, Mines, Industry Regulation and Safety (DEMIRS)**

Mineral House, Level 2, fit-out alterations, Kardan Construction (\$199,101)

Core library conference room and office expansion, Kardan Australia Pty Ltd (\$424,349)

- **Edney Primary School**

Toilet refurbishments and new shade structure, Bidi Facility Services Pty Ltd (\$1 million)

- **Geraldton Senior High School**

Plasterglass ceiling replacement, GBSC Yurra (\$716,889)

- **Gilmore College**

STEM, Bidi Facility Services Pty Ltd (\$1.1 million)

- **Kiara College**

STEM, Boodjera Construct Pty Ltd (\$829,012)

- **Kununurra Youth Justice Service**

Office accommodation fit-out alterations, Kullari Building (\$691,273)

- **Leeming Senior High School**

STEM, Barna Construction WA Pty Ltd (\$1.1 million)

- **Metropolitan TAFE**

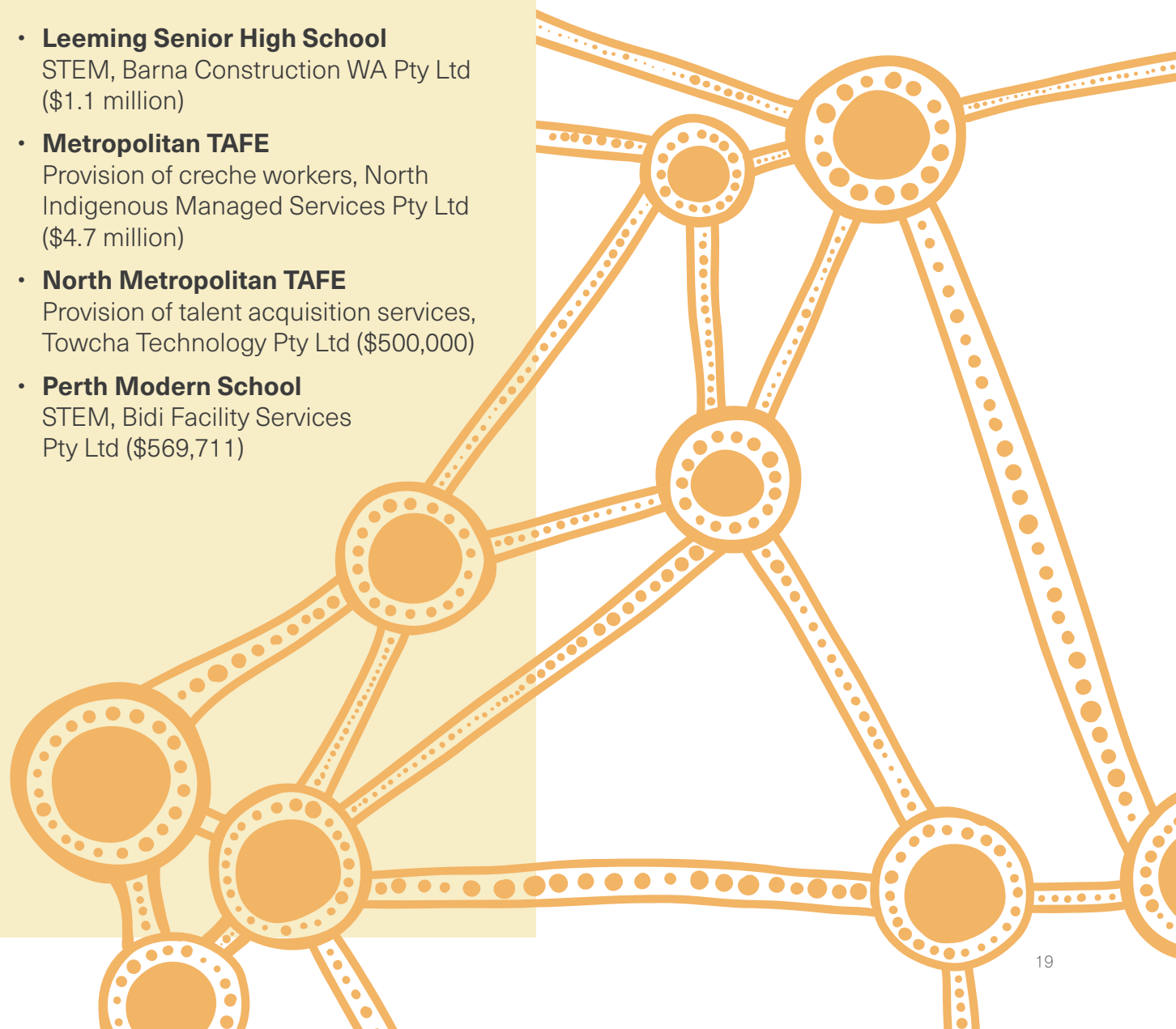
Provision of creche workers, North Indigenous Managed Services Pty Ltd (\$4.7 million)

- **North Metropolitan TAFE**

Provision of talent acquisition services, Towcha Technology Pty Ltd (\$500,000)

- **Perth Modern School**

STEM, Bidi Facility Services Pty Ltd (\$569,711)



Nirrumbuk Aboriginal Corporation
increased employee numbers as
a result of working with the
WA Government



Supporting community services

We have been changing how the WA Government delivers community services through the State Commissioning Strategy.

This year we advanced actions in the eight priority areas outlined in the strategy. This included:

- Establishing a framework for Agency Commissioning Plans (ACPs) to plan for and consult on their upcoming procurement activities, enabling greater transparency and collaboration.
- Updating the Delivering Community Services in Partnership Policy to recognise the role of Aboriginal Community Controlled Organisations (ACCOs) in delivering community services, and to prioritise the delivery of services by Aboriginal organisations to Aboriginal people and communities. The ability for line agencies to directly engage ACCOs without undertaking an open tender process was added to the Delivering Community Services in Partnership Policy to promote ACCO contracting and to align with the APP.
- Establishing a governance structure to guide and inform the transition to commissioning community services, including cross-sectoral groups with representation from the community services and ACCO sectors. Within this governance structure we established the Community Services Practitioners' Group which has been well received by line agency officers.
- Publishing new guidance on integrated services and joint commissioning for line agencies seeking to undertake collaborative processes to deliver better outcomes for the community using multiple services across government.
- Publishing the Commissioning Toolkit and Commissioning Self-Assessment Tool, enabling commissioning officers to identify gaps and areas for improvement in their capability and to address these gaps with targeted education and guidance.
- Delivering Community Services Commissioning Capability training to more than 240 officers across 15 central and line agencies.
- Publishing commissioning capability online modules to complement commissioning training and to provide another source of information and guidance for line agency officers unable to attend training sessions.
- Referencing the Outcomes Measurement Framework in all new and recontracted services, with common service domains and community outcomes now identifiable across community services.
- Developing an updated Implementation Plan for 2024-26 in consultation with the Departments of the Premier and Cabinet and Treasury, line agencies that commission community services, and the community services and ACCO sectors.

To assist our client agencies with building capability to progress their commissioning work, a new team has been established within Finance and undertakes the following:

- Provision of advice on community services procurements that are high risk or include co-commissioning or cross-agency collaboration aspects.
- Facilitation of procurement processes, where required, with the view to building commissioning capability within client agencies.
- Lead community services procurements that are high risk, complex and/or require rapid implementation. Recent examples include a range of family and domestic violence services for urgent implementation.
- Working with client agencies to identify strategies to maximise the engagement and involvement of Aboriginal Community Controlled Organisations to deliver services to the community; and
- Exploration and initiation of opportunities for integrated and placed based services.



Continuously improving procurement

In 2023, the WA Government announced that the GovNext Information and Communication Technology (ICT) program was entering a new phase, with the current arrangements coming to an end and new, flexible arrangements being developed.

We formed the GovNext Transition Project to establish new whole-of-government buying arrangements to support the provision of ICT infrastructure for WA buying entities.

In May 2024, the procurement strategy was endorsed, and the GovNext-ICT Common Use Arrangement (CUA) will be replaced by two buying arrangements:

- Two new panels for voice and data solutions under the existing CUA for Telecommunications Solutions.
- A new CUA for Technology Infrastructure and Solutions.

The new buying arrangements will allow for easier adoption of infrastructure and telecommunication solutions that are best suited to agency business requirements and facilitate service innovation. The new buying arrangements will go live in 2025.

Developing procurement capabilities across government

As the functional lead for procurement across the WA Government, we continued to consolidate our Procurement Capability Development Strategy 2022–25.

Key initiatives in 2023-24 included:

- Launching a Procurement Onboarding Workshop to provide a consistent onboarding experience to those new to public sector procurement in WA.
- Piloting a Public Sector Procurement workforce survey to improve our understanding of the WA public sector's procurement workforce characteristics, current capabilities and future capability needs.
- Deploying a new workshop on scoping and specifying works and services to support works procurement capability across the sector.
- Trialling a professional development program for more than 90 public sector procurement staff, to progress our drive to professionalise procurement.

We continued to enhance procurement leadership across State agencies with the expansion of the Strategic Procurement Thought Leadership Series and the Procurement and Contract Management Senior Managers Network. Both forums provide opportunities for procurement leaders to learn, share knowledge, and build professional networks.



“Wonderful customer service and responsiveness that helped me understand the procurement rule related to Waste Disposal and Recycling Services in CUAWAS2016”

Customer comment: Health Support Services

Optimising government assets

As part of Finance's central agency role, we continue to lead the whole-of-government Asset Management Reform Program (AM Reform).

To date, the program has identified opportunities to improve asset management governance, including the establishment of a sector-wide asset management policy and the preparation of roles and accountabilities to guide the delivery of strategic asset management across the public sector.

AM Reform also seeks to achieve office accommodation savings of around \$48 million to 30 June 2026.

These savings have, and will be, achieved through better use of government office accommodation and improved commercial terms through the re-negotiation of lease agreements.

Pilot asset management maturity assessments have been successfully undertaken with the Department of Education and the Department of Primary Industries and Regional Development.

During the year, the Building Condition Assessment program progressed across all 147 agency-owned office buildings, and data will be provided to agencies to guide future decision-making.

A roadmap for the future of asset management is being developed in consultation with the Department of Treasury and Infrastructure WA. We are currently assessing initiatives that have been undertaken, along with lessons learnt from other jurisdictions.



**We're on track to
save \$37.7 million
over three years**

Addressing climate change

The WA Government has committed to achieve net zero emissions by 2050 through several key initiatives.

We are working with the Department of Water and Environmental Regulation (DWER), Energy Policy WA and other agencies on a range of climate and environmental initiatives, planning for potential whole-of-government projects, as well as contributing to policy development.

This includes enhancement to clauses in the architectural services brief, tender documents for lead consultants, and construction contracts with builders, which aim to reduce greenhouse gas emissions, water usage and construction and demolition waste to landfill.

Our achievements in 2023-24 include:

Developing and launching technical guideline TG040, an environmentally sustainable design guideline for non-residential government buildings, in July 2023.

Establishing the Climate Adaptation Research team to develop technical guidelines to assist agencies to manage climate change risks in their building projects.

Developing a Net Zero Carbon Action Plan template that aligns with the requirements of the Strategic Asset Management Framework and liaising with DWER to obtain predicted WA climate files suitable for non-residential building designers to use in their energy modelling.

Introducing the buy back and trade-in services in the Telecommunications Solutions CUA. These options provide a financial return to agencies and ensures devices are reused or recycled to avoid landfill. In 2023-24, 417 devices were processed, netting agencies almost **\$6,000 in credits and avoiding over 61 kg in e-waste.**

Establishing a **new project team to support the new EV target.** The target increased from 25 per cent to 50 per cent as part of the WA Government's Sectoral Emission Reduction Strategies program. It is estimated that 4,000 tonnes of tailpipe emissions over three years will be avoided due to the revised EV target. Any emission reductions will be cumulative over each vehicle's lease life and as more EVs are acquired under State Fleet arrangements.

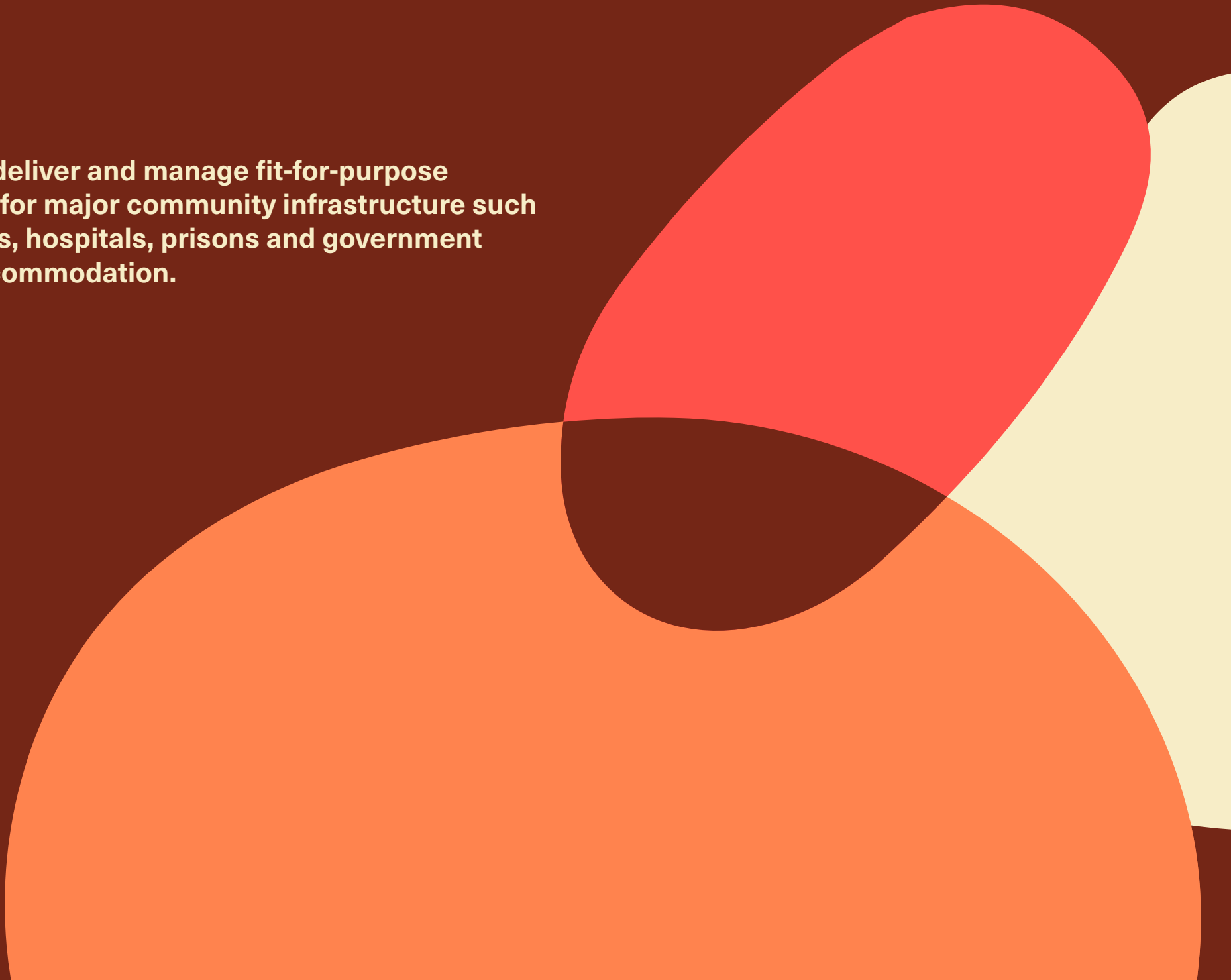
Establishing a **\$800,000 fund to support the installation of EV charging infrastructure** in government buildings to support the WA Government's EV target. Through this, State Fleet has supported 94 chargers across 54 projects for 18 agencies, with about half of the funds still available for future installations.



**We're leading the emissions
reduction strategy for the
WA Government vehicle fleet**

Build

We plan, deliver and manage fit-for-purpose solutions for major community infrastructure such as schools, hospitals, prisons and government office accommodation.



Delivering major projects

Our Major Projects directorate oversees the planning and execution of major capital works projects, typically with values more than \$100 million and deemed to be imperative to the State.

We focus on ensuring key social and industry impacts are factored into all project development, planning and management initiatives to deliver quality, value for money, timely and sustainability outcomes for WA.

To ensure successful project outcomes, our teams work collaboratively with client agencies to deliver robust project planning and on-time project execution in accordance with the WA Strategic Asset Management Framework.



In 2023-24, we managed the delivery of significant projects with a cumulative value of more than \$3 billion.

Our projects include:

Women and Babies Hospital (\$1.8 billion)

Bunbury Regional Hospital redevelopment (\$451 million)

Department of Primary Industries and Regional Development new metropolitan facility (\$320 million)

Perth Film Studios (\$234 million)

Casuarina Prison expansion (\$226 million)

Graylands Hospital redevelopment (\$219 million)

Geraldton Health Campus redevelopment (\$166 million)

Peel Health Campus transformation (\$152 million)

Australian Hockey Centre (\$135 million)

Aboriginal Cultural Centre (\$104 million)



Significant milestones during the year included:



Bunbury Regional Hospital redevelopment

In April 2024, the \$451.1 million project reached a key milestone with the announcement of the managing contractor, Multiplex Perkins Unincorporated Joint Venture. The largest redevelopment of a regional hospital in WA, it will provide an expanded emergency department, increased operating theatre capacity and other facilities.

Perth Film Studios

Construction commenced on the multi-million-dollar facility in Malaga. The facility, a first for WA, will include four purpose-built sound stages with 15-metre-high ceilings and large opening doors providing drive-in access for large trucks. Each sound stage will include an annex building with production offices, wardrobes, toilets, hair and makeup space, green rooms and meeting rooms.



Geraldton Health Campus redevelopment

Construction commenced on the \$166.1 million redevelopment which will deliver an expanded emergency department, a new intensive care unit co-located with an improved high dependency unit, and an integrated mental health service, including an adult mental health inpatient unit and a mental health short stay unit. Forward works to prepare the site for redevelopment have been completed including an additional 400 new car bays, reconfiguration of the main entrance, and a new emergency department vehicle ambulance entry.



Supporting a vibrant and sustainable construction industry

We are implementing a range of procurement reforms for Finance-led construction projects that will improve the way government does business with industry.

These changes follow recommendations made by the Master Builders Association of WA.

Finance implemented the first tranche of recommendations on 30 June 2024. These include a number of significant improvements to Finance's contracts and practices, including:

- Introducing the ability for contractors to claim site establishment costs before construction has commenced to improve contractor cashflow.
- Trialling processes to enable faster payment on selected contracts, below the current standard 20-day timeframe, to also improve contractor cashflow.
- Reinstating two-stage tender processes as the default approach for contracts estimated to be valued above \$15 million, along with improving the timeframes for financial checks, reducing the time for the second stage of the process and creating a tight competitive tendering field.
- Improving information to contractors to explain the process for alternative tenders, including how they are assessed and more detailed feedback to unsuccessful tenderers.
- Targeting 33 calendar days for the assessment of tenders for the second stage of two-stage processes to reduce pricing risks for contractors.



Overseeing infrastructure stimulus

Our Infrastructure Delivery Unit has oversight of the State's four-year \$39 billion Asset Investment Program (AIP) from 2023-24 to 2026-27.

In addition, the Unit advises, directs or delivers major aspects of the State's residential and non-residential building AIP, excluding Government Trading Enterprises and Department of Transport portfolio projects.

As part of our work, we seek to ensure tenders are scheduled in line with the construction industry's capacity to deliver the works and the WA Government's priorities.

During 2023-24, we delivered outcomes including:

- Releasing the WA Government Infrastructure Pipeline of Works, an interactive online dashboard, to help WA businesses to better plan for major WA Government tenders, sustaining companies across the State and creating local jobs.
- Working with agencies to review and realign project schedules to help alleviate pressure and cost escalations in the construction industry.
- Continuing to undertake project assurance to review and advise on the costings and schedules for business cases prior to being submitted to Government for consideration.



**We oversee the State's
\$39 billion Asset
Investment Program**

Head Contractor Relief Scheme

In May 2022, the WA Government announced measures to provide relief to the construction industry, including the establishment of a \$350 million provision for cost escalation and the introduction of 'rise and fall' provisions into Finance and Department of Communities' contracts.

Within the \$350 million provision, up to \$30 million was set aside for a Head Contractor Relief Scheme, available to head contractors delivering eligible projects for Finance and Communities, awarded between October 2020 and September 2021.

We received a total of
38 claims, of which

37 claims

resulted in approved
Scheme payments of

\$20.4 million

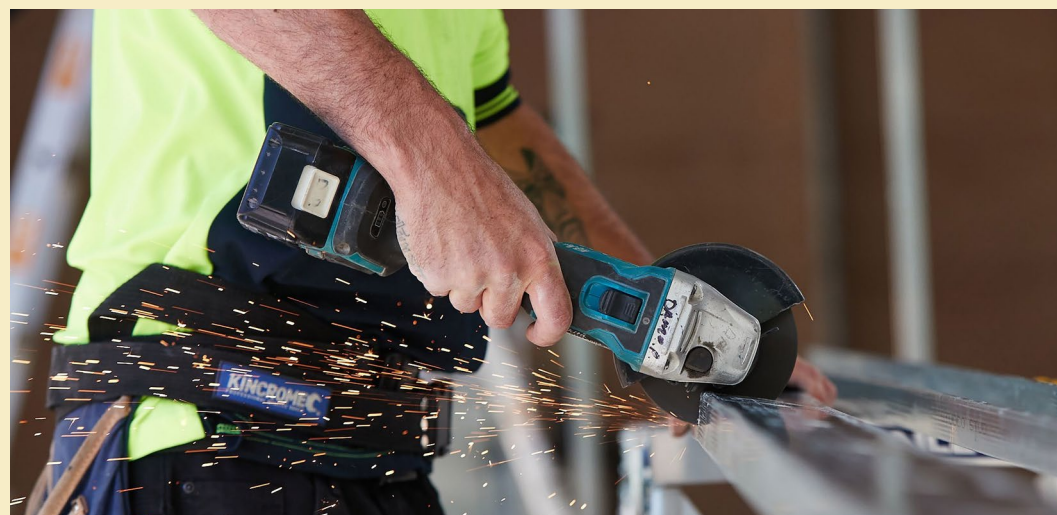
Buying local

One way we support regional economies is by incentivising head contractors to use local subcontractors and locally manufactured or supplied building materials on regional government projects.

Under the WA Buy Local Policy, head contractors that claim a tendering preference are required to report on their local content commitments on projects valued at more than \$1.5 million.

Reporting as at 30 June 2024 showed that 23 of the 28 contracts under construction in regional WA were awarded to regionally based head contractors with a total contract value of \$180.6 million.

Twenty businesses claimed a tendering preference and committed to more than 317 local supplier engagements at a total value of \$106.7 million and, so far, payments worth \$64.6 million have been made to 345 local suppliers. This represents 61 per cent of the commitment by value and 109 per cent by number of suppliers.



Annual Supplier Performance Awards

Each year we recognise businesses that have provided exceptional service and value on WA Government non-residential building projects. The awards demonstrate our commitment to working with suppliers that have a track record in delivering great project outcomes.

In October 2023, eight WA building suppliers and contractors were recognised as part of our annual Supplier Performance Awards.

The Best Contractor was awarded to Perkins Builders, due to their proactive approach to problem solving and work on the Australind Senior High School forward works, the Bunbury Senior High School cafeteria and refurbishment and the Collie Health Service Stage 2 project.



Other winners for 2023 included:

Best Regional Contractor:
Colab Construction

Best Aboriginal Contractor:
Kullarri Building

Best Consultant:
TRCB

Best Cost Manager:
Rawlinsons (WA)

Best Project:
Sir Charles Gairdner Hospital Upgrades to
Catheter Laboratories and Interventional
Radiology Rooms

- Client: North Metropolitan Health Service
- Contractor: Devlyn Construction
- Consultant: Hames Sharley (WA)
- Cost Manager: Ralph Beattie Bosworth
- Project Manager: Sarah Zimmerman
- Project Director: Warren Vanalopulos



Best Project:
Sir Charles Gairdner
Hospital Upgrades

Building, upgrading and maintaining government infrastructure and buildings

Finance has dedicated customer teams located at 14 offices across metropolitan and regional WA.

On behalf of the WA Government and the community this year, we delivered

130

non-residential infrastructure projects with a total value of

\$930 million

We completed 87 per cent of 104 stimulus projects and four programs of work, forming part of the WA Recovery Plan.

As at 30 June 2024, our Buildings and Contracts directorate has more than \$1.5 billion worth of projects underway.

In addition, we delivered maintenance works across the State valued at approximately \$225 million in the last year.



Schools and TAFEs

Each year, we work very closely with the Department of Education to ensure we have fit for purpose infrastructure that will meet the needs of school children across the State.

This year we delivered several projects for the start of the 2024 school year, including:

- **Two new primary schools**
Jilbup Primary School and Henley Brook Primary School
- **Additional buildings** at Westminster Primary School, Scarborough Primary School and Hillarys Primary School
- **Six high school upgrades**
Derby District High School, Alkimos Secondary College stage 2, Willetton Senior High School, Karratha Senior High School, Carine Senior High School and John Forrest Secondary College
- Lesmurdie Primary School **redevelopment**
- A **new off-site kindergarten centre** at Brabham Primary School
- An **early childhood centre** at Roebourne District High School
- **60 transportable relocation projects** in metropolitan and regional schools.



In 2023-24, we also delivered the following upgrade works to enhance educational facilities for primary and secondary schools as well as TAFE colleges across the State, including:



Australind Senior High School – additions

Carine Senior High School – additions

Dianella Secondary College – new performing arts building

Joseph Bank Secondary College – stage 3

Lakeland Senior High School – performing arts centre

Lesmurdie Primary School – redevelopment

Lynwood Senior High School – additions

Pinjarra Senior High School – new sports hall and performing arts centre

South Bunbury Education Support Centre – upgrades

Westminster Primary School – additions

Central Regional TAFE – Kalgoorlie campus – heavy plant and trade workshop

North Metropolitan TAFE – Joondalup campus – light automotive workshop

North Regional TAFE – Pundulmurra campus – expansion

South Metropolitan TAFE – Armadale campus – new training campus

South Regional TAFE – Albany campus – trades building redevelopment



JOHN FORREST
Secondary College

← The Arts
Auditorium
Wood/Jazz Café
Technology
→ Reception

John Forrest Secondary
College upgrades and
redevelopment

State-wide infrastructure projects

We also delivered other infrastructure projects including:

Armadale Courthouse and Police Complex

The multi-million dollar Armadale Courthouse and Police Complex was officially opened in November 2023, bringing the WA Police Force and Department of Justice personnel under one roof.

The new building combines services which were previously delivered from three separate locations and includes state-of-the-art video-conferencing amenities, five courtrooms, a pre-trial conference room along with separate and secure facilities for victims of crime.



Armadale TAFE Campus

The \$39 million South Metropolitan TAFE Armadale Campus facility consolidates the existing TAFE facilities from three sites into one new five-storey building that will deliver industry-relevant training in a range of areas, including childcare, community services, business, education support and general education.

Fremantle Hospital Ward D4/F4

The \$11.6 million refurbishment project was completed in April 2024 providing an extra 24 aged care beds, upgraded clinical spaces, additional therapy rooms and a rehabilitation gymnasium.

Geraldton maritime training vessel upgrade project

The \$2 million refurbishment of Central Regional TAFE's Master Class maritime training vessel was completed in August 2023. The floating classroom provides local TAFE students with maritime-related training such as fishing boat operations, boating services and marine engine driving.

John Forrest Secondary College redevelopment

The \$51 million project provides new facilities such as a gym, performing arts centre, food technologies areas, a cafeteria, design and technology hub, administration offices, a library, hardcourts and a student services area. Extensive refurbishments were also undertaken and the redevelopment was officially opened on 30 May 2024.

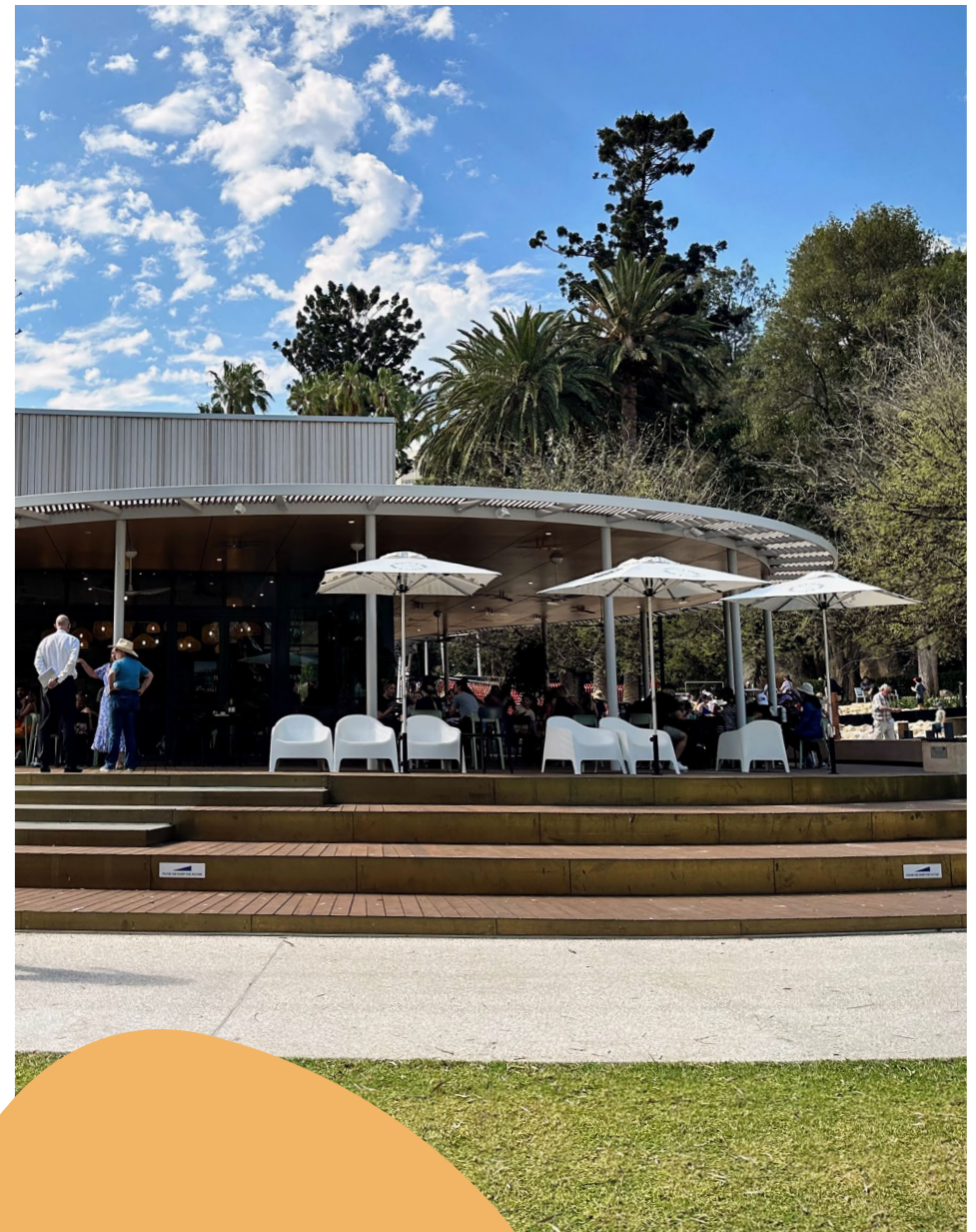


Perth Zoo café, function centre and playground

In September 2023, Perth Zoo's new café, playground and function centre were officially opened.

Delivered by Finance on behalf of the Department of Biodiversity, Conservation and Attractions and Perth Zoo, the opening marked the first official project completed as part of Perth Zoo's Master Plan.

Scan the QR code to view a timelapse of the construction.



Police station upgrades

We delivered several projects for the WA Police Force to enhance their ability to service the WA community, including:

- Burringurrah Multi-Functional Police Facility HVAC upgrade (\$3.2 million)
- Warburton, Blackstone and Warakurna Multi-Functional Police Facility – custodial upgrade (\$2.2 million)
- Kununurra Police Station internal modification works (\$2.02 million)
- Joondalup Police Complex Rapid High Harm Offender Response (RHHOR) – refurbishments and upgrades (\$391,326)
- Looma Police Station – multi-function police facility security systems upgrade (\$310,000)

Rat Island jetty

Following deterioration of the existing jetty on Rat Island, Abrolhos, a \$1.44 million restoration project was undertaken with practical completion achieved in March 2024.

Sir Charles Gairdner Hospital Ward C14

A \$23 million project to create a new 24 bed pandemic ward, to meet current and future demand within SCGH C Block, was commissioned in July 2023. The upgraded ward has four highly specialised isolation rooms which are also bariatric equipped.

South Bunbury Education Support Centre

Officially opened in March 2024, the \$3.3 million upgrade at South Bunbury Education Support Centre comprised three classrooms for kindergarten and pre-primary students, kitchen facilities, an internal store, and staff and student toilets.



Transforming Maintenance

The Public Sector Commission's Agency Capability Review highlighted opportunities for Finance to improve maintenance services for its customers. As a result, we implemented a new project, Transforming Maintenance, aimed at consolidating and uplifting the delivery of services. This was facilitated through the Public Sector Commission's Women in Executive Leadership Development Experience Initiative.

To date, a number of strategic initiatives have been progressed in support of the project's objectives:

- **Functional realignment:** Our maintenance operations have been consolidated under a single Corporate Executive member within Buildings and Contracts, closely aligned with in-house support functions for building and project management disciplines. This move has already yielded benefits, including streamlining processes, improving accountability, providing continuity and consistency for customers, and leveraging corporate knowledge.
- **Contract redevelopment:** Finance has also commenced a project to review and redevelop its three key maintenance frameworks over the next three years. Several targeted reviews have identified opportunities to improve service delivery, better demonstrate value for money, strengthen quality assurance, and improve the clarity, consistency and robustness of contract terms and conditions.
- **Process improvements:** Finance has created a new practice position to focus on increased support and capability building for maintenance staff. This change will improve services to customers as well as reinforcing the importance of maintenance as a function.
- **Increased central agency role:** Finance has provided support to the Department of Treasury for the newly created Asset Maintenance Fund, through the provision of advice, project delivery, progress reporting and oversight.



“The staff at the Merredin and Northam offices are great to deal with and always helpful with maintenance requirements”

Customer comment: Department of Communities

Delivering dynamic sector workplaces and priority office accommodation projects

We are committed to delivering ongoing savings to the WA Government through fit-for-purpose office accommodation solutions.

This year, we realised more than \$18.7 million in savings across accommodation relocation projects. This was achieved through better planning, delivering contemporary fit-outs, and improved use of existing office accommodation.

Key project highlights in 2023-24 included:

Canberra Hub

We delivered the WA Government's Canberra Hub, located on Brisbane Avenue, Barton. The Hub was officially opened in March 2024 and is strengthening engagement opportunities with the Commonwealth and other State and Territory governments to improve outcomes for all Western Australians.



WA Electoral Commission relocation

In collaboration with the WA Electoral Commission, we have worked to reduce their office space by relocating to 66 St Georges Terrace, Perth. The new 10-year lease has resulted in savings of more than \$1 million.

Parliamentary Precinct

We completed the first stage of fit-out works at 2 Parliament Place, West Perth. This included the relocation of parliamentary stakeholders to the ground floor, levels one and two in late 2023. Fit-out works on level three progressed and staff are scheduled to relocate into the building in late 2024



State Operations Command Centre and State Health Operations Centre

WA's new State Operations Command Centre (SOCC) for the WA Police Force combines the services and resources of the former SOCC and Police Operations Centre into one high-tech, purpose-built facility.

We delivered this project within the same building, and are leading the delivery of the State Health Operations Centre for the Department of Health.

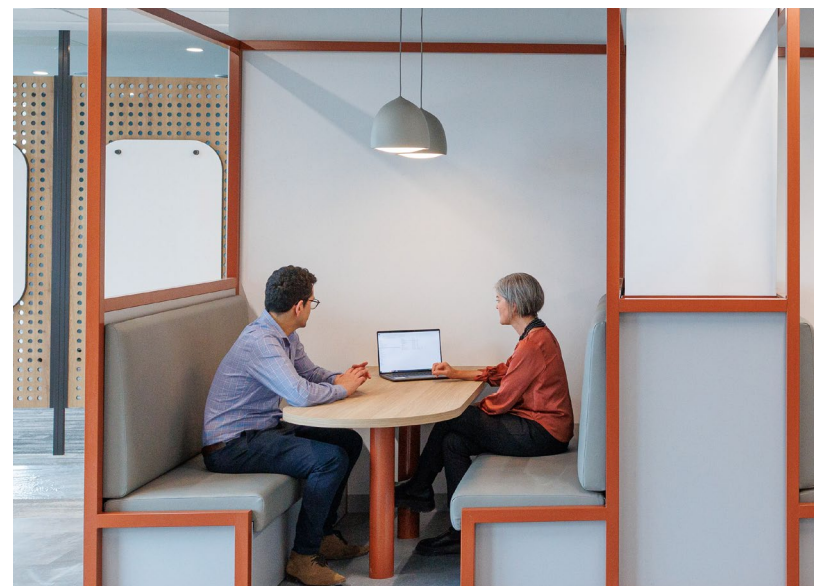
1 Midland Square

We continued refurbishment works at 1 Midland Square, with Child Adolescent Health Service (CAHS) and Landgate scheduled to relocate into their new leased accommodation in mid-2024.

Works on the north node continued this year and the Department of Communities is expected to move into their premises in early 2025.

Main Roads WA

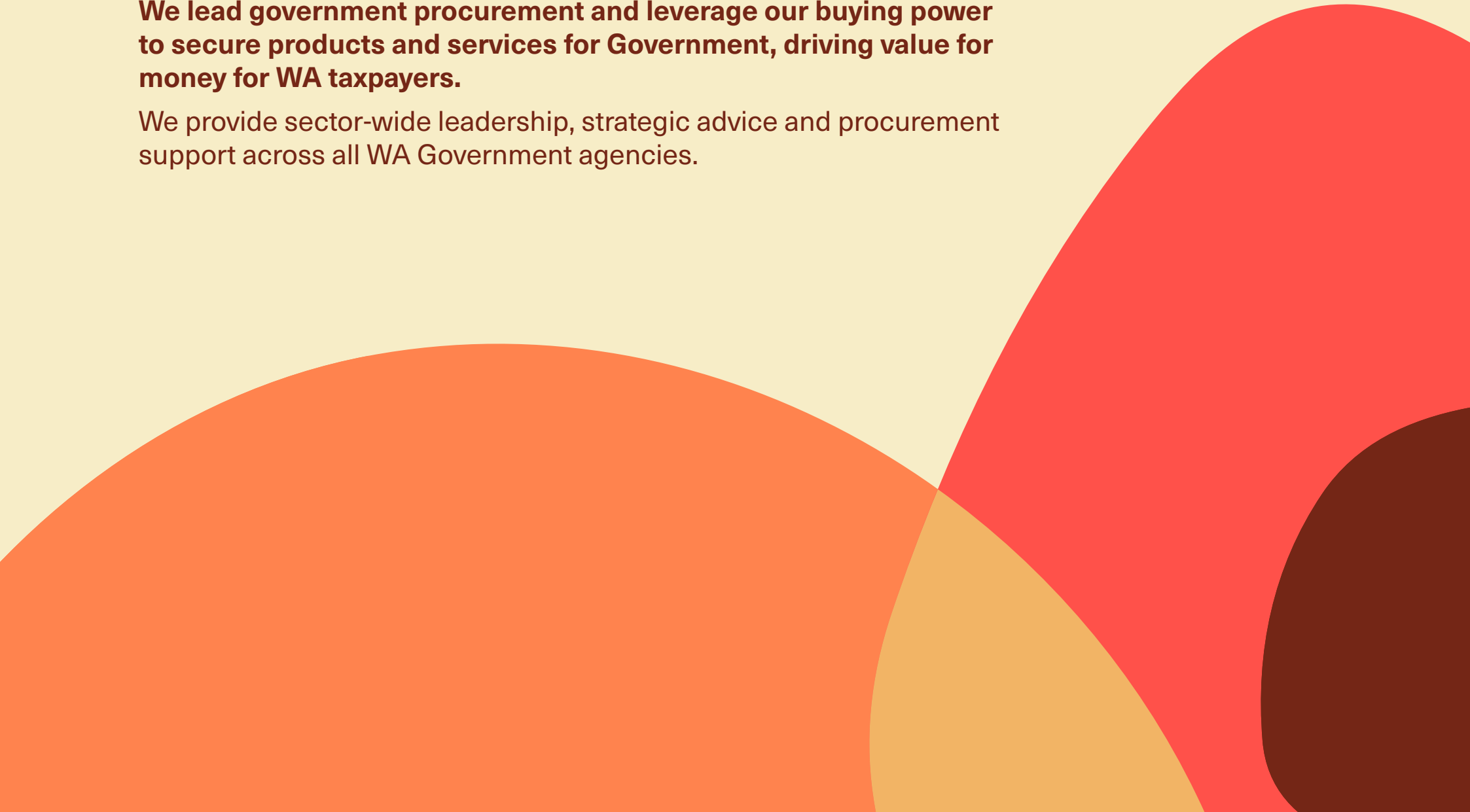
We procured additional space for Main Roads WA to accommodate the Transport Portfolio's Land and Property Services and Aboriginal Engagement branches, and business units from other Perth offices. The fit-out contract was awarded to an Aboriginal owned and managed business DLG SHAPE Pty Limited. In addition, an Aboriginal contractor Moodjar Holdings Pty Ltd provided cultural integration and fit-out design.



Buy

We lead government procurement and leverage our buying power to secure products and services for Government, driving value for money for WA taxpayers.

We provide sector-wide leadership, strategic advice and procurement support across all WA Government agencies.



Leveraging whole-of-government buying power

Common Use Arrangements (CUAs) are whole-of-government buying arrangements that harness the WA Government's buying power and use well-established terms and conditions to mitigate financial, legal and reputational risk.

We currently manage 34 CUAs with agencies spending approximately \$1.6 billion through these arrangements in the 2023-24 financial year. The coordination of these arrangements substantially reduces the administrative costs for both industry and State agencies and has saved Government at least \$269 million this year.

“Thank you for your support, diligence and steadfastness in progressing this exceptionally important procurement”

Customer comment: Department of Health

Facilitating procurement across government

We are the central agency that provides a one-stop-shop for WA Government agencies seeking advice and procurement assistance for all goods and services procurement valued at \$250,000 and above.

Under the Western Australian Procurement Rules (enabled by the *Procurement Act 2020*) we provide support that drives value for money, and social outcomes for Government, and seeks to maximise local content and Aboriginal employment.

During the financial year, we facilitated 465 procurement processes including the award of 360 goods and services contracts on behalf of other WA Government agencies with a total value of \$4.4 billion. The procurements were delivered across a diverse range of sectors.

TAFE WA

We facilitated a variety of cleaning services for TAFE WA, including:

- A five-year arrangement, valued at \$8.5 million, was awarded to two WA based suppliers (Iconic Property Services and CGS Quality Cleaning) for cleaning services for South Regional TAFE campuses in the South-West, Great Southern, Narrogin and Esperance areas.
- Cleaning services for South Metropolitan TAFE campuses, a five-year arrangement valued at about \$20 million, was awarded to Iconic Property Services Pty and ServiceFM Pty Ltd.
- Cleaning services for Central Regional TAFE Fitzgerald Street, Batavia Coast Maritime Institute and Technology Park campuses, a three-year arrangement valued around \$3.4 million was awarded to regional contractor Delta Cleaning Services Geraldton (Redframe Pty Ltd).

Construction Training Fund – mentoring services

We procured student mentoring services for the Construction Training Fund's (CTF) construction careers scholarship program. The services, valued at \$2.39 million, were awarded to IPS Management Consultants (Indigenous Professional Services Pty Ltd), an Aboriginal business.

The contract provides CTF with mentoring services for students in years 11 and 12 completing Certificate II pre-apprenticeships through the CTF construction careers scholarship program.

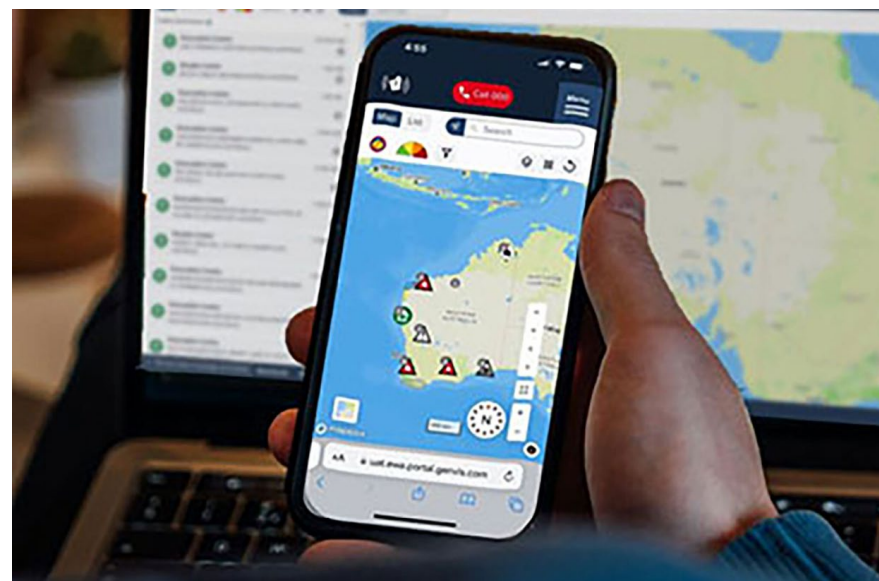
Department of Communities – neurodevelopmental disability assessment services

Valued at \$16 million, this contract establishes a panel of registered psychologists and speech pathologists with the capacity to undertake assessments of children throughout WA on behalf of the Department of Communities.

Of the 20 contractors awarded to the panel, 16 are small businesses, almost all are owned and operated by women, and five are regional businesses.

Department of Fire and Emergency Services – public information solution

The \$22.97 million contract provides a new IT solution to notify WA residents of emergency information.



A large, modern art storage facility with high ceilings and industrial lighting. In the foreground, a mobile shelving unit on wheels is open, revealing a large landscape painting of a sunset over a body of water with trees. The painting is framed in a simple gold-colored frame. The shelving unit is grey metal. In the background, rows of similar shelving units are filled with various art pieces, including framed paintings and boxes. The floor is polished and reflective. A large, dark red semi-transparent shape is overlaid on the right side of the image, containing white text.

Storage services for The State Art Collection

This \$5.6 million contract was awarded to local Aboriginal business, IAS Logistics Pty Ltd, for continued provision of storage services for The Art Gallery of Western Australia

Department of Health – inventory management system

We awarded a contract, valued at \$690,600, on behalf of the Department of Health for supply of a specialised software solution for the management of stock and equipment in its disaster warehouses across WA.

Department of Justice – removal and transfer of deceased persons in WA regional and remote areas

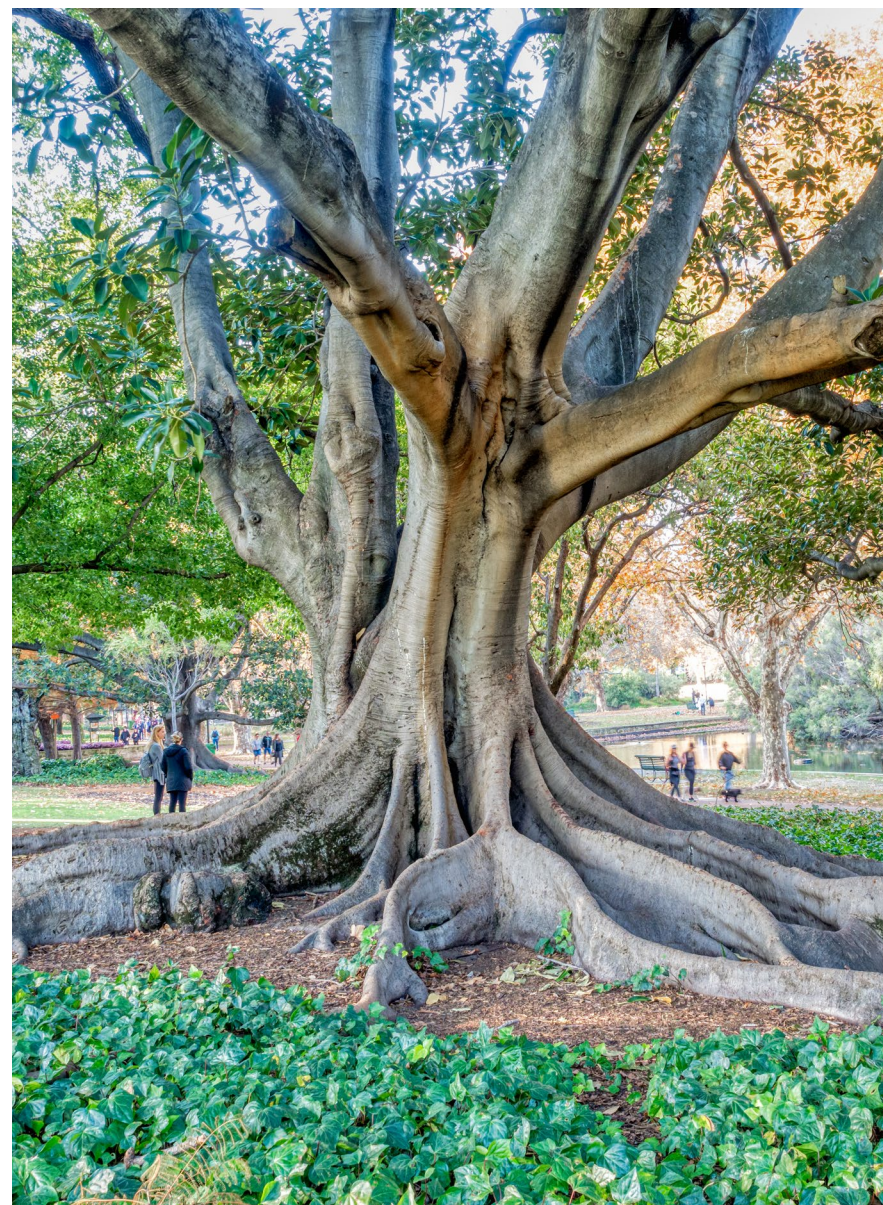
Valued at \$26.83 million, we facilitated procurement for the removal and transfer of deceased persons in WA regional and remote areas for the Department of Justice.

Department of Primary Industries and Regional Development – arborist and tree lopping services for polyphagous shot-hole borer

Since September 2021, the Department of Primary Industries and Regional Development has been responding to the detection of the polyphagous shot hole borer. A panel arrangement has been established, valued at \$15 million, for the provision of specialist arborist services in quarantine areas.

Department of Primary Industries and Regional Development – design, construction and supply of large patrol vessel

This contract, valued at \$13.72 million, replaces the existing Patrol Vessel *Walcott* with a larger modern patrol vessel that meets the National Standard for Commercial Vessels.



Department of Transport – Country Age Pension Fuel Card and associated services

Valued at \$199 million, this contract allows eligible WA country pensioners access to a Country Age Pension Fuel Card.

Mental Health Commission – public health research and evaluation services

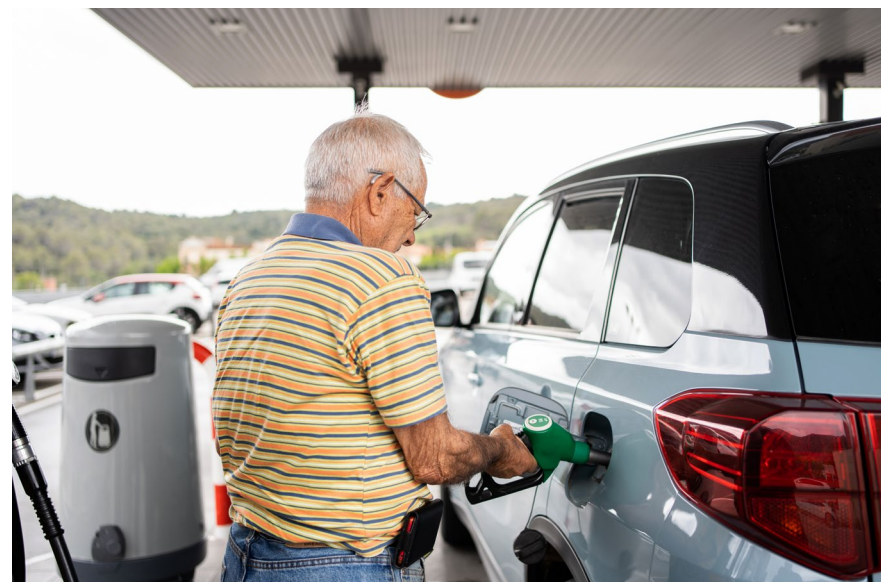
Valued at \$3.85 million, this contract established a panel of research and evaluation providers with suitable experience and capacity to inform the development, delivery and outcomes of mental health, alcohol and other drug prevention efforts in WA. A total of 13 providers were awarded across two panels.

Western Australia Police Force – gardening services

Awarded to an Australian Disability Enterprise, this \$860,000 contract will provide gardening services at major Police facilities across WA.

Western Australia Police Force – vehicles

Finance assisted the WA Police Force to procure the supply and delivery of two forward command vehicles and an incident command vehicle semi-trailer. Valued at a combined \$2.79 million, these specialised vehicles will support the WA Police Force in managing critical incidents and situations.



Piloting gender equality in procurement

During the year, we continued to build on the Gender Equality in Procurement Pilot.

We have supported the Department of Communities to deliver the pilot since its inception in July 2022.

As part of the pilot, a disclosure clause relating to gender equality has been included in certain procurement documents for participating agencies.

Nineteen State agencies have participated in the pilot and at 28 June 2024, the 'gender equality' disclosure clause had been included in 376 awarded contracts with a total value of \$878.63 million.

As well as data collection, the pilot signals to suppliers the importance that WA Government places on gender equality.

From 1 July 2024, the requirement that relevant suppliers confirm they comply with the *Workplace Gender Equality Act* reporting obligations will be permanently embedded in all WA Government procurement templates for procurements valued at \$250,000 and above.

We have been working with industry to trial initiatives to promote and increase female participation on government construction contracts as part of the Gender Equality in Procurement Pilot.



In March 2024, we announced the WA Government's first non-residential construction project to trial gender equality targets and reporting.

As part of this, we're working with ADCO Construction to deliver the 40 additional mental health beds at Fremantle Hospital which will expand treatment and support options for patients in the southern corridor.

ADCO Construction has committed to reaching between 25 and 30 per cent female staff on its team for this project, where the industry average is about 13 per cent.

In addition, Finance, South Metropolitan Health Service and State appointed consultant teams all have strong representation of women delivering the project including project directors, senior managers, project officers, architects and an interior designer.



From January to May 2024, ADCO reported the following:

- ADCO female representation on project team (target 25-30 per cent, industry standard 13 per cent) – 48 per cent
- Female representation in trades (target 10-15 per cent, industry standard 3 per cent) – 8 per cent.



Collect

We collect revenue to fund Government services and administer payment of grants and subsidies to the WA community.

Through RevenueWA we assess and collect State taxes including duties, payroll tax, land tax and betting tax and mineral and petroleum royalties. We also administer several grants and subsidies including the First Home Owner Grant, Building Bonus and Pensioner Rebate Scheme.

Administering relief measures

Household Electricity Credits

We paid \$7.5 million to 16,771 households in 2023-24 as part of the Household Electricity Credit scheme to households that were not directly billed by Synergy or Horizon Power such as apartments, retirement villages and caravan parks.

The credit (\$500 for households receiving the annual Energy Assistance Payment and \$400 for all other households) was announced as a cost-of-living measure in the 2023-24 State Budget.

Housing grants

As of 30 June 2024, we had paid 24,027 State Building Bonus grants worth \$480.5 million and 18,401 Commonwealth HomeBuilder grants worth \$440.8 million over the duration of those schemes.

The \$20,000 Building Bonus grant applies to building contracts for a new detached home, owner-builders or purchases of off-the-plan homes made between 4 June 2020 and 31 December 2020. Applications for the Building Bonus grant on new detached homes closed on 30 April 2024. Eleven applications remain on hand relating to purchases of off-the-plan homes that will be finalised once the development is completed and the applicant is registered as the owner of the new home.

The \$25,000 Commonwealth HomeBuilder grants apply to owner-occupiers who build or substantially renovate a home between 4 June 2020 and 31 March 2021. Applicants have until 30 June 2025 to finalise their application for the grant.

Off-the-plan duty concessions

We provided \$28.8 million in rebates and concessions for eligible off-the-plan purchases of apartments in 2023-24.

Announced in the 2023-24 State Budget, the off-the-plan duty rebate for eligible contracts signed before construction commenced (pre-construction contracts) was extended to 30 June 2025 and converted to an upfront duty concession in the *Duties Act 2008*.

The amount of assistance was increased for pre-construction contracts signed from 11 May 2023 until 30 June 2025 and the concession was extended from 31 August 2023 to apply to off-the-plan contracts signed after construction commenced.

The concession is available to owner occupiers and investors who enter pre-construction contracts between 23 October 2019 and 30 June 2025, or between 31 August 2023 and 30 June 2025 for contracts in developments already under construction.

Delivering digital transformation

We continued to deliver our \$31 million Digital Transformation Program this financial year.

The program, which runs until June 2025, enhances and maintains the computer systems essential to collecting the State's revenue and to administering RevenueWA's grant and subsidy schemes. The following projects are scheduled for delivery in 2024-25:

- Taxpayer interactions – to make it easier for taxpayers to communicate with us.
- Identity resolution and data matching – to improve our data matching capability and the accuracy of our taxpayer information.
- Energy Concession Extension Scheme Modifications – to improve the system to deliver energy concession payments to eligible seniors and pensioners.

“I just wanted to say that I have received nothing but exceptional service from your staff in relation to an urgent request for transfer duty”

Customer comment: RevenueWA customer



Leading legislative reform

Land Tax Assessment Amendment (Build-to-Rent) Act 2024

To support the supply of additional rental properties in WA, the *Land Tax Assessment Act 2002* was amended to introduce a 50 per cent land tax exemption for up to 20 years from the 2023-24 assessment year for eligible new build-to-rent developments.

Qualifying developments must be completed between 12 May 2022 and 30 June 2032 and contain at least 40 self-contained build-to-rent dwellings available for three-year residential leases, although residents can choose a shorter term.

Land Tax Assessment Amendment (Residential Construction Exemptions) Act 2024

In response to building delays in the residential construction industry, the *Land Tax Assessment Act 2002* was amended to introduce temporary extensions to the two-year land tax exemptions provided to people constructing or refurbishing their future home.

The extended exemptions are available to homeowners who signed their building contract between 1 July 2020 and 30 June 2023.

A three-year exemption applies for a home being constructed or refurbished if the owner does not also receive an existing exemption for their current home, and a two-year exemption applies for a new home that is being built or refurbished while the owner lives in their existing home. In both cases, the exemption can be extended for another year in exceptional circumstances.

As of 30 June 2024, 1,455 owners building or refurbishing a new home and 219 owners building or refurbishing a second residence have had exemptions applied under the extended exemption arrangements.

Duties Amendment (Off-the-Plan Concession and Foreign Persons Exemptions) Act 2023

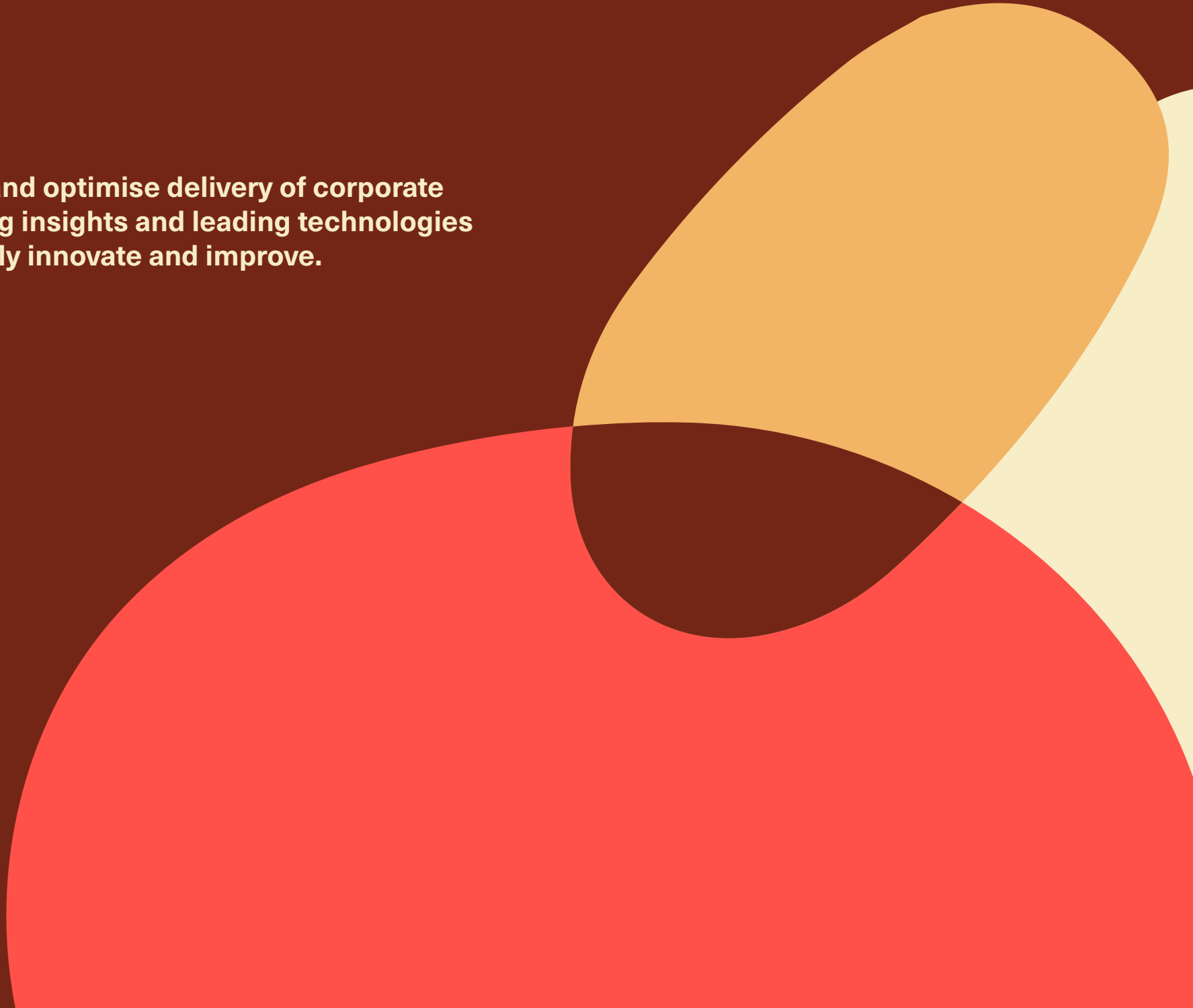
To boost housing supply, make apartments more affordable and increase infill development, the *Duties Act 2008* was amended to provide a concessional rate of duty for eligible purchases of residential apartments in an off-the-plan development until 30 June 2025.

A total of \$28.8 million of duty relief has been provided to eligible purchasers in 2023-24.

To promote investment in residential developments, the *Duties Act 2008* was also amended to expand the circumstances in which a refund of foreign buyers duty is available for residential developments from 1 January 2023.

Deliver

We facilitate and optimise delivery of corporate services, using insights and leading technologies to continuously innovate and improve.



Connecting WA government services

As the ServiceWA lead agency, we continued to progress this reform program including the formulation of a comprehensive whole-of-government Service Delivery Strategy for the State, which was supported by Government.

The Strategy leverages the achievements of the ServiceWA program, such as the widely-adopted digital app and the successful Bunbury Service Centre, to outline a future where ServiceWA streamlines access to government services for all Western Australians, irrespective of their location or personal circumstances.



ServiceWA app

Launched in 2022, the ServiceWA app helps connect customers to the WA Government's digital information and services. Led by the Department of the Premier and Cabinet's Office of Digital Government, the app was redesigned to provide easier access to services this financial year. It has more than one million registered customers.

Bunbury ServiceWA Centre

The one-stop-shop located on Wellington Street, Bunbury, has achieved consistently high customer satisfaction ratings since opening in 2020. In 2023-24, the customer service satisfaction rating was 99 per cent.

At the centre, customers can access more than 80 government transactions including services delivered by the Departments of Transport, Justice, Communities, Primary Industries and Regional Development and the WA Police Force.

Providing corporate services to client agencies

We provide corporate services including ICT, records management, payroll, work health and safety, finance and business services, and internal audit to the Department of Treasury.

In addition, we provide ICT services to the Government Employees Superannuation Board and deliver our Financial Management Information System (FMIS) platform to the Department of the Premier and Cabinet, the Public Sector Commission, Economic Regulation Authority, Infrastructure WA and the Salaries and Allowances Tribunal.

Continuing customer advocacy

In October 2023, we released the Customer Strategy 2023-26 to support our vision of becoming a customer-centric organisation that provides services in a fair and equitable way. It is supported by four customer commitments – engage, focus, deliver, and grow and learn.

With this in place, we conducted our annual customer survey in November 2023 and had 2,770 customers respond, including our staff, businesses, WA Government staff and the community.

Survey findings included:

Customer satisfaction



Ease of use



Journey Mapping

As part of our Customer Experience Journey Mapping Program, we collaborated with our public sector agency customers on projects including office accommodation leases and fit-outs. The program aims to improve customer outcomes through co-design.

Recognising our staff

We recognised 113 staff for their exceptional customer service in 2023-24 as part of our new Customer Centric Staff Recognition Program. This initiative forms part of our Customer Strategy and contributes to our ambition to be the best place to work.

Encouraging innovation

Innovation continued to be a priority for us in 2023-24.

As part of World Creativity and Innovation Week 2024 in April, our Innovation Unit delivered two successful events for staff including the first Innovation Idol round – a creative and engaging way to encourage staff to pitch their ideas to solve challenges – and a neuro-spicy design-thinking activity with speaker and entrepreneur Gry Stene.

We delivered several innovation projects across our agency focusing on topics such as the circular economy, AI and Microsoft CoPilot, Containers for Change, delivering a new mobile trailer to support regional recovery and implementing new dashboards to reduce workloads and automate processes.

A new pilot project using mixed reality technology in the building and construction area is underway.

Our continued commitment to innovation included the delivery of 18 training and development opportunities for staff focused on innovation processes and the delivery of ideas.

Network champions

We joined the Department of Education and Landgate representatives as the new WA Public Sector Innovation Network champions. The group aims to increase collaboration between like-minded public sector employees to solve challenges and share ideas across government.



“After approval of an innovation idea our Service and Invest champion has worked diligently to automate a process to collate offers from multiple suppliers and reduce the timetaken to evaluate offers”

Customer comment: Buildings and Contracts Health Team



Thanks to our innovation program, we're trialling technologies including VR headsets and AR modelling on selected building projects



Our people

Our values-based culture is reflected in how we go about our business. We're committed to being a contemporary agency that delivers customer-focused outcomes, values diversity and strives to become the best place to work.

Becoming the best place to work

Our commitment to becoming the best place to work continued to be a priority this year with several key initiatives contributing to this goal. As an organisation, we want to cultivate a culture that attracts and retains individuals with the right skills, attributes and knowledge.

During the year, we launched our first Strategic Workforce Development Plan 2023-27 (SWDP) and Action Plan. It was developed through comprehensive research, insights from our People Engagement Survey, and staff consultation across all directorates.

The SWDP focuses on five strategic objectives (attraction and retention, leadership, agility and flexibility, building capability and a learning culture).

With our continued emphasis on culture, we celebrated Values Week in July 2023 marking the first anniversary of our refreshed values of clarity, empathy, growth and collaboration.



Our values drive our behaviour, and the collective behaviours of our people play a key role in building the positive culture we want to be known for at Finance.

We conducted our 2023 People Engagement Survey with responses from more than 700 staff (59 per cent of the workforce). Our survey asked how engaged and connected staff were feeling about Finance, their work and their team, while also focusing on workplace inclusiveness.

The survey found:

94%

of staff have either a positive (77 per cent) or neutral sentiment (17 per cent) in relation to how engaged and connected they are feeling with Finance.

71%

of staff in 2023 felt proud to tell people they worked for Finance, an increase of 3 per cent on the 2022 survey and 10 per cent on the 2021 survey.

87%

agreed they were motivated to give their best efforts to see Finance succeed.



We participated in the 2023 Public Sector Census.

Our results included:

82.8%

recommend Finance as a (best) place to work. This is higher than the sector with 70 per cent of employees recommending their agency.

Response rate

82%

Finance staff

66%

average sector-wide response

Staff locations

95.7%

work in a metropolitan office

4.3%

work in a regional location

Leadership Expectations

In 2023, we commenced piloting the Public Sector Commission's Leadership Expectations. We have used a hybrid approach with two pilot teams incorporating Leadership Expectations into their performance and development plans, their recruitment processes and online learning.

As well as the pilot, we incorporated Leadership Expectations into our Job Description Forms following mapping of each position to a leadership context. Our approach has allowed us time to test and refine the program in preparation for implementation in July 2024.



Valuing diversity

As part of our commitment to a safe and inclusive environment, we delivered a range of events including:



Harmony Week

Held in March, our staff shared traditional food and stories from their diverse cultures and traditions.

IDAHOBIT Day

We conducted awareness raising activities including ways to support LGBTQIA+ individuals in the community and workplace.

Indigenous Literacy Day

Conducted in September, we collaborated on activities including livestreaming the national celebration of storytelling and song.

International Day of People with Disability

Hosted by our Disability Access and Inclusion Plan Committee, the event included activities such as testing auditory, visual and tactile skills.

International Mother Language Day

We raised awareness of our culturally and linguistically diverse workplace and encouraged employees to update their Equal Employment Opportunity information.

NAIDOC Week

We conducted a series of events from 2-8 July 2023 including a smoking ceremony and Welcome to Country plus a presentation by Emeritus Professor and Noongar Elder Simon Forrest.

International Youth Day

Our Youth Working Group produced a series of videos aimed at new starters.

International Women's Day

Our event in March was run in partnership with DTWD and featured Lacey Filipich, author and financial educator.

Wear It Purple Day

In August, we encouraged staff to embrace their unique perspectives and to share their stories plus attend a special webinar.

Noogenboro Walking Tour (Herdsman Lake)

In March, we offered staff the opportunity to participate in a guided walk with Noongar elders.



National Reconciliation Week
Whadjuk Noongar elder Steven
Jacobs led staff on a walking tour
of Glendalough Open Space

Providing development opportunities

We are committed to providing opportunities for our staff to learn and grow by building skills and knowledge. During the year, this was achieved through the programs and initiatives highlighted below:

Supporting our leaders

With a focus on enhancing leadership capabilities across the organisation, we ran our Aspiring Leaders Program and participated in the Public Sector Commission's new Women in Executive Leadership Development Experience Initiative.

One staff member joined Corporate Executive as part of the Women in Executive Leadership Development Experience Initiative, while 20 staff successfully completed the Aspiring Leaders program in 2023, with another 20 commencing in 2024.

We also supported staff to participate in external leadership programs including:

- Public Sector Commission's Propel and Elev8 leadership programs
- Leadership WA's Rising Leadership, Signature Leadership and Leadability leadership programs
- Jawun Program
- Queensland University of Technology's Public Sector Management Program
- CEDA's Copland Leadership Program.



Recruiting graduates

Our award-winning graduate program, which began in 2011, has recruited more than 181 graduates, with 128 remaining in the public sector. Of the 2023 cohort, eight were made permanent at the end of their graduate year.

In 2024 we welcomed nine graduates with degrees in areas such as actuarial science, accounting, architecture, creative media, law and human resource management who undertake a structured training program and rotate around our agency.

Supporting trainees

We hosted and supported two trainees from the Public Sector Commission's Solid Future Aboriginal Traineeship Program. One trainee was based at our Karratha office, where they completed their Certificate III in Government and were made permanent in January 2024.

The second trainee commenced their Certificate III in Government in February 2024 at our Geraldton office and is continuing their program.

Hosting interns

Sixteen university students completed between 80 to 150 hours of internship placement with us during the year. This included nine students from Curtin University's Work Integrated Learning Program, six from Edith Cowan University's Work Integrated Learning Program and one from The University of Western Australia's Work Integrated Learning Program.



Applauding our staff

During the year, staff and teams were recognised for their outstanding achievements at various award functions and programs.

Our winner at the Institute of Public Administration Australia's 2023 Achievement Awards was Leanne McDonnell, who was awarded the Human Resource Management Practitioner of the Year. Leanne has been our Chief People and Culture Officer since 2021.

One of our 2024 graduates, Paula Della Gatta, was awarded the EG Cohen Medal at the WA Architecture Awards in June 2024. The medal is awarded to students who have achieved excellence in academic results and demonstrated a spirit of unselfishness to their fellow students.

Our Buildings and Contracts directorate won two awards at the 2023 Project Management Achievement Awards run by the Australian Institute of Project Management.

They were WA project winners for:

- **Government projects:** His Majesty's Theatre – Balcony Reconstruction project – Department of Finance, Department of Local Government Sport and Cultural Industries, Arts and Culture Trust
- **Regional:** Northampton Volunteer Fire Rescue Service Station – Department of Finance, Department of Fire and Emergency Services.

In addition, the Bob Hawke College Stage Two project won the George Temple Poole Award (WA's highest recognition architectural award) and the Hillson Beazley award for educational architecture at the WA Architecture Awards in June 2024.

Another project with our involvement – Perth Zoo Playground – won an award for excellence at the 2024 WA Landscape Architecture Awards.



Report on Operations



Actual results versus budget targets

Financial Targets

	2024 Target ⁽¹⁾ \$000	Actual \$000	Variance ⁽²⁾ \$000
Total cost of services (expense limit)	1,689,382	1,652,836	36,546
Net cost of services	1,671,339	1,576,569	94,770
Total equity	1,326,466	1,411,378	84,912
Net increase/(decrease) in cash held	(6,214)	(10,314)	(4,100)
Approved salary expense level	131,716	133,454	(1,738)
• Executive salary expenditure limit	9,206	7,428	1,778
Agreed borrowing limit	59,629	60,877	(1,248)

(1) As specified in the 2023-24 Budget Statements.

(2) Further explanations are contained in Notes 3.3, 4.2, 4.3, 10.1 'Explanatory statement' to the financial statements.

Working cash targets

	2024 Agreed limit \$000	2024 Actual ⁽¹⁾ \$000	Variation \$000
Agreed working cash limit	79,572	76,608	2,964

Key Effectiveness Indicators	2024 Target ⁽¹⁾	2024 Actual	Variation
<i>Outcome 1: Due and payable revenue is collected and eligible grants, subsidies and rebates paid</i>			
Debt as a percentage of revenue raised	0.81%	0.92%	0.11% ^(a)
Extent to which correct grants, subsidies and rebates are paid	100%	100%	-
<i>Outcome 2: Value-for-money from public sector procurement</i>			
Average annual vehicle net capital cost:			
• Per passenger vehicle	\$3,200	\$2,922	\$278 ^(b)
• Per commercial vehicle	\$3,100	\$3,577	(\$477) ^(c)
Extent to which client agencies agree that their agency contracts and common use agreements achieved value for money	92%	81%	(11)% ^(d)
<i>Outcome 3: Value for money from the management of the Government's non-residential buildings and public works</i>			
Percentage of new building projects, valued over \$5 million, delivered within the approved budget	100%	100%	-
Average office accommodation floor space per work point	13.30sqm	13.03sqm	0.27sqm

(1) As specified in the Budget Statements.

(a) Despite an increase in revenue raised this was negatively impacted by one large duties debt and an increase in payroll tax insolvencies increasing the outstanding debt.

(b) Passenger Vehicles - while a drop in resale values was anticipated, the actual drop was less than predicted - causing a positive variance between estimates and actuals.

(c) Commercial Vehicles - Average net capital cost for commercial vehicles were higher than target due to softer resale prices for vehicles as residual values return to the pre-COVID levels.

(d) The actual percentage for this KPI is below target due to an increase in the number of neutral responses (neither satisfied nor dissatisfied) compared to previous years.

Key Efficiency Indicators	2024 Target ⁽¹⁾	2024 Actual	Variation
<i>Service 1: Revenue assessment and collection, and grants and subsidies administration</i>			
Average cost per tax or duty determination	\$34.18	\$33.72	\$0.46
Average cost per grant or subsidy determination	\$24.38	\$18.28	\$6.10 ^(a)
<i>Service 2: Development and management of common use contract arrangements, State Fleet leasing and disposal, and providing facilitation service for Agency-specific contracts</i>			
Cost of facilitating the development and management of agency specific contracts as a percentage of the contract award value	1.1%	0.93%	0.17% ^(b)
Average administrative cost per vehicle for financing and managing the State Fleet service	\$120	\$122	(\$2)
Cost of developing and managing whole-of-government common use contract arrangements as a percentage of the total annual value of purchases through the arrangements	0.8%	0.8%	-
<i>Service 3: Leads the management of government buildings including planning, project delivery, and maintenance thereof</i>			
Percentage of new buildings projects valued over \$5 million, delivered within the approved timeframes	85%	97%	12% ^(c)
Percentage of high priority breakdown repairs completed within agreed timeframes	75%	68%	(7%) ^(d)
The cost of managing government buildings including the planning, project delivery, and maintenance thereof, as a percentage of services delivered	7.86%	7.50%	0.36%

(1) As specified in the Budget Statements.

(a) Actual is lower than target primarily due to scaling down of administration of the resource intensive HomeBuilder and Building Bonus grants schemes.

(b) Actual is lower than target due to higher than anticipated value of contracts awarded.

(c) 29 of the 30 new building projects were delivered by the approved handover date.

(d) Actual is lower than target as a result of market constraints including labour shortages, supply chain disruptions and difficulties.

Disclosures and Legal Compliance





Auditor General

INDEPENDENT AUDITOR'S REPORT

2024

Department of Finance

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 Finance (Department) which comprise:

- the statement of financial position as at 30 June 2024, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended
- administered schedules comprising the administered assets and liabilities as at 30 June 2024 and administered income and expenses by service for the year then ended
- notes comprising a summary of material accounting policies and other explanatory information.

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 Finance for the year ended 30 June 2024 and the financial position as at the end of that period
- in accordance with Australian Accounting Standards, the *Financial Management Act 2006* and the Treasurer's Instructions.

Basis for opinion

I conducted my audit in accordance with the Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my report.

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

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 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 Finance. The controls exercised by the Department of Finance are those policies and procedures established 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 the State's financial reporting framework (the overall control objectives).

In my opinion, in all material respects, the controls exercised by the Department of Finance are sufficiently adequate to provide reasonable assurance that the controls within the system were suitably designed to achieve the overall control objectives identified as at 30 June 2024, and the controls were implemented as designed as at 30 June 2024.

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 Finance for the year ended 30 June 2024 reported in accordance with *Financial Management Act 2006* and the Treasurer's Instructions (legislative requirements). 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 report of the Department of Finance for the year ended 30 June 2024 are in accordance with the legislative requirements, and are relevant and appropriate to assist users to assess the Department's performance and fairly represent indicated performance for the year ended 30 June 2024.

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 controls 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 management relating to the report on financial statements, 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 ASQM 1 Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements, the Office of the Auditor General maintains a comprehensive system of quality management 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 2024, but not the financial statements, key performance indicators and my auditor's report.

My opinions on the financial statements, controls and key performance indicators do not cover the other information and accordingly I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, controls and key performance indicators my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and key performance indicators, or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I did not receive the other information prior to the date of this auditor's report. When I do receive it, I will read it and if I conclude that there is a material misstatement in this information, I am required to communicate the matter to those charged with governance and request them to correct the misstated information. If the misstated information is not corrected, I may need to retract this auditor's report and re-issue an amended report.

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

This auditor's report relates to the financial statements and key performance indicators of the Department of Finance for the year ended 30 June 2024 included in the annual report 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 the annual report. If users of the financial statements and key performance indicators are concerned with the inherent risks arising from publication on a website, they are advised to contact the entity to confirm the information contained in the website version.



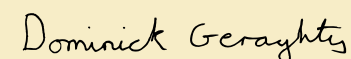
Sandra Labuschagne
Deputy Auditor General
Delegate of the Auditor General for Western Australia
Perth, Western Australia
27 August 2024

Certification of financial statements

For the financial year ended 30 June 2024

The accompanying financial statements of the Department of Finance 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 year ended 30 June 2024 and the financial position as at 30 June 2024.

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.



Dominick Geraghty
Chief Finance Officer
23 August 2024



Jodi Cant
Director General
23 August 2024

Financial Statements

Administered schedules
Notes to the financial statements



Statement of comprehensive income

For the year ended 30 June 2024

	Notes	2024 (\$'000)	2023 (\$'000)
COST OF SERVICES			
Expenses			
Employee benefits expense	3.1(a)	150,520	136,335
Supplies and services	3.4	1,152,107	1,167,678
Depreciation and amortisation expense	5.1, 5.2, 5.3	241,291	236,205
Finance costs	7.4	65,081	60,677
Accommodation expenses	3.4	41,234	38,475
Grants and subsidies	3.2	15	17
Cost of inventories held for distribution	3.3	-	9,772
Other expenses	3.4	2,588	2,619
Total cost of services		1,652,836	1,651,778
Income			
Commonwealth grants	4.2	12,593	9,096
Other income	4.3	63,674	29,693
Total income		76,267	38,789
Net cost of services		1,576,569	1,612,989
Income from State Government			
Service appropriation	4.1	207,424	218,268
Income from other public sector entities	4.1	1,457,216	1,401,648
Resources received	4.1	14,960	13,873
Royalties for Regions Fund	4.1	55	77
Total income from State Government		1,679,655	1,633,866
Surplus/(deficit) for the period		103,086	20,877
Total comprehensive income for the period		103,086	20,877

The Statement of comprehensive income should be read in conjunction with the accompanying notes.

Statement of financial position

As at 30 June 2024

	Notes	2024 (\$000)	2023 (\$000)
Assets			
Current Assets			
Cash and cash equivalents	7.5	135,970	145,264
Restricted cash and cash equivalents ^(a)	7.5	624	1,644
Inventories held for distribution	3.3	-	-
Receivables	6.1	74,066	40,089
Finance lease receivables	7.3	509	268
Amounts receivable for services	6.2	540	540
Contract assets	6.3	73,118	60,228
Other current assets	6.4	9,490	9,315
Total Current Assets		294,317	257,348
Non-Current Assets			
Receivables ^(a)	6.1	3,733	3,009
Finance lease receivables	7.3	2,018	1,064
Amounts receivable for services	6.2	879,299	813,278
Property, equipment, plant and vehicles	5.1	807,516	727,733
Right-of-use assets	5.2	1,286,025	1,320,333
Intangible assets	5.3	38,586	38,432
Other non-current assets	6.4	-	31
Total Non-Current Assets		3,017,177	2,903,880
Total assets		3,311,494	3,161,228

(a) Funds held in the Treasurer's special purpose account for meeting the 27th pay has been reclassified from Restricted cash and cash equivalents to Receivables for 2023.

The Statement of financial position should be read in conjunction with the accompanying notes.

As at 30 June 2024

	Notes	2024 (\$000)	2023 (\$000)
Liabilities			
Current Liabilities			
Payables	6.5	92,187	79,898
Borrowings	7.1	7,277	7,014
Lease liabilities	7.2	216,625	206,995
Employee related provisions	3.1(b)	31,758	28,885
Contract liabilities	6.7	24,507	27,593
Other provisions	6.6	7,171	8,253
Other current liabilities	6.8	5,781	5,227
Total Current Liabilities		385,306	363,865
Non-Current Liabilities			
Payables	6.5	297	297
Borrowings	7.1	53,600	53,326
Lease liabilities	7.2	1,451,008	1,477,302
Employee related provisions	3.1(b)	7,100	6,130
Other provisions	6.6	2,805	1,616
Total Non-Current Liabilities		1,514,810	1,538,671
Total liabilities		1,900,116	1,902,536
Net assets		1,411,378	1,258,692
Equity			
Contributed equity	9.8	1,086,106	1,036,506
Accumulated surplus/(deficit)		325,272	222,186
Total equity		1,411,378	1,258,692

Statement of changes in equity

For the year ended 30 June 2024

	Notes	Contributed equity (\$'000)	Accumulated surplus/ (deficit) (\$'000)	Total equity (\$'000)
Balance at 1 July 2022		1,036,941	201,309	1,238,250
Surplus/(Deficit)		-	20,877	20,877
Other comprehensive income		-	-	-
Total comprehensive income for the period		-	20,877	20,877
<i>Transactions with owners in their capacity as owners:</i>	9.8			
Capital appropriations		10,815	-	10,815
Other contributions by owners		884	-	884
Distributions to owners		(12,134)	-	(12,134)
Total		(435)	-	(435)
Balance at 30 June 2023		1,036,506	222,186	1,258,692
Balance at 1 July 2023		1,036,506	222,186	1,258,692
Surplus/(Deficit)		-	103,086	103,086
Other comprehensive income		-	-	-
Total comprehensive income for the period		-	103,086	103,086
<i>Transactions with owners in their capacity as owners:</i>	9.8			
Capital appropriations		59,450	-	59,450
Other contributions by owners		3,260	-	3,260
Distributions to owners		(13,110)	-	(13,110)
Total		49,600	-	49,600
Balance at 30 June 2024		1,086,106	325,272	1,411,378

The Statement of changes in equity should be read in conjunction with the accompanying notes.

Statement of cash flows

For the year ended 30 June 2024			For the year ended 30 June 2024		
	Notes	2024 (\$000)	2023 (\$000)		Notes
Cash flows from State Government				Cash flows from investing activities	
Service appropriation		140,863	149,701	Payments	
Capital appropriation		62,710	10,815	Purchase of non-current assets	(134,255) (97,426)
Funds from other public sector entities		1,410,527	1,377,556	Receipts	
Holding account drawdown		540	540	Proceeds from sale of non-current assets	36,227 33,687
Royalties for Regions Fund		55	77	Net cash provided by/(used in) investing activities	
Distribution to owners		(13,110)	(12,000)		(98,028) (63,739)
Net cash provided by State Government		1,601,585	1,526,689	Cash flows from financing activities	
<i>Utilised as follows:</i>				Payments	
Cash flows from operating activities				Principal elements of lease payments	(163,705) (159,416)
Payments				Payment to accrued salaries account ^(a)	(724) (807)
Employee benefits		(146,176)	(133,323)	Receipts	
Supplies and services		(1,133,610)	(1,157,964)	Finance leases receipts	423 206
Finance costs		(64,493)	(59,794)	Receipts from lease incentives	17,552 9,810
Accommodation		(40,708)	(38,478)	Net cash provided by/(used in) financing activities	
Grants and subsidies		(15)	(17)		(146,454) (150,207)
GST payments on purchases		(149,908)	(148,504)	Net increase/(decrease) in cash and cash equivalents	
GST payments to taxation authority		(7,576)	(5,025)		(10,314) (63,571)
Other payments		(713)	(3,134)	Adjustment for the reclassification of accrued salaries account ^(a)	
Receipts					- (2,202)
Commonwealth grants		11,630	8,900	Cash and cash equivalents at the beginning of the period	
GST receipts on sales		148,433	144,369		146,908 212,681
GST receipts from taxation authority		6,007	8,720	Cash and cash equivalents at the end of the period	
Other receipts		9,712	7,936	7.5	136,594 146,908
Net cash provided by/(used in) operating activities	7.5.2	(1,367,417)	(1,376,314)		

(a) Funds held in the Treasurer's special purpose account for meeting the 27th pay has been reclassified from Restricted cash and cash equivalents to Receivables for 2023.

The Statement of cash flows should be read in conjunction with the accompanying notes.

Administered Schedules

Administered income and expenses by service

Administered income and expenses by service	2024 (\$000)	2023 (\$000)
<i>Revenue Assessment and Collection, and Grants and Subsidies Administration</i>		
INCOME FROM ADMINISTERED ITEMS		
Income^(a)		
Taxation	11,213,713	10,157,963
Royalties	11,866,483	11,045,131
Other revenue	38,402	39,262
Appropriations	235,869	271,091
Collections raised on behalf of other agencies	63,341	61,192
Total administered income	23,417,808	21,574,639
Expenses		
Grants, subsidies and transfers	235,869	271,093
Other expenses ^(b)	23,075,265	21,634,887
Collections transferred to other agencies	63,360	61,326
Total administered expenses	23,374,494	21,967,306
Royalties		
Alumina	108,652	110,281
Copper	52,219	57,014
Gold	518,603	457,350
Iron Ore	10,364,810	9,079,268
Lithium	562,751	1,042,637
Nickel	95,138	137,501
Petroleum - State Component	21,547	16,331
Other	142,763	144,749
Total Royalties Income	11,866,483	11,045,131

Administered income and expenses by service	2024 (\$'000)	2023 (\$'000)
Administered assets and liabilities		
Current assets		
Taxation receivable	983,129	789,545
Royalties receivable	2,703,482	2,843,269
Other receivables	749	40
Other current assets	415	557
Total administered current assets	3,687,775	3,633,411
Non-current assets		
Other receivables	51,300	51,300
Total administered non-current assets	51,300	51,300
TOTAL ADMINISTERED ASSETS	3,739,075	3,684,711
Current Liabilities		
Other payables	1,164	597
Total administered current liabilities	1,164	597
TOTAL ADMINISTERED LIABILITIES	1,164	597

Administered Income - The recognition of income from these activities is a combination of when payments are received or when an assessment notice or licence is issued by the Department. This relates to all Taxation and Royalties Income.

Contingent Liabilities - Administered

Barrow Island Royalty Variation

Under certain circumstances, the *Barrow Island Royalty Variation Agreement Act 1985* can require royalties to be refunded equal to approximately 40% of the net value (i.e. the value of production less eligible rehabilitation and well abandonment costs) in the final year of active operations and the subsequent three years. If triggered, the cost of any such refund would be split between the Commonwealth and Western Australian Governments in line with the split of royalty income. The State is assessing any estimated potential financial effects.

(a) Revenue resulting from taxation, territorial revenue, regulatory fees and fines, sale of goods and services, rent and interest are where possible, recognised when the transaction or event giving rise to the revenue occurs. In some instances however, the revenue is not measurable until the cash is received.

(b) This expense category relates to revenue collected by the Department that is then paid on to the Consolidated Account.

Notes to the financial statements

1. Basis of preparation

The Department of Finance is a Government not-for-profit entity controlled by the State of Western Australia, which is the ultimate parent.

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

These annual financial statements were authorised for issue by the accountable authority on 23 August 2024.

Statement of compliance

The financial statements constitute general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, the Framework, Statement of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board as applied by Treasurer's instructions. Several of these are modified by Treasurer's instructions to vary application, disclosure, format and wording.

The Act and Treasurer's instructions are legislative provisions governing the preparation of financial statements and take precedence over Australian Accounting Standards, the Framework, Statement of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board. 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.

Accounting for Goods and Services Tax (GST)

Income, expenses and assets are recognised net of the amount of goods and services tax (GST) except that the:

- (a) amount of GST incurred by the Department as a purchaser that is not recoverable from the Australian Taxation Office (ATO) is recognised as part of an asset's cost of acquisition or as part of an item of expense; and
- (b) receivables and payables are stated with the amount of GST included.

Cash flows are included in the Statement of Cash Flows on a gross basis. However, the GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

Contributed equity

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 will be credited directly to Contributed Equity.

Administered items

The Department administers, but does not control, certain activities and functions for and on behalf of Government that do not contribute to the Department's services or objectives. It does not have discretion over how it utilises the transactions in pursuing its own objectives.

Transactions relating to the administered activities are not recognised as the Department's income, expenses, assets and liabilities, but are disclosed in the accompanying schedules as 'Administered income and expenses', and 'Administered assets and liabilities'.

The accrual basis of accounting and applicable Australian Accounting Standards has been adopted.

2. Department outputs

How the Department operates

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

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

2.1 Department objectives

Mission

To lead and deliver services on behalf of the Government to benefit the community.

Services^(a)

The Department provides the following services:

Service 1: Revenue Assessment and Collection, and Grants and Subsidies Administration

Service 2: Development and Management of Common Use Contract Arrangements, State Fleet Leasing and Disposal, and Providing Facilitation Service for Agency-specific Contracts

Service 3: Leads the Management of Government Buildings Including Planning, Project Delivery, and Maintenance thereof

The Department administers assets, liabilities, income and expenses on behalf of Government which are not controlled by, nor integral to, the function of the Department. These administered balances and transactions are not recognised in the principal financial statements of the Department but schedules are prepared using the same basis as the financial statements and are presented at Administered financial information, note 9.9 ‘Special purpose account - administered’ and note 10.2 ‘Explanatory statement for administered items’.

(a) Corporate services to client agencies (previously Service 3 in 2023) has been permanently removed from the 2024 reporting period. The allocation of the costs for this service has been proportionately distributed to the remaining existing services.

2.2 Schedule of income and expenses by service

For the year ended 30 June 2024	Service 1		Service 2		Service 3		Total	
	2024 (\$000)	2023# (\$000)	2024 (\$000)	2023# (\$000)	2024 (\$000)	2023# (\$000)	2024 (\$000)	2023# (\$000)
Cost of services								
Expenses								
Employee benefits expense	46,056	44,048	28,916	25,577	75,548	66,710	150,520	136,335
Supplies and services	23,457	21,240	5,801	5,188	1,122,849	1,141,250	1,152,107	1,167,678
Depreciation and amortisation expense	5,595	8,465	40,379	37,082	195,317	190,658	241,291	236,205
Finance costs	-	532	-	313	65,081	59,832	65,081	60,677
Accommodation expenses	1,296	1,171	336	289	39,602	37,015	41,234	38,475
Grants and subsidies	5	6	3	3	7	8	15	17
Cost of inventories held for distribution	-	-	-	9,772	-	-	-	9,772
Other expenses	875	794	816	879	897	946	2,588	2,619
Total cost of services	77,284	76,256	76,251	79,103	1,499,301	1,496,419	1,652,836	1,651,778
Income								
Commonwealth grants	167	145	-	-	12,426	8,951	12,593	9,096
Other income	4,096	4,343	15,710	15,602	43,868	9,748	63,674	29,693
Total income	4,263	4,488	15,710	15,602	56,294	18,699	76,267	38,789
Net cost of services	73,021	71,768	60,541	63,501	1,443,007	1,477,720	1,576,569	1,612,989
Income from State Government								
Service appropriation	60,099	64,721	28,641	25,857	118,684	127,690	207,424	218,268
Income from other public sector entities	1,605	1,012	59,153	51,367	1,396,458	1,349,269	1,457,216	1,401,648
Services received free of charge	14,119	13,578	109	54	732	241	14,960	13,873
Royalties for Regions Fund	-	-	-	-	55	77	55	77
Total income from State Government	75,823	79,311	87,903	77,278	1,515,929	1,477,277	1,679,655	1,633,866
Surplus/(deficit) for the period	2,802	7,543	27,362	13,777	72,922	(443)	103,086	20,877

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

Service 1: Revenue assessment and collection, and grants and subsidies administration

Service 2: Development and management of Common Use Contract Arrangements, State Fleet leasing and disposal, and providing facilitation service for agency-specific contracts

Service 3: Leads the management of government buildings including planning, project delivery, and maintenance thereof

#Corporate services to client agencies (previously Service 3 in 2023) has been permanently removed from the 2024 reporting year and the allocation of the costs have been restated and proportionately distributed to the remaining existing services.

2.3 Schedule of assets and liabilities by service

As at 30 June 2024	Service 1		Service 2		Service 3		Total	
	2024 (\$000)	2023 (\$000)	2024 (\$000)	2023 (\$000)	2024 (\$000)	2023 (\$000)	2024 (\$000)	2023 (\$000)
Assets								
Current assets	33,343	57,417	78,879	29,808	182,095	170,123	294,317	257,348
Non-current assets	243,336	281,751	448,863	362,704	2,324,978	2,259,425	3,017,177	2,903,880
Total assets	276,679	339,168	527,742	392,512	2,507,073	2,429,548	3,311,494	3,161,228
Liabilities								
Current liabilities	13,683	17,300	18,840	14,864	352,783	331,701	385,306	363,865
Non-current liabilities	2,431	2,232	1,314	1,208	1,511,065	1,535,231	1,514,810	1,538,671
Total liabilities	16,114	19,532	20,154	16,072	1,863,848	1,866,932	1,900,116	1,902,536
NET ASSETS	260,565	319,636	507,588	376,440	643,225	562,616	1,411,378	1,258,692

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

Service 1: Revenue assessment and collection, and grants and subsidies administration

Service 2: Development and management of Common Use Contract Arrangements, State Fleet leasing and disposal, and providing facilitation service for agency-specific contracts

Service 3: Leads the management of government buildings including planning, project delivery, and maintenance thereof

Corporate services to client agencies (previously Service 3 in 2023) has been permanently removed from the 2024 reporting period. There were no assets or liabilities to redistribute to the remaining existing services.

3. Use of our funding

Expenses incurred in the delivery of services

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

	Notes
Employee benefits expenses	3.1(a)
Employee related provisions	3.1(b)
Grants and subsidies	3.2
Cost of inventories held for distribution	3.3
Other expenditure	3.4

3.1(a) Employee benefits expenses

	2024 (\$000)	2023 (\$000)
Employee benefits	135,734	123,145
Termination benefits	115	102
Superannuation - defined contribution plans	14,671	13,088
Total employee benefits expenses	150,520	136,335
Add: AASB 16 Non-monetary benefits (not included in employee benefits expense)	572	508
Less: Employee contributions (per the statement of comprehensive income)	(108)	(98)
Net employee benefits	150,984	136,745

Employee benefits include wages, salaries and social contributions, accrued and paid leave entitlements and paid sick leave, and non-monetary benefits recognised under accounting standards other than AASB 16 (such as medical care, housing, cars and free or subsidised goods or services) for employees.

Termination benefits are 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 is the amount recognised in profit or loss of the Statement of comprehensive income comprises employer contributions paid to the GSS (concurrent contributions), the WSS, other GESB schemes or other superannuation funds.

AASB 16 non-monetary benefits are non-monetary employee benefits predominantly relating to the provision of vehicle and housing benefits (Government Regional Officer Housing) that are recognised under AASB 16 which are excluded from the employee benefits expense.

Employee contributions are 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.

3.1(b) Employee related provisions

	2024 (\$000)	2023 (\$000)
Current		
Employee-benefits provisions		
Annual leave	15,348	14,182
Long service leave	16,161	14,477
Deferred salary scheme	126	122
Purchased leave	70	52
	31,705	28,833
Other provisions		
Employment on-costs	53	52
Total current employee related provisions	31,758	28,885
Non-current		
Employee-benefits provisions		
Long service leave	7,089	6,119
Other provisions		
Employment on-costs	11	11
Total non-current employee related provisions	7,100	6,130
Total employee related provisions	38,858	35,015

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

Annual leave liabilities are classified as current, as there is no right at the end of the reporting period to defer settlement for at least 12 months after the reporting period. Assessments indicate that actual settlement of the liabilities is expected to occur as follows:

	2024 (\$000)	2023 (\$000)
Within 12 months of the end of the reporting period	9,761	9,059
More than 12 months after the end of the reporting period	5,587	5,123
	15,348	14,182

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

Pre-conditional and conditional long service leave provisions are classified as non-current liabilities because the Department has the right to defer the settlement of the liability until the employee has completed the requisite years of service. Assessments indicate that actual settlement of the liabilities is expected to occur as follows:

	2024 (\$000)	2023 (\$000)
Within 12 months of the end of the reporting period	7,679	5,065
More than 12 months after the end of the reporting period	15,571	15,531
	23,250	20,596

The provision for long service leave is calculated at present value as the Department does not expect to wholly settle the amounts within 12 months. The present value is measured taking into account the present value of expected future payments to be made in relation to services provided by employees up to the reporting date. These payments are estimated using the remuneration rate expected to apply at the time of settlement and discounted using market yields at the end of the 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 are classified as current where there is no right at the end of the reporting period to defer settlement for at least 12 months after the reporting period. Actual settlement of the liabilities is expected to occur as follows:

	2024 (\$000)	2023 (\$000)
Within 12 months of the end of the reporting period	8	52
More than 12 months after the end of the reporting period	118	70
	126	122

Employment on-costs involve settlements 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 premiums, are not employee benefits and are recognised separately as liabilities and expenses when the employment to which they relate has occurred. Employment on-costs are included as part of 'Other expenses', note 3.4 (apart from the unwinding of the discount (finance cost))' and are not included as part of the Department's 'employee benefits expense'. The related liability is included in 'Employment on-costs provision'.

Employment on-costs provision	2024 (\$000)	2023 (\$000)
Carrying amount at start of period	63	59
Additional/(reversals of) provisions recognised	15	11
Payments/other sacrifices of economic benefits	(14)	(7)
Carrying amount at end of period	64	63

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 reporting period.

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

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

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

3.2 Grants and subsidies

	2024 (\$000)	2023 (\$000)
Recurrent		
Sponsorship	15	17
Total grants and subsidies	15	17

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 or subsidy expenses'. These payments or transfers are recognised at fair value at the time of the transaction and are recognised as an expense in the reporting period in which they are paid. They include transactions such as: grants, subsidies, personal benefit payments made in cash to individuals, other transfer payments made to public sector agencies, local government, non-government schools, and community groups.

The Department is not responsible for administering a government subsidy scheme.

3.3 Cost of inventories held for distribution

	2024 (\$000)	2023 (\$000)
Opening inventory	-	9,455
Purchases	-	317
Cost of inventories distributed	-	(9,772)
Closing inventory	-	-
Closing inventory comprises:		
Current inventories		
Rapid Antigen Tests	-	-
Total current inventories	-	-

Inventories held for distribution are measured at cost. As a general rule, the cost of inventories are assigned using the first-in, first-out basis.

3.4 Other expenditure

	2024 (\$000)	2023 (\$000)
Supplies and services		
Managed contracts ^(a)	1,093,172	1,064,973
Communications	217	336
Consultants and contractors	48,546	44,811
Consumables	1,606	634
Repairs and maintenance	303	302
Travel	387	465
Legal costs	694	50,354
Other ^(b)	7,182	5,803
Total supplies and services expenses	1,152,107	1,167,678
Accommodation expenses		
Repairs and maintenance buildings	38,872	36,104
Cleaning and security ^(a)	2,334	2,343
Rental	28	28
Total accommodation expenses	41,234	38,475
Other expenses		
Minor equipment	1,521	1,461
Expected credit losses expense	-	6
Employment on-costs	-	4
Audit fees	537	495
Miscellaneous ^(c)	431	637
Loss on termination	99	16
Total other expenses	2,588	2,619
Total other expenditure	1,195,929	1,208,772

(a) Includes variable outgoings.

(b) During the period the Department paid \$1,093,731 (2023: \$835,649) for insurance to the Insurance Commission of Western Australia.

(c) Mainly attributable to carbon offset expense.

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

Accommodation expenses include rental, repairs, maintenance, cleaning and security costs. Rental expenses include residential 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, and variable lease payments recognised in the period in which the event or condition that triggers those payments occurs.

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

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

Minor equipment relates to purchases of equipment less than \$5,000 in value.

Restoration costs relates to cost of restoring leased premises to their original condition at the end of their respective lease terms. Expenses are also recognised to rehabilitate the Mt Walton East Intractable Waste Disposal Facility and restore the site for future land use. Please refer to note 6.6 Other provisions.

Expected credit losses is recognised for movement in allowance for impairment of trade receivables. Please refer to note 6.1.1 Movement in the allowance for impairment of trade receivables for more details.

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

Audit fees are expenses paid to the Office of the Auditor General for audit services.

4. Our funding sources

How we obtain our funding

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

	Note
Income from State Government	4.1
Commonwealth grants	4.2
Other income	4.3

4.1 Income from State Government

	2024 (\$000)	2023 (\$000)
Appropriation received during the period		
- Service appropriation	207,424	218,268
Total service appropriation received	207,424	218,268
Income received from other public sector entities		
- Government office accommodation	309,359	297,060
- Managed building works	1,049,400	1,015,726
- Vehicle fleet lease rental	58,129	50,464
- Fees	38,475	36,996
- Other	1,853	1,402
Total income from other public sector entities	1,457,216	1,401,648
Resources received from other public sector entities during the period:		
- State Solicitor's Office	1,616	1,258
- Landgate	13,183	12,425
- Department of Treasury	140	139
- Department of Education	21	21
- Department of Primary Industries and Regional Development	-	30
Total resources received	14,960	13,873
Royalties for Regions Fund:		
- Regional Infrastructure and Headworks Account	55	77
Total Royalties for Regions Fund	55	77
Total income from State Government	1,679,655	1,633,866

Service Appropriations are recognised as income 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 is recognised as income equivalent to the fair value of assets received or the fair value of services received that can be reliably determined and which would have been purchased if not donated.

The Regional Infrastructure and Headworks Account is a sub-fund within the over-arching 'Royalties for Regions Fund'. The recurrent funds are used to fund district allowance payments for eligible regional public sector employees and are recognised as income when the Department receives the funds.



Summary of consolidated account appropriations

For the year ended 30 June 2024

	2024 Budget (\$000)	2024 Additional Funding (\$000)	2024 Revised Budget (\$000)	2024 Actual (\$000)	2024 Variance (\$000)
<u>Delivery of Services</u>					
Item 39 Net amount appropriated to deliver services	209,759	(4,802)	204,957	204,957	-
Amount Authorised by Other Statutes:					
- <i>Salaries and Allowances Act 1975</i>	1,617	-	1,617	1,617	-
Asset Maintenance Fund Special Purpose Account	-	850	850	850	-
Total appropriations provided to deliver services	211,376	(3,952)	207,424	207,424	-
<u>Capital</u>					
Item 124 Capital appropriations	75,064	(15,614)	59,450	59,450	-
<u>Administered Transactions</u>					
Community service obligation payments:					
Item 40 Amount provided for Administered grants, subsidies and other transfer payments	283,382	-	283,382	201,454	(81,928)
Amount Authorised by Other Statutes:					
<i>First Home Owner Grant Act 2000</i>	34,697	-	34,697	34,274	(423)
<i>Petroleum (Submerged Lands) Act 1982</i>	339	-	339	141	(198)
Total administered transactions	318,418	-	318,418	235,869	(82,549)
Total consolidated account appropriations	604,858	(19,566)	585,292	502,743	(82,549)

Net appropriation determination

The Treasurer may make a determination providing for prescribed receipts to be retained for services under the control of the Department. In accordance with the most recent determination, as quantified in the 2023-24 Budget Statements, the Department retained \$76.267 million in 2024 (\$38.789 million in 2023) from the following:

- (i) proceeds from fees and charges;
- (ii) Commonwealth specific purpose grants;
- (iii) other departmental revenue.

4.2 Commonwealth grants

	2024 (\$000)	2023 (\$000)
Recurrent grants	12,593	9,096
	12,593	9,096

Commonwealth funding is received for undertaking agreed maintenance and outgoings for buildings and for administering taxes on Christmas and Cocos Keeling islands.

4.3 Other income

	2024 (\$000)	2023 (\$000)
Recoups	2,701	2,362
Government vehicle schemes	80	79
Gain on termination	176	-
Employee contributions ^(a)	108	98
Other ^(b)	5,968	5,669
	9,033	8,208
Net proceeds from disposal of non-current assets		
Motor vehicles	36,060	33,910
Carrying amount of non-current assets disposed		
Motor vehicles	22,942	20,680
Net gains/(losses) on disposal of non-current assets	13,118	13,230
Revaluation gain	41,523	8,255
Other gains/(losses)	41,523	8,255
Total other income	63,674	29,693

(a) Income received by the Department from subleasing of right-of-use assets relates to lease payments received from operating leases. The Department has leased a number of right-of-use assets from the Government Regional Officer Housing (GROH), which it subleases out to employees at a subsidised rate. Information on the Department's leasing arrangements with GROH can be found in note 3.1(a).

(b) Relates mainly to land tax enquiry fees, refunds from suppliers and recovery of corporate services provided to other agencies.

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

5. Key assets

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, equipment, plant and vehicles	5.1
Right-of-use assets	5.2
Intangibles	5.3

5.1 Property, equipment, plant and vehicles

Year ended 30 June 2024	Land	Buildings	Leasehold improvements	Office equipment and plant	Computer equipment	Office fitout	Motor vehicles ^(a)	Motor vehicles leased out ^(b)	Work in progress	Total
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
1 July 2023										
Gross carrying amounts	149,956	128,557	252,142	376	186	186,835	2,141	357,418	14,350	1,091,961
Accumulated depreciation	-	(4,363)	(110,375)	(243)	(186)	(130,359)	(840)	(117,862)	-	(364,228)
Accumulated impairment loss	-	-	-	-	-	-	-	-	-	-
Carrying amount at start of period	149,956	124,194	141,767	133	-	56,476	1,301	239,556	14,350	727,733
Additions	-	-	-	57	-	-	733	103,609	29,448	133,847
Transfers ^(c)	-	-	528	-	-	16,926	81	(1,710)	(17,453)	(1,628)
Other disposals	-	-	-	-	-	-	(148)	(22,930)	-	(23,078)
Revaluation increments	5,675	35,848	-	-	-	-	-	-	-	41,523
Depreciation	-	(3,919)	(19,507)	(48)	-	(7,452)	(257)	(39,698)	-	(70,881)
Carrying amount at 30 June 2024	155,631	156,123	122,788	142	-	65,950	1,710	278,827	26,345	807,516
Gross carrying amount	155,631	164,619	252,670	433	186	203,718	2,503	401,310	26,345	1,207,415
Accumulated depreciation	-	(8,496)	(129,882)	(291)	(186)	(137,768)	(793)	(122,483)	-	(399,899)
Accumulated impairment loss	-	-	-	-	-	-	-	-	-	-

(a) Motor vehicles owned and used by the Department.

(b) Motor vehicles on operating leases to public sector entities. See note 7.7 Maturity analysis of lease receipts.

(c) Work in Progress was transferred to Leasehold Improvements for \$527,639 and to Office Fitout for \$16,925,216. \$1,628,578 of motor vehicles were transferred to agencies through finance lease arrangements.

Year ended 30 June 2023	Land	Buildings	Leasehold improvements	Office equipment and plant	Computer equipment	Office fitout	Motor vehicles ^(a)	Motor vehicles leased out ^(b)	Work in progress	Total
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
1 July 2022										
Gross carrying amounts	145,760	126,932	245,076	300	192	185,626	1,952	338,674	3,442	1,047,954
Accumulated depreciation	-	(3,798)	(91,472)	(241)	(192)	(122,947)	(744)	(112,176)	-	(331,570)
Accumulated impairment loss	-	-	-	-	-	-	-	-	-	-
Carrying amount at start of period	145,760	123,134	153,604	59	-	62,679	1,208	226,498	3,442	716,384
Additions	-	-	-	100	-	-	281	70,271	19,184	89,836
Transfers(c)	(134)	883	7,066	-	-	1,209	93	(970)	(8,276)	(129)
Other disposals	-	-	-	-	-	-	(56)	(20,563)	-	(20,619)
Revaluation increments	4,330	3,925	-	-	-	-	-	-	-	8,255
Depreciation	-	(3,748)	(18,903)	(26)	-	(7,412)	(225)	(35,680)	-	(65,994)
Carrying amount at 30 June 2023	149,956	124,194	141,767	133	-	56,476	1,301	239,556	14,350	727,733
Gross carrying amount	149,956	128,557	252,142	376	186	186,835	2,141	357,418	14,350	1,091,961
Accumulated depreciation	-	(4,363)	(110,375)	(243)	(186)	(130,359)	(840)	(117,862)	-	(364,228)
Accumulated impairment loss	-	-	-	-	-	-	-	-	-	-

(a) Motor vehicles owned and used by the Department.

(b) Motor vehicles on operating leases to public sector entities. See note 7.7 Maturity analysis of lease receipts.

(c) During the financial year, one parcel of land \$134,000 was transferred to the Department of Planning, Land and Heritage. Total Land and Building of \$883,550 was transferred from Department of Planning, Lands and Heritage. Work in Progress was transferred to Leasehold Improvements for \$7,066,201.67 and to Office Fitout for \$1,209,417.46. \$877,303 of motor vehicles were transferred to agencies through finance lease arrangements.

Initial recognition

Items of property, equipment and plant 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, equipment and plant 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.

Equipment, plant and vehicles are stated at historical cost less accumulated depreciation and accumulated impairment losses.

Land and buildings are independently valued annually by the Western Australian Land Information Authority (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 2023 by Landgate. The valuations were performed during the year ended 30 June 2024 and recognised at 30 June 2024. In undertaking the revaluation, fair value was determined by reference to market values for land: \$58,118,000 (2023: \$65,542,000) and buildings: \$98,175,000 (2023: \$97,623,000). For the remaining balance, fair value of buildings was determined on the basis of current replacement cost and fair value of land was determined on the basis of comparison with market evidence for land with low level utility (high restricted use land).

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

5.1.1 Depreciation and impairment

Charge for the period

	2024 (\$000)	2023 (\$000)
Depreciation		
Office fitout	7,451	7,412
Vehicles	39,956	35,905
Buildings	3,919	3,748
Leasehold improvements	19,507	18,903
Office equipment and plant ^(a)	48	26
Total depreciation for the period	70,881	65,994

As at 30 June 2024 there were no indications of impairment to property, equipment, plant and vehicles.

All surplus assets at 30 June 2024 have either been classified as assets held for distribution to owners or have been written-off.

Useful lives

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

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

Asset	Useful life: years
Buildings	30 to 40 years
Heritage assets	100 years
Office equipment and plant	3 to 5 years
Software ^(a)	3 to 13 years
Office fitout and leasehold improvements	3 to 25 years or remaining lease term, whichever is lower
Motor vehicles	1 to 6 years

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

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

Office fitout and leasehold improvements are depreciated over the shorter of the lease term and their useful lives.

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

Impairment

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

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

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

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

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

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

5.2 Right-of-use assets

Year ended 30 June 2024	Commercial buildings (\$000)	Residential buildings (\$000)	Total (\$000)
At 1 July 2023			
Gross carrying amounts	1,907,018	938	1,907,956
Accumulated depreciation	(587,289)	(334)	(587,623)
Accumulated impairment loss	-	-	-
Carrying amount at start of period	1,319,729	604	1,320,333
Additions	129,772	558	130,330
Disposals	-	(268)	(268)
Impairment losses	-	-	-
Impairment losses reversed	-	-	-
Depreciation	(163,819)	(551)	(164,370)
Carrying amount at 30 June 2024	1,285,682	343	1,286,025
Gross carrying amount	2,007,963	833	2,008,796
Accumulated depreciation	(722,281)	(490)	(722,771)
Accumulated impairment loss	-	-	-

Year ended 30 June 2023	Commercial buildings (\$000)	Residential buildings (\$000)	Total (\$000)
At 1 July 2022			
Gross carrying amounts	1,844,014	572	1,844,586
Accumulated depreciation	(434,821)	(147)	(434,968)
Accumulated impairment loss	-	-	-
Carrying amount at start of period	1,409,193	425	1,409,618
Additions	73,635	843	74,478
Disposals	(16)	(174)	(190)
Impairment losses	-	-	-
Impairment losses reversed	-	-	-
Depreciation	(163,083)	(490)	(163,573)
Carrying amount at 30 June 2023	1,319,729	604	1,320,333
Gross carrying amount	1,907,018	938	1,907,956
Accumulated depreciation	(587,289)	(334)	(587,623)
Accumulated impairment loss	-	-	-

Initial recognition

At the commencement date of the lease, the Department recognises right-of-use assets are measured at cost comprising of:

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

This includes leased assets other than investment property Right-of-use assets, which are measured in accordance with AASB 140 *Investment Property*.

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

Commercial Buildings relating to Government office accommodation are recognised as a right-of-use asset irrespective of the lease term in accordance with AASB16 Leases. With the exception of Commercial Buildings the Department has elected not to recognise short term leases that have terms of 12 months or less or low value leases of up to \$5,000. Lease payments made relating to short term and low value leases are expensed in the financial year they occur.

Subsequent measurement

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

Depreciation and impairment of right-of-use assets

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

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

Right-of-use assets are tested for impairment when an indication of impairment is identified. The policy in connection with testing for impairment is outlined in note 5.1.1.

The following amounts relating to leases have been recognised in the statement of comprehensive income:

	2024 (\$000)	2023 (\$000)
Depreciation expenses of right-of-use assets	164,370	163,573
Lease interest expense	57,424	53,034
Expenses relating to variable lease payments not included in lease liabilities	-	-
Short-term leases	-	-
Low-value leases	-	-
Gains or losses arising from sale and leaseback transactions	-	-

The total cash outflow for leases in 2024 was \$221,183,340 (2023: \$212,449,751). As at 30 June 2024 there were no indications of impairment to right-of-use assets.

The Department has leases for office and residential accommodations.

The Department has also entered into Memorandum of Understanding Agreements (MOU) with agencies across the sector for the leasing of office accommodation. These rental arrangements are not recognised as leases under AASB 16 because of substitution rights held by the Department and are accounted for as revenue over time.

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

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

The Department measures concessionary leases at cost at inception. During the financial year there were no rental charges for these category of leases. The Department has concessionary leases as part of its government office accommodation portfolio. The lease terms are varied and are for land and buildings utilised by government agencies to further their operational objectives.

5.3 Intangible assets

	Licences (\$000)	Computer Software (\$000)	Work in Progress (\$000)	Total (\$000)
Year ended 30 June 2024				
1 July 2023				
Gross carrying amount	13,720	228,235	6,307	248,262
Accumulated amortisation	(13,720)	(196,110)	-	(209,830)
Carrying amount at start of period	-	32,125	6,307	38,432
Additions	-	-	6,194	6,194
Transfers to computer software and licence	-	7,351	(7,351)	-
Other disposal	-	-	-	-
Amortisation expense	-	(6,040)	-	(6,040)
Carrying amount at 30 June 2024	-	33,436	5,150	38,586
Year ended 30 June 2023				
1 July 2022				
Gross carrying amount	13,720	216,343	10,876	240,939
Accumulated amortisation	(13,720)	(189,472)	-	(203,192)
Carrying amount at start of period	-	26,871	10,876	37,747
Additions	-	-	7,323	7,323
Transfers to computer software and licence	-	11,892	(11,892)	-
Other disposal	-	-	-	-
Amortisation expense	-	(6,638)	-	(6,638)
Carrying amount at 30 June 2023	-	32,125	6,307	38,432

Initial recognition

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

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

Costs incurred below these thresholds are immediately expensed directly to the Statement of comprehensive income.

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.

Subsequent measurement

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

5.3.1 Amortisation and impairment

Charge for the period

	2024 (\$000)	2023 (\$000)
Computer software	6,040	6,638
Total amortisation for the period	6,040	6,638

As at 30 June 2024 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: years
Computer software ^(a)	3 to 13 years
Licences	up to 10 years

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

Computer software

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

Licences

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

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 5.1.1

6. Other assets and liabilities

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

	Notes
Receivables	6.1
Amounts receivable for services	6.2
Contract assets	6.3
Other assets	6.4
Payables	6.5
Other provisions	6.6
Contract liabilities	6.7
Other liabilities	6.8

6.1 Receivables

	Note	2024 (\$000)	2023 (\$000)
Current			
Trade receivables		64,802	30,348
Allowance for impairment of trade receivables	6.1.1	(1)	(5)
GST receivable		8,260	7,868
Trust account ^(a)		1,005	1,878
Total current		74,066	40,089
Non-current			
Accrued salaries account ^(b)		3,733	3,009
Total non-current		3,733	3,009
Total receivables		77,799	43,098

(a) Relates to funds held in trust by the Department's corporate property manager for management of rental services.

(b) Funds transferred to Treasury for the purpose of meeting the 27th pay in a reporting period that generally occurs every 11 years. This account is classified as non-current except for the year before the 27th pay year.

Trade receivables are initially recognised at their transaction price or, for those receivables that contain a significant financing component, at fair value. The Department holds the receivables with the objective to collect the contractual cash flows and therefore subsequently measured at amortised cost using the effective interest method, less an allowance for impairment.

The Department recognises a loss allowance for expected credit losses (ECLs) on a receivable not held at fair value through profit or loss. The ECLs based on the difference between the contractual cash flows and the cash flows that the entity expects to receive, discounted at the original effective interest rate. Individual receivables are written off when the Department has no reasonable expectations of recovering the contractual cash flows.

For trade receivables, the Department recognises an allowance for ECLs measured at the lifetime expected credit losses at each reporting date. The Department has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. Please refer to note 3.4 for the amount of ECLs expensed in this financial year.

Accrued salaries account contains amounts paid annually into the Treasurer's special purpose account. It is restricted for meeting the additional cash outflow for employee salary payments in reporting periods with 27 pay days instead of the normal 26. No interest is received on this account.

The account has been reclassified from 'Cash and cash equivalents' to 'Receivables' as it is considered that funds in the account are not cash but a right to receive the cash in future. Comparative amounts have also been reclassified.

6.1.1 Movement in the allowance for impairment of trade receivables

	2024 (\$000)	2023 (\$000)
Reconciliation of changes in the allowance for impairment of trade receivables		
Opening balance	5	1
Expected credit losses expense	-	6
Reversals	(4)	-
Amounts written off during the period	-	(2)
Allowance for impairment at end of period	1	5

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

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

6.2 Amounts receivable for services (Holding Account)

	2024 (\$000)	2023 (\$000)
Current	540	540
Non-current	879,299	813,278
Total amounts receivable for services at end of period	879,839	813,818

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

The amounts receivable for services are financial assets at amortised cost, and are not considered impaired (i.e. there is no expected credit loss of the holding accounts).

6.3 Contract assets

	2024 (\$000)	2023 (\$000)
Reconciliation of changes in contract assets		
Opening balance	60,228	42,697
Additions	73,118	60,228
Revenue recognised in the reporting period	(60,228)	(42,697)
Total contract assets at end of period	73,118	60,228
Current	73,118	60,228
Non-current	-	-

Where the Department transfers either goods or services to a customer before the payment is due or before the customer provides consideration, then these are classified as contract assets. Contract assets exclude any amounts presented as a receivable.

6.4 Other assets

	2024 (\$000)	2023 (\$000)
Current		
Prepayments	9,412	9,259
Other	78	56
Total current	9,490	9,315
Non-current		
Prepayments	-	31
Total non-current	-	31
Total other assets at end of period	9,490	9,346

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

6.5 Payables

	2024 (\$000)	2023 (\$000)
Current		
Trade payables	1,363	2,371
Accrued salaries	2,876	2,690
Accrued expenses	87,778	74,776
Other	170	61
Total current	92,187	79,898
Non-current		
Accrued expenses	297	297
Total non-current	297	297
Total payables at end of period	92,484	80,195

Payables are recognised at the amounts payable when the Department becomes obliged to make future payments as a result of a purchase of assets or services. The carrying amount is equivalent to fair value as settlement is generally within 20 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.

6.6 Other provisions

		2024 (\$'000)	2023 (\$'000)
Current			
Make good	6.6.1	735	1,817
South West Native Title Settlement		6,436	6,436
Total current		7,171	8,253
Non-current			
Make good	6.6.1	2,016	837
Restoration costs ^(a)	6.6.2	789	779
Total non-current		2,805	1,616
Total other provisions at end of period		9,976	9,869

(a) This provision is for the rehabilitation of the Mt Walton East Intractable Waste Disposal Facility site.

6.6.1 Make good (restoration) provision

Some leased premises are required to be restored to their original condition at the end of their respective lease terms. A provision needs to be recognised for the present value of the estimated expenditure required to remove any leasehold improvements. These costs are capitalised as part of the cost of leasehold improvements or right-of-use assets and are amortised over the shorter of the lease term and the useful life of the assets.

Under certain lease agreements with landlords, the Department has a legal or constructive obligation to dismantle and restore office accommodation.

A restoration provision is recognised when:

- there is a present obligation as a result of exploration, development, production, transportation or storage activities undertaken;
- it is probable that an outflow of economic benefits will be required to settle the obligation; and
- the amount of the provision can be measured reliably.

The estimated future obligations include the costs of restoring the leased premises to original condition.

The provision for future make good costs is the best estimate of the present value of the expenditure required to settle the make good obligation at the reporting date [based on current legal and other requirements and technology]. Future make good costs are reviewed annually and any changes in the estimate are reflected in the present value of the restoration provision at each reporting date.

As at 30 June 2024, the anticipated timing of payments for make good are as follows:

	\$'000
Within 1 year	735
Later than 1 year and not later than 5 years	1,771
Later than 5 years	245
	2,751

6.6.2 Provision for restoration

The Department has a legal or constructive obligation to decommission the Mt Walton East Intractable Waste Disposal Facility and restore the site for future land use.

A provision for restoration is recognised when:

- there is a present obligation as a result of intractable waste disposal activities undertaken;
- it is probable that an outflow of economic benefits will be required to settle the obligation; and
- the amount of the provision can be measured reliably.

The estimated future obligations include the costs of decommissioning and rehabilitating the site to a standard suitable for future land use. An environmental analysis to provide a quantifiable estimate of the amount required to rehabilitate the Mt Walton East intractable waste disposal site was obtained for the 2023-24 financial year. Calculations performed in assessing the restoration costs provisions incorporates a number of key estimates. Calculation of the provision will be conducted annually and adjusted using the most up-to-date information available. Please see note 8.2 'Contingent assets and liabilities'.

6.6.3 Movements in provision

	2024 (\$000)	2023 (\$000)
Movements in each class of provision during the period, are set out below		
<u>Make good provision</u>		
Carrying amount at start of period	2,654	2,849
Additional/(reversals of) provisions recognised	71	(40)
Payments	-	(230)
Unwinding of the discount	26	75
Carrying amount at end of period	2,751	2,654
<u>Restoration costs provision</u>		
Carrying amount at start of period	779	727
Additional/(reversals of) provisions recognised	-	-
Payments	-	-
Unwinding of the discount	10	52
Carrying amount at end of period	789	779
<u>South West Native Title Settlement</u>		
Carrying amount at start of period	6,436	6,436
Additional/(reversals of) provisions recognised	-	-
Payments	-	-
Unwinding of the discount	-	-
Carrying amount at end of period	6,436	6,436

6.7 Contract liabilities

Reconciliation of changes in contract liabilities	2024 (\$000)	2023 (\$000)
Opening balance	27,593	31,641
Additions	24,507	27,593
Revenue recognised in the reporting period	(27,593)	(31,641)
Total contract liabilities at end of period	24,507	27,593
Current	24,507	27,593
Non-current	-	-

Contract liabilities, classified as amounts due to customers for services yet to be provided, primarily relate to when the Department has received consideration in advance of satisfying the performance obligation. Refer to note 4.1 for details of the revenue recognition policy.

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

6.8 Other liabilities

	2024 (\$000)	2023 (\$000)
Current		
Unearned revenue	2,677	2,237
Lease incentives ^(a)	3,104	2,990
Total current	5,781	5,227
Total other liabilities at end of period	5,781	5,227

(a) Lease incentives that the Department has received from lessors are normally taken into account in the measurement of the associated right-of-use assets. However, where the lease has not commenced, a lease incentive received is shown as a liability until the commencement of the lease, at which time it is taken up in the measurement of the associated right-of-use asset.

7. Financing

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

	Notes
Borrowings	7.1
Lease liabilities	7.2
Finance lease receivables	7.3
Finance costs	7.4
Cash and cash equivalents	7.5
Reconciliation of cash	7.5.1
Reconciliation of net cost of services to net cash flows used in operating activities	7.5.2
Capital commitments	7.6
Maturity analysis of lease receipts	7.7

7.1 Borrowings

	2024 (\$000)	2023 (\$000)
Current		
Heritage Maintenance Payments	7,277	7,014
Total current	7,277	7,014
Non-current		
Heritage Maintenance Payments	53,600	53,326
Total non-current	53,600	53,326
Total borrowings at end of period	60,877	60,340

Borrowings refer to interest bearing liabilities.

Interest bearing financial liabilities are classified at amortised cost are initially recognised at fair value of the consideration received less directly attributable transactions costs.

Subsequent to initial recognition the borrowings are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised and through the amortisation process.

The Department has not designated any financial liabilities as at fair value through profit or loss.

7.2 Lease liabilities

	2024 (\$000)	2023 (\$000)
Current	216,625	206,995
Non-current	1,451,008	1,477,302
	1,667,633	1,684,297

Initial measurement

At the commencement date of the lease, the Department recognises lease liabilities measured at the present value of lease payments to be made over the lease term. 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 Western Australia Treasury Corporation.

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

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

The interest on the lease liability is recognised in profit or loss over the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability for each 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, that are dependent on sales 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 5.2.

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.

Additional information on leases:

The Department of Finance on behalf of the Minister for Works (responsible for administering the *Public Works Act 1902*) is responsible for procuring and managing government office accommodation for all government agencies in accordance with government policy and associated standards and guidelines.

The property leases are non-cancellable and have terms up to 25 years, with rent generally payable monthly in advance. Depending on the terms and conditions of the lease, rent review provisions exist that generally result in rental increases throughout the lease terms.

7.3 Finance lease receivables

The Department leases vehicles to Western Australian State Government agencies and entities. The majority of leases are operating leases, the balance are finance leases.

At balance date, the term of existing finance lease contracts typically varies between four to ten years. A contract is subject to a fixed market rate of interest set at the time the contract is established. All contracts contain a renewal option and are secured by the underlying vehicles. Residual values are guaranteed by the relevant contracting agency or the entity.

	2024 (\$000)	2023 (\$000)
Gross investment in finance lease contracts	2,548	1,344
Less: Unearned finance income	(21)	(12)
Net investment in finance lease contracts	2,527	1,332
Less: Unguaranteed residual values of the finance leases at the balance date	-	-
Present value of the future minimum lease payment receivables	2,527	1,332
Accumulated allowances for unallocated minimum lease payment receivables	-	-

As at balance date, the gross investment and present value of receivables relating to the future minimum lease payments under non-cancellable finance lease arrangements were distributed as follows:

Within 1 year	509	268
Later than 1 year and not later than 5 years	1,716	781
Later than 5 years	302	283
Present value of finance lease receivables	2,527	1,332
Included in the financial statements as:		
Current	509	268
Non-current	2,018	1,064
TOTAL	2,527	1,332

Finance lease rights are initially recognised, at the commencement of the lease term, as assets equal in amount to the fair value of the leased item or, if lower, the present value of the minimum lease payments, determined at the inception of the lease.

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding lease liability, according to the interest rate implicit in the lease.

7.4 Finance costs

	2024 (\$000)	2023 (\$000)
Finance costs		
Interest on Heritage Maintenance payments	7,551	7,472
Lease interest expense	57,424	53,034
Total interest expenses	64,975	60,506
Other finance costs		
Unwinding of discounts applied to provisions	106	171
Total finance costs expensed	65,081	60,677

'Finance cost' includes costs incurred in connection with the borrowing of funds and includes interest on short term and long term borrowings, the interest component of lease liability repayments, and the increase in financial liabilities and non-employee provisions due to the unwinding of discounts to reflect the passage of time.

7.5 Cash and cash equivalents

7.5.1 Reconciliation of cash

Notes	2024 (\$000)	2023 (\$000)
Cash at bank	135,968	145,262
Cash on hand	2	2
Restricted cash and cash equivalents	624	1,644
Total cash and cash equivalents at end of period	136,594	146,908
	2024 (\$000)	2023 (\$000)
Restricted cash and cash equivalents		
Current		
Indian Ocean Territories Trust Fund ^(a)	624	1,644
Non-current		
Indian Ocean Territories Trust Fund ^(a)	-	-

(a) Funds held predominantly for undertaking agreed maintenance and outgoings for buildings on Christmas and Cocos Keeling islands.

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

7.5.2 Reconciliation of net cost of services to net cash flows used in operating activities

	Notes	2024 (\$'000)	2023 (\$'000)
Net cost of services		(1,576,569)	(1,612,989)
Non-cash items			
Depreciation and amortisation expense	5.1, 5.2 & 5.3	241,291	236,207
Expected credit losses expense	3.4	-	6
Services received free of charge	4.1	14,960	13,873
Gain on revaluation increment	4.3	(41,523)	(8,255)
Net gain on disposal of property, equipment, plant and vehicles	4.3	(13,118)	(13,231)
(Increase)/decrease in assets			
Receivables ^(a)		1,537	(677)
Inventories	3.3	-	9,772
Increase/(decrease) in liabilities			
Current payables ^(a)		4,794	(3,424)
Accrued salaries		186	655
Employee benefits		4,069	2,189
Net GST receipts/(payments) ^(b)		(1,569)	3,695
Change in GST in receivables/payables ^(c)		(1,475)	(4,135)
Net cash used in operating activities		(1,367,417)	(1,376,314)

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

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

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

7.6 Capital commitments

	2024 (\$000)	2023 (\$000)
Capital expenditure commitments, being contracted capital expenditure additional to the amounts reported in the financial statements, are payable as follows:		
Within 1 year	103,477	121,964
Later than 1 year and not later than 5 years	-	-
Later than 5 years	-	-
	103,477	121,964

7.7 Maturity analysis of lease receipts

	2024 (\$000)	2023 (\$000)
Maturity analysis of lease receipts are the undiscounted lease receipts to be received ^(a) .		
Within 1 year	50,890	41,426
Later than 1 year and not later than 2 years	35,379	27,411
Later than 2 years and not later than 3 years	25,115	18,363
Later than 3 years and not later than 4 years	15,945	10,758
Later than 4 years and not later than 5 years	8,863	5,050
Later than 5 years	2,788	1,496
	138,980	104,504

(a) Relates to collections from motor vehicle leases.
See note 5.1 Motor vehicles leased out.

8. Risks and Contingencies

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

	Note
Financial risk management	8.1
Contingent assets and liabilities	8.2
Fair value measurements	8.3

8.1 Financial risk management

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

(a) Summary of risks and risk management

Credit risk

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

Credit risk associated with the Department's financial assets is minimal because the main receivable is the amounts receivable for services (holding account). For receivables other than Government, the Department trades only with recognised, creditworthy third parties. The Department has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history. In addition, receivable balances are monitored on an ongoing basis with the result that the Department's exposure to bad debts is minimal. Debt will be written-off against the allowance account when it is improbable or uneconomical to recover the debt. At the end of the reporting period there were no significant concentrations of credit risk.

Liquidity risk

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

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

The Department has appropriate procedures to manage cash flows including drawdown of appropriations by monitoring forecast cash flows to ensure that sufficient funds are available to meet its commitments.

The Department has a facility agreement in place with the Western Australian Treasury Corporation (WATC) to borrow up to \$250,000,000 to meet State Fleet contractual requirements, purchase vehicles and provide working capital.

Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates and interest rates will affect the Department's income or the value of its holdings of financial instruments. The Department does not trade in foreign currency and is not materially exposed to other price risks. The Department's exposure to market risk for changes in interest rates relate primarily to the long-term debt obligations.

All borrowings are due to the WATC and are repayable at fixed rates with varying maturities. Other than as detailed in the interest rate sensitivity analysis table at note 8.1(e), the Department is not exposed to interest rate risk because the majority of cash and cash equivalents and restricted cash are non-interest bearing and it has no borrowings other than the Treasurer's advance (non-interest bearing), WATC borrowings and finance leases (fixed interest rate).

(b) Categories of financial instruments

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

	2024 (\$000)	2023 (\$000)
Financial assets		
Cash and cash equivalents	135,970	145,264
Restricted cash and cash equivalents ^(a)	624	1,644
Financial assets at amortised cost - receivables ^{(a)(b)}	69,539	35,230
Finance lease receivables	2,527	1,332
Financial assets at amortised cost - amounts receivable for services	879,839	813,818
Total financial assets	1,088,499	997,288
Financial liabilities		
Financial liabilities at amortised cost - payables ^(c)	92,484	80,195
Financial liabilities at amortised cost - Heritage Maintenance Payments	60,877	60,340
Lease liabilities	1,667,633	1,684,297
Total financial liabilities	1,820,994	1,824,832

(a) Funds held in the Treasurer's special purpose account for meeting the 27th pay has been reclassified from Restricted cash and cash equivalents to Receivables for 2023.

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

(c) The amount of financial liabilities at amortised cost excludes GST payable to the ATO (statutory payable).

(c) Credit risk exposure

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

	Total (\$000)	Current (\$000)	Days past due			
			<30 days (\$000)	30-60 days (\$000)	61-90 days (\$000)	>91 days (\$000)
30 June 2024						
Expected credit loss rate		0%	0%	0%	0%	1.35%
Estimated total gross carrying amount at default	64,802	51,208	12,328	746	460	60
Expected credit losses	(1)	-	-	-	-	(1)
30 June 2023						
Expected credit loss rate		0%	0%	0%	0%	0.80%
Estimated total gross carrying amount at default	30,348	24,849	4,221	576	76	626
Expected credit losses	(5)	-	-	-	-	(5)

(d) Liquidity risk and Interest rate exposure

The following table details the Department's interest rate exposure and the contractual maturity analysis of financial assets and financial liabilities. The maturity analysis section includes interest and principal cash flows. The interest rate exposure section analyses only the carrying amounts of each item.

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

	Weighted average effective interest rate %	Interest rate exposure				Nominal amount (\$000)	Maturity dates				
		Carrying amount (\$000)	Fixed interest rate (\$000)	Variable interest rate (\$000)	Non-interest bearing (\$000)		Up to 1 month (\$000)	1-3 months (\$000)	3 months to 1 year (\$000)	1-5 years (\$000)	More than 5 years (\$000)
2024											
Financial assets											
Cash and cash equivalents	-	135,970	-	-	135,970	135,970	135,970	-	-	-	-
Restricted cash and cash equivalents	-	624	-	-	624	624	-	624	-	-	-
Receivables ^(a)	-	69,539	-	-	69,539	69,539	65,806	-	-	3,733	-
Finance lease receivables	3.19	2,527	2,527	-	-	2,807	51	102	445	1,893	316
Amounts receivable for services	-	879,839	-	-	879,839	879,839	-	-	540	2,160	877,139
		1,088,499	2,527	-	1,085,972	1,088,779	201,827	726	985	7,786	877,455
Financial liabilities											
Payables	-	92,484	-	-	92,484	92,484	92,187	-	-	297	-
Heritage Maintenance Payments	12.46	60,877	60,877	-	-	152,435	601	1,202	5,475	31,943	113,214
Lease liabilities ^(b)	3.57	1,667,633	1,667,633	-	-	2,020,101	18,602	37,023	168,177	802,760	993,539
		1,820,994	1,728,510	-	92,484	2,265,020	111,390	38,225	173,652	835,000	1,106,753

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

(b) Lease liabilities primarily relate to leased office accommodation.

(d) Liquidity risk and Interest rate exposure (cont.)

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

	Weighted average effective interest rate %	Interest rate exposure				Nominal amount (\$000)	Maturity dates				
		Carrying amount (\$000)	Fixed interest rate (\$000)	Variable interest rate (\$000)	Non- interest bearing (\$000)		Up to 1 month (\$000)	1-3 months (\$000)	3 months to 1 year (\$000)	1-5 years (\$000)	More than 5 years (\$000)
2023											
Financial assets											
Cash and cash equivalents	-	145,264	-	-	145,264	145,264	145,264	-	-	-	-
Restricted cash and cash equivalents ^(a)	-	1,644	-	-	1,644	1,644	-	1,644	-	-	-
Receivables ^{(a)(b)}	-	35,230	-	-	35,230	35,230	32,221	-	-	3,009	-
Finance lease receivables	3.25	1,332	1,332	-	-	1,472	27	53	225	864	303
Amounts receivable for services	-	813,818	-	-	813,818	813,818	-	-	540	2,160	811,118
		997,288	1,332	-	995,956	997,428	177,512	1,697	765	6,033	811,421
Financial liabilities											
Payables	-	80,195	-	-	80,195	80,195	79,864	24	10	297	-
Heritage Maintenance Payments	12.46	60,340	60,340	-	-	159,449	579	1,158	5,277	30,788	121,647
Lease liabilities ^(c)	3.20	1,684,297	1,684,297	-	-	2,030,645	17,854	35,605	160,034	775,982	1,041,170
		1,824,832	1,744,637	-	80,195	2,270,289	98,297	36,787	165,321	807,067	1,162,817

(a) Funds held in the Treasurer's special purpose account for meeting the 27th pay has been reclassified from Restricted cash and cash equivalents to Receivables for 2023.

(b) The amount of receivables excludes the GST recoverable from the ATO (statutory receivable).

(c) Lease liabilities primarily relate to leased office accommodation.

(e) Interest rate sensitivity analysis

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

		-100 basis points		+100 basis points	
	Carrying amount (\$000)	Surplus (\$000)	Equity (\$000)	Surplus (\$000)	Equity (\$000)
2024					
Financial assets					
Finance lease receivables	2,527	(25.3)	(25.3)	25.3	25.3
Financial liabilities					
Heritage Maintenance Payments	60,877	(608.8)	(608.8)	608.8	608.8
Lease liabilities	1,667,633	(16,676.3)	(16,676.3)	16,676.3	16,676.3
Total increase/(decrease)		(17,310.4)	(17,310.4)	17,310.4	17,310.4
2023					
Financial assets					
Finance lease receivables	1,332	(13.3)	(13.3)	13.3	13.3
Financial liabilities					
Heritage Maintenance Payments	60,340	(603.4)	(603.4)	603.4	603.4
Lease liabilities	1,684,297	(16,843.0)	(16,843.0)	16,843.0	16,843.0
Total increase/(decrease)		(17,459.7)	(17,459.7)	17,459.7	17,459.7

8.2 Contingent assets and liabilities

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

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

As part of its normal business, the Department has taxation matters undergoing review or appeal processes. The timing or likely outcome of these taxation matters remains uncertain as is the quantification of any possible financial claim against or benefit to the State of Western Australia.

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 *Contaminated Sites Act 2003*, 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 reported two suspected contaminated sites to DWER. The first site has been classified as *possibly contaminated-investigation required*. The Department is unable to assess the likely outcome of the classification process and accordingly it is not practicable to estimate the potential financial effect or to identify the uncertainties relating to the amount or timing of any outflows. Whilst there is no possibility of reimbursement of any future expenses that may be incurred in the remediation of these sites, the Department may apply for funding from the Contaminated Sites Management Account to undertake further investigative work or to meet remediation costs that may be required.

The second site has been classified as *contaminated – restricted use*. For this site, a restoration cost provision has been recognised to rehabilitate it to a standard suitable for future land use. Please see note 6.6 'Other provisions'.

8.3 Fair value measurements

Assets measured at fair value: 2024	Level 1 (\$000)	Level 2 (\$000)	Level 3 (\$000)	Fair value at end of period (\$000)
Land (Note 5.1)	-	58,118	97,513	155,631
Buildings (Note 5.1)	-	98,175	57,948	156,123
	-	156,293	155,461	311,754

Assets measured at fair value: 2023	Level 1 (\$000)	Level 2 (\$000)	Level 3 (\$000)	Fair value at end of period (\$000)
Land (Note 5.1)	-	65,542	84,414	149,956
Buildings (Note 5.1)	-	97,623	26,571	124,194
	-	163,165	110,985	274,150

There were no transfers between Levels 1, 2 or 3 during the current and previous periods.

Valuation techniques to derive Level 2 fair values

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

Non-current assets held for distribution to owners have been written down to fair value less costs to sell. Fair value has been determined by reference to market evidence of sales prices of comparable assets.

Fair value measurements using significant unobservable inputs (Level 3)

2024	Land (\$000)	Buildings (\$000)
Fair value at start of period	84,414	26,571
Additions	-	-
Transfers from Level 2	10,620	-
Revaluation increments/(decrements) recognised in Profit or Loss	2,479	31,809
Revaluation increments/(decrements) recognised in Other Comprehensive Income	-	-
Depreciation expense	-	(432)
Fair value at end of period	97,513	57,948
Total gains or losses for the period included in profit or loss	2,479	31,809

2023	Land (\$000)	Buildings (\$000)
Fair value at start of period	80,717	26,732
Additions	-	-
Transfers	(134)	883
Revaluation increments/(decrements) recognised in Profit or Loss	3,831	(620)
Revaluation increments/(decrements) recognised in Other Comprehensive Income	-	-
Depreciation expense	-	(424)
Fair value at end of period	84,414	26,571
Total gains or losses for the period included in profit or loss	3,831	(620)

Valuation processes

There were no changes in valuation techniques during the period.

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

Land (Level 3 fair values)

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

Buildings (Level 3 fair values)

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

Valuation using current replacement cost utilises the significant Level 3 input, consumed economic benefit/obsolescence of asset which is estimated by Landgate. The fair value measurement is sensitive to the estimate of consumption/obsolescence, with higher values of the estimate correlating with lower estimated fair values of buildings.

Basis of valuation

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



9. Other disclosures

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

	Note
Events occurring after the end of the reporting period	9.1
Future impact of Australian Accounting Standards but not yet operative	9.2
Key management personnel	9.3
Related party transactions	9.4
Related and affiliated bodies	9.5
Remuneration of auditors	9.6
Non-current assets classified as assets held for sale	9.7
Equity	9.8
Special purpose account - administered	9.9
Supplementary financial information	9.10
Service delivery arrangements Indian Ocean Territories	9.11
Resources provided free of charge	9.12

9.1 Events occurring after the end of the reporting period

The Department is unaware of any event occurring after reporting date that would materially affect the Financial Statements.

9.2 Future impact of Australian Accounting Standards not yet operative

The Department cannot early adopt an Australian Accounting Standard unless specifically permitted by TI 1101 *Application of Australian Accounting Standards and Other Pronouncements* or by an exemption from TI 1101. Where applicable, the Department plans to apply the following Australian Accounting Standards from their application date.

Operative for reporting periods beginning on/after 1 Jan 2024		Operative for reporting periods beginning on/after
AASB 2020-1	<div><i>Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current</i></div> <div>This Standard amends AASB 101 to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current.</div> <div>There is no financial impact.</div>	1 Jan 2024
AASB 2022-5	<div><i>Amendments to Australian Accounting Standards – Lease Liability in a Sale and Leaseback</i></div> <div>This Standard amends AASB 16 to add measurement requirements for sale and leaseback transactions that satisfy the requirements in AASB 15 to be accounted for as a sale.</div> <div>There is no financial impact.</div>	1 Jan 2024

<i>AASB 2022-6</i>	<p><i>Amendments to Australian Accounting Standards – Non-current Liabilities with Covenants</i></p> <p>This Standard amends AASB 101 to improve the information an entity provides in its financial statements about liabilities arising from loan arrangements for which the entity's right to defer settlement of those liabilities for at least twelve months after the reporting period is subject to the entity complying with conditions specified in the loan arrangement. The Standard also amends an example in Practice Statement 2 regarding assessing whether information about covenants is material for disclosure.</p> <p>There is no financial impact.</p>	1 Jan 2024
<i>AASB 2022-10</i>	<p><i>Amendments to Australian Accounting Standards – Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities</i></p> <p>This Standard amends AASB 13 for fair value measurements of non-financial assets of not-for-profit public sector entities not held primarily for their ability to generate net cash inflows. Specifically, it provides guidance on how the cost approach is to be applied to measure the asset's fair value, including guidance on the nature of costs to include in the replacement cost of a reference asset.</p> <p>As such, for non-financial assets measured by the cost approach, professional and management fees are to be included in the replacement cost of a reference asset (that are currently excluded by the valuer). This is likely to increase the fair value of those assets (and a corresponding increase in other comprehensive income accumulated in revaluation surplus).</p>	1 Jan 2024
<i>AASB 2023-1</i>	<p><i>Amendments to Australian Accounting Standards – Supplier Finance Arrangements</i></p> <p>This Standard amends: (a) AASB 107; and (b) AASB 7 as a consequence of the issuance of International Financial Reporting Standard Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7) by the International Accounting Standards Board in May 2023.</p> <p>There is no financial impact.</p>	1 Jan 2024

Operative for reporting periods beginning on/after 1 Jan 2025

<i>AASB 2014-10</i>	<i>Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	<p>This Standard amends AASB 10 and AASB 128 to address an inconsistency between the two standards.</p> <p>The Department has not assessed the impact of the Standard.</p>	1 Jan 2025
<i>AASB 2021-7c</i>	<i>Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections</i>	<p>This Standard further defers (to 1 January 2025) the amendments to AASB 10 and AASB 128 relating to the sale or contribution of assets between an investor and its associate or joint venture.</p> <p>The standard also includes editorial corrections.</p> <p>The Department has not assessed the impact of the Standard.</p>	1 Jan 2025
<i>AASB 2023-5</i>	<i>Amendments to Australia Accounting Standards – Lack of Exchangeability</i>	<p>This Standard amends AASB 121 and AASB 1 to require entities to apply a consistent approach to determining whether a currency is exchangeable into another currency and the spot exchange rate to use when it is not exchangeable.</p> <p>The Standard also amends AASB 121 to extend the exemption from complying with the disclosure requirements for entities that apply AASB 1060 to ensure Tier 2 entities are not required to comply with the new disclosure requirements in AASB 121 when preparing their Tier 2 financial statements.</p> <p>The Department has not assessed the impact of the Standard.</p>	1 Jan 2025

Operative for reporting periods beginning on/after 1 Jan 2026

<i>AASB 2022-9</i>	<i>Amendments to Australian Accounting Standards – Insurance Contracts in the Public Sector</i>	<p>This Standard amends AASB 17 and AASB 1050 to include modifications with respect to the application of AASB 17 by public sector entities.</p> <p>This Standard also amends the following Standards to remove the temporary consequential amendments set out in AASB 2022-8 since AASB 4 and AASB 1023 do not apply to public sector entities for periods beginning on or after 1 July 2026: (a) AASB 1; (b) AASB 3; (c) AASB 5; (d) AASB 7; (e) AASB 9; (f) AASB 15; (g) AASB 119; (h) AASB 132; (i) AASB 136; (j) AASB 137; (k) AASB 138; (l) AASB 1057; and (m) AASB 1058.</p> <p>The Department has not assessed the impact of the Standard.</p>	1 Jul 2026
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9.3 Key management personnel

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

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

Compensation band (\$)	2024	2023
550,001 - 600,000	1	-
500,001 - 550,000	-	1
450,001 - 500,000	-	-
400,001 - 450,000	2	1
350,001 - 400,000	1	1
300,001 - 350,000	2	2
250,001 - 300,000	1	2
200,001 - 250,000	-	-
150,001 - 200,000	1	-
100,001 - 150,000	-	-

	2024 (\$000)	2023 (\$000)
Short-term employee benefits	2,491	2,159
Post employment benefits	271	240
Other long term benefits	129	107
Termination benefits	-	-
Total compensation of senior officers	2,891	2,506

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

9.4 Related party transactions

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

Related parties of the Department include:

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

Significant transactions with Government-related entities

In conducting its activities, the Department is required to transact with the State and entities related to the State. These transactions are generally based on the standard terms and conditions that apply to all agencies. Such transactions include:

- managed building works revenue for the planning, delivery, management and maintenance of government buildings (Note 4.1);
- vehicle fleet lease rental revenue from vehicle leasing arrangements (Note 4.1);
- revenue from government office accommodation (Note 4.1);
- provide vehicle finance leases (Note 7.3);
- remuneration for services provided by the Auditor General (Note 9.6);
- provide corporate services, accommodation leasing and fitout services (Note 9.12);

Significant transactions with Government-related entities (cont'd)

- services received free of charge from State Solicitor's Office, Landgate, Department of Treasury, Department of Education and Department of Primary Industries and Regional Development (Note 4.1);
- service appropriations (Note 4.1);
- insurance payments to the Insurance Commission of Western Australia (Note 3.4);
- capital appropriations (Note 9.8);

Material transactions with other related parties

During the year, the Department paid \$10,432,113 in employee superannuation contributions to the Government Employees Superannuation Board.

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

9.5 Related and affiliated bodies

The Department has no related or affiliated bodies.

9.6 Remuneration of auditors

Remuneration paid or payable to the Auditor General in respect of the audit for the reporting period is as follows:

	2024 (\$000)	2023 (\$000)
Auditing the accounts, financial statements, controls, and key performance indicators	591	537

9.7 Non-current assets classified as assets held for sale

The Department does not have non-current assets held for sale.

9.8 Equity

	2024 (\$000)	2023 (\$000)
Contributed equity		
Balance at start of period	1,036,506	1,036,941
<i>Contributions by owners</i>		
Capital appropriation	59,450	10,815
<i>Other contributions by owners</i>		
Digital Capability Fund	3,260	-
Land and Building from Department of Planning, Lands and Heritage	-	884
Total contributions by owners	62,710	11,699
<i>Distribution to owners</i>		
Transfer of land and building to the Department of Planning, Lands and Heritage	-	(134)
State Fleet transfer to consolidated account	(12,000)	(12,000)
Digital Capability Fund	(1,110)	-
Total distributions to owners	(13,110)	(12,134)
Total contributed equity at end of period	1,086,106	1,036,506

9.9 Special purpose account - administered

	2024 (\$000)	2023 (\$000)
<i>Departmental Receipts in Suspense - State Revenue</i>		
<i>The purpose of the special purpose account is to hold funds pending identification of the purpose of which those monies were received or identification of where those monies are to be credited or paid.</i>		
Balance at the start of period	1	1
Receipts	-	-
Payments	-	-
Balance at end of period	1	1
<i>Indian Ocean Territories</i>		
<i>The purpose of the special account is to hold taxation collections pending transfer to the Commonwealth of Australia in accordance with the Service Level Agreement entered into with the Commonwealth.</i>		
Balance at the start of period	298	350
Receipts	3,467	4,828
Payments	(3,514)	(4,880)
Balance at end of period	251	298

9.10 Supplementary financial information

(a) Write-offs

During the financial year, \$5.363 million (2023: \$10.471 million) was written off by the Department under the authority of:

	2024 (\$000)	2023 (\$000)
The accountable authority	3,164	2,510
The Minister	-	1,148
The Treasurer	2,199	6,813
	5,363	10,471

(b) Write-offs by category

	2024 (\$000)	2023 (\$000)
Public assets	1,704	997
Debts due to the State	3,659	9,474
	5,363	10,471

9.11 Service delivery arrangements Indian Ocean Territories

	2024 (\$000)	2023 (\$000)
Receipts		
Commonwealth receipts	11,629	8,900
	11,629	8,900
Payments		
Consultants and contractors	11,624	10,675
Administration and other costs	860	564
Payroll Tax and business franchise	29	22
Duties	1	1
Land Tax	6	5
Compliance	129	73
	12,649	11,340
Surplus/(deficit) for the period	(1,020)	(2,440)
Balance brought forward	1,644	4,084
Balance carried forward	624	1,644

9.12 Resources provided free of charge

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

	2024 (\$000)	2023 (\$000)
Department of the Premier and Cabinet	1,351	1,298
Department of Transport	664	660
Office of the Auditor General	13	13
Department of Training and Workforce Development	330	329
Public Sector Commission	27	192
Western Australia Police Force	360	331
Department of Treasury	5,709	5,578
The Ombudsman	13	13
Landgate	40	39
Department of Education	206	204
Department of Health	598	10,224
Department of Justice	2,513	2,545
State Solicitor's Office	355	355
Department of Planning, Lands and Heritage	693	680
Department of Communities	963	1,054
Department of Primary Industries and Regional Development	722	692
Department of Energy, Mines, Industry Regulation and Safety	661	659
Department of Local Government, Sports and Cultural Industries	405	390
Department of Water and Environmental Regulation	160	159
Equal Opportunity Commission	151	151
Office of the Director of Public Prosecutions	208	-
Parliamentary Services Department	207	-
Other Agencies ^(a)	838	937
	17,187	26,503

(a) Includes 30 agencies in 2024 and 31 agencies in 2023.

10. Explanatory Statements

This section explains variations in the financial performance of the Department.

	Note
Explanatory statement for controlled operations	10.1
Explanatory statement for administered items	10.2

10.1 Explanatory statement for controlled operations

This explanatory section explains variations in the financial performance of the Department undertaking transactions under its own control, as represented by the primary financial statements.

All variances between annual estimates (original budget) and actual results for 2024, and between the actual results for 2024 and 2023 are shown below. Narratives are provided for major variances which are more than 10% of the comparative and which are also more than 1% of the following (as appropriate):

- 1) Estimate and actual results for the current year:
 - Total Cost of Services of the annual estimates for the Statement of comprehensive income and Statement of cash flows (i.e. 1% of \$1,689,382,000), and
 - Total Assets of the annual estimates for the Statement of financial position (i.e. 1% of \$3,136,879,000).
- 2) Actual results between the current year and the previous year:
 - Total Cost of Services of the previous year for the Statements of comprehensive income and Statement of cash flows (i.e. 1% of \$1,651,778,000), and
 - Total Assets of the previous year for the Statement of financial position (i.e. 1% of \$3,161,228,000).

10.1.1 Statement of comprehensive income variances

	Variance note	Estimate 2024 ^(a) (\$000)	Actual 2024 (\$000)	Actual 2023 (\$000)	Variance between actual and estimate (\$000)	Variance between actual results for 2024 and 2023 (\$000)
Expenses						
Employee benefits expense		151,007	150,520	136,335	(487)	14,185
Supplies and services		1,179,016	1,152,107	1,167,678	(26,909)	(15,571)
Depreciation and amortisation expense		267,008	241,291	236,205	(25,717)	5,086
Finance costs		50,909	65,081	60,677	14,172	4,404
Accommodation expenses		34,119	41,234	38,475	7,115	2,759
Grants and subsidies		-	15	17	15	(2)
Cost of inventories held for distribution		-	-	9,772	-	(9,772)
Other expenses		7,323	2,588	2,619	(4,735)	(31)
Total cost of services		1,689,382	1,652,836	1,651,778	(36,546)	1,058
Income						
Commonwealth grants		4,700	12,593	9,096	7,893	3,497
Other income	1	13,343	63,674	29,693	50,331	33,981
Total income		18,043	76,267	38,789	58,224	37,478
Net cost of services		1,671,339	1,576,569	1,612,989	(94,770)	(36,420)
Income from State Government						
Service appropriation		211,376	207,424	218,268	(3,952)	(10,844)
Income from other public sector entities		1,453,026	1,457,216	1,401,648	4,190	55,568
Resources received		14,676	14,960	13,873	284	1,087
Royalties for Regions Fund		106	55	77	(51)	(22)
Total income from State Government		1,679,184	1,679,655	1,633,866	471	45,789
Surplus/(deficit) for the period		7,845	103,086	20,877	95,241	82,209
Total comprehensive income for the period		7,845	103,086	20,877	95,241	82,209

(a) These estimates are published in the State Budget 2023-24, Budget Papers No.2 'Budget Statements'.

Major estimate and actual (2024) variance narratives

- 1) The 2024 actual is higher than the 2024 budget due to a gain on revaluation of Land and Buildings as well as higher than budgeted gains on the sale of motor vehicles.

Major actual (2024) and comparative (2023) variance narratives

- 1) The 2024 actual is higher than the 2023 actual due to a gain on revaluation of Land and buildings.

10.1.2 Statement of financial position Variances

	Variance note	Estimate 2024 ^(a) (\$000)	Actual 2024 (\$000)	Actual 2023 (\$000)	Variance between actual and estimate (\$000)	Variance between actual results for 2024 and 2023 (\$000)
Assets						
Current Assets						
Cash and cash equivalents		147,946	135,970	145,264	(11,976)	(9,294)
Restricted cash and cash equivalents ^(b)		4,084	624	1,644	(3,460)	(1,020)
Inventories held for distribution		9,455	-	-	(9,455)	-
Receivables		36,122	74,066	40,089	37,944	33,977
Finance lease receivables		185	509	268	324	241
Amounts receivable for services		732	540	540	(192)	-
Contract assets		42,697	73,118	60,228	30,421	12,890
Other current assets		8,692	9,490	9,315	798	175
Total Current Assets		249,913	294,317	257,348	44,404	36,969
Non-Current Assets						
Receivables ^(b)		3,002	3,733	3,009	731	724
Finance lease receivables		594	2,018	1,064	1,424	954
Amounts receivable for services		879,112	879,299	813,278	187	66,021
Property, equipment, plant and vehicles	1	779,039	807,516	727,733	28,477	79,783
Right-of-use assets		1,184,144	1,286,025	1,320,333	101,881	(34,308)
Intangible assets		40,972	38,586	38,432	(2,386)	154
Other non-current assets		103	-	31	(103)	(31)
Total Non-Current Assets		2,886,966	3,017,177	2,903,880	130,211	113,297
Total Assets		3,136,879	3,311,494	3,161,228	174,615	150,266

Major actual (2024) and comparative (2023) variance narratives

- 1) The higher 2024 actual when compared to 2023, is mainly due to the increase in State Fleet Vehicle acquisitions and asset revaluations of land and buildings. The increase in State Fleet acquisitions was mainly due to the sourcing of the backlog of vehicles on order by agencies as a result of the vehicle supply chain issues.

	Variance note	Estimate 2024 ^(a) (\$000)	Actual 2024 (\$000)	Actual 2023 (\$000)	Variance between actual and estimate (\$000)	Variance between actual results for 2024 and 2023 (\$000)
Liabilities						
Current Liabilities						
Payables		81,898	92,187	79,898	10,289	12,289
Borrowings		6,761	7,277	7,014	516	263
Lease liabilities		195,491	216,625	206,995	21,134	9,630
Employee related provisions		27,446	31,758	28,885	4,312	2,873
Contract liabilities		31,641	24,507	27,593	(7,134)	(3,086)
Other provisions		7,481	7,171	8,253	(310)	(1,082)
Other current liabilities		4,986	5,781	5,227	795	554
Total Current Liabilities		355,704	385,306	363,865	29,602	21,441
Non-Current Liabilities						
Payables		-	297	297	297	-
Borrowings		52,868	53,600	53,326	732	274
Lease liabilities		1,393,754	1,451,008	1,477,302	57,254	(26,294)
Employee related provisions		5,556	7,100	6,130	1,544	970
Other provisions		2,531	2,805	1,616	274	1,189
Total Non-Current Liabilities		1,454,709	1,514,810	1,538,671	60,101	(23,861)
Total liabilities		1,810,413	1,900,116	1,902,536	89,703	(2,420)
Net Assets		1,326,466	1,411,378	1,258,692	84,912	152,686
Equity						
Contributed equity		1,150,404	1,086,106	1,036,506	(64,298)	49,600
Accumulated surplus/(deficit)		176,062	325,272	222,186	149,210	103,086
Total equity		1,326,466	1,411,378	1,258,692	84,912	152,686

(a) These estimates are published in the State Budget 2023-24, Budget Papers No.2 'Budget Statements'.

(b) Funds held in the Treasurer's special purpose account for meeting the 27th pay has been reclassified from Restricted cash and cash equivalents to Receivables for 2023.

10.1.3 Statement of cash flows variances

	Variance note	Estimate 2024 ^(a) (\$000)	Actual 2024 (\$000)	Actual 2023 (\$000)	Variance between actual and estimate (\$000)	Variance between actual results for 2024 and 2023 (\$000)
Cash flows from State Government						
Service appropriation		144,815	140,863	149,701	(3,952)	(8,838)
Capital appropriations	1	78,324	62,710	10,815	(15,614)	51,895
Funds from other public sector entities		1,461,724	1,410,527	1,377,556	(51,197)	32,971
Holding account drawdowns		540	540	540	-	-
Royalties for Regions Fund		106	55	77	(51)	(22)
Distribution to owners		(12,000)	(13,110)	(12,000)	(1,110)	(1,110)
Net cash provided by State Government		1,673,509	1,601,585	1,526,689	(71,924)	74,896
Cash flows from operating activities						
Payments						
Employee benefits		(151,011)	(146,176)	(133,323)	4,835	(12,853)
Supplies and services		(1,182,005)	(1,133,610)	(1,157,964)	48,395	24,354
Finance costs		(50,304)	(64,493)	(59,794)	(14,189)	(4,699)
Accommodation		(34,963)	(40,708)	(38,478)	(5,745)	(2,230)
Grants and subsidies		(6,301)	(15)	(17)	6,286	2
GST payments on purchases	2	(130,624)	(149,908)	(148,504)	(19,284)	(1,404)
GST payments to taxation authority		(3,234)	(7,576)	(5,025)	(4,342)	(2,551)
Other payments		(1,809)	(713)	(3,134)	1,096	2,421
Receipts						
Commonwealth grants		4,700	11,630	8,900	6,930	2,730
GST receipts on sales	3	122,090	148,433	144,369	26,343	4,064
GST receipts from taxation authority		12,374	6,007	8,720	(6,367)	(2,713)
Other receipts		11,499	9,712	7,936	(1,787)	1,776
Net cash provided by/(used in) operating activities		(1,409,588)	(1,367,417)	(1,376,314)	42,171	8,897

	Variance note	Estimate 2024 ^(a) (\$000)	Actual 2024 (\$000)	Actual 2023 (\$000)	Variance between actual and estimate (\$000)	Variance between actual results for 2024 and 2023 (\$000)
Net cash provided by/(used in) operating activities						
Cash flows from investing activities						
Payments						
Purchase of non-current assets	4	(177,909)	(134,255)	(97,426)	43,654	(36,829)
Receipts						
Proceeds from sale of non-current assets		47,369	36,227	33,687	(11,142)	2,540
Net cash provided by/(used in) investing activities		(130,540)	(98,028)	(63,739)	32,512	(34,289)
Cash flows from financing activities						
Payments						
Principal elements of lease payments		(153,046)	(163,705)	(159,416)	(10,659)	(4,289)
Payment to accrued salaries account ^(b)		-	(724)	(807)	(724)	83
Receipts						
Finance leases receipts		5,143	423	206	(4,720)	217
Receipts from lease incentives		8,308	17,552	9,810	9,244	7,742
Net cash provided by/(used in) financing activities		(139,595)	(146,454)	(150,207)	(6,859)	3,753
Net increase/(decrease) in cash and cash equivalents		(6,214)	(10,314)	(63,571)	(4,100)	53,257
Adjustment for the reclassification of accrued salaries account ^(b)		-	-	(2,202)	-	2,202
Cash and cash equivalents at the beginning of the period		161,246	146,908	212,681	(14,338)	(65,773)
Cash and cash equivalents at the end of the period		155,032	136,594	146,908	(18,438)	(10,314)

(a) These estimates are published in the State Budget 2023-24, Budget Papers No.2 'Budget Statements'.

(b) Funds held in the Treasurer's special purpose account for meeting the 27th pay has been reclassified from Restricted cash and cash equivalents to Receivables for 2023.

Major estimate and actual (2024) variance narratives

- 2) The 2024 actual is higher than the 2024 estimate mainly due to higher than forecast GST on payments to contractors.
- 3) The 2024 actual is higher than the 2024 estimate mainly due to higher than forecast GST on receipts from customers.
- 4) The 2024 actual is lower than the 2024 estimate due to lower than budgeted State Fleet Vehicle acquisitions. The 2024 actual State Fleet vehicle acquisitions were lower due to slower than expected easing of supply chain issues.

Major actual (2024) and comparative (2023) variance narratives

- 1) The 2024 actual is higher than the 2023 actual as it reflects an increase in the asset investment program as well as receipt of deferred 2023 appropriation of \$36.65m.
- 4) The 2024 actual is higher than the 2023 actual due to an increase in State Fleet Vehicle acquisitions. The higher 2024 actual was mainly due to the sourcing of the backlog of vehicles on order by agencies as a result of the vehicle supply chain issues.

10.2 Explanatory statement for administered Items

This explanatory section explains variations in the financial performance of the Department undertaking transactions that it does not control but has responsibility to the government for, as detailed in the administered schedules.

All variances between annual estimates and actual results for 2024, and between the actual results for 2024 and 2023 are shown below

Narratives are provided for major variances which are more than 10% of the comparative and which are more than 1% of the Total Administered Income in the comparative (i.e. 1% of \$18,065,686,000 for the current year and 1% of \$21,574,639,000 for the previous year in the table below).

	Variance note	Estimate 2024 ^(a) (\$000)	Actual 2024 (\$000)	Actual 2023 (\$000)	Variance between actual and estimate (\$000)	Variance between actual results for 2024 and 2023 (\$000)
INCOME FROM ADMINISTERED ITEMS						
Income						
Taxation						
Insurance duty		994,715	1,000,463	947,105	5,748	53,358
Land tax		842,455	845,525	786,707	3,070	58,818
Payroll tax		4,976,811	5,388,220	5,013,409	411,409	374,811
Transfer duty	1	1,849,553	2,579,916	2,115,307	730,363	464,609
Foreign Buyer Surcharge		23,068	32,880	29,423	9,812	3,457
Landholder duty	2	119,904	325,644	317,755	205,740	7,889
Vehicle licence duty		575,315	755,299	671,094	179,984	84,205
Other income ^(b)		275,711	285,766	277,163	10,055	8,603
Royalties	3	7,981,967	11,866,483	11,045,131	3,884,516	821,352
Other revenue						
Other revenue		39,700	38,402	39,262	(1,298)	(860)
Appropriations						
Administered grants and transfer payments ^(c)		283,382	201,454	226,679	(81,928)	(25,225)
<i>First Home Owners Grant Act 2000</i>		34,697	34,274	44,412	(423)	(10,138)
<i>Petroleum (Submerged Lands) Act 1982</i>		339	141	-	(198)	141
Collections raised on behalf of other agencies		68,069	63,341	61,192	(4,728)	2,149
Total administered income		18,065,686	23,417,808	21,574,639	5,352,122	1,843,169

	Variance note	Estimate 2024 ^(a) (\$000)	Actual 2024 (\$000)	Actual 2023 (\$000)	Variance between actual and estimate (\$000)	Variance between actual results for 2024 and 2023 (\$000)
Expenses						
Grants and subsidies						
Administered grants, subsidies and other transfer payments ^(c)		283,382	201,454	226,681	(81,928)	(25,227)
First Home Owners Scheme		34,697	34,274	44,412	(423)	(10,138)
<i>Petroleum (Submerged Lands) Act 1982</i>		339	141	-	(198)	141
Other expenses ^(d)	4	18,965,981	23,075,265	21,634,887	4,109,284	1,440,378
Collections transferred to other agencies		68,069	63,360	61,326	(4,709)	2,034
Total administered expenses		19,352,468	23,374,494	21,967,306	4,022,026	1,407,188

(a) These estimates were published in the 2023-24 State Budget, Budget Papers No.2 'Budget Statements'.

(b) Other taxes includes the Metropolitan Region Improvement Tax, Racing and Wagering Western Australia Tax, Other Duties and Commonwealth Mirror Taxes.

(c) Subsidies and Other Transfer Payments funded from this item, include Pensioner concessions for Local Government and Water rates and Refund of Past Years Revenue.

(d) This category relates to revenue collected by the Department that is then paid on to the Consolidated Account.

Major estimate and actual (2024) variance narratives

- 1) Transfer duty collections in 2024 were \$730 million higher than the estimate. Reflecting the very strong property market in 2023-24, the higher than expected outcome is primarily due to a sharper than expected rise in residential property prices which led to record levels of transfer duty, particularly in the second half of the year.
- 2) Landholder duty in 2024 was almost \$206 million higher than the estimate. This was largely due to a number of one-off very high value commercial landholder assessments issued over the year. The number and/or value of these high value commercial transactions tend to be infrequent and volatile within and between years.
- 3) Actual 2024 royalties were significantly higher than estimate, primarily due to higher than forecast iron ore prices, coupled with lower than forecast exchange rates. This was off-set by lower than forecast lithium (spodumene) and nickel prices.
- 4) Other expenses in 2024 were higher than estimate due to higher royalty and taxation collections.

Major actual (2024) and comparative (2023) variance narratives

- 1) Transfer duty in 2024 was almost \$465 million higher than in 2023, primarily due to a rise in residential property prices over the year reflecting very strong property market conditions during 2023-24.



Key Performance Indicators

Certification of
key performance indicators
Performance assessment



Certification of key performance indicators

For the year ended 30 June 2024

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 Finance’s performance, and fairly represent the performance of the Department for the financial year ended 30 June 2024.



Jodi Cant
Director General
August 2024

Performance assessment

Outcomes

The Government desired outcomes that the Department works to achieve through its services are:

Government goals	Desired outcomes	Services
Strong and Sustainable Finances: Responsible, achievable, affordable budget management.	1. Due and payable revenue is collected and eligible grants, subsidies and rebates paid.	Revenue assessment and collection, and grants and subsidies administration.
	2. Value for money from public sector procurement.	Development and management of common use contract arrangements, State Fleet leasing and disposal and providing facilitation service for agency specific contracts.
	3. Value for money from the management of the Government’s non-residential buildings and public works.	Leads the management of Government buildings including planning, project delivery, and maintenance thereof.

Measuring the performance

The Department of Finance measures its performance through statistical information and survey questionnaires. Statistical indicators are included to help report performance in both outcome and service areas. The use of in-house statistical data complements the survey-based results and adds scope and objectivity to the sources of information used in measuring our performance.

Corporate services to client agencies (previously Service 3 in 2023) has been permanently removed from the 2024 reporting year and the allocation of the associated costs have been distributed to the remaining existing services.

Key effectiveness indicators

RevenueWA

Outcome 1

Due and payable revenue is collected and eligible grants, subsidies and rebates paid.

The Department, through RevenueWA, administers a range of revenue laws on behalf of the Government. This involves the collection of revenue raised and payment of grants and subsidies under relevant legislation, as well as a number of administrative-based schemes.

These indicators for revenue collection provide a measure of the effectiveness of revenue collection and debt recovery processes and the accuracy of grant and subsidy payments. These are considered the key elements in the effective collection of revenue and processing of grants and subsidies.

Effectiveness 1.1		2023-24 Actual	2023-24 Budget	2022-23 Actual	2021-22 Actual
Debt as a percentage of revenue raised ^(a)	(%)	0.92 ⁽¹⁾	0.81	0.72	0.72

(a) This indicator is calculated by dividing the total outstanding debt on hand at 30 June by the total revenue raised for the year for all tax lines (land tax, duties, payroll tax, betting tax, insurance duty and other miscellaneous duties) and presented as a percentage.

(1) Despite an increase in revenue raised this was negatively impacted by one large duties debt and an increase in payroll tax insolvencies increasing the outstanding debt.

Effectiveness 1.2		2023-24 Actual	2023-24 Budget	2022-23 Actual	2021-22 Actual
Extent to which correct grants, subsidies and rebates are paid (b)	(%)	100	100	100	100

(b) This indicator measures the accuracy of the revenue assessment process by RevenueWA. This indicator is calculated by dividing the 'number of grants, subsidy and rebate payments correctly paid' by the 'number of grants, subsidy and rebate payments made during the year', and presented as a percentage. The percentages are then averaged to derive the KPI result. RevenueWA pays the following: Subsidies – Thermoregulatory, Life Support, Energy Concession Extension Scheme and Pensioner Concessions; Grants – First Home Owner, Home Builder and Building Bonus.

Key efficiency indicators

RevenueWA

Service 1

Revenue assessment and collection, and grants and subsidies administration.

This service involves assessing and collecting a range of statutory based revenue, including duties, land tax, payroll tax, betting tax and those that are collected on behalf of other agencies or other jurisdictions (for example, collection of a range of taxes for the Commonwealth in the Indian Ocean Territories). It also involves assessing and collecting minerals and petroleum royalties. The Department also assesses and pays a range of grants and subsidies under both statutory and administrative schemes.

The major payments relate to the First Home Owner Grant, Building Bonus as well as concessions on water rates, local government rates and the Emergency Services Levy for pensioners and seniors.

The indicators represent the total cost incurred to make a tax, duty, or royalties determination or determine the eligibility of a grant or subsidy application. These are considered the key elements in measuring the efficiency of the Department in performing this service.

Efficiency 1.1		2023-24 Actual	2023-24 Budget	2022-23 Actual	2021-22 Actual
Average cost per tax or duty determination ^{(a)(b)}	(\$)	33.72	34.18	33.35	30.51

(a) This indicator is used to measure the cost to produce a revenue determination across all major tax revenue lines administered by the Department. It is calculated by dividing the 'total operational costs relevant to the major revenue lines plus departmental overhead costs' by the 'total number of revenue determinations'.

(b) The 2021-22 and 2022-23 Actuals have been revised for comparability purposes to reflect changes to the Department's OBM Framework in 2023-24.

Efficiency 1.2		2023-24 Actual	2023-24 Budget	2022-23 Actual	2021-22 Actual
Average cost per grant or subsidy determination ^{(c)(d)}	(\$)	18.28 ⁽¹⁾	24.38	20.13	24.00

(c) This indicator is used to measure the cost to produce a single determination across all grant and subsidy lines administered by the Department. It is calculated by dividing the 'total grant and subsidy costs plus departmental overhead costs' by the 'total number of grant and subsidy determinations'.

(d) The 2021-22 and 2022-23 Actuals have been revised for comparability purposes to reflect changes to the Department's OBM Framework in 2023-24.

(1) Actual is lower than target and prior year primarily due to scaling down of administration of the resource intensive HomeBuilder and Building Bonus grants schemes.

Key effectiveness indicators

Advisory

Outcome 2

Value for money from public sector procurement

This outcome aims to deliver value-for-money procurement services and frameworks across the Western Australian public sector. Value-for-money is a key policy objective and ensures public authorities achieve the best possible outcome for the amount of money spent when purchasing goods and services.

Value-for-money from public sector procurement is considered effective if:

- (a) client agencies agree that Common Use Arrangements (CUAs) are awarded and managed on a value-for-money basis. This includes the value-for-money results from the fleet survey. State Fleet clients are surveyed annually using a similar value-for-money method to other CUAs and agency specific contract surveys;
- (b) client agencies agree that their contracts are awarded on a value-for-money basis;
- (c) economies of scale are achieved through the aggregation of the acquisition, fleet management and disposal activities related to the government's light vehicle fleet aimed at achieving a value-for-money outcome for the Government's fleet expenditure and revenue.

Effectiveness 2.1		2023-24 Actual	2023-24 Budget	2022-23 Actual	2021-22 Actual
Average annual vehicle net capital cost ^(a)					
Per passenger vehicle	(\$)	2,922 ⁽¹⁾	3,200	2,753	3,086
Per commercial vehicle	(\$)	3,577 ⁽²⁾	3,100	3,183	3,004

(a) This indicator measures the Department's effectiveness in minimising purchase prices and maximising sale proceeds, through proactive fleet and procurement management. Splitting the measure into two categories minimises fluctuations attributed to a greater or lesser ratio of replacements from either category, allowing for better year to year comparative assessments to be made.

(1) Passenger Vehicles - while a drop in resale values was anticipated, the actual drop was less than predicted - causing a positive variance between estimates and actuals.

(2) Commercial Vehicles - Average net capital cost for commercial vehicles were higher than target due to softer resale prices for vehicles as residual values return to the pre-COVID levels.

Effectiveness 2.2		2023-24 Actual	2023-24 Budget	2022-23 Actual	2021-22 Actual
Extent to which client agencies agree that their agency contracts and common use arrangements achieved value for money ^(b)	(%)	81 ⁽¹⁾	92	94	97

(b) This indicator is calculated by dividing the total number of satisfied responses by the total number of survey respondents for users of CUAs and clients of agency specific contracts. It is a measure of how effective the Department is at achieving value for money from public sector procurement.

(1) The actual percentage for this KPI is below target due to an increase in the number of neutral responses (neither satisfied nor dissatisfied) compared to previous years.

Key efficiency indicators

Advisory

Service 2

Development and management of Common Use Contract Arrangements, State Fleet leasing and disposal and providing facilitation service for agency specific contracts

The Department provides a whole-of-government approach to procurement that efficiently meets the business needs of government agencies, manages risk and delivers value-for-money.

In facilitating the development and management of client agency contracts, state fleet and common use contract arrangements (CUAs), the Department needs to effectively manage the cost of delivering this service which ensures agencies achieve value-for-money outcomes.

The Department is responsible for managing the State's vehicle fleet to ensure an efficient and effective use of government vehicles with particular focus on the delivery of a sustainable vehicle fleet. The indicator demonstrates the efficiency of managing the financing and administration of the Government's light vehicle fleet.

Efficiency 2.1		2023-24 Actual	2023-24 Budget	2022-23 Actual	2021-22 Actual
Cost of facilitating the development and management of agency specific contracts as a percentage of the contract award value ^(a)	(%)	0.93 ⁽¹⁾	1.1	1.0	1.0

(a) This indicator is used to measure how efficient the Department has been in facilitating the development and management of agency specific contracts. This indicator is calculated by dividing the total of direct and overhead costs for the service by the total value of contracts awarded through the Tenders WA system. Contracts valued greater than \$300 million are excluded from this measure.

(1) The 2023-24 Actual result is better than budget due to higher than anticipated value of contracts awarded.

Efficiency 2.2		2023-24 Actual	2023-24 Budget	2022-23 Actual	2021-22 Actual
Average administrative cost per vehicle for financing and managing the State Fleet service ^{(b) (c)}	(\$)	122	120	125	116

(b) This indicator measures State Fleet's administrative cost efficiency in financing and managing the leasing of government vehicles.

(c) The 2021-22 and 2022-23 Actuals have been revised for comparability purposes to reflect changes to the Department's OBM Framework in 2023-24.

Efficiency 2.3		2023-24 Actual	2023-24 Budget	2022-23 Actual	2021-22 Actual
Cost of developing and managing whole-of-government common use contract arrangements as a percentage of the total annual value of purchases through the arrangements ^(d)	(%)	0.8	0.8	0.8	0.8

(d) This indicator is calculated by dividing the total cost of managing common use contract arrangements by the total annual value of purchases through common use arrangements. It is used to measure how efficient the Department has been in developing and managing whole-of-government Common Use Contract Arrangements.

Key effectiveness indicators

Building and Contracts

Outcome 3

Value for money from the management of the Government's non residential buildings and public works

The Department provides a range of services to deliver the State Government's non-residential building program which include construction of Government non-residential buildings, management of major State construction projects, management of maintenance for Government buildings and management of the Government's office accommodation portfolio.

Effectiveness 3.1		2023-24 Actual	2023-24 Budget	2022-23 Actual	2021-22 Actual
Percentage of new buildings projects, valued over \$5 million, delivered within the approved budget ^(a)	(%)	100 ⁽¹⁾	100	100	100

(a) This indicator captures projects with an estimated total cost greater than \$5 million that reached handover in the financial year. A project is considered handed over when construction has reached practical completion and/or an occupancy permit has been issued (only for new buildings). The calculation compares the anticipated final cost for each project with its current approved budget. Achievement of projects on-budget is an important requirement for client agencies and is a key contributor to value-for-money outcomes.

(1) 30 of the 30 new building projects were delivered within the approved budget.

Effectiveness 3.2		2023-24 Actual	2023-24 Budget	2022-23 Actual	2021-22 Actual
Average office accommodation floor space per work point ^(b)	(m ²)	13.03	13.30	13.23	13.55

(b) This indicator refers to the average workspace density across the office accommodation portfolio and calculated at the whole-of-government level (excluding Parliamentary Electorate Offices and Ministerial suites). A work point includes a desk in open plan or an enclosed office or section of a counter or reception at which it would be reasonable to expect one person to carry out ongoing office work.

Key efficiency indicators

Building and Contracts

Service 3

Leads the Management of Government Buildings Including Planning, Project Delivery, and Maintenance Thereof

This service leads the planning, delivery and management of a property portfolio that supports the delivery of government services to the community including the delivery of new building works, maintenance programs for existing buildings and office accommodation.

Efficiency 3.1		2023-24 Actual	2023-24 Budget	2022-23 Actual	2021-22 Actual
Percentage of new buildings projects valued over \$5 million, delivered within the approved timeframes ^(a)	(%)	97 ⁽¹⁾	85	96	96

(a) This indicator measures the percentage of projects with current approved budgets greater than \$5 million that have been handed over to the client agency in the current financial year. A project is considered handed over when construction has reached practical completion and/or an occupancy permit has been issued (only for new buildings). The approved timeframe is the current approved handover date which is determined by adjusting the initial handover date by allowable variations to the scheduled due date.

(1) 29 of the 30 new building projects were delivered by the approved handover date.

Efficiency 3.2		2023-24 Actual	2023-24 Budget	2022-23 Actual	2021-22 Actual
Percentage of high priority breakdown repairs completed within agreed timeframes ^(b)	(%)	68 ⁽²⁾	75	68	72

(b) This indicator measures the percentage of high priority breakdown repairs attended to within the approved timeframe across the State. Timeframes are determined in accordance with the relevant maintenance frameworks. High priority breakdowns are more time-critical and typically include breakdowns or failures that have an immediate adverse effect on the security, safety and/or health of occupants.

(2) The result is lower than budget as a result of market constraints including labour shortages, supply chain disruptions and difficulties in gaining access to restricted facilities.

Efficiency 3.3		2023-24 Actual	2023-24 Budget	2022-23 Actual	2021-22 Actual
The cost of managing government buildings including the planning, project delivery, and maintenance thereof, as a percentage of services delivered ^{(c) (d)}	(%)	7.50	7.86	8.17	8.74

(c) This indicator measures the costs of delivering the Department's Building and Contracts services as a percentage of the Works Program Turnover (WPT) costs. WPT costs include total costs for capital works and maintenance, less depreciation, amortisation, finance and recouped salaries costs plus agency recoverable rent and variable outgoings for office accommodation services.

(d) The 2021-22 and 2022-23 Actuals have been revised for comparability purposes to reflect changes to the Department's OBM Framework in 2023-24.

Other Statutory Information

Ministerial directions
Other legal requirements
Government policy requirements



Ministerial directions

No Ministerial directives were received during the financial year.

Other legal requirements

Unauthorised use of credit cards

We use corporate credit cards as a purchasing tool to reduce the cost of invoice payments. There is a strong control framework in place to support the use of purchasing cards including supervisor approval of all staff transactions.

Processes are in place to ensure the early detection of inadvertent/accidental personal misuse of purchasing cards, and timely repayment of associated costs.

The total credit card expenses for Finance this financial year accumulated to \$2.4 million of which \$586.45 was identified as not related to departmental operations. These transactions were inadvertently made by eleven employees.

The matters were not referred for disciplinary action as the Chief Finance Officer noted prompt advice and settlement of the personal use amount, and that the nature of the expenditure was immaterial and characteristic of an honest mistake. The total amount represents 0.02 per cent of our total purchasing card transactions completed during the financial year.

Measure	2023-24
Number of instances a government purchasing card has been used for personal use	21
Aggregate amount of personal use expenditure for the reporting period	\$586.45
Aggregate amount of personal use expenditure settled by the due date (within 5 working days)	\$407.76
Aggregate amount of personal use expenditure settled after the period	\$178.69
Aggregate amount of personal use expenditure outstanding at balance date	0

Act of Grace payments

No Act of Grace payments were made in the financial year.

Advertising, market research, polling and direct mail

In accordance with section 175ZE of *The Electoral Act 1907*, Finance incurred the following expenditure.

Agency/Organisation	Amount \$
Advertising Agencies	
Department of the Premier and Cabinet (State Law Publisher)	414
Indigenous Employment Pty Ltd	916
Initiative Media Australia Pty Ltd	25,920
Linkedin	10,100
The Field Jobs Trading Pty Ltd	364
iWork	1,000
YourMembership	177
Koori Mail	200
Market Research Organisations	
Thinkfield	44,583
Polling Organisations	nil
Direct Mail Organisations	nil
Media Advertising Organisations	nil
Total Expenditure	83,674

Disability Access and Inclusion Plan outcomes

Our Disability Access and Inclusion Plan (DAIP) 2023-27, aligns with our Diversity and Inclusion Strategy 2022-25. It supports our commitment to building an inclusive culture, where people with disability have equal opportunities to access our services and employment and supporting our diverse community.

The DAIP committee meets regularly to review progress and identify new initiatives that drive access and inclusion across Finance.

During 2023-24 we:

- Celebrated the 2023 International Day of People with Disability by hosting an event where more than 80 staff participated in activities to promote understanding of challenges of people living with disability.
- Completed a 12-month partnership with disability employment services provider Job Access, reviewing and implementing improvements in recruitment processes to attract people with disability, to deliver disability awareness training for staff and provide continuing progress in the equality of services for our staff and customers.
- Implemented a Corporate Executive approved targeted diversity recruitment strategy intended to improve employment diversity and equity at Finance. Several targeted recruitment processes were undertaken, and progress is actively monitored.
- Added improvements to our printers in regional offices to increase text size and contrast on monitors to assist staff with vision impairment.
- Promoted the WA Social Procurement Framework, which prioritises the WA Government's social, economic and environment policies through procurement.



Compliance with Public Sector Standards and ethical codes

We continued our strong record of complying with Public Sector Standards and the Public Sector Code of Ethics.

During the 2023-24 financial year, we bolstered staff understanding of our Code of Conduct by rolling out refreshed Accountability and Ethical Decision Making training through online learning and introduced new case scenarios into the training. We maximised the effectiveness of training by tailoring content for new and existing employees and providing relevant case studies.

To ensure that recruitment processes comply with Public Sector Standards we provided proactive guidance to managers and staff, which included undertaking targeted recruitment activities focusing on improving diversity in our workforce. We successfully completed 106 recruitment processes, from which 4,661 applications were received.

Three Breach of Standard claims relating to the Employment Standard were received during the financial year. These claims were considered with one claim resolved internally and the other two claims referred to the Public Sector Commission.

No formal grievances were reported during the financial year and two outstanding grievances from the previous financial year were finalised. Two cases of non-compliance with Code of Ethics/Code of Conduct were reported and investigated. One was resolved and one remains ongoing.

We satisfy legislative requirements through the maintenance of departmental policies, procedures and guidelines. We reviewed the Code of Conduct in mid-2023 to align with the newly released Commissioner's Instruction 40: Ethical Foundations.



Recordkeeping plans

Good recordkeeping continues to be vital for the ongoing management and protection of records within our agency. Following the successful completion of our M365 pilot we have embarked on the next phase which will see the upgrade of our existing recordkeeping system. This upgrade will shape the way we manage the information we collect, use, and distribute to our customers and enhance our holistic approach to recordkeeping.

We have continued to advance our digitisation program of works, progressively digitising our historical collection of construction records which includes infrastructure assets built across the State. This initiative improves accessibility and provides greater insight into our information assets, and further protects our construction history.

We have been preparing for the introduction of the Privacy and Responsible Information Sharing (PRIS) legislation and expanding our pilot information security classification labelling.

In addition, we are building a comprehensive Information Asset Register that will realise the scope and value of our information holdings and further enhance the protection of this asset.

Recordkeeping training

Our online training module for recordkeeping was transformed in 2023 and provides a contemporary approach to recordkeeping awareness and obligations. This module is complemented by user guides that are currently being refreshed to align with our upgraded recordkeeping system. Regional and metropolitan staff also have access to our recordkeeping training and user guides.

Agency Capability Review

Since the release of the Agency Capability Review report from the Public Sector Commission in 2023, Finance has made substantial progress in addressing the inquiries raised.

We will continue to progress improvements in accordance with our Agency Capability Review Commitment Statement and the Opportunities for Improvement Action Plan.



Workforce diversification and inclusion

We are committed to providing a positive work environment where our diversity is celebrated, and inclusion is a focus for everyone.

Finance provides services to Western Australians, whatever their age, cultural background or personal circumstances. The diversity of our workforce is crucial if we are to provide effective services. It's what allows us to connect with our customers and our colleagues at work. It helps us see different perspectives and create new and innovative ways of providing excellent customer service to the WA community.

In 2023, Finance participated in the WA Public Sector Census Survey. Pleasingly, the results from the survey showed that 82.8 per cent of employees would recommend Finance as a place to work. With our results nearly 13 per cent higher than the WA public sector, it reinforces our commitment to become the best place to work with a culture that is inclusive, values diversity and encourages staff to thrive.

Insights into the level of workplace trust, psychological safety and inclusion employees feel at Finance can be indicated by whether employees are willing to share their diversity information with their agency and, if not, the reason for not sharing.

Our safe to share results varied among the different diversity groups, ranging from 0 per cent to 30 per cent not willing to share with reasons including not wanting to be the spokesperson, they do not need workplace adjustments, and that their disability does not impact their ability to undertake the role.

Reviewing the agency insights provided in the Census, we identified that our workforce enjoys the flexible work conditions, their job and interesting work and the work/life balance we offer.

Our 2023 People Engagement survey results informed initiatives on how we could engage and create a more inclusive workplace. A number of initiatives are underway, including unconscious bias training for hiring managers, celebrating diversity and supporting staff and managers to build their understanding, empathy and connection with others.

We also actively encourage and promote discussions in team meetings, including celebrating our strengths and areas where teams could contribute to improvements.



Government policy requirements

Public Sector Commissioner's WHS performance requirements

Measures	Results - Base year 2021-2022	Results - Prior year 2022-2023	Results - Current reporting year 2023-2024	Targets	Comments about targets
Number of fatalities	0	0	0	0	Target achieved
Lost time injury and disease incidence rate	2	1	1	0 or 10% reduction in incidence rate	Target achieved
Lost time injury and severity rate	50.00	100.00	0.00	0 or 10% reduction in severity rate	Target achieved
Percentage of injured workers returned to work (i) within 13 weeks	100%	100%	N/A	100%	Target achieved*
Percentage of injured workers returned to work (ii) within 26 weeks	100%	80%	N/A	Greater than or equal to 80%	Target achieved*
Percentage of managers trained in work health and safety injury management responsibilities, including refresher training within 3 years	81%	68%	79%	Greater than or equal to 80%	Target not achieved due to new managers being onboarded in late Q4. Renewed focus for 2024-25.

*Nil workers compensation claims lodged during current reporting year.

Workplace health, safety and injury management

We are committed to providing and maintaining safe and healthy, physically and psychologically, working environments for our workers.

Underpinned by our Work Health and Safety Commitment Statement, we continue to mature our safety management system framework by building a safety culture founded on strong safety leadership, consultation and communication with our workers. We manage shared safety responsibilities with other agencies and persons conducting a business or undertaking (PCBUs) to ensure risk is managed, so far as is reasonably practicable, to prevent harm and injury in the workplace.

During the year, this included:

- Maintenance revision of the Risk Management Framework and Risk Appetite Statement with respect to the agency's tolerance for WHS incidents.
- Reporting and investigating WHS incidents, including notifiable incidents to the regulator.
- Maintaining corporate and directorate policies and procedures, with a view to continuously improving WHS documentation and systems of work.
- Consulting and communicating with our workforce through quarterly meetings of the WHS Committee consisting of representatives from Corporate Executive (including the Director General), directorates, management and elected health and safety representatives.
- Ensuring our staff undertake mandatory training and refresher training for WHS, psychosocial hazards and workplace behaviour, including providing WHS training to 113 managers across 22 training sessions.

WHS in the workplace

We continue to implement WHS controls in our workplaces to manage risk and compliance with legislative requirements, including:

- Developing and conducting 12 risk assessments to identify, analyse, and evaluate potential risk to facilitate effective risk management strategies.
- Providing injury management and return to work assistance for work and non-work-related injuries or illness for 65 workers.
- Conducting 32 workstation and office ergonomic assessments, including an assessment of a regional office.
- Continuing to ensure staff working from home have a safe and ergonomic workstation through education and advice.
- A health and wellbeing program featuring health assessments, wellbeing seminars, and voluntary annual flu vaccinations. In 2023-24, 364 staff received their flu vaccination through our onsite vaccination and voucher program and 43 articles were published on the intranet promoting health and wellbeing awareness and program activities.
- Having a network of 17 health and safety representatives available across our work locations. They conducted 29 site inspections, consulted with staff on WHS matters and participated in quarterly WHS Committee meetings.
- Supporting 28 first aid officers to provide immediate responses to injured or ill staff in our work locations. In addition, first aid procedures and equipment are available to staff.
- Providing training and support to 20 metropolitan emergency wardens in accordance with state laws, including shared responsibilities with other government agencies and carrying out emergency drills across work locations.

Work Health and Safety Uplift Project

In 2023-24, we launched a department-wide Work Health and Safety Uplift Project to improve safety culture, processes, and systems to enhance statutory compliance.

It is expected to run over two years with the objectives of improving the health and safety of our workers, including contractors and others who work with us, and to meet statutory requirements under the *Work Health and Safety Act 2020* and supporting legislation.

Employee Assistance Program (EAP)

We actively support our staff to use the EAP to access professional counselling for work, personal and family issues. The service also offers evidence-based health and wellbeing resources to improve emotional, mental and general health of our staff.

In 2023-24, there were 110 new referrals and 244 hours of EAP used. This represents a 11 per cent increase of new referrals from the previous year.

We recognise that our managers play an important role in supporting a healthy workplace and, in turn, need support to be effective. During the year, we promoted the benefits to our managers of engaging with the Manager Assistance Program to support strategies for those faced with people-related issues.

Board and committee remuneration

In 2023-24, Finance had no board or committee remuneration costs.

National Strategic Plan for Asbestos Awareness and Management (NSPAAM) 2019-23

The NSPAAM aims to eliminate asbestos-related diseases in Australia by preventing exposure to asbestos fibres.

The WA Government endorsed targets one to seven of the NSPAAM to identify and, if required, safely remove asbestos from publicly owned buildings.

Finance needs to report against targets one, two, three, and seven for NSPAAM 2019–23. All other targets are not applicable and are the responsibility of either the Department of Energy, Mines, Industry Regulation and Safety (DEMIRS) and/or the Commonwealth government. Finance has reported progress against NSPAAM 2019–23 targets.

The report is based on the Minister for Works (MfW) portfolio of government-owned buildings managed by Finance and outlined our progress against the relevant targets.

The MfW portfolio contains Asbestos Containing Material (ACM). The ACM for all buildings is low risk. We maintain risk-based plans for the management of ACM and, where practicable, removal is planned during refurbishment or upgrade works.

WA Multicultural Policy Framework

Our Multicultural Framework 2021–2025 includes strategies and an action plan that support our ongoing commitment to actively contribute to facilitating an inclusive workplace for all people from culturally and linguistically diverse backgrounds.

As at March 2024, our Public Sector Commission quarterly profile indicates that 28.2 per cent of Finance staff identify as having culturally and linguistically diverse backgrounds. Our culturally and linguistically diverse workforce continues to exceed the WA Public Sector Commission's employment target (15.5 per cent by 2025).

During the 2023-24, our achievements included:

- Continuation of the annual membership with Diversity Council Australia. Membership provides our staff with access to research, programs, events, training and expert advice. Upcoming awareness of events are communicated to staff.
- Corporate Executive approved Equity Index aspirational targets across Finance to ensure relevant diversity groups are increasingly represented in mid to high level salary groupings. This initiative presents an opportunity to identify gaps in recruitment or internal promotion opportunities for staff within the diversity groups.
- Published diversity and inclusion calendar of events, where we can acknowledge and celebrate a variety of local, national and international days of celebration. This initiative continues to promote increased awareness of and celebrate the benefits of an inclusive culture.
- A review of the Substantive Equality Policy to determine if it remained relevant, up to date, and useful, compelling information for staff. The review recommended to combine the Substantive Equality Policy and the Equal Opportunity and Diversity Policy to provide clarity and support better understanding and implementation for staff across Finance.

Image credits

Finance staff feature in photos in this annual report.

Image credits with no photographer attribution have been supplied by Finance and other agency staff.

Front cover

Finance staff. Photos: Luke Riley Creative and Miles Noel

Page 1

Aerial view of Rat Island, part of the Easter Group of the Houtman Abrolhos.

Page 2

Jodi Cant, Director General, Department of Finance. Photo: Miles Noel

Page 5

Finance staff. Photo: Luke Riley Creative

Page 6

Ridge View Secondary College. Photo: Ryan North

Page 7

Finance staff. Photo: SoCo Studios

Page 8

Finance staff. Photo: Luke Riley Creative

Page 10

Minister for Finance and Finance Corporate Executive. Photos: Miles Noel

Page 12

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Page 15

Finance staff. Photo: Luke Riley Creative

Page 17, 18

Aboriginal Procurement Policy artwork. © Yirrakurl

Page 20

Nirrumbuk Aboriginal Corporation and Department of Communities staff at Nyirrwa Murrurlai facility in Broome.

Photo courtesy Nirrumbuk and Department of Communities

Page 22

Staff from Activ Timber, Bunbury. Photo: Bianca Turri

Page 24

Finance staff.

Page 30

Stock image. Photo: Shutterstock

Page 32

Charging of an electric vehicle. Photo: Shutterstock

Page 29

Finance staff. Photo: Luke Riley Creative

Page 30

Top: The Hon David Templeman MLA, The Hon Rita Saffiotti MLA and The Hon Roger Cook MLA with Home Fire CEO Howard Cearns turning the sod at the Perth Film Studios.

Lower: Artist impression of the Perth Film Studios.

Images courtesy Department of Local Government, Sport and Cultural Industries

Page 31

Top: Heath worker. Photo: Shutterstock

Lower left: Artist impression of Geraldton Health Campus.

Lower right: Site works at the Perth Film Studios. Image courtesy Department of Local Government, Sport and Cultural Industries

Page 32

Halls Creek District High School.

Page 33

Finance staff discussing the launch of the Pipeline of Works. Photo: Luke Riley Creative

Page 34

Construction worker on the Perth Zoo redevelopment project. Photo: SoCo Studios

Page 35

Minister for Finance the Hon Sue Ellery MLC and Jodi Cant, with winners of the Annual Supplier Performance Awards.

Page 36

Sir Charles Gairdner Hospital Upgrades to Catheter Laboratories and Interventional Radiology Rooms.

Page 37

Pinjarra Senior High School. Image courtesy Department of Education. Photo: Luke Schmidt

Page 38

Scarborough Primary School. Artist: Paula Hart. Architect: Site Architecture Studio. Photo: Tony Harrison and Dion Robeson

Page 39

Dianella Senior High School. Image courtesy Department of Education. Photo: Matt Biocich

Page 40

John Forrest Secondary College. Image supplied by Department of Education. Artist: Kamsani Bin Salleh, Mark Datodi,

and students from JFSC Years 7 -12. Architect: Taylor Robinson Chaney Broderick (TRCB). Photo: Mark Datodi

Page 41

Armadale Courthouse and Police Complex.

Page 42

Top: John Forrest Secondary College redevelopment. Image supplied by Department of Education. Architect: Taylor Robinson Chaney Broderick (TRCB). Artist: Kamsani Bin Salleh, Mark Datodi, and students from JFSC Years 7 - 12. Photo: Brian Smyth, Sitevisuals

Lower: Geraldton maritime training vessel upgrade project.

Page 43

Perth Zoo café, function centre and playground redevelopment. Photo: SoCo Studios

Page 44

Top: Kununurra Police Station upgrades.

Lower: Rat Island jetty.

Page 45

Finance staff. Photo: Miles Noel

Page 46

The Hon Roger Cook MLA, Premier of WA, at the opening of the Canberra Hub. Image courtesy Department of the Premier and Cabinet. Photo: Doug Hall

Page 47

Parliamentary Precinct meeting room. Photo: Matt Biocich

Page 48

Top: State Operations Command Centre and State Health Operations Centre. Image courtesy WA Police

Lower: 1 Midland Square. Photo: Anthea Auld

Page 51

Top: Construction Training Fund mentor working with a student. Image courtesy Construction Training Fund

Lower: DFES emergency app. Image courtesy Department of Fire and Emergency Services

Page 52

Storage services for The State Art Collection, The Art Gallery of Western Australia. Image courtesy of AGWA

Page 53

Stock image. Photo: Shutterstock

Page 54

Top: Stock image, Shutterstock

Lower: Western Australia Police Force vehicle under construction.

Page 55

ADCO Construction workers at the Fremantle Mental Health Unit work site.

Page 56

Department of Finance, South Metropolitan Health Service, ADCO Construction and consultant teams at the Fremantle Mental Health Unit work site.

Page 59

Finance staff. Photo: Luke Riley Creative

Page 62

Finance staff looking at Service WA app. Photo: Miles Noel

Page 64

Top: Gry Stene presenting at Finance's innovation event for World Creativity and Innovation Day.

Lower: Finance staff contributing to the Containers for Change program.

Page 65

Finance staff.

Page 66

Finance staff. Photo: Luke Riley Creative

Page 67

Finance staff. Photo: Luke Riley Creative

Page 68

Finance staff. Photo: SoCo Studios

Page 69

Top: Finance staff at a Harmony Week morning tea.

Lower: Lacey Filipich presenting at Finance's International Women's Day event.

Page 70

Finance staff with Whadjuk Noongar elder Steve Jacobs for Reconciliation Week walk.

Page 71

Finance staff. Photo: Miles Noel

Page 72

Finance's 2024 graduates.

Page 73

Top: Leanne McDonnell and Geoff Gilbert at the IPAA Achievement Awards.

Lower: Graduate Paula Della Gatta and Phillip Gresley, Director of Gresley Abas Architects at the EG Cohen Medal for Architecture.

Page 74

Bob Hawke College Stage 2. Artist: Dr. Jon Tarry, Sharyn Egan, James Morton. Architect: Hassell

Page 78

Finance staff. Photo: Miles Noel

Page 82

Finance staff. Photo: Miles Noel

Page 151

Australind Senior High School. Architect: Kent Lyon Architect Artist: Alex and Nicole Mickle (Safehaven Studios)

Page 159

Finance staff. Photo: Miles Noel

Page 162

Activ Timber Bunbury. Photo: Bianca Turri

Page 163

Finance staff. Photo: Miles Noel

Page 164

Finance staff. Photo: Miles Noel

Page 165

Finance staff. Photo: Miles Noel

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