

## CERTIFICATION OF FINANCIAL STATEMENTS

## Certification of Financial Statements

For the year ended 30 June 2017

The accompanying financial statements of the Office of the Government Chief Information Officer have been prepared in compliance with the provisions of the *Financial Management Act 2006* from proper accounts and records to present fairly the financial transactions for the reporting period ended 30 June 2017 and the financial position as at 30 June 2017.

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.



Giles Nunis  
Chief Executive and  
Government Chief  
Information Officer  
10 August 2017



Dominick Geraghty  
Chief Finance Officer  
10 August 2017

## AUDIT OPINION



Auditor General

## INDEPENDENT AUDITOR'S REPORT

To the Parliament of Western Australia

## OFFICE OF THE GOVERNMENT CHIEF INFORMATION OFFICER

## Report on the Financial Statements

**Opinion**

I have audited the financial statements of the Office of the Government Chief Information Officer which comprise the Statement of Financial Position as at 30 June 2017, the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows, Schedule of Income and Expenses by Service, Schedule of Assets and Liabilities by Service, and Summary of Consolidated Account Appropriations and Income Estimates for the year then ended, and Notes comprising a summary of significant accounting policies and other explanatory information, including Administered transactions and balances.

In my opinion, the financial statements are based on proper accounts and present fairly, in all material respects, the operating results and cash flows of the Office of the Government Chief Information Officer for the year ended 30 June 2017 and the financial position at the end of that period. They are in accordance with Australian Accounting Standards, the *Financial Management Act 2006* and the Treasurer's Instructions.

**Basis for Opinion**

I conducted my audit in accordance with the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Office in accordance with the *Auditor General Act 2006* and the relevant ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial statements. I have also fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

**Responsibility of the Government Chief Information Officer for the Financial Statements**

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

In preparing the financial statements, the Government Chief Information Officer is responsible for assessing the agency's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Western Australian Government has made policy or funding decisions affecting the continued existence of the Office.

**Auditor's Responsibility for the Audit of the Financial Statements**

As required by the *Auditor General Act 2006*, my responsibility is to express an opinion on the financial statements. The objectives of my audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the agency's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Government Chief Information Officer.
- Conclude on the appropriateness of the Government Chief Information Officer's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the agency's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Government Chief Information Officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

**Report on Controls****Opinion**

I have undertaken a reasonable assurance engagement on the design and implementation of controls exercised by the Office of the Government Chief Information Officer. The controls exercised by the Office are those policies and procedures established by the Government Chief Information Officer to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions (the overall control objectives).

My opinion has been formed on the basis of the matters outlined in this report.

In my opinion, in all material respects, the controls exercised by the Office of the Government Chief Information Officer 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 2017.



## AUDIT OPINION

**The Government Chief Information Officer's Responsibilities**

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

**Auditor General's Responsibilities**

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

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

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

**Limitations of Controls**

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

**Report on the Key Performance Indicators****Opinion**

I have undertaken a reasonable assurance engagement on the key performance indicators of the Office of the Government Chief Information Officer for the year ended 30 June 2017. The key performance indicators are the key effectiveness indicators and the key efficiency indicators that provide performance information about achieving outcomes and delivering services.

In my opinion, in all material respects, the key performance indicators of the Office of the Government Chief Information Officer are relevant and appropriate to assist users to assess the Office's performance and fairly represent indicated performance for the year ended 30 June 2017.

**The Government Chief Information Officer's Responsibility for the Key Performance Indicators**

The Government Chief Information Officer is responsible for the preparation and fair presentation of the key performance indicators in accordance with the *Financial Management Act 2006* and the Treasurer's Instructions and for such internal control as the Government Chief Information Officer determines necessary to enable the preparation of key performance indicators that are free from material misstatement, whether due to fraud or error.

In preparing the key performance indicators, the Government Chief Information Officer is responsible for identifying key performance indicators that are relevant and appropriate having regard to their purpose in accordance with Treasurer's Instruction 904 *Key Performance Indicators*.

**Auditor General's Responsibility**

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

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

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

**My Independence and Quality Control Relating to the Reports on Controls and Key Performance Indicators**

I have complied with the independence requirements of the *Auditor General Act 2006* and the relevant ethical requirements relating to assurance engagements. In accordance with ASQC 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, and Other Assurance Engagements*, the Office of the Auditor General maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

**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 Office of the Government Chief Information Officer for the year ended 30 June 2017 included on the Office's website. The Office's management is responsible for the integrity of the Office's website. This audit does not provide assurance on the integrity of the Office'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.

  
COLIN MURPHY  
AUDITOR GENERAL  
FOR WESTERN AUSTRALIA  
Perth, Western Australia  
11 August 2017

## STATEMENT OF COMPREHENSIVE INCOME For the year ended 30 June 2017

	Note	2017 \$000	2016 \$000
<b>COST OF SERVICES</b>			
<b>Expenses</b>			
Employee benefits expense	<a href="#">7</a>	4,408	2,722
Supplies and services	<a href="#">8</a>	4,246	1,444
Accommodation expenses	<a href="#">9</a>	313	199
Grants and subsidies	<a href="#">10</a>	369	15
Other expenses	<a href="#">11</a>	94	13
<b>Total cost of services</b>		<b>9,430</b>	<b>4,393</b>
<b>Income</b>			
<i>Revenue</i>	<a href="#">12</a>		
Grants and subsidies		4,030	205
Other revenue		15	83
<b>Total Revenue</b>		<b>4,045</b>	<b>288</b>
<b>Total income other than income from State Government</b>		<b>4,045</b>	<b>288</b>
<b>NET COST OF SERVICES</b>		<b>(5,385)</b>	<b>(4,105)</b>
<b>Income from State Government</b>	<a href="#">13</a>		
Service appropriation		7,413	3,370
Services received free of charge		111	36
<b>Total income from State Government</b>		<b>7,524</b>	<b>3,406</b>
<b>SURPLUS/(DEFICIT) FOR THE PERIOD</b>		<b>2,139</b>	<b>(699)</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>2,139</b>	<b>(699)</b>

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

## STATEMENT OF FINANCIAL POSITION As at 30 June 2017

	Note	2017 \$000	2016 \$000
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	<a href="#">19</a>	5,177	581
Receivables	<a href="#">14</a>	206	134
<b>Total Current Assets</b>		<b>5,383</b>	<b>715</b>
<b>Non-Current Assets</b>			
<b>Total Non-Current Assets</b>		<b>–</b>	<b>–</b>
<b>TOTAL ASSETS</b>		<b>5,383</b>	<b>715</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Payables	<a href="#">15</a>	1,209	872
Other current liabilities	<a href="#">16</a>	1,746	–
Provisions	<a href="#">17</a>	844	509
<b>Total Current Liabilities</b>		<b>3,799</b>	<b>1,381</b>
<b>Non-Current Liabilities</b>			
Provisions	<a href="#">17</a>	144	33
<b>Total Non-Current Liabilities</b>		<b>144</b>	<b>33</b>
<b>TOTAL LIABILITIES</b>		<b>3,943</b>	<b>1,414</b>
<b>NET ASSETS</b>		<b>1,440</b>	<b>(699)</b>
<b>EQUITY</b>			
Contributed equity	<a href="#">18</a>	–	–
Accumulated surplus/(deficit)		1,440	(699)
<b>TOTAL EQUITY/(EQUITY DEFICIT)</b>		<b>1,440</b>	<b>(699)</b>

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

## STATEMENT OF CHANGES IN EQUITY For the year ended 30 June 2017

	Note	Contributed equity \$000	Accumulated surplus/(deficit) \$000	Total equity/ (Equity deficit) \$000
<b>Balance at 1 July 2015</b>	<a href="#">18</a>	–	–	–
Total comprehensive income for the period		–	(699)	(699)
<b>Balance at 30 June 2016</b>		–	<b>(699)</b>	<b>(699)</b>
<b>Balance at 1 July 2016</b>		–	(699)	(699)
Total comprehensive income for the period		–	2,139	2,139
<b>Balance at 30 June 2017</b>		–	<b>1,440</b>	<b>1,440</b>

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

## STATEMENT OF CASH FLOWS For the year ended 30 June 2017

	Note	2017 \$000	2016 \$000
<b>CASH FLOWS FROM STATE GOVERNMENT</b>			
Service appropriation <sup>(a)</sup>		9,159	3,370
<b>Net cash provided by State Government</b>		<b>9,159</b>	<b>3,370</b>
Utilised as follows:			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Payments</b>			
Employee benefits		(3,862)	(1,975)
Supplies and services		(3,945)	(819)
Accommodation		(313)	(200)
Grants and subsidies		(369)	–
GST payments on purchases		(453)	(103)
Other payments		(58)	(11)
<b>Receipts</b>			
Grants and contributions		4,030	205
GST receipts on sales		7	3
GST receipts from taxation authority		330	82
Other receipts		70	28
<b>Net cash provided by/(used in) operating activities</b>	<u>19</u>	<b>(4,563)</b>	<b>(2,789)</b>
Net increase/(decrease) in cash and cash equivalents		4,596	581
Cash and cash equivalents at the beginning of the period		581	–
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<u>19</u>	<b>5,177</b>	<b>581</b>

(a) The Service Appropriation includes an amount of \$1.746 million that relates to the reflow of Innovation Fund appropriation received from Treasury in 2016-17 to be repaid in 2017-18 and reallocated to the Department of Jobs, Tourism, Science and Innovation.

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



## SCHEDULE OF INCOME AND EXPENSES BY SERVICE For the year ended 30 June 2017

	Service 1		Service 2		Total	
	2017 \$000	2016 \$000	2017 \$000	2016 \$000	2017 \$000	2016 \$000
<b>COST OF SERVICES</b>						
<u>Expenses</u>						
Employee benefits expense	3,594	2,722	814	–	4,408	2,722
Supplies and services	3,280	1,444	966	–	4,246	1,444
Accommodation expenses	249	199	64	–	313	199
Grants and subsidies	–	15	369	–	369	15
Other expenses	79	13	15	–	94	13
<b>Total cost of services</b>	<b>7,202</b>	<b>4,393</b>	<b>2,228</b>	<b>–</b>	<b>9,430</b>	<b>4,393</b>
<u>Income</u>						
Grants and subsidies	4,030	205	–	–	4,030	205
Other revenue	13	83	2	–	15	83
<b>Total income other than income from State Government</b>	<b>4,043</b>	<b>288</b>	<b>2</b>	<b>–</b>	<b>4,045</b>	<b>288</b>
<b>NET COST OF SERVICES</b>	<b>(3,159)</b>	<b>(4,105)</b>	<b>(2,226)</b>	<b>–</b>	<b>(5,385)</b>	<b>(4,105)</b>
<b>Income from State Government</b>						
Service appropriation	3,077	3,370	4,336	–	7,413	3,370
Resources received free of charge	111	36	–	–	111	36
<b>Total income from State Government</b>	<b>3,188</b>	<b>3,406</b>	<b>4,336</b>	<b>–</b>	<b>7,524</b>	<b>3,406</b>
<b>SURPLUS/(DEFICIT) FOR THE PERIOD</b>	<b>29</b>	<b>(699)</b>	<b>2,110</b>	<b>–</b>	<b>2,139</b>	<b>(699)</b>

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

Service 1: Establishment of a Platform for the Delivery of Better Government Services through Efficient Development of ICT Strategy, Policies and Solutions

Service 2: Establishment of a \$20 million innovation package to grow the WA innovation ecosystem and innovation activity through the delivery of programs, services and events



## SCHEDULE OF ASSETS AND LIABILITIES BY SERVICE For the year ended 30 June 2017

	Service 1		Service 2		Total	
	2017	2016	2017	2016	2017	2016
	\$000	\$000	\$000	\$000	\$000	\$000
<u>Assets</u>						
Current assets	2,565	715	2,818	–	5,383	715
Non-current assets	–	–	–	–	–	–
<b>Total Assets</b>	<b>2,565</b>	<b>715</b>	<b>2,818</b>	<b>–</b>	<b>5,383</b>	<b>715</b>
<u>Liabilities</u>						
Current liabilities	1,977	1,381	1,822	–	3,799	1,381
Non-current liabilities	140	33	4	–	144	33
<b>Total Liabilities</b>	<b>2,117</b>	<b>1,414</b>	<b>1,826</b>	<b>–</b>	<b>3,943</b>	<b>1,414</b>
<b>NET ASSETS</b>	<b>448</b>	<b>(699)</b>	<b>992</b>	<b>–</b>	<b>1,440</b>	<b>(699)</b>

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

Service 1: Establishment of a Platform for the Delivery of Better Government Services through Efficient Development of ICT Strategy, Policies and Solutions

Service 2: Establishment of a \$20 million innovation package to grow the WA innovation ecosystem and innovation activity through the delivery of programs, services and events

## SUMMARY OF CONSOLIDATED ACCOUNT APPROPRIATIONS AND INCOME ESTIMATES For the year ended 30 June 2017

	2017 Estimate \$000	2017 Actual \$000	Variance \$000	2017 Actual \$000	2016 Actual \$000	Variance \$000
<u>Delivery of Services</u>						
Item 71 Net amount appropriated to deliver services	3,387	7,413	4,026	7,413	3,370	4,043
<b>Total appropriations provided to deliver services</b>	<b>3,387</b>	<b>7,413</b>	<b>4,026</b>	<b>7,413</b>	<b>3,370</b>	<b>4,043</b>
<u>Administered Transactions</u>						
Item 72 Amount provided for Administered grants, subsidies and other transfer payments	5,632	5,632	–	5,632	5,429	203
<b>Total administered transactions</b>	<b>5,632</b>	<b>5,632</b>	<b>–</b>	<b>5,632</b>	<b>5,429</b>	<b>203</b>
<b>GRAND TOTAL</b>	<b>9,019</b>	<b>13,045</b>	<b>4,026</b>	<b>13,045</b>	<b>8,799</b>	<b>4,246</b>
<u>Details of Expenses by Service</u>						
Establishment of a platform for the delivery of better government services through efficient development of Information and Communications Technology (ICT) strategy, policies and solutions	4,662	9,430	4,768	9,430	4,393	5,037
Total Cost of Services	4,662	9,430	4,768	9,430	4,393	5,037
Less Total Income	(1,275)	(4,045)	(2,770)	(4,045)	(288)	(3,757)
Net Cost of Services	3,387	5,385	1,998	5,385	4,105	1,280
Adjustments	-	2,028	2,028	2,028	(735)	2,763
<b>Total appropriations provided to deliver services</b>	<b>3,387</b>	<b>7,413</b>	<b>4,026</b>	<b>7,413</b>	<b>3,370</b>	<b>4,043</b>
<u>Details of Income Estimates</u>						
Income disclosed as Administered Income	5,632	5,632	–	5,632	5,429	203
<b>Total income estimates</b>	<b>5,632</b>	<b>5,632</b>	<b>–</b>	<b>5,632</b>	<b>5,429</b>	<b>203</b>

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

Note 26 'Explanatory statement' and Note 30 'Explanatory statement for Administered Items — Income and Expenses' provide details of any significant variations between estimates and actual results for 2017 and between the actual results for 2017 and 2016.

## NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2017

## Note 1. Australian Accounting Standards

### General

The sub-department's financial statements for the year ended 30 June 2017 have been prepared in accordance with Australian Accounting Standards. The term 'Australian Accounting Standards' includes Standards and Interpretations issued by the Australian Accounting Standards Board (AASB).

The sub-department has adopted any applicable new and revised Australian Accounting Standards from their operative dates.

### Early adoption of standards

The sub-department 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 any Australian Accounting Standards that have been issued or amended (but not operative) by the sub-department for the annual reporting period ended 30 June 2017.

## Note 2. Summary of significant accounting policies

### (a) General statement

The sub-department 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 2006* 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 and all values are rounded to the nearest thousand dollars (\$'000).

Note 4 'Judgements made by management in applying accounting policies' discloses judgements that have been made in the process of applying the sub-department's accounting policies resulting in the most significant effect on amounts recognised in the financial statements.

Note 5 'Key sources of estimation uncertainty' discloses key assumptions made concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

### (c) Reporting entity

The reporting entity is the Office of the Government Chief Information Officer.

### Mission

We connect people, processes and technology to empower individuals to deliver better outcomes for government and citizens. We do this by collaborating with government agencies and

## NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2017

industry to stabilise costs, increase value-for-money and minimise risk in Information and Communications Technology (ICT) delivery.

### Services

The sub-department provides the following services:

*Service 1: Establishment of a Platform for the Delivery of Better Government Services through Efficient Development of Information and Communications Technology (ICT) Strategy, Policies and Solutions.*

*Service 2: Establishment of a \$20 million innovation package to grow the WA innovation ecosystem and innovation activity through the delivery of programs, services and events.*

The sub-department administers assets, liabilities, income and expenses on behalf of government which are not controlled by, nor integral, to the function of the sub-department. These administered balances and transactions are not recognised in the principal financial statements of the sub-department but schedules are prepared using the same basis as the financial statements and are presented at Note 30 'Explanatory statement for Administered Items – Income and Expenses' and Note 31 'Administered assets and liabilities'.

Note that no breakup of administered activity by services has been provided as this activity solely relates to Service 1.

### **(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.

The transfers of net assets to/from other agencies, other than as a result of a restructure of administrative arrangements, are designated as contributions by owners where the transfers are non-discretionary and non-reciprocal.

### **(e) Income**

#### Revenue recognition

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

#### *Service Appropriations*

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

control of appropriated funds at the time those funds are deposited to the bank account.

#### *Net Appropriation Determination*

The Treasurer may make a determination providing for a prescribed receipt to be retained for services under control of the sub-department. In accordance with the most recent determination, as quantified in the 2016-17 Budget Statements, the sub-department retained \$4.045 million (\$0.288 million in 2016) from the following:

- Grants and subsidies
- Other revenue

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

Revenue is recognised at fair value when the sub-department obtains control over the assets comprising the contributions, usually when cash is received.

### **(f) Leases**

The sub-department has entered into an operating lease arrangement for the rent of the office building where the lessor effectively retains the entire risks and benefits incidental to ownership of the items held under the operating lease.

Operating leases are expensed on a straight line basis over the lease term as this represents the pattern of benefits derived from the leased properties.



## NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2017

**(g) Financial instruments**

In addition to cash, the sub-department has two categories of financial instruments:

- Receivables
- Financial liabilities measured at amortised cost.

Financial instruments have been disaggregated into the following classes:

- Financial Assets
  - Cash and cash equivalents
  - Receivables
- Financial Liabilities
  - Payables
  - Other current liabilities

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.

**(h) Cash and cash equivalents**

For the purpose of the Statement of Cash Flows, cash and cash equivalent assets comprise cash on hand and short-term deposits with original maturities of three months or less that are readily convertible to a known amount of cash and which are subject to insignificant risk of changes in value.

**(i) Accrued salaries**

Accrued salaries (see Note 15 'Payables') represent the amount due to staff but unpaid at the end of the reporting period. Accrued salaries are settled within a fortnight of reporting period end. The sub-department considers the carrying amount of accrued salaries to be equivalent to its fair value.

**(j) Receivables**

Receivables are recognised at 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 sub-department will not be able to collect the debts. The carrying amount is equivalent to fair value as it is due for settlement within 30 days.

**(k) Payables**

Payables are recognised at the amounts payable when the sub-department becomes obliged to make future payments as a result of a purchase of assets or services. The carrying amount is equivalent to fair value, as settlement is generally within 30 days.

**(l) Borrowings**

All loans payable are initially recognised at

fair value, being the net proceeds received. Subsequent measurement is at amortised cost using the effective interest rate method.

**(m) Provisions**

Provisions are liabilities of uncertain timing or amount and are recognised where there is a present legal 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*

Annual leave is not expected to be settled wholly within 12 months after the end of the reporting period and is therefore considered to be 'other long-term employee benefits'. The annual leave liability 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

## NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2017

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 sub-department does not have an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

#### *Long service leave*

Long service leave is not expected to be settled wholly within 12 months after the end of the reporting period and is therefore 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 sub-department does not have an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period. Pre-conditional and conditional long service leave provisions are classified as non-current liabilities because the sub-department 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 fund providers administer public sector superannuation arrangements in Western Australia in accordance with legislative requirements. Eligibility criteria for membership in particular schemes for public sector employees vary 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.

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 have been able to choose their preferred superannuation fund provider. The sub-department makes contributions to GESB or other fund providers on behalf of employees in compliance with the Commonwealth Government's *Superannuation Guarantee (Administration) Act 1992*. Contributions to these accumulation schemes extinguish the sub-department's liability for superannuation charges in respect of employees who are not members of the Pension Scheme or GSS.

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 sub-department to GESB extinguishes the agency's obligations to the related superannuation liability.

The sub-department has no liabilities under the Pension Scheme or the GSS. The liabilities for the unfunded Pension Scheme and the

## NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2017

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 sub-department to the GESB.

The GESB makes all benefit payments in respect of the Pension Scheme and GSS, and is recouped from 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 sub-department's 'Employee benefits expense'. The related liability is included in 'Employment on-costs provision'.

#### **(n) Superannuation expense**

Superannuation expense is recognised in the profit or loss of the Statement of Comprehensive Income and comprises employer contributions paid to the GSS (concurrent contributions), the WSS, the GESBS, or other superannuation funds. The employer contribution paid to the GESB in respect of the GSS is paid back into the Consolidated Account by the GESB.

#### **(o) Assets and services received free of charge or for nominal cost**

Assets or services received free of charge or for nominal cost that the sub-department would otherwise purchase if not donated, are recognised as income at the fair value of the assets or services where they can be reliably measured. 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.

#### **Note 3. Comparative figures**

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

#### **Note 4. 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 sub-department evaluates these judgements regularly.

#### **Operating lease commitments**

The sub-department has entered into a lease for office accommodation. This 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, this lease has been classified as operating lease.

#### **Note 5. 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 a material adjustment to the carrying amount of assets and liabilities within the next reporting period.

#### **Long service leave**

Several estimations and assumptions used in calculating the sub-department'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 amounts of the long service leave provision.

## NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2017

**Note 6. Disclosure of changes in accounting policy and estimates****Initial application of an Australian Accounting Standard**

The sub-department has applied the following Australian Accounting Standards effective, or adopted, for annual reporting periods beginning on or after 1 July 2016 that impacted on the sub-department.

*AASB 1057 Application of Australian Accounting Standards*

This Standard lists the application paragraphs for each other Standard (and Interpretation), grouped where they are the same. There is no financial impact.

*AASB 2014-3 Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations [AASB 1 & 11]*

The sub-department establishes Joint Operations in pursuit of its objectives and does not routinely acquire interests in Joint Operations. Therefore, there is no financial impact on application of the Standard.

*AASB 2014-4 Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation [AASB 116 & 138]*

The adoption of this Standard has no financial impact for the sub-department as depreciation and amortisation is not determined by reference to revenue generation, but by reference to consumption of future economic benefits.

*AASB 2014-9 Amendments to Australian Accounting Standards – Equity Method in Separate Financial Statements [AASB 1, 127 & 128]*

This Standard amends AASB 127, and consequentially amends AASB 1 and AASB 128, to allow entities to use the equity method of accounting for investments in subsidiaries, joint ventures and associates in their separate financial statements. As the sub-department has no joint ventures and associates, the application of the Standard has no financial impact.

*AASB 2015-1 Amendments to Australian Accounting Standards - Annual Improvements to Australian Accounting Standards 2012-2014 Cycle [AASB 1, 2, 3, 5, 7, 11, 110, 119, 121, 133, 134, 137 & 140]*

These amendments arise from the issuance of International Financial Reporting Standard Annual Improvements to IFRSs 2012-2014 Cycle in September 2014, and editorial corrections. The sub-department has determined that the application of the Standard has no financial impact.



## NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2017

*AASB 2015-2 Amendments to Australian Accounting Standards - Disclosure Initiative: Amendments to AASB 101 [AASB 7, 101, 134 & 1049]*

This Standard amends AASB 101 to provide clarification regarding the disclosure requirements in AASB 101. Specifically, the Standard proposes narrow-focus amendments to address some of the concerns expressed about existing presentation and disclosure requirements and to ensure entities are able to use judgement when applying a Standard in determining what information to disclose in their financial statements. There is no financial impact.

*AASB 2015-6 Amendments to Australian Accounting Standards - Extending Related Party Disclosures to Not-for-Profit Public Sector Entities [AASB 10, 124 & 1049]*

The amendments extend the scope of AASB 124 to include application by not-for-profit public sector entities. Implementation guidance is included to assist application of the Standard by not-for-profit public sector entities. There is no financial impact.

*AASB 2015-10 Amendments to Australian Accounting Standards - Effective Date of Amendments to AASB 10 & 128*

This Standard defers the mandatory effective date (application date) of amendments to AASB 10 & AASB 128 that were originally made in AASB 2014-10 so that the amendments are required to be applied for annual reporting periods beginning on or after 1 January 2018 instead of 1 January 2016. There is no financial impact.

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

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

## NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2017

		<b>Operative for reporting periods beginning on/after</b>
<i>AASB 9</i>	<p><i>Financial Instruments</i></p> <p>This Standard supersedes AASB 139 <i>Financial Instruments: Recognition and Measurement</i>, introducing a number of changes to accounting treatments.</p> <p>The mandatory application date of this Standard is currently 1 January 2018 after being amended by AASB 2012-6, AASB 2013-9 and AASB 2014-1 <i>Amendments to Australian Accounting Standards</i>. The sub-department has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2018
<i>AASB 15</i>	<p><i>Revenue from Contracts with Customers</i></p> <p>This Standard establishes the principles that the sub-department shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer.</p> <p>The sub-department's income is principally derived from appropriations which will be measured under AASB 1058 Income of Not-for-Profit Entities and will be unaffected by this change. However, the sub-department has not yet determined the potential impact of the Standard on 'User charges and fees' and 'Sales' revenues. In broad terms, it is anticipated that the terms and conditions attached to these revenues will defer revenue recognition until the sub-department has discharged its performance obligations.</p>	1 Jan 2019
<i>AASB 16</i>	<p><i>Leases</i></p> <p>This Standard introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value.</p> <p>Whilst the impact of AASB 16 has not yet been quantified, the entity currently has operating lease commitments for \$568,577.</p>	1 Jan 2019

## NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2017

	<b>Operative for reporting periods beginning on/after</b>
<p><i>AASB 1058 Income of Not-for-Profit Entities</i></p> <p>This Standard clarifies and simplifies the income recognition requirements that apply to not-for-profit (NFP) entities, more closely reflecting the economic reality of NFP entity transactions that are not contracts with customers. Timing of income recognition is dependent on whether such a transaction gives rise to a liability, a performance obligation (a promise to transfer a good or service), or, an obligation to acquire an asset.</p> <p>The sub-department has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2019
<p><i>AASB 2010-7 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></p> <p>This Standard makes consequential amendments to other Australian Accounting Standards and Interpretations as a result of issuing AASB 9 in December 2010.</p> <p>The mandatory application date of this Standard has been amended by AASB 2012-6 and AASB 2014-1 to 1 January 2018. The sub-department has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2018
<p><i>AASB 2014-1 Amendments to Australian Accounting Standards</i></p> <p>Part E of this Standard makes amendments to AASB 9 and consequential amendments to other Standards. It has not yet been assessed by the sub-department to determine the application or potential impact of the Standard.</p>	1 Jan 2018
<p><i>AASB 2014-5 Amendments to Australian Accounting Standards arising from AASB 15</i></p> <p>This Standard gives effect to consequential amendments to Australian Accounting Standards (including Interpretations) arising from the issuance of AASB 15. The mandatory application date of this Standard has been amended by AASB 2015-8 to 1 January 2018. The sub-department has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2018
<p><i>AASB 2014-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2014)</i></p> <p>This Standard gives effect to the consequential amendments to Australian Accounting Standards (including Interpretations) arising from the issuance of AASB 9 (December 2014). The sub-department has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2018

## NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2017

	<b>Operative for reporting periods beginning on/after</b>
<p><i>AASB 2014-10 Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture [AASB 10 &amp; 128]</i></p> <p>This Standard amends AASB 10 and AASB 128 to address an inconsistency between the requirements in AASB 10 and those in AASB 128 (August 2011), in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The mandatory effective date (application date) for the Standard has been deferred to 1 Jan 2018 by AASB 2015-10. The sub-department has determined that the Standard has no financial impact.</p>	1 Jan 2018
<p><i>AASB 2015-8 Amendments to Australian Accounting Standards – Effective Date of AASB 15</i></p> <p>This Standard amends the mandatory effective date (application date) of AASB 15 <i>Revenue from Contracts with Customers</i> so that AASB 15 is required to be applied for annual reporting periods beginning on or after 1 January 2018 instead of 1 January 2017. For Not-For-Profit entities, the mandatory effective date has subsequently been amended to 1 January 2019 by AASB 2016-7. The sub-department has not yet determined the application or the potential impact of AASB 15.</p>	1 Jan 2019
<p><i>AASB 2016-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107</i></p> <p>This Standard amends AASB 107 Statement of Cash Flows (August 2015) to require disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. There is no financial impact.</p>	1 Jan 2017
<p><i>AASB 2016-3 Amendments to Australian Accounting Standards – Clarifications to AASB 15</i></p> <p>This Standard clarifies identifying performance obligations, principal versus agent considerations, timing of recognising revenue from granting a licence, and, provides further transitional provisions to AASB 15. The sub-department has not yet determined the application or the potential impact.</p>	1 Jan 2018



## NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2017

	<b>Operative for reporting periods beginning on/after</b>
<p><i>AASB 2016-4 Amendments to Australian Accounting Standards – Recoverable Amount of Non-Cash-Generating Specialised Assets of Not-for-Profit Entities</i></p> <p>This Standard clarifies that the recoverable amount of primarily non-cash-generating assets of not-for-profit entities, which are typically specialised in nature and held for continuing use of their service capacity, is expected to be materially the same as fair value determined under AASB 13 <i>Fair Value Measurement</i>. The sub-department has not yet determined the application or the potential impact.</p>	1 Jan 2017
<p><i>AASB 2016-7 Amendments to Australian Accounting Standards – Deferral of AASB 15 for Not-for-Profit Entities</i></p> <p>This Standard amends the mandatory effective date (application date) of AASB 15 and defers the consequential amendments that were originally set out in AASB 2014-5 <i>Amendments to Australian Accounting Standards arising from AASB 15</i> for not-for-profit entities to annual reporting periods beginning on or after 1 January 2019, instead of 1 January 2018. There is no financial impact.</p>	1 Jan 2017
<p><i>AASB 2016-8 Amendments to Australian Accounting Standards - Australian Implementation Guidance for Not-for-Profit Entities</i></p> <p>This Standard inserts Australian requirements and authoritative implementation guidance for not-for-profit entities into AASB 9 and AASB 15. This guidance assists not-for-profit entities in applying those Standards to particular transactions and other events. There is no financial impact.</p>	1 Jan 2019
<p><i>AASB 2017-2 Amendments to Australian Accounting Standards – Further Annual Improvements 2014-2016 Cycle</i></p> <p>This Standard clarifies the scope of AASB 12 by specifying that the disclosure requirements apply to an entity's interests in other entities that are classified as held for sale, held for distribution to owners in their capacity as owners or discontinued operations in accordance with AASB 5. There is no financial impact.</p>	1 Jan 2017

**Changes in accounting estimates**

There have been no changes in accounting estimates during the year.

## NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2017

## Note 7. Employee benefits expense

	2017 \$000	2016 \$000
Wages and salaries	3,634	2,279
Superannuation <sup>(a)</sup>	272	153
Long service leave <sup>(b)</sup>	137	71
Annual leave <sup>(b)</sup>	358	211
Other related expenses	7	8
	<b>4,408</b>	<b>2,722</b>

(a) Includes West State, Gold State, GESB and other eligible funds.

(b) Includes a superannuation contribution component.

Employment on-costs expenses, such as workers' compensation insurance, are included at [Note 11](#) 'Other expenses'. Employment on-costs liability is included at [Note 17](#) 'Provisions'.

## Note 8. Supplies and services

	2017 \$000	2016 \$000
Communications	12	11
Contractors and professional services <sup>(a)</sup>	2,451	1,076
Consumables	22	56
Repairs and Maintenance	4	–
Travel	34	17

	2017 \$000	2016 \$000
Legal costs <sup>(b)</sup>	1,331	253
Other <sup>(c)</sup>	392	31
	<b>4,246</b>	<b>1,444</b>

(a) \$424,781 was relevant to payments for corporate services provided by the Department of Finance.

(b) \$46,985 was relevant to payments for legal advice to State Solicitor's Office.

(c) \$11,486 was relevant to payments for vehicle operating costs provided by the Department of Finance.

## Note 9. Accommodation expenses

	2017 \$000	2016 \$000
Cleaning	75	47
Lease rentals (a)	238	152
	<b>313</b>	<b>199</b>

(a) \$234,776 was relevant to lease rentals paid to the consolidated account.

## Note 10. Grants and subsidies

	2017 \$000	2016 \$000
Grants - recurrent	369	15
	<b>369</b>	<b>15</b>

## Note 11. Other expenses

	2017 \$000	2016 \$000
Minor equipment	72	2
Employment on-costs	1	–
Audit fees	14	–
Other	7	11
	<b>94</b>	<b>13</b>

## Note 12. Income

	2017 \$000	2016 \$000
<u>Grants and subsidies</u>	4,030	205
Grants and subsidies	4,030	205
<u>Other revenue</u>		
Recoups	–	28
Government Vehicle Scheme (GVS)	8	–
Other	7	55
	15	83
	<b>4,045</b>	<b>288</b>

## NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2017

## Note 13. Income from State Government

	2017 \$000	2016 \$000
Appropriation received during the period:		
Service appropriation <sup>(a)</sup>	7,413	3,370
	<u>7,413</u>	<u>3,370</u>
Services received free of charge from other State government agencies during the period:		
Department of Finance	51	34
State Solicitor's Office	60	2
	<u>111</u>	<u>36</u>
	<u><b>7,524</b></u>	<u><b>3,406</b></u>

(a) Service appropriation fund the net cost of services delivered. Appropriation revenue only comprises a cash component.

## Note 14. Receivables

	2017 \$000	2016 \$000
<u>Current</u>		
Receivables	–	61
GST receivable	206	73
	<u>206</u>	<u>134</u>
<b>Total current</b>	<u><b>206</b></u>	<u><b>134</b></u>

The sub-department does not hold any collateral or other credit enhancements as security for receivables.

## Note 15. Payables

	2017 \$000	2016 \$000
<u>Current</u>		
Trade payables	787	375
Accrued salaries	13	–
Accrued expenses	409	497
<b>Total current</b>	<u><b>1,209</b></u>	<u><b>872</b></u>

## Note 16. Other current liabilities

	2017 \$000	2016 \$000
<u>Current</u>		
Other liabilities <sup>(a)</sup>	1,746	–
<b>Total current</b>	<u><b>1,746</b></u>	<u><b>–</b></u>

(a) This liability relates to the reflow of Innovation Fund appropriation received from Treasury in 2016-17 to be repaid in 2017-18 and reallocated to the Department of Jobs, Tourism, Science and Innovation.

## Note 17. Provisions

	2017 \$000	2016 \$000
<u>Current</u>		
<i>Employee benefits provision</i>		
Annual leave <sup>(a)</sup>	282	175
Long service leave <sup>(b)</sup>	560	333
	<u>842</u>	<u>508</u>
Other provisions		
Employment on-costs <sup>(c)</sup>	2	1
	<u>2</u>	<u>1</u>
	<u><b>844</b></u>	<u><b>509</b></u>
<u>Non-current</u>		
<i>Employee benefits provision</i>		
Long service leave <sup>(b)</sup>	144	33
	<u>144</u>	<u>33</u>
Other provisions		
Employment on-costs <sup>(c)</sup>	–	–
	<u>–</u>	<u>–</u>
	<u><b>144</b></u>	<u><b>33</b></u>

(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 end of the reporting period.

## NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2017

Assessments indicate that actual settlement of the liabilities is expected to occur as follows:

	2017 \$000	2016 \$000
Within 12 months of the end of the reporting period	203	128
More than 12 months after the end of the reporting period	79	47
	<b>282</b>	<b>175</b>

(b) Long service leave liabilities have been classified as current where there is no unconditional right to defer settlement for at least 12 months after the end of the reporting period.

Assessments indicate that actual settlement of the liabilities is expected to occur as follows:

	2017 \$000	2016 \$000
Within 12 months of the end of the reporting period	251	96
More than 12 months after the end of the reporting period	453	270
	<b>704</b>	<b>366</b>

(c) The settlement of annual and long service leave liabilities gives rise to the payment of employment on-costs including workers' compensation insurance. The

provision is the present value of expected future payments. The associated expense, apart from the unwinding of the discount (finance cost), is disclosed in [Note 11](#) 'Other expenses'.

**Movements in other provisions**

	2017 \$000	2016 \$000
Movements in each class of provisions during the period, other than employee benefits, are set out below.		
<u>Employment on-cost provision</u>		
Carrying amount at start of period	1	–
Additional/(reversals of) provisions recognised	1	1
Payments/other sacrifices of economic benefits	–	–
Unwinding of the discount	–	–
<b>Carrying amount at end of period</b>	<b>2</b>	<b>1</b>

**Note 18. Equity**

The Western Australian Government holds the equity interest in the sub-department on behalf of the community. Equity represents the residual interest in the net assets of the sub-department.

**Accumulated surplus/(deficit)**

	2017 \$000	2016 \$000
Balance at start of period	(699)	–
Result for the period	2,139	(699)
Balance at end of period	<b>1,440</b>	<b>(699)</b>
Total equity/(Equity deficit) at end of period	<b>1,440</b>	<b>(699)</b>

**Note 19. Notes to the Statement of Cash Flows****Reconciliation of cash**

Cash at the end of the reporting period as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

	2017 \$000	2016 \$000
Cash and cash equivalents	5,177	581
	<b>5,177</b>	<b>581</b>

## NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2017

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

	2017 \$000	2016 \$000
Net cost of services	(5,385)	(4,105)
<u>Non-cash items</u>		
Services received free of charge (Note 13 'Income from State Government')	111	36
<u>(Increase)/decrease in assets</u>		
Current receivables <sup>(a)</sup>	54	(55)
<u>Increase/(decrease) in liabilities</u>		
Current payables <sup>(a)</sup>	224	606
Accrued salaries	13	–
Accrued employee benefits	536	747
Net GST receipts/payments <sup>(b)</sup>	330	82
Change in GST in receivables/payables <sup>(c)</sup>	(446)	(100)
<b>Net cash provided by/ (used in) operating activities</b>	<b>(4,563)</b>	<b>(2,789)</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 is the net GST paid/received, i.e. cash transactions.

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

**Note 20. Commitments****Non-cancellable operating lease commitments**

	2017 \$000	2016 \$000
Commitments for minimum lease payments are payable as follows:		
Within 1 year	569	193
Later than 1 year and not later than 5 years	–	193
	<u>569</u>	<u>386</u>

The sub-department has entered into a property lease which is a non-cancellable lease with a 3 year term, with rent payable monthly in advance. The lease term ends on 30/06/2018. No options exist.

**Other expenditure commitments**

	2017 \$000	2016 \$000
Other expenditure commitments for supplies and services contracted for at the end of the reporting period but not recognised as liabilities, are payable as follows:		
Within 1 year	1,251	360
Later than 1 year and not later than 5 years	–	–
	<u>1,251</u>	<u>360</u>

**Note 21. Related and affiliated bodies**

The sub-department has no related or affiliated bodies.

**Note 22. Events occurring after the end of the reporting period**

From 1 July 2017, the Innovation service has been transferred to the Department of Jobs, Tourism, Science and Innovation as part of the Machinery of Government Changes.

**Note 23. Remuneration of auditor**

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

	2017 \$000	2016 \$000
Auditing the accounts, financial statements, controls, and, key performance indicators	17	15



## NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2017

**Note 24. Compensation of Key Management Personnel**

The sub-department has determined that Key management personnel include the responsible Minister and senior officers of the sub-department. However, the sub-department is not obligated to compensate the responsible Minister and therefore disclosures in relation to Minister's compensation may be found in the *Annual Report on State Finances*.

Total compensation for senior officers of the sub-department for the reporting period are presented within the following bands:

	2017 \$000	2016 \$000
<b>Compensation Band (\$)</b>		
\$190,001 - 200,000	1	–
\$200,001 - 210,000	–	3
\$220,001 - 230,000	1	–
\$230,001 - 240,000	2	–
\$430,001 - 440,000	1	–
\$450,001 - 460,000	–	1
	<b>2017 \$000</b>	<b>2016 \$000</b>
Short-term employee benefits	1,060	870
Post-employment benefits	106	87
Other long-term benefits	154	117
Termination benefits	–	–
Total compensation of senior officers	<b>1,320</b>	<b>1,074</b>

**Note 25. Related Party Transactions**

The sub-department is a wholly owned and controlled entity of the State of Western Australia. In conducting its activities, the sub-department is required to pay various taxes and levies based on the standard terms and conditions that apply to all tax and levy payers to the State and entities related to State.

Related parties of the sub-department include:

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

**Significant transactions with government related entities**

Significant transactions include:

- service appropriation ([Note 13](#));
- services received free of charge from the Department of Finance and the State Solicitor's Office ([Note 13](#));

- lease rentals payments to the consolidated account ([Note 9](#));
- remuneration for services provided by the Auditor General ([Note 23](#));
- payments for legal advice to State Solicitor's Office ([Note 8](#));
- payments for corporate services provided by the Department of Finance ([Note 8](#));
- payments for vehicle operating costs provided by the Department of Finance ([Note 8](#));
- commitments for future lease payments to the consolidated account ([Note 20](#));
- grants and subsidies income received from Department of Treasury ([Note 12](#));
- other current liabilities related to the reflow of Innovation Fund appropriation received in 2016-17 to be repaid back to consolidated account in 2017-18 ([Note 16](#)).

**Material transactions with other related parties**

During the year, the sub-department paid \$184,869 in employee superannuation contributions to GESB.

The sub-department had no material related party transaction with Ministers/senior officers or their close family members or their controlled (or jointly controlled) entities for disclosure.

## NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2017

## Note 26. Explanatory Statement

All variance between estimates (original budget) and actual results for 2017, and between the actual results for 2017 and 2016 are shown below. Narratives are provided for selected major variances, which are generally greater than:

- 5% and \$88,000 for the Statement of Comprehensive Income and Cash Flows; and
- 5% and \$14,000 for the Statement of Financial Position

	Variance Note	Estimate 2017 \$000	Actual 2017 \$000	Actual 2016 \$000	Variance between estimate and actual \$000	Variance between actual results for 2017 and 2016 \$000
<b>Statement of Comprehensive Income (Controlled Operations)</b>						
<b>Expenses</b>						
Employee benefits expense	<a href="#">1</a>	3,085	4,408	2,722	1,323	1,686
Supplies and services	<a href="#">2</a>	986	4,246	1,444	3,260	2,802
Accommodation expenses	<a href="#">3</a>	281	313	199	32	114
Grants and subsidies	<a href="#">4</a>	–	369	15	369	354
Other expenses	<a href="#">5</a>	310	94	13	(216)	81
<b>Total cost of services</b>		<b>4,662</b>	<b>9,430</b>	<b>4,393</b>	<b>4,768</b>	<b>5,037</b>
<b>Income</b>						
<i>Revenue</i>						
Grants and subsidies	<a href="#">6</a>	1,275	4,030	205	2,755	3,825
Other revenue		–	15	83	15	(68)
<b>Total Revenue</b>		<b>1,275</b>	<b>4,045</b>	<b>288</b>	<b>2,770</b>	<b>3,757</b>
<b>Total income other than income from State Government</b>		<b>1,275</b>	<b>4,045</b>	<b>288</b>	<b>2,770</b>	<b>3,757</b>
<b>NET COST OF SERVICES</b>		<b>(3,387)</b>	<b>(5,385)</b>	<b>(4,105)</b>	<b>(1,998)</b>	<b>(1,280)</b>
<b>Income from State Government</b>						
Service appropriation	<a href="#">7</a>	3,387	7,413	3,370	4,026	4,043
Services received free of charge	<a href="#">8</a>	–	111	36	111	75
<b>Total income from State Government</b>		<b>3,387</b>	<b>7,524</b>	<b>3,406</b>	<b>4,137</b>	<b>4,118</b>
<b>SURPLUS/(DEFICIT) FOR THE PERIOD</b>		<b>–</b>	<b>2,139</b>	<b>(699)</b>	<b>2,139</b>	<b>2,838</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>–</b>	<b>2,139</b>	<b>(699)</b>	<b>2,139</b>	<b>2,838</b>

## NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2017

## Note 26. Explanatory Statement

### Major Estimate and Actual (2017) Variance Narratives

1. Additional funding was approved during the 2016-17 financial year for the salary costs associated with the GovNext-ICT and myWA projects, and the transfer of the Innovation Fund and its administration to Office of the Government Chief Information Officer (OGCIO).
2. Additional funding was approved during the 2016-17 financial year associated with the GovNext-ICT and myWA projects, and the transfer of the Innovation Fund and its administration to OGCIO.
4. Additional funding was approved during the 2016-17 financial year associated with the transfer of the Innovation Fund and its administration to OGCIO, including grant expenditure, such as the Innovator of the Year awards.
5. Corporate Service charges from the Department of Finance were initially budgeted against other expenses but have been recognised against supplies and services.
6. Additional funding was approved from the ICT Renewal and Reform Fund for the GovNext-ICT and myWA projects during the 2016-17 financial year.
7. Additional funding was approved during the 2016-17 financial year associated with the transfer of the Innovation Fund and its administration to OGCIO.
8. Services provided by the State Solicitor's Office and Department of Finance as resources free of charge were not anticipated in initial budget allocations.

### Major Actual (2017) and Comparative (2016) Variance Narratives

1. Additional funding was approved during the 2016-17 financial year for the salary costs associated with the GovNext-ICT and myWA projects, and the transfer of the Innovation Fund and its administration to OGCIO.
2. Additional funding was approved during the 2016-17 financial year associated with the GovNext-ICT and myWA projects, and the transfer of the Innovation Fund and its administration to OGCIO.
3. Additional funding was approved during the 2016-17 financial year for increased accommodation requirements associated with staffing increases for the GovNext-ICT and myWA projects, and the transfer of the Innovation Fund and its administration to OGCIO.
4. Additional funding was approved during the 2016-17 financial year associated with the transfer of the Innovation Fund and its administration to OGCIO, including grant expenditure, such as the Innovator of the Year Awards.
6. Additional funding was approved from the ICT Renewal and Reform Fund for the GovNext-ICT and myWA projects during the 2016-17 financial year.
7. Additional funding was approved during the 2016-17 financial year associated with the transfer of the Innovation Fund and its administration to OGCIO.

## NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2017

## Note 26. Explanatory Statement

	Variance Note	Estimate 2017 \$000	Actual 2017 \$000	Actual 2016 \$000	Variance between estimate and actual \$000	Variance between actual results for 2017 and 2016 \$000
<b>Statement of Financial Position (Controlled Operations)</b>						
<b>ASSETS</b>						
<b>Current Assets</b>						
Cash and cash equivalents	<u>1</u>	–	5,177	581	5,177	4,596
Receivables		–	206	134	206	72
<b>Total Current Assets</b>		–	<b>5,383</b>	<b>715</b>	<b>5,383</b>	<b>4,668</b>
<b>Non-Current Assets</b>						
Amounts receivable for services		–	–	–	–	–
<b>Total Non-Current Assets</b>		–	–	–	–	–
<b>TOTAL ASSETS</b>		–	<b>5,383</b>	<b>715</b>	<b>5,383</b>	<b>4,668</b>
<b>LIABILITIES</b>						
<b>Current Liabilities</b>						
Payables		–	1,209	872	1,209	337
Other current liabilities	<u>2</u>	–	1,746	–	1,746	1,746
Provisions	<u>3</u>	–	844	509	844	335
<b>Total Current Liabilities</b>		–	<b>3,799</b>	<b>1,381</b>	<b>3,799</b>	<b>2,418</b>
<b>Non-Current Liabilities</b>						
Provisions	<u>4</u>	–	144	33	144	111
<b>Total Non-Current Liabilities</b>		–	<b>144</b>	<b>33</b>	<b>144</b>	<b>111</b>
<b>TOTAL LIABILITIES</b>		–	<b>3,943</b>	<b>1,414</b>	<b>3,943</b>	<b>2,529</b>

## NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2017

## Note 26. Explanatory Statement

<b>NET ASSETS</b>	–	<b>1,440</b>	<b>(699)</b>	<b>1,440</b>	<b>2,139</b>
<b>EQUITY</b>					
Contributed equity	–	–	–	–	–
Accumulated surplus/(deficit)	–	1,440	(699)	1,440	2,139
<b>TOTAL EQUITY/(EQUITY DEFICIT)</b>	–	<b>1,440</b>	<b>(699)</b>	<b>1,440</b>	<b>2,139</b>

**Major Estimate and Actual (2017) Variance Narratives**

No balance sheet items were budgeted for the OGCI0 as the sub-department only came into existence in 2015-16 and no balance sheet closing balances were available prior to the publication of the 2016-17 budget papers.

**Major Actual (2017) and Comparative (2016) Variance Narratives**

1. A number of projects were not able to be fully expended in 2016-17 with carryovers subsequently approved for the myWA and GovNext-ICT projects, and the Innovation Fund.
2. This amount relates to the return to Treasury of appropriation funding approved for reflow into 2017-18 in relation to the Innovation Fund.
3. Increasing leave liabilities associated with increased staffing due to approvals for myWA and GovNext-ICT projects, and the transfer of the Innovation Fund and its administration to OGCI0.
4. Increasing leave liabilities associated with increased staffing as a result of approvals for myWA and GovNext-ICT projects, and the transfer of the Innovation Fund and its administration to OGCI0.



## NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2017

## Note 26. Explanatory Statement

	Variance Note	Estimate 2017 \$000	Actual 2017 \$000	Actual 2016 \$000	Variance between estimate and actual \$000	Variance between actual results for 2017 and 2016 \$000
<b>Statement of Cash Flows (Controlled Operations)</b>						
<b>CASH FLOWS FROM STATE GOVERNMENT</b>						
Service appropriation	<u>1</u>	3,387	9,159	3,370	5,772	5,789
<b>Net cash provided by State Government</b>		<b>3,387</b>	<b>9,159</b>	<b>3,370</b>	<b>5,772</b>	<b>5,789</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
<b>Payments</b>						
Employee benefits	<u>2</u>	(3,085)	(3,862)	(1,975)	(777)	(1,887)
Supplies and services	<u>3</u>	(986)	(3,945)	(819)	(2,959)	(3,126)
Accommodation	<u>4</u>	(281)	(313)	(200)	(32)	(113)
Grants and subsidies	<u>5</u>	–	(369)	–	(369)	(369)
GST payments on purchases	<u>6</u>	–	(453)	(103)	(453)	(350)
Other payments	<u>7</u>	(379)	(58)	(11)	321	(47)
<b>Receipts</b>						
Grants and contributions	<u>8</u>	1,275	4,030	205	2,755	3,825
GST receipts on sales		69	7	3	(62)	4
GST receipts from taxation authority	<u>9</u>	–	330	82	330	248
Other receipts		–	70	28	70	42
<b>Net cash provided by/(used in) operating activities</b>		<b>(3,387)</b>	<b>(4,563)</b>	<b>(2,789)</b>	<b>(1,176)</b>	<b>(1,774)</b>
Net increase/(decrease) in cash and cash equivalents		–	4,596	581	4,596	4,015
Cash and cash equivalents at the beginning of the period		–	581	–	581	581
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>		<b>–</b>	<b>5,177</b>	<b>581</b>	<b>5,177</b>	<b>4,596</b>

## NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2017

**Note 26. Explanatory Statement****Major Estimate and Actual (2017) Variance Narratives**

1. Additional funding was approved during the 2016-17 financial year associated with the transfer of the Innovation Fund and its administration to OGCIO.
2. Additional funding was approved during the 2016-17 financial year for the salary costs associated with the GovNext-ICT and myWA projects, and the transfer of the Innovation Fund and its administration to OGCIO.
3. Additional funding was approved during the 2016-17 financial year associated with the GovNext-ICT and myWA projects, and the transfer of the Innovation Fund and its administration to OGCIO.
5. Additional funding was approved during the 2016-17 financial year associated with the transfer of the Innovation Fund and its administration to OGCIO, including grant expenditure, such as the Innovator of the Year Awards.
6. No budget was initially identified for the GST impacts of OGCIO activities.
7. Corporate Service charges from the Department of Finance were initially budgeted against other expenses but have been recognised against supplies and services.
8. Additional funding was approved from the ICT Renewal and Reform Fund for the GovNext-ICT and myWA projects during the 2016-17 financial year.
9. No budget was initially identified for the GST impacts of OGCIO activities.

**Major Actual (2017) and Comparative (2016) Variance Narratives**

1. Additional funding was approved during the 2016-17 financial year associated with the transfer of the Innovation Fund and its administration to OGCIO.
2. Additional funding was approved during the 2016-17 financial year for the salary costs associated with the GovNext-ICT and myWA projects, and the transfer of the Innovation Fund and its administration to OGCIO.
3. Additional funding was approved during the 2016-17 financial year associated with the GovNext-ICT and myWA projects, and the transfer of the Innovation Fund and its administration to OGCIO.
4. Additional funding was approved during the 2016-17 financial year for increased accommodation requirements associated with staffing increases for the GovNext-ICT and myWA projects, and the transfer of the Innovation Fund and its administration to OGCIO.
5. Additional funding was approved during the 2016-17 financial year associated with the transfer of the Innovation Fund and its administration to OGCIO, including grant expenditure, such as the Innovator of the Year Awards.
6. The GST impacts of OGCIO activities increased as project activity grew in 2016-17.
8. Additional funding was approved from the ICT Renewal and Reform Fund for the GovNext-ICT and myWA projects during the 2016-17 financial year.
9. The GST impacts of OGCIO activities increased as project activity grew in 2016-17.

## NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2017

**Note 27. Financial instruments****(a) Financial risk management objectives and policies**

Financial instruments held by the sub-department are cash and cash equivalents, receivables, payables and other current liabilities. The sub-department has limited exposure to financial risks. The sub-department's overall risk management program focuses on managing the risks identified below.

*Credit risk*

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

The maximum exposure to credit risk at the end of the reporting period in relation to each class of recognised financial assets is the gross carrying amount of those assets inclusive of any allowance for impairment as shown in the table at [Note 27\(c\)](#) 'Financial instruments disclosures' and [Note 14](#) 'Receivables'.

Credit risk associated with the sub-department's financial assets is minimal. For receivables other than government, the sub-department trades only with recognised, creditworthy third parties. The sub-department utilises Department of Finance policies 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 sub-department's exposure to bad debts is minimal. At the end of the reporting period there were no significant concentrations of credit risk.

*Liquidity risk*

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

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

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

*Market risk*

Market risk is the risk that changes in market prices such as foreign exchange rates and interest rates will affect the sub-department's income or the value of its holdings of financial instruments. The sub-department does not trade in foreign currency and is not materially exposed to other price risks.

Other than as detailed in the interest rate sensitivity analysis table at [Note 27\(c\)](#), the sub-department is not exposed to interest rate risk because the majority of cash and cash equivalents are non-interest bearing.

**(b) Categories of financial instruments**

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

	2017 \$000	2016 \$000
<u>Financial Assets</u>		
Cash and cash equivalents	5,177	581
Receivables <sup>(a)</sup>	–	61
	<u>5,177</u>	<u>642</u>
<u>Financial Liabilities</u>		
Payables <sup>(b)</sup>	1,209	872
Other current liabilities	1,746	–
	<u>2,955</u>	<u>872</u>

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

(b) The amount of payables excludes GST payable to the ATO (statutory payable).

## NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2017

**(c) Financial instrument disclosures***Credit risk*

The following table details the sub-department's maximum exposure to credit risk and the ageing analysis of financial assets. The sub-department'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 sub-department.

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

		Ageing analysis of financial assets						
		Carrying Amount \$000	Not past due and not impaired \$000	Past due but not impaired				Impaired financial assets \$000
				Up to 1 month \$000	1 - 3 months \$000	3 months to 1 year \$000	1 - 5 years \$000	
<b>2017</b>								
	Cash and cash equivalents	5,177	5,177	–	–	–	–	–
	Receivables <sup>(a)</sup>	–	–	–	–	–	–	–
		<b>5,177</b>	<b>5,177</b>	–	–	–	–	–
<b>2016</b>								
	Cash and cash equivalents	581	581	–	–	–	–	–
	Receivables <sup>(a)</sup>	61	–	61	–	–	–	–
		<b>642</b>	<b>581</b>	<b>61</b>	–	–	–	–

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

## NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2017

*Liquidity risk and interest rate exposure*

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

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

	Carrying Amount \$000	Interest Rate Exposure			Nominal Amount \$000	Maturity Dates			
		Fixed interest rate \$000	Variable interest rate \$000	Non-interest bearing \$000		Up to 1 month \$000	1-3 months \$000	3 months to 1 year \$000	1 - 5 years \$000
<b>2017</b>									
<u>Financial Assets</u>									
Cash and cash equivalents	5,177	–	–	5,177	5,177	5,177	–	–	–
Receivables <sup>(a)</sup>	–	–	–	–	–	–	–	–	–
	<b>5,177</b>	–	–	<b>5,177</b>	<b>5,177</b>	<b>5,177</b>	–	–	–
<u>Financial Liabilities</u>									
Payables <sup>(b)</sup>	1,209	–	–	1,209	1,209	1,209	–	–	–
Other current liabilities	1,746	–	–	1,746	1,746	1,746	–	–	–
	<b>2,955</b>	–	–	<b>2,955</b>	<b>2,955</b>	<b>2,955</b>	–	–	–
<b>2016</b>									
<u>Financial Assets</u>									
Cash and cash equivalents	581	–	–	581	581	581	–	–	–
Receivables <sup>(a)</sup>	61	–	–	61	61	61	–	–	–
	<b>642</b>	–	–	<b>642</b>	<b>642</b>	<b>642</b>	–	–	–
<u>Financial Liabilities</u>									
Payables <sup>(b)</sup>	872	–	–	872	872	872	–	–	–
	<b>872</b>	–	–	<b>872</b>	<b>872</b>	<b>872</b>	–	–	–

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

(b) The amount of payables excludes the GST payable to the ATO (statutory payable).

*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 a reasonable approximation of fair value unless otherwise stated in the applicable notes.



## NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2017

## Note 28. Special purpose accounts - administered

*ICT Renewal and Reform Fund* <sup>(a)</sup>

The purpose of the account is to expedite the delivery of Information and Communication Technology (ICT) reform across the Western Australia Public Sector in an efficient and cost-effective manner as approved by the Economic and Expenditure Reform Committee and/or Cabinet.

	<b>2017</b>	<b>2016</b>
	<b>\$000</b>	<b>\$000</b>
Balance at start of period	5,224	-
Receipts	5,632	5,429
Payments	(4,030)	(205)
<b>Balance at end of period</b>	<b>6,826</b>	<b>5,224</b>

(a) Established under section 16(1)(d) of *Financial Management Act 2006*.

## Note 29. Supplementary financial information

**(a) Write-offs**

No public property was written-off by the sub-department during the reporting period.

**(b) Losses through theft, defaults and other causes**

	<b>2017</b>	<b>2016</b>
	<b>\$000</b>	<b>\$000</b>
Losses of public money and public and other property through theft or default	-	-
Amounts recovered	-	-
	<u>-</u>	<u>-</u>

**(c) Gifts of public property**

	<b>2017</b>	<b>2016</b>
	<b>\$000</b>	<b>\$000</b>
Gifts of public property provided by the sub-department	-	-
	<u>-</u>	<u>-</u>

## NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2017

## Note 30. Explanatory Statement for Administered Items - Income and Expenses

All variance between estimates (original budget) and actual results for 2017, and between the actual results for 2017 and 2016 are shown below. Narratives are provided for key major variances, which are generally greater than 5% and \$109,000.

	Variance Note	Estimate 2017 \$000	Actual 2017 \$000	Actual 2016 \$000	Variance between estimate and actual \$000	Variance between actual results for 2017 and 2016 \$000
<b>INCOME FROM ADMINISTERED ITEMS</b>						
<u>Income</u>						
Administered grants and transfer payments		5,632	5,632	5,429	–	203
<b>Total administered income</b>		<b>5,632</b>	<b>5,632</b>	<b>5,429</b>	<b>–</b>	<b>203</b>
<u>Expenses</u>						
ICT renewal and reform fund	1	5,632	4,128	205	(1,504)	3,923
<b>Total administered expenses</b>		<b>5,632</b>	<b>4,128</b>	<b>205</b>	<b>(1,504)</b>	<b>3,923</b>

**Major Estimate and Actual (2017) Variance Narratives**

1. Funding allocated to the ICT Renewal and Reform Fund was budgeted to be fully allocated during the financial year. Approved project allocations were lower than anticipated as some project requirements for GovNext-ICT and myWA have been deferred to 2017-18.

**Major Actual (2017) and Comparative (2016) Variance Narratives**

1. Project approvals increased in 2016-17 as activity by OGCI0 moved into the implementation phase of the whole-of-government ICT strategy.

## NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2017

## Note 31. Administered assets and liabilities

	<b>2017</b>	<b>2016</b>
	<b>\$000</b>	<b>\$000</b>
<u>Current Assets</u>		
Cash and cash equivalents	6,826	5,224
<b>Total Administered Current Assets</b>	<b>6,826</b>	<b>5,224</b>
<b>TOTAL ADMINISTERED ASSETS</b>	<b>6,826</b>	<b>5,224</b>
<u>Current Liabilities</u>		
Payables	98	–
<b>Total Administered Current Liability</b>	<b>98</b>	<b>–</b>
<b>TOTAL ADMINISTERED LIABILITIES</b>	<b>98</b>	<b>–</b>