

DEPARTMENT OF CULTURE AND THE ARTS

2005-2006 ANNUAL REPORT



Department of Culture and the Arts
Government of Western Australia

LETTER TO THE MINISTER	1
DIRECTOR GENERAL'S REVIEW	2
PROFILE OF THE DEPARTMENT OF CULTURE AND THE ARTS	4
STRATEGIC DIRECTION.....	4
<i>Vision</i>	5
<i>Mission</i>	5
<i>Strategic Objectives</i>	5
FUNCTIONS	5
OUTCOMES	7
STRUCTURE.....	9
<i>Office of the Director General</i>	9
<i>Profiles of Directorates</i>	9
ACHIEVEMENTS, CHALLENGES AND ISSUES	11
REPORT ON OPERATIONS.....	13
GOAL 1: PEOPLE AND COMMUNITIES	13
<i>New Performing Arts Venue</i>	13
<i>Upgrade of Facilities</i>	14
<i>Creative Connections: An Arts in Education Partnership Framework</i>	15
<i>Arts and Culture Monitor</i>	15
<i>Information and Resource Centre</i>	16
<i>Triennial and Multiyear Funded Arts Organisations</i>	16
<i>Business Arts Development</i>	17
<i>Contemporary Music</i>	17
<i>Designer Fashion</i>	19
<i>Indigenous Arts</i>	20
<i>Visual Arts and Crafts</i>	21
<i>Writing</i>	21
<i>Performing Arts</i>	21
<i>Multi-arts</i>	22
<i>Artflight</i>	22
<i>Cultural Tourism Strategy</i>	22
GOAL 2: THE ECONOMY	23
<i>Performing Arts Tours to China</i>	23
<i>Community Ethnic Media Grants</i>	24
<i>Community Cultural and Arts Facilities Fund</i>	24

2005-2006 ANNUAL REPORT

<i>Creative Industries</i>	25
<i>Indigenous Intellectual Property Toolkit</i>	26
<i>Arts Grants</i>	26
<i>State Arts Sponsorship Scheme Awards</i>	27
GOAL 3: THE ENVIRONMENT	28
<i>Percent for Art Scheme</i>	28
<i>Sound Attenuation Support Program</i>	29
GOAL 4: THE REGIONS	29
<i>Parliamentary Inquiry into Regional Arts</i>	29
<i>Regional Infrastructure</i>	30
<i>Geraldton Regional Hub Case Study</i>	30
<i>Office for Children and Youth – Youth Spaces and Facilities Fund</i>	31
<i>Partnerships</i>	31
<i>Regional Development</i>	31
GOAL 5: GOVERNANCE	32
<i>Culture and Arts Portfolio Legislation</i>	32
<i>Office of Shared Services</i>	33
<i>Management of Government Records</i>	33
<i>Indian Ocean Territory Service Delivery Arrangement</i>	35
<i>Community Insurance Fund</i>	36
<i>Government Art and Cultural Heritage Collection Database</i>	36
<i>Cultural Ministers’ Council</i>	36
<i>Contribution to Whole of Government Projects</i>	36
<i>Ministerial Services</i>	37
<i>Audit</i>	38
<i>Risk Management</i>	38
<i>Managing Our People</i>	39
<i>Information Services</i>	41
<i>Property Development and Management Services</i>	41
<i>Procurement</i>	41
<i>Financial Services</i>	41
OBLIGATORY REPORTING - COMPLIANCE REPORTS	43
STATEMENT OF COMPLIANCE	43
REGIONAL DEVELOPMENT POLICY	45
YOUTH OUTCOMES	45
DISABILITY ACCESS AND INCLUSION PLAN OUTCOMES	45
SUBSTANTIVE EQUALITY	47
CULTURAL DIVERSITY AND LANGUAGE SERVICE OUTCOMES	47

2005-2006 ANNUAL REPORT

SUSTAINABILITY	48
ENERGY SMART GOVERNMENT POLICY	49
WASTE PAPER RECYCLING	51
CORRUPTION PREVENTION.....	52
INTERESTS OF SENIOR OFFICERS	52
PUBLIC INTEREST DISCLOSURES.....	52
INFORMATION STATEMENT	53
RECORDKEEPING PLANS.....	53
<i>State Records Office Recordkeeping Plan</i>	53
EQUAL EMPLOYMENT OPPORTUNITY OUTCOMES	54
COMPLIANCE WITH PUBLIC SECTOR STANDARDS AND ETHICAL CODES	55
EVALUATIONS.....	55
OPINION OF THE AUDITOR GENERAL.....	56
FINANCIAL STATEMENTS.....	57
CERTIFICATION OF FINANCIAL STATEMENTS.....	57
FINANCIAL STATEMENTS	58
NOTES TO THE FINANCIAL STATEMENTS	64
PERFORMANCE INDICATORS	91
CERTIFICATION OF PERFORMANCE INDICATORS.....	91
KEY PERFORMANCE INDICATORS.....	92
<i>Effectiveness Indicators 2005-2006</i>	92
<i>Efficiency Indicators 2005-2006</i>	100
APPENDICES	103
PUBLICATIONS AVAILABLE TO THE PUBLIC.....	103

LETTER TO THE MINISTER

Hon Sheila M^cHale MLA

Minister responsible for the Department of Culture and the Arts

Dear Minister

In accordance with Section 66 of the *Financial Administration and Audit Act 1985*, I am pleased to submit, for your information and presentation to Parliament, the Annual Report of the Department of Culture and the Arts for the year ending 30 June 2006.

This report has been prepared in accordance with the provisions of the *Financial Administration and Audit Act 1985*.



Alastair Bryant
Director General
29 August 2006

DIRECTOR GENERAL'S REVIEW

I am pleased to present the report on the operations of the Department of Culture and the Arts for the 2005-06 financial year. The report highlights the achievements of the Department over the past year and attests to our compliance with statutory requirements and Government policy.

Importantly, we must recognise that it is the people within the Department who through their collective efforts have delivered the results reflected in this report. In total, some 152 people have worked directly in the Department of Culture and the Arts and a further 661, whilst employed by the Director General, have been deployed in the various organisations of the portfolio. I wish to record my sincere thanks for the contribution each and every one has made to the outputs and outcomes of the culture and arts portfolio. Details of the portfolio organisations' achievements are contained in the individual reports of those agencies and the report of the State Records Commission, reflecting the efforts of the State Records Office which is a division of the Department of Culture and the Arts.

In serving the Government of Western Australia, I wish to thank Sheila M^cHale, the Minister for Culture and the Arts, for her wisdom, support and guidance, in our delivery of culture and arts services to the people of Western Australia.

An improvement in the infrastructure for the performing arts has been enormous over the past year and will continue to improve with the development of the new performing arts venue scheduled for completion by December 2008. This new venue, along with the refurbishment to the Blue Room and the Subiaco Arts Centre, goes a long way to improving facilities for our performing arts community.

In reporting the highlights of the year, we often overlook the day to day operations of the Department which provide the basic services and funding for the arts, and I recognise those people here. Similarly, the support of the staff who provide those services through our Corporate Services area should not be forgotten, to our Payroll and HR people, along with the Financial Services and Information Services we also say thank you. It should be recognised that the move to the Office of Shared Services has created an additional level of complexity in the past year, and it is a tribute to all involved that we are well placed for a smooth and seamless transition to the centralised Office of Shared Services.

The Department has a clear strategic direction, endorsed by the Minister, and will be delivering that vision over the next few years. Each year the intensity and activity of our work increases and we look forward to making a more significant contribution in the years ahead.

A handwritten signature in black ink, appearing to read 'Alastair Bryant', written in a cursive style.

Alastair Bryant
Director General

PROFILE OF THE DEPARTMENT OF CULTURE AND THE ARTS

The Department of the Arts was established under the *Public Service Act 1978* on 1 July 1986 subsequent to the repeal of the *Western Australian Arts Council Act*. On 20 May 1997 the name was changed to the Ministry of Culture and the Arts under the *Public Sector Management Act 1994*. On 1 July 2001 the name was redesignated to Department of Culture and the Arts (DCA) under Section 35 of the *Public Sector Management Act 1994* as a result of the Machinery of Government (review).

The Department forms the culture and arts portfolio with the five following organisations:

- the Art Gallery of Western Australia (a statutory authority)
- the State Library of Western Australia (a statutory authority)
- the Western Australian Museum (a statutory authority)
- the Perth Theatre Trust (a statutory authority)
- ScreenWest Incorporated (an incorporated association).

The Department also provides support to the Swan Bells Belltower, which is managed by a Foundation. The portfolio organisations and the Swan Bells Belltower each have a statutory requirement to produce a separate Annual Report.

STRATEGIC DIRECTION

The Department finalised a strategic plan - *Direction Statement 2005–2008* - during the year.

The Direction Statement is a practical but high level blueprint which provides the guiding philosophy and direction for the Department. A new Departmental vision, mission and strategic objectives have resulted from this work. The Minister endorsed the Statement in September 2005.

Although the operations in the Direction Statement only apply to the Department, the delivery of its strategies and activities has an influence on all portfolio organisations and on the culture and arts sector.

Vision

The Department's vision is:

Western Australia: A creative community that participates in and values culture and the arts as essential to our well-being

Mission

The Department's mission is:

Guiding the delivery of culture and the arts for Western Australia.

Strategic Objectives

The Direction Statement identifies five strategic objectives that support the achievement of the Department's vision and mission:

- encourage and support a vibrant and sustainable culture and arts sector
- foster an environment in which culture and arts are recognised and valued as essential to community well-being
- deliver and maintain infrastructure to sustain culture and arts
- develop a strong and coordinated culture and arts portfolio that strengthens and supports the delivery of Government objectives
- develop a highly skilled, motivated and flexible workforce.

FUNCTIONS

In 2005-06, the Department had four major functions, each with a number of strategies, to help it achieve its outcome.

Leadership and advocacy – assisting the Minister with setting the strategic direction for culture and the arts in the State and promoting the value and benefits to the community.

This includes:

- capital planning and provision of arts facilities
- undertaking research, developing and implementing arts and culture policy and aligning the functions of the organisations in the culture and the arts portfolio with Government priorities and outcomes and the arts and culture principles

- setting up strategic partnerships to explore the potential for arts and culture in the community.

Funding and development – supporting the development of the arts sector in Western Australia:

- administration of an arts grants program for funding of arts projects, programs and base funding for the operations of key arts sector organisations
- arts policy development, advocacy, publications and partnerships
- business development support including the development, publication and implementation of good practice management guidelines and the conduct of operational, financial and artistic reviews.

Administering the *State Records Act 2000*

- advising Government organisations on recordkeeping and assisting with associated staff training
- advising Government organisations on the preparation of and compliance with recordkeeping plans
- creating and maintaining a register of State archives
- providing access to and information about unrestricted State archives in the State archives collection, along with facilities and services to enable their effective use
- providing advice and assistance to the State Records Commission
- reporting to the State Records Commission on the operation of the Act and on breaches or suspected breaches of the Act.

Resourcing and administrative support – for the organisations of the culture and the arts portfolio in the delivery of their services and outcomes:

- provision of shared corporate services to the culture and the arts portfolio, enabling them to access expert strategic advice and benefit from shared resourcing
- acting as the main contact point to and from the Minister, adding value to Ministerial communications and providing a main point of contact for the Minister through the Director General
- providing issues management and strategic communications advice and services

- coordinating and implementing Machinery of Government reforms across the culture and the arts portfolio and assisting all portfolio organisations with effective corporate governance.

OUTCOMES

The approved Government desired outcome for the Department is:

A community that is informed of, and has access to, a diverse range of innovative ideas, knowledge and cultural experiences.

During the year a revised Outcome and Performance Indicator Structure was drafted in consultation with the portfolio organisations, Department of Treasury and Finance and the Office of the Auditor General. The purpose of the new Outcome Structure is to provide, for the first time, a portfolio wide outcome and performance indicator structure that reflects the new Direction Statement and aligns more closely with the State Strategic Plan (which itself is under review). Before becoming operational the revised Structure must be endorsed by the Minister and the Department of Treasury and Finance Outcome Structure Review Group then approved by the Under Treasurer. This is expected to occur during 2006-07.

The proposed outcomes for the portfolio are:

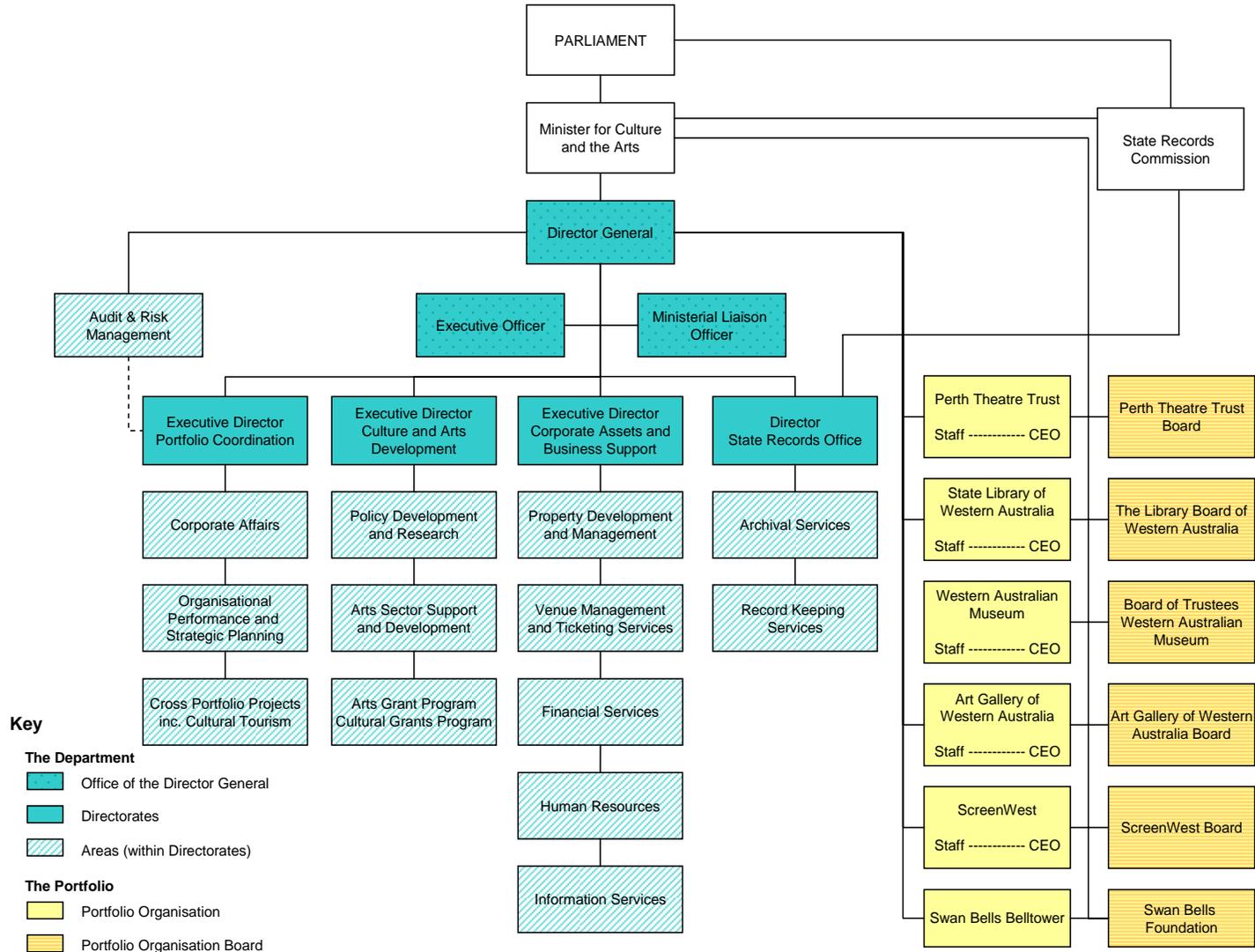
- a creative, sustainable and accessible culture and arts sector
- Western Australia's natural, cultural and documentary collections are managed; that is, the collections are preserved, accessible and sustainable.

All portfolio organisations within the culture and arts portfolio will contribute towards these outcomes once they are approved.

The transitional arrangements which are in place while approval is sought for the revised Outcome and Performance Indicator Structure are:

- budgeting for the 2006-07 financial year has been based on the currently approved Outcome Statement
- reporting in this Annual Report is based on the currently approved Outcome Statement and associated Performance Indicators.

STRUCTURE OF THE CULTURE AND ARTS PORTFOLIO AND THE DEPARTMENT OF CULTURE AND THE ARTS



STRUCTURE

The preceding diagram shows the functional structure of the culture and arts portfolio and the Department. The Department coordinates, integrates and oversees the activities of the portfolio and acts as the main contact point for the Minister and central Government agencies. The Director General employs staff allocated across the portfolio, with the exception of the CEOs.

Office of the Director General

The Director General is appointed by the Minister for Public Sector Management and is accountable to the Minister for Culture and the Arts for all outcomes of the culture and arts portfolio. The Director General's secretariat provides executive support to the Director General through the Executive Officer and manages the liaison between the Minister's office and the culture and arts portfolio. The Audit and Risk Manager also reports directly to the Director General on audit and risk management issues.

Profiles of Directorates

The Department of Culture and the Arts is organised into four directorates. These are:

- Development and Strategy
- Portfolio Coordination
- Corporate Assets and Business Support
- State Records Office.

Each directorate's role is outlined below.

Development and Strategy is the strategic and funding arm of the Department. The Directorate provides the links between the State Government, the arts and cultural sectors, the community and the various parties within the community that have special interests or investment in arts and culture in Western Australia.

The Directorate works with a range of stakeholders and the relevant sectors to encourage and sustain arts and culture through appropriate State Government support. Its functions include grants distribution, policy development related to the sector, portfolio wide cultural planning, implementation of strategic arts and cultural programs, research, advice and communications with the culture and arts sector.

Portfolio Coordination is responsible for a range of functions including strategic and operational planning; corporate affairs/issues management; organisational performance;

coordination and management of most cross portfolio projects, initiatives and correspondence; the development and implementation of strategies to encourage greater opportunities for cultural tourism; the day to day management of the audit and risk management function and special projects.

Corporate Assets and Business Support is responsible for strategic corporate services – Human Resources, Information Services, Financial Services and Property Development and Management – which all provide services and/or advice to the Department and portfolio organisations. Financial processing services are also provided to three external clients: the Pilbara Development Commission, the Industrial Relations Commission and the Swan Bells Foundation Incorporated.

The Directorate also provides the majority of the corporate services requirements for the Perth Theatre Trust.

State Records Office (SRO) is responsible for the day to day administration of the *State Records Act 2000* which regulates whole of government recordkeeping and the management of State archives. The SRO supports the State Records Commission in the development of a regulatory framework for implementation of the Act across government.

The SRO provides consultancy, advice and training to State and Local Government organisations to assist them with compliance with the recordkeeping regime established by the Act. The Office also provides public access to unrestricted State archives in the State archives collection, information about them, and facilities for their use.

ACHIEVEMENTS, CHALLENGES AND ISSUES

- Kerry Hill Architects was selected to design a New Performing Arts Venue through an international architectural design competition, *CentreStage*. The Government has since agreed to expand the scope of the project to include upgrades to adjoining heritage buildings and the creation of greater connectivity with the new venue from Roe and James Streets.
- An advisory panel pool was set up to facilitate industry feedback and ensure a wide representation of expertise to meet the varying interests associated with the New Performing Arts Venue project.
- A new four year funding partnership with the Department of Local Government and Regional Development (DLGRD) was launched in late 2005 and has seen an increase in performances by the four major performing arts companies in regional Western Australia.
- The Department contributed to two major tours of China during the year – by the West Australian Ballet and the Western Australian Symphony Orchestra.
- Two new programs have been introduced as part of a national Visual Arts and Crafts Strategy: Visual Arts and Crafts Mid-Career Fellowships (\$100,000 p.a.) and Emerging Curators (\$29,000 p.a.).
- The Department's new strategic plan – *Direction Statement 2005-2008* – was endorsed by the Minister in September 2005 and implementation commenced through the development of operational plans for each of the Directorates. A new accountability mechanism ensures regular progress reporting to the DCA executive team.
- A review of cleaning, grounds keeping and security services across the portfolio was undertaken during the year in consultation with key stakeholders. At year end the report was with stakeholders for consideration of the draft recommendations for implementation during 2006-07.
- The Office of Shared Services (OSS) roll-in project commenced the transition of the Department and portfolio organisations into the OSS, with DCA now scheduled to roll-in early in 2007.
- As part of the commitment to attracting, retaining and developing employees, a new portfolio-wide performance management system was developed.
- A web-based human resource management system was successfully implemented.

- A second successful school-based traineeship program has been implemented and continues to provide placements to high school students.
- The inaugural WA Living Artists month, branded 'Artopia', was held in October 2005 and proved highly successful with nearly 300,000 people attending over 200 galleries and events in both regional and metropolitan areas during the month.
- The Community Cultural and Arts Facilities Fund (CCAFF) which brings together not-for-profit arts and culture organisations, Local Government and the State Government to develop initiatives and solutions to improve, renovate or modify an existing facility, or to construct a dedicated cultural facility in a regional/local area, completed two funding rounds during the year. Over four years, \$2.75 million is allocated to develop and improve arts and cultural facilities throughout Western Australian.
- The Sound Attenuation Support Program (SASP), which aims to support the local contemporary music industry by securing opportunities for the performance and appreciation of live original music whilst ensuring a pleasant environment for all members of the community, delivered the initial funding round. Planning for providing information and education on rights, responsibilities and ways to manage noise issues was initiated.

REPORT ON OPERATIONS

The following report on operations details the activities and achievements of the Department during 2005-06 as they relate to the achievement of the five strategic goals articulated in the Western Australian Government's Strategic Plan *Better Planning: Better Services*. The five goals are:

- Goal 1 People and Communities
- Goal 2 The Economy
- Goal 3 The Environment
- Goal 4 The Regions
- Goal 5 Governance.

The Department's operations, initiatives and projects during 2005-2006 are reported in the following section against the relevant goal.

GOAL 1: PEOPLE AND COMMUNITIES

To enhance the quality of life and wellbeing of all people throughout Western Australia

New Performing Arts Venue

A New Performing Arts Venue is to be constructed within the Perth Cultural Centre on the corner of Roe and William Streets in Northbridge. The new venue will include a main theatre with a seating capacity of approximately 575 and a studio with a seating capacity of 200. It is due for completion in December 2008.

The design of the venue was selected through an internationally promoted architectural competition, *CentreStage*. The competition, which was announced in June 2005, consisted of a competitive two-stage process. A jury of six experts chaired by the State Government Architect, Professor Geoffrey London, judged the entries. The Minister announced the winner in November 2005. Jury members included eminent national and international architects and a representative from the performing arts sector.

The winning architectural firm, Kerry Hill Architects, has considerable experience designing performing arts venues. Kerry Hill won the Royal Australian Institute of Architects 2005 Gold Medal Award for architectural excellence.

The venue will be at the cutting edge of architectural innovation and design excellence and reflect the value of performing arts to our society. State-of-the-art technical equipment in the two performance spaces will support the advancement of Western Australian's production standards and artistic innovation.

Planning for the New Performing Arts Venue

Industry feedback is recognised as integral to developing the functionality, programming and management policy for the New Performing Arts Venue to ensure a sustainable facility that will be vibrant and functional throughout its life. An advisory panel pool has been set up to facilitate this industry feedback..

Upgrade of Facilities

As part of a Performing Arts Venue Masterplan, the Department completed the redevelopment of two theatre complexes in 2005-06.

Subiaco Arts Centre

The refurbishment of the Subiaco Arts Centre was a \$4.7 million partnership between the Department and the City of Subiaco. The Department contributed \$2.35 million.

The refurbishment includes upgraded stage lighting infrastructure to the main auditorium and studio, new auditorium and studio seating, the redesign of front of house facilities, the refurbishment of community spaces and provision of refurbished office space for resident company *Barking Gecko* on the second floor of the building.

The project, which was completed in June 2006, improved the functionality of the building with enhanced spaces for community activity and for professional performing arts activity, including the upgrade of rehearsal, studio and theatre spaces.

Arts House

The Arts House \$1 million refurbishment commenced on 4 July 2005 and was completed on 14 February 2006. The works have enhanced the venue by way of improved access, audience comfort, improved performance facilities and a new box office, whilst the building's atmosphere, unique character and heritage architecture have remained intact.

The venue has been the home of *The Blue Room* for many years and a platform for many successful local contemporary performing arts productions and this continues in the enhanced facilities.

Creative Connections: An Arts in Education Partnership Framework

In January 2006, the Departments of Culture and the Arts and Education and Training established a new Memorandum of Understanding recognising the shared commitment to promote and enhance the role of arts and culture in education through the *Creative Connections* framework (launched in January 2005). The MOU recognises the essential role of the ArtsEdge program in realising the objectives of *Creative Connections*, and formalises management structures and delivery of the program in partnership to 2008.

ArtsEdge is a strategic partnership between the Departments of Education and Training and Culture and the Arts. ArtsEdge enables connections between artists, arts and cultural organisations, teachers, schools, professional arts educators associations, the Curriculum Council and tertiary institutions to provide the best possible arts experiences for young people in schools.

Achievements and activities under *Creative Connections* in the past 12 months include:

- securing funding from the Australia Council for the Arts to develop an Artists in Schools Case Studies publication
- research and development of the *Artists in Schools Guide*, to be released in September 2006
- liaison with the Department of Education and Training (DET) with respect to shared opportunities arising from the National Review of School Music Education
- coordinating the DCA contribution to the National Review of Visual Education
- contributing to development of the Ministerial Council on Education, Employment, Training and Youth Affairs (MCEETYA) and the Cultural Ministers' Council National Statement on Education and the Arts.

Arts and Culture Monitor

The Department first facilitated the Arts Monitor survey in 2001 and it has run annually from 2003 to 2006. A range of attendance and purchasing patterns, opinions and attitudes to arts and culture are canvassed throughout Western Australia. The data enables the Department to determine community support for arts and culture and assists with audit measurement requirements.

Patterson Market Research conducted the 2006 survey throughout March 2006. The research sample comprised 401 participants, which is considered a statistically significant sample (+-5%). There were 301 participants from metropolitan areas and 100 from regional Western Australia. A minimum response rate of 50% was achieved, which complies with the Auditor General's requirements.

The survey represents an innovative partnership across the portfolio organisations, creating an omnibus type survey to establish key baseline data. All data sets are compatible with the Australian Bureau of Statistics and Cultural Ministers' Council Statistics Working Group data collection. Fact sheets showing the report's key findings will be available on the Department's website later in 2006.

Information and Resource Centre

The Information and Resource Centre provides an information and reference service for staff of the Department, members of arts agencies and the wider arts community.

The Centre maintains a collection of books, reports, journals and newsletters pertaining to arts policy, arts management, cultural statistics, funding, other Australian and State arts organisations and the Western Australian arts and cultural sector. It also retains Departmental publications as part of the collection. In 2005-06, issues of *Arts and Education*, reports on the *Creative Industries* and the *Impact of Arts in Health* were added to the collection.

The Centre is also responsible for the compilation and distribution of a comprehensive annual arts *Competitions and Festivals Booklet for Western Australia*. The 2006 edition included contact details and awards for over 100 arts competitions and more than 100 festivals held in this State and was circulated to over 500 individuals and organisations. Quarterly listings of arts and cultural related *Conferences and Seminars* in Australia and overseas are also prepared and circulated by the Centre. Both of these resources are available online at <http://www.dca.wa.gov.au/resources.asp>

Triennial and Multiyear Funded Arts Organisations

Triennial base funding is provided to Western Australia's key arts organisations towards the operational and artistic costs of delivering an agreed level of services. Multiyear program funding is provided to arts and cultural organisations through the relevant peer assessment panel towards the costs of delivering a program of artistic and cultural services and/or

2005-2006 ANNUAL REPORT

activities. During 2005-06, funding of \$12,445,183 was provided to 26 triennially base funded organisations and \$1,130,838 to 18 multiyear program funded arts organisations.

The following table shows the activity and participation for triennial and multiyear funded organisations during the 2005 calendar year:

Activity	Number of events Metropolitan	Number of events Regional	Number of events Inter/ Intrastate	Attendances
Performances	1,026	337	20	749,065
Exhibitions	162	139	20	513,174
Residences, workshops, forums etc	4,751	1,586	1	283,674
Festivals	15	32	0	252,293
Publications*	238	37	25	4,018
Creative development**	143	73	0	6,995

Note: Information is based on 2005 acquittal figures.

*Publications include CDs, DVDs and other forms of electronic publishing of material.

**Creative development includes activity such as the development of a manuscript, script or production prior to performance, exhibition or publication.

Business Arts Development

The Department acknowledges the need for good business practices to underpin the invaluable work of multiyear and triennially funded organisations and to support their initiatives in maintaining relevant services to the community, particularly the creative arts sector.

The Department provided funding to agencies for the following consultancies to support best practice and strategic planning:

- Annemie McAuliffe (\$6,400) – to develop a strategic plan for WritingWA.
- Duncan Peppercorn (\$25,000) – to undertake financial and operational analysis for Fremantle Arts Centre Press.

Contemporary Music

Funding for contemporary music provided through the Contemporary Music Panel totalled \$1,425,921 with 105 organisations and individuals supported during 2005-06. In addition, \$405,000 was devolved to the WA Music Industry Association (WAMIA) for the RAMMPAAGE All Ages Funding Program.

The State Government renewed its commitment to the contemporary music sector during 2005-06 with continued outstanding results including:

- End of Fashion, The Flairz and Gyroscope were showcased at one of the world's leading music festivals, the South by Southwest Festival in Austin, Texas in March 2006.
- The RAMMPAAGE All Ages Funding Program was officially launched in November 2005 with successful RAMMPAAGE events conducted in Derby, Mandurah, Kalamunda, Leederville, Busselton, Meekatharra and Armadale.
- Five WA songs were in Triple J's Hottest 100 listing for 2005. These were:
 - Yeah – End of Fashion
 - Fast Girl – Gyroscope
 - Beware Wolf – Gyroscope
 - Six months in a leaky boat – Little Birdy
 - Themata – Karnivool.
- Eskimo Joe won an ARIA for Best Group and End of Fashion won two ARIA awards for the Best Breakthrough Artist and Best Video for their single, 'O Yeah!'.
- Four of the State's top jazz acts, Void, Hip Mo Toast, Speedball and Salamander, were showcased at the 2006 Villa Celimontana Jazz Festival in Rome with assistance from the Contemporary Music Quick Response Panel. The Festival is Italy's premier jazz festival and has links with festivals in New York and Israel.
- The 2006 WAMi Festival attracted substantial industry and media interest, focusing attention on both established and new contemporary music acts from Western Australia. The youth music program *Video Hits* (Channel 10) attended and produced content that was screened across three programs. Other coverage was achieved through WIN TV, Triple J, RTR FM and the ABC.
- Support for the second year of Radio RTRFM's Local Music Producer project has seen a considerable increase in local music content since the employment of the Local Music Producer in April 2005.
- With Quick Response funding, the Panics supported Bernard Fanning on his sold out Australian tour in February 2006 and had their songs played on the 'The Surgeon' and 'Love My Way' TV series.

Designer Fashion

This was the second year of the Designer Fashion Grants Program established to support the sustainable growth of the Western Australian Designer Fashion Industry. A total of \$294,021 was provided to 45 organisations and individuals during 2005-06.

The achievements and growth in the industry over the past two years have been outstanding leading to the State Government committing to a further two years of funding for the program.

In 2005-06, funding was granted to the following designers to showcase their collections at:

Mercedes Australian Fashion Week - Melbourne, October 2005 and Sydney May 2006

- One fell Swoop – Nikolina Ergic, Marie Mazzurra and Daniel Romanin
- Preacher – Patricia Kong
- Sevn – Craig Coestsee
- Ashe – Kelsey Marshall
- Aurelio Costarella – Ray Costarella
- Joveeba – Alison Cotton
- A'elkemi – Alvin Fernandez.

New York Fashion Week - September 2005

- Ericaamerica

G'day LA – Australia Day promotion in Los Angeles - January 2006

- Aurelio Costarella

L'Oreal Melbourne Fashion Festival - March 2006

- One Fell Swoop – Nikolina Ergic, Marie Mazzurra and Daniel Romanin
- Breathless – Rebecca Paterson
- Aurelio Costarella – Ray Costarella
- DD by Megan Salmon – Megan Salmon
- Empire Rose – Katherine Mudie and Kirsty Lawrence
- Ericaamerica – Lucas Bowers and Erica Wardle.

Funding was also awarded to fashion industry associations to help support and improve infrastructure within the industry:

- West Australian Fashion Industry Association for the creation and implementation of an industry website
- Textiles, Clothing and Footwear WA to organise an agent's suite for Mercedes Australian Fashion Week, Sydney 2006
- Belmont Business Enterprise Centre for a mentoring program.

Indigenous Arts

Funding for Indigenous Arts totalled \$812,258 during 2005-06. This included funding of \$247,795 allocated through the Indigenous Arts Panel with 25 organisations and individuals supported; funding through other panels of \$129,713 in support of 13 organisations and individuals; and funding totalling \$434,750 to support Magabala Books (Broome) and Yirra Yaakin Aboriginal Corporation.

The Department continued to implement the strategies of the Indigenous Arts Development Policy with a focus on Indigenous contemporary music during 2005-06. This included the following highlights:

- increased funding of \$67,000 annually over three years to the Western Australian Music Industry Association (WAMIA) in support of WAMIA's Indigenous Contemporary Music Program and to make the part-time Indigenous Music Officer into a full-time position
- funding to Community Arts Network WA for the Indigenous Culture and Arts Planning Officer based in Kellerberrin
- convening the inaugural meeting of the Indigenous Arts Workers Network, which aims to support Aboriginal and Torres Strait Islander workers within arts and cultural organisations funded by DCA
- supporting the Martu artists of the East Pilbara in the establishment of a new arts enterprise, the Martumili project, through a Memorandum of Understanding with the Office of Aboriginal Economic Development and the Shire of East Pilbara. To date, funding of over \$300,000 cash and in-kind support has been secured for the project.

Visual Arts and Crafts

Funding for visual arts and crafts provided through the Arts Development Panel totalled \$390,857 with 30 organisations and/or individuals supported during 2005-06.

Funding of \$75,000 was provided for a new partnership between the Association of Western Australian Art Galleries, artsource and Fremantle Arts Centre for the inaugural WA Living Artists month, branded as 'Artopia'. The event was held in October 2005 and proved highly successful with nearly 300,000 people attending over 200 galleries and events in both regional and metropolitan areas during the month.

Two new programs to provide support for artists were introduced as part of a national Visual Arts and Crafts Strategy: Visual Arts and Crafts Mid-Career Fellowships (\$100,000 p.a.) and Emerging Curators (\$29,000). Of the 23 applicants in 2005 for the Mid-Career Fellowship, five artists were awarded \$20,000 each: Margaret (Maggie) Baxter, Caterina Franz, Kevin Gordon, Ian Dowling and Michele Theunissen. Curators Consuelo Cavaniglia and Jeremy Blank attended the Venice Biennale and Joanne Emmons undertook an internship at the Museum of Contemporary Art in Sydney.

Writing

Funding for writing provided through the Arts Development Panel totalled \$170,038 with 12 organisations and individuals supported during 2005-06. Strategic initiatives included assistance to WritingWA (formerly the State Literature Centre) to re-brand and upgrade its IT network and systems at the State Library's Alexander Library building in the Perth Cultural Centre.

Performing Arts

Funding for performing arts provided through the Arts Development Panel totalled \$242,250 for theatre with 14 organisations and individuals supported; \$141,311 for dance with five organisations and individuals supported; and \$133,764 for music with eight organisations and individuals supported.

Funding of \$1 million to implement Stage One of a Theatre Funding Strategy provided increased support to Black Swan Theatre Company as part of its transition to Regional Flagship company status by 2008; increased funding of \$20,000 annually for two years to the WA Playwrights' consortium (Stages WA); \$60,000 annually for two years to the Performing Arts Centre Society; and \$60,000 one-off funding to secure the Australian National Playwrights' Conference for Perth in 2006.

Increased funding of \$2.7 million from the State and Australian Governments to the WA Symphony Orchestra was confirmed as part of the recommendations from the 2005 National Review of Australian Symphony and Pit Orchestras to ensure the financial and artistic sustainability of Australia's professional orchestras.

Multi-arts

Funding for multi-arts provided through the Arts Development Panel totalled \$136,557 with eight organisations and individuals supported during 2005-06.

Artflight

Funding of \$189,174 was provided to 102 individuals through the Artflight travel program. This program is designed to assist Western Australian artists and arts workers to attend events or undertake activities of strategic significance to the development and promotion of their arts practice or profession.

Cultural Tourism Strategy

The strategic partnership between the Department and Tourism Western Australia (Tourism WA) continued in 2005-06 with the ongoing secondment of a Departmental officer to Tourism WA in the position of Cultural Tourism Coordinator. The aim of the partnership, which commenced in 2002, is to better integrate the arts, culture and tourism industries.

Since the release in February 2004 of *Journey Further: An Arts and Cultural Tourism Strategy for Western Australia 2004-2008*, the Cultural Tourism Coordinator has worked to implement the strategy. Progress in 2005-06 included:

- supporting the State's flagship arts organisations to join the Western Australian Tourism Network (WATN) and providing them with information about how to leverage this membership. WATN membership gives the major arts organisations a presence on Tourism WA's website and opens the door to a variety of tourism marketing opportunities
- working with EventsCorp to create an electronic event registration form, which simplifies the system for listing events on westernaustralia.com and promoting the benefits of event registration to portfolio organisations and funded arts bodies
- working with EventsCorp to review their event funding criteria and making recommendations to allow a wider variety of events to be considered for funding to create a more balanced calendar of major events

- working with the Memento awards organisers to support the *Indigenous Memento of Western Australia Award* for 2006. These awards recognise tourism mementos and reward high quality, locally designed and made products. As part of this support arrangement, Memento provided two product development workshops in regional Western Australia, hosted with the support of artsource
- working with Tourism WA to integrate arts and cultural product into the Tourism WA stand at the Australian Tourism Exchange held in Adelaide in June 2006
- securing Tourism WA support for Statewide distribution of Artopia program brochures to selected visitor centres in regional areas and to hotels and rental car companies.

GOAL 2: THE ECONOMY

To develop a strong economy that delivers more jobs, more opportunities and greater wealth to Western Australians by creating the conditions required for investment and growth

Performing Arts Tours to China

In 2005-06 the West Australian Ballet and the West Australian Symphony Orchestra toured China with significant support from the State Government and resources companies important to the State's trade relationships with China.

West Australian Ballet

The West Australian Ballet toured to Beijing, Nanjing, Hangzhou and Shanghai in October 2005. Hangzhou is the capital of Western Australia's sister state of Zhejiang Province, which is likely to be an increasingly important trading partner for WA. Nanjing is a sister city to the City of Perth and official functions were held there to consolidate and celebrate this relationship. A University of Western Australia Engineering Mission to Nanjing also coincided with the Ballet's performance. The Government provided \$80,000 towards the tour, on the basis of the importance of the project to the further development of Western Australia's trade relationships with China. The country's largest steel importer, SinoSteel, was also a major supporter of this tour.

West Australian Symphony Orchestra

The West Australian Symphony Orchestra (WASO) toured China in May 2006. The State Government provided \$500,000 for the tour, matching funding from the North West Shelf Venture (NWSV). China National Offshore Oil Company (CNOOC), whilst not a Venture participant, was the seventh partner in the tour project.

The WASO tour, which coincided with the commencement of the first shipments of NWSV gas to mainland China, enabled the Western Australian Government and industry to raise cultural and trade profiles in China. The Department co-ordinated all State Government involvement with the tour and worked closely with the Department of Industry and Resources (DOIR) to maximise the State development opportunities..

The assistance of the Department of Industry and Resources, the WA Trade Office in China, the Department of Consumer and Employment Protection and Tourism WA was critical to the successful management of this project.

Community Ethnic Media Grants

In May 2005 the Department allocated \$480,000 of Government Media Office funds to community and ethnic media organisations as part of the one-off Community Ethnic Media (CEM) Grants program. During 2005-06, the Department continued to manage this program; including distributing the funding and acquitting completed projects. More details on CEM and successful applicants can be found at the Department's website.

Community Cultural and Arts Facilities Fund

The Community Cultural and Arts Facilities Fund (CAFF) commenced in 2004-05. Over four years, \$2.75 million is allocated to develop and improve arts and cultural facilities throughout Western Australian.

The CAFF brings together not-for-profit arts and culture organisations, Local Government and the State Government to develop initiatives and solutions to improve, renovate or modify an existing facility, or to construct a dedicated cultural facility in a regional/local area.

Two CAFF rounds were completed during 2005-06. The pilot round opened in April 2005 and results were announced in November 2005. Six of the 12 applications were recommended for support and a total of \$151,084 was awarded. Successful applicants were:

- Bunbury Regional Entertainment Centre \$12,000
Feasibility study into the expansion of the Bunbury Regional Entertainment Centre
- City of Canning \$28,666
Improvements and expansion of the Canning Arts Centre
- Broome Historical Society \$50,000
Relocation and restoration of a 1960s building to the current Broome Museum
- Shire of Carnamah \$50,000
Refurbishment of the Carnamah Shire Hall and adjacent Uniting Church Hall

- Shire of Broome \$4,350
Instalment of a fixed environmental control and storage system to house an Art Collection
- Shire of York \$6068
Rewiring of the Residency Museum building.

Results from the inaugural annual September round were announced in April 2006 with five applications supported and \$205,419 awarded. Successful applicants were:

- Bunbury Regional Art Gallery \$12,936.00
Improvements to the existing Bunbury City Regional Arts Gallery
- Shire of Busselton \$34,000
Establishment of an Arts and Cultural complex
- Shire of Esperance \$94,100
Construction of a building attached to the Esperance Museum as a maritime display
- City of Albany \$21,600
Improvements to the facilities within the Vancouver Arts Centre
- Katherine Susannah Pritchard \$42,783.00
Expand accommodation at the Writers Centre for additional Writers-in-Residence.

Creative Industries

The Department has partnered with the City of Perth, the Department of Premier and Cabinet and the Department of Industry and Resources to commission geographical mapping and qualitative analysis of creative industries for the Perth metropolitan area as a whole and the City of Perth municipal area in particular.

Little economic research has been done on this sector in Perth, and the study will provide:

- a mapping exercise to determine the number and geographical location of the creative activities, businesses, organisations and venues, identifying significant linkages and clusters
- an economic analysis of the sector, including analysis of performance measures, markets and relationships
- qualitative investigation and evaluation to provide greater understanding of the sector, including a value chain analysis.

The study is expected to be completed by August 2006. The research will inform future Government policy development in this area.

Indigenous Intellectual Property Toolkit

The development of a national Indigenous Intellectual Property (IIP) Toolkit is a project of the Cultural Ministers' Council (CMC) designed to meet the Council's obligations under the Council of Australian Government's Reconciliation Framework. The Department of Culture and the Arts (DCA) on behalf of the CMC chair the steering committee for the project.

The contract for the development of the IIP Toolkit was finalised in November 2005 with the appointment of consultant, Ms Robynne Quiggin. Stage One of the 18-month project is now completed. This entailed extensive consultation with over 600 individuals and organisations, including artists and arts organisations, private galleries, public galleries, auction houses and consumer groups across Australia. Consultation will continue as the content of the Toolkit is refined over the coming months.

Stage Two of the Toolkit involves the development of a prototype model to be piloted with representatives of three major identified target groups – artists, consumers and dealers – to gather feedback on the efficacy of the product and refine its design before moving into the final stage of presentation, communication and distribution.

Arts Grants

Funding made available through the Department during 2005-06 for art form activities totalled \$19,494,299, with 308 organisations receiving \$18,115,555 and 201 individuals receiving \$1,378,744.

Grants payments were awarded through the following funding programs:

Short Term Artist in Residence projects	\$26,877
Music projects	\$133,764
Dance projects	\$141,311
Writing projects	\$170,038
Visual Arts and Crafts projects	\$390,857
Theatre projects	\$242,250
Multi-art form projects	\$136,557
Young People and the Arts projects	\$306,115

2005-2006 ANNUAL REPORT

Indigenous Arts projects	\$247,795
Creative Development Fellowships	\$120,000
Artflight Program	\$189,174
Partnership Initiatives	\$617,185
Major organisations program funding	\$12,445,183
Major organisations other funding support	\$ 964,284
Multiyear organisations program funding	\$1,130,838
Contemporary Music Grants Program	\$1,425,921
Designer Fashion Grants Program	\$ 294,021
Sound Attenuation Program	\$ 55,625

A complete list of grants approvals for 2005-06 with further details is available at www.dca.wa.gov.au/ArtsWAggrants.asp

State Arts Sponsorship Scheme Awards

The State Arts Sponsorship Scheme Awards recognise and encourage progressive partnership approaches to supporting arts and culture and promote the benefits business arts partnerships can offer to both sectors, with the aim of encouraging new partnership initiatives. Business and arts partners can nominate for Prestige Partnership Awards and four levels of Partnership Endorsements.

The 2005 State Arts Sponsorship Awards attracted a record number of 305 nominations, representing nearly \$11 million in corporate support for arts and cultural projects. The Minister presented the 12th annual awards on 11 November 2005 at His Majesty's Theatre. Three hundred and seventy guests attended the awards presentation event.

Eight business arts partnerships were recipients of Prestige Partnership Awards and five were highly commended. Naming rights sponsorship of the Prestige Partnership Award categories was introduced in 2005.

In addition to the eight category partners, Burswood International Resort Casino and Rio Tinto were corporate package partners.

GOAL 3: THE ENVIRONMENT

To ensure that Western Australia has an environment in which resources are managed, developed and used sustainably, biological diversity is preserved and habitats protected.

Percent for Art Scheme

The Percent for Art Scheme is a partnership between the Department of Culture and the Arts and the Department of Housing and Works (DHW). All State Government capital works projects are encouraged to allocate up to one percent of the budget for a public art component where the cost of the project is \$2 million or more. The Percent for Art Scheme improves the quality of our built environment and enhances the distinctiveness and special features of our many communities.

In 2005-06, the Department continued to work with DHW to advocate, develop, implement and deliver the Percent for Art Scheme. A number of new projects were completed or commenced, developing new opportunities for Western Australian artists and expanding the Scheme and its benefits for the built environment throughout the State. During the reporting period, 61 projects commenced with a total of \$5,704,500 allocated for the related arts components of their budgets. DHW has reported that recognition of the value of the Scheme is such that client agencies are now requesting to include a Percent for Art component in new building projects, even when it is not required as part of the Scheme.

The Department continued to implement recommendations from *Integrating Views*, a review of the Scheme which was completed in October 2003. This included work towards:

- clarifying the roles and responsibilities of the DCA and the DHW to be reflected in a new MOU
- developing a post artwork project questionnaire
- developing a commissioning agency artwork handover checklist
- updating the key objectives of the Percent for Art Scheme
- developing artwork review guidelines and maintenance procedures for commissioned public artworks
- continuing to develop an electronic database enabling cross-referencing of images and project information for completed Percent for Art Scheme projects.

Sound Attenuation Support Program

The Sound Attenuation Support Program (SASP) aims to support the further development of the Western Australian contemporary music industry by securing opportunities for the performance and appreciation of live original contemporary music, whilst ensuring a pleasant environment for all members of the community.

As part of the review of the Liquor Licensing Act, the Department made a number of submissions to the Minister for Racing, Gaming and the Environment. The Department also continued its involvement in the development of the Northbridge Noise Management Framework which was initiated by the East Perth Redevelopment Authority and is currently being led by the Department of Planning and Infrastructure.

Information and education on rights, responsibilities and ways to manage noise issues for various stakeholder groups is a key strategy under this program. During 2005-06, the Department initiated the planning for the development of this material in consultation with key industry groups and individuals and delivered the initial SASP funding round. Five of the ten applications were supported for a total funding amount of \$55,625 (\$61,187 including GST).

GOAL 4: THE REGIONS

To ensure that regional Western Australia is strong and vibrant.

Parliamentary Inquiry into Regional Arts

A meeting was convened by the Department in July 2005 of Government and non Government organisations to discuss the Western Australian Parliament's Community Development and Justice Standing Committee (CDJSC) report of the inquiry into the economic, cultural and social impact of the arts in regional Western Australia. The CDJSC report, entitled *Impact of the arts in regional Western Australia*, was tabled before the Legislative Assembly in October 2004. Its findings had implications for a number of Government departments and arts organisations.

Twenty-seven people from across Government and the arts sector attended the meeting to discuss the report's recommendations and identify priorities that could be addressed at an agency and department level.

Four priority areas emerged as a result of discussion and working groups have since been established to progress each of these areas. These are: the Social Research Working

Group, Community Insurance Working Group, Funding Agencies Working Group and Regional Officers Working Group.

The Department is currently coordinating the early meetings for each of these groups. Some outcomes have already been realised:

- the Department has successfully sought membership of a high level across Government committee that makes recommendations on the State's statistical priorities
- a number of organisations have committed to develop and distribute a resource on existing insurance options for community groups
- funding agencies have agreed to investigate ways to harmonise grant application forms.

Regional Infrastructure

The State Government has committed \$5 million in funding to support the efforts of the Shire of Broome and the local community to establish a multipurpose performing arts and cultural centre in Broome. The Shire and the community have endorsed a business case and concept plan.

One million dollars is also committed to the development of a social history museum in Bunbury. The City of Bunbury is developing business and implementation plans for the Three Waters Centre which is a co-located series of cultural facilities including a regional museum, a visitor centre and a Noongar Cultural Centre. The planning report will recommend how the Government's election commitment is best implemented.

The Department continues to work with both the Shire of Broome and the City of Bunbury to progress these election commitments.

Geraldton Regional Hub Case Study

The Geraldton Regional Hub Case Study was a pilot project jointly funded by the Department of Communications, Information Technology and the Arts (DCITA), the Western Australian Museum and the Department of Culture and the Arts. The project commenced in 2004 and focussed on the collections sector, aiming to describe and evaluate cross-sectoral outreach activities in the Mid West Region as a basis for planning future development. A Collections Extension Officer was employed for eight months to conduct the outreach services which were then evaluated.

The project was completed in July 2005 and fully acquitted by October 2005. DCITA forwarded copies of the final report and discussion paper to the Collections Council of Australia for its consideration with regard to developing future policies for the collections sector.

Office for Children and Youth – Youth Spaces and Facilities Fund

In 2005-06, the Department continued to be represented on the Youth Spaces and Facilities Fund (YSFF) panel convened by the Office for Children and Youth. The YSFF provides grants of up to \$25,000 to regional communities to enable young people from the regions to access safe and secure community spaces for recreational, sporting and cultural activities.

Partnerships

During the year partnerships with the following agencies contributed to outcomes in the regions:

- Department of Local Government and Regional Development
- Pilbara Development Commission
- Shire of East Pilbara
- Gascoyne Development Commission
- Shire of Carnarvon
- Shire of Exmouth
- Shire of Shark Bay.

Regional Development

- \$1.117 million was provided for regional touring programs, including devolved funding provided to Country Arts WA, WritingWA and Art on the Move.
- \$293,000 was provided to three regionally based arts organisations: Magabala Books in Broome, the International Arts Space Kellerberrin Australia (IASKA) and Southern Edge Arts in Albany. In addition, the Department funds a number of organisations that undertake regional service provision as a key element of their core activities including Country Arts WA, Community Arts Network WA, Art on the Move, WA Music Industry Association (WAMIA), artsource and WritingWA.

- The Department's Perth based project officers undertook 26 field trips throughout the year to all nine regions of the State to provide advice on requests for funding, project development support and to attend regional events.
- The Gascoyne Arts Development Officer regularly travelled to the towns of Exmouth, Shark Bay and Burringurrah to provide advice and assistance on arts and cultural development. This position is supported by the Gascoyne Development Commission and the Shires of Carnarvon, Exmouth and Shark Bay. Working together with local arts councils and other community groups has resulted in the development of the inaugural NAIDOC week exhibition in Exmouth, the Carnarvon Youth and Children's Festival and the Gascoyne Regional Arts Network Group (GRANG).
- The three year partnership with the Australia Council to employ a Pilbara Arts Development Officer concluded in December 2005. With the closure of the Newman office, staff worked closely with the Shire of East Pilbara and the Department of Industry and Resources' Office of Aboriginal Economic Development to establish a new arts enterprise for the Martu artists of the Western Desert. The manager of the Martumili Artist Project will be based in Newman and provide services to the communities of Jigalong, Parnngurr, Punmu, Kunwarritji and Irrungadji.
- A four year funding partnership with the Department of Local Government and Regional Development was launched in late 2005 and has seen an increase in performances by the four major performing arts companies in regional Western Australia. Combined funding of \$350,000 annually over the next four years is available to the West Australian Symphony Orchestra, WA Ballet, Black Swan Theatre Company and WA Opera to improve access for regional communities to opera, dance, theatre and concert performances.

GOAL 5: GOVERNANCE

To govern for all Western Australians in an open, effective and efficient manner that also ensures a sustainable future.

Culture and Arts Portfolio Legislation

The Department completed an issues paper for the Minister on a review of all portfolio legislation in order to progress, coordinate and implement machinery of government reforms across the culture and the arts portfolio. Work is continuing with further consultation and the preparation of a Cabinet Submission.

Office of Shared Services

The Shared Corporate Services Model is based on a centralised service centre operating in Cannington which will provide human resource and finance corporate services to State Government agencies. Under this model the Shared Services Centre will provide all transactional level human resource and finance services while agency staff will be responsible for all strategic and management level roles.

The Department's Human Resources area is assisting with the successful transition of the culture and arts portfolio HR and finance staff. DCA project teams are reviewing processes and systems to operate under the Shared Corporate Services model. Human Resources and Financial Services are providing key contributions to the People Readiness Team, the Business Readiness Team and the Finance Readiness Team. The Department's current roll-in date is February 2007.

Management of Government Records

The State Records Office (SRO) is responsible for the day to day administration of the *State Records Act 2000* which regulates Government recordkeeping and the management of State archives.

Key achievements in 2005-06 that contributed to the Governance goal were:.

- Thirty Retention and Disposal Schedules (R&Ds), two Ad Hoc Disposal Authorities, amendments to one R&D and the fully revised General Disposal Authority for Financial and Accounting Records were processed by the State Records Advisory Committee and referred to the State Records Commission for approval. At 30 June 2006, the Commission had approved 25 R&Ds, one Ad Hoc Disposal Authority, amendments to one R&D, and two amendments to the General Disposal Authorities for Administrative Records and Human Resource Records.
- Forty two R&Ds were processed by the SRO and submitted to the Commission, with 41 of those being approved or cleared by the Commission by the end of June 2006. The SRO also worked to ensure that Government agencies whose R&Ds were originally approved for less than the statutory maximum of five years submitted their fully revised plans. In addition, most agencies are also required to provide further documentation in support of their approved R&Ds to meet the Commission's minimum requirements and the SRO assisted agencies to meet these obligations.
- In May 2006 the SRO completed a Proof of Concept project with Microsoft and Fujitsu for the establishment of an automated R&D and R&D management system.

The online system is to be taken to full production next year and will greatly streamline the development of RKPs and R&Ds and the management of the associated processes.

- Early in 2006 a Coordinator Digital Records was appointed, initially for a period of 12 months, to facilitate the work of the Digital Records Working Group which the Commission established under section 62(3) of the Act. The Coordinator also assists with the SRO's participation in the Australasian Digital Records Initiative set up by the Council of Australasian Archives and Records Authorities, and formulates standards, principles and guidelines for digital recordkeeping. Exposure drafts of guidelines for making and managing digital records in Government agencies and a new Standard for Digital Recordkeeping have been released for agency comment. Agencies have been requested to supply feedback on these proposals by November 2006.
- A Request for Quotation for the development of a business case for the establishment of an e-permanence program for digital records management across Government was developed during the year and several companies were invited to tender. Since most Government records originate in electronic form, capacity building for an electronic archives solution is important for ensuring the corporate memory of the State and the rights of its citizens into the future.
- In accordance with Section 52 of the Act, directions were issued to two parties during the year. One case involved originals and copies of documents ranging from 1890 to the 1920s relating to Government works on Fremantle Harbour, Herdsman Lake, the Goldfields Pipeline and others. The second case involved official police journals of Tony Lewandowski (deceased) relating to the Mickelberg brothers court case. In both cases the records were delivered to the SRO.
- During the year the SRO inquired into and reported three cases of possible breach of the Act to the Commission under section 73(1)(f)(ii) of the Act. In two instances the Commission determined that no breach of the Act had occurred while one case is still under consideration.
- The SRO has continued to negotiate with the Western Australian branch of the National Archives of Australia (NAA) in regard to the NAA temporarily providing a limited amount of storage space at its premises in East Victoria Park. In return the SRO would share some of its office accommodation and search room facilities in the Alexander Library Building with the NAA. The proposals are being examined by the

Valuer General to establish the monetary value of each agency's contribution to the project.

- The second Geoffrey Bolton lecture, which was attended by more than 160 invited guests, was delivered in November 2005 by Professor Henry Reynolds on *The Whole World is Watching: International themes in the history of Aboriginal policy in Western Australia in the 19th and 20th Centuries*.
- Seven lunchtime 'sandwich' seminars were hosted, with presentations given by SRO staff or researchers using material from the State archives collection.
- The SRO search room staff registered its 10,000th reader on 5 May 2006, almost 15 years after the commencement of the service in 1 July 1991.
- The 1975 Cabinet papers were released from the 30-year embargo on 1 June 2006 by John Hyde, MLA, Member for Perth. Guests at the launch included politicians from 1975, government dignitaries and the media. In conjunction with this release, the SRO ran a High Schools Archive Challenge encouraging students to source reference materials on the State's history and political process from the archives collection. The winners of the inaugural Challenge were presented with a prize by the Director of State Records in October 2005.

A range of advisory and information services were provided throughout the year including:

- Five training sessions were provided to eight Local Governments across the State.
- A fully revised General Disposal Authority for Financial and Accounting Records was released following consultation with stakeholders.
- The SRO hosted two consultative forums for State and Local Government organisations to provide them with detailed feedback on the processing of RKPs and R&Ds, and information on current SRO projects, activities and future initiatives.

Indian Ocean Territory Service Delivery Arrangement

The three year Indian Ocean Territory (IOT) Service Delivery Agreement (SDA) 2003-2006 between the Department of Culture and the Arts and the Australian Department of Transport and Regional Services (DOTARS) aims to provide arts and cultural services to the Christmas Island and Cocos (Keeling) Islands communities at a level that is commensurate with services provided to a similarly remote Western Australian community. The SDA has recently been jointly reviewed by DOTARS and the Department of Premier and Cabinet.

The review reported that the services provided to the IOTs through the SDA are highly satisfactory. As a result, a new four year SDA has been negotiated from July 2006. The new SDA contains some amendments to facilitate more effective delivery of services and more efficient management and administration. The Department will develop MOUs for the new SDA with all the cultural and arts organisations that provide services to the IOTs on its behalf.

Community Insurance Fund

The DCA has an agreement with the Insurance Commission of Western Australia (ICWA) to review and endorse Community Insurance Fund (CIF) applications from arts and cultural organisations. Only one application was received in 2005-06. However, insurance costs remain an issue for arts and cultural organisations. For example, the CIF does not adequately address the need for low cost insurance for small projects. This and other insurance related challenges will be investigated in the Community Insurance Working Group reported on under the heading 'Parliamentary Inquiry into Regional Arts' under Goal Four, The Regions section of this Annual Report.

Government Art and Cultural Heritage Collection Database

The Department of Culture and the Arts documents all artworks currently owned by the Western Australian Government. These artworks and heritage items are housed in various Government agencies throughout the State. The database currently records over 1000 items valued at more than \$140,000.

Cultural Ministers' Council

The Department supports Western Australia's participation in the Cultural Ministers' Council (CMC), the CMC Standing Committee and its working parties. The Director General chairs the Statistics Working Group. During 2005-06 the Department continued to chair the Indigenous Intellectual Property Toolkit Steering Committee. Further information on this project is outlined under the section in Goal Two, the Economy.

Contribution to Whole of Government Projects

The Department works with other State Government agencies and local governments to plan and develop facilities that jointly meet the needs of all parties. In 2005-06 the Department was represented on the following committees.

- State Sporting Facilities Plan External Reference Group
- Youth Spaces Planning Group and Assessment Panel

- Premier's Physical Activity Taskforce
- Northbridge, Shaping the Future, Crime Prevention Liaison Group
- Capital City Perth Steering Committee
- Multipurpose Indoor Entertainment and Sports Stadium Steering Committee and Working Group
- Knowledge Economy Taskforce
- Aboriginal Tourism Interagency Working Group
- Committee for Perth
- Sustainability Roundtable
- Perth Cultural Centre Urban Renewal Project Committee
- Perth Cultural Centre Redevelopment Steering Committee
- East Perth Redevelopment Authority Committees
 - Perth Cultural Centre Urban Renewal Project Committee
 - East Perth Power Station Project Committee.

Ministerial Services

The Office of the Director General is responsible for coordinating and tracking all Ministerial correspondence between the Department and portfolio organisations and the Minister's office.

	2003-2004	2004-2005	2005-06
Number of Ministerials administered by the Department	1873	1579	1535
Number of Ministerials for DCA which required a written response by the Minister	457	415	393

Percentage of DCA Ministerials responded to on time (up to seven days)	80%	77%	81%
Percentage less than five days overdue	16%	16%	12%
Percentage more than five days overdue	4%	7%	7%

Audit

The 2005-06 annual audit program was completed, with a range of audits conducted. Implementation of the recommendations made during the course of these reviews will result in improvements in the internal control environment. To further strengthen accountability, management is now required to report on the implementation of audit recommendations – both internal and external – through quarterly operational management reporting. The Department’s Audit and Risk Management Committee, which comprises the DCA Executive team, an external member and a representative of the Office of the Auditor General, met twice during 2005-06.

Risk Management

The implementation and integration of enterprise risk management into the Department continued during the year, with the following achievements:

- a RiskBase database was introduced to manage record keeping requirements
- Risk Management Coordinators were appointed for business areas and completed training in risk management processes and the use of RiskBase
- progress was made in the review and updating of 2006 Operational Risk Registers
- risk management procedures were updated
- operational risk management was integrated into operational management reporting
- strategic risk management was integrated into the strategic planning framework.

Managing Our People

As outlined previously the Department's Human Resources area services all staff in the portfolio which has a diverse range of occupational groups, covered by a number of different awards, agreements and unions.

Major achievements for this year include:

- negotiation of a new EBA and new classification structure for BOCS Ticketing, Media, Entertainment and Arts Alliance (MEAA) employees. The EBA overrides the award and includes all terms and conditions
- in consultation with the MEAA union, converted a large number of casual BOCS positions to part time positions
- reclassified Visitor Services Officer (VSO) positions at the Museum and included them in the Government Services General Agreement
- established a Joint Consultative Committee (JCC) with the Liquor, Hospitality and Miscellaneous Union (LHMU) to deal with issues in their infancy
- introduced a cultural awareness training program for Museum VSOs, facilitated by Occupational Services Australia
- developed a recruitment strategy to source and attract a wider range and pool of suitable applicants for cleaning positions at the Maritime Museum
- provided strategic and operational support to assist the State Library implement a new organisational structure
- created and implemented a Level 1 pool for all Library Officer vacancies
- developed and implemented a portfolio wide induction program
- developed, in consultation with portfolio organisations, a comprehensive performance management system which is being implemented
- coordinated the development of a policy on substantive equality
- coordinated a second round of school based traineeships providing placements to high school students.

Employee Assistance Program

The Department's Employee Assistance Program (EAP) assists employees and their families with professional short term counselling, support for managers and supervisors to discuss job related situations, critical incident stress debriefing, crisis counselling and workplace mediation services all on an as-required basis. The utilisation rate for the portfolio in 2005-06 was 5% based on 813 employees.

Occupational Safety and Health

The Department is committed to the occupational health and safety of all employees and identifies it as an integral part of management. In 2005-06, elections for new occupational safety and health (OSH) representatives were conducted and a new OSH committee was formed. The new representatives were provided with comprehensive OSH training and details of the responsibilities of their role.

A new management system that provides for the identification of hazards and the control of risks enables continuous improvement in occupational safety and health and ensured appropriate training for management and employees in hazard identification and risk control was implemented during the year.

Workers' Compensation and Rehabilitation

	2003-2004	2004-2005	2005-2006
Frequency rate	2.94	3.47	0
LTI*/Disease Claims	0.45	0.68	0
Estimated cost of claims/\$100 wage roll	\$0.10	\$0.4	0.1099
Contribution (premium rate)	0.65	0.28	0.31
Rehabilitation success rate	N/A	100%	NA

*LTI = Lost Time Injuries

There were two workers compensation claims during 2005-06 but these did not result in lost time .

The figures above relate only to staff in the four directorates of the Department: Development and Strategy; Corporate Assets and Business Support; Portfolio Coordination and the State Records Office.

Information Services

During 2005-06 Information Services focussed on the development of a standardised email directory, a common email system, improved information sharing and better system security. In addition, consolidation of desktop services across the portfolio resulted in improved efficiency. New technology was piloted to give staff better off-site, remote and regional access to information systems.

Property Development and Management Services

This area provides property development and management services to the Department and advice to portfolio organisations. It also manages properties including: the Perth Institute of Contemporary Arts and Arts House in Northbridge; the King Street Arts Centre; the Kew Street, Welshpool facility and the Old Customs House and Spare Parts Puppet Theatre in Fremantle.

During the year a vision and a business case for a new State archives repository was developed and submitted to Government.

Procurement

An out-placed Department of Treasury and Finance contract manager oversees contract management and ongoing procurement reform. Training and information sessions relating to updated policies were provided to all portfolio organisations. The Department of Treasury and Finance's annual forward procurement planning initiative which enables the collection of data to provide a register of future workload for resource management and planning purposes, advance notice to suppliers to enable negotiation for better contractual arrangements and identification of whole-of-government opportunities to leverage buying power through aggregation, was successfully implemented with the assistance of portfolio organisations. Existing procurement policy and practices are compliant with State Supply Commission requirements.

Financial Services

During the year, the unit continued to support portfolio organisations in the delivery of their outcomes. Some of the major achievements during 2005-06 were:

- commencement of the Office of Shared Services (OSS) roll-in project for the transition of the portfolio into the OSS. The Department is scheduled to roll-in in February 2007. A project manager has been appointed and the governance

framework and specialist teams established to ensure that the Department is prepared for the transition

- continued improvement in the control environment evidenced through the audits conducted by both the Office of the Auditor General and the Department's internal audit
- the completion of the annual financial statements with no qualifications or significant management issues for the seven reporting entities within the portfolio.

OBLIGATORY REPORTING - COMPLIANCE REPORTS

STATEMENT OF COMPLIANCE

The Department of Culture and the Arts (previously known as the Ministry for Culture and the Arts) was established on 20 May 1997 under Section 35 of the *Public Sector Management Act 1994*.

The Department services the Minister for Culture and the Arts and, together with the Art Gallery of Western Australia, the Western Australian Museum, the State Library of Western Australia, ScreenWest Inc and the Perth Theatre Trust, forms the culture and arts portfolio..

The Department of Culture and the Arts operates under the provisions of the *Public Sector Management Act 1994*. In the performance of its functions, the Department complies with the following relevant written laws:

Disability Services Act 1993

Equal Opportunity Act 1984-1992

Financial Administration and Audit Act 1985

Freedom of Information Act 1992

Industrial Relations Act 1979

Lotteries Commission Act 1990

Minimum Conditions of Employment Act 1993

Occupational Health, Safety and Welfare Act 1984

Public Sector Management Act 1994

State Records Act 2000

State Supply Commission Act 1991

Workers' Compensation and Rehabilitation Amendment Act (No.2) 1992.

The Minister for Culture and the Arts administers the following Acts relating to the statutory authorities within the culture and arts portfolio: the *Art Gallery Act 1959*; the *Perth Theatre Trust Act 1979-1981*; *The Library Board of Western Australia Act 1951*; the *State Records Act 2000* and the *Museum Act 1969-1984*.

The Department complied with the requirements of the law, including the *Financial Administration and Audit Act 1985*, and exercised controls to provide reasonable assurance that the receipt and expenditure of moneys, the acquisition and disposal of public property and incurring of liabilities have been in accordance with legislative provisions. There were no circumstances that render the particulars included in this statement misleading or inaccurate.

The 2005-06 Annual Report incorporates a full financial report for the appropriation under Division 57 of the 2005-06 State Budget.

Compliance with Public Sector Standards and Code of Ethics

The Department's Human Resources area provides services to each of the following:

- Department of Culture and the Arts
- The State Library of Western Australia
- Western Australian Museum
- Art Gallery of Western Australia
- ScreenWest
- Perth Theatre Trust.

In the administration of the Department of Culture and the Arts, I have complied with Public Sector Standards in Human Resource Management, the Public Sector Code of Ethics and the organisation's Code of Conduct.

There are sufficient internal controls and processes to provide a reasonable assurance of compliance with the Public Sector Standards in Human Resource Management for the recruitment, selection and appointment; transfer; secondment; performance management; redeployment; termination; discipline; temporary deployment (acting) and grievance resolution standards to satisfy me that the above statement is correct.

There were no breaches of Public Sector Standards in Human Resource Management during 2005-06.

The portfolio organisations – the Art Gallery of Western Australia, The Library Board of Western Australia, Perth Theatre Trust, ScreenWest and the Western Australian Museum – have reported their level of compliance in their 2005-06 annual reports, in accordance with the *Public Sector Management Act 1994* and their existing legislation or instruments.



Alastair Bryant

Director General

29 August 2006

REGIONAL DEVELOPMENT POLICY

In June 2006, the Department coordinated the portfolio's reporting for 2005-06 in relation to the State Government's Regional Development Policy *Regional Western Australia: A Better Place to Live* (2003). Arts and culture are specifically referenced in the outcome areas: quality of regional lifestyles; regional economies; cohesive communities; and conservation of the State's heritage. The Department's *Cultural Signposts* policy is linked to these outcomes to ensure an integrated approach to regional arts and cultural development across Government.

YOUTH OUTCOMES

The following youth focused activities and initiatives were undertaken during the year:

- Funding totalling \$306,115 was provided through the Young People and the Arts Panel with 56 organisations and individuals supported during 2005-06.
- Research and scoping for the new annual \$30,000 International Scholarship was completed and the program launched, with the first applications due in September 2006. The scholarship is for a young artist or arts worker aged less than 30 years to pursue specialist training at an accredited overseas institution.
- Additional funding was made available to Propelarts (\$40,000 in stabilisation funding) and the WA Youth Theatre (an additional \$20,000 to deliver its artistic program).
- Three \$3,000 youth scholarships were awarded through Steps Youth Dance Company, WA Youth Jazz Orchestra and WA Youth Music Association for young performers to further their development through the pursuit of specialist training and attendance at international events.

DISABILITY ACCESS AND INCLUSION PLAN OUTCOMES

The Department of Culture and the Arts is committed to improving access and equity for all its customer groups and ensuring that people who have a disability or impairment are included, and participate in, shaping the range of services and objectives the Department and the portfolio deliver.

A Disability Services Planning Committee comprising Corporate Assets and Business Support units and portfolio organisations, together with Disability in the Arts Disadvantage in the Arts Australia (WA) Inc, the Disability Services Commission and two community representatives who have a disability or impairment continued to meet during the reporting

period to transform the existing Disability Services Plan into the Disability Access and Inclusion Plan in line with the requirements of the *Disability Services Act 1993*, as amended in 2004.

Progress was made during 2005-06 in implementing strategies to support the six desired outcomes of the Disability Access and Inclusion Plan framework. Initiatives that address the six outcomes are outlined below:

1. Access for people with disabilities to services and events

Information about the Department's functions and services is written in clear and concise language and is available in alternative formats.

Where an admission fee is charged for access to the portfolio organisation venues – such as for general access to the Swan Bells and Maritime Museum, or for special events at the Art Gallery of WA or the WA Museum - the companion of a visitor with a disability is admitted free of charge, except in the case of functions managed by external parties.

2. Disability access to buildings and other facilities

Subiaco Arts Centre and Arts House at the Cultural Centre now meet access requirements with the installation of universal access lifts as part of the redevelopments. The Subiaco Arts Centre BOCS Ticketing counter now includes a universal access desk.

3. Information provided in an appropriate format

Information is available in alternate formats upon request such as large print and audio cassette.

4. People with disabilities receive the same level and quality of service from staff

The Department provides disability awareness training to customer service officers and other staff as required, so services are delivered by staff who are aware of and understand the needs of people with disabilities. This type of training will be included as a component in future induction sessions for new employees.

5. Opportunity to make complaints

The Department's complaints process was reviewed during 2005-06 which resulted in improvements to the internal management of complaints.

The Department provides information in clear and concise language on its website on how customers can participate in grievance mechanisms.

Complaints from any person, or their advocate, are fully investigated and the outcome is conveyed to them in an accessible format.

6. Opportunity to participate in public consultations

Public consultations are advertised widely and conducted in accessible venues.

Two representatives with disabilities from the community participate as members of the Department's Disability Services Planning Committee.

SUBSTANTIVE EQUALITY

The Department is committed to the elimination of systemic racial discrimination from all policies and practices of public sector services and will promote sensitivity to the diverse needs of its customer groups. A reference group was formed during the year to guide the implementation of the Policy Framework for Substantive Equality and a Substantive Equality Implementation Plan was developed that includes draft timelines for the implementation of service areas in each year of the project, and provisions for the recognition of best practice within these. A high level learning and development strategy is being developed which incorporates training, communication plans and ongoing feedback and review to ensure the successful dissemination of relevant knowledge to and from staff.

The initial areas of focus through which substantive equality will be implemented are:

- the Arts Development Grants Program
- the Indigenous Arts Development Program
- the Community Cultural and Arts Facilities Fund (CCAFF).

CULTURAL DIVERSITY AND LANGUAGE SERVICE OUTCOMES

The Western Australian Government Language Services Policy is designed to ensure that State Government services provide equitable access for people who require assistance to communicate in English. The Department ensures that clients can access services fairly and equitably and that service delivery is responsive to clients' needs through the following strategies:

- ensuring that information is available for staff to engage qualified interpreters and translators to facilitate communication with clients when required
- where possible, producing and distributing information regarding services and policies in English and other languages, for example, the Arts Grants Handbook

- making maximum use of the linguistic skills of current employees by identifying employees who possess interpreting skills, or who are registered as an interpreter or translator.

SUSTAINABILITY

The Portfolio's Sustainability Action Plan Committee developed the Department's Sustainability Action Plan 2005-2007 and is responsible for the evaluation and reporting of the plan. Membership of the committee includes portfolio organisations and various work areas within the Department. The Department also participates in the Premier's Sustainability Roundtable, which has a community focus.

In accordance with the commitments of the State Government's Sustainability Code of Practice, the following were achieved:

Strategic planning

The alignment of DCA's Direction Statement with the Government's goals and strategic outcomes articulated in *Better Planning: Better Services, A Strategic Planning Framework for the Western Australian Public Sector* and the sustainability principles, practices and actions within the *State Sustainability Strategy*.

Annual Reporting

Annual Reports are prepared in accordance with the Annual Reporting Framework.

Procurement

Existing procurement policy and practices are compliant with State Supply Commission requirements.

Government buildings, built assets and land

The Department is compliant with Department of Housing and Works office accommodation policies, including those related to sustainability and Government office accommodation.

Sustainability through diversity

- benchmarks are included in the DCA Equity and Diversity Plan
- training was provided and is available on request through the Department's Induction Program
- multicultural training has been completed at the Western Australian Museum.

Volunteering for Community Development

The Department has representatives on, and participates in, the Volunteering Reference Group coordinated by Department for Community Development Volunteering Secretariat.

Occupational Health and Safety

The Occupational Health and Safety Committee's framework is in place. Achievements in accordance with DCA's Occupational Health and Safety Plan include Departmental representatives attending safety training courses and the establishment of a management system that provides for the identification of hazards and the control of risks, enables continuous improvement in occupational safety and health and ensures appropriate training for management and employees in hazard identification and risk control.

Equal Employment Opportunity Outcomes

The Department is committed to equity and diversity by encouraging the employment of Indigenous Australians, young people, people with disabilities, people from culturally diverse backgrounds and women.

The Department's equity and diversity plan 2003-2005 was successfully completed at the end of 2005. The portfolio exceeded the equity and diversity targets of the plan and the whole of the public sector objectives for the year 2004-2005 in the areas of distribution of women, people with disabilities and people from culturally diverse backgrounds.

During 2005-06, the Department has continued to implement the initiatives of its equity and diversity plan. These initiatives focused on key diversity groups including people from culturally and linguistically diverse backgrounds, Indigenous people, people with disabilities, youth, and women in management. Further information is provided under the Equal Employment Opportunity section in this Annual Report.

Environmental performance

Information relating to energy usage is reported under the Energy Smart Government Policy section which follows.

ENERGY SMART GOVERNMENT POLICY

The Department supports the Energy Smart Government policy and aims to achieve the objectives through implementation of energy reduction and efficiency initiatives that create savings in greenhouse gas emissions and contribute to reducing energy operating budgets.

2005-2006 ANNUAL REPORT

The Department's Energy Policy formalises the commitment to reducing energy use and practicing energy efficiency throughout all portfolio premises, plant and equipment. The Department has a cross-portfolio energy committee which meets monthly.

Energy Smart Government Program	Baseline Data	2004-2005 Actuals	2005-2006 Actuals	Variation %
Energy Consumption (GJ)	83,238	100,936	103,495	24.3%
Energy Cost (\$)	2,073,423	2,450,245	2,496,864	20.4%
Greenhouse Gas Emissions (tonnes of CO ₂)	16,032	18,449	18,738	16.9%

Energy consumption across the portfolio has increased by 24% over the 2001-02 baseline. This increase can be attributed to growth within the portfolio as follows:

- Maritime Museum, Victoria Quay, Fremantle. This site was commissioned shortly after the baseline was set and now accounts for 20% of all energy consumed by the portfolio organisations and 60% of the Western Australian Museum's consumption.
- Kew Street Collections and Research Centre, Welshpool. This facility houses the Museum's collection of culturally and scientifically significant artefacts under environmentally controlled conditions for the first time, ensuring their preservation. This comes with a substantial energy cost however. As flagged in last year's Annual Report, further increases in energy consumption have been recorded this year, the first full year on site at Welshpool.

Excluding Victoria Quay and Kew Street from the figures, the balance of the portfolio achieved a reduction of 1.3% during the reporting period (target 2%) and a 9.5% reduction from the baseline figures (target 10%).

Energy Audits

Although growth is responsible for the expansion in portfolio energy consumption, the Department has been proactive in taking measures to ameliorate its impact, undertaking a comprehensive program of energy assessments across major sites during 2005-06. The sites audited include:

- Department of Culture and the Arts (Law Chambers Tenancy) Perth

- Art Gallery of Western Australia, Perth Cultural Centre, Perth
- State Library of Western Australia, Alexander Library Building, Perth Cultural Centre, Perth
- State Records Office Dianella Repository, Dianella
- Western Australian Museum regional sites:
 - Albany
 - Geraldton
 - Kalgoorlie
- Western Australian Museum - Perth, Welshpool and Fremantle (Samson House and Fremantle History Museum) sites
- Western Australian Museum, Maritime - Victoria Quay, A Shed and Shipwreck Galleries, Fremantle.

A cross-portfolio works program was developed from the recommendations of these energy assessments for implementation during 2006-07. The works proposed under this program include adjustments and modifications to air conditioning and lighting systems in the State Library, Art Gallery and Museum that will cost in excess of \$1 million. The Sustainable Energy Development Office (SEDO) has approved funding for the Museum projects and the Art Gallery and State Library works are pending SEDO approval.

The Department also developed an Intranet site to raise staff awareness of energy conservation. Tips for saving energy are published on the site to encourage staff to take action to save energy.

WASTE PAPER RECYCLING

General and secure recycling facilities were provided during 2005-06 within the Law Chambers building using a provider available through the Government's Common Use Arrangement. These arrangements were extended to the Department's staff who relocated to the Cannington premises of the Office of Shared Services.

All staff are encouraged to recycle paper.

CORRUPTION PREVENTION

The Department's Fraud Prevention and Detection policy was issued to all employees in 2005. The policy and the associated procedures are available to all staff on the Department's intranet. Departmental policy requires management to assess the risk of fraud and implement appropriate internal controls.

The Department's induction program, which was implemented in 2006, ensures all new employees are aware of the policy and receive a copy of it. The induction program includes a session on risk management and in this context fraud and corruption are discussed. The induction program also informs new employees about the WA Public Sector Code of Ethics and the Department's Code of Conduct to promote awareness of appropriate behaviours by staff.

The Audit and Risk Management area targets fraud prevention through the use of Computer Assisted Audit Techniques. Potentially specious transactions are identified and are subject to audit review. No fraudulent claims were detected during testing in 2005-06.

Through completion of the 2005-06 Annual Audit Plan, Audit identified and reported any weaknesses in controls and made recommendations to management. Implementation of these recommendations will further strengthen the general level of management control and should reduce the opportunity for improper conduct.

INTERESTS OF SENIOR OFFICERS

In accordance with Treasurer's Instruction 903(3)(x) and Guidelines, in respect of particulars of any interest in any existing or proposed contract of senior officers; senior officers have either declared their interests in writing or have confirmed that they have no interest in any contracts with the Department of Culture and the Arts.

PUBLIC INTEREST DISCLOSURES

The Department is committed to the aims and objectives of the *Public Interest Disclosure Act* and has implemented Public Interest Disclosure guidelines and procedures. Information on Public Interest Disclosure is available on the Department's intranet including contact information on the appointed Public Interest Disclosure Officers. There were no disclosures made during 2005-06.

INFORMATION STATEMENT

No Freedom of Information (FOI) applications were received during 2005-06 and there were no outstanding FOI requests at 30 June 2006.

The Department publishes its information statement on its website at <http://www.dca.wa.gov.au/freedomofinformation.asp>

RECORDKEEPING PLANS

The Department submitted its record keeping plan to the State Records Office in March 2004. The State Records Commission Standard 2 Principle 6 requires that agencies include within their Annual Report an appropriate section covering the following areas:

The efficiency and effectiveness of the organisation's record keeping systems is evaluated not less than once every five years.

An evaluation of the efficiency and effectiveness of the Department's record keeping systems is planned for 2006-2007.

The organisation conducts a record keeping training program.

Ten training sessions were held to raise staff awareness of record keeping during 2005-06, which is an increase from the five sessions provided last year.

The efficiency and effectiveness of the record keeping training program is reviewed from time to time.

While a formal review of the record keeping training program has not taken place, client feedback on the existing training program has been positive with the demand for record keeping training increasing.

The organisation's induction program addresses employee roles and responsibilities in regard to their compliance with the organisation's record keeping plan.

A new induction program was developed and implemented during 2005-06. The program includes a component conducted by State Records Office representatives to inform employees of roles and responsibilities in regard to their compliance with the *State Records Act*.

State Records Office Recordkeeping Plan

The State Records Office's (SRO) Recordkeeping Plan was approved by the State Records Commission on 1 July 2002 and will be reviewed before 1 July 2007.

Most of the SRO records management functions have been outsourced to the State Library of Western Australia's Corporate Information Unit. The records are managed in accordance with the SRO's Recordkeeping Plan. To meet the compliance requirements of Principle 6 of the State Records Commission Standard 2:

- induction, including recordkeeping responsibilities, is conducted as new staff are appointed
- recordkeeping training is conducted as systems and practices change
- training requirements are reviewed periodically until a formal and more regular review can be implemented. It is aimed to carry this out before 1 July 2007.

EQUAL EMPLOYMENT OPPORTUNITY OUTCOMES

The Department is committed to equity and diversity by encouraging the employment of people from key diversity groups. The Department's equity and diversity plan 2003-2005 was successfully completed at the end of 2005. The portfolio exceeded the equity and diversity targets of the plan and the whole of the public sector objectives for the year 2004-2005 in the areas of distribution of women, people with disabilities and people from culturally diverse backgrounds.

During 2005-06, the Department continued to implement the initiatives of its equity and diversity plan. These initiatives focus on key diversity groups including people from culturally and linguistically diverse backgrounds, Indigenous people, people with disabilities, youth and women in management. Planning for a new equity and diversity plan for 2006-2009 will commence in 2006-07, setting priorities and performance objectives.

Strategies implemented during the year include:

- collecting equity and diversity information on new employees
- the provision of diversity and EEO information to new employees in the induction process
- the continued support of work experience opportunities which assist in developing youth
- the continuation of a school based traineeship program which provides placements to high school students.

Culture and the Arts Portfolio Demographics as at 30 June 2006

Portfolio Demographics

Employment Type	Total	Women	Men
Permanent Full-time	453	260	193
Permanent Part-time	165	138	27
Fixed Term Full-time	105	64	41
Fixed Term Part-time	48	39	9
Casuals paid on 30 June	39	30	9
Trainee	3	2	1
Total	813	533	280

Department/Portfolio Organisation Demographics

Department/Portfolio Organisation	Total	Women	Men
Department of Culture and the Arts	175	105	70
Art Gallery of Western Australia	71	50	21
Perth Theatre Trust	38	31	7
ScreenWest	12	9	3
State Library of Western Australia	270	192	78
Western Australian Museum	247	146	101

COMPLIANCE WITH PUBLIC SECTOR STANDARDS AND ETHICAL CODES

Compliance with the Public Sector Standards and Ethical Codes is assessed by several different methods, including regular internal and external reviews of related procedures and from staff feedback. A 'rolling' internal audit program reviewed the Transfer, Secondment and Redeployment Standards and conducted follow up reviews for the Performance Management and Grievance Resolution Standards during 2005-06.

A new portfolio wide performance management system was developed with training provided to senior managers of the Department and Art Gallery late in the year in preparation for implementation throughout 2006-07. The Department is developing a Public Sector Standards awareness raising program for staff.

There were no breaches of the Public Sector Standards in Human Resource Management during 2005-06.

EVALUATIONS

No evaluations were undertaken by the Department during the reporting period.



AUDITOR GENERAL

INDEPENDENT AUDIT OPINION

To the Parliament of Western Australia

DEPARTMENT OF CULTURE AND THE ARTS FINANCIAL STATEMENTS AND PERFORMANCE INDICATORS FOR THE YEAR ENDED 30 JUNE 2006

Audit Opinion

In my opinion,

- (i) the financial statements are based on proper accounts and present fairly the financial position of the Department of Culture and the Arts at 30 June 2006 and its financial performance and cash flows for the year ended on that date. They are in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia and the Treasurer's Instructions;
- (ii) the controls exercised by the Department provide reasonable assurance that the receipt and expenditure of moneys, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions; and
- (iii) the key effectiveness and efficiency performance indicators of the Department are relevant and appropriate to help users assess the Department's performance and fairly represent the indicated performance for the year ended 30 June 2006.

Scope

The Director General is responsible for keeping proper accounts and maintaining adequate systems of internal control, for preparing the financial statements and performance indicators, and complying with the Financial Administration and Audit Act 1985 (the Act) and other relevant written law.

The financial statements consist of the Income Statement, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement, Schedule of Income and Expenses by Service, Summary of Consolidated Fund Appropriations and Income Estimates, and the Notes to the Financial Statements.

The performance indicators consist of key indicators of effectiveness and efficiency.

Summary of my Role

As required by the Act, I have independently audited the accounts, financial statements and performance indicators to express an opinion on the financial statements, controls and performance indicators. This was done by testing selected samples of the evidence. Further information on my audit approach is provided in my audit practice statement. Refer "<http://www.audit.wa.gov.au/pubs/Audit-Practice-Statement.pdf>".

An audit does not guarantee that every amount and disclosure in the financial statements and performance indicators is error free. The term "reasonable assurance" recognises that an audit does not examine all evidence and every transaction. However, my audit procedures should identify errors or omissions significant enough to adversely affect the decisions of users of the financial statements and performance indicators.

D D R PEARSON
AUDITOR GENERAL
18 September 2006

FINANCIAL STATEMENTS

CERTIFICATION OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006

The accompanying financial statements of the Department of Culture and the Arts have been prepared in compliance with the provisions of the Financial Administration and Audit Act 1985 from proper accounts and records to present fairly the financial transactions for the financial year ending 30 June 2006 and the financial position as at 30 June 2006.

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



Alan Ferris
CHIEF FINANCE OFFICER
Date: 29 August 2006



Alastair Bryant
ACCOUNTABLE OFFICER
Date: 29 August 2006

FINANCIAL STATEMENTS

DEPARTMENT OF CULTURE AND THE ARTS
 INCOME STATEMENT
 FOR THE YEAR ENDED 30 JUNE 2006

	Note	2006 \$000	2005 \$000
COST OF SERVICES			
Expenses			
Employee benefits expense	5	38,633	39,112
Supplies and services (a)	6	2,590	2,534
Depreciation and amortisation expense	7	814	737
Accommodation expenses	8	1,253	910
Grants and subsidies	9	17,682	19,402
Capital user charge	10	29,562	33,578
Appropriations to agencies	11	27,407	27,484
Refund of prior years' revenue	12	1,519	34
Other expenses	13	99	112
Total cost of services		119,559	123,903
Income			
Revenue			
User charges and fees	14	580	563
Commonwealth grants and contributions	15	0	20
Other revenue	16	2,417	666
Total revenue		2,997	1,249
Total income other than income from State Government		2,997	1,249
NET COST OF SERVICES		116,562	122,654
INCOME FROM STATE GOVERNMENT			
Service Appropriation	17	120,560	116,355
Liabilities assumed by the Treasurer		54	841
Assets assumed/(transferred)		(162)	0
Resources received free of charge		141	175
Total income from State Government		120,593	117,371
SURPLUS/DEFICIT FOR THE PERIOD		4,031	(5,283)

(a) Includes administrative expenses.

The Income Statement should be read in conjunction with the accompanying notes.

**DEPARTMENT OF CULTURE AND THE ARTS
BALANCE SHEET
AS AT 30 JUNE 2006**

	Note	2006 \$000	2005 \$000
ASSETS			
Current Assets			
Cash and cash equivalents	28	10,267	4,113
Restricted cash and cash equivalents	18, 28	997	426
Receivables	19	1,670	2,119
Amounts receivable for services	20	1,116	726
Total Current Assets		14,050	7,384
Non-Current Assets			
Cash and cash equivalents	28	87	0
Amounts receivable for services	20	1,513	1,420
Property, plant and equipment	21	36,049	32,381
Intangible assets	22	183	258
Total Non-Current Assets		37,832	34,059
TOTAL ASSETS		51,882	41,443
LIABILITIES			
Current Liabilities			
Payables	24	19,392	17,589
Provisions	25	6,051	4,475
Other current liabilities	26	734	39
Total Current Liabilities		26,177	22,103
Non-Current Liabilities			
Provisions	25	2,846	3,603
Total Non-Current Liabilities		2,846	3,603
Total Liabilities		29,023	25,706
Net Assets		22,859	15,737
EQUITY			
Contributed equity	27	17,488	16,529
Reserves		7,487	5,356
Accumulated surplus/(deficiency)		(2,116)	(6,147)
Total Equity		22,859	15,738
TOTAL LIABILITIES AND EQUITY		51,882	41,444

The Balance Sheet should be read in conjunction with the accompanying notes.

**DEPARTMENT OF CULTURE AND THE ARTS
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2006**

	Note	2006 \$000	2005 \$000
Balance of equity at start of period		15,738	15,667
CONTRIBUTED EQUITY	27		
Balance at start of period		16,529	13,320
Capital contribution		959	3,209
Other contributions by owners			
Distribution to owners			
Balance at end of period		17,488	16,529
RESERVES	27		
Asset Revaluation Reserve			
Balance at start of period		5,356	3,201
Changes in accounting policy or correction of prior period errors			
Restated balance at start of period		5,356	3,201
Gains/(losses) from asset revaluation		2,131	2,155
Balance at end of period		7,487	5,356
ACCUMULATED SURPLUS (RETAINED EARNINGS)	27		
Balance at start of period		(6,147)	(864)
Net adjustment on transition to AIFRS			
Changes in accounting policy or correction of prior period errors			
Restated balance at start of period		(6,147)	(864)
Surplus/(deficit) or profit/(loss) for the period		4,031	(5,283)
Gains/(losses) recognised directly in equity			
Balance at end of period		(2,116)	(6,147)
Balance of equity at end of period		22,859	15,738
Total income and expense for the period (a)		6,162	(3,128)

(a) The aggregate net amount attributable to each category of equity is: surplus \$4,031,000 plus gains \$2,131,000, (2005: deficit \$5,283,000 plus gains \$2,155,000).

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

**DEPARTMENT OF CULTURE AND THE ARTS
CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2006**

	Note	2006 \$000	2005 \$000
CASH FLOWS FROM STATE GOVERNMENT			
Service appropriation		106,409	101,953
Capital contributions		7,392	18,361
Holding account drawdowns		9,341	9,491
Net cash provided by State Government		123,142	129,805
Utilised as follows:			
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Employee benefits		(36,885)	(38,411)
Supplies and services		(2,422)	(2,487)
Accommodation		(1,117)	(938)
Grants and subsidies		(16,190)	(18,845)
Capital user charge		(29,562)	(33,578)
Appropriations to agencies		(29,536)	(38,553)
GST payments on purchases		(2,155)	(2,412)
Other payments		(97)	0
Receipts			
User charges and fees		629	422
Commonwealth grants and contributions		0	44
GST receipts on sales		162	71
GST receipts from taxation authority		2,256	2,302
Other receipts		1,057	591
Net cash provided by/(used in) operating activities	28 (b)	(113,860)	(131,794)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of non-current physical assets		(2,467)	(933)
Net cash provided by/(used in) investing activities		(2,467)	(933)
Net increase/(decrease) in cash and cash equivalents		6,815	(2,922)
Cash and cash equivalents at the beginning of period		4,536	7,458
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	28 (a)	11,351	4,536

The Cash Flow Statement should be read in conjunction with the accompanying notes

DEPARTMENT OF CULTURE AND THE ARTS
 SCHEDULE OF INCOME AND EXPENSES BY SERVICE
 FOR THE YEAR ENDED 30 JUNE 2006

	Art Gallery Services		Library and Information Services		Museum Services		Arts Industry Support		Recordkeeping and Archival Services		Screen Production Industry Support		Venue Management Services		Total	
	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000
COST OF SERVICES																
Expenses																
Employee benefits expenses	3,279	3,303	11,489	11,261	11,788	11,585	1,094	1,536	1,418	1,338	839	730	6,490	6,477	36,397	36,230
Supplies and services	4,829	5,926	5,850	6,355	6,676	8,834	444	392	157	157	443	505	5,948	6,522	24,347	28,691
Depreciation and amortisation expense	575	540	8,865	9,367	2,543	2,605	0	0	72	60	9	11	1,117	914	13,181	13,497
Accommodation expenses	0	0	6	6	32	59	73	74	13	2	50	54	257	330	431	525
Grants and subsidies	185	170	561	502	0	30	16,410	17,463	1	0	7,105	7,167	61	67	24,323	25,399
Capital User Charge	11,866	11,633	11,252	10,499	6,399	7,746	0	0	127	80	40	76	773	2,427	30,457	32,461
Net revaluation decrement	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Refund of previous years' revenue	0	0	0	0	0	0	0	0	0	0	0	0	0	(5)	0	(5)
Other expenses	2,081	2,031	4,022	3,927	2,774	2,708	2,366	2,276	416	406	462	406	2,081	2,031	14,202	13,785
Total cost of services	22,815	23,603	42,045	41,917	30,212	33,567	20,387	21,741	2,204	2,043	8,948	8,949	16,727	18,763	143,338	150,583
Income																
User charges and fees	1,079	141	725	441	1,698	2,268	35	22	94	102	29	4	3,829	3,922	7,489	6,900
Sale of Goods	1,068	828	459	252	1,377	2,717	0	13	6	7	0	3	3,354	2,813	6,264	6,633
Commonwealth grants and contributions	0	0	280	0	709	0	0	20	0	0	0	0	0	0	989	20
Other revenue	4,106	1,716	2,658	1,660	1,442	2,963	342	254	(12)	187	4,656	5,087	3,009	4,420	16,201	16,287
Total income other than income from State Government	6,253	2,685	4,122	2,353	5,226	7,948	377	309	88	296	4,685	5,094	10,192	11,155	30,943	29,840
NET COST OF SERVICES	16,562	20,918	37,923	39,564	24,986	25,619	20,010	21,432	2,116	1,747	4,263	3,855	6,535	7,608	112,395	120,743
INCOME FROM STATE GOVERNMENT																
Service Appropriation	13,800	19,471	39,409	37,937	32,661	25,469	22,246	20,961	1,749	1,481	3,249	3,261	7,446	7,775	120,560	116,355
Liabilities assumed by the Treasurer	8	126	16	244	10	169	8	126	2	25	2	25	8	126	54	841
Assets assumed/(transferred)	(24)	0	(47)	0	176,727	0	(24)	0	(5)	0	(5)	0	(24)	0	176,598	0
Initial recognition of assets not previously recognised	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Resources received free of charge	21	26	40	51	30	36	21	26	4	5	4	5	21	26	141	175
Total income from State Government	13,805	19,623	39,418	38,232	209,428	25,674	22,251	21,113	1,750	1,511	3,250	3,291	7,451	7,927	297,353	117,371
Surplus/deficit for the period	(2,757)	(1,295)	1,495	(1,332)	184,442	55	2,241	(319)	(366)	(236)	(1,013)	(564)	916	319	184,958	(3,372)

For consistency of reporting and to enable valid comparison between years of the cost of delivering services, the Total Cost of Services for 2005 has been recast to recognise the full cost of service across the arts portfolio, and is equivalent in total to the amount reported at whole-of-government level in the Department of Treasury and Finance TIMS system. The initial 2005 figures only reflected the Total Cost of Services for the Department of Culture and the Arts.

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

DEPARTMENT OF CULTURE AND THE ARTS

SUMMARY OF CONSOLIDATED FUND APPROPRIATIONS AND INCOME ESTIMATES
FOR THE YEAR ENDED 30 JUNE 2006

	2006 Estimate \$'000	2006 Actual \$'000	Variance \$'000	2006 Actual \$'000	2005 Actual \$'000	Variance \$'000
DELIVERY OF SERVICES						
Item 87 Net amount appropriated to deliver services	91,981	85,868	(6,113)	85,868	81,029	4,839
Item 88 Art Gallery of Western Australia	3,505	3,505	0	3,505	3,813	(308)
Item 89 Library Board of Western Australia	13,101	13,101	0	13,101	14,048	(947)
Item 90 Perth Theatre Trust	1,198	1,198	0	1,198	1,612	(414)
Item 91 Western Australian Museum	5,083	6,056	973	6,056	5,531	525
Amount Authorised by Other Statutes:						
- Lotteries Commission Act 1990	9,833	10,229	396	10,229	9,764	465
- Salaries and Allowances Act 1975	568	603	35	603	558	45
Total appropriations provided to deliver services	125,269	120,560	(4,709)	120,560	116,355	4,205
CAPITAL						
Item 161 Capital Contribution	3,424	969	(2,455)	969	3,215	(2,246)
Item 162 Art Gallery of Western Australia	421	421	0	421	6,386	(5,965)
Item 163 Library Board of Western Australia	2,757	4,032	1,275	4,032	4,389	(357)
Item 164 Perth Theatre Trust	571	1,751	1,180	1,751	487	1,264
Item 165 Western Australian Museum	219	219	0	219	3,884	(3,665)
	7,392	7,392	0	7,392	18,361	(10,969)
GRAND TOTAL	132,661	127,952	(4,709)	127,952	134,716	(6,764)
Details of Expenses by Service						
Art Gallery Services	23,906	22,815	(1,091)	22,815	23,603	(788)
Library and Information Services	41,636	42,045	409	42,045	41,917	128
Museum Services	31,606	30,212	(1,394)	30,212	33,567	(3,355)
Arts Industry Support	27,498	20,387	(7,111)	20,387	21,741	(1,354)
Screen Production Industry Support	7,928	8,948	1,020	8,948	8,949	(1)
Venue Management Services	17,193	16,727	(466)	16,727	18,763	(2,036)
Recordkeeping and Archival Services	2,129	2,204	75	2,204	2,043	161
Total Cost of Services	151,896	143,338	(8,558)	143,338	150,583	(7,245)
Less total income	(24,614)	(30,943)	(6,329)	(30,943)	(29,840)	(1,103)
Net Cost of Services	127,282	112,395	(14,887)	112,395	120,743	(8,348)
Adjustments	(2,013)	8,165	10,178	8,165	(4,388)	12,553
Total appropriations provided to deliver services	125,269	120,560	(4,709)	120,560	116,355	(7,245)
Capital Expenditure						
Purchase of non-current physical assets	7,392	7,392	0	7,392	18,361	(10,969)
Capital Contribution (appropriation)	7,392	7,392	0	7,392	18,361	(10,969)

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

Note 32 'Explanatory statement' provides details of any significant variations between estimates and actual results for 2006 and between the actual results for 2005 and 2006.

DEPARTMENT OF CULTURE AND THE ARTS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006

1 Departmental mission and funding

The Department's mission is to provide leadership, support and services to ensure that current and future Western Australians are informed and have access to a diverse range of innovative ideas, knowledge and cultural experiences.

The Department is predominantly funded by Parliamentary appropriation, supplemented by fees received for the provision of services to other agencies that are charged out on a cost recovery basis.

2 First time adoption of Australian equivalents to international Financial reporting Standards

General

This is the Department's first published financial statements prepared under Australian equivalents to International Financial Reporting Standards (AIFRS).

Accounting Standard AASB 1 'First-time Adoption of Australian Equivalents to International Financial Reporting Standards' has been applied in preparing these financial statements. Until 30 June 2005, the financial statements have been prepared under the previous Australian Generally Accepted Accounting Principles (AGAAP).

The Australian Accounting Standards Board (AASB) adopted the Standards of the International Accounting Standards Board (IASB) for application to reporting periods beginning on or after 1 January 2005 by issuing AIFRS which comprise a Framework for the Preparation and Presentation of Financial Statements, Australian Accounting Standards and the Urgent Issues Group (UIG) Interpretations.

In accordance with the option provided by AASB 1 paragraph 36A and exercised by Treasurer's Instruction (TI) 1101 'Application of Australian Accounting Standards and Other Pronouncements', financial instrument information prepared under AASB 132 and AASB 139 will apply from 1 July 2005 and consequently comparative information for financial instruments is presented on the previous AGAAP basis (describe the differences). All other comparative information has been prepared under the AIFRS basis.

Early adoption of standards

The Department cannot early adopt an Australian Accounting Standard or UIG Interpretation unless specifically permitted by TI 1101 'Application of Australian Accounting Standards and Other Pronouncements'. This TI requires the early adoption of revised AASB 119 'Employee Benefits' as issued in December 2004, AASB 2004-3 'Amendments to Australian Accounting Standards' and 2005-3 'Amendments to Australian Accounting Standards [AASB 119]'; AASB 2005-4 'Amendments to Australian Accounting Standard [AASB 139, AASB 132, AASB 1, AASB 1023 & AASB 1038]' and AASB 2005-6 'Amendments to Australian Accounting Standards [AASB 3]' to the annual reporting period beginning 1 July 2005. AASB 2005-4 amends AASB 139 'Financial Instruments: Recognition and Measurement' so that the ability to designate financial assets and financial liabilities at fair value is restricted. AASB 2005-6 excludes business combinations involving common control from the scope of AASB 3 'Business Combinations'.

Reconciliations explaining the transition to AIFRS as at 1 July 2004 and 30 June 2005 are provided at note 41 'Reconciliations explaining the transition to AIFRS'.

3 Summary of significant accounting policies

(a) General Statement

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

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

Where modification is required and has 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.

DEPARTMENT OF CULTURE AND THE ARTS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006

(b) Basis of Preparation

The financial statements have been prepared in accordance with Accounting Standard AAS 29 'Financial Reporting by Government Departments' on the accrual basis of accounting using the historical cost convention, modified by the revaluation of land, buildings and infrastructure which have been measured at fair value.

The accounting policies adopted in the preparation of the financial statements have been consistently applied throughout all periods presented unless otherwise stated.

The financial statements are presented in Australian dollars and all values are rounded to the nearest thousand dollars (\$'000).

(c) Reporting Entity

The reporting entity comprises the Department of Culture and the Arts. The Department has no related bodies.

(d) Contributed Equity

UIG Interpretation 1038 'Contributions by Owners Made to Wholly-Owned Public Sector Entities' requires transfers in the nature of equity contributions to be designated by the Government (the owner) as contributions by owners (at the time of, or prior to transfer) before such transfers can be recognised as equity contributions. Capital contributions (appropriations) have been designated as contributions by owners by TI 955 'Contributions by Owners made to Wholly Owned Public Sector Entities' and have been credited directly to Contributed Equity.

Transfer of net assets to/from other agencies are designated as contributions by owners where the transfers are non-discretionary and non-reciprocal. See note 27 'Equity'.

e) Income

Revenue

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

Sale of goods

Revenue is recognised from the sale of goods and disposal of other assets when the significant risks and rewards of ownership control transfer to the purchaser.

Rendering of services

Revenue is recognised upon delivery of the service to the client or by reference to the stage of completion.

Service Appropriations

Service Appropriations are recognised as revenue in the period in which the Department gains control of the appropriated funds. The Department gains control of appropriated funds at the time those funds are deposited into the Department's bank account or credited to the holding account held at the Department of Treasury and Finance.

See note 17 Income from State Government for further detail.

The Department receives funding from the Lotteries Commission under the provisions of Section 22 of the Lotteries Commission Act (1990). This provides for receipts based on five per cent of the net lotteries and games subscriptions received by the Lotteries Commission. Accordingly, funds are received in arrears, and at 30 June the portion relating to lotteries turnover for June remained outstanding. This amount is recognised as an asset in the Statement of Financial Position and as Appropriations in the Statement of Financial Performance.

Net Appropriation Determination

The Treasurer may make a determination providing for prescribed revenues to be retained for services under the control of the Department. In accordance with the determination specified in the 2005-2006 Budget Statements, the Department retained \$1.570 million in 2006 (\$1.294 million in 2005) from the following:

- proceeds from fees and charges; and
- other departmental revenue.

DEPARTMENT OF CULTURE AND THE ARTS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006

Grants, donations, gifts and other non-reciprocal contributions

Revenue is recognised at fair value when the Department obtains control over the assets comprising the contributions which is usually when cash is received.

Other non-reciprocal contributions that are not contributions by owners are recognised at their fair value. Contributions of services are only recognised when a fair value can be reliably determined and the services would be purchased if not donated.

Where contributions recognised as revenues during the reporting period were obtained on the condition that they be expended in a particular manner or used over a particular period, and those conditions were undischarged as at the reporting date, the nature of, and amounts pertaining to, those undischarged conditions are disclosed in the notes.

Gains

Gains may be realised or unrealised and are usually recognised on a net basis. These include gains arising on the disposal of non-current assets and some revaluations of non-current assets.

(f) Property, Plant, Equipment and Infrastructure

Capitalisation/Expensing of assets

Items of property, plant and equipment and infrastructure costing over \$1,000 are recognised as assets and the cost of utilising assets is expensed (depreciated) over their useful lives. Items of property, plant and equipment and infrastructure costing less than \$1,000 are immediately expensed direct to the Income Statement (other than where they form part of a group of similar items which are significant in total).

Initial recognition and measurement

All items of property, plant and equipment and infrastructure are initially recognised at cost.

For items of property, plant and equipment and infrastructure acquired at no cost or for nominal consideration, the cost is their fair value at the date of acquisition.

Subsequent measurement

After recognition as an asset, the Department uses the revaluation model for the measurement of land, buildings and infrastructure and the cost model for all other property, plant and equipment. Land, buildings and infrastructure are carried at fair value less accumulated depreciation on buildings and infrastructure and accumulated impairment losses. All other items of property, plant and equipment are carried at historical cost less accumulated depreciation and accumulated impairment losses.

Where market evidence is available, the fair value of land and buildings is determined on the basis of current market buying values determined by reference to recent market transactions. When buildings are revalued by reference to recent market transactions, the accumulated depreciation is eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount.

Where market evidence is not available, the fair value of land and buildings is determined on the basis of existing use. This normally applies where buildings are specialised or where land use is restricted. Fair value for existing use assets is determined by reference to the cost of replacing the remaining future economic benefits embodied in the asset, ie. the depreciated replacement cost. When buildings are revalued, any accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the buildings and the net amount restated to the revalued amount of the buildings.

The revaluation of land and buildings is an independent valuation provided on an annual basis by the Department of Land Information (Valuation Services).

Fair value of infrastructure has been determined by reference to the depreciated replacement cost (existing use basis) as the assets are specialised and no market evidence of value is available. Land under infrastructure is included in land reported under Property, plant and equipment. Valuations are provided by an independent valuer every 3 to 5 years.

When infrastructure is revalued, the accumulated depreciation is restated proportionately with the change in the gross carrying amount of the asset so that the carrying amount of the asset after revaluation equals its revalued amount.

DEPARTMENT OF CULTURE AND THE ARTS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006

The most significant assumptions in estimating fair value are made in assessing whether to apply the existing use basis to assets. Professional judgment by the valuer is required where the evidence does not provide a clear distinction between market type assets and existing use assets. Refer to note 21 'Property, plant and equipment' for further information on revaluations.

Depreciation

All non-current assets having a limited useful life are systematically depreciated over their estimated useful lives in a manner that reflects the consumption of their future economic benefits.

Land is not depreciated. Depreciation on other assets is calculated using the straight line method, using rates which are reviewed annually. Estimated useful lives for each class of depreciable asset are:

Buildings/Improvements	40 years
Plant and equipment	4 to 10 years
Computer hardware and software(a)	4 years

Works of art controlled by the Department are classified as property, plant and equipment. They are anticipated to have very long and indefinite useful lives. Their service potential has not, in any material sense, been consumed during the reporting period and so no depreciation has been recognised.

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

(g) Intangible Assets

Capitalisation/Expensing of assets

Acquisitions of intangible assets costing over \$1,000 and internally generated intangible assets costing over \$50,000 are capitalised. The cost of utilising the assets is expensed (amortised) over their useful life. Costs incurred below these thresholds are immediately expensed directly to the Income Statement.

All acquired and internally developed intangible assets are initially recognised at cost. For assets acquired at no cost or for nominal consideration, the cost is their fair value at the date of acquisition.

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

The carrying value of intangible assets is reviewed for impairment annually when the asset is not yet in use, or more frequently when an indicator of impairment arises during the reporting year indicating that the carrying value may not be recoverable.

Amortisation for intangible assets with finite useful lives is calculated for the period of the expected benefit (estimated useful life) on the straight line basis using rates which are reviewed annually. All intangible assets controlled by the Department have a finite useful life and zero residual value. The expected useful lives for each class of intangible assets are:

Licences	Up to 10 years
Research and Development Costs	3 to 5 years
Software(a)	3 to 5 years
Web site costs	3 to 5 years

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

Licences

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

Research and Development

Research costs are expensed as incurred. Development costs incurred for an individual project are carried forward when the future recoverability can reasonably be regarded as assured and the total project costs are likely to exceed \$50,000. Other development costs are expensed as incurred.

DEPARTMENT OF CULTURE AND THE ARTS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006

Computer Software

Software that is an integral part of the related hardware is treated as property, plant and equipment. Software that is not an integral part of the related hardware is treated as an intangible asset. Software costing less than \$1,000 is expensed in the year of acquisition.

Web site costs

Web site costs are charged as expenses when they are incurred unless they relate to the acquisition or development of an asset when they may be capitalised and amortised. Generally, costs in relation to feasibility studies during the planning phase of a web site, and ongoing costs of maintenance during the operating phase are expensed. Costs incurred in building or enhancing a web site, to the extent that they represent probable future economic benefits that can be reliably measured, are capitalised.

(h) Impairment of Assets

Property, plant and equipment, infrastructure and intangible assets are tested for any indication of impairment at each reporting date. 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. As the Department is a not-for-profit entity, unless an asset has been identified as a surplus asset, the recoverable amount is the higher of an asset's fair value less costs to sell and depreciated replacement cost.

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

Intangible assets with an indefinite useful life and intangible assets not yet available for use are tested for impairment at each reporting date irrespective of whether there is any indication of impairment.

The recoverable amount of assets identified as surplus assets is the higher of fair value less costs to sell and the present value of future cash flows expected to be derived from the asset. Surplus assets carried at fair value have no risk of material impairment where fair value is determined by reference to market evidence. Where fair value is determined by reference to depreciated replacement cost, surplus assets are at risk of impairment and the recoverable amount is measured. Surplus assets at cost are tested for indications of impairment at each reporting date.

See note 23 'Impairment of assets' for the outcome of impairment reviews and testing.

See note 3(p) 'Receivables' and note 19 'Receivables' for impairment of receivables.

(i) Non Current Assets (or Disposal Groups) Classified as Held for Sale

Non-current assets (or disposal groups) held for sale are recognised at the lower of carrying amount and fair value less costs to sell and are presented separately in the Balance Sheet. Assets classified as held for sale are not depreciated or amortised.

All land holdings are Crown land vested in the Department by the Government. The Department for Planning and Infrastructure (DPI) is the only agency with the power to sell Crown land. The Department transfers Crown land to DPI when the land becomes available for sale.

(j) Leases

Finance lease rights and obligations are initially recognised at the commencement of the lease term as assets and liabilities 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. The assets are disclosed as plant, equipment and vehicles under lease, and are depreciated over the period during which the Department is expected to benefit from their use. Minimum lease payments are allocated between the finance charge and the reduction of the outstanding lease liability, according to the interest rate implicit in the lease.

The Department holds operating leases for office accommodation. Lease payments are expensed on a straight line basis over the lease term as this represents the pattern of benefits derived from the leased properties.

DEPARTMENT OF CULTURE AND THE ARTS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006

(k) Financial Instruments

The Department has two categories of financial instrument:

- Loans and receivables (includes cash); and
- Non trading financial liabilities (finance leases, payables).

Initial recognition and measurement of financial instruments is at fair value which normally equates to the transaction cost or the face value. Subsequent measurement is at amortised cost using the effective interest method.

The fair value of short-term receivables and payables is the transaction cost or the face value because there is no interest rate applicable and subsequent measurement is not required as the effect of discounting is not material.

(l) Cash and Cash Equivalents

For the purpose of the Cash Flow Statement, cash and cash equivalents includes restricted cash and cash equivalents. These are comprised of 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.

(m) Accrued Salaries

The accrued salaries suspense account (see note 18 'Restricted cash and cash equivalents') consists of amounts paid annually into a suspense account over a period of 10 financial years to largely meet the additional cash outflow in each eleventh year when 27 pay days occur instead of the normal 26. No interest is received on this account.

Accrued salaries (refer note 26 'Other liabilities') represent the amount due to staff but unpaid at the end of the financial year, as the pay date for the last pay period for that financial year does not coincide with the end of the financial year.

Accrued salaries are settled within a few days of the financial year end. The Department considers the carrying amount of accrued salaries to be equivalent to the net fair value.

(n) Amounts Receivable for Services (Holding Account)

The Department receives appropriation funding on an accrual basis that recognises the full annual cash and non-cash cost of services. The appropriations are paid partly in cash and partly as an asset (Holding Account receivable) that is accessible on the emergence of the cash funding requirement to cover items such as leave entitlements and asset replacement.

See also note 17 'Income from State Government' and note 20 'Amounts receivable for services'.

(o) Inventories

Inventories are measured at the lower of cost and net realisable value. Costs are assigned by the method most appropriate to each particular class of inventory, with the majority being valued on a first in first out basis.

Inventories not held for resale are valued at cost unless they are no longer required, in which case they are valued at net realisable value.

(p) Receivables

Receivables are recognised and carried at original invoice amount less an allowance for uncollectible amounts (i.e. impairment). The collectability of receivables is reviewed on an ongoing basis and any receivables identified as uncollectible are written-off. The allowance for uncollectible amounts (doubtful debts) is raised when there is objective evidence that the Department will not be able to collect the debts. The carrying amount is equivalent to fair value as it is due for settlement within 30 days.

See note 3(k) Financial Instruments and note 19 'Receivables'.

DEPARTMENT OF CULTURE AND THE ARTS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006

(q) Payables

Payables are recognised 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 they are generally settled within 30 days.

See note 3(k) Financial Instruments and note 24 'Payables'.

(r) Provisions

Provisions are liabilities of uncertain timing and amount and are recognised where there is a present legal, equitable or constructive obligation as a result of a past event and when the outflow of economic benefits is probable and can be measured reliably. Provisions are reviewed at each balance sheet reporting date.

See note 25 'Provisions'.

(i) Provisions - Employee Benefits

Annual Leave and Long Service Leave

The liability for annual and long service leave expected to be settled within 12 months after the end of the reporting date is recognised and measured at the undiscounted amounts expected to be paid when the liabilities are settled. Annual and long service leave expected to be settled more than 12 months after the end of the reporting date is measured at the present value of amounts expected to be paid when the liabilities are settled. Leave liabilities are in respect of services provided by employees up to the reporting date.

When assessing expected future payments consideration is given to expected future wage and salary levels including non-salary components such as employer superannuation contributions. In addition, the long service leave liability also considers the experience of employee departures and periods of service.

The expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

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

Superannuation

The Government Employees Superannuation Board (GESB) administers the following superannuation schemes.

Employees may contribute to the Pension Scheme, a defined benefit pension scheme now closed to new members or the Gold State Superannuation Scheme (GSS), a defined benefit lump sum scheme also closed to new members. The Department has no liabilities for superannuation charges under the Pension or the GSS Schemes as the liability has been assumed by the Treasurer.

Employees who are not members of either the Pension or the GSS Schemes become non-contributory members of the West State Superannuation Scheme (WSS), an accumulation fund. The Department makes concurrent contributions to GESB on behalf of employees in compliance with the Commonwealth Government's Superannuation Guarantee (Administration) Act 1992. These contributions extinguish the liability for superannuation charges in respect of the WSS Scheme.

The GESB makes all benefit payments in respect of the Pension and GSS Schemes, and is recouped by the Treasurer for the employer's share.

See also note 3(s) Superannuation Expense.

**DEPARTMENT OF CULTURE AND THE ARTS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006**

(ii) Provisions -Other

Employment on Costs

Employment on-costs, including workers' compensation insurance, are not employee benefits and are recognised separately as liabilities and expenses when the employment to which they relate has occurred. Employment on-costs are included as part of 'Other expenses' and are not included as part of the Department's 'Employee benefits expense'. The related liability is included in 'Employment on-costs provision'.

See note 13 'Other expenses' and 25 'Provisions'.

Warranties

Provision is made for the estimated liability on all products still under warranty at reporting date. The amount of the provision is the present value of the estimated cash outflows expected to be required to settle the warranty obligations, having regard to the warranty experience over the last five years and the risks of the warranty obligations.

Restoration Costs

A provision is recognised where the Department has a legal, equitable or constructive obligation to undertake restoration work. Estimates are based on the present value of expected future cash outflows.

(s) Superannuation Expense

The following elements are included in calculating the superannuation expense in the Income Statement:

(a) Defined benefit plans - Change in the unfunded employer's liability (i.e. current service cost and, actuarial gains and losses) assumed by the Treasurer in respect of current employees who are members of the Pension Scheme and current employees who accrued a benefit on transfer from that Scheme to the Gold State Superannuation Scheme (GSS); and

(b) Defined contribution plans - Employer contributions paid to the West State Superannuation Scheme (WSS), and the equivalent of employer contributions to the GSS.

Defined benefit plans - in order to reflect the true cost of services, the movements (i.e. current service cost and, actuarial gains and losses) in the liabilities in respect of the Pension Scheme and the GSS Scheme transfer benefits are recognised as expenses directly in the Income Statement. As these liabilities are assumed by the Treasurer (refer note 3(r)(i)), a revenue titled 'Liabilities assumed by the Treasurer' equivalent to the expense is recognised under Income from State Government in the Income Statement.

See note 17 'Income from State Government'.

Defined contribution plans - in order to reflect the Department's true cost of services, the Department is funded for the equivalent of employer contributions in respect of the GSS Scheme (excluding transfer benefits). These contributions were paid to the GESB during the year and placed in a trust account administered by the GESB on behalf of the Treasurer. The GESB subsequently paid these employer contributions in respect of the GSS Scheme to the Consolidated Fund.

(t) Resources Received Free of Charge or For Nominal Cost

Resources received free of charge or for nominal cost that can be reliably measured are recognised as revenues and as assets or expenses as appropriate, at fair value.

(u) Comparative Figures

Comparative figures have been restated on the AIFRS basis except for financial instruments information, which has been prepared under the previous AGAAP Australian Accounting Standard AAS 33 'Presentation and Disclosure of Financial Instruments'. The transition date to AIFRS for financial instruments is 1 July 2005 in accordance with the exemption allowed under AASB 1, paragraph 36A and Treasurer's Instruction 1101.

DEPARTMENT OF CULTURE AND THE ARTS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006

4 Disclosure of changes in accounting policy and estimates

Initial application of an Australian Accounting Standard

The Department has determined the amounts of adjustments required on the initial application of the Australian Equivalents of International Financial Reporting Standard and has disclosed its effect the current period and the prior period. There is not expected to be any material effect on future periods.

Voluntary changes in Australian Accounting Policy

The Department has not adopted any voluntary change in accounting policy during the reporting period.

Future impact of Australian Accounting Standards not yet operative

The Department cannot early adopt an Australian Accounting Standard or UIG Interpretation unless specifically permitted by TI 1101 'Application of Australian Accounting Standards and Other Pronouncements'. As referred to in Note 2, TI 1101 has only mandated the early adoption of revised AASB 119, AASB 2004-3, AASB 2005-3, AASB 2005-4 and AASB 2005-6. Consequently, the Department has not applied the following Australian Accounting Standards and UIG Interpretations that have been issued but are not yet effective. These will be applied from their application date:

1. AASB 7 'Financial Instruments: Disclosures' (including consequential amendments in AASB 2005-10 'Amendments to Australian Accounting Standards [AASB 132, AASB 101, AASB 114, AASB 117, AASB 133, AASB 139, AASB 1, AASB 4, AASB 1023 & AASB 1038]'). This Standard requires new disclosures in relation to financial instruments. The Standard is required to be applied to annual reporting periods beginning on or after 1 January 2007. The Standard is considered to result in increased disclosures of an entity's risks, enhanced disclosure about components of financial position and performance, and changes to the way of presenting financial statements, but otherwise there is no financial impact.

2. AASB 2005-9 'Amendments to Australian Accounting Standards [AASB 4, AASB 1023, AASB 139 & AASB 132]' (Financial guarantee contracts). The amendment deals with the treatment of financial guarantee contracts, credit insurance contracts, letters of credit or credit derivative default contracts as either an "insurance contract" under AASB 4 'Insurance Contracts' or as a "financial guarantee contract" under AASB 139 'Financial Instruments: Recognition and Measurement'. The Department does not undertake these types of transactions resulting in no financial impact when the Standard is first applied. The Standard is required to be applied to annual reporting periods beginning on or after 1 January 2006.

3. UIG Interpretation 4 'Determining whether an Arrangement Contains a Lease'. This Interpretation deals with arrangements that comprise a transaction or a series of linked transactions that may not involve a legal form of a lease but by their nature are deemed to be leases for the purposes of applying AASB 117 'Leases'. At reporting date, the Department has not entered into any arrangements as specified in the Interpretation resulting in no impact when the Interpretation is first applied. The Interpretation is required to be applied to annual reporting periods beginning on or after 1 January 2006.

The following amendments are not applicable to the Department as they will have no impact:

<u>AASB Amendment</u>	<u>Affected Standards</u>
2005-1	AASB 139 (Cash flow hedge accounting of forecast intragroup transactions)
2005-5	'Amendments to Australian Accounting Standards [AASB 1 & AASB 139]'
2006-1	AASB 121 (Net investment in foreign operations)
UIG 5	'Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds'.
UIG 6	'Liabilities arising from Participating in a Specific Market – Waste Electrical and Electronic Equipment'.
UIG 7	'Applying the Restatement Approach under AASB 129 Financial Reporting in Hyperinflationary Economies'.

DEPARTMENT OF CULTURE AND THE ARTS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006

	2006	2005
	\$'000	\$'000
5 Employee benefits expense		
Wages and salaries (a)	33,848	33,336
Superannuation - defined contribution plans (b)	2,361	2,285
Superannuation - defined benefit plans (c)	956	1,056
Superannuation - defined benefits plans (unfunded) (d)	54	841
Long service leave (e)	176	848
Annual leave (e)	643	343
Other related expenses	595	403
	38,633	39,112
<p>(a) Includes the value of fringe benefit to the employee plus the fringe benefits tax component. (b) Defined contribution plans include West State and Gold State (contributions paid). (c) Defined benefit plans include Pension scheme and Gold State (pre-transfer benefit). (d) An equivalent notional income is also recognised (see note 17 'Income from State Government'). (e) Includes a superannuation contribution component.</p>		
<p>Employment on-costs such as worker's compensation insurance are included at note 13 'Other expenses'. The employment on-costs liability is included at note 25 'Provisions'.</p>		
6 Supplies and services		
Advertising	49	28
Catering	41	52
Communications	253	225
Consultants and contractors	472	498
Consumables	75	84
Insurance	136	136
Lease - equipment and vehicles	106	88
Legal fees	42	21
Maintenance - plant and equipment	237	149
Photographic and microfilm supplies	23	52
Printing	88	111
Property expenses	105	124
Software licenses expensed	200	104
Temporary staff services	288	322
Travel	112	108
Other	363	432
	2,590	2,534
7 Depreciation and amortisation expense		
<i>Depreciation</i>		
Buildings	499	458
Leasehold improvements	25	21
Plant, equipment, computer hardware and software	113	171
Total depreciation	637	650
<i>Amortisation</i>		
Intangible Assets	177	87
Total amortisation	177	87
Total depreciation and amortisation	814	737

DEPARTMENT OF CULTURE AND THE ARTS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006

	2006	2005
	\$'000	\$'000
8 Accommodation expenses		
Cleaning	54	9
Electricity, gas and water	283	172
Facilities management and other accommodation	237	169
Lease rentals	304	267
Rates	19	10
Repairs and maintenance	356	283
	1,253	910
9 Grants and subsidies		
<u>Recurrent</u>		
Arts Agency and Panels	16,410	17,463
Subiaco Theatre project- contribution to City of Subiaco	1,062	1,300
Other	209	639
	17,682	19,402
10 Capital user charge	29,562	33,578
<p>The Government applies a levy for the use of its capital for the delivery of services. It is applied at 8% per annum on the net assets of the Department, excluding exempt assets, and is paid to the Department of Treasury and Finance quarterly.</p>		
11 Appropriations to agencies		
Art Gallery of WA	3,505	3,813
Library Board of WA	13,101	14,048
Perth Theatre Trust	1,198	1,612
Screen West (Inc)	3,262	2,235
Swan Bells Foundation	285	245
Western Australian Museum	6,056	5,531
	27,407	27,484
12 Refund of prior years' revenue	1,519	34
<p>For 2006, the liability assumed by the Treasurer in relation to notional superannuation expense (refer note 17 (b)) decreased by \$1.409m as a result of actuarial re-calculations of the liability as at 30 June 2005. This is effectively an adjustment to restate the liability reported in 2005. A notional expense has been recognised to reflect the reversal of revenue for 'Liabilities assumed by the Treasurer' recognised in prior years. An offsetting notional income has been brought to account and is included under 'Other' in note 16 'Other revenue'.</p>		
13 Other expenses		
Employment on-costs (a) (see note 5 'Employee benefits expense')	27	24
Other (b)	72	88
	99	112

(a) includes workers' compensation insurance and other employment on-costs. The on-costs liability associated with recognition of annual and long service leave liability is included at note 25 'Provisions'. Superannuation contributions accrued as part of the provision for leave are employee benefits and are not included in employment on-costs.

(b) Includes audit fee, see also note 35 'Remuneration of Auditor'.

DEPARTMENT OF CULTURE AND THE ARTS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006

	2006	2005
	\$'000	\$'000
14 User charges and fees		
Rent	78	265
Recoup of costs	329	112
Other	173	186
	580	563
15 Commonwealth grants and contributions		
Recurrent	0	20
16 Other revenue		
Recoup of prior year expenses	153	178
Recoups of salaries and worker's compensation costs	374	422
Sponsorship	35	24
Other	1,855	42
	2,417	666
17 Income from State Government		
Appropriation revenue received during the year:		
Service appropriations (a)	120,560	116,355
	120,560	116,355
The following liabilities have been assumed by the Treasurer during the financial year:		
- Superannuation (b)	54	841
	54	841
The following assets have been assumed from/(transferred to) other state government agencies during the financial year (c):		
- land and buildings	0	0
- plant and equipment	(162)	0
Total assets assumed/(transferred)	(162)	0
Initial recognition of assets not previously recognised in the financial statements (d)		
- Works of art	0	0
Total assets not previously recognised	0	0
Resources received free of charge (e)		
Determined on the basis of the following estimates provided by agencies:		
- Department of Education and Training - staff secondments (part year 2006)	22	80
- Department of Treasury and Finance - integrated procurement services	84	81
- State Solicitor's Office - legal services	35	14
	141	175
	120,593	117,371

(a) Service appropriations are accrual amounts reflecting the full cost of services delivered. The appropriation revenue comprises a cash component and a receivable (asset). The receivable (holding account) comprises the depreciation expense for the year and any agreed increase in leave liability during the year.

(b) The assumption of the superannuation liability by the Treasurer is a notional income to match the notional superannuation expense reported in respect of current employees who are members of the Pension Scheme and current employees who have a transfer benefit entitlement under the Gold State Superannuation Scheme. (The notional superannuation expense is disclosed at note 7 'Employee Benefits Expense').

DEPARTMENT OF CULTURE AND THE ARTS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006

2006	2005
\$'000	\$'000

(c) Where the Treasurer or other entity has assumed a liability, the Department recognises revenues equivalent to the amount of the liability assumed and an expense relating to the nature of the event or events that initially gave rise to the liability. From 1 July 2002 nondiscretionary non-reciprocal transfers of net assets (ie. restructuring of administrative arrangements) have been classified as Contributions by Owners (CBOs) under TI 955 and are taken directly to equity. Discretionary transfers of assets between State Government agencies are reported as assets assumed/(transferred) under Income from State Government.

(d) Where assets have been discovered or have not been previously recognised in the financial statements, the Department recognises the corresponding credit as revenue.

(e) Where assets or services have been received free of charge or for nominal cost, the Department recognises revenues (except where the contributions of assets or services are in the nature of contributions by owners in which case the Department shall make a direct adjustment to equity) equivalent to the fair value of the assets and/or the fair value of those services that can be reliably determined and which would have been purchased if not donated, and those fair values shall be recognised as assets or expenses, as applicable.

18 Restricted cash and cash equivalents

Current

Commonwealth funds - service delivery arrangement (a)	116	80
Arts Lotteries Trust Account (b)	881	346
	997	426

Non-current

Accrued salaries suspense account (c)	87	0
	87	0

(a) The Department of Culture and the Arts and the Commonwealth Government have a Service Delivery Arrangement for the provision of services to the Indian Ocean Territories (Christmas and Cocos (Keeling) Islands).

The Commonwealth Government recoups the Department the costs associated with these services (refer to note 40 'Service Delivery Arrangement - Commonwealth Grant').

(b) The Department of Culture and the Arts holds funds in Trust that are only to be used for the purpose as detailed in the Trust Statement:

'payments are made in such proportion and among such bodies engaged in the conduct of cultural activities, and persons engaged in cultural activities in the State, as the Minister for the Arts thinks fit' (refer to note 38 'Trust Accounts').

(c) Amount held in the suspense account is only to be used for the purpose of meeting the 27th pay in a financial year that occurs every 11 years.

19 Receivables

Current

Amount receivable from the Lotteries Commission	1,034	1,011
Trade Debtors	357	538
Allowance for doubtful debts	(21)	(23)
GST receivable	300	512
	1,670	2,038

Prepayments	0	81
-------------	---	----

Total current	1,670	2,119
---------------	--------------	--------------

See also note 3(p) 'Receivables' and note 33 'Financial instruments'.

DEPARTMENT OF CULTURE AND THE ARTS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006

	2006	2005
	\$'000	\$'000
20 Amounts receivable for services		
Current	1,116	726
Non-current	1,513	1,420
	2,629	2,146
<p>Represents the non-cash component of service appropriations. See note 3(n) Amounts Receivable for Services (Holding Account). It is restricted in that it can only be used for asset replacement or payment of leave liability.</p>		
21 Property, plant and equipment		
<u>Freehold Land</u>		
At fair value (a)	10,290	10,210
Accumulated impairment losses	0	0
	10,290	10,210
<u>Buildings</u>		
At fair value (a)	21,014	19,348
At cost	3,034	1,093
Works in progress	0	0
Accumulated depreciation	(120)	(6)
Accumulated impairment losses	0	0
	23,928	20,435
<u>Leasehold improvements</u>		
At cost	1,267	1,195
Accumulated amortisation	(953)	(928)
Accumulated impairment losses	0	0
	314	267
<u>Plant, equipment and vehicles</u>		
At cost	1,189	1,100
Accumulated depreciation	(671)	(621)
Accumulated impairment losses	0	0
	518	479
<u>Furniture and fittings</u>		
At cost	29	17
Accumulated amortisation	(9)	(6)
Accumulated impairment losses	0	0
	20	11
<u>Collections</u>		
At valuation	795	795
Accumulated impairment losses	0	0
	795	795
<u>Works of Art</u>		
At fair value	145	145
At cost	39	39
Accumulated impairment losses	0	0
	184	184
	36,049	32,381

(a) Freehold land and buildings were revalued as at 1 July 2005 by the Department of Land Information (Valuation Services). The valuations were performed during the year ended 30 June 2005 and recognised at 30 June 2006.

DEPARTMENT OF CULTURE AND THE ARTS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006

Reconciliations of the carrying amounts of plant, equipment and leasehold improvements at the beginning and end of the reporting period are set out below.

	Land	Buildings	Leasehold improve- ments	Plant, equipment, computer hardware & software	Furniture and Fittings	Works of Art and Collections	Total
	\$000	\$000	\$000	\$000	\$000	\$000	\$000
2006							
Carrying amount at start of year	10,210	20,435	267	479	11	979	32,381
Additions		1,953	75	384	0		2,412
Disposals			(3)	(149)			(152)
Revaluations		2,062			12		2,074
Increments/(Decrements)	80	(22)		(86)			(28)
Depreciation and amortisation	0	(500)	(25)	(110)	(3)	0	(638)
Carrying amount at end of year	10,290	23,928	314	518	20	979	36,049

2006	2005
\$'000	\$'000

22 Intangible assets

Computer software		
At cost	375	368
Accumulated amortisation	(192)	(110)
Accumulated impairment losses	-	-
	183	258

Reconciliation

Computer software		
Carrying amount at start of year	258	165
Additions	101	122
Classified as held for sale	-	-
Revaluation increments	-	-
Impairment losses recognised in Income Statement	-	-
Impairment losses reversed in Income Statement	-	-
Amortisation expense	(176)	(29)
Carrying amount at end of year	183	258

23 Impairment of assets

There were no indications of impairment of property, plant and equipment, and intangible assets at 30 June 2006.

The Department held no goodwill or intangible assets with an indefinite useful life during the reporting period and at reporting date there were no intangible assets not yet available for use.

All surplus assets at 30 June 2006 have either been classified as assets held for sale or written-off.

DEPARTMENT OF CULTURE AND THE ARTS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006

	2006	2005
	\$'000	\$'000
24 Payables		
<u>Current</u>		
Trade payables	548	150
Grants payable	18,844	17,439
	19,392	17,589

Grants payable is recognised where contracts have been entered into with Departmental clients prior to June 30, but not paid.

See also note 3(q) Payables and note 33 Financial instruments

Commitments	13,770	10,566
-------------	---------------	---------------

Commitments relate to triennially funded arts agencies where contracts have been let at 30 June. These have not been brought to account as liabilities as they do not meet the recognition criteria AAS29.

25 Provisions

<u>Current</u>		
Employee benefits provision		
Annual leave (a)	2,360	2,417
Long service leave (b)	2,773	1,846
	5,133	4,263
Other provisions		
Employment on-costs (c)	918	212
	6,051	4,475
<u>Non-current</u>		
Employee benefits provision		
Long service leave (b)	2,639	3,232
Other provisions		
Employment on-costs (c)	207	371
	2,846	3,603

(a) Annual leave liabilities have been classified as current as there is no unconditional right to defer settlement for at least 12 months after reporting date. Assessments indicate that actual settlement of the liabilities will occur as follows:

Within 12 months of reporting date	2,099	2,417
More than 12 months after reporting date	961	0
	3,060	2,417

(b) Long service leave liabilities have been classified as current where there is no unconditional right to defer settlement for at least 12 months after reporting date. Assessments indicate that actual settlement of the liabilities will occur as follows:

Within 12 months of reporting date	2,064	1,200
More than 12 months after reporting date	3,773	3,878
	5,837	5,078

(c) The settlement of annual and long service leave liabilities gives rise to the payment of employment on-costs including workers' compensation insurance. The provision is the present value of expected future payments. The associated expense, apart from the unwinding of the discount (finance cost), is included in note 13 'Other expenses'.

DEPARTMENT OF CULTURE AND THE ARTS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006

	2006	2005
	\$'000	\$'000
Movement in Other Provisions		
Movements in each class of provisions during the financial year, other than employee benefits, are set out below:		
Employment on-costs provision		
Carrying amount at start of year	583	497
Additional provisions recognised	542	86
Payments/other sacrifices of economic benefits		
Unwinding of the discount		
Carrying amount at end of year	1,125	583
26 Other liabilities		
Current		
Accrued salaries - 1 day (2005 - 0 days)	194	2
Accrued back pay (increase of 4.5% effective from the first pay period commencing after 26 February 2006)	520	0
Income received in advance	19	36
Unclaimed monies	1	1
	734	39
27 Equity		
Equity represents the residual interest in the net assets of the Department. The Government holds the equity interest in the Department on behalf of the community. The asset revaluation reserve represents that portion of equity resulting from the revaluation of non-current assets.		
Contributed equity		
Balance at start of year	16,529	13,320
Contributions by owners		
Capital contribution (a)	959	3,209
Total contribution by owners	959	3,209
Balance at the end of the year	17,488	16,529
(a) Capital Contributions (appropriations) and non-discretionary (non-reciprocal) transfers of net assets from other State government agencies have been designated as contributions by owners in Treasurer's Instruction TI 955 and are credited directly to equity.		
Reserves		
Asset revaluation reserve:		
Balance at start of year	5,356	3,201
Net revaluation increments/(decrements):		
Land	80	470
Buildings	2,051	1,463
Collections	0	222
Balance at the end of the year	7,487	5,356
Accumulated surplus/(deficit) (Retained Earnings)		
Balance at start of year	(6,147)	(864)
Result for the period	4,031	(5,283)
Balance at the end of the year	(2,116)	(6,147)

DEPARTMENT OF CULTURE AND THE ARTS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006

2006	2005
\$'000	\$'000

28 Notes to the Cash Flow Statement

Reconciliation of cash

Cash at the end of the financial year as shown in the Cash Flow Statement is reconciled to the related items in the Balance Sheet as follows:

Cash and cash equivalents	10,267	4,110
Restricted cash and cash equivalents (see note 18)	1,084	426
	<u>11,351</u>	<u>4,536</u>

Reconciliation of net cost of services to net cash flows provided by/(used in) operating activities

Net cost of services	(116,562)	(122,654)
Non-cash items:		
Depreciation and amortisation expense	814	736
Superannuation expense	54	841
Resources received free of charge	141	175
Appropriation transferred	(2,126)	(11,069)
(Increase)/decrease in assets:		
Current receivables	449	(70)
Other current assets	0	(34)
Increase/(decrease) in liabilities:		
Current payables	1,110	685
Capital amount included in payables	0	(17)
Current provisions	1,576	575
Accrued salaries	695	0
Non-current provisions	(757)	629
Other Current Liabilities	695	(1,493)
Net GST receipts/(payments)	263	(40)
Change in GST in receivables/payables	(212)	(58)
Net cash provided by/(used in) operating activities	(113,860)	(131,794)

29 Resources provided free of charge

During the year the following resources were provided to other agencies free of charge. The amounts shown represent the payment of salaries, capital user charge and superannuation paid by the Department on behalf of the following agencies:

Art Gallery of WA	14,791	14,894
Library and Information Services of WA	22,108	21,164
Perth Theatre Trust	2,064	4,752
ScreenWest	844	800
Western Australian Museum	15,415	18,509
	<u>55,222</u>	<u>60,119</u>

**DEPARTMENT OF CULTURE AND THE ARTS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006**

	2006	2005
	\$'000	\$'000
30 Commitments		
Lease Commitments		
Commitments in relation to leases contracted for at the reporting date but not recognised in the financial statements are payable as follows:		
Within 1 year	264	425
Later than 1 year and not later than 5 years	33	238
	<u>297</u>	<u>663</u>
Representing:		
Cancellable operating leases	85	107
Non-cancellable operating leases	212	556
	<u>297</u>	<u>663</u>
Non cancellable operating lease commitments		
Commitments for minimum lease payments are payable as follows:		
Within 1 year	212	351
Later than 1 year and not later than 5 years	0	205
	<u>212</u>	<u>556</u>

The property lease is a non-cancellable lease with rent payable monthly in advance. Contingent rental provisions within the lease agreement require that minimum lease payments shall be increased by the lower of CPI or 4% per annum. An option exists to renew the lease at the end of the term. These lease commitments are all inclusive of GST.

31 Events occurring after balance sheet date

The Department is unaware of any event occurring after balance sheet date that would materially affect the financial statements.

32 Explanatory Statement

Significant variations between estimates and actual results for income and expense as presented in the financial statement titled 'Summary of Consolidated Fund Appropriations and Income Estimates' are shown below. Significant variations are considered to be those greater than 10% or \$1,000,000.

Significant variances between estimate and actual for 2006 – Total appropriation to deliver services:

	2006	2006	
	Estimate	Actual	Variation
	\$'000	\$'000	\$'000
Appropriation to deliver Services	125,269	120,560	(4,709)

The budget was reduced by \$6.229m after a review of the asset base used to calculate the Capital User Charge revealed that there were several heritage assets that were being included but which should have been exempted. Additional funding of \$973,000 was provided to fund the operations of the WA Museum, \$580,000 was provided for the WA Symphony Orchestra and the WA Ballet Company to undertake a tour China and the amount provided under the Salaries and Allowance Tribunal to fund the salaries of the Director General was increased by \$35,000.

DEPARTMENT OF CULTURE AND THE ARTS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006

There were significant variances in the following service expenditures:

	2006 Estimate \$'000	2006 Actual \$'000	Variation \$'000
Art Gallery Services	23,906	22,815	(1,091)

This is mainly due to review of the basis for calculation of Capital User Charge. The Art Gallery collection was included in the base when the expenditure estimates were developed, but the actual Capital User Charge calculation excluded the collection.

Museum Services	31,606	30,212	(1,394)
-----------------	--------	--------	----------------

The under expenditure in Museum Services is due to a reduction of \$1,022m in the Capital User Charge from the estimate.

Arts Industry Support	27,498	20,387	(7,111)
-----------------------	--------	--------	----------------

There was under expenditure in grants, mainly due to time lags between approvals and meeting of milestones and the release of funds.

Screen Production Industry Support	7,928	8,948	1,020
------------------------------------	-------	-------	--------------

Expenditure higher than estimates in Screen Production Industry Support is due to \$1.1m in funds being transferred for the ABC in 2006.

Significant variances between actuals for 2005 and 2006 - Total appropriation to deliver services:

	2006 \$'000	2005 \$'000	Variation \$'000
Total appropriation provided to deliver services for the year	120,593	117,371	3,222
Total income	2,997	1,249	1,748

Total appropriation provided to deliver services for the year

Significant reasons for the variation in appropriation include increased salaries (\$584,000), relocation of the WA Symphony Orchestra (\$900,000), Subiaco Theatre development (\$650,000) and transfer of funding from DOIR for the ABC program (\$1.1m).

Total income

\$1.409m of the income relates to the revision of Superannuation liability from 2005 and subsequent recognition of this adjustment as recoup of prior year expense in 2006. In addition, \$385,000 was received from the Disability Services Commission for the Disability access project.

Service Expenditure

	2006 \$'000	2005 \$'000	Variance \$'000
Museum Services	30,212	33,567	(3,355)

The variance in Museum Services expenditure is due to a reduction of \$1,343m in the Capital User Charge in from 2005 to 2006 as well as a \$2.040m reduction in employee costs from \$11.587m in 2005 to \$9.547m in 2006.

DEPARTMENT OF CULTURE AND THE ARTS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006

<i>Service Expenditure</i>	2006	2005	Variance
	\$'000	\$'000	\$'000
Arts Industry Support	20,387	21,741	(1,354)

The variance in Arts Industry Support expenditure is due mainly to lower grants expenditure in 2006. Many of the grants are contingent on milestones being met prior to their release. For this reason there will be fluctuations between years, even though the budget for this Service remains fairly consistent. The funds are committed and are carried forward and generally released early in the next year.

Venue Management Services	16,727	18,763	(2,036)
---------------------------	--------	--------	----------------

The variance in Venue Management Services expenditure is predominantly due to a reduction of \$1,654m in the Capital User Charge from 2005 to 2006.

Significant variances between estimate and actual for 2006 - Capital Contribution:

No Significant Variances

Significant variances between actuals for 2005 and 2006 - Capital Contribution:

	2006	2005	Variance
	\$'000	\$'000	\$'000
Capital Contribution	7,392	18,361	(10,969)

The finalisation of an external loan held by the Art Gallery of WA during the 2005 year, has reduced the amount of Capital funding required to service the capital component of the loan by \$5.794m in 2006. In addition, Capital funding of \$7.996 for the relocation of the Francis Street Museum to Welshpool in 2005 was once off. Offsetting these reductions to an extent, the Department received Capital funding of \$1.50m in 2006 for an electrical upgrade to His Majesty's Theatre and \$2.35m for refurbishment work on the Subiaco Theatre Centre in a joint project with the City of Subiaco.

33 Financial instruments

(a) Financial Risk Management Objectives and Policies

Financial Instruments held by the Department are cash and cash equivalents and receivables and payables. The Department has limited exposure to financial risk. The Department's overall risk management program focuses on managing the risks identified below.

Credit risk

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. There are no significant concentrations of credit risk.

Liquidity risk

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

Cash flow interest rate risk

The Department is not exposed to interest rate risk because cash and cash equivalents and restricted cash are non-interest bearing and has no borrowings.

DEPARTMENT OF CULTURE AND THE ARTS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006

(b) Financial Instrument Disclosures

Financial instrument information for the year ended 2005 has been prepared under the previous AGAAP Australian Accounting Standard AAS 33 'Presentation and Disclosure of Financial Instruments'. Financial instrument information from 1 July 2005 has been prepared under AASB 132 'Financial Instruments: Presentation' and AASB 139 'Financial Instruments: recognition and Measurement'.

See also note 3(u) Comparative Figures.

Interest rate risk exposure

The following table details the Department's exposure to interest rate risk as at the reporting date:

	2006		2005	
	Non interest bearing \$'000	Total \$'000	Non interest bearing \$'000	Total \$'000
Financial Assets				
Cash resources	10,267	10,267	4,110	4,110
Restricted cash resources	1,084	1,084	426	426
Accounts receivable	1,670	1,670	2,038	2,038
	<u>13,021</u>	<u>13,021</u>	<u>6,574</u>	<u>6,574</u>
Financial Liabilities				
Accounts payable	548	548	150	150
Provisions	8,897	8,897	8,078	8,078
Grants payable	18,844	18,844	17,439	17,439
	<u>28,289</u>	<u>28,289</u>	<u>25,667</u>	<u>25,667</u>

Fair Values

The carrying amount of financial assets and financial liabilities recorded in the financial statements are not materially different from their net fair values.

	2006 \$'000	2005 \$'000
34 Remuneration of senior officers		

Remuneration

The number of senior officers, whose total of fees, salaries, superannuation, non-monetary benefits and other benefits received for the financial year, who fall within the following bands are:

	2006	2005
50,001 - 60,000	0	1
60,001 - 70,000	0	2
80,001 - 90,000	0	0
90,001 - 100,000	0	0
100,001 - 110,000	0	0
110,001 - 120,000	1	0
120,001 - 130,000	1	0
140,001 - 150,000	1	0
200,001 - 210,000	0	0
230,001 - 240,000	0	1
260,001 - 270,000	1	0

Total remuneration of senior officers is: 653 366

The total remuneration includes the superannuation expense incurred by the Department in respect of senior officers. No senior officers are members of the Pension Scheme.

DEPARTMENT OF CULTURE AND THE ARTS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006

	2006	2005
	\$'000	\$'000
35 Remuneration of Auditor		
Remuneration payable to the Auditor General for the financial year is as follows:		
Auditing the accounts, financial statements and performance indicators	70	65

36 Related Bodies

The Department has no related bodies.

37 Affiliated Bodies

An affiliated body is a body which receives more than half its funding and resources from a Department but is not subject to operational control by the Department.

The Department provides grants to non-government affiliated bodies for administrative support. In accordance with Treasurer's Instruction 951, the details of financial assistance provided to the non-government affiliated bodies are shown in the table below. A full list showing details of all grants provided to non-government bodies has been included in the grants lists attached to and forming part of the annual report.

Affiliated Body	2006	2005
	\$	\$
Art on the move	-	326,348
Artsource	-	363,587
Australian Dance Council	140,000	140,000
Community Arts Network	504,755	485,525
Country Arts WA	-	1,388,707
PICA	579,590	470,348
	1,224,345	3,174,515

38 Trust AccountsPrivate Trust Account**Arts Lotteries Trust Account**

This Trust Account was established to account for funds received from the Lotteries Commission pursuant to sections 22(2)(d) of the Lotteries Commission Act 1990. Payments are made in such proportion and among such bodies engaged in the conduct of cultural activities, and persons engaged in cultural activities in the State, as the Minister for the Arts thinks fit.

Balance at the start of the year	346	312
Receipts	10,229	9,764
Payments	(9,694)	(9,730)
Balance at the end of the year	881	346

DEPARTMENT OF CULTURE AND THE ARTS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006

	2006	2005
	\$'000	\$'000
39 Supplementary financial information		
<u>Write-Offs</u>		
During 2005/06 nil (2004/05 \$0) was written off the Department's asset register:		
The Accountable Officer	0	0
The Minister	0	0
	<u>0</u>	<u>0</u>
During the financial year \$2,925 (2004/05 \$0) in bad debts was written off under the authority of:		
The Accountable Officer	3	0
The Minister	0	0
	<u>3</u>	<u>0</u>

There were no losses through theft, defaults and other causes.

There were no gifts of public property provided by the Department.

40 Service Delivery Arrangement - Commonwealth Grant

The Department of Culture and the Arts and the Commonwealth Government have entered into a Service Delivery Arrangement for the provision of services to the Indian Ocean Territories (Christmas and Cocos [Keeling] Islands). The Commonwealth Government reimburses the Department any costs incurred in association with these services, as detailed below:

Balance at the start of the year	80	24
Receipts	141	81
Payments	(105)	(25)
Balance at the end of the year	<u>116</u>	<u>80</u>

DEPARTMENT OF CULTURE AND THE ARTS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006

41 Reconciliations explaining the transition to Australian equivalents to International Financial Reporting Standards (AIFRS)

RECONCILIATION OF EQUITY AT THE DATE OF TRANSITION TO AIFRS: 1 JULY 2004 (AASB 1.39(a)(i))

Note		Previous	Reclassification,		Total	AIFRS
		GAAP 1 July 2004	Depreciation		Adjustments	1 July 2004
			AASB 5	AASB 138 41.1a		
		\$000	\$000	\$000	\$000	\$000
	ASSETS					
	Current Assets					
(1)	Cash and cash equivalents	6,062			0	6,062
	Restricted cash and cash equivalents	1,396			0	1,396
	Receivables	1,968			0	1,968
(2)	Amounts receivable for services	166			0	166
(3)	Other current assets	47			0	47
	Total Current Assets	9,639	0	0	0	9,639
	Non-Current Assets					
(2)	Amounts receivable for services	1,065			0	1,065
	Property, plant and equipment	30,263		(165)	(165)	30,098
	Intangible assets	0		165	165	165
	Total Non-Current Assets	31,328	0	0	0	31,328
	TOTAL ASSETS	40,967	0	0	0	40,967
	Current Liabilities					
	Payables	16,904			0	16,904
	Provisions	3,900			927	4,827
(4)	Other current liabilities	1,532			0	1,532
	Total Current Liabilities	22,336	0	0	927	23,263
	Non-Current Liabilities					
	Provisions	2,974			(927)	2,047
	Total Non-Current Liabilities	2,974	0	0	(927)	2,047
	Total Liabilities	25,310	0	0	0	25,310
	Net Assets	15,657	0	0	0	15,657
	EQUITY					
	Contributed equity	13,320			0	13,320
	Reserves	3,201			0	3,201
	Accumulated surplus/(deficit) (Retained Earnings)	(864)			0	(864)
	Total Equity	15,657	0	0	0	15,657
	TOTAL LIABILITIES AND EQUITY	40,967	0	0	0	40,967

- (1) Equivalent AGAAP line item 'Cash assets' (AIFRS 'Cash and cash equivalents')
(2) Equivalent AGAAP line item 'Amounts receivable for outputs' (AIFRS 'Amounts receivable for services')
(3) Equivalent AGAAP line item 'Other assets' (AIFRS 'Other current assets')
(4) Equivalent AGAAP line item 'Other liabilities' (AIFRS 'Other current liabilities')

DEPARTMENT OF CULTURE AND THE ARTS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006

**RECONCILIATION OF EQUITY AT THE END OF THE LAST REPORTING PERIOD UNDER PREVIOUS AGAAP: 30 JUNE 2005
(AASB 1.39(a)(ii))**

Note	GAAP 30 June 2005	Reclassification, Depreciation	AASB		Total	AIFRS
			AASB 5	AASB 138 41.1b		101 41.2b
	\$000	\$000	\$000	\$000	\$000	\$000
	ASSETS					
	Current Assets					
(1)	Cash and cash equivalents	4,113			0	4,113
	Restricted cash and cash equivalents	426			0	426
	Receivables	2,038			0	2,038
(2)	Amounts receivable for services	726			0	726
(3)	Other current assets	81			0	81
	Total Current Assets	7,384	0	0	0	7,384
	Non-Current Assets					
(2)	Amounts receivable for services	1,420			0	1,420
	Property, plant and equipment	32,639	(258)		(258)	32,381
	Intangible assets	0	258		258	258
	Total Non-Current Assets	34,059	0	0	0	34,059
	TOTAL ASSETS	41,443	0	0	0	41,443
	Current Liabilities					
	Payables	17,589			0	17,589
	Provisions	4,475		849	849	5,324
(4)	Other current liabilities	39			0	39
	Total Current Liabilities	22,103	0	849	849	22,952
	Non-Current Liabilities					
	Provisions	3,603		(849)	(849)	2,754
	Total Non-Current Liabilities	3,603	0	(849)	(849)	2,754
	Total Liabilities	25,706	0	0	0	25,706
	Net Assets	15,737	0	0	0	15,737
	EQUITY					
	Contributed equity	16,529			0	16,529
	Reserves	5,356			0	5,356
	Accumulated surplus/(deficit) (Retained Earnings)	(6,147)			0	(6,147)
	Total Equity	15,738	0	0	0	15,738
	TOTAL LIABILITIES AND EQUITY	41,444	0	0	0	41,444

- (1) Equivalent AGAAP line item 'Cash assets' (AIFRS 'Cash and cash equivalents')
(2) Equivalent AGAAP line item 'Amounts receivable for outputs' (AIFRS 'Amounts receivable for services')
(3) Equivalent AGAAP line item 'Other assets' (AIFRS 'Other current assets')
(4) Equivalent AGAAP line item 'Other liabilities' (AIFRS 'Other current liabilities')

RECONCILIATION OF INCOME STATEMENT (PROFIT OR LOSS) FOR YEAR ENDED 30 JUNE 2005 (AASB 1.39(b))

No impacts occurred from adopting AIFRS with respect to the Profit/loss reported in the Income Statement.

RECONCILIATION OF CASH FLOW STATEMENT FOR YEAR ENDED 30 JUNE 2005 (AASB 1.40)

No impacts occurred from adopting AIFRS with respect to the Cash Flow Statement

Notes to the reconciliations

Note 41.1 Intangible assets (AASB 138)

AASB 138 requires that software not integral to the operation of a computer must be disclosed as intangible assets. Intangible assets must be disclosed on the face of the balance sheet. All software has previously been classified as property, plant and equipment (office equipment).

DEPARTMENT OF CULTURE AND THE ARTS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006

AASB 138 requires that all research costs must be expensed and imposes stricter recognition for the capitalisation of development costs. As a consequence, deferred research and development costs previously capitalised (under other assets) must be derecognised.

41.1a Adjustments to opening Balance Sheet (1 July 2004)

The Department has transferred \$165,000 in software from property, plant and equipment to intangible assets.

41.1b Adjustments to 30 June 2005 Balance Sheet

The Department has transferred \$258,000 in software from property, plant and equipment to intangible assets.

Note 41.2 Employee benefits (AASB 119 and AASB 101)

AASB 101 requires that a liability must be classified as current where the entity does not have an unconditional right to defer settlement of the liability for at least 12 months beyond the reporting date. Consequently, all annual leave and long service leave entitlements (unconditional long service leave) must now be classified as current. Non-vested long service leave liability will be non-current to the extent that it does not become unconditional within 12 months from the reporting date.

Employment on-costs are not included in employee benefits under AGAAP or IFRS. However, under AGAAP employee benefits and on-costs were disclosed together on the face of the Income Statement as employee costs. Under IFRS employee benefits will be the equivalent item disclosed on the face. On-costs are transferred to other expenses.

41.2a Adjustments to opening Balance Sheet (1 July 2004)

All unconditional long service leave liability previously reported as non-current has been reclassified as current (\$927,000).

41.2b Adjustments to 30 June 2005 Balance Sheet

All unconditional long service leave liability previously reported as non-current has been reclassified as current (\$849,000).

PERFORMANCE INDICATORS

CERTIFICATION OF PERFORMANCE INDICATORS

DEPARTMENT OF CULTURE AND THE ARTS

FOR THE YEAR ENDED 30 JUNE 2006

I hereby certify that the performance indicators are based on proper records, are relevant and appropriate for assisting users to assess the Department of Culture and the Arts performance, and fairly represent the performance of the Department for the financial year ended 30 June 2006.



Alastair Bryant

Director General

29 August 2006

KEY PERFORMANCE INDICATORS

Background

The Department of Culture and the Arts finalised a new strategic *Direction Statement 2005–2008* during the period, which resulted in a new Departmental vision, mission, and strategic objectives. A revised Outcome and Performance Indicator Structure was also drafted in consultation with the portfolio organisations, Department of Treasury and Finance and Office of the Auditor General to ensure the Department's Government approved outcomes and performance indicators reflect the new *Direction Statement* and align with the Government's Strategic Planning Framework *Better Planning: Better Services*.

The revised Outcome and Performance Indicator Structure requires endorsement by the Government's Outcome Structure Review Group and approval by the Under Treasurer before it becomes operational. Reporting in this Annual Report is based on the currently approved Outcome Statement and associated performance indicators.

Government Goal: To enhance the quality of life and wellbeing of all people throughout Western Australia.

Outcome: A community that is informed of, and has access to, a diverse range of innovative ideas, knowledge and cultural experiences.

Description

This outcome preserves and provides access to Western Australia's natural and social heritage, supports our artistic development and provides a link to information and culture nationally and internationally. The Department of Culture and the Arts (including the State Records Office), the Art Gallery of Western Australia, the State Library of Western Australia, the Swan Bells Belltower, the Perth Theatre Trust, ScreenWest Inc and the Western Australian Museum contribute to the achievement of this outcome.

Effectiveness Indicators 2005-2006

The following Key Effectiveness Indicators address the effectiveness with which the Department undertakes work associated with achieving its Government approved Outcome.

To measure Key Effectiveness Indicators 1 and 2, the Department commissioned Patterson Market Research to conduct a telephone survey in March 2006 covering a number of areas relevant to culture and the arts, including perceptions of the effectiveness of the Department in achieving its outcome. Iterations of this survey have been conducted in 2003, 2004 and

2005. The results of this survey are used by the Department to track changes in community understanding and attitudes over time.

A total of 401 interviews drawn randomly from the population of WA were completed during March 2006. Three hundred and one interviews were completed with respondents in the Perth metropolitan area and 100 with respondents from regional areas of Western Australia. Respondents interviewed were aged 16 years or over and were randomly selected within each household by using the “closest birthday” method.

The data was weighted to reflect Australian Bureau of Statistics population statistics for WA. The population statistics used for calculating these weights were based on the 2001 Census data. The response rate for the survey was 54%. Data analysis was completed using Surveycraft. The survey has an error of 4.9% at the 95% level of confidence. Response statistics for the 2006 survey are outlined below.

Response Statistics for the 2006 Survey	N = 3,401*
Interviews	401
Soft refusal (i.e. just not interested, would rather not participate)	302
Engaged	3
No answer	33
Call back (no specific time)	2
TOTAL usable sample	741
Unusable sample (i.e. screener/quota full, disconnected etc)	1689
Hard refusals (i.e. hanging up phone before identifying purpose)	971

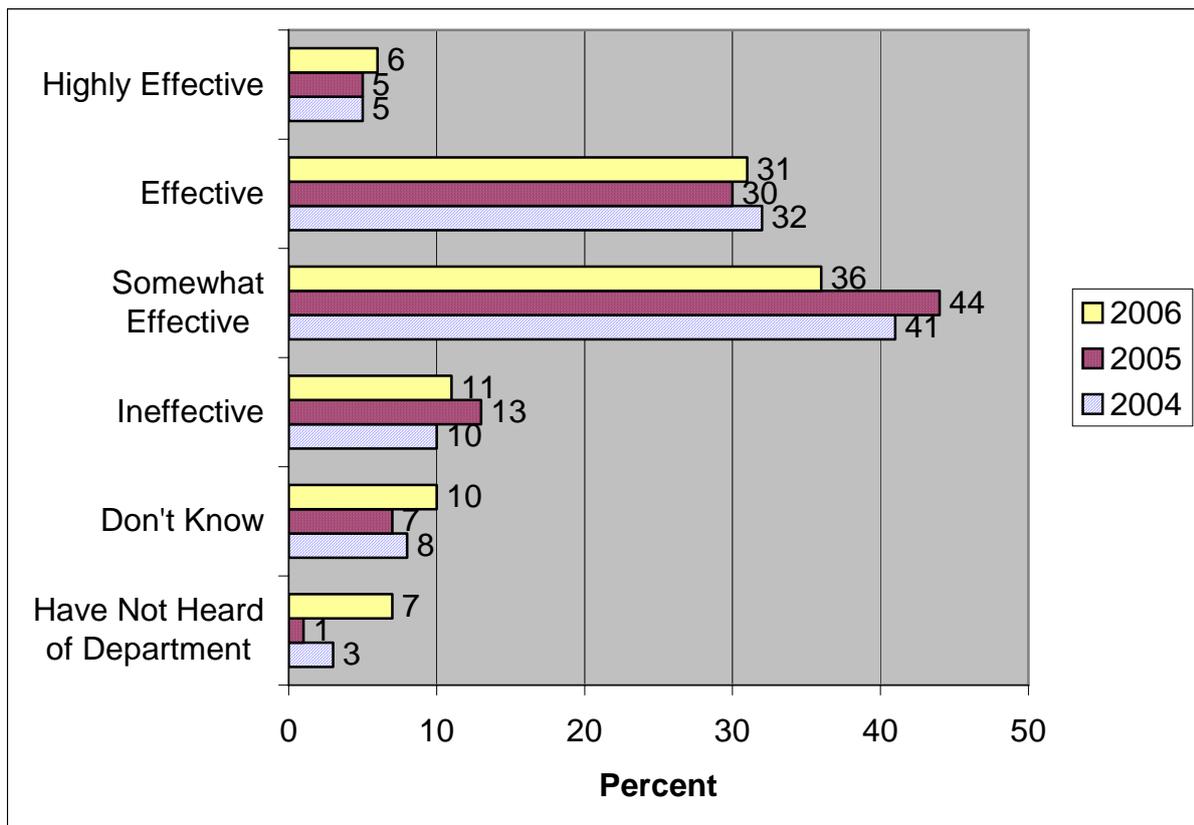
* Total usable sample + unusable sample + hard refusals

Key Effectiveness Indicator (1): The extent to which the Department of Culture and the Arts is perceived to be effective in achieving its outcome.

All respondents were asked to rate how effective the Department was in achieving its outcome of “a community that is informed of, and has access to, a diverse range of innovative ideas, knowledge and cultural experiences”. As presented below, 73% felt that the Department had been highly effective, effective or somewhat effective in achieving its aims. This is a decrease on the previous findings of 79%, however, there has been a corresponding increase in the proportion of respondents who rated the Department in the “don’t know” (up to 10% from 7% in 2005) and the “have not heard of the Department of Culture and Arts” (up to 7% from 1% in 2005) categories.

The proportion of respondents rating the Department as “ineffective” decreased slightly (down to 11% from 13% in 2005).

Effectiveness of the Department of Culture and the Arts



Rationale

Women and younger respondents were more likely to perceive that the Department had been effective in achieving its outcome. This is a consistent trend with that which was found

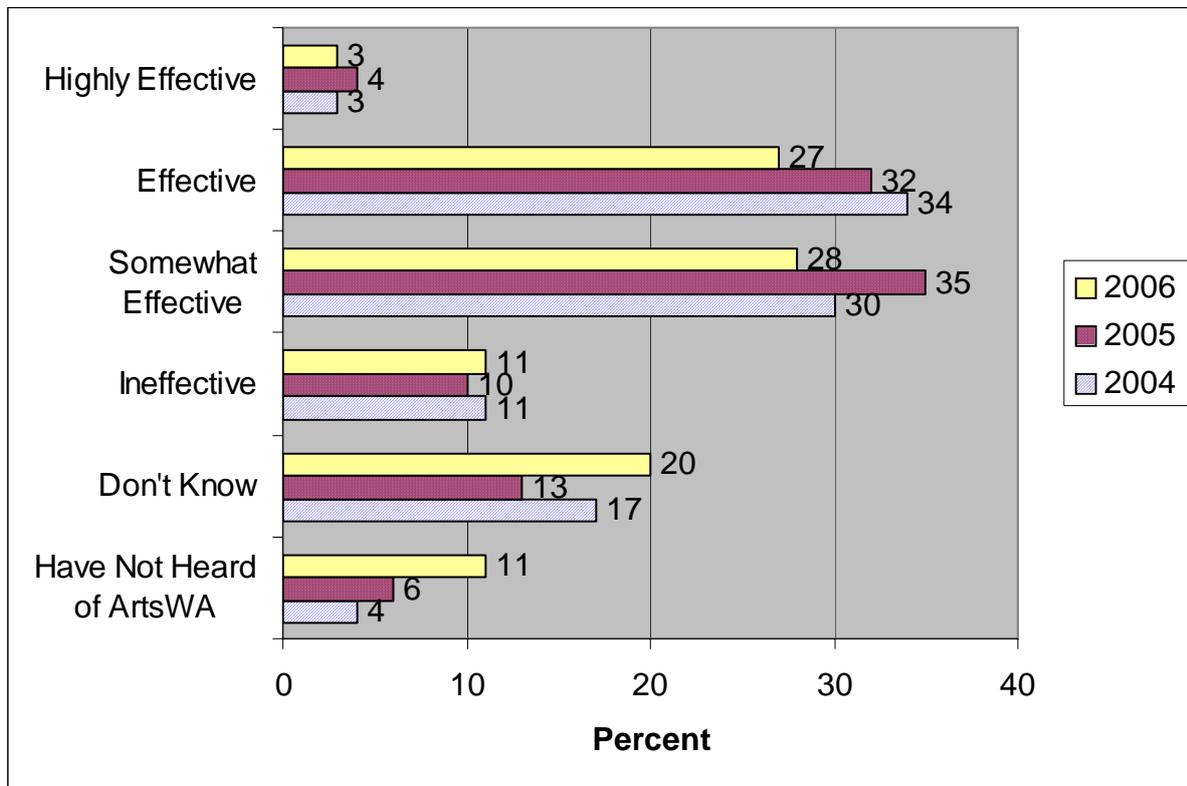
in the previous surveys. In contrast, men and older respondents were more likely to specify that they were unsure how to rate the effectiveness or that they had not heard of the Department of Culture and the Arts.

Key Effectiveness Indicator (2): The extent to which the ArtsWA area of the Department of Culture and the Arts is perceived to be effective at developing, funding and promoting the arts.

The arts grants and development programs contribute significantly to the development of Western Australian artists and arts organisations. The Department relies on the artists and the arts organisations to provide access to arts experiences and activities enabling the community to engage in the arts. Without subsidy through ArtsWA, it would be difficult for artists and arts organisations to operate. The consequences would be a reduction in the quality and range of innovative ideas and creative experiences available to the Western Australian community.

Respondents were also asked to rate the effectiveness of ArtsWA in terms of its aim of developing, funding and promoting the arts. As can be seen below, 58% of respondents felt that ArtsWA had been highly effective, effective or somewhat effective in developing funding and promoting the Arts. This result is a significant decrease compared to 2005, which is clearly due to the significant increase in the “don’t know” (up to 20% from 13% in 2005) and “have not heard of ArtsWA” proportion (up to 11% from 6% in 2005).

Effectiveness of ArtsWA



There was little difference between the perceptions of women and men in terms of the overall rating. Younger respondents were generally more likely to rate ArtsWA as effective. Older respondents were more likely to indicate they did not know how to rate the effectiveness of ArtsWA (17% versus 9% among 16-39yrs). These sub-group trends are consistent with findings from previous years.

Key Effectiveness Indicator (3): The diversity of arts events funded through the Development and Strategy Directorate of the Department of Culture and the Arts.

This measure was introduced in 2004-2005 to better record the diversity of activity supported by ArtsWA. The measure relates to the base funding provided to Western Australian's key triennial and multiyear funded arts and cultural organisations.

3A Arts Grants (Projects)

Department of Culture and the Arts funding is never the sole source of income supporting arts projects and programs. Recommendations for funding are made through the Department's five peer assessment panels: Arts Development, Indigenous Arts, Young People and the Arts, Contemporary Music and Designer Fashion.

This key performance measure is based on the number of applications approved for funding in each financial year. Reporting of the achievements against the allocated funding is verified by support materials, such as photographs, recordings, catalogues, programs, promotional material and media clippings, by the attendance of Department of Culture and the Arts' staff and panellists at events, and by the grant recipients' reports on artistic achievements and project delivery including financial reporting.

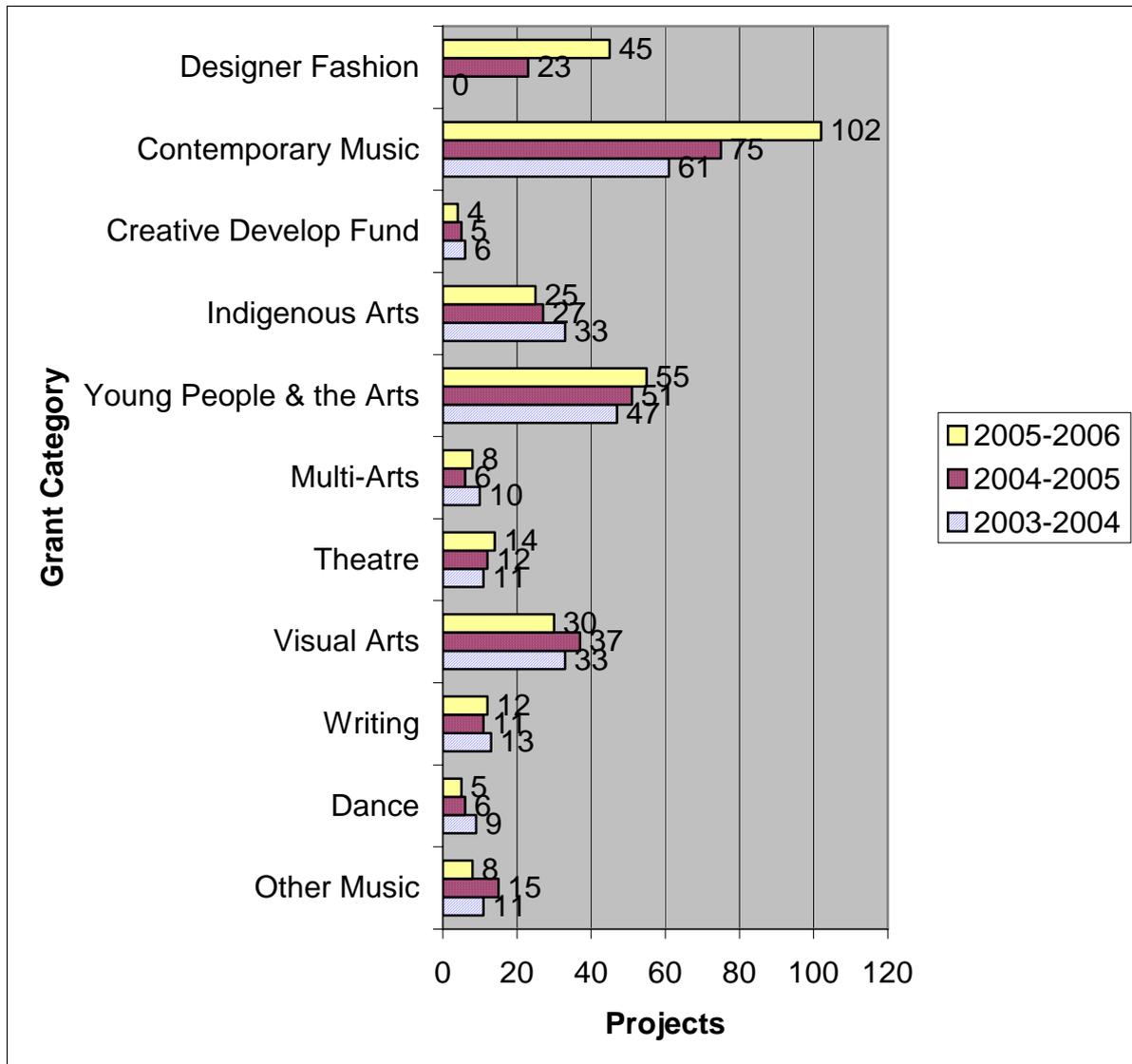
The categories of activity provided in the key performance measure are not exhaustive of the range of activity undertaken, but capture the core areas supported by the Department's Arts Grants Program.

This performance indicator reports on the diversity of the arts projects and events that are made possible through the grants process. Fluctuations or variations from year to year are dependent on the number of applications made to the Department and those granted funding in the different art forms and programs. The funding of arts projects links directly to the outcome of the Department, as follows:

Through the funding programs, a broad range of art forms are supported, including music, dance, theatre, writing, visual arts, Indigenous arts, contemporary music and designer fashion. These reflect the diversity in the range of ideas, knowledge, and cultural experiences provided to the community.

The following graph illustrates the continued diversity of projects funded by assessment through the independent peer panels established and administered by the Department.

Number of Projects Funded by Art Form



The number of applications and subsequent approvals through the Contemporary Music and Designer Fashion programs continued to show strong growth during this financial year. The graph also illustrates (through the Young People and the Arts program) the strong interest that young people continue to demonstrate in undertaking artistic projects.

Although the number of approvals through some art forms has shown a decline in recent years, the average value of each project funded remains high. For example, the average value of approved grants for dance was over \$28,000, and over \$14,000 for writing projects, reflecting the Department’s policy of endeavouring to provide realistic funding in order to support the quality and integrity of the approved projects.

A complete list of grants approvals for 2005-06 with further details is available at www.dca.wa.gov.au/ArtsWAgallery.asp

3B Triennially and Multiyear Funded Organisations

Base funding is provided to Western Australia's 44 key arts and cultural organisations towards the operational and artistic costs of delivering a minimum level of services and programs as described in tripartite, triennial and multiyear funding arrangements. There are 26 triennially funded organisations of which six have tripartite arrangements with the Australian Government and 18 multiyear funded organisations. Base funding is never intended to be the sole source of income for any organisation or to support the full range of activities expected from such organisations but is intended to enable organisations to generate income from other sources, such as sponsorship, box office, fees and other funding to undertake activities and services beyond those supported by base funding.

Base funding is negotiated directly between the Department and each organisation, and is based on the organisation's business plan for the period of funding in accordance with the Department's Guidelines for Triennial Funding and the nationally agreed Funding Model for Major Performing Arts Companies.

Program funding is provided to key arts and cultural organisations towards the costs of delivering a specific program of artistic and cultural services and activities on application to the relevant peer panel and, if approved, is described in annual or multiyear funding arrangements with the Department in accordance with its Guidelines for Multiyear Funding.

Triennial and Multiyear Funded Organisations Supported by Art Form

Art form	2004 - 2005		2005 – 2006	
	Number of organisations	Total funding (\$)	Number of organisations	Total funding (\$)
Music	9	\$3,489,615	9	\$3,715,857
Dance	6	\$1,760,501	5	\$1,770,232
Writing	5	\$ 450,750	5	\$ 413,837
Visual Arts & Crafts	6	\$2,079,460	7	\$2,193,090
Theatre	9	\$2,487,400	8	\$2,584,035
Multi-art forms	7	\$2,123,865	8	\$2,441,684
Indigenous Arts	2	\$ 434,750	2	\$ 441,054

Note:

- Multi-Art forms includes funding for infrastructure and devolved grants to service organisations including Country Arts WA and Community Arts Network Ltd.
- Figures reported in the 2004/05 Annual Report were based on actual payments made. All figures reported above are based on grant approval amounts.

Efficiency Indicators 2005-2006

Efficiency indicator (1): The efficiency with which the Department for Culture and the Arts undertakes arts industry support.

This performance measure addresses the efficiency with which the Department, through its Development and Strategy Division, undertakes work associated in providing arts industry support, which consists primarily of development, funding and promotion of the arts industry.

Efficiency Indicator	Actual 2003-2004 \$	Actual 2004-2005 \$	Target* 2005-2006 \$	Actual* 2005-2006 \$	Variation Explanation
Average cost per project and organisation supported	45,067	38,823	54,005	37,029	The number of projects and organisations supported was higher than predicted. The average cost per project and organisation was therefore lower than the nominated target.
Average cost per industry development initiative	13,590	11,163	18,204	12,356	More industry development initiatives were undertaken than predicted. The average cost per industry development initiative was therefore lower than the nominated target.
Average cost of grant application processed	279	256	321	229	The number of grant applications processed was higher than predicted. The average cost per grant application was therefore lower than the nominated target.
Average cost per industry interaction	22	11	55	22	The number of industry interactions was higher than predicted. The average cost per interaction was therefore lower than the nominated target.

*The Total Cost of Services for 2005/06 (Target and Actual) is based on the full cost of service across the Culture and Arts Portfolio, and is consistent with the whole-of-government amount reported in the Department of Treasury and Finance TIMS system. The 2003/04 and 2004/05 Actual figures reflect the Total Cost of Services for the Department of Culture and the Arts only.

2005-2006 ANNUAL REPORT

Efficiency Indicator (2): The efficiency with which the Department for Culture and the Arts, through the State Records Office, delivers recordkeeping and archival services to Government agencies and the community.

This performance measure addresses the efficiency with which the Department for Culture and the Arts, through the State Records Office, delivers recordkeeping and archival services to Government agencies and the community.

Efficiency Indicator	Actual 2003-2004 \$	Actual 2004- 2005 \$	Target 2005- 2006 \$	Actual 2005- 2006 \$	Variance Explanation
Average cost per Recordkeeping Plan, Retention and Disposal Schedule and Interim documentation submitted and approved	3,990	2,733	3,709	3,778	Not Applicable
Average cost of Recordkeeping Plan monitoring	N/A	40	95	176	There were fewer than estimated incidences of compliance monitoring and FTE effort for this was commensurately lower.
Average cost per policy, standard, or guideline produced	27,267	26,683	12,673	11,020	Not Applicable

2005-2006 ANNUAL REPORT

Efficiency Indicator	Actual 2003-2004 \$	Actual 2004-2005 \$	Target 2005-2006 \$	Actual 2005-2006 \$	Variance Explanation
Average cost of training and consultancies provided	14	53	143	20	Although there were significantly higher incidences of training and consultancies and effort/budget allocated to providing these was increased, the cost per incident was lower because full cost recovery mechanisms were introduced for each training consultancy.
Average cost per hour of access provided to State archives	20	32	22	25	Not Applicable

*The Total Cost of Services for 2005/06 (Target and Actual) is based on the full cost of service across the Culture and Arts Portfolio, and is consistent with the whole-of-government amount reported in the Department of Treasury and Finance TIMS system. The 2003/04 and 2004/05 Actual figures reflect the Total Cost of Services for the Department of Culture and the Arts only.

APPENDICES

PUBLICATIONS AVAILABLE TO THE PUBLIC

2005-2006

Annual Report 2004-2005 Department of Culture and the Arts
<http://www.dca.wa.gov.au/pubs.asp>

ArtsEdge Calendar 2006. Department of Culture and the Arts; Department of Education and Training Perth, WA, March 2006.

ArtsEdge – a guide to Arts Activities for Western Australian Schools Semester 1 2006. Department of Culture and the Arts; Department of Education and Training Perth, WA, January 2006.

Artsline – magazine issue No 18 Winter 2005 and Issue No 19 Summer 2006.

Arts Grants Handbook Western Australia 2006: ArtsWA 2006 <http://www.dca.gov.au/ArtsWAGrants.asp>

Community Cultural and Arts Facilities Fund (CCAFF) September Round Guidelines and Application Information. September 2005. Department of Culture and the Arts – Perth, WA
<http://www.dca.wa.gov.au/CCAFFHome.asp>

Contemporary Music Grants Handbook Western Australia 2006: ArtsWA, 2006.

<http://www.dca.gov.au/ArtsWAGrants.asp>

Designer Fashion Grants Handbook 2004-05 *with Insert - Designer Fashion Grants Program 2006: ArtsWA 2006* <http://www.dca.wa.gov.au/ArtsWAGrants.asp>

Sound Attenuation Support Program (SASP) Funding Program for Western Australian Contemporary Music Venues guidelines. Department of Culture and the Arts – Perth, WA, January 2006.

SRC Principles and Standards

SRO Policies and Standards Manual

SRO Records Disposal, a Handbook for Government Agencies

General Disposal Authority for Local Government Records

General Disposal Authority for Human Resource Management Records

General Disposal Authority for Financial and Accounting Records

General Disposal Authority for Administrative Records

How to Design a Records Management Procedure Manual

Order in the Court: a guide to the records of the Supreme Court of Western Australia

State of the Record Newsletter