

## 5.0 Disclosures and Legal Compliance

Heritage Council of Western Australia for the year ended 30 June 2013

### Financial Statements

#### Certification of Financial Statements

The accompanying financial statements of the Heritage Council of Western Australia (Heritage Council) have been prepared in compliance with the provisions of the *Financial Management Act 2006* from proper accounts and records to present fairly the financial transactions for the financial year ended 30 June 2013 and the financial position as at 30 June 2013.

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



**Marion Fulker**  
**Chair**  
**Heritage Council of Western Australia**

6 September 2013



**Anne Arnold**  
**Deputy Chair**  
**Heritage Council of Western Australia**

6 September 2013



**Alan Shaw**  
**Chief Finance Officer**  
**Heritage Council of Western Australia**

6 September 2013

## 5.1 Independent Auditor's Report

Heritage Council of Western Australia for the year ended 30 June 2013



Auditor General

### INDEPENDENT AUDITOR'S REPORT

To the Parliament of Western Australia

#### HERITAGE COUNCIL OF WESTERN AUSTRALIA

##### Report on the Financial Statements

I have audited the accounts and financial statements of the Heritage Council of Western Australia.

The financial statements comprise the Statement of Financial Position as at 30 June 2013, the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and Notes comprising a summary of significant accounting policies and other explanatory information.

##### *Council's Responsibility for the Financial Statements*

The Council is responsible for keeping proper accounts, and the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards and the Treasurer's Instructions, and for such internal control as the Council determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

##### *Auditor's Responsibility*

As required by the Auditor General Act 2006, my responsibility is to express an opinion on the financial statements based on my audit. The audit was conducted in accordance with Australian Auditing Standards. Those Standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Council's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Council, as well as evaluating the overall presentation of the financial statements.

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

##### **Opinion**

In my opinion, the financial statements are based on proper accounts and present fairly, in all material respects, the financial position of the Heritage Council of Western Australia at 30 June 2013 and its financial performance and cash flows for the year then ended. They are in accordance with Australian Accounting Standards and the Treasurer's Instructions.

##### **Report on Controls**

I have audited the controls exercised by the Heritage Council of Western Australia during the year ended 30 June 2013.

Controls exercised by the Heritage Council of Western Australia are those policies and procedures established by the Council to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions.

##### *Council's Responsibility for Controls*

The Council is responsible for maintaining an adequate system of internal control to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of public and other property, and the incurring of liabilities are in accordance with the Financial Management Act 2006 and the Treasurer's Instructions, and other relevant written law.

##### *Auditor's Responsibility*

As required by the Auditor General Act 2006, my responsibility is to express an opinion on the controls exercised by the Heritage Council of Western Australia based on my audit conducted in accordance with Australian Auditing and Assurance Standards.

An audit involves performing procedures to obtain audit evidence about the adequacy of controls to ensure that the Council complies with the legislative provisions. The procedures selected depend on the auditor's judgement and include an evaluation of the design and implementation of relevant controls.

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

##### **Opinion**

In my opinion, the controls exercised by the Heritage Council of Western Australia are sufficiently adequate to provide reasonable assurance that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions during the year ended 30 June 2013.

##### **Report on the Key Performance Indicators**

I have audited the key performance indicators of the Heritage Council of Western Australia for the year ended 30 June 2013.

The key performance indicators are the key effectiveness indicators and the key efficiency indicators that provide information on outcome achievement and service provision.

##### *Council's Responsibility for the Key Performance Indicators*

The Council is responsible for the preparation and fair presentation of the key performance indicators in accordance with the Financial Management Act 2006 and the Treasurer's Instructions and for such controls as the Council determines necessary to ensure that the key performance indicators fairly represent indicated performance.

##### *Auditor's Responsibility*

As required by the Auditor General Act 2006, my responsibility is to express an opinion on the key performance indicators based on my audit conducted in accordance with Australian Auditing and Assurance Standards.

## Independent Auditor's Report continued

Heritage Council of Western Australia for the year ended 30 June 2013

An audit involves performing procedures to obtain audit evidence about the key performance indicators. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the key performance indicators. In making these risk assessments the auditor considers internal control relevant to the Council's preparation and fair presentation of the key performance indicators in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the relevance and appropriateness of the key performance indicators for measuring the extent of outcome achievement and service provision.

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

#### **Opinion**

In my opinion, the key performance indicators of the Heritage Council of Western Australia are relevant and appropriate to assist users to assess the Council's performance and fairly represent indicated performance for the year ended 30 June 2013.

#### **Independence**

In conducting this audit, I have complied with the independence requirements of the Auditor General Act 2006 and Australian Auditing and Assurance Standards, and other relevant ethical requirements.

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

This auditor's report relates to the financial statements and key performance indicators of the Heritage Council of Western Australia for the year ended 30 June 2013 included on the Council's website. The Council's management is responsible for the integrity of the Council's website. This audit does not provide assurance on the integrity of the Council's website. The auditor's report refers only to the financial statements and key performance indicators described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these financial statements or key performance indicators. If users of the financial statements and key performance indicators are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial statements and key performance indicators to confirm the information contained in this website version of the financial statements and key performance indicators.



DON CUNNINGHAME  
ASSISTANT AUDITOR GENERAL, ASSURANCE SERVICES  
Delegate of the Auditor General for Western Australia  
Perth, Western Australia  
13 September 2013

## 5.2 Financial Statements

### Statement of Comprehensive Income

Heritage Council of Western Australia for the year ended 30 June 2013

	Note	2013 \$	2012 \$
<b>COST OF SERVICES</b>			
<b>Expenses</b>			
Employee benefits	4	2,926,495	2,595,535
Supplies and services	5,15	1,876,239	1,857,341
Accommodation	6	565,592	252,434
Grants and subsidies - grant recipients	7	1,301,126	2,135,838
Grants and subsidies - other	8	135,027	198,656
Loss on disposal of non-current assets	9	-	2,862
Depreciation and amortisation	10	133,371	4,193
Other expenses	11	70,285	59,983
<b>Total cost of services</b>		<b>7,008,135</b>	<b>7,106,842</b>
<b>Income</b>			
<b>Revenue</b>			
User charges and fees	12	26,710	12,335
Provision of services	13	96,250	86,400
Other revenue	14	4,267	14,247
<b>Total revenue</b>		<b>127,227</b>	<b>112,982</b>
<b>Total income other than income from State Government</b>		<b>127,227</b>	<b>112,982</b>
<b>NET COST OF SERVICES</b>			
<b>Income from State Government</b>	15	6,617,000	5,914,000
Service appropriation			
Services received free of charge	15	258,304	232,053
<b>Total income from State Government</b>		<b>6,875,304</b>	<b>6,146,053</b>
<b>SURPLUS/(DEFICIT) FOR THE PERIOD</b>		<b>(5,604)</b>	<b>(847,807)</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
<b>Total other comprehensive income</b>		-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	25	<b>(5,604)</b>	<b>(847,807)</b>

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

## Statement of Financial Position

Heritage Council of Western Australia for the year ended 30 June 2013

	Note	2013 \$	2012 \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	26	2,010,845	1,782,839
Restricted cash and cash equivalents	16,26	4,105,646	5,534,125
Receivables	17	73,885	149,714
Amounts receivable for services	18	28,000	40,000
<b>Total Current Assets</b>		<b>6,218,376</b>	<b>7,506,678</b>
<b>Non-Current Assets</b>			
Amounts receivable for services	18	369,000	225,000
Property, plant and equipment	19	35,586	48,256
Intangible assets	20	1,284,564	764,318
<b>Total Non-Current Assets</b>		<b>1,689,150</b>	<b>1,037,574</b>
<b>TOTAL ASSETS</b>		<b>7,907,526</b>	<b>8,544,252</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Payables	22	738,107	562,331
Grants payable	23	1,852,454	3,274,284
Provisions	24	422,517	482,521
<b>Total Current Liabilities</b>		<b>3,013,078</b>	<b>4,319,136</b>
<b>Non-Current Liabilities</b>			
Provisions	24	240,151	168,216
<b>Total Non-Current Liabilities</b>		<b>240,151</b>	<b>168,216</b>
<b>TOTAL LIABILITIES</b>		<b>3,253,229</b>	<b>4,487,352</b>
<b>NET ASSETS</b>		<b>4,654,297</b>	<b>4,056,900</b>
<b>EQUITY</b>			
Contributed equity	25	1,982,450	1,379,450
Accumulated surplus		2,671,847	2,677,450
<b>TOTAL EQUITY</b>		<b>4,654,297</b>	<b>4,056,900</b>

The Statement of Financial Position should be read in conjunction with the accompanying notes.

## Statement of Changes in Equity

Heritage Council of Western Australia for the year ended 30 June 2013

Note	Contributed equity	Reserves	Accumulated surplus/ (deficit)	Total equity
	\$	\$	\$	\$
<b>Balance at 1 July 2011</b>	389,450	-	3,525,257	3,914,707
Changes in accounting policy or correction of prior period errors	-	-	-	-
<b>Restated balance at 1 July 2011</b>	389,450	-	3,525,257	3,914,707
Surplus/(Deficit)	-	-	-	-
Other Comprehensive Income	-	-	-	-
Total comprehensive income for the period	-	-	(847,807)	(847,807)
Transactions with owners in their capacity as owners:				
Capital appropriations	990,000	-	-	990,000
Total	990,000	-	(847,807)	142,193
<b>Balance at 30 June 2012</b>	1,379,450	-	2,677,450	4,056,900
<b>Balance at 1 July 2012</b>	1,379,450	-	2,677,450	4,056,900
Changes in accounting policy or correction of prior period errors	-	-	-	-
<b>Restated balance at 1 July 2011</b>	1,379,450	-	2,677,450	4,056,900
Surplus/(Deficit)	-	-	(5,604)	(5,604)
Other Comprehensive Income	-	-	-	-
Total comprehensive income for the period	-	-	(5,604)	(5,604)
Transactions with owners in their capacity as owners:				
Capital appropriations	603,000	-	-	603,000
Total	603,000	-	-	603,000
<b>Balance at 30 June 2013</b>	1,982,450	-	2,671,845	4,654,297

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

## Statement of Cash Flows

Heritage Council of Western Australia for the year ended 30 June 2013

Note	2013 \$	2012 \$
<b>CASH FLOWS FROM STATE GOVERNMENT</b>		
Service appropriation	6,473,000	5,888,000
Capital appropriation	603,000	990,000
Holding account drawdowns	12,000	65,000
<b>Net cash provided by State Government</b>	<b>7,088,000</b>	<b>6,943,000</b>
<b>Utilised as follows:</b>		
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Payments</b>		
Employee benefits	(2,908,767)	(2,493,958)
Supplies and services	(1,459,974)	(1,282,080)
Accommodation	(565,592)	(252,434)
Grants and subsidies - grant recipients	(2,722,956)	(1,468,433)
Grants and subsidies - other	(135,027)	(198,656)
GST payments on purchases	(418,252)	(301,403)
GST payments to taxation authority	-	-
Other payments	(70,285)	(59,983)
<b>Receipts</b>		
Provision of services	96,250	86,400
User charges and fees	26,710	12,335
GST receipts on sales	53,736	17,441
GST receipts from taxation authority	364,516	268,029
Other receipts	92,114	(37,559)
<b>Net cash used in operating activities</b>	<b>(7,647,526)</b>	<b>(5,710,301)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
<b>Payments</b>		
Purchase of non-current physical assets	-	(49,803)
Intangible assets - development costs	(640,947)	(425,894)
<b>Receipts</b>		
Proceeds from sale of non-current physical assets	-	-
<b>Net cash (used in) investing activities</b>	<b>(640,947)</b>	<b>(475,697)</b>
Net increase/(decrease) in cash and cash equivalents	(1,200,473)	757,002
Cash and cash equivalents at the beginning of the period	7,316,964	6,559,962
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>6,116,491</b>	<b>7,316,964</b>

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

# Notes to the Financial Statements

Heritage Council of Western Australia for the year ended 30 June 2013

## 1. Australian Accounting Standards

### General

The Heritage Council's financial statements for the year ended 30 June 2013 have been prepared in accordance with Australian Accounting Standards. The term 'Australian Accounting Standards' refers to Standards and Interpretations issued by the Australian Accounting Standard Board (AASB).

The Heritage Council has adopted any applicable, new and revised Australian Accounting Standards from their operative dates.

### Early adoption of standards

The Heritage Council cannot early adopt an Australian Accounting Standard unless specifically permitted by TI 1101 '*Application of Australian Accounting Standards and Other Pronouncements*'. There has been no early adoption of Australian Accounting Standards that have been issued or amended (but not operative) by the Heritage Council for the annual reporting period ended 30 June 2013.

## 2. Summary of significant accounting policies

### (a) General Statement

The Heritage Council is a not-for-profit reporting entity that prepares general purpose financial statements in accordance with Australian Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the AASB 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 impose legislative provisions that govern the preparation of financial statements and take precedence over Australian Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the AASB.

Where modification is required and has had a material or significant financial effect upon the reported results, details of that modification and the resulting financial effect are disclosed in the notes to the financial statements.

### (b) Basis of Preparation

The financial statements have been prepared on the accrual basis of accounting using the historical cost convention.

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.

### (c) Reporting Entity

The Heritage Council of Western Australia is the reporting entity and has no related bodies.



## Notes to the Financial Statements continued

Heritage Council of Western Australia for the year ended 30 June 2013

### 2. Summary of significant accounting policies continued

#### (d) Contributed equity

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

Capital appropriations have been designated as contributions by owners by TI 955 '*Contributions by Owners made to Wholly Owned Public Sector Entities*' and have been credited directly to Contributed Equity.

#### (e) Income

##### Revenue recognition

Revenue is recognised and measured at the fair value of consideration received or receivable. The following specific recognition criteria must also be met before revenue is recognised for the following major business activities as follows:

##### *Provision of services*

Revenue is recognised by reference to the stage of completion of the transaction.

##### *Service Appropriations*

Service Appropriations are recognised as revenues at fair value in the period in which the Heritage Council gains control of the appropriated funds. The Heritage Council gains control

of appropriated funds at the time those funds are deposited to the bank account or credited to the amounts receivable for services (holding account) held at Treasury.

##### ***Grants, donations, gifts and other non-reciprocal contributions***

Revenue is recognised at fair value when the Heritage Council obtains control over the assets comprising the contributions, 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**

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

#### (f) Property, plant and equipment

##### **Capitalisation/Expensing of assets**

Items of office equipment and computers costing \$5,000 or more are recognised as assets and the cost of utilising assets is expensed (depreciated) over their useful lives. Items costing less than \$5,000 are immediately expensed direct to the Statement of Comprehensive Income (other than where they form part of a group of similar items which are significant in total).

## Notes to the Financial Statements continued

Heritage Council of Western Australia for the year ended 30 June 2013

### 2. Summary of significant accounting policies continued

#### Initial recognition and measurement

Office equipment and computers are initially recognised at cost.

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

#### Subsequent measurement

All items of plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses.

#### Depreciation

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

Depreciation is calculated using the straight line method, using rates that are reviewed annually. Estimated useful lives for office equipment and computers is 5 years.

Computers	3 Years
Office equipment	5 years

#### (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 Statement of Comprehensive Income.

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 which is reviewed annually) on the straight line basis. Intangible assets controlled by the Heritage Council have a finite useful life and zero residual value.

The expected useful lives for the class of intangible asset is:

Software <sup>(a)</sup>	5 Years
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*(a) Software that is not integral to the operation of any related hardware.*

## Notes to the Financial Statements continued

Heritage Council of Western Australia for the year ended 30 June 2013

### 2. Summary of significant accounting policies continued

#### Development costs

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

#### Computer software

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

#### Website costs

Website 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 website, and ongoing costs of maintenance during the operating phase are expensed. Costs incurred in building or enhancing a website, to the extent that they represent probable future economic benefits that can be reliably measured, are capitalised.

#### (h) Impairment of Assets

Office equipment, computers and intangible assets are tested for any indication of impairment at the end of each reporting period. Where there is an indication of impairment,

the recoverable amount is estimated. Where the recoverable amount is less than the carrying amount, the asset is considered impaired and is written down to the recoverable amount and an impairment loss is recognised. Where an asset measured at cost is written down to recoverable amount, an impairment loss is recognised in profit or loss. Where a previously revalued asset is written down to recoverable amount, the loss is recognised as a revaluation decrement in other comprehensive income. As the Heritage Council 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, where the replacement cost is falling or where there is a significant change in useful life. Each relevant class of assets is reviewed annually to verify that the accumulated depreciation/amortisation reflects the level of consumption or expiration of the asset's future economic benefits and to evaluate any impairment risk from falling replacement costs.

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

## Notes to the Financial Statements continued

Heritage Council of Western Australia for the year ended 30 June 2013

### 2. Summary of significant accounting policies continued

#### (i) Leases

The Heritage Council holds operating leases for motor vehicles and office premises. Lease payments are expensed on a straight line basis over the lease term as this represents the pattern of benefits derived from the leases. (See note 27 'Commitments').

#### (j) Financial Instruments

In addition to cash, the Authority has two categories of financial instrument:

- Receivables; and
- Financial liabilities measured at amortised cost.

Financial instruments 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.

#### (k) Cash and Cash Equivalents

For the purpose of the Statement of Cash Flows, cash and cash equivalents (and restricted cash and cash equivalents) assets comprise cash on hand and cash at bank.

#### (l) Accrued Salaries

Accrued salaries (see note 22 'Payables') represent the amount due to staff but unpaid at the end of the financial year. Accrued salaries are settled within a fortnight of the financial year end. The Heritage Council considers the carrying amount of accrued salaries to be equivalent to the net fair value.

#### (m) Amounts Receivable for Services (Holding Account)

The Heritage Council receives income from the State Government partly in cash and partly as an asset (holding account receivable). The accrued amount appropriated is accessible on the emergence of the cash funding requirement to cover leave entitlements and asset replacement.

## Notes to the Financial Statements continued

Heritage Council of Western Australia for the year ended 30 June 2013

### 2. Summary of significant accounting policies continued

#### (n) Receivables

Receivables are recognised at the original invoice amount less an allowance for any 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 Heritage Council 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.

#### (o) Payables

Payables are recognised at the amounts payable when the Heritage Council 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.

#### (p) Grants Payable

Grants payable are recognised as the outstanding grant commitments due and payable at each reporting date. Grant funds are not released until grant recipient conditions are met.

#### (q) Provisions

Provisions are liabilities of uncertain timing or 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 the end of each reporting period.

#### Provisions - Employee Benefits

All annual leave and long service leave provisions are in respect of employees' services up to the end of the reporting period.

##### *Annual Leave*

The liability for annual leave that is expected to be settled within 12 months after the end of the reporting period is recognised and measured at the undiscounted amounts expected to be paid when the liability is settled.

Annual leave that is not expected to be settled within 12 months after the reporting period is recognised and measured at the present value of amounts expected to be paid when the liabilities are settled using the remuneration rate expected to apply at the time of settlement.

When assessing expected future payments consideration is given to expected future wage and salary levels including non-salary components such as employer superannuation contributions, as well as the experience of employee departures and periods of service. The expected future payments are discounted using market yields at the end of the reporting period on national government bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

The provision for annual leave is classified as a current liability as the Heritage Council does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

## Notes to the Financial Statements continued

Heritage Council of Western Australia for the year ended 30 June 2013

### 2. Summary of significant accounting policies continued

#### **Long Service Leave**

The liability for long service leave expected to be settled within 12 months after the reporting period is recognised and measured at the undiscounted amounts expected to be paid when the liability is settled.

Long service leave that is not expected to be settled within 12 months after the end of the reporting period is recognised and measured at the present value of amounts expected to be paid when the liabilities are settled using the remuneration rate expected to apply at the time of settlement.

When assessing expected future payments consideration is given to expected future wage and salary levels including non-salary components such as employer superannuation contributions, as well as the experience of employee departures and periods of service. The expected future payments are discounted using market yields at the end of the reporting period on national government bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

Unconditional long service leave provisions are classified as current liabilities as the Heritage Council does not have an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period. Pre-conditional and conditional long service leave provisions are classified as non-current liabilities because the Heritage Council has an unconditional right to defer the settlement of the liability until the employee has completed the requisite years of service.

#### **Superannuation**

The Government Employees Superannuation Board (GESB) and other funds administer public sector superannuation arrangements in Western Australia in accordance with legislative requirements. Eligibility criteria for membership in particular schemes for public sector employees varies according to commencement and implementation dates.

Eligible employees contribute to the Pension Scheme, a defined benefit pension scheme closed to new members since 1987, or the Gold State Superannuation Scheme (GSS), a defined benefit lump sum scheme closed to new members since 1995.

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

The Heritage Council has no liabilities under the Pension or the GSS Schemes. The liabilities for the unfunded Pension Scheme and the unfunded GSS transfer benefits attributable to members who transferred from the Pension Scheme, are assumed by the Treasurer. All other GSS obligations are funded by concurrent contributions made by the Heritage Council to the GESB.

## Notes to the Financial Statements continued

Heritage Council of Western Australia for the year ended 30 June 2013

### 2. Summary of significant accounting policies continued

Employees commencing employment prior to 16 April 2007 who were not members of either the Pension Scheme or the GSS became non-contributory members of the West State Superannuation Scheme (WSS). Employees commencing employment on or after 16 April 2007 became members of the GESB Super Scheme (GESBS). From 30 March 2012, existing members of the WSS or GESBS and new employees became able to choose their preferred superannuation fund. The Heritage Council makes concurrent contributions to GESB or other funds on behalf of employees in compliance with the Commonwealth Government's *Superannuation Guarantee (Administration) Act 1992*. Contributions to these accumulation schemes extinguish the Heritage Council's liability for superannuation charges in respect of employees who are not members of the Pension Scheme or GSS.

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.

#### 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 Heritage Council's Employee benefits expense. The related liability is included in 'Employment on-costs provision'.

#### (r) Superannuation expense

The superannuation expense in the Statement of Comprehensive Income comprises employer contributions paid to the GSS (concurrent contributions), WSS, the GESBS, and other superannuation funds.

#### (s) Assets and Services Received Free of Charge or for Nominal Cost

Assets or services received free of charge or for nominal cost that can be reliably measured are recognised as income at the fair value of the asset and/or the fair value of those services that the Heritage Council would otherwise pay for. A corresponding expense is recognised for services received. Receipts of assets are recognised in the Statement of Financial Position.

Assets or services received from other State Government agencies are separately disclosed under Income from State Government in the Statement of Comprehensive Income.

#### (t) Comparative Figures

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

#### (u) Key sources of estimation uncertainty

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

## Notes to the Financial Statements continued

Heritage Council of Western Australia for the year ended 30 June 2013

### 2. Summary of significant accounting policies continued

#### **Long Service Leave**

Several estimations and assumptions used in calculating the Heritage Council's long service leave provision include expected future salary rates, discount rates, employee retention rates and expected future payments. Changes in these estimations and assumptions may impact on the carrying amount of the long service leave provision.

#### (v) Judgements made by management in applying accounting policies

The preparation of financial statements requires management to make judgements about the application of accounting policies that have a significant effect on the amounts recognised in the financial statements. The Heritage Council evaluates these judgements regularly.

#### **Operating lease commitments**

The Heritage Council has entered into a lease arrangement for the office accommodation.

The lease is of a temporary nature and it has been determined that the lessor retains substantially all the risks and rewards incidental to ownership.

Accordingly, these leases have been classified as operating leases.

### 3. Disclosure of changes in accounting policy and estimates

#### **Initial Application of an Australian Accounting Standard.**

The Heritage Council has applied the following Australian Accounting standards effective for annual reporting periods beginning on or after 1 July 2012 that impacted on the Heritage Council.

**AASB 2011-9** *Amendments to Australian Standards - Presentation of items of other comprehensive income [AASB 1, 5, 7, 101, 112, 120, 121, 132, 133, 134, 1039 & 1049]*

This standard requires to group items presented in other comprehensive income on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassifying adjustments). There is no financial impact.

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

The Heritage Council cannot early adopt an Australian Accounting Standard unless specifically permitted by TI 1101 *Application of Australian Accounting Standards and Other Pronouncements*. Consequently, the Heritage Council has not applied early any of the following Australian Accounting Standards that have been issued that may impact the Heritage Council. Where applicable, the Board plans to apply these Australian Accounting Standards from their application date.



## Notes to the Financial Statements continued

Heritage Council of Western Australia for the year ended 30 June 2013

		Operative for reporting periods beginning on/after
3. Disclosure of changes in accounting policy and estimates continued		
<b>AASB 9</b>	<p><b><i>Financial Instruments</i></b> This Standard supersedes AASB 139 Financial Instruments: Recognition and Measurement, introducing a number of changes to accounting treatments. AASB 2012-6 Amendments to Australian Accounting Standards – Mandatory Effective Date of AASB 9 and Transition Disclosures amended the mandatory application date of this Standard to 1 January 2015. The Heritage Council has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2015
<b>AASB 13</b>	<p><b><i>Fair Value Measurement</i></b> This Standard defines fair value, sets out a framework for measuring fair value and requires disclosures about fair value measurements. The Heritage Council has liaised with the Western Australian Land Information Authority (Valuation Services) to ensure that sufficient information will be provided to meet the disclosure requirements of this Standard. There is no financial impact.</p>	1 Jan 2013
<b>AASB 119</b>	<p><b><i>Employee Benefits</i></b> This Standard supersedes AASB 119 (October 2010). As the Heritage Council does not have any defined benefit plans, the financial impact will be limited to the effect of discounting annual leave and long service leave liabilities that were previously measured at the undiscounted amounts.</p>	1 Jan 2013
<b>AASB 127</b>	<p><b><i>Separate Financial Statements</i></b> This Standard supersedes AASB 127 Consolidated and Separate Financial Statements, introducing a number of changes to accounting treatments. AASB 2012-10 amends the mandatory application date of this Standard to 1 January 2014 for not-for-profit entities. The Department has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2014

## Notes to the Financial Statements continued

Heritage Council of Western Australia for the year ended 30 June 2013

		Operative for reporting periods beginning on/after
3.	Disclosure of changes in accounting policy and estimates continued	
<b>AASB 1053</b>	<p><b><i>Application of Tiers of Australian Accounting Standards</i></b> This Standard establishes a differential financial reporting framework consisting of two tiers of reporting requirements for preparing general purpose financial statements. There is no financial impact.</p>	1 Jul 2013
<b>AASB 1055</b>	<p><b><i>Budgetary Reporting</i></b> This Standard specifies the nature of budgetary disclosures, the circumstances in which they are to be included in the general purpose financial statements of not-for-profit entities within the GGS. The Authority will be required to disclose additional budgetary information and explanations of major variances between actual and budgeted amounts, though there is no financial impact.</p>	1 Jul 2014
<b>AASB 2010-2</b>	<p><b><i>Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements [AASB 1, 2, 3, 5, 7, 8, 101, 102, 107, 108, 110, 111, 112, 116, 117, 119, 121, 123, 124, 127, 128, 131, 133, 134, 136, 137, 138, 140, 141, 1050 &amp; 1052 and Int 2, 4, 5, 15, 17, 127, 129 &amp; 1052]</i></b> This Standard makes amendments to Australian Accounting Standards and Interpretations to introduce reduced disclosure requirements for certain types of entities. There is no financial impact.</p>	1 Jul 2013
<b>AASB 2010-7</b>	<p><b><i>Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 &amp; 1038 and Int 2, 5, 10, 12, 19 &amp; 127]</i></b> This Standard makes consequential amendments to other Australian Accounting Standards and Interpretations as a result of issuing AASB 9 in December 2010. AASB 2012-6 amended the mandatory application date of this Standard to 1 January 2015. The Heritage Council has not yet determined the application or the potential impact of the standard.</p>	1 Jan 2015

## Notes to the Financial Statements continued

Heritage Council of Western Australia for the year ended 30 June 2013

	Operative for reporting periods beginning on/after
3. Disclosure of changes in accounting policy and estimates continued	
<p><b>AASB 2011-2</b> <i>Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project – Reduced Disclosure Requirements [AASB 101 &amp; 1054]</i></p> <p>This Standard removes disclosure requirements from other Standards and incorporates them in a single Standard to achieve convergence between Australian and New Zealand Accounting Standards for reduced disclosure reporting. There is no financial impact.</p>	1 Jul 2013
<p><b>AASB 2011-8</b> <i>Amendments to Australian Accounting Standards arising from AASB 13 [AASB 1, 2, 3, 4, 5, 7, 9, 2009-11, 2010-7, 101, 102, 108, 110, 116, 117, 118, 119, 120, 121, 128, 131, 132, 133, 134, 136, 138, 139, 140, 141, 1004, 1023 &amp; 1038 and Int 2, 4, 12, 13, 14, 17, 19, 131 &amp; 132]</i></p> <p>This Standard replaces the existing definition and fair value guidance in other Australian Accounting Standards and Interpretations as the result of issuing AASB 13 in September 2011. There is no financial impact.</p>	1 Jan 2013
<p><b>AASB 2011-10</b> <i>Amendments to Australian Accounting Standards arising from AASB 119 (September 2011) [AASB 1, 8, 101, 124, 134, 1049 &amp; 2011-8 and Int 14]</i></p> <p>This Standard makes amendments to other Australian Accounting Standards and Interpretations as a result of issuing AASB 119 in September 2011. There is no financial impact.</p>	1 Jan 2013
<p><b>AASB 2011-11</b> <i>Amendments to AASB 119 (September 2011) arising from Reduced Disclosure Requirements</i></p> <p>This Standard gives effect to Australian Accounting Standards – Reduced Disclosure Requirements for AASB 119 (September 2011). There is no financial impact.</p>	1 Jul 2013

## Notes to the Financial Statements continued

Heritage Council of Western Australia for the year ended 30 June 2013

	Operative for reporting periods beginning on/after
3. Disclosure of changes in accounting policy and estimates continued	
<p><b>AASB 2012-1</b> <i>Amendments to Australian Accounting Standards - Fair Value Measurement - Reduced Disclosure Requirements [AASB 3, 7, 13, 140 &amp; 141]</i></p> <p>This Standard establishes and amends reduced disclosure requirements for additional and amended disclosures arising from AASB 13 and the consequential amendments implemented through AASB 2011-8. There is no financial impact.</p>	1 Jul 2013
<p><b>AASB 2012-2</b> <i>Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities [AASB 7 &amp; 132]</i></p> <p>This Standard amends the required disclosures in AASB 7 to include information that will enable users of an entity’s financial statements to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with the entity’s recognised financial assets and recognised financial liabilities, on the entity’s financial position. There is no financial impact.</p>	1 Jan 2013
<p><b>AASB 2012-3</b> <i>Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities [AASB 132]</i></p> <p>This Standard adds application guidance to AASB 132 to address inconsistencies identified in applying some of the offsetting criteria, including clarifying the meaning of “currently has a legally enforceable right of set-off” and that some gross settlement systems may be considered equivalent to net settlement. There is no financial impact.</p>	1 Jan 2014
<p><b>AASB 2012-5</b> <i>Amendments to Australian Accounting Standards arising from Annual Improvements 2009-11 Cycle [AASB 1, 101, 116, 132 &amp; 134 and Int 2]</i></p> <p>This Standard makes amendments to the Australian Accounting Standards and Interpretations as a consequence of the annual improvements process. There is no financial impact.</p>	1 Jan 2013

## Notes to the Financial Statements continued

Heritage Council of Western Australia for the year ended 30 June 2013

	Operative for reporting periods beginning on/after
3. Disclosure of changes in accounting policy and estimates continued	
<p><b>AASB 2012-6</b> <i>Amendments to Australian Accounting Standards – Mandatory Effective Date of AASB 9 and Transition Disclosures [AASB 9, 2009-11, 2010-7, 2011-7 &amp; 2011-8]</i></p> <p>This Standard amends the mandatory effective date of AASB 9 Financial Instruments to 1 January 2015. Further amendments are also made to consequential amendments arising from AASB 9 that will now apply from 1 January 2015 and to consequential amendments arising out of the Standards that will still apply from 1 January 2013. There is no financial impact.</p>	1 Jan 2013
<p><b>AASB 2012-7</b> <i>Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements [AASB 7, 12, 101 &amp; 127]</i></p> <p>This Standard adds to or amends the Australian Accounting Standards to provide further information regarding the differential reporting framework and the two tiers of reporting requirements for preparing general financial statement. There is no financial impact.</p>	1 Jul 2013
<p><b>AASB 2012-10</b> <i>Amendments to Australian Accounting Standards – Transition Guidance and Other Amendments [AASB 1, 5, 7, 8, 10, 11, 12, 13, 101, 102, 108, 112, 118, 119, 127, 128, 132, 133, 134, 137, 1023, 1038, 1039, 1049, &amp; 2011-7 and Int 12]</i></p> <p>This Standard makes amendments to AASB 10 and related Standards to revise the transition guidance relevant to the initial application of those Standards, and to clarify the circumstances in which adjustments to an entity's previous accounting for its involvement with other entities are required and the timing of such adjustments.</p> <p>The Standard was issued in December 2012. The Department has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2013

## Notes to the Financial Statements continued

Heritage Council of Western Australia for the year ended 30 June 2013

		Operative for reporting periods beginning on/after								
3.	<p>Disclosure of changes in accounting policy and estimates continued</p> <p><b>AASB 2012-11 Amendments to Australian Accounting Standards – Reduced Disclosure Requirements and Other Amendments [AASB 1, 2, 8, 10, 107, 128, 133, 134 &amp; 2011-4]</b></p> <p>This Standard makes various editorial corrections to Australian Accounting Standards – Reduced Disclosure Requirements (Tier 2). These corrections ensure that the Standards reflect decisions of the AASB regarding the Tier 2 requirements.</p> <p>This Standard also extends the relief from consolidation and the equity method (in the new Consolidation and Joint Arrangements Standards) to entities complying with Australian Accounting Standards – Reduced Disclosure Requirements. There is no financial impact.</p>	1 Jul 2013								
4.	<p><b>Employee benefits expense</b></p> <p>Salaries and wages <sup>(a)</sup></p> <p>Superannuation - defined contribution plans <sup>(b)</sup></p>	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">2013 \$</th> <th style="text-align: center;">2012 \$</th> </tr> </thead> <tbody> <tr> <td style="text-align: right;">2,667,414</td> <td style="text-align: right;">2,359,156</td> </tr> <tr> <td style="text-align: right;">259,080</td> <td style="text-align: right;">236,379</td> </tr> <tr> <td style="text-align: right; border-top: 1px solid black;">2,926,495</td> <td style="text-align: right; border-top: 1px solid black;">2,595,535</td> </tr> </tbody> </table>	2013 \$	2012 \$	2,667,414	2,359,156	259,080	236,379	2,926,495	2,595,535
2013 \$	2012 \$									
2,667,414	2,359,156									
259,080	236,379									
2,926,495	2,595,535									
	<p>(a) Includes the value of the fringe benefit to employees plus the fringe benefits tax component and leave entitlements including superannuation contribution component.</p> <p>(b) Defined contribution plans include West State, Gold State and GESB and other eligible funds.</p> <p>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 at note 11 'Other expenses' and are not included as part of the Heritage Council's Employee benefits expense.</p> <p>The related liability is included in note 24 'Provisions - Employment on-costs'.</p>									

## Notes to the Financial Statements continued

Heritage Council of Western Australia for the year ended 30 June 2013

	2013 \$	2012 \$
<b>5. Supplies and services</b>		
General expenses	287,284	363,564
Communication expenses	91,983	80,565
Consumable expenses	35,120	75,554
Service contracts	1,193,183	1,025,731
Minor equipment acquisitions	10,365	79,874
	1,617,935	1,625,288
<b>6. Accommodation expenses</b>		
Lease rentals	545,481	244,110
Repairs and maintenance	-	818
Other property costs	20,111	7,506
	565,592	252,434
<b>7. Grants and subsidies - grant recipients</b>		
Heritage Grants Program	1,243,542	1,016,031
Goldfields Earthquake Restoration Funds	34,942	1,111,954
Emergency Grants	13,311	7,853
Conservation Incentive Program	9,331	-
	1,301,126	2,135,838
<b>8. Grants and subsidies - other</b>		
Cossack	120,000	120,000
Local government grants	-	50,000
Education and promotion	15,027	28,656
Other	-	-
	135,027	198,656

## Notes to the Financial Statements continued

Heritage Council of Western Australia for the year ended 30 June 2013

	2013 \$	2012 \$
<b>9. Loss on disposal of non-current assets</b>		
<i>Costs of disposals of non-current assets</i>		
Write back of net book value	-	2,862
	-	2,862
<b>10. Depreciation and amortisation expense</b>		
Office equipment and computers	12,670	2,646
Software	120,701	-
Furniture	-	1,547
	133,371	4,193
<b>11. Other expenses</b>		
Employment on costs	52,567	44,383
Auditor General fee	16,600	15,600
Other Expenses	1,117	-
	70,285	59,983
<b>12. User charges and fees</b>		
Training courses	26,620	12,160
Other	90	175
	26,710	12,335
<b>13. Provision of services</b>		
Consultancy services	96,250	86,400
	96,250	86,400
<b>14. Other revenue</b>		
Government vehicle scheme	2,573	2,398
Other recoveries and recoups	1,694	11,849
	4,267	14,247



## Notes to the Financial Statements continued

Heritage Council of Western Australia for the year ended 30 June 2013

### 15. Income from State Government

Appropriation revenue received during the year:

Service appropriations <sup>(a)</sup>

Services received free of charge

- Legal fees

- Accommodation - leasing

- Accommodation - fit out depreciation

- Land information

(a) Service appropriations fund the net cost of services delivered. Appropriation revenue comprises a cash component and a receivable (asset).

The receivable (holding account) comprises the budgeted depreciation expense for the year and any agreed increase in leave liabilities during the year.

### 16. Restricted cash and cash equivalents

Capital funds <sup>(a)</sup>

Goldfields Earthquake Restoration Fund <sup>(b)</sup>

Heritage Grants Program <sup>(c)</sup>

(a) Carry over capital works funds from 2012.

(b) Funds restricted for reimbursement of restoration work in relation to the Goldfields earthquake damage of 2010.

(c) Funds restricted for heritage grants awarded to the owners of state listed heritage properties for conservation purposes.

	2013 \$	2012 \$
	6,617,000	5,914,000
	42,003	27,570
	6,081	9,704
	210,220	96,441
	-	98,338
	<u>6,875,304</u>	<u>6,146,053</u>
	615,015	652,962
	2,370,310	3,643,037
	1,120,321	1,238,126
	<u>4,105,646</u>	<u>5,534,125</u>

## Notes to the Financial Statements continued

Heritage Council of Western Australia for the year ended 30 June 2013

### 17. Receivables

#### Current

Receivables  
Prepayments  
GST receivable

2013 \$	2012 \$
4,666	91,985
-	528
69,219	57,201
73,885	149,714

### 18. Amounts receivable for services (Holding Account)

Current  
Non-Current

28,000	40,000
369,000	225,000
397,000	265,000

Represents the non-cash component of services appropriations. See Note 2(m) 'Amounts Receivable for Services (Holding Account)'. It is restricted in that it can only be used for asset replacement or payment of leave liability.

### 19. Property, plant and equipment

#### Office Equipment and computers

At cost  
Accumulated depreciation

49,804	49,803
(14,218)	(1,547)
35,586	48,256

#### Furniture

At cost  
Accumulated amortisation

-	-
-	-
-	-
35,586	48,256

## Notes to the Financial Statements continued

Heritage Council of Western Australia for the year ended 30 June 2013

### 19. Property, plant and equipment continued

Reconciliations of the carrying amounts of office equipment and computers, and furniture at the beginning and end of the reporting period are set out below:

#### 2013

Carrying amount at start of year  
Additions  
Movement  
Disposals  
Write Off  
Depreciation  
Carrying amount at end of year

Office Equipment & Computers	Furniture	Total
48,256	-	48,256
-	-	-
-	-	-
-	-	-
-	-	-
(12,670)	-	(12,670)
35,586	-	35,586

#### 2012

Carrying amount at start of year  
Additions  
Transfers  
Disposals  
Write Off  
Depreciation  
Carrying amount at end of year

Office Equipment & Computers	Furniture	Total
-	5,508	5,508
49,803	-	49,803
-	-	-
-	(2,862)	(2,862)
-	-	-
(1,547)	(2,646)	(4,193)
48,256	-	48,256

## Notes to the Financial Statements continued

Heritage Council of Western Australia for the year ended 30 June 2013

### 20. Intangible assets

Work in progress

- Nimbus
- inHerit

Software

inHerit

Accumulated amortisation

	2013 \$	2012 \$
	801,761	160,815
	-	603,503
	801,761	764,318
	603,503	-
	(120,701)	-
	482,803	-
	1,284,564	764,318

#### 2013

Reconciliation:

Carrying amount at start of year

Additions

Transfers

Disposals

Write Off

Amortisation

Carrying amount at end of year

	Software <sup>(a)</sup>	WIP <sup>(b)</sup>	Total
	-	764,318	764,318
	-	640,946	640,946
	603,503	(603,503)	-
	-	-	-
	-	-	-
	(120,701)	-	(120,701)
	482,802	801,761	1,284,564

#### 2012

Reconciliation:

Carrying amount at start of year

Additions

Transfers

Disposals

Write Off

Amortisation

Carrying amount at end of year

	Software <sup>(a)</sup>	WIP <sup>(b)</sup>	Total
	-	338,423	338,423
	-	425,895	425,895
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	764,318	764,318

(a) inHerit intangible asset relates to the completed costs of the Heritage Places Online Database for collecting, storing, analysing, and publishing information about heritage places.

(b) Nimbus intangible asset relates to the development costs of the replacement of the Heritage Council's core business system. This Windows application is being designed to replace the legacy "4D" database application "HOBS", that has been in use since the 1990s.

## Notes to the Financial Statements continued

Heritage Council of Western Australia for the year ended 30 June 2013

### 21. Impairment of assets

There were no indications of impairment to office equipment or the intangible assets at 30 June 2013. The Heritage Council held no goodwill or intangible asset with an indefinite useful life during the reporting period.

At the end of the reporting period, other than Work in progress, there were no other intangible assets not yet available for use.

### 22. Payables

Trade payables  
Other payables  
Accrued expenses  
Accrued salaries

2013 \$	2012 \$
194,904	313,962
3,962	4,277
471,456	182,104
67,785	61,988
<u>738,107</u>	<u>562,331</u>

### 23. Grants payable

Heritage Grants Program  
Goldfields Earthquake Restoration Fund  
Emergency Fund

1,025,068	1,233,151
827,386	2,036,158
-	4,975
<u>1,852,454</u>	<u>3,274,284</u>

### 24. Provisions

#### Current

Employee benefits provision  
Annual leave <sup>(a)</sup>  
Long service leave <sup>(b)</sup>

192,612	225,043
189,225	222,508
<u>381,837</u>	<u>447,551</u>

Other provisions  
Purchased leave  
Employment on-costs <sup>(c)</sup>

1,953	(3,779)
38,727	38,749
<u>422,517</u>	<u>482,521</u>

#### Non-current

Employee benefits provision  
Long service leave <sup>(b)</sup>

216,382	155,687
<u>216,382</u>	<u>155,687</u>

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

23,768	12,529
<u>240,151</u>	<u>168,216</u>

## Notes to the Financial Statements continued

Heritage Council of Western Australia for the year ended 30 June 2013

### 24. Provisions continued

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

Within 12 months of the end of the reporting period

More than 12 months after the reporting period

2013 \$	2012 \$
148,638	157,366
43,974	67,677
<u>192,612</u>	<u>225,043</u>

(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 the reporting period. Assessments indicate that actual settlement of the liabilities will occur as follows:

Within 12 months of the end of the reporting period

More than 12 months after the reporting period

58,819	75,488
346,789	302,707
<u>405,608</u>	<u>378,195</u>

(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 is included as part of 'Other expenses'. (See Note 11).

Movements in Other provisions, other than employee benefits, is set out below:

#### Employment on-cost provision

Carrying amount at start of year

Additional provisions recognised

Carrying amount at end of year

47,499	49,539
16,950	(2,040)
<u>64,449</u>	<u>47,499</u>



## Notes to the Financial Statements continued

Heritage Council of Western Australia for the year ended 30 June 2013

### 26. Notes to the Statement of Cash Flows continued

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

##### Net cost of services

##### *Non-cash items:*

Depreciation expense

Net (gain)/loss on disposal of computers

Resources received free of charge

##### *(Increase)/decrease in assets:*

Receivables

Current other assets

##### *Increase/(decrease) in liabilities:*

Current payables <sup>(a)</sup>

Grants payable

Current accrued salaries

Current annual leave

Current long service leave

Current other provisions

Non-current other provisions

Non-current long service leave

Change in GST receivables/payables <sup>(b)</sup>

##### Net cash used in operating activities

	2013 \$	2012 \$
Net cost of services	(6,880,908)	(6,993,860)
Depreciation expense	133,371	4,193
Net (gain)/loss on disposal of computers	-	2,862
Resources received free of charge	258,304	232,053
Receivables	87,319	(51,512)
Current other assets	528	(294)
Current payables <sup>(a)</sup>	169,979	348,073
Grants payable	(1,421,830)	667,405
Current accrued salaries	5,797	24,733
Current annual leave	(32,431)	31,006
Current long service leave	(33,283)	29,692
Current other provisions	5,711	(340)
Non-current other provisions	60,695	17,213
Non-current long service leave	11,240	(726)
Change in GST receivables/payables <sup>(b)</sup>	(12,018)	(20,799)
<b>Net cash used in operating activities</b>	<b>(7,647,526)</b>	<b>(5,710,301)</b>

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

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

At the end of the reporting period, the Heritage Council had fully drawn on all financing facilities, details of which are disclosed in the financial statements.



## Notes to the Financial Statements continued

Heritage Council of Western Australia for the year ended 30 June 2013

### 27. Commitments

The commitments listed below are inclusive of GST where relevant.

#### Non-cancellable operating lease commitments

Commitments for the minimum lease payments in relation to non-cancellable operating leases contracted for at the end of the reporting period but not recognised in the financial statements are payable as follows:

Within 1 year

Later than 1 year and not later than 5 years

Later than 5 years

Representing:

Accommodation property Lease

Leased motor vehicles

2013	2012
\$	\$
351,814	360,126
1,204,567	1,215,882
636,758	636,758
<u>2,193,140</u>	<u>2,212,766</u>
2013	2012
\$	\$
2,178,304	2,186,014
14,836	26,752
<u>2,193,140</u>	<u>2,212,766</u>

Motor vehicles are leased through State Fleet. Leases expire at variable dates until 15 March 2015. New leases are arranged as leases expire to maintain the current fleet of two motor vehicles.

The Department of Finance, Building Management and Works has entered into a property lease, on behalf of State Government for the purpose of State Heritage Office/Heritage Council accommodation, which is a non-cancellable lease with a 20 year term, with rent payable monthly in advance.

### 28. Remuneration of Members of the Heritage Council and Senior Officers

#### Remuneration of Members of the Heritage Council

The number of Members of the Heritage Council, whose total of fees, salaries, superannuation, non-monetary benefits and other benefits for the financial year, fall within the following bands are:

\$1 - \$10,000

\$10,001 - \$20,000

\$20,001 - \$30,000

2013	2012
Number	Number
5	5
6	7
2	1
<u>13</u>	<u>13</u>

## Notes to the Financial Statements continued

Heritage Council of Western Australia for the year ended 30 June 2013

### 28. Remuneration of Members of the Heritage Council and Senior Officers continued

Cash remuneration received in relation to 2013

Other benefits - Superannuation

**Total remuneration of the Members of the Heritage Council is:**

2013	2012
\$	\$
120,458	113,643
9,962	9,547
130,420	123,190

The superannuation included here represents the superannuation expense incurred by the Heritage Council in respect of members of the Heritage Council.

No members of the Heritage Council are members of the Pension Scheme.

#### Remuneration of Senior Officers

The number of Senior Officers other than members of the Heritage Council, whose total of fees, salaries, superannuation, non-monetary and other benefits for the financial year, fall within the following bands are:

\$110,001 - \$120,000

\$120,001 - \$130,000

\$130,001 - \$140,000

\$140,001 - \$150,000

\$150,001 - \$160,000

\$190,001 - \$200,000

2013	2012
Number	Number
1	2
2	4
1	1
2	1
2	-
1	-
9	8

Cash remuneration received in relation to 2013

Annual leave and long service leave accruals

Other benefits

**Total remuneration of senior officers is:**

2013	2012
\$	\$
1,099,366	943,763
45,594	46,410
148,761	85,672
1,293,721	1,075,845

The total remuneration includes the superannuation expense incurred by the Heritage Council in respect of senior officers other than members of the Heritage Council.

No Senior Officers are members of the Pension Scheme.

## Notes to the Financial Statements continued

Heritage Council of Western Australia for the year ended 30 June 2013

### 29. Remuneration of Auditor

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

Auditing of accounts, financial statements and key performance indicators.

2013	2012
\$	\$
16,600	15,600
16,600	15,600

### 30. Explanatory statement

Significant variations between estimates and actual results for income and expense are shown below. Significant variations are considered to be those greater than 10% and \$50,000.

#### (a) Significant variations between estimated and actual result for 2013

##### Expenses

Supplies and services <sup>(a)</sup>

Grants and subsidies <sup>(b)</sup>

Other expenses <sup>(c)</sup>

Accommodation <sup>(d)</sup>

##### Income from State Government

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

2013 Estimate \$	2013 Actual \$	Variance Fav/(Unfav) \$
1,751,000	1,617,935	133,065
2,710,000	1,301,126	1,408,874
-	70,285	(70,285)
460,000	565,592	(105,592)
50,000	258,304	208,304

(a) Variance largely due to reduction of expenditure on consumables and acquisition of minor equipment.

(b) Variance attributable to challenges in finalising Goldfields Earthquake Restoration Fund that will see this expense carried forward to 2013/14.

(c) Variance due to internal allocation of funds to services and supplies.

(d) Variance due to the increase in accommodation costs in relation to the new office accommodation.

(e) Increased depreciation due to new office fit out for the new office accommodation.

## Notes to the Financial Statements continued

Heritage Council of Western Australia for the year ended 30 June 2013

### 30. Explanatory statement continued

#### (b) Significant variances between actual results for 2012 and 2013

##### Expense

Employee benefits <sup>(a)</sup>

Grants and subsidies <sup>(b)</sup>

Accommodation <sup>(c)</sup>

##### Income from State Government

Service appropriation <sup>(d)</sup>

Capital appropriation <sup>(e)</sup>

	2013 Actual \$	2012 Actual \$	Variance Fav/(Unfav) \$
Employee benefits <sup>(a)</sup>	2,926,495	2,595,535	(330,960)
Grants and subsidies <sup>(b)</sup>	1,301,126	2,135,838	834,711
Accommodation <sup>(c)</sup>	565,592	252,434	(313,158)
Service appropriation <sup>(d)</sup>	6,617,000	5,914,000	703,000
Capital appropriation <sup>(e)</sup>	603,000	990,000	(387,000)

(a) Variance due largely to award agreement increase and associated on-costs.

(b) Variance attributable to challenges in finalising the Goldfields Earthquake Restoration Fund that will see this expense carried forward to 2013/14.

(c) Variance due to the increase in accommodation costs in relation to the new office accommodation.

(d) Variance due to increased funding for employment, accommodation, computer systems maintenance and associated depreciation/amortisation costs.

(e) Variance due to funding received to develop the replacement business system (Nimbus).

### 31. Supplementary financial information

Bad debts written off

	2013 \$	2012 \$
Bad debts written off	1,117	-
	1,117	-

### 32. Events occurring after the end of the reporting period

No information has become apparent since the end of the reporting period which would materially affect the financial statements.

## Notes to the Financial Statements continued

Heritage Council of Western Australia for the year ended 30 June 2013

### 33. Financial instrument disclosures

#### (a) Financial risk management objectives and policies

Financial instruments held by the Heritage Council are cash and cash equivalents, restricted cash, receivables and payables. The Heritage Council has limited exposure to financial risks. The Board's overall risk management program focuses on managing the risks identified below.

##### **Credit risk**

The Heritage Council trades only with recognised, creditworthy third parties. The Heritage Council 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 Heritage Council's exposure to bad debts is minimal. There are no significant concentrations of credit risk.

##### **Liquidity risk**

The Heritage Council 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.

##### **Market risk**

The Heritage Council does not trade in foreign currency and is not materially exposed to other price risks.

##### **Cash flow interest rate risk**

The risk is managed by Western Australian Treasury Corporation (WATC) through portfolio diversification and variation in maturity dates. Otherwise, the Heritage Council is not exposed to interest rate risk because cash and cash equivalents are non-interest bearing and there are no borrowings.

#### (b) Categories of financial instruments

In addition to cash, the carrying amounts of each of the following categories of financial assets and liabilities at the end of the reporting period are:

	2013 \$	2012 \$
<b>Financial assets</b>		
Cash and cash equivalents	2,010,845	1,782,839
Restricted cash and cash equivalents	4,105,646	5,534,125
Receivables <sup>(a)</sup>	401,666	357,513
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	2,590,561	3,836,615

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

## Notes to the Financial Statements continued

Heritage Council of Western Australia for the year ended 30 June 2013

### 33. Financial instrument disclosures continued

#### **Interest Rate Sensitivity Analysis**

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

#### **2013**

##### **Financial Assets**

Cash and cash equivalents

Restricted cash and cash equivalents

Total Increase/(Decrease)

Carrying Amount \$	-100 Basis Points change		+100 Basis Points change	
	Surplus \$	Equity \$	Surplus \$	Equity \$
2,010,845	(20,108)	(20,108)	20,108	20,108
4,105,646	(41,056)	(41,056)	41,056	41,056
	(61,165)	(61,165)	61,165	61,165

##### **Financial Liabilities**

The Heritage Council does not have any Financial Liabilities subject to interest rate sensitivity.

#### **2012**

##### **Financial Assets**

Cash and cash equivalents

Restricted cash and cash equivalents

Total Increase/(Decrease)

Carrying Amount \$	-100 Basis Points change		+100 Basis Points change	
	Surplus \$	Equity \$	Surplus \$	Equity \$
1,782,839	(17,828)	(17,828)	17,828	17,828
5,534,125	(55,341)	(55,341)	55,341	55,341
	(73,169)	(73,169)	73,169	73,169

##### **Financial Liabilities**

The Heritage Council does not have any Financial Liabilities subject to interest rate sensitivity.

#### **Fair Values**

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

## Notes to the Financial Statements continued

Heritage Council of Western Australia for the year ended 30 June 2013

### 33. Financial instrument disclosures continued

#### (c) Financial instrument disclosures

##### **Credit risk**

The following table discloses the Heritage Council's maximum exposure to credit risk and the ageing analysis of financial assets. The Heritage Council's maximum exposure to credit risk at the end of the reporting period is the carrying amount of 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 Heritage Council.

The Heritage Council does not hold any collateral as security or other credit enhancement relating to the financial assets it holds.

	Ageing analysis of financial assets							Impaired Financial Assets \$
	Carrying Amount \$	Not past Due and not Impaired \$	Past due but not impaired				More than 5 Years \$	
			Up to1 month \$	1-3 Months \$	3 months to 1 Year \$	1-5 Years \$		
<b>Financial Assets</b>								
<b>2013</b>								
Cash and cash equivalents	2,010,845	2,010,845	-	-	-	-	-	-
Restricted cash and cash equivalents	4,105,646	4,105,646	-	-	-	-	-	-
Receivables <sup>(a)</sup>	4,666	0	541	1,305	-	2,819	-	-
Amounts receivable for services	397,000	397,000	-	-	-	-	-	-
	<b>6,518,157</b>	<b>6,513,491</b>	<b>541</b>	<b>1,305</b>	<b>-</b>	<b>2,819</b>	<b>-</b>	<b>-</b>
<b>2012</b>								
Cash and cash equivalents	1,782,839	1,782,839	-	-	-	-	-	-
Restricted cash and cash equivalents	5,534,125	5,534,125	-	-	-	-	-	-
Receivables	92,513	67,825	-	21,519	-	3,169	-	-
Amounts receivable for services	265,000	265,000	-	-	-	-	-	-
	<b>7,674,477</b>	<b>7,649,789</b>	<b>-</b>	<b>21,519</b>	<b>-</b>	<b>3,169</b>	<b>-</b>	<b>-</b>

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

## Notes to the Financial Statements continued

Heritage Council of Western Australia for the year ended 30 June 2013

### 33. Financial instrument disclosures continued

#### *Liquidity risk and interest rate exposure*

The following table details the contractual maturity analysis for financial liabilities. The table includes interest and principal cash flows. An adjustment has been made where material.

	Interest rate exposure and maturity analysis of financial assets and liabilities <sup>(a)</sup>									
	Weighted Average Effective Interest Rate	Carrying Amount	Interest Rate Exposure			Nominal Amount	Maturity date			
%	\$	Fixed Interest Rate	Variable Interest Rate	Non Interest Bearing	\$	Up to 1 month	1-3 Months	3 months to 1 Year	1-5 Years	More than 5 Years
		\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>2013</b>										
<b>Financial Assets</b>										
Cash and cash equivalents	0.00%	2,010,845	-	-	2,010,845	2,010,845	-	-	-	-
Restricted cash and cash equivalents	0.00%	4,105,646	-	-	4,105,646	4,105,646	-	-	-	-
Receivables	0.00%	4,666	-	-	4,666	4,666	541	1,305	2,819	-
Amounts receivable for services	0.00%	397,000	-	-	397,000	397,000	-	-	-	-
		6,518,157	-	-	6,518,157	6,518,157	541	1,305	-	2,819
<b>Financial Liabilities</b>										
Payables	0.00%	738,107	-	-	738,107	738,107	738,107	-	-	-
Grants payable <sup>(b)</sup>	0.00%	1,852,454	-	-	1,852,454	1,852,454	50,000	600,000	1,202,454	-
		2,590,561	-	-	2,590,561	2,590,561	788,107	600,000	1,202,454	-



## Notes to the Financial Statements continued

Heritage Council of Western Australia for the year ended 30 June 2013

### 33. Financial instrument disclosures continued

	Interest rate exposure and maturity analysis of financial assets and liabilities <sup>(a)</sup>										
	Weighted Average Effective Interest Rate	Carrying Amount	Interest Rate Exposure			Nominal Amount	Maturity date				
			Fixed Interest Rate	Variable Interest Rate	Non Interest Bearing		Up to1 month	1-3 Months	3 months to 1 Year	1-5 Years	More than 5 Years
%	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
<b>2012</b>											
<b>Financial Assets</b>											
Cash and cash equivalents	0.00%	1,782,839	-	-	1,782,839	1,782,839	-	-	-	-	-
Restricted cash and cash equivalents	0.00%	5,534,125	-	-	5,534,125	5,534,125	-	-	-	-	-
Receivables	0.00%	92,513	-	-	92,513	92,513	90,913	150	450	1,000	-
Amounts receivable for services	0.00%	265,000	-	-	265,000	265,000	-	-	-	-	-
		7,674,477	-	-	7,674,477	7,674,477	90,913	150	450	1,000	-
<b>Financial Liabilities</b>											
Payables	0.00%	562,331	-	-	562,331	562,331	562,331	-	-	-	-
Grants payable <sup>(b)</sup>	0.00%	3,274,284	-	-	3,274,284	3,274,284	100,000	174,284	1,500,000	1,500,000	-
		3,836,615	-	-	3,836,615	3,836,615	662,331	174,284	1,500,000	1,500,000	-

(a) The amounts disclosed are the contractual undiscounted cash flows of each class of financial liability at the end of the reporting period

(b) Grant amounts remaining outstanding as at the end of the reporting period are subject to grant agreements with recipients with an average grant period of two years.

Grants payments are generally made progressively over the period.

#### Contingent liabilities and contingent assets

The Heritage Council has no contingent liabilities or contingent assets.

## 5.3 Key Performance Indicators

Heritage Council of Western Australia for the year ended 30 June 2013

### Certification of Key Performance Indicators

We hereby certify that the performance indicators are based on proper records, are relevant and appropriate for assisting users to assess the Heritage Council of Western Australia's performance, and fairly represent the performance of the Heritage Council for the financial year ended 30 June 2013.



**Marion Fulker**  
**Chair**  
**Heritage Council of Western Australia**

6 September 2013



**Anne Arnold**  
**Deputy Chair**  
**Heritage Council of Western Australia**

6 September 2013

## Key Performance Indicators continued

Heritage Council of Western Australia for the year ended 30 June 2013

### Outcomes, Services And Key Performance Information

Government Goal	Desired Outcome	Service
Social and Environmental Responsibility: Ensuring that economic activity is managed in a socially and environmentally responsible manner for the long-term benefit of the State.	Conservation of cultural heritage places in Western Australia, for the benefit of present and future generations.	Cultural heritage conservation services.

#### Relationship to Government Goals

The Heritage Council aims to conserve cultural heritage places in Western Australia for the benefit of present and future generations.

This outcome is aligned to the higher-level Government goal of protecting and enhancing the unique West Australian lifestyle, as well as ensuring sustainable environmental management and supporting outcomes based service delivery.

#### Government Goal

Social and Environmental Responsibility: Ensuring that economic activity is managed in a socially and environmentally responsible manner for the long-term benefit of the State.

#### Desired Outcome

Conservation of cultural heritage places in Western Australia, for the benefit of present and future generations.

#### Service Summary

Expense	2010/11 Actual \$'000	2011/12 Actual \$'000	2012/13 Budget \$'000	2012/13 Actual \$'000	Variance Budget to Actual 2012/13 \$'000	Variance Actual 2011/12 to 2012/13 \$'000	Note
Cultural Heritage Conservation Services	6,942	7,107	8,064	7,008	1,056	99	1, 2

1. Actual expenditure 2012/13 is below budget due to delays in the finalisation of the Goldfields Earthquake Restoration Fund.
2. Actual expenditure 2012/13 is below 2011/12 Actuals due to a decrease in Goldfields Earthquake Restoration Funds committed in 2012/13.

#### Service

#### Cultural heritage conservation services

Cultural heritage conservation services provide by the Heritage Council include:

- establish and maintain a comprehensive heritage register
- provide conservation advice on development referrals and other relevant matters
- develop the role of public authorities in conserving and managing heritage places
- provide financial assistance and other conservation incentives
- provide publications, seminars and other promotional activities.

## Key Performance Indicators continued continued

Heritage Council of Western Australia for the year ended 30 June 2013

### New Key Performance Indicators

In 2012/13, the Heritage Council adopted a new set of key performance indicators to provide a more meaningful measure of the agency's efficiency and effectiveness in the delivery of cultural heritage services. Because of this, comparisons to prior years cannot be provided.

### Key Effectiveness Indicators

The new key effectiveness indicators include:

#### **Extent to which heritage places identified as having potential State significance have been assessed**

This indicator illustrates the success of the Heritage Council in fulfilling a key function – place assessments - over time, within the scope of factors in its control.

#### **Extent to which development approvals issued for registered places are consistent with the Heritage Council of Western Australia's advice to decision-making authorities.**

This indicates the extent to which a key function – development advice – is given affect to by decision-making authorities.

#### **Extent to which grant aid leverages additional investment in conservation projects.**

This indicates the extent to which the grant programs leverage investment in conservation activity.

Key Effectiveness Indicators*	2012/13 Target	2012/13 Actual	Variance Target to Actual 2012/13	Reasons for Significant Variances
Extent to which heritage places identified as having potential State significance have been assessed	75%	75.4%	0.4%	1
Extent to which development approvals issued for registered places are consistent with the Heritage Council of Western Australia's advice to decision-making authorities	100%	99.7%	(0.3%)	2
Extent to which grant aid leverages additional investment in conservation projects	2:1	2.7:1	0.7	3

\*These are the new KPIs, therefore no prior year comparison is available.

1. Represents a minor variation in core activity efficiency.
2. One decision made by a local government authority was inconsistent with Heritage Council advice (demolition of Lynwood Homestead - City of Swan).
3. The leveraging of heritage grant funds was more successful than anticipated due to a number of grant recipients contributing significantly more than the required matching contribution.

## Key Performance Indicators continued continued

Heritage Council of Western Australia for the year ended 30 June 2013

### Key Efficiency Indicators

The new key efficiency indicators include:

#### **Incidence of preliminary reviews proceeding to full assessment but resulting in decisions not to recommend Interim Registration.**

This indicator illustrates a central component of potential wastage in the key Heritage Council process of place assessment.

### Average cost per place of maintaining the heritage register

#### **Average cost of development referrals**

#### **Average cost of administering grants (per grant dollar)**

These indicators illustrate the cost of performing key functions of the maintenance of the State Register, processing of development referrals and management of Grants.

Key Effectiveness Indicators*	2012/13 Target	2012/13 Actual	Variance Budget to Actual 2012/13	Reasons for Significant Variances
Incidence of preliminary reviews proceeding to full assessment but resulting in decisions not to recommend Interim Registration.	6.4%	6.5%	(0.1%)	
Average cost per place of maintaining the heritage register	\$192	\$175	\$17	1
Average cost of development referrals	\$760	\$998	(\$238)	2
Average cost of administering grants (per grant dollar)	11c	23c	(12c)	3

\*These are the new KPIs, therefore no prior year comparison is available.

1. Efficiencies created through new system developments, such as the State Register enquiry self-service via inHerit, has reduced the actual average cost per place of maintaining the heritage register.
2. A lower number but greater complexity of development referrals resulted in a higher average cost per development referral for 2012/13. This trend is expected to continue into 2013/14 with a slight increase due to higher fixed costs.
3. The average cost is impacted by the Goldfields Earthquake Restoration Fund not being finalised in 2012/13.

### Ministerial Directives

The Heritage Council received no Ministerial Directives under section 6(2) of the *Act* in 2012/13.

The Heritage Council received no Ministerial Directives under section 3(2)(b) of the *Act* in 2012/13.

## 5.4 Other Financial Disclosures including Capital Projects and Employees

### Pricing Policies of Services Provided

The Heritage Council charged a fee for goods and services rendered on a full or partial cost-recovery basis for the delivery of the *Introduction to Building Conservation* course. Fees were also charged in 2012/13 for Freedom of Information requests. The fees and charges are determined in accordance with Costing and Pricing Government Services: Guidelines for Use by Agencies in the Western Australian Public Sector published by the Department of Treasury.

### Capital Works

#### Capital Projects Incomplete

The development of a new business system commenced in 2011/12. The system is expected to cost \$1.3million with an expected completion date of April 2014. Costs incurred in relation to this project total \$801,761 as at 30 June 2013. This includes:

- \$160,815 in 2011/12
- \$640,947 in 2012/13.

### Employment and Industrial Relations

The State Heritage Office supports the Heritage Council in carrying out its functions. State Heritage Office staff are employed through the employing authority of the Department of Local Government (DLG) under a Memorandum of Understanding.

State Heritage Office staff are employed under the *Public Service General Agreement 2011*. The following table provides a

breakdown of the categories of staff employment as at 30 June 2013 in comparison with prior years.

#### Staff Profile (as at 30 June 2013)

Year	2013	2012
Total FTE	29	28
Total Head Count	32	31
Perm Head Count	29	24
Contract Head Count	3	7
Part time Head Count	3	7

The average FTE across 2012/13 was 28.5.

### Staff Development

The Heritage Council is committed to the training and development of State Heritage Office employees to enable the achievement of organisational outcomes. Our strategy is to build a highly skilled, professional and fair workforce with the ability to adapt to changing business technology and the environment.

Resources to enable workforce development are detailed in the annual State Heritage Office Business Plan:

- Office wide development initiatives are strategically developed by the Corporate Executive group to ensure agency compliance, best practice and professionalism.
- All staff participate in a formal Individual Development process. In this, staff, in consultation with line managers and in relation to demonstrated performance, drive their own development paths.

## Other Financial Disclosures including Capital Projects and Employees continued

During the financial year, our employees participated in more than 130 training activities, including:

- Ethics and integrity
- Record keeping and information management
- Freedom of Information
- Public Information Disclosure
- Grievance Officer role
- Conflict management
- Procurement practices
- Diversity awareness
- Computer skill development
- Occupational health and safety and first aid
- Finance, including budgeting and accounting
- Administration, including computer skill development
- Social media and digital marketing

A variety of job specific training was also attended by relevant staff relating to:

- Legal (permits and approvals)
- Building conservation
- Place making
- Heritage management and planning
- Electronic document management

Two officers were also provided 'study leave' to support external tertiary studies.

State Heritage Office staff enjoy flexible working arrangements to allow a life balance, including flexible start and finish times, flexidays, job share and part time arrangements and a family friendly workplace.

Staff work to the values of integrity, professionalism, innovation, diversity, respect, collegiality, excellent and service. These values are promoted visually throughout the Office and are considered both in performance development programs and the 'Bright Stars' performance recognition program.

All human resource policies are available to staff through the intranet and are reviewed regularly with staff input.

The current Department of Local Government Workforce and Diversity Plan guides department-wide workforce development. However, differences in the training and development needs specific to the State Heritage Office dilutes the relevance of this plan. In June 2013, the Office secured an intern through the Government Internship Program coordinated by the Public Sector Commission to develop a Workforce Development Plan specifically for the State Heritage Office. This will be progressed and implemented in 2013/14. The future plan will maintain the Council's commitment to providing an inclusive work environment.

### Workers Compensation

The Heritage Council complies with the *Occupational Safety and Health Act 1984*. No compensation claims were recorded during the financial year.

## 5.5 Governance Disclosures

### Enabling Legislation

The *Heritage of Western Australia Act 1990* is the enabling legislation for the Heritage Council of Western Australia.

### Contracts with Senior Officers

#### Requirement under paragraph (14)(iii) and (iv) of the Treasurer's Instruction (TI) 903

At the date of reporting, no senior officers, or firms of which senior officers are members, or entities in which senior officers have substantial interests, had any interests in existing or proposed contracts with the Heritage Council other than normal contracts of employment of service.

### Complaints Handling

As part of a whole-of-government complaints management strategy, the Heritage Council has a complaints management system that conforms to the relevant Australian Standard. One complaint was received and successfully resolved in 2012/13.

### Freedom of Information

In 2012/13, the Heritage Council received four applications under Freedom of Information legislation. Two of these were completed in 2012/13. The remaining two will be completed in early 2013/14.



## 5.6 Other Legal Requirements

### Expenditure on Advertising, Market Research, Polling and Direct Mail

#### Requirement under section 175ZE of the *Electoral Act 1907*

The Heritage Council incurred the following expenditure in advertising, market research, polling, direct mail and media advertising:

Total advertising expenditure for 2012-13 was \$3,646.53

- \$1559.18 was for advertising new registrations
- \$2087.35 was for a public call for nominations for new Heritage Council appointments

Expenditure was incurred in the following areas:

Advertising Agencies	Value
Media Advertising Organisations	Nil
Market Research Organisations	Nil
Polling Organisations	Nil
Direct Mail Organisations	Nil
DPC – Government Gazette Advertisements*	\$1,559.18
Adcorp Australia Limited	\$2,087.35

\* (Statutory Advertising under the *Heritage of Western Australia Act 1990*)

### Disability Access and Inclusion Plan Outcomes

#### Requirement under section 29 of the *Disability Services Act 1993*

The Heritage Council is committed to ensuring that people with disabilities are able to access services, facilities and information

by providing them with the same opportunities, rights and responsibilities enjoyed by others in the community. The Heritage Council aims to achieve this by ensuring that:

People with disabilities have the same opportunities as other people to access services and events by:

- providing opportunities for people with disabilities to comment on access to services and information provided by the Heritage Council
- ensuring that any events organised are accessible to people with disabilities
- incorporating the objectives of the Department of Local Government Disability Access and Inclusion Plan (DAIP) into relevant plans and strategies
- ensuring that our employees, contractors, and agents are aware of the DAIP.

People with disabilities have the same opportunities as other people to access the State Heritage Office and other facilities by ensuring:

- our new office accommodation, Bairds Building, is accessible and includes accessible facilities
- signage is clear and easy to understand.

People with disabilities receive information in a format that will enable them to access the information as readily as other people are able to access it by:

- improving community awareness that information is available in alternative formats upon request

## Other Legal Requirements continued

- ensuring employees' awareness of accessible information needs and how to obtain information in other formats
- committing to making publications as accessible as possible (written in plain English, succinct, publicly available)
- developing a new website that meets the latest W3C Web Content Accessibility guidelines (currently A level).

People with disabilities receive the same level and quality of service from employees as other people by:

- improving and maintaining employee awareness of disability and access issues, and relevant legislation
- improving employee skills to better provide services to people with disabilities
- advancing the awareness of new employees regarding disability and access issues
- increasing employees' knowledge and skills so they can receive complaints from people with a disability.

People with disabilities have the same opportunities as other people to make complaints by ensuring:

- The Heritage Council complaints system, policy and form is accessible for people with disabilities and is available in formats to meet the needs of people with disabilities.

People with disabilities have the same opportunities as other people to participate in any public consultation undertaken by providing:

- Inclusive opportunities for people with disabilities to participate in any public consultation.

The previous Disability Access and Inclusion Plan (DAIP) for the Department of Local Government concluded at the end of 2012, with all initiatives being achieved. Since that time, work was undertaken to develop a new DAIP for the Department. In recognising the differences between the State Heritage Office and the wider Department, the Disability Services Commission has recommended the agency develop a stand-alone DAIP. Based on advice from the Access and Inclusion Team at the Disability Services Commission, the agency will be undertaking activities in order to establish a new DAIP in 2013/14. This document will be produced within one year, and any initiatives achieved will be reported in our 2013/14 Annual Report, as well as the Disability Access and Inclusion Plan (DAIP) Progress Report for the same period.

### Compliance with Public Sector Standards and Ethical Codes

#### **Requirement under section 31(1) *Public Sector Management Act 1994***

The Heritage Council and State Heritage Office, together with the wider Department of Local Government, work to the Public Sector Accountability, Integrity and Ethics Framework. Together we ensure compliance with the:

- WA Public Sector Code of Ethics and Code of Conduct
- Public Sector Standards in Human Resources Management
- Part IX of the *Equal Opportunity Act 1984*

## Other Legal Requirements continued

State Heritage Office staff are employed under the employing authority of the Department of Local Government and have therefore adopted the Department's policies and formal guidelines that support the application of:

- Department's Code of Conduct
- Conflict of Interest Policy

The Heritage Council has its own Code of Conduct for all members of the Council. Where members may have a conflict of interest or potential conflict of interest in items before Council, members must declare that conflict of interest or potential conflict of interest to the Chair and be excused from attendance, where determined, on those particular items.

### Actions to Ensure Compliance

Managers and staff are informed of, and required to comply with, the Public Sector Standards in Human Resource Management. Actions to monitor and ensure compliance with public sector standards include:

- recruitment Selection and Appointment Standard is followed during any recruitment process
- an open and competitive process exists for acting and secondment positions
- an individual performance development process is in place to ensure there are current performance management processes in place for all employees

- staff are advised of, and encouraged to report non-compliance to, the Public Information Disclosure (PID) Officer.

The following actions have been taken to ensure that all staff are aware of the Code of Ethics, including accountability, ethical decision-making, procurement guidelines and managing potential conflict of interest issues.

- All staff are made aware of the conduct standards expected within the public sector, the wider Department and specifically the State Heritage Office, during induction. The staff induction program also includes policies, guidelines on conflicts of interest (including declaration of secondary employment), and links to State Supply Commission purchasing guidelines. A checklist signed by all new staff ensures awareness of these compliance requirements.
- All relevant policies and procedures, as well as hyperlinks to other relevant policies or instructions, are available to all staff via the intranet.
- Each monthly staff meeting has a standing agenda item to put the spotlight on an element of the legislative framework, compliance instruments and devices and processes for reporting breaches.
- Contacts for officers, such as the PID Officer or Grievance Officer, are posted in common areas within the agency.
- Staff are trained to relevant degrees, depending on their compliance requirements.

## Other Legal Requirements continued

- Compulsory staff training activities include:
  - Public Sector Introduction (for staff new to the sector)
  - Procurement Awareness, conducted by the Department of Finance
  - Diversity Training, as provided by the Office of Multicultural Interests
  - Record keeping
- Specific staff receive higher level training in:
  - Contact Officer Role and Grievance Officer role
  - Equal Employment Opportunity
  - Public Information Disclosure Officer role
  - Complaints handling

### Evidence of Compliance in 2012/13

Compliance issues that arose during 2012/13 regarding public sector standards	There were no breach claims lodged in 2012/13
Compliance issues that arose during 2012/13 regarding Code of Ethics	There were no reports on non-compliance in 2012/13
Compliance with own agency Code of Conduct	There were no breaches of the Code of Conduct in 2012/13

### Record Keeping Plans

#### Requirement under section 19 *State Records Act 2000* and Standard 2, Principle 6 of State Records Commission Standards

#### Records Management Framework

With a high percentage of archival records, the Heritage Council is committed to continuously improving record keeping practices consistent with the *State Records Act 2000* and aims for best practice record keeping.

In accordance with section 28 of the *State Records Act 2000*, the Heritage Council must have a record keeping plan that has been approved by the State Records Commission under section 23 of the *Act*. The Heritage Council Record Keeping Plan 2013/2018 and associated Retention and Disposal Schedule were submitted to the State Records Office in late 2012 and the Record Keeping Plan was approved in early 2013. The Heritage Council will work with the State Records Office to finalise the new Retention and Disposal Schedule in late 2013, as it progresses on the path towards electronic document management, due to be implemented in 2013/14.

## Other Legal Requirements continued

### Storage and Disposal

The Heritage Council ensures safe storage of all files, both within the agency and through an off-site storage facility, for the duration of their retention.

Regular file audits indicate the efficiency and effectiveness of the record keeping training program and systems.

A regular disposal program is undertaken, in accordance with the Retention and Disposal schedule.

### Induction and Training

The agency has a dedicated Records Officer who conducts regular training of staff in their record keeping responsibilities, provides guidance on record keeping practices and standards, maintains standard operating procedures and process documentation, and reports on record keeping at monthly staff forums.

The induction program addresses staff roles and responsibilities in regard to compliance with the Record Keeping Plan. In 2012/13, an online record keeping training system was introduced to ensure consistency and compliance in record keeping for both new and existing staff. Results of the compulsory assessment at the end of the training are reviewed to ensure key messages have been understood.

## 5.7 Government Policy Requirements

### Substantive Equality

With the Department of Local Government (DLG), the Heritage Council and State Heritage Office embrace the principles of Substantive Equality, the public sector's program for the prevention of systemic indirect forms of discrimination in service delivery to Indigenous and ethnic minority groups.

The Heritage Council and State Heritage Office are committed to providing practices and work place cultures to ensure all community members can fully participate in the services provided by the agency. Efforts to achieve this include:

- All staff are required to complete the Office of Multicultural Interest Diversity Training Program.
- All staff are educated on the WA Language Services Policy 2008 and agency specific guidelines.

### Occupational Safety, Health and Injury Management

#### **Requirement under Public Sector Commissioners Circular 2012-05: Code of Practice: Occupational Safety and Health in the Western Australian Public Sector.**

The Heritage Council works within the Occupational Safety and Health (OSH) framework of the DLG. The OSH policy statement is "the Department of Local Government is committed to providing and maintaining a safe and healthy working environment for its employees within the legislative framework of the *Occupational Safety and Health (OSH) Act 1984* and other associated legislation, including the Code of Practice for Occupational Safety and Health in the Western Australian Public Sector."

The Heritage Council has demonstrated commitment to occupational safety and health and injury management and ensures this activity is properly resourced. To ensure a formal mechanism for reporting, an Occupational Health and Safety Report is a standing agenda item in State Heritage Office Corporate Executive meetings.

Staff are informed of the health and safety expectations within the agency in the first stage of all inductions, which includes a requirement to read the Emergency Management Plan which is located on each floor. Staff are encouraged to report health and safety concerns immediately to managers and issues relating to health and safety are discussed in monthly all-of-staff forums.

In 2013, a review was conducted of the agency's Occupational Safety, Health and Injury Management framework. In recognition of the variance between the State Heritage Office and the wider Department, such as separate office accommodation, a State Heritage officer was elected as the agency's Occupational Safety and Health Representative, and was fully trained in this role.

The agency is now represented on the DLG Workplace Health and Safety Committee by this officer. This committee, comprised of representatives across the broader Department, meets quarterly to review policies and procedures, discuss incidents, accidents or issues, and champions new health and safety initiatives. The State Heritage Office OSH Officer conducts monthly workplace inspections and reports these to the OSH Committee.

## Government Policy Requirements continued

### Other activities conducted in 2012/13 to ensure a safe and healthy work environment were:

- 83% of managers trained in Occupational Safety and Health
- first aid training courses offered to staff and a first aid officer nominated
- floor wardens trained and fire drills carried out
- two staff trained to conduct basic ergonomic assessments
- professional ergonomic assessments provided where required, and recommended equipment purchased
- induction material provided to all new and existing staff members was reviewed, including a section on occupational safety and health policies and procedures
- influenza injections provided
- glasses subsidies provided.

The Heritage Council provides State Heritage Office employees with access to a confidential Employee Assistance Program, which provides independent professional counselling services for staff and families.

The agency also provides wellness initiatives, such as the provision of items such as sunscreen, hand sanitiser and tissues. Staff are encouraged to provide feedback on valued and potential new wellness initiatives.

The Heritage Council complies with the Department of Local Government's Injury Management Policy and is committed to providing injury management support to all State Heritage Office employees who sustain a work related injury or illness, and to assist in their safe and early return to meaningful work, in accordance with the *Worker's Compensation and Injury Management Act 1981*.

No workers' compensation claims arose during the year.

### Report against performance targets

Indicator	Target 2012/13	Actual 2012/13
Number of fatalities	Zero (0)	0
Lost time injury/diseases (LTI/D) incidence rate	Zero (0) or 10% reduction on previous year	0
Lost time injury severity rate	Zero (0) or 10% improvement on previous year	0
Percentage of injured workers returned to work within 28 weeks	N/A	N/A
Percentage of managers trained in occupational safety, health and injury management responsibilities	50%	83%