



Department of Culture and the Arts



# Department of Culture and the Arts

## 2008-2009 Annual Report

Inspiring arts... Connecting culture

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# DEPARTMENT OF CULTURE AND THE ARTS

## ANNUAL REPORT 2008-2009

### *TABLE OF CONTENTS*

<b>STATEMENT OF COMPLIANCE</b>	<b>2</b>
<b>OVERVIEW OF AGENCY</b>	<b>3</b>
Executive Summary 2008-2009.....	3
Operational Structure.....	5
Performance Management Framework.....	8
<b>AGENCY PERFORMANCE</b>	<b>9</b>
Achievement Highlights.....	9
<b>DEPARTMENT OUTCOMES</b>	<b>10</b>
Office of the Director General.....	10
Development and Strategy .....	12
General Operations .....	24
State Records Office .....	27
<b>SIGNIFICANT ISSUES AND TRENDS</b>	<b>29</b>
Portfolio Organisations.....	29
State Records Office .....	30
<b>DISCLOSURES AND LEGAL COMPLIANCE</b>	<b>30</b>
Other Financial Disclosures .....	30
Governance Disclosures.....	32
Other Legal Requirements.....	32
Policy Requirements .....	36
<b>OPINION OF THE AUDITOR GENERAL</b>	<b>38</b>
<b>PERFORMANCE INDICATORS</b>	<b>40</b>
Certification of Performance Indicators .....	40
<b>KEY PERFORMANCE INDICATORS (KPI)</b>	<b>41</b>
Government Desired Outcome 1 .....	42
Government Desired Outcome 2.....	45
Key Efficiency Indicators .....	47
<b>FINANCIAL STATEMENTS</b>	<b>49</b>
Certification of Financial Statements.....	49
Financial Statements.....	50
Notes to the Financial Statements .....	54

# STATEMENT OF COMPLIANCE

## Minister responsible for the Department of Culture and the Arts

Dear Minister

In accordance with Section 61 of the *Financial Management Act 2006* I hereby submit, for your information and presentation to Parliament, the Annual Report of the Department of Culture and the Arts for the financial year ended June 30, 2009. This Report has been prepared in accordance with the provisions of the *Financial Management Act 2006* and all other relevant legislation including:

- *Disability Services Act 1993*
- *Electoral Act 1907*
- *Equal Opportunity Act 1984*
- *Occupational Safety and Health Act 1984*
- *Public Sector Management Act 1994*
- *State Records Act 2000*

At the date of signing I am not aware of any circumstances which would render the particulars included in the Report misleading or inaccurate.



Allanah Lucas  
Director General  
14 September 2009

## **OVERVIEW OF AGENCY**

### **Executive Summary 2008-2009**

The Department of Culture and the Arts has had a challenging and rewarding year which included, an early election, a change of Government, a new Minister, and the impact of the global economic crisis. The Department has taken the opportunity to look at ways to work more efficiently and imaginatively within constrained resources. This will be reflected in our new Strategic Plan, as well as in the harmonisation of all previous arts and cultural policies into one coherent blueprint (both to commence in the 2009-10 year).

Throughout the year, the Development and Strategy Directorate launched and delivered 22 new programs across all artforms and for the wider benefit of the WA community. The Department is proud to lead the way in the development and delivery of culture and arts policy for the State Government and the successful implementation of these new programs is testimony to this.

During the year the newly titled General Operations Directorate (formerly 'Corporate Assets and Business Support') continued to grow the Department's organisational capabilities by providing leadership and expertise in business systems and services. Several key organisational reviews focusing on efficiency and effectiveness and implementation of new business systems were delivered that will ensure the Department continues to operate according to best practice and within Government policy objectives. The successful year for General Operations culminated in the coordination of the review of the Strategic Plan that identifies the vision and direction for the Department for the next five years.

During 2008-09 the State Records Office finalised a general disposal authority for source records, and a guideline for digitisation specification.

In December 2008 the new performing arts venue, currently being constructed at the Perth Cultural Centre, was named the State Theatre Centre of Western Australia. The 575-seat main theatre has been named Heath Ledger Theatre and the flexible space of more than 200 seats will be called Studio Underground. I am pleased to report that construction continues on time and budget and that we are anticipating occupation of the Centre by December 2010.

The Department has also continued to work collaboratively across the Culture and Arts Portfolio and particularly in providing coordination in the Portfolio's overview and planning for the Perth Cultural Centre's future development.

Key positions were filled during the year. Jacqui Allen was appointed as Deputy Director General and Eric Isailovic was appointed to the role of Executive Director, General Operations Directorate. I welcome both Jacqui and Eric in joining me as senior executives of the Department.

I would like to acknowledge our new Minister for Culture and the Arts, John Day and thank him for his support. I would also like to thank the Department's dedicated and hard working staff in making this year of change one of which we can all be proud.

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

Allanah Lucas  
Director General  
23 September 2009

## Operational Structure

The Department of the Arts was established under the *Public Service Act 1978* on July 1, 1986 subsequent to the repeal of the *Western Australian Arts Council Act 1973*. On May 20, 1997 the name was changed to the Ministry of Culture and the Arts under the *Public Sector Management Act 1994*. On July 1, 2001 the name was re-designated to Department of Culture and the Arts under Section 35 of the *Public Sector Management Act 1994* as a result of the Machinery of Government Review.

The Department of Culture and the Arts, (which also includes the State Records Office), along with the following five Portfolio organisations, form the Culture and Arts Portfolio (the Portfolio):

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

The Department also provides support to The Bell Tower, which is managed by the Swan Bells Foundation. The Portfolio organisations and The Bell Tower have a statutory requirement to produce separate Annual Reports.

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

The Department leads in integrating the activities of the Portfolio and acts as the main contact point for the Minister for Culture and the Arts and central Government agencies. The Minister for Culture and the Arts administers the following Acts relating to the statutory authorities within the Portfolio: *Art Gallery Act 1959*, *Library Board of Western Australia Act 1951*, *Museum Act 1969*, *Perth Theatre Trust Act 1979* and *State Records Act 2000*.

The Director General of the Department employs all Portfolio staff, with the exception of the Chief Executive Officers (CEOs) of the Portfolio organisations. The Department is organised into the Office of the Director General, Development and Strategy Directorate, General Operations Directorate and the State Records Office. Their functions are outlined on the following pages.

### **Development and Strategy, Deputy Director General - Jacqui Allen**

Jacqui Allen was appointed to the role of Deputy Director General, Development and Strategy on April 1, 2009. The Directorate provides a comprehensive connection between arts and cultural policy and funding, specialised research and information, and management of the Department's diverse support programs and projects. The Directorate also provides a link between the State Government, the arts and cultural sector and the community.

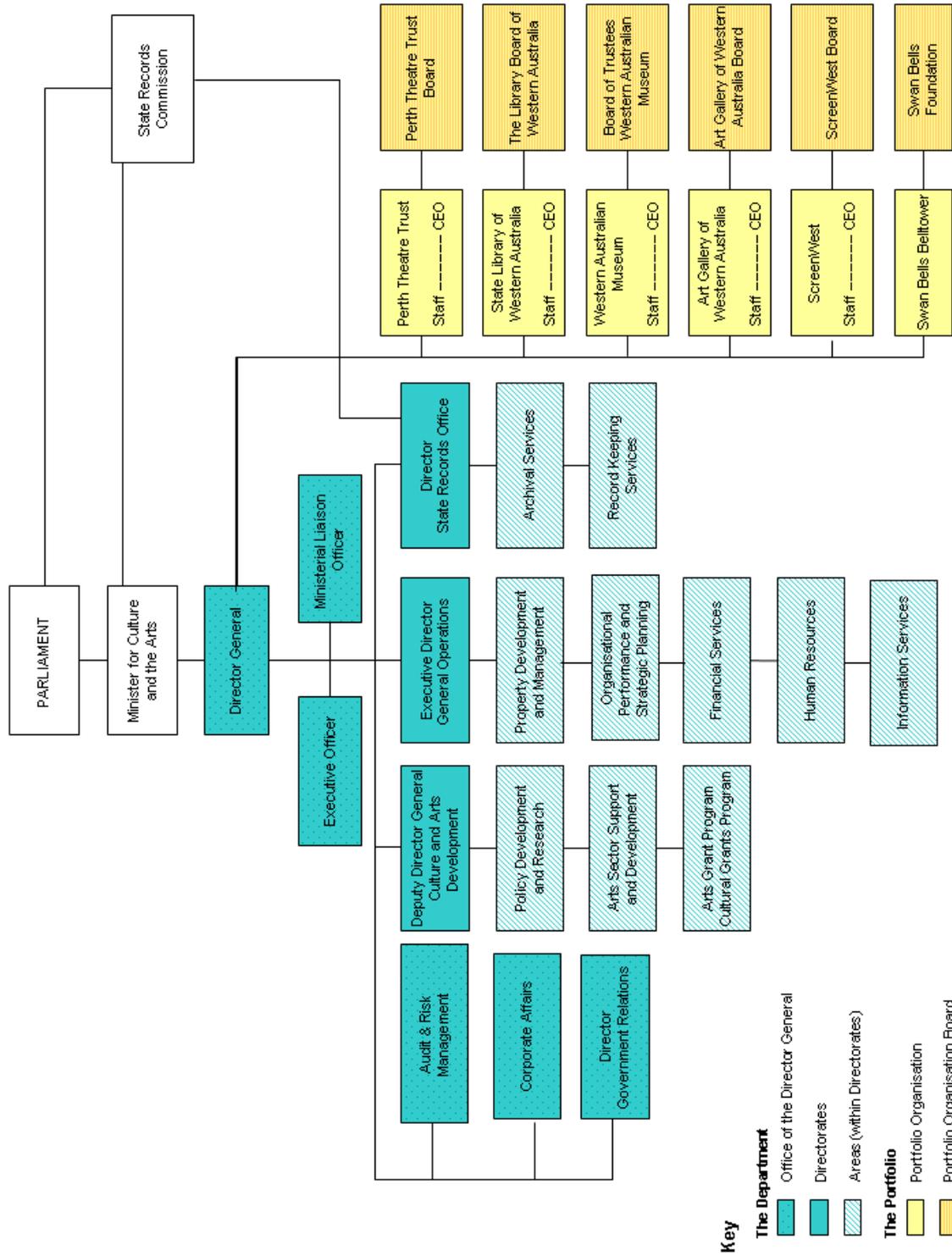
### **General Operations, Executive Director- Eric Isailovic**

The General Operations Directorate includes: Organisational Performance, Finance, Human Resources, Information Services and Property Development and Management. The Directorate provides strategic corporate services functions for the Department and the Portfolio organisations. Eric Isailovic was appointed to the role of Executive Director, General Operations on April 1, 2009.

### **State Records Office, Director - Cathrin Cassarchis**

The State Records Office (SRO) is responsible for the 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 *State Records Act 2000* across Government. The SRO provides consultancy, advice and training to State and Local Government organisations to assist them with compliance with the *State Records Act 2000*. Public access to unrestricted archives in the State Archives collection is also provided by SRO.

Figure 1: Organisational Structure (as at July 2009)



## Performance Management Framework

The Portfolio achieves its Government Desired Outcomes through the delivery of seven key services. Whilst the Portfolio contributes to all of the Government's Outcomes Based Service Delivery goals, its primary contribution is to the Government Goal:

*“Greater focus on achieving results in key service delivery areas for the benefit of all Western Australians”.*

Figure 2 illustrates the relationship between the Portfolio's Desired Outcomes and the most relevant Government goal.

*Figure 2: Culture and the Arts Portfolio Outcome Structure*

Government Goal	Desired Outcomes	Services
Greater focus on achieving results in key service delivery areas for the benefit of all Western Australians.	Outcome 1: A creative, sustainable and accessible culture and arts sector.	1.Arts Industry Support
		2.Screen Production Industry Support
		3.Venue Management Services
	Outcome 2: Western Australia's natural, cultural and documentary collections are preserved, accessible and sustainable.	4.Art Gallery Services
		5.Library and Information Services
		6.Museum Services
		7.Government Recordkeeping and Archival Services

*Note: Services contributing to Outcome 2 also contribute to Outcome 1.*

## Shared Responsibilities with Other Agencies

The Portfolio's services are delivered by the Department (including State Records Office) and the five Portfolio organisations. Responsibilities for the provision of services are as follows.

Figure 3: Portfolio Service Providers

Portfolio Service	Service Provider
Arts Industry Support	Department of Culture and the Arts
Screen Production Industry Support	ScreenWest
Venue Management Services	Perth Theatre Trust
Art Gallery Services	Art Gallery of Western Australia
Library and Information Services	State Library of Western Australia
Museum Services	Western Australian Museum
Government Recordkeeping and Archival Services	State Records Office

## AGENCY PERFORMANCE

### Achievement Highlights

The Department is responsible for the delivery of Service 1 and Service 7 of the Portfolio's services (see Figure 3) as well as providing cross Portfolio strategic policy and governance services and general coordination. Below are the Department's major achievements for 2008-09.

### Service 1: Arts Industry Support

**The Development and Strategy Directorate's (DSD) major strategic achievements 2008 – 2009 include:**

- **New Programs:** Launching and delivering 22 new programs across all artforms.
- **New Policies:** Undertaking extensive public consultation exercises to date to develop new policies for Indigenous Arts; Young People and the Arts; Creative Connections; Arts and Education; and a new DSD Policy Framework. Each policy will be launched in 2009.
- **New Cross Agency Funding Partnerships:** Introducing significant new public funding programs in partnership with ABC Television; Australia Council for the Arts; Department of Education and Training; Department of Environment, Water, Heritage and the Arts; Disability Services Commission; ScreenWest; and the Western Australian Museum.

### Service 7: Government Record Keeping and Archival Services

#### State Records Office Achievement Highlights

The State Records Office (SRO) is the initiator of and lead agency in the development of Online Retention and Disposal Application (ORDA). The project's

purpose is to move the management of the Government Disposal Authority and Recordkeeping Plan information to an online systems based approach to assist State and Local Government organisations. This year the SRO entered into a partnership agreement with the Public Record Office of Victoria (PROV) in order to complete development of the system, which is expected to be built and trialled during 2010.

During 2008-09 the SRO finalised a General Disposal Authority for Source Records, and a Guideline for Digitisation Specification. The Authority and the Guideline, when used in tandem, set lawful parameters for the disposal of original (hard copy) records that have been captured electronically by government agencies. Formal disposal mechanisms are critical to ensure government is not burdened with retaining unnecessary records. Both documents were approved by the State Records Commission (the Commission) in June 2009.

In 2008-09 the SRO successfully completed phase one of a program designed to monitor compliance by government organisations with their recordkeeping plans, and with the *State Records Act 2000*. The results which were reported to the Commission in March 2009, which indicated that the government agencies surveyed generally comply with legislative requirements to maintain certain prescribed records, and manage those records in accordance with their recordkeeping plans.

## **DEPARTMENT OUTCOMES**

### **Office of the Director General**

#### **Ministerial Services**

The Office of the Director General coordinated all Ministerial correspondence between the Department and Portfolio organisations and the Minister's office. Ministerials processed were as follows.

Figure 4: Ministerials

	05-06	06-07	07-08	08-09
Number of Portfolio wide Ministerials administered by the Department	1535	1518	1614	1252
Number of Ministerials that required a written response by the Minister	393	327	398	405
Percentage of Ministerials responded to on time (up to seven days)	81%	85%	80%	83%
Percentage less than five days overdue	12%	12%	12%	11%
Percentage more than five days overdue	7%	3%	8%	6%

### Executive Leadership Team

The Executive Leadership Team (ELT) of the Department is led by the Director General. The functions of the ELT are to provide an opportunity for discussion and decision making about key business of the Department. The core membership of the ELT includes the Deputy Director General; Executive Director, General Operations; and Director, State Records Office. ELT meetings are also attended by the Chief Financial Officer; Director, Government Relations; Director, Corporate Affairs; and the Executive Officer.

### Corporate Affairs

Corporate Affairs continued to provide communications advice, support and development of best practice protocols and procedures in 2008 – 2009 to support the delivery of the Department's business objectives.

Through targeted media activity, Corporate Affairs worked to build the public profile of the Department's activities and manage the profile of the Department.

Key events and outcomes that Corporate Affairs successfully managed during this financial year included:

- Delivery of the 2008 Western Australian Business and the Arts Partnership Awards (WABAPA) program and event.
- Merge of the WABAPA event with the Australia Business Arts Foundation (AbaF) Western Australia Awards event program.
- Establishment of the Cultural Achievement Awards (that will be presented at the AbaF Western Australia Awards.)
- Delivery of the 2008 Journalists Program for cadet journalists from *The West Australian*.
- Promotion for *situate*: an international sculpture competition as well as the Australia-Asia Literary Awards.
- Management of the Department's website and intranet and delivery of online applications facilitating a more interactive website for the Department to engage with the public and arts and culture sector.

## **Western Australian Business and the Arts Partnership Awards (WABAPA)**

The Western Australian Business and the Arts Partnership Awards (WABAPA) celebrated 15 years in 2008 with a gala event, hosted by the Minister for Culture and the Arts, John Day at the Art Gallery of Western Australia.

The 2008 awards program attracted 209 nominations and partnership endorsements. These partnerships represent an investment in WA arts and culture worth more than \$8.6million, an increase of \$1million on those recognised in the 2007 awards.

2008 was the final year that WABAPA took place with the Awards merging into the Australian Business Arts Foundation (AbaF) Awards event program. These new Western Australian Cultural Achievement Awards recognise excellence in arts enterprise and arts management.

### **Audit and Review**

In 2008-09 Audit and Review supported sound governance in the Department through the deployment of the Annual Audit Plan. Execution of this plan resulted in the completion of 11 audits and follow up reviews (five of which were conducted across the Culture and Arts Portfolio). The audit work evaluated whether controls in business processes were in place and operating effectively in order to appropriately manage risk. Implementation of the audit recommendations will deliver improvements to the internal control environment of both the Department and the Portfolio.

### **Development and Strategy**

#### **Arts and Cultural Sector Policy Framework**

The Directorate undertook extensive public consultations to ensure that a broad range of perspectives were represented as part of the process of developing a Policy Framework.

Over 270 people from across the State participated in this process. Consultative workshops discussed policy development in the areas of: Creative People; Creative Communities; Creative Environments; Creative Economy; and Creativity and Engagement. A regional forum was also conducted covering these topics. In addition to this, 18 papers were presented by the workshop speakers.

The results of the workshops, together with the written contributions and several internal DSD consultation workshops have been integrated into the final Policy Framework, to be published in 2009.

### **ADVICE**

The Department entered into the national Audience Data and Visitor Information Collection Enterprise (ADVICE) project in partnership with the Australia Council for the Arts.

ADVICE aims to assist arts organisations and venues to collect, analyse and utilise ticketing information. The project will directly engage a range of performing arts organisations and venues over the next three years, leading to increased understanding of audience trends and cross attendance patterns against national benchmarks.

## Arts Development

Peer assessment is a fundamental principle in evaluation competing applications for grants. This is achieved through the work of a number of panels, in particular the Arts Development Panel. During 2008-09 funding for projects through the Arts Development Panel totalled \$1,580,029 with 75 organisations and individuals supported. Distribution was as follows:

- Creative Development Fellowships - \$120,000 across two recipients.
- Dance - \$75,228 across four recipients.
- Multi-arts - \$222,679 across seven recipients.
- Music - \$76,258 across five recipients.
- Short Term Artist in Residence - \$29,467 across three recipients.
- Theatre - \$308,147 across 13 recipients.
- Visual Arts and Crafts Mid-Career Fellowships - \$100,000 across four recipients.
- Visual Arts and Craft - \$533,388 across 31 recipients.
- Writing - \$114,862 across six recipients.

## Key Funded Organisations

In 2008-09 funding of:

- \$15,863,331 was provided as core funds to multi-year and triennially funded organisations for the operational and artistic costs of delivering an agreed level of service and arts program for the community \$6,314,128 of this funding was provided to the West Australian Ballet, West Australia Opera, West Australian Symphony Orchestra and Black Swan State Theatre Company in accordance with the national Major Performing Arts Funding Agreement.

These figures were increased at 4.35 per cent applied to recurrent funding to all multi-year and triennial arts organisations funded by the Department for 2008-09.

In 2009 and 2010 the West Australian Ballet will receive an additional allocation of \$1.2million per annum in special project funding. The funding is in response to a business case prepared by the company for increased performance capacity.

An additional \$318,719 was distributed to key organisations to undertake a range of strategic initiatives and special projects.

## Sponsorship Incentives

Two new sponsorship incentives were launched in 2008 to encourage and enhance financial contributions to the arts by business and trusts. These initiatives acknowledged the importance of developing additional financial support for the arts sector:

- The Philanthropy Incentive Program encourages individuals, groups, and businesses to establish prescribed private funds, foundations or other charitable trusts that are philanthropic to the arts, by contributing an amount of up to 7.5 per cent to a maximum of \$50,000 of the initial capital funds to an arts organisation of the fund's choice.
- The Premier's Arts Partnership Fund (PAPF) is a partnership between the Australia Business Arts Foundation (AbaF), Mirvac WA, and the State Government of Western Australia through the Department. PAPF encourages small-to-medium businesses (SME) to partner the arts by matching the financial commitment of an SME to an arts organisation – effectively doubling the value of the partnership. In 2008-09, PAPF supported 17 partnerships, contributing \$81,800 to a total of \$199,000 in support to the arts.

A two-year partnership, established in 2007-08 between the Department and the Australia Council for ArtSupport Australia to grow philanthropic donations, continued in 2008-09. This initiative supports growth of philanthropic donations for the arts and provides mentoring and assistance for the arts sector to develop philanthropic donations.

### **Industry Development**

The Department presented guest speakers to stimulate discussion in the arts and cultural sector about various new issues and developments.

Mark Ball (Director, London International Festival of Theatre) undertook a masterclass with senior programming staff from the Department's triennial and multi-year funded organisations, drawing upon his experience with Web 2.0 and its impact on arts programming.

As part of its Multicultural Arts Marketing Ambassadors Strategy, the Department hosted presentations from Jill Morgan, Rob Gebert and Professor Ruth Rentschler from Multicultural Arts Victoria; Piali Ray OBE, Director of Sampad South East Asian Arts, England; and Naseem Khan who is recognised in Britain as a leader in cultural diversity, innovation and social change policies.

### **Visual Arts and Craft**

Funding for visual arts and craft delivered through the Arts Development Panel totalled \$533,388 with 31 organisations and individuals supported.

Supported projects included:

- Funding totalling \$160,000 to five visual artists who demonstrated a significant track record with a high standard of practice to undertake a period of development over a 12 month timeframe through the Visual Arts and Craft Mid-Career and Creative Development Fellowship programs.
- \$45,000 to assist six Western Australian art galleries to participate in the 2008 Melbourne Art Fair.

### **Writing**

Funding for writing provided through the Arts Development Panel totalled \$114,862 with six organisations and individuals supported.

Supported projects included:

- The Poetry Action Plan moving to its third year of a three year cycle and continuation of its impact through the Arts Development Panel through specific initiatives implemented by writingWA.
- A Few New Words Poetry Publishing Assistance Program supported the publishing of *Amber Contains the Sun* poetry anthology.
- The Publishing Assistance Program and Development categories of the Arts Development Panel funded two new volumes of *Westerly*, supported local writer, Craig Silvey to produce a novel length work of contemporary Western Australian fiction and supported the Katharine Susannah Prichard Foundation's annual program of activities for \$79,252.

### **Australia-Asia Literary Award**

The inaugural Australia-Asia Literary Award (AALA), the richest literary award in the Australia-Asia region, received 111 entries. A long-list of 12 titles was announced by the Minister for Culture and the Arts in October 2008. The final shortlist of five titles was announced in November 2008. A cocktail event was held on November 21, 2008 to celebrate both the AALA and the 2007 Premier's Book Award.

The inaugural AALA prize of \$110,000 was awarded to Australian author, David Malouf for *The Complete Stories*. Antonio Buti's, *Sir Ronald Wilson: A Matter of Conscience* won the \$20,000 Premier's Book Award. The award is on hold for 2009 pending recommendations from an independent review that is due for completion July 30, 2009.

### **Performing Arts**

Funding for performing arts, provided through the Arts Development Panel, totalled \$512,314 with 28 organisations and individuals supported. The Department also provided one \$60,000 Creative Development Fellowship to Felicity Bott.

The Department entered into a three year partnership with the Australia Council for the Arts to support the operations of the WA Management and Producing Service (MAPS) and will contribute \$180,000 per annum for three years. The service will be delivered by the national touring organisation Performing Lines through its WA branch.

The MAPS project aims to create a support structure that will produce and manage selected Western Australian theatre and dance groups, enabling them to create, present and tour their work more effectively within Western Australia, nationally and internationally.

### **Contemporary Music**

Funding for contemporary music provided through the Contemporary Music Panel totalled \$529,480 with 62 organisations and individuals supported in 2008-09.

Some outstanding achievements of artists who received Contemporary Music Grants included:

- Abbe May winning the APRA Professional Development Award – Popular Contemporary.
- Eight Western Australian songs in the 2008 Triple J Hottest 100 countdown. Three of these were from Birds of Tokyo, who were also nominated for the Triple J Album of the Year award.
- Regional and indigenous singer-songwriter, Naomi Pigram produced her debut full-length album.

The Contemporary Music Review, conducted by Curtin University, was submitted to the Department in October 2008 providing an evaluation of the outcomes and impacts of the Contemporary Music Program. The review identifies areas of current and future needs within the contemporary music industry which will feed into the direction of the Contemporary Music Grants Program.

The Department provided \$66,667 in funding for the inaugural St Jerome's Laneway Festival at the Perth Cultural Centre. The event was well attended and received positive reviews, with five WA bands performing at the festival alongside an international and national line up. Furthermore, the event attracted visitors for the Cultural Centre.

### **iArts**

The Department contributed \$100,000 towards iArts, creating a partnership with ScreenWest and ABC TV for a digital arts initiative that is forging new ground in cross platform arts practice. iArts funded two collaborations between arts practitioners and digital content producers to create web-based, audience-interactive digital arts projects, to be published on ABC on line and cross platform distribution. The funded projects were *Reface* by ololo and WBMC, which also formed part of the 2009 Perth International Arts Festival visual arts program, and *Motel Deception* by Jambird and Blue Moon Productions.

### **SymbioticA, Centre of Excellence in Biological Arts**

The Department, in a jointly funded initiative with The University of Western Australia, is in the first year of a three year commitment totalling \$1.2million to support SymbioticA to become an international centre for excellence in the emerging field of bio-arts. SymbioticA has achieved considerable success to date, including: winning the Premier's Prize for Excellence in Science Communication Outside the Classroom and running biotech art workshops in Norway and India. SymbioticA resident artists present their work internationally including the Museum of Modern Art (MoMA), New York, promoting a unique profile for WA.

### **Indigenous Arts and Culture**

Funding through the Indigenous Arts Panel totalled \$287,724 with 20 applications supported. There was a 44 per cent increase in the number of applications coming to this Panel from the previous year.

The funding supported a wide range of projects in all artforms, such as professional development, recording music, participation in national and international events, marketing and community cultural development.

The Department continues to support two key indigenous arts organisations on a triennial basis: Yirra Yaakin Noongar Theatre in Perth and Magabala Books in Broome and introduced one new organisation, Goolarri Media Enterprises to multiyear funding.

### **The Western Australian Indigenous Art Awards**

The Western Australian Indigenous Art Awards were held at the Art Gallery of Western Australia (AGWA) from November 1, 2008 – January 11, 2009. AGWA managed the awards on behalf of the Department. The purpose of the Awards is to raise the profile of, and celebrate indigenous art and artists. Of 157 nominations, 16 finalists were selected to present artwork. The winners were Patrick Tjungurrayi - \$50,000 Indigenous Art Award; June Walkutjukurr Richards - \$10,000 Western Australian Artist Award; and Shane Pickett - \$5,000 People's Choice Award.

### **Revealed – Emerging Indigenous Artist Showcase**

The *Revealed* project was delivered in partnership with the Aboriginal Economic Development Division of the Department of Commerce and Central TAFE. *Revealed* featured a curated exhibition of artwork in the Central TAFE Gallery, presenting 31 artists from 14 West Australian art centres, with a focus on the next generation of emerging artists. The exhibition was accompanied by a professional development program for art centre managers, staff and artists; as well as a highly successful market day. In total, the project generated \$157,000 in sales with approximately 1,700 people attending.

### **Western Desert Kidney Health Project and Do Tank**

The Department is supporting this three-year project aimed at delivering outcomes in health and community cultural development, taking place across ten Western Desert and Goldfields communities. In 2008-09 the preliminary phase consisted of an initial residency in Coolgardie which included finalising resources, partners and providing governance training. The Department is also supporting an advice bank for a leading community cultural development practitioner, as a means of maximising project support.

### **Community Arts Network WA (CANWA)**

The Department provided \$60,000 per year for two years to CANWA to facilitate long-term partnerships between indigenous communities and four local governments in the Eastern Wheatbelt region, through engagement and participation in arts and cultural activities.

### **Indigenous Contemporary Music**

Abmusic, Goolarri Media Enterprises and the Western Australian Music Industry Association work together to deliver the Indigenous Contemporary Music Business Unit. This Unit supported the development of indigenous contemporary musicians, and provided professional development, performance and marketing opportunities. Highlights include the inaugural Too Solid Indigenous Music Awards and launch of the *Yabu* CD.

Ngaanyatjarra Media has also been supported to manage a professional development program for musicians in the Ngaanyatjarra Lands and develop a music strategy for this rapidly growing artform.

### **Magabala Books**

Western Australia's only indigenous publisher was supported to establish a new national distribution agreement, which will develop the sustainability of the organisation. The organisation is also the recipient of funds through the Department's Arts Capital Fund and is working with the Department to develop a long-term home for the organisation.

### **Canning Stock Route Project**

The Canning Stock Route Project will culminate in a multimedia exhibition featuring artworks from nine remote indigenous art centres in the Pilbara, Midwest and Goldfields regions at the National Museum of Australia in July 2010. The Department supports the professional development program associated with this project for three emerging curators and three emerging multimedia practitioners.

### **Designer Fashion**

The Designer Fashion Grants Program through the Designer Fashion Grants Panel distributed \$221,542 to 31 projects.

The Research and Development Travel category has shown continued growth in the past year with 28 applications approved for national and international travel initiatives.

Highlights included:

- Support for four Western Australian fashion designers to participate in the L'Oreal Melbourne Fashion Festival (LMFF) in March 2009. The designers selected by a national industry panel were Aurelio Costarella, One Fell Swoop, Su design and Antipodium.
- The Perth Fashion Festival was awarded \$240,000 to showcase local designers in industry events during the Festival calendar.
  - The first of these was the Collections 1 and 2 events where 15 established WA labels and 10 industry selected WA labels were able to showcase their Spring-Summer ranges to an audience of 800, including local and national media, fashion buyers and fashion industry leaders.
  - The second of the events was Popsicle. Managed by The William Street Collective, Popsicle saw a temporary retail space set up in an empty bank building in the heart of Northbridge in which 24 emerging WA designers participated.
  - The third event was Illumination. Fremantle designers were able to showcase their ranges to an audience of over 350 in Form Gallery, King Street, Perth.

## **Creative Connections and Young People and the Arts**

Completed initiatives in 2008-09 included:

- Delivery of the Creative Connections Policy through ArtsEdge. ArtsEdge facilitates collaboration between the education, arts and cultural sectors. It supports arts education by creating opportunities for partnerships and skills enrichment through professional learning programs.
- The ArtsEdge 10th Anniversary Conference held at the Western Australian Academy of Performing Arts.
- A new Memorandum of Understanding signed between the Department and Department of Education and Training (DET) for 2009 until 2011 included absorbing the role of ArtsEdge Coordinator into the Department as a full-time employee (the role was formerly managed by DET) and the appointment of an additional 0.5 ArtsEdge Project Officer.

### **Artist in Residence Grants Program**

In May 2008, the Federal Government announced \$5.2million in funding over four years for the Creative Education Partnerships: Artist in Residence (AIR) Initiative, where professional artists will participate as 'artists in residence' in schools and as sessional staff in universities to improve young people's access to quality arts education programs.

The Department and DET were awarded \$280,000 in 2009 to develop the initiative in Western Australia, this amount being the highest awarded in Australia. In the first year of the pilot, grants are open to all Western Australian public schools and teacher training institutions. Artists and/or arts and cultural organisations involved in AIR programs must have a minimum of three years professional experience.

### **Young People and the Arts Grants Program**

The Young People and the Arts Grants Program continues to support projects for, with and by, young people aged 26 years of age and under. Three rounds provided support for projects totalling \$357,175. This included five Young People and the Arts Fellowships (up to \$10,000 each), and the \$30,000 International Scholarship, awarded to Josh Webb for the completion of second year studies (Master of Fine Arts in Sculpture) at the Rhode Island School of Design, USA.

In addition, the Young People and the Arts Quick Response fund continues to allocate amounts up to \$3,000 to allow young people to respond to out-of-round opportunities to either attend events or undertake activities of strategic significance for the development and promotion of their arts practice, or to continue momentum achieved through an existing project or consultation with young people. In 2008-09 the fund allocated a total of \$41,823 to 11 projects.

## **Community Cultural and Arts Facilities Fund**

Community Cultural and Arts Facilities Fund (CCAFF) provided assistance to eligible not-for-profit arts and cultural organisations and Local Government for capital works projects, feasibility studies and fixed equipment for arts and cultural facilities throughout Western Australia. Nine out of ten CCAFF submissions were supported through the Panel in the April and September rounds totalling \$777,138 with 45 per cent of this funding allocated to regional organisations.

## **Arts Capital Fund**

The Arts Capital Fund provided \$500,000 to independent and community theatre groups throughout Western Australia for upgrades to theatre buildings and equipment to improve performance quality and audience experiences.

In addition, eight key arts organisations were approved to share \$3million through the Arts Capital Fund. The funding will support strategic and long standing infrastructure and asset needs which improve quality of experience, access and enhanced public engagement

## **The Major Production Fund**

The Major Production Fund committed \$748,039 in funding for two productions with potential to make an impact on the cultural landscape of Western Australia and demonstrate significance on a national or international level.

Broome-based performing arts company, Marrugeku received \$338,039 in July 2008 for the re-development and Perth premiere of *Burning Daylight*. ThinIce Productions received \$60,000 in November 2008 to develop a production of Richard Strauss' *Elektra* in collaboration with the West Australian Opera. The production will receive a further \$350,000 conditional funding upon securing at least one presenting partner.

## **Sound Attenuation Support Program**

The Sound Attenuation Support Program (SASP) supports the Western Australian music industry by managing noise and sound issues for all members of the community. During 2008 the Department established a cross-government Sound Attenuation Support Panel which allows venues supporting the performance of live original contemporary music to seek advice from key government agencies in order to positively address noise related issues. The Panel also allocated funding to The Ellington Jazz Club and Artrage for alterations and minor works for the management of sound emissions from their venues.

## **Regional Development – Gascoyne**

The Gascoyne Arts Development Officer travelled to assist and support community arts groups, organisations and individuals to access arts funding and networks and develop arts projects in Carnarvon, Exmouth, Shark Bay, Gascoyne Junction and Burringurrah remote Aboriginal community. This work was carried out according to partnership agreements with the Shires of Carnarvon, Exmouth and Shark Bay and the Gascoyne Development Commission.

The Officer worked with the Jilinbirri Weavers of Carnarvon on professional development, training and networking for the National Regional Arts Conference 'Art at the Heart' in Alice Springs in October 2008. The Gascoyne Arts Development Officer exited the region in February 2009.

### **Regional Funding**

The highlights of the third year of the cross-government partnership with the Department of Local Government and Regional Development included a full orchestra performance by the Western Australian Symphony Orchestra in York to an audience of over 3,000 people; a two week music residency for over 70 young musicians with the West Australian Opera in Geraldton; school workshops by the West Australian Ballet in Exmouth; and sold out performances in Albany by Black Swan State Theatre Company.

For the second consecutive year all nine regions in Western Australia received at least one tour each from the State's major performing arts companies. A total of \$402,502 was allocated for regional touring.

The Regional Senior Policy Officer position was established in late 2008 with the Officer undertaking a State-wide consultation and a scoping study aimed at the development of a dedicated Regional Partnerships Fund. In 2008 multi-year funded organisations and Category A regional arts organisations received a 30 per cent increase in funding to improve their capacity to provide regional services and devolved funding programs. CircuitWest network received \$300,000 towards a program designed to develop skills, upgrade equipment and increase support for Western Australian touring product to CircuitWest venues.

### **International Arts and Culture**

The Department contributes to the following cross-government committees:

- The Overseas Offices Board – Interagency Coordination Group.
- Export Allies Group.
- Zhejiang Exchange Committee.
- Shanghai World Expo 2010 Working Group.
- China Interdepartmental Focus Group.

The Department's contribution to these groups is instrumental not only for trade relationships, export potential and foreign diplomacy activities, but also in facilitating a range of arts and cultural projects through the Western Australian Government's Sister State relationships and overseas promotions.

In November 2008, the Department partnered with ScreenWest and the Department of State Development to launch a documentary film about a photographer exchange with WA's Sister-State in China, Zhejiang Province. In July 2008, the Department's Senior Policy Officer, International participated in the WA-Zhejiang Public Service Exchange, resulting in a three-month placement in Zhejiang from September to December 2008. The placement investigated opportunities for collaboration in the arts, with a special focus on designer fashion, film and animation.

The Department continues to work with the Department of State Development to investigate opportunities for Western Australian artists in relation to a Memorandum of Understanding with Russia's Tomsk Regional Administration and Shanghai World Expo 2010.

These activities are in addition to the range of international projects funded through the Department's Grants Programs and strategic projects such as SymbioticA Centre of Excellence in Biological Arts and the *situate* International Sculpture Competition.

### **Indian Ocean Territory Service Delivery Arrangement**

The four-year State Development Agreement (SDA) between the Department and the Australian Government's Attorney General's Department provides services to the Indian Ocean Territories. The SDA aims to provide the communities of Christmas Island and the Cocos (Keeling) Islands with the same level of arts and cultural services that are provided to similarly remote communities in Western Australia.

The SDA budget for 2008-09 was \$224,017 and covered activities through the Department, Country Arts WA, Community Arts Network WA, Art On The Move and the Western Australian Museum.

### **Museums and Collections**

The Department continued to deliver the Community Collections Action Plan announced in November 2007. The plan has achieved the following outcomes:

- Funding and brokering role in a tripartite agreement between the Australian and State Governments and Western Australian Museum to support the Return of Indigenous Cultural Property Program.
- Multi-year contracts with Museums Australia WA and the Royal WA Historical Society.
- Expansion of grant opportunities for collections via pilot funding programs including: Emerging Curators (\$30,000); Short-Term Artist in Residence (\$40,000); and Cultural Programs for Community Collections (\$80,000).
- The Department successfully tendered to the Collections Care Council of Australia (CCA) to implement its national Regional Hub project in the Goldfields region of Western Australia. The Hub is a partnership between CCA, the Myer Foundation, the City of Kalgoorlie-Boulder and the Department, to improve the care of and access to the region's rich collections. The Department matched a contribution of \$120,000 from the Myer Foundation through CCA.

### **Public Art Symposium**

The Department has participated in public art discussions through the Cultural Development Forum, a network of local government employees working in arts, culture and community development. The Department sponsored a symposium on art in public spaces that showcased six diverse projects from across the State and identified key focus areas specific to Local Government and the implementation of public art projects in the built environment.

## **The State Government Percent for Art Scheme**

The State Government Percent for Art Scheme continued the partnership between the Department and the Department of Treasury and Finance, Building Management and Works. Each Department extended resources to the Scheme through establishment of dedicated positions, increasing capacity for support, management and advocacy of the Scheme. Art Coordinator Guidelines have been updated and redesigned. Identification plaques have been designed and installed near artworks naming the artists, the commissioning body and the Scheme.

## **Disability and the Arts Inclusion Initiative**

Established in 2006, the Disability and the Arts Inclusion Initiative (DAII) project is a cross-government partnership with the Disability Services Commission (DSC) aimed at enabling people with disabilities to access and participate in everyday arts and cultural activities in Western Australia. Since August 2006, DSC has contributed \$550,000 to the project.

The DAII project is comprised of two key initiatives: the Organisations Project and Grants for Artists with Disabilities project. The Organisations Project provides support for arts and cultural groups to partner with disability organisations on projects aimed to deliver inclusive events, performances or workshops.

The second initiative, Grants for Artists with Disabilities, was launched in September 2008 and provided opportunities for artists with disabilities to develop their professional arts practice. Nine applications were supported totalling \$103,815. The Access Indigenous Arts pilot project supported three communities to apply through the Indigenous Arts Program. A total of \$81,014 has been awarded for projects engaging with indigenous artists with disabilities.

## **Cultural Tourism**

The strategic partnership between the Department and Tourism Western Australia (Tourism WA) continued to implement *Journey Further: An Arts and Cultural Tourism Strategy for Western Australia 2004-2008*.

Cultural tourism workshops were held in the Wheatbelt, Swan Valley, Gingin and Perth in April, May and June 2009. The workshops provided information and support for the arts and cultural industry to engage further with the tourism industry.

Other cultural tourism achievements during 2008-09 included:

- The Department participated in the panel of Eventscorp's Arts and Culture Events Scheme (ACE). In 2008-09 the ACE Scheme provided \$210,000 to Western Australian arts and culture events including FotoFreo and the Revelation Perth International Film Festival, to be delivered in 2009-2010.
- Corporate and technical support was provided to Eventscorp in the development and implementation of an Expression of Interest for an International Indigenous Arts Festival.

- The Department's Project Officer, Indigenous Arts Development continued as an ongoing participant for the Noongar Country Cultural Tourism Strategy.
- A revised Arts and Culture Map which includes new events and festivals was completed with 40,000 copies printed. The map is distributed to the tourism industry locally and internationally and will be taken for distribution to the 2009 Australian Tourism Exchange conference held in Melbourne.

## **General Operations**

### **State Theatre Centre of Western Australia**

Construction of the State Theatre Centre of Western Australia (STCWA), located within the Perth Cultural Centre on the corner of Roe and William Streets in Northbridge, is continuing. The design includes the 575 seat Heath Ledger Theatre; the 200 seat flexible use Studio Underground; a multi-purpose outdoor courtyard; two rehearsal rooms; and two flexible use private suites.

Construction works have started on the resident companies' accommodation on William Street and work on the fly tower continues. Once completed, this will stand 29 metres above street level. Electrical and mechanical fit-out has commenced and procurement of the technical equipment is underway.

The brand identity for the Centre was released in early 2009 and strongly reflects the iconic architectural design of the building. The Department has constructed a website where full information about the STCWA can be found.

The Perth Theatre Trust and its venue management agent, AEG Ogden (Perth) are actively planning for the operational requirements of the STCWA.

### **Facilities**

Funding allocated through the Maintenance and Heritage Capital Program has been expended, with all projects on the 2008-09 program completed. Larger projects included an upgrade to the Emergency Warning Intercommunications System (EWIS) at the Blue Room and the installation of a roof access system to the Perth Institute of Contemporary Arts (PICA) building. Many smaller projects were also completed, such as safety upgrades and improvements to universal access and fire compliance. The Department provides maintenance and building management services to seven buildings: Customs House, Spare Parts Puppet Theatre, Swan Bells Bell Tower, King Street Art Centre, PICA, the Blue Room and the old Newcastle School building at 380 Newcastle Street, West Perth.

New studio and office space was provided to arts organisations, PVI-CIA Collective and Papercut Media during 2008-09 through subsidised rent at the old Newcastle School building. The space was secured via a Memorandum of Understanding between the Department, building owners and the Department of Education and Training. It provides a valuable hub for hybrid arts practitioners to develop programs and activities.

The Department also provides in-kind support to arts organisations located in the King Street Arts Centre, Arts House, PICA building, the Bell Tower, Spare Parts Puppet Theatre and Old Customs House through venue provision and subsidised rent.

### **Capital Works and Asset Management**

The Department completed the Strategic Asset Management Plan, including the ten-year Capital Investment Plan, the Asset Disposal Plan, the four-year Maintenance Plan, and the Capital Works Plan for all of the Portfolio buildings.

### **Arts Infrastructure Plan**

In December 2008, the Department completed the first stage of the Arts Infrastructure Plan, a status report on current culture and arts infrastructure and issues in Western Australia. The Department has commenced planning for the second stage.

### **Rethinking Recruitment**

A new Recruitment Manual has been developed in line with the Public Sector's 'Rethinking Recruitment' framework. It provides a responsive and flexible approach to recruitment, which assists selection panels to use the most economic and efficient recruitment methods, select the best available applicants to fill their vacancies and ensure the process works within the relevant legislative frameworks.

Training for the newly developed *Recruitment Manual/Toolkit* is being rolled out across the Portfolio. All line managers are being trained on the manual to provide better outcomes such as an increase in quality and number of candidates, and a decrease in the cost associated with recruitment.

### **Code of Conduct**

The Department's Code of Conduct was reviewed to ensure it reflected the needs of the organisation and the revised Public Sector Code of Ethics covering the three major headings – Personal Integrity, Relationships with Others and Accountability. Training was also provided to support the introduction of the Code.

The Code of Conduct training was finalised for all employees and volunteers. This training raised awareness and increased the understanding of their obligations as employees and representatives of the Portfolio. The training also included the Public Service Commission's ethics and integrity program.

### **Payroll and Recruitment**

Payroll and recruitment services for the Portfolio were provided, by the Department of Treasury and Finance, and Shared Services Business Unit.

### **Staff Development**

The portfolio-wide Leadership Development Program for Officers at Level 6 and above concluded in November 2008. This program promoted professional development and facilitated networking across the Portfolio. A total of 59 employees participated in the program.

## **Portfolio Induction Program**

The Portfolio Induction Program continues to be delivered on a regular basis to new and existing employees. The induction program provides employees with information on their rights, obligations, portfolio-wide policies and procedures, behaviour standards, and introduces them to senior staff.

## **Employee Assistance Program**

The Department's Employee Assistance Program (EAP) provides employees and their families with professional short-term counselling. The utilisation rate for the Department in 2008-09 was 5.17 per cent, based on 831 employees.

## **IT Infrastructure**

In line with Operational and Asset Management requirements, server and network infrastructure reviews were undertaken which highlighted the need to upgrade current aging/end of life systems and invest in contemporary technologies of Server Virtualisation and IP Telephony that are industry standard. These technologies will reduce operating costs through reduction in the number of physical servers, which in turn reduces the data centre carbon footprint through power and air conditioning requirements.

## **BOCS Implementation and Support**

The Department IS desktop, network and server administration teams are providing infrastructure support to the Perth Theatre Trust BOCS Ticketing IT system by Enta.

## **Procurement**

The Department continued to implement the Department of Treasury and Finance's (DTF) procurement guidelines and policies. A DTF out-placed officer is working with the Department's staff to develop and manage contracts and improve their understanding of best practice procurement.

The Department has implemented strategies to increase the use of purchasing cards in line with the Treasurer's directive to achieve 60 per cent of all transactions under \$5,000 by the end of 2009. The strategies include:

- A review of low-value transactions to assist in identifying the purchase initiator as a potential recipient of a purchasing card.
- Implementation of the National Bank's online *Flexipurchase* transaction, acquittal and reporting to support card holders and their supervisors to better manage purchases.
- A comprehensive review of purchasing procedures and guidelines that resulted in the provision of a streamlined training program in the Shared Services iProcurement module for the Department's staff.

## **Financial Management**

Financial management support was provided for the Department and the Portfolio organisations. The 2007-08 annual financial statements were completed without qualification for the Department, five Portfolio organisations and The Bell Tower.

## **Risk Management**

Significant achievements arising from the Department's integrated approach to risk management included the development of operational risk registers to record and monitor risk management activity. A strategic risk register is currently being developed in alignment with the Department's 2009-2014 strategic plan. The focus is to embed risk management into the internal culture with the development of a risk management framework, formulation of the risk management committee for oversight and assurance and improved risk management reporting and analysis.

## **Business Continuity Planning**

The Department's business continuity plan will be completed by the end of 2009. This plan includes continuity options for staff located at the Law Chambers Building and the State Records Office. Alternate sites have been sourced and a desktop test of systems has been completed. Finalisation of the plan with a formal testing schedule is expected before the end of 2009.

## **Efficiency Review**

In early 2009 the Department commenced an internal review of its key functions and operations to ensure it is operating as efficiently as possible. Through a series of workshops that involved a majority of staff, all key processes were mapped and reviewed. A number of recommendations have been incorporated into a report that was presented to the Executive Leadership Team.

## **State Records Office**

### **State Recordkeeping**

Under section 61 of the *State Records Act 2000* (the Act) the State Records Commission (the Commission) is to establish principles and standards governing recordkeeping by State and Local Government organisations. This year the State Records Office (SRO) released a Guideline for the Management of Digital Records and a Guideline (plus explanatory information sheet) for the Management of Email Records.

An SRO Guideline for Digitisation Specification was also developed in tandem with the Commission's General Disposal Authority for Source Records. Both documents were approved by the Commission in June 2009.

The Act requires all State and Local Government organisations to have an approved recordkeeping plan, review the plan at least every five years and submit a report on the review to the Commission. During the year the SRO evaluated and processed the recordkeeping plans of 98 government organisations, along with the records retention and disposal schedules of another 48 government organisations and reported to the Commission regarding those documents.

During 2008-09 the SRO completed phase one of a program designed to monitor agency compliance with section 60 of the Act. The survey focused on those agencies required by their enabling legislation to maintain 'a register'. The results were presented to the Commission at its March 2009 meeting.

The SRO provided two training programs in the South-West region this year. One program, held at Bunbury in October 2008, provided training in best practice recordkeeping and disposal practices to staff from nine Local Government organisations.

A second workshop was presented at Dardanup in February 2009 to staff from ten Local Government organisations. The latter workshop was designed to assist these clients with the mandatory review and reporting process for their recordkeeping plans.

### **State Archives**

Section 39 of the Act requires the Director of State Records (the Director) to maintain records kept in the State Archives collection, in accordance with an Archive Keeping Plan. The original Archive Keeping Plan was approved by the Commission in 2003. An amended plan was approved by the Commission in December 2008, and was subsequently published on the SRO website.

Section 32 (4) of the Act requires the Director of State Records to provide directions to agencies on how records must be kept pending their transfer to archival custody at the SRO. This year the Director issued the first directive, *Directions for keeping hardcopy archives awaiting transfer to the State Records Office*. Whilst agencies are encouraged to pursue best practice options for the storage of State Archives, the directives set minimal compliance requirements as an interim measure.

In April 2009, the SRO celebrated the tenth anniversary of the opening of its public search room on the ground floor of the Alexander Library Building. The occasion generated media coverage in an article in *The West Australian* on April 14, 2009, which highlighted the importance of convict records held by the SRO.

The SRO hosted six lunchtime seminars featuring SRO staff and researchers. Each presentation related to access to, or use of, records held in the State Archives collection.

On Foundation Day 2009 the SRO acknowledged the release of the 1978 Cabinet Papers from a 30 year embargo by publishing an Index and Guide to the Cabinet Minutes and Decisions on its website, and issuing a media release.

On October 20, 2008 the SRO hosted the fourth annual Geoffrey Bolton Lecture, at the Government House Ballroom, which was attended by 280 people. The speaker was the Hon Justice Michael Kirby of the High Court who spoke to the topic: *The decline and fall in teaching Australian legal history – time for change?*

### **State Records Commission Support**

The SRO supported four meetings of the Commission, with one meeting being held in Geraldton. This meeting enabled Commissioners and senior SRO staff to meet government clients in the mid-west region. The Commission's Chair and the Director SRO were also interviewed on ABC Mid-West and Wheatbelt radio on their respective roles within government and the importance to the community of preserving the State's archives.

Three meetings of the State Records Advisory Committee were held this year with 15 disposal authorities being considered for endorsement and referral to the Commission for approval.

The SRO also organised the judging and presentation of the following two awards supported by the Commission:

- *The Margaret Medcalf Award* for excellence in research and referencing, as demonstrated by users of the State Archives collection, won by Isla Macphail for *Highest Privilege and Bounden Duty; A study of Western Australians Parliamentary elections, 1829-1901*.
- *The W S Lonnie Award* for excellence in annual reporting by government organisations, awarded to the Disabilities Services Commission.

## SIGNIFICANT ISSUES AND TRENDS

### Portfolio Organisations

- Research undertaken in 2008 to investigate the size and impact of the Creative Industries in Western Australia has shown that they form one of the fastest growing sectors of our State's economy, contributing an estimated \$10.6billion to the metropolitan economy.
- Western Australians regard arts and culture to be an integral and valued part of life. A total of 94 per cent of the population regard it as important for school children to have access to learn arts and cultural activities as part of their education, and 85 per cent of the population regard the arts as playing an important role in helping us understand our own culture and way of life and those of others.
- The State's resource sector and the demand for new infrastructure are creating the need for unprecedented environmental impact assessments to be undertaken by the Western Australian Museum.
- New technologies are changing the way art is created, distributed, consumed and preserved. Expectations and demand for online services and collections is requiring significant and ongoing investment in infrastructure and the preservation of Western Australia's cultural, artistic, documentary and digital heritage.
- The screen industry has also seen an increased need for the creation of digital content for multiple platform distribution opening up potential new markets and opportunities.
- The library and information services are seeing increased demands for the delivery of twenty-first century public library services that meet the information, recreation and lifelong learning needs of the Western Australian community.
- The reputation of the work of Western Australian artists is leading to increased demand, both in terms of skills and expanded markets across the State and nationally, representing areas of growth for the sector.
- Western Australia is having particular international success in the areas of bio-art, fashion, contemporary music and digital post-production. Traditional and contemporary indigenous cultural products are also becoming increasingly more important in Western Australia.

- The culture and arts sectors are undergoing a skills shortage, for example, producers in the screen industry have found it difficult to source skilled crew for the level of production activity. This has resulted in expatriate Western Australians returning to the State to fill job agencies.

### **State Records Office**

The proper management of digital records remains a challenge for many government organizations, with the State Records Office supporting government through the development of standards and guidelines to deliver expertise and facilitate good record keeping.

The State Records Office (SRO) remains unable to accept the transfer of State Archives from government agencies as its archival storage repository is full. This situation has prevailed since July 2001. A submission for funding to research and prepare a business case for a world class archive has been developed.

The second phase of the Monitoring and Compliance Program, to assess government organisations' compliance with the *State Records Act 2000*, will continue.

## **DISCLOSURES AND LEGAL COMPLIANCE**

### **Other Financial Disclosures**

#### **Capital Projects**

Cabinet endorsed funding for the State Theatre Centre in October 2004, in recognition of the long-standing need for state-of-the-art professional performance spaces with a drama focus.

Since November 2005, a project team established by the Department has been working with Kerry Hill Architects on the development of the venue. The forward works were carried out by Broad Construction Services and have been completed. In October 2007, the tender for the main construction contract was awarded to John Holland Pty Ltd. Construction is scheduled for completion in 2010. The project has an allocated budget of \$91million and the management of the construction contract is undertaken by the Department of Treasury and Finance through Building Management and Works.

#### **State Records Office Legislative Requirements**

The following is provided as evidence of compliance with legislative requirements: i.e. the *State Records Act 2000* and the State Records Commission's Standards.

During 2008-09 the State Records Office (SRO) reviewed internal recordkeeping systems and processes for effectiveness, and relevant areas for improvement were identified. Specific areas included:

- A file audit to determine the level of user compliance with business rules and practices.

- A review of the functional thesaurus with feedback, derived via a series of surveys and meetings with users, incorporated into a revised thesaurus, with further changes being negotiated.
- A disposal program was developed and implemented with time expired records being authorised for destruction.

Induction programs are provided to all new permanent and temporary staff with periodic bulletins and relevant internal training provided for existing staff. Both programs incorporate employees' roles and recordkeeping responsibilities in accordance with legislative requirements and the SRO's Recordkeeping Plan. Training for TRIM usage, file titling and filing mechanisms was provided during the year, utilising in-house skills in partnership with other Portfolio agencies.

### Portfolio Demographics

The following tables summarise the Portfolio's employee numbers and distribution.

*Figure 5: Culture and Arts Portfolio Demographics at 30 June 2009*

Employment Type	07-08	08-09
Permanent Full-time	418	420
Permanent Part-time	197	191
Fixed Term Full-time	98	102
Fixed Term Part-time	61	49
Casual	53	40
Trainee	1	N/A
Other	22	29
Total	850	831

*Note: Above statistics refer to number of staff not Full Time Equivalents (FTEs)*

*Figure 6: Demographics by Organisation*

Department/Portfolio Organisation	07-08	08-09
Department of Culture and the Arts	152	162
Art Gallery of Western Australia	82	76
Perth Theatre Trust	58	56
ScreenWest	15	18
State Library of Western Australia	274	232
Western Australian Museum	269	287
Total	850	831

*Note: Above statistics refer to number of staff not Full Time Equivalents (FTEs)*

## Governance Disclosures

### Interests of Senior Officers

The Deputy Director General, is married to the General Manager of the Perth Theatre Company which receives triennial funding from the Department and will be the associate resident company in the State Theatre Centre. The Deputy Director General is not involved in and has no role in funding or other decisions concerning the Perth Theatre Company.

### Other Legal Requirements

#### Advertising

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

- Total expenditure for 2008-09 was \$82,008.89.
- Expenditure was incurred in the following areas:

*Figure 7: Advertising Costs*

Advertising Agencies	Nil		
Market research organisations	Nil		
Polling organisations	Nil		
Direct mail organisations	Nil		
Media advertising organisations			
Job Vacancies	\$48,087.31	The West Australian	\$176.90
		Marketforce Express	\$8,389.21
		National Australia Bank Ltd	\$930.00
		Australialink	\$195.00
		Adcorp	\$38,036.20
		Media on Mars	\$360.00
Other	\$33,921.58	Media Decisions	\$29,954.86
		Dubsat Pty Ltd	\$90.00
		Arts Hub Australia	\$10.00
		WA Local Government	\$866.36
		Comodo Group	\$1379.63
		Other	\$1,620.73
<b>Total Media Advertising organisations</b>	<b>\$82,008.89</b>		

### Disability Access and Inclusion Plan Outcomes

The Department is committed to ensuring that people with disabilities, their

families, friends and carers have the same opportunities, rights and responsibilities enjoyed as others, to access its arts and cultural services, information and facilities. Progress towards meeting the desired outcomes of the Department's Disability Access and Inclusion Plan (DAIP) 2007 – 2011 is outlined below.

**Outcome 1: People with disabilities have the same opportunities as other people to access the services of, and any events organised by, the Department.**

- An Access indigenous Arts initiative was implemented in response to requests from regional indigenous arts centres for support to apply to the Department's Indigenous Arts Panel.
- Grant information sessions were conducted at local community and disability organisations to raise awareness of the arts and cultural programs.

**Outcome 2: People with disabilities have the same opportunities as other people to access the buildings and other facilities of the Department.**

- Auditing of external access to all Department buildings has commenced. A list has been developed of required building and facility amendments and the associated costs. Items have been prioritised and some funding approved.
- The building specifications of the new State Theatre Centre meet the legislative requirements for standards of access and services for people with disabilities.

**Outcome 3: People with disabilities receive information from the Department in a format that will enable them to access the information as readily as other people are able to access it.**

- An accessible grants handbook and grant application forms for artists with disabilities were created in consultation with consumer representatives and disability consultants.
- All new publications follow the Department's style guide, which incorporates clear print, branding and design layouts.
- All documents available for download on the DCA internet site are tagged for accessibility.
- A variety of alternative and accessible formats are available upon request. A by-line stating their availability is included in a prominent position on all publications.

**Outcome 4: People with disabilities receive the same level and quality of service from staff at the Department.**

- Disability awareness training was provided to project officers and reception staff handling requests from grants applicants.
- A presentation on disability access and inclusion, including customer service for people with disabilities, has been added to the Portfolio induction program which is attended by all new employees.

**Outcome 5: People with disabilities have the same opportunities as other people to make complaints to the Department.**

- The Department's complaints process is easily accessible online. Feedback and complaints mechanisms are in place but are currently being reviewed to ensure they are being appropriately implemented.

**Outcome 6: People with disabilities have the same opportunities as other people to participate in any public consultation by the Department.**

- Whenever external consultations or public gatherings have taken place, consultation information has been available in alternative formats upon request where appropriate and information was written in clear, concise language; the invitation process has been accessible; and people with disabilities, their families and carers have been supported to attend through use of access requirements and accessible venues.

**Outcome 7: People with disabilities have the same opportunities as other people to seek employment with the Department.**

- The Recruitment, Selection and Appointment Manual includes strategies to recruit people with disabilities and to improve access to employment opportunities.

**Compliance with Public Sector Standards and Ethical Codes**

Compliance with the Public Sector Standards and Ethical Codes are assessed regularly by the Department's Human Resources area and the Office of Public Sector Standards (in the case of a breach claim).

In accordance with Section 31 of the *Public Sector Management Act 1994*, the following is a report of the extent to which the Department has complied with Public Sector Standards, Western Australian Public Sector Code of Ethics and the Department's Code of Conduct.

*Figure 8: Statement of compliance with Public Sector Standards, Western Australian Public Sector Code of Ethics and the Department's Code of Conduct*

<b>COMPLIANCE ISSUE</b>	<b>SIGNIFICANT ACTION TAKEN TO MONITOR AND ENSURE COMPLIANCE</b>
<p><b>Public Sector Standards</b> Nil Breach</p>	<ul style="list-style-type: none"> <li>• Information about Public Sector Standards included on intranet and incorporated into the Department's Induction Program.</li> <li>• An education campaign on the Public Sector Standards and ethics has been rolled out.</li> <li>• Recruitment, Selection and Appointment Standards is supported through the new recruitment, selection and appointment manual.</li> <li>• A portfolio-wide performance management system, the Staff Development System, is in operation and meets the requirements of the Public Sector Standards in Human Resource Management for Performance Management.</li> <li>• Grievance and Performance Management has been incorporated into the Department's Induction Program.</li> <li>• HR policies and guidelines have been developed to ensure compliance issues are recognised.</li> </ul>
<p><b>Western Australian Public Sector Code of Ethics</b> Nil breaches</p>	<ul style="list-style-type: none"> <li>• An ethics and integrity awareness raising program has been incorporated into the Induction Program for new and existing employees. It covers information on the Western Australian Public Sector Code of Ethics.</li> <li>• Code of Conduct reflects the same areas as the Code of Ethics. Training to all employees has been provided.</li> </ul>
<p><b>Code of Conduct</b> Nil breaches</p>	<ul style="list-style-type: none"> <li>• Code of Conduct has been reviewed to reflect changes to the Western Australian Public Sector Code of Ethics.</li> <li>• Training provided to all staff on the Code of Conduct.</li> <li>• Code of Conduct has been incorporated into the Department's Induction Program.</li> <li>• A discipline policy has been developed.</li> </ul>

*Note: Above statistics are for the Department only. The Portfolio agencies (Art Gallery, ScreenWest, WA Museum, State Library and Perth Theatre Trust) provide statistics in their individual Annual Reports.*

## Report on Record Keeping Plans

In accordance with Section 28 (5) of the *State Records Act 2000*, the Department submitted the report of the review of its Recordkeeping Plan (RKP) to the State Records Office (SRO) in May 2009. The State Records Commission (SRC) noted improvements to the original Plan and has requested an amended Plan be submitted no later than September 30, 2010.

To meet the compliance requirements of Principle six of the SRC Standard two:

- Review of the Department's record keeping systems was undertaken as a part of the review of the Department's RKP. This included a review of the RKP submitted in April 2004, current recordkeeping practices and interim documentation required to satisfy the minimum compliance requirements of SRC Standard two: Recordkeeping Plans.
- The revised Retention and Disposal Schedule was submitted to the SRC for approval on June 22, 2009 and a pilot of the electronic document management system was undertaken in October 2008 with phased roll out planned for 2009-10.
- During 2008-09 a 27 training sessions were held to raise staff awareness and provide instruction in recordkeeping systems.
- In 2009, a fully revised policies and procedures manual was produced and made available to staff.
- Recordkeeping staff were also provided with the opportunity to attend training to broaden their skills.
- The recordkeeping training program is reviewed regularly.
- Staff usage of the electronic document and records management system is monitored regularly to identify gaps in usage and training material is updated to address areas of weakness.
- The SRO provides induction training for all new staff. The induction course is held monthly and provides all new staff with information about their recordkeeping responsibilities under the *State Records Act 2000*. A brochure detailing staff recordkeeping responsibilities has been produced and is distributed as part of the Induction Program.

## Policy Requirements

### Substantive Equality

The Development and Strategy Directorate (DSD) was the pilot group for Substantive Equality, introduced through the Department of Premier and Cabinet. Issues and recommendations were identified and are currently being reviewed in light of the current operating environment.

The needs and impact assessment was focused on two specific grants programs within the DSD – Arts Development Grants Program and Indigenous Arts Development Program.

Only minor issues were found in the services provided of these programs and these will be addressed as appropriate.

## Occupational Safety and Health

The Department is committed to ensuring that all employees are safe from injuries and risks to health while they are at work and accepts that employee health and safety is primarily a responsibility of management. Specified policies, work practices and procedures have been prepared to address the hazards and hazardous work processes in the work place. These are available to staff on the Department's intranet.

An Injury Management Policy, also available to staff on the intranet, establishes the Department's commitment to assist employees to return to work after a work-related injury or work-related disease.

The Occupational Safety and Health System is currently under review and an internal evaluation will be considered as part of this.

*Figure 9: Occupational Health and Safety statistics*

Indicator	Target 2008-09	Actual
Number of fatalities	Zero (0)	0
Lost time injury/diseases (LTI/D) incidence rate	Zero (0) or 10 per cent reduction on previous year	0
Lost time injury severity rate	Zero (0) or 10 per cent improvement on previous year	0
Percentage of injured workers returned to work within 28 weeks	Actual percentage result to be reported	N/A
Percentage of managers trained in occupational safety, health and injury management responsibilities	Greater than or equal to 50 per cent	Not recorded

## Corruption Prevention

Fraud and corruption prevention are incorporated in the Department's Code of Conduct. During the year a major review of the Code of Conduct was undertaken and all staff and volunteers were required to attend training. The Department is also in the process of introducing a comprehensive Risk Management Framework that addresses fraud and corruption as part of its annual risk assessment. The Induction Program, which all new staff are required to attend, includes information on corruption prevention, ethical behaviour and conflict of interest.

# OPINION OF THE AUDITOR GENERAL



## Auditor General

### INDEPENDENT AUDIT OPINION

To the Parliament of Western Australia

### DEPARTMENT OF CULTURE AND THE ARTS FINANCIAL STATEMENTS AND KEY PERFORMANCE INDICATORS FOR THE YEAR ENDED 30 JUNE 2009

I have audited the accounts, financial statements, controls and key performance indicators of the Department of Culture and the Arts.

The financial statements comprise the Balance Sheet as at 30 June 2009, and the Income Statement, Statement of Changes in Equity, Cash Flow Statement, Schedule of Income and Expenses by Service, Schedule of Assets and Liabilities by Service, and Summary of Consolidated Account Appropriations and Income Estimates for the year then ended, a summary of significant accounting policies and other explanatory Notes.

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

#### **Director General's Responsibility for the Financial Statements and Key Performance Indicators**

The Director General is responsible for keeping proper accounts, and the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Treasurer's Instructions, and the key performance indicators. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements and key performance indicators that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; making accounting estimates that are reasonable in the circumstances; and complying with the Financial Management Act 2006 and other relevant written law.

#### **Summary of my Role**

As required by the Auditor General Act 2006, my responsibility is to express an opinion on the financial statements, controls and key performance indicators based on my audit. This was done by testing selected samples of the audit evidence. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion. Further information on my audit approach is provided in my audit practice statement. Refer [www.audit.wa.gov.au/pubs/AuditPracStatement\\_Feb09.pdf](http://www.audit.wa.gov.au/pubs/AuditPracStatement_Feb09.pdf).

An audit does not guarantee that every amount and disclosure in the financial statements and key 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 key performance indicators.

**Department of Culture and the Arts  
Financial Statements and Key Performance Indicators for the year ended  
30 June 2009**

**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 2009 and its financial performance and cash flows for the

year ended on that date. They are in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Treasurer's Instructions;

(ii) the controls exercised by the Department provide reasonable assurance that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions; and

(iii) the key 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 2009.



**COLIN MURPHY**  
**AUDITOR GENERAL**  
9 September 2009

## **PERFORMANCE INDICATORS**

### **Certification of Performance Indicators DEPARTMENT OF CULTURE AND THE ARTS FOR THE YEAR ENDED 30 JUNE 2009**

I hereby certify that the performance indicators are based on proper records, are relevant and appropriate for assisting users to assess the performance of the Department of Culture and the Arts, and fairly represent the performance of the Department for the financial year ended 30 June 2009. At the date of signing I am not aware of any circumstances which would render the particulars included in the performance indicators misleading or inaccurate.

A handwritten signature in black ink, appearing to read 'Jacqui Allen', with a large loop at the beginning and a horizontal tail.

Jacqui Allen  
ACCOUNTABLE AUTHORITY  
7 September 2009

## KEY PERFORMANCE INDICATORS (KPI)

### Introduction

The Department's KPIs have been developed in accordance with Treasurer's Instruction 904 to evaluate the portfolio's performance in achieving the Government's Desired Outcomes and provide an overview of the critical and material aspects of service provision. The KPIs measure performance at the whole of portfolio level. The KPIs for each of the portfolio organisations support and contribute to the KPIs identified for the Department. The intended result is to reflect a consolidated picture of what the culture and arts portfolio is delivering and the impact it is having on the community of Western Australia.

### Portfolio Services

Services provided by the Culture and Arts Portfolio are listed in the 2008-09 State Budget Papers under Culture and the Arts. Funding for these services is primarily provided by Parliament through the Department, although some organisations within the portfolio also receive part of their appropriation directly.

The services listed are:

1. Arts Industry Support.
2. Screen Production Industry Support.
3. Venue Management Services.
4. Art Gallery Services.
5. Library and Information Services.
6. Museum Services.
7. Government Record Keeping and Archival Services.

Notwithstanding the clustering of services under Culture and the Arts in the Budget Papers, the Department is directly responsible for producing services (1) and (7). The balance is the responsibility of ScreenWest Inc. (2), Perth Theatre Trust (3), Art Gallery of Western Australia (4), State Library of Western Australia (5), and the Western Australian Museum (6).

The services reflect the total business of the portfolio. In accordance with their enabling legislation, each portfolio organisation separately reports on their performance with respect to the specific services they deliver in their Annual Report.

### Government Goals

The Department of Culture and the Arts contributes to the achievement of the Government Goal:

*"Greater focus on achieving results in key service delivery areas for the benefit of all Western Australians".*

## Government Desired Outcomes

The Government's Desired Outcomes for the portfolio are:

- A creative, sustainable and accessible culture and arts sector.
- Western Australia's natural, cultural and documentary collections are preserved, accessible and sustainable.

Achievement of the portfolio's Government Desired Outcomes will facilitate the achievement of a creative community that participates in and values culture and the arts as essential to the quality of life and well-being of all people throughout Western Australia. The Outcomes and KPIs describe the consequence for the community of the services provided by the culture and arts portfolio.

## Market Research

To measure the "Sustainability" and "Accessibility" Key Effectiveness Indicators, the Department commissioned Patterson Market Research to conduct a telephone survey. A total of 408 interviews were completed from March 23 to April 29, 2009, with 303 interviews completed with respondents in the Perth metropolitan area and the remaining 105 conducted with respondents from regional areas in 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 2006 Census data. A sample of 400 across Western Australia gives a theoretical survey error of  $\pm 4.9$  per cent at the 95 per cent level of confidence.

### Government Desired Outcome 1

A creative, sustainable and accessible culture and arts sector.

## KEY EFFECTIVENESS INDICATORS

<b>Creativity</b>	<b>2008-09 Target</b>	<b>2008-09 Actual</b>	<b>2007-08 Actual</b>	<b>2006-07 Actual</b>
Proportion of funding applicants satisfied with the key elements of the "creative" <sup>1</sup> funding programs.	82 per cent	74 per cent	74 per cent	80 per cent

### Explanatory Notes – Creativity

Approximately \$23million was allocated to the Department and ScreenWest to fund programs within the culture and arts sector in order for the sector to produce "creative" outcomes. Peer panels assess funding applications to ensure the proposed projects demonstrate significant and achievable "creative" outcomes for the people of Western Australia. Comprehensive processes are in place to monitor and acquit the State's investment in "creative" outcomes delivered via the funding programs. This indicator measures the satisfaction of funding applicants with the funding process and provides an assessment of the culture and arts sector's satisfaction with the creative outcomes being achieved through the

<sup>1</sup> Creativity "depends on the cultural values, preferences, and realities of residents and other stakeholders in a given community" (Arts, culture, creativity and communities: a framework for measurement: The Urban Institute 2002).

Department and ScreenWest “creative” funding programs.

<b>Sustainability</b>	<b>2008-09 Target</b>	<b>2008-09 Actual</b>	<b>2007-08 Actual</b>	<b>2006-07 Actual</b>
Perceived value of culture and the arts (including the screen industry) to the Western Australian community.	81 per cent	76 per cent	75 per cent	76 per cent
Proportion of triennially funded organisations within the culture and arts sector regarded as financially healthy.	29 per cent	16 per cent	20 per cent	20 per cent

### **Explanatory Notes – Sustainability**

The first sustainability KPI provides an assessment of the extent to which the community values the culture and arts sector, a key element in the sustainability of the sector. This indicator was measured by the Arts Monitor community survey instrument administered by Patterson Market Research. The overall index score for the combined culture and arts sector and the screen industry was 76 per cent.

The Arts Monitor survey indicated that six in 10 (60 per cent) of respondents believe arts and culture play a valuable role in the community. Female respondents (66 per cent) were significantly more likely than males (53 per cent) to believe that arts and culture plays a valuable role in the community. The index score<sup>2</sup> for the value of culture and arts (excluding the screen industry) to the community in 2008-09 is 74 per cent which is the same as in 2006-07 and 2007-08.

In relation to the Western Australian film and television industry, the Arts Monitor survey indicated that 65 per cent of respondents believe the industry is of “some value” and 9 per cent do not. Compared to the previous year’s results there has been a slight increase in the proportion who believe that the Western Australian film and television industry is valuable (up to 65 per cent from 61 per cent). Retirees were significantly more likely to perceive the industry as valuable compared to any other family structure. The index score for the screen industry is calculated to be 78 per cent which is the same as 2006-07 and slightly higher than 2007-08.

The second sustainability KPI, which is also utilised by the Australia Council for the Arts, provides an indication of the financial health and sustainability of the triennially funded organisations that make up a significant proportion of Western Australia’s subsidised culture and arts sector. The assessment is based upon the percentage of triennially funded organisations that meet all of the following indicators:

<sup>2</sup> The Index Score is calculated by translating the mean score for each rating question into a percentage. For example, in terms of the “value of arts and culture to the community” the average or “mean” rating is 3.7 out of 5, or an index score of 74%.

- Reserves greater than 20 per cent of turnover.
- Working Capital greater than 2.0.
- Cash reserves of greater than 10 weeks worth of expenditure.

The proportion of triennially funded organisations within the culture and arts sector regarded as financially healthy in 2008-09 is 16 per cent. Each year a record is kept of the financial health of 25 organisations which are funded by the Department on a triennial contract basis. In the previous two years the number of organisations meeting the three specific criteria from their annual financial accounts had been five each year.

In 2008-09 two organisations, which had previously been financially quite strong, had adverse results and so did not meet the criteria for financial health. This was offset by the strong financial performance of another organisation which for the first time, moved into the “healthy” category.

<b>Accessibility</b>	<b>2008-09 Target</b>	<b>2008-09 Actual</b>	<b>2007-08 Actual</b>	<b>2006-07 Actual</b>
Proportion of Western Australians that perceive culture and arts sector (including the Screen Industry) events to be accessible.	56 per cent	60 per cent	61 per cent	59 per cent

### **Explanatory Notes – Accessibility**

The accessibility KPI provides an assessment of the extent to which the Western Australian community perceive culture and arts sector events and/or productions to be accessible. This indicator was measured by the Arts Monitor community survey instrument administered by Patterson Market Research. The overall index score for the combined culture and arts sector and the Screen Industry was 60 per cent.

The Arts Monitor survey indicated that 40 per cent of respondents find arts and cultural activities “easy” for the West Australian public to attend or participate in, and 23 per cent do not. The proportion of respondents who perceive access to be “easy” remained consistent over the last two years. Respondents from regional Western Australia were significantly more likely to rate arts and cultural activities as “not easy” for the West Australian public to attend or participate in (31 per cent) compared to their metropolitan counterparts (20 per cent). This is consistent with the previous year’s findings. The Arts Monitor index score for the accessibility of arts and culture activities in 2008-09 is 61 per cent.

In relation to the Western Australian film and television industry the Arts Monitor survey found four in 10 (41 per cent) believe that it is “not easy” to view Western Australian produced film and television events or productions compared to 26 per cent of respondents who believe it is easy. The 2008-09 index score is calculated to be 56 per cent, which is the same as in 2006-07 and slightly higher than 2007-08.

**KEY EFFICIENCY INDICATORS**

<b>Key Efficiency Indicators</b>		2008-09 Target	2008-09 Actual	2007-08 Actual	2006-07 Actual
Service 1	<b>Arts Industry Support</b> Average cost per grant application processed	\$474	\$991	\$681	\$505
Service 2	<b>Screen Production Industry Support</b> Average cost per grant application processed.	\$2,990	\$2,853	\$3,050	\$2,815
Service 3	<b>Venue Management Services</b> Average cost per performance	\$22,282	\$22,219	\$16,282	\$19,296

**Explanatory Notes – Key Efficiency Indicator**

The Outcome 1 Key Efficiency Indicators relate the level of resource input to the services provided. Measurement of these indicators excludes the grants funding allocation that is provided to the Arts and Screen Production Industries.

The increase in the average cost per grant application for Arts Industry Support is due to the general increase in service costs following the significant planning undertaken during the year for delivery of arts and cultural programs in 2009-10 while the number of grants approved was less than predicted.

**Government Desired Outcome 2**

Western Australia's natural, cultural and documentary collections are preserved, accessible and sustainable.

**KEY EFFECTIVENESS INDICATORS**

<b>Preservation</b>	<b>2008-09 Target</b>	<b>2008-09 Actual</b>	<b>2007-08 Actual</b>	<b>2006-07 Actual</b>
Extent to which Western Australia's natural, cultural and documentary collections, that require preservation, are preserved.	97 per cent	83 per cent	83 per cent	84 per cent

**Explanatory Notes – Preservation**

The preservation KPI provides an assessment of the extent to which the State's art, museum, heritage and archives collections are preserved. Preservation of the entire collection is not required, therefore this measure only relates to that part of the collection that is determined by the portfolio organisations as requiring preservation. The indicator measures the extent to which the portfolio's collection preservation outcomes have been met.

The 2008-09 target of 97 per cent was incorrectly set in the Budget Papers due to data for the State Records being excluded. The correct target for 2008-09 is 83 per cent.

<b>Accessibility</b>	<b>2008-09 Target</b>	<b>2008-09 Actual</b>	<b>2007-08 Actual</b>	<b>2006-07 Actual</b>
The number of accesses to Western Australia's natural, cultural and documentary collections per capita <sup>3</sup> .	Accesses Per Capita 2.578	Accesses Per Capita 2.049	Accesses Per Capita 2.534	Accesses Per Capita 2.212
Percentage of clients satisfied with the services associated with accessing Western Australia's natural, cultural and documentary collections.	86 per cent	87 per cent	86 per cent	94 per cent
Number of Accesses:		4,518,721	5,354,671	4,604,983

**Explanatory Notes – Accessibility Per Capita**

The accessibility KPIs provide the number of accesses and the number of accesses per capita to the State's art, museum, heritage and archives collections and the level of satisfaction associated with the various aspects of service delivery associated with accessing the State's collections. The number of accesses is based on Museum, Art Gallery, State Library and State Records Office visitor attendance figures, and accesses via Internet User Sessions etc. Accesses for the State Library include the number of material exchanges between the State Library and Local Government Libraries.

<sup>3</sup> WA Population (per capita) based on ABS Data Table 3218 (WA) - 2006/07 = 2,081.0; 2007/08 = 2,112.9 and for 2008/09 on ABS 3101.0 (WA) = 2,204.0.

The numbers of accesses is significantly lower than the previous year due primarily to the drop in the number of web site visits to the State Library. In January 2009 the Library launched a refreshed website, but the effect of changing URLs in the site meant a lower ranking in search engines, leading to less people visiting the site. Web site visits returned to levels experienced before the new website launch in the latter part of the year.

<b>Sustainability<sup>4</sup></b>	<b>2008-09 Target</b>	<b>2008-09 Actual</b>	<b>2007-08 Actual</b>	<b>2006-07 Actual</b>
Value of collection renewal, content development, expansion and/or maintaining the physical integrity of the collection as a proportion of collection value.	6 per cent	5 per cent	6 per cent	6 per cent

### **Explanatory Notes – Sustainability**

The sustainability KPI provides an assessment of the portfolio's capacity to annually renew a portion of the collection, develop content, expand and/or maintain the physical integrity of the State's art, museum, heritage and archives collections. Collection renewal, content development, expansion and/or maintaining the physical integrity are essential to the sustainability of the collections.

### **Key Efficiency Indicators**

<b>Key Efficiency Indicator</b>		<b>2008-09 Target</b>	<b>2008-09 Actual</b>	<b>2007-08 Actual</b>	<b>2006-07 Actual</b>
Service 4	<b>Art Gallery Services</b>				
	Average cost of Art Gallery services per Art Gallery access.	\$31	\$37	\$23	\$27
Service 5	<b>Library and Information Services</b>				
	Average cost of State Library services per State Library access/client interaction.	\$9	\$15	\$10	\$10
	Average cost of State Library services per new collection item.	\$77	\$64	\$64	\$59
Service 6	<b>Museum Services</b>				
	Average cost of Museum services per Museum access.	\$35	\$40	\$30	\$20

<sup>4</sup> The SRO collection has not been valued and therefore is not included in this KPI.

Key Efficiency Indicator		2008-09 Target	2008-09 Actual	2007-08 Actual	2006-07 Actual
Service 7	<b>Government Recordkeeping and Archival Services</b>  Average cost of State Records Office (SRO) services per access to the State archives collection.	\$20	\$16	\$8	\$20
	Average cost of SRO services per regulatory service.	\$502	\$355	\$450	\$872

### Explanatory Notes – Key Efficiency Indicator

The Outcome 2 Key Efficiency Indicators relate the level of resource input to the services provided.

The average cost of State Library services is higher than budgeted due to a general increase in service costs and a corresponding reduction in the number of accesses over the year due primarily to the drop in the number of web site visits as mentioned previously.

The number of regulatory services provided by the SRO was approximately 25 per cent higher than estimated, however this was delivered at a proportionally lower cost leading to a reduction in average cost of SRO services per regulatory service.

## DEPARTMENT OF CULTURE AND THE ARTS

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### CERTIFICATION OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

The accompanying financial statements of the Department of Culture and the Arts have been prepared in compliance with the provisions of the Financial Management Act 2006 from proper accounts and records to present fairly the financial transactions for the financial year ending 30 June 2009 and the financial position as at 30 June 2009.

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.



Tony Loiacono  
Chief Finance Officer  
Date: 3 September 2009



Jacqui Allen  
A/- Director General  
Date: 4 September 2009

## DEPARTMENT OF CULTURE AND THE ARTS

### INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2009

	Note	2009	2008
		\$000	\$000
<b>COST OF SERVICES</b>			
<b>Expenses</b>			
Employee benefits expense	6	49,359	40,726
Supplies and services	7	5,406	4,914
Depreciation and amortisation expense	8	949	853
Accommodation expenses	9	2,060	1,708
Grants and subsidies	10	28,906	27,068
Loss on disposal of non-current assets	15	1	0
Other expenses	11	371	373
<b>Total cost of services</b>		<b>87,052</b>	<b>75,642</b>
<b>Income</b>			
<b>Revenue</b>			
User fees and charges	12	544	376
Commonwealth grants and contributions	13	81	115
Other revenue	14	1,126	1,377
<b>Total revenue</b>		<b>1,751</b>	<b>1,868</b>
<b>Total income other than income from State Government</b>		<b>1,751</b>	<b>1,868</b>
<b>NET COST OF SERVICES</b>		<b>85,301</b>	<b>73,774</b>
<b>INCOME FROM STATE GOVERNMENT</b>			
Service appropriation	16	90,435	67,710
Assets transferred		(147)	(303)
Resources received free of charge		142	193
<b>Total income from State Government</b>		<b>90,430</b>	<b>67,600</b>
<b>SURPLUS / (DEFICIT) FOR THE PERIOD</b>		<b>5,129</b>	<b>(6,174)</b>

See also the 'Schedule of Income and Expenses by Service'

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

## DEPARTMENT OF CULTURE AND THE ARTS

### BALANCE SHEET AS AT 30 JUNE 2009

	Note	2009	2008
		\$000	\$000
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	28	63,686	44,084
Restricted cash and cash equivalents	17, 28	154	315
Receivables	18	1,007	1,486
Amounts receivable for services	19	1,157	886
Other current assets	23	6	26
<b>Total Current Assets</b>		<b>66,010</b>	<b>46,797</b>
<b>Non-Current Assets</b>			
Restricted cash and cash equivalents	17, 28	698	461
Receivables	18	215	215
Amounts receivable for services	19	2,526	2,148
Property, plant and equipment	20	103,277	66,437
Intangible assets	21	10	32
<b>Total Non-Current Assets</b>		<b>106,726</b>	<b>69,293</b>
<b>TOTAL ASSETS</b>		<b>172,736</b>	<b>116,090</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Payables	24	29,803	32,694
Provisions	25	6,141	5,438
Other current liabilities	26	1	1
<b>Total Current Liabilities</b>		<b>35,945</b>	<b>38,133</b>
<b>Non-Current Liabilities</b>			
Provisions	25	3,256	2,891
<b>Total Non-Current Liabilities</b>		<b>3,256</b>	<b>2,891</b>
<b>Total Liabilities</b>		<b>39,201</b>	<b>41,024</b>
<b>Net Assets</b>		<b>133,535</b>	<b>75,066</b>
<b>EQUITY</b>			
	27		
Contributed equity		103,130	66,903
Reserves		37,511	20,398
Accumulated deficiency		(7,106)	(12,235)
<b>Total Equity</b>		<b>133,535</b>	<b>75,066</b>

See also the 'Schedule of Assets and Liabilities by Service'

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 2009

	Note	2009 \$000	2008 \$000
<b>Balance of equity at start of period</b>		75,066	30,973
<b>CONTRIBUTED EQUITY</b>	27		
Balance at start of period		66,903	25,667
Capital contribution		36,227	41,236
Balance at end of period		103,130	66,903
<b>RESERVES</b>	27		
<b>Asset Revaluation Reserve</b>			
Balance at start of period		20,398	11,911
Gains from asset revaluation		17,113	8,487
Balance at end of period		37,511	20,398
<b>ACCUMULATED (DEFICIENCY)</b>	27		
Balance at start of period		(12,235)	(6,607)
Correction of prior period error <sup>(b)</sup>		0	546
Restated balance at start of period		(12,235)	(6,061)
(Deficit) for the period		5,129	(6,174)
Balance at end of period		(7,106)	(12,235)
<b>Balance of equity at end of period</b>		<b>133,535</b>	<b>75,066</b>
Total income and expense for the period <sup>(a)</sup>		22,242	2,313

(a) The aggregate net amount attributable to each category of equity is: surplus \$5,129,000 plus gains from asset revaluation \$17,113,000 (2008: deficit \$6,174,000 plus gains \$8,487,000).

(b) Initial valuation of an exiting asset has been taken up as a prior period error and recognised in the 2007-08 financial year.

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 2009

	Note	2009	2008
		\$000	\$000
<b>CASH FLOWS FROM STATE GOVERNMENT</b>			
Service appropriation		88,553	66,175
Capital contributions		36,227	41,236
Holding account drawdowns		1,233	1,234
<b>Net cash provided by State Government</b>		<b>126,013</b>	<b>108,645</b>
<b>Utilised as follows:</b>			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Payments</b>			
Employee benefits		(43,673)	(36,854)
Supplies and services		(8,843)	(2,513)
Accommodation		(2,060)	(1,708)
Grants and subsidies		(24,292)	(29,159)
GST payments on purchases		(4,923)	(3,491)
GST payments to taxation authority		(162)	(165)
Other payments		(8,982)	879
<b>Receipts</b>			
User charges and fees		544	376
Commonwealth grants and contributions		81	115
GST receipts on sales		665	0
GST receipts from taxation authority		5,088	3,715
Other receipts		1,026	2,251
<b>Net cash used in operating activities</b>	<b>28</b>	<b>(85,531)</b>	<b>(66,554)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of non-current physical assets		(20,804)	(8,163)
<b>Net cash used in investing activities</b>		<b>(20,804)</b>	<b>(8,163)</b>
<b>Net increase in cash and cash equivalents</b>		<b>19,678</b>	<b>33,928</b>
Cash and cash equivalents at the beginning of period		44,860	10,932
<b>CASH AND CASH EQUIVALENTS AT THE END OF PERIOD</b>	<b>28</b>	<b>64,538</b>	<b>44,860</b>

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

# DEPARTMENT OF CULTURE AND THE ARTS

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

### 1 Departmental mission and funding

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

The Department is mainly funded by Parliamentary appropriation supplemented by fees received for the provision of services that are charged out on a full cost recovery basis.

### 2 Australian equivalents to international Financial Reporting Standards

#### General

The Department's financial statements for the year ended 30 June 2009 have been prepared in accordance with Australian equivalents to International Financial Reporting Standards (AIFRS), which comprise a Framework for the Preparation and Presentation of Financial Statements (the Framework) and Australian Accounting Standards (including the Australian Accounting Interpretations).

In preparing these financial statements the Department has adopted, where relevant to its operations, new and revised Standards and Interpretations from their operative dates as issued by the AASB and formerly the Urgent Issues Group (UIG).

#### Early adoption of standards

The Department cannot early adopt an Australian Accounting Standard or Australian Accounting Interpretation unless specifically permitted by TI 1101 'Application of Australian Accounting Standards and Other Pronouncements'. No Standards and Interpretations that have been issued or amended but are not yet effective have been early adopted by the Department for the annual reporting period ended 30 June 2009.

### 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 Management 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

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

### **(b) Basis of Preparation**

The financial statements have been prepared on the accrual basis of accounting using the historical cost convention, modified by the revaluation of land and buildings 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).

The judgements that have been made in the process of applying the Department's accounting policies that have the most significant effect on the amounts recognised in the financial statements are disclosed at note 4 'Judgements made by management in applying accounting policies.'

### **(c) Reporting Entity**

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

### **(d) Contributed Equity**

AASB Interpretation 1038 'Contributions by Owners Made to Wholly-Owned Public Sector Entities' requires transfers, other than as a result of a restructure of administrative arrangements, 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 Treasurer's instruction (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, other than as a result of a restructure of administrative arrangements, are designated as contributions by owners where the transfers are non-discretionary and non-reciprocal. See note 27 'Equity'.

# DEPARTMENT OF CULTURE AND THE ARTS

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

### (e) Income

#### *Revenue recognition*

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 and can be measured reliably.

#### *Rendering of services*

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

#### *Interest*

Revenue is recognised as the interest accrues.

#### *Service Appropriations*

Service Appropriations are recognised as revenues 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 Treasury.

See note 16 '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 all funds have been received as at 30 June. This amount is recognised as Service appropriations in the Income Statement.

#### *Net Appropriation Determination*

The Treasurer may make a determination providing for prescribed receipts to be retained for services under the control of the Department. In accordance with the determination specified in the 2008-2009 Budget Statements, the Department retained \$1.751 million in 2009 (\$1.868 million in 2008) from the following:

- proceeds from fees and charges;
- Commonwealth specific purpose grants and contributions; and
- other departmental revenue.

#### *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.

#### *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.

# DEPARTMENT OF CULTURE AND THE ARTS

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

### (f) Property, Plant, Equipment

#### *Capitalisation/Expensing of assets*

Items of property, plant and equipment costing \$5,000 or more are recognised as assets and the cost of utilising assets is expensed (depreciated) over their useful lives. Items of property, plant and equipment costing less than \$5,000 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 are initially recognised at cost.

For items of property, plant and equipment 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 and buildings and the cost model for all other property, plant and equipment. Land and buildings are carried at fair value less accumulated depreciation on buildings 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 based 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. Where the fair value of buildings is dependent on using the depreciated replacement cost, the gross carrying amount and the accumulated depreciation are restated proportionately.

Independent valuations of land and buildings are provided annually by the Western Australian Land Information Authority (Valuation Services) and recognised with sufficient regularity to ensure that the carrying amount does not differ materially from the asset's fair value at the balance sheet date.

The most significant assumptions in estimating fair value are made in assessing whether to apply the existing use basis to assets and in determining estimated useful life. 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 20 'Property, plant and equipment' for further information on revaluations.

# DEPARTMENT OF CULTURE AND THE ARTS

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

### *Derecognition*

Upon disposal or derecognition of an item or property, plant and equipment, any revaluation reserve relating to that asset is retained in the asset revaluation reserve.

### *Asset Revaluation Reserve*

The asset revaluation reserve is used to record increments and decrements on the revaluation of non-current assets as described in 20 'Property, plant and equipment'.

### *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	40 years
Leasehold improvements	40 years
Plant and equipment	5 to 10 Years
Computer hardware and software <sup>(a)</sup>	4 years
Furniture and fittings	10 years
Collections	0 to 100 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 \$5,000 or more and internally generated intangible assets costing \$50,000 or more 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 cost, 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 at cost less any accumulated amortisation and accumulated impairment losses.

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:

Software <sup>(a)</sup>	3 to 5 years
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(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.

# DEPARTMENT OF CULTURE AND THE ARTS

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

### *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 \$5,000 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 and intangible assets are tested for any indication of impairment at each balance sheet 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 or where there is significant change in their useful life. Each relevant class of assets is reviewed annually to verify that the accumulated depreciation/amortisation reflects the level of consumption or expiration of the asset's future economic benefits and to evaluate any impairment risk from falling replacement costs.

Intangible assets with an indefinite useful life and intangible assets not yet available for use are tested for impairment at each balance sheet 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-based 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 balance sheet date.

See note 22 'Impairment of assets' for the outcome of impairment reviews and testing.

See note 3(o) 'Receivables' and note 18 'Receivables' for impairment of receivables

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

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 and any attaching building to DPI when the land becomes available for sale.

### **(j) Leases**

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 2009

### (k) Financial Instruments

In addition to cash, the Department has two categories of financial instrument: Loans and receivables (cash and cash equivalents); and Financial liabilities measured at amortised cost.

These have been disaggregated into the following classes:

#### Financial Assets

- Cash and cash equivalents
- Restricted cash and cash equivalents
- Receivables
- Amounts Receivable for Services

#### Financial Liabilities

- 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 17 '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 24 'Payables') 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 fortnight of the financial year end. The Department considers the carrying amount of accrued salaries to be equivalent to its 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 16 'Income from State Government' and note 19 'Amounts receivable for services'.

# DEPARTMENT OF CULTURE AND THE ARTS

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

### **(o) 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 against the allowance account. 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 18 'Receivables'.

### **(p) 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'.

### **(q) 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 resources embodying economic benefits is probable and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each balance sheet 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 balance sheet 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 balance sheet 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 balance sheet 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 balance sheet 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 balance sheet date.

# DEPARTMENT OF CULTURE AND THE ARTS

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

### *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 commencing employment prior to 16 April 2007 who are not members of either the Pension or the GSS Schemes became non-contributory members of the West State Superannuation Scheme (WSS). Employees commencing employment on or after 16 April 2007 become members of the GESB Super Scheme (GESBS). Both of these schemes are accumulation schemes. 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 and GESBS Schemes.

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 31 'Superannuation Expense'.

### **(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 11 'Other expenses' and note 25 'Provisions'.

# DEPARTMENT OF CULTURE AND THE ARTS

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

### (r) Superannuation Expense

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

(a) Defined benefit plans – For 2007-08, the 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 GSS (concurrent contributions), the West State Superannuation Scheme (WSS), and the GESB Super Scheme (GESBS).

Defined benefit plans – For 2007-08, 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(q)(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 16 'Income from State Government'. Commencing in 2008-09 the reporting of annual movements in these notional liabilities has been discontinued and is no longer recognised in the Income Statement.

The superannuation expense does not include payment of pensions to retirees, as this does not constitute part of the cost of services provided in the current year.

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 Account.

The GSS Scheme is a defined benefit scheme for the purposes of employees and whole-of-government reporting. However, apart from the transfer benefit, it is a defined contribution plan for agency purposes because the concurrent contributions (defined contributions) made by the agency to GESB extinguishes the agency's obligations to the related superannuation liability.

### (s) 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 income and as assets or expenses as appropriate, at fair value.

### (t) Comparative Figures

Comparative figures are, where appropriate, reclassified to be comparable with the figures presented in the current financial year.

# DEPARTMENT OF CULTURE AND THE ARTS

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

### 4 Judgements made by management in applying accounting policies

The judgments that have been made in the process of applying accounting policies that have the most significant effect on the amounts recognised in the financial statements include:

#### Operating Lease Commitment

The Department has entered into a commercial lease and has determined that the lessor retains all the significant risks and rewards of ownership of the property. Accordingly, the lease has been classified as an operating lease.

#### Valuation of Heritage assets

The Swan Bells having been gifted to the state via the University of Western Australia have been independently valued and taken up as part of the Departments asset register. A professional valuer has deemed that the Bells have a depreciating life of 100 years, which began in 1988, the year the Bells were last recast and sent to Australia from London, England.

### 5 Disclosure of changes in accounting policy and estimates

#### Initial application of an Australian Accounting Standard

The Department has applied the following Australian Accounting Standards and Australian Accounting Interpretations effective for annual reporting periods beginning on or after 1 July 2008 that impacted on the Department:

Review of AAS 27 'Financial Reporting by Local Governments', AAS 29 'Financial Reporting by Government Departments and AAS 31 'Financial Reporting by Governments'. The AASB has made the following pronouncements from its short term review of AAS 27, AAS 29 and AAS 31:

AASB 1004 'Contributions';

AASB 1050 'Administered Items';

AASB 1051 'Land Under Roads';

AASB 1052 'Disaggregated Disclosures

AASB 2007-9 'Amendments to Australian Accounting Standards arising from the review of AAS's 27, 29 and 31 [AASB 3, AASB 5, AASB 8, AASB 101, AASB 114, AASB 116, AASB 127 & AASB 137];

Interpretation 1038 'Contributions by Owners Made to Wholly-Owned Public Sector Entities'.

The existing requirements in AAS 27, AAS 29 and AAS 31 have been transferred to the above new and revised topic-based Standards and Interpretation. These requirements remain substantively unchanged. The new and revised Standards and Interpretation make some modifications to disclosures and provide additional guidance, otherwise there is no financial impact

#### Voluntary changes in Australian Accounting Policy

The Department did make any voluntary changes to its Accounting Policy in 2008/09

#### Future impact of Australian Accounting Standards not yet operative

The Department cannot early adopt an Australian Accounting Standard or Australian Accounting Interpretation unless specifically permitted by TI 1101 'Application of Australian Accounting Standards and Other Pronouncements'. Consequently, the Department has not applied early the following Australian Accounting Standards and Australian Accounting Interpretations that have been issued and which may impact the Department but are not yet effective. Where applicable, the Department plans to apply these Standards and interpretations from their application date:

# DEPARTMENT OF CULTURE AND THE ARTS

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

Title	Operative for reporting periods beginning on/after
<p>AASB 101 'Presentation of financial Statements' (September 2007). This standard has been revised and will change the structure of the financial statements. The changes will require that owner changes in equity are presented separately from non-owner changes in equity. The Department does not expect any financial impact when the Standard is first applied.</p>	1 January 2009
<p>AASB 2008-13 'Amendments to Australian Accounting Standards arising from AASB Interpretation 17 - Distributions of Non-cash Assets to Owners [AASB 5 &amp; AASB 110]. This Standard amends AASB 5 'Non-current Assets Held for Sale and Discontinued Operations' in respect of the classification, presentation and measurement of non-current assets held for distribution to owners in their capacity as owners. This may impact on the presentation and classification of Crown land held by the Department where the Crown land is to be sold by the Department of Planning and Infrastructure. The Department does not expect any financial impact when the Standard is first applied prospectively.</p>	1 July 2009
<p>AASB 2009-2 'Amendments to Australian Accounting Standards - Improving Disclosures about Financial Instruments [AASB 4, AASB 7, AASB 1023 and AASB 1038]'. This Standard amends AASB 7 and will require enhanced disclosures about fair value measurements and liquidity risk with respect to financial instruments. The Department does not expect any financial impact when the Standard is first applied.</p>	1 January 2009

## DEPARTMENT OF CULTURE AND THE ARTS

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

	<b>2009</b>	<b>2008</b>
	<b>\$000</b>	<b>\$000</b>
<b>6 Employee benefits expense</b>		
Wages and salaries <sup>(a)</sup>	39,162	32,010
Superannuation - defined contribution plans <sup>(b)</sup>	3,989	3,765
Superannuation - defined benefits plans (unfunded) <sup>(c) (d)</sup>	0	0
Long service leave <sup>(d)</sup>	2,058	1,022
Annual leave <sup>(d)</sup>	3,456	3,395
Other related expenses	694	534
	<b>49,359</b>	<b>40,726</b>

- (a) Includes the value of the fringe benefit to the employee plus the fringe benefits tax component.
- (b) Defined contribution plans include West State, Gold State and GESB Super Scheme (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 16 'Income from State Government'). Commencing in 2008-09, the reporting of notional superannuation expense and equivalent notional income has been discontinued.
- (e) Includes a superannuation contribution component.

Employment on-costs such as worker's compensation insurance are included at note 11 'Other expenses'. The employment on-costs liability is included at note 25 'Provisions'.

<b>7 Supplies and services</b>		
Catering	85	63
Communications	241	210
Consumables	149	172
Contracts	417	185
Equipment	70	60
Freight	71	77
Insurance & licences	257	310
Leases	256	229
Legal	51	20
Management fees	202	263
Professional fees	2,200	1,853
Repairs & maintenance	201	104
Temporary Personnel	652	811
Travel	344	369
Other Supplies & Services	210	188
	<b>5,406</b>	<b>4,914</b>

## DEPARTMENT OF CULTURE AND THE ARTS

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

#### 8 Depreciation and amortisation expense

##### Depreciation

Buildings	836	682
Leasehold improvements	6	7
Plant, equipment, computer hardware and software	86	105
Total depreciation	<b>928</b>	<b>794</b>

##### Amortisation

Intangible Assets	21	59
Total amortisation	<b>21</b>	<b>59</b>

Total depreciation and amortisation	<b>949</b>	<b>853</b>
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#### 9 Accommodation expenses

Cleaning	55	56
Electricity, gas and water	37	52
Facilities management and accommodation	349	119
Lease Rentals	1,042	592
Repairs and maintenance	577	889
	<b>2,060</b>	<b>1,708</b>

#### 10 Grants and subsidies

##### Recurrent

Arts Agency and Panels	23,268	23,748
Subiaco Theatre project- contribution to City of Subiaco	0	0
ScreenWest	3,600	2,641
Other	2,038	679
	<b>28,906</b>	<b>27,068</b>

#### 11 Other expenses

Employment on-costs <sup>(a)</sup> (see note 6 'Employee benefits expense')	128	51
Carrying amount of non-current assets disposed of	0	0
Other <sup>(b)</sup>	243	322
	<b>371</b>	<b>373</b>

(a) Includes workers' compensation insurance and other employment on-costs. The on-costs liability associated with the 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 doubtful debts expense and audit fee, see also note 35 'Remuneration of auditor'.

#### 12 User charges and fees

Rent	191	227
Recoup of costs	353	149
	<b>544</b>	<b>376</b>

## DEPARTMENT OF CULTURE AND THE ARTS

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

#### 13 Commonwealth grants and contributions

Recurrent	81	115
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Included in the recurrent grants for 2009 is a grant from the Australia Council. The terms of the grant are that the funding will only be used in relation to the Playwright Development Program (PDP) and the Dramaturge Skills Development Program (DSDP). The grant has been recognised in its entirety upon receipt as the only condition set by the grantor relates to how the grant can be expended and there are no performance measures in terms of service delivery.

#### 14 Other revenue

Recoup of prior year expenses	118	329
Recoups of salaries and worker's compensation costs	567	495
Sponsorship	32	30
Other	409	523
	1,126	1,377

#### 15 Net loss on disposal of non-current assets

##### Costs of Disposal of Non-Current Assets

Plant and Equipment	3	0
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##### Proceeds from Disposal of Non-Current Assets

Plant and Equipment	(2)	0
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Net loss	1	0
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## DEPARTMENT OF CULTURE AND THE ARTS

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

#### 16 Income from State Government

Appropriation revenue received during the year:

Service appropriations <sup>(a)</sup>	90,435	67,710
	<b>90,435</b>	<b>67,710</b>

The following liabilities have been assumed by the Treasurer during the financial year:

- Superannuation <sup>(b)</sup>	0	0
	<b>0</b>	<b>0</b>

The following assets have been assumed from/(transferred to) other state government agencies during the financial year: <sup>(c)</sup>

- Plant and equipment	(147)	(303)
Total assets (transferred)	<b>(147)</b>	<b>(303)</b>

Resources received free of charge <sup>(d)</sup>

Determined on the basis of the following estimates provided by agencies:

- Department of Education and Training - staff secondments (part year 2006)	9	86
- Department of Treasury and Finance - integrated procurement services	86	93
- State Solicitor's Office - legal services	47	14
	<b>142</b>	<b>193</b>
	<b>90,430</b>	<b>67,600</b>

(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 6 'Employee benefits Expense'). Commencing in 2008-09, the reporting of the notional superannuation expense and equivalent notional income has been discontinued.

(c) Discretionary transfers of assets between State Government agencies are reported as assets assumed/(transferred) under Income from State Government. Non discretionary non-reciprocal transfers of net assets, other than those resulting from a restructure of administrative arrangements, have been classified as Contributions by owners (CBOs) under TI 955 and taken directly to equity.

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

## DEPARTMENT OF CULTURE AND THE ARTS

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

#### 17 Restricted cash and cash equivalents

##### Current

Commonwealth funds - service delivery arrangement <sup>(a)</sup>	154	315
	<b>154</b>	<b>315</b>

##### Non-current

Accrued salaries suspense account <sup>(b)</sup>	698	461
	<b>698</b>	<b>461</b>

(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) 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.

#### 18 Receivables

##### Current

Amount receivable from the Lotteries Commission	0	0
Trade Debtors	400	902
Allowance for doubtful debts	(17)	(115)
GST receivable	624	699
Total current	<b>1,007</b>	<b>1,486</b>

##### Non current

Receivables	215	215
Total non current	<b>215</b>	<b>215</b>

Reconciliation of changes in the allowance for impairment of receivables:

Balance at start of year	115	190
Doubtful debts expense recognised in the income statement	0	93
Amount recovered during the year	(98)	(168)
Balance at the end of year	<b>17</b>	<b>115</b>

The Department does not hold any collateral as security of other credit enhancements relating to receivables.

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

#### 19 Amounts receivable for services

Current	1,157	886
Non-current	2,526	2,148
	<b>3,683</b>	<b>3,034</b>

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.

## DEPARTMENT OF CULTURE AND THE ARTS

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

#### 20 Property, plant and equipment

##### Freehold land

At fair value (a)	32,060	17,855
Accumulated Impairment Losses	0	0
	<b>32,060</b>	<b>17,855</b>

##### Buildings

At fair value (a)	31,047	28,969
At cost	26	26
Works in progress	38,194	17,663
Accumulated depreciation	(10)	(3)
Accumulated impairment losses	0	0
	<b>69,257</b>	<b>46,655</b>

##### Leasehold improvements

At cost	1,200	1,200
Accumulated depreciation	(975)	(969)
Accumulated impairment losses	0	0
	<b>225</b>	<b>231</b>

##### Plant and equipment

At cost	628	663
Accumulated depreciation	(466)	(494)
Accumulated impairment losses	0	0
	<b>162</b>	<b>169</b>

##### Furniture and fittings

At cost	62	12
Accumulated depreciation	(9)	(5)
Accumulated impairment losses	0	0
	<b>53</b>	<b>7</b>

##### Collections

At fair value	1,477	1,477
Accumulated Depreciation	(136)	(136)
Accumulated impairment losses	0	0
	<b>1,341</b>	<b>1,341</b>

##### Works of art

At fair value	0	0
At cost	179	179
Accumulated impairment losses	0	0
	<b>179</b>	<b>179</b>
	<b>103,277</b>	<b>66,437</b>

(a) Land and buildings were revalued as at 1 July 2008 by the Western Australian Land Information Authority (Valuation Services). The valuations were performed during the year ended 30 June 2009 and recognised at 30 June 2009. In undertaking the revaluation, fair value was determined by reference to market values for land: \$32,060,000 and buildings: \$69,257,000. For the remaining balance, fair value of land and buildings was determined on the basis of depreciated replacement cost. See note 3(f) 'Property, plant and equipment'.

The Department credits the accumulated depreciation to the asset account prior to revaluation and restates the net amount to the revalued amount.

## DEPARTMENT OF CULTURE AND THE ARTS

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

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

	Land	Buildings	Leasehold improvements	Plant, equipment, computer hardware & software	Furniture & Fittings	Works of Art & Collections	Total
	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>2009</b>							
Carrying amount at start of year	17,855	46,655	231	169	7	1,520	66,437
Additions	-	20,530	-	78	50	-	20,658
Disposals	-	-	-	(3)	-	-	(3)
Revaluations	14,205	2,908	-	-	-	-	17,113
Transfers (a)	-	0	-	-	-	-	-
Depreciation and amortisation	-	(836)	(6)	(82)	(4)	-	(928)
<b>Carrying amount at end of year</b>	<b>32,060</b>	<b>69,257</b>	<b>225</b>	<b>162</b>	<b>53</b>	<b>1,520</b>	<b>103,277</b>
	Land	Buildings	Leasehold improvements	Plant, equipment, computer hardware & software	Furniture & Fittings	Works of Art & Collections	Total
	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>2008</b>							
Carrying amount at start of year	14,640	34,212	238	266	8	1,656	51,020
Additions	-	7,852	-	73	-	-	7,925
Disposals	-	-	-	-	-	-	-
Revaluations	3,215	5,272	-	-	-	-	8,487
Transfers(a)	-	-	-	(66)	-	-	(66)
Depreciation and amortisation	-	(681)	(7)	(104)	(1)	(136)	(929)
<b>Carrying amount at end of year</b>	<b>17,855</b>	<b>46,655</b>	<b>231</b>	<b>169</b>	<b>7</b>	<b>1,520</b>	<b>66,437</b>

(a) The Department for Planning and Infrastructure (DPI) is the only agency with the power to sell Crown land. The land is transferred to DPI for sale and the Department accounts for the transfer as a distribution to owner (DTO).

## DEPARTMENT OF CULTURE AND THE ARTS

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

	<b>2009</b>	<b>2008</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>21 Intangible assets</b>		
<i>Computer software</i>		
At cost	354	354
Accumulated amortisation	(344)	(322)
Accumulated impairment losses	0	0
	10	32
<i>Reconciliation</i>		
Carrying amount at start of year	32	91
Additions/(Disposals)	0	0
Transfers	0	0
Amortisation expense	(22)	(59)
Carrying amount at end of year	10	32
<b>22 Impairment of assets</b>		
There were no indications of impairment to property, plant and equipment, and intangible assets at 30 June 2009.		
The Department held no goodwill or intangible assets with an indefinite useful life during the reporting period and at balance sheet date there were no intangible assets not yet available for use.		
All surplus assets at 30 June 2009 have either been classified as assets held for sale or written-off.		
<b>23 Other assets</b>		
<i>Current</i>		
Prepayments	5	2
Accrued Income	1	24
Total current	6	26
<b>24 Payables</b>		
<i>Current</i>		
Trade payables	940	7,802
Grants payable	27,618	23,004
Accrued Expenses	298	800
Accrued Salaries	697	318
Accrued Superannuation	250	90
Accrued Back-pay	0	680
	<b>29,803</b>	<b>32,694</b>

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

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

## DEPARTMENT OF CULTURE AND THE ARTS

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

#### 25 Provisions

##### *Current*

Employee benefits provision

Annual leave <sup>(a)</sup>

2,346                      2,347

Long service leave <sup>(b)</sup>

3,274                      2,660

**5,620                      5,007**

Other provisions

Employment on-costs <sup>(c)</sup>

521                              431

**6,141                      5,438**

##### *Non-current*

Employee benefits provision

Long service leave <sup>(b)</sup>

3,004                      2,698

Other provisions

Employment on-costs <sup>(c)</sup>

252                              193

**3,256                      2,891**

## DEPARTMENT OF CULTURE AND THE ARTS

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

	2009 \$'000	2008 \$'000
<p>(a) Annual leave liabilities have been classified as current as there is no unconditional right to defer settlement for at least 12 months after balance sheet date. Assessments indicate that actual settlement of the liabilities will occur as follows:</p>		
Within 12 months of balance sheet date	1,708	2,049
More than 12 months after balance sheet date	834	539
	<b>2,542</b>	<b>2,588</b>

(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 balance sheet date. Assessments indicate that actual settlement of the liabilities will occur as follows:

Within 12 months of balance sheet date	2,082	1,951
More than 12 months after balance sheet date	4,541	3,634
	<b>6,623</b>	<b>5,585</b>

(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 disclosed in note 11 'Other expenses'.

#### Movement in Other Provisions

Movements in each class of provisions during the financial year, other than employee benefits, are set out below:

#### Employment on-cost provision

Carrying amount at start of year	624	669
Additional provisions recognised	149	0
Payments/other sacrifices of economic benefits	0	(45)
Unwinding of the discount	0	0
Carrying amount at end of year	<b>773</b>	<b>624</b>

#### **26 Other liabilities**

##### Current

Unclaimed monies	1	1
	<b>1</b>	<b>1</b>

## DEPARTMENT OF CULTURE AND THE ARTS

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

	<b>2009</b>	<b>2008</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>27 Equity</b>		
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.		
<b>Contributed equity</b>		
Balance at the start of year	66,903	25,667
<b>Contributions by owners</b>		
Capital contribution <sup>(a)</sup>	36,227	41,236
Total contribution by owners	<b>36,227</b>	<b>41,236</b>
Balance at the end of the year	<b>103,130</b>	<b>66,903</b>
(a) Under the Treasurer's instruction TI 955 'Contributions by Owners Made to Wholly Owned Public Sector Entities' Capital Contributions (appropriations) have been designated as contributions by owners in accordance with AASB Interpretation 1038 'Contributions by Owners Made to Wholly Owned Public Sector Entities'.		
<b>Asset revaluation reserve:</b>		
Balance at start of year	20,398	11,911
Net revaluation increments		
Land	14,205	3,215
Buildings	2,908	5,272
Balance at the end of the year	<b>37,511</b>	<b>20,398</b>
<b>Accumulated surplus/(deficit)</b>		
Balance at start of year	(12,235)	(6,607)
Correction of prior period error <sup>(b)</sup>	0	546
Restated balance at start of period	(12,235)	(6,061)
Result for the period	5,129	(6,174)
Balance at the end of the year	<b>(7,106)</b>	<b>(12,235)</b>

(b) The prior period error relates to the initial valuation of the Swan Bells. They have been independently valued and incorporated into the financial statements for the 2008-09 financial year.

## DEPARTMENT OF CULTURE AND THE ARTS

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

	<b>2009</b>	<b>2008</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>28 Notes to the Cash Flow Statement</b>		
<u>Reconciliation of cash</u>		
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	63,686	44,084
Restricted cash and cash equivalents (see note 17)	852	776
	<b>64,538</b>	<b>44,860</b>
<u>Reconciliation of net cost of services to net cash flows used in operating activities</u>		
Net cost of services	(85,301)	(73,774)
<i>Non-cash items:</i>		
Depreciation and amortisation expense	949	853
Resources received free of charge	142	193
Net loss on sale of property, plant and equipment	1	0
<i>(Increase)/decrease in assets:</i>		
Current receivables	(100)	1,245
Other current assets	20	(25)
Non current receivables	0	(215)
<i>Increase/(decrease) in liabilities:</i>		
Current payables	(2,210)	4,175
Current provisions	703	50
Non-current provisions	365	(39)
Other Current Liabilities	(768)	924
Net GST receipts/(payments) <sup>(a)</sup>	668	59
Net cash (used in) operating activities	<b>(85,531)</b>	<b>(66,554)</b>

(a) This is the net GST paid/received, ie cash transactions

At the balance sheet date, the Department had fully drawn on all financing facilities, details of which are disclosed in the financial statements.

## DEPARTMENT OF CULTURE AND THE ARTS

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

	2009 \$'000	2008 \$'000
<b>29 Resources provided free of charge</b>		
During the year the following resources were provided to other agencies free of charge. The amounts shown represent the payment of salaries and superannuation paid by the Department on behalf of the following agencies:		
Art Gallery of WA	3,714	3,514
Library and Information Services of WA	14,014	12,048
Perth Theatre Trust	2,003	1,560
ScreenWest	1,077	1,010
Western Australian Museum	17,455	10,804
	<b>38,263</b>	<b>28,936</b>

### 30 Commitments

#### *Lease Commitments*

Commitments in relation to leases contracted for at the balance sheet date but not recognised in the financial statements are payable as follows:

Within 1 year	1,149	770
Later than 1 year and not later than 5 years	1,861	1,958
	<b>3,010</b>	<b>2,728</b>

Representing:

Cancellable operating leases	0	0
Non-cancellable operating leases	3,010	2,728
	<b>3,010</b>	<b>2,728</b>

Non cancellable operating lease commitments

Commitments for minimum lease payments are payable as follows:

Within 1 year	1,149	693
Later than 1 year and not later than 5 years	1,861	1,921
	<b>3,010</b>	<b>2,614</b>

The property lease is a non-cancellable lease with a five year term, with rent payable monthly in advance. Contingent rental provisions within the lease agreement require that the minimum lease payments shall be increased by the lower of CPI or 5% per annum. An option exists to renew the lease at the end of the five year term for an additional term of five years. These lease commitments are all inclusive of GST.

Grant Commitments	<b>17,079</b>	<b>15,784</b>
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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.

### 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.

## DEPARTMENT OF CULTURE AND THE ARTS

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

#### 32 Explanatory statement

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

#### Significant variances between estimate and actual for 2009 – Total appropriation to deliver services:

	2009 Estimate \$'000	2009 Actual \$'000	Variation \$'000
Appropriation to deliver services	89,359	90,435	1,076

The Lotterywest funding increased by more than \$1m toward the end of the financial year.

## DEPARTMENT OF CULTURE AND THE ARTS

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

**Significant variances between actuals for 2008 and 2009 - Appropriations and income estimates:**

	2009 Estimate \$'000	2009 Actual \$'000	Variation \$'000
Arts Industry Support	31,442	31,932	490

Several projects relating to the 'Arts Funding Package' were slow to progress through various stages. Traditionally prepayments have been made in June, however in 2008 - 09, this was not the case.

**Significant variances between actuals for 2008 and 2009 - Total appropriation to deliver services:**

	2009 \$'000	2008 \$'000	Variation \$'000
Total appropriation provided to deliver services for the year	90,435	67,710	22,725

***Total appropriation provided to deliver services for the year***

This increase was largely due to the 'Arts Funding Package' monies which arrived in 2008 - 2009.

<b><i>Service Expenditure</i></b>	2009 \$'000	2008 \$'000	Variance \$'000
Arts Industry Support	31,932	32,141	(209)

The variance in Arts Industry Support expenditure is due to a decrease in grant funding paid to the various grants recipients. This includes the Arts Funding package which initially had to pass through various checkpoints before grants payments could be made.

<b><i>Service Expenditure</i></b>	2009 \$'000	2008 \$'000	Variance \$'000
Services provided to external agencies	52,380	40,923	11,457

A noted rise in Employee Benefits is a large contributor to this increase. Several factors including a pay increase for PSGA staff, specified callings salary increases. Increased staff numbers include those that were initially brought in to cater for the formerly proposed 'New Museum project'. Also Grants & Subsidies relating to the 'Arts Funding Package' sees this category increase dramatically on last financial year.

# DEPARTMENT OF CULTURE AND THE ARTS

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

### Significant variances between actuals for 2009 and 2008 - Capital Contribution:

	2009 \$'000	2008 \$'000	Variance \$'000
Capital Contribution	36,227	41,236	(5,009)

The decrease in Capital Contribution is directly due to funding for the construction of the State Theatre Centre. As the project nears completion the annual funding the Department receives is reducing. It is expected that the Theatre Centre will be completed in the latter half of 2010.

### 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. All of the Department's cash is held in the public bank account (non-interest bearing). The Department has limited exposure to financial risks. The Department's overall risk management program focuses on managing the risks identified below.

#### *Credit risk*

Credit risk arises when there is the possibility of the Department's receivables defaulting on their contractual obligations resulting in financial loss to the Department. The Department measures credit risk on a fair value basis and monitors risk on a regular basis. The maximum exposure to credit risk at balance sheet date in relation to each class of recognised financial assets is the gross carrying amount of those assets inclusive of any provisions for impairment, as shown in the table at Note 33(c) 'Financial Instruments Disclosures' and Note 18 'Receivables'.

Credit risk associated with the Department's financial assets is minimal because the main receivable is the amounts receivable for services (holding account). For receivables other than government, the Department trades only with recognised, creditworthy third parties. The Department has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history. In addition, receivable balances are monitored on an ongoing basis with the result that the Department's exposure to bad debts is minimal. At the balance sheet date there were no significant concentrations of credit risk.

Allowance for impairment of financial assets is calculated based on objective experience such as observable data indicating changes in client credit ratings. For financial assets that are either past due or impaired, refer to Note 18 Receivables

#### *Liquidity risk*

Liquidity risk arises when the Department is unable to meet its financial obligations as they fall due. The Department is exposed to liquidity risk through its trading in the normal course of business.

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

# DEPARTMENT OF CULTURE AND THE ARTS

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

### *Market Risk*

The Department does not trade in foreign currency and is not materially exposed to other price risks. Other than those detailed in note 33(c), the Department is not exposed to interest rate risk because all cash and cash equivalents and restricted cash are non-interest bearing, and the Department has no borrowings.

### (b) Categories of Financial Instruments

In addition to cash and bank overdraft, the carrying amounts of each of the following categories of financial assets and financial liabilities at the balance sheet date are as follows

	<b>2009</b>	<b>2008</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Financial Assets</b>		
Cash and cash equivalents	63,686	44,084
Restricted Cash and cash equivalents	852	776
Loans and receivables <sup>(a)</sup>	1,222	1,701
<b>Financial Liabilities</b>		
Financial Liabilities measured at amortised cost	29,803	32,694

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

## DEPARTMENT OF CULTURE AND THE ARTS

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

#### (c) Financial Instrument Disclosures

##### *Credit Risk and Interest Rate Risk Exposures*

The following tables disclose the Department's maximum exposure to credit risk, interest rate exposures and ageing analysis of financial assets. The Department's maximum exposure to credit risk at the balance sheet date is the carrying amount of the financial assets as shown below. The table discloses the ageing of financial assets that are past due but not impaired and impaired financial assets. The table is based on information provided to senior management of the Department.

The Department does not hold any collateral as security or other credit enhancements relating to the financial assets it holds.

The Department does not hold any financial assets that had to have their terms renegotiated that would have otherwise resulted in them being past due or impaired.

#### Interest rate exposures and ageing analysis of financial assets (a)

	Weighted Average Effective Interest Rate %	Carrying Amount	Interest Rate Exposure		Past Due but not impaired						Impaired financial assets \$000	
			Variable Interest Rate \$000	Non – interest bearing \$000	Up to 3 months \$000	3-12 months \$000	1-2 years \$000	2-3 years \$000	3-4 years \$000	4-5 years \$000		More than 5 years \$000
<b>Financial Assets</b>												
<b>2009</b>												
Cash and cash equivalents		63,686	-	63,686	-	-	-	-	-	-	-	-
Restricted cash and cash equivalents		852	-	852	-	-	-	-	-	-	-	-
Receivables <sup>(a)</sup>		528	-	528	431	2	24	-	-	-	-	-
Amounts receivable for services		3,683	-	3,683	-	-	-	-	-	-	-	-
		<u>68,749</u>	<u>-</u>	<u>68,749</u>	<u>431</u>	<u>2</u>	<u>24</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>2008</b>												
Cash and cash equivalents		44,084	-	44,084	-	-	-	-	-	-	-	-
Restricted cash and cash equivalents		776	-	776	-	-	-	-	-	-	-	-
Receivables <sup>(a)</sup>		1,581	-	1,581	324	84	13	-	-	-	-	-
Amounts receivable for services		3,634	-	3,634	-	-	-	-	-	-	-	-
		<u>50,075</u>	<u>-</u>	<u>50,075</u>	<u>324</u>	<u>84</u>	<u>13</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

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

## DEPARTMENT OF CULTURE AND THE ARTS

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

#### Liquidity Risk

The following table details the contractual maturity analysis for financial liabilities. The contractual maturity amounts are representative of the undiscounted amounts at the balance sheet date. The table includes both interest and principal cash flows. An adjustment has been made where material

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

	Weighted Average Effective Interest Rate	Carrying Amount	Interest Rate Exposure			Total Nominal Amount	Maturity dates						
			Variable interest rate	Non- Interest bearing	Adjustment for discounting		Up to 3 month s	3-12 mont hs	1-2 Years	2-3 Year s	3-4 Year s	4-5 Years	More than 5 years
	%	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b><u>Financial Liabilities</u></b>													
<b>2009</b>													
Accounts payable		2,185	-	2,185	-	-	-	-	-	-	-	-	-
Grants payable		27,618	-	27,618	-	-	-	-	-	-	-	-	-
		29,803	-	29,803	-	-	-	-	-	-	-	-	-
<b>2008</b>													
Accounts payable		9,690	-	9,690	-	-	-	-	-	-	-	-	-
Grants payable		23,004	-	23,004	-	-	-	-	-	-	-	-	-
		32,694	-	32,694	-	-	-	-	-	-	-	-	-

The amounts disclosed are the contractual undiscounted cash flows of each class of financial liabilities.

## DEPARTMENT OF CULTURE AND THE ARTS

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

#### *Interest rate sensitivity analysis*

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

	Carrying Amount	-1% change		+1% Change	
		Profit	Equity	Profit	Equity
2009	\$000	\$000	\$000	\$000	\$000
<u>Financial assets</u>					
Restricted cash and cash equivalents	852	(9)	(9)	9	9
<u>Financial Liabilities</u>					
Accounts payable	2,185	(22)	(22)	22	22
<hr/>					
	Carrying Amount	-1% change		+1% Change	
	\$000	Profit	Equity	Profit	Equity
2008	\$000	\$000	\$000	\$000	\$000
<u>Financial assets</u>					
Restricted cash and cash equivalents	776	(8)	(8)	8	8
<u>Financial Liabilities</u>					
Accounts payable	9,690	(97)	(97)	97	97

# DEPARTMENT OF CULTURE AND THE ARTS

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

### Fair Values

All financial assets and liabilities recognised in the balance sheet, whether they are carried at cost or fair value, are recognised at amounts that represent a reasonable approximation of fair value unless otherwise stated in the applicable notes.

### 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:

\$	2009	2008		
90,001 - 100,000	0	1		
110,001 - 120,000	0	1		
130,001 - 140,000	1	1		
140,001 - 150,000	1	0		
150,001 - 160,000	1	0		
160,001 - 170,001	0	0		
220,001 - 230,000	1	1		
			2009	2008
			<u>\$'000</u>	<u>\$'000</u>
			Total remuneration of senior officers is: 665	580

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.

### 35 Remuneration of auditor

Remuneration payable to the Auditor General in respect of the audit for the current financial year is as follows:

Auditing the accounts, financial statements and performance indicators	61	60
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The expense is included at note 11 'Other Expenses'

### 36 Related bodies

The Department has no related bodies.

# DEPARTMENT OF CULTURE AND THE ARTS

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

### 37 Affiliated bodies

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	2009 \$	2008 \$
Australian Dance Council	190	201
Community Arts Network	0	551
Country Arts WA	0	1,588
International Art Space Kellerberrin	92	0
Perth Theatre Company	0	409
PICA	652	602
WA Youth Theatre Company	72	0
	<u>1,006</u>	<u>3,351</u>

### 38 Special Purpose Account

#### Private 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.

	2009 \$'000	2008 \$'000
Balance at the start of the year	0	0
Receipts	12,500	12,000
Payments	(12,500)	(12,000)
Balance at the end of the year	<u>0</u>	<u>0</u>

### 39 Supplementary financial information

#### Write-Offs

There was no public or other property written off during the financial year.

#### Loss through Theft, Defaults and Other Causes

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

#### Gifts of Public Property

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	315	216
Receipts	244	178
Payments	(405)	(79)
Balance at the end of the year	<u>154</u>	<u>315</u>

**DEPARTMENT OF CULTURE AND THE ARTS**  
**SCHEDULE OF INCOME AND EXPENSES BY SERVICE**  
**FOR THE YEAR ENDED 30 JUNE 2009**

	Arts Industry Support		Recordkeeping and Archival Services		Services provided to external agencies		Total	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
<b>COST OF SERVICES</b>								
<b>Expenses</b>								
Employee benefits expenses	4,273	2,983	2,086	1,750	43,000	35,993	49,359	40,726
Supplies and services	2,305	1,952	214	323	2,887	2,100	5,406	4,914
Depreciation and amortisation expense	146	147	73	94	730	612	949	853
Finance Costs	0	1	0	0	0	1	0	1
Accommodation expenses	303	453	61	95	1,696	1,160	2,060	1,708
Grants and subsidies	23,405	25,605	7	(40)	5,494	923	28,906	27,068
Appropriations to agencies	1,200	483	240	97	(1,440)	0	0	0
Cost of sales	28	448	5	90	(33)	0	0	0
Loss on disposal of assets	3	3	0	1	(2)	0	1	0
Other expenses	269	66	54	13	48	134	371	217
Total cost of services	31,932	32,141	2,740	2,423	52,380	40,923	87,052	75,487
<b>Income</b>								
User charges and fees	9	677	57	198	478	(499)	544	376
Sale of Goods	59	36	35	13	(94)	(49)	0	0
Commonwealth grants and contributions	33	115	2	0	46	0	81	115
Other revenue	229	382	77	66	820	773	1,126	1,221
Gains on disposal of non-current assets	0	0	0	0	0	0	0	0
Total income other than income from State Government	330	1,210	171	277	1,250	225	1,751	1,712
<b>NET COST OF SERVICES</b>	<b>31,602</b>	<b>30,931</b>	<b>2,569</b>	<b>2,146</b>	<b>51,130</b>	<b>40,698</b>	<b>85,301</b>	<b>73,775</b>

**DEPARTMENT OF CULTURE AND THE ARTS**  
**SCHEDULE OF INCOME AND EXPENSES BY SERVICE**  
**FOR THE YEAR ENDED 30 JUNE 2009**

<b>INCOME FROM STATE GOVERNMENT</b>								
Service Appropriation	13,725	10,590	4,318	3,669	72,392	53,451	90,435	67,710
Grants and subsidies from State Government	71	644	14	129	(85)	(773)	0	0
Assets assumed (transferred)	(22)	(409)	(4)	(82)	(121)	188	(147)	(303)
Resources received free of charge	21	29	4	6	117	158	142	193
<b>Total income from State Government</b>	<b>13,795</b>	<b>10,854</b>	<b>4,332</b>	<b>3,722</b>	<b>72,303</b>	<b>53,024</b>	<b>90,430</b>	<b>67,600</b>
<b>Surplus/deficit for the period</b>	<b>(17,807)</b>	<b>(20,077)</b>	<b>1,763</b>	<b>1,576</b>	<b>21,173</b>	<b>12,326</b>	<b>5,129</b>	<b>(6,175)</b>

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

**DEPARTMENT OF CULTURE AND THE ARTS**  
**SCHEDULE OF ASSET AND LIABILITIES BY SERVICE**  
**FOR THE YEAR ENDED 30 JUNE 2009**

	Arts Industry Support		Recordkeeping and Archival Services		Services provided to external agencies		Total	
	2009	2008	2009	2008	2009	2008	2009	2008
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>ASSETS</b>								
Current assets	9,922	7,030	2,353	1,770	53,735	37,997	66,010	46,797
Non-current assets	15,931	8,671	5,003	3,509	85,792	57,113	106,726	69,293
Total Assets	25,853	15,701	7,356	5,279	139,527	95,110	172,736	116,090
<b>LIABILITIES</b>								
Current liabilities	5,463	5,687	1,092	1,343	29,390	31,103	35,945	38,133
Total non-current liabilities	488	411	98	230	2,670	2,250	3,256	2,891
Total liabilities	5,951	6,098	1,190	1,573	32,060	33,353	39,201	41,024
<b>NET ASSETS</b>	<b>19,902</b>	<b>9,603</b>	<b>6,166</b>	<b>3,706</b>	<b>107,467</b>	<b>61,757</b>	<b>133,535</b>	<b>75,066</b>

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

# DEPARTMENT OF CULTURE AND THE ARTS

## SUMMARY OF CONSOLIDATED ACCOUNT APPROPRIATIONS AND INCOME ESTIMATES FOR THE YEAR ENDED 30 JUNE 2009

	2009 Estimate \$'000	2009 Actual \$'000	Variance \$'000	2009 Actual \$'000	2008 Actual \$'000	Variance \$'000
<b>DELIVERY OF SERVICES</b>						
Item 88 Net amount appropriated to deliver services	77,242	77,231	(11)	77,231	55,032	22,199
Amount Authorised by Other Statutes:						
- Lotteries Commission Act 1990	11,424	12,500	1,076	12,500	12,000	500
- Salaries and Allowances Act 1975	693	704	11	704	678	26
Total appropriations provided to deliver services	89,359	90,435	1,076	90,435	67,710	22,725
<b>CAPITAL</b>						
Item 162 Capital Contribution	36,227	36,227	0	36,227	41,236	(5,009)
	36,227	36,227	0	36,227	41,236	(5,009)
<b>GRAND TOTAL</b>	<b>125,586</b>	<b>126,662</b>	<b>1,076</b>	<b>126,662</b>	<b>108,946</b>	<b>17,716</b>
<b>Details of Expenses by Service</b>						
Arts Industry Support	31,442	31,932	490	31,932	32,141	(209)
Recordkeeping and Archival Services	2,054	2,740	686	2,740	2,423	317
Services provided to external agencies	55,863	52,380	(3,483)	52,380	40,922	11,458
Total Cost of Services	89,359	87,052	(2,307)	87,052	75,486	11,566
Less total income	0	(1,751)	(1,751)	(1,751)	(1,712)	(39)
Net Cost of Services	89,359	85,301	(4,058)	85,301	73,774	11,527
Adjustments	0	5,134	5,134	5,134	(6,064)	11,198
Total appropriations provided to deliver services	89,359	90,435	1,076	90,435	67,710	22,725
<b>Capital Expenditure</b>						
Purchase of non-current physical assets	36,227	36,227	0	36,227	41,236	(5,009)
<b>Capital Contribution (appropriation)</b>	<b>36,227</b>	<b>36,227</b>	<b>0</b>	<b>36,227</b>	<b>41,236</b>	<b>(5,009)</b>

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

Other external agencies comprise the Art Gallery of WA, The Library Board of WA, Western Australian Museum and Perth Theatre Trust whose funding is provided through direct appropriation and services received free of charge from the Department of Culture and the Arts.

Note 32 'Explanatory statement' provides details of any significant variations between estimates and actual results for 2009 and between the actual results for 2008 and 2009.